GOVERNOR TOM WOLF

2015 - 2016 PENNSYLVANIA EXECUTIVE BUDGET

COMMONWEALTH OF PENNSYLVANIA
OFFICE OF THE GOVERNOR
HARRISBURG

THE GOVERNOR

March 3, 2015

To the People of Pennsylvania:

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

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

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

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

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

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

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

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

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

Sincerely,

Tom Wolf

Tom Wolf

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

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

To view the Governor's Executive Budget online or learn more about the Pennsylvania Office of the Budget, go to www.budget.state.pa.us. To learn more about the Commonwealth of Pennsylvania, go to www.pa.gov.

Overview of Sections within the Budget

Preface

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

Reader's Guide

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

A. Overview and Summaries

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

B. Program Budget Summary

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

C. Summary by Fund

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

D. Tax Expenditures

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

E. Department Presentations

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

F. Capital Budget

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

G. Public Debt

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

H. Other Special Funds

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

I. Complement

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

J. Statistical Data

Provides historical data for various Pennsylvania economic indicators.

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Reader's Guide

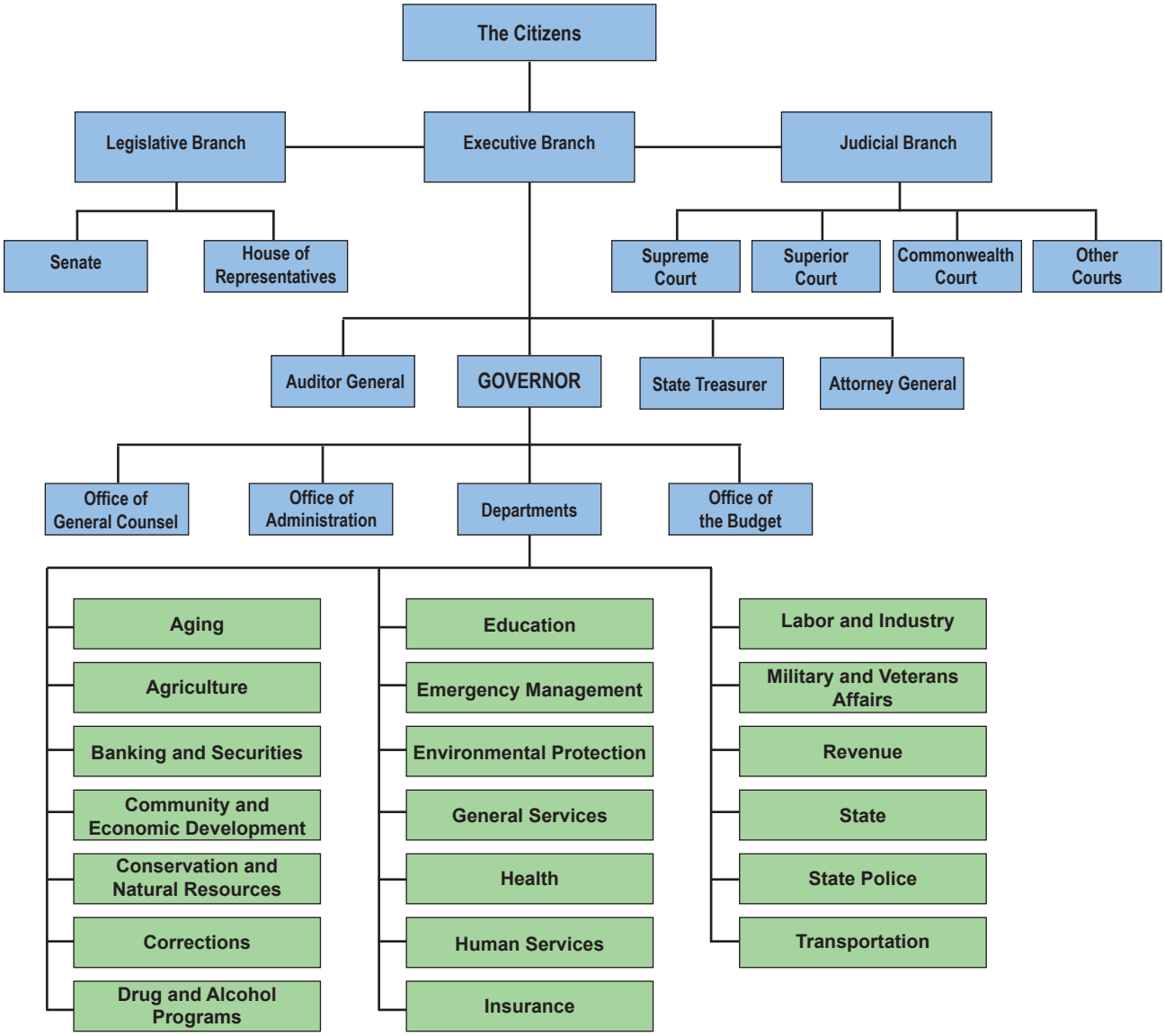
This section of the budget is intended to assist readers with interpreting and understanding the content of the Governor's recommended budget.

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

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

To view the Governor's Executive Budget online or learn more about the Pennsylvania Office of the Budget, go to www.budget.state.pa.us. To learn more about the Commonwealth of Pennsylvania, go to www.pa.gov.

Commonwealth of Pennsylvania
Organization Chart



AGENCIES

Higher Education Assistance
Housing Finance
Interstate Agencies

AUTHORITIES

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

BOARDS

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

COMMISSIONS

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

The Budget Process

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

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

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

PHASES OF THE BUDGET PROCESS

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

Preparation

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

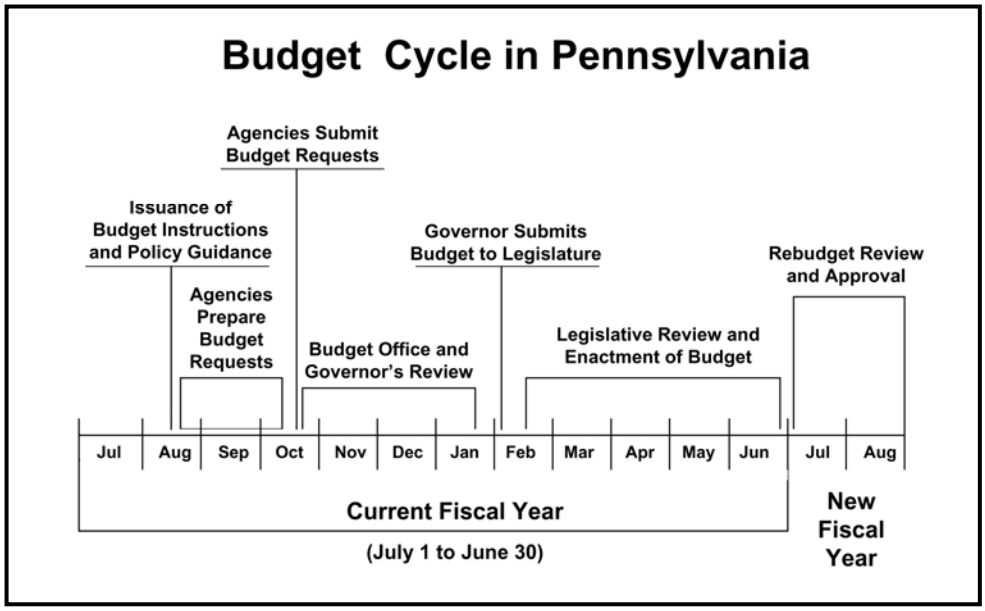
Agency budget requests are submitted to the Governor's Budget Office beginning in early October. Agencies prepare and submit their requests electronically. The Agency Program Plan, the programmatic presentation of agency budget requests, and the appropriation-level information are prepared and submitted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

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

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

Approval

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



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

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

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

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

Execution

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

Audit

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

The Capital Budget Process

Preparation, Submission and Approval

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

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

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

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

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

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

Capital Project Activation

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

Debt Financing vs. Current Revenue Financing

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

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

The Commonwealth's Program Budget Structure

COMMONWEALTH PROGRAM PLAN

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

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

Program Budget Structure

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

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

Department Presentations

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

Mission Statement

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

Organization Overview

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

Summary by Fund and Appropriation

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

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

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

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

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

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

Program Funding Summary

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

Program Presentation

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

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

Program Presentation

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

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

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

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

Program Measures

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

OTHER SPECIAL FUNDS

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

The Summary by Fund and Appropriation

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

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

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

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

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

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

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

Summary by Fund

GENERAL FUND:

General Government:

General Government Operations .....

(F) Surface Mine Conservation.....

(A) Department Services .....

Subtotal .....

Environmental Program Management .....

(F) Coastal Zone management.....

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

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

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

Subtotal .....

Subtotal - State Funds .....

Subtotal - Federal Funds .....

Subtotal - Augmentations.....

Subtotal - Restricted Revenues .....

Total - General Government.....

Grants and Subsidies:

Black Fly Control and Research .....

West Nile Virus Control .....

Delaware River Master.....

Interstate Mining Commission.....

Susquehanna River Basin Commission .....

Delaware River Basin Commission .....

Chesapeake Bay Commission .....

Total - Grants and Subsidies.....

STATE FUNDS .....

FEDERAL FUNDS.....

AUGMENTATIONS.....

RESTRICTED REVENUES.....

GENERAL FUND TOTAL .....

MOTOR LICENSE FUND:

General Government:

Dirt and Gravel Roads .....

MOTOR LICENSE FUND TOTAL .....

OTHER FUNDS:

GENERAL FUND:

Safe Drinking Water Account .....

ACID MINE DRAINAGE ABATEMENT AND TREATMENT FUND:

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

DEPARTMENT TOTAL - ALL FUNDS

GENERAL FUND.....

SPECIAL FUNDS .....

FEDERAL FUNDS.....

AUGMENTATIONS .....

RESTRICTED.....

OTHER FUNDS.....

TOTAL ALL FUNDS.....

pennsylvania

Environmental Protection and Appropriation

(Dollar Amounts in Thousands)

	2013-14 ACTUAL	2014-15 AVAILABLE	2015-16 BUDGET
	$ 10,400	**$ 10,500**	**$ 10.600**
	413	630	680
	154	75	75
	$ 10,967	$ 11,205	$ 11,355
	21,325	**21,424**	**22,524**
	4,700	4,700	4,700
	2,300	2,300	2,300
	91	85	85
	1,500	1,500	1,500
	$ 29,916	$ 30,009	$ 31,109
	$ 31,725	$ 31,924	$ 33,124
	7,413	7,630	7,680
	245	160	160
	1,500	1,500	1,500
	$ 40,883	$ 41,214	$ 42,464
	$ 3,250	**$ 3,250**	**$ 3,250**
	3,676	**3,676**	**3,776**
	76	**76**	**76**
	25	**25**	**30**
	490	**500**	**490**
	1,000	**1,000**	**1,000**
	190	**190**	**200**
	$ 8,707	$ 8,717	$ 8,822
	$ 40,432	$ 40,641	$ 41,946
	7,413	7,630	7,680
	245	160	160
	1,500	1,500	1,500
	$ 49,590	**$ 49,931**	**$ 51,286**
	$ 4,000	**$ 4,000**	**$ 4,000**
	$ 4,000	**$ 4,000**	**$ 4,000**
	$ 549	$ 658	$ 470
	$ 5,500	$ 5,500	$ 5,500
	$ 40,432	$ 40,641	$ 41,946
	4,000	4,000	4,000
	7,413	7,630	7,680
	245	160	160
	1,500	1,500	1,500
	6,049	6,158	5,970
	$ 59,639	**$ 60,089**	**$ 61,256**

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

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

Identifies selected restricted accounts.

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

Program Presentation

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

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

General Government Operations *— Identifies a specific appropriation.*

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

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

PROGRAM OBJECTIVE: To protect and improv
the health and safety of the citizens of the comm
or unnecessary radiation from natural and man-m
exposure and to manage water and mineral reso
destruction and depletion while allowing economi

Program: Environmental Protectio

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

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

Program Recommendations:

This budge

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

Appropriations within this Program:

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

Program

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

Environmental Protection

e the quality of the air, water and environment for onwealth, to protect the people from dangerous ade sources, including occupational and medical urces in a way which ensures against their undue ic benefits from their use.

n and Management

CLEAN AIR

Program Element: Protection of Air Quality

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

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

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

		West Nile Virus Control
$	100	—to continue current program.
		Interstate Mining Commission
$	5	—to continue current program.
		Susquehanna River Basin Commission
$	–10	—nonrecurring project.
		Chesapeake Bay Commission
$	10	—to continue current program.

(Dollar Amounts in Thousands)

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

Measures

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

Identifies the agency being presented.

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

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

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

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

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

Basis of Budgeting and Basis of Accounting for Financial Reporting

Basis of Budgeting For Control and Compliance – Modified Cash Basis

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

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

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

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

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

Basis of Accounting for Financial Reporting – GAAP Modified Accrual Basis

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

Accounting Differences in GAAP Financial Reporting versus Budgetary Reporting

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

Significant Financial Policies

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

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

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

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

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

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

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

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

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

Terms Used in the Budget Process

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Workforce: Persons employed by the commonwealth.

Federal Funds Identification

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

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

Website Links to Commonwealth Agencies

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

- Aging
- Agriculture
- Attorney General
- Auditor General
- Banking and Securities
- Civil Service Commission
- Community and Economic Development
- Conservation and Natural Resources
- Corrections
- Drug and Alcohol Programs
- Education
- eHealth Partnership Authority
- Emergency Management Agency
- Environmental Protection
- Ethics Commission
- Executive Offices
  - Office of Administration
  - Office of General Counsel
  - Office of Inspector General
  - Office of the Budget
  - Commission on Crime and Delinquency
  - Council on the Arts
  - Juvenile Court Judges Commission
- Fish and Boat Commission
- Game Commission
- Gaming Control Board
- General Services
- Governor's Office
- Health
- Higher Education Assistance Agency
- Historical and Museum Commission
- Housing Finance Agency
- Human Services
- Infrastructure Investment Authority (PENNVEST)
- Insurance
- Judiciary
- Labor and Industry
- Legislature
- Liquor Control Board
- Lieutenant Governor's Office
- Military and Veterans Affairs
- Milk Marketing Board
- Probation and Parole Board
- Public School Employees' Retirement System
- Public Utility Commission
- Revenue
- State
- State Employees' Retirement System
- State Police
- Transportation
- Treasury

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

Governor's Executive Budget

For the **2015-16 Governor's Executive Budget** click here:

Budget in Brief

The Budget in Brief booklet provides summary information on the major themes in the 2015-16 Governor's Executive Budget.

For the **2015-16 Budget in Brief** click here:

Budget Dashboard

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

For the **2015-16 Proposed Budget Dashboard** click here:

Report on State Performance

The Report on State Performance allows readers to review the activities and accomplishments of 30 commonwealth agencies and see state government efforts to deliver quality services and improve the lives of Pennsylvanians.

For the **2013-14 Report on State Performance** click here:

Workforce Statistics Dashboard

The State Government Workforce Statistics Dashboard allows readers to review graphical presentations of workforce statistics for agencies under the governor's jurisdiction, including general employment trends, equal employment opportunity elements, comparison of labor unions, employee mobility patterns and detailed employment characteristics. The dashboard also compares the size of Pennsylvania's workforce to that of other states.

For the **2014 Workforce Statistics Dashboard** click here:

Commonwealth of Pennsylvania

Governor's Executive Budget

Overview and Summaries

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Fiscal and Program Policy Direction and Budget Themes

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

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

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

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Fiscal and Program Policy Direction

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

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

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

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

Budget Instructions

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

FY 2015-16 Budget Instruction

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

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

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

Program Policy Guidance

FY 2015-16 Program Policy

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

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

Performance Measurement

Measuring Program Results

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

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

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

Governor's Introduction

INTRODUCTION

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

JOBS THAT PAY

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

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

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

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

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

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

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

SCHOOLS THAT TEACH

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

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

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

GOVERNMENT THAT WORKS

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

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

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

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

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

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

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

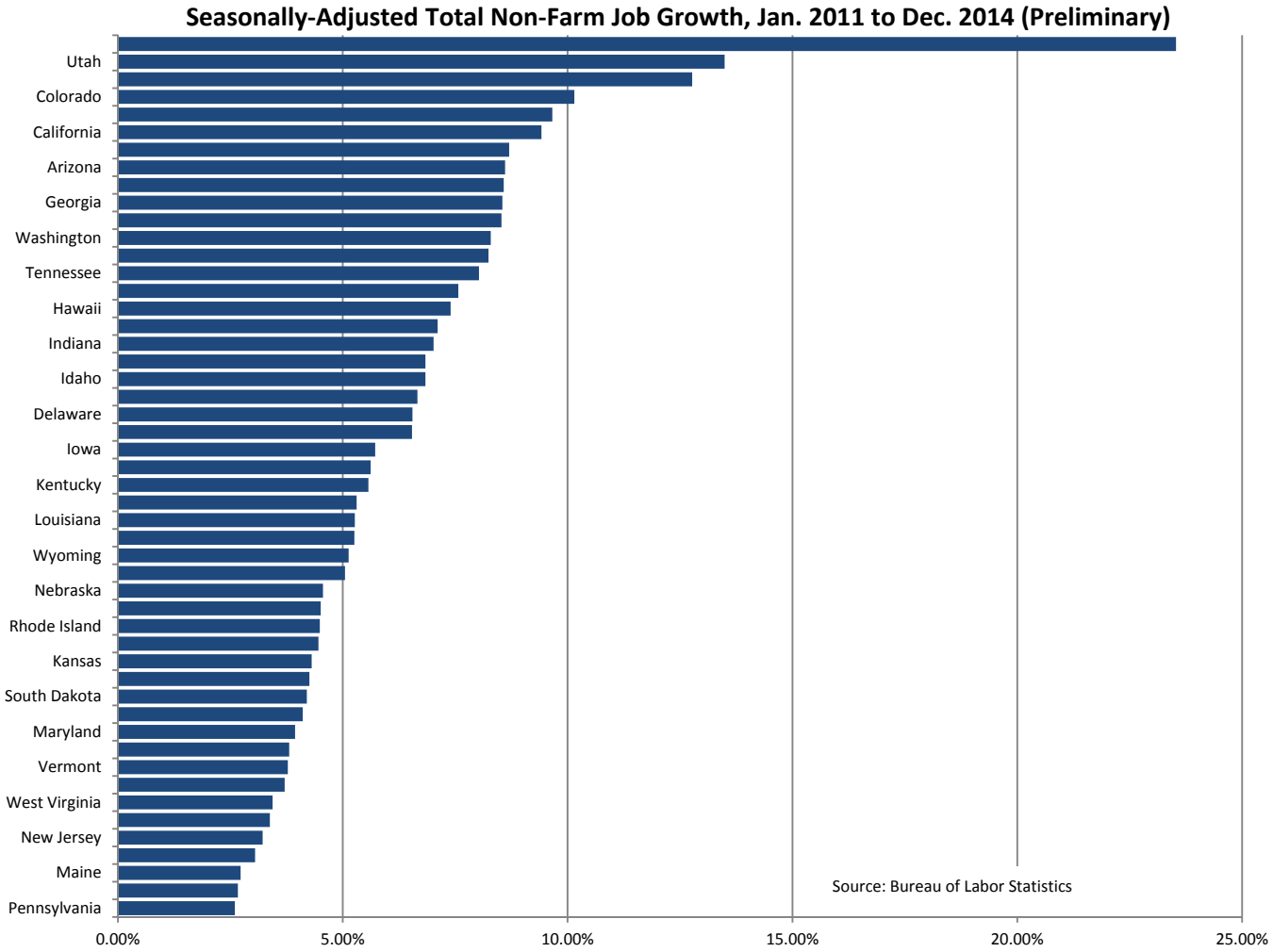
This budget is different. It is bold, and it has big ideas that will help to rebuild Pennsylvania's middle class. My budget makes historic investments in education, and it solves problems that have been languishing without solutions for too long. It is time for Pennsylvania to do big things. It is time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

Jobs that Pay

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

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

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



A Competitive Tax Plan for More Jobs and Stronger Communities

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

Creating a Pro-Growth Business Climate

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

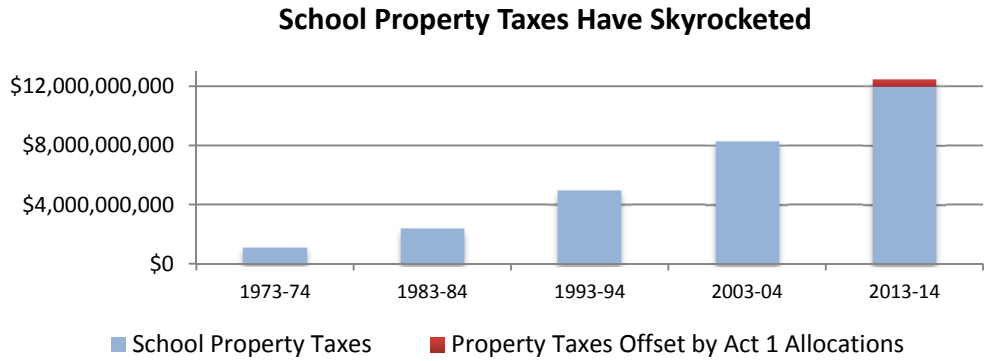
- **Ending Pennsylvania's Status as the Second-Highest Corporate Tax State.** The 2015-16 Budget reduces the Corporate Net Income Tax (CNIT) from 9.99 percent to 5.99 percent – improving the commonwealth's ranking from second-highest to fourteenth-lowest and bringing Pennsylvania's tax rate below the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

Making Property Tax Relief a Reality

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

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

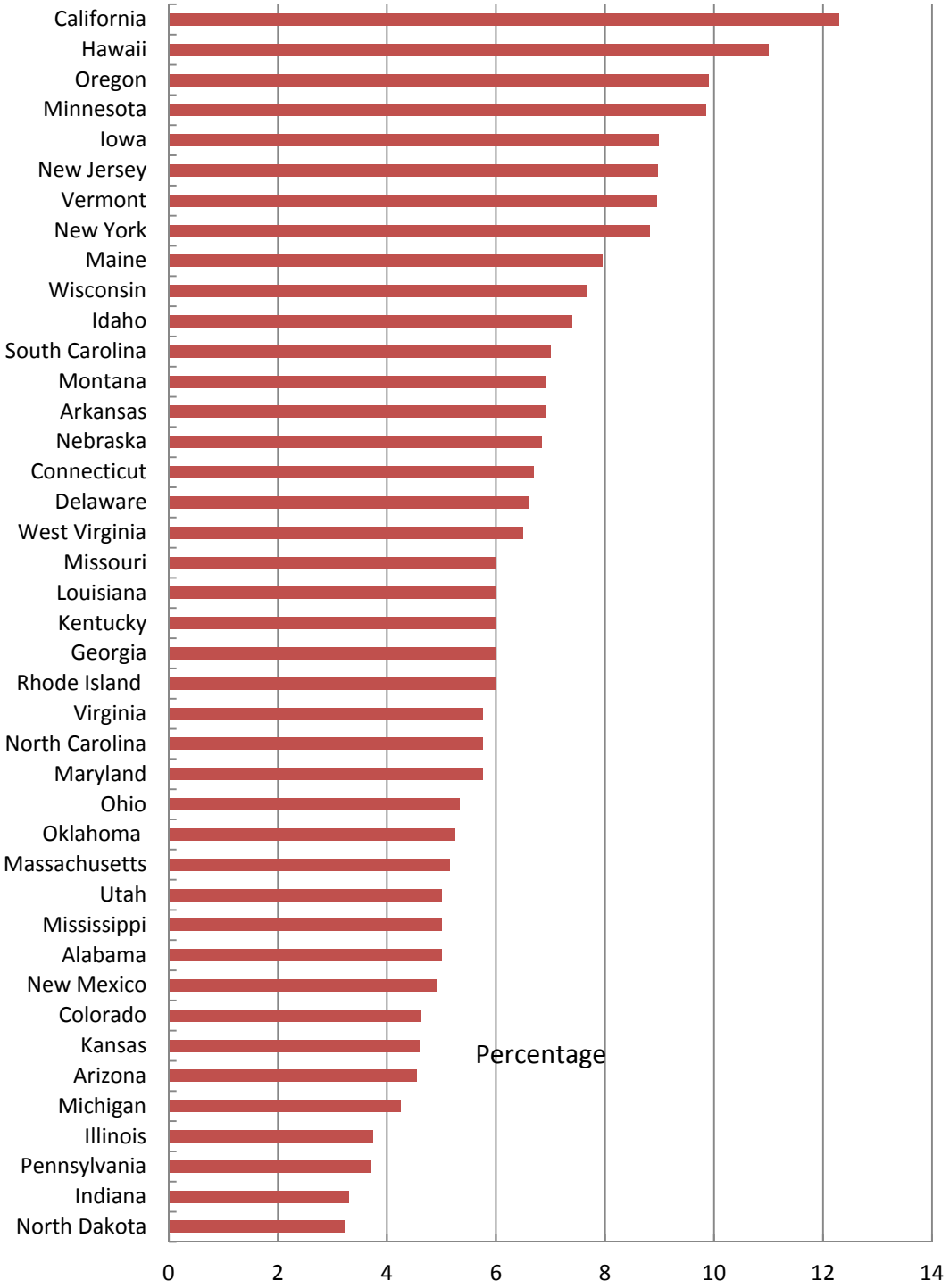
In addition, renters having $50,000 or less in household income will receive a **rent rebate, capped at $500**.



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

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

Maximum Personal Income Tax Rate (2015)



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

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

(Dollar Amounts in Millions)

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

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

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

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

An Economic Growth Plan for Pennsylvania Jobs

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

Building Pennsylvania's Manufacturing Sector

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

- **Made In Pennsylvania Job Creation Program.** To further encourage job growth, the 2015-16 Budget includes a $5 million tax credit that will be distributed to manufacturing companies that are creating good-paying, middle-class jobs. The commonwealth will provide cash payments of up to 5 percent of new taxable payroll to manufacturing companies that increase their annual taxable payroll by at least $1 million over a four-quarter period. In order to qualify, these new jobs must be full-time, have an average wage equal to or above the average county wage in which the company is locating or expanding, and include competitive health benefits. Companies will be required to maintain jobs for five years, and be accountable for wage and benefit standards. This initiative is funded through the elimination of underperforming tax credits.

- **IRC Manufacturing Initiative.** The 2015-16 Budget provides $5 million for a new initiative that combines the knowledge and experience of the state's Industrial Resource Centers with the breaking technological advances of our higher education sector. The IRC Manufacturing Initiative will mobilize the talents of Pennsylvania's research universities to advance manufacturing technology and commercialization. It is anticipated that the state investment will be leveraged by a 3:1 ratio for federal and private investment.

Harnessing Marcellus Shale Resources to Support Economic Growth Statewide

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

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

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

Investing in Proven Job-Creation Programs

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

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

Affordable Housing and Stable Communities

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

Securing Our Future with Smart Infrastructure

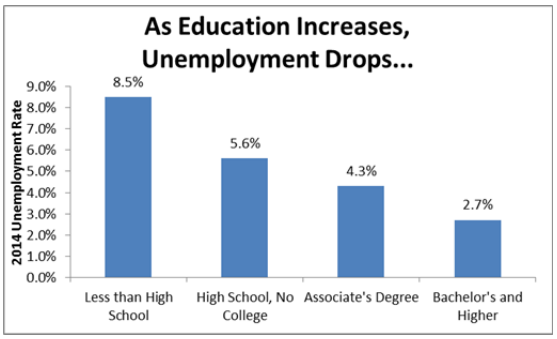
Infrastructure investments result in job creation, business growth and livable communities. The 2015-16 Budget represents a $1 billion investment in transportation, water and sewer infrastructure:

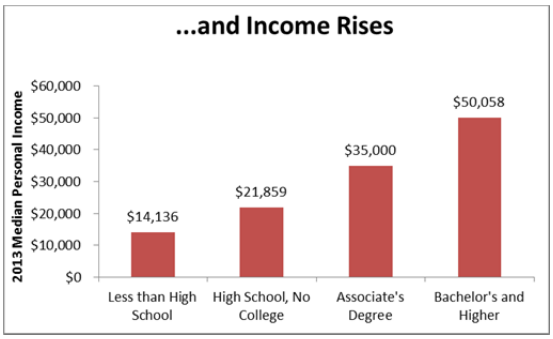
- **Transportation Infrastructure.** Pennsylvania's aging transportation infrastructure is an obstacle to the creation of high-paying jobs in the commonwealth. To modernize the state's transportation infrastructure and thereby spur job creation, the budget includes historic levels of new investment in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

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

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

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





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

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

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

Building a Bridge from High School to College and Careers

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

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

Reinvesting in College Success

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

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

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

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

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

Making Higher Education Affordable for All

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

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

Creating Workforce Partnerships for Economic Success

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

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

- **Specialized Technical Education.** The budget provides significant increases to two of Pennsylvania's most successful, in-demand public post-secondary programs that work to meet the needs of regional and statewide employers – **a $1.2 million (7 percent) increase for the Pennsylvania College of Technology and an $863,000 (7 percent) increase for the Thaddeus Stevens College of Technology**.

- **Adult & Family Literacy.** The development of basic literacy skills is a major hurdle for many adults working to climb up the career ladder and earn a living wage. The budget provides a **$4.6 million (38 percent) increase** for job-linked adult literacy programs that build both literacy and employment skills.

- **Vocational Rehabilitation.** The budget provides a **$5 million (12 percent) increase** for vocational rehabilitation programs that help persons with disabilities prepare for, obtain and maintain employment. This increase will enable the state to maximize available federal funds, drawing down an additional **$18.5 million** to support these important programs.

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

Making Work Pay: Increasing the Minimum Wage

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

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

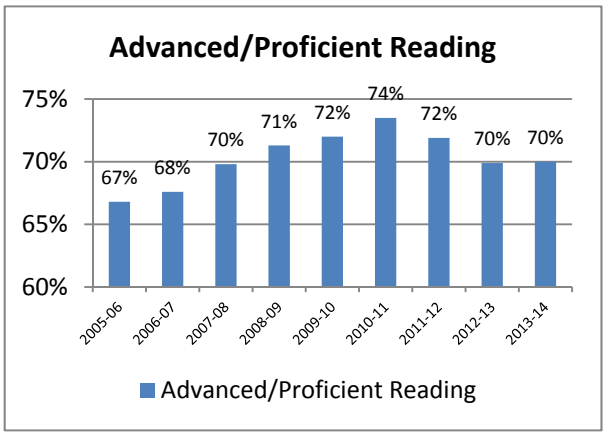
Schools that Teach

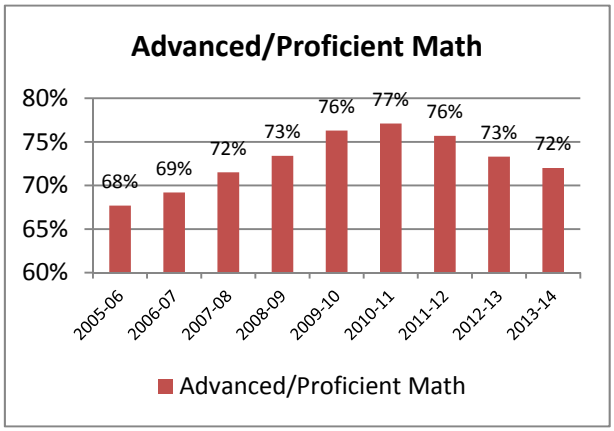
This budget makes historic investments in education.

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

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

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





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

$1 Billion Restoration for Education

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

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

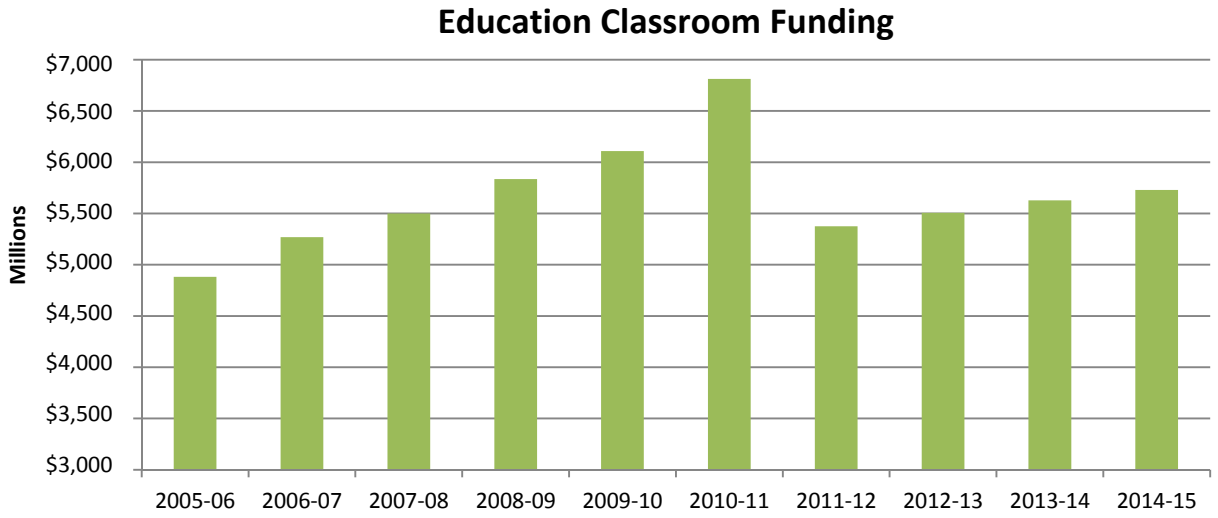
- **A $400 million (7.0 percent) increase in the Basic Education Subsidy.** This increase – the largest in Pennsylvania history – will fully restore the Accountability Block Grant and Educational Assistance Program funds that were previously cut. In addition, as part of the Basic Education Subsidy, school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

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

Looking to the Future: A Commitment for Ongoing Investment

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

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



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

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

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

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

Reaching a Historic Milestone

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

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

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

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

Strengthening Pennsylvania's Accountability System

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

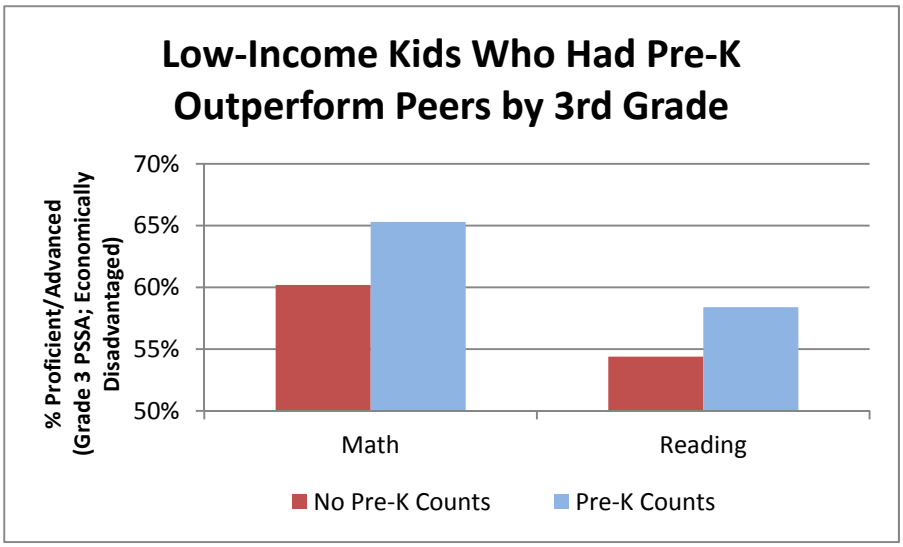
As part of the 2015-16 Budget, appropriate accountability measures should be enacted by the end of June in concert with the state's new basic education funding formula and in partnership with the Basic Education Funding Commission and other members of the General Assembly. This process should address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

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

Investing in High-Quality Early Childhood Education

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

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



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

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

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

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

Cyber Charter Funding Reform

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

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

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

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

- **Making the pension "double dip" prohibition permanent.** The General Assembly previously enacted bipartisan reform to stop charter and cyber charter schools from being paid twice for the same employee pension costs. The budget makes this reform a permanent part of education law as described further in the Government that Works theme.

- **Reimbursement based on audited costs.** By the end of the 2013-14 school year, charter and cyber charter schools had amassed undesignated, unreserved fund balances of more than $156 million because they collected more in tuition revenue than they actually spent on students. The budget includes a requirement for an annual reconciliation whereby charter and cyber charter schools will refund money to their sending school districts if the charter school's audited expenditures are less than its tuition revenue.

Maximizing Tax Dollars to Invest in the Classroom

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

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

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

Government that Works

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

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

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

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

Ethics Reform

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

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

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

Improving Government Efficiency

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

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

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

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

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

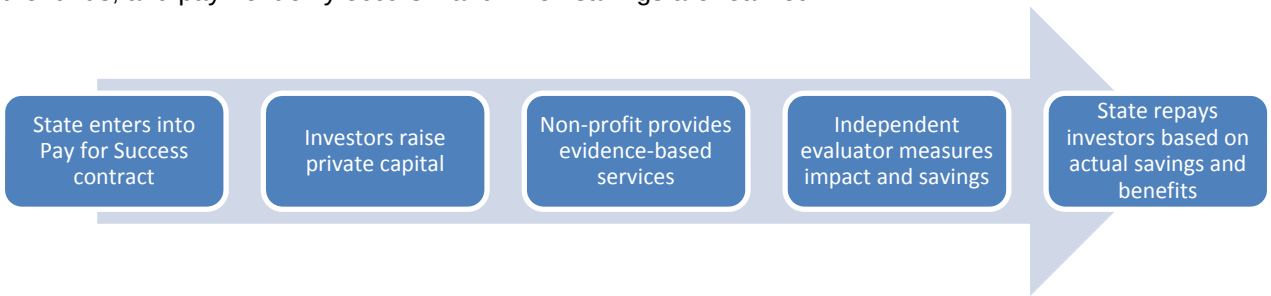
Since the launch of GO TIME, agencies and state employees have submitted more than 150 ideas to make government work more efficiently, and modernization strategies that will transform agency operations have been identified that will save millions annually. For example, consolidation of the commonwealth's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

Pay for Success Performance Contracts

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

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

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



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

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

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

Real Pension Solutions to Protect Taxpayers and Safeguard Retirement Security

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

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

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

Plan Design Specifics

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

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

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

Building upon Past Reforms

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

Guaranteeing Future Employer Contributions

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

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

Modernizing Pennsylvania's Wine and Spirit System

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

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

New revenue from modernization will be allocated to help school districts and the state address their future pension obligations. In 2016-17, $80 million in new profits from liquor modernization will be allocated to school districts to reduce pension payments.

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

Caring for our Most Vulnerable

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

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

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

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

Closing the Health Care Coverage Gap – Medicaid Expansion

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

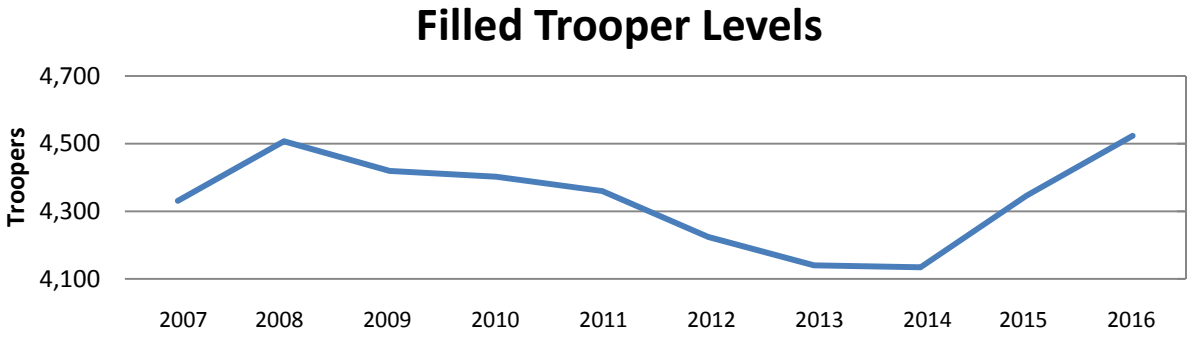
- **Covering More Kids**. Pennsylvania led the nation in establishing the Children's Health Insurance Program, which today provides health coverage to 147,000 children from birth to age 21. This budget expands coverage to an additional 15,881 children, while requiring fewer state dollars, as federal matching rates grow from 66 percent to 89 percent, providing $63 million in additional federal assistance to support program expansion.

- **Treatment to Combat Increase in Heroin Use.** Law enforcement, treatment professionals and families have all expressed alarmed at the growth in heroin use and opioid addiction. This budget provides a **$2.5 million increase** to Behavioral Health Services for a total of $46.2 million, and **a $5 million increase** to the Department of Drug and Alcohol Programs to launch new initiatives aimed at addressing this epidemic.

Make Pennsylvania Safer

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

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



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Economic Outlook

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

U.S. Recent Trends and Current Conditions

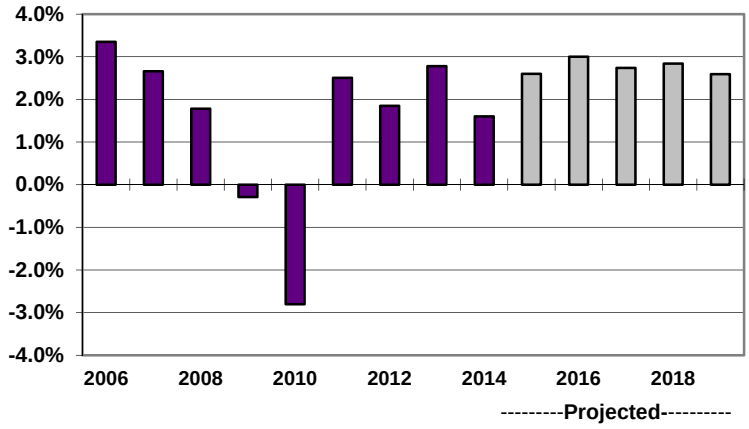
The United States economy continues to improve as sound fundamentals emerge as the theme going forward.

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

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

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

Chart 1
REAL GROSS DOMESTIC PRODUCT
Annual Growth

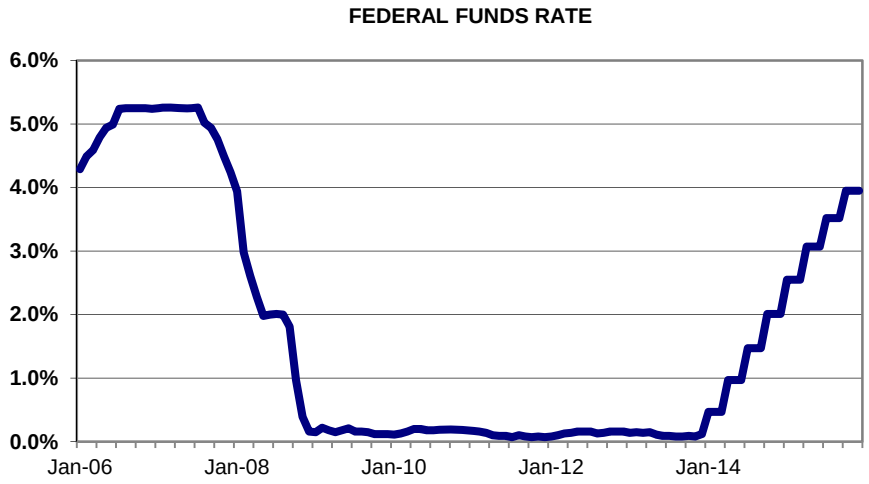


Although the unemployment rate has decreased, the majority of the jobs recovered or created nationwide, six out of ten, according to U.S. Labor Department data, are at the low end of the wage scale.

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

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

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



The Forecast

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

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

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

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

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

Table 2 also provides narrative for each economic indicator.

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

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

Pennsylvania Outlook

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

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

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

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

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

Table 3
Key Economic Indicators for Pennsylvania

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

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Summary of Major Operating Expenses

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

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

General Fund

Revenue

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

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

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

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

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

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

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

Expenditures

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

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

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

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

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

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

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

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

Motor License Fund

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

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

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

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

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

Lottery Fund

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

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

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

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

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

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

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

Rainy Day Fund

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

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

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

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

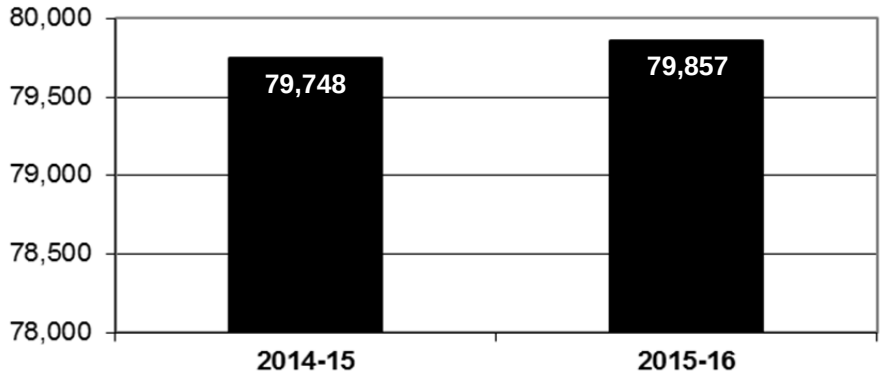
Act 53 of 2008 suspended the transfer of surplus funds to the Budget Stabilization Reserve Fund for 2007-08. To help balance the 2009-10 budget, Act 50 of 2009 authorized the transfer of $755 million from the Budget Stabilization Reserve Fund to the General Fund. Act 46 of 2010 authorized the transfer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

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

Complement

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

Authorized Complement



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

STATEMENTS

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

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Seven Year Financial Statements By Fund

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

General Fund

(Dollar Amounts in Thousands)

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

[a] Includes refunds, lapses and adjustments to beginning balances.

[b] Act 126 of 2014 suspended the 25% transfer to the Budget Stabilization Reserve Fund for 2013-14.

[c] This budget proposes the reinstatement of the 25% transfer to the Budget Stabilization Reserve Fund for 2014-15 and for 2015-16.

Seven Year Financial Statements By Fund

Motor License Fund[a]

(Dollar Amounts in Thousands)

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

Lottery Fund

(Dollar Amounts in Thousands)

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

[a] Excludes restricted revenue.

Seven Year Department Summary by Fund

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

(Dollar Amounts in Thousands)

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

Seven Year Department Summary by Fund

(Dollar Amounts in Thousands)

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

Seven Year Department Summary by Fund

(Dollar Amounts in Thousands)

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

General and Special Funds

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

Seven Year Commonwealth Program Summary

(Dollar amounts in Thousands)

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

Distribution of the Commonwealth Dollar

GENERAL FUND AND SPECIAL FUNDS

2015-16 Fiscal Year

(Dollar Amounts in Thousands)

Health and Human Services $13,501,446 **39.2%**

Education $11,577,205 **33.6%**

Protection of Persons and Property $4,434,983 **12.9%**

Transportation $1,801,581 **5.2%**

Direction and Supportive Services $1,450,437 **4.2%**

Debt Service $1,202,118 **3.5%**

Economic Development $372,703 **1.0%**

Recreation and Cultural Enrichment $135,133 **0.4%**

TOTAL $34,475,606

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

General Fund

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

Seven Year Commonwealth Program Summary

(Dollar amounts in Thousands)

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

GENERAL FUND

2015-16 Fiscal Year

Income

(Dollar Amounts in Thousands)

TOTAL INCOME	$31,387,500
Refunds	–1,383,100
Beginning Balance	8,975
TOTAL	$30,013,375

Personal Income $12,829,000 **4.9%**

Consumption $11,396,000 **36.2%**

Business $5,231,500 **16.7%**

Other Taxes $1,431,400 **4.6%**

Non-Tax Revenue $499,600 **1.6%**

Outgo

(Dollar Amounts in Thousands)

TOTAL OUTGO	$ 29,884,351
Budget Stabilization Reserve Fund	32,256
Plus Ending Surplus	96,768
TOTAL	$ 30,013,375

Health and Human Services $12,292,211 **41.1%**

Education $11,576,105 **38.7%**

Protection of Persons and Property $3,516,402 **11.8%**

Debt Service $1,173,465 **3.9%**

Direction and Supportive Services $821,798 **2.8%**

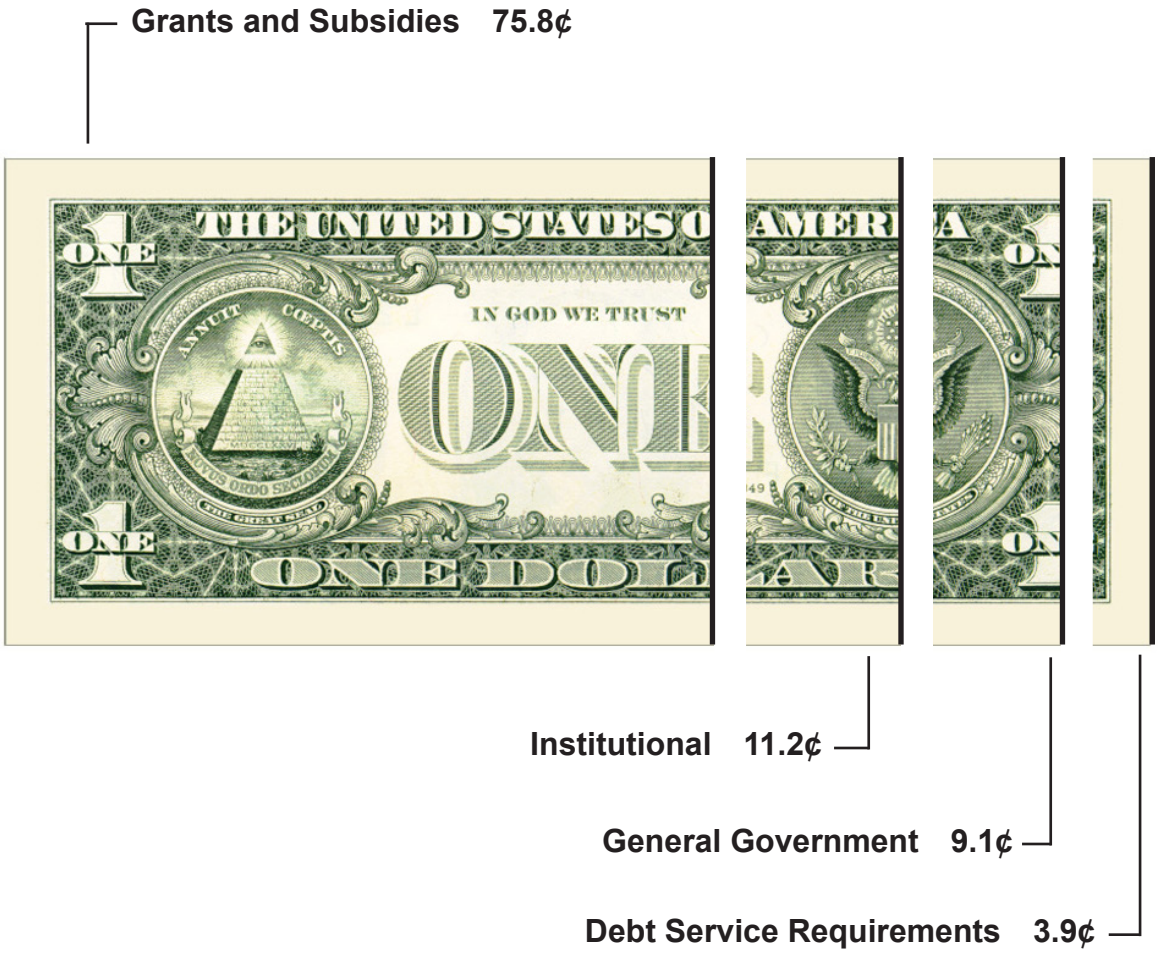
Economic Development $371,630 **1.2%**

Other Programs $132,740 **0.4%**

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

USE OF THE GENERAL FUND DOLLAR

2015-16 Fiscal Year



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

FEDERAL BLOCK GRANTS

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

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

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

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

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

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

SUMMARY OF FEDERAL BLOCK GRANTS

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

(Dollar Amounts in Thousands)

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

Anti-Drug Abuse

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

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

(Dollar Amounts in Thousands)

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

[a] Subgrants not added to total to avoid double counting.

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

[c] In 2013-14, $237,000 of the $247,000 is a subgrant and not added to total to avoid double counting.

Child Care and Development Fund

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

(Dollar Amounts in Thousands)

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

Community Services

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

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

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

(Dollar Amounts in Thousands)

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

Low-Income Home Energy Assistance

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

(Dollar Amounts in Thousands)

Department / Appropriation	2013-14 Actual Block	2014-15 Available Block	2015-16 Recommended Block
Community and Economic Development:			
LIHEABG — Administration	$ 1,000	$ 1,000	$ 1,500
LIHEABG — Weatherization Program	40,000	40,000	40,000
Subtotal	$ 41,000	$ 41,000	$ 41,500
Human Services:			
LIHEABG — Administration	$ 22,264	$ 24,000	$ 24,000
LIHEABG — Low-Income Families and Individuals	164,501	320,000	320,000
Subtotal	$ 186,765	$ 344,000	$ 344,000
TOTAL	$ 227,765	$ 385,000	$ 385,500

Maternal and Child Health Services

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

(Dollar Amounts in Thousands)

Department / Appropriation	2013-14 Actual Block	2014-15 Available Block	2015-16 Recommended Block
Health:			
MCHSBG — Administration and Operation	$ 16,157	$ 15,472	$ 14,404
MCHSBG — Program Services	16,334	17,035	18,135
TOTAL	$ 32,491	$ 32,507	$ 32,539

Mental Health Services

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

(Dollar Amounts in Thousands)

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

Preventive Health and Health Services

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

(Dollar Amounts in Thousands)

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

[a] Subgrant not added to total to avoid double counting.

Social Services

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

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

(Dollar Amounts in Thousands)

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

Substance Abuse

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

(Dollar Amounts in Thousands)

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

[a] Subgrant not added to total to avoid double counting.

[b] Includes recommended supplemental appropriation of $115,000.

Temporary Assistance to Needy Families

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

(Dollar Amounts in Thousands)

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

[a] Subgrant not added to total to avoid double counting.

[b] Includes carryover funding.

Workforce Investment

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

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

(Dollar Amounts in Thousands)

Department / Appropriation	2013-14 Actual Block	2014-15 Available Block	2015-16 Recommended Block
Labor and Industry:			
Workforce Investment Act — Administration	$ 11,000	$ 11,000	$ 11,000
WIA — Adult Employment & Training	50,000	50,000	50,000
WIA — Youth Employment & Training	52,000	52,000	52,000
WIA — Statewide Activities	18,000	18,000	18,000
WIA — Dislocated Workers	109,000	109,000	109,000
WIA — Veterans Employment and Training	900	900	0
TOTAL	$ 240,900	$ 240,900	$ 240,000

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Public Information and Communications

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

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

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

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

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Commonwealth of Pennsylvania

Governor's Executive Budget

Program Budget Summary

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

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

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

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

Beginning and Ending Balances

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

Revenues

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

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

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

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

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

Program Expenditures

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

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

SUMMARY OF REVENUES AND EXPENDITURES FOR THE OPERATING PROGRAM

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

(Dollar Amounts in Thousands)

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

Seven Year Summary of Commonwealth Programs

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

(Dollar Amounts in Thousands)

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

Seven Year Summary of Commonwealth Programs

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

(Dollar Amounts in Thousands)

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

Direction and Supportive Services

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

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

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

Contribution by Category and Subcategory

General Fund and Special Funds

(Dollar Amounts in Thousands)

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

Protection of Persons and Property

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

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

Contribution by Category and Subcategory

General Fund and Special Funds

(Dollar Amounts in Thousands)

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

Protection of Persons and Property (continued)

Contribution by Category and Subcategory

General Fund and Special Funds

(Dollar Amounts in Thousands)

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

Education

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

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

Contribution by Category and Subcategory

General Fund and Special Funds

(Dollar Amounts in Thousands)

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

Health and Human Services

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

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

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

Contribution by Category and Subcategory

General Fund and Special Funds

(Dollar Amounts in Thousands)

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

Economic Development

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

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

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

Contribution by Category and Subcategory

General Fund and Special Funds

(Dollar Amounts in Thousands)

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

Transportation

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

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

Contribution by Category and Subcategory

General Fund and Special Funds

(Dollar Amounts in Thousands)

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

Recreation and Cultural Enrichment

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

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

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

Contribution by Category and Subcategory

General Fund and Special Funds

(Dollar Amounts in Thousands)

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

Debt Service

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

The Treasury Department participates in this program.

Contribution by Category and Subcategory

General Fund and Special Funds

(Dollar Amounts in Thousands)

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

Commonwealth of Pennsylvania

Governor's Executive Budget

SUMMARY BY FUND

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

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General Fund

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

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

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FINANCIAL STATEMENT

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

(Dollar Amounts in Thousands)

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

[a] Act 126 of 2014 suspended the 25% transfer to the Budget Stabilization Reserve Fund for 2013-14.

[b] This budget proposes the reinstatement of the 25% transfer to the Budget Stabilization Reserve Fund for 2014-15 and for 2015-16.

NOTES ON FINANCIAL STATEMENT

(Dollar Amounts in Thousands)

PROPOSED TAX AND REVENUE MODIFICATIONS

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

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

This budget proposes the following transfers in 2015-16:

Transfer to School Employees' Retirement Restricted Account ..... $ -1,750,000
A transfer of funds from the Sales and Use Tax to a restricted account for the commonwealth's employer contribution to PSERS is proposed.

Transfer to Property Tax/Rent Relief Account ..... $ -2,140,000
A transfer of funds from the Personal Income Tax to a restricted account to be deposited in the Property Tax Relief Fund to provide property tax and rent relief is proposed.

Severance Tax Transfers..... $ -10,000
A transfer of funds from the Severance Tax to the Well Plugging Account ($5 million) and the Department of Environmental Protection's Environmental Protection Operations ($5 million) as an augmentation to support additional enforcement is proposed.

NOTES ON FINANCIAL STATEMENT

(Dollar Amounts in Thousands)

SUPPLEMENTAL APPROPRIATIONS

	2014-15 Available
STATE SUPPLEMENTALS	
Auditor General	
Security and Other Expenses - Outgoing Governor	$ 85
Corrections	
State Correctional Insitutions	$ 56,000
Education	
School Employees' Social Security	$ 15,000
Health	
Renal Dialysis	$ 500
Human Services	
Supplemental Grants - Aged, Blind and Disabled	$ -6,754
Payment to Federal Government - Medicare Drug Program	4,115
Medical Assistance - Outpatient	25,588
Medical Assistance - Inpatient	-36,940
Medical Assistance - Capitation	-198,884
Long-Term Care	71,662
Home and Community-Based Services	24,991
Long-Term Care Managed Care	8,168
Medical Assistance - Transportation	-4,038
Special Pharmaceutical Services	-329
Intellectual Disabilities - Community Waiver Program	8,274
Services to Persons with Disabilities	12,420
Attendant Care	10,147
Medical Assistance - Workers with Disabilities	90,242
Human Services Total	$ 8,662
Military and Veterans Affairs	
Amputee and Paralyzed Veterans Pension	$ 1,043
TOTAL STATE SUPPLEMENTALS	**$ 81,290**
FEDERAL SUPPLEMENTALS	
Executive Offices	
Information Sharing Initiative	$ 246
Corrections	
SABG - Drug and Alcohol Programs	$ 115
Human Services	
Early Head Start Expansion Program	$ 5,562
ARRA - Health Information Technology	9,200
Medical Assistance - Inpatient	55,186
Medical Assistance - Long-Term Care	29,120
Medical Assistance - Home & Community-Based Services	25,612
Medical Assistance - Critical Access Hospitals	269
Child Welfare - Title IV-E	2,000
Child Welfare Training and Certification	1,200
Family Violence Prevention Services	81
Medical Assistance - Attendant Care	11,742
Medical Assistance - Workers with Disabilities	97,005
Human Services Total	$ 236,977
TOTAL FEDERAL SUPPLEMENTALS	**$ 237,338**
TOTAL SUPPLEMENTALS	**$ 318,628**

STATE FUNDS BY DEPARTMENT

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

(Dollar Amounts in Thousands)

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

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

** Includes Environmental Hearing Board.

*** Excludes refunds.

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

FEDERAL FUNDS BY DEPARTMENT

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

(Dollar Amounts in Thousands)

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

* Includes Environmental Hearing Board.

AUGMENTATIONS BY DEPARTMENT

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

(Dollar Amounts in Thousands)

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

* Includes funds appropriated from restricted revenues.
** Includes Environmental Hearing Board.

Seven Year Summary of Revenues

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

(Dollar Amounts in Thousands)

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

* Totals may not add due to rounding.

Adjustments to Revenue Estimate

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

(Dollar Amounts in Thousands)

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

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

Corporate Net Income Tax

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

Tax Rates:

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

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

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

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

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

Capital Stock and Franchise Taxes

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

***Tax Rates*:**

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

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

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

Gross Receipts Tax

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

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

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

Public Utility Realty Tax

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

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

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

Insurance Premiums Tax

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

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

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

Financial Institutions Taxes

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

Tax Rates:

Bank and Trust Company Shares Tax	
January 1, 2014 and thereafter	0.890 percent
January 1, 1990 to December 31, 2013	1.250 percent
January 1, 1989 to December 31, 1989	10.770 percent
January 1, 1984 to December 31, 1988	1.075 percent
Title Insurance Companies Shares Tax	
January 1, 1990 and thereafter	1.250 percent
January 1, 1989 to December 31, 1989	10.770 percent
January 1, 1984 to December 31, 1988	1.075 percent
Mutual Thrift Institution Tax	
January 1, 1991 and thereafter	11.500 percent
January 1, 1987 to December 31, 1990	12.500 percent

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

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

Severance Tax on Natural Gas

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

Other Selective Business Taxes

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

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

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

Sales and Use Tax

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

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

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

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

Cigarette Tax

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

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

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

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

Other Tobacco Products Tax

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

Malt Beverage Tax

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

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

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

Liquor Tax

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

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

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

Personal Income Tax

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

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

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

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

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

Realty Transfer Tax

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

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

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

Inheritance and Estate Taxes

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

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

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

Table Game Taxes

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

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

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

Minor and Repealed Taxes

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

State Stores Fund Transfer

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

Licenses, Fees and Miscellaneous Revenue

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

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

Fines, Penalties and Interest

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

(Dollar Amounts in Thousands)

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

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* Less than $500.

(Dollar Amounts in Thousands)

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

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* Less than $500.

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Estimated	2015-16 Budget
Auditor General			
LICENSES AND FEES			
Filing Fees — Board of Arbitration of Claims	$ 1	$ 2	$ 2
DEPARTMENT TOTAL	$ 1	$ 2	$ 2
Attorney General			
MISCELLANEOUS REVENUE			
Assessed Civil Penalties Payments	$ 570	$ 362	$ 362
Miscellaneous Interest Offset for Appropriation 611	-75	-84	-84
Miscellaneous	13	19	19
Refunds Of Expenditures Not Credited To Appropriations	68	20	20
DEPARTMENT TOTAL	$ 576	$ 317	$ 317
Treasury Department			
MISCELLANEOUS REVENUE			
Allocation of Treasury Costs	$ 2,929	$ 0	$ 0
Contra Account Audit Service fees	0	-250	-250
Depository Adjustments	*	0	0
Dividend Income Reinvested - Long Term	64	0	0
Interest on Average Collected Balance - WIC Program	14	0	0
Interest on Deposits	67	0	0
Interest on Securities — Liquor License Fund	4	0	0
Interest on Securities	3,888	2,128	2,512
Miscellaneous	620	0	0
Redeposit of Checks	-21	1,500	1,000
Unclaimed Property — Recovery Fees w/h for Audit Service	0	-5,000	-5,000
Unclaimed Property — Contra Acct Paypal Fees	-6	0	0
Unclaimed Property — Claim Payments	-113,881	-105,000	-110,000
Unclaimed Property — Financial Institution Deposits	46,682	68,569	43,000
Unclaimed Property — Other Holder Deposits	218,043	330,031	214,938
DEPARTMENT TOTAL	$ 158,403	$ 291,978	$ 146,200
Department of Agriculture			
LICENSES AND FEES			
Abattoir Licenses	$ *	$ 5	$ *
Approved Inspectors Certificate And Registration Fees	3	3	3
Eating & Drinking Licenses	2,225	2,500	2,500
Egg Certification Fees	12	12	12
Garbage Feeders Licenses	*	*	*
Ice Cream Licenses	146	160	160
Lab Directors' Exam Fees	5	1	1
Livestock Branding Fees	*	*	*
Poultry Technician Licenses	5	5	5
Pub Weighmasters (Under Act 155)	311	200	200
Registration Fee — Food Establishment	206	248	248
Rendering Plant Licenses	2	2	2
SUBTOTAL	$ 2,915	$ 3,136	$ 3,131
MISCELLANEOUS REVENUE			
Interest Earnings Contra BA 68	$ -11	$ 0	$ 0
Miscellaneous	*	0	0
Refunds Of Expenditures Not Credited To Appropriations	*	0	0
Right to Know	*	1	1
SUBTOTAL	$ -11	$ 1	$ 1
DEPARTMENT TOTAL	$ 2,904	$ 3,137	$ 3,132
Department of Banking and Securities			
LICENSES AND FEES			
Licenses and Fees	$ 25,604	$ 25,881	$ 25,881
SUBTOTAL	$ 25,604	$ 25,881	$ 25,881

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* Less than $500.

(Dollar Amounts in Thousands)

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

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* Less than $500.

(Dollar Amounts in Thousands)

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

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* Less than $500.

(Dollar Amounts in Thousands)

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

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* Less than $500.

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Estimated	2015-16 Budget
MISCELLANEOUS REVENUE			
Miscellaneous	$ -1	$ 0	$ 0
Refunds of Expenditures Not Credited to Appropriations	*	0	0
SUBTOTAL	$ -1	$ 0	$ 0
DEPARTMENT TOTAL	$ 29,460	$ 24,990	$ 24,324
Department of Labor and Industry			
LICENSES AND FEES			
Accessibility	$ 38	$ 42	$ 42
Approval of Building Plan Fees	497	475	475
Approval of Elevator Plan Fees	601	525	525
Bedding And Upholstery Fees	800	735	735
Boiler Inspection Fees	3,568	3,500	3,500
Boiler Plan Fees	62	70	70
Elevator Inspection Fees	706	700	700
Employment Agency Licenses	19	0	0
Employment Agents' Registration Fees	3	0	0
Flammable Liquids Storage Fees	38	42	42
Industrial Board	77	80	80
Industrial Homework Permit Fees	*	0	0
Liquefied Petroleum Gas Plan Fees	76	60	60
Liquefied Petroleum Gas Registration Fees	129	100	100
Stuffed Toys Manufacturers' Registration Fees	63	63	63
UCC Certifications	60	65	65
SUBTOTAL	$ 6,737	$ 6,457	$ 6,457
MISCELLANEOUS REVENUE			
Act 64-Contra Miscellaneous Revenue Code	$ 22	$ 0	$ 0
Miscellaneous	*	1	1
Interest Earnings Contra BA12	-4	0	0
Refunds of Expenditures Not Credited to Appropriations	*	0	0
SUBTOTAL	$ 18	$ 1	$ 1
DEPARTMENT TOTAL	$ 6,755	$ 6,458	$ 6,458
Board of Probation and Parole			
MISCELLANEOUS REVENUE			
Miscellaneous	$ 69	$ 0	$ 0
Refunds of Expenditures Not Credited to Appropriations	*	0	0
DEPARTMENT TOTAL	$ 69	$ 0	$ 0
Department of Human Services			
LICENSES AND FEES			
Personal Care Facilities Licenses	$ 47	$ 47	$ 47
SUBTOTAL	$ 47	$ 47	$ 47
MISCELLANEOUS REVENUE			
Miscellaneous	$ 4	4	4
Refunds of Expenditures Not Credited to Appropriations	1	1	1
SUBTOTAL	$ 5	$ 5	$ 5
DEPARTMENT TOTAL	$ 52	$ 52	$ 52
Department of Revenue			
LICENSES AND FEES			
Certification And Copy Fees	$ 36	$ 34	$ 34
Cigarette Permit Fees	787	788	790
Domestic Violence and Rape Crisis Program Fee	1,267	1,193	1,123
Autho Fees/ Act 2010	0	22,749	16,500
Table License Fees Man S	80	0	0
SUBTOTAL	$ 2,170	$ 24,764	$ 18,447

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* Less than $500.

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Estimated	2015-16 Budget
MISCELLANEOUS REVENUE			
Exempt Collections Per Act 1992-67	$ 16,868	17,400	18,000
District Justice Costs	7,631	7,670	7,636
Miscellaneous	81	136	136
Distribution Due Absentee	4	3	3
Conscience Money	1	1	1
Right to Know	*	0	0
Refunds of Expenditures Not Credited to Appropriations	39	42	45
SUBTOTAL	$ 24,624	$ 25,252	$ 25,821
DEPARTMENT TOTAL	$ 26,794	$ 50,016	$ 44,268
Department of State			
LICENSES AND FEES			
Charities Bureau Registration Fees	$ 2,230	$ 2,220	$ 2,320
Commission and Filing Fees — Bureau Of Elections	624	624	630
Commission and Filing Fees — Corporation Bureau	26,026	27,500	28,325
Campaign Finance Fee	42	64	65
Notary Public Commission Fees	933	890	924
SUBTOTAL	$ 29,855	$ 31,298	$ 32,264
MISCELLANEOUS REVENUE			
Prof.& Occupational Affairs Credit Card Transfers	$ -1,250	$ 0	$ 0
Interest Transferred to HAVA Program	-28	0	0
Refunds of Expenditures Not Credited to Appropriations	*	0	0
Right To Know	0	*	*
SUBTOTAL	$ -1,278	$ 0	$ 0
DEPARTMENT TOTAL	$ 28,577	$ 31,298	$ 32,264
State Police			
MISCELLANEOUS REVENUE			
Act 64 - Contra Miscellaneous Revenue	$ -14	$ 0	$ 0
Miscellaneous	405	175	175
Reimbursement For Lost Property	2	1	1
Refunds of Expenditures Not Credited to Appropriations	1	300	300
DEPARTMENT TOTAL	$ 394	$ 476	$ 476
Department of Transportation			
MISCELLANEOUS REVENUE			
Miscellaneous	$ *	$ 5	$ 5
Right To Know	10	10	10
DEPARTMENT TOTAL	$ 10	$ 15	$ 15
Other			
LICENSES AND FEES			
Gaming Control Board - Ancillary Table Games License Fees	$ 218	$ 403	$ 288
Liquor Control Board - Small Games of Chance - License Fees	32	150	300
SUBTOTAL	$ 250	$ 553	$ 588
MISCELLANEOUS REVENUE			
Payments in Lieu of Taxes — SWIF	$ 5,406	$ 0	$ 3,000
Gaming Control Board - Refunds of Expend Not Credited to Approp	*	0	0
Supreme Court	54	47	39
Transfers From Special Funds	11,500	236,700	4,400
SUBTOTAL	$ 16,960	$ 236,747	$ 7,439
DEPARTMENT TOTAL	$ 17,210	$ 237,300	$ 8,027
Total Licenses, Fees and Miscellaneous	$ 358,119	$ 730,400	$ 348,100

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* Less than $500.

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Estimated	2015-16 Budget
Fines, Penalties and Interest on Taxes			
Corporation Net Income Tax	$ -0	$ 0	$ 0
SUBTOTAL	$ -0	$ 0	$ 0
Other Fines and Penalties			
Attorney General			
Criminal Restitution General Fund	$ 41	$ 41	$ 41
Department of Agriculture			
Amusement Rides and Attractions — Fines	*	3	3
General Food Fines	21	11	11
Harness Racing Fines and Penalties	136	140	140
Horse Racing Fines and Penalties	113	130	130
Miscellaneous Fines	-2	3	3
Civil Penalties - Food Establishments	7	5	5
Weights & Mearsures Division - Fines	0	3	3
Department of Conservation and Natural Resources			
Miscellaneous Fines	*	1	1
Department of Environmental Protection			
Miscellaneous Fines	5	5	5
Ethics Commission			
Violations-Act 1978-170	73	0	0
Lobbying Act 134-206	36	0	0
Gaming Control Board			
Miscellaneous Fines and Penalties	783	696	696
Insurance Department			
Miscellaneous Fines	0	1,500	1,500
Surcharge Moving Vehicles Violations	37,807	38,555	39,653
Department of Labor and Industry			
Minor Labor Law Fines	4	1	1
Miscellaneous Fines	44	50	50
Public Utility Commission			
Violation Of Order Fines	2,831	1,500	200
Department of Revenue			
Malt Liquor Fines and Penalties	15	8	8
Commercial Driver Fines	273	270	270
Act 154 - 1994 Police Pursuits	1	0	0
Emission Regulation Fines & Penalties	14	10	10
Fines - Restoration - Operating Privileges	3,879	3,880	3,880
Restoration of Vehicle Registration	1,279	1,280	1,280
Act 64 Contra revenue code	-15,970	-15,970	-15,970
Vehicle Code Fines - Lcl Police Enf	22,131	22,128	22,130
Vehicle Code Fines - Overweight Trucks	448	450	450
Vehicle Code Fines - St Police Enf	17,000	17,000	17,000
SUBTOTAL	$ 70,969	$ 71,700	$ 71,500
Total Fines, Penalties and Interest	$ 70,969	$ 71,700	$ 71,500
TOTAL NONTAX REVENUES	$ 509,088	$ 882,100	$ 499,600
TOTAL GENERAL FUND REVENUES	$ 28,607,152	$ 30,176,500	$ 31,387,500

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* Less than $500.

Revenue History

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

(Dollar Amounts in Thousands)

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

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Motor License Fund

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

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

Financial Statement *

(Dollar Amounts in Thousands)

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

* Excludes restricted revenue.

Summary by Department

(Dollar Amounts in Thousands)

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

Summary by Department (continued)

(Dollar Amounts in Thousands)

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

Summary by Department (continued)

(Dollar Amounts in Thousands)

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

REVENUE SUMMARY

(Dollar Amounts in Thousands)

Five Year Revenue Projections

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

Adjustments to 2014-15 Revenue Estimate

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

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

Revenue Sources

Liquid Fuels Taxes

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

Tax Base and Rates:

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

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

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

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

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

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

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

Revenue Sources (continued)

Motor Licenses and Fees

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

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

Other Motor License Fund Revenues

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

Other Motor License Fund revenues include the following sources:

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

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

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

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

Revenue Detail

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

(Dollar Amounts in Thousands)

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

Revenue Detail (continued)

(Dollar Amounts in Thousands)

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

[a] Amounts transferred to restricted revenue account.

Restricted Revenues Not Included in Department Total

Aviation Revenues

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

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

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

Highway Bridge Improvement Revenues

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

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

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

Restricted Revenues Not Included in Department Total (continued)

State Highway Transfer Revenues

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

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

Oil Company Franchise Tax Revenues

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

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

Supplemental Maintenance Revenues

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

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

Lottery Fund

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

Financial Statement

(Dollar Amounts in Thousands)

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

NOTES ON FINANCIAL STATEMENT

(Dollar Amounts in Thousands)

SUPPLEMENTAL EXECUTIVE AUTHORIZATIONS

	2014-15 Available
STATE SUPPLEMENTALS	
Aging	
PENNCARE	$ 3,936
FEDERAL SUPPLEMENTALS	
Aging	
Medical Assistance - Attendant Care	$ 2,197
TOTAL SUPPLEMENTALS	**$ 6,133**

Summary by Department

(Dollar Amounts in Thousands)

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

Summary by Department

(Dollar Amounts in Thousands)

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

REVENUE SUMMARY

(Dollar Amounts in Thousands)

Five Year Revenue Projections

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

Revenue Sources

Net Lottery Collections

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

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

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

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

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

(Dollar Amounts in Thousands)

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

Revenue Sources (continued)

Gaming Fund Repayments

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

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

Gaming Fund Transfers

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

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

Miscellaneous Revenue

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

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

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Commonwealth of Pennsylvania

Governor's Executive Budget

Tax Expenditures

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

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TAX EXPENDITURE ANALYSIS

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

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

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

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

(1) Identify indirect sources of budgetary support for various activities

(2) Present estimated costs associated with each tax expenditure

(3) Present actual or estimated costs of administering each tax expenditure

(4) Present actual or estimated numbers and descriptions of benefiting taxpayers

(5) Allow for administration, legislative, and public scrutiny and facilitate discussion on each tax expenditure's merits

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

(1) Reduces state revenues

(2) Confers special treatment

(3) Is included in the defined tax base

(4) Is not subjected to equivalent alternative taxation

(5) Can be altered by a change in state law

(6) Is not an appropriation

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

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

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

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

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

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

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

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

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

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

CREDIT PROGRAMS

NEIGHBORHOOD ASSISTANCE PROGRAMS

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

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

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

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

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

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

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

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

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 18.0	$ 18.0	$ 18.0	$ 18.0	$ 18.0	$ 18.0	$ 18.0

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

JOB CREATION TAX CREDIT

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

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

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

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

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

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

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

(Dollar Amounts in Millions)

Estimates:

2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
$ 10.1	$ 10.1	$ 10.1	$ 10.1	$ 10.1	$ 10.1	$ 10.1

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

RESEARCH AND DEVELOPMENT TAX CREDIT

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

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

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

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

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

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

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 55.0	$ 55.0	$ 55.0	$ 55.0	$ 55.0	$ 55.0	$ 55.0

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

KEYSTONE OPPORTUNITY ZONE

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

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

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

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

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

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

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 87.4	$ 87.5	$ 70.3	$ 70.7	$ 71.7	$ 72.4	$ 69.0

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

EDUCATIONAL TAX CREDITS

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

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

Educational Improvement Tax Credit (EITC)

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

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

Purpose: This program encourages taxpayers to contribute to scholarship organizations, educational improvement organizations, or pre-kindergarten scholarship organizations in order to promote expanded educational opportunities for students in the commonwealth.

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

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 100.0	$ 100.0	$ 100.0	$ 100.0	$ 100.0	$ 100.0	$ 100.0

Beneficiaries Approximately 2,285 companies, 1,700 individuals, and 1,075 scholarship organizations, educational improvement organizations, and pre-kindergarten scholarship organizations benefit from this tax expenditure.

Educational Opportunity Scholarship Tax Credit (EOSTC)

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

The credit may not exceed $750,000 annually per business firm. The estimate for fiscal year 2013-14 reflects actual credits awarded under the program. The estimates for future fiscal years reflect the program cap.

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

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

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 29.5	$ 50.0	$ 50.0	$ 50.0	$ 50.0	$ 50.0	$ 50.0

Beneficiaries: Approximately 420 taxpayers will benefit from this tax expenditure.

KEYSTONE INNOVATION ZONE

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

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

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

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

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

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

Purpose: This tax credit provides a financial incentive to foster growth of research and development and other high technology businesses in affiliation with institutions of higher education.

Administrative Costs: Cost to administer the KIZ program, including the review and award of KIZ tax credits, are borne by the Department of Community and Economic Development. The Department of Revenue is responsible for applying credits to taxpayer accounts. Estimated costs for both departments total $0.2 million per year.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 15.1	$ 25.0	$ 25.0	$ 25.0	$ 25.0	$ 25.0	$ 25.0

Beneficiaries: Approximately 200 taxpayers will benefit from this expenditure.

FILM PRODUCTION TAX CREDIT

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

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

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

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

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

The estimate for fiscal year 2013-14 reflects actual credits awarded under the program for that period. The estimates for future fiscal years reflect the program cap, including the impact of Act 26 of 2011.

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

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

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 60.0	$ 60.0	$ 60.0	$ 60.0	$ 60.0	$ 60.0	$ 60.0

Beneficiaries: Approximately 50 film projects will benefit from this expenditure.

ALTERNATIVE ENERGY PRODUCTION TAX CREDIT

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

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

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

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

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

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 0.0	$ 10.0	$ 2.0	$ --	$ --	$ --	$ --

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

STRATEGIC DEVELOPMENT AREAS

Authorization: Act 151 of November 20, 2006

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

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

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

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

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

Beneficiaries: A minimal number of taxpayers are expected to benefit from this credit program.

RESOURCE ENHANCEMENT AND PROTECTION TAX CREDIT

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

Description: Act 55 of 2007 created the Resource Enhancement and Protection (REAP) Tax Credit to encourage the development of riparian forest buffers and the remediation of legacy sediment on commonwealth farmland. Depending on the type of development, a taxpayer may receive a credit of up to 75 percent of cost of a project. A maximum of $150,000 in tax credits may be awarded per eligible applicant, and the total amount of credits awarded in one fiscal year cannot exceed $10 million. The tax credit may be used against personal income tax, corporate net income tax, capital stock/foreign franchise tax, bank shares tax, title insurance company premiums tax, insurance premiums tax, and mutual thrift institutions tax. Credits for legacy sediment cannot be issued prior to July 1, 2008. Credits were first awarded in fiscal year 2007-08. Act 48 of 2009 reduced the amount of tax credits to be awarded in fiscal years 2009-10 and 2010-11 by 50 percent and 55 percent, respectively.

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

Purpose: This credit encourages private investment in the implementation of best management practices on agricultural operations, the planting of riparian forest buffers, and the remediation of legacy sediment.

Administrative Costs: Costs to administer the REAP Tax Credit are borne by the State Conservation Commission and the Department of Revenue. Estimated costs total $0.1 million per year.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 6.8	$ 10.0	$ 10.0	$ 10.0	$ 10.0	$ 10.0	$ 10.0

Beneficiaries: Approximately 110 businesses and 230 individuals will benefit from this tax expenditure.

KEYSTONE SPECIAL DEVELOPMENT ZONE TAX CREDIT

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

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

Purpose: This tax credit is intended to encourage businesses in the commonwealth to invest in remediated industrial sites and create jobs.

Administrative Costs: Costs to administer the Keystone Special Development Zone Tax Credit are borne by the Department of Revenue and the Department of Community and Economic Development.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	NA	NA	NA	NA	NA	NA	NA

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

PENNSYLVANIA RESOURCE MANUFACTURING TAX CREDIT

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

Description: Act 85 of 2012 created the Pennsylvania Resource Manufacturing Tax Credit for an entity purchasing ethane for use in an ethylene manufacturing facility in the commonwealth that has made a capital investment of at least $1 billion and created at least 2,500 full-time jobs. The tax credit is equal to $0.05 per gallon of ethane purchased ($2.10/barrel) for the period from January 1, 2017 to December 31, 2042. The tax credit may be used to offset 20 percent of a taxpayer's liabilities for personal income tax, corporate net income tax, capital stock/foreign franchise tax, bank shares tax, title insurance company shares tax, gross premiums tax, and/or mutual thrift institutions tax. The tax credit may not be carried back, carried forward, or be used to obtain a refund. Within one year after the credit is approved, a taxpayer can apply to the Department of Community and Economic Development for approval to assign or sell eligible credits to another taxpayer. The eligible buyer of the credit may use the purchased credits to offset up to 50 percent of its Pennsylvania tax liabilities.

Purpose: This tax credit is intended to encourage the development of an ethane processing industry in the commonwealth.

Administrative Costs: Costs to administer the Pennsylvania Resource Manufacturing Tax Credit are borne by the Department of Revenue and the Department of Community and Economic Development.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ --	$ --	$ --	$ --	$ 0.0	$ 0.0	$ 0.0

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

HISTORIC PRESERVATION INCENTIVE TAX CREDIT

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

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

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

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

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

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 0.0	$ 3.0	$ 3.0	$ 3.0	$ 3.0	$ 3.0	$ 3.0

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

COMMUNITY- BASED SERVICES TAX CREDIT

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

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

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

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

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

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

(Dollar Amounts in Millions)

Estimates:

2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
$ 0.0	$ 3.0	$ 3.0	$ 3.0	$ 3.0	$ 3.0	$ 3.0

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

PROMOTING EMPLOYMENT ACROSS PENNSYLVANIA PROGRAM

Authorization: Act 206 of October 25, 2012.

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

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

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

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

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

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 0.0	$ 5.0	$ 5.0	$ 5.0	$ 5.0	$ 5.0	$ 5.0

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

MOBILE TELECOMMUNICATIONS BROADBAND INVESTMENT TAX CREDIT

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

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

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

Any credit claimed and not used in the taxable year may be carried forward for no more than 5 consecutive tax years. Affiliated shareholders, members, or partners of pass-through entities that receive unused credits from the pass-through entity are required to use the tax credit immediately. They are not allowed to carry forward, carry back, obtain a refund, or sell the tax credit.

The credit is first awarded for tax year 2014. The amounts shown below reflect the program cap.

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

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

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ --	$ --	$ 5.0	$ 5.0	$ 5.0	$ 5.0	$ 5.0

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

ORGAN AND BONE MARROW DONOR TAX CREDIT

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

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

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

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

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	NA	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

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

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

Authorization: Act 203 of October 31, 2014

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

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

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

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

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	--	NA	NA	NA	NA	NA	NA

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

CORPORATION TAXES

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

(Dollar Amounts in Millions)

Estimates: **Corporate Net Income Tax and Capital Stock/Foreign Franchise Tax:**

2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
$ 2.6	$ 2.7	$ 2.8	$ 2.8	$ 2.9	$ 3.0	$ 3.1

Selective Business Taxes:

2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

CORPORATE NET INCOME TAX

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

The Pennsylvania corporate net income tax is imposed on domestic and foreign corporations for the privilege of doing business, carrying on activities, having capital or property employed or used, or owning property in Pennsylvania. Certain corporations are exempt from the tax.

The tax is based on federal taxable income before net operating loss deduction and special deductions (line 28 of page 1 of federal IRS form 1120) modified by additions and subtractions to arrive at Pennsylvania taxable income. Taxes based on income and certain tax items are added back to federal taxable income. The tax rate is 9.99 percent for tax years 1995 and thereafter.

Any deductions, exemptions, or types of special treatment that are reflected in line 28 on the IRS form 1120, and not modified or adjusted by Pennsylvania statute, are not included below.

NONPROFIT CORPORATIONS

Description: Nonprofit corporations are exempt from the corporate net income tax. Act 7 of 1997 provided that any nonprofit corporation or entity that is an exempt organization as defined by section 501 of Internal Revenue Code of 1986 (P.L. 99-514, 26 U.S.C.) is exempt from the corporate net income tax. Corporations organized as a nonprofit but not operating as a nonprofit are excluded from this exemption. Act 4 of 1999 provided that insurance and travel agency activities carried on by an auto club are subject to the corporate net income tax. The same act restored exempt status to homeowners associations and membership organizations. The estimates below are based on unrelated business income taxed by the federal government.

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

(Dollar Amounts in Millions)

Estimates:

2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
$ 57.0	$ 57.8	$ 58.6	$ 59.4	$ 60.2	$ 61.0	$ 61.9

Beneficiaries: Approximately 2,400 nonprofit corporations operating in Pennsylvania with unrelated business income benefit from this tax expenditure.

SALES FACTOR APPORTIONMENT WEIGHT

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

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

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

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 413.0	$ 428.6	$ 436.5	$ 441.2	$ 446.0	$ 450.8	$ 455.6

Beneficiaries: More than 33,500 corporations are affected by this expenditure. Of those, 12,200 benefit (i.e., have their taxable income reduced) from the expenditure. The estimates shown above reflect the net impact and represent the change in corporate net income tax from corporations who have their taxable income reduced, as well as the impact on corporations that have their taxable income increased as a result of this tax expenditure.

FICA TAX ON TIPS

Description: Eating and drinking establishments can claim a deduction from their Pennsylvania taxable income equal to the amount of FICA (Federal Insurance Contributions Act) tax on employees' tips.

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

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 2.4	$ 2.5	$ 2.5	$ 2.5	$ 2.6	$ 2.6	$ 2.7

Beneficiaries: Approximately 1,840 taxpayers representing eating and drinking establishments could benefit from this tax expenditure.

NET OPERATING LOSS CARRYFORWARD

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

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

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 356.8	$ 411.5	$ 456.8	$ 479.6	$ 497.2	$ 510.4	$ 517.6

Beneficiaries: Approximately 16,800 businesses per year benefit from this tax expenditure.

NON-PROFIT NONSTOCK COMMODITY OR STOCK EXCHANGE

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

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

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	NA	NA	NA	NA	NA	NA	NA

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

PENNSYLVANIA S CORPORATIONS

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

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

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 912.4	$ 911.2	$ 906.4	$ 908.8	$ 913.5	$ 920.0	$ 929.2

Beneficiaries: Approximately 166,700 sub-chapter S corporations doing business in Pennsylvania could benefit from this tax expenditure.

LIMITED LIABILITY COMPANIES (LLCs)

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

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

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 581.5	$ 580.9	$ 579.6	$ 584.5	$ 590.7	$ 597.9	$ 606.8

Beneficiaries: As many as 132,300 companies doing business in Pennsylvania benefit from this tax expenditure.

POWDERED METALLURGY NEXUS

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

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

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 0.6	$ 0.6	$ 0.6	$ 0.6	$ 0.6	$ 0.7	$ 0.6

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

CAPITAL STOCK/FOREIGN FRANCHISE TAX

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

The capital stock tax is a property tax imposed on every domestic corporation with capital stock, every joint-stock association and limited partnership, and every other company organized or incorporated in Pennsylvania. The franchise tax is a privilege tax imposed on foreign corporations, joint-stock associations, limited partnerships, and other companies doing business and liable for taxation within Pennsylvania or having capital or property employed or used in Pennsylvania. Certain corporations are exempt from these taxes, and some corporations are afforded special treatment.

The capital stock/foreign franchise tax is based on capital stock value which is defined as one-half of the sum of the average net income capitalized at the rate of 9.5 percent plus 75 percent of the net worth, less $160,000. Beginning with Act 7 of 1997, there have been several acts that have increased the valuation deduction from $100,000 to $160,000.

Act 89 of 2002 suspended the automatic transfer of 0.25 mills of the tax to the Hazardous Sites Cleanup Fund (HSCF). Beginning in fiscal year 2002-03, the HSCF transfer will only occur if the balance in the HSCF is expected to fall below $5 million. Act 77 of 2007 amended the HSCF transfer, setting it at $40 million per fiscal year, beginning in fiscal year 2008-09.

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

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

NONPROFIT CORPORATIONS

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

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

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 4.3	$ 3.2	$ 1.9	$ 0.4	$ 0.1	Nominal	$ --

Beneficiaries: Approximately 4,500 nonprofit corporations benefit from this tax expenditure.

FAMILY FARM CORPORATIONS

Description: Family farm corporations are exempt from the capital stock/foreign franchise tax. A family farm corporation is one that devotes at least 75 percent of its assets to agriculture and at least 75 percent of its stock is owned by members of the same family.

Act 45 of 1998 specifically defined LLCs and business trusts as corporations for capital stock/foreign franchise tax purposes. As a result, LLCs and business trusts are eligible for the family farm exemption, if appropriate.

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

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	$ --

Beneficiaries: Approximately 760 family farm corporations operating in Pennsylvania could benefit from this tax expenditure.

ASSETS USED IN MANUFACTURING, PROCESSING, AND RESEARCH AND DEVELOPMENT

Description: Corporations (except those which enjoy the right of eminent domain, i.e., utilities) organized for manufacturing, processing, or research and development purposes may claim an exemption for capital stock invested in such activities within Pennsylvania. Pollution control assets are included for these corporations. This exemption is reflected in computing the percentage of the capital stock value actually subject to tax and applies to both single-factor and three-factor apportionment.

Act 63 of 1999 modified the manufacturing exemption by disallowing the exemption provided for manufacturing, processing, or research and development activities from the numerator of the sales factor and expanding the exemption by excluding property and payroll attributable to manufacturing, processing, or research and development activities outside of the commonwealth from the numerator of the property and payroll factors.

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

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 87.3	$ 64.5	$ 38.1	$ 8.1	$ 1.9	Nominal	$ --

Beneficiaries: Approximately 4,100 corporations operating in Pennsylvania benefit from this tax expenditure.

APPORTIONMENT FORMULA

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

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

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

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 60.3	$ 44.6	$ 26.3	$ 5.6	$ 1.3	Nominal	$ --

Beneficiaries: Approximately 7,200 corporations doing business in Pennsylvania benefit from this tax expenditure.

POLLUTION CONTROL DEVICES

Description: Equipment, machinery, facilities, and other tangible property used during the tax year within Pennsylvania for water or air pollution control or abatement devices utilized for the benefit of the general public are exempt from the capital stock/foreign franchise tax. This exemption is reflected as an exclusion from the numerator of the single asset apportionment fraction or the numerator of the property factor when the three-factor apportionment formula is used. However, for manufacturing, processing, or research and development corporations, these assets are included as exempt equipment and shown in the expenditure for assets used in manufacturing, processing, and research and development.

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

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 0.1	Nominal	Nominal	Nominal	Nominal	Nominal	$ --

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

DEDUCTION FROM THE FIXED FORMULA

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

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

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 19.1	$ 14.2	$ 8.2	$ 1.6	$ 0.3	Nominal	$ --

Beneficiaries: Approximately 276,700 corporations doing business in Pennsylvania benefit from this tax expenditure.

HOLDING COMPANIES

Description: Holding companies may elect, in lieu of a standard apportionment formula, a special apportionment formula that computes the taxable portion of capital stock value by taking 10 percent of the total capital stock value. The single-factor apportionment formula was used as the standard apportionment formula in the estimating process. Holding companies are corporations (1) which derive at least 90 percent of their income from stock or securities and the rendering of administrative or management services to subsidiary corporations and (2) whose assets are at least 60 percent comprised of securities or indebtedness of subsidiary corporations. Act 45 of 1998 clarified that limited liability companies and business trusts are eligible to receive holding company tax treatment.

Purpose: This special treatment is intended to provide tax relief to those holding companies with considerable intangible assets that otherwise are not exempt under the single assets apportionment fraction.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 70.2	$ 51.9	$ 30.6	$ 6.5	$ 1.5	Nominal	$ --

Beneficiaries: Approximately 680 companies doing business in Pennsylvania benefit from this tax expenditure.

REGULATED INVESTMENT COMPANIES/REAL ESTATE INVESTMENT TRUSTS

Description: Regulated investment companies (RICs) are subject to special valuation for capital stock/foreign franchise tax purposes. Their tax is computed by adding the net asset value multiplied by $75 and divided by one million to the apportioned undistributed personal income multiplied by the personal income tax rate. Undistributed taxable personal income is apportioned to Pennsylvania by a fraction, the numerator of which is all income distributed during the taxable year to resident shareholders and the denominator of which is all income distributed to all shareholders.

There is a potential revenue loss from regulated investment companies and real estate investment trusts (REITs) organized as business trusts. These entities are not subject to capital stock/foreign franchise tax. No cost estimate is available.

There is also a potential revenue loss associated with corporations that conduct Pennsylvania business activity through an investment in business trust RICs, REITs, and certain other related entities. Generally, a corporation's interest in an entity that is not a corporation is considered to be a direct ownership interest in the assets of the entity rather than an intangible interest. Act 232 of 2002 created exceptions to this general rule for RICs, REITs, and certain other related entities that are organized as business trusts. No cost estimate is available.

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

(Dollar Amounts in Millions)

Estimates:

2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
$ 0.3	$ 0.3	$ 0.1	Nominal	Nominal	Nominal	$ --

Beneficiaries: At least 200 RICs, REITs, and other related entities doing business in Pennsylvania benefit from this tax expenditure. In addition, an unknown number of corporations may benefit from the provisions of Act 232 of 2002.

RESTRICTED PROFESSIONAL COMPANIES

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

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

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

(Dollar Amounts in Millions)

Estimates:

2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
$ 2.7	$ 2.0	$ 1.2	Nominal	Nominal	Nominal	$ --

Beneficiaries: Approximately 2,700 companies doing business in Pennsylvania benefit from this tax expenditure.

EXEMPTION FOR STUDENT LOAN ASSETS

Description: Act 45 of 1998 provided that student loan related assets owned or held by a trust or other entity formed for the securitization of student loans are exempt from capital stock/foreign franchise tax. This provision is effective for tax years beginning on or after January 1, 1998.

Purpose: This program exempts student loan related assets held by loan securitization trusts from the capital stock/foreign franchise tax to conform with the commonwealth public policy of promoting higher education.

(Dollar Amounts in Millions)

Estimates:

2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
NA	NA	NA	NA	NA	NA	$ --

Beneficiaries: A minimal number of business trusts and other entities formed for the securitization of student loan assets benefit from this tax expenditure.

FINANCIAL INSTITUTION BUSINESS TRUSTS

Description: Act 23 of 2000 created an exemption from tax for a domestic or foreign business trust that is created or managed by an entity subject to bank shares or mutual thrifts tax, or an 80 percent affiliate thereof. The trust must also be created and managed to facilitate the securitization of intangible assets. For federal tax purposes it is classified as a partnership or disregarded entity. This exemption applies to taxable years beginning after December 31, 1999.

Purpose: This exemption acts as an incentive for these trusts to form and operate in the commonwealth.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	NA	NA	NA	NA	NA	NA	$ --

Beneficiaries: The number of taxpayers benefiting from this expenditure is unknown.

NON-PROFIT NONSTOCK COMMODITY OR STOCK EXCHANGE

Description: Non-profit nonstock commodity or stock exchanges are excluded from the definition of a corporation for capital stock/foreign franchise tax purposes. This provision applies to taxable years beginning after December 31, 1997.

Purpose: This exemption provides tax relief for non-profit nonstock commodity or stock exchanges.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	NA	NA	NA	NA	NA	NA	$ --

Beneficiaries: A minimal number of corporate taxpayers benefit from this tax expenditure.

POWDERED METALLURGY NEXUS

Description: Act 55 of 2007 created a nexus exemption for the out-of-state customers of Pennsylvania powdered metallurgy parts manufacturers. This nexus exemption applies retroactively to taxable years beginning after December 31, 2004, as well as taxable years to which there is an appeal prior to the effective date.

Purpose: This nexus exemption ensures that Pennsylvania powdered metallurgy parts manufacturers will not lose business due to a concern that out-of-state customers may be unduly subject to Pennsylvania taxation only for contracting with such a company.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	$ --

Beneficiaries: A minimal number of corporate taxpayers benefit from this tax expenditure.

GROSS RECEIPTS TAX

Authorization: Article XI of the Tax Reform Code of 1971 (P.L. 6, No. 2), as amended.

The gross receipts tax is imposed on the following companies conducting business in Pennsylvania: pipeline, conduit, steamboat, canal, slack water navigation and transportation companies; freight or oil transporters; telephone and telegraph companies; express service, palace car or sleeping car companies; and electric light, water power and hydroelectric energy companies and managed care organizations. The tax collected from managed care organizations is not deposited in the General Fund. Municipalities are entitled to exemptions.

A tax is levied at 50 mills on gross receipts from passengers, baggage, freight, and oil transported within the commonwealth; as well as intrastate and interstate telephone and telegraph messages transmitted on land line or cellular systems. A tax is levied at 44 mills on the sale of electric energy. The 44 mill tax rate on sales of electric energy was subject to change based on the revenue neutral reconciliation (RNR) tax rate calculated annually pursuant to Act 138 of 1996, which governs the restructuring of the electric utility industry in Pennsylvania. Act 89 of 2002 established the permanent RNR tax rate at 15 mills for tax years beginning January 1, 2003 and thereafter. The sale of natural gas was subject to the gross receipts tax before Act 4 of 1999 repealed these provisions, effective January 1, 2000.

MUNICIPALLY-OWNED PUBLIC UTILITIES

Description: Gross receipts of public utilities owned or operated by a municipality are exempt from tax to the extent the gross receipts are derived from business done inside the limits of the municipality. The figures for this expenditure are at the statutory utilities gross receipts tax rates applicable to the appropriate tax year.

Purpose: This tax relief encourages municipalities to develop and invest in public utility services and supplemental energy sources including cogeneration facilities. It also benefits residents to the extent the tax relief is reflected through lower utility rates.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 10.5	$ 10.6	$ 10.7	$ 10.9	$ 11.0	$ 11.1	$ 11.2

Beneficiaries: The 35 municipally-owned utilities operating in the commonwealth benefit from this tax expenditure.

NUCLEAR GENERATING FACILITY DAMAGE

Description: Gross receipts derived from the sale of electricity by an electric light company which are attributable to the recovery of purchased energy costs, clean-up costs, and investment write-off costs due to damage to a nuclear generating facility are exempt from tax.

Purpose: This tax relief alleviates the financial hardship faced by the public utility as a result of damage caused by an accident or natural disaster. It also benefits consumers to the extent the tax relief is reflected in lower utility rates.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: Ninety electric suppliers could potentially benefit from this tax expenditure.

ELECTRIC COOPERATIVES

Description: Gross receipts of electric cooperatives are exempt from the tax. The figures for this expenditure are at the statutory utility gross receipts tax rates applicable to the appropriate tax year.

Purpose: These cooperatives are nonprofit corporations organized to engage in rural electrification and are perceived to provide public benefit. This exemption permits this service to be rendered at a reduced cost to the rate payers.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 17.2	$ 17.3	$ 17.5	$ 17.7	$ 17.9	$ 18.0	$ 18.1

Beneficiaries: The 13 cooperatives in the commonwealth benefit from this tax expenditure.

PUBLIC UTILITY REALTY TAX

Authorization: Article XI-A of the Tax Reform Code of 1971 (P.L. 6, No. 2), as amended.

The public utility realty tax (PURTA) is imposed on public utilities furnishing services under the jurisdiction of the Pennsylvania Public Utility Commission or a regulatory body of another state or the United States.

Act 4 of 1999 fundamentally overhauled PURTA for tax year 1998 and thereafter. The tax rate is annually calculated by the Department of Revenue in order to raise an amount of tax revenue equal to the realty tax equivalent. The commonwealth imposes this tax on public utility realty in lieu of local real estate taxes and distributes revenue to local taxing authorities based on the realty tax equivalent.

Beginning with PURTA tax year 1998, utilities are taxed on the basis of the property's fair market value, which is the local assessed value adjusted by the common level ratio. After December 31, 1999, assets used in the generation of electricity are excluded from the PURTA tax base and the realty tax equivalent.

For fiscal years prior to 2003-04, an additional 7.6 mills of the PURTA tax base was transferred to the Public Transportation Assistance Fund. Beginning in fiscal year 2003-04, the additional 7.6 mills of the PURTA tax base has remained in the General Fund. The estimates in this portion of the analysis include the variable tax as well as the additional 7.6 mill levy.

PROPERTY SUBJECT TO LOCAL TAXATION

Description: Property subject to local real estate taxation under any law in effect on April 23, 1968, is excluded from the PURTA base.

Purpose: The Constitution of Pennsylvania was amended April 23, 1968, to provide for state taxation of public utility realty property; however, any law in effect which subjected real property of a public utility to local real estate taxation was left in full force. This provision prevents the double taxation of such property.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 3.0	$ 3.2	$ 3.3	$ 3.5	$ 3.7	$ 4.0	$ 4.2

Beneficiaries: The 290 public utilities could benefit from this tax expenditure.

EASEMENTS

Description: Easements or similar interests are excluded from the PURTA base. An easement is an interest in land owned by another entity that entitles the public utility company to limited use related to the provision of utility service.

Purpose: PURTA is intended as a tax on real property and not as a tax on property such as these rights.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 2.7	$ 2.8	$ 3.0	$ 3.1	$ 3.3	$ 3.5	$ 3.7

Beneficiaries: The 290 public utilities could benefit from this tax expenditure.

RAILROAD RIGHTS-OF-WAY

Description: Railroad rights-of-way and superstructures thereon are excluded from the PURTA base. Railroad rights-of-way are limited ownership of land to be used exclusively for the provision of rail transportation service.

Purpose: PURTA is intended as a tax on real property and not as a tax on property such as these rights. This tax relief may encourage the development of our railroad network that benefits the economy.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 6.2	$ 6.5	$ 6.9	$ 7.3	$ 7.7	$ 8.2	$ 8.6

Beneficiaries: The 75 railroad public utilities could benefit from this tax expenditure.

SEWAGE SERVICES

Description: Public utilities furnishing sewage services are exempt from tax.

Purpose: This provides tax relief to companies that are in the business of sewage treatment and encourages investment in sewage treatment facilities that provide public environmental benefits. It also benefits consumers to the extent the tax relief is reflected in lower utility rates.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 5.5	$ 5.8	$ 6.1	$ 6.4	$ 6.8	$ 7.2	$ 7.6

Beneficiaries: The 60 public utilities that provide sewage services benefit from this tax expenditure.

MUNICIPALITIES

Description: Municipalities or municipal authorities furnishing electric, natural gas, telephone, or water public utility services are exempt from tax.

Purpose: The realty used for municipally-furnished utility services is public property used for public purposes. Moreover, taxing such property would result in the municipal government funding the realty tax equivalent distributed to local taxing authorities.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 3.4	$ 3.5	$ 3.7	$ 4.0	$ 4.2	$ 4.4	$ 4.6

Beneficiaries: The 500 municipal authorities and the 35 municipal public utilities benefit from this tax expenditure.

ELECTRIC GENERATION FACILITIES

Description: After December 31, 1999, land and improvements indispensable to the generation of electricity are subject to local real estate tax and are excluded from the PURTA tax base and the realty tax equivalent.

Purpose: Electric generation facilities were removed from the PURTA tax base because electric generation is no longer regulated as a public utility function. The electric competition statute, Act 138 of 1996, changed the definition of public utility, and generation facilities can be owned by unregulated entities. This exemption allows a level playing field for participants in electricity supply.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 25.0	$ 26.4	$ 27.8	$ 29.4	$ 31.1	$ 32.9	$ 34.8

Beneficiaries: The 22 electric utilities owning generating assets in Pennsylvania benefit from this tax expenditure.

TRANSITION CREDIT

Description: During the transition years 1998 through 2001, the liability of a public utility under PURTA is limited to 250 percent of its immediate prior year's liability with any reduction in the liability capped at $100,000 per taxable year. The cost of the transition credit in current fiscal years depends on the calculation of the compensating adjustments for the affected tax years.

Purpose: The PURTA transition credit provides limited relief to taxpayers having a significant increase in their PURTA tax base as a result of Act 4 of 1999.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

Beneficiaries: Approximately 60 taxpayers benefit from this tax expenditure.

INSURANCE PREMIUMS TAX

Authorization: Article IX of the Tax Reform Code of 1971 (P.L. 6, No. 2), as amended.

The insurance premiums tax is imposed on domestic and foreign insurance companies that transact business in Pennsylvania. Certain types of insurance companies are exempt from the tax.

The tax is levied on gross premiums received from business done within Pennsylvania during each calendar year. A retaliatory tax is also imposed on taxable insurance companies incorporated in other states that impose a higher burden on Pennsylvania companies doing business there.

The basic tax rate is two percent of gross premiums plus any retaliatory tax. A three percent rate is imposed on insurance premiums for policies written with unlicensed insurers by a surplus lines agent when the insured's home state is Pennsylvania. Marine insurance companies are subject to a five percent tax on their underwriting profits in lieu of the insurance premiums tax.

The estimates in this analysis include the full amount of revenues and the retaliatory charges that would be received from affected insurance companies.

MUTUAL BENEFICIAL ASSOCIATIONS

Description: Purely mutual beneficial associations, whose funds benefit members, families, or heirs and are made up entirely of member contributions and accumulated interest, are exempt from the insurance premiums tax. For the purpose of this tax expenditure, these associations are treated as life insurance companies.

Purpose: Mutual beneficial associations are charitable and benevolent organizations that provide life, accident, and health benefits for their members. The exemption indirectly benefits subscribers to the extent that it is reflected in reduced premiums.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 15.4	$ 15.9	$ 16.7	$ 17.4	$ 18.3	$ 19.2	$ 20.0

Beneficiaries: The 60 mutual beneficial associations doing business in Pennsylvania benefit from this tax expenditure.

NONPROFIT HOSPITAL AND MEDICAL CARE SERVICE ORGANIZATIONS

Description: Companies organized under the Nonprofit Hospital Plan Act (Act of June 21, 1937, P.L. 1948, No. 378) and the Nonprofit Medical, Osteopathic, Dental and Podiatry Service Corporation Act (Act of June 27, 1939, P.L. 1125, No. 399) are exempt from the insurance premiums tax. Those exempt include, for example, Capital Blue Cross, Hospital Service Association of Northeastern Pennsylvania, Highmark Inc., Geisinger Health Plan, and Inter-County Health Plan, Inc.

Purpose: These companies are deemed to be charitable and benevolent institutions that provide hospital and/or medical care to their subscribers. The exemption provides indirect tax relief to subscribers to the extent that it is reflected in lower premiums.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 82.8	$ 86.0	$ 92.3	$ 99.2	$ 105.7	$ 111.1	$ 116.5

Beneficiaries: The 14 nonprofit hospital and medical care service organizations doing business in Pennsylvania benefit from this tax expenditure.

EXTRAORDINARY MEDICAL BENEFIT

Description: An exemption is allowed for premiums collected by automobile insurance companies for optional extraordinary medical benefit coverage from $100,000 to $1,100,000. This exemption applies only to premiums collected in association with policies written after June 1, 1989.

Purpose: This exemption benefits private insurance companies that are required to provide the extraordinary medical coverage as a result of the repeal of Pennsylvania's Catastrophic Loss Trust Fund. This exemption also indirectly benefits subscribers to the extent that it is reflected in reduced premiums.

(Dollar Amounts in Millions)

Estimates:

2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
$ 0.2	$ 0.2	$ 0.2	$ 0.2	$ 0.2	$ 0.2	$ 0.2

Beneficiaries: Approximately 820 automobile insurance companies licensed to do business in Pennsylvania may benefit from this tax expenditure.

LIFE AND HEALTH INSURANCE GUARANTY ASSOCIATION CREDIT

Description: A tax credit is available to companies that are members of the Pennsylvania Life and Health Insurance Guaranty Association. These companies may offset a proportionate part of assessment payments made to the association against the insurance premiums tax. The credit is for the portion of the assessment that is unrecoverable through premiums and must be taken over five years.

Purpose: The Pennsylvania Life and Health Insurance Guaranty Association protects policyholders and claimants by providing for the payment of benefits and the continuation of coverage under life, health, and accident, and annuity policies under certain circumstances. Members are assessed to provide funds to carry out the purpose of the association. This credit provides relief to member companies by allowing them to recoup a portion of their assessment payments in the form of tax credits. This credit also provides indirect relief to subscribers to the extent that lower premium rates are maintained.

(Dollar Amounts in Millions)

Estimates:

2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

Beneficiaries: Approximately 450 life, accident, and health insurance companies doing business in Pennsylvania may benefit from this tax expenditure.

PROPERTY AND CASUALTY INSURANCE GUARANTY ASSOCIATION (PP&CIGA) CREDIT

Description: A tax credit is available to companies that are members of the Pennsylvania Property and Casualty Insurance Guaranty Association (PP&CIGA). Companies may claim a credit for assessments paid to the association in a calendar year that exceed one percent of gross premiums collected from policyholders. The credit must be taken proportionately over five years, beginning the year after the assessment is paid. This tax credit was enacted as part of Act 23 of 2000 to allow member companies to recoup a portion of assessments paid to the association in the form of tax credits.

Purpose: The Pennsylvania Property and Casualty Insurance Guaranty Association protects policyholders and claimants by providing for the payment of benefits and claims for property and casualty policies under certain circumstances. Members are assessed to provide funds to carry out the purpose of the association. This credit also provides indirect relief to property and casualty policyholders to the extent that lower premium rates are maintained.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	Nominal	Nominal	$ 1.1	$ 2.1	$ 3.2	$ 4.3	$ 5.5

Beneficiaries: Approximately 1,000 property and casualty insurers doing business in Pennsylvania benefit from this tax expenditure.

INNOVATE IN PA TAX CREDIT

Authorization: Article XVIII-F of the Tax Reform Code of 1971 (P.L. 6, No. 2), as amended.

Description: Act 52 of 2013 created the Innovate in PA Tax Credit. A total of $100 million in tax credits may be sold to qualified insurance companies beginning October 1, 2013. Insurance companies may purchase the credits via a bidding process and claim them beginning in calendar year 2017 against insurance premiums tax (IPT) liabilities incurred for a taxable year beginning on or after January 1, 2016. The total amount of credits applied against IPT liability by all qualified taxpayers in a fiscal year may not exceed $20 million, nor may they exceed a taxpayer's IPT liability for that year. Credits may be carried forward for any taxable year that begins prior to January 1, 2026. No tax credits may be sold if the bidding process has failed to yield at least $40 million in revenue.

The amounts shown below reflect the program cap.

Purpose: The tax credit encourages funding of early-stage venture capital investment through the Ben Franklin Technology Partners, the Venture Investment Program, and the Life Sciences Greenhouses.

Administrative Costs: Costs to administer the Innovate in PA Tax Credit are borne by the Department of Community and Economic Development and the Department of Revenue. Estimated costs total $0.1 million per year.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ --	$ --	$ --	$ 20.0	$ 20.0	$ 20.0	$ 20.0

Beneficiaries: An unknown number of taxpayers will benefit from this tax expenditure.

BANK AND TRUST COMPANY SHARES TAX

Authorization: Article VII of the Tax Reform Code of 1971 (P.L. 6, No. 2), as amended.

The bank and trust company shares tax is imposed on every bank and trust company having capital stock and doing business in Pennsylvania.

The tax is imposed annually on the value of shares as of January 1. Beginning January 1, 2014, the taxable value of shares is computed on the most recent year-end value of an institution's total bank equity capital, adjusted to exclude the value of United States obligations. The tax rate on the dollar value of each taxable share of stock is 0.89 percent.

GOODWILL DEDUCTION

Description: Act 55 of 2007 allows for goodwill generated by a combination to be subtracted from a bank's book value of total bank equity capital when calculating its taxable shares.

Purpose: This deduction removes from the tax base the intangible value assigned to goodwill under purchase accounting rules as the result of a combination with another bank.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 78.8	$ 72.8	$ 75.3	$ 78.2	$ 81.6	$ 85.5	$ 89.7

Beneficiaries: Any Pennsylvania bank involved in combination activity could benefit from this tax expenditure.

MUTUAL THRIFT INSTITUTIONS TAX

Authorization: Article XV of the Tax Reform Code of 1971 (P.L. 6, No. 2), as amended.

The mutual thrift institutions tax is imposed on the net income of savings institutions, savings banks without capital stock, savings and loan associations, and building and loan associations conducting business in Pennsylvania.

The tax is based on net income determined in accordance with generally accepted accounting principles with the following major exceptions: income earned from United States obligations or Pennsylvania state and local obligations is excluded; the interest expense associated with tax exempt interest income is disallowed as a deduction; and net operating losses from previous years may be carried forward for a maximum of three years. Taxable net income is apportioned to Pennsylvania by a three-factor formula comprised of payroll, receipts, and deposits.

The current tax rate is 11.5 percent.

NET OPERATING LOSS CARRYFORWARD

Description: Thrift institutions may deduct from current taxable income the net losses from previous taxable years. A net loss for a taxable year may be carried over three years and must be carried to the earliest allowable tax year. There is no carryback of losses to prior years.

Purpose: This deduction reduces the tax burden for a period of time after an operating loss period, thereby aiding the thrift institution after it has attained economic health as measured by its taxable income.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 0.6	$ 0.6	$ 0.6	$ 0.6	$ 0.6	$ 0.6	$ 0.6

Beneficiaries: The 138 mutual thrift companies could benefit from this tax expenditure.

CREDIT UNIONS

Description: Credit unions are exempt from taxation. The tax expenditure is determined by applying the appropriate mutual thrift institutions tax rate to their net earnings.

Purpose: Credit unions are cooperative associations incorporated to promote thrift and to provide a source of credit for their members. This program provides tax relief to credit unions as well as their members to the extent that it is reflected in higher rates earned on savings and lower rates charged for loans.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 22.2	$ 24.2	$ 26.3	$ 28.3	$ 31.0	$ 33.7	$ 36.6

Beneficiaries: The 527 state and federal credit unions operating in Pennsylvania benefit from this tax expenditure.

SALES AND USE TAX

Authorization: Article II of the Tax Reform Code of 1971 (P.L. 6, No. 2), as amended.

Administrative Costs: Costs incurred to administer the multiple tax expenditures associated with the sales and use tax cannot be separately identified. Tax expenditures are a significant factor associated with the need for more compliance audits and the increased complexity of compliance audits. These audits contribute significantly to the volume of appeals processed by the Department of Revenue.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 13.3	$ 13.5	$ 13.7	$ 13.9	$ 14.1	$ 14.3	$ 14.5

Beneficiaries: Information provided under the sales and use tax "Beneficiaries" heading represent an actual or estimated number and description of Pennsylvania residents, households, or businesses benefiting from that specific tax expenditure. An unreported number of non-Pennsylvania entities may also benefit from the tax expenditure.

GENERAL/PERSONAL EXPENDITURES

FOOD

Description: Generally, food and beverages intended for human consumption are exempt from taxation. These foods may be purchased from a bakery, pastry shop, donut shop, delicatessen, grocery store, supermarket, farmer's market, convenience store, or vending machine. Sales of ready-to-eat foods are not exempt from tax and include the sale of meals, sandwiches, food from salad bars, hand-dipped or hand-served iced based products including ice cream and yogurt, hot soup, hot pizza and other hot food items, brewed coffee, and hot beverages. In addition, the exemption does not apply to soft drinks, alcoholic beverages, or food purchased from an establishment from which ready-to-eat food and beverages are sold.

Purpose: Food is considered to be a basic necessity of life. Additionally, this provision reduces the regressive nature of the tax and eases the tax burden on families who spend a disproportionate share of income on these products.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$1,322.6	$1,349.7	$1,382.6	$1,418.7	$1,454.4	$1,489.2	$1,523.3

Beneficiaries: Virtually all 5.0 million households benefit from this tax expenditure.

CANDY AND GUM

Description: The purchase at retail or use of candy and gum, regardless of where sold, is exempt from taxation.

Purpose: Candy and gum are considered to be food. Exempting candy and gum regardless of where sold provides for uniformity in the taxation of these items.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 97.2	$ 99.2	$ 101.6	$ 104.2	$ 106.9	$ 109.4	$ 111.9

Beneficiaries: The number of taxpayers benefiting from this expenditure is unknown.

PERSONAL HYGIENE PRODUCTS

Description: The purchase at retail or use of disposable diapers, incontinence products, toilet paper, feminine hygiene products, toothpaste, toothbrushes, and dental floss are exempt from taxation.

Purpose: These products are considered essential for maintaining a basic standard of life.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 49.3	$ 50.5	$ 52.1	$ 53.9	$ 55.9	$ 57.8	$ 59.7

Beneficiaries: Virtually all 5.0 million households benefit from this tax expenditure.

NEWSPAPERS

Description: The purchase or use of newspapers or publications containing information of general interest and reports of current events that qualify as a “newspaper of general circulation qualified to carry a legal advertisement,” not including magazines, is exempt from taxation.

Purpose: The purpose of this tax exemption is to encourage citizens to be well informed.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 21.8	$ 21.3	$ 21.0	$ 20.7	$ 20.5	$ 20.3	$ 20.2

Beneficiaries: The number of taxpayers benefiting from this expenditure is unknown.

MAGAZINES

Description: The purchase at retail or use of subscriptions for magazines is exempt from taxation. A "magazine" is a periodical published at regular intervals not exceeding three months and circulated among the general public. The exclusion includes any printed advertising material circulated with the periodical. This tax expenditure became effective July 1, 1994, under Act 48 of 1994.

Purpose: The purpose of this tax exemption is to encourage citizens to be well informed.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 10.2	$ 10.4	$ 10.7	$ 10.9	$ 11.2	$ 11.4	$ 11.6

Beneficiaries: Approximately 2.5 million households benefit from this tax expenditure.

CLOTHING AND FOOTWEAR

Description: The purchase at retail or use of wearing apparel, footwear, and other articles of clothing worn on the human body is exempt from taxation. Additionally, the purchase at retail or use of clothing patterns and other items that are to be a component part of clothing is exempt from tax. Accessories, ornamental wear, formal day or evening apparel, furs, and sporting goods are taxable.

Purpose: Clothing and footwear are considered essential for maintaining a basic standard of life. This provision reduces the regressive nature of the tax and eases the tax burden on families who spend a disproportionate share of income purchasing these products.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 816.8	$ 848.5	$ 876.5	$ 904.5	$ 930.8	$ 955.1	$ 977.8

Beneficiaries: Virtually all 5.0 million households benefit from this tax expenditure.

PRESCRIPTION DRUGS AND ORTHOPEDIC EQUIPMENT

Description: The purchase at retail or use of prescription drugs and orthopedic equipment is exempt from taxation. Such equipment includes crutches, wheelchairs, false teeth and dental materials, eyeglasses, artificial limbs and eyes, hearing devices, braces, and supports. Also included are devices to alleviate a physical incapacity such as a hospital bed or dialysis machine.

Purpose: Prescription drugs and orthopedic equipment are considered essential for maintaining a basic standard of life. This provision reduces the regressive nature of the tax and eases the tax burden on families who must spend a disproportionate share of income on these products.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 778.9	$ 835.9	$ 907.0	$ 987.6	$1,069.7	$1,156.0	$1,250.0

Beneficiaries: The number of taxpayers benefiting from this expenditure is unknown.

NON-PRESCRIPTION DRUGS

Description: The purchase at retail or use of non-prescription drugs such as antiseptics, aspirin, milk of magnesia, castor oil, cold capsules, eyewashes, and vitamins is exempt from taxation.

Purpose: Non-prescription drugs are considered essential for maintaining a basic standard of life. This provision reduces the regressive nature of the tax and eases the tax burden on families who spend a disproportionate share of income on these products.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 115.2	$ 123.8	$ 134.5	$ 146.7	$ 159.1	$ 172.1	$ 186.3

Beneficiaries: Virtually all 5.0 million households benefit from this tax expenditure.

LIQUOR OR MALT BEVERAGE PURCHASED FROM RETAIL DISPENSER

Description: Alcoholic beverages purchased in a drinking place or bar are exempt from taxation. Purchases from a state liquor store or a beer distributor are taxed, despite the wholesale nature of a portion of these sales. The estimates represent the difference in the tax that would be collected at the retail level and the tax presently collected on the bulk sale.

Purpose: Taxing container sales rather than per drink sales reduces overall administrative and reporting burdens for vendors and audit efforts by the Department of Revenue.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 155.0	$ 161.6	$ 169.0	$ 176.5	$ 184.0	$ 191.6	$ 199.5

Beneficiaries: Approximately 5.8 million people benefit from this tax expenditure.

CHARGES FOR RETURNABLE CONTAINERS

Description: Separately stated deposit charges for returnable containers are excluded from the purchase price and are exempt from taxation.

Purpose: Deposit charges usually represent a security in the event a container is not returned. For this reason, a true exchange of property is not considered to have occurred.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 9.1	$ 9.3	$ 9.6	$ 10.0	$ 10.3	$ 10.7	$ 11.1

Beneficiaries: Approximately 275,000 business establishments and an unknown number of households may benefit from this tax expenditure.

CASKETS AND BURIAL VAULTS

Description: The purchase or use of caskets, burial vaults, markers, cremation urns, and tombstones for human graves, including foundations, is exempt from taxation.

Purpose: These items are considered to be the final basic necessity of life. Additionally, this exemption reduces the regressive nature of the tax and eases the burden on low-income families.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 16.8	$ 17.5	$ 18.3	$ 19.1	$ 20.0	$ 20.8	$ 21.7

Beneficiaries: As many as 128,000 households benefit from this tax expenditure annually.

FLAGS

Description: The purchase or use of Pennsylvania and United States flags is exempt from taxation.

Purpose: The exemption of flags may be based on the perception that governmental support of national and state symbols is a worthy public policy objective.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 2.2	$ 2.3	$ 2.3	$ 2.4	$ 2.4	$ 2.5	$ 2.5

Beneficiaries: Approximately 2.5 million households and numerous businesses and organizations benefit from this tax expenditure.

TEXTBOOKS

Description: The purchase or use of textbooks for use in schools, colleges, and universities is exempt from taxation. The purchase must be on behalf of or through schools recognized by the Department of Education as institutions of learning.

Purpose: The education of the commonwealth's citizens is a major policy objective of state government. This exemption helps to reduce the overall cost of obtaining an education.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 29.1	$ 29.9	$ 30.5	$ 31.1	$ 31.7	$ 32.3	$ 32.8

Beneficiaries: As many as 758,000 college students may benefit from this tax expenditure.

FOOD STAMP PURCHASES

Description: The purchase at retail or use of tangible personal property in accordance with the federal Food Stamp Act of 1977 is exempt from taxation. Primarily, exempt items are soft drinks, certain drink mixes, vegetable and fruit seeds and plants, and certain prepared cold foods.

Purpose: This provision is mandated by federal law for continued state participation in the federally funded food stamp program.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 8.9	$ 9.4	$ 9.7	$ 10.0	$ 10.4	$ 10.8	$ 11.4

Beneficiaries: Approximately 880,000 households benefit from this tax expenditure.

GRATUITIES

Description: Any amount paid, in excess of charges and tax, for service relating to the purchase of food or beverages or hotel or motel accommodations is an exempt gratuity.

Purpose: Gratuities or tips are not included in the cost of the meal or accommodation acquired by the purchaser but are considered costs of the accompanying non-taxable services.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 90.1	$ 93.8	$ 97.8	$ 101.8	$ 105.8	$ 109.9	$ 113.9

Beneficiaries: Approximately 3.9 million households and an unknown number of businesses benefit from this tax expenditure.

FUELS AND UTILITIES

COAL

Description: The purchase or use of coal is exempt from taxation.

Purpose: This exemption provides special tax treatment of coal versus alternative energy forms. Other major energy sources are exempt only when used directly by the purchaser for residential use. Encouragement of coal consumption may have been perceived as providing or preserving employment when mining was a major employer within the commonwealth.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 87.5	$ 89.8	$ 92.2	$ 94.4	$ 96.7	$ 98.9	$ 100.8

Beneficiaries: Approximately 70,000 households and 4,000 businesses benefit from this tax expenditure.

FIREWOOD

Description: The purchase or use of firewood cut into lengths for burning or wood pellets is exempt from taxation when used as fuel for cooking, or for heating water or residential dwellings.

Purpose: Alternative energy sources such as heating oil, natural gas, coal, and electricity are exempt when used for residential purposes. The extension of this exemption to firewood provides consistency among all major energy sources.

(Dollar Amounts in Millions)

Estimates:

2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
$ 0.2	$ 0.2	$ 0.2	$ 0.2	$ 0.2	$ 0.2	$ 0.3

Beneficiaries: Approximately 1.0 million households that use firewood or wood pellets as a heat source benefit from this tax expenditure. Of those, there are an estimated 550,000 households with usable, wood burning fireplaces.

RESIDENTIAL UTILITIES

Description: As defined by law, "tangible personal property" specifies taxable items. Specifically omitted from this definition are electricity, steam, natural, manufactured and bottled gas and fuel oil, basic local telecommunications service when purchased directly by the user solely for his residential use, and charges for coin-operated telephone calls. Court decisions have expanded the electricity exemption to include purchases for residential use through an agent, where there is no commercial interest.

Purpose: Residential utilities are considered essential for maintaining a basic standard of life. Additionally, this provision reduces the regressive nature of the tax and reduces the tax burden on families who spend a disproportionate share of income on these services.

(Dollar Amounts in Millions)

Estimates:

Electric:

2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
$ 407.8	$ 420.5	$ 434.1	$ 450.7	$ 467.8	$ 484.8	$ 511.6

Fuel Oil/Gas:

2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
$ 394.9	$ 385.9	$ 390.6	$ 397.5	$ 399.2	$ 403.3	$ 416.0

Telephone:

2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
$ 102.4	$ 103.4	$ 104.1	$ 105.7	$ 108.4	$ 110.0	$ 109.1

Beneficiaries: Approximately 4.9 million households (electricity), 3.7 million households (fuel oil/gas), and 3.7 million households (telephone) benefit from this tax expenditure.

WATER AND SEWAGE SERVICES

Description: The purchase at retail or use of water (including ice) or sewage services is exempt from taxation.

Purpose: Water is a basic necessity of life. Additionally, this provision reduces the regressive nature of the tax and reduces the tax burden on families who spend a disproportionate share of income on this product.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 132.2	$ 135.7	$ 139.5	$ 144.0	$ 148.8	$ 153.6	$ 158.4

Beneficiaries: Approximately 4.5 million households and about 296,000 businesses benefit from this tax expenditure.

GASOLINE AND MOTOR FUELS

Description: The purchase or use of gasoline and other motor fuels, taxed under the Liquid Fuels and Fuels Tax Act, is exempt from the sales and use tax.

Purpose: Because these items are already subject to fuels taxes, the legislature has provided for their exemption from the sales and use tax.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$1,434.5	$1,403.4	$1,378.4	$1,388.6	$1,438.3	$1,480.5	$1,504.7

Beneficiaries: Approximately 4.5 million households and owners of more than 1.5 million heavy trucks, buses, etc., benefit from this tax expenditure.

MOTOR VEHICLES/VESSELS

AIRCRAFT

Description: An exemption is provided for the sale at retail or use of aircraft parts, services to aircraft, and aircraft components. In addition, there is an exemption for the sale at retail of repair and replacement parts for helicopters and similar rotorcraft, including the installation of those parts. The exemption was expanded to cover fixed-wing aircraft starting October 1, 2013.

Purpose: This exclusion places Pennsylvania aircraft manufactures at a competitively neutral position relative to manufacturers in those states allowing this exemption.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 3.9	$ 5.6	$ 5.6	$ 5.6	$ 5.7	$ 5.7	$ 5.7

Beneficiaries: Approximately 510 companies may benefit from this expenditure.

COMMON CARRIERS

Description: Vehicles purchased by a public utility, engaged in business as a common carrier, to be used in rendering utility services are exempt from taxation. Since the enactment of the Federal Aviation Act, effective January 1, 1995, Pennsylvania has recognized contract carriers as common carriers. Household goods carriers and private carriers remain taxable.

Purpose: Without this exemption, the tax would be built into the rate base of public utility services and, ultimately, passed on to consumers. Therefore, this exemption reduces the overall cost of utility services that are considered to be basic necessities.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 95.4	$ 100.0	$ 104.9	$ 110.0	$ 115.4	$ 121.0	$ 126.9

Beneficiaries: Approximately 8,300 common carriers could benefit from this tax expenditure.

COMMERCIAL VESSELS (Construction and Repair)

Description: The purchase or use of commercial vessels of 50 tons or larger is exempt from taxation if delivery is taken in Pennsylvania.

Purpose: This exclusion places Pennsylvania shipbuilders at a competitively neutral position relative to shipbuilders in those states allowing this exemption.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 6.2	$ 6.4	$ 6.6	$ 6.8	$ 7.1	$ 7.4	$ 7.6

Beneficiaries: As many as 12 establishments may benefit from this tax expenditure.

COMMERCIAL VESSELS (Equipment and Maintenance)

Description: The purchase or use of fuel, supplies, equipment, ships or sea stores, and cleaning or maintenance supplies is exempt from taxation. This exemption applies to vessels of 50 tons or more designed for commercial use.

Purpose: Imposition of the tax at the point of sale would place Pennsylvania vendors at a competitive disadvantage relative to those vendors operating in other states that allow this exemption.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 4.4	$ 4.6	$ 4.8	$ 4.9	$ 5.1	$ 5.3	$ 5.5

Beneficiaries: The number of taxpayers benefiting from this expenditure is unknown.

MOTOR VEHICLES (Out-of-State Purchasers)

Description: The purchase or use of a motor vehicle by a non-resident, to be used outside Pennsylvania, which is registered in another state within twenty days of delivery is exempt from taxation. Delivery must be taken outside of Pennsylvania.

Purpose: The exemption protects the participation of Pennsylvania car dealers in the out-of-state market while preventing potential abuses of such an exemption by Pennsylvania residents.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: The number of taxpayers benefiting from this expenditure is unknown.

SCHOOL BUSES

Description: The purchase at retail or use of school buses is exempt from taxation. These buses must be used exclusively for the transportation of children for school purposes. The provision is extended to persons who have contracts with school districts to transport children.

Purpose: The costs of transporting school children are directly borne by school districts and indirectly by state government through subsidy programs. This exemption, while limiting state sales and use tax revenues, also decreases state educational subsidy costs.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 19.7	$ 19.7	$ 19.7	$ 19.8	$ 19.8	$ 19.8	$ 19.9

Beneficiaries: Approximately 700 private contractors and 6,300 schools benefit from this tax expenditure.

PRODUCTION EXPENDITURES

MANUFACTURING EXEMPTION (Manufacture and Processing)

Description: An exemption is provided for the purchase or use of machinery, equipment, parts and supplies or the use of services or utilities used directly in the manufacturing and processing of personal property. This exemption does not apply to motor vehicles, maintenance facilities, managerial or other nonoperational activities or materials, supplies, or equipment used relative to real estate, obtaining disinfecting or pest control services, or building maintenance and cleaning services.

Purpose: Exemption of manufacturing equipment and supplies prevents the multiple taxation that could occur in the production of a finished good for consumption. Were these items not exempt, this additional cost would be passed through to the ultimate consumer.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$1,047.9	$1,078.6	$1,121.7	$1,167.0	$1,210.2	$1,250.6	$1,290.9

Beneficiaries: Approximately 14,000 manufacturers and an unknown number of processors and remanufacturers benefit from this tax expenditure.

MANUFACTURING EXEMPTION (Agriculture)

Description: An exemption is provided for the purchase or use of machinery, equipment, parts and supplies or the use of services or utilities used directly in farming, dairying, horticulture, floriculture, or aquaculture. This exemption does not apply to motor vehicles, maintenance facilities, managerial or other nonoperational activities or materials, supplies, or equipment used relative to real estate, obtaining disinfecting or pest control services, or building maintenance and cleaning services.

Purpose: Exemption of agricultural equipment and supplies prevents the multiple taxation that could occur in the production of an agricultural commodity for sale and consumption. Were these items not exempt, this additional cost would be passed through to the ultimate consumer.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 90.6	$ 93.0	$ 95.5	$ 97.7	$ 99.6	$ 101.0	$ 101.8

Beneficiaries: Approximately 62,100 farm operators benefit from this tax expenditure.

MANUFACTURING EXEMPTION (Public Utility)

Description: An exemption is provided for the purchase or use of machinery, equipment, parts and supplies or the use of services or utilities used directly in producing, delivering, or rendering a public utility service. This exemption does not apply to motor vehicles (except those used as common carriers), maintenance facilities, managerial or other nonoperational activities or materials, supplies, or equipment used relative to real estate, obtaining disinfecting or pest control services, or building maintenance and cleaning services.

Purpose: Exemption of equipment and supplies used in producing and delivering a public utility service prevents the multiple taxation that could occur in providing the service. Were these items not exempt, this additional cost would be passed through to the ultimate consumer.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 64.1	$ 65.6	$ 66.7	$ 67.7	$ 68.8	$ 70.0	$ 71.1

Beneficiaries: Approximately 7,000 public utilities could benefit from this tax expenditure.

MANUFACTURING EXEMPTION (Foundations for Machinery and Equipment)

Description: Foundations for machinery and equipment used directly in manufacturing, farming, dairying, agriculture, horticulture, floriculture, aquaculture, processing or producing, and delivering or rendering a public utility service are exempt from taxation. Included for a public utility are sand, gravel, crushed rock, concrete, or similar material used as bedding or surrounding pipe used directly to render sewer or water service.

Purpose: Exemption of foundations for manufacturing equipment prevents the multiple taxation that could occur in the production of a finished good for consumption. Were these items not exempt, this additional cost would be passed through to the ultimate consumer.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 2.1	$ 2.2	$ 2.3	$ 2.4	$ 2.5	$ 2.6	$ 2.6

Beneficiaries: Approximately 83,000 entities benefit from this tax expenditure.

CONTRACT FARMING

Description: The purchase or use of tangible personal property or services that are directly used in farming, dairying, or agriculture for the production of food are exempt from tax even if the purchaser is not the entity directly involved in the agricultural activity. This exemption applies to machinery, equipment, parts, supplies, and utilities used in the production of food.

Purpose: Exemption of agricultural equipment and supplies prevents the multiple taxation that could occur in the production of an agricultural food commodity for sale and consumption. Were these items not exempt, this additional cost would be passed through to the ultimate consumer.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 49.1	$ 51.0	$ 53.0	$ 55.1	$ 57.2	$ 59.5	$ 61.8

Beneficiaries: An unknown number of businesses engaged in contract farming benefit from this tax expenditure.

OTHER

AIRLINE CATERING

Description: Airline purchases of catered food and non-alcoholic beverages served to passengers in connection with the airline service are exempt from tax.

Purpose: This tax exemption lowers the cost of catered food and non-alcoholic beverages purchased by airlines, which may also reduce the cost of airline travel for consumers.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 1.5	$ 1.5	$ 1.6	$ 1.6	$ 1.7	$ 1.7	$ 1.8

Beneficiaries: Approximately 30 airlines may benefit from this expenditure.

COIN-OPERATED FOOD AND BEVERAGE VENDING MACHINES

Description: The tax on food and beverages dispensed from coin-operated vending machines is derived from total receipts collected from the machines rather than from the price of individual items sold.

Purpose: This provision eases reporting and administrative burdens on the vendor and reduces audit efforts required by the Department of Revenue.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 1.6	$ 1.6	$ 1.6	$ 1.6	$ 1.6	$ 1.6	$ 1.6

Beneficiaries: As many as 500 vending machine operators may benefit from this tax expenditure.

HOTEL-PERMANENT RESIDENT

Description: An exemption is provided, under the hotel occupancy tax, for a person occupying or having the right to occupy a room in a hotel, inn, tourist home, lodging house, rooming house, summer camp, apartment hotel, resort lodging, or cabin for 30 consecutive days or more. This exemption does not extend to prepared meals or other taxable items.

Purpose: Residency of this length is felt to approximate permanent dwelling rental, which is non-taxable as a basic necessity of life.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 4.9	$ 5.1	$ 5.3	$ 5.4	$ 5.6	$ 5.7	$ 5.9

Beneficiaries: Approximately 42,100 persons benefit from this tax expenditure.

COMMISSION

Description: A licensed vendor is permitted a one percent discount as a credit against the gross amount of tax collected provided that a tax return, with full payment due the department, is postmarked on or before the due date. Nearly all tax returns are due 20 days after the end of a collection period.

Purpose: This provision is intended to defray the vendor's cost of collecting and remitting the sales and use tax.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 79.7	$ 82.2	$ 85.0	$ 87.9	$ 90.8	$ 93.8	$ 97.0

Beneficiaries: Approximately 192,700 vendors benefit from this tax expenditure.

OUT-OF-STATE CREDIT

Description: A credit is allowed for the purchase of personal property or taxable services for use outside Pennsylvania equal to the sales tax paid in the applicable state. The state must grant substantially similar tax relief as provided by Pennsylvania.

Purpose: Allowing a credit for tax paid in another state prevents double taxation.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: The number of taxpayers benefiting from this expenditure is unknown.

TRADE-IN VALUE

Description: A deduction is allowed against the gross purchase price for the value of personal property actually taken in trade or exchange. The trade-in property does not have to be of like kind to the purchased property. The reduction in purchase price is considered to be the value of the trade-in.

Purpose: Tangible personal property taken as a trade-in is usually resold. Therefore, it is treated as a sale for resale.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 331.8	$ 341.6	$ 352.6	$ 364.0	$ 375.5	$ 387.4	$ 410.0

Beneficiaries: Approximately 55 purchasers of aircraft, 11,300 purchasers of computers, 11,000 purchasers of boats, and 609,300 purchasers of cars and trucks annually benefit from this tax expenditure.

ISOLATED SALES

Description: Infrequent personal property sales of a non-recurring nature by persons not in the business of selling such items are exempt from taxation. By regulation, exempt entity sales can occur no more than three times nor more than a total of seven days in a year. These sales may include the sale of a lawn mower to a neighbor, liquidation of an estate, sale of a used typewriter by an insurance company, or yard sale items. Motor vehicles and property that must be registered or licensed are not granted this exemption.

Purpose: The exclusion of isolated sales from taxation greatly reduces compliance and administration burdens for the seller and the commonwealth.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 103.3	$ 106.5	$ 110.1	$ 113.8	$ 117.6	$ 121.5	$ 125.6

Beneficiaries: The number of taxpayers benefiting from this expenditure is unknown.

TEMPORARY USAGE

Description: Property purchased outside Pennsylvania by a nonresident and temporarily used in Pennsylvania for seven days or less or any length of time by a tourist or vacationer is exempt from taxation. If the property is consumed in the state it becomes taxable.

Purpose: Providing an exemption for temporary usage of taxable property in Pennsylvania does not discourage entry into the state by vacationers, tourists, or others who attend, or are involved in specific short term events or activities.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: The number of taxpayers benefiting from this expenditure is unknown.

HORSES

Description: The sale of a horse is exempt from taxation if the seller is directed to deliver the horse to an out-of-state location. A horse may be temporarily delivered to a resident or agent prior to being delivered out-of-state.

Purpose: This exemption provides preferential treatment of horses relative to other tangible personal property by permitting temporary location in Pennsylvania before being delivered out-of-state.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 3.0	$ 3.1	$ 3.1	$ 3.1	$ 3.1	$ 3.1	$ 3.1

Beneficiaries: Approximately 2,000 Standard bred horse purchasers and an unknown number of purchasers of other types of horses benefit from this tax expenditure.

YOUTH SPORTS PROGRAMS

Description: The purchase of food and beverages from nonprofit associations which support sports programs for participants aged 18 or younger or for persons with a physical or mental handicap regardless of age is exempt from taxation.

Purpose: The exemption of these items encourages such organizations to support programs that provide activities beneficial to young people and the handicapped.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: The number of taxpayers benefiting from this expenditure is unknown.

PURELY PUBLIC CHARITIES

Description: The sale of personal property or services to or for use by any institution of purely public charity as defined by Act 55 of 1997 is exempt from taxation. Act 45 of 1998 extended this exemption to include the purchase or use of certain machinery and equipment used in a construction contract with an exempt entity. The purchase or use may be made by a construction contractor or the exempt entity. Transactions unrelated to the trade or business of such organizations are taxable as are certain materials and supplies purchased for use in connection with real estate.

Purpose: These organizations provide public and charitable services that are perceived to benefit the general public. This exemption permits these services to be rendered at reduced cost.

(Dollar Amounts in Millions)

Estimates:

Charitable Organizations:

2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
$ 162.2	$ 167.3	$ 173.8	$ 180.3	$ 186.5	$ 192.4	$ 197.4

Volunteer Firemen's Organizations:

2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
$ 62.9	$ 64.9	$ 67.2	$ 69.5	$ 71.9	$ 74.1	$ 76.0

Nonprofit Educational Institutions:

2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
$ 158.3	$ 163.3	$ 168.1	$ 173.3	$ 178.8	$ 183.8	$ 188.5

Religious Organizations:

2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
$ 93.5	$ 96.5	$ 100.2	$ 104.0	$ 107.6	$ 111.0	$ 113.9

Health & Social Assistance Organizations:

2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
$ 578.1	$ 594.7	$ 614.8	$ 634.6	$ 652.2	$ 670.3	$ 690.6

Beneficiaries: Approximately 47,000 organizations currently benefit from this tax expenditure.

EXEMPT GOVERNMENTAL UNITS

Description: The sale of tangible personal property or services to or for use by the federal government, the commonwealth or its instrumentalities, or political subdivisions is exempt from taxation. Act 45 of 1998 extended this exemption to include the purchase or use of certain machinery or equipment used in a construction contract with a governmental unit. The purchase or use may be by a contractor or governmental unit. Based on the criteria adopted to define tax expenditures, federal transactions are not included in this study. Commonwealth transactions are also excluded because revenues would offset expenditures with no net effect. The estimates, therefore, represent the tax on local government expenditures and construction contractors.

Purpose: This exemption is an indirect means of assistance to local governments and may reduce the taxes levied by these entities.

(Dollar Amounts in Millions)

Estimates:

2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
$ 416.8	$ 426.8	$ 439.5	$ 454.8	$ 472.6	$ 491.3	$ 510.3

Beneficiaries: Approximately 3,100 governmental units benefit from this tax expenditure.

SUBSTITUTED TAX BASE

Description: The tax on tangible personal property purchased at least six months prior to the first taxable use in Pennsylvania may be based on the prevailing market price at the time of the taxable use. This substituted base would be in lieu of taxing the original purchase price.

Purpose: This alternative tax base permits taxpayers to pay tax relative to the current market value of such assets that most closely approximates current taxable value.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: The number of taxpayers benefiting from this expenditure is unknown.

OUT-OF-STATE PURCHASES

Description: Tangible personal property purchased and used outside the state by a nonresident who later brings the property into Pennsylvania while establishing a permanent residence or business is exempt from taxation. This property must be purchased more than six months prior to the first taxable use in Pennsylvania.

Purpose: This provision eases administrative costs for the commonwealth and compliance costs for the taxpayer and prevents a substantial tax liability from being imposed when a person moves to Pennsylvania.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: The number of taxpayers benefiting from this expenditure is unknown.

RAIL TRANSPORTATION EQUIPMENT

Description: The purchase or use of rail transportation equipment by a business in the movement of its own personal property is exempt from taxation.

Purpose: Exemption of rail equipment provides preferential treatment benefiting specific users of this transportation mode. Were these items not exempt, this additional cost may be passed through to the ultimate consumer.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 17.9	$ 18.5	$ 19.1	$ 19.7	$ 20.2	$ 20.9	$ 21.6

Beneficiaries: The number of taxpayers benefiting from this expenditure is unknown.

FISH FEED

Description: The purchase or use of fish feed by sportsmen's clubs, fish cooperatives, or nurseries approved by the Pennsylvania Fish Commission is exempt from taxation.

Purpose: The exemption provides special treatment benefiting organizations that raise fish intended for human consumption.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

Beneficiaries: An unknown number of entities benefit from this tax expenditure.

TOURIST PROMOTION AGENCIES

Description: The purchase or use of supplies and materials by tourist promotion agencies for distribution to the public is exempt from taxation. To be permitted this exemption, an agency must receive grants from the state.

Purpose: Excluding supplies and materials used by tourist promotion agencies that receive state grants reduces the cost of performing promotional activities. The need for direct support to these agencies is decreased by providing this exemption.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: All 49 tourist promotion agencies benefit from this tax expenditure.

TROUT

Description: The purchase or use of brook trout, brown trout, or rainbow trout is exempt from taxation.

Purpose: Special treatment is conferred to those involved in the raising or sale of trout intended for human consumption.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

Beneficiaries: Approximately 60 entities benefit from this tax expenditure.

CONSTRUCTION OF MEMORIALS

Description: The purchase or use of materials used in the construction or erection of objects commemorating or memorializing historical events is exempt from taxation. These objects must be purchased by not-for-profit organizations and erected on publicly owned property.

Purpose: This exemption has been provided because these memorials are presumably erected for public benefit and gratification.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 0.1	$ 0.1	$ 0.1	$ 0.1	$ 0.1	$ 0.1	$ 0.1

Beneficiaries: The number of taxpayers benefiting from this expenditure is unknown.

STORAGE

Description: Charges for storage, other than for self-storage, of tangible personal property are exempt from taxation.

Purpose: Commercial storage services may be considered an integral part of the production and distribution of tangible personal property.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 115.0	$ 118.3	$ 122.3	$ 126.2	$ 130.0	$ 133.7	$ 137.3

Beneficiaries: The number of taxpayers benefiting from this expenditure is unknown.

STAIR LIFT DEVICES

Description: The purchase or use of property or services used in installing or repairing stair lift devices is exempt from taxation when the device is installed or used in the residence of a physically disabled person requiring the device to ascend or descend stairs. The physical disability must be certified by a physician.

Purpose: Stair lift devices could be considered essential for people with a physical disability that prevents them from ascending or descending stairs. This exemption reduces the regressive nature of the tax and eases the tax burden on people requiring the devices.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 0.2	$ 0.2	$ 0.2	$ 0.2	$ 0.2	$ 0.2	$ 0.2

Beneficiaries: As many as 850,000 residents who have difficulty ascending and descending stairs may benefit from this tax expenditure.

BAD DEBTS

Description: Sales tax vendors may apply for a refund equal to 100 percent of bad debts associated with sales tax paid to the state for sales written off by the vendor and deducted for federal income tax purposes because the vendor did not receive full payment from the purchaser. Act 55 of 2007 provided that the refund for sales tax remitted and attributable to bad debt is now expanded to private label credit cards. This change will apply to amounts deducted as bad debts on federal income tax returns required to be filed after January 1, 2008. No refund is granted for interest, finance charges, or expenses incurred in attempting to collect receivables.

Purpose: The bad debt refund provision lessens the economic impact experienced by vendors when they extend credit to customers for taxable purchases and subsequently incur uncollectible accounts receivable (bad debts).

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 8.0	$ 8.4	$ 8.9	$ 9.3	$ 9.8	$ 10.3	$ 10.8

Beneficiaries: Any of the 245,000 licensed vendors could benefit from this tax expenditure, if they extend credit or accept checks for payment.

UNIFORM COMMERCIAL CODE FILING FEES

Description: Separately stated Uniform Commercial Code (UCC) filing fees, copy requests, and certification fees paid to a state or local agency are exempt from tax.

Purpose: UCC filing legally identifies the lien holder for personal property collateral. These fees may be perceived as incidental to the purchase or use of the tangible personal property and, as such, are exempt from tax.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 2.0	$ 2.0	$ 2.1	$ 2.2	$ 2.2	$ 2.3	$ 2.4

Beneficiaries: As many as 130,000 entities benefit from this tax expenditure annually.

RENTAL OF FILMS FOR COMMERCIAL EXHIBITION

Description: The purchase at retail or use of motion picture films rented or licensed from a distributor for the purpose of commercial exhibition are exempt from taxation.

Purpose: This provision allows the entertainment services associated with these films to be delivered to the public at a reduced cost. Were these films not exempt, the additional cost would likely be passed through to the ultimate consumer.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 37.3	$ 38.5	$ 39.9	$ 41.2	$ 42.6	$ 43.7	$ 44.6

Beneficiaries: Approximately 180 motion picture and video exhibition companies, 70 television broadcasting stations, and 15 cable and subscription programming companies benefit from this expenditure.

COPIES OF AN OFFICIAL DOCUMENT

Description: The sale at retail or use of copies of an official document sold by a government agency or court are exempt from taxation. Included in copies of official documents are any copies in tangible form, including compact discs, microfilm, and similar forms of electronic media. Examples of such documents include notes of court testimony, deposition transcripts, driving records, accident reports, birth and death certificates, deeds, divorce decrees, and other similar documents.

Purpose: This provision eases reporting and administrative burdens on state, county, and local governments, including courts and political subdivisions.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 0.6	$ 0.6	$ 0.7	$ 0.7	$ 0.7	$ 0.7	$ 0.7

Beneficiaries: An unknown number of individuals and businesses benefit from this tax expenditure.

INVESTMENT METAL BULLION AND INVESTMENT COINS

Description: The purchase or use of investment metal bullion and investment coins are exempt from taxation. This exemption includes the purchase or use of precious metals, where the value of the metal is primarily a function of the metal content, or a coin, where the market value exceeds the face value. This exemption does not include jewelry, works of art made from coins, or medallions.

Purpose: These purchases are generally for investment purposes only and, as such, are exempt from tax.

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 9.3	$ 10.6	$ 12.2	$ 14.0	$ 16.0	$ 18.4	$ 21.1

Beneficiaries: An unknown number of individuals and businesses engaged in the purchase and sale of investment bullion and coins benefit from this tax expenditure.

CATALOGS AND DIRECT MAIL ADVERTISING

Description: The purchase or use of a mail order catalog or direct mail advertising literature and materials is exempt from taxation. Effective July 1, 1998, this exemption was extended to the purchase or use of electoral literature or material and certain mailing lists.

Purpose: The purchase of these items may be perceived as incidental to the advertising service being provided.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 3.5	$ 3.5	$ 3.5	$ 3.6	$ 3.6	$ 3.7	$ 3.9

Beneficiaries: The number of taxpayers benefiting from this expenditure is unknown.

WRAPPING AND PACKING SUPPLIES

Description: The purchase or use of wrapping paper, twine, bags, cartons, tape, rope, labels, nonreturnable containers, and all other wrapping supplies which are incidental to the delivery of personal property is exempt from taxation. This exclusion applies to retailers only. A separately stated charge for wrapping or packaging is taxable.

Purpose: Exemption of these items prevents double taxation since the cost of wrapping supplies, as a final input of the product, is included in the price charged by the retailer.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: Approximately 59,200 retail and wholesale establishments benefit from this tax expenditure.

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)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
LODGING							
Recreational parks, camps & campgrounds	$ 63.6	$ 66.6	$ 69.0	$ 71.0	$ 73.2	$ 75.5	$ 77.8
PERSONAL SERVICES							
Dry-cleaning & laundry services	$ 42.6	$ 44.2	$ 46.0	$ 48.0	$ 49.9	$ 51.8	$ 53.7
Personal care services	137.5	143.2	149.5	156.3	163.2	170.2	177.1
Funeral parlors, crematories & death care services	54.4	56.6	59.1	61.8	64.6	67.3	70.0
Other: personal services.	49.3	51.3	53.6	55.9	58.4	60.8	63.2
BUSINESS SERVICES							
Advertising, public relations, & related services	$ 693.2	$ 715.0	$ 740.7	$ 765.9	$ 790.4	$ 813.1	$ 833.7
Services to buildings and dwellings.	171.8	177.2	183.4	189.6	195.5	201.3	206.7
Consulting (scientific, environmental, & technical)	327.7	337.6	349.3	360.8	371.7	381.9	391.7
Scientific research & development services	198.2	204.6	213.0	221.9	230.8	239.7	248.9
Information services	16.0	16.6	17.4	18.3	19.2	20.1	21.2
Administrative services	464.6	479.1	496.1	513.0	529.2	544.9	559.9
COMPUTER SERVICES							
Custom programming, design & data processing	$ 333.8	$ 344.2	$ 356.3	$ 368.1	$ 379.4	$ 389.9	$ 399.6
AUTOMOTIVE SERVICES							
Parking lots & garages	$ 84.2	$ 87.7	$ 91.5	$ 95.5	$ 99.7	$ 103.8	$ 107.9
RECREATION SERVICES							
Spectator sports admissions (excludes schools)	$ 67.0	$ 75.7	$ 85.6	$ 96.8	$ 109.5	$ 123.8	$ 140.0
Theater, dance, music & performing arts admissions	16.8	18.0	19.3	20.7	22.1	23.7	25.4
Amusement & recreation industries	240.1	249.8	260.7	272.2	284.1	295.9	307.5
Museums, historical sites, zoos & parks	25.1	26.1	27.1	28.2	29.3	30.5	31.7
HEALTH SERVICES							
Home health care, nursing care, & other ambulatory health care services	$ 511.9	$ 537.2	$ 566.6	$ 597.9	$ 627.9	$ 658.4	$ 690.2
Hospitals	994.8	1,044.7	1,102.9	1,164.9	1,224.2	1,284.6	1,347.6
Physician & dental services	1,065.8	1,119.3	1,181.6	1,248.0	1,311.5	1,376.3	1,443.8
Social assistance including day care	181.2	190.3	200.9	212.2	223.0	234.0	245.5
PROFESSIONAL SERVICES							
Legal	$ 598.8	$ 621.2	$ 646.3	$ 671.6	$ 696.6	$ 721.0	$ 744.3
Architectural, engineering, & related services	236.7	246.9	258.6	268.3	276.1	282.4	287.2
Accounting, auditing and bookkeeping services	275.0	284.1	294.6	304.9	314.8	324.1	332.8
Specialized design	61.0	62.8	65.0	67.3	69.4	71.4	73.3
All other professional and technical services	161.7	166.7	172.5	178.3	183.8	189.0	194.1
TRANSPORTATION SERVICES							
Transit & ground transportation	$ 43.2	$ 45.2	$ 47.1	$ 49.0	$ 50.8	$ 52.3	$ 53.8
Air transportation	10.5	11.0	11.5	11.9	12.4	12.8	13.1
Truck transportation	34.7	36.1	37.5	38.9	40.2	41.5	42.6
Other transportation	0.6	0.6	0.7	0.7	0.7	0.7	0.7
MISCELLANEOUS SERVICES							
Basic television	$ 237.6	$ 242.0	$ 246.3	$ 251.7	$ 258.5	$ 263.4	$ 264.5
Tuition (college, vocational training & instruction)	700.3	729.2	761.2	795.3	830.5	865.9	900.6
Electrical, plumbing, heating & AC service fees	NA	NA	NA	NA	NA	NA	NA
Veterinary fees	48.7	50.7	52.9	55.3	57.8	60.2	62.6
Financial institution fees	193.9	204.0	216.3	231.1	248.6	263.7	277.3
Waste management and remediation services	127.6	131.8	136.6	141.4	146.1	150.7	155.2

Beneficiaries: Virtually all 5.0 million households and all 296,000 business establishments benefit from one or more of these service tax expenditures.

CIGARETTE TAX

Authorization: Article XII of the Tax Reform Code of 1971 (P.L. 6, No. 2), as amended.

The cigarette tax is an excise tax, based on a rate of 8 cents per cigarette, levied on the sale or possession of cigarettes in Pennsylvania. Prior to November 1, 2009, the tax rate was 6.75 cents per cigarette. Effective November 1, 2009, the cigarette tax will also be imposed on little cigars weighing no more than four pounds per thousand sticks. Only one sale of cigarettes, whether individual cigarettes, packages, cartons, or cases, is taxable. Beginning in fiscal year 2002-03, fixed annual amounts of $30.73 million and $20.485 million of cigarette tax receipts are transferred to the Children's Health Insurance Program (CHIP) and the Agricultural Conservation Easement Purchase (ACEP) Fund, respectively. Transfers of cigarette tax receipts to CHIP began in fiscal year 1992-93 at the rate of two thirty-firsts of receipts. After January 1, 1997, the transfer amount was increased to three thirty-firsts of receipts. Transfers of cigarette tax receipts to the ACEP fund began in fiscal year 1993-94 at the rate of two thirty-firsts of receipts. Beginning January 7, 2004, 18.52 percent of cigarette tax receipts are transferred to the Health Care Provider Retention Account (HCPRA). The HCPRA transfer was repealed beginning November 1, 2009. The analyses below reflect only the General Fund portion of the tax expenditures.

Administrative Costs: Costs to administer the cigarette tax expenditures are nominal.

STATE VETERANS HOMES

Description: Sales to retail dealers located in state veterans homes for resale to residents in such homes are exempt. Federal veterans hospitals are exempt under federal law.

Purpose: It is perceived to be good public policy to reduce taxes for veterans who have served their country and are now residing in a veteran's home or hospital.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

Beneficiaries: Residents in six state veteran's homes benefit from this tax expenditure.

UNSTAMPED CIGARETTES (200 AND UNDER)

Description: Vacationers or tourists crossing state lines with one carton or less of unstamped cigarettes are not required to pay tax on those cigarettes. The carton (200 cigarettes) cannot be resold and must be for personal use only.

Purpose: Persons crossing state lines with one carton or less of cigarettes are presumed to possess such cigarettes for personal use rather than intentionally avoiding payment of the cigarette tax. This expenditure helps to relieve administration and enforcement burdens as well as promote tourism.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: The number of taxpayers benefiting from this expenditure is unknown.

COMMISSIONS ON SALES OF STAMPS

Description: Cigarette stamping agents are permitted a commission of 0.87 percent of the value of all cigarette tax stamps purchased from the Department of Revenue or its authorized agents to be affixed to cigarettes for sale within the commonwealth. Prior to November 1, 2009, the commission was equal to 0.98 percent. The commission does not apply to purchases of stamps by a cigarette-stamping agent in amounts of less than one hundred dollars ($100).

Purpose: This commission is paid to the cigarette-stamping agent as compensation for services and expenses incurred while acting as an agent of the commonwealth in affixing tax stamps.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 9.2	$ 8.9	$ 8.7	$ 8.5	$ 8.3	$ 8.1	$ 8.1

Beneficiaries: Approximately 90 cigarette stamping agents may benefit from this tax expenditure.

MALT BEVERAGE TAX

Authorization: Article XX of the Tax Reform Code of 1971 (P.L. 6, No. 2), as amended.

The malt beverage tax is levied on malt and brewed beverages manufactured, sold, and used in Pennsylvania or manufactured outside of Pennsylvania but sold for importation and use in Pennsylvania. The tax is borne by the consumer, but manufacturers, distributors, and importers remit the tax to the commonwealth.

The malt beverage tax contains no tax expenditures as defined for this tax expenditure analysis.

LIQUOR TAX

Authorization: The Liquor Code, Act of June 29, 1987 (P.L. 32, No. 14) and the Emergency Liquor Sales Tax Act, Act of June 9, 1936 (Special Session, P.L. 13).

The liquor tax is imposed on all liquor sold by the Pennsylvania Liquor Control Board. The tax is assessed, since 1968, at the rate of 18 percent of the net price paid by the consumer.

The liquor tax contains no tax expenditures as defined for this tax expenditure analysis.

PERSONAL INCOME TAX

Authorization: Article III of the Tax Reform Code of 1971 (P.L. 6 No. 2), as amended.

The personal income tax is levied against the taxable income of resident and nonresident individuals, estates and trusts, partnerships, S corporations, business trusts, and limited liability companies that are not taxed as corporations for federal purposes. Pennsylvania taxes eight classes of income: (1) compensation; (2) net profits from the operation of a business, profession, or farm; (3) net gains on income less net losses from dispositions of property; (4) net gains on income from rents, royalties, patents, and copyrights; (5) dividends; (6) interest; (7) gambling and lottery winnings; and (8) net gains on income derived through estates or trusts.

Administrative Costs: Costs to administer the various tax expenditures associated with the personal income tax cannot be separately identified. Additionally, administrative costs for inheritance tax are included in these estimates. The existence of tax expenditures may result in taxpayer uncertainties, which create an administrative burden on the department relative to additional compliance audits, letter rulings, pronouncements, and bulletins.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 2.5	$ 2.6	$ 2.7	$ 2.8	$ 2.9	$ 2.9	$ 3.0

EXCLUSIONS FROM INCOME

RETIREMENT INCOME

Description: Payments commonly recognized as old age or retirement benefits paid to persons retired from service after reaching a specific age or after a stated period of service are exempt from taxation.

Purpose: The exemption limits the impact of the tax on retired persons. It also prevents taxation of previously taxed employee contributions to retirement plans.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$2,552.7	$2,661.2	$2,774.3	$2,892.2	$3,015.1	$3,143.2	$3,276.8

Beneficiaries: As many as 2.7 million retired residents and their survivors benefit from this tax expenditure.

RETIREMENT CONTRIBUTIONS BY EMPLOYERS

Description: Payments made by employers for programs covering employee retirement and employer social security contributions are exempt from taxation.

Purpose: This provision lessens the burden of the tax on Pennsylvania wage earners and maintains fairness since the employee often does not have the right to possess the funds in the retirement plan except upon retirement or separation from the company after a set number of years of service.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$1,056.3	$1,100.3	$1,147.3	$1,194.7	$1,241.3	$1,288.0	$1,335.8

Beneficiaries: As many as 5.8 million employees benefit from this tax expenditure.

NONQUALIFIED DEFERRED COMPENSATION

Description: Following the federal constructive receipt rule, Act 40 of 2005 stipulated that deferrals to nonqualified deferred compensation plans are not includible in compensation. This change applies to appeals which arise prior to or after the effective date of this act, July 7, 2005, and applies to taxable years beginning after December 31, 2002.

Purpose: With certain significant exceptions, Pennsylvania's constructive receipt rules were generally made consistent with the federal constructive receipt rules used to determine when compensation is received by a cash basis taxpayer.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 27.8	$ 28.6	$ 29.5	$ 30.4	$ 31.3	$ 32.2	$ 33.2

Beneficiaries: Approximately 43,000 residents benefit from this tax expenditure.

HEALTH SAVINGS ACCOUNTS/ARCHER MEDICAL SAVINGS ACCOUNTS (ARCHER MSAs)

Description: Act 67 of 2006 provided a personal income tax exemption for contributions made to Health Savings Accounts and Archer Medical Accounts, consistent with the federal treatment of such accounts. Distributions that are not used for qualified medical expenses are taxable as interest income. These changes apply to tax years beginning after December 31, 2005.

Purpose: This provision reduces the cost and could improve the quality and availability of health care to Pennsylvanians.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 7.7	$ 8.2	$ 8.7	$ 9.2	$ 9.8	$ 10.3	$ 10.7

Beneficiaries: Individuals filing approximately 92,000 returns are estimated to benefit from this tax expenditure. This number is expected to rise over time.

EMPLOYEE BENEFIT PROGRAM EMPLOYER CONTRIBUTIONS

Description: Payments made by employers or labor unions for programs covering hospitalization, sickness, disability or death, supplemental unemployment benefits, group life insurance, and strike benefits are exempt from taxation. Effective January 1, 1998, this expenditure also includes personal use of employer provided property and services.

Purpose: This provision lessens the burden of the tax upon Pennsylvania wage earners, along with maintaining fairness, since these payments are not usually based on actual use by each wage earner.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$1,233.3	$1,266.5	$1,315.9	$1,394.0	$1,481.8	$1,574.2	$1,667.6

Beneficiaries: As many as 5.8 million employees benefit from this tax expenditure.

CAFETERIA PLANS

Description: Payments made by employers, on behalf of employees, into a qualifying cafeteria plan are exempt from taxation if the program does not discriminate in favor of highly compensated individuals. This exemption parallels the limited exemption treatment of employee benefit programs covering hospitalization, sickness, disability or death, supplemental unemployment benefits, or strike benefits. Effective January 1, 1998, this expenditure also includes payments made on behalf of employees for personal use of employer provided property and services.

Purpose: This provision lessens the burden of the tax upon Pennsylvania wage earners, along with maintaining fairness, since these payments are not usually based on actual use by each wage earner.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 61.7	$ 64.3	$ 67.0	$ 69.8	$ 72.5	$ 75.2	$ 78.0

Beneficiaries: The number of taxpayers benefiting from this expenditure is unknown.

LIFE INSURANCE PROCEEDS

Description: Amounts paid to beneficiaries or the estate of a decedent due to the death of the decedent are exempt from tax.

Purpose: Life insurance proceeds are not considered compensation for services rendered. Also, premiums are often paid with after-tax dollars.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 132.6	$ 135.9	$ 139.4	$ 143.0	$ 146.7	$ 150.4	$ 154.3

Beneficiaries: The death payment beneficiaries of approximately 217,000 life insurance policies benefit from this tax expenditure.

SICKNESS OR DISABILITY PROCEEDS

Description: Payments, other than regular wages or salary, received for periods of sickness or disability are excluded from compensation.

Purpose: These payments are excluded because they do not take the place of an employee's regular wages or salary. However, sick pay in the form of regular wages or salary is taxable.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: The number of taxpayers benefiting from this expenditure is unknown.

UNEMPLOYMENT AND SUPPLEMENTAL UNEMPLOYMENT COMPENSATION

Description: Amounts received as unemployment compensation or supplemental unemployment compensation are excluded from taxable income.

Purpose: This exemption assists unemployed persons in providing the basic necessities of life.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 77.2	$ 73.8	$ 69.1	$ 64.8	$ 61.4	$ 58.6	$ 56.6

Beneficiaries: Approximately 640,000 people benefit from this tax expenditure.

WORKER'S COMPENSATION

Description: Disability, retirement, or other payments arising under workmen's compensation acts, occupational disease acts, and similar legislation are exempt from taxation.

Purpose: These benefits are not related to services rendered and are intended to provide income or subsistence during periods of disability when the taxpayer was injured on the job and also to pay workers' medical bills for injuries sustained on the job. These benefits more closely resemble insurance payments, which are not taxable.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 90.0	$ 91.0	$ 91.9	$ 92.9	$ 93.9	$ 94.9	$ 95.9

Beneficiaries: As many as 85,100 residents benefit from this tax expenditure.

STRIKE BENEFITS

Description: Amounts designated as strike benefits are exempt from tax.

Purpose: These benefits are not considered compensation for services rendered and are thus excluded from tax.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: The number of taxpayers benefiting from this expenditure is unknown.

PUBLIC ASSISTANCE

Description: Public assistance payments from governmental entities are excluded from taxable income.

Purpose: This provision limits the impact of the tax on the poor and increases the effectiveness of state payments under this program.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 6.4	$ 6.4	$ 6.4	$ 6.4	$ 6.4	$ 6.4	$ 6.4

Beneficiaries: Approximately 185,000 people benefit from this tax expenditure.

SALE OF A PRINCIPAL RESIDENCE

Description: Beginning January 1, 1998, the gain from a sale of principal residence is excludable from income. Prior to January 1, 1998, this expenditure was a once in a lifetime exclusion of up to $100,000 for those 55 and over.

Purpose: A principal residence is typically sold to meet the changing needs of the taxpayer and not in an effort to recognize a capital gain.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 113.4	$ 115.0	$ 116.8	$ 118.8	$ 120.8	$ 122.9	$ 125.0

Beneficiaries: The owners of approximately 215,000 principal residences that are sold each year in Pennsylvania benefit from this tax expenditure.

COMPENSATION FOR MILITARY SERVICE

Description: Compensation for military service by a Pennsylvania resident in a combat zone is excludable from tax. Income received for military service outside the commonwealth (whether or not it is in a combat zone) while on active duty as a member of the armed forces is excludable from compensation. Income received for active state duty for an emergency within or outside Pennsylvania is excludable from compensation.

Purpose: This provision reduces tax on members of the armed forces while on active duty in service of the country.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 121.6	$ 125.8	$ 130.9	$ 136.4	$ 141.8	$ 147.1	$ 150.6

Beneficiaries: Approximately 58,000 residents benefit from this tax expenditure.

SCHOLARSHIPS, GRANTS, FELLOWSHIPS, AND STIPENDS

Description: Scholarships, grants, fellowships, and stipends awarded on the basis of need or academic achievement for the purpose of encouraging or allowing the recipient to further their educational development are not taxable. Fellowships and stipends are taxable if they are awarded as compensation for past, present, or future services.

Purpose: Awards made on the basis of detached generosity are considered to be gifts and are not taxable as income.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 141.8	$ 147.6	$ 153.9	$ 160.4	$ 166.9	$ 173.2	$ 179.7

Beneficiaries: The recipients of approximately 292,000 state and federal grants and scholarships, and an unknown number of private scholarships, grants, fellowships, and stipends benefit from this tax expenditure.

REIMBURSEMENTS FOR ACTUAL EXPENSES

Description: Payments by an employer to an employee to reimburse actual expenses incurred by the employee in the conduct of the employer's business are excludable from compensation.

Purpose: This provision ensures that employees incurring business expenses, for which they are later reimbursed in the actual amount of the expenses, are not taxed on the reimbursements. Such expenses and reimbursements are treated as if the employer had made the expenditure directly.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: The number of taxpayers benefiting from this expenditure is unknown.

UNREIMBURSED EXPENSES

Description: Unreimbursed expenditures made by employees are excludable from compensation if they are necessary to enable the taxpayer to properly perform the duties of employment, reasonable in amount, directly related to the taxpayer's occupation, and customary in the taxpayer's occupation.

Purpose: This provision enhances the fairness of the tax for those employees who incur expenses for the benefit of the employer, in order to properly perform a job, or to retain a rate of compensation.

(Dollar Amounts in Millions)

Estimates:

2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
$ 85.7	$ 86.5	$ 87.3	$ 88.0	$ 88.8	$ 89.6	$ 90.3

Beneficiaries: Individuals filing approximately 1.2 million returns benefit from this tax expenditure.

BUSINESS INCOME DEDUCTIONS

Description: Ordinary and reasonable expenses necessary to operate a business or profession may be deducted from the gross receipts of that business or profession. This expenditure does not measure the cost of sales and operations or wages and salaries deductions.

Purpose: Businesses and professions are taxed on "net" profits; therefore, expenses necessary to produce the income may be deducted before tax is computed.

(Dollar Amounts in Millions)

Estimates: ***Depreciation:***

2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
$ 180.9	$ 190.5	$ 201.5	$ 212.8	$ 219.3	$ 228.2	$ 237.6

Other:

2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
$2,084.2	$2,187.8	$2,314.5	$2,444.1	$2,518.9	$2,621.0	$2,729.4

Beneficiaries: Approximately 1.2 million businesses and professions benefit from this tax expenditure.

FOSTER CARE

Description: Payments received by foster parents are explicitly excluded from the definition of compensation.

Purpose: This exemption provides an incentive for families to bear the burden of caring for foster children.

(Dollar Amounts in Millions)

Estimates:

2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
$ 1.0	$ 1.0	$ 1.0	$ 1.0	$ 1.0	$ 1.0	$ 1.0

Beneficiaries: The foster parents of approximately 15,000 children benefit from this tax expenditure.

QUALIFIED TUITION PROGRAMS

Description: Act 67 of 2006 provided a personal income tax deduction for qualified tuition program contributions. Rollovers, undistributed earnings, and distributions used for qualified higher education expenses are not taxable. This applies to taxable years beginning after December 31, 2005.

Purpose: These provisions lessen the burden of tax on families saving for college education.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 25.6	$ 28.8	$ 32.5	$ 36.7	$ 41.5	$ 47.0	$ 53.4

Beneficiaries: At least 99,000 taxpayers benefit from this tax expenditure.

EXEMPTION FOR ELECTION OFFICIALS

Description: Compensation and other payments received by county election officials are exempt from taxation.

Purpose: This exemption provides an incentive to serve as a county election official.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 0.9	$ 0.9	$ 0.9	$ 0.9	$ 0.9	$ 1.0	$ 1.0

Beneficiaries: As many as 101,400 election officials benefit from this tax expenditure.

PENNSYLVANIA LOTTERY WINNINGS

Description: Prizes of the Pennsylvania Lottery are exempt from the state personal income tax. Prior to fiscal year 1999-00, an amount equal to total Lottery prizes paid multiplied by the current PIT rate was transferred from the Lottery Fund to the General Fund. Since the General Fund was reimbursed for the exemption of Lottery prizes, this transfer was considered a Lottery expenditure. Act 4 of 1999 eliminated the transfer, creating an actual General Fund expenditure.

Purpose: This provision provides an additional benefit to individuals winning lottery prizes.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 12.4	$ 13.2	$ 13.4	$ 14.6	$ 15.7	$ 16.8	$ 17.8

Beneficiaries: Approximately 53,200 residents benefit from this expenditure.

STATE/LOCAL OBLIGATIONS

Description: State and local governments and authorities may issue bonds to raise funds in order to finance a variety of public projects, including infrastructure improvement or construction, and provide essential services. When a bond is issued, the issuer is obligated to repay the borrowed bond proceeds, at a specified rate of interest, by some future date. Interest paid on Pennsylvania government-issued municipal bonds is exempt from Pennsylvania state income taxes.

Purpose: Because of this tax exempt feature, investors will usually accept lower interest payments than on other types of borrowing, lowering the overall cost for the government bond issuer.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 92.3	$ 102.4	$ 105.9	$ 113.6	$ 123.8	$ 125.1	$ 125.1

Beneficiaries: Approximately 290,000 Pennsylvanians benefit from this expenditure.

START-UP BUSINESS DEDUCTION

Description: Beginning with tax year 2014, Pennsylvania aligned with federal rules allowing for a $5,000 deduction from net income for business start-up costs for personal income tax purposes. Start-up costs include any amounts paid or incurred in connection with creating an active trade or business, or investigating the creation or acquisition of an active trade or business. They may include advertising, travel, surveys, consultant fees, and training.

Purpose: This deduction gives businesses the same opportunity they have at the federal level and will encourage small business development, attract entrepreneurs and encourage existing businesses to expand and create new jobs.

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ --	$ 4.3	$ 4.0	$ 3.7	$ 3.4	$ 3.1	$ 2.8

Beneficiaries: Approximately 32,000 new businesses will benefit from this tax expenditure.

INTANGIBLE DRILLING COSTS

Description: Effective tax year 2014, a taxpayer may recover intangible drilling costs (IDCs), as defined by federal rules, by using either a ten-year amortization period, or elect to immediately expense up to one-third of the allowable costs and recover the remaining costs over a 10 year period beginning in the taxable year the costs are incurred.

Purpose: IDCs can be significant for a business, and this expenditure allows entities to deduct more costs immediately, instead of spreading all of the costs over the life of the well.

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 1.1	$ 3.3	$ 4.2	$ 4.7	$ 5.5	$ 6.1	$ 6.7

Beneficiaries: The number of taxpayers benefiting from this expenditure is unknown.

CREDITS

SPECIAL POVERTY PROVISIONS (TAX FORGIVENESS)

Description: Special tax forgiveness provisions allow eligible claimants to reduce their tax liability depending on the amount of their eligibility income. For tax year 2013, a taxpayer with no dependents and with eligibility income of $8,750 or less will qualify for some amount of forgiveness. A married couple with no dependents and with eligibility income of $15,250 or less will also qualify for some amount of forgiveness. The eligibility income limits increase by $9,500 for each dependent.

Purpose: This provision provides tax relief for taxpayers with low incomes.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 287.8	$ 279.1	$ 270.8	$ 262.6	$ 254.8	$ 247.1	$ 239.7

Beneficiaries: Individuals filing approximately 1.4 million returns benefit from this tax expenditure.

RESIDENT CREDIT

Description: Pennsylvania residents who have income which is subject to both Pennsylvania personal income tax and the income or wage tax of another state (excluding compensation earned in states with reciprocal agreements) may claim the lesser of the actual tax paid to the other state, or the tax calculated using Pennsylvania taxable income earned in the other state, multiplied by the current Pennsylvania tax rate as a credit against the personal income tax. Prior to Act 52 of 2013, Pennsylvania residents could also claim the resident credit for income from a foreign country.

Purpose: This provision prevents the double taxation of income earned by a Pennsylvania resident in another state.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 336.3	$ 357.3	$ 374.4	$ 390.4	$ 406.0	$ 422.0	$ 438.2

Beneficiaries: Individuals filing approximately 162,000 returns benefit from this tax expenditure.

ESTIMATED TAXES

ESTIMATED TAXES FOR FIDUCIARIES

Description: Act 40 of 2005 stated that fiduciaries are allowed to adopt the federal annualization rules for calculating estimated payments. This change may lower or eliminate one or more estimated payments. These provisions apply to payments made after June 30, 2006.

Purpose: The adoption of annualized federal rules for calculating estimated payments for estates and trusts allow fiduciaries to have consistent payments between state and federal laws.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 6.1	$ 6.6	$ 6.9	$ 5.9	$ 6.2	$ 6.6	$ 6.1

Beneficiaries: Approximately 43,700 fiduciaries are estimated to benefit from this tax expenditure.

ESTIMATED TAXES FOR FARMERS

Description: Individuals having an estimated gross income from farming which is at least two-thirds of their total gross income may file an estimated tax declaration any time on or before January 15 of the succeeding year. If such an individual files a final return and pays the entire tax due by March 1, the return may be considered the declaration due on or before January 15. The estimates measure the interest lost due to delayed estimated payments.

Purpose: This provision provides assistance to farmers by allowing more liberal estimated payment rules, enhancing the farmers' cash flow.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

Beneficiaries: Farmers operating approximately 62,100 farms benefit from this tax expenditure.

ESTIMATED PAYMENTS FOR SMALL AMOUNTS

Description: Individuals with taxable income of $8,000 or less not subject to withholding are not required to pay estimated taxes. The threshold was changed from $2,500 effective January 1, 2000.

Purpose: These provisions reduce paperwork for the Department of Revenue and taxpayers with small amounts of income not subject to withholding.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

Beneficiaries: Approximately 1.5 million Pennsylvania residents benefit from this tax expenditure.

ESTIMATED TAXES FOR PRIOR YEAR TAX FORGIVENESS RECIPIENTS

Description: Act 85 of 2012 allows taxpayers who make estimated tax payments equal to the amount of the taxpayer's tax liability for the preceding tax year to take into account a calculation for the special provisions for poverty (tax forgiveness). A taxpayer who received tax forgiveness during the prior tax year, but did not qualify for tax forgiveness in the current tax year and is required to make estimated payments, may avoid a penalty for underpayment of estimated taxes. This provision applies to tax years beginning on or after January 1, 2013. The estimates measure interest foregone on quarterly tax payments and from lost fees and penalties.

Purpose: This legislation is intended to give taxpayers who qualified for tax forgiveness a safe harbor from estimated payments.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

Beneficiaries: Taxpayers filing nearly 42,000 returns benefit from this expenditure.

REALTY TRANSFER TAX

Authorization: Article XI-C of the Tax Reform Code of 1971 (P.L. 6, No. 2), as amended.

The realty transfer tax is a documentary stamp tax on the value of any interest in real estate transferred by deed. The tax rate is one percent of the value of the real estate transferred. Each party to a document is jointly and severally liable for the tax imposed, unless the party is an excluded party or the document evidences an excludable transaction. The excluded status of a party does not relieve the other parties to a transaction from the entire tax due. The amounts below represent the General Fund portion of the realty transfer tax expenditures only and do not include expenditures for the portion transferred to the Keystone Recreation, Park, and Conservation Fund pursuant to Act 50 of 1993, as amended by Act 89 of 2002. Prior to Act 89 of 2002, 15 percent of the state levied realty transfer tax was transferred to the Keystone Recreation, Park, and Conservation Fund. Act 89 of 2002 lowered the transfer to 10 percent for January 2002 through June 2002 and to 7.5 percent for July 2002 through June 2003. In July 2003 the transfer rate returned to 15 percent. Act 67 of 2006 lowered the transfer rate to 2.1 percent for fiscal year 2006-07 only. For July 2007 and thereafter the transfer rate returned to 15 percent.

Administrative Costs: Costs to administer the realty transfer tax expenditures are approximately $0.3 million annually.

TRANSFERS TO GOVERNMENTAL UNITS

Description: A transfer to the commonwealth, the federal government or their agencies, political subdivisions, or instrumentalities by gift, dedication, condemnation, or in lieu of condemnation is exempt from taxation.

Purpose: This exemption provides tax relief to the grantor of property to a governmental entity. Without an exemption, the grantor would be required to pay the tax. The exemption may encourage donation of property to a governmental entity.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 3.2	$ 3.9	$ 4.5	$ 4.5	$ 4.4	$ 4.3	$ 4.2

Beneficiaries: Approximately 3,200 local governmental units could benefit from this tax expenditure.

PARTITION OF REALTY BY CO-TENANTS

Description: A partition of realty, passed by testate or intestate succession and held by co-tenants, into two or more distinctive portions with each party taking shares equal to their undivided interest, is an excluded transaction.

Purpose: Tax relief is given to the heirs to assist in the equitable settlement of the estate. Heirs to realty do not always want joint ownership in the realty willed to them as co-tenants. This exemption enables the parties to partition the realty into two or more distinct portions with each party taking shares equal to their undivided interest without incurring tax.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

Beneficiaries: The number of taxpayers benefiting from this expenditure is unknown.

TRANSFERS AMONG FAMILY MEMBERS

Description: Transfers between husband and wife, parent and child or the spouse of such child, stepparent and a stepchild or the spouse of such child, siblings and/ or the spouse of a sibling, and a grandparent and grandchild or the spouse of such a grandchild are exempt from taxation.

Purpose: This exemption reduces the tax burden on families by exempting transfers to family members.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 58.0	$ 70.9	$ 82.0	$ 81.6	$ 79.7	$ 77.8	$ 75.9

Beneficiaries: The number of taxpayers benefiting from this expenditure is unknown.

TRANSFERS TO SHAREHOLDERS OR PARTNERS

Description: A transfer from a corporation or association to its shareholder or member, where the grantee owns stock or holds an interest in the same proportion as his interest in the real estate being conveyed, is an excluded transaction. The stock or interest must be held by the grantee for more than two years.

Purpose: This exemption recognizes that the grantee has an ownership interest in the realty conveyed to him in the same proportion as stock owned in the corporation or interest in the association.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 1.4	$ 1.8	$ 2.0	$ 2.0	$ 2.0	$ 1.9	$ 1.8

Beneficiaries: The number of taxpayers benefiting from this expenditure is unknown.

TRANSFERS TO OR FROM A NONPROFIT INDUSTRIAL DEVELOPMENT AGENCY

Description: A transfer to a nonprofit industrial development agency or authority is an excluded transaction. A transfer from a nonprofit industrial development agency or authority to a grantee purchasing directly from it is an excluded transaction if (1) the grantee uses such real estate for the primary purpose of manufacturing, fabricating, compounding, processing, publishing, research and development, transportation, energy conversion, energy production, pollution control, warehousing, or agriculture and (2) the authority has full ownership interest in the real estate transferred.

Purpose: These exemptions encourage transfers of realty to nonprofit organizations for industrial development and from nonprofit organizations for use in various activities that may contribute to economic development in the commonwealth.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 3.1	$ 3.8	$ 4.4	$ 4.4	$ 4.3	$ 4.2	$ 4.1

Beneficiaries: The number of taxpayers benefiting from this expenditure is unknown.

TRANSFERS BETWEEN RELIGIOUS ORGANIZATIONS

Description: A transfer between religious organizations or persons holding title for a religious organization, with both parties possessing tax-exempt status under the Internal Revenue Code, is an excluded transaction. The real estate cannot have been used by such transferor for commercial purposes.

Purpose: This exemption provides tax relief to religious organizations that are perceived to provide social benefits.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 1.2	$ 1.5	$ 1.7	$ 1.7	$ 1.6	$ 1.6	$ 1.5

Beneficiaries: Approximately 16,400 religious organizations could benefit from this tax expenditure.

TRANSFERS TO A CONSERVANCY

Description: A transfer to or from a conservancy that possesses a tax-exempt status pursuant to the Internal Revenue Code and which has as its primary purpose preservation of land for historic, recreational, scenic, agricultural, or open space opportunities is an excluded transaction.

Purpose: This exemption encourages the preservation of realty with historic, recreational, scenic, or agricultural value.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 0.2	$ 0.2	$ 0.2	$ 0.2	$ 0.2	$ 0.2	$ 0.2

Beneficiaries: Approximately 100 land conservancies could benefit from this tax expenditure.

REAL ESTATE DEVOTED TO AGRICULTURE

Description: A transfer of real estate devoted to the business of agriculture to a family farm business by a member of the same family is an excluded transaction. The family must own at least 75 percent of each class of stock in a family farm business. The family farm may also lease the farmland as long as it is used for farming.

Purpose: This exemption provides tax relief for the establishment or expansion of the family farm business thereby recognizing the importance of the family-owned farm.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: Approximately 4,070 family farm businesses could benefit from this tax expenditure.

OWNERSHIP INTEREST IN REAL ESTATE COMPANY OR FAMILY FARM

Description: A transfer between members of the same family of an ownership interest in a real estate company or family farm business is an excluded transaction.

Purpose: A transfer of ownership interest between members of the same family is not considered a change in ownership of the business. This exemption encourages the preservation of family farm businesses and family-owned real estate businesses by allowing transfers of ownership interests between members of the same family not to count toward the corporation becoming an acquired company.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: Approximately 4,070 family farm corporations or partnerships and an unknown number of real estate companies could benefit from this tax expenditure.

TRANSFERS OF REALTY VALUED AT $100 OR LESS

Description: A transaction where the tax due is one dollar ($1.00) or less is an excluded transaction.

Purpose: The administrative costs of collecting the revenue from a transfer of realty valued at one hundred dollars or less are thought to be greater than the revenue.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

Beneficiaries: The number of taxpayers benefiting from this expenditure is unknown.

PRODUCTION OR EXTRACTION OF COAL, OIL, NATURAL GAS, OR MINERALS

Description: Leases for the production or extraction of coal, oil, natural gas, or minerals and assignments thereof are excluded transactions.

Purpose: This exemption gives tax relief to the mining and extracting industries to produce and extract coal, oil, natural gas, and minerals at a lower cost.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: Approximately 1,375 companies may benefit from this tax expenditure.

PUBLIC UTILITY EASEMENTS

Description: A transfer of an easement to a person furnishing public utility service is an excluded transaction if the easement is used in, or useful for, furnishing public utility services.

Purpose: Public utility easements are numerous and the majority of them are conveyed for a small consideration. The administrative costs of collecting the revenue from an easement to a provider of public utility services are thought to be greater than the revenue.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

Beneficiaries: The 290 public utilities could benefit from this tax expenditure.

STANDING TIMBER OR CROPS

Description: Standing timber and crops are not deemed to actually pass with the conveyance of realty when the instrument provides for severance and removal within an immediate ascertainable date.

Purpose: Timber and crops are personal property in this instance, the transfer of which is not subject to realty transfer tax.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: The number of taxpayers benefiting from this expenditure is unknown.

TRANSFERS TO VOLUNTEER RESCUE COMPANY

Description: A transfer from the commonwealth or any of its agencies, political subdivisions, or instrumentalities for no or nominal consideration to a volunteer emergency medical services agency, volunteer fire company or volunteer rescue company is an excluded transaction.

Purpose: This exemption provides tax relief to volunteer emergency agencies. Without the exemption, they would be required to pay the tax. The exemption should aid volunteer emergency agencies in being able to better serve their communities.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

Beneficiaries: Approximately 1,980 taxpayers could benefit from this tax expenditure.

TRANSFERS BETWEEN VOLUNTEER AGENCIES

Description: A transfer between two or more volunteer emergency medical services agencies, volunteer fire companies or volunteer rescue companies is an excluded transaction.

Purpose: This exemption provides tax relief to volunteer emergency agencies. Without the exemption, both the grantor and the grantee would be required to pay the tax. The exemption should aid volunteer emergency agencies in being able to better serve their communities.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

Beneficiaries: Approximately 1,980 taxpayers could benefit from this tax expenditure.

INHERITANCE TAX

Authorization: Article XXI of the Tax Reform Code of 1971 (P.L. 6, No. 2), as amended.

Administrative Costs: Costs to administer the inheritance tax expenditures are included in the personal income tax administrative cost estimates. Costs incurred to administer the multiple tax expenditures associated with inheritance tax cannot be separately identified.

FAMILY RELATED EXEMPTIONS AND EXCLUSIONS

PREFERENTIAL RATE FOR TRANSFERS TO LINEAL BENEFICIARIES

Description: Effective July 1, 2000, assets transferred to lineal beneficiaries are taxed at a 4.5 percent rate rather than the 15 percent rate for assets transferred to non-lineal heirs. Lineal beneficiaries include grandparents, parents, and lineal descendants (including adopted or step children). Prior to July 1, 2000, transfers to lineal beneficiaries were taxed at a rate of six percent.

Purpose: This provision reduces the tax burden on the immediate family members of the decedent.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$1,101.2	$1,148.9	$1,199.6	$1,251.1	$1,304.6	$1,361.2	$1,420.5

Beneficiaries: Approximately 35,400 estates benefit from this tax expenditure.

TRANSFERS OF PROPERTY TO SPOUSE

Description: Property passing to a spouse of a decedent is exempt from inheritance tax. This estimate is based on the difference between taxing all assets transferred between spouses at the lineal rate of 4.5 percent and the spousal rate of zero percent.

Purpose: This provision prevents an undue tax burden on a surviving spouse especially when assets cannot be jointly owned. It allows spouses to maintain homes and other assets without being subject to inheritance tax.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$1,584.8	$1,653.4	$1,726.4	$1,800.4	$1,877.4	$1,959.0	$2,044.3

Beneficiaries: Approximately 34,000 estates benefit from this tax expenditure.

EXEMPTION FOR TRANSFERS OF PROPERTY FROM A CHILD TO PARENT

Description: Property passing from a child twenty-one years of age or younger to a parent is subject to a zero percent tax rate. This estimate measures the difference between taxing child to parent transfers at the lineal rate of 4.5 percent and the child to parent rate of zero percent.

Purpose: This provision reduces the tax burden on families receiving assets due to the untimely death of a child. The transfer of assets to parents was previously taxed as a lineal transfer. This rate change, authorized by Act 23 of 2000, is effective for decedents dying July 1, 2000 or later.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 0.9	$ 1.0	$ 1.0	$ 1.1	$ 1.1	$ 1.2	$ 1.2

Beneficiaries: Approximately 80 estates benefit from this tax expenditure.

PREFERENTIAL RATE FOR TRANSFERS TO SIBLINGS

Description: Effective July 1, 2000, assets transferred to siblings, defined as brothers or sisters with at least one parent in common, by blood or adoption, are taxed at a rate of 12 percent rather than the rate of 15 percent for assets transferred to non-lineal heirs. Prior to July 1, 2000, transfers to siblings were taxed at a rate of 15 percent.

Purpose: This provision reduces the tax burden on estates that transfer assets to a sibling of the decedent. It recognizes that a sibling is often a decedent's closest relative and that transfers to siblings should be taxed at a lower rate than transfers to unrelated beneficiaries.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 23.1	$ 24.1	$ 25.1	$ 26.2	$ 27.3	$ 28.5	$ 29.7

Beneficiaries: Approximately 4,700 estates benefit from this tax expenditure.

LIFE INSURANCE PROCEEDS

Description: Life insurance proceeds, whether or not payable to the estate of the decedent, are exempt from inheritance tax.

Purpose: This provision lessens the tax burden on the insurance beneficiaries of the decedent, who are likely to be family members. A common reason for purchasing life insurance is to assist with the payment of inheritance and estate taxes.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 117.9	$ 122.2	$ 126.7	$ 131.4	$ 136.3	$ 141.3	$ 146.6

Beneficiaries: Estates of the decedents associated with approximately 76,000 life insurance policies benefit from this expenditure.

FEDERAL WAR RISK INSURANCE AND NATIONAL SERVICE LIFE INSURANCE PROCEEDS

Description: Proceeds of federal war risk insurance, national service life insurance, or other similar governmental insurance are exempt from inheritance tax.

Purpose: This provision lessens the tax burden on beneficiaries of U.S. military personnel and dependents who receive increased insurance when stationed in an area where military conflict is possible.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 0.1	$ 0.1	NA	NA	NA	NA	NA

Beneficiaries: The families of fallen Pennsylvanians benefit from this tax expenditure.

FAMILY EXEMPTION

Description: A $3,500 family exemption from inheritance tax is permitted for the decedent's surviving spouse, children, or parents living in the decedent's household at the time of death.

Purpose: This provision allows a small tax-free transfer of property to immediate family members residing with the decedent. Smaller taxable estates benefit to a greater extent.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 1.6	$ 1.6	$ 1.7	$ 1.8	$ 1.9	$ 1.9	$ 2.0

Beneficiaries: Approximately 7,700 families benefit from this tax expenditure.

PERSONAL EXCLUSIONS AND DEDUCTIONS

EMPLOYMENT BENEFITS

Description: Employment benefits that the decedent did not have the right to possess, enjoy, assign, or anticipate before death are exempt from inheritance tax. Exempt benefits include pensions, stock-bonuses, profit-sharing plans, Keoghs, Individual Retirement Accounts, and other retirement plans. If the decedent did have the right to possess, enjoy, assign, or anticipate the benefits, they are exempt from Pennsylvania inheritance tax only to the same extent they are exempt from the federal estate tax.

Purpose: This provision limits inheritance tax on employment benefits to which the decedent did not have full rights. An individual is presumed to have full rights to these employment benefits after age 59 ½, the age at which someone may utilize at least a portion of these funds without penalty under the Internal Revenue Code.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 7.2	$ 7.5	$ 7.8	$ 8.1	$ 8.5	$ 8.8	$ 9.2

Beneficiaries: Estates of the approximately 7,000 decedents of working age and under 59½ at death may benefit from this tax expenditure.

ESTATE ADMINISTRATION EXPENSES

Description: Expenses for attorney fees, funeral and burial expenses, tombstones and grave markers, and other expenses incurred in administering the estate are deductible from the taxable estate.

Purpose: This provision allows for the deduction of reasonable and necessary expenses associated with managing the estate.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 62.6	$ 65.4	$ 68.2	$ 71.2	$ 74.3	$ 77.5	$ 80.9

Beneficiaries: Approximately 47,100 estates benefit from this tax expenditure.

DEBTS AND LIABILITIES OF THE DECEDENT

Description: A deduction from the gross estate is allowed for debts and liabilities of the decedent.

Purpose: This provision increases the fairness of the tax by ensuring that property is included in the taxable estate based on its net value. For example, a mortgage is deducted from the value of real property to properly value the decedent's interest in that property.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 67.1	$ 70.0	$ 73.0	$ 76.2	$ 79.5	$ 83.0	$ 86.6

Beneficiaries: Approximately 34,500 estates benefit from this tax expenditure.

SOCIAL SECURITY DEATH PAYMENTS

Description: The lump-sum social security death benefit is exempt from inheritance tax.

Purpose: This provision helps limit the impact of the tax on poorer beneficiaries. The social security death benefit could comprise the majority of assets for many small taxable estates.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 1.0	$ 1.0	$ 1.0	$ 1.0	$ 1.0	$ 1.0	$ 1.0

Beneficiaries: As many as 60,300 estates may benefit from this tax expenditure.

RAILROAD RETIREMENT BURIAL BENEFITS

Description: The lump-sum railroad retirement burial benefit is exempt from inheritance tax.

Purpose: This provision helps limit the impact of the tax on poorer beneficiaries. The railroad retirement burial benefit could comprise the majority of assets for many small taxable estates.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

Beneficiaries: An estimated 200 estates receive lump sum benefit payments from the U.S. Railroad Retirement Board.

ADVANCEMENTS

Description: Transfers made as an advancement of or on account of an intestate share or in satisfaction or partial satisfaction of a gift by will are exempt unless the gift was made within one year of death and gifts to the transferee exceeded $3,000 during that calendar year.

Purpose: Gifts, as long as they are not made within one year of the date of death, are exempt from inheritance tax. This provision provides that these advancements be treated as gifts that are not intended to avoid the tax.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: Approximately 60,300 estates might benefit from this tax expenditure.

PROPERTY SUBJECT TO POWER OF APPOINTMENT

Description: Property left to a trust by the decedent (grantor) subject to a power of appointment (by a grantee), whether or not exercised and notwithstanding any blending of such property with property of the grantee, is exempt from inheritance tax in the estate of the grantee.

Purpose: Pennsylvania taxes the transfer of these assets subject to a power of appointment at the time the interest is created (when the grantor dies). The grantee may have a life interest in the estate with any remainder passing to some other person. This provision prevents taxation when the property is subsequently distributed upon the death of the grantee, having already been taxed in the estate of the grantor.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: The number of taxpayers benefiting from this expenditure is unknown.

NOMINAL OWNERSHIP OF PROPERTY

Description: Property held in the name of a decedent who held no beneficial interest in the property is exempt from inheritance tax.

Purpose: This provision prevents property in which the decedent had no real interest from being included in the taxable estate.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: The number of taxpayers benefiting from this expenditure is unknown.

BUSINESS RELATED EXCLUSIONS AND DEDUCTIONS

PREFERENTIAL VALUATION OF FARMLAND

Description: Farmland which was devoted to agricultural use for the three years preceding the death of the decedent, and is not less than 10 contiguous acres or has an anticipated yearly gross income derived from agricultural use of $2,000 or more, is valued based on its current use rather than its highest use.

Purpose: This provision helps to maintain family farms since land currently devoted to agricultural use is often more valuable if developed.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: The number of taxpayers benefiting from this expenditure is unknown.

SMALL BUSINESS INTEREST TRANSFER EXTENDED PAYMENT SCHEDULE

Description: The inheritance tax due on the transfer of a qualified small business interest may be paid in twenty consecutive quarterly installments beginning nine months after the decedent's death. Each installment payment bears interest of nine percent per annum.

Purpose: This provision helps protect small businesses upon the death of the owner from a sudden tax burden. Payments are spread out over time so that asset sales can be avoided.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: The number of taxpayers benefiting from this expenditure is unknown.

PREFERENTIAL VALUATION OF AGRICULTURAL CONSERVATION EASEMENTS

Description: An agricultural conservation easement is a deed restriction landowners voluntarily place on their property to protect productive agricultural land. They are used to authorize a qualified conservation organization or public agency to monitor and enforce the restrictions set forth in the agreement. Act 67 of 2006 provided that the value of an agricultural conservation easement is set at 50 percent of what the land would otherwise be valued for purposes of inheritance tax assessments.

Purpose: This provision helps to maintain family farms and increase participation in the preservation of the commonwealth's farmland.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 0.4	$ 0.4	$ 0.5	$ 0.5	$ 0.5	$ 0.5	$ 0.6

Beneficiaries: The owners of 62,100 farms might benefit from this tax expenditure.

AGRICULTURAL TRANSFERS TO FAMILY MEMBERS

Description: Effective July 1, 2012, a transfer of real estate devoted to the business of agriculture between members of the same family is exempt from inheritance tax, provided that after the transfer the real estate continues to be devoted to the business of agriculture for a period of seven years beyond the decedent's date of death and the real estate derives a yearly gross income of at least $2,000. A transfer of an agricultural commodity, agricultural conservation easement, agricultural reserve, agricultural use property or a forest reserve to lineal descendants or siblings is also exempt from inheritance tax.

Purpose: This provision helps to maintain family farms and increase participation in the preservation of the commonwealth's farmland.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 4.9	$ 5.4	$ 5.6	$ 5.8	$ 6.1	$ 6.4	$ 6.7

Beneficiaries: The owners of 62,100 farms might benefit from this tax expenditure.

FAMILY-OWNED BUSINESS TRANSFERS TO FAMILY MEMBERS

Description: Effective July 1, 2013, a transfer of a family-owned, small business interest to members of the same family is exempt from inheritance tax, provided that after the transfer, the family-owned business interest continues to be owned by a family member for a minimum of seven years beyond the decedent's date of date. The exemption is limited to qualified family-owned business interests, defined as having fewer than 50 full-time equivalent employees, a net book value of assets less than $5 million, and being in existence for at least five years, as of the decedent's date of death. The exemption does not apply to property transferred into the business within one year of the decedent's date of death.

Purpose: This provision helps to maintain family-owned, small businesses.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 3.8	$ 6.7	$ 7.5	$ 8.0	$ 8.3	$ 8.6	$ 9.0

Beneficiaries: The owners of 271,000 family-owned, small businesses might benefit from this tax expenditure.

OTHER EXCLUSIONS

TRANSFERS TO GOVERNMENTS

Description: Intervivos transfers and bequests to governments are exempt from inheritance tax.

Purpose: This exemption is an indirect means of assistance to governments and may reduce the taxes levied by these entities.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 0.4	$ 0.4	$ 0.4	$ 0.4	$ 0.5	$ 0.5	$ 0.5

Beneficiaries: Approximately 3,500 governmental units could benefit from this tax expenditure.

TRANSFERS TO CHARITABLE AND FRATERNAL ORGANIZATIONS

Description: Intervivos transfers and bequests to charitable and fraternal organizations are exempt from inheritance tax.

Purpose: Charitable and fraternal organizations provide public services that are believed to benefit citizens. This exemption represents an indirect means of assistance to these entities and may increase the money available for charitable purposes.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 106.6	$ 111.2	$ 116.1	$ 121.1	$ 126.4	$ 131.9	$ 137.7

Beneficiaries: An estimated 32,400 charitable and fraternal organizations might benefit from this tax expenditure.

TABLE GAME TAXES

Authorization: Chapter 13A of Title 4 of the Pennsylvania Consolidated Statutes.

Act 1 of January 7, 2010, (P.L. 1, No. 1) imposed table game taxes on gross table game revenue of licensed gaming entities in Pennsylvania.

The table game taxes are imposed on gross table game revenue, which is defined as total cash or cash equivalents received in the playing of table games, contest or tournament fees or payments, and total amount of rakes collected minus cash or cash equivalents paid out, paid to purchase annuities to fund prizes, and paid for personal property distributed to patrons as a result of playing a table game.

The tax rates are 14 percent of gross table game revenue for two years following commencement of table game operations at the facility and 12 percent thereafter, and an additional 34 percent of gross table game revenue from table games played on fully automated electronic gaming tables.

Table game taxes contain no tax expenditures as defined for this tax expenditure analysis.

LIQUID FUELS AND FUELS TAX

Authorization: Chapter 90 of Title 75 of the Pennsylvania Consolidated Statutes.

Act 89 of 2013 (HB 1060, PN 2697) eliminated the permanent trust fund tax of 12 cents per gallon established by the Act of April 17, 1997 (P.L. 1531, No. 3) on all taxable liquid fuels and fuels used or sold and delivered by distributors of the commonwealth, effective January 1, 2014. Aviation gasoline and jet fuel are also taxed under Chapter 90. However, separate tax rates are set for these fuels. Effective January 1, 2015, the tax rate for aviation gasoline is 5.9 cents per gallon, and the tax rate for jet fuels is 2 cents per gallon.

OIL COMPANY FRANCHISE TAX

Authorization: Chapter 95 of Title 75 of the Pennsylvania Consolidated Statutes.

The Act of April 17, 1997 (P.L. 1531, No. 3) imposed a tax of 153.5 mills for all taxable liquid fuels and 208.5 mills for all taxable fuels on oil companies conducting business in Pennsylvania. Act 89 of 2013 (HB 1060, PN 2697) added an additional 64 mills in 2014, 49 mills in 2015, 48 mills in 2016, 41 mills in 2017, and 39 mills in 2018 and each calendar year thereafter on all taxable liquid fuels and fuels. The oil company franchise tax is calculated annually by multiplying the average wholesale price (established by the Department of Revenue) by the millage rates above. The resulting product is the effective tax rate that is multiplied by the total taxable gallons of fuels and liquid fuels. Act 89 of 2013 set the average wholesale price at $1.87 in 2014, $2.48 in 2015 and 2016, and in 2017 the average wholesale price will be uncapped. There is also a statutory average wholesale price floor set at $2.99 for 2017 and each year thereafter. Prior to Act 89, the Act of July 22, 1983 (P.L. 122, No. 32) set minimum and maximum average wholesale prices at $0.90 and $1.25 per gallon, respectively. The tax rate for calendar year 2015 is 50.5 cents per gallon for liquid fuels and 64.2 cents per gallon for fuels. Receipts from 57 mills of the tax on liquid fuels and fuels are deposited as unrestricted Motor License Fund revenue, along with the mills added by Act 89 of 2013. However, 4.17 percent of the mills added by Act 89 are transferred to the Liquid Fuels Tax Fund.

ALTERNATIVE FUELS TAX

Authorization: Chapter 90 of Title 75 of the Pennsylvania Consolidated Statutes.

The Act of April 17, 1997 (P.L. 1531, No. 3) imposed a tax on alternative fuels used to propel vehicles on public highways. Alternative fuels include natural gas, compressed natural gas, liquid propane gas and liquefied petroleum gas, alcohols, gasoline-alcohol mixtures containing at least 85 percent alcohol by volume, hydrogen, electricity, and any other fuel not taxable as liquid fuels or fuels. The tax rate applied to each gasoline gallon equivalent of alternative fuel equals the current liquid fuels tax and oil company franchise tax applicable to one gallon of gasoline.

Administrative Costs: Costs to administer the multiple tax expenditures associated with the liquid fuels and fuels, oil company franchise, and alternative fuels taxes cannot be separately identified. Tax expenditures are a significant factor associated with the need for more compliance audits and the increased complexity of such audits.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 0.5	$ 0.5	$ 0.5	$ 0.5	$ 0.5	$ 0.5	$ 0.5

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:***

2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
$ 2.5	$ 0.0	$ 0.0	$ 0.0	$ 0.0	$ 0.0	$ 0.0

Jet Fuel & Aviation Gasoline:

2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

Fuels:

2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
$ 3.4	$ 0.0	$ 0.0	$ 0.0	$ 0.0	$ 0.0	$ 0.0

Oil Company Franchise:

2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
$ 27.8	$ 43.7	$ 48.9	$ 52.3	$ 57.1	$ 57.3	$ 57.8

Beneficiaries: Approximately 3,130 governmental units benefit from these tax expenditures.

VOLUNTEER EMERGENCY VEHICLES

Description: Fuel purchased by a volunteer fire company, volunteer ambulance service, or volunteer rescue squad, and used solely in official vehicles, is exempt from the tax.

Purpose: Volunteer emergency organizations provide public services that are perceived to benefit citizens. This exemption permits these services to be rendered at a reduced cost.

(Dollar Amounts in Millions)

Estimates: ***Liquid Fuels:***

2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
$ 0.2	$ 0.0	$ 0.0	$ 0.0	$ 0.0	$ 0.0	$ 0.0

Jet Fuel & Aviation Gasoline:

2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

Fuels:

2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
$ 1.5	$ 0.0	$ 0.0	$ 0.0	$ 0.0	$ 0.0	$ 0.0

Oil Company Franchise:

2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
$ 9.0	$ 14.2	$ 15.9	$ 17.0	$ 18.6	$ 18.6	$ 18.8

Beneficiaries: Approximately 2,300 volunteer fire departments and an unknown number of other volunteer organizations benefit from these tax expenditures.

NONPROFIT NONPUBLIC SCHOOLS

Description: Fuel purchased by any nonprofit nonpublic school in which a commonwealth resident may legally fulfill compulsory school attendance requirements is granted an exemption from the tax.

Purpose: Since state government indirectly subsidizes transporting public school children, this exemption provides similar treatment to nonprofit nonpublic schools.

(Dollar Amounts in Millions)

Estimates: ***Liquid Fuels***:

2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Nominal	$ 0.0	$ 0.0	$ 0.0	$ 0.0	$ 0.0	$ 0.0

Jet Fuel & Aviation Gasoline:

2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

Fuels:

2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Nominal	$ 0.0	$ 0.0	$ 0.0	$ 0.0	$ 0.0	$ 0.0

Oil Company Franchise:

2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
$ 0.3	$ 0.4	$ 0.5	$ 0.5	$ 0.5	$ 0.5	$ 0.5

Beneficiaries: As many as 3,000 nonprofit nonpublic schools may benefit from these tax expenditures.

SECOND CLASS COUNTY PORT AUTHORITIES

Description: Purchases of fuel by second class county port authorities are exempt from the tax.

Purpose: This exemption is an indirect means of assistance to local governments and may reduce the taxes levied by these entities.

(Dollar Amounts in Millions)

Estimates: ***Liquid Fuels***:

2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
NA	$ 0.0	$ 0.0	$ 0.0	$ 0.0	$ 0.0	$ 0.0

Jet Fuel & Aviation Gasoline:

2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
NA	NA	NA	NA	NA	NA	NA

Fuels:

2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
NA	$ 0.0	$ 0.0	$ 0.0	$ 0.0	$ 0.0	$ 0.0

Oil Company Franchise:

2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
NA	NA	NA	NA	NA	NA	NA

Beneficiaries: One second class county port authority benefits from this tax expenditure.

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:***

2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Nominal	$ 0.0	$ 0.0	$ 0.0	$ 0.0	$ 0.0	$ 0.0

Jet Fuel & Aviation Gasoline:

2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

Fuels:

2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Nominal	$ 0.0	$ 0.0	$ 0.0	$ 0.0	$ 0.0	$ 0.0

Oil Company Franchise:

2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
$ 0.1	$ 0.2	$ 0.2	$ 0.3	$ 0.3	$ 0.3	$ 0.3

Beneficiaries: There are 13 electric cooperative in the commonwealth that benefit from these tax expenditures.

AGRICULTURAL USE

Description: A full refund of tax paid is granted for fuel consumed in agricultural use relating to the actual production of farm products. Fuel used in farm machinery or equipment engaged in the production or harvesting of agricultural products is exempt from taxation under these provisions.

Purpose: This exemption allows farmers to provide agricultural products at a reduced cost.

(Dollar Amounts in Millions)

Estimates: ***Liquid Fuels:***

2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
$ 0.4	$ 0.0	$ 0.0	$ 0.0	$ 0.0	$ 0.0	$ 0.0

Jet Fuel & Aviation Gasoline:

2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

Fuels:

2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
$ 0.1	$ 0.0	$ 0.0	$ 0.0	$ 0.0	$ 0.0	$ 0.0

Oil Company Franchise:

2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
$ 2.5	$ 3.9	$ 4.3	$ 4.6	$ 5.1	$ 5.1	$ 5.1

Beneficiaries: Individuals operating approximately 63,200 farms benefit from these tax expenditures.

TRUCK REFRIGERATION UNITS

Description: A full refund of tax paid is granted for undyed diesel fuel used in truck refrigeration units when the tank that fuels the refrigeration unit is used solely for that purpose and is separate from that which powers the vehicle.

Purpose: This provision allows a refund for fuel consumed in an off-road manner when such use can be clearly documented.

(Dollar Amounts in Millions)

Estimates: ***Liquid Fuels:***

2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
NA	NA	NA	NA	NA	NA	NA

Fuels:

2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
$ 0.5	$ 0.0	$ 0.0	$ 0.0	$ 0.0	$ 0.0	$ 0.0

Oil Company Franchise:

2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
$ 2.6	$ 4.0	$ 4.5	$ 4.8	$ 5.3	$ 5.3	$ 5.3

Beneficiaries: Approximately 330 entities benefit from these tax expenditures.

POWER TAKE-OFF

Description: A full refund of tax paid is granted for undyed fuel consumed in a power takeoff unit used to load or unload farm feed, feed products, lime, or limestone products for agricultural use at a farm. Tax paid will be refunded provided that the fuel usage is documented by an electronic monitoring device used in conjunction with an electronically controlled engine.

Purpose: This provision allows a refund for fuel consumed in an off-road manner when such use can be clearly documented.

(Dollar Amounts in Millions)

Estimates: ***Liquid Fuels:***

2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Nominal	$ 0.0	$ 0.0	$ 0.0	$ 0.0	$ 0.0	$ 0.0

Fuels:

2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Nominal	$ 0.0	$ 0.0	$ 0.0	$ 0.0	$ 0.0	$ 0.0

Oil Company Franchise:

2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

Beneficiaries: Fewer than 10 taxpayers benefit from these tax expenditures.

DISCOUNT

Description: A distributor is permitted a variable percentage discount based on gross tax due provided the liquid fuels and fuels tax return and payment due are timely filed. This will be in effect until December 31, 2013. Starting January 1, 2014 the discount is based on the gross tax due on the oil company franchise tax mills added by Act 89 of 2013. Returns and payments are generally due on or before the 20th day of each month for the preceding month's sales.

Purpose: This discount is intended to defray the cost of preparing and remitting the tax reports and payments.

(Dollar Amounts in Millions)

Estimates: ***Liquid Fuels:***

2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
$ 2.4	$ 0.0	$ 0.0	$ 0.0	$ 0.0	$ 0.0	$ 0.0

Jet Fuel & Aviation Gasoline:

2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
$ 0.1	$ 0.1	$ 0.1	$ 0.1	$ 0.1	$ 0.1	$ 0.1

Fuels:

2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
$ 0.8	$ 0.0	$ 0.0	$ 0.0	$ 0.0	$ 0.0	$ 0.0

Oil Company Franchise Tax:

2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
$ 2.3	$ 5.5	$ 5.5	$ 5.5	$ 5.5	$ 5.4	$ 5.4

Beneficiaries: Approximately 870 distributors benefit from these tax expenditures.

FOREIGN DIPLOMATS

Description: Fuel purchased by foreign diplomats whose countries have entered into a treaty with the United States is exempt from payment of the tax.

Purpose: The commonwealth grants this exemption administratively at the request of the federal government.

(Dollar Amounts in Millions)

Estimates: ***Liquid Fuels:***

2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
NA	$ 0.0	$ 0.0	$ 0.0	$ 0.0	$ 0.0	$ 0.0

Jet Fuel & Aviation Gasoline:

2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
NA	NA	NA	NA	NA	NA	NA

Fuels:

2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
NA	$ 0.0	$ 0.0	$ 0.0	$ 0.0	$ 0.0	$ 0.0

Oil Company Franchise:

2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
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.

BUSES

Description: A bus company is entitled to a refund equal to 55 mills of the oil company franchise tax imposed on fuels consumed by motorbuses within this commonwealth.

Purpose: Act 3 of 1997 repealed the 6 cent surtax imposed on all motor carriers and replaced it with a 55 mill increase in the oil company franchise tax imposed on fuels. Since buses were historically exempt from the surtax, they have been granted a refund for the 55 mill surtax replacement effective January 1, 1999.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 0.5	$ 0.6	$ 0.7	$ 0.8	$ 0.9	$ 0.9	$ 0.9

Beneficiaries: Approximately 90 bus companies benefit from this tax expenditure.

MOTOR CARRIERS ROAD TAX / IFTA

Authorization: Chapter 96 of Title 75 of the Pennsylvania Consolidated Statutes.

The motor carriers road tax is equal to the current Pennsylvania liquid fuels and fuels or alternative fuels tax rate per gallon plus the oil franchise tax currently in effect. Prior to October 1, 1997, an additional tax of 6 cents per gallon was collected through the motor carriers road tax. Effective October 1, 1997, this tax was repealed and replaced by a tax of 55 mills on each gallon of fuels and collected through the oil company franchise tax. Effective January 1, 1996, under Act 75 of 1995, Pennsylvania implemented the provisions of the International Fuel Tax Agreement (IFTA). Under IFTA, fuel consumed in "qualified motor vehicles" is subject to taxation at current rates. A qualified motor vehicle is a motor vehicle, other than a recreational vehicle, which is used, designed, or maintained for transportation of persons or property and which has two axles and a registered gross weight exceeding 26,000 pounds, three axles or more regardless of weight, or used in combination when the registered gross weight exceeds 26,000 pounds. IFTA provisions do not distinguish taxable use by vehicle types, only by weight and axle configuration. Therefore, Act 75 of 1995 repealed the motorbus road tax effective January 1, 1996. The following estimates reflect the full tax rate imposed.

Administrative Costs: Costs to administer the multiple tax expenditures associated with motor carrier road tax/IFTA cannot be identified separately. Tax expenditures are not believed to be a significant factor associated with the need for more compliance audits and contribute minimally to the length of time necessary to complete such audits.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 1.1	$ 1.2	$ 1.2	$ 1.2	$ 1.2	$ 1.2	$ 1.2

POLITICAL SUBDIVISIONS

Description: Vehicles operated by political subdivisions are exempt from the requirements of the motor carriers road tax.

Purpose: This exemption is an indirect means of assistance to local governments and may reduce the taxes levied by these entities.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 18.2	$ 24.8	$ 27.9	$ 29.9	$ 32.5	$ 32.5	$ 32.8

Beneficiaries: Approximately 3,130 governmental units benefit from this tax expenditure.

FARM VEHICLES

Description: Qualified motor vehicles bearing a Pennsylvania farm truck registration operating under restricted use, and farm vehicles exempt from registration, are exempt from the motor carriers road tax.

Purpose: This exemption allows farmers to provide agricultural products at a reduced cost.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 5.6	$ 7.6	$ 8.6	$ 9.2	$ 10.0	$ 10.0	$ 10.1

Beneficiaries: Individuals operating approximately 63,200 farms benefit from this tax expenditure.

EMERGENCY VEHICLES

Description: Fire, rescue, ambulance, and select other emergency vehicles are exempt from the motor carriers road tax.

Purpose: Emergency organizations provide public services that are perceived to benefit citizens. This exemption permits these services to be rendered at a reduced cost.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 9.5	$ 12.9	$ 14.5	$ 15.5	$ 16.9	$ 16.9	$ 17.1

Beneficiaries: Approximately 2,400 fire departments and an unknown number of other organizations benefit from this tax expenditure.

SPECIAL MOBILE EQUIPMENT

Description: Vehicles not designed or used primarily for the transportation of persons or property and that only incidentally operate or move over a highway, such as ditch digging apparatus, well-boring apparatus, earth moving and road construction machinery, are exempt from the motor carriers road tax.

Purpose: Exemption is granted to these vehicles because of their specialized off-highway use.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	Nominal	$ 0.1	$ 0.1	$ 0.2	$ 0.2	$ 0.2	$ 0.2

Beneficiaries: The owners of approximately 2,300 special mobile equipment vehicles benefit from this tax expenditure.

IMPLEMENTS OF HUSBANDRY

Description: A vehicle designed or adapted to be used exclusively for agricultural operations is exempt from the motor carriers road tax.

Purpose: This exemption allows the farmer to provide agricultural products at a reduced price.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 0.1	$ 0.1	$ 0.1	$ 0.1	$ 0.1	$ 0.1	$ 0.1

Beneficiaries: The owners of approximately 200 implements of husbandry vehicles benefit from this tax expenditure.

CHARITABLE AND RELIGIOUS ORGANIZATIONS

Description: Vehicles operated by charitable and religious organizations are exempt from the motor carriers road tax.

Purpose: These organizations provide services which are perceived to benefit the general public. This exemption permits these services to be rendered at reduced cost.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 2.0	$ 2.7	$ 3.1	$ 3.3	$ 3.6	$ 3.6	$ 3.6

Beneficiaries: Approximately 27,000 charitable and religious organizations may benefit from this tax expenditure.

CHURCHES

Description: A motorbus owned by and registered to a church, exempt under section 1901 of Title 75, is exempt from the motor carriers road tax.

Purpose: These organizations provide services which are perceived to benefit the general public. This exemption permits these services to be rendered at reduced cost.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: As many as 10,300 churches may benefit from this tax expenditure.

ELECTRIC COOPERATIVES

Description: Qualified motor vehicles operated by electric cooperatives are exempt from the motor carriers road tax.

Purpose: These cooperatives are nonprofit corporations organized to engage in rural electrification and are perceived to provide public benefit. This exemption permits this service to be rendered at a reduced cost to the rate payers.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: The 13 electric cooperatives in the commonwealth 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)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: The number of individuals benefiting from this tax expenditure is unknown.

VEHICLES SECURING REPAIRS OR RECONDITIONING

Description: Exemption from the motor carriers road tax is provided for unladen or towed motor vehicles or unladen trailers entering Pennsylvania solely for the purpose of securing repairs or reconditioning.

Purpose: This exemption was granted so as to not discourage vehicle owners from obtaining repairs or reconditioning of a vehicle from a Pennsylvania business.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: The number of taxpayers benefiting from this tax expenditure is unknown.

SCHOOL BUSES

Description: Buses designed to carry 11 or more passengers used for the transportation of preprimary, primary, or secondary school students to or from public, private, or parochial schools, or school-related activities or events are exempt from the motor carriers road tax.

Purpose: Since state government indirectly subsidizes transporting school children, this exemption decreases state educational subsidy costs.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 9.7	$ 13.2	$ 14.9	$ 16.0	$ 17.4	$ 17.4	$ 17.5

Beneficiaries: Approximately 5,700 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 motor carrier road tax/IFTA requirements are intended to apply to selected commercial vehicles. This provision exempts personal use only vehicles which would otherwise be subject to these taxing requirements.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: The number of taxpayers benefiting from this tax expenditure is unknown.

MOTOR VEHICLE CODE

Authorization: The Motor Vehicle Code, contained in Title 75 of the Act of June 17, 1976 (P.L. 162, No. 81), became effective July 1, 1977. This amended the Act of April 29, 1959 (P.L. 58, No. 32) known as The Vehicle Code. Contained in the Motor Vehicle Code are provisions for the titling, registration and licensing of vehicles, operation of vehicles, vehicle characteristics, and the administration and enforcement of the code.

Administrative Costs: Costs to administer the motor vehicle code tax expenditures are borne by the Department of Transportation and cannot be separately identified.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 0.1	$ 0.1	$ 0.1	$ 0.1	$ 0.1	$ 0.1	$ 0.1

VEHICLE REGISTRATIONS

Description: Specific entities that request the authority to operate a motor vehicle are granted a full or partial exemption from the registration fee. Not shown below are exempt categories with unknown numbers of vehicles which include, for example, mobile/modular homes and off road construction vehicles.

Purpose: This exemption provides relief to the organizations or individuals cited below. Many of those cited are dependent upon charitable contributions or augmented incomes. This exemption is also an indirect means of assistance to local governments and may reduce the taxes levied by these entities.

(Dollar Amounts in Millions)

Estimates: ***Disabled/Severely Disabled Veterans:***

2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
$ 0.2	$ 0.2	$ 0.2	$ 0.2	$ 0.2	$ 0.2	$ 0.2

Beneficiaries: The owners of approximately 5,100 vehicles benefit from this tax expenditure.

Charitable Organizations:

2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
$ 1.2	$ 1.2	$ 1.1	$ 1.2	$ 1.1	$ 1.2	$ 1.2

Beneficiaries: The owners of approximately 17,500 vehicles benefit from this tax expenditure.

Former Prisoners of War:

2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

Beneficiaries: The owners of approximately 340 vehicles benefit from this tax expenditure.

Farm Trucks:

2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
$ 3.4	$ 3.4	$ 3.3	$ 3.4	$ 3.3	$ 3.3	$ 3.4

Beneficiaries: The owners of approximately 10,500 farm trucks benefit from this tax expenditure.

Emergency Vehicles:

2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
$ 6.0	$ 6.0	$ 5.8	$ 5.9	$ 5.8	$ 5.8	$ 5.9

Beneficiaries: Organizations owning approximately 15,500 vehicles benefit from this tax expenditure.

Political Subdivisions:

2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
$ 17.7	$ 17.9	$ 17.1	$ 17.7	$ 17.1	$ 17.3	$ 17.5

Beneficiaries: Approximately 3,130 governmental units benefit from this tax expenditure.

Older Pennsylvanians:

2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
$ 4.5	$ 4.7	$ 4.7	$ 5.0	$ 5.1	$ 5.3	$ 5.4

Beneficiaries: Older Pennsylvanians owning approximately 133,500 vehicles benefit from this tax expenditure.

CARNIVAL TRUCKS/TRUCK TRACTORS

Description: Owners who document with the Department of Transportation that the truck or tractor is used exclusively for the purpose of transporting circus or carnival personnel, equipment, or machinery are granted a reduced registration fee.

Purpose: The reduced registration fee provides partial relief for those vehicles being used only between April 1 and September 30.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

Beneficiaries: The owners of approximately 80 carnival vehicles benefit from this tax expenditure.

CERTIFICATES OF TITLE

Description: Ownership of a particular vehicle is recorded by the issuance of a certificate of title for which a fee is charged. Specific entities exempt from this title fee are political subdivisions, totally disabled veterans, emergency vehicles, and foreign nationals.

Purpose: This exemption provides relief to the organizations or individuals cited above. The General Assembly has provided an exemption for these entities due to their perceived special status.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 0.2	$ 0.2	$ 0.2	$ 0.2	$ 0.2	$ 0.2	$ 0.2

Beneficiaries: The owners of approximately 7,900 vehicles benefit from this tax expenditure.

INSPECTION STICKERS

Description: All vehicles registered in Pennsylvania are required to have periodic safety inspections to insure their roadworthiness. A certificate of inspection is issued for a fee to show the vehicle meets specified safety standards. The commonwealth administratively grants an exemption from the certificate fee to vehicles operated by political subdivisions.

Purpose: This exemption is an indirect means of assistance to local governments and may reduce the taxes levied by these entities.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$ 0.2	$ 0.5	$ 0.6	$ 0.6	$ 0.7	$ 0.7	$ 0.7

Beneficiaries: Approximately 3,130 governmental units benefit from this tax expenditure.

BRIDGE PERMITS

Description: Bridges on state owned rights-of-way need periodic maintenance and construction work. Permits are issued, for a fee, by the state to perform such work. The commonwealth administratively grants an exemption from the permit fee to political subdivisions who are performing work for the state.

Purpose: This exemption is an indirect means of assistance to local governments and may reduce the taxes levied by these entities.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

Beneficiaries: As many as 3,130 political subdivisions may benefit from this tax expenditure.

HAULING PERMITS

Description: Permits, for which a fee is charged, are issued to firms that wish to haul loads that exceed the maximum size or weight specifications of certain highways and bridges. The commonwealth administratively grants an exemption from the permit fee to political subdivisions.

Purpose: This exemption is an indirect means of assistance to local governments and may reduce the taxes levied by these entities.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

Beneficiaries: As many as 3,130 political subdivisions may benefit from this tax expenditure.

POLICE ACCIDENT REPORTS

Description: Traffic accident reports are generated as a result of any accident where there is bodily injury or death or if one or more vehicles must be towed from the scene. A fee is charged to obtain a copy of the police accident report. The commonwealth administratively grants an exemption for paying an accident report fee to political subdivisions.

Purpose: This exemption provides local prosecuting officials an aid in law enforcement.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

Beneficiaries: As many as 3,130 political subdivisions may benefit from this tax expenditure.

The Racing Fund, a special revenue fund, is comprised of monies received from taxes, licenses and fees, and miscellaneous revenues collected by the State Racing Commissions derived from the regulation of harness and horse racing. Prior to December 30, 1983, thoroughbred racing tax revenues consisted of wagering, breakage, and admissions taxes. Harness racing tax revenues consisted of wagering and admissions taxes as assessed by the Race Horse Industry Reform Act (Act 135 of December 17, 1981). The Harness Racing Fund and the Horse Racing Fund were combined into the Racing Fund by Act 93 of 1983. This act also amended portions of the Race Horse Industry Reform Act relating to taxation.

Administrative Costs: Administrative costs associated with these tax expenditures are nominal.

WAGERING TAX

Authorization: Act of May 16, 1986 (P.L. 205, No. 63).

NEW CORPORATIONS

Description: Racing corporations licensed after May 16, 1986 are subject to a reduced wagering tax rate of one percent rather than the normal 1.5 percent rate for a period of four years.

Purpose: This provision may have been perceived as an incentive to promote the formation of new racing corporations.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: Any racing corporation licensed after the cited date will benefit from this tax expenditure.

ADMISSIONS TAX

Authorization: Department of Revenue letter ruling with concurrence of counsel for Racing Commission.

DARK DAY SIMULCASTS

Description: The minimum admissions tax, currently five percent of 50 cents, is waived at events where no admission charge is levied and where simulcasts of races from other facilities are featured rather than live races.

Purpose: This provision may have been perceived as a way to promote simulcast attendance at commonwealth racing facilities.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: All seven racing associations benefit from this tax expenditure.

UNEMPLOYMENT COMPENSATION INSURANCE TAX

Administrative Costs: The costs of administering the tax expenditure associated with the unemployment compensation insurance tax are nominal.

LIMITATION OF THE TAXABLE WAGE BASE

Authorization: Act of December 5, 1936 (2nd special session, 1937 P.L. 2897, No. 1), 4(x)(1), as amended, 43 P.S. 753(x)(1).

The purpose of the tax is to provide a fund from which compensation is paid to workers who have become unemployed through no fault of their own. Contributions are required to be made by all employers who pay wages to individuals working in Pennsylvania and whose services are covered under the unemployment compensation law. This tax may include employee contributions withheld by employers from each employee's gross wages. The Pennsylvania Unemployment Compensation Law is administered by the Department of Labor and Industry.

Description: The commonwealth's unemployment compensation law provides for a limitation of the taxable wage base to the first $8,000 of wages paid to each employee during a calendar year by an employer. Prior to 1984 the limitation on taxable remuneration had been $7,000. All state governments are required by the federal government to tax at least the first $7,000 of subject wages. Many states, including Pennsylvania, have chosen to keep their bases close to the federal minimum. The estimate represents the cost of this limitation as measured by the difference between contributions based on taxable wages and contributions based on total wages. In 1988, legislation was enacted which provides for a "trigger" mechanism to regulate employer and employee contributions. The trigger mechanism, working in conjunction with the experience rating system, would change tax rates in response to a change in the taxable wage base. The methodology used for this estimate does not incorporate the changes that would occur to the tax rates as a result of tax base changes. Projected tax rates were used to estimate contributions based on currently taxable wages. The same tax rates were used to estimate contributions based on total wages paid by contributory employers.

Purpose: The limitation on taxable wages limits growth in employer tax liabilities that would otherwise occur as wages rise.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	$11,803.4	$12,225.2	$12,497.2	$13,014.6	$13,574.2	$14,100.2	$14,650.1

Beneficiaries: Pennsylvania's unemployment compensation tax system is intended to generate a sufficient amount of revenue to meet annual benefit payments. In general, under the current system, an employer with higher wage employees pays on a smaller percentage of total wages. If the taxable wage base were total wages paid to employees, the employer with the higher employee wages would have to pay a greater amount in taxes.

As of the first quarter of 2014 there were 271,610 contributory employers to the Unemployment Compensation Fund. The following is a breakdown of these employers according to major industry division[1]:

Natural Resources and Mining	3,072	Financial Activities	17,866
Construction	27,433	Professional and Business Services	51,064
Manufacturing	13,381	Education and Health Services	44,375
Trade	47,520	Leisure and Hospitality	26,586
Transportation, Warehousing, Utilities	7,471	Other Services	28,415
Information	3,226	Local Government	1,195

[1/]Based on NAICS industry classification. Data may not add to totals due to the unavailability of industry classification for some employers.

PUBLIC TRANSPORTATION ASSISTANCE FUND

Authorization: Article XXIII of the Tax Reform Code of 1971 (P.L. 6, No. 2), as amended.

The Public Transportation Assistance Fund provides for the capital, asset maintenance, and certain other transportation needs of the commonwealth's public transit entities.

Fund revenues are derived from a motor vehicle lease tax; a motor vehicle rental fee; a fee on the sale of new tires; 0.44 percent of total sales and use tax receipts in lieu of the repealed periodicals tax; 0.09 percent of total sales and use tax receipts in lieu of the repealed lease tax on class four and above motor carriers; and 0.417 percent of sales and use tax in lieu of transfers from the public utility realty tax (PURTA) and the utilities gross receipts tax. By provisions of Act 46 of 2003, beginning in fiscal year 2003-04, revenues associated with the 7.6 mills of PURTA, previously transferred to this fund, will remain in the General Fund. Act 138 of 1996 (electric competition) provided for transfers from the utility gross receipts tax to the Public Transportation Assistance Fund beginning in fiscal year 1998-99. Act 46 of 2003 repealed this transfer effective for fiscal year 2003-04 and forward. Certain entities and transactions are exempt from these taxes and fees. With the exception of the fee on tires and the class 4 and above motor carrier tax expenditure, the remaining tax expenditures parallel those in the General Fund sales and use tax expenditures.

Administrative Costs: Administrative costs are believed to be nominal.

MOTOR VEHICLE LEASE TAX AND MOTOR VEHICLE RENTAL FEE

The commonwealth levies a three percent tax on the total price charged for each lease of a motor vehicle subject to tax under Article II of the Tax Reform Code of 1971.

A fee of $2 per day or portion of a day is imposed on each rental of a motor vehicle subject to tax under Article II of the Tax Reform Code of 1971.

COMMON CARRIERS

Description: Vehicles leased or rented by a public utility, engaged in business as a common carrier, to be used in rendering utility services, are exempt from taxation. Since the enactment of the Federal Aviation Act, effective January 1, 1995, Pennsylvania has recognized contract carriers as common carriers. Household goods carriers and private carriers remain taxable.

Purpose: Without this exemption, the tax would be built into the rate base of these types of public utility services and, ultimately, passed on to consumers. Therefore, this exemption reduces the overall cost of utility services that are considered to be basic necessities.

(Dollar Amounts in Millions)

Estimates: **Motor Vehicle Leases:**

2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
NA	NA	NA	NA	NA	NA	NA

Motor Vehicle Rentals:

2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
NA	NA	NA	NA	NA	NA	NA

Beneficiaries: Approximately 8,300 common carriers could benefit from this tax expenditure.

SCHOOL BUSES

Description: The lease or rental of school buses is exempt from taxation. These buses must be used exclusively for the transportation of children for school purposes. The provision is extended to persons who have contracts with school districts to transport children. For the purposes of this analysis, the majority of these contracts are assumed to be leases.

Purpose: The costs of transporting school children are directly borne by school districts and indirectly by state government through subsidy programs. This exemption, while limiting state Public Transportation Assistance Fund revenues, decreases state educational subsidy costs.

(Dollar Amounts in Millions)

Estimates: **Motor Vehicle Leases:**

2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
$ 2.4	$ 2.4	$ 2.4	$ 2.4	$ 2.4	$ 2.4	$ 2.4

Motor Vehicle Rentals:

2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
$ 0.1	$ 0.1	$ 0.1	$ 0.1	$ 0.1	$ 0.1	$ 0.1

Beneficiaries: Approximately 6,300 schools may benefit from this tax expenditure.

MOTOR CARRIERS (CLASS 4 AND ABOVE)

Description: Motor carriers in vehicle classes 4 and above are exempt from the motor vehicle lease tax.

Purpose: This exemption benefits those entities engaged in commercial leasing. Presumably, many of these vehicles are operated as common carriers that are normally treated as a utility service.

(Dollar Amounts in Millions)

Estimates: **Motor Vehicle Leases:**

2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
NA	NA	NA	NA	NA	NA	NA

Beneficiaries: The owners of approximately 395,000 motor carrier vehicles (class 4 and above) could benefit from this tax expenditure.

EXEMPT ORGANIZATIONS

Description: The lease or rental of personal property to or for use by any charitable organization, volunteer fireman's organization, nonprofit educational institution, or religious organization is exempt from taxation. Transactions unrelated to the trade or business of such organizations are taxable.

Purpose: These organizations provide public and charitable services that are perceived to benefit the general public. This exemption permits these services to be rendered at reduced cost.

(Dollar Amounts in Millions)

Estimates: **Motor Vehicle Leases:**

2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
NA	NA	NA	NA	NA	NA	NA

Motor Vehicle Rentals:

2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
NA	NA	NA	NA	NA	NA	NA

Beneficiaries: Approximately 30,700 organizations may benefit from this tax expenditure.

EXEMPT GOVERNMENTAL UNITS

Description: The lease or rental of personal property to or for use by the federal government, the commonwealth, or its instrumentalities or political subdivisions is exempt from taxation. Based on the criteria adopted to define tax expenditures, federal transactions are not included in this study. Commonwealth transactions are also excluded because revenues would offset expenditures with no net effect. The estimates, therefore, represent local government tax expenditures.

Purpose: This exemption is an indirect means of assistance to local governments and may reduce the taxes levied by these entities.

(Dollar Amounts in Millions)

Estimates: **Motor Vehicle Leases:**

2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
$ 0.9	$ 1.0	$ 1.0	$ 1.0	$ 1.0	$ 1.0	$ 1.0

Motor Vehicle Rentals:

2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
$ 0.4	$ 0.4	$ 0.4	$ 0.4	$ 0.5	$ 0.5	$ 0.5

Beneficiaries: Approximately 3,130 political subdivisions may benefit from this tax expenditure.

TIRE FEE

The commonwealth imposes a $1 fee per tire on each sale of new tires intended for highway use.

EXEMPT GOVERNMENTAL UNITS

Description: The sale of new tires to or for use by the federal government, the commonwealth, or its instrumentalities or political subdivisions is exempt from taxation. Based on the criteria adopted to define tax expenditures, federal transactions are not included in this study. Commonwealth transactions are also excluded because revenues would offset expenditures with no net effect. The estimates, therefore, represent only local government tax expenditures.

Purpose: This exemption is an indirect means of assistance to local governments and may reduce the taxes levied by these entities.

(Dollar Amounts in Millions)

Estimates:	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

Beneficiaries: Approximately 3,130 political subdivisions may benefit from this tax expenditure.

Commonwealth of Pennsylvania

Governor's Executive Budget

DEPARTMENT PRESENTATIONS

This section provides detailed expenditure information by agency, program and funding source. Each department presentation includes a Summary by Fund and Appropriation, Program Funding Summary, program subcategory information and Program Measures.

The Summary by Fund and Appropriation presentation is organized by fund, character of expenditures, state appropriation and the federal funds, augmentations and other funds that supplement the activities funded by each state appropriation. Three fiscal years are displayed. The Program Funding Summary presents general, special, federal and other funding organized by program subcategory. Each program subcategory includes a program objective, a narrative describing program activities and services, funding recommendations that identify increases or decreases over available year funding, and a list of state appropriations that support the activities within the program. Program Measures is the last section in the agency presentation and is a seven-year presentation of performance measures that identify program activities and outcomes and the impact the proposed budget is expected to have on those activities and outcomes.

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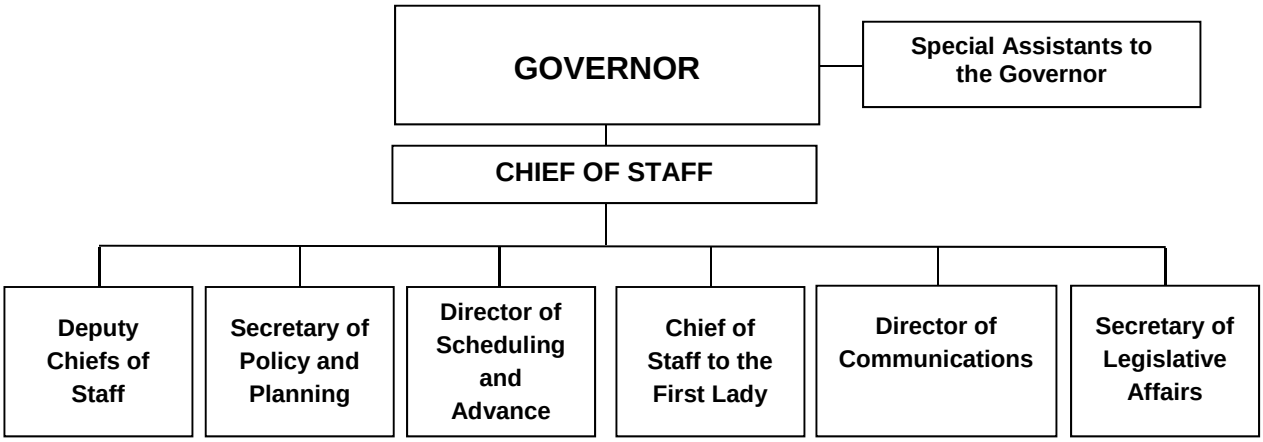
GOVERNOR'S OFFICE

The governor directs and coordinates the work of state government and guides the programs of the agencies in the direction that ensures compliance with existing law, definable needs and administration goals.

Programs and Goals

Executive Direction: *To provide an effective administrative system through which the substantive program goals of the commonwealth can be accomplished.*

Organization Overview



- **Deputy Chiefs of Staff** are senior advisors on policy and operations; partner with state agencies to coordinate cohesive strategies that reflect the governor's initiatives; and work with citizens and stakeholders on advancing sound policies in the commonwealth.
- **Secretary of Policy and Planning** coordinates program planning and policy development among the executive branch agencies, and directs and coordinates efforts of the policy offices of the various executive branch agencies.
- **Director of Scheduling and Advance** works closely with the governor to develop and implement the governor's daily schedule; manages all invitations; and advances and staffs each event to ensure that all logistical arrangements are appropriately handled.
- **Chief of Staff to the First Lady** oversees the management of the First Lady's personal initiatives, public events, and outreach projects with governmental agencies and community organizations across the state.
- **Director of Communications** articulates the governor's agenda and actions to the people of Pennsylvania, while responding to inquiries about the Executive branch of state government from news-gathering organizations and from the public. The director oversees the planning and management of the governor's many public undertakings and directs and supervises the communications offices in each of the Executive branch agencies.
- **Secretary of Legislative Affairs** serves as the principal representative of the Office of the Governor in all issues and activities related to the legislative process of the General Assembly. The secretary also serves as a senior policy advisor to the governor.

Authorized Complement

2009-10 Actual	2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Actual
67	66	66	68	68

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	2013-14 ACTUAL	2014-15 AVAILABLE	2015-16 BUDGET
GENERAL FUND:			
General Government:			
Governor's Office	**$ 6,429**	**$ 6,508**	**$ 6,498**

Program Funding Summary

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
EXECUTIVE DIRECTION							
GENERAL FUND	$ 6,429	$ 6,508	$ 6,498	$ 6,725	$ 6,893	$ 7,065	$ 7,242
SPECIAL FUNDS	0	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0	0
OTHER FUNDS	0	0	0	0	0	0	0
SUBCATEGORY TOTAL	$ 6,429	$ 6,508	$ 6,498	$ 6,725	$ 6,893	$ 7,065	$ 7,242
ALL PROGRAMS:							
GENERAL FUND	$ 6,429	$ 6,508	$ 6,498	$ 6,725	$ 6,893	$ 7,065	$ 7,242
SPECIAL FUNDS	0	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0	0
OTHER FUNDS	0	0	0	0	0	0	0
DEPARTMENT TOTAL	$ 6,429	$ 6,508	$ 6,498	$ 6,725	$ 6,893	$ 7,065	$ 7,242

Program: Executive Direction

Goal: To provide an effective administrative system through which the substantive program goals of the commonwealth can be accomplished.

The Pennsylvania Constitution vests the executive authority of the commonwealth in the governor. It is the duty of the governor to ensure that the laws of the commonwealth are faithfully executed. The governor also oversees the publication of public information including bulletins of the work of state government. The governor submits an annual budget to the general assembly and performs all other functions required of this office as delegated by the State Constitution and in law.

This program also provides for the governor's residence. The residence is used for state functions and is available as a domicile for the governor and the first family. The expenses for official functions, as well as those essential to managing a household, are paid from the Governor's Office appropriation. The maintenance of the residence is primarily the responsibility of the Department of General Services. Equipment, supplies (except food) and housekeeping services are provided by the department.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

	Governor's Office
$ –10	—reduction in administrative costs.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
GENERAL FUND:							
Governor's Office	$ 6,429	$ 6,508	$ 6,498	$ 6,725	$ 6,893	$ 7,065	$ 7,242

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EXECUTIVE OFFICES

The mission of the Executive Offices is to assist the governor in the administration of state government.

The Office of Administration performs central management duties and provides coordinated information technology strategies. The Office of the Budget performs central financial management duties, prepares the annual Governor's Executive Budget and provides comptroller services for all commonwealth agencies. The Office of General Counsel provides legal counsel for state agencies. The Inspector General investigates suspected improper use of state resources and recovers funds disbursed as a result of welfare benefits fraud or overpayment. The Human Relations Commission promotes equal opportunities in employment, housing, public accommodations and education. The Council on the Arts promotes the development of the arts in Pennsylvania. The Commission on Crime and Delinquency provides criminal justice system planning and technical assistance and financial assistance to crime victims. The Juvenile Court Judges' Commission provides technical and financial assistance to county court juvenile probation programs.

Programs and Goals

Executive Direction: *To provide an effective administrative system through which the substantive programs of the commonwealth can be achieved.*

Legal Services: *To provide legal advice to the governor and the cabinet, and to supervise, coordinate and administer legal services for the commonwealth.*

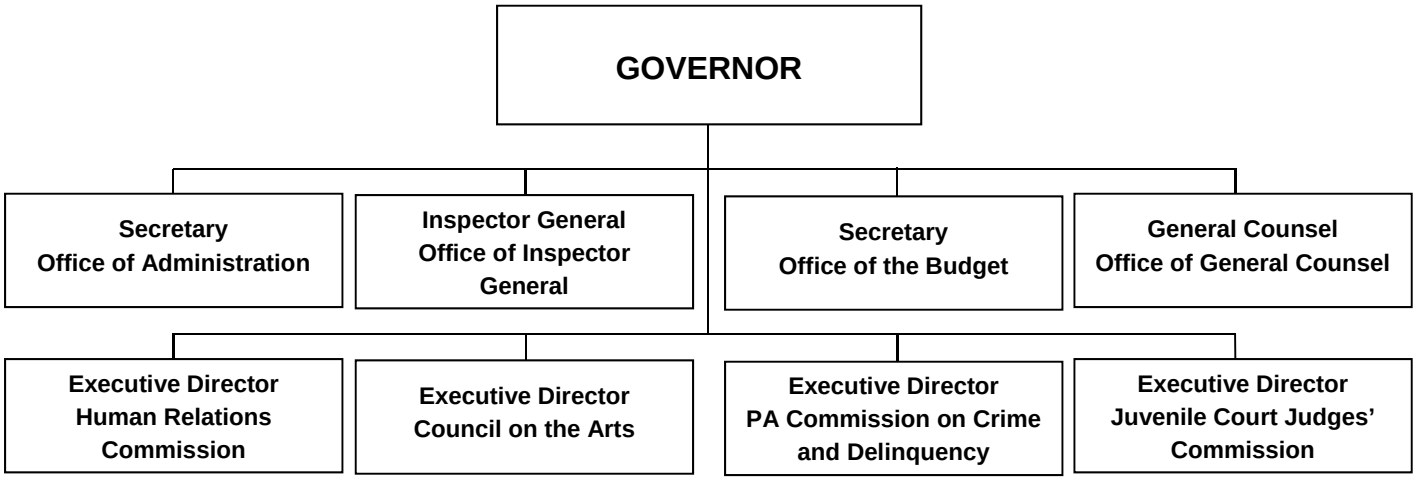
Prevention and Elimination of Discriminatory Practices: *To ensure equal opportunities and participation for all individuals regardless of race, religion, color, creed, handicap or disability, ancestry, national origin, familial status, age or sex in all areas of employment, housing, credit, commercial property, public accommodations and education.*

Development of Artists and Audiences: *To increase public exposure to quality artistic and cultural programs and to stimulate a climate that offers opportunities and encouragement to artists.*

Criminal and Juvenile Justice Planning and Coordination: *To provide criminal and juvenile justice system policy analysis, coordination and planning to improve criminal justice programs.*

Reintegration of Juvenile Delinquents: *To reduce the recurrence of juvenile delinquency through replacement of criminal behavior with socially acceptable behavior.*

Organization Overview



- **Office of Administration** directs the commonwealth's deployment of technology, human resources for employees, and the planning and coordination among state agencies to ensure critical government services continue during emergencies.
- **Inspector General** oversees the prevention, investigation, and eradication of fraud, waste, abuse and misconduct in the programs, operations, and contracting of executive agencies under the Governor's jurisdiction.
- **Office of the Budget** oversees the preparation and implementation of the state budget, and the commonwealth's uniform accounting, payroll and financial reporting systems.
- **General Counsel** oversees the legal representation of 36 executive and independent agencies across the commonwealth.
- **Human Relations Commission** is responsible for enforcing state laws that prohibit discrimination.
- **Council on the Arts** oversees the administration of the Council's funding programs, partnerships, initiatives and provides assistance to the commonwealth's arts organizations, art programs and individual artists as well as the general public.
- **PA Commission on Crime and Delinquency** oversees the commission's efforts to initiate, validate, and financially support justice-related programs put forth by practitioners and experts in the justice system.
- **Juvenile Court Judges' Commission** oversees the development and improvement of juvenile probation services throughout the commonwealth.

Authorized Complement

2009-10 Actual	2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Actual
2,106	2,066	2,042	1,887	1,789

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2013-14 ACTUAL	2014-15 AVAILABLE	2015-16 BUDGET
GENERAL FUND:			
General Government:			
Office of Administration	**$ 7,907**	**$ 8,267**	**$ 8,598**
(A)Classification and Pay Services	2,888	2,888	2,888
(A)Benefit Administration	449	600	600
(A)Workplace Support Division (SEAP)	2,916	2,910	2,910
(A)Temporary Clerical Pool	4,612	5,230	5,230
(A)Governor's Innovation Office	2,193	2,178	2,178
(A)CDL Drug and Alcohol Testing	282	345	275
(A)Labor Relations	1,664	1,864	1,864
(A)Managing for Government Responsiveness Training	134	325	325
(A)Group Life Insurance Program Commissions	100	100	100
(A)Leadership Development Institute	77	80	80
(A)HR Shared Services Center	7,575	7,981	7,981
(A)PHMC Personnel Services	100	100	100
Subtotal	$ 30,897	$ 32,868	$ 33,129
Office of the Receiver - City of Harrisburg	**2,000**	**0**	**0**
Medicare Part B Penalties	**291**	**200**	**175**
Commonwealth Technology Services	**49,833**	**54,768**	**65,568**
(F)ARRA - Broadband Technology Opportunities	16,418	0	0
(F)ARRA - Broadband Technology Opportunities - Mapping	5,155	3,655	0
(F)NSTIC Grant	1,100	225	0
(F)J-NET Infrastructure Support (EA)	163	0	0
(F)Information Sharing Initiative	0	246 [a]	246
(A)Integrated Enterprise System	41,099	39,307	36,601
(A)Project Management Resources	2	25	25
(A)Shared Service Delivery	229	417	417
Subtotal	$ 113,999	$ 98,643	$ 102,857
Technology Innovation Investment Fund	**4,200**	**0**	**0**
Office of Inspector General	**3,762**	**4,152**	**4,152**
(A)Reimbursements for Special Fund Investigations	1,111	1,111	1,111
Subtotal	$ 4,873	$ 5,263	$ 5,263
Inspector General - Welfare Fraud	**10,971**	**12,705**	**12,705**
(F)TANFBG - Program Accountability	1,141	1,500	1,500
(F)Food Stamps - Program Accountability	6,045	7,000	7,000
(F)Medical Assistance - Program Accountability	3,049	4,200	4,200
(F)CCDFBG - Subsidized Day Care Fraud	558	905	905
Subtotal	$ 21,764	$ 26,310	$ 26,310
Office of the Budget	**18,351**	**18,692**	**18,642**
(A)Support for Commonwealth Payroll Operations	6,253	5,997	6,281
(A)BOA - Single Audit	668	471	670
(A)Comptroller Single Audit	3,947	2,658	2,675
(A)Support for PLCB Comptroller's Office	4,403	5,053	5,419
(A)Support for Comptroller Services	30,610	31,277	31,722
(A)OAS Support Services	80	148	148
Subtotal	$ 64,312	$ 64,296	$ 65,557
Audit of the Auditor General	**0**	**99**	**0**
Office of General Counsel	**3,202**	**3,230**	**3,230**
(A)CLE Registration Fees	87	78	78
(A)USTIF Settlement	0	100	251
Subtotal	$ 3,289	$ 3,408	$ 3,559
Human Relations Commission	**9,222**	**9,256**	**9,588**

Summary by Fund and Appropriation

	2013-14 ACTUAL	2014-15 AVAILABLE	2015-16 BUDGET
	(Dollar Amounts in Thousands)		
(F)EEOC - Special Project Grant	1,560	1,562	1,562
(F)HUD - Special Project Grant	488	1,046	1,046
(A)Miscellaneous Revenues	9	0	0
Subtotal	$ 11,279	$ 11,864	$ 12,196
Council on the Arts	**859**	**898**	**898**
(F)NEA - Grants to the Arts - Administration	603	684	736
Subtotal	$ 1,462	$ 1,582	$ 1,634
Juvenile Court Judges Commission	**2,633**	**2,800**	**2,961**
(F)ARRA - JCMS Support & Deployment (EA)	124	0	0
Subtotal	$ 2,757	$ 2,800	$ 2,961
Commission on Crime and Delinquency	**5,392**	**4,007**	**4,012**
(F)Plan for Juvenile Justice	250	200	150
(F)Justice Assistance Grants	20,000	18,000	15,000
(F)ARRA - Justice Assistance Grants	6,000	0	0
(F)Justice Assistance Grants - Administration	1,700	1,500	1,300
(F)ARRA - Justice Assistance Grants - Administration	1,200	0	0
(F)Juvenile Justice - Title V	150	300	0
(F)Statistical Analysis Center	150	150	150
(F)Criminal Identification Technology	800	800	500
(F)Crime Victims Compensation Services	7,500	8,500	8,500
(F)Crime Victims Assistance	20,000	20,000	40,000
(F)Violence Against Women	5,500	6,000	6,000
(F)Violence Against Women - Administration	500	500	600
(F)Residential Substance Abuse Treatment Program	900	1,300	1,300
(F)Crime Victims Assistance (VOCA) - Admin/Operations	1,300	1,400	2,000
(F)Assault Services Program	500	500	500
(F)Second Chance Act - Juvenile Offender Reentry	200	0	0
(F)Juvenile Accountability Incentive Program	3,000	3,000	500
(F)Juvenile Accountability Incentive Program - Administration	100	100	50
(F)Combat Underage Drinking Program	800	500	100
(F)Juvenile Justice and Delinquency Prevention	4,500	4,500	3,000
(F)Project Safe Neighborhoods	600	700	700
(F)Forensic Science Program	800	1,000	1,000
(F)Statewide Automated Victim Information Notification	1,000	500	0
(F)Adam Walsh Implementation Support	400	400	400
(F)Byrne Competitive Program	500	1,000	2,000
(F)Crime Victim Compensation Initiative	250	0	0
(F)Vision 21 State Technology	0	250	250
(F)Juvenile Delinquency Court Improvement Initiative	500	0	0
(F)NICS Act Record Improvement Program	500	0	0
(F)Community Strategic Planning Demonstration Project	36	0	0
(F)Pennsylvania Capital Litigation Training Program	375	0	0
(F)Youth Promise Act	1,000	0	0
(F)Prosecutor and Defender Incentives	500	350	350
(F)Juvenile Justice Innovation Fund	500	0	0
(F)Sex Offender Registration and Notification	800	1,000	1,000
(F)Children's Justice Act (EA)	266	266	266
(F)Veterans Jail Diversion (EA)	0	201	394
(A)External Grants Non-governmental	25	20	0
(A)Interagency MOUs	0	1,500	500
Subtotal	$ 88,494	$ 78,444	$ 90,522
Victims of Juvenile Offenders	**1,300**	**1,300**	**1,300**
Child Advocacy Centers	**0**	**2,250**	**0**
(R)Children's Advocacy Centers	417	0	2,700
Violence Prevention Programs	**4,555**	**4,567**	**3,867**
(A)Interagency MOUs	1,905	3,586	2,678
Subtotal	$ 6,877	$ 8,153	$ 9,245

Summary by Fund and Appropriation

	2013-14 ACTUAL	2014-15 AVAILABLE	2015-16 BUDGET
	(Dollar Amounts in Thousands)		
Subtotal - State Funds	$ 124,478	$ 127,191	$ 135,696
Subtotal - Federal Funds	119,481	93,940	103,205
Subtotal - Augmentations	113,418	116,349	113,107
Subtotal - Restricted Revenues	417	0	2,700
Total - General Goverment	$ 357,794	$ 337,480	$ 354,708
Grants and Subsidies:			
Intermediate Punishment Treatment Programs	**$ 16,852**	**$ 18,167**	**$ 18,167**
Juvenile Probation Services	**18,945**	**18,945**	**18,945**
Grants to the Arts	**8,179**	**8,590**	**10,590**
(F)NEA - Grants to the Arts	285	400	348
Subtotal	$ 8,464	$ 8,990	$ 10,938
Subtotal - State Funds	$ 43,976	$ 45,702	$ 47,702
Subtotal - Federal Funds	285	400	348
Total - Grants and Subsidies	$ 44,261	$ 46,102	$ 48,050
STATE FUNDS	$ 168,454	$ 172,893	$ 183,398
FEDERAL FUNDS	119,766	94,340	103,553
AUGMENTATIONS	113,418	116,349	113,107
RESTRICTED REVENUES	417	0	2,700
GENERAL FUND TOTAL	**$ 402,055**	**$ 383,582**	**$ 402,758**
MOTOR LICENSE FUND:			
General Government:			
Commonwealth Technology Services	**$ 2,229**	**$ 1,371**	**$ 1,401**
OTHER FUNDS:			
GENERAL FUND:			
Victim/Witness Services	$ 6,518	$ 6,591	$ 6,335
Crime Victims Reimbursements	10,599	10,849	12,996
Constables Education and Training Account	3,079	2,939	2,640
Luzerne County Youth Settlement	1,047	410	45
Sheriff & Deputy Sheriff Education and Training Account	9,543	4,540	5,544
GENERAL FUND TOTAL	**$ 30,786**	**$ 25,329**	**$ 27,560**
HOMEOWNER ASSISTANCE SETTLEMENT FUND:			
Transfer to Access to Justice Account	$ 600	$ 600	$ 0
JUSTICE REINVESTMENT FUND:			
Victim Services	$ 31	$ 708 b	$ 1,000 c
Innovative Policing Grants	0	0	16
County Probation Grants	0	0	10
JUSTICE REINVESTMENT FUND TOTAL	**$ 31**	**$ 708**	**$ 1,026**
MONETARY PENALTY ENDOWMENTS TRUST FUND:			
NCAA-Penn State Settlement	$ 0	$ 0	$ 4,800
SUBSTANCE ABUSE EDUCATION AND DEMAND REDUCTION FUND:			
Substance Abuse Education & Demand Reduction Programs (EA)	$ 8,000	$ 8,000	$ 8,000
Substance Abuse Education & Demand Reduction - Admin (EA)	250	300	300
SUBSTANCE ABUSE EDUCATION AND DEMAND REDUCTION FUND TOTAL	**$ 8,250**	**$ 8,300**	**$ 8,300**
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND	$ 168,454	$ 172,893	$ 183,398

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	2013-14 ACTUAL	2014-15 AVAILABLE	2015-16 BUDGET
SPECIAL FUNDS	2,229	1,371	1,401
FEDERAL FUNDS	119,766	94,340	103,553
AUGMENTATIONS	113,418	116,349	113,107
RESTRICTED	417	0	2,700
OTHER FUNDS	39,667	34,937	41,686
TOTAL ALL FUNDS	**$ 443,951**	**$ 419,890**	**$ 445,845**

[a] Includes recommended supplemental appropriation of $246,000.

[b] 2014-15 Available includes recommended increase to executive authorization of $409,000.

[c] Act 196 of 2012 requires that funding be appropriated beginning in 2015-16.

Program Funding Summary

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
EXECUTIVE DIRECTION							
GENERAL FUND	$ 97,315	$ 98,883	$ 109,840	$ 102,490	$ 105,136	$ 107,649	$ 110,327
SPECIAL FUNDS	2,229	1,371	1,401	1,450	1,486	1,523	1,561
FEDERAL FUNDS	33,629	17,731	13,851	13,605	13,605	13,605	13,605
OTHER FUNDS	111,392	111,065	109,600	109,600	109,600	109,600	109,600
SUBCATEGORY TOTAL	$ 244,565	$ 229,050	$ 234,692	$ 227,145	$ 229,827	$ 232,377	$ 235,093
LEGAL SERVICES							
GENERAL FUND	$ 3,202	$ 3,230	$ 3,230	$ 3,799	$ 3,894	$ 3,991	$ 4,091
SPECIAL FUNDS	0	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0	0
OTHER FUNDS	87	178	329	274	78	78	78
SUBCATEGORY TOTAL	$ 3,289	$ 3,408	$ 3,559	$ 4,073	$ 3,972	$ 4,069	$ 4,169
PREVENTION AND ELIMINATION OF DISCRIMINATORY PRACTICES							
GENERAL FUND	$ 9,222	$ 9,256	$ 9,588	$ 9,924	$ 10,172	$ 10,426	$ 10,687
SPECIAL FUNDS	0	0	0	0	0	0	0
FEDERAL FUNDS	2,048	2,608	2,608	2,608	2,608	2,608	2,608
OTHER FUNDS	609	600	0	0	0	0	0
SUBCATEGORY TOTAL	$ 11,879	$ 12,464	$ 12,196	$ 12,532	$ 12,780	$ 13,034	$ 13,295
DEVELOPMENT OF ARTISTS AND AUDIENCES							
GENERAL FUND	$ 9,038	$ 9,488	$ 11,488	$ 11,519	$ 11,542	$ 11,566	$ 11,590
SPECIAL FUNDS	0	0	0	0	0	0	0
FEDERAL FUNDS	888	1,084	1,084	1,084	1,084	1,084	1,084
OTHER FUNDS	0	0	0	0	0	0	0
SUBCATEGORY TOTAL	$ 9,926	$ 10,572	$ 12,572	$ 12,603	$ 12,626	$ 12,650	$ 12,674
CRIMINAL AND JUVENILE JUSTICE PLANNING AND COORDINATION							
GENERAL FUND	$ 28,099	$ 30,291	$ 27,346	$ 27,486	$ 27,590	$ 27,696	$ 27,805
SPECIAL FUNDS	0	0	0	0	0	0	0
FEDERAL FUNDS	83,077	72,917	86,010	86,010	86,010	86,010	86,010
OTHER FUNDS	41,414	39,443	47,564	47,656	48,970	46,493	46,493
SUBCATEGORY TOTAL	$ 152,590	$ 142,651	$ 160,920	$ 161,152	$ 162,570	$ 160,199	$ 160,308

Program Funding Summary

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
REINTEGRATION OF JUVENILE DELINQUENTS							
GENERAL FUND	$ 21,578	$ 21,745	$ 21,906	$ 22,010	$ 22,087	$ 22,166	$ 22,247
SPECIAL FUNDS	0	0	0	0	0	0	0
FEDERAL FUNDS	124	0	0	0	0	0	0
OTHER FUNDS	0	0	0	0	0	0	0
SUBCATEGORY TOTAL	$ 21,702	$ 21,745	$ 21,906	$ 22,010	$ 22,087	$ 22,166	$ 22,247
ALL PROGRAMS:							
GENERAL FUND	$ 168,454	$ 172,893	$ 183,398	$ 177,228	$ 180,421	$ 183,494	$ 186,747
SPECIAL FUNDS	2,229	1,371	1,401	1,450	1,486	1,523	1,561
FEDERAL FUNDS	119,766	94,340	103,553	103,307	103,307	103,307	103,307
OTHER FUNDS	153,502	151,286	157,493	157,530	158,648	156,171	156,171
DEPARTMENT TOTAL	$ 443,951	$ 419,890	$ 445,845	$ 439,515	$ 443,862	$ 444,495	$ 447,786

Program: Executive Direction

Goal: To provide an effective administrative system through which the substantive programs of the commonwealth can be executed.

The Executive Direction program provides administrative support and policy direction for implementing, maintaining and monitoring the substantive programs of the commonwealth.

Program Element: Administration

The Office of Administration (OA) was established within the Governor's Office in 1955. OA provides policy direction and support to all commonwealth agencies for human resources, information technology, continuity of government, records/directives management, diversity management and strategic enhancements to help improve the results, reduce costs, and enhance customer service of all agencies under the governor's jurisdiction.

The Office of Human Resource Management provides policy direction and support for centralized human resource services ensuring equity by maintaining classification, pay, benefits, workers compensation systems, negotiating and administering bargaining agreements, recruiting all non-civil service positions, training in management and supervisory skills and administering equal employment opportunity programs for all agencies under the governor's jurisdiction.

The Governor's Office of Transformation, Innovation, Management and Efficiency leverages inter-agency coordination and collaboration to maximize efficiency and modernize state government operations.

The Office of Continuity of Government ensures continuance of essential government services during or shortly after a disruption or emergency. It serves as a liaison to independent agencies, the legislature and the judiciary.

The Office of Records Enterprise Records/Directive Management provides comprehensive statements of policy and procedures on matters that affect agencies and employees of the executive branch.

Program Element: Information Technology

The Office for Information Technology is responsible for developing and administering statewide policies and standards governing the management and use of the commonwealth's information technology resources.

The Office of Enterprise Services is responsible for the commonwealth's Managed Services Division, a state of the art, highly secure computing environment that houses and maintains servers and storage for commonwealth agencies. This office also manages the delivery of shared services such as email, help desk operations, the Statewide Telecommunications Network, security and technology support to commonwealth agencies.

The Office of Enterprise Policy, Planning and Performance Management builds and maintains enterprise applications, develops web-based applications, provides enterprise application shared services, and maintains the commonwealth's enterprise web portal. Additionally, this group manages the Integrated Enterprise System (IES) which provides core budget, finance, human resources, payroll, procurement and reporting functionality to commonwealth agencies. The IES team works directly with business owner agencies (Office of the Budget, Department of General Services and the Office of Administration) to refine business processes and system operating efficiencies.

The Pennsylvania Justice Network (JNET) Office provides an online environment for authorized users to access public safety and criminal justice information. JNET is the commonwealth's primary public safety and criminal justice information broker providing an integrated, secure justice portal to the criminal justice community.

The Office of Technology Investment Management is responsible for reviewing investments in current and future technology while making sure that our investments are yielding results that meet business objectives and are delivered in a manner consistent with best practices.

Program Element: Fraud Detection and Prevention

The Office of Inspector General (OIG) is responsible to detect, deter and eradicate fraud and waste of state resources and misconduct by state employees; keep the governor fully informed of problems and deficiencies in executive agencies; and help ensure that executive agencies operate efficiently, with integrity and in accordance with applicable laws and regulations. This office also conducts investigations into suspected welfare fraud and abuse for welfare programs administered by the Department of Human Services. The collection activities involve the recovery of benefits provided due to clerical errors, omissions or inaccurate information supplied by applicants, and in the case of Medical Assistance, charges for services exceeding allowable amounts. In addition, OIG recovers the cost of benefits provided to recipients who are eligible for Supplemental Security Income, tort recoveries, unemployment compensation, workers' compensation and veterans' benefits.

Program Element: Commonwealth Budget and Accounting

The Office of the Budget assists the governor in formulating fiscal policies and procedures and in preparing the commonwealth budget for delivery to the General Assembly. The office establishes authorized complement levels for agencies under the governor's jurisdiction. The

Program: Executive Direction (continued)

office also prepares fiscal notes and reviews proposed regulations.

In addition, Comptroller Operations within the Office of the Budget provides accounting, auditing and financial advisory and supportive services to all commonwealth agencies and is responsible for the publishing of the Comprehensive Annual Financial Report.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

GENERAL FUND

Office of Administration

$ 331 —to continue current program.

Medicare B Penalties

$ –25 —reduced program requirement.

Commonwealth Technology Services

$ 10,800 —Initiative—Information Technology Investments. To fund enterprise investments to improve the commonwealth's information technology infrastructure.

Office of Budget

$ –50 —reduction in administrative costs.

Audit of Auditor General

$ –99 —triennial audit of the Department of the Auditor General.

All other appropriations are recommended at the current year funding levels.

MOTOR LICENSE FUND

Commonwealth Technology Services

$ 30 —to continue current program.

This budget appropriates Public Employees Retirement Commission in Government Support Agencies.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
GENERAL FUND:							
Office of Administration	$ 7,907	$ 8,267	$ 8,598	$ 8,899	$ 9,121	$ 9,349	$ 9,583
Office of the Receiver - City of Harrisburg	2,000	0	0	0	0	0	0
Medicare Part B Penalties	291	200	175	165	155	145	135
Commonwealth Technology Services	49,833	54,768	65,568	56,685	58,102	59,555	61,044
Technology Innovation Investment Fund	4,200	0	0	0	0	0	0
Office of Inspector General	3,762	4,152	4,152	4,297	4,404	4,514	4,627
Inspector General - Welfare Fraud	10,971	12,705	12,705	13,150	13,479	13,816	14,161
Office of the Budget	18,351	18,692	18,642	19,294	19,776	20,270	20,777
Audit of the Auditor General	0	99	0	0	99	0	0
TOTAL GENERAL FUND	$ 97,315	$ 98,883	$ 109,840	$ 102,490	$ 105,136	$ 107,649	$ 110,327
MOTOR LICENSE FUND:							
Commonwealth Technology Services	$ 2,229	$ 1,371	$ 1,401	$ 1,450	$ 1,486	$ 1,523	$ 1,561

Program: Legal Services

Goal: To provide legal advice to the governor and the cabinet, and to supervise, coordinate and administer legal services for the commonwealth.

The Office of General Counsel (OGC) was created by Act 164 of 1980. The general counsel serves as the chief legal advisor to the governor, heads the Office of General Counsel, and appoints deputies general counsel, chief counsel and assistant counsel to assist in the performance of the responsibilities of OGC. The office represents the commonwealth, the governor, members of his cabinet, and more than 30 agencies that conduct the business of the commonwealth. This includes rendering legal advice and representation concerning matters and issues arising in connection with the operation of executive agencies under the governor's jurisdiction. The office also reviews and approves for form and legality all commonwealth deeds, leases, contracts, rules and regulations. The office provides advice to the governor on pending legislative matters and issues and reviews for constitutionality and legality all legislation presented to the governor for approval.

OGC is responsible for initiating appropriate actions or defending the commonwealth when the attorney general declines to initiate appropriate proceedings or delegates that responsibility to OGC. Upon request by the governor, the office also has the authority to intervene in any action by or against an agency under the governor's jurisdiction.

The general counsel administers the operations of the Juvenile Court Judges' Commission and supervises the legal representation for this agency as well as all other state agencies with legal staff assigned therein.

In addition, the general counsel serves as a member of the Board of Commissioners on Uniform State Laws, the Pennsylvania Emergency Management Agency, the Joint Committee on Documents, the Board of Property, the Local Government Records Committee, the Medical Advisory Board, the Board of Finance and Revenue and the Civil Disorder Commission.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

Office of General Counsel
Office of General Counsel is recommended at the current year funding level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
GENERAL FUND:							
Office of General Counsel	$ 3,202	$ 3,230	$ 3,230	$ 3,799	$ 3,894	$ 3,991	$ 4,091

Program: Prevention and Elimination of Discriminatory Practices

Goal: To ensure equal opportunities and participation for all individuals regardless of race, religion, color, creed, handicap or disability, ancestry, national origin, familial status, age or sex in all areas of employment, housing, credit, commercial property, public accommodations and education.

The Human Relations Commission is a law enforcement agency responsible for identifying, preventing and eliminating illegal discriminatory practices as defined by the Pennsylvania Human Relations Act and the Pennsylvania Fair Educational Opportunities Act. The two principal methods used by the commission to secure compliance with the law are processing complaints of discrimination that might result in legal proceedings being initiated and providing educational and technical assistance to organizations, businesses, governmental bodies and individuals intended to inform the public of the statutory protections offered and promote voluntary compliance. Processing formal complaints continues to be the major activity of the commission.

Substantial resources are also devoted to providing technical assistance to anyone who requests guidance in avoiding illegal discriminatory acts. The commission coordinates the state's response to racial and ethnic tensions and trains law enforcement officials and local government and community leaders on appropriate responses. The commission is also involved with major outreach programs to provide information to community leaders and public officials regarding the processes and procedures found in the Pennsylvania Human Relations Act and the Pennsylvania Fair Educational Opportunities Act.

The commission, in conjunction with the Pennsylvania Department of Education, is working with several urban school districts to improve the educational achievement of minority and disadvantaged students.

Federal funds are received for investigating certain complaints that are dual filed with the commission and with either the Equal Employment Opportunity Commission or the U.S. Department of Housing and Urban Development in the form of case completion stipends.

The commission's efforts to identify and remedy systemic discrimination continue in order to address the major problems of discrimination against whole classes of individuals. In addition, litigation remains a significant feature of the commission's workload.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

	Human Relations Commission
$ 332	—to continue current program.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
GENERAL FUND:							
Human Relations Commission	$ 9,222	$ 9,256	$ 9,588	$ 9,924	$ 10,172	$ 10,426	$ 10,687

Program: Development of Artists and Audiences

Goal: To increase public exposure to quality artistic and cultural programs and to stimulate a climate that offers opportunities and encouragement to artists.

The commonwealth encourages cultural development in the arts through the Pennsylvania Council on the Arts. The council supports Pennsylvanians in providing arts and cultural programs and services to their fellow citizens and communities with funding, information and other resources for arts organizations, arts programs and projects, artists, schools, educational and community organizations.

The 19-member council supports the arts through grant programs, services and a network of community-based organizations. The organizations and artists served are geographically, culturally and ethnically diverse and range from small community organizations that engender and support local arts programs to world-renowned orchestras, museums, dance companies, theaters and festivals.

The council has a nationally recognized funding process. It uses an advisory review process whereby local citizens review applications and make recommendations for funding to best serve their region. The council functions with input from advisory review panels that provide an evaluation of applications and feedback on program structures.

The council supports and assists the arts in the commonwealth in several specific areas: a grants program that responds to most applications and program initiatives either directly or through a decentralized network of regional funding partners; partnerships and initiatives developed by the council to seek opportunities and address issues affecting the arts that are beyond the capacity of a single arts institution; and additional services directly provided by staff and through partnerships with state, regional and national service organizations.

The Council on the Arts is an important partner in advising and assisting with downtown revitalization efforts, including the development of the first three cultural plans for counties in Pennsylvania: Lackawanna, York and Erie, with others in progress. Through programs such as the Arts in Education Partnership, Pennsylvania Performing Arts on Tour, and Preserving Diverse Cultures, ethnically diverse organizations, artists, ensembles, families and youth audiences are encouraged to participate in the arts.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

Council on the Arts
—Council on the Arts is recommended at the current year funding level.

Grants to the Arts
$ 2,000 —Initiative—Promoting Arts in Pennsylvania. To provide increased support for the arts in Pennsylvania.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
GENERAL FUND:							
Council on the Arts	$ 859	$ 898	$ 898	$ 929	$ 952	$ 976	$ 1,000
Grants to the Arts	8,179	8,590	10,590	10,590	10,590	10,590	10,590
TOTAL GENERAL FUND	$ 9,038	$ 9,488	$ 11,488	$ 11,519	$ 11,542	$ 11,566	$ 11,590

Program: Criminal and Juvenile Justice Planning and Coordination

Goal: To provide criminal and juvenile justice system policy analysis, coordination and planning to improve criminal justice programs.

The Pennsylvania Commission on Crime and Delinquency (PCCD) mission is to enhance the quality and coordination of criminal and juvenile justice systems, to facilitate the delivery of services to victims of crime, and to increase the safety of our communities. PCCD facilitates cooperation and planning by local agencies that provide statistical and analytical services and deliver training and technical assistance to ensure public safety. It is assisted in this effort through several statutory and commission-created advisory committees, task forces, other advisory and planning groups, boards and commission staff. A major part of the commission's work is accomplished though the awarding and administration of grants provided through state and federal funding streams.

With the assistance of the Research, Evaluation, Data Collection and Analysis Advisory Committee and staff in the Office of Research, Evaluation and Strategic Policy Development, PCCD evaluates the performance of grant recipient projects, develops best practices and researches emerging criminal and juvenile justice trends to ensure federal and state grant funds are allocated to the most effective initiatives. PCCD also compiles crime, corrections, and sentencing data; develops unified population projections for sentencing, corrections, and probation and parole; monitors system performance measures to ensure ongoing compliance; provides objective, independent, and comprehensive policy-relevant analysis; and responds to special justice research and data requests from federal, state, and local agencies as well as from the general public.

Through its Juvenile Justice and Delinquency Prevention Advisory Committee and its Office of Juvenile Justice and Delinquency Prevention, PCCD prepares and updates a biennial comprehensive juvenile justice and delinquency prevention plan on behalf of the commonwealth. PCCD plays a central role in furthering collaborative juvenile justice and delinquency prevention initiatives with the Department of Human Services, the Juvenile Court Judges' Commission, the Council of Chief Juvenile Probation Officers, the Department of Education and other agencies. It has facilitated the proliferation of evidence-based delinquency and violence prevention and intervention programs over the last two decades. This program supports the implementation of intensive as well as non-intensive prevention/intervention models. PCCD promotes local efforts to implement risk-focused, community mobilization programming directed toward preventing delinquency, violence, substance abuse and other adolescent problem behaviors. PCCD supports the communities that care risk-focused prevention initiative by providing planning, assessment and implementation funding, as well as training and technical assistance to communities.

In partnership with the Department of Human Services, PCCD manages a resource center for evidence-based prevention and intervention programs and practices. The resource center works to assist communities with local data collection and analysis that helps in identifying their children's risks and needs and it further supports the operation of evidence-based programming to enable communities to address those issues. On the advice of its Criminal Justice Advisory Committee, its Mental Health and Justice Advisory Committee (MHJAC) and staff in its Office of Criminal Justice System Improvements, PCCD works with local leadership to improve county justice and local law enforcement systems. PCCD serves as a catalyst to coordinate activities among criminal justice agencies by identifying issues, developing statewide policies and programs, and implementing innovative justice improvement solutions that enhance public safety. Through programmatic and fiscal monitoring of state and federally-funded public safety programs, PCCD is able to assess outcome results and determine the extent of project implementation.

PCCD assists communities in dealing with the role that mental health issues play in the criminal justice system through MHJAC. Its Center of Excellence provides training and technical assistance to communities through a partnership with the Department of Human Services and uses Mental Health Services Enhancements funds to support evidence-based practices that reduce the involvement of people with mental illness, co-occurring disorders in the criminal justice system.

PCCD has been responsible for institutionalizing County Criminal Justice Advisory Boards (CJABs). CJABs, which consist of top-level county officials, address criminal justice issues from a systemic and policy level perspective, study best practices in the administration and delivery of criminal justice, engage in strategic planning, and make recommendations and establish consensus among the members to improve the effectiveness and efficiency of the county's criminal justice system. Currently, there are 65 counties using CJAB approach.

PCCD also administers the state funded Intermediate Punishment program which provides an alternative to incarceration for low-risk, non-violent offenders. This program supports alternative sentencing, combined with substance abuse treatment, for offenders who can be safely supervised in the community, in lieu of a county jail or state prison sentence. This program demonstrates significant positive results in saving jail/prison days and improving offender outcomes. Many of the offenders who

Program: Criminal and Juvenile Justice Planning and Coordination (continued)

are sentenced to Intermediate Punishment participate in the following programs: day reporting; intensive supervision; electronic monitoring and other restrictive programs which provide close supervision and treatment tailored to the needs of the individual offender. Individuals sentenced to Intermediate Punishment may also participate in an appropriate Problem Solving Court as part of sentencing. Problem Solving courts have proven effective in increasing the likelihood that offenders will complete their treatment conditions and remain crime-free.

PCCD's Bureau of Training Services oversees several justice training programs, including the legislatively mandated basic and continuing education training of deputy sheriffs and constables. PCCD provides quality, relevant, and current job-related training for local justice practitioners. The bureau also ensures coordination of PCCD training-related initiatives with other federal, state and local criminal justice training entities and the review and development of training-related policy and legislation.

Program Element: Victim Services

Through its Victims' Services Advisory Committee and its Office of Victims Services, PCCD works to ensure that victims of crime get the help they need to transcend their trauma and move forward with their lives. Victim Services has two components, the Victims Compensation Assistance Program (VCAP) and the Victims Services Program (VSP).

PCCD's VCAP, created by Act 139 of 1976, responds to financial losses incurred by victims of crime. The money to pay crime victims comes from Pennsylvania's Crime Victims Fund, which is supported primarily by costs assessed against certain convicted offenders, as well as restitution, donations and reimbursements from victims who are awarded civil settlements. Additionally, federal funding under the Victims of Crime Act reimburses Pennsylvania, based on a formula of prior year payments to victims. In fiscal year 2013-14, PCCD compensated 7,038 individuals totaling $13 million in state and federal funds.

PCCD's VSP administers a variety of state and federal grants designed to assist victims of crime. These include the Rights and Services Act (RASA) program and the Victim's of Juvenile Offenders program (VOJO) both of which are state grant programs. PCCD also administers the following federal grant programs: Victims of Crime Act, STOP Violence against Women Act program and the Sexual Assault Services program.

PCCD funds both procedural services and direct services to victims of crime. Procedural services, such as courtroom orientation and accompaniment, victim rights notification and assistance with victim impact statements, help crime victims obtain the rights to which they are entitled under Pennsylvania's Crime Victims Act and also help them understand the progression of their case through the criminal or juvenile justice systems. The RASA program provided procedural services to over 211,000 victims and witnesses in 2013-14. Direct services are activities that help victims of crime to cope with the physical, emotional and criminal justice issues associated with crime and help them stabilize their lives in the aftermath of trauma. Some examples include crisis intervention, shelter for domestic violence victims, long and short-term counseling and other emergency services that are intended to restore a victim's sense of security. Federal funding is provided to all 67 counties in Pennsylvania to support rape crisis centers, domestic violence shelters, and programs that assist victims of drunken driving, child abuse, and survivors of homicide. On average, these programs provide assistance to over 150,000 Pennsylvania crime victims per year.

PCCD also administers the STOP Violence against Women program, established through the Violence against Women Act of 1994 (reauthorized in 2005). This program exists to develop the nation's capacity to reduce domestic violence, sexual assault, stalking and dating violence. The STOP program requires collaboration among law enforcement, victim services and prosecutors to provide effective response, investigation and prosecution of violence against women cases. Currently, 31 of Pennsylvania's 67 counties participate in the STOP program. The federal Sexual Assault Services program, also established through the Violence against Women Act, supports rape crisis centers across the commonwealth in providing a variety of direct services to meet the needs of victims of sexual assault. On average, STOP funded programs annually provide assistance to over 16,000 victims of domestic violence, sexual assault, stalking and dating violence in Pennsylvania.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

Commission on Crime and Delinquency

$ –701	—non-recurring cost.
406	—to continue current program.
300	—Initiative—Specialized Courts. To provide funding for problem solving courts which focus on crimes associated with social problems.
$ 5	*Appropriation Increase*

Child Advocacy Centers

$ –2,000	—program funded by restricted account.
–250	—funding reduction.
$ –2,250	*Appropriation Decrease*

Violence Prevention Programs

–700	—funding reduction.

All other appropriations are recommended at the current year funding levels.
This budget appropriates Safe Schools Advocate in Department of Education.

Program: Criminal and Juvenile Justice Planning and Coordination (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
GENERAL FUND:							
Commission on Crime and Delinquency ...	$ 5,392	$ 4,007	$ 4,012	$ 4,152	$ 4,256	$ 4,362	$ 4,471
Victims of Juvenile Offenders	1,300	1,300	1,300	1,300	1,300	1,300	1,300
Child Advocacy Centers	0	2,250	0	0	0	0	0
Violence Prevention Programs	4,555	4,567	3,867	3,867	3,867	3,867	3,867
Intermediate Punishment Treatment Programs	16,852	18,167	18,167	18,167	18,167	18,167	18,167
TOTAL GENERAL FUND	$ 28,099	$ 30,291	$ 27,346	$ 27,486	$ 27,590	$ 27,696	$ 27,805

Program: Reintegration of Juvenile Delinquents

Goal: To reduce the recurrence of juvenile delinquency through replacement of criminal behavior with socially acceptable behavior.

The Juvenile Court Judges' Commission (JCJC) is responsible for the development and improvement of juvenile probation services throughout the commonwealth. These services focus on the provision of balanced attention to the protection of the community, the imposition of accountability for offenses committed and the development of competencies to enable children to become responsible and productive members of the community. The provision of statewide juvenile justice training, graduate education, research, statistical information, and the development and implementation of evidence based practices have significantly improved the quality of service within the commonwealth's juvenile justice system.

JCJC is coordinating the ongoing development and implementation of Pennsylvania's Juvenile Justice System Enhancement Strategy (JJSES), which is designed to enhance the capacity of Pennsylvania's juvenile justice system to achieve its balanced and restorative justice mission by employing evidence-based practices, with fidelity, at every stage of the juvenile justice process; collecting and analyzing the data necessary to measure the results of these efforts; and, with this knowledge, striving to continuously improve the quality of decisions, services and programs. Research has demonstrated that the proper implementation of evidence-based practices can lead to significant reductions in juvenile delinquency and recidivism. The development of statewide and county-specific baseline recidivism rates are an important benchmark against which the impact of JJSES can be measured. Recidivism is defined as a subsequent adjudication of delinquency or conviction in criminal court for a misdemeanor or felony offense within two years of release from probation supervision.

JCJC also conditioned eligibility for all county Juvenile Probation Services grant funding upon implementation of evidence-based practices including:

- Implementation of the Youth Level of Service (YLS) risk/need assessment instrument;
- Development of recommendations to the court based on the YLS results, including the identified risks and needs of each juvenile; and,
- Development and implementation of case plans which target services to meet the identified risks and needs of each juvenile.

According to the Pennsylvania State Police Uniform Crime Report (UCR), juvenile arrests for violent crimes (murder, forcible rape, robbery and aggravated assault) decreased by 19.4% from 2009 to 2013. Juvenile arrest rates for violent crimes decreased by 18.9% during this same time period.

Juvenile Arrests	2009	2010	2011	2012	2013	% change 2009-2013
Juvenile arrests for violent crimes	4,579	4,552	4,346	3,794	3,692	-19.4%
Violent crime arrest rate per 100,000 juveniles	355	348	335	301	288	-18.9%

Juvenile delinquency placements decreased by 27.6% from 2009 to 2013.

Juvenile Delinquency Placements	2009	2010	2011	2012	2013	% change 2009-2013
Total delinquency placements resulting from disposition and disposition review hearings	6,576	6,281	5,333	5,167	4,762	-27.6%

The total number of secure detention admissions decreased by 32.8% from 2009 to 2013.

Juvenile Secure Detention Admissions	2009	2010	2011	2012	2013	% change 2009-2013
Total number of detention admissions	17,269	16,654	15,351	13,907	11,605	-32.8%

Total delinquency placement expenditures decreased by nearly $60 million from 2009 to 2013.

Delinquency Placement Expenditures	FY 08-09	FY 09-10	FY 10-11	FY 11-12	FY 12-13
Total delinquency placement expenditures	$321,652,465	$301,096,226	$291,483,357	$275,730,457	$261,691,698

Program: Reintegration of Juvenile Delinquents (continued)

The statewide recidivism rate for cases closed during 2011 is 18%. This represents an 18.2% reduction from the 22% recidivism rate for cases closed in 2010, as well as an 18.2% reduction from the four-year average recidivism rate of 22% for cases closed in 2007, 2008, 2009 or 2010. This reduction in the statewide recidivism rate for cases closed in 2011 is especially significant because 2011 is the first year that the implementation of evidence-based practices through the JJSES could reasonably have been expected to have had an impact.

Statewide Recidivism Rates	2007	2008	2009	2010	2011	% change 2010-2011
Recidivism rate for cases closed during year	20%	22%	23%	22%	18%	-18.2%

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

Juvenile Court Judges Commission

$ 161 —to continue current program.

Juvenile Probation Services is recommended at the current year funding level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
GENERAL FUND:							
Juvenile Court Judges Commission	$ 2,633	$ 2,800	$ 2,961	$ 3,065	$ 3,142	$ 3,221	$ 3,302
Juvenile Probation Services	18,945	18,945	18,945	18,945	18,945	18,945	18,945
TOTAL GENERAL FUND	$ 21,578	$ 21,745	$ 21,906	$ 22,010	$ 22,087	$ 22,166	$ 22,247

Program Measures

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Program: Executive Direction							
Objective: Maintain a highly trained state workforce by increasing training course completion rates.							
Office of Administration - Human Resources							
Course offerings through the Enterprise Learning Management System at both the enterprise and agency level	5,643	5,200	5,200	5,200	5,200	5,200	5,200
Completion rate for mandatory Enterprise Learning Management System courses	73%	70%	70%	70%	70%	70%	70%
Completion rate for optional Enterprise Learning Management System courses	64%	70%	70%	70%	70%	70%	70%
Objective: Maintain and expand the delivery of cost effective, high quality human resource services to employees and agencies through the centralized Human Resource Service Center.							
Office of Administration - Human Resources							
Time required to review and approve agency requests for classification actions on vacant positions (in days)	12	17	17	17	17	17	17
Days required to process requests for clerks from the temporary clerical pool	4	9	9	9	9	9	9
Days required to process requests for typists from the temporary clerical pool	6	9	9	9	9	9	9
Number of HR employee service interactions	155,772	141,754	140,000	140,000	140,000	140,000	140,000
Number of HR agency service interactions	71,748	57,000	60,000	60,000	60,000	60,000	60,000
Percent of HR agency services that met established response time goals	94%	95%	95%	95%	95%	95%	95%
HR Service Center customer satisfaction rating (scale of 1 to 4)	4	4	4	4	4	4	4
Objective: Reduce the number of work related accidents.							
Office of Administration - Human Resources							
Hours dedicated by agencies and vendors to safety programs	16,300	18,000	15,000	15,000	15,000	15,000	15,000
Workers' compensation claims filed and accepted	4,824	4,786	4,300	4,300	4,300	4,300	4,300
Objective: Maintain and expand knowledge and application of records retention and records management industry standards on an enterprise wide level.							
Office of Administration - Office of Enterprise Records Management							
Percent of Issuances and Resolutions updated	70%	80%	90%	100%	100%	100%	100%
Training sessions, workshops and agency information meetings conducted to increase program awareness and compliance	15	15	15	15	15	15	15

Program Measures

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Objective: Improve the commonwealth's accounting and financial reporting system.							
Office of the Budget							
Agency/Purchasing/Corporate credit card rebates earned	$4,142,398	$4,556,638	$5,012,301	$5,100,000	$5,100,000	$5,100,000	$5,150,000
Percentage of electronic invoices	18%	20%	22%	23%	25%	27%	30%
ADTrav Revenue Sharing	$119,279	$130,000	$130,000	$130,000	$130,000	$130,000	$130,000
Objective: Increase government agencies' awareness of the investigative services and resources available from the Office of Inspector General.							
Office of Inspector General							
General investigations	555	560	560	560	560	560	560
Arrest investigations	1	2	2	2	2	2	2
Pre-employment background investigations	413	415	415	415	415	415	415
Objective: Hold accountable those individuals who fraudulently obtain public benefits and recover all overpaid benefits.							
Office of Inspector General - Welfare Fund							
Fraud investigations	6,778	6,800	6,800	6,800	6,800	6,800	6,800
Amount of overpaid benefits collected through various means	$22,440,301	$18,000,000	$18,000,000	$18,000,000	$18,000,000	$18,000,000	$18,000,000
Amount of cost savings and collections for every dollar spent on investigative activities	$12.45	$13	$13	$13	$13	$13	$13
Prosecutions: Resulting cost savings	$1,695,475	$1,696,000	$1,696,000	$1,696,000	$1,696,000	$1,696,000	$1,696,000
Administrative Disqualification Hearings: Resulting cost savings	$496,168	$497,000	$497,000	$497,000	$497,000	$497,000	$497,000
Long Term Care Sanctions: Resulting cost savings	$2,649,046	$2,700,000	$2,700,000	$2,700,000	$2,700,000	$2,700,000	$2,700,000
Objective: Prevent, detect and deter fraud prior to an agency's authorization of an individual for program benefits.							
Office of Inspector General - Welfare Fund							
Fraud Prevention: Investigations	27,279	27,900	27,900	27,900	27,900	27,900	27,900
Fraud Prevention: Ineligibility determinations	13,473	14,000	14,000	14,000	14,000	14,000	14,000
Average amount of cost savings per Welfare Fraud Investigator	$1,273,920	$1,280,000	$1,280,000	$1,280,000	$1,280,000	$1,280,000	$1,280,000
Amount of cost savings based on ineligibility determinations	$90,448,351	$91,000,000	$91,000,000	$91,000,000	$91,000,000	$91,000,000	$91,000,000
Program: Prevention and Elimination of Discriminatory Practices							
Objective: Increase case settlement rate in comparison to other state Fair Employment Practice Agencies and the Equal Opportunity Commission.							
Human Relations Commission							
Predetermination case settlement rate	24%	34%	37%	40%	43%	46%	49%

Program Measures

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Objective: Reduce case processing time to conclude investigations and resolve cases more quickly.							
Human Relations Commission							
Percentage of cases under investigation which are two or more years old	15%	12%	9%	6%	3%	0%	0%
Objective: Reduce case processing time in housing discrimination investigations to resolve cases faster whenever possible.							
Number of housing discrimination cases dually filed with HUD that are closed within 100 days	48	49	50	51	52	53	54
Program: Development of Artists and Audiences							
Objective: Increase participation in the arts and cultural progams.							
Council on the Arts							
Attendance at supported events (in thousands)	15,820	15,830	15,840	15,850	15,860	15,860	15,860
Grant applications received/reviewed	1,975	2,000	2,050	2,100	2,150	2,150	2,150
Grant awards made	1,850	1,900	1,950	2,000	2,050	2,050	2,050
Program: Criminal and Juvenile Justice Planning and Coordination							
Objective: Increase the availability and improve the quality of alternatives to incarceration and all placements for adult and juvenile offenders.							
Pennsylvania Commission on Crime and Delinquency							
Planning and Coordination: Adult:							
Percent of active offenders sentenced to the Intermediate Punishment Treatment program successfully completing the treatment phase of their sentence (as determined by the court)	84%	78%	78%	78%	78%	78%	78%
Average number of jail days saved per active offender during the fiscal year through participation in Intermediate Punishment Treatment program	71	75	75	75	75	75	75
Percent of offenders who successfully completed the Restrictive Intermediate Punishment portion of their sentence	78%	78%	78%	78%	78%	78%	78%
Average number of jail days saved per offender who completed the Restrictive Intermediate Punishment portion of their sentence	157	160	160	160	160	160	160
Objective: Increase the use of innovative programs, promising approaches, and evidence-based programs and practices in order to reduce crime and victimization.							
Pennsylvania Commission on Crime and Delinquency							
Planning and Coordination: Youth:							
Percentage of youth participating in research-based programs with a demonstrated improvement related to the program's targeted behavioral outcome	53%	54%	55%	55%	55%	55%	55%

Program Measures

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Percentage of youth served in intensive evidence-based programs with improved school attendance	69%	69%	69%	70%	70%	70%	70%

Objective: Maintain high satisfaction rate for the quality of services available to victims of crime.

Pennsylvania Commission on Crime and Delinquency

Victim Services:

Percentage of victims who are satisfied with the services provided by the Victims Compensation Assistance program	85.60%	85%	86%	86%	86%	86%	86%
Number of victims served by victim service programs throughout Pennsylvania through the utilization of RASA funds.	211,095	203,000	213,000	224,000	244,000	247,000	250,000

Program: Reintegration of Juvenile Delinquents

Objective: Increase the percentage of juvenile offenders who are in school, are employed, or are engaged in a vocational activity at the time of case closing.

Juvenile Court Judges' Commission

Percentage employed or engaged in an educational/vocational activity at case closing.	84.70%	85%	85%	85%	85%	85%	85%

Objective: Increase the percentage of juveniles who successfully complete supervision without committing a new offense.

Juvenile Court Judges' Commission

Juvenile offenders who completed supervision without a new offense resulting in a Consent Decree, adjudication of delinquency, Accelerated Rehabilitation Disposition, Nolo Contendere, or finding of guilt in a criminal proceeding.	10,205	10,000	9,800	9,605	9,410	9,225	9,040

Objective: Reduce the number of children referred to court by diverting low-risk juveniles from formal court action whenever possible

Juvenile Court Judges' Commission

Children referred to court	28,955	28,955	28,380	27,810	27,255	26,710	26,175
Commitments as a percentage of referrals	7.90%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%
Juvenile arrested for violent crime	3,610	3,575	3,540	3,470	3,400	3,330	3,265
Juvenile cases closed that received probation or other services	12,260	12,015	11,775	11,540	11,310	11,080	10,860

LIEUTENANT GOVERNOR

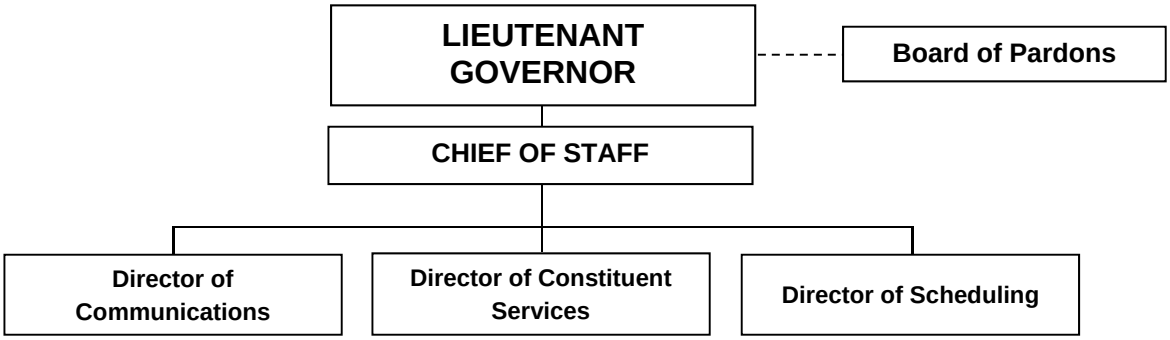
The mission of the lieutenant governor is to perform legislative and administrative functions as delegated by the Pennsylvania Constitution and the governor.

The lieutenant governor serves as President of the Senate and Chairman of the Board of Pardons. In case of the death, conviction or impeachment, failure to qualify or resignation of the governor, the lieutenant governor will become governor for the remainder of the term. In case of the disability of the governor, the powers, duties and emoluments of the office will transfer to the lieutenant governor until the disability is removed.

Programs and Goals

Executive Direction: *To provide an effective administrative system through which substantive programs of the agency can be accomplished.*

Organization Overview



- **Board of Pardons** exercises exclusive jurisdiction over all requests for executive clemency; any applicant seeking a pardon or commutation of a sentence from the governor must first secure a favorable recommendation from the board before the governor may consider the request.
- **Director of Communications** articulates the lieutenant governor's agenda and actions to the people of Pennsylvania, and oversees the planning and management of the lieutenant governor's many public undertakings.
- **Director of Constituent Services** works with state agencies on unresolved issues to meet the needs of constituents.
- **Director of Scheduling** works closely with the lieutenant governor to develop and implement the lieutenant governor's daily schedule; manages all invitations; and ensures that all logistical arrangements are appropriately handled at each event.

Authorized Complement

2009-10 Actual	2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Actual
12	13	13	13	13

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	2013-14 ACTUAL	2014-15 AVAILABLE	2015-16 BUDGET
GENERAL FUND:			
General Government:			
Lieutenant Governor's Office	**$ 813**	**$ 830**	**$ 980**
Board of Pardons	**514**	**553**	**649**
Total - General Government	$ 1,327	$ 1,383	$ 1,629
GENERAL FUND TOTAL	**$ 1,327**	**$ 1,383**	**$ 1,629**

Program Funding Summary

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
EXECUTIVE DIRECTION							
GENERAL FUND	$ 1,327	$ 1,383	$ 1,629	$ 1,686	$ 1,728	$ 1,771	$ 1,816
SPECIAL FUNDS	0	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0	0
OTHER FUNDS	0	0	0	0	0	0	0
SUBCATEGORY TOTAL	$ 1,327	$ 1,383	$ 1,629	$ 1,686	$ 1,728	$ 1,771	$ 1,816
ALL PROGRAMS:							
GENERAL FUND	$ 1,327	$ 1,383	$ 1,629	$ 1,686	$ 1,728	$ 1,771	$ 1,816
SPECIAL FUNDS	0	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0	0
OTHER FUNDS	0	0	0	0	0	0	0
DEPARTMENT TOTAL	$ 1,327	$ 1,383	$ 1,629	$ 1,686	$ 1,728	$ 1,771	$ 1,816

Program: Executive Direction

Goal: To provide an effective administrative system through which substantive programs of the agency can be accomplished.

This program provides for the execution of duties relating to the Office of Lieutenant Governor. These duties as prescribed by the State Constitution, include presiding over the Senate; assuming the Office of Governor for the remainder of governor's term, if necessary, as a result of the death, conviction or impeachment, failure to qualify or resignation of the governor; and serving as chairman of the Pennsylvania Board of Pardons, which reviews applications for reprieve, commutation of sentences and pardons. Through statute, the lieutenant governor also serves as chairman of the Local Government Advisory Committee, which advises the Center for Local Government Services in the Department of Community and Economic Development and the governor's administration on the needs and concerns of local government entities.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

Lieutenant Governor

$ 150 —to continue current program.

Board of Pardons

$ 96 —to continue current program.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
GENERAL FUND:							
Lieutenant Governor's Office	$ 813	$ 830	$ 980	$ 1,014	$ 1,039	$ 1,065	$ 1,092
Board of Pardons	514	553	649	672	689	706	724
TOTAL GENERAL FUND	$ 1,327	$ 1,383	$ 1,629	$ 1,686	$ 1,728	$ 1,771	$ 1,816

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ATTORNEY GENERAL

The state constitution provides that the Attorney General shall be the chief law enforcement officer of the commonwealth and shall exercise such powers and perform such duties as may be imposed by law.

The Commonwealth Attorneys Act establishes the Attorney General as the chief legal and law enforcement officer of the commonwealth and provides the following fundamental duties and responsibilities of the Office of Attorney General:

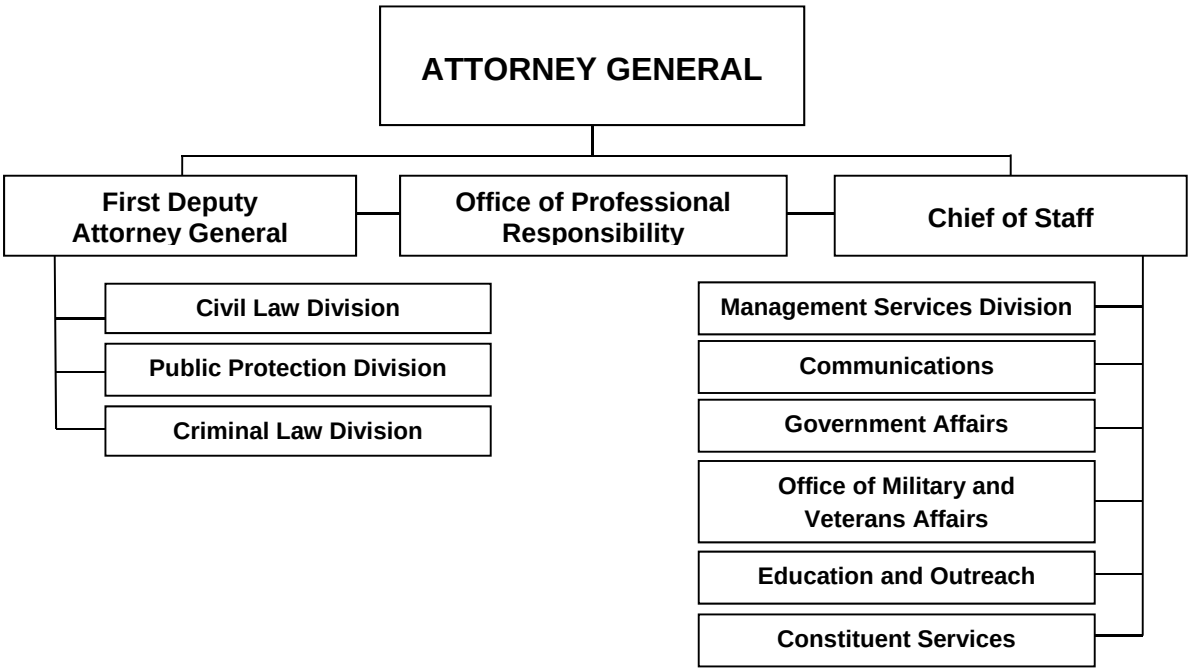
- To be the commonwealth's chief law enforcement officer charged with responsibility for the prosecution of organized crime and public corruption. This law enforcement program includes a criminal investigations unit and drug law enforcement program as well as direction of statewide and multi-county investigating grand juries and a Medicaid Fraud Control Section.
- To represent the commonwealth and all commonwealth agencies and, upon request, the Auditor General, State Treasurer and Public Utility Commission in any action brought by or against the commonwealth or its agencies; to furnish upon request legal advice to the Governor or the head of any commonwealth agency.
- To review for form and legality all proposed rules and regulations for commonwealth agencies.
- To review for form and legality all commonwealth deeds, leases and contracts to be executed by commonwealth agencies.
- To collect, by suit or otherwise, all debts, taxes and accounts due the commonwealth which shall be referred to and placed with the Attorney General.
- To administer the provisions relating to consumer protection as well as appoint the Advisory Committee.
- To represent the commonwealth and its citizens in any action brought for violation of the Antitrust Laws of the United States and the commonwealth.

The Attorney General, in addition, serves as a member of the Board of Pardons, the Joint Committee on Documents, the Hazardous Substances Transportation Board, the Board of Finance and Revenue, the Pennsylvania Commission on Crime and Delinquency, the Civil Disorder Commission and the Municipal Police Officers' Education and Training Commission.

Programs and Goals

Public Protection and Law Enforcement: *To enforce the criminal laws of the commonwealth; to protect the interests of Pennsylvania citizens in areas of consumer protection, antitrust enforcement, operation of charitable trusts and organizations, and civil rights; and to provide legal services to commonwealth agencies.*

Organization Overview



- **Civil Law Division** includes the Litigation Section; Legal Review Section; Financial Enforcement and Tax Litigation Section; Torts Litigation Section; Appellate Litigation Section; and Administration and Operation Counsel.
- **Public Protection Division** includes the Bureau of Consumer Protection; Health Care Section; Antitrust Section; Charitable Trust and Organizations Section; Special Litigation and Civil Rights Enforcement Section; Tobacco Enforcement Section; and the Office of Consumer Advocate.
- **Criminal Law Division** includes the Bureau of Criminal Investigations; Bureau of Narcotics Investigation and Drug Control; Bureau of Special Investigations; Appeals and Legal Services Section; Asset Forfeiture and Money Laundering Section; Criminal Prosecutions Section; Child Predator Section; Drug Strike Force Section; Insurance Fraud Section; Medicaid Fraud Control Section; and the Special Litigation Section and Capital Appeals.
- **Management Services Division** includes the Human Resources Section; Budget and Finance Section; Comptroller Section; Office Services Section; Litigation Support Section; and the Information Technology Section.

Reported Complement

(Independent Agency – Complement Not Under the Governor's Jurisdiction/Control)

2009-10 Actual	2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Actual
887	822	806	798	822

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2013-14 ACTUAL	2014-15 AVAILABLE	2015-16 BUDGET
GENERAL FUND:			
General Government:			
General Government Operations	**$ 39,322**	**$ 41,877**	**$ 43,550**
(F)Medicaid Fraud	5,744	5,507	7,555
(F)MAGLOCLEN	7,117	7,587	7,851
(A)Legal Fees Reimbursement	3	3	3
(A)Medicaid Fraud Reimbursements	0	5	5
(A)Restitutions and Investigative Cost Reimbursements	7	7	7
(A)Continuing Legal Education	0	5	5
(A)Miscellaneous	13	6	6
Subtotal	$ 52,206	$ 54,997	$ 58,982
(R)Office of Consumer Advocate	5,165	5,165	5,268
(R)Home Improvement Consumer Protection	1,636	1,693	1,760
Drug Law Enforcement	**23,853**	**25,728**	**26,628**
(F)High Intensity Drug Trafficking Areas	4,920	5,131	5,280
(A)Recovery of Narcotics Investigation Overtime Costs	203	50	50
Subtotal	$ 28,976	$ 30,909	$ 31,958
Local Drug Task Forces	**11,776**	**12,038**	**12,183**
Joint Local-State Firearm Task Force	**3,559**	**3,736**	**3,816**
Witness Relocation	**1,115**	**1,215**	**1,215**
Child Predator Interception	**4,350**	**4,100**	**4,246**
Tobacco Law Enforcement	**615**	**915**	**1,135**
Mobile Street Crimes	**2,500**	**2,480**	**2,544**
Subtotal - State Funds	$ 87,090	$ 92,089	$ 95,317
Subtotal - Federal Funds	17,781	18,225	20,686
Subtotal - Augmentations	226	76	76
Subtotal - Restricted Revenues	6,801	6,858	7,028
Total - General Government	$ 111,898	$ 117,248	$ 123,107
Grants and Subsidies:			
County Trial Reimbursement	**$ 200**	**$ 200**	**$ 200**
(R)Reimbursement to Counties - Full Time District Attorney (EA)	8,188	8,100	8,100
Subtotal - State Funds	$ 200	$ 200	$ 200
Subtotal - Restricted Revenues	8,188	8,100	8,100
Total - Grants and Subsidies	$ 8,388	$ 8,300	$ 8,300
STATE FUNDS	$ 87,290	$ 92,289	$ 95,517
FEDERAL FUNDS	17,781	18,225	20,686
AUGMENTATIONS	226	76	76
RESTRICTED REVENUES	14,989	14,958	15,128
GENERAL FUND TOTAL	**$ 120,286**	**$ 125,548**	**$ 131,407**

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2013-14 ACTUAL	2014-15 AVAILABLE	2015-16 BUDGET
OTHER FUNDS:			
GENERAL FUND:			
Seized/Forfeited Property - State Court Awarded	$ 11,249	$ 10,488	$ 8,650
Seized/Forfeited Property - U.S. Department of Justice	79	1,398	1,770
Seized/Forfeited Property - U.S. Treasury Department	65	80	580
Seized/Forfeited Property - U.S. Homeland Security	12	1,120	540
OAG Investigative Funds - Outside Sources	5,466	7,305	7,653
Public Protection Law Enforcement	5,797	10,933	10,266
Community Drug Abuse Prevention Program	208	917	730
Coroner's Education Board	69	0	75
GENERAL FUND TOTAL	**$ 22,945**	**$ 32,241**	**$ 30,264**
CIGARETTE FIRE SAFETY AND FIREFIGHTER PROTECTION ACT FUND:			
Cigarette Fire Safety & Firefighter Protection Enforcement	$ 50	$ 50	$ 50
HOMEOWNER ASSISTANCE SETTLEMENT FUND:			
Housing Consumer Protection	$ 600	$ 600	$ 600
STATE GAMING FUND:			
(R)Gaming Enforcement	$ 1,071	$ 1,141	$ 1,192
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND	$ 87,290	$ 92,289	$ 95,517
SPECIAL FUNDS	0	0	0
FEDERAL FUNDS	17,781	18,225	20,686
AUGMENTATIONS	226	76	76
RESTRICTED	14,989	14,958	15,128
OTHER FUNDS	24,666	34,032	32,106
TOTAL ALL FUNDS	**$ 144,952**	**$ 159,580**	**$ 163,513**

Program Funding Summary

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
PUBLIC PROTECTION AND LAW ENFORCEMENT							
GENERAL FUND	$ 87,290	$ 92,289	$ 95,517	$ 98,811	$ 101,246	$ 103,741	$ 106,299
SPECIAL FUNDS	0	0	0	0	0	0	0
FEDERAL FUNDS	17,781	18,225	20,686	21,410	21,945	22,493	23,057
OTHER FUNDS	39,881	49,066	47,310	45,258	44,513	44,997	45,154
SUBCATEGORY TOTAL	$ 144,952	$ 159,580	$ 163,513	$ 165,479	$ 167,704	$ 171,231	$ 174,510
ALL PROGRAMS:							
GENERAL FUND	$ 87,290	$ 92,289	$ 95,517	$ 98,811	$ 101,246	$ 103,741	$ 106,299
SPECIAL FUNDS	0	0	0	0	0	0	0
FEDERAL FUNDS	17,781	18,225	20,686	21,410	21,945	22,493	23,057
OTHER FUNDS	39,881	49,066	47,310	45,258	44,513	44,997	45,154
DEPARTMENT TOTAL	$ 144,952	$ 159,580	$ 163,513	$ 165,479	$ 167,704	$ 171,231	$ 174,510

Program: Public Protection and Law Enforcement

Goal: To enforce the criminal laws of the commonwealth; to protect the interests of Pennsylvania citizens in areas of consumer protection, antitrust enforcement, operation of charitable trusts and organizations, and civil rights; and to provide legal services to commonwealth agencies.

The Attorney General, as the chief law enforcement officer of the commonwealth, is charged with the responsibility of investigating and prosecuting organized crime and public corruption. The agency investigates and prosecutes criminal activity and uses statewide investigative grand juries as appropriate. Approximately 70 cases are presented each year to the Statewide Investigating Grand Jury. The Office of Attorney General works with the State Police to curtail drug abuse in the commonwealth by apprehending illegal drug traffickers. The Office of Attorney General also prosecutes and investigates insurance fraud and is responsible for the investigation and prosecution of Medicaid fraud, environmental crimes and cases referred by district attorneys across the state that have a conflict of interest or lack the resources to prosecute certain crimes.

Other major program activities involve decreasing the incidence of fraud and deceptive business practices as well as securing recovery of damages to the commonwealth and its citizens; encouraging free enterprise and competition; investigating and prosecuting consumer fraud, unfair trade practices, antitrust violations, civil rights violations and charitable scams; and providing for representation of the consumer in utility rate proceedings before the Public Utility Commission through the Office of the Consumer Advocate. The Consumer Advocate represents the consumer in cases such as competition in the electric, gas and telecommunications industries, filings of alternative regulatory plans by telephone utilities, purchased gas cases and filings by major natural gas pipelines.

The Office of the Attorney General represents the commonwealth in any action brought by or against the commonwealth or its agencies, particularly tort claims.

The County Code provides for full-time district attorneys under certain conditions. The annual salary to be paid the full-time district attorney is set at $1,000 less than a common pleas court judge in that county. The commonwealth reimburses counties for 65 percent of the salary for the full-time district attorney through court document surcharge revenues deposited into the Criminal Justice Enhancement Account.

The Joint Local-State Firearm Task Force comprised of the Philadelphia District Attorney's Office, the Philadelphia Police Department and the Office of Attorney General was established to fight gun violence in the Philadelphia area.

The Municipal Drug Task Force program contributes to Pennsylvania's efforts in combating both local and widespread drug trafficking operations. Municipal police officers are trained in drug enforcement procedures and benefit from the expertise provided by the Bureau of Narcotics Investigations.

The Home Improvement Consumer Protection Act requires home improvement contractors to register with the Bureau of Consumer Protection. The agency investigates alleged violations regarding home improvement contractors. The Homeowner Assistance Settlement Act authorizes the agency to provide housing consumer protection programs.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

GENERAL FUND

	General Government Operations
$ 1,673	—to continue current program.
	Drug Law Enforcement
$ 900	—to continue current program.
	Local Drug Task Forces
$ 145	—to continue current program.
	Joint Local-State Firearm Task Force
$ 80	—to continue current program.
	Child Predator Interception
$ 146	—to continue current program.
	Tobacco Law Enforcement
$ 220	—to continue current program.
	Mobile Street Crimes
$ 64	—to continue current program.

The Witness Relocation and County Trial Reimbursement appropriations are recommended at the current year funding levels.

Program: Public Protection and Law Enforcement (continued)

Program Recommendations: (continued)

This budget recommends the following changes: (Dollar Amounts in Thousands)

This budget also recommends the following from restricted accounts in the General Fund.

Office of Consumer Advocate

$ 103 —to continue current program.

Home Improvement Consumer Protection

$ 67 —to continue current program.

The Reimbursement to Counties - Full Time District Attorney (EA) is recommended at the current year funding level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
GENERAL FUND:							
General Government Operations	$ 39,322	$ 41,877	$ 43,550	$ 45,074	$ 46,201	$ 47,356	$ 48,540
Drug Law Enforcement	23,853	25,728	26,628	27,560	28,249	28,955	29,679
Local Drug Task Forces	11,776	12,038	12,183	12,609	12,924	13,247	13,578
Joint Local-State Firearm Task Force	3,559	3,736	3,816	3,950	4,049	4,150	4,254
Witness Relocation	1,115	1,215	1,215	1,215	1,215	1,215	1,215
Child Predator Interception	4,350	4,100	4,246	4,395	4,505	4,618	4,733
Tobacco Law Enforcement	615	915	1,135	1,175	1,204	1,234	1,265
Mobile Street Crimes	2,500	2,480	2,544	2,633	2,699	2,766	2,835
County Trial Reimbursement	200	200	200	200	200	200	200
TOTAL GENERAL FUND	$ 87,290	$ 92,289	$ 95,517	$ 98,811	$ 101,246	$ 103,741	$ 106,299

Program Measures

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Program: Public Protection and Law Enforcement							
Objective: Utilize statewide investigative grand juries as appropriate to investigate and prosecute organized crime and public corruption.							
Cases presented to the Statewide Investigating Grand Jury	25	68	68	68	68	68	68
Objective: Curtail drug abuse in the commonwealth by apprehending illegal drug traffickers.							
Local drug task force arrests	7,388	7,900	7,900	7,900	7,900	7,900	7,900
Drug arrests resulting from Grand Jury presentments	131	190	190	190	190	190	190
Objective: Increase compliance by estates, charities, nonprofits and health care conversions with established rules and regulations.							
Review of estates, charities, nonprofits, and health care conversions for compliance with rules and regulations	2,148	2,200	2,200	2,200	2,200	2,200	2,200
Objective: Decrease incidence of fraud and deceptive business practices and secure the recovery of damages to the commonwealth and its citizens.							
Consumer complaints concerning business practices investigated and mediated	36,473	36,000	36,000	36,000	36,000	36,000	36,000
Dollar value of recoupment to consumers regarding business practices (in thousands)	$22,537	$3,500	$3,500	$3,500	$3,500	$3,500	$3,500
Consumer complaints concerning business practices - health care industry	2,088	2,190	2,190	2,190	2,190	2,190	2,190
Dollar value of recoupment to consumers regarding business practices - health care industry (in thousands)	$1,007	$1,067	$1,067	$1,067	$1,067	$1,067	$1,067

Dollar value of recoupment to consumers regarding business practices includes $19,983,000 returned to consumers as part of the National Mortgage Foreclosure Settlement.

AUDITOR GENERAL

The mission of the Auditor General is to post-audit the affairs of state government agencies and certain local government agencies, officials and organizations.

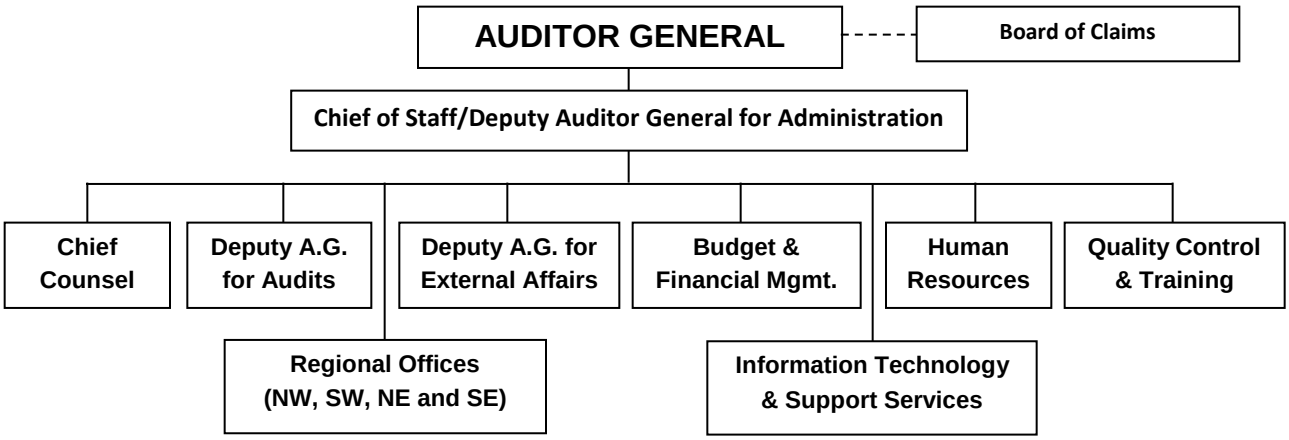
The objective is to ensure conformance with established legislative and administrative regulations and to assure that all money has been disbursed legally and properly. In addition, the Auditor General examines the accounts of revenue collecting agents to ensure that all money due the commonwealth was reported and transmitted properly.

Programs and Goals

Auditing: *To ensure that all revenue to which the commonwealth is entitled is deposited in the State Treasury and that public money is disbursed legally and properly.*

Municipal Pension Systems**:** *To assist municipal pension systems through review and audit of their pension funds.*

Organization Overview



- **Board of Claims** arbitrates claims against the commonwealth arising from contracts entered into by the commonwealth and adjusts and settles certain other claims by or against the commonwealth.
- **Office of Chief of Staff/Administration Deputate** provides leadership and direction to the Chief Counsel, Deputy Auditor General for Audits, Deputy Auditor General for External Affairs, and Regional Directors and also to the Directors of Budget & Fiscal Management, Human Resources, Quality Control & Training, and Information Technology & Support Services.
- **Office of Chief Counsel** provides legal advice and support to the Auditor General, Deputy Auditor Generals and the bureaus within the department.
- **Deputate for Audits** manages eight bureaus that perform audits to improve overall government accountability, transparency, and the effective use of taxpayer dollars. Audits include Financial and Performance audits, and Attestation engagements to ensure that all monies spent by the commonwealth are spent legally and efficiently to serve the Pennsylvania taxpayers.
- **Regional Offices** are located in Northwest, Southwest, Northeast and Southeast Pennsylvania.
- **Deputate for External Affairs** oversees the department's communications and media, as well as its work with the legislature, citizens, and groups and organizations interested in the department's work.
- **Office of Budget and Financial Management** provides operational support including budgeting, accounting, payroll, and accounts payable. The office also manages the Municipal Pension State Aid and Volunteer Firefighters' Relief Association State Aid Programs and provides budgetary and administrative support to the Board of Claims.
- **Office of Information Technology and Support Services** manages the IT network infrastructure, including telecommunications; develops and supports systems applications and databases; processes all procurements; and manages the vehicle fleet, archives, internal storeroom, mailroom, and physical facilities.
- **Office of Human Resources** administers all employment-related activities from pre-hire to retirement and assists with the development, implementation, and administration of personnel policies, rules, and programs.
- **Office of Quality Control & Training** oversees the maintenance of the department's system of quality control in accordance with *Generally Accepted Government Auditing Standards* (GAGAS) issued by the Comptroller General of the United States and conducts the required internal monitoring efforts. The office also oversees the various training activities to ensure compliance with GAGAS continuing professional education requirements.

Reported Complement

(Independent Agency – Complement Not Under the Governor's Jurisdiction/Control)

2009-10 Actual	2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Actual
715	635	609	575	496

Summary by Fund and Appropriation

	2013-14 ACTUAL	2014-15 AVAILABLE	2015-16 BUDGET
	(Dollar Amounts in Thousands)		
GENERAL FUND:			
General Government:			
Auditor General's Office	**$ 41,389**	**$ 41,389**	**$ 42,248**
(A)Reimbursement Auditing Services	11,482	13,433	13,960
(A)Sale of Autos	2	0	0
Information Technology Modernization	**1,750**	**1,750**	**5,000**
Subtotal	$ 54,623	$ 56,572	$ 61,208
Security and Other Expenses - Outgoing Governor	**0**	**85** [a]	**0**
Board of Claims	**1,640**	**1,640**	**1,832**
Subtotal - State Funds	$ 44,779	$ 44,864	$ 49,080
Subtotal - Augmentations	11,484	13,433	13,960
Total - General Government	$ 56,263	$ 58,297	$ 63,040
STATE FUNDS	$ 44,779	$ 44,864	$ 49,080
AUGMENTATIONS	11,484	13,433	13,960
GENERAL FUND TOTAL	**$ 56,263**	**$ 58,297**	**$ 63,040**
OTHER FUNDS:			
MUNICIPAL PENSION AID FUND:			
Municipal Pension Aid	$ 277,710	$ 267,262	$ 267,664
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND	$ 44,779	$ 44,864	$ 49,080
SPECIAL FUNDS	0	0	0
AUGMENTATIONS	11,484	13,433	13,960
OTHER FUNDS	277,710	267,262	267,664
TOTAL ALL FUNDS	**$ 333,973**	**$ 325,559**	**$ 330,704**

[a] Includes recommended supplemental appropriation of $85,000.

Program Funding Summary

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
AUDITING							
GENERAL FUND	$ 44,779	$ 44,864	$ 49,080	$ 45,623	$ 46,763	$ 47,933	$ 49,132
SPECIAL FUNDS	0	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0	0
OTHER FUNDS	11,484	13,433	13,960	13,960	13,960	13,960	13,960
SUBCATEGORY TOTAL	$ 56,263	$ 58,297	$ 63,040	$ 59,583	$ 60,723	$ 61,893	$ 63,092
MUNICIPAL PENSION SYSTEMS							
GENERAL FUND	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
SPECIAL FUNDS	0	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0	0
OTHER FUNDS	277,710	267,262	267,664	267,664	267,664	267,664	267,664
SUBCATEGORY TOTAL	$ 277,710	$ 267,262	$ 267,664	$ 267,664	$ 267,664	$ 267,664	$ 267,664
ALL PROGRAMS:							
GENERAL FUND	$ 44,779	$ 44,864	$ 49,080	$ 45,623	$ 46,763	$ 47,933	$ 49,132
SPECIAL FUNDS	0	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0	0
OTHER FUNDS	289,194	280,695	281,624	281,624	281,624	281,624	281,624
DEPARTMENT TOTAL	$ 333,973	$ 325,559	$ 330,704	$ 327,247	$ 328,387	$ 329,557	$ 330,756

Program: Auditing

Goal: To ensure that all revenue to which the commonwealth is entitled is deposited in the State Treasury and that public money is disbursed legally and properly.

The auditor general is required by the Fiscal Code to audit the financial affairs of state government and certain local government entities. The auditor general is mandated to perform audits of any entity receiving funds from the commonwealth or any entity collecting funds that belong to the commonwealth. Each year, the department performs thousands of regular and special post-audits of commonwealth agencies, individuals, associations and corporations to ensure money is disbursed legally and properly. The auditor general also examines accounts of revenue collecting agents to assure that all funds due to the commonwealth have been reported and transmitted properly and that the commonwealth's financial statements conform to Generally Accepted Accounting Principles.

The Single Audit, which is a single financial/compliance audit of the commonwealth's federal aid programs and an audit of the commonwealth's General Purpose Financial Statements, is jointly performed each year by the auditor general and an independent certified public accounting firm.

Special audits may be made when the auditor general determines they appear to be necessary. Special audits must also be conducted when the governor calls upon the auditor general to do them.

The Fiscal Code also requires the auditor general to audit public assistance payments to determine the eligibility of persons receiving public assistance grants. Recipients are subject to continuous audit. These audits serve to adjust grants to persons either ineligible or receiving overpayments or underpayments.

In addition to fiscal duties, by statute, the auditor general serves as a member of the State Public School Building Authority and other major commonwealth boards and commissions.

The Board of Claims operates within this program as an independent judicial and administrative body with jurisdiction to hear and determine claims against the commonwealth that equal or exceed $300.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

Auditor General's Office

$ 859 —to continue current program.

Information Technology Modernization

$ 3,250 —Initiative—Information Technology Modernization. To fund the final phase of a three year project to improve the department's information technology infrastructure.

Security and Other Expenses - Outgoing Governor

$ –85 —nonrecurring costs.

Board of Claims

$ 192 —to continue current program.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
GENERAL FUND:							
Auditor General's Office	$ 41,389	$ 41,389	$ 42,248	$ 43,727	$ 44,820	$ 45,941	$ 47,090
Information Technology Modernization	1,750	1,750	5,000	0	0	0	0
Security and Other Expenses - Outgoing Governor	0	85	0	0	0	0	0
Board of Claims	1,640	1,640	1,832	1,896	1,943	1,992	2,042
TOTAL GENERAL FUND	$ 44,779	$ 44,864	$ 49,080	$ 45,623	$ 46,763	$ 47,933	$ 49,132

Program: Municipal Pension Systems

Goal: To assist municipal pension systems through review and audit of their pension funds.

In 1984, the General Assembly passed Act 205, known as the Municipal Pension Plan Funding Standard and Recovery Act. The enactment of this legislation was in response to the solvency problems facing many of the commonwealth's municipal pension systems. The act establishes criteria for determination of actuarial soundness and the amount of state-financed support that will be provided. The auditor general is responsible for audits of approximately 1,300 municipal pension funds for non-uniformed employees where municipalities choose to allocate state aid to those funds.

The auditor general administers the Municipal Pension Systems Aid program, established by Act 205 to distribute funding to municipal pension plans for police officers and paid firefighters. The program is funded through the Municipal Pension Aid Fund, which receives all proceeds of the Foreign Casualty Insurance Premium Tax and a portion of the Foreign Fire Insurance Premium Tax.

The auditor general is also responsible for distributing proceeds from the Foreign Fire Insurance Tax Fund to municipalities for payment to volunteer firefighter relief associations. Financial statements for the Municipal Pension Aid Fund and the Fire Insurance Tax Fund are presented in the Special Funds Appendix section of this budget.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

	MUNICIPAL PENSION AID FUND
	Municipal Pension Aid
$ 402	—to continue current program.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
MUNICIPAL PENSION AID FUND:							
Municipal Pension Aid	$ 277,710	$ 267,262	$ 267,664	$ 267,664	$ 267,664	$ 267,664	$ 267,664

TREASURY DEPARTMENT

The Treasury Department is responsible for receiving all commonwealth monies and for depositing such monies in state depositories approved by the Board of Finance and Revenue, for managing all securities in its custody to the best advantage of the commonwealth, for pre-auditing all requisitions for the expenditures of funds and for disbursement of all state monies upon proper authorization to those entitled to receive payment.

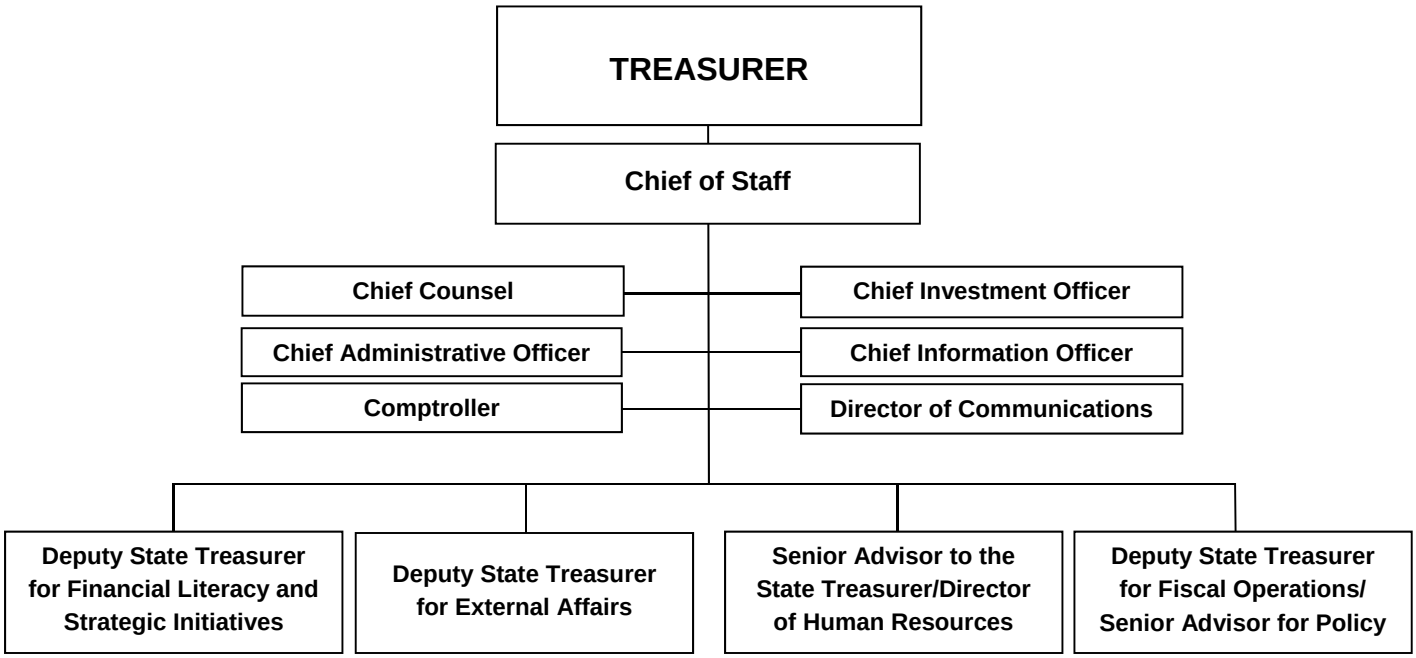
Programs and Goals

Disbursement: *To receive and safeguard the monies of the commonwealth, to manage the funds to the best advantage of the commonwealth and to ensure that all disbursements of funds are legal and proper.*

Interstate Relations: *To promote interstate cooperation and progress through participation in various associations, commissions and organizations both regionally and nationally.*

Debt Service: *To provide for interest and principal requirements of notes and bonds issued by the commonwealth and other expenses related to debt service.*

Organization Overview



- **Deputy State Treasurer for Financial Literacy and Strategic Initiatives** engages the public and community organizations through innovative efforts that are designed to promote financial literacy and increase the economic security of Pennsylvanians.
- **Deputy State Treasurer for External Affairs** acts as a liaison to outside entities, such as the legislature, constituency groups, and other state agencies. The deputy also sets policies and goals for public-facing bureaus managing the PA 529 and unclaimed property programs.
- **Senior Advisor to the State Treasurer/Director of Human Resources** manages the Bureau of Human Resources, advises the Treasurer on personnel matters, and acts as a liaison to labor unions.
- **Deputy State Treasurer for Fiscal Operations/Senior Advisor for Policy** oversees the bureaus of Fiscal Review and Unemployment Compensation Disbursements, and advises the Treasurer on specific strategic policy matters.

Reported Complement

(Independent Agency – Complement Not Under the Governor's Jurisdiction/Control)

2009-10 Actual	2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Actual
419	419	419	419	389

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2013-14 ACTUAL	2014-15 AVAILABLE	2015-16 BUDGET
GENERAL FUND:			
General Government:			
General Government Operations	**$ 32,228**	**$ 36,028**	**$ 34,792**
(A)Unemployment Compensation Service Reimbursements	4,866	6,081	6,045
(A)Administrative Service Fees	1,617	1,451	1,180
(A)Unclaimed Property Service Fees	5,565	1,055	1,000
Subtotal	$ 44,276	$ 44,615	$ 43,017
Board of Finance and Revenue	**2,505**	**2,505**	**2,715**
Divestiture Reimbursement	**1,698**	**229**	**68**
Publishing Monthly Statements	**15**	**15**	**15**
Intergovernmental Organizations	**1,187**	**1,036**	**1,025**
Information Technology Modernization	**9,000**	**4,000**	**4,000**
Subtotal - State Funds	$ 46,633	$ 43,813	$ 42,615
Subtotal - Augmentations	12,048	8,587	8,225
Total - General Government	$ 58,681	$ 52,400	$ 50,840
Grants and Subsidies:			
Law Enforcement & Emergency Response Personnel Death Benefit	**$ 2,163**	**$ 2,163**	**$ 2,163**
Debt Service:			
Loan and Transfer Agents	**$ 60**	**$ 60**	**$ 50**
Tax Note Expenses (EA)	**0**	**0**	**400**
Interest on Tax Anticipation Notes (EA)	**0**	**0**	**16,000**
Cash Management Loan Interest (EA)	**1,000**	**3,000** a	**0**
General Obligation Debt Service	**1,066,991**	**1,096,500**	**1,157,000**
Total - Debt Service	$ 1,068,051	$ 1,099,560	$ 1,173,450
STATE FUNDS	$ 1,116,847	$ 1,145,536	$ 1,218,228
AUGMENTATIONS	12,048	8,587	8,225
GENERAL FUND TOTAL	**$ 1,128,895**	**$ 1,154,123**	**$ 1,226,453**
MOTOR LICENSE FUND:			
General Government:			
Administration Refunding Liquid Fuels Tax	**$ 557**	**$ 533**	**$ 533**
Refunds:			
Refunding Liquid Fuels Taxes - State Share (EA)	**$ 2,492**	**$ 1,700**	**$ 1,900**
Refunding Liquid Fuels Taxes - Agriculture (EA)	**2,629**	**4,100**	**4,600**
Refunding Liquid Fuels Taxes - Political Subdivisions (EA)	**2,053**	**3,400**	**3,800**
Refunding Liquid Fuels Taxes - Volunteer Services (EA)	**327**	**500**	**600**
Refunding Liquid Fuels Taxes - Snowmobiles & ATV's (EA)	**1,000**	**1,000**	**1,000**
Refunding Liquid Fuels Taxes - Boat Fund (EA)	**3,200**	**6,100**	**10,470**
Total - Refunds	$ 11,701	$ 16,800	$ 22,370

Summary by Fund and Appropriation

	2013-14 ACTUAL	2014-15 AVAILABLE	2015-16 BUDGET
	(Dollar Amounts in Thousands)		
Debt Service:			
Capital Debt Transportation Projects	**$ 748**	**$ 2,376**	**$ 11,635**
General Obligation Debt Service	**17,001**	**16,936**	**16,968**
(R)Capital Bridge Debt Service (EA)	46,160	46,550	45,571
Loan and Transfer Agent	**50**	**50**	**50**
Subtotal - State Funds	$ 17,799	$ 19,362	$ 28,653
Subtotal - Restricted Revenues	46,160	46,550	45,571
Total - Debt Service	$ 63,959	$ 65,912	$ 74,224
STATE FUNDS	$ 30,057	$ 36,695	$ 51,556
RESTRICTED REVENUES	46,160	46,550	45,571
MOTOR LICENSE FUND TOTAL	**$ 76,217**	**$ 83,245**	**$ 97,127**
OTHER FUNDS:			
ENVIRONMENTAL STEWARDSHIP FUND:			
Debt Service for Growing Greener (EA)	$ 41,329	$ 42,136	$ 39,964
LIQUID FUELS TAX FUND:			
Refunding Liquid Fuels Taxes - Boat Fund (EA)	$ 300	$ 100	$ 100
TUITION ACCOUNT GUARANTEED SAVINGS PROGRAM FUND:			
Tuition Account Program Bureau	$ 3,188	$ 3,188	$ 3,188
(A)Application Fees	1,372	1,373	1,375
TUITION ACCOUNT GUARANTEED SAVINGS PROGRAM FUND TOTAL	**$ 4,560**	**$ 4,561**	**$ 4,563**
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND	$ 1,116,847	$ 1,145,536	$ 1,218,228
SPECIAL FUNDS	30,057	36,695	51,556
AUGMENTATIONS	12,048	8,587	8,225
RESTRICTED	46,160	46,550	45,571
OTHER FUNDS	46,189	46,797	44,627
TOTAL ALL FUNDS	**$ 1,251,301**	**$ 1,284,165**	**$ 1,368,207**

[a] Includes recommended supplemental executive authorization of $3,000,000.

Program Funding Summary

(Dollar Amounts in Thousands)

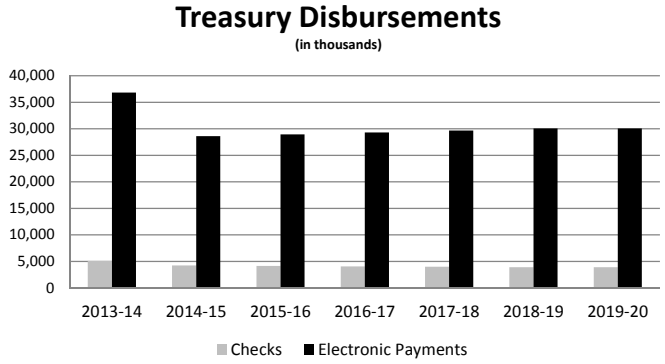
	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
DISBURSEMENT							
GENERAL FUND	$ 47,594	$ 44,925	$ 43,738	$ 43,051	$ 42,021	$ 43,016	$ 44,036
SPECIAL FUNDS	12,258	17,333	22,903	25,052	27,365	29,680	29,694
FEDERAL FUNDS	0	0	0	0	0	0	0
OTHER FUNDS	16,908	13,248	12,888	12,583	12,599	12,615	12,632
SUBCATEGORY TOTAL	$ 76,760	$ 75,506	$ 79,529	$ 80,686	$ 81,985	$ 85,311	$ 86,362
INTERSTATE RELATIONS							
GENERAL FUND	$ 1,187	$ 1,036	$ 1,025	$ 1,025	$ 1,025	$ 1,025	$ 1,025
SPECIAL FUNDS	0	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0	0
OTHER FUNDS	0	0	0	0	0	0	0
SUBCATEGORY TOTAL	$ 1,187	$ 1,036	$ 1,025	$ 1,025	$ 1,025	$ 1,025	$ 1,025
DEBT SERVICE							
GENERAL FUND	$ 1,068,066	$ 1,099,575	$ 1,173,465	$ 1,248,785	$ 1,329,283	$ 1,413,335	$ 1,459,218
SPECIAL FUNDS	17,799	19,362	28,653	46,254	57,032	57,029	56,959
FEDERAL FUNDS	0	0	0	0	0	0	0
OTHER FUNDS	87,489	88,686	85,535	84,666	79,618	79,250	93,302
SUBCATEGORY TOTAL	$ 1,173,354	$ 1,207,623	$ 1,287,653	$ 1,379,705	$ 1,465,933	$ 1,549,614	$ 1,609,479
ALL PROGRAMS:							
GENERAL FUND	$ 1,116,847	$ 1,145,536	$ 1,218,228	$ 1,292,861	$ 1,372,329	$ 1,457,376	$ 1,504,279
SPECIAL FUNDS	30,057	36,695	51,556	71,306	84,397	86,709	86,653
FEDERAL FUNDS	0	0	0	0	0	0	0
OTHER FUNDS	104,397	101,934	98,423	97,249	92,217	91,865	105,934
DEPARTMENT TOTAL	$ 1,251,301	$ 1,284,165	$ 1,368,207	$ 1,461,416	$ 1,548,943	$ 1,635,950	$ 1,696,866

Program: Disbursement

Goal: To receive and safeguard the monies of the commonwealth, to manage the funds to the best advantage of the commonwealth and to ensure that all disbursements of funds are legal and proper.

The Treasury Department is required by the Fiscal Code to receive and deposit all monies of the commonwealth; to invest any commonwealth monies that accumulate beyond the daily needs of the various funds; to manage to the best possible advantage all securities in its custody; to pre-audit requisitions for the expenditure of funds; and to disburse all state monies upon proper authorization to those entitled to receive payment. In this capacity, the department is responsible for the receipt, custody and disbursement of billions of dollars each year.

The Treasury Department also maintains accounting controls and disburses all checks to recipients of public assistance. Thousands of disbursements are processed each working day for distribution to recipients. This processing includes pre-auditing, printing and mailing the checks to individual recipients and banks. Deposits are kept in approximately 50 financial institutions throughout Pennsylvania, including approximately 13 banks that also function as active depositories from which thousands of payments are issued daily.



The State Treasurer is Chairman of the Board of Finance and Revenue which is charged with reviewing and deciding tax appeals concerning settlements made between the commonwealth and persons, associations and corporations. The board also administers the program for refunding liquid fuels taxes to groups exempt by legislation from these taxes.

The Treasury Department is required to pay death benefits, adjusted annually for inflation, to the surviving spouse or children of public safety workers, firefighters or law enforcement officers of the commonwealth killed in the performance of their duties and to reimburse political subdivisions for such payments made to survivors of local firefighters or law enforcement officers.

The Treasury Department administers the Tuition Account Program, which provides two programs for postsecondary educational savings. The Tuition Account Guaranteed Savings Program Fund provides for the advance purchase of tuition credits for students who will attend institutions of higher education. Savings for higher education may also be made through the Tuition Account Investment Program Fund.

The State Treasurer is responsible for the administration and enforcement of the commonwealth's abandoned and unclaimed property laws. Tangible and intangible property that has remained unclaimed for three or more years is reported and remitted to the Treasury Department by holders in possession of the property. The commonwealth maintains perpetual custody of the property until it is claimed by the rightful owner. Revenues generated by collection of unclaimed property are deposited directly to the General Fund.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

GENERAL FUND

General Government Operations

$ –3,500	—nonrecurring costs for the unclaimed property program.
2,264	—to continue current program.
$ –1,236	*Appropriation Decrease*

Board of Finance and Revenue

$ 210	—to continue current program.

Divestiture Reimbursement

$ –161	—reduced program requirement.

MOTOR LICENSE FUND

Refunding Liquid Fuels Taxes - State Share (EA)

$ 200	—based on most recent projection of program requirements.

Refunding Liquid Fuels Taxes - Agriculture (EA)

$ 500	—based on most recent projection of program requirements.

Program: Disbursement (continued)

Program Recommendations: (continued)

This budget recommends the following changes: (Dollar Amounts in Thousands)

Refunding Liquid Fuels Taxes - Political Subdivisions (EA)
$ 400 —based on most recent projection of program requirements.

Refunding Liquid Fuels Taxes - Volunteer Services (EA)
$ 100 —based on most recent projection of program requirements.

Refunding Liquid Fuels Taxes - Boat Fund (EA)
$ 4,370 —based on most recent projection of program requirements.

All other appropriations are recommended at the current year funding levels.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
GENERAL FUND:							
General Government Operations	$ 32,228	$ 36,028	$ 34,792	$ 36,010	$ 36,910	$ 37,833	$ 38,779
Board of Finance and Revenue	2,505	2,505	2,715	2,810	2,880	2,952	3,026
Divestiture Reimbursement	1,698	229	68	68	68	68	68
Information Technology Modernization	9,000	4,000	4,000	2,000	0	0	0
Law Enforcement & Emergency Response Personnel Death Benefit	2,163	2,163	2,163	2,163	2,163	2,163	2,163
TOTAL GENERAL FUND	$ 47,594	$ 44,925	$ 43,738	$ 43,051	$ 42,021	$ 43,016	$ 44,036
MOTOR LICENSE FUND:							
Administration Refunding Liquid Fuels Tax	$ 557	$ 533	$ 533	$ 552	$ 565	$ 580	$ 594
Refunding Liquid Fuels Taxes - State Share (EA)	2,492	1,700	1,900	2,100	2,300	2,500	2,500
Refunding Liquid Fuels Taxes - Agriculture (EA)	2,629	4,100	4,600	5,100	5,600	6,100	6,100
Refunding Liquid Fuels Taxes - Political Subdivisions (EA)	2,053	3,400	3,800	4,200	4,600	5,000	5,000
Refunding Liquid Fuels Taxes - Volunteer Services (EA)	327	500	600	700	800	900	900
Refunding Liquid Fuels Taxes - Snowmobiles & ATV's (EA)	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Refunding Liquid Fuels Taxes - Boat Fund (EA)	3,200	6,100	10,470	11,400	12,500	13,600	13,600
TOTAL MOTOR LICENSE FUND	$ 12,258	$ 17,333	$ 22,903	$ 25,052	$ 27,365	$ 29,680	$ 29,694

Program: Interstate Relations

Goal: To promote interstate cooperation and progress through participation in various associations, commissions and organizations both regionally and nationally.

Pennsylvania promotes interstate cooperation and progress through participation in various associations, commissions and organizations with other states and units of government. As a member of the Council of State Governments, National Conference of State Legislatures and the National Governors' Association, Pennsylvania helps coordinate ideas on programs, interstate progress, budgets, federal-state relations, education, labor, research, governmental techniques and general information with other states, Congress and the federal Executive Branch.

The State and Local Legal Center provides for Pennsylvania's participation in a center to advance and defend the interests of state and local governments in matters involving federal preemption, state taxing and spending powers, the Tenth Amendment to the United States Constitution and other issues.

This program also covers Pennsylvania's cost of the Great Lakes Commission and the Council of Great Lakes Governors. These organizations were established to plan and promote a unified and balanced program for the development, use and conservation of Great Lakes Basin water resources.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

	Intergovernmental Organizations
$ –11	—reduced program requirement.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
GENERAL FUND:							
Intergovernmental Organizations	$ 1,187	$ 1,036	$ 1,025	$ 1,025	$ 1,025	$ 1,025	$ 1,025

Program: Debt Service

Goal: To provide for interest and principal requirements of notes and bonds issued by the commonwealth and other expenses related to debt service.

The commonwealth, through the Treasury Department, is obligated to meet principal and interest requirements and other expenses related to debt service.

Long-term bonds are issued by the state to finance the cost of public improvements that represent a heavy financial burden which cannot be funded through current revenues. These bond issues provide funds for the acquisition and development of public recreation and historic sites and facilities; economic revitalization efforts; low-cost loans for water supply and sewage treatment improvements; and a wide variety of construction and renovation projects for hospitals, higher education facilities, state parks, flood control, correctional institutions and various public buildings.

The commonwealth has saved substantial amounts of interest on debt service through the issuance of refunding bonds to retire debt incurred in prior years when interest rates were considerably higher. The commonwealth continues to monitor its debt for additional refunding opportunities.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

GENERAL FUND

$ 73,890 —the net effect on principal and interest requirements and other costs relating to General Fund debt service.

MOTOR LICENSE FUND

$ 9,291 —the net effect on principal and interest requirements and other costs relating to Motor License Fund debt service.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
GENERAL FUND:							
Publishing Monthly Statements	$ 15	$ 15	$ 15	$ 15	$ 15	$ 15	$ 15
Loan and Transfer Agents	60	60	50	50	50	50	50
Tax Note Expenses (EA)	0	0	400	400	400	400	400
Interest on Tax Anticipation Notes (EA)	0	0	16,000	12,000	4,000	4,000	4,000
Cash Management Loan Interest (EA)	1,000	3,000	0	0	0	0	0
General Obligation Debt Service	1,066,991	1,096,500	1,157,000	1,236,320	1,324,818	1,408,870	1,454,753
TOTAL GENERAL FUND	$ 1,068,066	$ 1,099,575	$ 1,173,465	$ 1,248,785	$ 1,329,283	$ 1,413,335	$ 1,459,218
MOTOR LICENSE FUND:							
Capital Debt Transportation Projects	$ 748	$ 2,376	$ 11,635	$ 29,283	$ 40,061	$ 40,058	$ 40,055
General Obligation Debt Service	17,001	16,936	16,968	16,921	16,921	16,921	16,854
Loan and Transfer Agent	50	50	50	50	50	50	50
TOTAL MOTOR LICENSE FUND	$ 17,799	$ 19,362	$ 28,653	$ 46,254	$ 57,032	$ 57,029	$ 56,959

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DEPARTMENT OF AGING

The mission of the Department of Aging is to enhance the quality of life of older Pennsylvanians by empowering the community, the family and the individual.

The department consolidates services for older Pennsylvanians and provides a single point of contact through which older Pennsylvanians can address their concerns to state government.

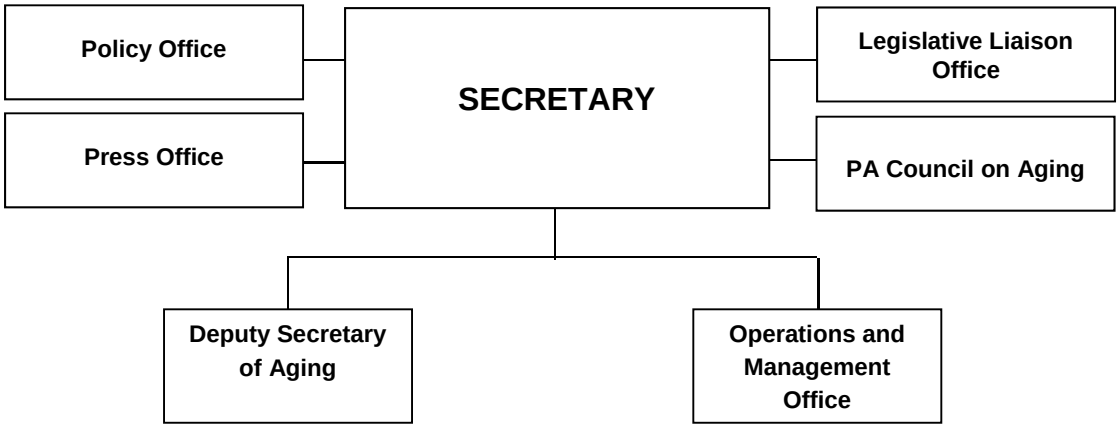
Statewide services are provided through the local Area Agencies on Aging. Services include long-term care assessment, home and community-based services, nutrition, employment, transportation, domiciliary care and protection. Additionally, the department manages the pharmaceutical assistance program for older Pennsylvanians.

Programs and Goals

Community Services for Older Pennsylvanians: *To enable older Pennsylvanians to maintain active and independent lives in their own homes or alternative community living arrangements.*

Pharmaceutical Assistance: *To assist eligible older Pennsylvanians who experience difficulty meeting the cost of prescription drugs necessary to maintain healthy lives.*

Organization Overview



- **Deputy Secretary of Aging** oversees the Aging and Disability Resources Office and the Bureaus of Aging Services, Quality Assurance, Advocacy, Finance and Pharmaceutical Assistance.
- **Operations and Management Office** is responsible for the Education and Outreach Office, Human Resource Office and the Intra-Governmental Council on Long-Term Care.

Authorized Complement

2009-10 Actual	2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Actual
97	97	97	97	102

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2013-14 ACTUAL	2014-15 AVAILABLE	2015-16 BUDGET
LOTTERY FUND:			
General Government:			
General Government Operations	**$ 7,861**	**$ 7,927**	**$ 8,708**
(F)Programs for the Aging - Title III - Administration	1,781	1,781	1,781
(F)Programs for the Aging - Title V - Administration	127	127	127
(F)Medical Assistance - Administration	2,342	2,342	2,354
(F)Program for the Aging - Title VII - Administration	118	118	118
(A)Day Care Licensure	10	11	11
(A)Digital Fingerprint Fees	28	27	27
(A)Adult Protective Services - GGO	650	0	0
Subtotal	$ 12,917	$ 12,333	$ 13,126
Subtotal - State Funds	$ 7,861	$ 7,927	$ 8,708
Subtotal - Federal Funds	4,368	4,368	4,380
Subtotal - Augmentations	688	38	38
Total - General Government	$ 12,917	$ 12,333	$ 13,126
Grants and Subsidies:			
PENNCARE	**$ 275,164**	**$ 299,306** a	**$ 305,190**
(F)Programs for the Aging - Title III	52,000	52,000	52,000
(F)Programs for the Aging - Nutrition	10,000	10,000	10,000
(F)Programs for the Aging - Title V - Employment	8,000	8,000	8,000
(F)Programs for the Aging - Title VII - Elder Rights Protection	4,700	4,700	4,700
(F)Medical Assistance - Attendant Care	24,055	27,986 b	32,319
(F)Medical Assistance - Support	9,000	9,000	9,000
(F)Medical Assistance Nursing Home Transition Administration	700	700	700
(A)Attendant Care Patient Fees	155	214	155
(A)Adult Protective Services	4,200	0	0
Subtotal	$ 387,974	$ 411,906	$ 422,064
Pre-Admission Assessment	**10,735**	**10,735**	**16,135**
(F)Pre-Admission Assessment	16,000	16,000	17,000
Subtotal	$ 26,735	$ 26,735	$ 33,135
Caregiver Support	**12,103**	**12,103**	**12,103**
(F)Programs for the Aging - Title III - Caregiver Support	10,000	10,000	10,000
Subtotal	$ 22,103	$ 22,103	$ 22,103
Alzheimer's Outreach	**250**	**250**	**250**
Pharmaceutical Assistance Fund	**130,000**	**155,000**	**160,000**
Grants to Senior Centers	**2,150**	**2,000**	**2,000**
Subtotal - State Funds	$ 430,402	$ 479,394	$ 495,678
Subtotal - Federal Funds	134,455	138,386	143,719
Subtotal - Augmentations	4,355	214	155
Total - Grants and Subsidies	$ 569,212	$ 617,994	$ 639,552
STATE FUNDS	$ 438,263	$ 487,321	$ 504,386
FEDERAL FUNDS	138,823	142,754	148,099
AUGMENTATIONS	5,043	252	193
LOTTERY FUND TOTAL	**$ 582,129**	**$ 630,327**	**$ 652,678**

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	2013-14 ACTUAL	2014-15 AVAILABLE	2015-16 BUDGET
OTHER FUNDS:			
PHARMACEUTICAL ASSISTANCE FUND:			
PACE Contracted Services (EA)	$ 54,654 [c]	$ 27,312 [c]	$ 26,145 [c]
Administration of PACE (EA)	1,230	1,305	1,365
PHARMACEUTICAL ASSISTANCE FUND TOTAL	**$ 55,884**	**$ 28,617**	**$ 27,510**
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND	$ 0	$ 0	$ 0
SPECIAL FUNDS	438,263	487,321	504,386
FEDERAL FUNDS	138,823	142,754	148,099
AUGMENTATIONS	5,043	252	193
OTHER FUNDS	55,884	28,617	27,510
TOTAL ALL FUNDS	**$ 638,013**	**$ 658,944**	**$ 680,188**

[a] Includes recommended supplemental appropriation of $3,936,000.

[b] Includes recommended supplemental appropriation of $2,197,000.

[c] Transfer to Pharmaceutical Assistance Fund not added to the total to avoid double counting: 2013-14 Actual is $130,000,000, 2014-15 Available is $155,000,000 and 2015-16 Budget is $160,000,000.

Program Funding Summary

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
COMMUNITY SERVICES FOR OLDER PENNSYLVANIANS							
GENERAL FUND	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
SPECIAL FUNDS	308,263	332,321	344,386	347,174	347,399	347,630	347,867
FEDERAL FUNDS	138,823	142,754	148,099	150,504	150,565	150,627	150,691
OTHER FUNDS	5,043	252	193	192	192	192	192
SUBCATEGORY TOTAL	$ 452,129	$ 475,327	$ 492,678	$ 497,870	$ 498,156	$ 498,449	$ 498,750
PHARMACEUTICAL ASSISTANCE							
GENERAL FUND	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
SPECIAL FUNDS	130,000	155,000	160,000	185,000	180,000	175,000	170,000
FEDERAL FUNDS	0	0	0	0	0	0	0
OTHER FUNDS	55,884	28,617	27,510	1,413	1,448	1,484	1,521
SUBCATEGORY TOTAL	$ 185,884	$ 183,617	$ 187,510	$ 186,413	$ 181,448	$ 176,484	$ 171,521
ALL PROGRAMS:							
GENERAL FUND	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
SPECIAL FUNDS	438,263	487,321	504,386	532,174	527,399	522,630	517,867
FEDERAL FUNDS	138,823	142,754	148,099	150,504	150,565	150,627	150,691
OTHER FUNDS	60,927	28,869	27,703	1,605	1,640	1,676	1,713
DEPARTMENT TOTAL	$ 638,013	$ 658,944	$ 680,188	$ 684,283	$ 679,604	$ 674,933	$ 670,271

Program: Community Services for Older Pennsylvanians

Goal: To enable older Pennsylvanians to maintain active and independent lives in their own homes or alternative community living arrangements.

The commonwealth's commitment to supporting older Pennsylvanians is demonstrated by a continuum of services ranging from independent living with the support of home and community-based services through institutional care.

The Department of Aging has established a network of in-home and community-based services addressing the varied needs of older Pennsylvanians. These programs enrich the lives of older Pennsylvanians and enable at-risk older Pennsylvanians to delay or avoid institutionalization. The 52 Area Agencies on Aging (AAAs), serving all 67 counties, provide aging services at the local level.

Because many older Pennsylvanians require only minimal outside support to function independently, a basic service of AAAs is to inform them of available supports. AAAs sponsor more than 550 senior centers throughout the commonwealth that provide a full range of social, recreational and educational activities. Congregate meals, served by the centers, provide participating older Pennsylvanians with a hot, nutritionally balanced meal. Transportation services arranged by AAAs allow older Pennsylvanians to visit the doctor, shop or attend senior center events. Job placement services help older Pennsylvanians find private sector employment and offer job training and subsidized part-time community service employment.

At-risk older Pennsylvanians require more extensive and personalized services to remain in their homes and communities and avoid relocating to an institutional setting such as a nursing facility. The level of care assessment program assists older Pennsylvanians and their families in securing and managing intensive in-home services tailored to their needs. The department provides counseling to individuals to apprise them of choices in the continuum of care from community services to nursing facilities. Counseling is also provided to assist individuals currently residing in nursing facilities to transition to community services when their needs can be safely met in the community. A variety of personal support services are available for the growing population of older Pennsylvanians. The continuum of services is available based on the functional and financial qualifications of the participant, ranging from home-delivered meals to intensive in-home services for older Pennsylvanians needing the level of care available in institutional settings. Services are designed to provide the least restrictive alternative to meet the individual's need. Persons with higher incomes share in the cost of services.

Additionally, under the Older Adult Protection Services Act, protective services are provided to older Pennsylvanians who are at imminent risk of abuse, neglect, exploitation or abandonment. The department, through the AAAs, investigates reports of need and develops individualized plans to eliminate or mitigate the risks.

Attendant care services are maintained for adults with disabilities transitioning at age 60 from the Department of Human Service's Attendant Care program. The enhanced level of personal care services is provided until health changes indicate that a change in service level is appropriate.

The department assists families who support older, at-risk individuals in their home through the Caregiver Support Program. Working through the AAAs, the program provides benefits counseling and, depending on income, financial assistance, including purchasing supplies, services and home adaptations and devices. The PA Caregiver Support Act was amended in 2011 to align the state and federal program requirements, expand the definition of caregiver to include non-relatives, eliminate the requirement that a caregiver live with the care recipient and change the title of the act to Pennsylvania Caregiver Support.

In 2013-14, the department received an increase of $20 million to provide additional funding to reduce the waiting list for individuals receiving home and community-based services through the OPTIONS program and provide additional services to individuals already in the program. With this additional funding, the department removed over 6,000 Pennsylvanians from the waiting list and served over 10,000 additional individuals needing services. In 2014-15 an additional $34 million was provided to eliminate the remaining 500 people on the waiting list and provide the continued support of new individuals in the program. The funding was used for direct services, such as home delivered meals, home health, personal care, adult day care, protective services, guardianship and personal assistance services.

Program Recommendation:

This budget recommends the following changes: (Dollar Amounts in Thousands)

LOTTERY FUND
General Government Operations

$ 781	—to continue current program.

Program: Community Services for Older Pennsylvanians (continued)

Program Recommendations: (continued)

This budget recommends the following changes: (Dollar Amounts in Thousands)

PENNCARE

$ 2,012	—annualization of prior year expansion of attendant care services.
1,900	—annualization of prior year expansion of OPTIONS program.
163	—revision of federal financial participation from 51.82% to 52.01%.
1,809	—Initiative—Rebalancing Long-Term Care Options. To provide attendant care services for an additional 228 recipients who transfer from the Department of Human Services' Attendant Care program at age 60.
$ 5,884	*Appropriation Increase*

Pre-Admission Assessment

5,400	—Initiative—Rebalancing Long-Term Care Options. To provide 2,290 individuals pre-admission assessments for nursing home eligibility and maximize federal funds available to support the local Area Agencies on Aging in this task.

All other appropriations are recommended at the current year funding level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
LOTTERY FUND:							
General Government Operations	$ 7,861	$ 7,927	$ 8,708	$ 9,013	$ 9,238	$ 9,469	$ 9,706
PENNCARE	275,164	299,306	305,190	307,673	307,673	307,673	307,673
Pre-Admission Assessment	10,735	10,735	16,135	16,135	16,135	16,135	16,135
Caregiver Support	12,103	12,103	12,103	12,103	12,103	12,103	12,103
Alzheimer's Outreach	250	250	250	250	250	250	250
Grants to Senior Centers	2,150	2,000	2,000	2,000	2,000	2,000	2,000
TOTAL LOTTERY FUND	$ 308,263	$ 332,321	$ 344,386	$ 347,174	$ 347,399	$ 347,630	$ 347,867

Program: Pharmaceutical Assistance

Goal: To assist eligible older Pennsylvanians who experience difficulty meeting the cost of prescription drugs necessary to maintain healthy lives.

The pharmaceutical assistance program provides limited pharmaceutical assistance to qualified older Pennsylvanians who are 65 years of age and older and who face the burden of the cost of drugs required to maintain healthy, productive lives.

The Pharmaceutical Assistance Contract for the Elderly (PACE) program has two components, PACE and PACENET. PACE, the traditional, comprehensive program is for older Pennsylvanians whose annual income is at or below $14,500 for single persons and $17,700 for married persons. The PACE Needs Enhancement Tier (PACENET) program is available for older Pennsylvanians whose annual income is between $14,500 and $23,500 for single persons and between $17,700 and $31,500 for married persons.

The Medicare Prescription Drug, Improvement and Modernization Act (MMA) of 2003 created a new outpatient drug benefit, Medicare Part D, which began providing drug coverage in January 2006. Act 111 of 2006 created PACE Plus Medicare, which enables cardholders to take advantage of the features of both PACE and Medicare Part D. With the goal of providing seamless coverage, PACE Plus fills the coverage gaps encountered by cardholders in Medicare Part D, including deductibles, the doughnut hole phase of no Medicare coverage, drugs excluded under MMA, drugs not on a plan's formulary and copayment differentials between the Part D plan coverage and the PACE and PACENET copayments. PACE Plus pays the Medicare premiums for Part D coverage for PACE cardholders, while PACENET cardholders must pay the Part D premiums. Act 111 of 2006 also eliminated the monthly deductible for PACENET cardholders.

The PACE program acts as the enrollees' representative and facilitates PACE cardholder enrollment into the Extra Help/Low-Income Subsidy offering under Part D as well as collaborating with selected prescription drug plans to facilitate enrollment of PACE and PACENET cardholders into Part D. PACE covers all medications requiring a prescription in the commonwealth, as well as insulin, insulin syringes and needles, unless a manufacturer does not participate in the manufacturer's rebate program. PACE does not cover medications that can be purchased without a prescription, cosmetic drugs or "less than effective drugs" without certification by a physician. PACE cardholders pay a mandatory copayment of $6 for generic and $9 for brand-name prescriptions. PACENET cardholders pay a copayment of $8 for generic and $15 for brand-name prescriptions.

The department is responsible for ensuring compliance with the program requirements. In addition to careful review of eligibility, including income verification by matching with Pennsylvania income tax returns, the department audits providers to detect and deter fraud and has established both a prospective and a retrospective drug utilization review system to monitor and correct misuse of drug therapies.

The department also serves as the administrative and fiscal agent for other commonwealth-sponsored drug reimbursement programs. It processes claims, adjudicates claims, conducts member enrollment, and/or collects drug rebates from pharmaceutical manufacturers for select programs in the departments of Health and Insurance.

In accordance with Act 111 of 2006, participating pharmacies are reimbursed at 88 percent of the average wholesale costs of prescription drugs plus a dispensing fee, their usual and customary charge, or the most current federal upper payment limit established in the Medicaid Program for generic drugs plus a dispensing fee, whichever is less. A prudent pharmaceutical purchasing program ensures that the program receives a discount from drug manufacturers. PACE pays for drug products from manufacturers that agree to pay a rebate percentage of the average manufacturer price for brand and generic drugs pursuant to the determination established by section 1927(c) (1) of the Social Security Act. In addition, participating manufacturers agree to pay an excessive pharmaceutical price inflation discount equivalent to the difference between the quarterly average manufacturer's price charged for a drug, excluding generics, and the average quarterly price charged for that drug one year earlier inflated by the Consumer Price Index-Urban.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

	LOTTERY FUND
	Pharmaceutical Assistance Fund
$ 5,000	—increase in Lottery Fund transfer needed to support the PACE program.

Program: Pharmaceutical Assistance (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
LOTTERY FUND:							
Pharmaceutical Assistance Fund	$ 130,000	$ 155,000	$ 160,000	$ 185,000	$ 180,000	$ 175,000	$ 170,000

Program Measures

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Program: Community Services for Older Pennsylvanians							
Objective: Increase long-term care options so that older Pennsylvanians and Pennsylvanians with physical disabilities can choose how and where they receive services.							
Number of Pennsylvanians age 60 and older	2,891,678	2,955,910	3,018,740	3,081,570	3,144,400	3,207,230	3,270,060
Number of Pennsylvanians age 85 and older	329,395	329,975	334,110	338,250	342,390	346,530	350,665
Number of persons served in the community who are clinically nursing home eligible	11,164	10,830	10,830	10,830	10,830	10,830	10,830
Pre-Admission Assessment							
Assessments/recertifications	112,565	114,490	116,780	116,780	116,780	116,780	116,780
Referrals to nursing homes	38,326	38,970	38,970	38,970	38,970	38,970	38,970
Referrals to community services	48,032	48,080	48,080	48,080	48,080	48,080	48,080
Persons Receiving Assistance							
Congregate meals	119,231	121,980	121,980	121,980	121,980	121,980	121,980
Personal assistance services	1,826	1,880	1,880	1,880	1,880	1,880	1,880
Attendant care services	1,642	1,640	1,640	1,640	1,640	1,640	1,640
Home-delivered meals	38,973	38,280	38,280	38,280	38,280	38,280	38,280
Home support services	6,940	6,450	6,450	6,450	6,450	6,450	6,450
Personal care services	12,775	11,950	11,950	11,950	11,950	11,950	11,950
Protective services	22,613	22,360	22,360	22,360	23,360	22,360	22,360
Families receiving caregiver support	6,319	6,340	6,340	6,340	6,340	6,340	6,340
Program: Pharmaceutical Assistance							
Objective: Ensure that eligible older Pennsylvanians who need help in paying for medications are enrolled in PACE/PACENET.							
Comprehensive PACE Program							
Number of older Pennsylvanians enrolled (average) in PACE	107,913	105,815	103,760	101,745	99,770	97,830	95,930
Total prescriptions per year - PACE	3,622,953	3,552,570	3,481,110	3,414,275	3,348,725	3,284,430	3,221,370
Average PACE cost per prescription	$19.75	$20.09	$20.23	$20.40	$20.64	$20.87	$21.08
PACE Needs Enhancement Tier (PACENET)							
Number of older Pennsylvanians enrolled (average) in PACENET	167,477	157,050	147,275	138,110	129,510	121,450	113,890
Total prescriptions per year - PACENET	5,417,555	5,080,325	4,770,805	4,480,135	4,207,160	3,950,815	3,710,080
Average PACENET cost per prescription	$20.85	$22.21	$23.49	$24.90	$25.18	$25.45	$25.72

DEPARTMENT OF AGRICULTURE

The mission of the Department of Agriculture is to encourage and promote agriculture and related industries throughout the commonwealth.

The department's mission is accomplished through four major programs: consumer protection, property protection, farmland preservation and farmers and agribusiness development. The department provides a full range of services to farmers and consumers from Harrisburg and through seven regional offices located around the state.

The department carries out activities to ensure wholesome and safe agricultural products for consumers; to expand existing and develop new domestic and foreign markets for Pennsylvania's farmers to compete in the global economy; to develop and encourage proper farming and conservation practices; to prevent, control and eradicate diseases among livestock, poultry and plants; to regulate the conduct of horse racing; and to improve the quality of life in rural Pennsylvania.

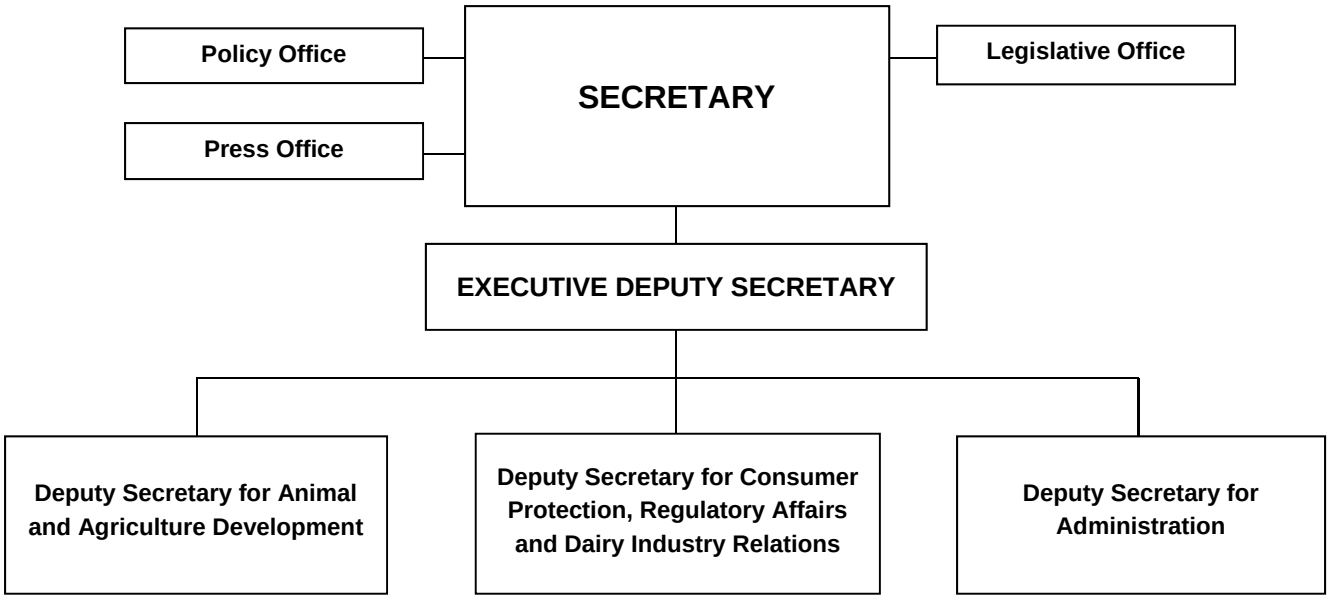
Programs and Goals

Protection and Development of Agricultural Industries: *To strengthen the agricultural economy and related enterprises.*

Horse Racing Regulation: *To prevent consumer fraud in the racing industry.*

Emergency Food Assistance: *To distribute surplus and donated food through institutions and counties or designated lead agencies to individuals and families who are dependent or disadvantaged to support minimum standards of living and economic independence.*

Organization Overview



- **Deputy Secretary for Animal and Agriculture Development** is responsible for the Bureau of Animal Health, Animal Health and Diagnostic Commission, Horse and Harness Racing Commission, Pennsylvania Equine Toxicology Research Laboratory, Livestock Evaluation Center, state-owned farms and other agricultural initiatives.
- **Deputy Secretary for Consumer Protection, Regulatory Affairs and Dairy Industry Relations** is responsible for the Bureau of Food Safety and Laboratory Services, Bureau of Ride and Measurement Standards, Bureau of Plant Industry and Bureau of Food Distribution.
- **Deputy Secretary for Administration** is responsible for the Bureau of Market Development, Bureau of Farmland Preservation, Hardwoods Development Council, Bureau of Administrative Services, Information Technology Services Office and the Human Resources Office.

Authorized Complement

2009-10 Actual	2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Actual
612	604	596	594	592

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2013-14 ACTUAL	2014-15 AVAILABLE	2015-16 BUDGET
GENERAL FUND:			
General Government:			
General Government Operations	**$ 22,703**	**$ 25,269**	**$ 28,284**
(F)Plant Pest Detection System	1,300	1,300	1,300
(F)Poultry Grading Service	100	100	100
(F)Medicated Feed Mill Inspection	50	50	50
(F)National School Lunch Administration	1,700	1,700	1,700
(F)Emergency Food Assistance	4,000	4,000	4,000
(F)Pesticide Control	1,000	1,000	1,000
(F)Agricultural Risk Protection	1,000	1,000	1,000
(F)Commodity Supplemental Food	3,000	3,000	3,000
(F)Organic Cost Distribution	350	350	350
(F)Animal Disease Control	2,000	2,000	2,000
(F)Food Establishment Inspections	1,500	1,500	1,500
(F)Integrated Pest Management	250	250	250
(F)Johnes Disease Herd Project	2,000	2,000	2,000
(F)Avian Influenza Surveillance	2,000	2,000	2,000
(F)Oral Rabies Vaccine	100	100	100
(F)Exotic Newcastle Disease Control	300	300	300
(F)Scrapie Disease Control	60	60	60
(F)Foot and Mouth Disease Monitoring	150	150	150
(F)Wildlife Services	800	800	800
(F)Animal Identification	2,000	2,000	2,000
(F)Specialty Crops	1,500	1,500	1,500
(F)Emerald Ash Borer Mitigation	800	800	800
(F)Mediation Grant	200	200	200
(F)Farmland Protection	6,000	6,000	6,000
(F)Crop Insurance	2,000	2,000	2,000
(F)Spotted Lanternfly	0	0	1,500
(A)Lime Control Fees	32	20	30
(A)Lime Registration Fees	6	3	3
(A)Commercial Feed Facility Inspections	43	35	46
(A)Commercial Feed Inspections	592	566	577
(A)Milk Plant Inspections	19	18	20
(A)Administrative Services	3,275	3,828	3,151
(A)Pesticide Regulation	736	700	800
(A)Training Rides and Attractions	34	25	30
(A)Apiary Registration and Fees	15	14	14
(A)Weights and Measures Inspection Services	15	0	0
(A)Transfer from Fertilizer Account	24	23	25
(A)Consumer Fireworks License	400	360	360
(A)Taxidermy Permit Registrations	110	105	110
(A)Transfer from Motor License Fund	0 [a]	0 [a]	0 [a]
(A)Transfer from Other State Agencies	215	132	137
(A)Transfer from Education	139	139	139
(A)Conference Registration Fees	2	2	2
(A)Vet Lab Diagnostic Fees	794	700	750
(A)Domestic Animal Dealer License	57	50	53
(A)Food Site Inspection, License and Registration Fees	52	52	52
(A)Transfer from Environmental Stewardship Fund	216	244	244
Subtotal	$ 63,639	$ 66,445	$ 70,487
Agricultural Excellence	**600**	**1,100**	**0**
Farmers' Market Food Coupons	**2,079**	**2,079**	**2,079**
(F)Farmers' Market Food Coupons	3,500	3,500	3,500
(F)Senior Farmers' Market Nutrition	2,200	2,200	2,200
Agricultural Research	**787**	**787**	**0**

Summary by Fund and Appropriation

	2013-14 ACTUAL	2014-15 AVAILABLE	2015-16 BUDGET
	(Dollar Amounts in Thousands)		
Agricultural Promotion, Education and Exports	**196**	**250**	**0**
Hardwoods Research and Promotion	**350**	**350**	**0**
Subtotal - State Funds	$ 26,715	$ 29,835	$ 30,363
Subtotal - Federal Funds	39,860	39,860	41,360
Subtotal - Augmentations	6,776	7,016	6,543
Total - General Government	$ 73,351	$ 76,711	$ 78,266
Grants and Subsidies:			
Livestock Show	**$ 177**	**$ 177**	**$ 0**
Open Dairy Show	**177**	**177**	**0**
Youth Shows	**140**	**140**	**140**
State Food Purchase	**17,438**	**17,438**	**20,338**
Food Marketing and Research	**494**	**494**	**0**
(F)Market Improvement	250	250	250
Transfer to Nutrient Management Fund	**2,714**	**2,714**	**2,714**
Transfer to Conservation District Fund	**869**	**869**	**869**
Transfer to Agricultural College Land Scrip Fund	**46,237**	**46,237**	**46,237**
PA Preferred Program Trademark Licensing	**550**	**550**	**550**
University of Pennsylvania - Veterinary Activities	**28,000**	**28,000**	**28,000**
University of Pennsylvania - Center for Infectious Disease	**261**	**261**	**261**
Subtotal - State Funds	$ 97,057	$ 97,057	$ 99,109
Subtotal - Federal Funds	250	250	250
Total - Grants and Subsidies	$ 97,307	$ 97,307	$ 99,359
STATE FUNDS	$ 123,772	$ 126,892	$ 129,472
FEDERAL FUNDS	40,110	40,110	41,610
AUGMENTATIONS	6,776	7,016	6,543
GENERAL FUND TOTAL	**$ 170,658**	**$ 174,018**	**$ 177,625**
MOTOR LICENSE FUND:			
General Government:			
Weights & Measures Administration	**$ 4,328**	**$ 4,328**	**$ 4,728**
Grants and Subsidies:			
Dirt, Gravel and Low Volume Roads	**$ 0**	**$ 28,000**	**$ 28,000**
MOTOR LICENSE FUND TOTAL	**$ 4,328**	**$ 32,328**	**$ 32,728**
OTHER FUNDS:			
FARM PRODUCTS SHOW FUND:			
General Operations (EA)	$ 10,688	$ 10,800	$ 11,791
RACING FUND:			
State Racing Commissions (EA)	$ 12,920	$ 13,453	$ 12,974
Equine Toxicology and Research Laboratory (EA)	2,724	2,981	4,890
(A)Reimbursements - Out of State Testing	24	30	30
Pennsylvania Fairs - Administration (EA)	320	320	320
Loan Repayment to General Fund	300	0	0
(R)Sire Stakes Fund	9,404	9,000	9,000
(R)Breeders' Fund	13,851	17,300	17,300
(R)PA Standardbred Breeders Development Fund	7,799	8,200	8,200
RACING FUND TOTAL	**$ 47,342**	**$ 51,284**	**$ 52,714**

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2013-14 ACTUAL	2014-15 AVAILABLE	2015-16 BUDGET
GENERAL FUND:			
Agriculture Farm Operations	$ 791	$ 712	$ 712
Dog Law Administration	6,711	7,811	6,923
Pesticide Regulation	3,752	4,280	4,352
Plant Pest Management	419	468	502
National School Lunch	8	60	60
Agronomic Regulatory Account	438	309	309
Fruit and Vegetable Inspection and Grading	247	430	430
Cervidae Livestock Operations	24	50	50
GENERAL FUND TOTAL	**$ 12,390**	**$ 14,120**	**$ 13,338**
AGRICULTURAL COLLEGE LAND SCRIP FUND:			
Agricultural Research Programs and Extension Services	$ 0 [b]	$ 0 [b]	$ 0 [b]
AGRICULTURAL CONSERVATION EASEMENT PURCHASE FUND:			
Purchase of County Easements (EA)	$ 35,000	$ 27,500	$ 30,000
CONSERVATION DISTRICT FUND:			
Conservation District Grants (EA)	$ 2,119	$ 2,791	$ 2,839
ENVIRONMENTAL STEWARDSHIP FUND:			
Transfer to Agricultural Conservation Easement Program (EA)	$ 8,652	$ 9,773	$ 10,052
NUTRIENT MANAGEMENT FUND:			
Planning, Loans, Grants and Technical Assistance (EA)	$ 298	$ 375	$ 375
Nutrient Management - Administration (EA)	473	564	675
NUTRIENT MANAGEMENT FUND TOTAL	**$ 771**	**$ 939**	**$ 1,050**
PA RACE HORSE DEVELOPMENT FUND:			
(R)Animal Health and Diagnostic Commission	$ 5,350	$ 5,350	$ 5,350
(R)Payments to Pennsylvania Fairs	3,000	3,000	3,000
(R)Pennsylvania Veterinary Lab	5,309	5,309	5,309
(R)Transfer to State Farm Products Show Fund	4,000	4,000	5,000
Transfer to State Racing Fund	0	0	6,500
PA RACE HORSE DEVELOPMENT FUND TOTAL	**$ 17,659**	**$ 17,659**	**$ 25,159**
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND	$ 123,772	$ 126,892	$ 129,472
SPECIAL FUNDS	4,328	32,328	32,728
FEDERAL FUNDS	40,110	40,110	41,610
AUGMENTATIONS	6,776	7,016	6,543
OTHER FUNDS	134,621	134,866	146,943
TOTAL ALL FUNDS	**$ 309,607**	**$ 341,212**	**$ 357,296**

[a] Not added to avoid double counting. See Motor License Fund section of this summary for dollar amount.

[b] Not added to the total to avoid double counting. 2013-14 Actual is $46,237,000, 2014-15 Available is $46,237,000 and 2015-16 Budget is $46,237,000.

Program Funding Summary

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
PROTECTION AND DEVELOPMENT OF AGRICULTURAL INDUSTRIES							
GENERAL FUND	$ 104,255	$ 107,375	$ 107,055	$ 108,045	$ 108,777	$ 109,527	$ 110,296
SPECIAL FUNDS	4,328	32,328	32,728	32,728	32,728	32,728	32,728
FEDERAL FUNDS	24,550	24,550	26,050	26,050	26,050	26,050	26,050
OTHER FUNDS	94,055	90,598	100,772	100,772	100,772	100,772	100,772
SUBCATEGORY TOTAL	$ 227,188	$ 254,851	$ 266,605	$ 267,595	$ 268,327	$ 269,077	$ 269,846
HORSE RACING REGULATION							
GENERAL FUND	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
SPECIAL FUNDS	0	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0	0
OTHER FUNDS	47,342	51,284	52,714	51,325	51,795	52,281	52,784
SUBCATEGORY TOTAL	$ 47,342	$ 51,284	$ 52,714	$ 51,325	$ 51,795	$ 52,281	$ 52,784
EMERGENCY FOOD ASSISTANCE							
GENERAL FUND	$ 19,517	$ 19,517	$ 22,417	$ 22,417	$ 22,417	$ 22,417	$ 22,417
SPECIAL FUNDS	0	0	0	0	0	0	0
FEDERAL FUNDS	15,560	15,560	15,560	15,560	15,560	15,560	15,560
OTHER FUNDS	0	0	0	0	0	0	0
SUBCATEGORY TOTAL	$ 35,077	$ 35,077	$ 37,977	$ 37,977	$ 37,977	$ 37,977	$ 37,977
ALL PROGRAMS:							
GENERAL FUND	$ 123,772	$ 126,892	$ 129,472	$ 130,462	$ 131,194	$ 131,944	$ 132,713
SPECIAL FUNDS	4,328	32,328	32,728	32,728	32,728	32,728	32,728
FEDERAL FUNDS	40,110	40,110	41,610	41,610	41,610	41,610	41,610
OTHER FUNDS	141,397	141,882	153,486	152,097	152,567	153,053	153,556
DEPARTMENT TOTAL	$ 309,607	$ 341,212	$ 357,296	$ 356,897	$ 358,099	$ 359,335	$ 360,607

Program: Protection and Development of Agricultural Industries

Goal: To strengthen the agricultural economy and related enterprises.

Program Element: Protection of Agricultural Industries and Resources

The Bureaus of Animal Health and Diagnostic Services, Food Safety and Laboratory Services, Plant Industry, Ride and Measurement Standards and the State Conservation Commission are responsible for protecting agriculture and consumers in Pennsylvania. The Bureaus of Farmland Preservation and Market Development are charged with preserving agricultural resources in the commonwealth, promoting Pennsylvania products nationally and internationally, and providing resources to farmers to ensure that they have tools to maintain profitability and transition farms and businesses to the next generation. These six bureaus and one commission, through their regulatory and development programs, are engaged in protecting and developing Pennsylvania's agricultural industries and resources, as well as consumers.

The Bureau of Animal Health and Diagnostic Services (BAHDS), with support from the Pennsylvania Animal Diagnostic Laboratory System (PADLS) and the Animal Health and Diagnostic Commission, is responsible for the detection, identification, containment and eradication of livestock and poultry diseases. Disease control programs seek to reduce significant economic loss to producers and prevent transmission of zoonotic organisms from animals to humans. Each disease control program has field, laboratory and administrative components to ensure the department is complying with mandated responsibilities and animal health is protected. The bureau also provides quality assurance programs, including the Avian Influenza Monitored Flock Program, Johne's Disease National Status Program, the Dairy Quality Assurance Program and the CWD Monitored Herd Program. BAHDS has invested in the development and implementation of USAHERDS, an animal tracking application and a veterinary laboratory information management system, which allows entities to perform detailed analysis of animal disease and provides the capability to effectively locate and eradicate disease outbreaks.

The Pennsylvania Veterinary Laboratory (PVL) is one of three Pennsylvania laboratories that make up the PADLS. PVL is also part of a nationwide network of state and federal laboratories dedicated to identifying and combating animal diseases. PVL provides rapid and accurate diagnostic services to clients while maintaining a bio-secure environment. The laboratory provides animal health services for producers' domestic animals with emphasis on infectious, nutritional and toxic diseases. State-of-the-art testing methods help diagnose common diseases and provide surveillance to detect emerging diseases.

The Bureau of Plant Industry inspects all nurseries and greenhouses to determine the presence of regulated plant pests and diseases and potential invasive species that would be harmful to Pennsylvania agriculture. Field staffs are supported by plant pathologists, entomologists, and other program and laboratory professionals in Harrisburg. These highly trained professionals ensure correct diagnoses of disease or environmental conditions, identification of insects and other arthropod pests and recommend proper treatment to growers. Program staff issue quarantine orders to ensure plants contaminated with diseases or pests are not relocated, in an attempt to limit the spread of economically detrimental diseases. They also issue certificates which allow plants and plant materials to be exported to other states or countries.

The bureau administers the Pesticide Control Act, which regulates the sale, use, handling, storage and transportation of pesticides. The bureau also conducts routine and for-cause inspections and investigations of those who manufacture, distribute, transport or use pesticides.

The State Conservation Commission, administratively housed within the department, oversees a number of programs that relate to the protection of agricultural resources and the agricultural community. The Nutrient Management program, which seeks to reduce the amount of nutrients that are washed from agricultural soils, provides support for nutrient plan development and reviews grant applications for best management practices and a recognized certification process for nutrient management specialists. Nutrient management plans and implementation of related best practices is critical to Pennsylvania's success in complying with federally mandated nutrient reductions in the Chesapeake Bay watershed. The Resource Enhancement and Protection program awards state tax credits to eligible farmers for planning and implementation of conservation best management practices on agricultural operations. The Odor Management program seeks to reduce the potential of off-site migration of odors from agricultural animal housing and manure storage facilities. This is accomplished through the development and review of odor management plans under a recognized certification process for odor management specialists and implementation of odor best management practices to lessen the impact on the environment and neighboring communities.

Program Element: Protection of Consumers

Among the most significant of the department's consumer protection activities are its inspections and

Program: Protection and Development of Agricultural Industries (continued)

testing activity for food safety. The Bureau of Food Safety and Laboratory Services has primary responsibility for regulating food-related activities in the commonwealth. The bureau regulates the tens of thousands of eating and drinking establishments, retail food stores, and food manufacturers found across the state to ensure compliance with food safety laws. Across Pennsylvania the bureau impacts the lives of citizens from the farm to the fork, including services through Good Agricultural Practice audits on farms, commodity inspections in processing facilities, and milk inspection services.

The Bureau of Ride and Measurement Standards provides consumer protection through its ride safety program and its weights and measures division. The bureau's Amusement Ride Safety Program serves citizens and visitors by enforcing the safety laws specific to amusement rides and attractions, keeping citizens safe when enjoying leisure time at state fairs, carnivals, and amusement parks. The bureau's Weights and Measures Division focuses on making sure Pennsylvania consumers get what they paid for. The bureau provides consumers with real-time access to the inspection reports for weighing and measuring devices from across the state.

Program Element: Preserving and Promoting Agriculture

The Bureau of Farmland Preservation, through administration of the Agricultural Land Preservation section of Act 64 of 1988, purchases development easements on prime agriculture land to assure its continued use for agricultural purposes. More than 4,700 farms and 503,000 acres have been preserved. The unprecedented investment in farmland preservation has made Pennsylvania's program a national leader in preservation efforts.

The Bureau of Market Development is responsible for the domestic and worldwide promotion/marketing of Pennsylvania agribusiness products and services, and developing and administering programs to assist agribusinesses in locating and/or expanding within the commonwealth. These efforts to increase both domestic and international sales of agricultural and food products produced in Pennsylvania have an important impact on the profitability of farmers and agribusinesses. The PA Preferred program, Center for Farm Transitions, PAgrows program and the PA Fair Fund all reside in the Bureau of Market Development.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

		GENERAL FUND
		General Government Operations
$	881	—to continue current program.
	2,134	—Initiative—General Government Operations. To provide for a staffing realignment for personnel formerly charged to special funds in response to an audit finding.
$	3,015	*Appropriation Increase*
		Agricultural Excellence
$	–1,100	—program elimination.
		Agricultural Research
$	–787	—program elimination.
		Agricultural Promotion, Education and Exports
$	–250	—program elimination.
		Hardwoods Research and Promotion
$	–350	—program elimination.
		Livestock Show
$	–177	—program elimination.
		Open Dairy Show
$	–177	—program elimination.
		Food Marketing and Research
$	–494	—program elimination.

All other General Fund appropriations are recommended at the current year funding levels.

		MOTOR LICENSE FUND
		Weights and Measures Administration
$	400	—to continue current program.

Program: Protection and Development of Agricultural Industries (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
GENERAL FUND:							
General Government Operations	$ 22,703	$ 25,269	$ 28,284	$ 29,274	$ 30,006	$ 30,756	$ 31,525
Agricultural Excellence	600	1,100	0	0	0	0	0
Agricultural Research	787	787	0	0	0	0	0
Agricultural Promotion, Education and Exports	196	250	0	0	0	0	0
Hardwoods Research and Promotion	350	350	0	0	0	0	0
Livestock Show	177	177	0	0	0	0	0
Open Dairy Show	177	177	0	0	0	0	0
Youth Shows	140	140	140	140	140	140	140
Food Marketing and Research	494	494	0	0	0	0	0
Transfer to Nutrient Management Fund	2,714	2,714	2,714	2,714	2,714	2,714	2,714
Transfer to Conservation District Fund	869	869	869	869	869	869	869
Transfer to Agricultural College Land Scrip Fund	46,237	46,237	46,237	46,237	46,237	46,237	46,237
PA Preferred Program Trademark Licensing	550	550	550	550	550	550	550
University of Pennsylvania - Veterinary Activities	28,000	28,000	28,000	28,000	28,000	28,000	28,000
University of Pennsylvania - Center for Infectious Disease	261	261	261	261	261	261	261
TOTAL GENERAL FUND	$ 104,255	$ 107,375	$ 107,055	$ 108,045	$ 108,777	$ 109,527	$ 110,296
FARM PRODUCTS SHOW FUND:							
General Operations (EA)	$ 10,688	$ 10,800	$ 11,791	$ 11,791	$ 11,791	$ 11,791	$ 11,791
MOTOR LICENSE FUND:							
Weights & Measures Administration	$ 4,328	$ 4,328	$ 4,728	$ 4,728	$ 4,728	$ 4,728	$ 4,728
Dirt, Gravel and Low Volume Roads	0	28,000	28,000	28,000	28,000	28,000	28,000
TOTAL MOTOR LICENSE FUND	$ 4,328	$ 32,328	$ 32,728	$ 32,728	$ 32,728	$ 32,728	$ 32,728

Program: Horse Racing Regulation

Goal: To prevent consumer fraud in the racing industry.

Activities in this program area include the development and implementation of rules, regulations and procedures to ensure honest, safe and competitive pari-mutuel harness and horse racing.

Horse racing in Pennsylvania is governed by Act 93 of 1983. This act merged the State Harness Racing Fund and the State Horse Racing Fund into the Racing Fund, adjusted the tax schedule and revised the distribution of funds in order to assist the racing industry by increasing the funds retained by the tracks.

The Racing Fund pays all expenses of the State Racing Commissions. After these obligations have been met, percentages of the amount wagered as specified by law are credited to the Breeders' Fund and to the Sire Stakes Fund. Act 23 of 2000 amended the Race Horse Industry Reform Act to increase the percentage credited to the Breeders' Fund from 0.7 percent to 1.0 percent of the amount wagered on thoroughbred races. The Sire Stakes Fund is credited with 1.5 percent of wagers on harness races. Act 71 of 2004 established the Pennsylvania Race Horse Development Fund which receives revenue generated by licensed gaming facilities. Proceeds are distributed to licensees conducting live horse racing for purse augmentation, breeders' awards and horsemen's organizations for health and welfare programs.

The Equine Toxicology and Research Laboratory performs testing of blood and urine samples of race horses to ensure that no foreign substances have been administered. This budget includes funding for upgrade and replacement of testing equipment.

This budget proposes annual transfers from the Pennsylvania Race Horse Development Fund to the State Racing Fund to ensure the department continues to perform its regulatory obligations in support of horse racing in Pennsylvania. Continual declines in live handle at race tracks have made it necessary to identify an additional source of revenue to maintain stability in the State Racing Fund.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

RACING FUND

State Racing Commissions (EA)

$ –479 —to provide for staffing realignment for personnel transferred to General Government Operations in response to an audit finding.

Equine Toxicology and Research Laboratory (EA)

$ 1,909 —to replace laboratory testing equipment.

Pennsylvania Fairs - Administration (EA) is recommended at current year funding level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
RACING FUND:							
State Racing Commissions (EA)	$ 12,920	$ 13,453	$ 12,974	$ 13,428	$ 13,898	$ 14,384	$ 14,887
Equine Toxicology and Research Laboratory (EA)	2,724	2,981	4,890	3,047	3,047	3,047	3,047
Pennsylvania Fairs - Administration (EA)	320	320	320	320	320	320	320
Loan Repayment to General Fund	300	0	0	0	0	0	0
TOTAL RACING FUND	$ 16,264	$ 16,754	$ 18,184	$ 16,795	$ 17,265	$ 17,751	$ 18,254

Program: Emergency Food Assistance

Goal: To distribute surplus and donated food through institutions and counties or designated lead agencies to individuals and families who are dependent or disadvantaged to support minimum standards of living and economic independence.

The State Food Purchase program provides cash grants to counties for the purchase and distribution of food to needy individuals. Funding is allocated to each of the commonwealth's 67 county lead agencies based on unemployment, eligibility for non-public assistance food stamps and medical assistance. County lead agencies are authorized to expend a percentage of the grant for administrative costs.

Food acquired and donated by the USDA is distributed through the Emergency Food Assistance Program (TEFAP), which provides USDA commodities for household use, specifically for individuals and families who meet established eligibility criteria. TEFAP commodities are allocated to each of the commonwealth's 67 counties based on a formula that considers the number of unemployed residents and the number of persons in poverty status. TEFAP administrative monies, provided by the USDA, are allocated based on the same formula.

The Farmers Market Nutrition Program (FMNP) provides eligible WIC and senior participants with vouchers to purchase fresh Pennsylvania grown produce at more than 1,500 farm stands and markets. The program is funded by a combination of state and federal funds. FMNP vouchers are allocated to each of the commonwealth's 67 counties based on the number of eligible participants.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

	State Food Purchase
$ –100	—non-recurring projects.
3,000	—Initiative—State Food Purchase. To expand the distribution of foods to needy families and individuals.
$ 2,900	*Appropriation Increase*

The Farmers' Market Food Coupons appropriation is recommended at the current year funding level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
GENERAL FUND:							
Farmers' Market Food Coupons	$ 2,079	$ 2,079	$ 2,079	$ 2,079	$ 2,079	$ 2,079	$ 2,079
State Food Purchase	17,438	17,438	20,338	20,338	20,338	20,338	20,338
TOTAL GENERAL FUND	$ 19,517	$ 19,517	$ 22,417	$ 22,417	$ 22,417	$ 22,417	$ 22,417

Program Measures

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Program: Protection and Development of Agricultural Industries							
Objective: Increase awareness and consumption of food and fiber grown, harvested, processed and produced in Pennsylvania.							
Development of Pennsylvania's Agriculture Industry							
Dollar value of food and agricultural exports excluding hardwoods (in millions)	$2,050	$2,000	$2,200	$2,300	$2,400	$2,500	$2,500
Dollar value of Pennsylvania hardwood exports (in millions)	$1,300	$1,350	$1,350	$1,350	$1,400	$1,400	$1,400
Occupancy rate at the Pennsylvania Farm Show Complex and Expo Center	77%	79%	79%	79%	78%	78%	78%
Objective: Increase access to capital for Pennsylvania farmers, processors, farm markets and agribusinesses through expansion of agricultural loan opportunities.							
Development of Pennsylvania's Agriculture Industry							
Value of the loan portfolio for the PAgrows Program (in thousands)	$5,849	$11,000	$11,000	$11,000	$11,000	$11,000	$11,000
Objective: Decrease potential financial losses to farmers from natural disasters and market catastrophes.							
Development of Pennsylvania's Agriculture Industry							
Value of crop insurance protection policies (in millions)	$580	$558	$564	$575	$581	$581	$581
Objective: Increase agricultural resource conservation through farmland preservation.							
Development of Pennsylvania's Agriculture Industry							
Farm acreage preserved	17,500	17,500	20,000	20,000	20,000	20,000	20,000
Objective: Improve profitability and maintain dairy farms and dairy herd size in Pennsylvania.							
Development of Pennsylvania's Agriculture Industry							
Farms participating in dairy on-farm resource teams	355	400	420	460	490	490	490
Objective: Decrease the risk to Pennsylvania consumers when engaging in commercial transactions.							
Consumer Commodity Inspections							
Number of amusement rides inspected	9,000	9,000	9,000	9,000	9,000	9,000	9,000
Number of fuel dispenser meters certified	90,000	90,000	90,000	90,000	90,000	90,000	90,000
Objective: Increase access to real-time data for citizens and partnering organizations							
Consumer Commodity Inspections							
Number of food safety inspection reports available online	99,116	100,000	100,000	100,000	100,000	100,000	100,000

Program Measures

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Objective: Decrease nutrient runoff and conserve Pennsylvania's natural resources through increased opportunities and incentives in addition to Best Management Practices.							
Nutrient Management							
Number of farm acres covered by approved Nutrient Management Plans (in thousands)	82	85	87	89	90	90	90
Nutrient management plans approved	370	375	385	390	390	390	390
Nutrient Balance Sheets approved	448	470	500	515	515	515	515
Number of farm acres covered by approved Nutrient Balance Sheets (in thousands)	62	66	67	67	68	68	68
Objective: Decrease threats to animal and human health in Pennsylvania through inspections and laboratory testing.							
Animal Health							
Animal health diagnostic tests performed at the Pennsylvania Veterinary Laboratory (in thousands)	572	550	550	550	550	550	550
Animal health inspections	9,227	8,000	8,000	8,000	8,000	8,000	8,000
Program: Horse Racing Regulation							
Objective: Ensure the integrity of Pennsylvania horse and harness racing and racetrack wagering through enforcement of racing regulations.							
Participant licenses issued by the Pennsylvania Horse and Harness Racing Commissions	11,975	13,500	13,500	15,800	15,800	15,800	15,800
Investigations to ensure compliance with established rules and regulations: harness and horse racing	8,712	9,000	9,000	9,500	9,500	9,500	9,500
Licenses suspended for noncompliance of rules and regulations: harness and horse racing	394	400	400	450	450	450	450
Samples processed at the Equine Toxicology and Research Lab (in thousands)	33	41	41	55	55	55	55
Program: Emergency Food Assistance							
Objective: Increase access to food for nutritionally at-risk Pennsylvanians.							
Improving Participant Access to Pennsylvania fruits and vegetables							
Dollar value of commodities distributed (in thousands)	$66,300	$66,300	$66,300	$66,300	$66,300	$66,300	$66,300

Program Measures

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Persons receiving donated or surplus foods							
State Food Purchase program: Individuals Served (in millions)	2	2	2.30	2.30	2.30	2.30	2.30
Emergency Food Assistance Program: Individuals Served (in millions)	7.50	7.50	7.50	7.50	7.50	7.50	7.50
Percentage of farmers' market coupons redeemed							
Redemption rate for WIC participants in the Farmers' Market Nutrition program	53%	53%	53%	53%	53%	53%	53%
Redemption rate for senior participants in the Farmers' Market Nutrition program	87%	87%	87%	87%	87%	87%	87%

Program: Dirt and Gravel Roads and Low Volume Roads

Objective: Reduce long-term maintenance costs and road-based pollutants from dirt, gravel and low volume roads.

Number of individuals trained annually in Environmentally Sensitive Maintenance (ESM) practices*	441	1,300	800	800	800	800	800
Dirt, Gravel and Low Volume Environmentally Sensitive Maintenance worksites (project miles) completed*	167	170	510	680	680	600	600

* New Program Measure

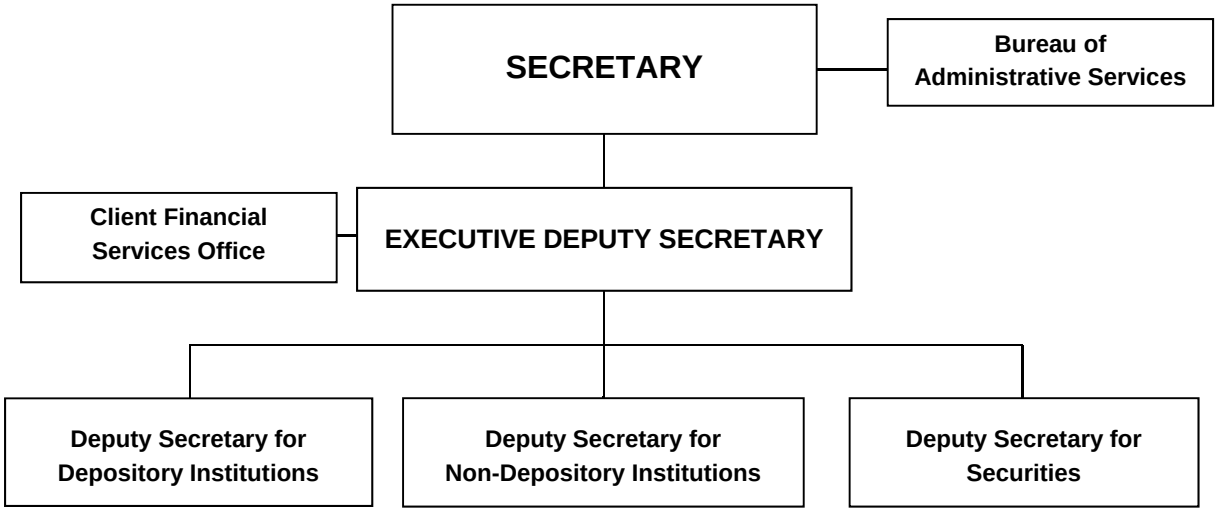
DEPARTMENT OF BANKING AND SECURITIES

The mission of the Department of Banking and Securities is to foster a strong economy for Pennsylvania by ensuring the safety and soundness of financial institutions, encouraging capital formation, regulating financial services providers, and protecting consumers and investors.

Programs and Goals

Financial Services Industry Regulation: *To ensure the maintenance of an economically sound and competitive system of state-chartered financial institutions, to protect consumers in the financial marketplace and to protect investors engaged in securities transactions.*

Organization Overview



- **Deputy Secretary for Depository Institutions** oversees the safety and soundness of examinations conducted on more than 200 Pennsylvania state-chartered banks, credit unions, and non-depository trust companies. The deputy oversees the Bureau of Commercial Institutions, the Bureau of Risk Management, IT Examinations and Applications, the Trusts Office, and the Credit Unions Office.
- **Deputy Secretary for Non-Depository Institutions** oversees the licensing, examination, and compliance functions for over 18,000 non-bank financial services institutions and professionals doing business in Pennsylvania. These companies include residential mortgage lenders and brokers, check cashers, auto sales finance companies, pawnbrokers, debt management companies, debt settlement companies, and money transmitters. The deputy oversees the Licensing Office, the Bureau of Non-Depository Examination, the Compliance Office, and the Consumer Services Office which responds to inquiries and complaints from consumers.
- **Deputy Secretary for Securities** oversees the licensing/registration, examination, and compliance functions for over 200,000 securities entities conducting business in Pennsylvania. These entities include broker-dealers, broker-dealer agents, investment advisers, investment adviser representatives, and investment adviser notice filers. The deputy oversees the Chief Accountant Office, the Corporation Finance Office, the Bureau of Securities Licensing, Compliance and Examinations, and the Investor Education and Consumer Outreach Office which conducts comprehensive investor education and outreach programs for Pennsylvania citizens.

Authorized Complement

2009-10 Actual	2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Actual
275	275	280	251	243

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	2013-14 ACTUAL	2014-15 AVAILABLE	2015-16 BUDGET
OTHER FUNDS:			
BANKING FUND:			
General Government Operations	$ 21,097	$ 21,330	$ 23,178
Transfer to Institution Resolution Account (EA)	2,500	2,500	2,000
BANKING FUND TOTAL	**$ 23,597**	**$ 23,830**	**$ 25,178**
GENERAL FUND:			
(R)Securities Operations	$ 7,188	$ 7,916	$ 8,005
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND	$ 0	$ 0	$ 0
SPECIAL FUNDS	0	0	0
OTHER FUNDS	30,785	31,746	33,183
TOTAL ALL FUNDS	**$ 30,785**	**$ 31,746**	**$ 33,183**

Program Funding Summary

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
FINANCIAL SERVICES INDUSTRY							
GENERAL FUND	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
SPECIAL FUNDS	0	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0	0
OTHER FUNDS	30,785	31,746	33,183	34,274	35,081	35,909	36,756
SUBCATEGORY TOTAL	$ 30,785	$ 31,746	$ 33,183	$ 34,274	$ 35,081	$ 35,909	$ 36,756
ALL PROGRAMS:							
GENERAL FUND	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
SPECIAL FUNDS	0	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0	0
OTHER FUNDS	30,785	31,746	33,183	34,274	35,081	35,909	36,756
DEPARTMENT TOTAL	$ 30,785	$ 31,746	$ 33,183	$ 34,274	$ 35,081	$ 35,909	$ 36,756

Program: Financial Services Industry Regulation

Goal: To ensure the maintenance of an economically sound and competitive system of state-chartered financial institutions, to protect consumers in the financial marketplace and to protect investors engaged in securities transactions.

This program fosters a strong economy for Pennsylvania by ensuring the safety and soundness of financial institutions, encouraging capital formation, regulating financial services providers, and protecting consumers and investors. The program achieves these goals through regulatory, registration, licensing and enforcement policies and practices, including the examination of the records, filings, accounts, policies and practices of financial services institutions and professionals.

The department oversees state-chartered banks, bank and trust companies, trust companies, bank holding companies, savings banks, credit unions, consumer discount companies, sales finance companies, installment sellers, money transmitters, collector-repossessors, pawnbrokers, check cashers, debt management companies, mortgage bankers, mortgage brokers, loan originators and loan correspondents, securities agents, broker-dealers, investment advisers and notice filers, and investment adviser representatives.

Act 86 of 2012 created the Institution Resolution Restricted Account to pay costs related to insolvent financial institutions. This account is funded through transfers from the Banking Fund. The act authorizes the Secretary of the Department of Banking and Securities to determine the amount to be transferred from the Banking Fund each fiscal year based upon economic and regulatory conditions.

The department received and responded to more than 5,917 consumer inquiries during the 2013-14 fiscal year. As of June 30, 2014 the department provided regulation and oversight for the following:

Financial Institutions	
Credit unions	55
Commercial banks	52
Savings banks	50
Bank and trust companies	42
Non-depository trust companies	17
Private banks	1
Total Financial Institutions	**217**

Non-Depository Licensees	
Mortgage originators	11,255
Installment sellers	2,888
Mortgage lenders	1,192
Check cashers	863
Sales finance companies	952
Mortgage brokers	411
Debt management services	262
Mortgage discount companies	157
Other licensees	682
Total Non-Depository Licensees	**18,662**

Securities Industry	
Securities agents	186,122
Investment adviser representatives	18,303
Investment adviser and notice filers	3,020
Broker-dealers	2,153
Total Securities Industry	**209,958**

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

BANKING FUND

General Government Operations

$ 1,848 —to continue current program.

Transfer to Institution Resolution Account (EA)

$ –500 —based on available fund balance for transfer.

In addition, $8,005,000 for Securities Operations is provided for securities regulation.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
BANKING FUND:							
General Government Operations	$ 21,097	$ 21,330	$ 23,178	$ 23,989	$ 24,589	$ 25,204	$ 25,834
Transfer to Institution Resolution Account (EA)	2,500	2,500	2,000	2,000	2,000	2,000	2,000
TOTAL BANKING FUND	$ 23,597	$ 23,830	$ 25,178	$ 25,989	$ 26,589	$ 27,204	$ 27,834

Program Measures

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Program: Financial Services Industry Regulation							
Objective: Conduct and complete independent depository examinations in a timely manner.							
Average number of days for turnaround of independent depository institution examinations	30.81	30	30	30	30	30	30
Objective: Develop an expert depository examination staff.							
Percentage of depository examiners with the highest certification available for their level of experience	93%	90%	90%	90%	90%	90%	90%
Objective: Examine non-depository licensees on an annual basis.							
Percentage of all non-depository licensees examined	21.70%	20%	20%	20%	20%	20%	20%
Objective: Respond to consumer complaints in a timely and fair manner.							
Average number of days to respond to consumer complaints	8.64	10	10	10	10	10	10
Objective: Increase the number of Securities compliance examinations conducted.							
Securities compliance examinations conducted	49	50	60	80	90	100	110
Objective: Process Securities notice, registration and exemption filings promptly.							
Securities notice filings received and docketed	6,499	5,500	5,500	5,500	5,500	5,500	5,500

CIVIL SERVICE COMMISSION

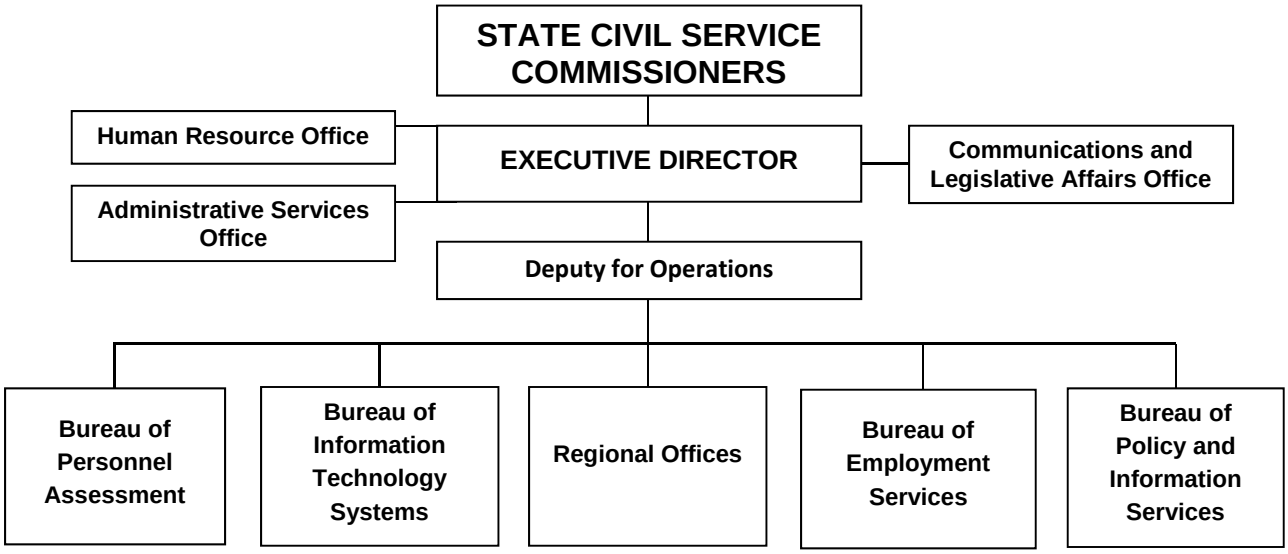
The mission of the Civil Service Commission is to provide greater efficiency and economy in the government of the commonwealth by establishing conditions of employment that will attract qualified persons of character and ability and appointing and promoting all persons on the basis of merit and fitness.

The commission administers the commonwealth's merit system. The responsibilities of the commission include recruitment of qualified candidates; evaluation of applicants' education and experience to determine if minimum requirements have been met; development and administration of examinations; and certification of eligible candidates to the appointing agencies.

Programs and Goals

Personnel Selection: *To provide a sufficient number of qualified, available persons to meet agency merit system staffing needs.*

Organization Overview



- **Director of the Bureau of Personnel Assessment** is responsible for the Test Administration Division, Test Development Division and the Research Division.
- **Director of the Bureau of Information Technology Systems** is responsible for the Network Enterprise and Technical Support Division, Enterprise Governance and Program Management Division and the Application Development Division.
- **Regional Offices** include the Eastern Regional Office in Philadelphia and the Western Regional Office in Pittsburgh.
- **Director of the Bureau of Employment Services** is responsible for the Recruitment and Workforce Diversity Division and the Counseling and Testing Division.
- **Director of the Bureau of Policy and Information Services** is responsible for the Policy Assistance and Audit Division, Veterans' Preference and Certification Division and the Investigations and Information Services Division.

Authorized Complement

2009-10 Actual	2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Actual
160	140	137	131	121

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	2013-14 ACTUAL	2014-15 AVAILABLE	2015-16 BUDGET
GENERAL FUND:			
General Government:			
General Government Operations	**$ 1**	**$ 1**	**$ 1**
(A)Fees From Agencies	12,817	12,768	13,611
(A)Special Merit System Services	818	815	869
Subtotal - State Funds	$ 1	$ 1	$ 1
Subtotal - Augmentations	13,635	13,583	14,480
Total - General Government	$ 13,636	$ 13,584	$ 14,481
STATE FUNDS	$ 1	$ 1	$ 1
AUGMENTATIONS	13,635	13,583	14,480
GENERAL FUND TOTAL	**$ 13,636**	**$ 13,584**	**$ 14,481**

Program Funding Summary

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
PERSONNEL SELECTION							
GENERAL FUND	$ 1	$ 1	$ 1	$ 1	$ 1	$ 1	$ 1
SPECIAL FUNDS	0	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0	0
OTHER FUNDS	13,635	13,583	14,480	14,986	15,362	15,746	16,140
SUBCATEGORY TOTAL	$ 13,636	$ 13,584	$ 14,481	$ 14,987	$ 15,363	$ 15,747	$ 16,141
ALL PROGRAMS:							
GENERAL FUND	$ 1	$ 1	$ 1	$ 1	$ 1	$ 1	$ 1
SPECIAL FUNDS	0	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0	0
OTHER FUNDS	13,635	13,583	14,480	14,986	15,362	15,746	16,140
DEPARTMENT TOTAL	$ 13,636	$ 13,584	$ 14,481	$ 14,987	$ 15,363	$ 15,747	$ 16,141

Program: Personnel Selection

Goal: To provide a sufficient number of qualified, available persons to meet agency merit system staffing needs.

Through this program, the Civil Service Commission provides qualified persons to meet merit system staffing needs.

The commission ensures the commonwealth's merit system is in full compliance with all state laws and regulations concerning employee selection procedures and the Federal Uniform Guidelines on Employee Selection Procedures. This includes job analysis and implementation of a program to identify and correct adverse impacts of examinations on protected groups.

Goals of the commission include development of valid evaluations; identification and elimination of discrimination in merit-system-covered human resource systems; increased efficiency in meeting personnel needs of state and local client agencies; and prompt and accurate resolution or adjudication of complaints, grievances and appeals.

In recent years, the commission has improved operations through the implementation of computerized application, applicant self-scheduling, examination and imaging and workflow systems. These improvements have reduced the time required to apply for and take an exam, receive an examination score and be placed on a candidate eligibility listing. These enhancements have increased the commission's ability to provide real-time candidate eligibility listings to client agencies seeking to fill vacancies.

The majority of funds supporting this program are received from billing state and local client agencies.

Program Recommendations:

This budget recommends the following changes in augmentations received from agency billings: (Dollar Amounts in Thousands)

	General Government Operations
$ 897	—to continue current program.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
GENERAL FUND:							
General Government Operations	$ 1	$ 1	$ 1	$ 1	$ 1	$ 1	$ 1

Program Measures

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Program: Personnel Selection							
Objective: To provide a sufficient number of qualified, available persons to meet agency merit system staffing needs.							
Total eligibles on list	162,305	161,000	161,000	161,000	161,000	161,000	161,000
Persons scheduled for exams	153,459	160,000	160,000	160,000	160,000	160,000	160,000
Persons taking computerized exams	101,357	104,000	104,000	104,000	104,000	104,000	104,000
Certifications audited of eligible individuals for civil service positions	12,108	11,000	11,000	11,000	11,000	11,000	11,000
Appeal requests received and processed	415	415	415	415	415	415	415
Annual cost of merit system per covered employee	$206	$229	$229	$229	$229	$229	$229

DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT

The mission of the Department of Community and Economic Development is to foster opportunities for businesses to grow and for communities to succeed and thrive in a global economy. The department strives to improve the quality of life for Pennsylvania citizens while assuring transparency and accountability in the expenditure of public funds.

Programs and Goals

PA Job Creation, Business Growth and Attraction: *To support and promote initiatives that grow Pennsylvania's economy by partnering with the private sector to create and retain jobs; to ensure that capital for the creation, location, retention and expansion of private business is available at each step of the business life cycle; and to make possible lower capital costs to attract businesses to invest in Pennsylvania.*

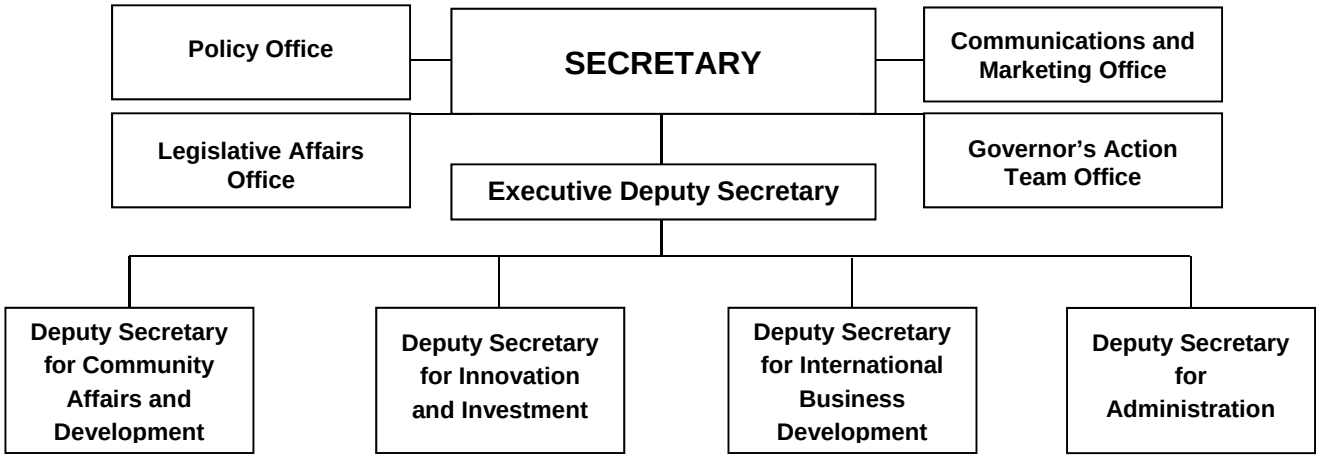
PA Innovation Economy: *To catalyze growth and competitiveness for Pennsylvania companies and universities by growing venture capital investments to support early stage and emerging technology firms; accelerating technology transfer to commercialize new products and services; and revitalizing Pennsylvania's manufacturing economy.*

PA Worldwide: *To contribute to the growth and strength of the commonwealth's economy by attracting foreign direct capital investments to Pennsylvania and providing value-added business development services to Pennsylvania companies to facilitate increased exports from the commonwealth.*

PA Assets: *To ensure economic competitiveness and job creation; to increase domestic and international leisure travel to the commonwealth in order to grow the tourism industry's economic impact and position Pennsylvania as a top tourism destination for both domestic and international visitors; and to maximize Pennsylvania's energy resources, including coal, natural gas, water, oil and timber.*

PA Core Communities: *To attain more effective delivery of housing and community development services; to provide resources and technical assistance that enhance the performance and quality of local governments, including fiscal stability; and to effectively create attractive, livable communities by revitalizing downtowns and surrounding neighborhoods, while promoting sound land-use practices.*

Organization Overview



- **Deputy Secretary for Community Affairs and Development** oversees the Center for Community Financing, the Center for Community Services, the State Tax Equalization Board, the Governor's Center for Local Government Services and the Community Action Team.
- **Deputy Secretary for Innovation and Investment** leads the commonwealth's efforts to create family-sustaining jobs through advancing technology and innovation, supporting business growth and bolstering Pennsylvania's robust tourism industry.
- **Deputy Secretary for International Business Development** leads a professional team of international economic development specialists that contribute to the growth and strength of the commonwealth's economy by attracting foreign investment to the state and providing value-added international trade services to Pennsylvania's businesses and ports.
- **Deputy Secretary for Administration** is responsible for all Human Resources, Information Technology, Financial Management, Customer and Administrative Services for the department.

Authorized Complement

2009-10 Actual	2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Actual
343	320	309	315	307

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2013-14 ACTUAL	2014-15 AVAILABLE	2015-16 BUDGET
GENERAL FUND:			
General Government:			
General Government Operations	**$ 13,095** a	**$ 14,422**	**$ 14,658**
(F)ARC - Technical Assistance	225	225	225
(F)DOE - Weatherization Administration	775	800	1,200
(F)ARRA - DOE Weatherization Administration	200	0	0
(F)SCDBG - Administration	1,680	1,680	3,000
(F)SCDBG - Neighborhood Stabilization Administration	800	800	800
(F)CSBG - Administration	1,507	1,507	1,607
(F)LIHEABG - Administration	1,000	1,000	1,500
(F)State Small Business Credit Initiative Administration	487	487	487
(F)Americorps Training and Technical Assistance	75	75	0
(F)EMG Solutions Administration	250	600	1,000
(F)EDA - Emergency Management	450	450	450
(F)SCDBG - Disaster Recovery Administration	1,000	1,000	1,000
(F)ARRA - Broadband Technology Opportunity Administration (EA)	60	150	0
(F)ARRA - Broadband Technology Opportunities (EA)	800	1,300	0
(A)Pennsylvania Industrial Development Authority	1,005	1,202	1,204
(A)Pennsylvania Economic Development Financing Authority	438	459	458
(A)Community Development Bank	55	57	56
(A)Commonwealth Financing Authority	2,480	2,653	2,653
(A)Local Match	75	75	75
(R)Small Business Advocate - Utilities	1,092	1,163	1,210
Center for Local Government Services	**7,308** a	**8,534**	**8,547**
(F)Economic Adjustment Assistance	0	5,000	5,000
(F)State Energy Program	0	180	0
(A)Local Government Training	304	1,609	1,314
(A)State Planning Board Expense	141	1	0
Office of Open Records	**1,684**	**2,002**	**2,141**
World Trade PA	**7,223**	**5,824**	**6,834**
(F)SBA State Trade and Export Promotion (STEP)	2,000	2,000	950
(F)Mining Equipment Export Expansion Initiative	100	100	0
(F)EDA - Expanding Exports	1,000	1,000	0
Marketing to Attract Tourists	**7,235**	**7,264**	**4,264**
(A)Reimbursement for Travel Advertisements	60	60	60
(A)Film Tax Credit App	161	95	50
Marketing to Attract Business	**3,360**	**2,008**	**3,008**
(A)Reimbursement for Services	0	300	0
Base Realignment and Closure	**0**	**0**	**775**
Subtotal - State Funds	$ 39,905	$ 40,054	$ 40,227
Subtotal - Federal Funds	12,409	18,354	17,219
Subtotal - Augmentations	4,719	6,511	5,870
Subtotal - Restricted Revenues	1,092	1,163	1,210
Total - General Government	$ 58,125	$ 66,082	$ 64,526
Grants and Subsidies:			
Transfer to Municipalities Financial Recovery Revolving Fund	**$ 7,096**	**$ 4,000**	**$ 3,000**
Transfer to Ben Franklin Tech. Development Authority Fund	**14,500**	**14,500**	**14,500**
Transfer to Commonwealth Financing Authority	**72,665**	**77,755**	**97,000**
(A)Transfer From the Department of Environmental Protection	9,517	8,673	0
Intergovernmental Cooperation Authority-2nd Class Cities	**228**	**250**	**250**
Pennsylvania First	**37,800**	**20,000**	**45,000**
(A)Interagency Reimbursement	0	5,000	0
Municipal Assistance Program	**642**	**642**	**642**
(F)FEMA Technical Assistance	350	350	350
(F)FEMA - Mapping	100	100	100
Keystone Communities	**11,251**	**6,150**	**21,150**
(F)DOE - Weatherization	10,000	12,000	18,000
(F)LIHEABG - Weatherization Program	40,000	40,000	40,000
(F)SCDBG - HUD Disaster Recovery	2,000	2,000	2,000
(F)SCDBG - Neighborhood Stabilization Program	17,000	17,000	17,000

Summary by Fund and Appropriation

	2013-14 ACTUAL	2014-15 AVAILABLE	2015-16 BUDGET
	(Dollar Amounts in Thousands)		
(F)Assets for Independence	500	500	500
(F)EMG Solutions Program	8,000	8,000	8,000
(F)SCDBG - Disaster Recovery Grant	56,000	56,000	56,000
(F)Community Services Block Grant	29,500	29,500	35,000
(F)Centralia Recovery (EA)	430	430	0
Appalachian Regional Commission	**0** b	**0**	**0**
Partnerships for Regional Economic Performance	**11,880**	**11,880**	**11,880**
(F)State Small Business Credit Initiative	20,000	20,000	20,000
Discovered in PA, Developed in PA	**9,862**	**5,000**	**0**
Industrial Resource Centers	**0**	**0**	**12,000**
Tourism - Accredited Zoos	**550**	**550**	**0**
Rural Leadership Training	**100**	**100**	**0**
Super Computer Center	**500**	**500**	**0**
Infrastructure Technology Assistance Program	**1,750**	**1,750**	**0**
Early Intervention for Distressed Municipalities	**1,785**	**1,785**	**2,785**
Powdered Metals	**100**	**100**	**0**
Infrastructure and Facilities Improvement Grants	**19,007**	**19,000**	**30,000**
Public Television Technology	**0**	**0**	**4,000**
Subtotal - State Funds	$ 189,716	$ 163,962	$ 242,207
Subtotal - Federal Funds	183,880	185,880	196,950
Subtotal - Augmentations	9,517	13,673	0
Total - Grants and Subsidies	$ 383,113	$ 363,515	$ 439,157
STATE FUNDS	$ 229,621	$ 204,016	$ 282,434
FEDERAL FUNDS	196,289	204,234	214,169
AUGMENTATIONS	14,236	20,184	5,870
RESTRICTED REVENUES	1,092	1,163	1,210
GENERAL FUND TOTAL	**$ 441,238**	**$ 429,597**	**$ 503,683**

MOTOR LICENSE FUND:

General Government:

Appalachian Regional Commission	**$ 1,073**	**$ 1,073**	**$ 1,073**

OTHER FUNDS:

GENERAL FUND:			
Industrial Sites Environmental Assessment Fund	$ 0	$ 493	$ 3,000
Industrialized Housing	0	406	525
GENERAL FUND TOTAL	**$ 0**	**$ 899**	**$ 3,525**
BEN FRANKLIN TECHNOLOGY DEVELOPMENT AUTHORITY FUND:			
Ben Franklin Technology	$ 19,000	$ 19,000	$ 119,000
BROADBAND OUTREACH AND AGGREGATION FUND:			
Broadband Outreach Administration (EA)	$ 50	$ 90	$ 22
Broadband Outreach Grants (EA)	1,450	3,259	743
BROADBAND OUTREACH AND AGGREGATION FUND TOTAL	**$ 1,500**	**$ 3,349**	**$ 765**
HOME INVESTMENT TRUST FUND:			
HOME Investment Partnership	$ 1,486	$ 1,486	$ 0
(F)Affordable Housing Act Admin	0	0	2,000
HOME INVESTMENT TRUST FUND TOTAL	**$ 1,486**	**$ 1,486**	**$ 2,000**
INDUSTRIAL SITES CLEANUP FUND:			
Industrial Sites Cleanup - Administration (EA)	$ 314	$ 314	$ 314
Industrial Sites Cleanup - Projects (EA)	5,000	6,300	5,300
INDUSTRIAL SITES CLEANUP FUND TOTAL	**$ 5,314**	**$ 6,614**	**$ 5,614**

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2013-14 ACTUAL	2014-15 AVAILABLE	2015-16 BUDGET
LOCAL GOVERNMENT CAPITAL PROJECT LOAN FUND:			
Local Government Capital Project Loans (EA)	$ 1,000	$ 1,000	$ 1,000
MACHINERY AND EQUIPMENT LOAN FUND:			
General Operations (EA)	$ 778	$ 778	$ 778
Machinery and Equipment Loans (EA)	25,000	25,000	11,000
MACHINERY AND EQUIPMENT LOAN FUND TOTAL	**$ 25,778**	**$ 25,778**	**$ 11,778**
MARCELLUS LEGACY FUND:			
Energy Development Projects	$ 0	$ 7,695	$ 0
MINORITY BUSINESS DEVELOPMENT FUND:			
General Operations (EA)	$ 302	$ 302	$ 302
Minority Business Development Loans (EA)	1,000	1,000	1,000
MINORITY BUSINESS DEVELOPMENT FUND TOTAL	**$ 1,302**	**$ 1,302**	**$ 1,302**
MUNICIPALITIES FINANCIAL RECOVERY REVOLVING AID FUND:			
Distressed Community Assistance (EA)	$ 9,000	$ 9,000	$ 9,000
SMALL BUSINESS FIRST FUND:			
Administration (EA)	$ 1,958	$ 1,958	$ 1,958
Loans (EA)	19,000	17,000	8,542
Pollution Prevention Loans (EA)	1,500	1,500	1,500
Community Economic Development Loans (EA)	3,000	3,000	3,000
SMALL BUSINESS FIRST FUND TOTAL	**$ 25,458**	**$ 23,458**	**$ 15,000**
TOBACCO SETTLEMENT FUND:			
Tobacco Settlement Investment Board	$ 284	$ 217 [c]	$ 0
Life Sciences Greenhouses	0	3,000	3,000
TOBACCO SETTLEMENT FUND TOTAL	**$ 284**	**$ 3,217**	**$ 3,000**
WORKMEN'S COMPENSATION ADMINISTRATION FUND:			
Small Business Advocate - Workers' Compensation (R)	$ 194	$ 194	$ 194
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND	$ 229,621	$ 204,016	$ 282,434
SPECIAL FUNDS	1,073	1,073	1,073
FEDERAL FUNDS	196,289	204,234	214,169
AUGMENTATIONS	14,236	20,184	5,870
RESTRICTED	1,092	1,163	1,210
OTHER FUNDS	90,316	102,992	172,178
TOTAL ALL FUNDS	**$ 532,627**	**$ 533,662**	**$ 676,934**

[a] Transferred $2,804,000 from General Government Operations to the Center for Local Government Services.

[b] Beginning in 2013-14, Appalachian Regional Commission funding moved from the General Fund to the Motor License Fund.

[c] Elimination of the Tobacco Settlement Investment Board effective January 2015.

Homeowner Assistance Settlement Fund and Housing Affordability and Rehabilitation Enhancement Fund shown in Housing Finance Agency.

Program Funding Summary

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
PA JOB CREATION, BUSINESS GROWTH AND ATTRACTION							
GENERAL FUND	$ 168,549	$ 157,351	$ 225,009	$ 225,093	$ 225,762	$ 226,428	$ 227,115
SPECIAL FUNDS	0	0	0	0	0	0	0
FEDERAL FUNDS	29,309	35,074	36,269	36,269	36,269	36,269	36,269
OTHER FUNDS	73,153	79,031	43,858	43,858	43,858	43,858	43,858
SUBCATEGORY TOTAL	$ 271,011	$ 271,456	$ 305,136	$ 305,220	$ 305,889	$ 306,555	$ 307,242
PA INNOVATION ECONOMY							
GENERAL FUND	$ 24,962	$ 20,100	$ 18,500	$ 18,500	$ 18,500	$ 18,500	$ 18,500
SPECIAL FUNDS	0	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0	0
OTHER FUNDS	20,784	33,261	122,765	22,000	22,000	22,000	22,000
SUBCATEGORY TOTAL	$ 45,746	$ 53,361	$ 141,265	$ 40,500	$ 40,500	$ 40,500	$ 40,500
PA WORLDWIDE							
GENERAL FUND	$ 7,223	$ 5,824	$ 6,834	$ 7,073	$ 7,250	$ 7,431	$ 7,617
SPECIAL FUNDS	0	0	0	0	0	0	0
FEDERAL FUNDS	3,100	3,100	950	950	950	950	950
OTHER FUNDS	0	0	0	0	0	0	0
SUBCATEGORY TOTAL	$ 10,323	$ 8,924	$ 7,784	$ 8,023	$ 8,200	$ 8,381	$ 8,567
PA ASSETS							
GENERAL FUND	$ 7,785	$ 7,814	$ 4,264	$ 4,264	$ 4,264	$ 4,264	$ 4,264
SPECIAL FUNDS	0	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0	0
OTHER FUNDS	221	155	110	110	110	110	110
SUBCATEGORY TOTAL	$ 8,006	$ 7,969	$ 4,374	$ 4,374	$ 4,374	$ 4,374	$ 4,374
PA CORE COMMUNITIES							
GENERAL FUND	$ 21,102	$ 12,927	$ 27,827	$ 27,827	$ 27,827	$ 27,827	$ 27,827
SPECIAL FUNDS	1,073	1,073	1,073	1,073	1,073	1,073	1,073
FEDERAL FUNDS	163,880	166,060	176,950	176,950	176,950	176,950	176,950
OTHER FUNDS	11,486	11,892	12,525	12,525	12,525	12,525	12,525
SUBCATEGORY TOTAL	$ 197,541	$ 191,952	$ 218,375	$ 218,375	$ 218,375	$ 218,375	$ 218,375
ALL PROGRAMS:							
GENERAL FUND	$ 229,621	$ 204,016	$ 282,434	$ 282,757	$ 283,603	$ 284,450	$ 285,323
SPECIAL FUNDS	1,073	1,073	1,073	1,073	1,073	1,073	1,073
FEDERAL FUNDS	196,289	204,234	214,169	214,169	214,169	214,169	214,169
OTHER FUNDS	105,644	124,339	179,258	78,493	78,493	78,493	78,493
DEPARTMENT TOTAL	$ 532,627	$ 533,662	$ 676,934	$ 576,492	$ 577,338	$ 578,185	$ 579,058

Program: PA Job Creation, Business Growth and Attraction

Goal: To support and promote initiatives that grow Pennsylvania's economy by partnering with the private sector to create and retain jobs; to ensure that capital for the creation, location, retention and expansion of private business is available at each step of the business life cycle; and to make possible lower capital costs to attract businesses to invest in Pennsylvania.

Program Element: PA First

PA First is a comprehensive program that offers grants for job creation and retention, infrastructure projects and workforce development. PA First provides the flexibility necessary for the commonwealth to rapidly respond to companies' needs, thus facilitating increased investment in the state and enabling Pennsylvania to compete more effectively with neighboring and competitor states.

PA First leverages private dollars, stimulates job creation and encourages development of critical infrastructure and advances workforce development efforts. It secures job creation and economic development opportunities through the preservation and expansion of existing industries and the attraction of additional economic development prospects to the commonwealth. Eligible uses for the grant funding may include customized or advanced training for new, entry-level or existing employees; infrastructure improvements necessary to facilitate planned industrial investment by private companies, to restore blighted land to productive use and to develop the restored land, or to develop local infrastructure at business sites; land and building acquisition and/or improvement costs; machinery and equipment purchases; working capital; and environmental assessment and remediation.

The Department of Community and Economic Development monitors PA First projects for compliance with the commitments made by the grantee upon receipt of the funds. If the grantee does not meet its commitments and cannot provide an acceptable reason for its failure to do so, the department may require repayment of some or all of the grant funds.

Program Element: Infrastructure and Facilities Improvement Program

The Infrastructure and Facilities Improvement Program, established by Act 23 of 2004, awards multi-year grants to debt-issuing authorities toward the payment of debt service and related costs for economic development projects. Grant awards are calculated based on the expected sales tax, hotel occupancy tax or personal income tax to be generated by the project.

Unlike local tax increment financing projects, where incremental tax revenues generated by a project are collected and deposited into a debt service reserve fund for the payment of debt, under this program, annual grants are awarded based on the incremental amount of state personal income tax, sales tax and hotel occupancy tax generated by the project.

Program Element: Partnerships for Regional Economic Performance

Historically, Pennsylvania's economic development efforts have been supported by a number of core service providers, including Industrial Resource Centers, industrial development organizations, Local Development Districts, and Small Business Development Centers. Partnerships for Regional Economic Performance, known as PREP, is designed to integrate these networks by encouraging regional coordination of economic development efforts, which will yield superior customer service to the business community and a comprehensive, efficient, statewide economic development delivery strategy.

Funding is provided to regional networks to serve current and potential businesses in good standing across the commonwealth. PREP partner organizations deliver a wide array of coordinated business development services designed to encourage the creation of new businesses and increase and strengthen the capacity of all Pennsylvania businesses to compete successfully in the global economy.

Program Element: Marketing to Attract Business

Pennsylvania's key strengths must be regularly and effectively communicated to the national and global business community. Pennsylvania's Marketing to Attract Business program funds the department's economic development marketing and advertising contract, which includes public relations, radio and television advertising, industry trade shows and direct support of the department and the Governor's Action Team for one-to-one marketing efforts. The Governor's Action Team and the department's International Office depend on company leads generated by marketing to prepare deals to attract companies to Pennsylvania.

Program Element: Tax Credits

Tax credits are established for the purpose of securing job-creating economic development opportunities and fostering the growth and development of economic development prospects to the commonwealth.

The Job Creation Tax Credit secures job-creating

Program: PA Job Creation, Business Growth and Attraction (continued)

economic development opportunities through business expansion and attraction.

The Pennsylvania Film Production Tax Credit encourages filmmakers and production companies to film projects in the commonwealth.

Opportunity Scholarship Tax Credits are available to eligible businesses that contribute to Opportunity Scholarship organizations. These organizations provide scholarships for students in low-achieving school districts to attend other public or non-public schools.

Additional details on these and other tax credits can be found in Section D of the Governor's Executive Budget.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

GENERAL FUND

General Government Operations

$ 86	—to continue current program.
150	—Initiative — Housing and Urban Development. To increase monitoring and compliance of federally funded programs.
$ 236	*Appropriation Increase*

Center for Local Government Services

$ 13	—to continue current program.

Office of Open Records

$ 139	—to continue current program.

Marketing to Attract Business

$ 1,000	—Initiative — Jobs that Pay. To develop and purchase marketing and communication tools to attract business.

Base Realignment and Closure

$ 775	—Initiative — Jobs that Pay. To preserve Pennsylvania's military communities.

Transfer to Commonwealth Financing Authority

$ 19,245	—to provide debt service for economic development bonds.

Pennsylvania First

$ 25,000	—Initiative — Jobs that Pay. To foster investment, job creation and provide support for WEDnetPA, a critical employee training program available to Pennsylvania's employers.

Industrial Resource Centers

$ 12,000	—Initiative — Jobs that Pay. To support Industrial Resource Centers and to utilize Pennsylvania universities to advance manufacturing technology and commercialization.

Infrastructure Technology Assistance Program

$ –1,750	—program elimination.

Infrastructure and Facilities Improvement Grants

$ 11,000	—Initiative — Jobs that Pay. To increase multi-year financial assistance to service debt on major infrastructure projects.

The Partnerships for Regional Economic Performance is recommended at the current year funding level.

The Small Business Advocate appropriation is increased by $47,000 to a total of $1,210,000.

Appropriations within this Program:

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
GENERAL FUND:							
General Government Operations	$ 13,095	$ 14,422	$ 14,658	$ 15,171	$ 15,550	$ 15,939	$ 16,337
Center for Local Government Services	7,308	8,534	8,547	8,846	9,067	9,294	9,526
Office of Open Records	1,684	2,002	2,141	2,216	2,271	2,328	2,386
Marketing to Attract Business	3,360	2,008	3,008	3,008	3,008	3,008	3,008
Base Realignment and Closure	0	0	775	775	775	775	775
Transfer to Commonwealth Financing Authority	72,665	77,755	97,000	96,197	96,211	96,204	96,203
Pennsylvania First	37,800	20,000	45,000	45,000	45,000	45,000	45,000
Partnerships for Regional Economic Performance	11,880	11,880	11,880	11,880	11,880	11,880	11,880
Industrial Resource Centers	0	0	12,000	12,000	12,000	12,000	12,000
Infrastructure Technology Assistance Program	1,750	1,750	0	0	0	0	0
Infrastructure and Facilities Improvement Grants	19,007	19,000	30,000	30,000	30,000	30,000	30,000
TOTAL GENERAL FUND	$ 168,549	$ 157,351	$ 225,009	$ 225,093	$ 225,762	$ 226,428	$ 227,115

Program: PA Innovation Economy

Goal: To catalyze growth and competitiveness for Pennsylvania companies and universities by growing venture capital investments to support early stage and emerging technology firms; accelerating technology transfer to commercialize new products and services; and revitalizing Pennsylvania's manufacturing economy.

Program Element: Ben Franklin Technology Development Authority

The Ben Franklin Technology Development Authority ensures that Pennsylvania companies and entrepreneurs have the necessary tools to build their businesses. The authority has promoted advanced technology in traditional and emerging industries, as well as small business, through a series of programs that are flexible and dynamic and are built to proactively meet changes in markets and key industry sectors. These initiatives are also tailored to meet companies' needs throughout the business lifecycle, providing support and making services available at each step of the process.

The authority also provides vehicles for investment for university-based and entrepreneurial innovation through the following programs:

- Ben Franklin Technology Partners, which are strategically located throughout the commonwealth to bring together the best of the state's people, ideas and technology.
- Venture Investment, which provides risk capital to venture partnerships that invest in Pennsylvania companies.
- Technology Development Grants, which help position the consortia of Pennsylvania companies at the cutting edge of emerging technologies.
- University Research Commercialization Grants, which promote stronger synergy between university-based research and development and technology transfer for economic and workforce development.

Program Element: The Pennsylvania Life Sciences Greenhouse Initiative

To ensure continued growth and leadership in life sciences, The Pennsylvania Life Sciences Greenhouse Initiative supports early-stage risk capital and serves as a catalyst for development and creation of new life-science-related products and companies. Three regionally based organizations in Central Pennsylvania, Pittsburgh and Philadelphia aggressively focus on increasing formation and growth of life sciences companies in the commonwealth.

Over the course of the past decade, this initiative has established a national reputation and is cited by the Battelle Technology Partnership as one of only two university/industry funding programs in the U.S. to focus solely on life sciences. The initiative has quickly become a national model for state funding of early stage risk capital in life sciences.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

GENERAL FUND

Discovered in PA, Developed in PA
$ –5,000 —program elimination.

Super Computer Center
$ –500 —program elimination.

Powdered Metals
$ –100 —program elimination.

Public Television Technology
$ 4,000 —Initiative — PA Public Television Network. To increase technology to educate, inform and connect the citizens of Pennsylvania.

All other appropriations are recommended at the current year funding levels.

The Tobacco Settlement Investment Board was eliminated effective January 2015.

Appropriations within this Program:

(Dollar Amounts in Thousands)

GENERAL FUND:	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
Transfer to Ben Franklin Technology Development Authority Fund	$ 14,500	$ 14,500	$ 14,500	$ 14,500	$ 14,500	$ 14,500	$ 14,500
Discovered in PA, Developed in PA	9,862	5,000	0	0	0	0	0
Super Computer Center	500	500	0	0	0	0	0
Powdered Metals	100	100	0	0	0	0	0
Public Television Technology	0	0	4,000	4,000	4,000	4,000	4,000
TOTAL GENERAL FUND	$ 24,962	$ 20,100	$ 18,500	$ 18,500	$ 18,500	$ 18,500	$ 18,500

Program: PA Worldwide

Goal: To contribute to the growth and strength of the commonwealth's economy by attracting foreign direct capital investments to Pennsylvania and providing value-added business development services to Pennsylvania companies to facilitate increased exports from the commonwealth.

Program Element: World Trade PA

In today's increasingly complex global economy, international trade is not simply a trend, but a competitive necessity. The World Trade PA program, managed by the department's Office of International Business Development, works to promote Pennsylvania exports in key international markets and to attract foreign investments to Pennsylvania by ensuring that international companies are adequately informed and familiar with Pennsylvania's strengths – leading universities and research institutions; manufacturing, energy and life science industries; competitive business environment; and a skilled workforce.

The department will continue to build on World Trade PA's success as the nation's largest and best-performing international program, and the only department program with a unique, performance-based metrics and compensation system for its international contractors and regional partners. New initiatives include sector-specific, fee-based initiatives such as the PA Mining Equipment Export Initiative and the India Higher Education Initiative, and enhanced private sector participation through trade events, missions, and the Team Pennsylvania International Business Advisory Board. By increasing export capacity and establishing new connections between Pennsylvania companies, universities and partners worldwide, Pennsylvania businesses will continue to become more competitive in the global marketplace. At the same time, Pennsylvania communities will become increasingly successful in competing for international investment projects that support existing and new jobs across the commonwealth. This will help Pennsylvania remain a leading state for international business development.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

		World Trade PA
$	10	—to continue current program.
$	1,000	—Initiative — Jobs That Pay. To maintain Pennsylvania's status as a leader in international business development.
$	1,010	*Appropriation Increase*

Appropriations within this Program:

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
GENERAL FUND:							
World Trade PA	$ 7,223	$ 5,824	$ 6,834	$ 7,073	$ 7,250	$ 7,431	$ 7,617

Program: PA Assets

Goal: To ensure economic competitiveness and job creation; to increase domestic and international leisure travel to the commonwealth in order to grow the tourism industry's economic impact and position Pennsylvania as a top tourism destination for both domestic and international visitors; and to maximize Pennsylvania's energy resources, including coal, natural gas, water, oil and timber.

Program Element: Marketing to Attract Tourists

Tourism is a key industry for Pennsylvania, injecting an estimated $40 billion annually into the commonwealth's economy and generating nearly $4 billion in tax revenues each year. Pennsylvania has invested in tourism marketing for decades in recognition of the industry's substantial contributions to the state's economy, most notably in jobs the industry provides commonwealth residents and tax revenues the industry generates for the state and local governments, which support a host of essential government programs and services. The Pennsylvania Tourism Office's marketing activities provide exposure to out-of-state markets for the many small Pennsylvania tourism businesses that lack the resources to advertise beyond their local area.

Marketing to Attract Tourists has enabled the commonwealth to provide a domestic and international tourism marketing program that helps to attract more than 175 million travelers annually. The funding supports a comprehensive and effective marketing agenda including the popular visitPA.com website and various print and online publications. The tourism office will encourage public/private partnerships within the industry to maximize Pennsylvania's presence on the national and global travel and tourism stage. The tourism office will also continue to leverage online marketing platforms including Twitter, Facebook, YouTube, Flickr, Foursquare and Pinterest, among others to provide highly customized, personalized and targeted information directly to travelers in an authentic and real-time medium, extending the reach of the office's traditional marketing efforts.

Program Element: Alternative Energy

The Alternate Energy Investment Act was signed into law in July 2008. The act is comprised of several components administered in the Departments of Environmental Protection, Human Services and Community and Economic Development. The Commonwealth Financing Authority manages programs and funds administered within the Department of Community and Economic Development's Center for Business Financing. Funding includes grants to businesses, non-profit economic development organizations and political subdivisions for clean and alternative energy projects. These projects include buildings, equipment and land development activities. In addition, loans and grants are provided for high-performance energy-efficient building projects, for geothermal and wind energy projects and for alternative energy production projects involving solar technologies.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

GENERAL FUND

Marketing to Attract Tourists

$ –5,000	—non-recurring projects.
2,000	—Initiative — Jobs that Pay. To promote commonwealth-wide tourism efforts.
$ –3,000	*Appropriation Decrease*

Tourism - Accredited Zoos

$ –550	—program elimination.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
GENERAL FUND:							
Marketing to Attract Tourists	$ 7,235	$ 7,264	$ 4,264	$ 4,264	$ 4,264	$ 4,264	$ 4,264
Tourism - Accredited Zoos	550	550	0	0	0	0	0
TOTAL GENERAL FUND	$ 7,785	$ 7,814	$ 4,264	$ 4,264	$ 4,264	$ 4,264	$ 4,264

Program: PA Core Communities

Goal: To attain more effective delivery of housing and community development services; to provide resources and technical assistance that enhance the performance and quality of local governments, including fiscal stability; and to effectively create attractive, livable communities by revitalizing downtowns and surrounding neighborhoods, while promoting sound land-use practices.

Program Element: Keystone Opportunity Zones (KOZ)

This program provides tax relief to economically distressed urban and rural communities in an attempt to revive these areas. Several laws have changed the KOZ program over the years, including Act 16 of 2012, which allowed communities to extend benefits to unoccupied parcels for seven to ten years in existing zones. Additional information can be found in Section D of the Governor's Executive Budget.

Program Element: Keystone Communities

The Keystone Communities program is designed to encourage the creation of partnerships between the public and private sectors in communities to support joint local initiatives that foster growth and stability in neighborhoods and communities, social and economic diversity and a strong and secure quality of life. The program offers designation opportunities and financial resources to assist communities in achieving revitalization goals and provides for physical improvements that support the commonwealth's core communities.

Keystone Communities offers four designation types and several grant types that can, in most cases, be independently awarded. An applicant for a planning or development grant or accessible housing funding does not have to seek a designation status. Any community may apply and receive designation or grant funding in whatever order the community deems appropriate, depending on its local needs and circumstances. With only two exceptions (Implementation Grants and Enterprise Zone Revolving Loan Fund Grants), designation is not a prerequisite to apply for or to receive program funding.

Since funding is limited, priority is given to communities administering designated programs. Designation also offers some benefits that may assist a community in non-financial ways, such as providing a roadmap and a process to guide a community's revitalization efforts. The department will provide either designation, grant funding, or both as warranted to help communities achieve their local goals and address specific local revitalization needs.

The department strongly encourages community-based organizations, public agencies, business leaders, private developers, financial institutions and private citizens to work in partnership with local governments to develop a comprehensive approach to address community development and housing needs. These partnerships can and will create more attractive places to live, and will encourage business and job expansion and retention in Pennsylvania.

Program Element: Municipal Assistance Program

The Municipal Assistance Program was created to help local governments plan for and effectively implement a variety of services, improvements and soundly-managed development. The program provides funding for three groups of activities:

- Shared service activities – Provides assistance for high impact projects; regionalization, consolidation or merging of services; boundary change; or shared vehicles/motorized equipment.
- Community planning – Provides assistance for community plans, plan implementation and Transit Revitalization Investment District (TRID) planning studies.
- Floodplain management – Provides funds to reimburse municipalities for costs incurred in the preparation, enactment, administration and enforcement of floodplain management regulations.

Any municipality may apply for program funding. Applicants may also be a public or quasi-public body duly authorized to act on behalf of one or more municipalities.

Program Element: Early Intervention Program

In order to assist municipalities experiencing fiscal difficulties, the Early Intervention program provides grants to municipal and county governments to develop and implement a five-year financial management plan and undergo a departmental operational review. The plans supply governments with both short-term and long-term strategies to address fiscal difficulties before they reach a crisis point. The ultimate goal is to avert an Act 47 Municipality Financial Recovery Program filing.

The department's Center for Local Government Services has developed an early warning system approach to help determine if a municipality is experiencing fiscal difficulties. The system looks at multiple financial factors to assess a municipality's fiscal position. The Early Intervention program can assist a municipality experiencing fiscal challenges and can provide the tools needed to improve its fiscal circumstances and move in a positive direction.

Program: PA Core Communities (continued)

Program Element: Municipalities Financial Recovery Program – Act 47

When local governments are facing potential financial insolvency, the Municipalities Financial Recovery program – Act 47 – empowers the department to issue a distress declaration and assist in the recovery through grants and no-interest loans, as well as extensive technical assistance through the preparation and implementation of comprehensive recovery plans. Act 47 also empowers the governor to issue a declaration of fiscal emergency to enable the department to prepare an emergency action plan and to appoint a receiver to prepare a recovery plan to be confirmed by Commonwealth Court.

Program Element: Weatherization Assistance Program

In order to help low-income Pennsylvanians reduce energy costs, the Weatherization Assistance program makes homes more energy efficient, saving money and keeping homes warmer. There are two weatherization funding streams from the federal government:

- Funds from the U.S. Department of Energy support activities such as the installation of insulation, shell repairs and heating system improvements.
- Funds from the U.S. Department of Health and Human Services also support home weatherization efforts in addition to a heating crisis program that operates during the winter in coordination with the Pennsylvania Department of Human Service's Low- Income Home Energy Assistance program.

Program Element: Small Community Development Block Grant

The federal Small Community Development Block Grant program, commonly known as the Community Development Block Grant program, provides financial assistance to expand low and moderate-income housing opportunities; enhances economic development and job opportunities for low and moderate-income individuals; corrects deficiencies in water and sewer systems; and improves streets, streetscapes, recreational facilities and public facilities in an overall effort to strengthen a pro-growth and pro-business environment.

Program Element: Community Services Block Grant

The federal Community Services Block Grant program provides funds for community-based programs that demonstrate proven expertise in providing health, nutrition and housing, employment/training and asset development services to improve the standard of living for low-income persons and to improve the communities in which they live. Other program efforts include economic development and revitalization projects that focus on neighborhood preservation and enhance the collaboration of services in communities. By law, 90 percent of the funds must go to the existing network of community action agencies.

Program Element: Transportation Projects

Act 89 of 2013 provides for funding to be transferred to the Commonwealth Financing Authority each year to assist with the implementation of a variety of transportation projects including: projects that coordinate local land use with transportation assets to enhance existing communities; projects related to streetscape, lighting, sidewalk enhancement and pedestrian safety; projects that will improve connectivity or the use of existing transportation assets; and projects related to transit-oriented development. Financial assistance provided by the authority will be matched by local funding in an amount not less than 30 percent of the non-federal share of the project costs.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

GENERAL FUND

$ –1,000	**Transfer to Municipalities Financial Recovery Revolving Fund** —based on current estimates to continue the current program.
$ 15,000	**Keystone Communities** —Initiative — Jobs that Pay. To foster growth and stability in Pennsylvania communities and neighborhoods.
$ 1,000	**Early Intervention for Distressed Municipalities** —Initiative — Local Financial Management. To assist municipalities experiencing fiscal difficulties.
–100	**Rural Leadership Training** —program elimination.

MOTOR LICENSE FUND

The Appalachian Regional Commission appropriation is recommended at the current year funding level.

All other appropriations are recommended at the current year funding levels.

Program: PA Core Communities (continued)

Appropriations within this Program:

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
GENERAL FUND:							
Transfer to Municipalities Financial Recovery Revolving Fund	$ 7,096	$ 4,000	$ 3,000	$ 3,000	$ 3,000	$ 3,000	$ 3,000
Intergovernmental Cooperation Authority-2nd Class Cities	228	250	250	250	250	250	250
Municipal Assistance Program	642	642	642	642	642	642	642
Keystone Communities	11,251	6,150	21,150	21,150	21,150	21,150	21,150
Rural Leadership Training	100	100	0	0	0	0	0
Early Intervention for Distressed Municipalities	1,785	1,785	2,785	2,785	2,785	2,785	2,785
TOTAL GENERAL FUND	$ 21,102	$ 12,927	$ 27,827	$ 27,827	$ 27,827	$ 27,827	$ 27,827
MOTOR LICENSE FUND:							
Appalachian Regional Commission	$ 1,073	$ 1,073	$ 1,073	$ 1,073	$ 1,073	$ 1,073	$ 1,073

Program Measures

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Program: PA Assets							
Objective: Increase domestic and international leisure travel to Pennsylvania to grow the tourism industry's economic impact.							
Tourism Promotion							
Hotel rooms sold (in thousands)	29,630	30,667	31,280	31,750	32,067	32,388	32,712
Travelers' expenditures (in millions)	$39,615	$40,407	$41,215	$41,833	$42,252	$42,674	$43,101
Tax revenues generated (in thousands)	$4,146,000	$4,233,000	$4,318,000	$4,404,000	$4,471,000	$4,515,000	$4,560,000
Program: PA Job Creation, Business Growth and Attraction							
Objective: Increase the number of jobs created/pledged to be created and jobs retained/pledged to be retained in Pennsylvania.							
Business Assistance							
Jobs pledged to be created	55,657	56,770	62,170	63,413	64,682	64,682	65,975
Jobs pledged to be retained	86,391	88,119	111,286	113,512	115,782	115,782	118,098
Businesses assisted	17,405	17,753	18,787	19,163	19,546	19,546	19,937
Private funds leveraged (in thousands)	$2,603,574	$2,655,645	$2,989,869	$3,049,666	$3,110,660	$3,110,660	$3,172,873
Public funds leveraged (in thousands)	$587,778	$599,534	$611,524	$623,755	$636,230	$636,230	$648,954
Persons receiving job training (CJT/WedNet)	40,359	52,596	60,106	61,308	62,534	62,534	63,785
Brownfield redevelopment projects assisted	63	64	66	67	68	68	70
Objective: Increase the number of successful innovative technology companies in Pennsylvania.							
Technology Investment							
Jobs created	3,462	3,200	3,200	3,200	3,200	3,200	3,200
Jobs retained	4,657	4,000	4,000	4,000	4,000	4,000	4,000
Businesses assisted	3,835	3,175	3,175	3,175	3,175	3,175	3,175
Public funds leveraged (in thousands)	$121,630	$100,000	$100,000	$100,000	$100,000	$100,000	$100,000
New technology companies established	278	200	200	200	200	200	200
Program: PA Worldwide							
Objective: Increase DCED-Export Sales Facilitated and Foreign Direct Investments (FDI).							
International Business Development							
Tax revenues generated (in thousands)	$98,064	$78,452	$91,788	$91,788	$91,788	$91,788	$91,788
Export sales facilitated (in thousands)	$864,903	$691,923	$809,550	$809,550	$809,550	$809,550	$809,550
Foreign direct investments (FDI): Projects completed	24	19	22	22	22	22	22

Program Measures

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Businesses assisted	1,364	1,091	1,276	1,276	1,276	1,276	1,276
FDI:Capital investments facilitated (in thousands)	$180,645	$144,516	$169,083	$169,083	$169,083	$169,083	$169,083

Program: PA Core Communities

Objective: Provide resources and technical assistance that enhance the performance and quality of Pennsylvania's local governments and core communities.

Early Intervention Program							
Local governments assisted	14	16	18	19	19	20	22
Homes weatherized	1,027	3,000	3,000	3,000	3,000	3,000	3,000
Job training and human services: CSBG: Persons participating	325,000	325,000	325,000	325,000	325,000	325,000	325,000
Early Intervention Program							
Act 47: Designated distressed communities assisted	21	19	19	19	19	19	19
Keystone Communities Projects	45	22	65	65	65	65	65

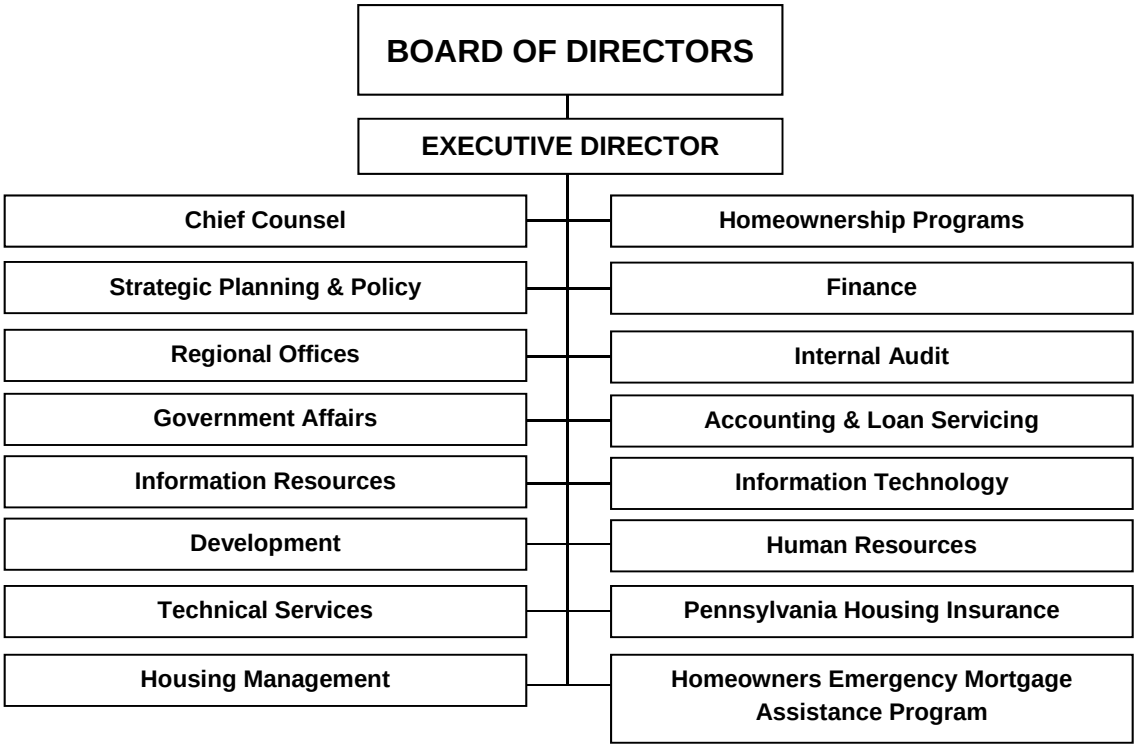
HOUSING FINANCE AGENCY

The Pennsylvania Housing Finance Agency works to provide affordable homeownership and rental apartment options for senior adults, low- and moderate-income families, and people with special housing needs. Through its carefully managed mortgage programs and investments in multifamily housing developments, the agency also promotes economic development across the state.

Programs and Goals

Community Development and Conservation: *To make the commonwealth a better place to live while fostering community and economic development and to provide the capital for decent, safe, and affordable homes and apartments for older adults, persons of modest means, and those with special housing needs.*

Organization Overview



- **Multifamily Rental Housing Programs Division** oversees the administration of federal, low income housing tax credits that support the construction of affordable rental housing statewide. This division also promotes the provision of housing services to encourage independent living for seniors, people living with disabilities, and families with low to moderate incomes living in PHFA-funded developments.
- **Comprehensive Homeownership Counseling Initiative** trains and certifies organizations to provide homebuyer workshops, pre-settlement, and pre-purchase counseling to prospective homeowners throughout the state. The agency supports a network of 81 counseling organizations statewide to promote affordable opportunities statewide.
- **Homeownerships Programs** offer affordable first home loan products in conjunction with assistance loan programs to help new buyers come up with the initial money required to purchase a home.
- **Homeowners Emergency Mortgage Assistance** administers mortgage assistance to homeowners who have recently experienced circumstances beyond their control.

Reported Complement

(Independent Agency – Complement Not Under the Governor's Jurisdiction/Control)

2009-10 Actual	2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Actual
295	295	292	294	299

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	2013-14 ACTUAL	2014-15 AVAILABLE	2015-16 BUDGET
GENERAL FUND:			
Grants and Subsidies:			
Mixed Use Development Program	**$ 0**	**$ 0**	**$ 15,000**
OTHER FUNDS:			
HOMEOWNER ASSISTANCE SETTLEMENT FUND:			
Homeowner's Emergency Mortgage Assistance	$ 10,800 [a]	$ 10,800 [a]	$ 10,800 [a]
HOUSING AFFORDABILITY AND REHABILITATION ENHANCEMENT FUND:			
Housing Affordability and Rehabilitation Program	$ 0 [a]	$ 9,647 [a]	$ 5,001 [a]
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND	$ 0	$ 0	$ 15,000
SPECIAL FUNDS	0	0	0
OTHER FUNDS	10,800	20,447	15,801
TOTAL ALL FUNDS	**$ 10,800**	**$ 20,447**	**$ 30,801**

[a] Funds previously shown in the Department of Community & Economic Development

Program Funding Summary

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
COMMUNITY DEVELOPMENT AND CONSERVATION							
GENERAL FUND	$ 0	$ 0	$ 15,000	$ 15,000	$ 15,000	$ 15,000	$ 15,000
SPECIAL FUNDS	0	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0	0
OTHER FUNDS	10,800	20,447	15,801	10,876	5,000	5,000	5,000
SUBCATEGORY TOTAL	$ 10,800	$ 20,447	$ 30,801	$ 25,876	$ 20,000	$ 20,000	$ 20,000
ALL PROGRAMS:							
GENERAL FUND	$ 0	$ 0	$ 15,000	$ 15,000	$ 15,000	$ 15,000	$ 15,000
SPECIAL FUNDS	0	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0	0
OTHER FUNDS	10,800	20,447	15,801	10,876	5,000	5,000	5,000
DEPARTMENT TOTAL	$ 10,800	$ 20,447	$ 30,801	$ 25,876	$ 20,000	$ 20,000	$ 20,000

Program: Community Development and Conservation

Goal: To make the commonwealth a better place to live while fostering community and economic development and to provide the capital for decent, safe, and affordable homes and apartments for older adults, persons of modest means, and those with special housing needs.

Program Element: Homeownership Programs

The Pennsylvania Housing Finance Agency offers a number of opportunities for Pennsylvania families to buy homes of their own. Qualification factors vary among programs and in some cases also vary between counties. All agency homeownership programs are available to persons with disabilities.

The agency also administers the Renovate and Repair Loan Program that provides subordinate funding to homeowners for home improvement and repair.

Program Element: Homeowners' Emergency Mortgage Assistance Program

This program provides short-term, temporary funding to cure loan delinquencies (foreclosure prevention), by making mortgage payments to lenders on behalf of qualifying homeowners for up to 24 to 36 months. Recipients must meet eligibility guidelines defined in the Pennsylvania Emergency Mortgage Act. Repayment of assistance is required.

Program Element: Rental Housing Development

Programs to finance rental housing offer project sponsors construction and/or permanent financing from a wide variety of sources, including: federal HOME dollars, the allocation of housing tax credits and the allocation of a private activity bond cap for qualified residential rental facilities. Restrictions and application deadlines vary among programs.

Program Element: PENNVEST Homeowner Septic Program

This program provides up to $25,000 for 20-year, low interest rate loans to homeowners for the repair or upgrade of malfunctioning on-lot septic systems. These loans are insured under the FHA Title I Home Improvement Loan Program.

Program Element: Pennsylvania Housing Affordability and Rehabilitation Enhancement Fund

The Marcellus Shale impact fee legislation, Act 13 of 2012, specifically allocates monies into this fund. The agency administers this fund which was created to address the need for affordable housing in the counties producing nonconventional gas wells.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

	GENERAL FUND:
	Mixed Use Development Program
$ 15,000	—Initiative — Jobs that Pay. To increase affordable housing and commercial development.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
GENERAL FUND:							
Mixed Use Development Program.....	$ 0	$ 0	$ 15,000	$ 15,000	$ 15,000	$ 15,000	$ 15,000

Program Measures

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Program: Community Development							
Objective: Increase the number of homes saved from foreclosure.							
Homeowners Emergency Mortgage Assistance Program: Loan disbursements (in millions)	$19.20	$11.20	$11.30	$11.40	$11.50	$11.60	$11.70
Homeowners Emergency Mortgage Assistance Program: Repayments (in millions)	$8.38	$8.30	$8	$8	$8	$8	$8
Homeowners Emergency Mortgage Assistance Program: Applications received	6,153	4,735	4,775	4,800	4,850	4,900	5,000
Homeowners Emergency Mortgage Assistance Program: Applications approved	1,393	815	825	850	875	900	950
Homeowners Emergency Mortgage Assistance Program: Loan payoffs	535	540	550	575	575	580	580
Homeowners Emergency Mortgage Assistance Program: Loans closed	1,300	770	800	810	820	830	850
Objective: Increase opportunities for Pennsylvanians to buy homes.							
Total number of PHFA loans	4,844	3,040	4,000	4,500	5,000	5,000	5,000
Total dollars loaned (in millions)	$628	$392	$500	$600	$700	$700	$700
Objective: Increase educational opportunities to help consumers make informed choices when buying houses and to help homeowners prevent foreclosure.							
Number of consumers receiving homeownership counseling	12,500	12,500	15,000	15,000	15,000	15,000	15,000
Program: HOME Investment Partnerships (Federal Tax Credit Assistance Program)							
Objective: Increase the number of affordable rental housing units and preserve existing rental units through innovative, cost-effective and efficient means.							
Housing and Redevelopment							
Number of affordable rental housing units constructed or preserved	3,076	3,109	3,100	3,150	3,150	3,150	3,150
Program: Mixed-Use Development Fund							
Objective: Leverage resources while fostering sustainable partnerships to address the need for increased housing and commercial space, and retain corridor development opportunities in targeted communities.							
Number of projects funded	N/A	N/A	10	10	15	15	15
Funds allocated to approved projects (in millions)	N/A	N/A	$15	$15	$15	$15	$15
Number of residential units created	N/A	N/A	30	30	35	35	35
Commercial space created (sq. ft.)	N/A	N/A	225,000	225,000	240,000	240,000	240,000
Other leveraged funds, private/public (in millions)	N/A	N/A	$15	$15	$15	$15	$15

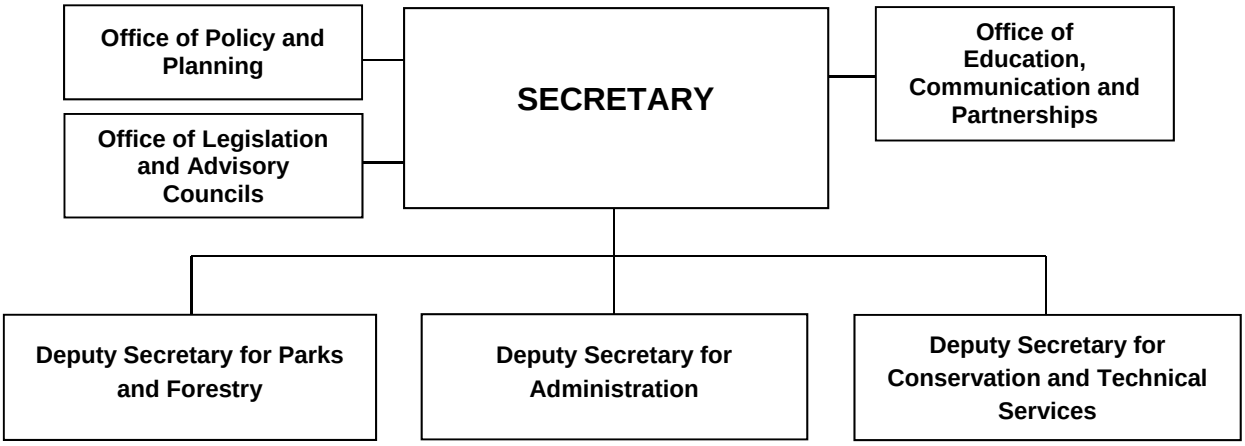
DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES

The mission of the Department of Conservation and Natural Resources is to maintain, improve and preserve state parks; to manage state forest lands to assure their long-term health, sustainability and economic use; to provide information on Pennsylvania's ecological use; to provide information on ecological and geologic resources; and to administer grant and technical assistance programs to benefit river conservation, trails and greenways, local recreation, regional heritage conservation and environmental education programs across the commonwealth.

Programs and Goals

Parks and Forests Management: *to manage state park and forest lands for their long-term use and enjoyment; to provide the resources and expertise to help conserve and protect all the commonwealth's natural resources; and help create and sustain economically vibrant communities through quality recreational resources and investments.*

Organization Overview



- **Deputy Secretary for Parks and Forestry** is responsible for managing and directing the operations of the bureaus of Facility Design and Construction, State Parks and Forestry.
- **Deputy Secretary for Administration** is responsible for managing and directing the operations of the human resources, administrative services and information technology bureaus.
- **Deputy Secretary for Conservation and Technical Services** is responsible for managing and directing the operations of the bureaus of Topographic and Geologic Survey and Recreation and Conservation.

Authorized Complement

2009-10 Actual	2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Actual
1,362	1,389	1,389	1,383	1,403

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2013-14 ACTUAL	2014-15 AVAILABLE	2015-16 BUDGET
GENERAL FUND:			
General Government:			
General Government Operations	**$ 16,185**	**$ 5,809**	**$ 8,310**
(F)Topographic and Geologic Survey Grants	500	500	500
(F)Bituminous Coal Resources	25	25	25
(F)Land and Water Conservation Fund	12,000	12,000	12,000
(F)Highlands Conservation Program	2,000	2,000	2,000
(F)Cooperative Endangered Species	28	28	28
(F)Intermodal Surface Transportation (EA)	5,000 [a]	5,000	5,000
(A)Payment for Department Services	157	1,937	2,000
(A)Water Well Drillers	10	38	38
(A)Keystone Recreation, Park and Conservation Fund	2,454	2,420	2,555
(A)Internet Record Imaging System	247	200	200
(A)Environmental Stewardship Fund Admin	352	293	409
Subtotal	$ 38,958	$ 30,250	$ 33,065
State Parks Operations	**4,473**	**2,276**	**16,045**
(F)PA Recreation Trails (EA)	6,000 [b]	7,000	7,000
(F)Lake Erie Lakeside Management (EA)	25	25	25
(F)Summer 2011 Storm Disaster Relief - Parks (EA)	2,625	100	100
(F)Coastal Zone Management Special Projects (EA)	0	50	50
(F)Presque Isle Historical Structures Restoration Project (EA)	80	0	0
(F)DEP-DCNR Special Projects (EA)	0	2,000	2,000
(A)State Parks User Fees	22,848	22,000	22,000
(A)Reimbursement for Services	778	786	786
(A)Vehicle Sale	62	47	47
Subtotal	$ 36,891	$ 34,284	$ 48,053
State Forests Operations	**1,245**	**1,050**	**6,719**
(F)Forest Fire Protection and Control	2,000	2,000	2,000
(F)Forestry Incentives and Agriculture Conservation	175	175	175
(F)Forest Management and Processing	3,800	3,800	3,800
(F)Great Lakes Restoration	900	900	900
(F)Aid to Volunteer Fire Companies	750	750	750
(F)Forest Insect and Disease Control	4,000	4,000	4,000
(F)Wetland Protection Fund	300	300	300
(F)Summer 2011 Storm Disaster Relief - Forest (EA)	2,140	100	100
(F)Wetlands Program Development (EA)	250	0	0
(A)Reimbursement for Services	308	305	305
(A)Reimbursement - Forest Fires	1,547	1,000	1,000
(A)Sale of Vehicles - Forests	152	153	153
(A)Timber Sales	27,109	25,500	25,500
(A)Miscellaneous Tickets and Fines	1	1	2
Subtotal	$ 44,677	$ 40,034	$ 45,704
Subtotal - State Funds	$ 21,903	$ 9,135	$ 31,074
Subtotal - Federal Funds	42,598	40,753	40,753
Subtotal - Augmentations	56,025	54,680	54,995
Total - General Government	$ 120,526	$ 104,568	$ 126,822
Grants and Subsidies:			
Heritage and Other Parks	**$ 2,250**	**$ 2,250**	**$ 0**
Annual Fixed Charges - Flood Lands	**52**	**65**	**65**
Annual Fixed Charges - Project 70	**29**	**40**	**40**
Annual Fixed Charges - Forest Lands	**2,526**	**2,612**	**2,612**
Annual Fixed Charges - Park Lands	**354**	**425**	**425**
Total - Grants and Subsidies	$ 5,211	$ 5,392	$ 3,142

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2013-14 ACTUAL	2014-15 AVAILABLE	2015-16 BUDGET
STATE FUNDS	$ 27,114	$ 14,527	$ 34,216
FEDERAL FUNDS	42,598	40,753	40,753
AUGMENTATIONS	56,025	54,680	54,995
GENERAL FUND TOTAL	**$ 125,737**	**$ 109,960**	**$ 129,964**
MOTOR LICENSE FUND:			
General Government:			
Dirt and Gravel Roads	**$ 1,000**	**$ 7,000**	**$ 7,000**
Grants and Subsidies:			
(R)Forestry Bridges - Excise Tax (EA)	$ 5,077	$ 7,073	$ 8,326
STATE FUNDS	$ 1,000	$ 7,000	$ 7,000
RESTRICTED REVENUES	5,077	7,073	8,326
MOTOR LICENSE FUND TOTAL	**$ 6,077**	**$ 14,073**	**$ 15,326**
OTHER FUNDS:			
GENERAL FUND:			
Snowmobile & ATV Regulation	$ 4,301	$ 9,168	$ 4,351
Forest Regeneration	2,188	7,747	2,770
Forestry Research	232	944	250
GENERAL FUND TOTAL	**$ 6,721**	**$ 17,859**	**$ 7,371**
ENVIRONMENTAL EDUCATION FUND:			
General Operations (EA)	$ 160	$ 160	$ 134
ENVIRONMENTAL STEWARDSHIP FUND:			
Parks & Forest Facility Rehabilitation (EA)	$ 7,644	$ 11,279	$ 11,829
Community Conservation Grants (EA)	6,079	4,269	4,174
Natural Diversity Conservation Grants (EA)	366	366	366
ENVIRONMENTAL STEWARDSHIP FUND TOTAL	**$ 14,089**	**$ 15,914**	**$ 16,369**
KEYSTONE RECREATION, PARK AND CONSERVATION FUND:			
Park & Forest Facility Rehabilitation (EA)	$ 22,650	$ 22,348	$ 23,582
Grants for Local Recreation (EA)	18,875	18,624	19,650
Grants to Land Trusts (EA)	7,550	7,449	7,860
KEYSTONE RECREATION, PARK AND CONSERVATION FUND TOTAL	**$ 49,075**	**$ 48,421**	**$ 51,092**
OIL AND GAS LEASE FUND:			
State Parks Operations	$ 39,160	$ 45,009	$ 38,765
General Government Operations	0	10,000	9,210
General Operations (EA)	50,000	50,000	50,000
State Forests Operations	17,386	17,537	19,045
Transfer to Marcellus Legacy Fund (EA)	0 c	0 c	0 c
OIL AND GAS LEASE FUND TOTAL	**$ 106,546**	**$ 122,546**	**$ 117,020**
STATE GAMING FUND:			
Payments in Lieu of Taxes (EA)	$ 5,146	$ 5,146	$ 5,146

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	2013-14 ACTUAL	2014-15 AVAILABLE	2015-16 BUDGET
WILD RESOURCE CONSERVATION FUND:			
General Operations (EA)	$ 72	$ 177	$ 142
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND	$ 27,114	$ 14,527	$ 34,216
SPECIAL FUNDS	1,000	7,000	7,000
FEDERAL FUNDS	42,598	40,753	40,753
AUGMENTATIONS	56,025	54,680	54,995
RESTRICTED	5,077	7,073	8,326
OTHER FUNDS	181,809	210,223	197,274
TOTAL ALL FUNDS	**$ 313,623**	**$ 334,256**	**$ 342,564**

[a] Appropriated as Intermodal Surface Transportation Act.

[b] Appropriated as Recreational Trails.

[c] Not added to the total to avoid double counting with the program expenditures from the Environmental Stewardship Fund and Hazardous Sites Cleanup Fund shown in various agencies. Environmental Stewardship Fund: 2013-14 Actual is $20,000,000, 2014-15 Available is $35,000,000 and 2015-16 Budget is $35,000,000. Hazardous Sites Cleanup Fund: 2013-14 Actual is $0, 2014-15 Available is $0 and 2015-16 Budget is $5,000,000.

Program Funding Summary

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
PARKS AND FORESTS MANAGEMENT							
GENERAL FUND	$ 27,114	$ 14,527	$ 34,216	$ 35,304	$ 36,108	$ 36,932	$ 37,777
SPECIAL FUNDS	1,000	7,000	7,000	7,000	7,000	7,000	7,000
FEDERAL FUNDS	42,598	40,753	40,753	40,753	40,753	40,753	40,753
OTHER FUNDS	242,911	271,976	260,595	261,221	262,673	262,760	262,840
SUBCATEGORY TOTAL	$ 313,623	$ 334,256	$ 342,564	$ 344,278	$ 346,534	$ 347,445	$ 348,370
ALL PROGRAMS:							
GENERAL FUND	$ 27,114	$ 14,527	$ 34,216	$ 35,304	$ 36,108	$ 36,932	$ 37,777
SPECIAL FUNDS	1,000	7,000	7,000	7,000	7,000	7,000	7,000
FEDERAL FUNDS	42,598	40,753	40,753	40,753	40,753	40,753	40,753
OTHER FUNDS	242,911	271,976	260,595	261,221	262,673	262,760	262,840
DEPARTMENT TOTAL	$ 313,623	$ 334,256	$ 342,564	$ 344,278	$ 346,534	$ 347,445	$ 348,370

Program: Parks and Forests Management

Goal: To manage state park and forest lands for their long-term use and enjoyment; to provide the resources and expertise to help conserve and protect all the commonwealth's natural resources; and help create and sustain economically vibrant communities through quality recreational resources and investments.

Program Element: Pursue Excellence in the Management of State Park and Forest Lands

Pennsylvania has a forest and park system that ranks among the best in the nation. Each of our state parks and forests provides proven and beloved benefits to our citizens and to the many visitors who frequent their trails, mountains, streams, lakes, and all-season adventures and activities to experience the remarkable beauty and rich heritage that make Pennsylvania unique. These treasured assets also provide an important catalyst for local community development, attract residents and employers to Pennsylvania, and are critical to economic development and workforce retention.

The commonwealth's 2.2 million acres of state forest help to keep Pennsylvania clean and beautiful by protecting our drinking water and air, sequestering carbon, abating floods, absorbing sediment and pollutants, and protecting wildlife. In addition, Penn's Woods continue to attract many outdoor adventure seekers, as they have for centuries, including a growing number of young people increasingly drawn to popular activities like mountain biking, geocaching, rock climbing and trail running. Hunting, an important component of Pennsylvania's rich outdoor heritage, is available on 99 percent of state forest land each year.

Pennsylvania's state forests also comprise one of the largest tracts of forest in North America certified by the Forest Stewardship Council as managed in an environmentally responsible manner. By tracking wood from forest to final product, certification enables consumers to support responsible forestry and provides forest owners with an incentive to maintain and improve forest management practices. In fact, Pennsylvania leads the nation in the volume of hardwood growing stock and in the export of hardwood lumber and wood products; as a result, the forest products industry is a vital part of Pennsylvania's economy and jobs in many local communities. The industry produces over $11 billion in timber products annually, supporting more than 2,200 businesses, and employing about 60,000 Pennsylvanians, accounting for one of every ten manufacturing jobs in the state.

The Bureau of Forestry maintains high standards that ensure the long-term health and productivity of Pennsylvania's forests and provides fire suppression services on both public and private forest lands, insect and disease control, watershed protection and planning, and oversight of the responsible production of natural resources, including forest products and minerals. The bureau educates the public about fire prevention and monitors forest lands for native and non-native invasive pests like the gypsy moth.

Taken together, our 120 state parks are not unlike the exhibits of an outdoor gallery highlighting Pennsylvania's many natural, aesthetic, geologic, scenic and historical treasures that make our commonwealth so unique and diverse. About 38 million visitors visit this gallery annually to participate in a variety of outdoor recreation, environmental education and overnight accommodation opportunities. Our state parks also provide 300,000 acres of outdoor classrooms that draw visitors for both formal and informal education programs, helping Pennsylvania's citizens and visitors understand and better appreciate the natural resources available to us. Nearly 446,000 visitors attended just over 11,000 environmental education, interpretation and recreation programs in state parks in 2013-14, from teacher workshops to guided hikes to historical demonstrations to canoe trips. As a result, state parks are heavily integrated into local economies. A 2011 Penn State study found that every $1 invested in state parks generates $12 in economic development, contributing sizable collateral benefits for surrounding businesses and communities.

For all of these reasons, state parks are beloved and protected by their local communities. Thanks to many public-private partnerships and the dedication and loyal commitment of many of our citizens to their parks and the work of department staff, the department is able to facilitate and improve services and programs at little cost to the department, but to the great benefit of the public. Public-private partnerships in state parks have generated about 144 concession contracts, which provide, among other things, food and refreshment sales, watercraft and bicycle rentals, golf course operations, ski facilities, swimming pools and whitewater rafting operations. Where it makes sense to do so, the Bureau of State Parks cooperates with various non-profit organizations and municipalities to operate and protect unique and interesting natural, historical and cultural features without using significant public resources. In addition, state parks have sought to build on the commitment of time, talents and devotion in our communities through the use of volunteers, with more than 40 "friends" groups and almost 160,000 volunteer hours logged in 2013.

Overall, the department is responsible for nearly 2.5 million acres of state park and forest lands. Key to maintaining these assets and ensuring a high-quality visitor experience on these lands is the responsible maintenance of the extensive system of infrastructure that supports

Program: Parks and Forests Management (continued)

them. The department is continually making improvements and repairs to the following:

State Park and Forest Infrastructure	
Buildings	4,700
Miles of roads	3,720
Bridges	842
Dams	121
Public water supplies	172
Boat launches	180
Wastewater treatment facilities	68
Ski areas	4

By incorporating sustainable building practices into construction and renovation of facilities on state park and forest lands, the department has the opportunity to demonstrate our commitment to natural resource stewardship, save money on maintenance and support through energy efficiency and also provide opportunities for visitors to learn about important conservation strategies. One way the department does this is by pursuing LEED (Leadership in Energy and Environmental Design Green Building Rating System®) certification for large new structures and adopting LEED standards for smaller structures. The LEED assessment framework includes site development, water savings, energy efficiency, materials selection and indoor environmental quality. Thus far, the department has 10 LEED-certified park and forest buildings. In fact, Pennsylvania state parks have the largest number of LEED-rated buildings of any state park system in the country. The newly constructed Weiser State Forest Resource Management Center, Jacobsburg Environmental Education Center, and Ohiopyle State Park visitor center are all pursuing LEED certification.

By implementing the latest green technology in construction and land use and by using alternative energy such as solar and wind power, state parks are averaging a 25 percent to 33 percent decrease in yearly electrical bills. A recent study found that five state parks saved more than $27,000 in just three years merely by upgrading their lighting to more efficient bulbs and fixtures.

Program Element: Promote Responsible Stewardship of the Commonwealth's Natural Resources

When created in 1995, the department's charge was to serve as a "cabinet-level advocate for our state parks, forests, rivers, trails, greenways and community recreation and heritage conservation programs to provide more focused management of the commonwealth's recreation, natural and river environments." Although the department is the commonwealth's advocate for our natural resources, it also has a responsibility to manage these resources. The stewardship of Pennsylvania's natural resources is the collective responsibility of local communities, counties, state and federal agencies, businesses, nonprofit conservation organizations, private landowners and every citizen of our commonwealth. The department is uniquely positioned to provide leadership and connections between these individuals and organizations, to offer programs and services that facilitate the exchange of information and to provide needed resources, all of which contribute to responsible management of Pennsylvania's natural resources.

The department works with member-supported groups and committees to support land conservation through a number of methods, including acquisition of lands that are added to state parks and forests, funding for acquisition of conservation lands by local government or nonprofit entities and funding of the purchase of easements on privately held property.

Forest, land and water conservation is multifaceted, and includes developing greenway connectors between conserved lands and communities, protecting open space and ecologically and geologically significant lands, supporting Pennsylvania's private forest resources, and encouraging more environmentally sensitive growth in developing areas. The department contributes to these conservation efforts by helping local communities, counties, regional organizations, not-for-profit stakeholders, private landowners and other governmental entities achieve their conservation goals by providing technical assistance, ecological and geologic information, grant funding for research, planning, project development, and land acquisition. The department also provides management assistance to private forest landowners, who possess three-quarters of all forest land in the state, in an effort to improve conservation efforts. The department's conservation science programs and topographic and geologic resources — digital maps, data and geographic information systems — help communities make wise land use decisions that support sustainable development, such as identifying where unique plant or animal species should be protected or where sinkhole potential might affect a development site choice.

In addition, the department performs many other important services for the commonwealth that support industry, research, economic development, permitting and public safety. Its biodiversity and conservation science programs also support the management of our natural resources in many ways. As an example, the Pennsylvania Natural Heritage Program inventories significant natural features, evaluates and ranks species of special concern and compiles natural features data in order to provide current, reliable and objective information to inform environmental decision-making. The Wild Resource Conservation Program directs resources and education toward endangered and threatened species, awarding grants for projects that protect or study plants, birds, mammals, fish, reptiles, amphibians and other species.

Program: Parks and Forests Management (continued)

The Bureau of Topographic and Geologic Survey provides many unique services and a wealth of information that industries, planners, developers, conservationists, scientists, academics and many others rely on for numerous reasons. The bureau monitors the commonwealth's revenue-producing or critical natural resources such as coal, hydrocarbons (shale gas), aggregate and other construction resources, cement raw materials and groundwater; maps geologic hazards such as landslides and sinkholes; conducts geologic investigations in support of statewide initiatives; and provides educational information to the public such as seismic data on the earthquakes, or maps and reports that planners can use in making wise decisions on future land use.

Program Element: Improve Communities Through Access to Conservation and Recreation Resources

One of the department's primary goals is to enhance and promote community conservation and economic opportunity throughout Pennsylvania by investing in our communities' natural and recreational resources, and promoting citizen stewardship. The department has built its community work around a landscape-scale approach to conservation, designed to create vibrant communities that are connected to their natural assets.

The department offers grants through the Community Conservation Partnerships Program, the Wild Resource Conservation Program, and through support of the PA Urban and Community Forestry Grants program. The Community Conservation Partnerships Program combines state and federal funding sources and programs to provide technical assistance and matching grants for parks and trails, snowmobile and ATV trails and parks, land conservation, river conservation, and rail-trails. These grants, which have assisted every Pennsylvania county and reached more than 50 percent of the commonwealth's communities, are in great demand for the resources they provide to valuable projects. Economic studies of land and water trails in Pennsylvania show strong community investment and health benefits from the presence and expansion of trails in and around communities. These investments often have strong public-private participation and create and support new jobs. For example, in May 2014, the first phase of the Anthracite Outdoor Adventure Areas (AOAA) was opened to the public. The AOAA is a 6,500-acre motorized and non-motorized recreation facility providing opportunities for walking, hiking, camping, horseback riding, biking, hunting, cross-country skiing, and motorized recreation for vehicles of all types (all-terrain, side-by-side, and utility task vehicles, dirt bikes, and full size vehicles). DCNR has provided grant funding in support of this project as part of the agency's motorized trail plan. In just the first few months of operation, this unique public-private partnership has served thousands of visitors and has already exceeded its first-year revenue targets, encouraging outdoor recreation tourism and fostering economic benefits for the surrounding community.

On Earth Day 2014, DCNR unveiled Kids in Nature to establish a renewed focus on getting Pennsylvania's families to spend more time enjoying the outdoors. A new website PANatureKids.org consolidates resources found throughout DCNR's main website to make it easier for families to find activities, programs, and places to explore nature. During the summer of 2014, a new social media twist on the Capture the Flag game inspired families to find a flag that was hidden in a state park or forest, with only a Facebook picture and clue to guide them. Successful families posted their pictures to Facebook to prove their "capture." While natural environs are an important part of many Pennsylvanians' lives, some citizens struggle to connect to the outdoors. The department works to increase enthusiasm for nature and outdoor recreation, provide life-long conservation learning, and generate stewardship activities with the commonwealth's park and forest lands, greenways, heritage areas and community recreation resources.

In April 2013, the department expanded the award-winning TreeVitalize community tree-planting and education program to communities across the state. The program, which previously had been a success in 14 major urban areas, has resulted in more than 392,000 new trees planted to make Pennsylvania's cities greener. Funded through Bureau of Forestry grants and municipal, private agency and company involvement, TreeVitalize depends on community support to increase tree canopies across the state and educate and engage citizens in the care and selection of these new trees as well as the tangible benefits of the program to local communities and economies.

Helping to guide the department's outdoor recreation initiatives is the Statewide Comprehensive Outdoor Recreation Plan (SCORP). This is a nationally recognized five-year outdoor recreation strategy intended to improve the health of citizens and the economic vitality of our communities. The 2014-19 plan, developed with the help of a technical advisory committee and input from thousands of Pennsylvania residents, is currently being finalized for publication. Among the department's accomplishments inspired by the 2009-14 SCORP plan are: establishing a statewide trails committee, standardizing a trail planning guideline and trail funding decision criteria; expanding the successful state parks Get Outdoors PA program into local communities; convening a statewide health summit; conducting economic studies of outdoor recreation impacts; inventorying and mapping local parks; and launching the ExplorePA Trails website. The department is anticipating that many other valuable programs and projects will result from the 2014-19 SCORP planning process, which will help guide the department's outdoor recreation priorities for the next five years.

Program: Parks and Forests Management (continued)

Program Element: Operate Effectively and Efficiently

The department receives funding from a number of sources to support program operations, including state general funds, federal funds, a variety of user fees, lease and concession charges and revenue distributions from state special funds. By its very nature a conservation-minded agency, the department's staff is continually looking for ways to avoid unnecessary expenses, save on operating costs, maximize revenue streams and streamline operations.

One other area that permits the department to take advantage of efficiencies, while providing valuable public services, is technology. The Official Pennsylvania State Park and Forest mobile app, provided in partnership with the Parks by Nature Network, is a mobile tour guide that disseminates state park content and serves as an informal educational guide to help users find more information, gain insight into state park activities, and keep apprised of upcoming events in real time. Since its release, the mobile app has been downloaded more than 105,000 times. In the summer of 2012, the department deployed a mobile website to make it easier for users of smartphones and tablet devices to connect with Pennsylvania's natural world while on-the-go. Since the launch, the mobile website has seen nearly 600,000 visitors. In addition, DCNR's online interactive map, which contains detailed geographic information and driving directions for Pennsylvania state parks and forests, geology, deer management, ADA accessibility, and other assets, is increasingly used by the public as new layers continue to be added. The DCNR interactive maps sees about 35,000 visits per month, with over 6,000 sets of driving directions being generated each month. The department also uses social media extensively, taking advantage of more than 65 accounts to connect with more than 200,000 friends, followers and subscribers to its work. Each of these technology initiatives allows the department to connect in real time with our fellow citizens and visitors, makes greater amounts of information more transparent and readily accessible, and helps minimize the amount of paper needed to communicate important information and opportunities. The department continues to add new features to these projects and explore other technology innovations.

Program Recommendation:

This budget recommends the following changes: (Dollar Amounts in Thousands)

	General Government Operations
$ –247	—reduction in administrative costs.
2,748	—to provide for a shift in current operating costs from the Oil and Gas Lease Fund.
$ 2,501	*Appropriation Increase*
	State Parks Operations
$ –48	—reduction in administrative costs.
11,568	—to provide for a shift in current operating costs from the Oil and Gas Lease Fund.
2,249	—Initiative – Washington Crossing Historic Park. To provide additional support for the historic park where General George Washington and a small army crossed the Delaware River in 1776 during the American Revolutionary War.
$ 13,769	*Appropriation Increase*
	State Forests Operations
$ –15	—reduction in administrative costs.
5,684	—to provide for a shift in current operating costs from the Oil and Gas Lease Fund.
$ 5,669	*Appropriation Increase*
	Heritage and Other Parks
$ –2,250	—funding elimination.

All other appropriations are recommended at the current year funding levels.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
GENERAL FUND:							
General Government Operations	$ 16,185	$ 5,809	$ 8,310	$ 8,601	$ 8,816	$ 9,036	$ 9,262
State Parks Operations	4,473	2,276	16,045	16,607	17,022	17,448	17,884
State Forests Operations	1,245	1,050	6,719	6,954	7,128	7,306	7,489
Heritage and Other Parks	2,250	2,250	0	0	0	0	0
Annual Fixed Charges - Flood Lands	52	65	65	65	65	65	65
Annual Fixed Charges - Project 70	29	40	40	40	40	40	40
Annual Fixed Charges - Forest Lands	2,526	2,612	2,612	2,612	2,612	2,612	2,612
Annual Fixed Charges - Park Lands	354	425	425	425	425	425	425
TOTAL GENERAL FUND	$ 27,114	$ 14,527	$ 34,216	$ 35,304	$ 36,108	$ 36,932	$ 37,777
MOTOR LICENSE FUND:							
Dirt and Gravel Roads	$ 1,000	$ 7,000	$ 7,000	$ 7,000	$ 7,000	$ 7,000	$ 7,000

Program Measures

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Program: Parks and Forests Management							
Objective: Infrastructure Investment: Ensure the infrastructure and major maintenance needs of state parks and forests remain a top priority.							
Pursue Excellence in the Management of State Parks and Forest Lands							
Miles of state forest roads maintained	5,892	5,998	6,008	6,018	6,028	6,038	6,048
Objective: Forest Management: Maintain high standards that ensure the long-term health and productivity of state forests and the conservation of wild plants, as well as opportunities for recreation and education.							
Pursue Excellence in the Management of State Parks and Forest Lands							
Acres surveyed for forest pests (in millions of acres)	16.40	16.40	16.40	16.40	16.40	16.40	16.40
Number of state forest land acres treated for certified timber	16,960	14,337	14,337	14,337	14,337	14,337	14,337
Promote Responsible Stewardship of the Commonwealth's Natural Resources							
Total carbon sequestered in state forest timber resources (million standard tons, annual accumulation)	4.38	4.53	4.68	4.84	5	5.18	5.36
Objective: State Park Excellence: Manage the natural, aesthetic, scenic and historical resources of state parks to continue to provide opportunities for recreation and to serve as outdoor classrooms for environmental education.							
Pursue Excellence in the Management of State Parks and Forest Lands							
State park attendance	38,000,000	38,050,000	38,100,000	38,150,000	38,200,000	38,250,000	38,300,000
State park campsite nights rented	320,125	323,000	326,000	329,000	333,000	335,000	337,000
State park cabin nights rented	59,830	60,000	60,200	60,400	60,600	60,800	61,000
Objective: Forest, Land and Water Conservation: Promote the conservation and responsible stewardship of high value lands, watersheds and wildlife habitats through programs, partnerships and education.							
Promote Responsible Stewardship of the Commonwealth's Natural Resources							
Land conservation through acquisition and easement (acres) - includes additions to parks, forests, and grants to communities	6,083	5,000	5,000	5,000	5,000	5,000	5,000
River conservation plan projects completed	11	24	26	26	26	26	26
Objective: Natural Resource Management: Encourage responsible management and use of the commonwealth's natural resources.							
Promote Responsible Stewardship of the Commonwealth's Natural Resources							
TreeVitalize – total trees planted (cumulative)	391,595	410,000	430,000	450,000	470,000	490,000	510,000
Forest stewardship plans completed	3,223	3,233	3,243	3,253	3,263	3,273	3,283

Program Measures

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Objective: Scientific and Technical Services: Provide statewide public services such as pest control, fire suppression, geological mapping, natural resource data and technical assistance.							
Promote Responsible Stewardship of the Commonwealth's Natural Resources							
Number of firefighters trained by DCNR	4,200	4,500	4,500	4,500	4,500	4,500	N/A
Objective: Recreation: Enhance and promote quality recreational opportunities and broader access to recreation for all Pennsylvanians.							
Improve Communities Through Access to Conservation and Recreational Resources							
Miles of new trails developed	83	75	75	75	75	75	75
Get Outdoors PA recreation programs conducted	2,524	2,850	2,860	2,870	2,880	2,890	2,900
Objective: Community Investment: Promote regional natural and recreational resources to enhance tourism and economic development.							
Improve Communities Through Access to Conservation and Recreational Resources							
Community Conservation Partnerships Program (C2P2) grants awarded	213	225	225	225	225	225	225
Total Community Conservation Partnerships Program funds awarded	$42,500,000	$35,000,000	$35,000,000	$35,000,000	$35,000,000	$35,000,000	$35,000,000
Objective: Conservation Education: Offer conservation education programs and messaging to promote community awareness, sustainability and citizen stewardship.							
Improve Communities Through Access to Conservation and Recreational Resources							
Environmental education and interpretive program attendance	445,932	390,500	391,000	391,500	392,000	392,500	393,000
Social media subscribers (cumulative)	213,000	275,000	340,000	400,000	480,000	525,000	575,000
Objective: Effective Programs: Ensure that all programs are being managed in the best interest of Pennsylvania's citizens.							
Operate More Effectively and Efficiently							
Number of funded C2P2 grants with "green" or energy efficient elements	82	70	70	70	70	70	70
Objective: Efficient Operations: Explore ways to ensure that all fiscal resources are being used responsibly and to the fullest extent possible.							
Operate More Effectively and Efficiently							
State parks and forests mobile app downloads	63,000	68,000	73,000	78,000	83,000	88,000	93,000
LEED registered park and forest buildings (under review and approved)	13	14	16	17	18	19	20
Pennsylvania Natural Diversity Inventory project screenings	46,442	48,000	49,000	50,000	51,000	52,000	53,000

DEPARTMENT OF CORRECTIONS

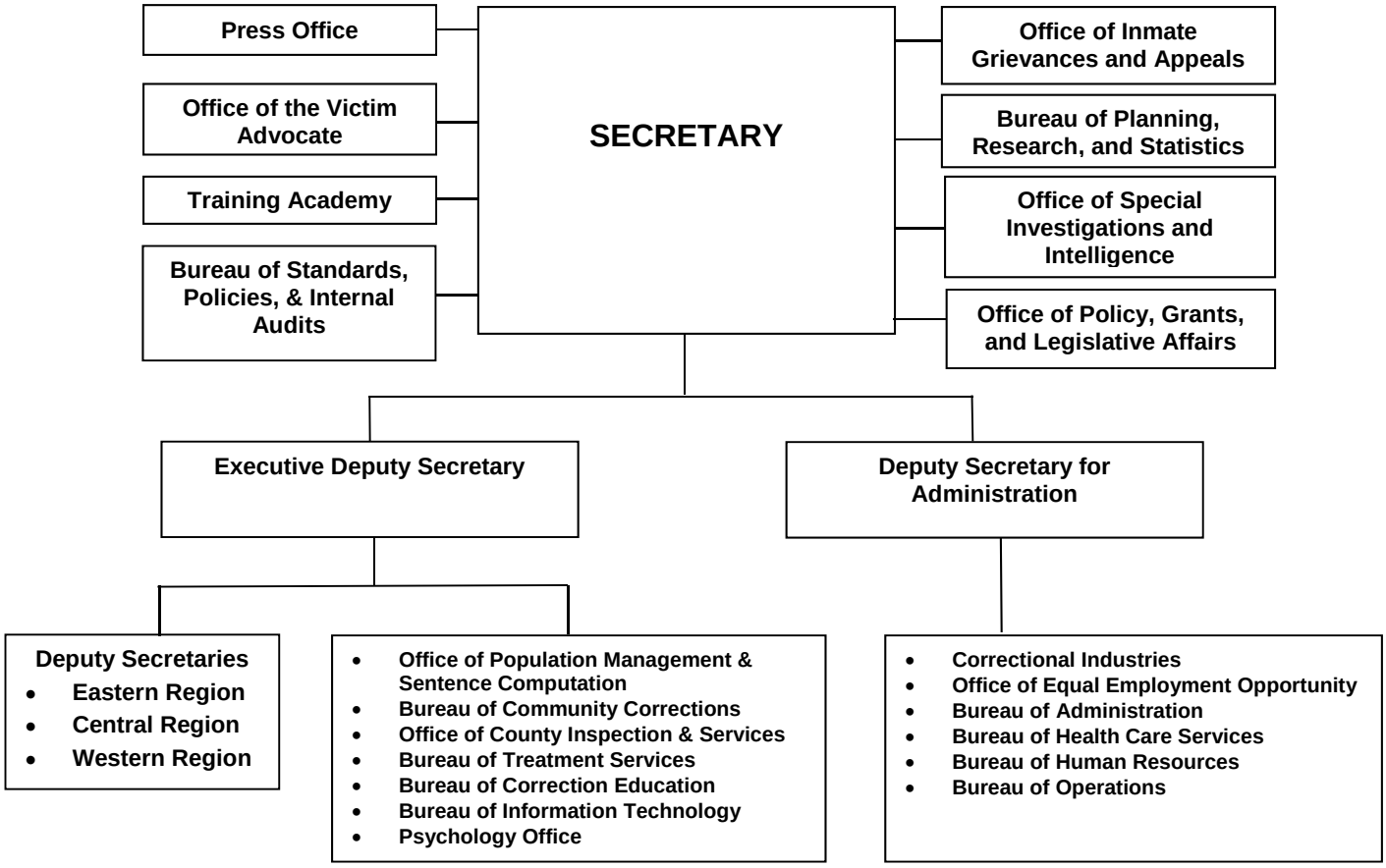
The mission of the Department of Corrections is to reduce criminal behavior by providing individualized treatment and education to offenders, resulting in successful community reintegration through accountability and positive change.

The department maintains a state system for the custody and rehabilitation of convicted criminals. Included within this system are residential programs to provide inmates with supervision, counseling and treatment, enabling them to satisfactorily adjust to society.

Programs and Goals

Institutionalization of Offenders: *To decrease the recurrence of crime by replacing criminal behavior with socially acceptable behavior.*

Organization Overview



- **Executive Deputy Secretary** is responsible for Population Management and Sentence Computation, Community Corrections, County Inspection and Services, Treatment Services, Correction Education, Information Technology, Psychology, and Regional Office Deputies.
- **Regional Office Deputy Secretaries** oversee the operations of correctional facilities located in their geographic region.
- **Deputy Secretary for Administration** is responsible for Correctional Industries, Equal Employment Opportunity, Administration, Health Care Services, Human Resources, and Operations.

Authorized Complement

2009-10 Actual	2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Actual
16,215	16,180	16,157	15,965	15,965

Summary by Fund and Appropriation

	2013-14 ACTUAL	2014-15 AVAILABLE	2015-16 BUDGET
	(Dollar Amounts in Thousands)		
GENERAL FUND:			
Institutional:			
General Government Operations	**$ 32,023**	**$ 33,253**	**$ 34,746**
(A)County Training	110	259	256
(A)Miscellaneous	4	21	24
Subtotal	$ 32,137	$ 33,533	$ 35,026
Medical Care	**235,055**	**229,150**	**260,981**
(A)AIDS SPBP Rebates	0	18,000	0
(A)Medical Co-payment	357	480	480
(A)Miscellaneous	1	2	2
Subtotal	$ 235,413	$ 247,632	$ 261,463
Inmate Education and Training	**38,834**	**39,962**	**41,804**
(F)Youth Offenders Education	100	0	0
(F)Correctional Education	725	725	727
(F)JAG - Culinary Program (EA)	74	40	0
Subtotal	$ 39,733	$ 40,727	$ 42,531
State Correctional Institutions	**1,691,721**	**1,813,192** a	**1,924,552**
(F)SABG - Drug and Alcohol Programs	1,985	1,965 b	1,965
(F)Reimbursement for Alien Inmates	1,350	1,350	1,600
(F)Changing Offender Behavior	1,050	500	166
(F)Volunteer Support	50	25	50
(F)RSAT - State Prisoners (EA)	970	570	750
(F)ARRA - Peer Support (EA)	247	0	0
(F)State Intermediate Punishment - HOPE Research (EA)	185	131	0
(A)Community Service Centers	456	739	739
(A)Institutional Reimbursements	340	382	382
(A)Social Security	218	264	264
Subtotal	$ 1,698,572	$ 1,819,118	$ 1,930,468
Transfer to Justice Reinvestment Fund (EA)	**43**	**991** c	**1,437**
Subtotal - State Funds	$ 1,997,676	$ 2,116,548	$ 2,263,520
Subtotal - Federal Funds	6,736	5,306	5,258
Subtotal - Augmentations	1,486	20,147	2,147
Total - Institutional	$ 2,005,898	$ 2,142,001	$ 2,270,925
STATE FUNDS	$ 1,997,676	$ 2,116,548	$ 2,263,520
FEDERAL FUNDS	6,736	5,306	5,258
AUGMENTATIONS	1,486	20,147	2,147
GENERAL FUND TOTAL	**$ 2,005,898**	**$ 2,142,001**	**$ 2,270,925**
OTHER FUNDS:			
MANUFACTURING FUND:			
General Operations (EA)	$ 76,041	$ 75,442	$ 79,057
JUSTICE REINVESTMENT FUND:			
Medium and Short Minimum Offender Diversion	$ 0	$ 0	$ 8
Coordinated Community Reentry	0	0	1
JUSTICE REINVESTMENT FUND TOTAL	**$ 0**	**$ 0**	**$ 9**

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	2013-14 ACTUAL	2014-15 AVAILABLE	2015-16 BUDGET
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND	$ 1,997,676	$ 2,116,548	$ 2,263,520
SPECIAL FUNDS	0	0	0
FEDERAL FUNDS	6,736	5,306	5,258
AUGMENTATIONS	1,486	20,147	2,147
OTHER FUNDS	76,041	75,442	79,066
TOTAL ALL FUNDS	**$ 2,081,939**	**$ 2,217,443**	**$ 2,349,991**

[a] Includes recommended supplemental appropriation of $56,000,000.

[b] Includes recommended supplemental appropriation of $115,000.

[c] Includes recommended supplemental executive authorization of $573,000.

Program Funding Summary

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
INSTITUTIONALIZATION OF OFFENDERS							
GENERAL FUND	$ 1,997,676	$ 2,116,548	$ 2,263,520	$ 2,363,442	$ 2,448,575	$ 2,510,395	$ 2,577,560
SPECIAL FUNDS	0	0	0	0	0	0	0
FEDERAL FUNDS	6,736	5,306	5,258	5,258	5,258	5,258	5,258
OTHER FUNDS	77,527	95,589	81,213	84,030	86,553	88,114	90,263
SUBCATEGORY TOTAL	$ 2,081,939	$ 2,217,443	$ 2,349,991	$ 2,452,730	$ 2,540,386	$ 2,603,767	$ 2,673,081
ALL PROGRAMS:							
GENERAL FUND	$ 1,997,676	$ 2,116,548	$ 2,263,520	$ 2,363,442	$ 2,448,575	$ 2,510,395	$ 2,577,560
SPECIAL FUNDS	0	0	0	0	0	0	0
FEDERAL FUNDS	6,736	5,306	5,258	5,258	5,258	5,258	5,258
OTHER FUNDS	77,527	95,589	81,213	84,030	86,553	88,114	90,263
DEPARTMENT TOTAL	$ 2,081,939	$ 2,217,443	$ 2,349,991	$ 2,452,730	$ 2,540,386	$ 2,603,767	$ 2,673,081

Program: Institutionalization of Offenders

Goal: To decrease the recurrence of crime by replacing criminal behavior with socially acceptable behavior.

The Department of Corrections currently protects the public by confining law offenders in state correctional institutions for the period of time specified by the courts and the Pennsylvania Board of Probation and Parole. The department is charged with maintaining safe and humane prisons while providing opportunities to the inmate population for growth and change. Given that 90 percent of offenders incarcerated in the commonwealth's state prisons will eventually be released into the community, the department emphasizes programs that prepare inmates for responsible, crime-free community living. These re-entry programs include drug and alcohol treatment, education, work skills and community corrections.

The department seeks to provide sufficient and secure permanent housing space for the inmate population. The goal is to operate the state correctional system at or below bed capacity, which represents the optimal number of inmates that each facility can safely house. The state-administered correctional system includes 25 correctional institutions, 57 state-operated or contracted community corrections centers and a motivational boot camp. There were 50,756 inmates in the state system at the end of December 2014.

Program Element: Institutional Operations

In addition to protecting the public by separating offenders from society, the department emphasizes the safety and security of its staff, volunteers, inmates and visitors to institutions. The department is fully accredited by the American Correctional Association. Security operations are improved through security assessments, training, structural improvements and use of technology such as biometrics and intrusion detection systems. The department's drug interdiction program has been recognized as a best practice by the American Correctional Association. The percentage of inmates randomly testing positive for drug and alcohol use while in prison is 0.25 percent, which is one of the lowest rates in the country for state correctional systems. All inmates undergo a diagnostic and classification process to determine the inmate's appropriate security classification, medical needs and programs needed for re-entry into society as well as other needs and requirements.

Two of the largest support services needed to operate the institutions are food service and facility maintenance. Staff and inmates perform most of these functions, giving inmates an opportunity to learn a trade, while constructively occupying their time. Another large support service is health care. A combination of staff and contractors provide health care services. Renal dialysis, geriatric services, infectious care treatment and other necessary services are offered. Approximately 25 percent of the inmate population requires mental health treatment. To address these needs, mental health services are provided, including special needs units in most institutions and licensed mental health units in six institutions.

Program Element: Inmate Programs and Re-entry

The department released slightly more than 22,000 offenders in 2014 with about 77 percent exiting to parole supervision. Legislative changes and a series of savings initiatives halted the rising incarceration rates in 2014, and the department expects to see continued population reductions in the upcoming years. The department provides programming which will enable inmates to leave prison better prepared to adjust to life in the community. A public safety reform package was enacted to enhance inmate participation in treatment programs to reduce recidivism and growth of the nonviolent inmate population. Research has shown that inmate participation in appropriately structured interventions can reduce recidivism. In order to increase public safety, changes have been implemented in parole procedures, particularly affecting inmates classified as violent. Secure parole violator centers are used for certain offenders. These centers provide the means to reduce the number of technical parole violators returned to prison yet maintain a secured environment for offenders assigned to the centers.

Preparation for re-entry begins when an offender enters the department's diagnostic and classification centers. The centers conduct a comprehensive assessment of the individual's risk or probability of re-offense and needs or factors related to criminality such as antisocial attitudes, poor problem solving and decision-making skills, substance abuse, and low levels of education and vocational achievement. This assessment data is used to develop a meaningful correctional plan. The correctional plan details the recommended treatment and education programs for each individual offender and sets expectations for behavior and work performance throughout incarceration.

Another treatment option is the intermediate punishment program. In this program, eligible inmates, including those with less serious offenses, participate in structured alcohol and other drug treatment programs while in prison, followed by treatment in the community. The results from program evaluations show a significant reduction in recidivism and drug relapse for offenders who have completed these programs.

Treatment services are designed to modify the inmate's social behavior to a more acceptable level for institutional management and reduce criminal behavior when

Program: Institutionalization of Offenders (continued)

released, thus providing a basis for better community protection. All facilities provide alcohol and other drug treatment programs. Approximately 12,400 inmates are recommended to receive alcohol and other drug treatment upon entry into the state prison system, and approximately 16,500 inmates received treatment services in 2014 in both state correctional institutions and community correction centers. Therapeutic communities provide more intensive alcohol and other drug programming, which is more effective in changing behavior. Approximately 2,100 inmates currently receive this intensive treatment. Other counseling services and programs are available. All facilities offer sex offender treatment, some with special sex offender units.

Educational programs offer inmates the opportunity to obtain high school diplomas or adult basic education skills. A Correctional Education Association study shows that attending educational courses in prison reduces the likelihood of recidivism by 23 percent. New inmates without a high school diploma or GED are required to attend classes. In 2013-14, approximately 8,000 inmates were enrolled in GED or adult basic education classes, and 1,048 inmates received diplomas.

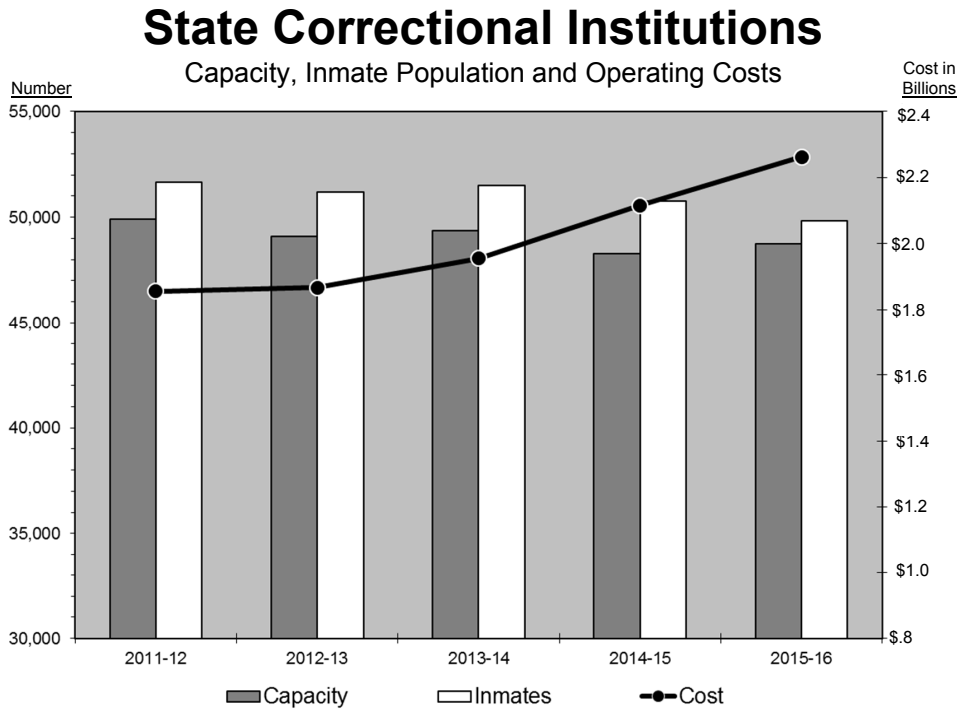
Vocational training is dedicated to the development of marketable job skills so inmates are more employable upon release. A variety of vocational programs are offered, including plumbing, auto mechanics, barbering, electronics and machinist training. The department works with the Department of Labor and Industry to match its vocational offerings to jobs available in the community. Approximately 96 percent of the vocational training programs offered in institutions provide inmates who complete the program and pass examinations with industry-recognized credentials.

Work is another component of inmate programming. The department is continuing its efforts to have inmates perform meaningful work. Employment in institutional jobs and correctional industries provide inmates with the opportunity to learn responsibility, good work habits and skills that can be used to find employment after release. Approximately 74 percent of inmates assessed as being able and eligible to work are working. Community work programs, in which low-risk inmates perform community service projects outside the institutions, are available at most institutions.

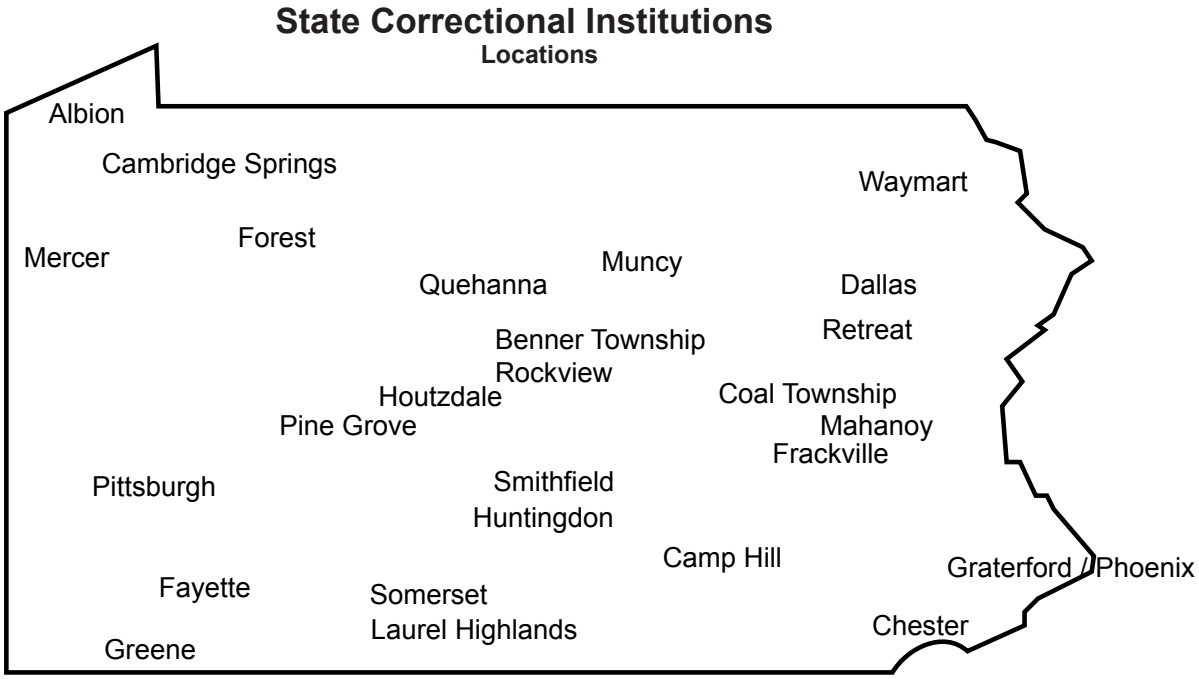
Program Element: Community Corrections

The last step in re-entry treatment is community corrections. Community corrections centers permit highly screened inmates, who meet established criteria, to live in halfway houses in the community. At these centers, inmates receive 24-hour supervision and can utilize counseling services while working or attending school. These centers provide programming reinforcement during the inmate's transition back to the community. The centers also offer alcohol and other drug treatment services, employment assistance, specialized counseling for hard–to-place offenders and other services. The Justice Reinvestment Initiative eliminated inmate pre-release into community corrections centers, although inmates placed into the State Intermediate Punishment (SIP) program can still be housed in these centers. Currently, most community corrections center space houses parolees, including those offenders classified as technical parole violators or part of the state's halfway back program as an alternative to a return to prison. In December 2014, there were approximately 3,400 offenders in the community corrections centers, with an additional 894 housed in county jails. Approximately 84 percent of these offenders are parolees with the remainder consisting of SIP inmates.

Program: Institutionalization of Offenders (continued)



The cost of operating the state correctional institution system has increased from $1.86 billion in 2011-12 to $2.26 billion in 2015-16. During this timeframe, the inmate population has declined from 51,638 to 49,828.



Program: Institutionalization of Offenders (continued)

Population and Capacity Institutions	Population Dec 2014	Estimated Population Dec 2015	Capacity Dec 2014	Estimated Capacity Dec 2015
Albion	2,272	2,230	2,152	2,152
Benner Township	2,106	2,067	1,900	1,900
Cambridge Springs	1,020	926	1,018	1,018
Camp Hill	3,485	3,421	3,272	3,272
Chester	1,275	1,252	1,178	1,178
Coal Township	2,333	2,290	2,153	2,153
Dallas	2,127	2,088	1,941	1,941
Fayette	2,054	2,016	1,826	1,826
Forest	2,283	2,241	1,961	1,961
Frackville	1,192	1,170	1,125	1,125
Graterford/Phoenix	3,422	3,779	3,361	3,818
Greene	1,758	1,726	1,478	1,478
Houtzdale	2,551	2,504	2,365	2,365
Huntingdon	2,091	1,953	1,804	1,804
Laurel Highlands	1,550	1,522	1,571	1,571
Mahanoy	2,487	2,402	2,304	2,304
Mercer	1,463	1,436	1,494	1,494
Muncy	1,447	1,316	1,410	1,410
Pine Grove	1,112	1,092	1,163	1,163
Pittsburgh	1,909	1,874	1,803	1,803
Quehanna Boot Camp	469	460	565	565
Retreat	1,105	1,085	1,104	1,104
Rockview	2,183	2,143	2,283	2,283
Smithfield	1,374	1,249	1,125	1,125
Somerset	2,392	2,348	2,203	2,203
Waymart	1,421	1,395	1,522	1,522
Community Centers	1,867	1,832	2,199	2,181
Other Jurisdictions	8	8	8	8
Total	50,756	49,825	48,288	48,727

Other jurisdictions capacity includes 8 federal beds.

Program: Institutionalization of Offenders (continued)

Expenditures by Institution: (Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget
Albion			
State Funds	$ 66,727	$ 71,055	$ 78,368
Federal Funds	0	0	0
Augmentations	27	670	31
TOTAL	$ 66,754	$ 71,725	$ 78,399
Benner Township			
State Funds	$ 63,961	$ 66,453	$ 70,322
Federal Funds	0	0	0
Augmentations	27	899	41
TOTAL	$ 63,988	$ 67,352	$ 70,363
Cambridge Springs			
State Funds	$ 36,675	$ 40,678	$ 43,746
Federal Funds	80	91	91
Augmentations	34	851	39
TOTAL	$ 36,789	$ 41,620	$ 43,876
Camp Hill			
State Funds	$ 115,146	$ 125,714	$ 133,275
Federal Funds	20	15	15
Augmentations	56	1,158	53
TOTAL	$ 115,222	$ 126,887	$ 133,343
Chester			
State Funds	$ 50,154	$ 50,266	$ 54,792
Federal Funds	0	0	0
Augmentations	10	706	32
TOTAL	$ 50,164	$ 50,972	$ 54,824
Coal Township			
State Funds	$ 63,982	$ 68,692	$ 74,044
Federal Funds	145	124	129
Augmentations	50	956	44
TOTAL	$ 64,177	$ 69,772	$ 74,217
Dallas			
State Funds	$ 77,898	$ 82,884	$ 87,895
Federal Funds	10	6	6
Augmentations	25	828	38
TOTAL	$ 77,933	$ 83,718	$ 87,939
Fayette			
State Funds	$ 79,284	$ 85,844	$ 91,649
Federal Funds	0	0	0
Augmentations	24	629	29
TOTAL	$ 79,308	$ 86,473	$ 91,678
Forest			
State Funds	$ 70,776	$ 77,822	$ 87,860
Federal Funds	30	12	12
Augmentations	20	505	23
TOTAL	$ 70,826	$ 78,339	$ 87,895
Frackville			
State Funds	$ 47,142	$ 49,440	$ 52,541
Federal Funds	0	0	0
Augmentations	14	378	17
TOTAL	$ 47,156	$ 49,818	$ 52,558

	2013-14 Actual	2014-15 Available	2015-16 Budget
Graterford/Phoenix			
State Funds	$ 136,556	$ 138,201	$ 154,464
Federal Funds	56	0	0
Augmentations	42	1,489	68
TOTAL	$ 136,654	$ 139,690	$ 154,532
Greene			
State Funds	$ 80,858	$ 86,994	$ 92,469
Federal Funds	1	0	0
Augmentations	16	494	23
TOTAL	$ 80,875	$ 87,488	$ 92,492
Houtzdale			
State Funds	$ 68,560	$ 75,335	$ 79,828
Federal Funds	97	106	106
Augmentations	30	808	37
TOTAL	$ 68,687	$ 76,249	$ 79,971
Huntingdon			
State Funds	$ 73,195	$ 77,233	$ 83,379
Federal Funds	1	0	0
Augmentations	28	744	34
TOTAL	$ 73,224	$ 77,977	$ 83,413
Laurel Highlands			
State Funds	$ 76,534	$ 78,342	$ 81,765
Federal Funds	1	0	0
Augmentations	27	719	33
TOTAL	$ 76,562	$ 79,061	$ 81,798
Mahanoy			
State Funds	$ 69,451	$ 73,696	$ 78,977
Federal Funds	1	0	0
Augmentations	39	881	40
TOTAL	$ 69,491	$ 74,577	$ 79,017
Mercer			
State Funds	$ 49,804	$ 52,642	$ 57,315
Federal Funds	1	0	0
Augmentations	39	746	34
TOTAL	$ 49,844	$ 53,388	$ 57,349
Muncy			
State Funds	$ 62,979	$ 72,419	$ 78,399
Federal Funds	20	50	19
Augmentations	25	735	34
TOTAL	$ 63,024	$ 73,204	$ 78,452
Pine Grove			
State Funds	$ 50,788	$ 55,949	$ 60,970
Federal Funds	75	15	15
Augmentations	10	282	13
TOTAL	$ 50,873	$ 56,246	$ 60,998
Pittsburgh			
State Funds	$ 71,017	$ 81,664	$ 87,538
Federal Funds	0	0	0
Augmentations	26	747	34
TOTAL	$ 71,043	$ 82,411	$ 87,572

Program: Institutionalization of Offenders (continued)

Expenditures by Institution: (Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget
Quehanna Boot Camp			
State Funds	$ 21,830	$ 24,158	$ 25,822
Federal Funds	23	10	61
Augmentations	8	282	13
TOTAL	$ 21,861	$ 24,450	$ 25,896
Retreat			
State Funds	$ 45,596	$ 46,671	$ 51,316
Federal Funds	5	6	6
Augmentations	13	352	16
TOTAL	$ 45,614	$ 47,029	$ 51,338
Rockview			
State Funds	$ 83,797	$ 88,759	$ 96,561
Federal Funds	56	108	113
Augmentations	39	1,245	57
TOTAL	$ 83,892	$ 90,112	$ 96,731
Smithfield			
State Funds	$ 56,545	$ 59,972	$ 64,674
Federal Funds	1	0	0
Augmentations	14	364	17
TOTAL	$ 56,560	$ 60,336	$ 64,691
Somerset			
State Funds	$ 66,578	$ 72,479	$ 76,623
Federal Funds	9	12	12
Augmentations	32	861	39
TOTAL	$ 66,619	$ 73,352	$ 76,674

	2013-14 Actual	2014-15 Available	2015-16 Budget
Waymart			
State Funds	$ 76,163	$ 82,408	$ 88,927
Federal Funds	41	90	90
Augmentations	21	536	25
TOTAL	$ 76,225	$ 83,034	$ 89,042
Community Centers			
State Funds	$ 114,001	$ 112,843	$ 103,727
Federal Funds	70	0	0
Augmentations	453	739	739
TOTAL	$ 114,524	$ 113,582	$ 104,466
Training Academy			
State Funds	$ 7,848	$ 7,530	$ 7,927
Federal Funds	74	40	0
Augmentations	110	276	276
TOTAL	$ 8,032	$ 7,846	$ 8,203
Central Office			
State Funds	$ 94,018	$ 91,792 [a]	$ 94,400 [a]
Federal Funds	5,019	4,051	3,833
Augmentations	227	267	268
TOTAL	$ 99,264	$ 96,110	$ 98,501
Other jurisdictions			
State Funds	$ 19,770	$ 17,622	$ 22,510
Federal Funds	900	570	750
Augmentations	0	0	0
TOTAL	$ 20,670	$ 18,192	$ 23,260

[a] Expenditures include annual maintenance costs for closed institutions.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

General Government Operations

$ 1,493	—to continue current program.

Medical Care

$ 9,447	—to continue current program.
3,634	—Initiative - to provide enhanced treatment for inmates with serious mental illness.
750	—Initiative - for the transition of inmates from SCI Graterford to SCI Phoenix.
18,000	—nonrecurring pharmaceutical rebates provided through the Special Pharmaceutical Benefits Program to mitigate the costs of AIDS medication for inmates.
$ 31,831	*Appropriation Increase*

Inmate Education and Training

$ 1,842	—to continue current program.

State Correctional Institutions

$ 104,353	—to continue current program.
6,467	—Initiative - to provide enhanced treatment for inmates with serious mental illness.
540	—Initiative - for the transition of inmates from SCI Graterford to SCI Phoenix.
$ 111,360	*Appropriation Increase*

Transfer to Justice Reinvestment Fund

$ 446	—to distribute prior year savings from the Justice Reinvestment Initiative.

Program: Institutionalization of Offenders (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
GENERAL FUND:							
General Government Operations	$ 32,023	$ 33,253	$ 34,746	$ 35,962	$ 36,861	$ 37,783	$ 38,728
Medical Care	235,055	229,150	260,981	271,420	282,277	293,568	305,311
Inmate Education and Training	38,834	39,962	41,804	43,267	44,349	45,458	46,595
State Correctional Institutions	1,691,721	1,813,192	1,924,552	2,011,157	2,081,547	2,133,586	2,186,926
Transfer to Justice Reinvestment Fund (EA)	43	991	1,437	1,636	3,541	0	0
GENERAL FUND TOTAL	$ 1,997,676	$ 2,116,548	$ 2,263,520	$ 2,363,442	$ 2,448,575	$ 2,510,395	$ 2,577,560

Program Measures

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Program: Institutionalization of Offenders							
Objective: Operate all state prisons securely, safely and humanely by creatively and efficiently managing inmate populations and facilities and controlling inmate population growth.							
Total inmate population	51,118	50,224	49,432	48,640	47,848	47,056	46,264
Prison operational bed capacity	48,170	48,288	48,727	48,727	48,727	48,727	48,727
Percentage of capacity utilized	106%	104%	101%	100%	98%	97%	95%
Inmates in state intermediate punishment program	795	875	900	950	950	950	950
Percentage of inmates testing positive for drug and alcohol use while in prison (random test)	0.26%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%
Cost per inmate per year (state funds)	$39,079	$42,481	$45,762	$48,557	$51,100	$53,349	$55,714
Cost per inmate per year for health care (state funds)	$4,598	$4,921	$5,280	$5,580	$5,899	$6,239	$6,599
Ratio of inmates to custody staff	5.50	5.50	5.50	5.40	5.40	5.40	5.40
Objective: Prepare inmates for successful reentry into the community.							
Inmates employed or in educational programs	33,738	33,150	32,630	31,800	31,580	31,070	30,540
Hours worked in community works projects	458,296	462,900	467,500	472,200	476,900	481,700	486,500
Inmates enrolled in academic educational programs	8,634	7,900	7,800	7,700	7,600	7,400	7,500
Inmates enrolled in vocational programs	2,416	2,980	2,930	2,890	2,840	2,800	2,775
Inmates needing adult basic education or GED upon reception	20,447	20,090	19,775	19,450	19,150	18,830	18,505
Inmates receiving high school diplomas/GED's	1,048	1,050	1,040	1,020	1,000	1,000	1,000
Monies collected from inmates to pay for victim restitution and other fines, fees, costs, penalties, and reparations	$4,219,000	$4,519,000	$4,920,000	$4,920,000	$4,870,000	$4,820,000	$4,790,000
Objective: Improve assessment and treatment of inmates by evaluating inmates appropriately and by giving them proven treatment in a timely manner, thus reducing recidivism.							
Inmates assessed as having an alcohol or other drug problem	33,227	32,650	32,130	31,620	31,110	30,600	30,070
Inmates currently in alcohol or other drug treatment programs	3,440	3,500	3,500	3,500	3,500	3,500	3,500
Inmates who have completed alcohol or other drug treatment programs	9,420	9,650	9,650	9,650	9,650	9,650	9,650

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BOARD OF PROBATION AND PAROLE

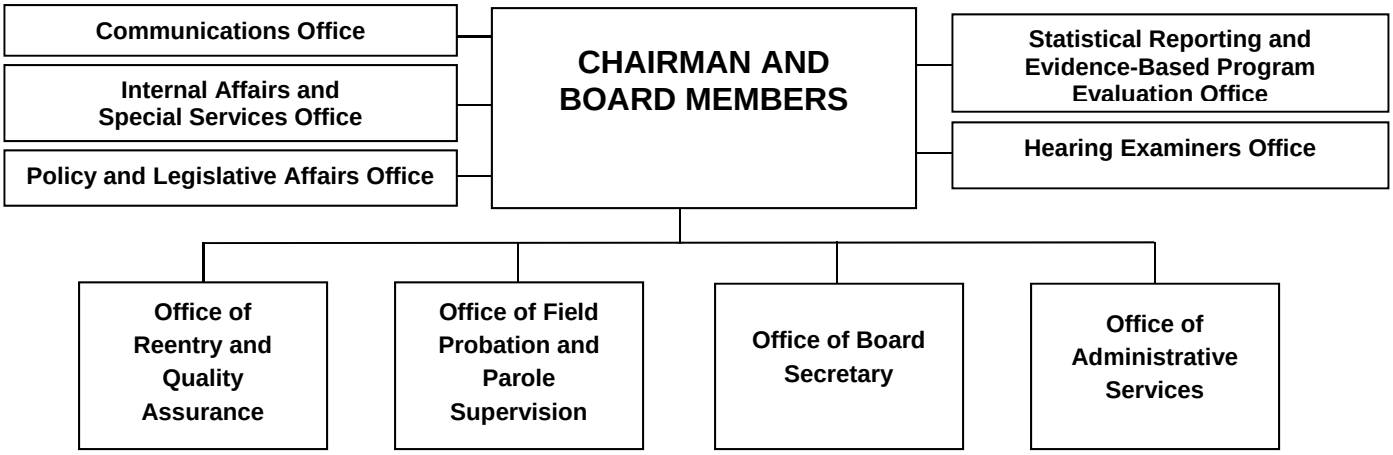
The Pennsylvania Board of Probation and Parole is committed to promoting public safety, utilizing sound decision making practices that include evidence-based approaches, employing effective methods to aid offenders in reentering society and to reduce recidivism, addressing the needs of crime victims, and improving county adult probation and parole services.

The board rehabilitates and supervises persons on probation or parole, helping them to reintegrate within society. The board provides for the reintegration of persons who have served their minimum sentence in a correctional institution as well as identifies those who cannot adjust to the community. State probation services and investigations are also provided upon request from the courts. The Office of the Victim Advocate within the board administers the victim service programs of both the board and the Department of Corrections. The Sexual Offenders Assessment Board is responsible for the review of registration of sexual offenders and conducting assessments of convicted sex offenders.

Programs and Goals

Reintegration of the Adult Offender: *To decrease the recurrence of crime by replacing criminal behavior with socially acceptable behavior.*

Organization Overview



- **Office of Reentry and Quality Assurance** oversees the efforts of the Bureau of Offender Reentry as it enhances its focus on the process of integrating offenders into the community. In addition, the functions of the new Bureau of Standards and Audits and the existing Bureau of Probation Services and the Institutional Parole Managers are also supervised from within this office.

- **Office of Field Probation and Parole Supervision** is responsible for the three regional field operations -- Eastern, Central and Western. Field staff supervises the agency's total offender population. The Bureau of Central Services is also supervised from within this office.

- **Office of Board Secretary** oversees four divisions: Hearing Examiners Division, Case Management, Case Analysis and Case Implementation and Resolution. The Secretary acts as the Board's liaison with the Department of Corrections, the Board of Pardons, and the Pennsylvania Commission on Crime and Delinquency. This office oversees the processing and dissemination of the board's decisions to offenders, answers inquiries from the public and family members on the offender's status. This office also controls cases assigned to the Federal Witness Protection Program as well as administrative responsibilities for inmates under the Interstate Corrections Compact.

- **Office of Administrative Services** ensures the safe and efficient operation of the board, is responsible for human resources, budgeting, safety, equal employment opportunity, training, office services, communications equipment, vehicles, and a variety of other functions.

Authorized Complement

2009-10 Actual	2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Actual
1,173	1,173	1,228	1,244	1,264

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2013-14 ACTUAL	2014-15 AVAILABLE	2015-16 BUDGET
GENERAL FUND:			
General Government:			
General Government Operations	**$ 119,874**	**$ 134,647**	**$ 148,019**
(F)Violence Prediction Model	86	86	0
(F)ARRA - Recidivism Reduction (EA)	63	0	0
(F)Sex Offender Agent Overtime (EA)	0	60	0
(F)Effective Practices in Community Supervision (EA)	0	204	0
(A)State Parole Supervision Fees	3,945	3,900	4,000
(A)Interstate Supervision Fees	100	90	90
Subtotal	$ 124,068	$ 138,987	$ 152,109
Sexual Offenders Assessment Board	**5,374**	**5,459**	**5,846**
Subtotal	$ 5,374	$ 5,459	$ 5,846
Subtotal - State Funds	$ 125,248	$ 140,106	$ 153,865
Subtotal - Federal Funds	149	350	0
Subtotal - Augmentations	4,045	3,990	4,090
Total - General Government	$ 129,442	$ 144,446	$ 157,955
Grants and Subsidies:			
Improvement of Adult Probation Services	**$ 16,222**	**$ 16,222**	**$ 18,591**
(R)County Parole Supervision Fees	17,505	17,894	17,856
Subtotal	$ 33,727	$ 34,116	$ 36,447
Subtotal - State Funds	$ 16,222	$ 16,222	$ 18,591
Subtotal - Restricted Revenues	17,505	17,894	17,856
Total - Grants and Subsidies	$ 33,727	$ 34,116	$ 36,447
STATE FUNDS	$ 141,470	$ 156,328	$ 172,456
FEDERAL FUNDS	149	350	0
AUGMENTATIONS	4,045	3,990	4,090
RESTRICTED REVENUES	17,505	17,894	17,856
GENERAL FUND TOTAL	**$ 163,169**	**$ 178,562**	**$ 194,402**
OTHER FUNDS:			
GENERAL FUND:			
Firearms Education and Training Commission	$ 509	$ 564	$ 566
Seized/Forfeited Property - Federal	100	76	0
GENERAL FUND TOTAL	**$ 609**	**$ 640**	**$ 566**
JUSTICE REINVESTMENT FUND:			
Streamline State Parole Process	$ 0	$ 0	$ 2
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND	$ 141,470	$ 156,328	$ 172,456
SPECIAL FUNDS	0	0	0
FEDERAL FUNDS	149	350	0
AUGMENTATIONS	4,045	3,990	4,090
RESTRICTED	17,505	17,894	17,856
OTHER FUNDS	609	640	568
TOTAL ALL FUNDS	**$ 163,778**	**$ 179,202**	**$ 194,970**

Program Funding Summary

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
REINTEGRATION OF THE ADULT OFFENDER							
GENERAL FUND	$ 141,470	$ 156,328	$ 172,456	$ 181,914	$ 190,289	$ 199,068	$ 208,271
SPECIAL FUNDS	0	0	0	0	0	0	0
FEDERAL FUNDS	149	350	0	0	0	0	0
OTHER FUNDS	22,159	22,524	22,514	22,526	22,740	22,612	22,712
SUBCATEGORY TOTAL	$ 163,778	$ 179,202	$ 194,970	$ 204,440	$ 213,029	$ 221,680	$ 230,983
ALL PROGRAMS:							
GENERAL FUND	$ 141,470	$ 156,328	$ 172,456	$ 181,914	$ 190,289	$ 199,068	$ 208,271
SPECIAL FUNDS	0	0	0	0	0	0	0
FEDERAL FUNDS	149	350	0	0	0	0	0
OTHER FUNDS	22,159	22,524	22,514	22,526	22,740	22,612	22,712
DEPARTMENT TOTAL	$ 163,778	$ 179,202	$ 194,970	$ 204,440	$ 213,029	$ 221,680	$ 230,983

Program: Reintegration of the Adult Offender

Goal: To decrease the recurrence of crime by replacing criminal behavior with socially acceptable behavior.

The Pennsylvania Board of Probation and Parole's primary goal is to protect the safety of the public through effective parole decisions and proper supervision of offenders returning to their communities. Successful reentry of offenders can reduce the likelihood they will victimize anyone else and return to prison.

The board is responsible for making parole decisions and supervising adult parolees with a maximum sentence of two years or more; revoking the parole of technical parole violators who continue to violate parole conditions; revoking the parole of violators convicted of new crimes; and discharging parolees who have fulfilled their sentences in compliance with the conditions of parole. The parole population includes offenders from the state correctional system, special county probation, and parole cases and offenders transferring from other states into Pennsylvania. Offenders with maximum sentences under two years are supervised at the county level unless the county court certifies the case to the state for special probation supervision. Offenders sentenced to a term of two years or more, but less than five years, may be confined in county jail if the chief administrator certifies the jail has sufficient capacity. The judge retains paroling authority.

Program Element: Parole Decisions

Offenders must serve their minimum sentence before they become eligible for parole. To prepare offenders for reentry while incarcerated, the board and Department of Corrections jointly develop a correctional plan to address drug and alcohol treatment needs, educational opportunities, vocational training, counseling services and employment opportunities within the institution. During a parole hearing, board members consider the offender's behavior and program performance while in prison, review the offender's risk and needs assessment, and consider other factors required by law to determine if the offender's reentry into the community is not likely to compromise public safety. The board offers victims the opportunity to provide testimony in person to board members as part of the decisional process.

Program Element: Reentry Preparation

To fulfill the mission of community safety, the Bureau of Offender Reentry focuses on preparing inmates for parole release and providing continued support during the critical initial period of readjustment following an inmate's return to the community. The board's institutional parole staff works with offenders while they are incarcerated to identify employment, housing and other issues that create obstacles or challenges to successful reentry. Inmates are given assistance with the basics of job search preparation. Upon release, an offender's needs are reassessed every six months or more frequently, if necessary. The board facilitates cognitive behavioral programs in areas such as life skills, drug and alcohol relapse prevention, and anger management. Drug and alcohol treatment, sex offender treatment and other specialized treatment or programming needs are available through referrals to individual county programs, or while under supervision at a Department of Corrections community corrections center.

Program Element: Supervision and Case Management

The reentry of an offender into the community requires effective parole supervision, which includes a balance of monitoring and enforcement of parole conditions coupled with effective case management. As part of the board's responsibility to public safety, parole agents use problem-solving case management and other evidence-based strategies to reduce the offender's risk to re-offend. Parole staff also helps the offender with challenges regarding their job, residence, continuity of care or other issues. Also key to public safety and a reduction of crime is the management of technical parole violators through alternative, community-based interventions and specialized support programs to safely and effectively allow for continued supervision in the community. These secure centers immediately address issues causing the offender to struggle with their adjustment to life outside of prison with the goal of reducing the number of technical parole violators returned to prison. The board has implemented a violent offender management protocol, including a curfew and violence prevention aftercare program. Anger management and life skills programming are also provided. The board has developed and initiated these actions to aid in reducing offender recidivism.

Program Element: County Probation

In addition to operating the state parole system, the board administers a grant program to support county adult probation personnel and services. Counties are reimbursed up to 80 percent of the personnel costs for pre-sentence investigations and for improved probation supervision and programs.

Program Element: Other Probation and Parole Programs

The Office of Victim Advocate, an independent entity within the board, represents the interests of crime victims before the board or the Department of Corrections.

The Sexual Offenders Assessment Board is responsible for conducting court-ordered assessments of convicted sexual offenders. The assessments are provided to district

Program: Reintegration of the Adult Offender (continued)

attorneys and assist in determining those offenders who may be found by the court to be sexually violent predators. All sex offenders are now classified into three classes, or tiers, based on the severity of the sex crimes for which they have been convicted. The Adam Walsh Act also added additional sex offenses that require registration, increasing the number of individuals whose assessments will ultimately be under the purview of the Sexual Offenders Assessment Board.

The board's role relating to sex offenders includes updating and verifying the registry information for any offenders under board supervision.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

General Government Operations

$ 11,098	—to continue current program.
1,162	—Initiative - To provide resources to supervise increased parolee population.
912	—Initiative - Specialized mental health agent training and supervision enhancement.
200	—Initiative - Sex offender recidivism reduction through increased Global Positioning System monitoring.
$ 13,372	*Appropriation Increase*

Sexual Offenders Assessment Board

$ 387	—to continue current program.

Improvement of Adult Probation Services

$ 2,369	—for grants to counties to support county adult probation personnel costs.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
GENERAL FUND:							
General Government Operations	$ 119,874	$ 134,647	$ 148,019	$ 156,900	$ 164,745	$ 172,982	$ 181,632
Sexual Offenders Assessment Board	5,374	5,459	5,846	6,051	6,202	6,357	6,516
Improvement of Adult Probation Services	16,222	16,222	18,591	18,963	19,342	19,729	20,123
TOTAL GENERAL FUND	$ 141,470	$ 156,328	$ 172,456	$ 181,914	$ 190,289	$ 199,068	$ 208,271

Program Measures

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Program: Reintegration of the Adult Offender							
Objective: Increase the number of offenders identified as appropriate for parole based on reduced risk of committing another crime.							
Board Parole Process							
Average monthly number of offenders eligible for parole interviews	2,675	2,630	2,620	2,660	2,690	2,720	2,760
Average monthly number of offenders interviewed	1,754	1,750	1,760	1,790	1,820	1,860	1,890
Average monthly percentage of available offenders on the docket who were interviewed	79%	80%	81%	81%	82%	82%	83%
Average monthly number of offenders granted parole or reparole	1,057	1,030	1,040	1,060	1,080	1,100	1,120
Average monthly number of offenders released to parole from state correctional institutions	1,054	1,140	1,140	1,160	1,180	1,210	1,230
State Supervision Process							
State parolees and probationers supervised at fiscal year end	39,726	41,475	42,325	42,920	43,360	43,650	43,870
Annual state sentence releases to parole supervision	13,638	13,820	13,880	14,140	14,400	14,670	14,940
Objective: Increase the percentage of parolees able to work who are employed.							
State Supervision Process							
Employment rate (percentage) of offenders who are able to work	55%	55%	55%	55%	56%	56%	57%
Objective: Increase the percentage of parolees who successfully complete parole.							
State Supervision Process							
Successful completions of parole as a percentage of monthly cases closed (revocations or successful completions)	50%	51%	50%	50%	51%	53%	54%
State Supervision Fee Collection							
Total state supervision fee dollars collected annually	$3,774,134	$3,806,000	$3,806,000	$3,806,000	$3,806,000	$3,806,000	$3,806,000
Objective: Decrease the number of offenders who stop reporting to their parole agent.							
State Supervision Process							
Average monthly percentage of supervised offenders in absconder status	3.40%	3.80%	4%	4.10%	4.20%	4.30%	4.30%

Program Measures

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Objective: Decrease the number of technical parole violators (parolees who break their conditions of parole) recommitted to prison.							
State Supervision Process							
Average monthly number of state-sentenced technical parole violators returned to prison	277	300	320	320	330	330	340
Average monthly percentage of state-sentenced technical parole violators returned to prison	1%	1%	1%	1%	1%	1%	1%
Objective: Maintain the current low number of convicted parole violators (parolees who commit a new crime while on parole) recommitted to prison.							
State Supervision Process							
Average monthly number of state-sentenced convicted parole violators returned to prison	201	220	230	240	250	250	250
Average monthly percentage of state-sentenced population returned to prison as convicted parole violators	0.69%	0.71%	0.70%	0.73%	0.72%	0.71%	0.70%
Objective: Decrease the percentage of individuals who return to prison within one year of release from prison.							
State Supervision Process							
One-year recidivism rate	18.50%	18.90%	20.50%	20.50%	20.50%	20.50%	20.50%
Objective: Increase the services to registered crime victims through the Office of Victim Advocate.							
Total number of registrations and notifications to registered crime victims	29,328	34,330	39,330	44,330	49,330	54,330	59,330
Objective: Maintain the 100 percent completion rate for sexual offender assessments ordered by the adult and juvenile courts and the assessments requested by the Pennsylvania Board of Probation and Parole.							
Total number of sex offender assessments completed	2,235	2,550	2,710	2,800	2,880	2,960	3,050
Objective: Track and report on county probation activity.							
Probationers and parolees supervised by county probation departments	233,345	238,010	242,770	247,630	252,580	257,630	262,780

DEPARTMENT OF DRUG AND ALCOHOL PROGRAMS

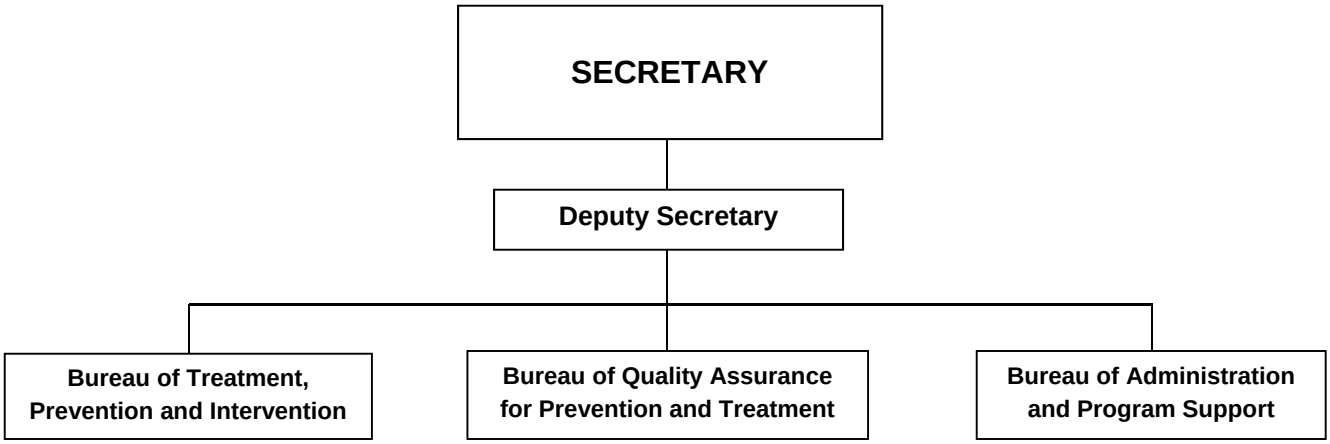
The mission of the Department of Drug and Alcohol Programs is to engage, coordinate and lead the commonwealth's effort to prevent and reduce drug, alcohol and gambling addiction and abuse; and to promote recovery, thereby reducing the human and economic impact of the disease.

The department develops and implements programs to reduce substance abuse and dependency through quality prevention, intervention, rehabilitation and treatment programs. These programs are designed to educate all population segments on the effects and dangers drug and alcohol abuse and dependency pose to public health and to mitigate the economic impact of substance abuse for the citizens of Pennsylvania.

Programs and Goals

Drug and Alcohol Abuse Prevention and Treatment: *To provide education, intervention and treatment programs to reduce drug, alcohol and gambling addiction, abuse and dependence.*

Organization Overview



- **Director of the Bureau of Treatment, Prevention and Intervention** provides county authorities, providers and communities throughout the commonwealth with the tools they need to effectively prevent and treat drug and alcohol problems, as well as problem gambling.

- **Director of the Bureau of Quality Assurance for Prevention and Treatment** ensures that drug and alcohol programs throughout the commonwealth meet or exceed high quality standards and licensure requirements.

- **Director of the Bureau of Administration and Program Support** supports the department programs, including fiscal management, training, data collection and analysis, information technology, administrative and clerical services.

Authorized Complement

2009-10 Actual*	2010-11 Actual*	2011-12 Actual*	2012-13 Actual	2013-14 Actual
-	-	-	77	77

*Complement was authorized in the Department of Health.

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2013-14 ACTUAL	2014-15 AVAILABLE	2015-16 BUDGET
GENERAL FUND:			
General Government:			
General Government Operations	**$ 470**	**$ 628**	**$ 1,119**
(F)SABG - Administration and Operation	7,455	7,640	7,858
(F)Substance Abuse Special Projects - Admin & Operation	759	2,480	2,319
Subtotal	$ 8,684	$ 10,748	$ 11,296
Subtotal - State Funds	$ 470	$ 628	$ 1,119
Subtotal - Federal Funds	8,214	10,120	10,177
Total - General Government	$ 8,684	$ 10,748	$ 11,296
Grants and Subsidies:			
Assistance to Drug and Alcohol Programs	**$ 41,232**	**$ 41,232**	**$ 46,232**
(F)SABG - Drug and Alcohol Services	53,596	53,197	55,858
(F)Substance Abuse Special Projects Grants	1,562	11,237	12,034
(F)Access to Recovery	5,624	2,959	0
(A)Community Restitution Payments	1	4	3
(A)State Stores Fund Transfer (EA)	2,567	2,474	2,500
Subtotal	$ 104,582	$ 111,103	$ 116,627
Subtotal - State Funds	$ 41,232	$ 41,232	$ 46,232
Subtotal - Federal Funds	60,782	67,393	67,892
Subtotal - Augmentations	2,568	2,478	2,503
Total - Grants and Subsidies	$ 104,582	$ 111,103	$ 116,627
STATE FUNDS	$ 41,702	$ 41,860	$ 47,351
FEDERAL FUNDS	68,996	77,513	78,069
AUGMENTATIONS	2,568	2,478	2,503
GENERAL FUND TOTAL	**$ 113,266**	**$ 121,851**	**$ 127,923**
OTHER FUNDS:			
COMPULSIVE AND PROBLEM GAMBLING TREATMENT FUND:			
Drug and Alcohol Treatment Services (EA)	$ 3,000	$ 3,000	$ 3,000
Compulsive and Problem Gambling Treatment (EA)	5,800	6,800	5,800
COMPULSIVE AND PROBLEM GAMBLING TREATMENT FUND TOTAL	**$ 8,800**	**$ 9,800**	**$ 8,800**
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND	$ 41,702	$ 41,860	$ 47,351
SPECIAL FUNDS	0	0	0
FEDERAL FUNDS	68,996	77,513	78,069
AUGMENTATIONS	2,568	2,478	2,503
OTHER FUNDS	8,800	9,800	8,800
TOTAL ALL FUNDS	**$ 122,066**	**$ 131,651**	**$ 136,723**

Program Funding Summary

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
DRUG AND ALCOHOL ABUSE PREVENTION AND TREATMENT							
GENERAL FUND	$ 41,702	$ 41,860	$ 47,351	$ 47,390	$ 47,419	$ 47,449	$ 47,479
SPECIAL FUNDS	0	0	0	0	0	0	0
FEDERAL FUNDS	68,996	77,513	78,069	78,069	78,069	78,069	78,069
OTHER FUNDS	11,368	12,278	11,303	11,303	11,303	11,303	11,303
SUBCATEGORY TOTAL	$ 122,066	$ 131,651	$ 136,723	$ 136,762	$ 136,791	$ 136,821	$ 136,851
ALL PROGRAMS:							
GENERAL FUND	$ 41,702	$ 41,860	$ 47,351	$ 47,390	$ 47,419	$ 47,449	$ 47,479
SPECIAL FUNDS	0	0	0	0	0	0	0
FEDERAL FUNDS	68,996	77,513	78,069	78,069	78,069	78,069	78,069
OTHER FUNDS	11,368	12,278	11,303	11,303	11,303	11,303	11,303
DEPARTMENT TOTAL	$ 122,066	$ 131,651	$ 136,723	$ 136,762	$ 136,791	$ 136,821	$ 136,851

Program: Drug and Alcohol Abuse Prevention and Treatment

Goal: To provide education, intervention and treatment programs to reduce drug, alcohol and gambling addiction, abuse and dependence.

The Department of Drug and Alcohol Programs is tasked with the development and implementation of a comprehensive state plan to reduce substance abuse and dependency through quality prevention, intervention, rehabilitation and treatment programs. The department provides education on the effects of drug and alcohol abuse and the dangers abuse and dependency pose to public health in an effort to mitigate the economic and health impact of substance abuse on the citizens of Pennsylvania.

In addition to state funding, the department receives federal and compulsive and problem gambling treatment funds for drug and alcohol treatment services. The department provides county-based agencies with funding to deliver or purchase drug and alcohol services, including treatment services for Pennsylvanians who do not have insurance or resources to pay for treatment. Single County Authorities prepare prevention, intervention and treatment plans tailored to meet the needs of their respective communities. The department approves these plans and formulates a statewide plan based on those findings.

Statewide prevention programs provide current information on the effects of drugs and alcohol and assist individuals in developing or improving skills that will enable them to choose a lifestyle free of substance abuse. This is done through educational sessions, workshops, media presentations and an information clearinghouse operated by the department. Primary emphasis has been given to youth, and a special curriculum is now used in all school districts to address drug and alcohol problems.

Intervention services provide support to individuals affected by drug or alcohol problems. Services include information hotlines, drop-in centers, alcohol safety programs and employee and student assistance programs.

Surveys and inspections of drug and alcohol program facilities are conducted to determine compliance with state and federal standards and regulations and as a condition of receiving federal Medicare and Medicaid financial support.

Treatment services are funded in hospitals, prisons, residential facilities and outpatient programs. Treatment often consists of short-term detoxification followed by longer term rehabilitation. Most inpatient services are rendered in a non-hospital setting. Outpatient services may follow discharge from a residential program; however, many persons receive their initial treatment in an outpatient setting.

Drug and alcohol education and training programs are provided for substance abuse and human services professionals. Issues such as prevention, intervention and treatment are addressed through a variety of educational initiatives.

The department also provides public education, awareness and training regarding both the problem of compulsive and problem gambling and its treatment and prevention with the income it receives from the Compulsive and Problem Gambling Treatment Fund.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

General Government Operations

$ 491 —to continue current program.

Assistance to Drug and Alcohol Programs

$ 5,000 —Initiative—Combating the Heroin Epidemic. To provide additional services to address heroin and opioid addiction.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
GENERAL FUND:							
General Government Operations	$ 470	$ 628	$ 1,119	$ 1,158	$ 1,187	$ 1,217	$ 1,247
Assistance to Drug and Alcohol Programs	41,232	41,232	46,232	46,232	46,232	46,232	46,232
TOTAL GENERAL FUND	$ 41,702	$ 41,860	$ 47,351	$ 47,390	$ 47,419	$ 47,449	$ 47,479

Program Measures

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Program: Drug and Alcohol Abuse Prevention and Treatment							
Objective: Provide drug and alcohol treatment services.							
Admissions to treatment	50,354	49,345	52,540	51,575	50,625	49,695	48,855
Average length of outpatient treatment (days)	72	65	65	65	65	65	65
Average length of inpatient treatment (days)	23	15	15	15	15	15	15
Licensure and/or Federal Certification Surveys Completed							
Residential drug and alcohol programs licensed/approved	179	179	179	179	179	179	179
Nonresidential drug and alcohol programs licensed/approved	495	495	495	495	495	495	495

DEPARTMENT OF EDUCATION

The mission of the Department of Education is to academically prepare children and adults to succeed as productive citizens. The department seeks to ensure that the technical support, resources and opportunities are in place for all students, whether children or adults, to receive a high quality education.

The department establishes standards and measures aimed at continuous improvement of school curriculum and manages staff development and research dissemination systems to ensure that all educational institutions can select from proven practices to boost student achievement. Local school districts, school boards and other educational institutions receive technical assistance via a network of Intermediate Units. The department operates a major research library and leads the development of the state's public, school, academic and special libraries to meet the information, education and enrichment needs of citizens. The department supports the improvement of Pennsylvania's higher education and community colleges via educational programs, funding to support students and direct resources for facility development.

Programs and Goals

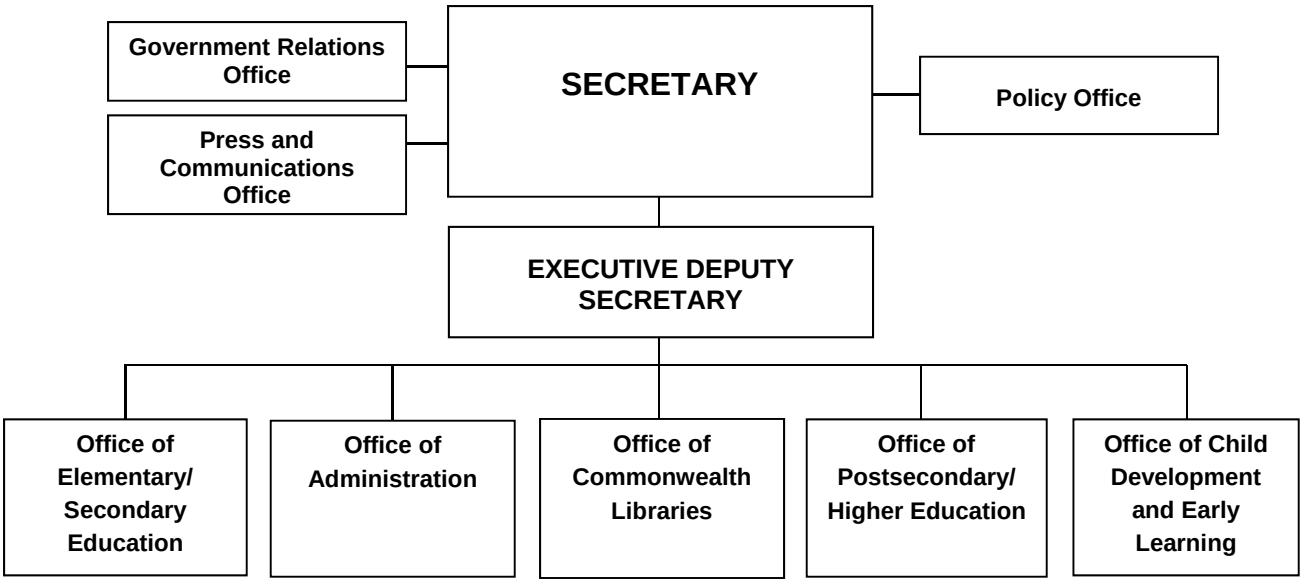
Education Support Services: *To provide an effective administrative system through which the substantive programs of the agency can be achieved.*

***PreK–12 Education (Basic Education)*:** *To prepare all students for success in college and careers, and as engaged citizens of the commonwealth.*

Library Services: *To provide and improve library services to citizens of the commonwealth, special libraries and government agencies and employees.*

Higher Education: *To promote access, affordability and performance in higher education through strategies to expand opportunity for students and align with employer needs, and to support the commonwealth's public institutions of higher education in achieving these goals.*

Organization Overview



- **Office of Elementary/Secondary Education** is responsible for statewide development, administration and improvement of public and nonpublic schools that serve students in kindergarten through the 12th grade. The major components are general education, career and technical education, special education, community and student support services and school services.
- **Office of Administration** is responsible for all administrative and managerial staff functions of the department. These include budgeting and fiscal management, personnel, information systems and data resource management.
- **Office of Commonwealth Libraries** operates a major research library and leads the development of the state's public, school, academic and special libraries to meet the information, education and enrichment needs of its residents.
- **Office of Postsecondary/Higher Education** participates in long-range planning for higher education in Pennsylvania; consults with the State Board of Education on the development of regulations to assure quality postsecondary and higher education programs; oversees the authorization of degree-granting institutions and the licensure of career and trade schools; oversees the certification of teachers; coordinates the approval of academic programs as required; coordinates approval of institutions to process veterans benefits; and provides direction and coordination for adult basic and literacy education.
- **Office of Child Development and Early Learning** is focused on creating opportunities for the commonwealth's youngest children to develop and learn to their fullest potential.

Authorized Complement

2009-10 Actual	2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Actual
603	590	544	551	535

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2013-14 ACTUAL	2014-15 AVAILABLE	2015-16 BUDGET
GENERAL FUND:			
General Government:			
General Government Operations	**$ 23,608**	**$ 23,534**	**$ 23,605**
(F)Adult Basic Education - Administration	945	945	1,000
(F)Education of Exceptional Children	10,000	10,000	10,000
(F)Special Education - State Personnel Development	2,394	2,394	2,394
(F)ESEA - Title I - Administration	12,000	12,000	12,000
(F)State Approving Agency (VA)	1,400	1,660	1,660
(F)Food and Nutrition Service	11,429	14,504	15,954
(F)Migrant Education - Administration	600	625	625
(F)Vocational Education - Administration	3,910	3,910	3,910
(F)Improving Teacher Quality - Title II - Administration/State	5,400	5,400	5,400
(F)Homeless Assistance	4,275	4,275	4,275
(F)Preschool Grant	750	750	750
(F)School Health Education Programs	450	450	450
(F)Charter Schools Initiatives	8,000	0	0
(F)Advanced Placement Testing	1,017	1,222	600
(F)Medical Assistance - Nurses' Aide Training	300	300	300
(F)State and Community Highway Safety	987	987	987
(F)Title IV - 21st Century Community Learning Centers - Admin	4,000	4,000	4,000
(F)National Assessment of Educational Progress (NAEP)	188	148	148
(F)Striving Readers	50,156	50,156	50,156
(F)Refugee School Impact Development (EA)	566	834	721
(F)Migrant Education Coordination Program	130	130	130
(F)College Access Challenge Grant Program	3,935	7,870	3,700
(F)School Improvement Grants	60,000	60,000	60,000
(F)School Climate Transformation Grant	0	328	0
(F)Refugee School Assistance Program	200	0	0
(F)WIA - Dislocated Workers Incentive Grant (EA)	325	325	0
(F)Live Healthy PA (EA)	90	129	0
(F)School Emergency Management Program	0	990	352
(F)Pennsylvania Project AWARE	0	1,950	1,950
(F)Preventative Health and Health Services (EA)	0	250	0
(F)WIA Incentive Grant - Workforce Systems (EA)	0	1,434	1,434
(F)Preschool Development Grants	0	0	30,000
(F)Child Nutrition - Administration (EA)	0	138	0
(F)WIA - PA STEM Competition (EA)	0	75	0
(A)Management Services	27	21	21
(A)Approved Private Schools	462	446	456
(A)National Center for Educational Statistics	6	11	11
(A)Teenage Parenting	1,947	1,947	1,947
(A)EPSDT Administration	2,047	2,141	2,141
(A)Services to Nonpublic Schools - Administration	863	864	863
(A)National Assn. of State Boards of Education	12	11	11
(A)Teacher Certification Fees	69	844	490
(A)Nonpublic Textbook Administration	566	651	964
(A)Improving Early Learning Outcomes	25	12	12
(A)Alternative Education	0	47	47
Subtotal	$ 213,079	$ 218,708	$ 243,464
Office of Safe Schools Advocate	**384** a	**388** a	**388**
Information and Technology Improvement	**4,181**	**4,000**	**4,000**
(F)Statewide Data Systems	628	0	0
(F)ARRA - Statewide Longitudinal Data Systems	9,049	3,746	0
PA Assessment	**53,691**	**58,291**	**58,291**
(F)Title VI - Part A State Assessments	16,000	16,000	16,000
Subtotal	$ 83,933	$ 82,425	$ 78,679
State Library	**1,777**	**1,957**	**1,965**
(F)LSTA - Library Development	8,500	8,500	8,500
(F)National Endowment for the Humanities	176	0	0
(A)Penalties and Reimbursements	2	1	1
(A)Photocopy Service	3	4	4

Summary by Fund and Appropriation

	2013-14 ACTUAL	2014-15 AVAILABLE	2015-16 BUDGET
	(Dollar Amounts in Thousands)		
(A)Keystone Fund	92	99	106
Subtotal	$ 10,550	$ 10,561	$ 10,576
Subtotal - State Funds	$ 83,641	$ 88,170	$ 88,249
Subtotal - Federal Funds	217,800	216,425	237,396
Subtotal - Augmentations	6,121	7,099	7,074
Total - General Government	$ 307,562	$ 311,694	$ 332,719
Institutional:			
Youth Development Centers - Education	**$ 7,840**	**$ 7,930**	**$ 7,930**
Subtotal	$ 7,840	$ 7,930	$ 7,930
Grants and Subsidies:			
Support of Public Schools:			
Basic Education Funding	**$ 5,628,629** b	**$ 5,730,079** b	**$ 6,130,079**
Pre-K Counts	**87,284**	**97,284**	**197,284**
Head Start Supplemental Assistance	**39,178**	**39,178**	**59,178**
Mobile Science and Math Education Programs	**864**	**1,864**	**0**
Teacher Professional Development	**6,459**	**6,459**	**7,459**
Adult and Family Literacy	**12,075**	**12,075**	**16,675**
(F)Adult Basic Education - Local	20,000	20,500	21,000
Career and Technical Education	**62,000**	**62,000**	**85,000**
(F)Vocational Education Act - Local	49,000	49,000	49,000
Career and Technical Education Equipment Grants	**3,000**	**3,000**	**5,000**
Authority Rentals and Sinking Fund Requirements	**296,198**	**306,198**	**306,198**
Pupil Transportation	**524,552**	**546,677**	**549,097**
Nonpublic and Charter School Pupil Transportation	**78,614**	**78,614**	**80,009**
Special Education	**1,026,815**	**1,046,815**	**1,146,815**
(F)Individuals with Disabilities Education - Local	435,000	457,000	457,000
Early Intervention	**227,973**	**237,516**	**237,516**
(F)Individuals with Disabilities Education	16,000	16,000	16,000
Tuition for Orphans and Children Placed in Private Homes	**48,872**	**48,506**	**48,506**
Payments in Lieu of Taxes	**197**	**163**	**164**
Education of Migrant Laborers' Children	**851**	**853**	**853**
PA Charter Schools for the Deaf and Blind	**41,384**	**42,809**	**43,781**
Special Education - Approved Private Schools	**94,031**	**95,347**	**97,672**
School Food Services	**30,521**	**32,488**	**32,488**
(F)Food and Nutrition - Local	635,341	673,462	695,704
School Employees' Social Security	**469,115**	**515,772** c	**524,428**
School Employees' Retirement	**949,279**	**1,157,853**	**0** d
(A)Tobacco and Health Venture Investment Account	0	225,000	0
Subtotal	$ 10,783,232	$ 11,502,512	$ 10,806,906
(F)ESEA - Title I - Local	625,000	625,000	625,000
(F)Improving Teacher Quality - Title II - Local	130,000	130,000	130,000
(F)Title IV 21st Century Community Learning Centers - Local	90,000	90,000	90,000
(F)Title III - Language Instruction for LEP & Immigrant Student	20,000	20,000	20,000
(F)Title VI - Rural & Low Income School - Local	1,700	1,700	1,700
(F)ARRA - ESEA - Title I - School Improvement	35,000	10,067	0
(F)Race to the Top	38,804	30,939	1,997
(F)TANF - Teenage Parenting Education (EA)	11,094	11,094	11,094
(F)Teenage Parenting - Food Stamps (EA)	863	863	863
(F)Early Learning Challenge Grant (EA)	783	2,761	1,976
Subtotal	$ 953,244	$ 922,424	$ 882,630
Other Grants and Subsidies:			
Services to Nonpublic Schools	**86,384**	**86,384**	**92,414**

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2013-14 ACTUAL	2014-15 AVAILABLE	2015-16 BUDGET
Textbooks, Materials and Equipment for Nonpublic Schools	**26,278**	**26,278**	**28,112**
Public Library Subsidy	**53,507**	**53,507**	**53,507**
Library Services for the Visually Impaired and Disabled	**2,567**	**2,567**	**2,567**
Library Access	**3,071**	**3,071**	**2,821**
Job Training and Education Programs	**8,050**	**10,500**	**0**
Safe School Initiative	**8,522**	**8,522**	**8,522**
Subtotal	$ 188,379	$ 190,829	$ 187,943
Higher Education - Other Grants and Subsidies:			
Community Colleges	**212,167**	**215,667**	**230,723**
Transfer to Community College Capital Fund	**48,869**	**48,869**	**48,869**
Regional Community Colleges Services	**1,200**	**2,400**	**2,400**
Community Education Councils	**2,300**	**2,300**	**2,350**
Thaddeus Stevens College of Technology	**10,332**	**12,332**	**13,195**
Subtotal	$ 274,868	$ 281,568	$ 297,537
State System of Higher Education:			
State Universities	**412,751**	**412,751**	**458,053**
Subtotal	$ 412,751	$ 412,751	$ 458,053
The Pennsylvania State University:			
General Support	**214,110**	**214,110**	**263,734**
Pennsylvania College of Technology	**15,584**	**17,584**	**18,815**
Subtotal	$ 229,694	$ 231,694	$ 282,549
University of Pittsburgh:			
General Support	**133,993**	**133,993**	**148,911**
Rural Education Outreach	**2,300**	**2,300**	**2,300**
Subtotal	$ 136,293	$ 136,293	$ 151,211
Temple University:			
General Support	**139,917**	**139,917**	**155,361**
Subtotal	$ 139,917	$ 139,917	$ 155,361
Lincoln University:			
General Support	**13,163**	**13,163**	**14,084**
Subtotal	$ 13,163	$ 13,163	$ 14,084
Subtotal - State Funds	$ 11,022,956	$ 11,467,765	$ 11,114,940
Subtotal - Federal Funds	2,108,585	2,138,386	2,121,334
Subtotal - Augmentations	0	225,000	0
Total - Grants and Subsidies	$ 13,131,541	$ 13,831,151	$ 13,236,274
STATE FUNDS	$ 11,114,437	$ 11,563,865	$ 11,211,119
FEDERAL FUNDS	2,326,385	2,354,811	2,358,730
AUGMENTATIONS	6,121	232,099	7,074
GENERAL FUND TOTAL	**$ 13,446,943**	**$ 14,150,775**	**$ 13,576,923**

MOTOR LICENSE FUND:

Grants and Subsidies:

Safe Driving Course	**$ 1,100**	**$ 1,100**	**$ 1,100**

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	2013-14 ACTUAL	2014-15 AVAILABLE	2015-16 BUDGET
OTHER FUNDS:			
GENERAL FUND:			
Private Licensed Schools	$ 696	$ 887	$ 949
Empowerment School Districts	1,173	4,500	4,500
Medical Assistance Reimbursements	68,087	195,000	195,000
School Employees' Retirement	0	0	1,750,000
GENERAL FUND TOTAL	**$ 69,956**	**$ 200,387**	**$ 1,950,449**
COMMUNITY COLLEGE CAPITAL FUND:			
Community College Capital	$ 0 [e]	$ 0 [e]	$ 0 [e]
GOV. CASEY ORGAN & TISSUE DONATION AWARENESS FUND:			
Governor Casey Organ and Tissue Donation Awareness Fund (EA)	$ 200	$ 200	$ 200
KEYSTONE RECREATION, PARK AND CONSERVATION FUND:			
Local Libraries Rehabilitation and Development (EA)	$ 3,019	$ 2,980	$ 3,144
SSHE - Deferred Maintenance (EA)	13,590	13,409	14,148
KEYSTONE RECREATION, PARK AND CONSERVATION FUND TOTAL	**$ 16,609**	**$ 16,389**	**$ 17,292**
PROPERTY TAX RELIEF FUND:			
Property Tax Relief Payments (EA)	$ 611,600	$ 616,200	$ 616,200
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND	$ 11,114,437	$ 11,563,865	$ 11,211,119
SPECIAL FUNDS	1,100	1,100	1,100
FEDERAL FUNDS	2,326,385	2,354,811	2,358,730
AUGMENTATIONS	6,121	232,099	7,074
OTHER FUNDS	698,365	833,176	2,584,141
TOTAL ALL FUNDS	**$ 14,146,408**	**$ 14,985,051**	**$ 16,162,164**

[a] Appropriated in Executive Offices.

[b] 2013-14 Actual includes $2,500,000 appropriated as Basic Ed Formula Enhancements and $100,000,000 appropriated as Pennsylvania Accountability Grants. 2014-15 Available includes $3,950,000 appropriated as Basic Ed Formula Enhancements and $200,000,000 appropriated as Ready to Learn Block Grant.

[c] Includes recommended supplemental appropriation of $15,000,000.

[d] This budget proposes transferring School Employees' Retirement to a restricted account.

[e] Not added to the total to avoid double counting: 2013-14 Actual is $48,869,000, 2014-15 Available is $48,869,000, and 2015-16 Budget is $48,869,000.

Program Funding Summary

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
EDUCATION SUPPORT SERVICES							
GENERAL FUND	$ 27,789	$ 27,534	$ 27,605	$ 28,431	$ 29,042	$ 29,668	$ 30,310
SPECIAL FUNDS	0	0	0	0	0	0	0
FEDERAL FUNDS	133,124	131,925	152,896	141,110	141,110	141,110	141,110
OTHER FUNDS	6,720	7,882	7,912	7,892	7,892	7,892	7,892
SUBCATEGORY TOTAL	$ 167,633	$ 167,341	$ 188,413	$ 177,433	$ 178,044	$ 178,670	$ 179,312
BASIC EDUCATION							
GENERAL FUND	$ 9,819,040	$ 10,259,843	$ 9,763,859	$ 10,348,016	$ 10,822,179	$ 11,295,755	$ 11,314,384
SPECIAL FUNDS	1,100	1,100	1,100	1,100	1,100	1,100	1,100
FEDERAL FUNDS	2,184,585	2,214,386	2,197,334	2,195,061	2,193,361	2,193,361	2,193,361
OTHER FUNDS	681,060	1,040,900	2,565,900	6,317,700	6,433,700	6,542,700	6,677,700
SUBCATEGORY TOTAL	$ 12,685,785	$ 13,516,229	$ 14,528,193	$ 18,861,877	$ 19,450,340	$ 20,032,916	$ 20,186,545
LIBRARY SERVICES							
GENERAL FUND	$ 60,922	$ 61,102	$ 60,860	$ 60,929	$ 60,980	$ 61,032	$ 61,085
SPECIAL FUNDS	0	0	0	0	0	0	0
FEDERAL FUNDS	8,676	8,500	8,500	8,500	8,500	8,500	8,500
OTHER FUNDS	3,116	3,084	3,255	3,617	3,712	3,774	3,977
SUBCATEGORY TOTAL	$ 72,714	$ 72,686	$ 72,615	$ 73,046	$ 73,192	$ 73,306	$ 73,562
HIGHER EDUCATION							
GENERAL FUND	$ 1,206,686	$ 1,215,386	$ 1,358,795	$ 1,507,929	$ 1,507,929	$ 1,507,929	$ 1,507,929
SPECIAL FUNDS	0	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0	0
OTHER FUNDS	13,590	13,409	14,148	15,778	16,203	16,483	17,398
SUBCATEGORY TOTAL	$ 1,220,276	$ 1,228,795	$ 1,372,943	$ 1,523,707	$ 1,524,132	$ 1,524,412	$ 1,525,327
ALL PROGRAMS:							
GENERAL FUND	$ 11,114,437	$ 11,563,865	$ 11,211,119	$ 11,945,305	$ 12,420,130	$ 12,894,384	$ 12,913,708
SPECIAL FUNDS	1,100	1,100	1,100	1,100	1,100	1,100	1,100
FEDERAL FUNDS	2,326,385	2,354,811	2,358,730	2,344,671	2,342,971	2,342,971	2,342,971
OTHER FUNDS	704,486	1,065,275	2,591,215	6,344,987	6,461,507	6,570,849	6,706,967
DEPARTMENT TOTAL	$ 14,146,408	$ 14,985,051	$ 16,162,164	$ 20,636,063	$ 21,225,708	$ 21,809,304	$ 21,964,746

Program: Education Support Services

Goal: To provide an effective administrative system through which the substantive programs of the agency can be achieved.

Education Support Services provides for the administrative and overhead systems that support the operation of programs necessary for the achievement of Department of Education and commonwealth objectives. The success or failure of these supportive efforts can only be indirectly reflected by the effectiveness of the activities they support. The department seeks to minimize these administrative costs in relation to the costs of services provided. As part of its efforts to control administrative costs, the department continues to enhance its information technology support of program and fiscal applications permitting departmental employees to perform their responsibilities in a more efficient and effective manner.

In addition to providing operational support to the executive, budget, communications and legal offices of the department, this program also provides staff support to the State Board of Education and other administrative boards and commissions. These include boards for private, academic, business, trade and correspondence schools and the Professional Standards and Practices Commission.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

	General Government Operations
$ 71	—to continue current program.

The Information and Technology Improvement appropriation is recommended at the current year funding level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
GENERAL FUND:							
General Government Operations	$ 23,608	$ 23,534	$ 23,605	$ 24,431	$ 25,042	$ 25,668	$ 26,310
Information and Technology Improvement	4,181	4,000	4,000	4,000	4,000	4,000	4,000
TOTAL GENERAL FUND	$ 27,789	$ 27,534	$ 27,605	$ 28,431	$ 29,042	$ 29,668	$ 30,310

Program: PreK–12 Education (Basic Education)

Goal: To prepare all students for success in college and careers, and as engaged citizens of the commonwealth.

Program Element: PreK-12 Education (Basic Education)

Pennsylvania's preK-12 education system is designed to provide every child in the commonwealth with the skills they need to be active citizens and future leaders in our global economy.

Program Element: Basic Education Funding

The commonwealth and local school districts share the financing of public elementary and secondary education in Pennsylvania. There are 500 local school districts, each governed by a locally elected school board that is responsible for the administration of the public schools in the district. Funding provided to the school districts by the commonwealth supplements the funds raised locally.

The Basic Education Funding appropriation is the largest subsidy the commonwealth provides to local school districts. In order to increase academic achievement, school districts are encouraged to invest in early childhood education and other proven programs. The Department of Education supports school improvement and efficiency through targeted initiatives.

Program Element: Early Childhood Learning

Early learning for Pennsylvania's youngest children is crucial for both their short-term and long-term success. The benefits of a strong foundation in early childhood education has been recognized as one of the best economic development investments that a state can make. Early childhood programs supported through the Department of Education appropriations include:

Pre-K Counts. This program provides high-quality early childhood education to Pennsylvania children in diverse settings, ranging from school-based programs to Keystone STARS child care centers. The percentage of four-year olds with proficient academic and social skills more than doubled to nearly 80 percent after participating in PA Pre-K Counts programs in 2013-14.

Head Start. Pennsylvania's Head Start Supplemental Assistance program is based on the federal model of Head Start, providing services to three and four-year-old children and their families with family incomes up to 130 percent of the federal poverty guidelines. The Head Start model provides comprehensive education, health, nutrition and parent involvement services. This program has demonstrated a positive impact for children with personal and social development challenges.

Program Element: Transforming Pennsylvania's High Schools

It is critically important that all Pennsylvania students who graduate from high school are college or career ready. The commonwealth strives to create high school environments that are rigorous, results-focused, data informed and personalized in a way that is seamlessly supported by systems, resources, technology and shared leadership.

In order to improve student achievement, the Standards Aligned System has been implemented to provide a portal for educator and parent access to curriculum, assessment information and tools, and instructional resources.

Career and Technical Education. Career and Technical Education serves secondary students enrolled in approved career and technical education programs at school districts, charter schools and career and technical centers. Career and Technical Education must provide a rigorous high school education to students while delivering skilled technical education designed with input from incumbent workers and employers in high-demand employment fields. Wherever possible, students earn real-world, industry-based certifications at the end of their programs, which enhance their employment opportunities.

Program Element: Special Education

Special education serves school-aged students in Pennsylvania school districts, charter schools, intermediate units, approved private schools and private residential facilities (excluding gifted students).

The special education appropriation provides support for programs for students with disabilities served by the public schools of the commonwealth. Public school special education programs are administered by all school districts and charter schools. These programs may be directly operated by the districts or contracted with other school districts, intermediate units or other providers. If appropriate public education is not available, Individualized Education Plan teams may determine an appropriate public education can only be provided by department-approved private schools or other private agency.

Funds are also provided for Early Intervention and Approved Private Schools/Charter Schools for the Deaf and Blind.

Program: PreK–12 Education (continued)

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

GENERAL FUND

Basic Education Funding

$ 400,000	—Initiative—Schools that Teach. To provide a 7 percent increase for school district basic education programs in order to invest in education and restore budget cuts.

Pre-K Counts

$ 100,000	—Initiative—Schools that Teach. To provide a down payment on Pennsylvania's plan for universal high-quality Pre-K education for 3- and 4-year-olds by creating more than 14,000 additional slots together with the Head Start Supplemental Assistance Program.

Head Start Supplemental Assistance

$ 20,000	—Initiative—Schools that Teach. To provide a down payment on Pennsylvania's plan for universal high-quality Pre-K education for 3- and 4-year-olds by creating more than 14,000 additional slots together with Pre-K Counts.

Mobile Science and Math Education Programs

$ –1,864	—program elimination.

Teacher Professional Development

$ 1,000	—Initiative—Schools that Teach. To provide funds for curriculum development and other technical assistance for fiscally distressed school districts.

Adult and Family Literacy

$ 5,000	—Initiative—Jobs that Pay. To provide funds for adult literacy as part of comprehensive workforce development.
–400	—funding reduction.
$ 4,600	*Appropriation Increase*

Career and Technical Education

$ 8,000	—Initiative—Jobs that Pay. To provide career counseling services to help students prepare for the future.
15,000	—Initiative—Jobs that Pay. To establish and strengthen programs that prepare students for high-skill careers.
$ 23,000	*Appropriation Increase*

Career and Technical Education Equipment Grants

$ 5,000	—Initiative—Jobs that Pay. To provide additional resources for equipment purchases to prepare students for high-skill careers.
–3,000	—funding reduction.
$ 2,000	*Appropriation Increase*

Pupil Transportation

$ 2,420	—to continue current program.

Nonpublic and Charter School Pupil Transportation

$ 1,395	—to continue current program.

Special Education

$ 100,000	—Initiative—Schools that Teach. To provide increased resources for special education instruction based on the Special Education Funding Commission's formula.

Payments in Lieu of Taxes

$ 1	—to continue current program.

PA Charter Schools for the Deaf and Blind

$ 972	—to continue current program.

Special Education-Approved Private Schools

$ 2,325	—to continue current program.

School Employees' Social Security

$ 8,656	—to continue current program.

School Employees' Retirement

$–1,157,853	—transfer to restricted account.

Services to Nonpublic Schools

$ 6,030	—Initiative—Schools that Teach. To provide a 7 percent increase in state support.

Textbooks, Materials and Equipment for Nonpublic Schools

$ 1,834	—Initiative—Schools that Teach. To provide a 7 percent increase in state support.

Job Training and Education Programs

$ –10,500	—program elimination.

All other appropriations are recommended at the current year funding levels.

MOTOR LICENSE FUND

Safe Driving Course

The Safe Driving Course appropriation is recommended at the current year funding level.

Please see the *Schools that Teach* and *Jobs that Pay* themes in the Overview and Summaries Section for additional information.

Program: PreK–12 Education (Basic Education) (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
GENERAL FUND:							
Office of Safe Schools Advocate	$ 384	$ 388	$ 388	$ 402	$ 412	$ 422	$ 433
PA Assessment	53,691	58,291	58,291	58,291	58,291	58,291	58,291
Youth Development Centers - Education	7,840	7,930	7,930	8,208	8,413	8,623	8,839
Basic Education Funding	5,628,629	5,730,079	6,130,079	6,530,079	6,830,079	7,130,079	7,130,079
Pre-K Counts	87,284	97,284	197,284	297,284	397,284	497,284	497,284
Head Start Supplemental Assistance	39,178	39,178	59,178	59,178	59,178	59,178	59,178
Mobile Science and Math Education Programs	864	1,864	0	0	0	0	0
Teacher Professional Development	6,459	6,459	7,459	7,459	7,459	7,459	7,459
Adult and Family Literacy	12,075	12,075	16,675	16,675	16,675	16,675	16,675
Career and Technical Education	62,000	62,000	85,000	85,000	85,000	85,000	85,000
Career and Technical Education Equipment Grants	3,000	3,000	5,000	5,000	5,000	5,000	5,000
Authority Rentals and Sinking Fund Requirements	296,198	306,198	306,198	306,198	306,198	306,198	306,198
Pupil Transportation	524,552	546,677	549,097	549,097	549,097	549,097	549,097
Nonpublic and Charter School Pupil Transportation	78,614	78,614	80,009	80,009	80,009	80,009	80,009
Special Education	1,026,815	1,046,815	1,146,815	1,196,815	1,246,815	1,296,815	1,296,815
Early Intervention	227,973	237,516	237,516	237,516	237,516	237,516	237,516
Tuition for Orphans and Children Placed in Private Homes	48,872	48,506	48,506	48,506	48,506	48,506	48,506
Payments in Lieu of Taxes	197	163	164	164	164	164	164
Education of Migrant Laborers' Children	851	853	853	853	853	853	853
PA Charter Schools for the Deaf and Blind	41,384	42,809	43,781	49,008	51,679	54,377	57,101
Special Education - Approved Private Schools	94,031	95,347	97,672	109,334	115,293	121,311	127,389
School Food Services	30,521	32,488	32,488	32,488	32,488	32,488	32,488
School Employees' Social Security	469,115	515,772	524,428	532,967	541,837	551,061	560,661
School Employees' Retirement	949,279	1,157,853	0	0	0	0	0
Services to Nonpublic Schools	86,384	86,384	92,414	98,883	103,827	107,980	107,980
Textbooks, Materials and Equipment for Nonpublic Schools	26,278	26,278	28,112	30,080	31,584	32,847	32,847
Job Training and Education Programs	8,050	10,500	0	0	0	0	0
Safe School Initiative	8,522	8,522	8,522	8,522	8,522	8,522	8,522
TOTAL GENERAL FUND	$ 9,819,040	$ 10,259,843	$ 9,763,859	$ 10,348,016	$ 10,822,179	$ 11,295,755	$ 11,314,384
MOTOR LICENSE FUND:							
Safe Driving Course	$ 1,100	$ 1,100	$ 1,100	$ 1,100	$ 1,100	$ 1,100	$ 1,100

Program: Library Services

Goal: To provide and improve library services to citizens of the commonwealth, special libraries and government agencies and employees.

The proposed 2015-16 budget offers a variety of valued public library services to all Pennsylvanians.

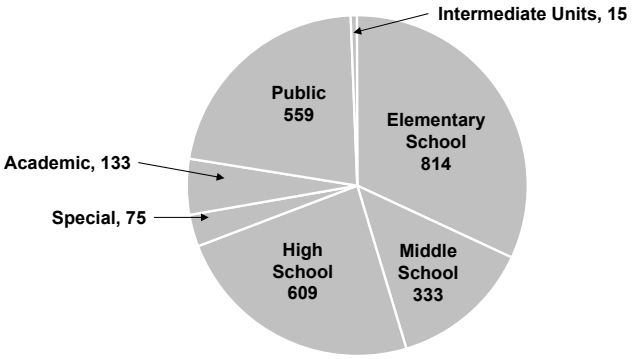
Public Library Subsidy. The commonwealth helps defray the cost of basic operations of Pennsylvania's more than 600 local public libraries. Through participation in this program, libraries provide a common denominator of services statewide, and in so doing, help meet the information, education and enrichment needs of Pennsylvania's pre-kindergarten children, students and lifelong learners.

The public library subsidy also supports a structure of libraries and programs that together provide resources and specialized services to local libraries and all residents. This funding provides every Pennsylvanian with access to the vast and historic resources of four major research libraries: The State Library of Pennsylvania, the Carnegie Library of Pittsburgh, the Free Library of Philadelphia and the libraries of The Pennsylvania State University.

Library Access. Pennsylvania is committed to ensuring that all Pennsylvanians can easily access the library resources that exist not only in their own communities but also across the commonwealth. This funding supports four distinct programs. The interlibrary delivery service makes it affordable for all state-supported libraries to participate in a statewide delivery service that moves library materials across the state in a timely and cost-effective way and encourages sharing of materials. The POWER (Pennsylvania Online World of Electronic Resources) library network provides vetted online magazine and reference materials for Pennsylvania residents to use in the library or remotely from home. This program remains a valued resource for classroom students and teachers.

The electronic library catalog, also known as the Access Pennsylvania Database program, gives Pennsylvanians online access to the library holdings of approximately 2,600 Pennsylvania school, public, college, university and special libraries and intermediate units. Once an item is located, it can be "ordered" from the source library online. This is the largest online catalog of its type in North America. As part of the Library Access program, Pennsylvanians have online access to professional reference librarians 24 hours a day, 7 days a week through Pennsylvania's virtual reference service called Ask Here PA.

Number of Libraries in Access PA Database



Pennsylvania is fortunate to have two libraries providing invaluable services to persons with visual and physical limitations. In partnership with the National Library Service for the Blind and Physically Handicapped, recorded and Braille materials are available by direct mail or downloaded to students and residents of all ages who cannot use a traditional book, magazine or newspaper. Pennsylvania was a pioneer offering state-level library services to the visually impaired over 100 years ago.

State Library. This appropriation supports the services and operations of the Office of Commonwealth Libraries and is a primary source of funding for the State Library. Located in Harrisburg, the State Library of Pennsylvania is a major resource library established by statute to provide reference service to all branches of state government, as well as to libraries and residents of the commonwealth. An extensive general and legal reference collection, comprehensive collections of Pennsylvania newspapers, Pennsylvania state and U.S. government publications and 90 databases are available. The State Library is home to the Rare Collections Library, which is organized around the Assembly Collection that was purchased beginning in 1745 by Ben Franklin when he was Clerk of the Assembly. The collection includes newspapers from colonial times through 1860. The Rare Collections Library is the premier library environment in the nation incorporating systems and techniques to preserve historic, paper-based collections.

Program: Library Services (continued)

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

		State Library			**Library Access**
$	8	—to continue current program.	$	–250	—funding reduction.

All other appropriations are recommended at the current year funding levels.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
GENERAL FUND:							
State Library	$ 1,777	$ 1,957	$ 1,965	$ 2,034	$ 2,085	$ 2,137	$ 2,190
Public Library Subsidy	53,507	53,507	53,507	53,507	53,507	53,507	53,507
Library Services for the Visually Impaired and Disabled	2,567	2,567	2,567	2,567	2,567	2,567	2,567
Library Access	3,071	3,071	2,821	2,821	2,821	2,821	2,821
TOTAL GENERAL FUND	$ 60,922	$ 61,102	$ 60,860	$ 60,929	$ 60,980	$ 61,032	$ 61,085

Program: Higher Education

Goal: To promote access, affordability and performance in higher education through strategies to expand opportunity for students and align with employer needs, and to support the commonwealth's public institutions of higher education in achieving these goals.

Higher education in Pennsylvania is provided through 235 degree-granting institutions that include the universities of the State System of Higher Education, the state-related universities, the community colleges, the commonwealth's private colleges and universities, the state-affiliated Thaddeus Stevens College of Technology and specialized associate degree-granting institutions. An additional 50 out-of-state institutions are approved to offer coursework for credit in Pennslyvania. Funding for these institutions is through appropriations and state-funded student grant programs administered by the Pennsylvania Higher Education Assistance Agency.

Table 1
Full-Time Enrollments
at State-Supported Institutions of Higher Education
(Actual and Projected)

Institutional Category	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
State System of Higher Education	104,458	102,545	101,687	102,438	102,983	103,363	103,746
Community Colleges	94,054	93,065	93,780	94,554	95,453	96,364	97,143
State-Related Universities	161,442	163,428	164,183	166,454	169,214	172,376	175,357
Thaddeus Stevens College of Technology	858	915	986	1,006	1,081	1,141	1,141
TOTAL	360,812	359,953	360,636	364,452	368,731	373,244	377,387

Program Element: Institutional Support for Pennsylvania's Institutions of Higher Education

State System of Higher Education. Funding for the 14 universities of the State System of Higher Education is distributed through the Office of the Chancellor to the individual universities in accordance with a formula that consists of student enrollment, programs of the school, performance measures, and the operational cost of the individual campuses. Although each university has an individual mission, they all provide a broad liberal arts curriculum and most offer the master degree level of study in their programs.

Community Colleges. Funding is shared by sponsoring counties or school districts, students through tuition payments, and the commonwealth. Commonwealth appropriations are calculated to include base operating funding, enrollment growth, and economic development programs that focus on high-priority occupations. The colleges offer two-year liberal arts curricula, two-year programs in technologies and other programs in career areas that culminate in an associate degree, certificate, or diploma. Noncredit workforce development courses are also offered that provide students with training geared towards immediate entry into the workforce.

State-Related Universities. Funding for the four state-related universities — the Pennsylvania State University, the University of Pittsburgh, Temple University and Lincoln University — provides basic support for educational programs. The first three universities are major research universities that provide programs up to the doctoral level in varied academic disciplines and professional schools. The fourth, Lincoln University, provides programs in numerous disciplines at the baccalaureate and master degree levels.

Thaddeus Stevens College of Techology. The college provides two-year, technical education programs for qualified students. These programs are provided both on a tuition basis and at no cost for financially disadvantaged students. Thaddeus Stevens is dedicated to growing Pennsylvania's technical workforce and preparing students for high demand jobs within the commonwealth.

Impact: Number of Degrees Awarded

The state-supported universities and colleges graduated 86,338 students in 2013-14 with degrees ranging from the two-year associate degree to doctoral and professional degrees.

Program Element: Decreasing Time and Cost to College Completion

In 2013, nearly 68 percent of Pennsylvania's public high school graduates planned to attend an academic post-secondary institution. To better serve the need of all students, the Department of Education administers a statewide college credit transfer system than enables

Program: Higher Education (continued)

Table 2
Higher Education Degrees Awarded
by State-Supported Institutions of Higher Education
(Actual and Projected)

Institutional Category	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
State-Supported:							
State System of Higher Education	26,225	26,305	26,535	26,747	26,926	27,086	27,215
Community Colleges	17,178	17,396	17,616	17,825	18,054	18,276	18,491
State-Related Universities	42,625	42,887	43,322	44,527	45,347	46,236	47,161
Thaddeus Stevens College of Technology	310	288	308	355	355	415	415
TOTAL	86,338	86,876	87,781	89,454	90,682	92,013	93,282

students to transfer courses and associate degrees among 36 participating colleges and universities in Pennsylvania, including all of the commonwealth's community colleges, State System of Higher Education institutions and state-related institutions.

Program Element: Diversity in Disciplines

The diversity of enrollments by discipline will shape the future of higher education. Enrollments in career-oriented disciplines such as business management, computer information systems, allied health professions and majors in the STEM fields — science, technology, engineering and math – are increasing. Providing access to these professions is vital to ensuring the long-term economic health of the commonwealth.

Program Element: Support for Minority Students

In 1996, the Pennsylvania Department of Education and the United States Department of Education, Office of Civil Rights, embarked on a cooperative agreement designed to assess and address the continued challenges in providing higher education opportunities for African American students. The 2014-15 budget continues operating support for Cheyney and Lincoln Universities, funding is also included in the capital budget for infrastructure improvements.

Program Element: Research

An essential ingredient for a healthy economy and the creation of new jobs in any region is the existence of vigorous research universities. Regions with the most dynamic economies are those where research and development investments have been significant. The continued state general support for research at Pennsylvania State University, University of Pittsburgh and Temple University not only provides new ideas, technologies and products to industry but also educates and motivates graduates to turn those ideas, technologies and products into industry and jobs.

Program Element: Support Services

The department provides leadership and support services to all sectors of higher education. Responsibilities include acting as a liaison with the national accrediting agencies, the State Board of Education, the State Board of Private Licensed Schools and other governing boards; policy review and development based on comprehensive planning and research; and implementation of the Higher Education Master Plan. The department also partners with other commonwealth agencies on workforce development strategies. Additionally, the department awards teaching certificates to those seeking certification in Pennsylvania.

Program: Higher Education (continued)

Table 3
Full-Time Enrollments by Subject Area
at State-Supported Institutions of Higher Education
(Actual and Projected)

Subject Area	Number and Percent of Total	2013-14 Actual	2014-15 Projected	2015-16 Projected	2016-17 Projected	2017-18 Projected	2018-19 Projected	2019-20 Projected	Percent Change
Agricultural and Natural Resources	#	4,002	3,946	3,875	3,871	3,844	3,823	3,807	-4.87%
	%	1.11%	1.10%	1.07%	1.06%	1.04%	1.02%	1.01%	
Arts and Letters	#	64,007	63,615	63,259	63,472	63,706	63,978	64,243	0.37%
	%	17.74%	17.67%	17.54%	17.42%	17.28%	17.14%	17.02%	
Business, Management and Data Processing	#	51,300	51,612	52,290	53,390	54,664	55,939	57,174	11.45%
	%	14.22%	14.34%	14.50%	14.65%	14.82%	14.99%	15.15%	
Communications and Related Technologies	#	14,518	14,082	13,879	13,980	13,998	14,045	14,076	-3.04%
	%	4.02%	3.91%	3.85%	3.84%	3.80%	3.76%	3.73%	
Computer and Information Sciences	#	12,022	11,927	12,136	12,472	12,850	13,300	13,738	14.27%
	%	3.33%	3.31%	3.37%	3.42%	3.48%	3.56%	3.64%	
Education	#	22,288	21,345	20,694	20,209	19,836	19,538	19,411	-12.91%
	%	6.18%	5.93%	5.74%	5.55%	5.38%	5.23%	5.14%	
Engineering, Architecture and Environmental Design	#	21,429	22,463	23,142	23,561	23,813	24,175	24,419	13.95%
	%	5.94%	6.24%	6.42%	6.46%	6.46%	6.48%	6.47%	
Engineering Technologies and Related Technologies	#	5,780	5,696	5,657	5,666	5,693	5,718	5,750	-0.52%
	%	1.60%	1.58%	1.57%	1.55%	1.54%	1.53%	1.52%	
Health Professions, Health Sciences and Biological Sciences	#	60,809	61,155	61,633	62,759	64,114	65,393	66,364	9.14%
	%	16.85%	16.99%	17.09%	17.22%	17.39%	17.52%	17.59%	
Home Economics, Human Services and Public Affairs	#	34,676	34,104	33,902	34,079	34,267	34,478	34,702	0.07%
	%	9.61%	9.47%	9.40%	9.35%	9.29%	9.24%	9.20%	
Industrial, Repair, Construction and Transport Technologies	#	4,303	4,346	4,431	4,484	4,600	4,696	4,732	9.97%
	%	1.19%	1.21%	1.23%	1.23%	1.25%	1.26%	1.25%	
Law	#	3,555	3,535	3,353	3,313	3,282	3,248	3,218	-9.48%
	%	0.99%	0.98%	0.93%	0.91%	0.89%	0.87%	0.85%	
Physical Sciences, Mathematics and Related Technologies	#	19,406	19,533	19,649	19,884	20,111	20,318	20,588	6.09%
	%	5.38%	5.43%	5.45%	5.46%	5.45%	5.44%	5.46%	
Social Sciences, Psychology, Area Studies and Foreign Languages	#	38,034	37,858	37,882	38,287	38,751	39,207	39,582	4.07%
	%	10.54%	10.52%	10.50%	10.51%	10.51%	10.50%	10.49%	
Multi-Interdisciplinary Studies/ Military Studies	#	4,085	4,148	4,262	4,419	4,581	4,752	4,934	20.78%
	%	1.13%	1.15%	1.18%	1.21%	1.24%	1.27%	1.31%	
Basic Skills and Developmental/ Remedial Education	#	491	499	505	512	520	528	534	8.76%
	%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	
High School/ Secondary Diplomas and Certificates	#	53	52	51	51	51	51	51	-3.77%
	%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	
Residency Programs	#	54	37	36	43	50	57	64	18.52%
	%	0.01%	0.01%	0.01%	0.01%	0.01%	0.02%	0.02%	
TOTAL		360,812	359,953	360,636	364,452	368,731	373,244	377,387	4.59%

Percentages in some columns may not total to 100% due to rounding.

Program: Higher Education (continued)

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

GENERAL FUND

Community Colleges

$ 15,056 —Initiative—Jobs that Pay. To implement a 2-year plan to restore state funding for higher education and to improve college access and completion.

Community Education Councils

$ 50 —to continue current program.

Thaddeus Stevens College of Technology

$ 863 —Initiative—Jobs that Pay. To improve and expand technical higher education opportunities.

State System of Higher Education

$ 45,302 —Initiative—Jobs that Pay. To implement a 2-year plan to restore state funding for higher education and to improve college access and completion.

The Pennsylvania State University

$ 50,855 —Initiative—Jobs that Pay. To implement a 2-year plan to restore state funding for higher education and to improve college access and completion.

University of Pittsburgh

$ 14,918 —Initiative—Jobs that Pay. To implement a 2-year plan to restore state funding for higher education and to improve college access and completion.

Temple University

$ 15,444 —Initiative—Jobs that Pay. To implement a 2-year plan to restore state funding for higher education and to improve college access and completion.

Lincoln University

$ 921 —Initiative—Jobs that Pay. To implement a 2-year plan to restore state funding for higher education and to improve college access and completion.

All other appropriations are recommended at the current year funding levels.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
GENERAL FUND:							
Community Colleges	$ 212,167	$ 215,667	$ 230,723	$ 242,259	$ 242,259	$ 242,259	$ 242,259
Transfer to Community College Capital Fund	48,869	48,869	48,869	48,869	48,869	48,869	48,869
Regional Community Colleges Services	1,200	2,400	2,400	2,400	2,400	2,400	2,400
Community Education Councils	2,300	2,300	2,350	2,350	2,350	2,350	2,350
Thaddeus Stevens College of Technology	10,332	12,332	13,195	13,855	13,855	13,855	13,855
State System of Higher Education	412,751	412,751	458,053	503,355	503,355	503,355	503,355
Pennsylvania State University	229,694	231,694	282,549	339,320	339,320	339,320	339,320
University of Pittsburgh	136,293	136,293	151,211	167,995	167,995	167,995	167,995
Temple University	139,917	139,917	155,361	172,737	172,737	172,737	172,737
Lincoln University	13,163	13,163	14,084	14,789	14,789	14,789	14,789
TOTAL GENERAL FUND	$ 1,206,686	$ 1,215,386	$ 1,358,795	$ 1,507,929	$ 1,507,929	$ 1,507,929	$ 1,507,929

Program Measures

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Program: PreK-12 Education (Basic Education)							
Objective: Make high quality early learning programs available to Pennsylvania children, particularly those at risk of academic failure.							
Early Childhood Education							
School districts offering pre-kindergarten	82	82	82	82	82	82	82
Students enrolled in pre-kindergarten (excluding Head Start)	25,700	25,700	25,700	25,700	25,700	25,700	25,700
Students in state-funded Head Start Supplemental	5,643	5,643	8,043	8,043	8,043	8,043	8,043
Students in PA Pre-K Counts program	12,149	13,819	25,419	39,419	53,419	67,419	67,419
Early Intervention							
Children participating in Early Intervention	49,665	50,061	50,536	50,536	50,536	50,536	50,536
Children on their 3rd birthday who transitioned from infant/toddler Early Intervention to preschool Early Intervention	6,601	6,600	6,600	6,600	6,600	6,600	6,600
Children who met their individual goals and no longer need Early Intervention prior to school age	1,792	1,800	1,800	1,800	1,800	1,800	1,800
Children receiving early intervention in typical early childhood educational settings such as home, child care or Head Start	71%	72%	72%	72%	72%	72%	72%
Objective: Increase the number of K-12 students who acquire the essential skills in math, English, science and social studies by improving teacher effectiveness in all classrooms.							
Basic Education Targeted Investment							
Public school enrollment (K-12)	1,764,000	1,763,000	1,762,000	1,761,000	1,760,000	1,759,000	1,758,000
Secondary Education-Transforming Pennsylvania's High Schools							
High schools offering at least one Advanced Placement course	86.32%	87.57%	88.81%	90.05%	91.30%	92.54%	93.78%
Advanced Placement tests given in high schools	32,550	35,805	39,386	43,324	47,657	52,422	57,664
Advanced Placement tests with scores of "3" or higher demonstrating mastery of the course	70.67%	73.33%	76%	78.67%	81.33%	84%	86.67%
Accountability							
Students proficient/advanced in mathematics PSSAs	77.08%	79.17%	81.25%	83.33%	85.42%	87.50%	89.58%
Percentage gains in mathematics PSSA proficiency from 5th to 8th grade-same students	2.08%	2.08%	2.08%	2.08%	2.08%	2.08%	2.08%
Students proficient/advanced in reading PSSAs	71.58%	74.17%	76.75%	79.33%	81.92%	84.50%	87.08%

Program Measures

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Percentage gains in reading proficiency from 5th to 8th grade-same students	2.58%	2.58%	2.58%	2.58%	2.58%	2.58%	2.58%
Career & Technical (Vocational) Education							
Enrollment	65,104	65,429	65,756	66,085	66,415	66,747	67,081
Vocational education program completers	70%	72%	77%	78%	79%	80%	81%
Skilled workforce--percentage of PA Skills Certificates awarded	64%	65%	68%	69%	70%	71%	72%
Special Education							
Pupils with disabilities enrolled in special education programs	269,349	269,400	269,400	269,400	269,400	269,400	269,400
Special education incidence rate	15%	15%	15%	15%	15%	15%	15%
Other Education Programs							
Nonpublic school enrollment	218,032	212,534	207,471	203,555	199,804	199,804	199,804

Program: Library Services

Objective: Provide access to library resources to inform and educate Pennsylvanians at home, in school and in the workplace.

Items accessed-State Library of Pennsylvania	199,021	201,000	203,000	205,000	207,000	209,175	211,265
Visits to public libraries (in thousands)	45,106	46,000	46,900	47,850	48,000	49,500	50,250
Materials borrowed from public libraries (in thousands)	68,672	70,000	71,500	72,875	74,250	75,500	77,250
Items borrowed from public libraries children's collections- included above (in thousands)	25,131	25,650	26,125	26,670	27,225	27,750	28,300
Materials borrowed from libraries for blind and physically handicapped-included above (in thousands)	1,424	1,495	1,570	1,648	1,730	1,800	1,900
POWER Library use - items examined (in thousands)	30,273	30,875	31,500	32,125	32,750	33,425	34,100
Online inquiries by consumers to professional reference librarians (Ask Here PA)	87,471	89,220	91,005	92,825	94,681	96,575	98,507
Public library internet computer sessions	9,754	9,949	10,148	10,351	10,558	10,769	10,985

Program: Higher Education

Objective: Increase levels of educational attainment by increasing graduation rates at Pennsylvania's postsecondary education institutions.

Access & Affordability							
Minority enrollment at public institutions	90,088	96,124	102,564	109,436	116,768	124,592	132,939

Program Measures

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Outcomes							
Six-year graduation rate (percent) for full-time, first-time students at state system institutions	56%	56.10%	56.20%	56.20%	56.30%	56.40%	56.40%
Six-year graduation rate (percent) for full-time, first-time students at state-related institutions	68.70%	68%	69%	69.50%	70%	70.50%	71%
Three-year graduation rate (percent) for full-time, first-time students at community colleges	13.50%	13.10%	13.50%	14%	14.50%	15%	15.50%

HIGHER EDUCATION ASSISTANCE AGENCY

The mission of the Pennsylvania Higher Education Assistance Agency is to provide affordable access to postsecondary education while helping to secure a strong economic future for the commonwealth through the development of a highly skilled workforce.

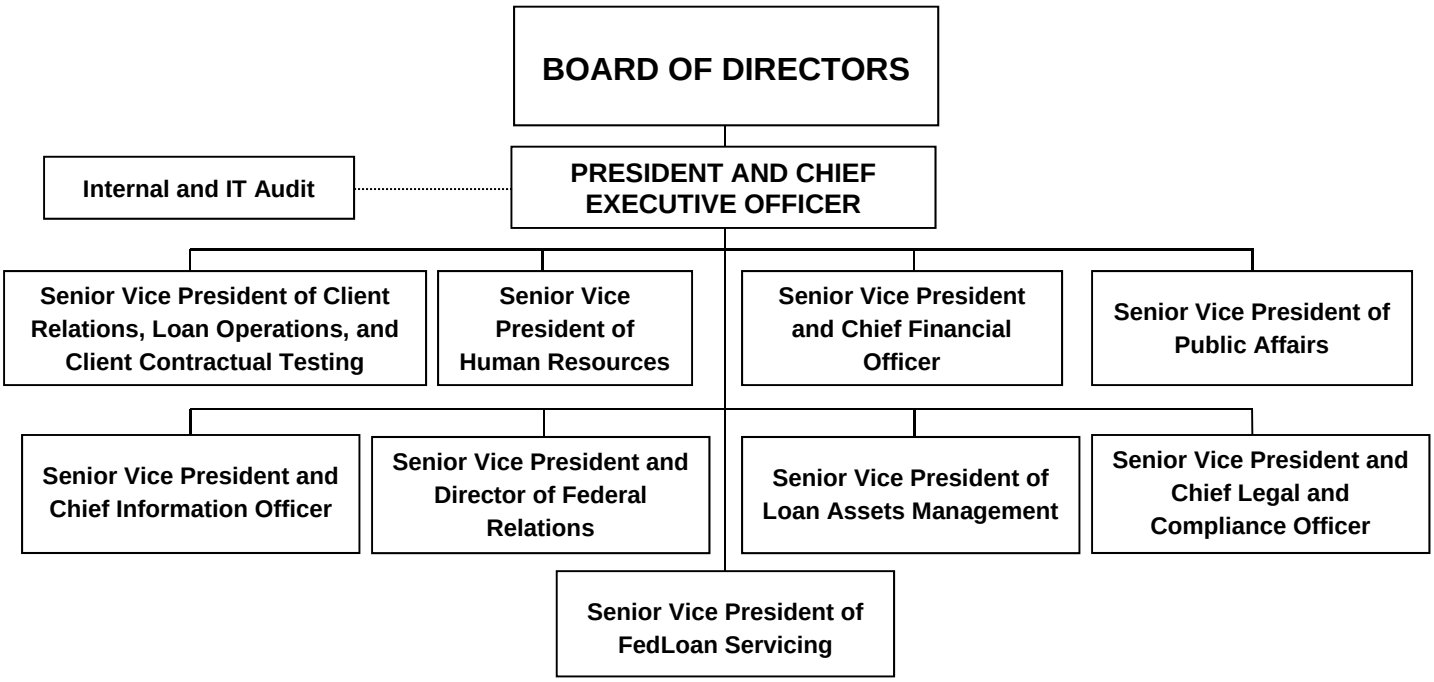
The agency provides financial aid to higher education students in the form of grants, loans and employment opportunities through the coordination of state and federal aid programs. In addition, the agency provides institutional assistance grants to private institutions enrolling students who participate in the state grant program.

Programs and Goals

Financial Assistance to Students: *To provide financial assistance to commonwealth residents in order to promote access to institutions of higher education.*

Financial Aid to Institutions: *To assist independent post-secondary institutions to maintain enrollments and stabilize their educational costs thereby promoting access to institutions in all sectors for Pennsylvania students.*

Organization Overview



- **Senior Vice President of Client Relations, Loan Operations, and Client Contractual Testing** responsibilities include managing third-party external client relationships, including Federal and Alternative Loan assets, as well as overseeing systems provided to Remote Clients. The position also oversees the operations for servicing these portfolios and the contractual testing associated with compliance of these responsibilities.
- **Senior Vice President of Human Resources** is responsible for leading all facets of human resources by providing HR expertise and best practices to deliver quality programs and initiatives that support the organization's business model.
- **Senior Vice President and Chief Financial Officer** is responsible for all financial functions, including financial reporting, accounting, budgeting, credit, insurance, tax, public finance, treasury, and administration.
- **Senior Vice President of Public Affairs** oversees public relations, legislative affairs, marketing communications, public service and State Grant and Special Program functions.
- **Senior Vice President and Chief Information Officer** manages the development, maintenance, and support of data processing systems and technology infrastructure.
- **Senior Vice President and Director of Federal Relations** is the primary liaison between the agency and the U.S. Congress, the U.S. Department of Education, and other federal agencies.
- **Senior Vice President of Loan Assets Management** is responsible for all guaranty default prevention and post collection activities, as well as commercial collections and payment processing.
- **Senior Vice President and Chief Legal and Compliance Officer** responsibilities include reviewing and approving all agency agreements and managing all aspects of the agency's legal and compliance initiatives.
- **Senior Vice President of FedLoan Servicing** responsibilities include overseeing FedLoan Servicing as a U.S. Department of Education Title IV Additional Servicer. The position also manages and responds to all Department of Education solicitations for new business.

Reported Complement

(Independent Agency – Complement Not Under the Governor's Jurisdiction/Control)

2009-10 Actual	2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Actual
2,485	2,705	2,835	3,050	3,507

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2013-14 ACTUAL	2014-15 AVAILABLE	2015-16 BUDGET
GENERAL FUND:			
Grants and Subsidies:			
Grants to Students	**$ 344,888**	**$ 344,888**	**$ 344,888**
(A)Grants to Students Supplement	75,000	75,000	75,000
(A)State Grant Distance Education	10,000	10,000	10,000
Ready to Succeed Scholarships	**0**	**5,000**	**15,000**
Higher Education for the Disadvantaged	**2,246**	**2,246**	**2,246**
Higher Education of Blind or Deaf Students	**47**	**47**	**47**
Pennsylvania Internship Program Grants	**350**	**350**	**0**
Matching Payments for Student Aid	**12,496**	**12,496**	**12,496**
Institutional Assistance Grants	**24,389**	**24,389**	**29,389**
Bond-Hill Scholarships	**534**	**534**	**1,000**
Cheyney Keystone Academy	**1,525**	**1,525**	**2,000**
Subtotal - State Funds	$ 386,475	$ 391,475	$ 407,066
Subtotal - Augmentations	85,000	85,000	85,000
Total - Grants and Subsidies	$ 471,475	$ 476,475	$ 492,066
STATE FUNDS	$ 386,475	$ 391,475	$ 407,066
AUGMENTATIONS	85,000	85,000	85,000
GENERAL FUND TOTAL	**$ 471,475**	**$ 476,475**	**$ 492,066**
OTHER FUNDS:			
HIGHER EDUCATION ASSISTANCE FUND:			
Targeted Industry Cluster Scholarship Program	$ 5,000	$ 6,000	$ 7,000
STEM Scholarships	0	0	7,500
Dual Enrollment Grants	0	0	9,000
Educational Training Vouchers Program	1,492	1,555	1,555
Primary Health Care	476	471	8,500
HIGHER EDUCATION ASSISTANCE FUND TOTAL	**$ 6,968**	**$ 8,026**	**$ 33,555**
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND	$ 386,475	$ 391,475	$ 407,066
SPECIAL FUNDS	0	0	0
AUGMENTATIONS	85,000	85,000	85,000
OTHER FUNDS	6,968	8,026	33,555
TOTAL ALL FUNDS	**$ 478,443**	**$ 484,501**	**$ 525,621**

Program Funding Summary

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
FINANCIAL ASSISTANCE TO STUDENTS							
GENERAL FUND	$ 362,086	$ 367,086	$ 377,677	$ 377,677	$ 377,677	$ 377,677	$ 377,677
SPECIAL FUNDS	0	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0	0
OTHER FUNDS	91,968	93,026	118,555	118,555	118,555	118,555	118,555
SUBCATEGORY TOTAL	$ 454,054	$ 460,112	$ 496,232	$ 496,232	$ 496,232	$ 496,232	$ 496,232
FINANCIAL AID TO INSTITUTIONS							
GENERAL FUND	$ 24,389	$ 24,389	$ 29,389	$ 29,389	$ 29,389	$ 29,389	$ 29,389
SPECIAL FUNDS	0	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0	0
OTHER FUNDS	0	0	0	0	0	0	0
SUBCATEGORY TOTAL	$ 24,389	$ 24,389	$ 29,389	$ 29,389	$ 29,389	$ 29,389	$ 29,389
ALL PROGRAMS:							
GENERAL FUND	$ 386,475	$ 391,475	$ 407,066	$ 407,066	$ 407,066	$ 407,066	$ 407,066
SPECIAL FUNDS	0	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0	0
OTHER FUNDS	91,968	93,026	118,555	118,555	118,555	118,555	118,555
DEPARTMENT TOTAL	$ 478,443	$ 484,501	$ 525,621	$ 525,621	$ 525,621	$ 525,621	$ 525,621

Program: Financial Assistance to Students

Goal: To provide financial assistance to commonwealth residents in order to promote access to institutions of higher education.

The Pennsylvania Higher Education Assistance Agency (PHEAA) offers financial assistance programs to students in the form of grants, scholarships and work-study awards.

All General Fund appropriations are transferred to PHEAA's Higher Education Assistance Fund prior to distribution to students and institutions. The Higher Education Assistance Fund is shown in the Other Special Funds Appendix.

Direct grants to students are funded by an annual appropriation from the General Fund, a portion of PHEAA's business earnings and interest earnings from the Higher Education Assistance Fund. The PHEAA Board annually determines by regulation the distribution of funds to applicants on criteria including family income, family size and the cost of the institution the student will be attending. Beginning with the 2013-14 academic year, PHEAA offered a State Grant Distance Education program to provide grant awards to online students at participating institutions.

The objective of the program is to reduce financial barriers and provide greater access to higher education for all commonwealth residents and, within the limits of the resources available, help to provide freedom of choice between public and private institutions.

The Ready to Succeed Scholarships program makes post-secondary educational opportunities more affordable to students from middle-income Pennsylvania families to pursue two-year and four-year post-secondary degrees at any Pennsylvania college, university or technical school.

The Higher Education Equal Opportunity program provides tutoring and counseling services to economically and educationally disadvantaged students to aid them in succeeding in college.

The Higher Education of Blind or Deaf Students program provides assistance to any blind or deaf student who is a Pennsylvania resident and is enrolled in an approved institution of higher education.

The Matching Funds program provides funds to match federal funds and work-study awards which students earn through several on-campus and off-campus job opportunities. Matching funds also leverage private foundation scholarships.

The Horace Mann Bond-Leslie Pinckney Hill Scholarship program provides grants to graduates of Lincoln University and Cheyney University of Pennsylvania who enter selected graduate programs or the professional programs of law, medicine or dentistry at Temple University, the Pennsylvania State University or the University of Pittsburgh.

The Targeted Industry Cluster Scholarship Program provides grants to students enrolled in certificate programs in the energy, advanced materials and diversified manufacturing and agricultural and food production fields.

The Cheyney Keystone Honors Academy program provides scholarships to attract academically talented students to enroll at Cheyney University of Pennsylvania.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

GENERAL FUND

Ready to Succeed Scholarships

$ 10,000 —Initiative—Jobs that Pay. To provide additional funds for students from middle income families to make attending two and four-year institutions more affordable.

Pennsylvania Internship Program Grants

$ –350 —program elimination.

Bond-Hill Scholarships

$ 466 —Initiative—Jobs that Pay. To provide additional funds for graduates of Lincoln or Cheyney Universities seeking professional degrees.

Cheyney Keystone Academy

$ 475 —Initiative—Jobs that Pay. To provide additional funds for students receiving scholarships at Cheyney University.

All other appropriations are recommended at the current year funding levels.

In addition, the budget provides $7,000,000 for the Targeted Industry Cluster Scholarship Program, an increase of $1,000,000 from 2014-15, $7,500,000 for the STEM Scholarships, $8,500,000 for Primary Health Care program and $9,000,000 for the Dual Enrollment Grants.

Please see the Jobs that Pay theme in the Overview and Summaries Section for additional information.

Program: Financial Assistance to Students (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
GENERAL FUND:							
Grants to Students	$ 344,888	$ 344,888	$ 344,888	$ 344,888	$ 344,888	$ 344,888	$ 344,888
Ready to Succeed Scholarships	0	5,000	15,000	15,000	15,000	15,000	15,000
Higher Education for the Disadvantaged	2,246	2,246	2,246	2,246	2,246	2,246	2,246
Higher Education of Blind or Deaf Students	47	47	47	47	47	47	47
Pennsylvania Internship Program Grants	350	350	0	0	0	0	0
Matching Payments for Student Aid	12,496	12,496	12,496	12,496	12,496	12,496	12,496
Bond-Hill Scholarships	534	534	1,000	1,000	1,000	1,000	1,000
Cheyney Keystone Academy	1,525	1,525	2,000	2,000	2,000	2,000	2,000
TOTAL GENERAL FUND	$ 362,086	$ 367,086	$ 377,677	$ 377,677	$ 377,677	$ 377,677	$ 377,677

Program: Financial Aid to Institutions

GOAL: To assist independent post-secondary institutions to maintain enrollments and stabilize their educational costs thereby promoting access to institutions in all sectors for Pennsylvania students.

The Institutional Assistance Grants program, which began in 1974, provides grants to assist independent post-secondary institutions that are not-for-profit, nondenominational and non-recipients of direct state appropriations.

The program provides equal per capita grants to the schools based on the number of full-time equivalent state grant recipients enrolled during the academic year. Eighty-nine institutions are eligible to participate in the program.

The program helps to preserve and develop the diverse system of higher education in Pennsylvania by allowing Pennsylvania's independent colleges and universities to stabilize their educational costs and maintain enrollments. It recognizes the desirability of helping independent institutions remain fiscally sound and serves to promote student access to institutions in all sectors.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

		GENERAL FUND
		Institutional Assistance Grants
$	5,000	—Initiative—Jobs that Pay. To provide additional funds to independent post-secondary institutions to promote student access and stabilize educational costs.

Please see the Jobs that Pay theme in the Overview and Summaries Section for additional information.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
GENERAL FUND:							
Institutional Assistance Grants	$ 24,389	$ 24,389	$ 29,389	$ 29,389	$ 29,389	$ 29,389	$ 29,389

Program Measures

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Program: Financial Assistance to Students							
Objective: Increase enrollment and graduation rates at Pennsylvania's colleges and universities, especially among economically disadvantaged students and first generation college students.							
Grants to Students							
Applications for grants	629,328	617,000	611,000	604,000	598,000	592,000	587,000
Applications complete and needs tested for eligibility	399,842	392,000	388,000	384,000	380,000	376,000	373,000
Eligible applicants meeting qualifications	225,878	225,000	214,000	212,000	211,000	210,000	209,000
Eligible applicants enrolled and accepting grants	178,681	178,000	169,000	168,000	167,000	166,000	166,000
Eligible applicants not enrolled at a college/university	46,577	46,000	45,000	44,000	44,000	44,000	44,000
Grant amount as percentage of applicant's total educational cost	11.10%	9.80%	9.60%	9%	8.60%	8.10%	7.70%
Students receiving Blind or Deaf Scholarships	102	100	94	94	94	94	94
Students Receiving Pennsylvania Internship Program Awards	50	60	60	60	60	60	60
Work Study							
Students assisted by federal, state and private funds	30,400	30,000	30,000	30,000	30,000	30,000	30,000
Student work study earnings (in millions)	$54	$54	$54	$54	$54	$54	$54
Objective: Develop a strong workforce in targeted industries in Pennsylvania through access to financial assistance for higher education.							
Grants to Students							
Number of PA Targeted Industry Program (PA-TIP) applicants	2,625	2,782	2,782	2,782	2,782	2,782	2,782
Average Award for PA Targeted Industry Program (PA-TIP)	$3,466	$3,186	$3,186	$3,186	$3,186	$3,186	$3,186
Number of PA Targeted Industry Program (PA-TIP) participants	1,391	1,669	1,950	1,950	1,950	1,950	1,950
Program: Financial Aid to Institutions							
Objective: Support programs at institutions through the development and preservation of a planned system of higher education across the commonwealth.							
Eligible grant recipients enrolled at eligible independent institutions	43,973	44,000	44,000	44,000	44,000	44,000	44,000
Per capita grant	$558	$557	$668	$668	$668	$668	$668
Institutions aided	35	33	33	33	33	33	33

eHEALTH PARTNERSHIP AUTHORITY

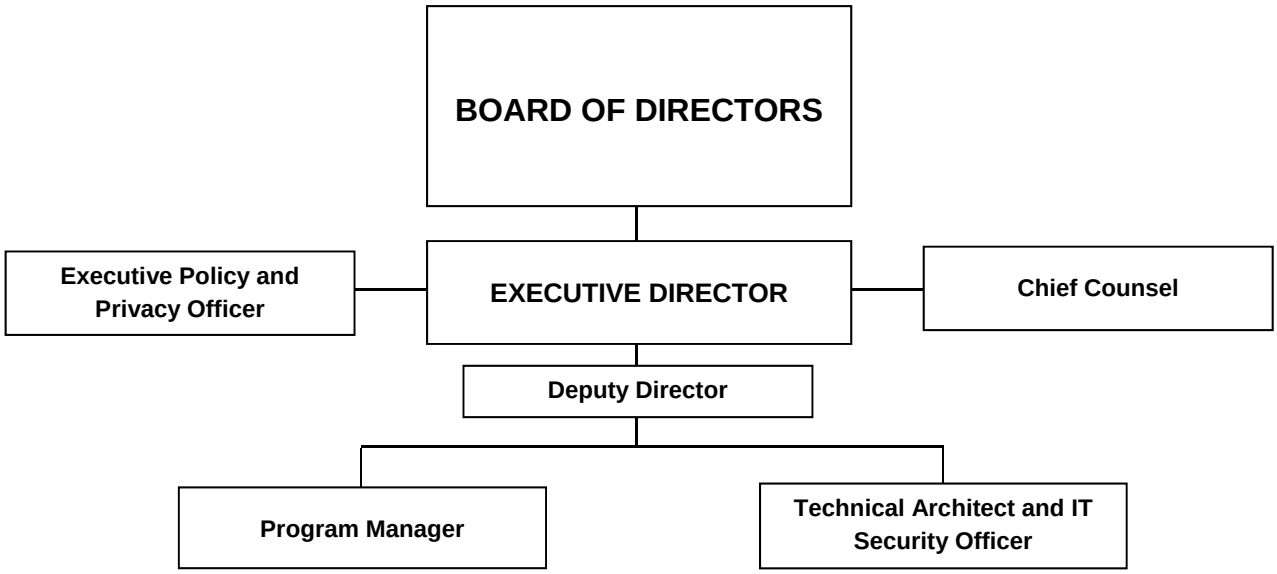
The mission of the eHealth Partnership Authority is to improve health care delivery and health care outcomes in Pennsylvania by enabling the secure exchange of health information.

The authority provides leadership and strategic direction for public and private, federally funded and state-funded investments in health information technology initiatives, including health information exchange capabilities and other related health information technology efforts. The authority works with various stakeholders, including health care providers, insurers, academics and consumer advocates, toward the ultimate goal of improving patient health. Based on existing legislation, the authority will expire on July 5, 2017.

Programs and Goals

Health Information Technology*: To strengthen the health care system and improve both health care delivery and outcomes through the timely, secure and authorized exchange of patient health information among health care providers.*

Organization Overview



- **Program Manager** is responsible for fiscal and human resources management support, assists in oversight of all day-to-day functions and, in cooperation with the deputy director, develops and implements management policies, plans and schedules.
- **Technical Architect and IT Security Officer** is responsible for planning, organizing and directing information technology functions within the eHealth Partnership Authority. This position is also responsible for application development, technical services, network administration, data or database management, information technology security and information technology policy and planning.

Authorized Complement

2009-10 Actual	2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Actual
0	0	0	5	9

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	2013-14 ACTUAL	2014-15 AVAILABLE	2015-16 BUDGET
GENERAL FUND:			
General Government:			
Transfer to PA eHealth Partnership Fund	**$ 2,000**	**$ 1,850**	**$ 1,500**
Grants and Subsidies:			
(F)State Health Care Innovation Model (EA)	$ 21	$ 0	$ 0
STATE FUNDS	$ 2,000	$ 1,850	$ 1,500
FEDERAL FUNDS	21	0	0
GENERAL FUND TOTAL	**$ 2,021**	**$ 1,850**	**$ 1,500**
OTHER FUNDS:			
PENNSYLVANIA EHEALTH PARTNERSHIP FUND:			
General Operations (EA)	$ 2,400 [a]	$ 2,600 [a]	$ 2,325 [a]
(F)ARRA - Health Information Exchange (EA)	8,837	8,837	0
(F)Health Information Technology Implementation Grant (EA)	0	9,000	3,874
(F)State Health Care Innovation Model (EA)	21	0	0
(A)Fees	0	1,000	0
PENNSYLVANIA EHEALTH PARTNERSHIP FUND TOTAL	**$ 11,258**	**$ 21,437**	**$ 6,199**
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND	$ 2,000	$ 1,850	$ 1,500
SPECIAL FUNDS	0	0	0
FEDERAL FUNDS	21	0	0
OTHER FUNDS	11,258	21,437	6,199
TOTAL ALL FUNDS	**$ 13,279**	**$ 23,287**	**$ 7,699**

[a] Transfer from the General Fund is excluded to avoid double counting: 2013-14 Actual is $2,000,000, 2014-15 Available is $1,850,000 and 2015-16 Budget is $1,500,000.

Program Funding Summary

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
EHEALTH PARTNERSHIP AUTHORITY							
GENERAL FUND	$ 2,000	$ 1,850	$ 1,500	$ 1,500	$ 0	$ 0	$ 0
SPECIAL FUNDS	0	0	0	0	0	0	0
FEDERAL FUNDS	21	0	0	3,874	0	0	0
OTHER FUNDS	11,258	21,437	6,199	5,874	0	0	0
SUBCATEGORY TOTAL	$ 13,279	$ 23,287	$ 7,699	$ 11,248	$ 0	$ 0	$ 0
ALL PROGRAMS:							
GENERAL FUND	$ 2,000	$ 1,850	$ 1,500	$ 1,500	$ 0	$ 0	$ 0
SPECIAL FUNDS	0	0	0	0	0	0	0
FEDERAL FUNDS	21	0	0	3,874	0	0	0
OTHER FUNDS	11,258	21,437	6,199	5,874	0	0	0
DEPARTMENT TOTAL	$ 13,279	$ 23,287	$ 7,699	$ 11,248	$ 0	$ 0	$ 0

Program: Health Information Technology

Goal: To strengthen the health care system and improve both health care delivery and outcomes through the timely, secure and authorized exchange of patient health information among health care providers.

Act 121 of 2012 established the Pennsylvania eHealth Partnership Authority (Authority) to facilitate electronic health information exchange (eHIE) efforts in the commonwealth. Continued operation of the Authority, in accordance with the strategic and operational plan approved by the Authority's board of directors, is critical to keeping Pennsylvania on pace with other states and territories as eHIE and health information technology matures. The Authority's role is key to connecting the state and enabling other initiatives to evolve and succeed in improving patient care and reducing costs.

The Authority aligns Pennsylvania eHIE efforts with other governmental and private sector healthcare-related initiatives to ensure that eHIE can support these initiatives. The Authority also aligns its eHIE efforts with the efforts in other states and at the national level to work toward interstate exchange and support of patients' care as they move about their daily lives. It also provides state-level technical services that enable submission of private sector reports to state government, including the Department of Human Services and the Department of Health (immunization registry, lab results registry, cancer registry, communicable disease registry). The Authority's effort to establish this reporting channel is referred to as the Public Health Gateway.

The Authority is also responsible for advancing health information technology and eHIE across competing private sector healthcare organizations that otherwise could not or would not coordinate their efforts by engaging both public and private stakeholders to ensure continued alignment of eHIE-related efforts with private sector developments and supporting private sector programs to innovate for better patient care and new payment delivery models.

The Authority establishes and administers certification programs for private sector organizations to ensure compliance with legal and policy decisions and to promote interoperability. The programs promote a cohesive, interconnected healthcare system.

Finally, the Authority seeks federal funds and other funding sources to incentivize eHIE adoption and use by Pennsylvania health care providers, via the certified health information organizations. It intends to offer grants through leveraging of federal grant monies to help expand the use of health information technology.

These efforts are expected to improve long-term health care outcomes through the more timely and accurate availability of patient information for patients and providers.

Based on existing legislation, the Authority will expire on July 5, 2017, and will be up for reauthorization one year prior.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

GENERAL FUND
Transfer to PA eHealth Partnership Fund

$ –350 —funding reduction.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
GENERAL FUND:							
Transfer to PA eHealth Partnership Fund..	$ 2,000	$ 1,850	$ 1,500	$ 1,500	$ 0	$ 0	$ 0

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EMERGENCY MANAGEMENT AGENCY

The mission of the Pennsylvania Emergency Management Agency is to save lives, reduce suffering and protect property and the environment by leading and coordinating commonwealth agencies and resources to prevent, protect, prepare, respond and recover from any man-made or natural disaster.

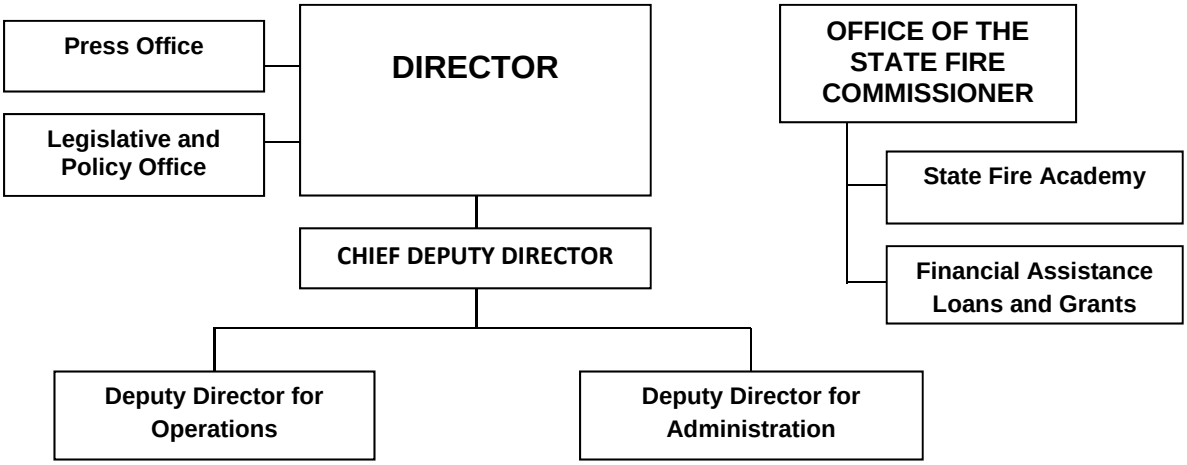
The agency develops and maintains a comprehensive plan and program for the civil defense of the commonwealth. Primarily the plan calls for the protection of life and property both prior to and in the event of natural and other disasters. The agency, through the Office of the State Fire Commissioner, provides loans to volunteer fire, ambulance and rescue companies, and coordinates state fire services. The agency also administers post-disaster aid to affected localities and citizens.

Programs and Goals

Emergency Management*: To develop and maintain a statewide emergency preparedness and response program capable of immediate and effective action and rapid organizational expansion in the event of natural, technological or other man-made disasters.*

Fire Prevention and Safety*: To minimize the loss of life and property due to fire by developing and maintaining statewide municipal fire and emergency service capability and to promote citizen awareness to support community fire prevention and control efforts.*

Organization Overview



- **Deputy Director for Operations** oversees all operations relating to the warning point, State Emergency Operations Center (SEOC), tactical/operational planning and preparedness, and response activities of agency headquarters and area offices. Acts as the primary point of contact between PEMA and various search and rescue special team entities within the commonwealth. Manages the SEOC 24/7/365 Watch Operation, including its activation during disasters, and delivery of essential services during emergency response and recovery phases; conducts technological hazard planning including the commonwealth's five nuclear power plants; and trains and conducts emergency preparedness exercises to ensure that commonwealth citizens, county and local emergency management programs, first responders and commonwealth agencies are prepared to deal with emergencies. Oversees area offices that are the primary management and coordination points of contact and liaison within the western, central, or eastern regions of Pennsylvania.

- **Deputy Director for Administration** oversees and manages a comprehensive administrative and management services program. Responsible for all agency activities related to manpower, staff utilization planning, classification and pay, labor relations; and provides fiscal, budget, facility management, procurement and grants management services. Also responsible for developing and defining strategies, goals and objectives that will formulate strategic plans for the agency, statewide emergency management and integration as well as emergency preparedness for the commonwealth. As a recipient of Homeland Security Grant funds, identifies threats and hazards that exist in the commonwealth and identifies needed planning, organization, exercise, training, and equipment in order to mitigate, protect, prevent, respond, and recover from a terroristic threat or an all-hazards incident. Provides information technology and telecommunications technical support to the agency, the SEOC, three area offices, the Special Operations Center, the Office of State Fire Commissioner and State Fire Academy. Responsible for the administration of the federal- and state-funded public assistance, individual assistance, and hazard mitigation programs that provide financial assistance to victims of disasters. Provides oversight for the commonwealth's county-based 9-1-1 system and manages communication with County 9-1-1 Coordinators to enable public safety answering points to provide expedient telephone access to emergency services for all 9-1-1 callers.

- **State Fire Commissioner** oversees the State Fire Academy and the Volunteer Loan Assistance Program and is responsible for the diverse training, operational, and information needs of the commonwealth's fire and emergency services community. The Fire Commissioner reports to the Governor.

Authorized Complement

2009-10 Actual	2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Actual
178	161	190	193	195

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2013-14 ACTUAL	2014-15 AVAILABLE	2015-16 BUDGET
GENERAL FUND:			
General Government:			
General Government Operations	**$ 8,668**	**$ 8,944**	**$ 10,400**
(F)Civil Preparedness	21,000	21,000	21,000
(F)Hazardous Materials Planning and Training	1,024	900	900
(F)Domestic Preparedness - First Responders (EA)	180,000	130,000	130,000
(F)School Emergeny Management Planning	0	987	0
(A)Miscellaneous	35	0	0
Subtotal	$ 210,727	$ 161,831	$ 162,300
State Fire Commissioner	**2,032**	**2,037**	**2,111**
(F)Fire Prevention	42	42	42
(F)Assistance to Firefighters Program	0	75	0
(F)Firefighters Assistance Program (EA)	0	177	0
(A)Fire Academy Fees	4	6	6
(A)Volunteer Company Loan Program	250	250	250
(A)Volunteer Company Grant Program	250	250	250
Subtotal	$ 2,578	$ 2,837	$ 2,659
Subtotal - State Funds	$ 10,700	$ 10,981	$ 12,511
Subtotal - Federal Funds	202,066	153,181	151,942
Subtotal - Augmentations	539	506	506
Total - General Government	$ 213,305	$ 164,668	$ 164,959
Grants and Subsidies:			
(F)June 2006 Summer Storm - Public Assistance (EA)	$ 1,000	$ 0	$ 0
(F)November 2006 Winter Storm Disaster - Public Assistance (EA)	1,000	0	0
(F)February 2010 Winter Snowstorms - Hazard Mitigation (EA)	3,500	2,500	0
(F)April 2011 Flooding - Public Assistance (EA)	4,500	3,000	2,000
Summer 2011 Storm Disaster Relief	**3,100**	**0**	**0**
(F)Summer 2011 Storm Disaster Relief (EA)	100,000	50,000	30,000
Hurricane Sandy Disaster Relief	**0**	**250**	**0**
(F)Hurricane Sandy Disaster Relief (EA)	6,800	3,000	2,000
Summer 2013 Storm Disaster Relief	**5,000**	**0**	**0**
(F)Summer 2013 Storm Disaster Relief (EA)	15,000	10,000	5,000
February 2014 Snow and Ice Storm Disaster Relief	**1,000**	**0**	**0**
Hazard Mitigation	**3,000**	**0**	**0**
Firefighters' Memorial Flag	**10**	**10**	**10**
Red Cross Extended Care Program	**150**	**150**	**150**
Search and Rescue	**0**	**250**	**0**
Local Municipal Emergency Relief	**0**	**3,000**	**0**
Subtotal - State Funds	$ 12,260	$ 3,660	$ 160
Subtotal - Federal Funds	131,800	68,500	39,000
Total - Grants and Subsidies	$ 144,060	$ 72,160	$ 39,160
STATE FUNDS	$ 22,960	$ 14,641	$ 12,671
FEDERAL FUNDS	333,866	221,681	190,942
AUGMENTATIONS	539	506	506
GENERAL FUND TOTAL	**$ 357,365**	**$ 236,828**	**$ 204,119**

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	2013-14 ACTUAL	2014-15 AVAILABLE	2015-16 BUDGET
OTHER FUNDS:			
GENERAL FUND:			
VoIP Emergency Services Fund	$ 21,495	$ 21,500	$ 21,500
Radiological Emergency Response Planning	1,006	1,200	1,200
Radiation Emergency Response Fund	767	820	800
Radiation Transportation Emergency Response Fund	3	75	75
GENERAL FUND TOTAL	**$ 23,271**	**$ 23,595**	**$ 23,575**
HAZARDOUS MATERIAL RESPONSE FUND:			
General Operations	$ 230	$ 200	$ 190
Hazardous Materials Response Team	230	200	190
Grants to Counties	1,610	1,400	1,330
Public and Facility Owner Education	230	200	190
HAZARDOUS MATERIAL RESPONSE FUND TOTAL	**$ 2,300**	**$ 2,000**	**$ 1,900**
PROPERTY TAX RELIEF FUND:			
Transfer to Volunteer Company Grants Program (EA)	$ 5,000	$ 5,000	$ 5,000
STATE GAMING FUND:			
Transfer to Volunteer Company Grants Program (EA)	$ 25,000	$ 25,000	$ 25,000
UNCONVENTIONAL GAS WELL FUND:			
Emergency Response Planning	$ 750	$ 750	$ 750
First Responders Equipment and Training	750	750	750
UNCONVENTIONAL GAS WELL FUND TOTAL	**$ 1,500**	**$ 1,500**	**$ 1,500**
VOLUNTEER COMPANIES LOAN FUND:			
Volunteer Company Loans	$ 7,489	$ 15,000	$ 16,000
WIRELESS E-911 EMERGENCY SERVICES FUND:			
General Operations (EA)	$ 2,320	$ 2,340	$ 2,303
Wireless E-911 Emergency Services Grants (EA)	121,096	116,000	116,000
WIRELESS E-911 EMERGENCY SERVICES FUND TOTAL	**$ 123,416**	**$ 118,340**	**$ 118,303**
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND	$ 22,960	$ 14,641	$ 12,671
SPECIAL FUNDS	0	0	0
FEDERAL FUNDS	333,866	221,681	190,942
AUGMENTATIONS	539	506	506
OTHER FUNDS	187,976	190,435	191,278
TOTAL ALL FUNDS	**$ 545,341**	**$ 427,263**	**$ 395,397**

Program Funding Summary

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
EMERGENCY MANAGEMENT							
GENERAL FUND	$ 20,768	$ 12,444	$ 10,400	$ 9,899	$ 10,146	$ 10,400	$ 10,660
SPECIAL FUNDS	0	0	0	0	0	0	0
FEDERAL FUNDS	333,824	221,387	190,900	181,900	169,650	162,400	156,900
OTHER FUNDS	30,361	30,345	30,225	30,075	29,975	29,775	29,675
SUBCATEGORY TOTAL	$ 384,953	$ 264,176	$ 231,525	$ 221,874	$ 209,771	$ 202,575	$ 197,235
FIRE PREVENTION AND SAFETY							
GENERAL FUND	$ 2,192	$ 2,197	$ 2,271	$ 2,345	$ 2,400	$ 2,456	$ 2,513
SPECIAL FUNDS	0	0	0	0	0	0	0
FEDERAL FUNDS	42	294	42	42	42	42	42
OTHER FUNDS	158,154	160,596	161,559	162,559	163,559	164,559	165,559
SUBCATEGORY TOTAL	$ 160,388	$ 163,087	$ 163,872	$ 164,946	$ 166,001	$ 167,057	$ 168,114
ALL PROGRAMS:							
GENERAL FUND	$ 22,960	$ 14,641	$ 12,671	$ 12,244	$ 12,546	$ 12,856	$ 13,173
SPECIAL FUNDS	0	0	0	0	0	0	0
FEDERAL FUNDS	333,866	221,681	190,942	181,942	169,692	162,442	156,942
OTHER FUNDS	188,515	190,941	191,784	192,634	193,534	194,334	195,234
DEPARTMENT TOTAL	$ 545,341	$ 427,263	$ 395,397	$ 386,820	$ 375,772	$ 369,632	$ 365,349

Program: Emergency Management

Goal: To develop and maintain a statewide emergency preparedness and response program capable of immediate and effective action and rapid organizational expansion in the event of natural, technological or other man-made disasters.

The Pennsylvania Emergency Management Agency (PEMA) was created in 1951 to address civil defense related public planning and preparedness. Since then, PEMA's responsibilities have evolved, and the agency's mission has grown into that of a statewide all-hazards emergency management agency. The agency's mission is accomplished through systematic preparation for the threats that pose the greatest risk to the safety and security of the commonwealth, including natural and man-made disasters, pandemics and acts of terrorism. PEMA has adopted the "Whole Community" approach to emergency management that recognizes it takes all aspects of a community to effectively prepare for, protect against, respond to, recover from and mitigate against any disaster.

Pennsylvania preparedness occurs as the result of actions taken to plan, train and equip to build and sustain the capabilities and capacity to protect our state during emergency events. The agency has several objectives that help meet the statewide preparedness goal: increase community outreach to better prepare citizens to appropriately respond to all-hazard threats within their community; increase capabilities of emergency management within the commonwealth; increase the efficiency of federal and state grant administration; provide wireless 911 callers the enhanced benefits traditionally available to landline 911 callers; and reduce the risks to critical infrastructure from acts that would severely diminish the ability of government to perform essential health and safety missions and negatively impact our people, vital interests and way of life.

Pennsylvania's "Whole Community" public preparedness program is based on inter and intra governmental coordination, communication and cooperation and a team approach involving state, county, municipal and federal elected leaders, the private sector owners of our critical infrastructure, emergency managers and first responders. At its core is a multi-agency coordination and training program which develops and maintains a statewide emergency force composed of state, county and local units, jointly capable of prompt and effective action to protect life and property; alleviate human suffering and hardship resulting from natural and man-made disasters; and deploy rapidly when required.

PEMA's responsibilities include programs concerning prison and community safety, wireless Enhanced 911 (E-911) implementation and maintenance, statewide chemical and nuclear power safety, hazardous materials transportation and individual emergency preparedness. PEMA assists local governments with hazard assessments, emergency planning, warning systems and emergency communications, and ongoing training programs to help them maintain their readiness. PEMA maintains and operates Pennsylvania's emergency response and command center on a 24/7 basis. In times of disaster, PEMA is responsible for all actions related to gubernatorial emergency declarations, presidential disaster declarations and all coordination with the Federal Emergency Management Agency.

Counties are required to have an approved emergency program plan consisting of a statement of accomplishments, required financial needs, hazard vulnerability and goals indicating projected activity. Counties are also required to have current hazard mitigation plans. Federal and state laws mandate conducting exercises to test and update existing emergency preparedness and response plans. This comprehensive exercise program is an extensive and integrated training and testing program that enhances and measures the ability of county and local forces to provide a first line of response to emergency conditions.

The agency coordinates urban search and rescue capabilities for response to certain types of disasters. Regional rapid assessment teams are trained to provide assessment of needs in disaster areas. The agency also coordinates nine regional counter-terrorism task forces and incident support teams. PEMA acts as the federally designated state administrative agency and is responsible for managing congressionally mandated and first responder preparedness support programs.

PEMA is responsible by law to require the operator of an unconventional well site to develop an emergency response plan that provides for equipment, procedures, training and documentation to properly respond to emergencies that threaten human health and safety for each well site or planned well site.

PEMA is responsible for the administration of the Public Safety Emergency Telephone Act which established the Wireless E-911 Emergency Services Fund. This fund provides support for a statewide integrated wireless E-911 system. The wireless surcharge funds are disbursed to public safety answering points (PSAPs) to upgrade E-911 technologies. Amendments to the act have added fees for voice over internet protocol phones and prepaid wireless phones which provide additional funding to the PSAPs.

Program: Emergency Management (continued)

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

General Government Operations

$ 222	—to continue current program.
1,234	—nonrecurring costs to transition to new headquarters building.
$ 1,456	*Appropriation Increase*

Hurricane Sandy Disaster Relief

$ –250	—state match for federally funded projects.

Search and Rescue

$ –250	—program elimination.

Local Municipal Emergency Relief

$ –3,000	—program elimination.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
GENERAL FUND:							
General Government Operations	$ 8,668	$ 8,944	$ 10,400	$ 9,899	$ 10,146	$ 10,400	$ 10,660
Hazard Mitigation	3,000	0	0	0	0	0	0
Summer 2011 Storm Disaster Relief	3,100	0	0	0	0	0	0
Hurricane Sandy Disaster Relief	0	250	0	0	0	0	0
Summer 2013 Storm Disaster Relief	5,000	0	0	0	0	0	0
February 2014 Snow and Ice Storm Disaster Relief	1,000	0	0	0	0	0	0
Search and Rescue	0	250	0	0	0	0	0
Local Municipal Emergency Relief	0	3,000	0	0	0	0	0
TOTAL GENERAL FUND	$ 20,768	$ 12,444	$ 10,400	$ 9,899	$ 10,146	$ 10,400	$ 10,660

Program: Fire Prevention and Safety

Goal: To minimize the loss of life and property due to fire by developing and maintaining statewide municipal fire and emergency service capability and to promote citizen awareness to support community fire prevention and control efforts.

The state fire commissioner is responsible for addressing the diverse training, operational and informational needs of the commonwealth's fire and emergency services community. The commissioner oversees the development and operation of the State Fire Academy; the Volunteer Loan Assistance Program (VLAP); the Fire Company and Volunteer Ambulance Service Grant program; the Pennsylvania Fire Information Reporting System; an alternative energy curriculum that specifically addresses gas production from Marcellus Shale wells; a variety of public education/information programs; and the administration of the Firefighters' Memorial Flag program.

The commissioner is also responsible for coordinating federal, state and private fire safety funds; assisting state agencies in the development of plans related to fire safety; reviewing existing or proposed rules and regulations affecting the safety of commonwealth citizens; and providing a cost-effective fire-loss management system for the commonwealth.

Through contacts with government agencies, the business community, consumers and the fire service, the commissioner's office provides technical assistance; collects, reviews and disseminates pertinent information about fire death data and fire prevention and control techniques; and conducts statewide fire safety educational programs for the entire fire service community.

The State Fire Academy in Lewistown is the catalyst for the delivery of training and certification to the commonwealth's fire and emergency response community. The Local Level Training program, a unique system involving the academy, community colleges, and county and local training facilities and organizations, provides a comprehensive curriculum of basic and mid-level fire, rescue, hazardous material, officer development and fire department management courses deliverable to firefighters through county and local fire departments.

The academy's training facilities and staff support the Resident Training programs offering mid-level, advanced and specialty training in fire, rescue, hazardous material and officer development courses aimed at providing professional development opportunities for the commonwealth's fire service, state certified instructors and employees from other state agencies. Programs of interest and concern are made available to the emergency services providers through the academy's "Academy on the Road" program. The academy manages the Firefighter Certification program that measures individual knowledge and skills against nationally accepted professional standards to assist responders in maximizing their training and experience credentials.

VLAP provides assistance to the volunteer fire fighting, ambulance and rescue community in the form of low-interest loans for the purpose of establishing or modernizing facilities to house apparatus and equipment, purchasing new or rehabilitating old apparatus and purchasing protective, communications and accessory equipment.

The Fire Company and Volunteer Ambulance Service Grant program annually transfers $25 million from the State Gaming Fund and $5 million from the Property Tax Relief Fund to the grants program to provide grant funding to all fire companies and volunteer ambulance services to assist in maintaining or improving capability to provide fire, ambulance and rescue services.

The Pennsylvania Fire and Rescue Mutual Aid System (PA-FaRMAS) provides a statewide fire service mutual aid system. The system was developed to identify and deploy emergency resources when an incident expands beyond the capabilities of local jurisdictions and resources.

Act 168 of 1990, which provides for a flag to honor firefighters who have died in the line of duty, assigns the Office of the Pennsylvania State Fire Commissioner the responsibility to implement the provisions of the act. As part of its involvement in this program, the fire commissioner's office provides personal support and assistance to fire departments and surviving relatives immediately following such deaths and attempts to ascertain and use lessons learned to reduce the number of firefighter deaths in the future.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

		State Fire Commissioner
$	74	—to continue current program.

The Firefighters' Memorial Flag and the Red Cross Extended Care Program appropriations are recommended at the current year funding levels.

Program: Fire Prevention and Safety (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
GENERAL FUND:							
State Fire Commissioner	$ 2,032	$ 2,037	$ 2,111	$ 2,185	$ 2,240	$ 2,296	$ 2,353
Firefighters' Memorial Flag	10	10	10	10	10	10	10
Red Cross Extended Care Program	150	150	150	150	150	150	150
TOTAL GENERAL FUND	$ 2,192	$ 2,197	$ 2,271	$ 2,345	$ 2,400	$ 2,456	$ 2,513

Program Measures

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Program: Emergency Management							
Objective: Increase emergency management capabilities to respond to, recover from and mitigate against any disaster within the commonwealth.							
State and local emergency management personnel trained	3,955	3,100	3,100	3,100	3,100	3,100	3,100
Objective: Improve the preparedness and response capabilities of individuals and communities to all hazards.							
Percentage of residents prepared for a disaster	55%	60%	65%	70%	75%	80%	85%
Percentage of counties that request funding for Citizen Corps programs or outreach materials	55%	60%	65%	70%	75%	80%	80%
Objective: Increase federal and state grant distribution, management and administration.							
State and federal emergency management grant funds disbursed (in thousands)	$76,000	$50,000	$50,000	$50,000	$50,000	$50,000	$50,000
Program: Fire Prevention and Safety							
Objective: Improve fire department effectiveness and service delivery, and promote and enhance the safety of first responders through participation in firefighter certification programs and training opportunities.							
Emergency Preparedness and Response							
State Fire Academy entry level training graduates	7,977	8,100	8,200	8,300	8,400	8,450	8,500
Individuals nationally certified at Firefighter I or higher at the State Fire Academy Certification Program	3,593	3,700	3,800	3,900	4,000	4,100	4,100
Incidents reports entered into the PA Fire Information Reporting System	405,000	425,000	447,000	469,000	492,000	517,000	545,000
Volunteer company loans approved (in thousands)	$7,800	$8,500	$9,500	$10,500	$11,500	$12,500	$13,500
Fire company and volunteer ambulance service grants awarded	2,572	2,750	2,750	2,750	2,750	2,750	2,750
Fire departments participating in Fire Department Recognition program	475	535	600	650	700	750	800

DEPARTMENT OF ENVIRONMENTAL PROTECTION

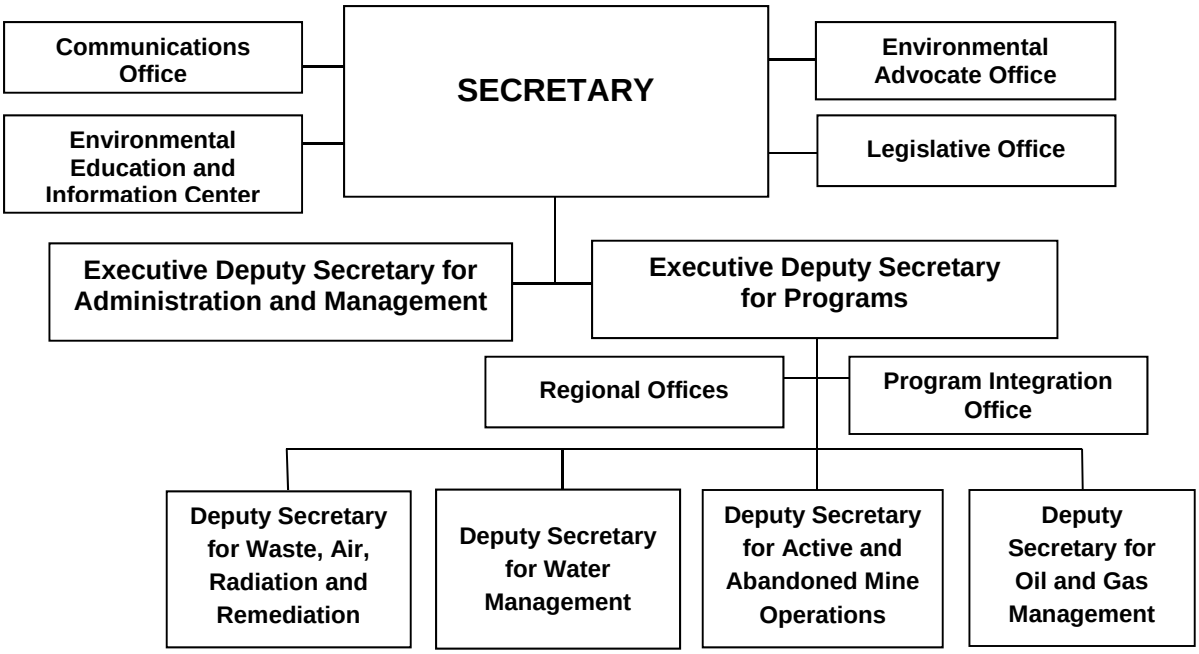
The mission of the Department of Environmental Protection is to protect Pennsylvania's air, land and water from pollution and to provide for the health and safety of its citizens through a cleaner environment. The department will work as partners with individuals, organizations, governments and businesses to prevent pollution and restore our natural resources.

Programs and Goals

Environmental Support Services: *To provide administrative and technical support for the commonwealth's environmental protection programs.*

Environmental Protection and Management: *To protect and improve the quality of the air, water and environment for the health and safety of the citizens of the commonwealth, to protect people from dangerous or unnecessary radiation from natural and manmade sources, including occupational and medical exposure and to manage water and mineral resources in a way that protects their undue destruction and depletion while allowing economic benefits from their use.*

Organization Overview



- **Executive Deputy Secretary for Administration and Management** oversees the agency's business management and finance functions. The deputy is instrumental in formulating and executing agency strategies to improve operations and staff performance.
- **Deputy Secretary for Waste, Air, Radiation and Remediation** oversees the bureaus of Waste Management, Air Quality, Radiation Protection and Environmental Cleanup and Brownfields (remediation).
- **Deputy Secretary for Water Management** oversees the Interstate Waters Office and the bureaus of Waterways Engineering and Wetlands, Conservation and Restoration, Point and Non-point Source Management and Safe Drinking Water.
- **Deputy Secretary for Active and Abandoned Mine Operations** oversees the bureaus of Mining Programs, Abandoned Mine Reclamation, Mine Safety and District Mining Operations.
- **Deputy Secretary for Oil and Gas Management** directs the bureaus of Oil and Gas Planning and Program Management and District Oil and Gas Operations. Oversees the development of departmental policy as well as regulatory and technical guidance on oil and gas activities in Pennsylvania and outreach and education for the public and regulatory communities.

Authorized Complement*

2009-10 Actual	2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Actual
2,849	2,853	2,784	2,784	2,722

*Includes Environmental Hearing Board.

Summary by Fund and Appropriation

	2013-14 ACTUAL	2014-15 AVAILABLE	2015-16 BUDGET
	(Dollar Amounts in Thousands)		
GENERAL FUND:			
General Government:			
General Government Operations	**$ 10,446**	**$ 12,432**	**$ 13,418**
(A)Reimbursement - EDP Services	7,874	8,760	8,760
(A)Department Services	168	175	175
Subtotal	$ 18,488	$ 21,367	$ 22,353
Environmental Hearing Board	**2,075**	**2,255**	**2,379**
(A)Reimbursement for Services	0	0	1
Subtotal	$ 2,075	$ 2,255	$ 2,380
Environmental Program Management	**25,733**	**28,517**	**29,746**
(F)Coastal Zone Management	4,700	4,700	4,700
(F)Construction Management Assistance Grants - Administration	1,400	1,400	1,400
(F)Storm Water Permitting Initiative	2,300	2,300	2,300
(F)Safe Drinking Water Act - Management	5,500	5,500	5,500
(F)Water Pollution Control Grants - Management	5,500	5,500	5,500
(F)Air Pollution Control Grants - Management	3,200	3,200	3,200
(F)Surface Mine Conservation	6,500	6,500	6,500
(F)Wetland Protection Fund	840	840	840
(F)Diagnostic X-Ray Equipment Testing	550	550	550
(F)Water Quality Outreach Operator Training	0	200	200
(F)Water Quality Management Planning Grants	1,150	1,150	1,150
(F)Small Operators Assistance	0	300	300
(F)Wellhead Protection Fund	250	250	250
(F)Indoor Radon Abatement	600	700	700
(F)Non-Point Source Implementation	12,800	14,800	14,800
(F)Hydroelectric Power Conservation Fund	4	51	51
(F)Survey Studies	5,000	5,000	5,000
(F)National Dam Safety	300	300	300
(F)Training Reimbursement for Small Systems	3,500	3,500	3,500
(F)State Energy Program	15,000	15,000	15,000
(F)Pollution Prevention	800	800	800
(F)Energy & Environmental Opportunities	1,200	1,200	1,200
(F)Surface Mine Conservation	680	680	680
(F)Abandoned Mine Reclamation (EA)	55,000	55,000	55,000
(F)Nuclear and Chemical Security (EA)	31	120	50
(F)Homeland Security Initiative (EA)	2,000	500	500
(A)Payments - Department Services	1,394	1,332	1,332
(A)Vehicle Sales	21	5	5
(A)Clean Water Fund	335	300	300
(A)Reimbursement from Water Pollution Control Revolving Fund	242	200	200
(R)Sewage Facilities Program Administration (EA)	1,500	1,500	1,000
(A)Sewage Facility Program Administration	100	0	0
(R)Used Tire Pile Remediation (EA)	1,253	387	359
Subtotal	$ 159,383	$ 162,282	$ 162,913
Chesapeake Bay Agricultural Source Abatement	**2,667**	**2,671**	**2,671**
(F)Chesapeake Bay Pollution Abatement	6,200	9,200	9,200
Subtotal	$ 8,867	$ 11,871	$ 11,871
Environmental Protection Operations	**75,184**	**84,438**	**89,562**
(F)EPA Planning Grant - Administration	8,400	8,400	8,400
(F)Water Pollution Control Grants	8,900	8,900	8,900
(F)Air Pollution Control Grants	5,010	5,010	5,010
(F)Surface Mine Control and Reclamation	11,344	11,344	11,344
(F)Training & Education of Underground Coal Miners	1,700	1,700	1,700
(F)Construction Management Assistance Grants	350	350	350
(F)Safe Drinking Water	5,700	5,700	5,700
(F)Oil Pollution Spills Removal	1,000	1,000	1,000
(F)Technical Assistance to Small Systems (EA)	1,000	1,000	1,000

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2013-14 ACTUAL	2014-15 AVAILABLE	2015-16 BUDGET
(F)Assistance to State Programs (EA)	4,500	4,500	4,500
(F)Local Assistance and Source Water Protection (EA)	6,000	6,000	6,000
(A)Oil and Gas Enforcement	0	0	5,000
(A)Clean Air Fund	3,182	3,860	3,860
(A)Vehicle Sale	85	80	80
(A)Reimbursement from Water Pollution Control Revolving Fund	159	145	145
(A)Safe Drinking Water Account	200	200	200
(A)Solid Waste Abatement	145	500	500
(A)Reimbursement - Department Services	2,159	6,390	6,390
(A)PADOT ISTEA Program	867	825	825
(A)Safe Drinking Water Revolving Fund	604	615	615
(A)Reimbursement - Laboratory Services	9,423	10,506	10,783
(A)Lab Accreditation	1,679	1,610	1,900
Subtotal	$ 147,591	$ 163,073	$ 173,764
Black Fly Control and Research	**3,274**	**3,316**	**3,316**
(A)County Contributions	774	725	725
Subtotal	$ 4,048	$ 4,041	$ 4,041
West Nile Virus Control	**3,824**	**3,831**	**3,939**
(A)Reimbursement for Spraying	13	0	0
Subtotal	$ 3,837	$ 3,831	$ 3,939
Subtotal - State Funds	$ 123,203	$ 137,460	$ 145,031
Subtotal - Federal Funds	188,909	193,145	193,075
Subtotal - Augmentations	29,424	36,228	41,796
Subtotal - Restricted Revenues	2,753	1,887	1,359
Total - General Government	$ 344,289	$ 368,720	$ 381,261
Grants and Subsidies:			
Sewage Facilities Planning Grants	**$ 200**	**$ 0**	**$ 0**
Delaware River Master	**76**	**76**	**76**
Susquehanna River Basin Commission	**573**	**573**	**573**
Interstate Commission on the Potomac River	**46**	**46**	**46**
Delaware River Basin Commission	**934**	**434**	**750**
Ohio River Valley Water Sanitation Commission	**136**	**136**	**136**
Chesapeake Bay Commission	**227**	**227**	**227**
Transfer to Conservation District Fund	**2,506**	**2,506**	**2,506**
Interstate Mining Commission	**30**	**30**	**30**
Total - Grants and Subsidies	$ 4,728	$ 4,028	$ 4,344
STATE FUNDS	$ 127,931	$ 141,488	$ 149,375
FEDERAL FUNDS	188,909	193,145	193,075
AUGMENTATIONS	29,424	36,228	41,796
RESTRICTED REVENUES	2,753	1,887	1,359
GENERAL FUND TOTAL	**$ 349,017**	**$ 372,748**	**$ 385,605**
MOTOR LICENSE FUND:			
General Government:			
Dirt and Gravel Roads	**$ 4,000**	**$ 0**	**$ 0**
OTHER FUNDS:			
GENERAL FUND:			
Safe Drinking Water Account	$ 1,010	$ 1,215	$ 1,218
Radiation Protection Fund	11,113	13,475	13,733

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2013-14 ACTUAL	2014-15 AVAILABLE	2015-16 BUDGET
Clean Water Fund	15,736	24,777	20,859
Solid Waste Abatement Fund	2,450	4,964	4,860
Well Plugging Account	18,686	23,967	31,059
Abandoned Well Plugging	242	574	278
Orphan Well Plugging	981	1,052	550
Alternative Fuels	4,246	3,816	4,042
Industrial Land Recycling	66	212	220
Waste Transportation Safety Account	2,315	3,308	3,290
GENERAL FUND TOTAL	**$ 56,845**	**$ 77,360**	**$ 80,109**
ACID MINE DRAINAGE ABATEMENT AND TREATMENT FUND:			
(F)Acid Mine Drainage Abatement and Treatment (EA)	$ 11,493	$ 12,293	$ 11,850
CLEAN AIR FUND:			
Major Emission Facilities (EA)	$ 18,413	$ 20,874	$ 21,892
Mobile and Area Facilities (EA)	8,036	10,581	10,243
CLEAN AIR FUND TOTAL	**$ 26,449**	**$ 31,455**	**$ 32,135**
COAL AND CLAY MINE SUBSIDENCE INSURANCE FUND:			
General Operations (EA)	$ 2,702	$ 3,673	$ 3,687
Payment of Claims (EA)	1,576	2,040	2,040
COAL AND CLAY MINE SUBSIDENCE INSURANCE FUND TOTAL	**$ 4,278**	**$ 5,713**	**$ 5,727**
COAL LANDS IMPROVEMENT FUND:			
Coal Lands Restoration (EA)	$ 0	$ 262	$ 100
CONSERVATION DISTRICT FUND:			
Conservation District Grants (EA)	$ 3,756	$ 4,428	$ 4,476
ENERGY DEVELOPMENT FUND:			
Energy Development - Administration (EA)	$ 54	$ 128	$ 132
Energy Development Loans/Grants (EA)	0	950	2,300
ENERGY DEVELOPMENT FUND TOTAL	**$ 54**	**$ 1,078**	**$ 2,432**
ENVIRONMENTAL EDUCATION FUND:			
General Operations (EA)	$ 712	$ 673	$ 675
ENVIRONMENTAL STEWARDSHIP FUND:			
Abandoned Mine Reclamation and Remediation (EA)	$ 1,099	$ 0	$ 0
Watershed Protection and Restoration (EA)	20,765	24,696	25,402
ENVIRONMENTAL STEWARDSHIP FUND TOTAL	**$ 21,864**	**$ 24,696**	**$ 25,402**
HAZARDOUS SITES CLEANUP FUND:			
General Operations (EA)	$ 18,285	$ 23,169	$ 23,861
Hazardous Sites Cleanup (EA)	21,708	27,000	27,000
Host Municipality Grants (EA)	13	75	75
Transfer to Industrial Sites Cleanup Fund (EA)	2,000	1,500	2,000
Small Business Pollution Prevention (EA)	986	1,000	1,000
Transfer-Industrial Sites Environmental Assessment Fund (EA)	2,000	2,000	2,000
Transfer to Household Hazardous Waste Account (EA)	1,000	875	1,000
HAZARDOUS SITES CLEANUP FUND TOTAL	**$ 45,992**	**$ 55,619**	**$ 56,936**
MARCELLUS LEGACY FUND:			
Natural Gas Energy Development Program	$ 2,500	$ 0	$ 0
MINE SAFETY FUND:			
General Operations (EA)	$ 58	$ 63	$ 33
NON-COAL SURFACE MINING CONSERVATION & RECLAMATION FUND:			
General Operations (EA)	$ 3,045	$ 3,547	$ 4,296
NUTRIENT MANAGEMENT FUND:			
Education, Research and Technical Assistance (EA)	$ 2,004	$ 2,019	$ 2,073
RECYCLING FUND:			
Recycling Coordinator Reimbursement (EA)	$ 2,000	$ 1,600	$ 1,600
Reimbursement for Municipal Inspection (EA)	384	400	400

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	2013-14 ACTUAL	2014-15 AVAILABLE	2015-16 BUDGET
Reimburse-Host Municipality Permit Applications Review (EA)	0	10	10
Administration of Recycling Program (EA)	1,482	1,424	1,481
County Planning Grants (EA)	760	2,000	2,000
Municipal Recycling Grants (EA)	16,627	23,000	19,600
Municipal Recycling Performance Program (EA)	16,500	17,500	18,500
Public Education/Technical Assistance (EA)	2,459	4,302	4,027
RECYCLING FUND TOTAL	**$ 40,212**	**$ 50,236**	**$ 47,618**
REMINING FINANCIAL ASSURANCE FUND:			
Remining Financial Assurance (EA)	$ 0	$ 324	$ 50
STORAGE TANK FUND:			
General Operations (EA)	$ 6,526	$ 7,631	$ 7,120
(A)Investment/Closing Cost Reimbursement	3,310	2,650	2,650
(F)Underground Storage Tanks (EA)	1,750	1,750	1,750
(F)Leaking Underground Storage Tanks (EA)	2,990	2,990	2,990
STORAGE TANK FUND TOTAL	**$ 14,576**	**$ 15,021**	**$ 14,510**
SURFACE MINING CONSERVATION & RECLAMATION FUND:			
General Operations (EA)	$ 3,814	$ 4,978	$ 7,348
UNCONVENTIONAL GAS WELL FUND:			
Transfer to Well Plugging Account	$ 6,000	$ 6,000	$ 6,000
UNDERGROUND STORAGE TANK INDEMNIFICATION FUND:			
Environmental Cleanup Program (EA)	$ 4,628	$ 5,296	$ 5,296
Pollution Prevention Program (EA)	80	1,000	1,000
Catastrophic Release Program (EA)	311	5,201	5,201
UNDERGROUND STORAGE TANK INDEMNIFICATION FUND TOTAL	**$ 5,019**	**$ 11,497**	**$ 11,497**
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND	$ 127,931	$ 141,488	$ 149,375
SPECIAL FUNDS	4,000	0	0
FEDERAL FUNDS	188,909	193,145	193,075
AUGMENTATIONS	29,424	36,228	41,796
RESTRICTED	2,753	1,887	1,359
OTHER FUNDS	248,671	307,262	313,267
TOTAL ALL FUNDS	**$ 601,688**	**$ 680,010**	**$ 698,872**

Program Funding Summary

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
ENVIRONMENTAL SUPPORT SERVICES							
GENERAL FUND	$ 12,521	$ 14,687	$ 15,797	$ 16,350	$ 16,759	$ 17,178	$ 17,608
SPECIAL FUNDS	0	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0	0
OTHER FUNDS	8,142	8,935	8,936	8,936	8,936	8,936	8,936
SUBCATEGORY TOTAL	$ 20,663	$ 23,622	$ 24,733	$ 25,286	$ 25,695	$ 26,114	$ 26,544
ENVIRONMENTAL PROTECTION AND MANAGEMENT							
GENERAL FUND	$ 115,410	$ 126,801	$ 133,578	$ 137,847	$ 141,003	$ 144,238	$ 147,555
SPECIAL FUNDS	4,000	0	0	0	0	0	0
FEDERAL FUNDS	188,909	193,145	193,075	193,075	193,075	193,075	193,075
OTHER FUNDS	272,706	336,442	347,486	337,486	337,486	337,486	337,486
SUBCATEGORY TOTAL	$ 581,025	$ 656,388	$ 674,139	$ 668,408	$ 671,564	$ 674,799	$ 678,116
ALL PROGRAMS:							
GENERAL FUND	$ 127,931	$ 141,488	$ 149,375	$ 154,197	$ 157,762	$ 161,416	$ 165,163
SPECIAL FUNDS	4,000	0	0	0	0	0	0
FEDERAL FUNDS	188,909	193,145	193,075	193,075	193,075	193,075	193,075
OTHER FUNDS	280,848	345,377	356,422	346,422	346,422	346,422	346,422
DEPARTMENT TOTAL	$ 601,688	$ 680,010	$ 698,872	$ 693,694	$ 697,259	$ 700,913	$ 704,660

Program: Environmental Support Services

Goal: To provide administrative and technical support for the commonwealth's environmental protection programs.

This program provides the administrative and technical systems that direct and support the department's programs. It includes the executive and administrative offices, the Office of Chief Counsel, information and data processing systems, the Citizens Advisory Council and the Environmental Quality Board.

The Environmental Hearing Board's purpose is to safeguard the environmental rights of Pennsylvania's citizens through appeals of actions taken or instituted by the Department of Environmental Protection and/or the private sector. It is included here for presentation purposes.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

General Government Operations

$ 986 —to continue current program.

Environmental Hearing Board

$ 124 —to continue current program.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
GENERAL FUND:							
General Government Operations	$ 10,446	$ 12,432	$ 13,418	$ 13,888	$ 14,235	$ 14,591	$ 14,956
Environmental Hearing Board	2,075	2,255	2,379	2,462	2,524	2,587	2,652
TOTAL GENERAL FUND	$ 12,521	$ 14,687	$ 15,797	$ 16,350	$ 16,759	$ 17,178	$ 17,608

Program: Environmental Protection and Management

Goal: To protect and improve the quality of the air, water and environment for the health and safety of the citizens of the commonwealth, to protect people from dangerous or unnecessary radiation from natural and man-made sources, including occupational and medical exposure and to manage water and mineral resources in a way that protects their undue destruction and depletion while allowing economic benefits from their use.

This program encompasses the major program elements that help to protect the health and safety of the citizens of the commonwealth as well as the quality of their environment and economic health. These activities are all associated with the department's goals for clean air, clean water, land protection, community health and safety and identifying alternative energy opportunities.

Act 68 of 1999, the Environmental Stewardship and Watershed Protection Act, authorized the beginning of the "Growing Greener" program. The goal of this program is to ensure citizens their rights to clean air, to pure water and to the preservation of the natural, scenic, historic and esthetic values of the environment. In the Department of Environmental Protection, a number of program areas are affected: water quality protection, water allocation, mine safety and safe drinking water. Expanded activities include the reclamation of abandoned mines, plugging of certain oil and gas wells, protection and restoration of watersheds and improvements to drinking water and sewer systems. The primary revenue sources for the Environmental Stewardship Fund is a $0.25 Environmental Stewardship fee and a $4 Disposal fee per ton of solid waste disposed in Pennsylvania's municipal waste landfills. The budget includes funds from the Growing Greener II bond initiative, approved by the voters May 17, 2005. Growing Greener II provided the department with $230 million to clean up rivers and streams, address serious environmental problems at abandoned mines and contaminated industrial sites and finance the deployment of advanced energy projects.

The Bureau of Laboratories provides analytical data for the department that determines and identifies pollution levels in samples from any part of the environment. As an accredited lab, the Bureau of Laboratories reviews samples from streams and lakes, solid wastes, drinking water and industrial wastes. Fish are analyzed for toxic chemicals. Milk, food, water and air are examined for radiation. Water from supply systems, beaches and sewage treatment plants is examined for bacteria and homeowners' water is examined for potability.

In November 2012, the department instituted the permit review process and permit decision guarantee, moving away from the former money back guarantee process. This effort results in more timely permitting decisions, provides clear expectations for applicants to improve the quality of permit applications, establishes performance measures for the department's permit review staff, and implements electronic permitting tools to enhance internal operations. Data from the first two years, under the new policy, shows that DEP is generally meeting review timeframes more often than under the previous review process. Additionally, DEP has made significant achievements in eliminating the 9,982 permits that were in the queue when Executive Order 2012-11 "Permit Decision Guarantee for the Department of Environmental Protection" was signed. Not taking into account authorizations where DEP is awaiting action by others, 99% of the permit queue has been cleared.

CLEAN AIR

Program Element: Protection of Air Quality

Emissions of air contaminants are closely monitored and controlled by the department to protect public health as required by the federal Clean Air Act, the Pennsylvania Air Pollution Control Act of 1960 and regulations adopted under the acts. Pollutants of primary concern include ground-level ozone, particulate matter, sulfur and nitrogen oxides, volatile organic compounds, lead and toxic air pollutants. These air contaminants can aggravate or cause respiratory ailments.

Many of the volatile organic compounds and heavy metals resulting from industrial processes and combustion sources are toxic air pollutants or near major sources of air contaminants. Emissions of these pollutants must be controlled under federal maximum achievable control technology requirements.

The department's system of ambient (outside) monitors measure overall air quality. Sites are chosen primarily for their proximity to populated areas. Source monitoring, by both operators and mobile teams from the department, is used to check individual sources of emissions. Certain large facilities are required to install instruments that continuously monitor emissions.

Permits and inspections ensure that sources of emissions are designed and operated in accordance with air quality regulations. The department regulates more than 3,000 sources of air emissions. The department

Program: Environmental Protection and Management (continued)

approves plans for new construction or modification of existing facilities and issues operating permits for air contamination sources. Inspections and stack tests are conducted to assure that facilities conform to approved operating standards. The department uses compliance agreements and abatement orders to correct violations.

The department assists businesses with compliance with state rules for area sources such as auto body refinishing and works with other state and federal agencies and regional entities to obtain reductions from mobile sources of pollution.

The department reviews plans for the management and removal of asbestos in schools, regulates companies doing removal work and oversees the safe disposal of asbestos.

The department provides multimedia assistance to businesses to promote pollution prevention and environmental management systems. These activities protect the environment and promote economic activity. In addition, the department provides small businesses with grants to hire consultants to assess pollution prevention opportunities and a loan program that small businesses can use for equipment that prevents pollution.

CLEAN WATER

Program Element: Protection of Water Quality

The department protects public health and safety and preserves natural aquatic systems for public use in Pennsylvania's watersheds by monitoring and assessing surface water quality, developing water quality standards, managing non-point sources of pollution, protecting coastal zone resources and regulating mining and oil and gas development.

Water pollution sources are classified into two general categories: point and non-point sources. Point sources are those in which the polluting substances are conveyed into a body of water by a pipe or channel, such as sewage discharges, industrial waste discharges and storm or combined sewage drainage. Non-point sources are generally diffused discharges.

Funding from the Growing Greener program is helping to improve water quality by restoring or improving approximately 7,440 acres of stream buffers and installing 327 acid mine drainage treatment systems (active and passive). In addition, seven large active systems maintained by the Acid Mine Drainage Abatement and Treatment Fund treat more than seven billion gallons of acid mine drainage annually.

Through its various oversight activities, the department regulates water pollution control facilities and maintains a statewide surface and groundwater quality monitoring program. The National Pollutant Discharge Elimination System, a delegated program under the federal Clean Water Act, requires the commonwealth to permit and monitor point source discharges.

The Clean Water State Revolving Fund program provides low-interest loans to communities for construction of wastewater facilities and the installation of best management practices to manage non-point source pollution from agriculture, abandoned mine drainage and urban stormwater runoff. The department assists the Pennsylvania Infrastructure Investment Authority (PENNVEST) in implementing this program by establishing priorities for funding, managing and inspecting projects during construction.

Mining activities can degrade water quality through erosion and sediment runoff. The department requires applicants for mining permits to provide detailed information about hydrology, geology and proposed operations in order to demonstrate that the mining activity will not adversely impact water quality. In addition, the department launched a process to encourage the use of mine-influenced water by the oil and gas industry, such as acid mine drainage in oil and gas operations for hydraulic fracturing.

The department also regulates oil and gas development. Through a permitting system for drilling activity, inspection of drilling and storage sites, and monitoring and enforcement actions, the department works toward protecting the environment and balancing conflicting interests among the oil, gas and coal industries. In 2013, the department launched eWell, an electronic well permitting process, which streamlines the current oil and gas permitting process by converting a paper-based permit to an online process that includes an electronic application submission, online fee payment and electronic review by department staff. The eWell permit results in improved data quality of submitted permit applications, reduced physical storage space needs and increased ability to locate records to provide timely responses to right-to-know requests. Department staff is also able to quickly route permit applications for review and approval, resulting in a more efficient review process.

Program Element: Water Allocation

The department protects aquatic life and downstream users by providing surface water allocation permits to water suppliers. These permits, which grant water rights to public water supply agencies, contain conditions designed to ensure adequate stream flows to protect other in-stream and downstream withdrawal uses and ensure implementation of effective water conservation practices.

The department coordinates interstate and international management of water resources with other states through agreements covered by the Delaware River Basin Commission, the Susquehanna River Basin Commission, the Interstate Commission on the Potomac River Basin, the Ohio River Valley Water Sanitation Commission, the Chesapeake Bay Commission and multiple organizations related to the Great Lakes including the Great Lakes Commission, the Council of Great Lakes Governors and the Great Lakes Regional Body.

Program: Environmental Protection and Management (continued)

Working with the Pennsylvania Fish and Boat Commission, the Susquehanna River Basin Commission and the United States Geological Survey, staff have undergone a comprehensive, fact and science-based approach to gather the information needed to ensure the Susquehanna River and its many tributaries are healthy.

The Water Resources Planning Act of 2002 required the department to complete a State Water Plan. The plan identifies alternatives to assure adequate water supplies in watersheds where demands may exceed availability.

LAND PROTECTION

Program Element: Safe Waste Management

The department encourages waste reduction, promotes recycling and reuse of waste products and protects the public by providing for safe transportation and disposal of waste. Its principal programs concern municipal waste, residual waste and hazardous waste.

Act 101 of 1988, the Municipal Waste Planning and Recycling Act, requires mandatory recycling in 478 communities. In 1998, Pennsylvania met the goal set by Act 101 of 1988 by recycling more than 25 percent of its municipal waste. The goal was raised to 35 percent by 2003. Act 175 of 2002 required the department to develop a plan to assist municipalities in making recycling programs under this act financially self-sufficient. This plan was completed in 2004 and is now used as technical assistance for local governments to develop and improve their integrated waste management systems.

The department regulates new and existing landfills to ensure they are designed, constructed and operated with minimal risk to nearby residents and the environment. Communities in which landfills or waste-to-energy facilities are located have taken an active role in permitting and inspecting these facilities to assure that they are operated properly.

Residual waste is non-hazardous material from industrial, mining, commercial and other similar operations. The department regulates residual waste generators and treatment, storage and disposal facilities, municipal waste facilities and transporters. The department performs permitting and routine monitoring of residual waste management facilities. The department licenses hazardous waste transporters and provides permits to waste management facilities. In addition, the department tracks the movement of hazardous waste from generation to ultimate treatment or disposal through a manifest program run by the Department of Revenue. The department uses this information to identify discrepancies and take enforcement actions against violators.

Program Element: Protection of Land

The department protects land by regulating storage tanks and requiring reclamation at active mining and oil and gas operations. The Storage Tank and Spill Prevention Act protects health, safety and the environment by preventing releases of dangerous materials from Pennsylvania's regulated above ground and underground storage tanks. This is accomplished through a program of registration, permitting, compliance assistance and inspections. In addition, the department certifies storage tank installers and inspectors.

The federal Surface Mining Control and Reclamation Act established a comprehensive set of performance standards for mining and reclamation of surface and underground coal mines, coal refuse disposal and coal preparation facilities. Pennsylvania is required to follow a mandatory enforcement and civil penalty program under this law and to inspect each mining operation violator monthly until reclamation is achieved. Industrial mineral mines are regulated under the Non-Coal Surface Mining Conservation and Reclamation Act of 1984 and related statutes.

The department offers mine subsidence insurance to residential and small commercial property owners. This insurance program is financially self-supporting and directed by the Coal and Clay Mine Subsidence Insurance Board. The growth in the number and value of policies has steadily increased since the program's inception in 1961.

The department regulates the exploration, development and operation of more than 100,000 active oil and gas wells and gas storage reservoirs, and production of oil and gas resources under a comprehensive network of environmental laws.

Program Element: Restoration of Land

The department protects health and the environment and promotes community development by restoring sites contaminated by hazardous substances or affected by historic mining or oil and gas development. More than 13,000 sites in Pennsylvania are known to be contaminated by hazardous substances.

The department's Land Recycling program, which promotes voluntary cleanups, identifies risk-based standards for cleanups, simplifying the approval process and limiting future liability. In 2004, Pennsylvania became the first state in the nation to establish a "one-stop cleanup program" creating a one-stop shop for state and federal brownfield cleanup standards.

The department's Hazardous Sites Cleanup program provides funding to conduct cleanups where there is no known responsible party. The department also has enforcement authority to force persons who are responsible for releases of hazardous substances to conduct cleanup actions or repay cleanup funds spent by the department. Program funds are also used to pay Pennsylvania's share of cleanup costs for sites in the federal Superfund program, the administration of the Land Recycling program, the portion of the hazardous waste management program not funded by federal grants, and pollution prevention and brownfield cleanup grants. The program has been funded

Program: Environmental Protection and Management (continued)

through an annual $40 million transfer from Capital Stock and Franchise Tax revenues. The program will receive 5 percent of Marcellus Legacy Fund revenue starting in 2015 as established by Act 13 of 2012 that imposed the unconventional gas drilling impact fee.

The department's Storage Tank Cleanup program, authorized by the Pennsylvania Storage Tank and Spill Prevention Act, Act 32 of 1989, controls the corrective action of releases from regulated above and underground storage tanks.

The department resolves environmental degradation and health and safety problems resulting from inactive and abandoned coal mines. The Remining Operator Assistance program provides assistance and funding to coal operators who mine and reclaim abandoned mine lands by paying for the cost of data collection and permit application. The department also receives direct funding from the federal Office of Surface Mining for the reclamation of abandoned mines, abatement and treatment of acid mine drainage, control of underground mine fires and refuse bank fires and control of surface subsidence from abandoned deep mines.

The Oil and Gas Act of 2012 requires oil and gas well operators to plug non-producing wells and authorizes permit surcharges to support the department's orphaned and abandoned well plugging program. An unplugged abandoned well can be a hazard to the health and safety of people living near it and the environment.

SAFE AND HEALTHY COMMUNITIES

Program Element: Safe Drinking Water

The department protects public health by regulating nearly 9,000 public water systems serving 10.7 million Pennsylvanians. The department also provides consultative services for the 700,000 private residential water supplies in Pennsylvania. The department carries out its duties and responsibilities through various programs and activities related to permitting, monitoring, compliance, enforcement and technical assistance. As a primacy state, the department implements all aspects of the federal Safe Drinking Water Act, including drinking water standards, source water protection, operator training and certification, and capability enhancement programs for public water systems to address technical, managerial and financial issues.

The department also implements water infrastructure financing programs like the Safe Drinking Water State Revolving Fund. The department assists the Pennsylvania Infrastructure Investment Authority (PENNVEST) in implementing this program by establishing priorities for funding, managing and inspecting projects during construction. As a result of these programs, great strides have been made in ensuring that drinking water consistently meets all health-based drinking water standards and that the public is protected from waterborne disease.

Program Element: Radiation Protection

The department protects citizens from exposure to dangerous levels of radiation through licensing and inspection of radiation source users. This includes registering radiation-producing equipment, licensing users of radioactive materials and inspecting facilities to assure compliance. The department inspects mammography X-ray facilities under a contract with the federal Food and Drug Administration. This activity enhances the quality of mammograms and increases the likelihood of early detection of breast cancer.

The department also monitors the environment for radiation, primarily in the vicinity of nuclear power plants. Samples from ambient air, milk produced on local farms, surface waters, vegetation, fish and silt are collected and tested at regular intervals.

The department works with the federal Nuclear Regulatory Commission (NRC) to provide routine inspection and oversight for all nuclear power-generating facilities in the commonwealth. The department also inspects decommissioning and decontamination activities as well as active sites regulated by the NRC for occupational, public and environmental radiation exposures. Surveys and samples are taken to ensure the cleanup levels established for the site have been met.

Pennsylvania is one of the most severely affected states in the country for radon problems with approximately 40 percent of our homes and buildings testing greater than the EPA guideline. The department conducts a program of public education and outreach to encourage voluntary measurement and remediation of naturally occurring radon gas in private dwellings and helps to identify effective solutions. The department certifies radon testing and mitigation firms and testing laboratories to ensure accurate test results and effective construction or remedial techniques.

Program Element: Nuisance and Vector Control

The department provides surveillance and control to reduce the threat of West Nile Virus in cooperation with the departments of Health and Agriculture. The department monitors mosquito populations, takes steps to control mosquitoes that may carry the virus and examines unknown vectors and reservoirs involved in the transmission of the virus.

The department reduces the black fly population and gives relief to citizens and visitors of the commonwealth by treating 368,576 acres along the Susquehanna, Delaware and Allegheny rivers and their tributaries.

Program Element: Emergency Preparedness and Response

The department's emergency response personnel are available whenever there is an immediate threat to public health, safety or the environment. Each year, the

Program: Environmental Protection and Management (continued)

department responds to thousands of environmental releases. While the department's major focus is response to spills to land and water, the department also has significant involvement with air pollution incidents (fires or industrial-transportation-related releases) and leaking underground storage tanks. In addition, the department responds to a smaller number of incidents involving public water supply shortages or contamination, mining-related discharges, oil and gas production-related discharges and waterborne illness outbreaks. The department develops plans to address any contingencies associated with fuel supply disruptions. In addition, the department is prepared to protect the citizens of Pennsylvania in the event of an accident involving radioactive materials at a power plant or other facility utilizing radioactive materials.

Program Element: Dam Safety, Flood Protection, Water Obstructions and Encroachments

The department's stream improvement programs protect lives and property through the construction of physical structures such as dams, levees, flood walls, channels, culverts and bank stabilization works. Major flood protection projects are generally designed to protect communities from damages from the 100-year, 24-hour flood event.

The department inspects currently serviceable flood protection projects located in approximately 113 communities within the commonwealth. The department regulates dams and reservoirs, including an engineering and environmental technical review of dam projects meeting the scope of the Dam Safety and Encroachments Act, inspection of existing dams and dams under construction, an annual review of high-hazard dams, and less frequent periodic review of non-high hazard dams. Approximately 800 of the more than 3,300 dams regulated by the department are considered high hazard, meaning the failure of these dams would endanger populated areas downstream. The engineering review assesses conformance to the current standards accepted by the engineering profession. The environmental review assures that adverse impacts to the environment are avoided and, if avoidance is not feasible, then the adverse impacts are mitigated. The department is also active in facilitating the removal of dams which are no longer used for their intended purpose to restore the stream through the dam and impoundment area.

In addition, the department regulates construction and maintenance of any obstructions or encroachments that change the course, current or cross section of a watercourse.

Program Element: Mine Safety

The department protects the health and safety of miners through safety programs that reduce the possibility of accidents. Mine safety inspections include technical evaluations for explosive use, subsidence, map composition, electrical installations, cleaning plant safety, active refuse banks and safety zones. The department provides safety oversight for approximately 3,500 coal and industrial mineral mining operations, in addition to safety and emergency medical training and certifications for underground mine workers. Of this total, 100 are underground operations.

In the event of an emergency, the department responds in order to rescue the affected mine workers. Additionally, the department investigates all fatal and serious accidents that occur at Pennsylvania mines.

ALTERNATIVE ENERGY OPPORTUNITIES

Program Element: Advanced Energy Development

The department promotes renewable and advanced energy development through grants, financing and technical support for projects that protect the environment and support Pennsylvania's economy. Program goals include greater energy security through a distributed power infrastructure as well as the retention of energy dollars in the commonwealth.

Significant increases in natural gas production have occurred in Pennsylvania since 2008 as a result of the use of horizontal drilling and hydraulic fracturing techniques that are now commonly used by oil and gas operators throughout the shale plays in Pennsylvania. The department permits and inspects oil and gas sites and natural gas gathering pipelines. The department conducted 12,391 unconventional well inspections in 2013, up from 1,262 in 2008. At the same time, violations and enforcements have steadily declined with the introduction of better technology and more rigorous regulations that industry is complying with and in many cases, exceeding.

The Oil and Gas Act of 2012 imposed an impact fee on unconventional gas drilling in Pennsylvania and has helped develop alternative energy opportunities across the commonwealth, the nation, and the world. The impact fee has produced more than $630 million in state revenue to date, and the department has been allocated a portion of the funds to support oil and gas inspections and permitting. In the 2013-14 fiscal year, the Natural Gas Energy Development Fund dispersed more than $7.7 million to assist businesses and transit organizations convert vehicle fleets to operate on natural gas. This program helps to spur the development of natural gas fueling infrastructure for public and private interests. Another $6.5 million was awarded through the Alternative Fuel Incentive Grant program to support the deployment of alternative fuel vehicles.

Program Element: Energy Conservation, Efficiency, and Education

The department provides technical support to thousands of companies and other entities each year for the design and installation of technologies to promote energy conservation and efficiency. The department launched a

Program: Environmental Protection and Management (continued)

new education initiative call the "DEP at Home" exhibit. The exhibit is a mock home that is taken across the state to educate Pennsylvanians of all ages about the simple steps they can take to incorporate Pennsylvania produced energy efficient and green products into their own home. The exhibit features energy efficient appliances, a radon mitigation system, recycled flooring and countertops, energy efficient lighting, green building products, a mock natural gas fueling station that can be handled and used by the visitors, and an all-electric vehicle including at home plug in station. Visitors can take home information on department programs and learn how to purchase and incorporate the products they see featured in their home.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

GENERAL FUND

Environmental Program Management
$ 1,229 —to continue current program.

Environmental Protection Operations
$ 5,124 —to continue current program.

West Nile Virus Control
$ 108 —to continue current program.

Delaware River Basin Commission
$ 316 —to continue current program.

All other appropriations are recommended at the current year funding levels.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
GENERAL FUND:							
Environmental Program Management	$ 25,733	$ 28,517	$ 29,746	$ 30,787	$ 31,557	$ 32,346	$ 33,155
Chesapeake Bay Agricultural Source Abatement	2,667	2,671	2,671	2,764	2,833	2,904	2,977
Environmental Protection Operations	75,184	84,438	89,562	92,697	95,014	97,389	99,824
Black Fly Control and Research	3,274	3,316	3,316	3,316	3,316	3,316	3,316
West Nile Virus Control	3,824	3,831	3,939	3,939	3,939	3,939	3,939
Sewage Facilities Planning Grants	200	0	0	0	0	0	0
Delaware River Master	76	76	76	76	76	76	76
Susquehanna River Basin Commission	573	573	573	573	573	573	573
Interstate Commission on the Potomac River	46	46	46	46	46	46	46
Delaware River Basin Commission	934	434	750	750	750	750	750
Ohio River Valley Water Sanitation Commission	136	136	136	136	136	136	136
Chesapeake Bay Commission	227	227	227	227	227	227	227
Transfer to Conservation District Fund	2,506	2,506	2,506	2,506	2,506	2,506	2,506
Interstate Mining Commission	30	30	30	30	30	30	30
TOTAL GENERAL FUND	$ 115,410	$ 126,801	$ 133,578	$ 137,847	$ 141,003	$ 144,238	$ 147,555
MOTOR LICENSE FUND:							
Dirt and Gravel Roads	$ 4,000	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0

Program Measures

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Program: Environmental Protection and Management							
Objective: Reduce impacts of pollution to Pennsylvania's land, air and water resources.							
Protection of Air Quality							
Hazardous air pollutant reductions (in tons)	10,121	9,200	7,500	7,300	6,200	6,200	6,200
Percentage of population in counties attaining the ambient PM-2.5 (fine particles) annual standard	58%	58%	58%	58%	100%	100%	N/A
Percentage of population in counties attaining the 1997 ambient ozone standard	88%	100%	100%	100%	100%	100%	100%
Percentage of population in counties attaining the 2008 ambient ozone standard	34%	78%	100%	100%	100%	100%	100%
Protection of Water Quality							
Miles of impaired streams restored to attaining their designated use	333	50	50	50	50	50	50
Acres of impaired lakes restored to attaining their designated use	12,445	1,000	1,000	1,000	1,000	1,000	1,000
Acres of existing stream buffers protected	47	500	500	1,000	1,000	1,000	1,000
Safe Waste Management							
Tons of municipal solid waste recycled (in millions)	N/A	7	7	7	7	7	7
Tons of municipal solid waste disposed per capita	0.67	0.67	0.67	0.67	0.67	0.67	0.67
Restoration of Land							
Sites currently in Environmental Cleanup and Brownfields Voluntary Cleanup program	1,067	1,000	1,000	1,000	1,000	1,000	1,000
Site cleanups completed under the Environmental Cleanup and Brownfields Voluntary Cleanup program	360	350	350	350	350	350	350
Objective: Restore Pennsylvania lands impacted by legacy environmental issues.							
Protection of Water Quality							
Total number of treatment systems treating Acid Mine Drainage	336	345	355	365	375	375	375
Restoration of Land							
Leaking storage tank cleanups completed	487	400	350	300	300	300	300
Response actions to hazardous substances completed	178	100	100	100	100	100	100
Percentage of storage tank releases cleaned up	86.78%	87.30%	87.63%	87.63%	87.63%	87.63%	87.63%
Number of acres reclaimed (Government Financed Construction Contract Program)	213	90	90	90	90	90	90

Program Measures

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Number of remining projects completed	11	10	10	10	10	10	10
Number of acres reclaimed (remining)	221	175	175	175	175	175	175
Abandoned Mineland (AML) acres reclaimed	812	600	600	600	600	600	600
Cumulative acres of AML reclaimed since inception of AML program in 1977	29,664	30,264	30,864	31,464	32,064	32,664	33,264

Objective: Improve quality of life by protecting the health and safety of Pennsylvania citizens.

Safe Drinking Water							
Percentage of community water systems that meet health based drinking water standards	92%	95%	95%	95%	95%	95%	95%
Percentage of public water systems with no reported cases of waterborne disease outbreaks	100%	100%	100%	100%	100%	100%	100%
Number of water samples tested for private well owners	2,137	3,000	3,000	3,000	3,000	3,000	3,000
Number of sanitary survey inspections conducted at public water systems	2,181	2,000	2,000	2,000	2,000	2,000	2,000
Radiation Protection							
Buildings with radon mitigated by certified installers (both residential and commercial)	11,200	11,600	12,000	12,400	12,900	13,300	13,700
Nuisance and Vector Control							
Acres treated for black fly control	368,576	350,000	350,000	350,000	350,000	350,000	350,000
Acres treated for West Nile Virus control	50,895	50,000	50,000	50,000	50,000	50,000	50,000
Mine Safety							
Lost-time accidents per 200,000 employee hours of exposure	2	2	2	2	2	2	2
Mine subsidence policies issued	58,550	61,250	63,950	66,650	69,350	72,050	74,750
Mine subsidence insurance policies - new	4,719	2,700	2,700	2,700	2,700	2,700	2,700

Objective: Reduce risks to communities posed by dams.

Dam Safety							
Dam Emergency Action Plan compliance rate	92%	96%	98%	99%	99%	99%	99%
Percentage of deficient high-hazard dams	68%	58.10%	54.20%	50.30%	50.30%	50.30%	50.30%
Population at risk downstream of deficient high-hazard dams	1,463,000	1,300,000	1,250,000	1,200,000	1,200,000	1,200,000	1,200,000
Percentage of high-hazard dams classified as safe	87%	87.50%	88%	88.50%	88.50%	88.50%	88.50%

Program Measures

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Capital budget flood protection projects: Total authorized funds for projects under design/construction	$287,560,220	$314,330,220	$314,330,220	$292,542,930	$278,030,930	$250,098,930	$211,309,134
Capital budget flood protection projects: Total construction cost of projects completed	N/A	N/A	$21,787,290	$17,262,000	$29,432,000	$38,789,796	$8,812,000

Objective: Improve environmental health and safety through permitting, inspections and enforcement.

Protection of Water Quality							
Acres of stream buffers installed	753	1,000	1,000	1,500	1,500	1,500	1,500
Safe Waste Management							
Number of wastewater facility inspections	7,185	7,000	7,000	7,000	7,000	7,000	7,000
Percentage of wastewater inspections with no recorded violations	74%	74%	74%	74%	74%	74%	74%
Percentage of wastewater violations that were remedied	74%	74%	74%	74%	74%	74%	74%
Number of wastewater systems with improved operational capability through optimization or other compliance assistance	16	12	20	30	35	16	12
Number of waste facility inspections	4,205	4,200	4,200	4,200	4,200	4,200	4,200
Percentage of waste facilities complying with environmental regulations	79.57%	80%	80.50%	81%	81.50%	82%	82.50%
Mine Safety							
Number of surface mine inspections	23,292	23,200	23,200	23,200	23,200	23,200	23,200
Number of deep mine safety inspections	1,147	1,200	1,200	1,200	1,200	1,200	1,200
Number of deep mine equipment approvals	242	250	250	250	250	250	250
Number of deep mine miner certifications	980	1,000	1,000	1,000	1,000	1,000	1,000
Number of violations at deep mine sites, prep plants and refuse sites	1,742	1,675	1,675	1,675	1,675	1,675	1,675
Number of orders at deep mine sites, prep plants and refuse sites	701	675	675	675	675	675	675
Violations per order at deep mine sites, prep plants and refuse sites	2.49	2.48	2.48	2.48	2.48	2.48	2.48
Number of notices of violation (NOV) issued at surface mine sites	731	725	725	725	725	725	725
Number of violations cited in NOVs issued at surface mine sites	951	900	900	900	900	900	900
Violations per notice of violation at surface mine sites	1.30	1.24	1.24	1.24	1.24	1.24	1.24
Number of failure to abate cessation orders issued at surface mine sites	9	10	10	10	10	10	10
Number of imminent harm cessation orders issued at surface mine sites	40	50	50	50	50	50	50

Program Measures

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Value of collected fines and penalties at surface mine sites	$574,299	$575,000	$575,000	$575,000	$575,000	$575,000	$575,000
Oil and Gas Management							
Number of oil and gas drilling permits processed	4,786	4,250	4,000	4,250	4,400	4,600	4,600
Number of oil and gas well inspections (conventional wells)	11,477	12,500	12,000	12,000	12,100	12,100	12,100
Number of oil and gas violations (conventional wells)	1,637	1,450	1,000	1,100	1,400	1,450	1,450
Number of oil and gas enforcement actions (conventional wells)	368	325	275	300	310	320	320
Number of oil and gas enforcement actions (unconventional wells)	180	140	125	125	130	130	130
Number of oil and gas violations (unconventional wells)	486	400	350	350	370	370	370
Number of oil and gas well inspections (unconventional wells)	11,438	11,300	12,000	12,000	12,100	12,100	12,100
Department-wide Totals							
Percentage of sites with full compliance with environmental regulations	79.56%	82%	82%	82%	82%	82%	82%
Number of permits issued department-wide	31,823	32,800	33,300	33,900	34,400	35,000	35,500
Percentage of permits processed on time (Permit Decision Guarantee)	90.20%	90%	90%	90%	90%	90%	90%
Number of permit applications received	33,371	35,100	35,700	36,300	36,900	37,500	38,100
Number of violations	23,659	23,000	23,000	23,000	23,000	23,000	23,000
Number of violations resolved	23,388	23,000	23,000	23,000	23,000	23,000	23,000

ETHICS COMMISSION

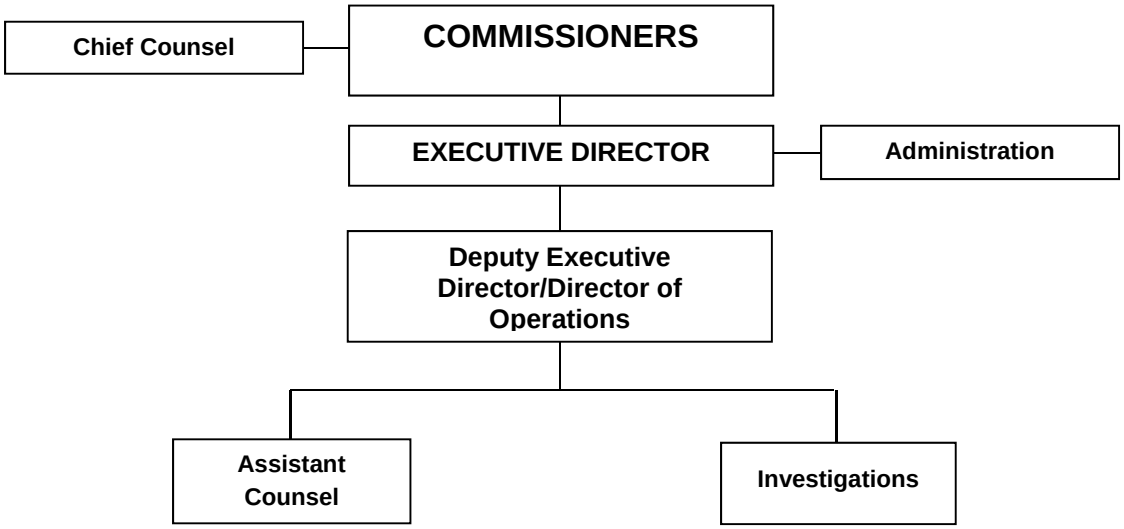
The mission of the State Ethics Commission is to promote public confidence in state and local government through its enforcement of the Ethics Act and related legislation.

The responsibilities of the commission include rendering advisory opinions to present or former public officials and public employees, or their appointing authorities, regarding such individuals' duties and responsibilities under the Ethics Act. The commission also investigates alleged violations of the Ethics Act and prescribes rules and regulations to implement the provisions of the act.

Programs and Goals

Executive Direction: *To promote public confidence in state and local government through its enforcement of the Ethics Act and related legislation.*

Organization Overview



The commission has responsibilities with regards to the Ethics Act, the Lobbying Disclosure Law and the Gaming Act.

- **Ethics Act.** The commission administers and enforces financial disclosure requirements, provides advice and guidance in the form of written opinions to public officials and public employees regarding their responsibilities and duties under the Ethics Act, and investigates alleged violations of the Ethics Act.
- **Lobbying Disclosure Law.** The commission is authorized to issue advisory opinions as well as to conduct investigation and enforcement actions.
- **Gaming Act.** The commission biennially issues various lists of officials and positions subject to provisions of the Gaming Act, and provides determinations as to whether a particular individual or person would be subject to various prohibitions of the Gaming Act.

Reported Complement

(Independent Agency – Complement Not Under the Governor's Jurisdiction/Control)

2009-10 Actual	2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Actual
26	26	26	26	27

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	2013-14 ACTUAL	2014-15 AVAILABLE	2015-16 BUDGET
GENERAL FUND:			
General Government:			
State Ethics Commission	**$ 1,868**	**$ 2,090**	**$ 2,153**

Program Funding Summary

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
ETHICS COMMISSION							
GENERAL FUND	$ 1,868	$ 2,090	$ 2,153	$ 2,228	$ 2,284	$ 2,341	$ 2,400
SPECIAL FUNDS	0	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0	0
OTHER FUNDS	0	0	0	0	0	0	0
SUBCATEGORY TOTAL	$ 1,868	$ 2,090	$ 2,153	$ 2,228	$ 2,284	$ 2,341	$ 2,400
ALL PROGRAMS:							
GENERAL FUND	$ 1,868	$ 2,090	$ 2,153	$ 2,228	$ 2,284	$ 2,341	$ 2,400
SPECIAL FUNDS	0	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0	0
OTHER FUNDS	0	0	0	0	0	0	0
DEPARTMENT TOTAL	$ 1,868	$ 2,090	$ 2,153	$ 2,228	$ 2,284	$ 2,341	$ 2,400

Program: Executive Direction

Goal: To promote public confidence in state and local government through its enforcement of the Ethics Act and related legislation.

The Pennsylvania State Ethics Commission is an independent state agency established by Act 170 of 1978 and is charged with the responsibility of enforcing the Public Official and Employee Ethics Act. The Ethics Act applies to public officials, public employees and candidates and nominees for public office. The commission's responsibilities under the act include rendering advisory opinions, enforcing the act as it relates to the filing of Statements of Financial Interests forms, investigating alleged violations of the act, issuing decisions in relation to such investigations and providing guidance and education to public officials and public employees regarding their duties and responsibilities under the law.

The commission also has additional responsibilities under the Lobbying Disclosure Law. These responsibilities include enforcing the reporting and registration provisions of the law as well as investigating alleged violations. The commission is also required to issue advisory opinions under the law.

Pursuant to the Pennsylvania Race Horse Development and Gaming Act, the commission is vested with responsibilities which include generating a public listing of all state, county, municipal, and other government positions meeting the definitions of the terms "public official" or "executive-level public employee" as set forth in the Gaming Act.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

GENERAL FUND
State Ethics Commission

$ 63 —to continue current program.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
GENERAL FUND:							
State Ethics Commission.....	$ 1,868	$ 2,090	$ 2,153	$ 2,228	$ 2,284	$ 2,341	$ 2,400

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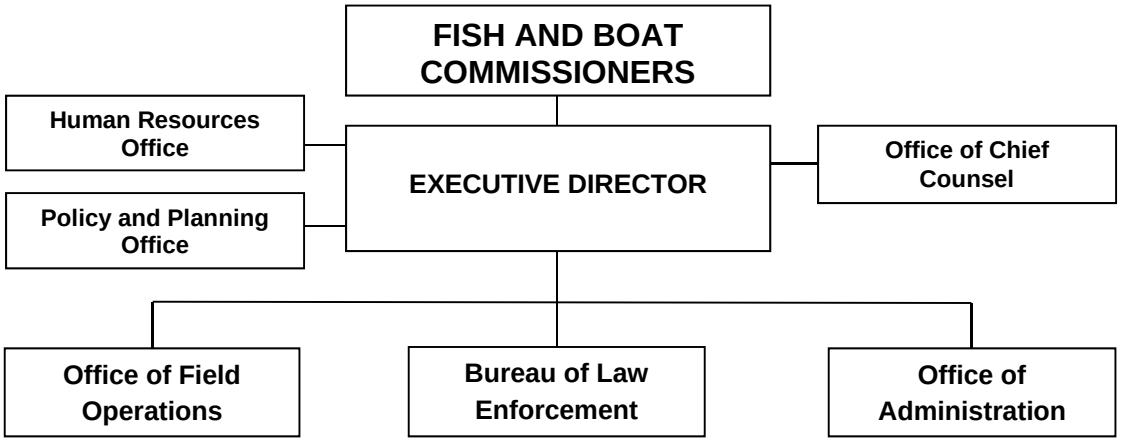
FISH AND BOAT COMMISSION

The mission of the Fish and Boat Commission is to protect, conserve and enhance the commonwealth's aquatic resources and provide fishing and boating opportunities.

Programs and Goals

Recreational Fishing and Boating: *To conserve aquatic resources including fish and wildlife populations, to provide recreational opportunities for fishing and boating on commonwealth waters and to promote safe recreational use of these aquatic resources.*

Organization Overview



- **Deputy Director for Office of Field Operations** manages, develops and coordinates the commission's Fisheries, Hatcheries, Boating & Outreach and Engineering programs.
- **Director of the Bureau of Law Enforcement** directs the enforcement of fish laws, boating laws and certain water pollution/disturbance laws of the commonwealth. Additionally, within the scope of commission activities, directs the enforcement of Title 18 (relating to crimes and offenses) and other misdemeanors and felonies.
- **Deputy Director of the Office of Administration** manages, develops and coordinates the commission's administrative, financial, information technology, public access and real estate programs.

Authorized Complement

2009-10 Actual	2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Actual
432	432	432	432	432

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	2013-14 ACTUAL	2014-15 AVAILABLE	2015-16 BUDGET
OTHER FUNDS:			
BOAT FUND:			
General Operations (EA)	$ 13,095	$ 13,085	$ 12,485
Miscellaneous Boat Grants (EA)	7,621	5,195	5,467
(A)State Reimbursement of Services	3,027	0	0
(R)Improvement of Hazardous Dams	0	4,430	8,730
BOAT FUND TOTAL	**$ 23,743**	**$ 22,710**	**$ 26,682**
FISH FUND:			
General Operations (EA)	$ 34,352	$ 34,198	$ 34,004
(F)Miscellaneous Fish Grants (EA)	8,880	8,762	7,319
(A)Reimbursement for Services - Miscellaneous	3,950	0	0
(A)High Hazard Dams	0	11,245	0
FISH FUND TOTAL	**$ 47,182**	**$ 54,205**	**$ 41,323**
STATE GAMING FUND:			
Payments in Lieu of Taxes (EA)	$ 40	$ 40	$ 40
UNCONVENTIONAL GAS WELL FUND:			
Gas Well Fee Administration	$ 1,000	$ 1,000	$ 1,000
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND	$ 0	$ 0	$ 0
SPECIAL FUNDS	0	0	0
OTHER FUNDS	71,965	77,955	69,045
TOTAL ALL FUNDS	**$ 71,965**	**$ 77,955**	**$ 69,045**

Program Funding Summary

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
RECREATIONAL FISHING AND BOATING							
GENERAL FUND	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
SPECIAL FUNDS	0	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0	0
OTHER FUNDS	71,965	77,955	69,045	70,715	70,715	70,715	70,715
SUBCATEGORY TOTAL	$ 71,965	$ 77,955	$ 69,045	$ 70,715	$ 70,715	$ 70,715	$ 70,715
ALL PROGRAMS:							
GENERAL FUND	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
SPECIAL FUNDS	0	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0	0
OTHER FUNDS	71,965	77,955	69,045	70,715	70,715	70,715	70,715
DEPARTMENT TOTAL	$ 71,965	$ 77,955	$ 69,045	$ 70,715	$ 70,715	$ 70,715	$ 70,715

Program: Recreational Fishing and Boating

Goal: To conserve aquatic resources including fish and wildlife populations, to provide recreational opportunities for fishing and boating on commonwealth waters and to promote safe recreational use of these aquatic resources.

The Fish and Boat Commission is responsible for the enforcement of the fishing and boating laws and regulations, registration of boats, the state boating and water safety education programs and the management and promotion of recreational boating. The Boating Advisory Board, a group of knowledgeable boaters appointed by the governor, advises the commission on boating matters.

In addition to recreational boating, the commission is responsible for recreational fishing in the commonwealth. This includes fish propagation, stocking, fisheries, environmental services, the cooperative nurseries program, research and fish management. The commission also provides for the development, improvement and maintenance of facilities for lake and access areas. As water quality is a major factor in aquatic recreation, the commission's goals are to protect, conserve and enhance aquatic resources by monitoring the water quality of many streams, lakes and rivers in the commonwealth.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

BOAT FUND
General Operations (EA)
$ –600 —reduction in administrative costs.

FISH FUND
General Operations (EA)
$ –194 —reduction in administrative costs.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
FISH FUND:							
General Operations (EA)	$ 34,352	$ 34,198	$ 34,004	$ 34,004	$ 34,004	$ 34,004	$ 34,004
BOAT FUND:							
General Operations (EA)	$ 13,095	$ 13,085	$ 12,485	$ 12,485	$ 12,485	$ 12,485	$ 12,485

Program Measures

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Program: Recreational Fishing and Boating							
Objective: Protect and improve the quality of the commonwealth's aquatic resources.							
Pounds of fish stocked in commonwealth streams and lakes	1,995,773	2,150,000	2,150,000	2,150,000	2,150,000	2,150,000	2,150,000
Cost per pound of fish stocked in commonwealth streams and lakes	$5	$5	$5	$5	$6	$6	$6
Objective: Expand and enhance fishing and safe boating opportunities.							
Warnings issued for violations of fishing and boating laws	36,000	34,000	34,000	34,000	34,000	34,000	34,000
Convictions for violations of fishing and boating laws	7,100	6,000	6,000	6,000	6,000	6,000	6,000
Objective: Improve the recruitment and retention of individuals, families and children as anglers, boaters and stewards of our resources.							
Fishing licenses sold	859,863	887,000	887,000	887,000	887,000	887,000	887,000
Cost per fishing license sold	$1	$1	$1	$1	$1	$1	$1
Actively registered boats	329,841	333,000	333,000	333,000	333,000	333,000	333,000

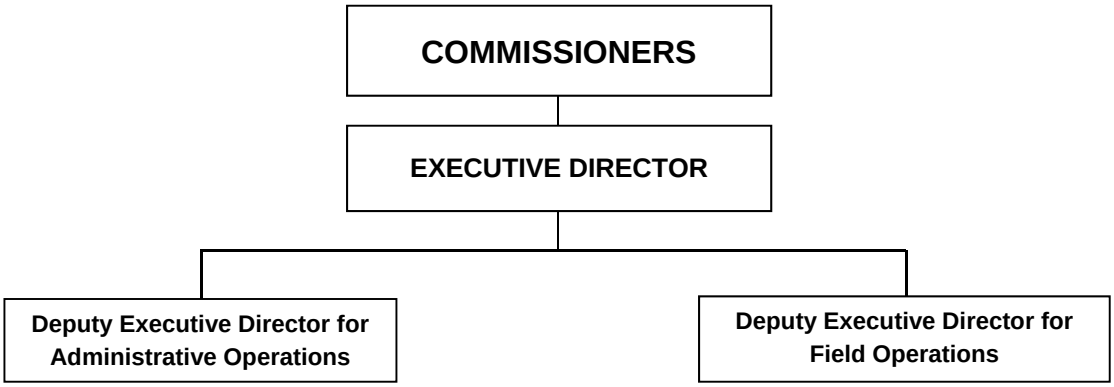
GAME COMMISSION

The mission of the Game Commission is to manage Pennsylvania's wild birds, wild mammals and their habitats for current and future generations.

Programs and Goals

Wildlife Management: *To establish habitats and environments that will sustain wildlife populations for recreational uses and for the perpetuation of species.*

Organization Overview



- **Deputy Executive Director for Administrative Operations** is responsible for assisting in the planning and directing of statewide wildlife management programs for the Pennsylvania Game Commission and developing and maintaining administrative procedures for the day-to-day management of the agency through coordination of the agency's bureau directors.

- **Deputy Executive Director for Field Operations** is responsible for overseeing and directing agency regional field operations statewide through coordination of the agency's regional directors.

Authorized Complement

2009-10 Actual	2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Actual
698	698	708	708	708

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	2013-14 ACTUAL	2014-15 AVAILABLE	2015-16 BUDGET
OTHER FUNDS:			
GAME FUND:			
General Operations (EA)	$ 82,700	$ 78,709	$ 78,294
(F)Pittman-Robertson Act (EA)	19,500	28,000	20,000
(F)Miscellaneous Wildlife Grants (EA)	873	1,095	1,165
(R)Natural Propagation of Wildlife	7,500	7,500	7,500
Land Acquisition and Development (EA)	150	400	0
GAME FUND TOTAL	**$ 110,723**	**$ 115,704**	**$ 106,959**
STATE GAMING FUND:			
Payments in Lieu of Taxes (EA)	$ 3,550	$ 3,586	$ 3,686
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND	$ 0	$ 0	$ 0
SPECIAL FUNDS	0	0	0
OTHER FUNDS	114,273	119,290	110,645
TOTAL ALL FUNDS	**$ 114,273**	**$ 119,290**	**$ 110,645**

Program Funding Summary

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
WILDLIFE MANAGEMENT							
GENERAL FUND	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
SPECIAL FUNDS	0	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0	0
OTHER FUNDS	114,273	119,290	110,645	110,645	110,645	110,645	110,645
SUBCATEGORY TOTAL	$ 114,273	$ 119,290	$ 110,645	$ 110,645	$ 110,645	$ 110,645	$ 110,645
ALL PROGRAMS:							
GENERAL FUND	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
SPECIAL FUNDS	0	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0	0
OTHER FUNDS	114,273	119,290	110,645	110,645	110,645	110,645	110,645
DEPARTMENT TOTAL	$ 114,273	$ 119,290	$ 110,645	$ 110,645	$ 110,645	$ 110,645	$ 110,645

Program: Wildlife Management

Goal: To establish habitats and environments that will sustain wildlife populations for recreational uses and for the perpetuation of species.

The main responsibility of the Game Commission is the perpetuation of the species of wildlife found in Pennsylvania. The commission achieves its mission through wildlife research, management of game habitat, operation of programs for endangered and threatened species and enforcement of the Game and Wildlife Code. Wildlife conservation officers enforce the provisions of the Game and Wildlife Code to protect the natural balance of the commonwealth's wildlife population.

The primary means of ensuring the propagation and preservation of wildlife is properly managing land and game habitats. The commission currently administers approximately 1.5 million acres of State Game Lands and is judiciously acquiring additional lands, including critically important wetlands. The commission also administers cooperative programs to encourage good land use management and habitat improvement by private landowners. Wildlife habitat assessment techniques are used to develop management plans. These assessments apply to all Pennsylvania state game lands, farm game projects and other areas actively managed by the Game Commission.

All species receive mandated protection. However, those species considered game animals, such as deer, turkey and bear, receive the most attention. The number of antlerless deer licenses available for sale is based on the deer population projections. The optimal number of deer is based on acres of forested land in the commonwealth. Hunting, while recreational in nature, is a wildlife management tool as well. Future year projection numbers indicate the number of deer that need to be harvested to sustain the population. Also protected by the commission are endangered and threatened species such as Allegheny woodrats, ospreys and peregrine falcons.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

		GAME FUND
		General Operations (EA)
$	–815	—reduction in administrative costs.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
GAME FUND:							
General Operations (EA)	$ 82,700	$ 78,709	$ 78,294	$ 78,294	$ 78,294	$ 78,294	$ 78,294
Land Acquisition and Development (EA)	150	400	0	0	0	0	0
TOTAL GAME FUND	$ 82,850	$ 79,109	$ 78,294	$ 78,294	$ 78,294	$ 78,294	$ 78,294

Program Measures

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Program: Wildlife Management							
Objective: Ensure the propagation and preservation of wildlife through land and game management.							
Hunting licenses sold	952,989	963,000	973,000	983,000	993,000	1,003,000	1,013,000
Citations for violation of game laws	7,045	7,300	7,300	7,300	7,300	7,300	7,300
Development of wildlife management plans	2	2	2	2	2	2	2

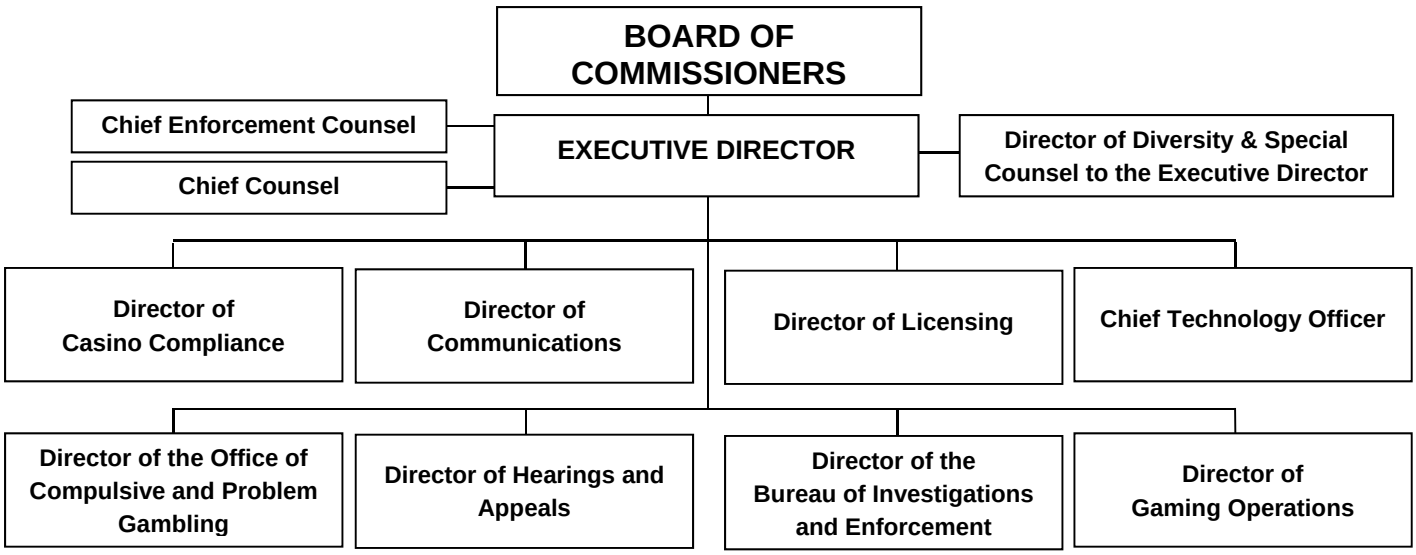
GAMING CONTROL BOARD

The Gaming Control Board regulates the implementation and operation of gaming that is intended to generate revenues that provide assistance to the commonwealth's horse racing industry, tax relief and economic development opportunities.

Programs and Goals

Gaming Regulation: *To provide a revenue stream that supports property tax relief, wage tax reduction in Philadelphia, economic development and the commonwealth's horse racing industry through the implementation and oversight of gaming.*

Organization Overview



- **Director of Casino Compliance** oversees the twenty four hour/seven day a week onsite presence of compliance officers at all casinos to assure the integrity of gaming, including the proper collection, counting and recording of gaming revenue.
- **Director of Communications** is responsible for media and public relations, along with ensuring that the board's business is visible to the citizens of Pennsylvania.
- **Director of Licensing** oversees the licensing of the state's casinos and other gaming related companies doing business in the state as well as the employees working in and supporting the gaming industry.
- **Chief Technology Officer** is responsible for the board's Office of Information Technology and the Bureau of Gaming Laboratory Operations, which ensures the performance and integrity of slot machines and associated equipment in Pennsylvania casinos.
- **Director of the Office of Compulsive and Problem Gambling** oversees the state's Self-Exclusion Program, reviews casinos' Compulsive and Problem Gambling Plans and collaborates with other state agencies as well as national and state problem gambling organizations on problem gambling prevention, education, awareness and outreach.
- **Director of Hearings and Appeals** oversees the hearing and appeals process.
- **Director of the Bureau of Investigations and Enforcement** ensures the integrity of the commonwealth's gaming industry through conducting suitability and regulatory investigations.
- **Director of Gaming Operations** oversees a staff whose responsibilities include compliance auditing and the review and approval of accounting and internal controls, table game rules and equipment including cards, dice and chips.

Reported Complement

(Independent Agency – Complement Not Under the Governor's Jurisdiction/Control)

2009-10 Actual	2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Actual
290	328	326	311	313

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	2013-14 ACTUAL	2014-15 AVAILABLE	2015-16 BUDGET
OTHER FUNDS:			
STATE GAMING FUND:			
(R)Administration	$ 31,153	$ 30,990	$ 32,900
(R)General Operations	5,755	7,000	7,000
(R)Tavern Games - Investigations	12	100	100
Local Law Enforcement Grants (EA)	2,000	2,000	2,000
STATE GAMING FUND TOTAL	**$ 38,920**	**$ 40,090**	**$ 42,000**

Program Funding Summary

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
GAMING REGULATION							
GENERAL FUND	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
SPECIAL FUNDS	0	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0	0
OTHER FUNDS	38,920	40,090	42,000	43,152	44,003	44,875	45,770
SUBCATEGORY TOTAL	$ 38,920	$ 40,090	$ 42,000	$ 43,152	$ 44,003	$ 44,875	$ 45,770
ALL PROGRAMS:							
GENERAL FUND	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
SPECIAL FUNDS	0	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0	0
OTHER FUNDS	38,920	40,090	42,000	43,152	44,003	44,875	45,770
DEPARTMENT TOTAL	$ 38,920	$ 40,090	$ 42,000	$ 43,152	$ 44,003	$ 44,875	$ 45,770

Program: Gaming Regulation

Goal: To provide a revenue stream that supports property tax relief, wage tax reduction in Philadelphia, economic development and the commonwealth's horse racing industry through the implementation and oversight of gaming.

Act 71 of 2004, the Pennsylvania Race Horse Development Act, established the Gaming Control Board to regulate and oversee the implementation and operation of slot machines intended to create new revenue to support property tax relief, wage tax reduction in Philadelphia, economic development and the commonwealth's horse racing industry.

The State Gaming Fund was established in the act to receive all license fees provided in the act and 34 percent of the gross terminal revenue (GTR) generated by licensed gaming facilities. These proceeds are disbursed on an annual basis as follows:

- $2 million or .002 multiplied by the GTR, whichever is greater, to the Compulsive and Problem Gambling Treatment Fund in the Department of Health;
- Payments in lieu of taxes to the Department of Conservation and Natural Resources, the Fish and Boat Commission and the Game Commission;
- $25 million to the Emergency Management Agency for the Volunteer Company Grants program;
- $2 million for the Local Law Enforcement Grants program; and
- $3 million to the Department of Health for drug and alcohol addiction treatment services.

The remaining balance is used to fund property tax relief as provided in Act 1 of Special Session 1 of 2006. In addition, 4 percent of GTR is distributed as a local share where gaming facilities are located.

Act 71 of 2004 established the Gaming Economic Development and Tourism Fund and the Race Horse Development Fund. The Gaming Economic Development and Tourism Fund, administered by the Department of Community and Economic Development, receives 5 percent of the GTR and provides for additional uses of gaming revenues as specified in Act 53 of 2007 and Act 63 of 2008. The Race Horse Development Fund receives a maximum of 12 percent of the GTR generated at each licensed facility.

Act 1 of 2010 authorized table games at licensed gaming facilities. Table games license fees and 14 percent of gross table game revenue (GTGR) are deposited into the General Fund. After two years of operation, a facility's assessment rate will be reduced to 12 percent of GTGR. When the balance in the Budget Stabilization Reserve Fund exceeds $750 million, the state share of GTGR will then be deposited into the Property Tax Relief Fund. A 2 percent local share distribution of GTGR is also included in Act 1 of 2010.

Act 78 of 2012 authorized an additional $5 million from the Property Tax Relief Reserve Fund to the Emergency Management Agency for the Volunteer Company Grants program.

Several state agencies provide support to the Gaming Control Board. The Department of Revenue manages a centralized computer system, which calculates the state's share of GTR on a daily basis and monitors the operation of all licensed gaming machines. The Pennsylvania State Police and the Attorney General also have enforcement and oversight responsibilities.

Act 90 of 2013 authorized the Gaming Control Board to provide background checks for tavern games applicants for the Liquor Control Board. The State Gaming Fund is shown in the Other Special Funds Appendix section of this budget.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

STATE GAMING FUND

This budget recommends a total of $39,900,000 from restricted accounts in the State Gaming Fund for the operation of the Gaming Control Board in the 2015-16 fiscal year.

In addition, $100,000 of tavern games investigations revenue will support this program.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
STATE GAMING FUND:							
(R) Administration	$ 31,153	$ 30,990	$ 32,900	$ 34,052	$ 34,903	$ 35,775	$ 36,670
(R) General Operations	5,755	7,000	7,000	7,000	7,000	7,000	7,000
(R) Tavern Games - Investigations	12	100	100	100	100	100	100
Local Law Enforcement Grants (EA)	2,000	2,000	2,000	2,000	2,000	2,000	2,000
TOTAL STATE GAMING FUND	$ 38,920	$ 40,090	$ 42,000	$ 43,152	$ 44,003	$ 44,875	$ 45,770

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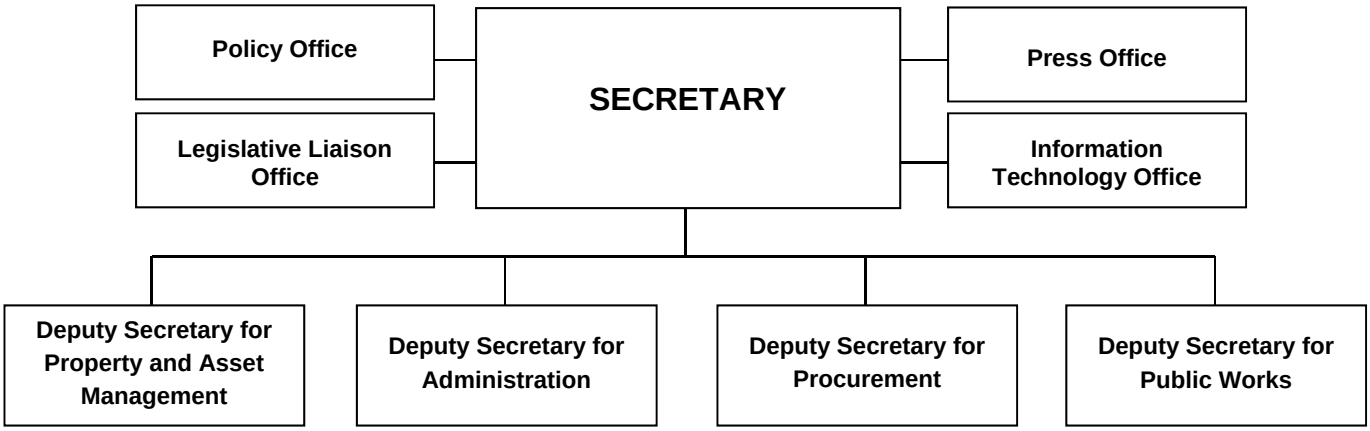
DEPARTMENT OF GENERAL SERVICES

The mission of the Department of General Services is to deliver innovative services and solutions to support cost-effective operations and responsible public stewardship in state government. As the agency responsible for providing essential functions, such as procurement of goods and services, oversight of the vehicle fleet, management of state property and facilities and construction of the commonwealth's buildings and non-highway infrastructure, the department reaches for unparalleled customer service and continuous improvement while fostering sensible, sustainable and transparent government.

Programs and Goals

Facility, Property and Commodity Management: *To maintain the commonwealth's real property and facilities; to provide commonwealth agencies with quality commodities in a timely manner; and to settle tort claims in an equitable manner while reducing risks.*

Organization Overview



- **Deputy Secretary for Property and Asset Management** is responsible for the operation and maintenance of the Capitol Complex, for all commonwealth-owned and operated properties, Vehicle Management, Capitol events, Capitol Police and Energy Management.
- **Deputy Secretary for Administration** is responsible for the bureaus of Human Resources, Commonwealth Media Services, Real Estate, Risk and Insurance Management, and Financial and Management Services.
- **Deputy Secretary for Procurement** is responsible for the bureaus of Procurement, Small Business Opportunities, Publications, and Supplies and Surplus Operations.
- **Deputy Secretary for Public Works** is responsible for the Office of Energy Management and the bureaus of Professional Selections and Administrative Services, Engineering and Architecture, and Construction.

Authorized Complement

2009-10 Actual	2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Actual
1,246	1,138	1,061	999	1,003

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2013-14 ACTUAL	2014-15 AVAILABLE	2015-16 BUDGET
GENERAL FUND:			
General Government:			
General Government Operations	**$ 58,018**	**$ 62,387**	**$ 64,516**
(A)Federal Surplus Property	1,825	2,036	1,853
(A)State Surplus Property	605	450	450
(A)State Buildings Use	116	75	75
(A)Employee Liability Self Insurance Program	416	427	429
(A)Newsroom Services	5	5	5
(A)Administrative Services	116	81	91
(A)Plans and Specifications	20	10	10
(A)Media Center Reimbursements	845	2,116	1,120
(A)Recycling Program	400	695	400
(A)Metrology Fees	232	228	236
(A)CoStar Program	1,128	1,424	1,701
(A)Centralized Procurement	8,144	9,489	9,489
(A)Contract Administration Fees	0	0	98
(A)Energy Office Management Fees	76	50	0
(A)DGS Annex	386	383	383
(A)E-Verify	3	5	2
(A)Small Business Opportunities	2	48	48
(A)Real Estate Services	444	742	779
Subtotal	$ 72,781	$ 80,651	$ 81,685
Capitol Police Operations	**11,394**	**11,881**	**12,190**
(A)Capitol Police Services	228	180	184
Subtotal	$ 11,622	$ 12,061	$ 12,374
Rental and Municipal Charges	**22,969**	**24,162**	**25,469**
(A)Agency Rental Charges	334	332	366
(A)Real Estate Lease Reimbursements	23,848	22,843	24,479
Subtotal	$ 47,151	$ 47,337	$ 50,314
Utility Costs	**21,141**	**20,281**	**22,640**
(A)DGS Annex	226	215	215
(A)Energy Office	59	0	0
Subtotal	$ 21,426	$ 20,496	$ 22,855
Excess Insurance Coverage	**1,211**	**1,099**	**1,288**
Subtotal - State Funds	$ 114,733	$ 119,810	$ 126,103
Subtotal - Augmentations	39,458	41,834	42,413
Total - General Government	$ 154,191	$ 161,644	$ 168,516
Grants and Subsidies:			
Capitol Fire Protection	**$ 496**	**$ 496**	**$ 496**
STATE FUNDS	$ 115,229	$ 120,306	$ 126,599
AUGMENTATIONS	39,458	41,834	42,413
GENERAL FUND TOTAL	**$ 154,687**	**$ 162,140**	**$ 169,012**
MOTOR LICENSE FUND:			
General Government:			
Harristown Rental Charges (EA)	**$ 92**	**$ 92**	**$ 121**
Harristown Utility and Municipal Charges (EA)	**200**	**207**	**199**
Total - General Government	$ 292	$ 299	$ 320

Summary by Fund and Appropriation

	2013-14 ACTUAL	2014-15 AVAILABLE	2015-16 BUDGET
	(Dollar Amounts in Thousands)		
Grants and Subsidies:			
Tort Claims Payments	**$ 10,000**	**$ 10,000**	**$ 10,000**
MOTOR LICENSE FUND TOTAL	**$ 10,292**	**$ 10,299**	**$ 10,320**
OTHER FUNDS:			
GENERAL FUND:			
Temporary Fleet Vehicles	$ 2,965	$ 1,455	$ 1,500
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND	$ 115,229	$ 120,306	$ 126,599
SPECIAL FUNDS	10,292	10,299	10,320
AUGMENTATIONS	39,458	41,834	42,413
OTHER FUNDS	2,965	1,455	1,500
TOTAL ALL FUNDS	**$ 167,944**	**$ 173,894**	**$ 180,832**

Program Funding Summary

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
FACILITY, PROPERTY AND COMMODITY MANAGEMENT							
GENERAL FUND	$ 115,229	$ 120,306	$ 126,599	$ 129,374	$ 131,455	$ 133,592	$ 135,787
SPECIAL FUNDS	10,292	10,299	10,320	10,320	10,320	10,320	10,320
FEDERAL FUNDS	0	0	0	0	0	0	0
OTHER FUNDS	42,423	43,289	43,913	43,913	43,913	43,913	43,913
SUBCATEGORY TOTAL	$ 167,944	$ 173,894	$ 180,832	$ 183,607	$ 185,688	$ 187,825	$ 190,020
ALL PROGRAMS:							
GENERAL FUND	$ 115,229	$ 120,306	$ 126,599	$ 129,374	$ 131,455	$ 133,592	$ 135,787
SPECIAL FUNDS	10,292	10,299	10,320	10,320	10,320	10,320	10,320
FEDERAL FUNDS	0	0	0	0	0	0	0
OTHER FUNDS	42,423	43,289	43,913	43,913	43,913	43,913	43,913
DEPARTMENT TOTAL	$ 167,944	$ 173,894	$ 180,832	$ 183,607	$ 185,688	$ 187,825	$ 190,020

Program: Facility, Property and Commodity Management

Goal: To maintain the commonwealth's real property and facilities; to provide commonwealth agencies with quality commodities in a timely manner; and to settle tort claims in an equitable manner while reducing risks.

The Department of General Services oversees the procurement of goods and services, manages non-highway capital projects and is responsible for numerous core operations of state government, including management of the vehicle fleet, Capitol Police force and state buildings and facilities, disposition of surplus property and general printing operations. The department also serves as the state's real estate agent and insurance broker and oversees the commonwealth's media services and minority and women-owned business programs.

Procurement

The Bureau of Procurement is responsible for purchasing and contracting for services, equipment and supplies for the commonwealth and establishing procurement policy for all state agencies. In total, the bureau oversees more than $3.5 billion in goods and services for the commonwealth each year, ranging from office supplies to computers to vehicles. Contracts are negotiated to leverage the aggregate purchasing power of commonwealth agencies for best pricing.

Public Works

The department's public works bureaus coordinate and oversee the design and construction of all non-highway capital construction projects for the commonwealth. The scope of responsibilities includes new construction and all types of alterations and renovations to existing commonwealth properties and capital improvement projects for all state agencies. Projects range from dams and sewage treatment plants to buildings such as prisons, offices and laboratories. The department also administers the selection of architects and engineers, advertises projects for bid, obtains construction bids, executes construction contracts and manages budgets for construction projects.

The public works bureaus maximize efficiency and monitor performance through a series of criteria focused on reducing change order rates, increasing the number of construction projects completed on time and on budget and reducing the number of claims filed against the commonwealth.

Priorities include the appropriate use of competitive request for proposals or best value contracting to ensure timely delivery of quality construction projects by qualified vendors and the annual update of the commonwealth's five year capital plan. The goal of the capital plan is to better manage limited dollars by developing a comprehensive and strategic approach to releasing capital projects.

Vehicles

The Bureau of Vehicle Management maintains and oversees the commonwealth automotive fleet. All commonwealth vehicles and equipment requiring a license plate, with the exception of vehicles owned by the Department of Transportation and the Turnpike Commission, are titled and registered to the Department of General Services. The bureau approves and tracks the maintenance and repairs of all fleet vehicles to ensure compliance with manufacturers' suggested service programs and monitors operating costs.

The bureau is responsible for the cost effective management of the state fleet by establishing thresholds for permanently assigned vehicles to state employees, minimizing the use of personal vehicle mileage reimbursement and determining optimum vehicle repair schedules.

Capitol Police

The Pennsylvania Capitol Police are responsible for protecting and serving state employees, public officials and visitors to the Capitol Complex as well as department-managed state office buildings and grounds. This mission is accomplished with security guards and sworn police officers. The Pennsylvania Capitol Police is a state and internationally accredited law enforcement agency, receiving certifications by the Commission on Accreditation for Law Enforcement Agencies and the Pennsylvania Law Enforcement Accreditation Commission. Capitol Police Officers are certified police officers with the Municipal Police Officers Education and Training Commission.

Federal and State Surplus

The Bureau of Supplies and Surplus Operations administers both federal and state surplus property programs. Federal surplus property is donated to state agencies, local municipalities, nonprofit organizations and law enforcement entities for a nominal service charge. During 2013-14, federal property originally valued at $16.1 million was distributed to eligible organizations. The State Surplus Division distributes this property among commonwealth and local agencies. Thereafter, goods are recycled or sold to the public through on-site auctions or internet sales. This division also conducts private sales of Department of Transportation heavy equipment to municipalities in compliance with Title 4 of the Pennsylvania Code. Revenue generated from the recycling or sale of state surplus property was more than $7.4 million in 2013-14.

Program: Facility, Property and Commodity Management (continued)

Publications

The Bureau of Publications provides web graphics, graphic design, printing, mailing and signage services to all state agencies and commissions. Projects include annual reports, brochures, newsletters, logos, stationery, book covers, variable data printing and mass mailings. The printing operation provides a variety of printing services including graphic design, security printing, application programming, envelope insertion and mailing services. The State Sign Shop delivers signage, engraving and banner services. The bureau also produces the Pennsylvania Manual and the Commonwealth Telephone Directory. In addition, the bureau hosts a web application http://www.papublisher.com used by commonwealth agencies, commissions and offices. The site maintains digital catalogs for on demand printing and direct distribution to any location. The Bureau of Publications completes mission critical and deadline-driven services 24 hours per day / five days per week.

Real Estate

The Bureau of Real Estate is responsible for the purchase, sale and lease of property and the portfolio management of property and space owned by the commonwealth. The Leasing Division reviews, analyzes, negotiates and administers leases on behalf of the commonwealth including retail leases needed by the Pennsylvania Liquor Control Board. The Space Management Division analyzes space requests and allocates space to departments, boards and commissions in state-owned and leased facilities. The Real Estate Acquisitions and Dispositions Land Management Division acquires real property for capital projects and disposes of real property owned by the commonwealth and designated as surplus. This division also prepares the surplus annual real property disposition plan and administers all leases, licenses and easements involving commonwealth property. The Real Estate Services Division maintains an inventory of facility and building information, a portfolio of commonwealth leases and building maintenance records.

Risk and Insurance

The department handles approximately 7,100 tort claims each year, in conjunction with the Office of Attorney General, brought against the commonwealth, its officials and employees. Act 152 of 1978 and Act 151 of 1986 restricted the commonwealth's use of sovereign immunity as a defense against tort claims by establishing criteria for limited amounts of liability in specific areas: vehicle liability, medical professional liability, personal property, commonwealth real estate, potholes and other dangerous conditions. These include care, custody and control of domestic animals, liquor store sales, National Guard activities and toxoids and vaccines. The department investigates claims in the pre-litigation stage, while the Office of Attorney General defends against those claims in litigation.

Facilities

The department is responsible for the management and maintenance of 20 state-owned office buildings in and around the Capitol Complex, two executive residences, two Harristown leased buildings, the master lease of Forum Place and 53 buildings on the former Harrisburg State Hospital complex. Outside of the Harrisburg area, the department operates the Scranton and Reading state office buildings and master leased buildings in Philadelphia and Pittsburgh. In total, these facilities contain nearly 7.5 million square feet of office space, with 280.3 acres of grounds, parking and roadway areas.

Small Business Opportunities

The Bureau of Small Business Opportunities is committed to implementing programs and policies that increase contracting opportunities for self-certified small and verified small diverse businesses. The Small Business Procurement Initiative provides the impetus for promoting the economic growth and success of small businesses. The Small Diverse Business program streamlines the process for minority, women, veteran and service-disabled veteran-owned small businesses to participate as prime contractors, subcontractors, suppliers and professional service providers. The bureau also focuses on contract compliance to ensure commitments are realized and allegations of abuse, false certification or discriminatory practices are investigated.

Commonwealth Media Services

The Bureau of Commonwealth Media Services provides studio and remote broadcast television services, fixed and remote satellite uplinking, electronic asset management and archiving, web animation and graphics, website and application development, electronic signage and a host of other services. News conferencing facilities and services are provided both at the Capitol Media Center and remotely. Additionally, the bureau provides a full range of creative services incorporated into the production of documentaries, educational, promotional, training and public service programs. The bureau is part of the commonwealth's emergency communications infrastructure, providing broadcast video, audio, photographic and web streaming services on a continuous basis during commonwealth emergencies.

Program: Facility, Property and Commodity Management (continued)

Program Recommendation:

This budget recommends the following changes: (Dollar Amounts in Thousands)

GENERAL FUND

General Government Operations
$ 2,129 —to continue current program.

Capitol Police Operations
$ 309 —to continue current program.

Rental and Municipal Charges
$ 1,307 —increase in lease costs.

Utility Costs
$ 2,359 —based on current estimates.

Excess Insurance Coverage
$ 189 —increase in administrative costs.

MOTOR LICENSE FUND

Harristown Rental Charges (EA)
$ 29 —increase in pro rata share of charges.

Harristown Utility and Municipal Charges (EA)
$ –8 —decrease in pro rata share of charges.

All other appropriations are recommended at the current year funding levels.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
GENERAL FUND:							
General Government Operations	$ 58,018	$ 62,387	$ 64,516	$ 66,774	$ 68,443	$ 70,154	$ 71,908
Capitol Police Operations	11,394	11,881	12,190	12,617	12,932	13,255	13,586
Rental and Municipal Charges	22,969	24,162	25,469	25,469	25,469	25,469	25,469
Utility Costs	21,141	20,281	22,640	22,640	22,640	22,640	22,640
Excess Insurance Coverage	1,211	1,099	1,288	1,378	1,475	1,578	1,688
Capitol Fire Protection	496	496	496	496	496	496	496
TOTAL GENERAL FUND	$ 115,229	$ 120,306	$ 126,599	$ 129,374	$ 131,455	$ 133,592	$ 135,787
MOTOR LICENSE FUND:							
Harristown Rental Charges (EA)	$ 92	$ 92	$ 121	$ 121	$ 121	$ 121	$ 121
Harristown Utility and Municipal Charges (EA)	200	207	199	199	199	199	199
Tort Claims Payments	10,000	10,000	10,000	10,000	10,000	10,000	10,000
TOTAL MOTOR LICENSE FUND	$ 10,292	$ 10,299	$ 10,320	$ 10,320	$ 10,320	$ 10,320	$ 10,320

Program Measures

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Program: Facility, Property and Commodity Management							
Objective: Generate procurement savings for the commonwealth.							
Procurement							
Annual DGS procurement related savings (in thousands)	$74,800	$32,000	$33,000	$34,000	$35,000	$36,000	$37,000
Torts							
Average cost per insurance settlement (pre litigation only)	$550	$570	$595	$620	$640	$670	$700
Insurance claims settled per year (pre litigation only)	1,658	1,800	1,900	2,000	2,100	2,000	2,100
Objective: Increase participation of and opportunity for small businesses and small diverse businesses.							
Small Diverse Businesses							
Annual percentage of commonwealth contract spending awarded to small and small diverse businesses	15%	15%	15%	15%	15%	15%	15%
Objective: Increase percentage of projects completed annually that are within 105 percent of the original project award.							
Public Works							
Maintain Error/Omission changes to no more than 15 percent of total change order cost	4.90%	5%	9%	8.50%	8%	7.50%	7%
Percentage of projects completed annually with final project contract costs at time of final inspection within 105 percent of the original construction award	54%	60%	65%	70%	75%	80%	90%
Objective: Complete construction projects within the initial scheduled completion date, allowing additional time for severe weather only.							
Public Works							
Percentage of projects within the original scheduled completion date, while allowing extensions of time only for severe weather	84%	80%	80%	85%	85%	100%	100%
Percentage of all construction contracts executed within 45 days of the Notice of Award	97%	100%	100%	100%	100%	100%	100%
Objective: Decrease the amount of unused and underutilized leased office space.							
Real Estate							
Total square footage reduced each year	153,200	112,000	100,000	100,000	100,000	100,000	100,000

Program Measures

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Objective: Decrease the operating costs for management of the commonwealth's state owned buildings and vehicle fleet.							
Vehicles							
Percentage decrease in the number of state-owned, non law enforcement passenger vehicles from January 2011 number	20%	25%	30%	30%	30%	30%	30%
Objective: Reduce energy consumption and associated energy costs in state owned facilities.							
Energy							
Percentage reduction in utility costs	10%	10%	10%	10%	10%	10%	10%

DEPARTMENT OF HEALTH

The mission of the Department of Health is to promote healthy lifestyles, prevent injury and disease, and to ensure the safe delivery of quality health care for all commonwealth citizens.

To accomplish this mission, the department works collaboratively with public and private community partners to facilitate the development of an effective public health system. The department licenses and regulates a variety of health facilities, and provides outreach, education, prevention and treatment services. Community-based groups receive grants to provide essential services to the commonwealth's citizens including programs for women and children, nutrition, immunization, diagnosis and treatment of certain blood and communicable diseases, cancer control and prevention.

Programs and Goals

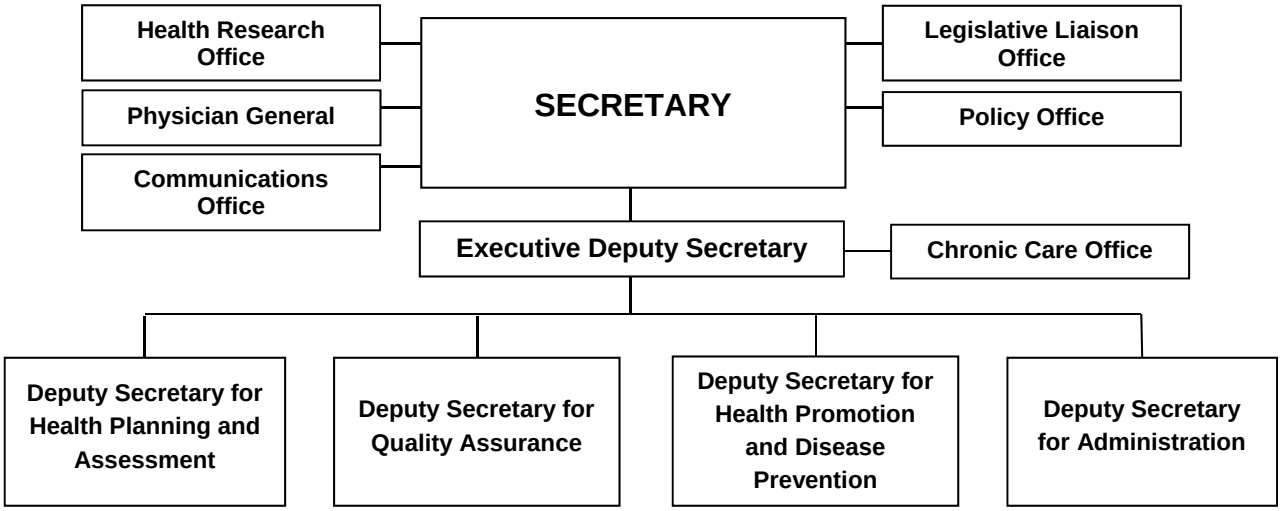
Health Support Services: *To provide effective administration and support systems through which the substantive programs of the health delivery system and the department can be achieved.*

Health Research: *To develop better basic scientific knowledge of the nature of disease, illness and the environment, which will improve the use of existing and new health resources.*

Preventive Health: *To reduce morbidity and mortality through the early detection of disease and health defects and the promotion of sound health practices and remedial care.*

Health Treatment Services: *To maximize the individual's capacity for independent living through the provision of an array of service and support programs.*

Organization Overview



- **Deputy Secretary for Health Planning and Assessment** is responsible for the monitoring, tracking and analysis of the health status of Pennsylvania communities. The office oversees the state laboratories and licenses independent clinical labs; supervises emergency medical services; and ensures epidemiological data collection, dissemination and analysis.
- **Deputy Secretary for Quality Assurance** works to ensure the delivery of quality health care in most in-patient and out-patient health care facilities and substance abuse treatment centers throughout Pennsylvania. The office also approves building, engineering and construction plans for these facilities. In addition, the office certifies managed care organizations in conjunction with the Department of Insurance.
- **Deputy Secretary for Health Promotion and Disease Prevention** is responsible for developing and implementing a wide variety of educational, preventative and treatment programs for people of all ages.
- **Deputy Secretary for Administration** directs the provision of all personnel administration and management support; is responsible for the development of the department's administrative policies and procedures and for all of the department's information technology functions. Also assists the Secretary of Health in effectively utilizing public health data to make policy decisions.

Authorized Complement

2009-10 Actual	2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Actual
1,582	1,529	1,495	1,395*	1,336

*Authorized Complement reflects the transfer of Drug and Alcohol Programs' positions effective July 1, 2012.

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2013-14 ACTUAL	2014-15 AVAILABLE	2015-16 BUDGET
GENERAL FUND:			
General Government:			
General Government Operations	**$ 21,400**	**$ 22,395**	**$ 23,098**
(F)WIC Administration and Operation	18,524	26,128	31,990
(F)Health Assessment	485	535	537
(F)PHHSBG - Administration and Operation	2,178	1,941	4,456
(F)SABG - DDAP Support Services (EA)	309	446	364
(F)MCHSBG - Administration and Operation	16,157	15,472	14,404
(F)Adult Blood Lead Epidemiology	103	108	135
(F)EMS for Children	150	155	155
(F)TB - Administration and Operation	1,230	1,232	1,070
(F)Lead - Administration and Operation	734	1,832	1,459
(F)AIDS Health Education - Administration and Operation	5,015	6,506	6,511
(F)Primary Care Cooperative Agreements	244	313	314
(F)HIV / AIDS Surveillance	1,155	1,610	1,614
(F)HIV Care - Administration and Operation	2,680	5,331	5,427
(F)Cancer Prevention and Control	6,908	8,338	9,411
(F)Environmental Public Health Tracking	1,039	1,100	1,123
(F)Health Equity	167	225	0
(F)Strengthening Public Health Infrastructure	540	863	244
(F)Special Preparedness Initiatives	350	500	500
(F)Public Health Emergency Preparedness and Response (EA)	46,089	54,358	48,403
(F)Learning Management System (EA)	60	60	60
(A)Data Center Services	52	52	52
(A)Departmental Services	0	1	1
(A)NACDD Epidemiologist	61	0	0
Subtotal	$ 125,630	$ 149,501	$ 151,328
Quality Assurance	**18,392**	**18,891**	**21,399**
(F)Medicare - Health Service Agency Certification	9,863	11,364	11,394
(F)Medicaid Certification	6,962	8,100	8,424
(A)Publication Fees	3	3	3
Subtotal	$ 35,220	$ 38,358	$ 41,220
Chronic Care Management	**756**	**973**	**3,974**
(F)State Innovation Model Initiative	1,343 [a]	60,000 [b]	3,000
(F)ARRA - Health Information Exchange Capacity (EA)	0	268	268
Subtotal	$ 2,099	$ 61,241	$ 7,242
Achieving Better Care - MAP Administration	**0**	**0**	**2,147**
Vital Statistics	**5,687**	**5,970**	**6,679**
(F)Cooperative Health Statistics	1,351	1,800	1,804
(F)Health Statistics	68	84	87
(F)Behavioral Risk Factor Surveillance System	400	703	490
(A)Reimbursement for Microfilming	34	35	35
(A)VitalChek Surcharge	506	0	1,450
(R)County Coroner/Medical Examiner Distribution (EA)	1,194	1,176	1,192
(R)Vital Statistics Improvement Administration (EA)	3,950	5,930	3,996
Subtotal	$ 13,190	$ 15,698	$ 15,733
State Laboratory	**2,611**	**3,175**	**3,469**
(F)Clinical Laboratory Improvement	603	678	680
(F)Epidemiology and Laboratory Surveillance and Response	3,036	3,433	3,437
(F)Food Emergency Response	285	249	305
(A)Blood Lead Testing	18	18	18
(A)Blood Lead Specimen Testing	6	7	7
(A)Erythrocyte Protoporphyrin Testing	11	12	12
(A)Alcohol Proficiency Testing	64	65	65
(A)Drug Abuse Proficiency	159	159	159
(A)Licensure for Clinical Laboratories	1,490	1,491	1,491

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2013-14 ACTUAL	2014-15 AVAILABLE	2015-16 BUDGET
(A)Training Course Fees	2	2	2
(A)Viral Load Testing	32	13	32
(A)Association of Public Health Laboratories	9	9	9
Subtotal	$ 8,326	$ 9,311	$ 9,686
State Health Care Centers	**18,683**	**20,518**	**25,002**
(F)Disease Control Immunization	10,850	11,571	11,589
(F)PHHSBG - Block Program Services	3,020	7,159	6,780
(F)Preventive Health Special Projects	1,321	2,377	3,340
(F)Collaborative Chronic Disease Programs	5,925	7,777	10,183
(F)Sexual Violence Prevention and Education	1,591	1,707	1,305
(F)Live Healthy	0	0	4,409
(F)Refugee Health Program (EA)	3,080	3,980	3,228
Subtotal	$ 44,470	$ 55,089	$ 65,836
Sexually Transmitted Disease Screening and Treatment	**1,729**	**1,729**	**1,729**
(F)Survey and Follow-Up - Sexually Transmitted Diseases	2,734	2,835	2,852
Subtotal	$ 4,463	$ 4,564	$ 4,581
Subtotal - State Funds	$ 69,258	$ 73,651	$ 87,497
Subtotal - Federal Funds	156,549	251,138	201,752
Subtotal - Augmentations	2,447	1,867	3,336
Subtotal - Restricted Revenues	5,144	7,106	5,188
Total - General Government	$ 233,398	$ 333,762	$ 297,773
Grants and Subsidies:			
Diabetes Programs	**$ 100**	**$ 100**	**$ 0**
Primary Health Care Practitioner	**3,371**	**4,671**	**1,793**
(F)Loan Repayment Program	176	312	0
(F)ARRA - Health Professions Workforce Development	86	0	0
Subtotal	$ 3,633	$ 4,983	$ 1,793
Community-Based Health Care Subsidy	**3,734**	**6,000**	**6,000**
Newborn Screening	**4,110**	**4,260**	**5,710**
Cancer Screening Services	**2,563**	**2,563**	**2,563**
AIDS Programs and Special Pharmaceutical Services	**17,436** c	**17,436**	**17,436**
(F)AIDS Health Education Program	2,431 d	3,113	3,113
(F)AIDS Ryan White and HIV Care	45,163 e	56,669	57,577
(F)Housing for Persons with AIDS	2,104 f	2,538	3,538
(A)AIDS SPBP Rebates	8,418 g	16,991	12,973
Subtotal	$ 75,552	$ 96,747	$ 94,637
Regional Cancer Institutes	**600**	**600**	**450**
School District Health Services	**35,570**	**36,620**	**36,620**
Local Health Departments	**25,421**	**25,421**	**25,421**
Local Health - Environmental	**6,989**	**6,989**	**6,989**
Maternal and Child Health	**766**	**651**	**718**
(F)MCH Lead Poisoning Prevention and Abatement	1,282	2,050	1,194
(F)MCHSBG - Program Services	16,334	17,035	18,135
(F)Women, Infants and Children (WIC)	276,112	276,112	276,112
(F)Abstinence Education	2,627	2,576	2,405
(F)Traumatic Brain Injury	304	370	270
(F)Family Health Special Projects	434	600	661
(F)Screening Newborns	881	744	776

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2013-14 ACTUAL	2014-15 AVAILABLE	2015-16 BUDGET
(F)Newborn Hearing Screening and Intervention	290	316	366
(F)Teenage Pregnancy Prevention	4,080	3,892	4,372
Subtotal	$ 303,110	$ 304,346	$ 305,009
Tuberculosis Screening and Treatment	**874**	**874**	**874**
(F)Tuberculosis Control Program	318	385	326
Subtotal	$ 1,192	$ 1,259	$ 1,200
Renal Dialysis	**6,779**	**7,279** h	**7,900**
Services for Children with Special Needs	**1,535**	**1,551**	**1,551**
Adult Cystic Fibrosis & Other Chronic Respiratory Illnesses	**699**	**750**	**450**
Cooley's Anemia	**100**	**100**	**100**
Hemophilia	**959**	**959**	**949**
Lupus	**100**	**100**	**0**
Sickle Cell	**1,260**	**1,260**	**1,200**
Regional Poison Control Centers	**700**	**700**	**0**
Trauma Prevention	**425**	**460**	**0**
Epilepsy Support Services	**550**	**550**	**0**
Bio-Technology Research	**5,300**	**5,900**	**0**
Tourette Syndrome	**150**	**150**	**0**
Amyotrophic Lateral Sclerosis Support Services	**350**	**350**	**0**
Subtotal - State Funds	$ 120,441	$ 126,294	$ 116,724
Subtotal - Federal Funds	352,622	366,712	368,845
Subtotal - Augmentations	8,418	16,991	12,973
Total - Grants and Subsidies	$ 481,481	$ 509,997	$ 498,542
STATE FUNDS	$ 189,699	$ 199,945	$ 204,221
FEDERAL FUNDS	509,171	617,850	570,597
AUGMENTATIONS	10,865	18,858	16,309
RESTRICTED REVENUES	5,144	7,106	5,188
GENERAL FUND TOTAL	**$ 714,879**	**$ 843,759**	**$ 796,315**

OTHER FUNDS:

TOBACCO SETTLEMENT FUND:			
Tobacco Use Prevention and Cessation (EA)	$ 9,254	$ 13,830	$ 13,151
Health Research - Health Priorities (EA)	19,897	38,723	36,823
Health Research - National Cancer Institute (EA)	1,579	3,073	2,922
TOBACCO SETTLEMENT FUND TOTAL	**$ 30,730**	**$ 55,626**	**$ 52,896**
EMERGENCY MEDICAL SERVICES OPERATING FUND:			
Emergency Medical Services	$ 10,975	$ 10,500	$ 9,600
Catastrophic Medical and Rehabilitation	5,250	5,100	4,800
EMERGENCY MEDICAL SERVICES OPERATING FUND TOTAL	**$ 16,225**	**$ 15,600**	**$ 14,400**
GOV. CASEY ORGAN & TISSUE DONATION AWARENESS FUND:			
Implementation Costs (EA)	$ 96	$ 99	$ 106
Hospital and Other Medical Costs (EA)	115	115	115
Grants to Certified Procurement Organizations (EA)	577	577	600
Project Make-A-Choice (EA)	173	173	175
GOV. CASEY ORGAN & TISSUE DONATION AWARENESS FUND TOTAL	**$ 961**	**$ 964**	**$ 996**

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	2013-14 ACTUAL	2014-15 AVAILABLE	2015-16 BUDGET
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND	$ 189,699	$ 199,945	$ 204,221
SPECIAL FUNDS	0	0	0
FEDERAL FUNDS	509,171	617,850	570,597
AUGMENTATIONS	10,865	18,858	16,309
RESTRICTED	5,144	7,106	5,188
OTHER FUNDS	47,916	72,190	68,292
TOTAL ALL FUNDS	**$ 762,795**	**$ 915,949**	**$ 864,607**

[a] Appropriated as $1,343,000 for State Innovation Models.

[b] Appropriated as $60,000,000 for State Innovation Models.

[c] Appropriated as $7,169,000 for AIDS Programs and $10,267,000 for AIDS Special Pharmaceutical Services.

[d] Appropriated as $2,431,000 for AIDS Health Education.

[e] Appropriated as $10,629,000 for HIV Care and $34,534,000 for AIDS Ryan White.

[f] Appropriated as $2,104,000 for Housing Opportunities for People with AIDS.

[g] Includes $2,418,000 for ADAP Rebate Funding and $6,000,000 for AIDS - Pharmacy Rebates.

[h] Includes recommended supplemental appropriation of $500,000.

Program Funding Summary

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
HEALTH SUPPORT SERVICES							
GENERAL FUND	$ 42,403	$ 44,461	$ 50,113	$ 51,866	$ 53,164	$ 54,494	$ 55,856
SPECIAL FUNDS	0	0	0	0	0	0	0
FEDERAL FUNDS	124,557	150,431	152,053	152,053	152,053	152,053	152,053
OTHER FUNDS	1,907	1,832	1,851	1,851	1,851	1,851	1,851
SUBCATEGORY TOTAL	$ 168,867	$ 196,724	$ 204,017	$ 205,770	$ 207,068	$ 208,398	$ 209,760
HEALTH RESEARCH							
GENERAL FUND	$ 11,687	$ 12,570	$ 7,129	$ 7,363	$ 7,536	$ 7,713	$ 7,895
SPECIAL FUNDS	0	0	0	0	0	0	0
FEDERAL FUNDS	1,819	2,587	2,381	2,381	2,381	2,381	2,381
OTHER FUNDS	27,160	48,937	46,418	45,274	45,345	45,418	45,493
SUBCATEGORY TOTAL	$ 40,666	$ 64,094	$ 55,928	$ 55,018	$ 55,262	$ 55,512	$ 55,769
PREVENTIVE HEALTH							
GENERAL FUND	$ 122,552	$ 129,255	$ 134,829	$ 135,843	$ 136,593	$ 137,361	$ 138,149
SPECIAL FUNDS	0	0	0	0	0	0	0
FEDERAL FUNDS	382,795	464,832	416,163	415,895	415,895	415,895	415,895
OTHER FUNDS	17,672	30,821	26,124	26,124	26,124	26,124	26,124
SUBCATEGORY TOTAL	$ 523,019	$ 624,908	$ 577,116	$ 577,862	$ 578,612	$ 579,380	$ 580,168
HEALTH TREATMENT SERVICES							
GENERAL FUND	$ 13,057	$ 13,659	$ 12,150	$ 12,150	$ 12,150	$ 12,150	$ 12,150
SPECIAL FUNDS	0	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0	0
OTHER FUNDS	17,186	16,564	15,396	15,400	15,403	15,406	15,409
SUBCATEGORY TOTAL	$ 30,243	$ 30,223	$ 27,546	$ 27,550	$ 27,553	$ 27,556	$ 27,559
ALL PROGRAMS:							
GENERAL FUND	$ 189,699	$ 199,945	$ 204,221	$ 207,222	$ 209,443	$ 211,718	$ 214,050
SPECIAL FUNDS	0	0	0	0	0	0	0
FEDERAL FUNDS	509,171	617,850	570,597	570,329	570,329	570,329	570,329
OTHER FUNDS	63,925	98,154	89,789	88,649	88,723	88,799	88,877
DEPARTMENT TOTAL	$ 762,795	$ 915,949	$ 864,607	$ 866,200	$ 868,495	$ 870,846	$ 873,256

Program: Health Support Services

Goal: To provide effective administration and support systems through which the substantive programs of the health delivery system and the department can be achieved.

Health Support Services provides administrative and technical systems that support disease prevention and treatment. Also included in this program are quality assurance activities and state laboratory facilities.

The department provides epidemiologic assessment of health problems that include communicable diseases, environmental conditions, occupational hazards and health risk behaviors of the general public or selected populations. The department issues guidelines and recommendations for prevention and control of these diseases and provides professional consultation and technical support for health care providers and institutions, other agencies, county health departments and local municipalities.

The Quality Assurance program conducts surveys and inspections of health care facilities, home care and home health agencies, psychiatric residential treatment facilities, intermediate care facilities and others to determine compliance with state and federal standards and regulations and as a condition of receiving federal Medicare and Medicaid financial support. The surveys determine compliance with various standards including sanitation, fire safety, health and level of care. Facilities unable or unwilling to correct deficiencies according to a plan agreeable to the department are subject to various penalties. The department's website allows the public to access completed surveys.

The frequency of inspections varies by type of facility as required by either state or federal law or regulation. Initial inspections are conducted prior to issuances of licenses. More frequent inspections are made in response to complaints or life-threatening situations.

Facility Inspection Frequency

Facility Type	Frequency
Abortion facilities	Inspected annually
Acute care hospitals	Surveyed and licensed on a three-year cycle
Ambulatory surgical facilities	Inspected annually
Birth centers	Inspected annually
End-stage renal disease facilities	One-third of facilities are surveyed annually
Home care agencies	On site inspection every three years, written surveys other two years
Hospice agencies	On site inspection every three years, written surveys other two years
Nursing homes	Inspected annually
Pediatric extended care centers	Surveyed annually

In addition to inspections of health care facilities for compliance with state licensure and federal certification requirements, the Quality Assurance program conducts formal plan reviews and approval for new construction and remodeling of health care facility projects to assure that the projects will conform to state and federal requirements. Final inspections of the completed construction projects are conducted prior to approval for use and occupancy.

The Healthcare-Associated Infections Prevention program supports hospitals, nursing care facilities and ambulatory surgical facilities in reducing the occurrence of healthcare-associated infections through implementing effective identification and reporting; reviewing and approving individual facility infection control plans; developing best practices for monitoring, surveillance and response; and maintaining a reporting program that will establish benchmarks and monitor performance in hospitals and nursing homes.

The Quality Assurance program is also responsible for drug monitoring systems established by the recent passage of legislation. The National Precursor Log Exchange program and the Achieving Better Care by Monitoring All Prescriptions program monitor the purchase or dispensing of drugs in order to improve patient care and detect and prevent drug abuse.

Act 41 of 2014, known as the Indoor Tanning Regulation Act, is now being implemented by the Quality Assurance program. The first two years of the program require registration by all indoor tanning establishments. After two years, the establishments may be inspected and must comply with required signage and staff training requirements. Funding is provided only through the licensing fees. Quality Assurance also handles registration and testing for hearing aid sales and fitters, as well as drug, device and cosmetics manufacturers and distributors.

The Bureau of Managed Care is responsible for oversight and regulation of managed care plans including health maintenance organizations (HMOs), gatekeeper preferred provider organizations (PPOs) and point of service products. It licenses new plans, ensures availability and accessibility of health services in plan service areas and monitors quality of care through periodic inspections and external quality reviews. The bureau reviews and approves provider contracts and reimbursement methods. It licenses and oversees traditional PPOs, nonprofit medical-surgical, vision, and dental plans (including Pennsylvania Blue Shield). In accordance with Act 68 of 1998, known as the Quality Health Care Accountability and Protection Act, Article XXI of the Insurance Company

Program: Health Support Services (continued)

Law of 1921, it certifies managed care utilization review organizations and monitors compliance with utilization review standards. The program also reviews complaints under Act 68 and coordinates third level grievance reviews conducted by certified external review entities.

The department operates the state public health laboratory, which investigates disease outbreaks, emerging infectious diseases and other threats to public health. The state laboratory performs approximately 200,000 tests each year for diseases such as HIV, rabies, meningitis, influenza, tuberculosis, botulism, Lyme disease, West Nile Virus, drugs of abuse, alcohol and lead. The state laboratory is also an integral part of preparedness and response throughout the commonwealth. The state laboratory is designated by the Centers for Disease Control and Prevention and the Federal Bureau of Investigation as the primary laboratory for the detection and identification of biological and chemical terrorism agents and is the state's reference laboratory in the national Laboratory Response Network and the Food Emergency Response Network. The state laboratory houses and supports the federal BioWatch program, which operates 365 days a year, to ensure the safety of the citizens of Pennsylvania. It licenses more than 8,500 laboratories, including independent labs and labs located within hospitals and physicians' offices, establishes performance standards and monitors compliance through on-site inspections. Most of these laboratories are located in Pennsylvania; however, clinical lab permits are also issued to out-of-state labs wishing to perform testing on specimens originating in Pennsylvania. The state laboratory also recommends certification of clinical laboratories under the requirements of the federal Clinical Laboratory Improvement Amendments.

The federal Department of Health and Human Services provides funding to the department to strengthen public health and health care emergency preparedness and response capabilities through increased infrastructure and program capacity, improved scientific and technical capabilities as well as enhanced professional training and public education. The Public Health Preparedness program coordinates preparedness actions that ensure state and local readiness, interagency collaboration and the capability to respond to the public health and medical consequences of all disasters and emergencies. Public health preparedness activities across the commonwealth include upgrading infectious disease surveillance and investigation, expanding public health laboratory capacity, developing medical countermeasure distribution and dispensing plans, enhancing communications systems and facilitating regional health care facility preparedness planning and response efforts.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

General Government Operations

$ 603	—to continue current program.
100	—Initiative—Statewide Natural Gas Fracking Health Registry. To develop a statewide registry to monitor the health of individuals who reside near natural gas fracking operations.
$ 703	*Appropriation Increase*

Quality Assurance

$ 2,508	—to continue current program.

State Laboratory

$ 294	—to continue current program.

Achieving Better Care - MAP Administration

$ 2,147	—administrative costs for implementing the Achieving Better Care by Monitoring All Prescriptions (ABC-MAP) program requirements.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
GENERAL FUND:							
General Government Operations	$ 21,400	$ 22,395	$ 23,098	$ 23,906	$ 24,504	$ 25,117	$ 25,745
Quality Assurance	18,392	18,891	21,399	22,148	22,702	23,270	23,852
State Laboratory	2,611	3,175	3,469	3,590	3,680	3,772	3,866
Achieving Better Care - MAP Administration	0	0	2,147	2,222	2,278	2,335	2,393
TOTAL GENERAL FUND	$ 42,403	$ 44,461	$ 50,113	$ 51,866	$ 53,164	$ 54,494	$ 55,856

Program: Health Research

Goal: To develop better basic scientific knowledge of the nature of disease, illness and the environment, which will improve the use of existing and new health resources.

The Health Statistics and Research program is the focal point in Pennsylvania for coordinating the collection, analysis and dissemination of health statistics and information. Its function is to collect statistical information on the health status of the population such as infant mortality, birth to teens and leading causes of death. This program responds to requests for services each year and conducts an annual survey of all hospitals, nursing homes and ambulatory surgery centers in Pennsylvania to obtain information on health resources and health services availability, utilization, staffing and patient characteristics. The Health Statistics and Research program oversees several statewide data collection systems and registries, such as the Behavioral Risk Factor Surveillance System, the statewide immunization registry and the Pennsylvania Cancer Registry. All of the program's publications and statistics are available on the department's website, which includes an interactive health statistics tool.

The Health Statistics and Research program also maintains a central repository for more than 33.5 million records of births, deaths and fetal deaths that occur in the commonwealth. Through automation of this operation, all Pennsylvania birth records from 1921 to the present are available through the department's computer system at the central office and all branch offices. The system processes more than 500,000 requests annually for certified copies of birth and death records for proof of age, citizenship, litigation and genealogy. This system assists in the detection of fraudulent record usage, child support and the reporting of missing children. Birth and death records are stored on microfilm for preservation and are available for retrieval if required.

The Commonwealth Universal Research Enhancement (CURE) program provides health research grants to Pennsylvania-based research institutions for biomedical, clinical and health services research designed to improve the health of all Pennsylvania citizens. Performance reviews are conducted to evaluate the effectiveness of each research project funded by a grant.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

Vital Statistics
$ 709 —to continue current program.

Diabetes Programs
$ –100 —program elimination.

Regional Cancer Institutes
$ –150 —funding reduction.

Bio-Technology Research
$ –5,900 —program elimination.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
GENERAL FUND:							
Vital Statistics	$ 5,687	$ 5,970	$ 6,679	$ 6,913	$ 7,086	$ 7,263	$ 7,445
Diabetes Programs	100	100	0	0	0	0	0
Regional Cancer Institutes	600	600	450	450	450	450	450
Bio-Technology Research	5,300	5,900	0	0	0	0	0
TOTAL GENERAL FUND	$ 11,687	$ 12,570	$ 7,129	$ 7,363	$ 7,536	$ 7,713	$ 7,895

Program: Preventive Health

Goal: To reduce morbidity and mortality through the early detection of disease and health defects and the promotion of sound health practices and remedial care.

A key to the promotion of sound health practices is ensuring that all Pennsylvanians are able to access a range of preventive health and early disease detection services.

The department provides public health services through its network of district offices, state health centers, county and municipal health departments, community-based organizations and other public health clinical providers. These programs include communicable disease tracking and prevention; investigation, intervention and control services; family health and chronic disease prevention, assessment and intervention services; and special environmental health services. The six county and four city health departments also provide a range of individual and environmental public health services within their jurisdictions and are funded through grants and contracts awarded by the department.

To improve the availability of health care in underserved rural and urban areas, the department has grant programs that establish or expand medical and dental clinics (which require matching funds), and support for the stabilization of small rural hospitals.

In addition to these general activities to promote sound health practices, the department provides a variety of programs targeted to specific populations and diseases that represent significant health risks.

Program Element: Women and Infant Programs

The department administers the federally funded Women, Infants and Children (WIC) program. WIC serves pregnant, breast-feeding and postpartum women, infants and children up to five years of age who are at risk due to medical conditions and/or inadequate diet and low income. The program supplies supplemental foods that are rich in nutrients frequently lacking in the diets of the target population. The program ensures that WIC participants receive routine health care and that nutrition and breastfeeding education and counseling are made available on a regular basis. Participants are also referred to other appropriate local medical, health and social services. Program benefits promote optimal pregnancy outcomes, improve participant use of pediatric and obstetrical services and enhance early interventions for potential health problems.

To minimize severe health risks to infants, the department conducts a Newborn Screening and Follow-up program. The department assures appropriate follow-up services for all newborns with abnormal or inconclusive test results. In addition, these newborns and their families are linked with treatment specialists who conduct diagnostic testing and coordinate the required care.

The department facilitates a number of programs designed to help improve the health status of women. The Breast and Cervical Cancer Early Detection program (HealthyWoman Program) provides free mammograms, breast exams, Pap tests, pelvic exams, and treatment to eligible women, ages 40 – 64, who are low income and have limited or no insurance.

The department supports a special smoking cessation program for pregnant women. This includes a promotional campaign advising health care and child care providers of the availability of self-help materials and training opportunities to help women quit smoking.

Program Element: Children's Programs

The department's federally funded immunization program supplies immunizations to infants, children and adolescents to reduce the incidence of vaccine-preventable diseases in the commonwealth. While vaccinations are encouraged for all ages, special emphasis is placed on reaching children younger than two years. The program coordinates the surveillance of vaccine-preventable diseases, provides consultation during disease outbreaks, assesses immunization levels, conducts professional and public education programs and initiates, processes and evaluates the child care and school immunization reporting system. In addition, the program provides guidance to school districts for the provision of hepatitis B, measles/mumps/rubella, varicella, tetanus/diphtheria/ pertussis and meningococcal immunizations for students.

The department's Lead Poisoning Prevention and Control Program is comprised of three programs: the Lead and Healthy Homes Program, the Lead Hazard Control Program (LHCP) and the Lead Surveillance Program. The Lead and Healthy Homes Program seeks to create safe and healthy housing for vulnerable occupants by addressing environmental health and safety hazards in homes. The Lead Hazard Control Program creates lead-safe home environments for low-income families with children under age 6. This program operates in four cities and two counties in Pennsylvania. The LHCP assesses high-risk homes, and then makes them lead-safe. The department's Lead Surveillance Program tracks and monitors childhood lead activity through the Pennsylvania National Electronic Disease Surveillance System (PA-NEDSS). PA-NEDSS receives all lead reports on Pennsylvania's children.

The School Health program supports health services for all children who are attending elementary or secondary school, either public or private. The program reimburses 500 school districts, 160 charter schools and 10 vocational

Program: Preventive Health (continued)

technical schools for a portion of the costs associated with providing school nursing and dental services.

Program Element: Other Health Promotion and Disease and Injury Prevention Programs

The department promotes appropriate adult immunizations by providing information to community-based and public organizations and makes available vaccines to uninsured and underinsured adults through state health centers, county and municipal health departments and federally qualified and rural health clinics. The department ensures that all residents of the commonwealth are served through an infectious disease epidemiological surveillance, investigation and control system. Reported cases of infectious diseases are investigated to determine the infection source, transmission mode and control measures to prevent additional cases. The department also provides a secure, confidential statewide disease surveillance system. This computerized system compares incidence and prevalence rates and identifies risk factors. Disease trends are determined and corrective action recommended to reduce or to ameliorate public health risks. Diseases investigated range from giardiasis, hepatitis, salmonellosis, shigellosis, rabies and Lyme disease, to tuberculosis, HIV/AIDS and the other prevalent sexually transmitted diseases.

Chronic disease remains one of the leading causes of preventable morbidity and premature death in the commonwealth. The PA Center for Practice Transformation and Innovation continues to work with healthcare providers, commercial and public insurance payers, consumers, and the Centers for Medicare and Medicaid Services (CMS) to transform the way patient care is managed, delivered, documented and advanced in primary care settings, with the goal of improving health outcomes and reducing the cost of care. The department continues its multi-payer, multi-state and regional collaboratives and supports and promotes the patient centered medical home concept.

The department's HIV/AIDS program is a coordinated and integrated strategy to prevent, test, link, treat and engage/retain individuals across the continuum of HIV prevention and care services. Emphasis is placed on the three primary goals aligned with the National HIV/AIDS Strategy: 1) reducing the number of people who become infected with HIV, 2) increasing access to care and optimizing health outcomes for people living with HIV, and 3) reducing HIV-related health disparities. The program includes: prevention activities; capacity-building activities; program planning, monitoring, evaluation, and quality improvement; coordination and delivery of HIV/AIDS medical care and support services; housing assistance; and an AIDS drug assistance program.

The goal of the Sexually Transmitted Diseases (STD) program is to reduce the incidence of syphilis, gonorrhea, chlamydia and other STDs. The STD program supports a statewide network of clinical service sites that offer testing, treatment and risk-reduction information and conduct contact elicitation interviews and related investigative services. Special attention and follow-up is provided to those 15 years and under whom have an STD, or those who are a sexual partner of a person who has an STD, and in order to prevent medical complications among newborns, to pregnant women who have an STD or who are a sexual partner of a person who has an STD. In addition to traditional clinical STD services, the STD program is expanding STD testing services in non-traditional venues to include high-risk individuals as determined by local disease burdens.

The Tuberculosis program provides outpatient examination, diagnosis and appropriate treatment for persons with tuberculosis disease and infection. Key to preventing the spread of the disease is contact examination and treatment of latent tuberculosis infection in close contacts of infectious cases or other high-risk people.

The department manages the following federally funded programs that also support health promotion and injury prevention activities:

Cancer Prevention and Control programs promote cancer education, awareness and services through policy system and environmental approaches to reduce cancer mortality and provide a better quality of life for Pennsylvanians dealing with the effects of cancer. The programs coordinate cancer prevention, detection, treatment, quality of life services and resources. This is accomplished through statewide partnership development and engaging the cancer and chronic disease community to implement the directives of the statewide Cancer Control Plan. Further, the programs oversee breast, cervical and colorectal population-based screenings and diagnostic services to eligible uninsured and underinsured Pennsylvanians.

The Oral Health program assesses the status of the oral health of Pennsylvanians, and plans and implements strategies and programs to improve oral health. The program provides oral and dental health educational materials designed to promote the prevention of tooth decay, periodontal disease and other oral diseases. The program also promotes the beneficial health effects of fluoridation of public water systems.

The Heart Disease and Stroke Prevention program in conjunction with the Obesity Prevention and Wellness program promotes healthy active lifestyles through systems, policies and environmental changes in four target environments - communities, health care systems, schools and worksites. These changes support the development of positive individual behaviors to reduce and control diabetes and hypertension, and to prevent heart disease, obesity, stroke and related chronic diseases.

Program: Preventive Health (continued)

The Asthma Control program provides education and information to persons with asthma, caregivers and health professionals that support the identification of triggers and self-management of asthma.

The Violence and Injury Prevention program is designed to reduce the incidence of unintentional injuries, violence and injury-related fatalities through the development of surveillance systems, education programs for at-risk populations and training of health professionals. The department provides funding to organizations to support safer communities by addressing childhood injuries, motor vehicle safety, falls prevention among older adults, prevention of drug overdoses and child maltreatment prevention.

Pennsylvania's arthritis programs substantially expand the access, availability, and use of arthritis-appropriate evidence-based interventions and embed them into multi-site delivery systems and conduct surveillance for informed decision-making. The program is working with sister agencies and statewide partners to increase the number of adults who are first-time arthritis program participants to improve health status and to promote behavioral change, improved self-efficacy, and reduced health care utilization.

The Tobacco Use Prevention and Control program seeks to control the epidemic of disease, disability and death related to tobacco use. The goals of the department are to change community norms through state-advised, community-driven systems that create environments where it is uncommon to see, use and be negatively impacted by tobacco products and tobacco smoke pollution, and to reduce the consumption of tobacco by youth and adults. The program is also responsible for education regarding and enforcement of the provisions of the Clean Indoor Air Act, Act 27 of 2008, which prohibits smoking in a public place with certain exemptions. The statewide Tobacco Use Prevention and Control program is consistent with best practices as defined by the federal Centers for Disease Control and Prevention's Best Practices for Comprehensive Tobacco Control Programs. State funds are provided through grants to regional primary contractors (lead agencies) to implement the components of tobacco control programs in all 67 counties. Activities include community and school programs, enforcement of Pennsylvania's youth access to tobacco law and counter-marketing to prevent initiation of tobacco use by youth; cessation programs to help youth and adults quit tobacco use; awareness education and community outreach to protect non-smokers from secondhand smoke; chronic disease programs and initiatives to address tobacco-related health disparities; surveillance and evaluation programs; and administration and management.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

		Chronic Care Management
$	1	—to continue current program.
	3,000	—Initiative—State Innovation Model. To develop a State Health Care Innovation Plan for a multi payer payment and health delivery system transformation.
$	3,001	*Appropriation Increase*
		State Health Care Centers
$	634	—to continue current program.
	3,850	—to re-establish state health care centers in counties where facilities were closed.
$	4,484	*Appropriation Increase*
		Primary Health Care Practitioner
$	–2,878	—reflects transfer of the Loan Repayment program to the Pennsylvania Higher Education Assistance Agency.
		Newborn Screening
$	1,450	—reflects costs associated with additional screening requirements.
		Maternal and Child Health
$	67	—reflects change in federal earnings.
		Epilepsy Support Services
$	–550	—program elimination.

All other appropriations are recommended at the current year funding level.

Program: Preventive Health (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
GENERAL FUND:							
Chronic Care Management	$ 756	$ 973	$ 3,974	$ 4,113	$ 4,216	$ 4,321	$ 4,429
State Health Care Centers	18,683	20,518	25,002	25,877	26,524	27,187	27,867
Sexually Transmitted Disease Screening and Treatment	1,729	1,729	1,729	1,729	1,729	1,729	1,729
Primary Health Care Practitioner	3,371	4,671	1,793	1,793	1,793	1,793	1,793
Community-Based Health Care Subsidy	3,734	6,000	6,000	6,000	6,000	6,000	6,000
Newborn Screening	4,110	4,260	5,710	5,710	5,710	5,710	5,710
Cancer Screening Services	2,563	2,563	2,563	2,563	2,563	2,563	2,563
AIDS Programs and Special Pharmaceutical Services	17,436	17,436	17,436	17,436	17,436	17,436	17,436
School District Health Services	35,570	36,620	36,620	36,620	36,620	36,620	36,620
Local Health Departments	25,421	25,421	25,421	25,421	25,421	25,421	25,421
Local Health - Environmental	6,989	6,989	6,989	6,989	6,989	6,989	6,989
Maternal and Child Health	766	651	718	718	718	718	718
Tuberculosis Screening and Treatment	874	874	874	874	874	874	874
Epilepsy Support Services	550	550	0	0	0	0	0
TOTAL GENERAL FUND	$ 122,552	$ 129,255	$ 134,829	$ 135,843	$ 136,593	$ 137,361	$ 138,149

Program: Health Treatment Services

Goal: To maximize the individual's capacity for independent living through the provision of an array of service and support programs.

The department has responsibility for coordinating a variety of specialized medical services for commonwealth patients.

Clinical services are offered in a variety of settings, including state and community health centers, family planning clinics and participating physicians' offices. Minors may seek and receive care under the treatment of minor's provisions of the Disease Prevention and Control Law.

The Chronic Renal Disease program provides dialysis, kidney transplant, drugs, certain physician fees, medical supplies and transportation services to persons with chronic renal failure. The department's Bureau of Health Promotion and Risk Reduction conducts a public information and education program utilizing The Governor Robert P. Casey Memorial Organ and Tissue Donation Awareness Trust Fund to encourage organ and tissue donation as one means of managing this disease and increasing the quality of life.

The specialty care programs provide children and adults with a variety of services for certain health conditions including adult cystic fibrosis, Cooley's anemia, hemophilia, sickle cell and home ventilator care for children with chronic respiratory failure. Services include diagnosis, direct medical care, case management, comprehensive evaluations and rehabilitative services, including pharmaceuticals and blood products. In a joint effort to improve utilization of state funds, individuals who appear to be eligible for Medical Assistance and the Children's Health Insurance Program are referred to those programs.

Federal funding is also available to facilitate connections to services for children and youth with special health care needs through the Special Kids Network. The Special Kids Network connects families and health care providers with information, referral services and system of care activities. The Special Kids Network provides community-based and family-focused services for children and youth with special health care needs and their families by participating in and facilitating activities such as in-home service coordination, community engagement, and a toll-free helpline, which is staffed by a trained nurse.

The department is the lead agency for the commonwealth's emergency medical services (EMS) system as defined in Act 37 of 2009, known as the Emergency Medical Services Act. This includes planning, coordinating, developing, implementing and evaluating the statewide EMS system (including emergency preparedness and response) through regional councils and a statewide advisory council. This program is responsible for licensure of ambulance services, assuring availability of training, certification of EMS personnel, medical command facility accreditation, medical command physician recognition, training institute accreditation, integration of the poison information system with the EMS system and distribution of funding. Regulations, naloxone use and programs, and implementation of the pre-hospital "Do Not Resuscitate" program are managed through the department as well.

The Head Injury program provides case management services and post-acute head injury rehabilitation services to individuals with traumatic head injury. Services are provided through contractual agreements with head injury rehabilitation providers in the commonwealth. Funding is made available through the Emergency Medical Services Operating Fund.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

		Renal Dialysis
$	621	—to continue current program.
		Adult Cystic Fibrosis
$	–300	—funding reduction.
		Hemophilia
$	–10	—funding reduction.
		Lupus
$	–100	—program elimination.
		Sickle Cell
$	–60	—funding reduction.
		Regional Poison Control Centers
$	–700	—program elimination.
		Trauma Prevention
$	–460	—program elimination.
		Tourette Syndrome
$	–150	—program elimination.
		Amyotrophic Lateral Sclerosis Support Services
$	–350	—program elimination.

All other appropriations are recommended at the current year funding level.

Program: Health Treatment Services (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
General Fund:							
Renal Dialysis	$ 6,779	$ 7,279	$ 7,900	$ 7,900	$ 7,900	$ 7,900	$ 7,900
Services for Children with Special Needs	1,535	1,551	1,551	1,551	1,551	1,551	1,551
Adult Cystic Fibrosis & Other Chronic Respiratory Illnesses	699	750	450	450	450	450	450
Cooley's Anemia	100	100	100	100	100	100	100
Hemophilia	959	959	949	949	949	949	949
Lupus	100	100	0	0	0	0	0
Sickle Cell	1,260	1,260	1,200	1,200	1,200	1,200	1,200
Regional Poison Control Centers	700	700	0	0	0	0	0
Trauma Prevention	425	460	0	0	0	0	0
Tourette Syndrome	150	150	0	0	0	0	0
Amyotrophic Lateral Sclerosis Support Services	350	350	0	0	0	0	0
TOTAL GENERAL FUND	$ 13,057	$ 13,659	$ 12,150	$ 12,150	$ 12,150	$ 12,150	$ 12,150

Program Measures

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Program: Health Support Services							
Objective: Assure regulatory compliance at Pennsylvania's health care facilities.							
Licensure and/or Federal Certification Surveys Completed Prior to Licensure Expiration by Facility Type							
Ambulatory Surgery Center within 12 months	330	335	340	345	350	355	375
Hospitals within 36 months	205	205	205	205	205	205	205
Nursing homes within 12 months	643	739	739	739	739	739	739
Intellectual Disabilities - Intermediate Care Facilities within 12 months	177	181	181	181	181	181	181
Home health agencies within 12 months	500	501	501	501	501	501	501
Hospices within 12 months	185	194	194	194	194	194	194
Home Care Agencies/Registries within 12 months	1,270	1,275	1,295	1,300	1,305	1,310	1,315
Birth Centers within 12 months	5	6	6	6	6	6	6
Pediatric Extended Care Centers within 12 months	14	15	15	15	15	15	15
Objective: Enhance the readiness of the commonwealth's public health systems to prepare for, protect against, respond to and recover from all large scale, manmade and natural threats to citizens.							
Laboratory Services							
Clinical laboratories licensed	8,622	9,000	9,000	9,000	9,000	9,000	9,000
Number of tests performed by the state laboratory per year	24,569	25,500	25,500	25,500	25,500	25,500	25,500
Rabies tests by the state laboratory per year	3,487	3,550	3,550	3,550	3,550	3,550	3,550
West Nile Virus tests by the state laboratory per year	2,417	3,000	3,000	3,000	3,000	3,000	3,000
Public Health Preparedness							
Percentage of eligible hospitals registered to use PA National Electronic Disease Surveillance System (PA-NEDSS)	96%	93%	93%	93%	93%	93%	93%
Percentage of eligible laboratories registered to use PA National Electronic Disease Surveillance System (PA-NEDSS)	81%	81%	81%	81%	81%	81%	81%
Emergency Medical Services							
Ambulances licensed annually	1,100	1,100	1,100	1,100	1,100	1,100	1,000
Quick response services recognized to provide medical command annually	500	500	500	500	500	500	500
Hospitals recognized to provide medical command annually	165	165	165	165	165	165	165

Program Measures

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Program: Health Research							
Objective: Coordinate the collection and analysis of health statistics and information and disseminate health research grants.							
Vital Events (births, deaths and fetal deaths)							
Vital events registered (calendar year)	271,697	269,500	269,500	268,500	268,500	268,500	268,500
Percentage of vital events registered according to Vital Statistics Law and Title 28 of the PA Code	95%	95%	95%	95%	95%	95%	95%
Applications for certified copies of birth and death records filled (calendar year)	454,681	510,000	510,000	510,000	510,000	510,000	510,000
Health Research							
New formula and non-formula grants awarded	0	26	28	28	28	28	28
Percentage of completed state-funded research grants that have received a favorable or outstanding performance evaluation from expert peer reviewers	100%	95%	95%	95%	95%	95%	95%
Percentage of completed CURE grants exceeding $100,000 that have leveraged additional outside funding	73.08%	70%	70%	70%	70%	70%	70%
Percentage of cancer abstracts processed within 24 months of diagnosis	99%	99%	99%	99%	99%	99%	99%
Program: Preventive Health							
Objective: Increase access for women and infants to nutritious foods.							
Women and Children's Programs							
Average number of persons participating in women, infants, and children (WIC) programs each month	249,808	247,400	247,475	247,550	257,625	247,700	247,770
Average actual food cost per WIC participant, per month	$45.90	$43.83	$46.31	$48.92	$51.69	$54.61	$57.69
Average Nutrition Services and Administration (NSA) operational costs per WIC participant, per month	$19.07	$25.43	$22.85	$25	$27.39	$30	$32.82
Percentage of WIC-enrolled breastfeeding mothers who breastfed their infants for the first six months	20%	20%	20%	20%	20%	20%	20%
Objective: Ensure that all citizens are able to access a range of preventative health and early detection services.							
State Health Care Centers							
Total encounters by State Health Care Centers	156,342	161,030	165,865	170,840	175,965	181,245	186,680

Program Measures

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Family health encounters including immunizations, injury prevention, and special health care needs	35,364	35,365	35,365	35,365	35,365	35,365	35,365
Communicable disease encounters including adult immunizations, HIV/AIDS, STD, tuberculosis and epidemiology	31,297	32,235	32,235	32,235	32,235	32,235	32,235
Chronic disease encounters including cancer, diabetes and tobacco	96	100	100	100	100	100	100
Community-Based Health							
Number of patient visits in underserved areas	854,000	1,404,840	1,404,840	1,404,840	1,404,840	1,404,840	1,404,840
Women and Children's Programs							
Newborns receiving state-mandated screening for genetic conditions	139,034	138,000	138,000	138,000	138,000	138,000	138,000
High-risk uninsured women aged 40 to 49 who receive breast and cervical cancer screening as determined by state funding	4,022	4,000	4,000	4,000	4,000	4,000	4,000
Privately owned housing units in targeted geographical areas that are remediated for the presence of lead hazards	50	54	40	40	50	50	50
School Health							
Percentage of school districts, charter schools, and comprehensive vocational technical schools in compliance with certified school nurse coverage requirements	97%	97%	97%	97%	97%	97%	97%
Other Communicable Disease Programs and Incidences Reported							
HIV tests at publicly-funded sites	78,923	70,880	72,420	74,385	75,000	75,000	75,000
Percentage of clients testing positive for HIV at department-supported HIV counseling and testing sites returning for results	88%	87.50%	87.50%	87.50%	87.50%	87.50%	87.50%
Incidences of Gonorrhea	7,707	7,900	7,200	7,200	7,200	7,200	7,200
Incidences of Infectious Syphilis	188	140	120	110	100	100	90
Tuberculosis (per 100,000 in population)	1.80	2	2	2	2	2	2
Injury Prevention							
Children and adults receiving injury prevention education and awareness	11,545	11,545	11,545	11,545	11,545	11,545	11,545

Program Measures

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Objective: Reduce the initiation and use of tobacco products, and eliminate nonsmokers' exposure to tobacco smoke pollution (second hand smoke).							
Tobacco Program							
Percentage of callers to the FREE Quitline who received counseling and reported that they have stopped the use of tobacco products at the 7-month follow-up	32%	32%	34%	34%	34%	34%	34%
Percentage of adults (age 18+) who are current cigarette smokers	19%	19%	18%	18%	18%	18%	18%
Percentage of high school students who smoke	16%	15%	15%	14%	14%	14%	14%

The "Privately owned housing units" measure represents projections as shown in three-year federal grant application.

Program: Health Treatment Services

Objective: Effectively manage special disease conditions.

Minimum Number of Children and Adults Receiving Outpatient Treatment Through Department-Supported Programs							
Phenylketonuria, Maple Syrup Urine Disease, Galactosemia	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Renal disease	5,654	5,490	5,490	5,490	5,490	5,490	5,490
Specialty Care Programs							
Sickle Cell disease	2,631	2,631	2,630	2,630	2,630	2,630	2,630
Hemophilia	1,216	1,215	1,215	1,215	1,215	1,215	1,215
Cooley's Anemia	56	55	55	55	55	55	55
Spina Bifida	567	565	565	565	565	565	565
Services for children with special needs (home ventilators)	266	265	265	265	265	265	265
Services for children with special needs (children's rehabilitation services)	1,717	1,715	1,715	1,715	1,715	1,715	1,715

HEALTH CARE COST CONTAINMENT COUNCIL

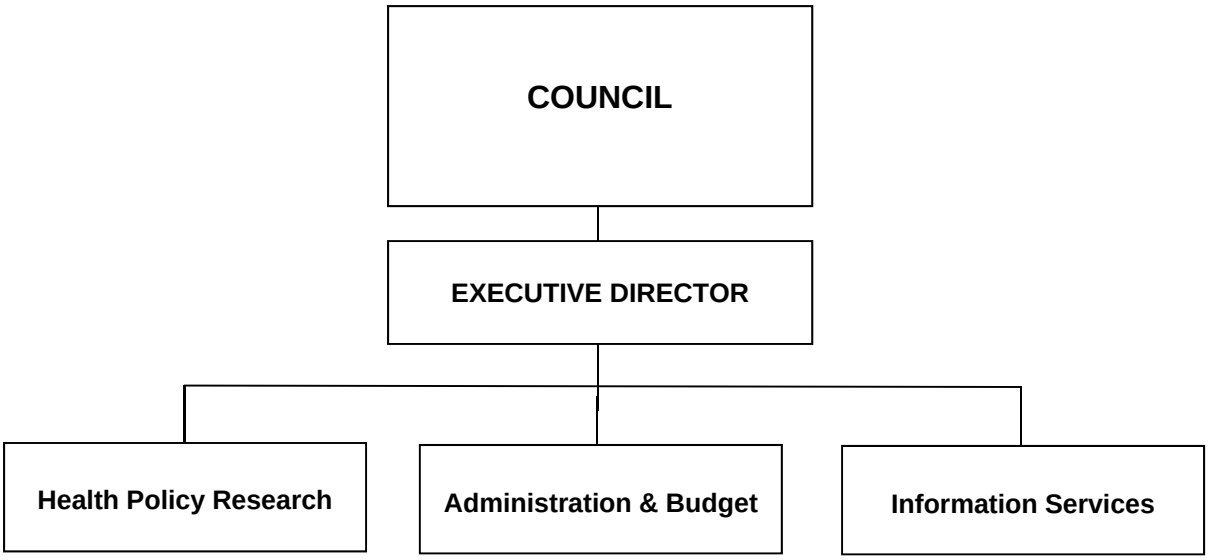
The mission of the Pennsylvania Health Care Cost Containment Council is to empower purchasers of health care benefits with information that can be used to improve quality and restrain costs.

The council is charged with collecting, analyzing and reporting information that can be used to improve the quality and restrain the cost of health care in the commonwealth. The council provides purchasers of health care benefits with information they can use to improve quality and restrain costs. The council is governed by a 25-member board of directors, representing business, labor, consumers, health care providers, insurers, and state government.

Programs and Goals

Health Care Reporting: *To facilitate the continuing provision of quality, cost effective health services throughout the commonwealth by providing current data and information to the purchasers, providers, insurers, policymakers and consumers of health care services.*

Organization Overview



- **Health Policy Research** is responsible for conducting studies, analyzing data, and publicly reporting topics of health services and health policy significance, including issues reflecting the cost and quality of care in Pennsylvania, hospital performance, quality improvement, treatment outcomes, and geographic differences in health care utilization.
- **Administration and Budget** is responsible for website content, all agency aspects related to financial oversight and budgeting, including human resource needs and overall functioning of the agency. This department also shares oversight of the data collection and reporting responsibilities specifically related to the public reporting of hospital financial data.
- **Information Services** is responsible for the online collection and verification of data used in health care studies, including hospital discharge data, insurer payment data, and hospital financial data, and also develops and maintains web-based applications and oversight of website functions.

Reported Complement

(Independent Agency – Complement Not Under the Governor's Jurisdiction/Control)

2009-10 Actual	2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Actual
33	33	33	32	32

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	2013-14 ACTUAL	2014-15 AVAILABLE	2015-16 BUDGET
GENERAL FUND:			
General Government:			
Health Care Cost Containment Council	**$ 2,683**	**$ 2,710**	**$ 2,710**
(F)CMS Planning Grant (EA)	21	0	0
Subtotal - State Funds	$ 2,683	$ 2,710	$ 2,710
Subtotal - Federal Funds	21	0	0
Total - General Government	$ 2,704	$ 2,710	$ 2,710
STATE FUNDS	$ 2,683	$ 2,710	$ 2,710
FEDERAL FUNDS	21	0	0
GENERAL FUND TOTAL	**$ 2,704**	**$ 2,710**	**$ 2,710**

Program Funding Summary

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
HEALTH CARE REPORTING							
GENERAL FUND	$ 2,683	$ 2,710	$ 2,710	$ 2,805	$ 2,875	$ 2,947	$ 3,021
SPECIAL FUNDS	0	0	0	0	0	0	0
FEDERAL FUNDS	21	0	0	0	0	0	0
OTHER FUNDS	0	0	0	0	0	0	0
SUBCATEGORY TOTAL	$ 2,704	$ 2,710	$ 2,710	$ 2,805	$ 2,875	$ 2,947	$ 3,021
ALL PROGRAMS:							
GENERAL FUND	$ 2,683	$ 2,710	$ 2,710	$ 2,805	$ 2,875	$ 2,947	$ 3,021
SPECIAL FUNDS	0	0	0	0	0	0	0
FEDERAL FUNDS	21	0	0	0	0	0	0
OTHER FUNDS	0	0	0	0	0	0	0
DEPARTMENT TOTAL	$ 2,704	$ 2,710	$ 2,710	$ 2,805	$ 2,875	$ 2,947	$ 3,021

Program: Health Care Reporting

Goal: To facilitate the continuing provision of quality, cost effective health services throughout the commonwealth by providing current data and information to the purchasers, providers, insurers, policymakers and consumers of health care services.

The Pennsylvania Health Care Cost Containment Council (PHC4) is an independent state agency first established by Act 89 of 1986 and is responsible for collecting, analyzing and issuing public reports and data about the quality and cost of health care in Pennsylvania. It is governed by a 25-member board that represents health care purchasers (business and labor), consumers, health care providers, insurers and state government.

The council uses advanced statistical and research methodologies including the use of risk-adjusted data which accounts for the severity of patient illness and other risk factors to produce reports on common illnesses that affect Pennsylvanians. These reports have included analysis of heart disease, diabetes and asthma and include treatment options and outcomes. Publicly reported medical costs and outcomes not only help improve patient care but also help consumers make informed choices about where to seek medical treatment.

Data from nearly four million inpatient and outpatient records from hospitals and ambulatory surgery centers is collected by the council each year in Pennsylvania. This data, which includes detailed financial information about these hospitals and surgery centers, is verified and shared with the public through free public reports. The council also collects payment data from Medicare, Medicaid and commercial health insurance plans and is working to incorporate the Medicare payment data on public reports, updating and expanding an interactive consumer friendly online database of Medicare payments for common outpatient services and treatments.

The council produces various customized reports on hospital performance, healthcare associated infections, facility finances and patient safety. These reports provide the public and policymakers information on infections, mortality rates, length of hospitalizations and readmissions; and on payments, performance and profitability of the various health care facilities. The council is working to create a value-based payment system that would pay more for quality care and less for sub-standard care to make health care organizations more accountable and integrate delivery systems and health insurance exchanges. The council seeks to optimize the health system performance for chronic disease management by applying a Triple Aim Approach, which includes improving patient experience of care, reducing cost of care and improving the health of populations.

Program Recommendation:

This budget recommends the following changes: (Dollar Amounts in Thousands)

GENERAL FUND
Health Care Cost Containment Council
The Health Care Cost Containment Council appropriation is recommended at the current year funding level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
GENERAL FUND:							
Health Care Cost Containment Council.....	$ 2,683	$ 2,710	$ 2,710	$ 2,805	$ 2,875	$ 2,947	$ 3,021

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HISTORICAL AND MUSEUM COMMISSION

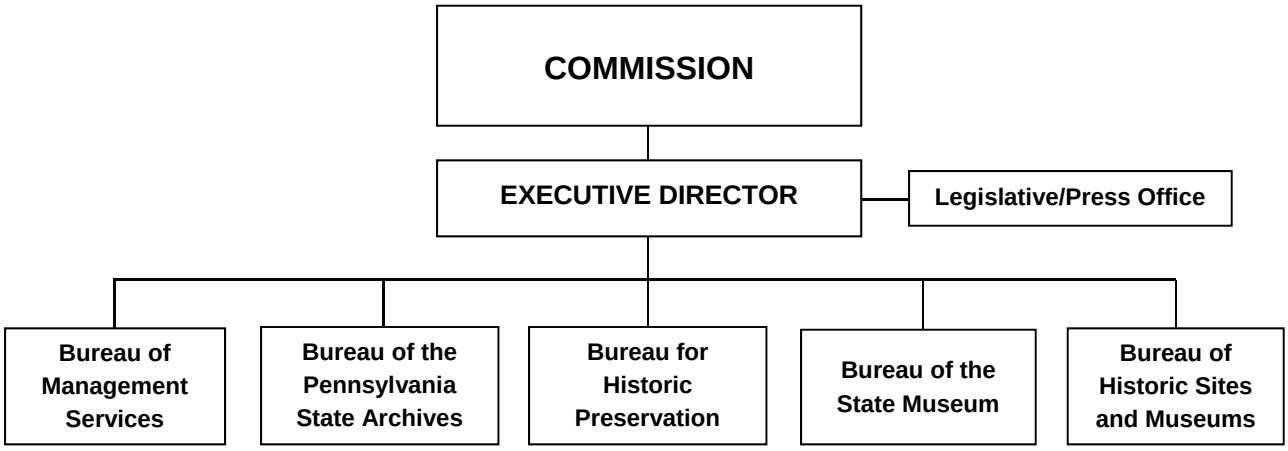
The mission of the Historical and Museum Commission is to preserve the commonwealth's past through leadership, stewardship and service. The commission believes that future generations will be strengthened and inspired by the ideals and traditions of Pennsylvania's heritage.

Programs and Goals

State Historic Preservation: *To manage and safeguard Pennsylvania's historic resources through a comprehensive history and museum program to educate, interpret, research and preserve all areas of Pennsylvania history.*

Museum Assistance: *To assure provision of representative artifacts, specimens of history, art and science for all citizens through the support of museums within the commonwealth.*

Organization Overview



- **Bureau of Management Services** is comprised of the Marketing and Media Services Division, Fiscal and Office Support Services Division and the Architecture and Preservation Division.
- **Bureau of Pennsylvania State Archives'** primary function is to acquire, preserve and make available for study the permanently-valuable public records of the commonwealth, with particular attention given to the records of state government. In fulfilling its general responsibility for the preservation of historic documents, the State Archives also collects private papers relevant to Pennsylvania history.
- **Bureau for Historic Preservation** includes the Preservation Services Division, Archaeology and Protection Division and the Grant Programs and Planning Division. These divisions are responsible for the identification, protection and enhancement of buildings, structures and districts of historic and architectural significance in the commonwealth.
- **Bureau of the State Museum** oversees multidisciplinary exhibitions and educational programs on the commonwealth's prehistory, history, science, industry, technology, natural history and art at The State Museum of Pennsylvania, adjacent to the State Capitol in Harrisburg.
- **Bureau of Historic Sites and Museums** includes regional divisions that support the operation of historic sites and museums throughout the commonwealth that are open to the public.

Authorized Complement

2009-10 Actual	2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Actual
212	200	218	210	210

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2013-14 ACTUAL	2014-15 AVAILABLE	2015-16 BUDGET
GENERAL FUND:			
General Government:			
General Government Operations	**$ 17,293**	**$ 18,944**	**$ 19,569**
(F)Historic Preservation	1,181	1,231	1,231
(F)Surface Mining Review	178	195	180
(F)Environmental Review	353	353	353
(F)Institute of Museum Library Services	150	150	150
(F)Lumber Museum	198	0	0
(F)Coastal Zone Management	40	50	50
(F)Highway Planning and Construction	130	100	25
(F)National Endowment for the Humanities	150	150	150
(F)National Endowment for the Arts	150	150	150
(F)American Battlefield Protection Program	0	4,300	4,300
(F)Hurricane Sandy Disaster Relief (EA)	1,500	1,500	1,500
(F)Historic Property Partnerships	0	100	30
(F)Maritime Heritage	0	0	600
(A)State Records Center	585	611	660
(A)Keystone Recreation, Park & Conservation Fund	536	484	511
Subtotal	$ 22,444	$ 28,318	$ 29,459
Subtotal - State Funds	$ 17,293	$ 18,944	$ 19,569
Subtotal - Federal Funds	4,030	8,279	8,719
Subtotal - Augmentations	1,121	1,095	1,171
Total - General Government	$ 22,444	$ 28,318	$ 29,459
Grants and Subsidies:			
Cultural and Historical Support	**$ 2,000**	**$ 2,000**	**$ 2,000**
STATE FUNDS	$ 19,293	$ 20,944	$ 21,569
FEDERAL FUNDS	4,030	8,279	8,719
AUGMENTATIONS	1,121	1,095	1,171
GENERAL FUND TOTAL	**$ 24,444**	**$ 30,318**	**$ 31,459**
OTHER FUNDS:			
GENERAL FUND:			
Historical Preservation Act of 1966 (F)	$ 101	$ 121	$ 121
Rent and Other Income	128	35	35
GENERAL FUND TOTAL	**$ 229**	**$ 156**	**$ 156**
HISTORICAL PRESERVATION FUND:			
Historical Preservation Fund	$ 1,506	$ 1,599	$ 1,771
KEYSTONE RECREATION, PARK AND CONSERVATION FUND:			
Historic Site Development (EA)	$ 9,815	$ 9,684	$ 10,218
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND	$ 19,293	$ 20,944	$ 21,569
SPECIAL FUNDS	0	0	0
FEDERAL FUNDS	4,030	8,279	8,719
AUGMENTATIONS	1,121	1,095	1,171
OTHER FUNDS	11,550	11,439	12,145
TOTAL ALL FUNDS	**$ 35,994**	**$ 41,757**	**$ 43,604**

Program Funding Summary

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
STATE HISTORIC PRESERVATION							
GENERAL FUND	$ 17,293	$ 18,944	$ 19,569	$ 20,254	$ 20,760	$ 21,279	$ 21,811
SPECIAL FUNDS	0	0	0	0	0	0	0
FEDERAL FUNDS	4,030	8,279	8,719	8,719	7,219	7,219	7,219
OTHER FUNDS	2,856	2,850	3,098	3,157	3,172	3,182	3,215
SUBCATEGORY TOTAL	$ 24,179	$ 30,073	$ 31,386	$ 32,130	$ 31,151	$ 31,680	$ 32,245
MUSEUM ASSISTANCE							
GENERAL FUND	$ 2,000	$ 2,000	$ 2,000	$ 2,000	$ 2,000	$ 2,000	$ 2,000
SPECIAL FUNDS	0	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0	0
OTHER FUNDS	9,815	9,684	10,218	11,395	11,703	11,904	12,565
SUBCATEGORY TOTAL	$ 11,815	$ 11,684	$ 12,218	$ 13,395	$ 13,703	$ 13,904	$ 14,565
ALL PROGRAMS:							
GENERAL FUND	$ 19,293	$ 20,944	$ 21,569	$ 22,254	$ 22,760	$ 23,279	$ 23,811
SPECIAL FUNDS	0	0	0	0	0	0	0
FEDERAL FUNDS	4,030	8,279	8,719	8,719	7,219	7,219	7,219
OTHER FUNDS	12,671	12,534	13,316	14,552	14,875	15,086	15,780
DEPARTMENT TOTAL	$ 35,994	$ 41,757	$ 43,604	$ 45,525	$ 44,854	$ 45,584	$ 46,810

Program: State Historic Preservation

Goal: To manage and safeguard Pennsylvania's historic resources through a comprehensive history and museum program to educate, interpret, research and preserve all areas of Pennsylvania history.

The State Historic Preservation program administered by the Historical and Museum Commission is comprised of four major elements. These elements include Executive Direction and Administration, Pennsylvania State and Local Records, Historic Site and Museum Operations and Historic Preservation.

Program Element: Executive Direction and Administration

This program provides general policy and direction for administering the commission's operations. It includes legislative, marketing and press relations, human resources management, procurement, information technology and management of the commission's website, financial grant administration, fiscal and revenue management and other support services.

Program Element: State and Local Records

This program supports the operation of the State Archives and the State Records Center. The State Archives is responsible for identifying, acquiring, preserving and providing public access to the permanently valuable and historical records created by government. This responsibility extends to electronic records and to the use of electronic and web technology to facilitate public access. The archives maintains and preserves program files, maps, correspondence, reports, photographs, minutes, case files and various records that document the significant activities of Pennsylvania's proprietary and state governments, including the records of the land office and hundreds of existing and defunct governmental agencies. The State Records Center is the official repository for inactive records that must be maintained by state agencies for administrative, fiscal or legal purposes.

This program also administers state executive branch and local government records management programs and provides other services to state and local government offices. These services include preparation of records retention schedules, processing of records disposal requests, promulgation of standards for retention of records in different storage media and training and technical assistance to records custodians.

Program Element: Historic Site and Museum Operations

This program supports the operation of numerous historic sites and museums throughout the commonwealth that are open to the public, including the State Museum of Pennsylvania. This program provides educational collections and exhibition programs and living history and other types of tours to interpret Pennsylvania history; it also utilizes cooperative initiatives with associate organizations to further provide for educational and public programs. This program includes facility development and architectural and design activities as part of a preservation maintenance program funded through the Keystone Recreation, Park and Conservation Fund Grant program; collections management; and conservation of historical artifacts, papers and paintings.

In addition, this program supports a property management and lease function through cooperative agreements with management groups, for-profit and not-for-profit organizations to operate, maintain and utilize historic sites, buildings and agricultural lands under the custody of the commission.

Program Element: Historic Preservation

This program is responsible for the identification, protection and enhancement of buildings, structures and districts of historic and architectural significance within the commonwealth. It provides for the infusion of federal funds from the Department of the Interior to enhance the economic base of many communities in Pennsylvania; provides a survey and National Register nomination program; maintains an information network providing direction and assistance to local preservation organizations; administers an archaeological program to protect resources and improve policies and procedures and provide direction to the professional and advocate communities; and preserves and protects endangered historic public and private buildings, structures and landmarks through a not-for-profit statewide revolving fund.

Program: State Historic Preservation (continued)

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

	General Government Operations
$ 625	—to continue current program.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
GENERAL FUND:							
General Government Operations	$ 17,293	$ 18,944	$ 19,569	$ 20,254	$ 20,760	$ 21,279	$ 21,811

Program: Museum Assistance

Goal: To assure provision of representative artifacts, specimens of history, art and science for all citizens through the support of museums within the commonwealth.

This program is comprised of two major components: the Cultural and Historical Support program and the Keystone Recreation, Park and Conservation Fund program. These programs provide financial assistance designed to enhance the quality of history and museum activities in Pennsylvania.

The Cultural and Historical Support program awards grants to eligible museums and official county historical societies in Pennsylvania. The goal of this program is to strengthen Pennsylvania's museum community by supporting the general operations of eligible museums and official county historical societies that are not supported by other state agency funding programs. Award amounts are determined using an equation based on a percentage of the eligible museum's previous year's operating budget. The maximum any museum could receive is $65,000. The maximum for historical societies is $4,000.

The Keystone Recreation, Park and Conservation Fund program is a competitive grants process created by Act 50 of 1993. Funding is available to Pennsylvania not-for-profit organizations and public agencies that operate a publicly accessible historic property listed in or eligible for the National Register of Historic Places, or to organizations that operate a contributing historic property in a National Register Historic District. Grants are awarded on a 50-50 matching basis and support projects in redevelopment, preservation, rehabilitation, restoration and other related areas. The Keystone Recreation, Park and Conservation fund is shown in the Other Special Funds Appendix.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

The Cultural and Historical Support appropriation is recommended at the current year funding level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
GENERAL FUND:							
Cultural and Historical Support.....	$ 2,000	$ 2,000	$ 2,000	$ 2,000	$ 2,000	$ 2,000	$ 2,000

Program Measures

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Program: State Historic Preservation							
Objective: Maintain and preserve Pennsylvania's historic sites and artifacts.							
Historic Preservation							
Buildings maintained and conserved	456	456	456	456	456	456	456
Historic markers	2,380	2,400	2,425	2,450	2,475	2,500	2,525
Evaluations for the National Register of Historic Properties	457	500	500	500	500	500	500
Program value of private investment projects in Rehabilitation Investment Tax Credit program (in millions)	$348	$300	$300	$300	$300	$300	$300
Rehabilitation Investment Tax Credit approved projects	35	50	50	50	50	50	50
Historic Preservation Projects and Environmental Reviews performed	5,500	6,900	6,900	6,900	6,900	6,900	6,900
Professional History and Museum Support Services							
Historic artifacts maintained and conserved (in thousands)	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Objective: Increase attendance at Pennsylvania's historical sites and museums.							
Historic Site and Museum Operations							
Annual ticketed visits to commission historical sites and museums (in thousands)	270	275	280	285	290	300	305
Annual nonticketed visitors to commission historical sites and museums (in thousands)	800	800	800	800	800	800	800
Objective: Increase the efficiency of the State Records Center and reduce state expenditures for records storage.							
State and Local Records							
Pages of archives and historical manuscripts (in thousands)	231,000	233,000	235,000	237,000	237,000	237,000	237,000
Records maintained by the State Records Center (number of boxes)	249,000	249,000	249,000	249,000	249,000	249,000	249,000
Data requests from other State agencies made to the State Records Center	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Program: Museum Assistance							
Objective: Increase support to enhance the quality of history and museum activities in Pennsylvania.							
Museum support and Keystone project grants awarded	159	200	200	200	200	200	200

DEPARTMENT OF HUMAN SERVICES

The mission of the Department of Human Services is to improve the quality of life for Pennsylvania's individuals and families. The department promotes opportunities for independence through services and supports while demonstrating accountability for taxpayer resources.

This mission is accomplished through the following programs and objectives.

Programs and Goals

Human Services Support: *To provide effective administrative and support systems through which the substantive programs of the department can be operated.*

Medical Assistance: *To support a health care delivery system that provides comprehensive health care services in appropriate settings for the eligible populations.*

Long-Term Living: *To support a long-term living system that empowers persons with disabilities and older Pennsylvanians to live with dignity and independence in settings they prefer, to provide meaningful choice of long-term living services and to ensure that those services are delivered in a high-quality, cost-effective manner.*

Income Maintenance: *To promote personal and parental responsibility and encourage economic independence and self-sufficiency through temporary cash assistance, job training and child care for families or individuals.*

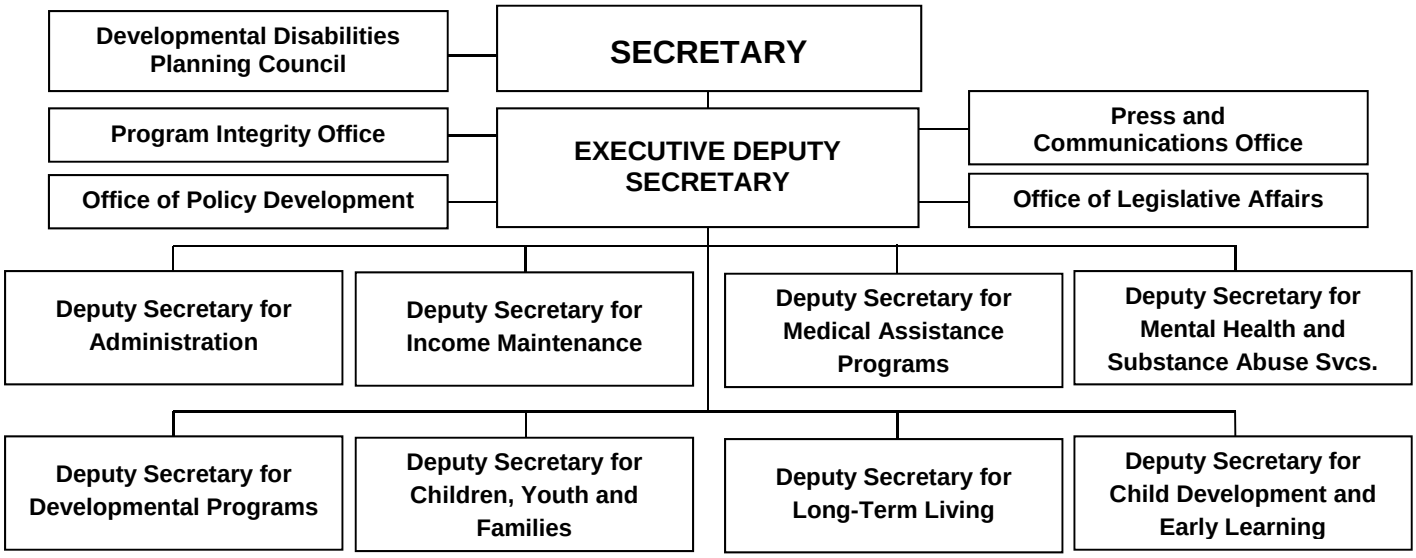
Mental Health: *To maximize the individual's capacity for independent living through the provision of an array of service and support programs.*

Intellectual Disabilities: *To maximize each individual's capacity for more independent living and participation in community life by providing needed training and support services.*

Human Services: *To enhance the social and economic well-being of families and individuals through the provision of an array of services and support programs.*

Child Development: *To promote opportunities for all Pennsylvania children and families by building systems and providing supports that help ensure access to high-quality child and family services.*

Organization Overview



- **Deputy Secretary for Administration** oversees the bureaus of Human Resources, Financial Operations, Information Systems, Administrative Services, Hearings and Appeals, Equal Opportunity, Program Integrity and Human Services Licensing.
- **Deputy Secretary for Income Maintenance** is responsible for the oversight of the Temporary Assistance for Needy Families program; Medical Assistance; Supplemental Nutrition Assistance Program; home heating assistance; employment and training services; and child support.
- **Deputy Secretary for Medical Assistance Programs** administers the joint state/federal Medical Assistance (also known as Medicaid) program that purchases health care for nearly 2.5 million Pennsylvania residents.
- **Deputy Secretary for Mental Health and Substance Abuse Services** oversees the Office of the Medical Director and the bureaus of Community and Hospital Operations; Policy, Planning and Program Development; Financial Management and Administration; Children's Behavioral Health; and Quality Management and Data Review.
- **Deputy Secretary for Developmental Programs** oversees the bureaus of Financial Management and Budget; Supports for People with Intellectual Disabilities; Policy and Program Support; and Autism Services.
- **Deputy Secretary for Children, Youth and Families** oversees the bureaus of Policy, Programs and Operations; Children and Family Services; Juvenile Justice Services; and Budget and Fiscal Support.
- **Deputy Secretary for Long-Term Living** oversees the bureaus of Participant Operations; Policy and Regulatory Management; Finance; and Quality and Provider Management.
- **Deputy Secretary for Child Development and Early Learning** oversees the bureaus of Subsidized Child Care Services; Certification Services; Early Learning Services; and Early Intervention Services.

Authorized Complement

2009-10 Actual	2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Actual
18,197	17,858	17,048	16,898	16,721

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2013-14 ACTUAL	2014-15 AVAILABLE	2015-16 BUDGET
GENERAL FUND:			
General Government:			
General Government Operations	**$ 67,221**	**$ 76,513**	**$ 85,159**
(F)Child Welfare Services - Administration	911	1,039	1,042
(F)Child Welfare - Title IV-E - Administration	5,263	5,567	5,427
(F)CCDFBG - Administration	14,141	16,723	21,070
(F)Medical Assistance - Administration	23,507	22,781	24,650
(F)TANFBG - Administration	7,836	8,123	8,148
(F)ELCG - Child Care Administration (EA)	300	0	0
(F)Food Stamps - Administration	5,683	5,864	6,169
(F)Developmental Disabilities - Basic Support	4,056	4,121	4,228
(F)Refugees and Persons Seeking Asylum - Administration	1,796	1,953	2,089
(F)Disabled Education - Administration	646	600	702
(F)MHSBG - Administration	276	461	519
(F)SSBG - Administration	250	325	325
(F)Community Based Family Resource and Support-Administration	689	689	689
(F)MCH - Administration	80	80	88
(F)Early Head Start Expansion Program	1,400	6,962 [a]	6,962
(F)Early Learning Challenge Grant - Administration	300	546	541
(A)Training Reimbursement	457	457	457
(A)Child Abuse Reviews	5,830	5,500	5,500
(A)Miscellaneous Reimbursements	13	44	44
(A)Adam Walsh Clearance	1,343	195	499
Subtotal	$ 141,998	$ 158,543	$ 174,308
Information Systems	**56,031**	**74,841**	**73,105**
(F)Medical Assistance - Information Systems	168,542	194,359	110,384
(F)Child Welfare - Title IV-E - Information Systems	2,567	6,804	11,288
(F)TANFBG - Information Systems	9,327	9,327	9,330
(F)Food Stamps - Information Systems	17,804	12,201	12,215
(F)Child Support Enforcement - Information Systems	12,119	10,560	10,560
(F)ARRA - PELICAN ELN System Support (EA)	423	0	0
(A)Medical Data Exchange	48	37	37
(A)DOI - COMPASS Support - CHIP & Adult Basic	606	597	597
(A)PDE - Early Intervention	0	650	650
Subtotal	$ 267,467	$ 309,376	$ 228,166
County Administration - Statewide	**25,758**	**33,367**	**41,945**
(F)TANFBG - Statewide	997	1,072	1,072
(F)Medical Assistance - Statewide	45,269	56,198	59,870
(F)Food Stamps - Statewide	48,975	50,462	50,820
(F)ARRA - Health Information Technology	3,442	13,900 [b]	5,861
(F)CHIPRA - Statewide	3,812	4,264	3,179
(A)County Administration - Statewide	26	154	154
(A)Fee for Material from Outside Vendors	1	5	5
(A)Food Stamps - Retained Collections	1,933	1,780	1,780
Subtotal	$ 130,213	$ 161,202	$ 164,686
County Assistance Offices	**271,983**	**314,496**	**336,794**
(F)TANFBG - County Assistance Offices	48,534	46,490	52,596
(F)Medical Assistance - County Assistance Offices	88,452	121,645	133,919
(F)Food Stamps - County Assistance Offices	100,340	114,422	118,905
(F)SSBG - County Assistance Offices	6,262	6,262	6,262
(F)LIHEABG - Administration	22,264	24,000	24,000
(F)Summer 2011 Storm Disaster-Ind & Family Assistance Adm (EA)	50	0	0
Subtotal	$ 537,885	$ 627,315	$ 672,476

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2013-14 ACTUAL	2014-15 AVAILABLE	2015-16 BUDGET
Child Support Enforcement	**13,200**	**13,815**	**11,774**
(F)Child Support Enforcement - Title IV - D	153,494	153,155	154,579
(A)Title IV - D Incentive Collections	6,125	12,838	8,731
(A)State Retained Support Collections	1,135	1,269	1,269
Subtotal	$ 173,954	$ 181,077	$ 176,353
New Directions	**17,159**	**22,497**	**24,110**
(F)TANFBG - New Directions	124,091	121,893	109,480
(F)Medical Assistance - New Directions	4,786	5,217	5,590
(F)Food Stamps - New Directions	9,649	10,221	10,639
Subtotal	$ 155,685	$ 159,828	$ 149,819
Subtotal - State Funds	$ 451,352	$ 535,529	$ 572,887
Subtotal - Federal Funds	938,333	1,038,286	973,198
Subtotal - Augmentations	17,517	23,526	19,723
Total - General Government	$ 1,407,202	$ 1,597,341	$ 1,565,808
Institutional:			
Youth Development Institutions and Forestry Camps	**$ 55,217**	**$ 63,299**	**$ 67,389**
(F)SSBG - Basic Institutional Programs	10,000	10,000	10,000
(F)Food Nutrition Services	800	800	800
(A)Institutional Reimbursements	15	15	15
Subtotal	$ 66,032	$ 74,114	$ 78,204
Mental Health Services	**682,211**	**731,584**	**787,312**
(F)Medical Assistance - Mental Health	198,796	188,934	183,560
(F)Medicare Services - State Mental Hospitals	24,664	13,750	12,782
(F)Homeless Mentally Ill	2,496	2,496	2,496
(F)MHSBG - Community Mental Health Services	17,958	20,400	18,000
(F)SSBG - Community Mental Health Services	10,366	10,366	10,366
(F)Suicide Prevention	500	500	470
(F)Mental Health Data Infrastructure	145	145	145
(F)Jail Diversion & Trauma Recovery	400	400	0
(F)Child Mental Health Initiative	6,000	3,000	1,500
(F)Systems of Care Expansion Planning Grant	250	0	0
(F)System of Care Expansion Implementation	1,000	2,000	2,200
(F)Mental Health - Safe Schools	0	4,250	4,250
(F)Project LAUNCH	0	850	800
(F)Youth Suicide Prevention	0	736	736
(F)Supported Employment Program Grant	0	800	800
(F)Transition Age Youth	0	1,000	1,000
(F)Bioterrorism Hospital Preparedness (EA)	235	205	300
(F)Safe School Partnership (EA)	1,527	0	0
(A)Institutional Collections	8,232	8,899	8,711
(A)Miscellaneous Institutional Reimbursements	1,752	989	989
Subtotal	$ 956,532	$ 991,304	$ 1,036,417
Intellectual Disabilities - State Centers	**116,769**	**132,984**	**141,179**
(F)Medical Assistance - State Centers	152,260	169,559	173,344
(F)Medicare Services - State Centers	582	555	493
(A)Institutional Collections - State Centers	10,386	9,939	9,689
(A)Institutional Reimbursements	69	0	0
(A)ID Assessment - State Centers	18,114	18,135	18,226
(A)Canteen - VAS	94	0	0
Subtotal	$ 298,274	$ 331,172	$ 342,931

Summary by Fund and Appropriation

	2013-14 ACTUAL	2014-15 AVAILABLE	2015-16 BUDGET
	(Dollar Amounts in Thousands)		
Subtotal - State Funds	$ 854,197	$ 927,867	$ 995,880
Subtotal - Federal Funds	427,979	430,746	424,042
Subtotal - Augmentations	38,662	37,977	37,630
Total - Institutional	$ 1,320,838	$ 1,396,590	$ 1,457,552
Grants and Subsidies:			
Cash Grants	**$ 52,690**	**$ 45,457**	**$ 45,457**
(F)TANFBG - Cash Grants	302,707	319,393	288,975
(F)Other Federal Support - Cash Grants	16,542	20,619	17,388
(F)LIHEABG - Low-Income Families and Individuals	164,501	320,000	320,000
(F)Refugees and Persons Seeking Asylum - Social Services	9,785	9,785	10,781
Subtotal	$ 546,225	$ 715,254	$ 682,601
Supplemental Grants - Aged, Blind and Disabled	**138,764**	**137,656** c	**139,963**
Payment to Federal Government - Medicare Drug Program	**526,460**	**535,974** d	**563,996**
Medical Assistance - Fee-for-Service	**428,041** e	**530,440** f	**361,497**
(F)Medical Assistance - Fee-for-Service	1,537,476 g	1,647,034 h	1,981,904
(F)ARRA - MA - Health Information Technology	92,760 i	92,760 i	80,000
(F)State Health Care Innovation (EA)	45 j	0	0
(A)Hospital Assessment	101,098 k	203,312 l	140,252
(A)Statewide Hospital Assessment	437,544 m	385,816 n	514,769
Subtotal	$ 2,596,964	$ 2,859,362	$ 3,078,422
Medical Assistance - Capitation	**3,995,113**	**3,804,656** o	**4,059,754**
(F)Medical Assistance - Capitation	6,161,035	6,115,288	10,977,236
(F)Healthy PA	0	2,028,297	0
(A)Medicaid Managed Care Gross Receipt Tax	694,449	798,268	918,233
(A)Statewide Hospital Assessment	278,747	270,706	272,948
Subtotal	$ 11,129,344	$ 13,017,215	$ 16,228,171
Medical Assistance - Obstetric and Neonatal Services	**6,681**	**3,681**	**0**
(F)Medical Assistance - Obstetric and Neonatal Services	7,693	7,186	0
(A)Statewide Hosptial Assessment	0	3,000	0
Subtotal	$ 14,374	$ 13,867	$ 0
Long-Term Care	**820,409**	**806,577** p	**942,117**
(F)Medical Assistance - Long-Term Care	2,103,743	2,039,066 q	2,035,872
(A)Nursing Home Assessment	481,208	480,462	480,462
Subtotal	$ 3,405,360	$ 3,326,105	$ 3,458,451
Home and Community - Based Services	**225,008**	**127,974** r	**241,229**
(F)Medical Assistance - Home & Community-Based Services	282,211	345,827 s	386,142
Subtotal	$ 507,219	$ 473,801	$ 627,371
Long-Term Care Managed Care	**86,917**	**99,252** t	**105,346**
(F)Medical Assistance - Long-Term Care Managed Care	100,162	125,242	116,238
Subtotal	$ 187,079	$ 224,494	$ 221,584
Hospital-Based Burn Centers	**3,782**	**3,782**	**0**
(F)Medical Assistance - Hospital-Based Burn Centers	4,355	4,068	0
Subtotal	$ 8,137	$ 7,850	$ 0

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2013-14 ACTUAL	2014-15 AVAILABLE	2015-16 BUDGET
Medical Assistance - Critical Access Hospitals	**6,776**	**3,876**	**0**
(F)Medical Assistance - Critical Access Hospitals	7,804	7,611 u	0
(A)Statewide Hospital Assessment	0	3,200	0
Subtotal	$ 14,580	$ 14,687	$ 0
Trauma Centers	**8,656**	**8,656**	**8,656**
(F)Medical Assistance - Trauma Centers	9,967	9,310	9,385
Subtotal	$ 18,623	$ 17,966	$ 18,041
Medical Assistance - Academic Medical Centers	**16,831**	**17,431**	**17,431**
(F)Medical Assistance - Academic Medical Centers	19,380	18,799	18,899
Subtotal	$ 36,211	$ 36,230	$ 36,330
Medical Assistance - Physician Practice Plans	**9,071**	**9,071**	**6,571**
(F)Medical Assistance - Physician Practice Plans	10,525	11,535	7,110
Subtotal	$ 19,596	$ 20,606	$ 13,681
Medical Assistance - Transportation	**59,573**	**58,395** v	**63,274**
(F)Medical Assistance - Transportation	72,685	67,427	74,189
Subtotal	$ 132,258	$ 125,822	$ 137,463
Expanded Medical Services for Women	**5,544**	**5,694**	**5,694**
(F)TANFBG - Alternatives to Abortion	1,000	1,000	1,000
Subtotal	$ 6,544	$ 6,694	$ 6,694
Special Pharmaceutical Services	**1,562**	**1,195** w	**1,377**
Behavioral Health Services	**43,117**	**43,117**	**47,214**
Intellectual Disabilities - Intermediate Care Facilities	**149,576**	**152,298**	**155,964**
(F)Medical Assistance - ID/ICF	198,433	190,253	193,005
(A)ID Assessment - ID/ICF	19,056	20,000	19,700
Subtotal	$ 367,065	$ 362,551	$ 368,669
Intellectual Disabilities - Community Base Program	**150,918**	**149,681**	**153,715**
(F)Medical Assistance - Community ID Services	54,128	53,958	52,350
(F)SSBG - Community ID Services	7,451	7,451	7,451
Subtotal	$ 212,497	$ 211,090	$ 213,516
Intellectual Disabilities - Community Waiver Program	**1,026,790**	**1,074,887** x	**1,211,588**
(F)Medical Assistance - Community ID Waiver Program	1,099,115	1,214,992	1,279,651
Subtotal	$ 2,125,905	$ 2,289,879	$ 2,491,239
Early Intervention	**131,831**	**127,974**	**127,974**
(F)Medical Assistance - Early Intervention	53,169	59,114	54,272
(F)Education for Children with Disabilities-Early Intervention	16,263	19,953	19,953
Subtotal	$ 201,263	$ 207,041	$ 202,199
Autism Intervention and Services	**16,487**	**19,169**	**19,510**
(F)Medical Assistance - Autism Intervention Services	13,457	17,467	17,833
Subtotal	$ 29,944	$ 36,636	$ 37,343
Intellectual Disabilities - Lansdowne Residential Services	**340**	**340**	**340**

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2013-14 ACTUAL	2014-15 AVAILABLE	2015-16 BUDGET
County Child Welfare	**1,055,029**	**1,081,466**	**1,121,810**
(F)Child Welfare Services	13,493	13,759	13,640
(F)Child Welfare - Title IV-E	313,376	318,241 y	318,241
(F)Medical Assistance - Child Welfare	1,411	1,411	1,411
(F)TANFBG - Child Welfare	58,508	58,508	58,508
(F)SSBG - Child Welfare	12,021	12,021	12,021
(F)Child Welfare Training and Certification	14,150	15,688 z	15,688
(F)Community Based Family Resource and Support	134	134	134
(F)Child Abuse Prevention and Treatment	2,100	2,100	2,100
(F)Title IV B - Caseworker Visits	1,365	1,365	1,365
(F)Children's Justice Act	1,150	1,150	1,150
(A)Casey Family Project (EA)	35	118	118
(A)Birth Certificate – Mandated Reporter Training	0	3,813	953
Subtotal	$ 1,472,772	$ 1,509,774	$ 1,547,139
Community Based Family Centers	**3,258**	**3,258**	**3,258**
(F)Family Preservation - Family Centers	7,009	7,009	7,009
(F)Family Resource and Support - Family Centers	480	480	480
(F)Title IV-B - Family Centers	1,253	1,253	1,253
Subtotal	$ 12,000	$ 12,000	$ 12,000
Child Care Services	**155,673**	**155,691**	**155,691**
(F)CCDFBG - Child Care Services	190,067	210,889	244,856
(F)CCDFBG - School Age	1,260	1,260	1,260
(F)SSBG - Child Care Services	30,977	30,977	30,977
(F)Head Start Collaboration Project	225	225	258
(F)Early Learning Challenge Grant - Child Care Services	6,962	15,221	16,953
Subtotal	$ 385,164	$ 414,263	$ 449,995
Child Care Assistance	**152,609**	**152,609**	**152,609**
(F)TANFBG - Child Care Assistance	25,965	27,557	29,357
(F)CCDFBG - Child Care Assistance	142,555	143,630	130,985
(F)Food Stamps - Child Care Assistance	4,033	4,627	3,576
(F)ELCG - Child Care (EA)	3,623	0	0
(A)Early Childhood Education Revenue	1,646	1,646	1,646
Subtotal	$ 330,431	$ 330,069	$ 318,173
Nurse Family Partnership	**11,978**	**11,978**	**11,978**
(F)Medical Assistance - Nurse Family Partnership	2,544	2,544	2,544
(F)MCH - Early Childhood Home Visiting	13,731	13,731	13,731
Subtotal	$ 28,253	$ 28,253	$ 28,253
Domestic Violence	**13,926**	**15,319**	**16,851**
(F)Family Violence Prevention Services	3,000	3,081 aa	3,081
(F)SSBG - Domestic Violence Programs	5,705	5,705	5,705
(F)PHHSBG - Domestic Violence (EA)	0	100	100
(A)Marriage Law Fees	833	933	833
Subtotal	$ 23,464	$ 25,138	$ 26,570
Rape Crisis	**7,966**	**8,763**	**9,639**
(F)SSBG - Rape Crisis	1,721	1,721	1,721
Subtotal	$ 9,687	$ 10,484	$ 11,360
Breast Cancer Screening	**1,623**	**1,623**	**1,623**
(F)SSBG - Family Planning	2,000	2,000	2,000
Subtotal	$ 3,623	$ 3,623	$ 3,623

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2013-14 ACTUAL	2014-15 AVAILABLE	2015-16 BUDGET
Human Services Development Fund	**13,460**	**13,460**	**13,959**
Subtotal	$ 13,460	$ 13,460	$ 13,959
Legal Services	**2,461**	**2,461**	**2,461**
(F)SSBG - Legal Services	5,049	5,049	5,049
Subtotal	$ 7,510	$ 7,510	$ 7,510
Homeless Assistance	**18,496**	**18,496**	**20,181**
(F)SSBG - Homeless Services	4,183	4,183	4,183
(F)SABG - Homeless Services	1,983	1,983	1,983
Subtotal	$ 24,662	$ 24,662	$ 26,347
Services to Persons with Disabilities	**233,104**	**267,593** ab	**302,979**
(F)Medical Assistance - Services to Persons with Disabilities	271,366	318,899	340,036
Subtotal	$ 504,470	$ 586,492	$ 643,015
Attendant Care	**116,084**	**132,897** ac	**145,131**
(F)Medical Assistance - Attendant Care	103,534	121,640 ad	126,089
(A)Attendant Care Parking Fines	103	103	103
(A)Attendant Care Patient Fee	606	600	600
Subtotal	$ 220,327	$ 255,240	$ 271,923
Medical Assistance - Workers with Disabilities	**42,979**	**120,825** ae	**102,291**
(F)Medical Assistance - Workers with Disabilities	48,323	131,366 af	110,661
Subtotal	$ 91,302	$ 252,191	$ 212,952
Subtotal - State Funds	$ 9,739,583	$ 9,753,672	$ 10,339,128
Subtotal - Federal Funds	13,641,648	16,232,942	19,457,739
Subtotal - Augmentations	2,015,325	2,171,977	2,350,617
Total - Grants and Subsidies	$ 25,396,556	$ 28,158,591	$ 32,147,484
STATE FUNDS	$ 11,045,132	$ 11,217,068	$ 11,907,895
FEDERAL FUNDS	15,007,960	17,701,974	20,854,979
AUGMENTATIONS	2,071,504	2,233,480	2,407,970
GENERAL FUND TOTAL	**$ 28,124,596**	**$ 31,152,522**	**$ 35,170,844**

LOTTERY FUND:

Grants and Subsidies:

Medical Assistance - Long-Term Care	**$ 309,081**	**$ 334,081**	**$ 309,081**
Home and Community-Based Services	**21,000**	**162,577**	**105,668**
Medical Assistance - Transportation Services	**0**	**4,900**	**4,900**
Total - Grants and Subsidies	$ 330,081	$ 501,558	$ 419,649
LOTTERY FUND TOTAL	**$ 330,081**	**$ 501,558**	**$ 419,649**

Summary by Fund and Appropriation

	2013-14 ACTUAL	2014-15 AVAILABLE	2015-16 BUDGET
	(Dollar Amounts in Thousands)		
OTHER FUNDS:			
TOBACCO SETTLEMENT FUND:			
Medical Care for Workers with Disabilities (EA)	$ 94,748	$ 46,468	$ 87,675
(F)Medical Assistance - Workers with Disabilities (EA)	109,936	51,351	94,839
Subtotal	$ 204,684	$ 97,819	$ 182,514
Uncompensated Care (EA)	12,917	25,140	23,906
(F)Medical Assistance - Uncompensated Care (EA)	15,722	27,039	25,909
Subtotal	$ 28,639	$ 52,179	$ 49,815
Home and Community-Based Services (EA)	41,057	39,953	37,993
(F)Medical Assistance - Community Services (EA)	47,638	47,638	41,176
Subtotal	$ 88,695	$ 87,591	$ 79,169
Medical Assistance - Long-Term Care	95,116	238,929	106,609
TOBACCO SETTLEMENT FUND TOTAL	**$ 417,134**	**$ 476,518**	**$ 418,107**
CHILDREN'S TRUST FUND:			
Children's Trust Fund (EA)	$ 1,420	$ 1,400	$ 1,400
ENERGY CONSERVATION AND ASSISTANCE FUND:			
Low Income Energy Assistance	$ 8	$ 0	$ 0
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND	$ 11,045,132	$ 11,217,068	$ 11,907,895
SPECIAL FUNDS	330,081	501,558	419,649
FEDERAL FUNDS	15,007,960	17,701,974	20,854,979
AUGMENTATIONS	2,071,504	2,233,480	2,407,970
OTHER FUNDS	418,562	477,918	419,507
TOTAL ALL FUNDS	**$ 28,873,239**	**$ 32,131,998**	**$ 36,010,000**

[a] Includes recommended supplemental appropriation of $5,562,000.

[b] Includes recommended supplemental appropriation of $9,200,000.

[c] Reflects recommended appropriation reduction of $6,754,000.

[d] Includes recommended supplemental appropriation of $4,115,000.

[e] Appropriated as $264,179,000 for Medical Assistance - Outpatient and $163,862,000 for Medical Assistance - Inpatient.

[f] Appropriated as $348,741,000 for Medical Assistance - Outpatient and includes recommended supplemental appropriation of $25,588,000. Appropriated as $193,051,000 for Medical Assistance - Inpatient and reflects recommended appropriation reduction of $36,940,000.

[g] Appropriated as $840,553,000 for (F) Medical Assistance - Outpatient and $696,923,000 for (F) Medical Assistance - Inpatient.

[h] Appropriated as $869,758,000 for (F) Medical Assistance - Outpatient. Appropriated as $722,090,000 for (F) Medical Assistance - Inpatient and includes recommended supplemental appropriation of $55,186,000.

[i] Appropriated as $92,760,000 for ARRA - MA - Health Information Technology.

[j] Appropriated as $45,000 for State Health Care Innovation Model (EA).

[k] Includes $101,098,000 for Hospital Assessment - Outpatient.

[l] Includes $147,614,000 for Hospital Assessment - Outpatient and $55,698,000 for Hospital Assessment - Inpatient.

[m] Includes $5,399,000 for Statewide Hospital Assessment - Outpatient and $432,145,000 for Statewide Hospital Assessment - Inpatient.

[n] Includes $5,547,000 for Statewide Hospital Assessment - Outpatient and $380,269,000 for Statewide Hospital Assessment - Inpatient.

Summary by Fund and Appropriation

[o] Reflects recommended appropriation reduction of $198,884,000.

[p] Includes recommended supplemental appropriation of $71,662,000.

[q] Includes recommended supplemental appropriation of $29,120,000.

[r] Includes recommended supplemental appropriation of $24,991,000.

[s] Includes recommended supplemental appropriation of $25,612,000.

[t] Includes recommended supplemental appropriation of $8,168,000.

[u] Includes recommended supplemental appropriation of $269,000.

[v] Reflects recommended appropriation reduction of $4,038,000.

[w] Reflects recommended appropriation reduction of $329,000.

[x] Includes recommended supplemental appropriation of $8,274,000.

[y] Includes recommended supplemental appropriation of $2,000,000.

[z] Includes recommended supplemental appropriation of $1,200,000.

[aa] Includes recommended supplemental appropriation of $81,000.

[ab] Includes recommended supplemental appropriation of $12,420,000.

[ac] Includes recommended supplemental appropriation of $10,147,000.

[ad] Includes recommended supplemental appropriation of $11,742,000.

[ae] Includes recommended supplemental appropriation of $90,242,000.

[af] Includes recommended supplemental appropriation of $97,005,000.

Program Funding Summary

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
HUMAN SERVICES SUPPORT							
GENERAL FUND	$ 123,252	$ 151,354	$ 158,264	$ 163,804	$ 167,900	$ 172,098	$ 176,400
SPECIAL FUNDS	0	0	0	0	0	0	0
FEDERAL FUNDS	277,916	309,085	236,426	242,815	246,309	249,891	253,562
OTHER FUNDS	8,297	7,480	7,784	7,784	7,784	7,784	7,784
SUBCATEGORY TOTAL	$ 409,465	$ 467,919	$ 402,474	$ 414,403	$ 421,993	$ 429,773	$ 437,746
MEDICAL ASSISTANCE							
GENERAL FUND	$ 5,111,069	$ 5,103,676	$ 5,190,541	$ 5,446,811	$ 5,924,547	$ 6,444,673	$ 7,015,214
SPECIAL FUNDS	0	4,900	4,900	4,900	4,900	4,900	4,900
FEDERAL FUNDS	7,973,048	10,141,681	13,260,384	13,592,389	13,964,322	14,483,728	14,931,113
OTHER FUNDS	1,745,161	1,814,300	2,078,531	2,320,127	2,210,347	2,167,573	2,167,573
SUBCATEGORY TOTAL	$ 14,829,278	$ 17,064,557	$ 20,534,356	$ 21,364,227	$ 22,104,116	$ 23,100,874	$ 24,118,800
LONG TERM LIVING							
GENERAL FUND	$ 1,481,522	$ 1,434,293	$ 1,736,802	$ 1,795,022	$ 1,856,008	$ 1,919,916	$ 1,986,915
SPECIAL FUNDS	330,081	496,658	414,749	414,749	414,749	414,749	414,749
FEDERAL FUNDS	2,861,016	2,950,674	3,004,377	3,087,122	3,173,239	3,262,904	3,356,304
OTHER FUNDS	665,728	807,685	666,943	666,943	666,943	666,943	666,943
SUBCATEGORY TOTAL	$ 5,338,347	$ 5,689,310	$ 5,822,871	$ 5,963,836	$ 6,110,939	$ 6,264,512	$ 6,424,911
INCOME MAINTENANCE							
GENERAL FUND	$ 519,554	$ 567,288	$ 600,043	$ 614,555	$ 625,284	$ 636,279	$ 647,550
SPECIAL FUNDS	0	0	0	0	0	0	0
FEDERAL FUNDS	1,153,952	1,398,998	1,373,916	1,386,676	1,396,110	1,405,780	1,415,692
OTHER FUNDS	9,228	16,046	11,939	11,939	11,939	11,939	11,939
SUBCATEGORY TOTAL	$ 1,682,734	$ 1,982,332	$ 1,985,898	$ 2,013,170	$ 2,033,333	$ 2,053,998	$ 2,075,181
MENTAL HEALTH							
GENERAL FUND	$ 725,328	$ 774,701	$ 834,526	$ 882,005	$ 922,758	$ 944,567	$ 966,921
SPECIAL FUNDS	0	0	0	0	0	0	0
FEDERAL FUNDS	264,337	249,832	239,405	245,830	250,580	255,448	260,438
OTHER FUNDS	9,984	9,888	9,700	9,700	9,700	9,700	9,700
SUBCATEGORY TOTAL	$ 999,649	$ 1,034,421	$ 1,083,631	$ 1,137,535	$ 1,183,038	$ 1,209,715	$ 1,237,059
INTELLECTUAL DISABILITIES							
GENERAL FUND	$ 1,460,880	$ 1,529,359	$ 1,682,296	$ 1,765,109	$ 1,882,724	$ 2,004,874	$ 2,137,183
SPECIAL FUNDS	0	0	0	0	0	0	0
FEDERAL FUNDS	1,525,426	1,654,235	1,724,127	1,808,370	1,929,128	2,058,783	2,199,183
OTHER FUNDS	47,719	48,074	47,615	47,615	47,615	47,615	47,615
SUBCATEGORY TOTAL	$ 3,034,025	$ 3,231,668	$ 3,454,038	$ 3,621,094	$ 3,859,467	$ 4,111,272	$ 4,383,981

Program Funding Summary

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
HUMAN SERVICES							
GENERAL FUND	$ 1,168,178	$ 1,204,887	$ 1,253,913	$ 1,258,922	$ 1,263,316	$ 1,265,103	$ 1,266,935
SPECIAL FUNDS	0	0	0	0	0	0	0
FEDERAL FUNDS	452,149	458,999	458,880	458,780	458,780	458,780	458,780
OTHER FUNDS	883	4,879	1,919	1,919	1,919	1,919	1,919
SUBCATEGORY TOTAL	$ 1,621,210	$ 1,668,765	$ 1,714,712	$ 1,719,621	$ 1,724,015	$ 1,725,802	$ 1,727,634
CHILD DEVELOPMENT							
GENERAL FUND	$ 455,349	$ 451,510	$ 451,510	$ 451,510	$ 451,510	$ 451,510	$ 451,510
SPECIAL FUNDS	0	0	0	0	0	0	0
FEDERAL FUNDS	500,116	538,470	557,464	559,082	559,082	559,082	559,082
OTHER FUNDS	3,066	3,046	3,046	3,046	3,046	3,046	3,046
SUBCATEGORY TOTAL	$ 958,531	$ 993,026	$ 1,012,020	$ 1,013,638	$ 1,013,638	$ 1,013,638	$ 1,013,638
ALL PROGRAMS:							
GENERAL FUND	$ 11,045,132	$ 11,217,068	$ 11,907,895	$ 12,377,738	$ 13,094,047	$ 13,839,020	$ 14,648,628
SPECIAL FUNDS	330,081	501,558	419,649	419,649	419,649	419,649	419,649
FEDERAL FUNDS	15,007,960	17,701,974	20,854,979	21,381,064	21,977,550	22,734,396	23,434,154
OTHER FUNDS	2,490,066	2,711,398	2,827,477	3,069,073	2,959,293	2,916,519	2,916,519
DEPARTMENT TOTAL	$ 28,873,239	$ 32,131,998	$ 36,010,000	$ 37,247,524	$ 38,450,539	$ 39,909,584	$ 41,418,950

Program: Human Services Support

Goal: To provide effective administrative and support systems through which the substantive programs of the department can be operated.

The Human Services Support program provides the policy direction, management and administrative systems required to implement, maintain and monitor the substantive programs of the department.

Information systems are critical to the management of human services. The technology challenge is to provide timely and accurate information that enables the integration of numerous client services and tracks individual progress toward self-sufficiency. The continued creation and expansion of web-based applications allows for more online services and efficient maintenance of common client and provider databases, as well as case management systems, for use across programs.

Also provided is the management and oversight of the coordination of benefits and recovery of Medical Assistance overpayments when a third-party liability is identified. Recoveries consist of casualty cases, the Estate Recovery program, federally mandated "pay and chase" situations and the identification and recovery of insurance payments after claims are paid.

This program also seeks reimbursement from third-party sources for services provided to patients and consumers at the state-operated mental health and intellectual disabilities facilities.

Finally, this program ensures the quality of services for Pennsylvania residents by licensing and regulating child care and selected medical facilities.

The department continues to strive toward system enhancements that will minimize administrative costs in relation to service costs and meet the federally mandated Affordable Care Act information systems requirements.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

General Government Operations

$ 7,081	—to continue current program.
1,342	—costs related to the Department of General Services Annex Complex move.
223	—consolidation of personnel functions.
$ 8,646	*Appropriation Increase*

Information Systems

$ 1,200	—to continue current program.
8,162	—increase in child welfare information system.
–250	—nonrecurring administrative costs from federal Balancing Incentive Program.
–1,473	—decrease for data powerhouse and computer services transition.
–9,375	—nonrecurring prior year initiatives.
$ –1,736	*Appropriation Decrease*

This budget recommends the amount of $3,948,000 in the CCDFBG - Administration to provide additional child care inspections due to the reauthorization requirements of the Child Care and Development Block Grant program.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
GENERAL FUND:							
General Government Operations	$ 67,221	$ 76,513	$ 85,159	$ 88,140	$ 90,344	$ 92,603	$ 94,918
Information Systems	56,031	74,841	73,105	75,664	77,556	79,495	81,482
TOTAL GENERAL FUND	$ 123,252	$ 151,354	$ 158,264	$ 163,804	$ 167,900	$ 172,098	$ 176,400

Program: Medical Assistance

Goal: To support a health care delivery system that provides comprehensive health care services in appropriate settings for eligible populations.

The Medical Assistance program currently provides access to comprehensive health care services for eligible low-income individuals and families or those with medical expenses exceeding available income. In addition to financial eligibility criteria, qualified individuals meet categorical requirements including age, blindness, disability, pregnancy, or a child or parent of an eligible child. Other individuals who meet certain federal and state medical and financial criteria may qualify for Medical Assistance benefits. These individuals include persons with medical conditions that preclude work, women diagnosed with and on active treatment for breast or cervical cancer or pre-cancer of breast or cervix and disabled workers with incomes under 250 percent of the federal poverty guidelines who pay a premium equal to 5 percent of their monthly income.

This budget proposes Medicaid Expansion to ensure increased access to quality health care. The Medicaid Expansion plan proposes to increase health care access to more than 600,000 Pennsylvanians. For additional information, please see the Medicaid Expansion theme in the Overview and Summaries section.

Program Element: Capitation

Health care services for most Medical Assistance recipients are provided through Managed Care Organizations (MCOs) utilizing a fixed rate per recipient enrolled. MCOs emphasize outpatient preventive health services and disease management as a means of controlling costs. The coordinated approach allows enhanced continuity of care, improves recipients' access to primary physician care and specialized behavioral health programs, provides strengthened oversight of operational standards, and facilitates an efficient utilization of limited health care resources.

Pennsylvania's mandatory managed care program is known as HealthChoices. The HealthChoices Behavioral Health (BH) program, administered by the Office of Mental Health and Substance Abuse Services, has completed its expansion plan and has operated statewide since July 1, 2007. The HealthChoices program is provided through contracts with the counties who utilize an independent BH-MCO, or through contracts directly with BH-MCOs. Services provided include psychiatric inpatient treatment, partial hospitalization, psychiatric outpatient services, Early Periodic Screening Diagnosis and Treatment services for children, case management, drug and alcohol detoxification and rehabilitation services.

Physical Health (PH) managed care services are administered by the Office of Medical Assistance Programs. The HealthChoices program completed its expansion plan and began operating statewide March 1, 2013. The HealthChoices program is provided through grant agreements with seven risk-based MCOs in five geographic zones. PH-MCO enrollees receive the full array of physical health services, which include inpatient, outpatient, primary care, pharmaceuticals, home health, dental and vision services. Some MA recipients do not participate in the HealthChoices PH program and remain in fee-for-service, including but not limited to: nursing home residents (after 30 days), Living Independence for the Elderly (LIFE), Health Insurance Premium Payment eligible members, residents of state institutions and recipients age 21 and older that are dually eligible for Medicare (including Part D) and Medicaid.

Program Element: Medical Assistance – Fee-for-Service

Health care services for the remaining Medical Assistance recipients are provided through this fee-for-service delivery system. Outpatient services include the majority of preventive services performed outside of acute care facilities, such as hospitals. Outpatient services include medical or dental care furnished by a broad range of practitioners (including physicians, Certified Registered Nurse Practitioners, dentists and other practitioners) in a variety of settings such as practitioner offices, clinics, outpatient surgery, acute care short procedure units, as well as rehabilitation, drug and alcohol treatment, pharmacy benefits, ambulance transportation, home health care, medical supplies and equipment, and prosthetic devices.

In response to the rising cost of prescription drugs, the department has taken steps to cost-effectively manage utilization of pharmacy services without compromising access to quality care, such as use of a clinically-based preferred drug list that provides for supplemental drug rebates and enforces the use of drugs considered best in class. Other efforts include prior authorization of certain medications with high cost or health and safety risks to consumers, quantity limits and special initiatives.

Inpatient hospital services include care for Medical Assistance beneficiaries in acute care general, rehabilitation and private psychiatric hospitals. The Inpatient Medical Assistance Program provides eligible beneficiaries coverage of inpatient hospital services on a 24-hour basis, which includes room, board and professional services.

Program: Medical Assistance (continued)

Under the Medical Assistance Program, a beneficiary is admitted to the inpatient service upon written order of a physician, Certified Registered Nurse Practitioner, dentist, or podiatrist who has admitting privileges at the hospital. Medical Assistance does not cover hospital care solely for cosmetic procedures, nor diagnostic or therapeutic procedures solely for experimental, research or educational purposes.

The department uses a Prospective Payment System, known as the All Patient Refined Diagnosis Related Groups (APR-DRG) system, to reimburse acute care general hospitals. The APR-DRG system was designed for use with all patient populations and reflects the complete cross-section of patients seen in an inpatient acute care setting. The department also makes high and low cost outlier payment adjustments for all diagnosis related groups when certain conditions are met. Freestanding psychiatric and rehabilitation hospitals, and distinct part psychiatric and rehabilitation units of acute care general hospitals, are paid on a prospective basis through per diem payments.

The department also makes separate payments to hospital-employed or contracted practitioners (physicians, Certified Registered Nurse Practitioners, dentists, podiatrists or midwives) when these practitioners provide direct professional services to the beneficiary during the inpatient hospital stay. These services are paid in accordance with the fees established under the Medical Assistance Fee Schedule. Act 77 of 2001, the Tobacco Settlement Act, authorized an additional payment to hospitals to partially offset the cost of uncompensated care or extraordinary medical services provided by hospitals to individuals with no, or inadequate, health care insurance.

Program Element: Medical Assistance Transportation Program

The purpose of the Medical Assistance Transportation Program (MATP) is to coordinate and provide efficient and cost-effective non-emergency medical transportation to ensure access to health care services for Medical Assistance recipients who have no other means of transportation available to them.

The program provides funding to 65 county programs, a transit program for Northumberland County and a transportation broker in Philadelphia County to provide this service. Each is responsible for providing transportation to and/or from a medical facility, physician's office, dentist's office, hospital, clinic, pharmacy or purveyor of medical equipment for the purpose of receiving medical treatment, medical evaluation, or purchasing prescription drugs or medical equipment.

The program entails the following: assessing MATP eligibility, verifying if recipients could be transported at no cost to the program or if other options other than Medical Assistance-funded transportation are available, determining the level of transportation services needed, providing funding for recipients to use public transit, reimbursing recipients for private vehicle mileage use, developing and managing a network of on-demand transportation providers, scheduling and dispatching on-demand paratransit trips, and capturing and providing data.

Program Element: Expanded Medical Services for Women

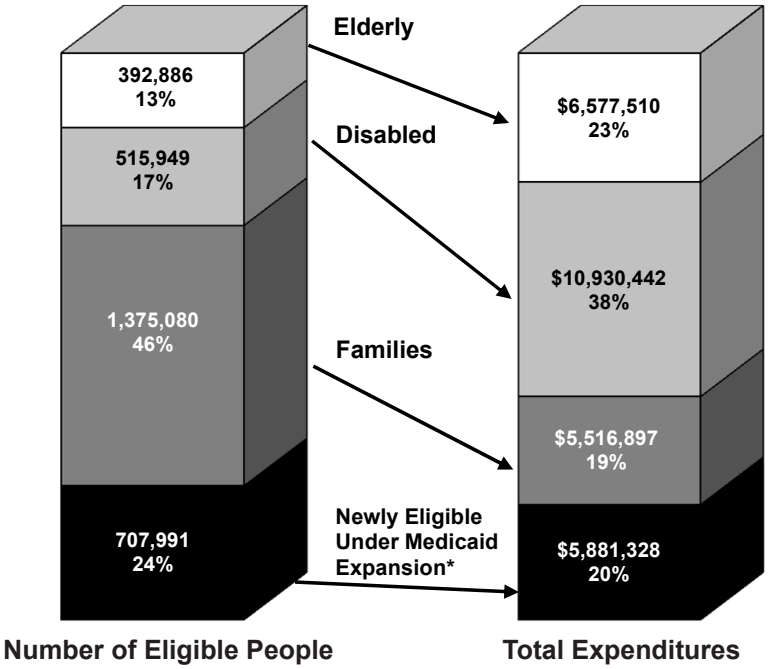
The Expanded Medical Services for Women program provides counseling and other services to women. Grants are provided to nonprofit agencies whose primary purpose is to assist pregnant women seeking alternatives to abortions. Services are provided up to 12 months after childbirth and include food, shelter, clothing, health care, counseling, adoption services, parenting classes, assistance for post-delivery stress and other support programs.

Program: Medical Assistance (continued)

Medicaid Expenditures and Enrollees by Category of Assistance

Fiscal Year 2015-16

(Dollar Amounts in Thousands)



Although the disabled and elderly are only 30% of the total Medical Assistance population, they account for 61% of the Medical Assistance expenditures.

*Includes Former General Assistance

Medicaid expenditures also includes intellectual Disabilities-Intermediate Care Facilities, Intellectual Disabilities-Community Waiver Program, Autism Intervention and Services, Services to Persons with Disabilities, Attendant Care and Medical Assistance-Workers with Disabilities.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

GENERAL FUND

Payment to Federal Government - Medicare Drug Program

$ 28,022	—reflects increase in mandated payback for pharmacy services.

Medical Assistance - Fee-for-Service

$ 29,021	—change in caseload and utilization.
–71,992	—savings as a result of transitioning General Assistance recipients in newly eligible federal categories.
15,488	—increase in costs and clients eligible for Medicare Part A and B premiums.
3,733	—to provide for increased utilization and cost of prescription drugs.
5,277	—revision of federal financial participation from 51.82% to 52.01%.
–4,612	—to provide for an increase in projected recoveries and refunds.
–5,981	—net impact of nonrecurring prior year revenue and costs.
–10,368	—annualization of prior year initiatives.
–130,000	—to provide for revenue maximization projects.
491	—Initiative—Human Services Funding Restoration. To restore funding to seven human services appropriations. Additional funds will be added over three years to offset the 2012-13 funding cuts when the human services block grant pilot program was implemented.
$ –168,943	*Appropriation Decrease*

Medical Assistance - Capitation

$ 420,377	—change in enrollment and rate increases.
–411,972	—savings as a result of transitioning General Assistance recipients in newly eligible federal categories.
333,464	—impact of prior year delay of managed care payments.
46,004	—provides for the loss in federal participation as a result of transitioning General Assistance recipients into newly eligible federal categories.
–4,916	—savings from administrative and other cash flow adjustments.
–21,372	—provides for the transfer of payments related to the Medical Care for Workers with Disabilities programs.

Program: Medical Assistance (continued)

Program Recommendations: (continued)

This budget recommends the following changes: (Dollar Amounts in Thousands)

Medical Assistance - Capitation (continued)

–30,934	—impact of increase in pharmacy rebates.
46,653	—revision of federal financial participation from 51.82% to 52.01%.
–122,206	—impact of increase in Gross Recipts Tax assessments and Quality Care Assessment Revenue.
$ 255,098	*Appropriation Increase*

Medical Assistance - Obstetric and Neonatal Services

$ –3,681	—program elimination.

Hospital-Based Burn Centers

$ –3,782	—program elimination.

Medical Assistance - Critical Access Hospitals

$ –3,876	—program elimination.

Medical Assistance - Physician Practice Plans

$ –2,500	—program reduction.

Medical Assistance - Transportation

$ 6,071	—change in caseload and utilization.
116	—revision of federal financial participation from 51.82% to 52.01%.
–1,308	—increase in federal earnings.
$ 4,879	*Appropriation Increase*

Special Pharmaceutical Services

$ 182	—to continue current program.

Medical Assistance - Workers with Disabilities

$ 21,611	—change in caseload and utilization.
1,062	—revision of federal financial participation from 51.82% to 52.01%.
–41,207	—reflects impact of increase in available Tobacco Settlement Funds.
$ –18,534	*Appropriation Decrease*

All other appropriations are recommended at the current year funding levels.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2013–14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
GENERAL FUND:							
Payment to Federal Government – Medicare Drug Program	$ 526,460	$ 535,974	$ 563,996	$ 580,916	$ 598,343	$ 616,294	$ 634,782
Medical Assistance – Fee For Service	428,041	530,440	361,497	367,530	377,952	388,082	398,594
Medical Assistance – Capitation	3,995,113	3,804,656	4,059,754	4,267,720	4,694,492	5,163,941	5,680,335
Medical Assistance – Obstetric and Neonatal Services	6,681	3,681	0	0	0	0	0
Hospital-Based Burn Centers	3,782	3,782	0	0	0	0	0
Medical Assistance – Critical Access Hospitals	6,776	3,876	0	0	0	0	0
Trauma Centers	8,656	8,656	8,656	8,656	8,656	8,656	8,656
Medical Assistance – Academic Medical Centers	16,831	17,431	17,431	17,431	17,431	17,431	17,431
Medical Assistance – Physician Practice Plans	9,071	9,071	6,571	6,571	6,571	6,571	6,571
Medical Assistance – Transportation	59,573	58,395	63,274	65,988	68,701	71,415	74,128
Expanded Medical Services for Women	5,544	5,694	5,694	5,694	5,694	5,694	5,694
Special Pharmaceutical Services	1,562	1,195	1,377	1,377	1,377	1,377	1,377
Medical Assistance – Workers with Disabilities	42,979	120,825	102,291	124,928	145,330	165,212	187,646
TOTAL GENERAL FUND	$ 5,111,069	$ 5,103,676	$ 5,190,541	$ 5,446,811	$ 5,924,547	$ 6,444,673	$ 7,015,214
LOTTERY FUND:							
Medical Assistance – Transportation Services	$ 0	$ 4,900	$ 4,900	$ 4,900	$ 4,900	$ 4,900	$ 4,900

Program: Long-Term Living

Goal: To support a long-term living system that empowers persons with disabilities and older Pennsylvanians to live with dignity and independence in settings they prefer, to provide meaningful choice of long-term living services and to ensure that those services are delivered in a high-quality, cost-effective manner.

The commonwealth's commitment to supporting people with disabilities and older Pennsylvanians is demonstrated through a continuum of services ranging from independent living with the support of home and community-based services to institutional care.

Program Element: Home and Community-Based Services

For qualifying individuals who want to receive services in the community, the department administers five home and community-based Medicaid waiver programs, the Act 150 Attendant Care program and the Living Independence for the Elderly (LIFE) program that help individuals to live as independently as possible.

The Independent Enrollment Broker and local Area Agencies on Aging provide information on service options and eligibility requirements and assistance to qualifying individuals who wish to apply for applicable programs. For those who qualify, individual service plans are developed and coordination is provided with an extensive network of providers. The department is responsible for ensuring that services are being provided in a consistent and cost-effective manner.

A variety of specialized services are provided to enable people with physical and/or cognitive disabilities, as well as people over 60, to live independently in the community. Personal assistance, service coordination, non-medical transportation, home health aide and nursing services are several of the community-based support services that are provided.

The Attendant Care program provides personal assistance services to individuals who are between the ages of 18 and 59 and have physical disabilities. Personal assistance services, such as bathing, dressing, grooming and other activities of daily living, enable recipients to remain in or return to their own homes, rejoin the workforce and maintain independent and productive lives. Medicaid-eligible individuals who meet all program criteria are served in the waiver program and individuals who are not Medicaid eligible are served in the Act 150 Attendant Care program.

Other Medicaid home and community-based disability programs support eligible adults who have limitations in performing activities of daily living, understanding and/or use of language, learning, mobility, self-direction and capacity for independent living. These services help individuals to function independently in the community. Similar services are provided to people with traumatic brain injury. These services enable individuals to function in the community as independently as possible after they have progressed beyond initial acute rehabilitation. People with cognitive disabilities may require a special mix of services to address short-term memory issues.

Eligible older Pennsylvanians who are in need of nursing facility level-of-care may qualify to receive services in the community through the federal Medicaid Aging Waiver program and the LIFE program. These programs provide assistance with activities of daily living, as well as in-home nursing services, while encouraging use of informal supports available through family and friends. Additionally, the LIFE program integrates Medicare funding with Medicaid funding to provide a fully coordinated and comprehensive service package to enrollees.

Program Element: Nursing Facility Services

Institutional services are provided to eligible persons by nursing facilities that are certified, in accordance with established standards, to participate in the Medical Assistance program. Nursing facility care is available to Medical Assistance recipients who are determined nursing facility clinically eligible through a level of care assessment. Nursing facility care involves daily medical treatment and rehabilitation services prescribed by a licensed physician. The services are provided by or under the supervision of licensed professional, nursing personnel or other professional health personnel.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

		GENERAL FUND
		Long-Term Care
$	13,226	—for increased utilization and costs.
	25,000	—reflects impact of decrease in available Lottery Funds.
	132,320	—reflects impact of decrease in available Tobacco Settlement Funds.
	7,813	—revision of federal financial participation from 51.82% to 52.01%.
	–1,879	—savings from administrative and other cash flow initiatives.
	-8,000	—funding reduction.
	–32,940	—nonrecurring prior year costs.
$	135,540	*Appropriation Increase*

Program: Long-Term Living (continued)

Program Recommendations: (continued)

This budget recommends the following changes: (Dollar Amounts in Thousands)

Home and Community-Based Services

$ 32,178	—to continue current program, including annualization of prior year expansion.
10,349	—nonrecurring prior year federal Balancing Incentive Program initiative.
1,112	—impact of administrative and other cash flow initiatives.
56,909	—reflects impact of decrease in available Lottery Funds.
1,960	—reflects impact of decrease in available Tobacco Settlement Funds.
2,204	—revision of federal financial participation from 51.82% to 52.01%.
–4,671	—nonrecurring prior year costs.
13,214	—Initiative—Rebalancing Long-Term Care Options. To provide home and community-based services to 1,764 additional older Pennsylvanians.
$ 113,255	*Appropriation Increase*

Long-Term Care Managed Care

$ 1,206	—for increased utilization and costs.
3,214	—nonrecurring prior year federal Balancing Incentive Program initiative.
614	—revision of federal financial participation from 51.82% to 52.01%.
–635	—nonrecurring prior year costs.
1,695	—Initiative—Rebalancing Long-Term Care Options. To provide home and community-based services to 144 additional older Pennsylvanians.
$ 6,094	*Appropriation Increase*

Services to Persons with Disabilities

$ 11,256	—to continue current program, including annualization of prior year expansion.
8,620	—nonrecurring prior year federal Balancing Incentive Program initiative.
1,590	—impact of administrative and other cash flow initiatives.
1,712	—revision of federal financial participation from 51.82% to 52.01%.
–1,553	—nonrecurring prior year costs.
13,761	—Initiative—Rebalancing Long-Term Care Options. To provide home and community-based services to 1,140 additional individuals with disabilities.
$ 35,386	*Appropriation Increase*

Attendant Care

$ 7,171	—to continue current program, including annualization of prior year expansion.
5,279	—impact of administrative and other cash flow initiatives.
3,314	—nonrecurring prior year federal Balancing Incentive Program initiative.
662	—revision of federal financial participation from 51.82% to 52.01%.
–6,551	—nonrecurring prior year costs.
2,359	—Initiative—Rebalancing Long-Term Care Options. To provide home and community-based services to 324 additional individuals with disabilities.
$ 12,234	*Appropriation Increase*

LOTTERY FUND

Medical Assistance - Long-Term Care

$ –25,000	—decrease in Lottery Funds available for transfer.

Home and Community-Based Services

$ –56,909	—decrease in Lottery Funds available for transfer.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
GENERAL FUND:							
Long-Term Care	$ 820,409	$ 806,577	$ 942,117	$ 956,249	$ 970,593	$ 985,152	$ 999,929
Home and Community - Based Services	225,008	127,974	241,229	253,290	265,955	279,253	293,215
Long-Term Care Managed Care	86,917	99,252	105,346	110,614	116,145	121,952	128,049
Services to Persons with Disabilities	233,104	267,593	302,979	318,128	334,034	350,736	368,273
Attendant Care	116,084	132,897	145,131	156,741	169,281	182,823	197,449
TOTAL GENERAL FUND	$ 1,481,522	$ 1,434,293	$ 1,736,802	$ 1,795,022	$ 1,856,008	$ 1,919,916	$ 1,986,915
LOTTERY FUND:							
Medical Assistance - Long-Term Care	$ 309,081	$ 334,081	$ 309,081	$ 309,081	$ 309,081	$ 309,081	$ 309,081
Home and Community-Based Services	21,000	162,577	105,668	105,668	105,668	105,668	105,668
TOTAL LOTTERY FUND	$ 330,081	$ 496,658	$ 414,749	$ 414,749	$ 414,749	$ 414,749	$ 414,749

Program: Income Maintenance

Goal: To promote personal and parental responsibility and encourage economic independence and self-sufficiency through temporary cash assistance, job training and child care for families or individuals.

The broad purpose of public assistance is to provide temporary support to families in transition from dependency to economic self-sufficiency. Support may include limited education, job training and placement assistance, child care, transportation, other support services and cash assistance.

Program Element: Income Assistance

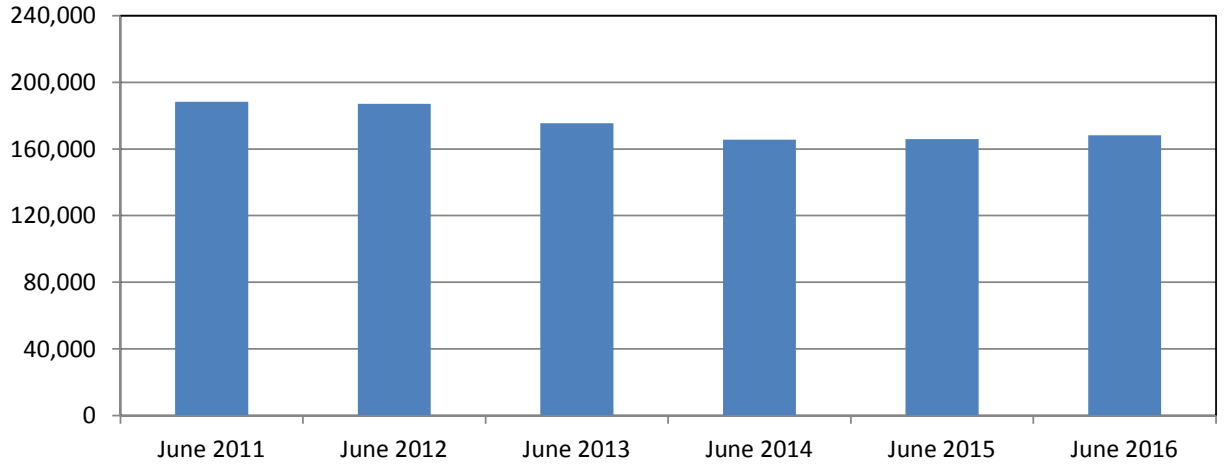
Caseworkers in the county assistance offices (CAOs) review financial and non-financial criteria with applicants of Temporary Assistance for Needy Families (TANF), Medical Assistance (MA) and the Supplemental Nutrition Assistance Program (SNAP) to determine eligibility for benefits.

The TANF program provides state and federal funds for temporary cash support for families in transition to self-sufficiency. TANF cash assistance is provided for a limited time to people who meet income and resource guidelines and who comply with work activity requirements or other requirements that are included on their Agreement of Mutual Responsibility (AMR). As a condition of eligibility for TANF cash assistance, adult recipients 18 years of age and older are required to sign and comply with the economic self-sufficiency plan in their AMR. The AMR outlines the steps the individual will take and the services the CAO caseworkers will provide to enable the family to become independent from public assistance. After assessing potential barriers to employment, most adult assistance recipients are required to take realistic, concrete steps that will lead to increased success in the workplace. Able-bodied adults are required to either work or participate in an approved work-related activity. Adults disabled to the extent that substantial gainful employment is not possible are required to cooperate in applying for federal benefits.

Federal regulations place a five-year lifetime limit on TANF cash assistance for most adult recipients and allow a hardship exemption for up to 20 percent of the TANF caseload. The department has implemented regulations that define the hardship exemption and make provisions for extending the time period for a family with multiple barriers to employment that prevent the ability to reach self-sufficiency within the five-year limit.

The Low-Income Home Energy Assistance Program (LIHEAP) is a 100 percent federally funded program that assists eligible households by providing funds to offset the burden of high energy costs. LIHEAP also provides funds in heating crisis situations, arranges and pays for emergency deliveries, expedites payments to avoid utility shut offs and provides furnace repairs through other agencies. The eligibility standard includes every household member's income and is subject to annual revision based on the availability of funds. Payments are made to energy suppliers on behalf of persons responsible for paying heating costs or directly to those households where home heating is included in the rent.

Cash Grants
(TANF Caseload)



Program: Income Maintenance (continued)

The Supplemental Security Income (SSI) program provides aged, blind and disabled persons with a monthly payment based on nationally uniform eligibility standards. Presently, the monthly federal benefit rate for individuals is $733 and $1,100 for couples. Pennsylvania contributes a supplemental grant of $22.10 for an individual and $33.30 for couples to SSI recipients. The department is responsible for directly issuing the state supplemental grants to most SSI recipients. A special monthly state supplement is paid to SSI-eligible persons in domiciliary care facilities and personal care homes. For SSI residents in personal care homes, the minimum personal care allowance is $85 a month.

The department also administers a disability advocacy program to assist mentally and physically disabled individuals in establishing their eligibility for federal SSI benefits.

Program Element: Employment, Training and Work Supports

The employment and training program, known as the Road to Economic Self-Sufficiency through Employment and Training (RESET), assists clients to enter the workforce and achieve economic independence. Pennsylvania's employment and training program emphasizes that the responsibility for self-sufficiency belongs to the client. Pennsylvania adopted a "Work First" approach to helping our clients succeed and end dependency on public support. Job retention and case management services are also offered to help individuals retain employment.

In order to meet the employment needs of Pennsylvania's diverse assistance population, the department operates the Employment, Advancement and Retention Network (EARN) through local employment and training service providers. EARN offers a full array of employment and training services designed to help recipients secure and retain employment and advance in their work career. The focus of all programming is to decrease dependency on public assistance and move towards self-sufficiency. Keystone Education Yields Success (KEYS) is a collaborative program between the department and Pennsylvania's community colleges designed to assist TANF recipients and, as funding permits, SNAP recipients in attending Pennsylvania's community colleges. KEYS is designed for students taking short term programs lasting no more than 12 months. Work Ready provides services to help clients stabilize barriers that hinder them from achieving self-sufficiency.

Supportive services are also provided to facilitate an assistance client's transition to independence. The special allowances are used to support individuals as they pursue their education, job skills training or employment goals through an approved employment and training program. The CAO may approve a special allowance for items such as books, clothing, equipment and tools. Transportation allowances may be provided when required to allow a participant to accept and maintain education, employment or training.

Program Element: Child Support Enforcement

Child Support Enforcement program services are provided at the local level through cooperative agreements with the county Courts of Common Pleas and the county commissioners. The services include the establishment of paternity for a child born outside of marriage; the determination, establishment and enforcement of a financial child support obligation paid by the noncustodial parent to meet the ongoing daily needs of the child; and the procurement of medical support, including health insurance and/or the reimbursement of uninsured child's medical expenses.

Child support enforcement services are available to children from birth to age 18 or until the child graduates from high school or becomes emancipated. The court may require child support to be paid for an individual over the age of 18 if extraordinary needs – excluding college tuition – exist. A designated portion of child support paid on behalf of a child receiving TANF benefits is passed through to the custodial parent and any residual amount is assigned to the department to reimburse cash assistance benefits issued to the child's family.

Federal funding of the state's Child Support Enforcement program is based on its performance in establishing paternity and court orders for support, as well as collection of the ordered child support amounts. Pennsylvania's program exceeds federal standards: collection of current support and cases paying on arrears are both 83 percent – the highest percentage of any state in the nation. Pennsylvania is the first state in the nation to meet and exceed the five federal performance standards for establishment of paternity, establishment of court orders for child support, collection of current support, cases paying on arrears and administrative cost effectiveness. In addition, more than 90 percent of children receiving support currently have health insurance or other means of medical support.

Program: Income Maintenance (continued)

Program Recommendation:

This budget recommends the following changes: (Dollar Amounts in Thousands)

County Administration-Statewide

$ 4,599	—to continue current program.
3,979	—costs related to the Department of General Services Annex Complex move.
$ 8,578	*Appropriation Increase*

County Assistance Offices

$ 23,267	—to continue current program.
-969	—to reflect change in federal earnings.
$ 22,298	*Appropriation Increase*

Child Support Enforcement

$ –1,101	—reduction in administrative costs.
-940	—to reflect change in federal earnings.
$ –2,041	*Appropriation Decrease*

New Directions

$ 1,613	—to continue current program.

Supplemental Grants - Aged, Blind, Disabled

$ 2,307	—impact of caseload increases.

The Cash Grants appropriation is recommended at the current year funding level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
GENERAL FUND:							
County Administration - Statewide	$ 25,758	$ 33,367	$ 41,945	$ 43,413	$ 44,498	$ 45,610	$ 46,750
County Assistance Offices	271,983	314,496	336,794	348,582	357,297	366,229	375,385
Child Support Enforcement	13,200	13,815	11,774	12,186	12,491	12,803	13,123
New Directions	17,159	22,497	24,110	24,954	25,578	26,217	26,872
Cash Grants	52,690	45,457	45,457	45,457	45,457	45,457	45,457
Supplemental Grants - Aged, Blind and Disabled	138,764	137,656	139,963	139,963	139,963	139,963	139,963
TOTAL GENERAL FUND	$ 519,554	$ 567,288	$ 600,043	$ 614,555	$ 625,284	$ 636,279	$ 647,550

Program: Mental Health

Goal: To maximize the individual's capacity for independent living through the provision of an array of service and support programs.

This program provides for an integrated behavioral health system addressing mental health treatment and support services as well as substance abuse services. The objective of these services is to promote individual movement toward recovery. The department seeks to ensure that there is a combined approach to the delivery and the financing of behavioral health services. The department administers community mental health funds, Behavioral Health Services Initiative (BHSI) funds for both mental health and substance abuse services, Act 152 funds that provide non-hospital residential substance abuse services and federal grant funds. The department oversees the Medicaid HealthChoices Behavioral Health Managed Care program either through county contracts or by direct contract with a behavioral health managed care organization. The department manages the delivery of community mental health services administered by counties under the Pennsylvania Mental Health and Intellectual Disability Act of 1966 (MH/ID Act of 1966), as amended by Act 105 of 2011 and Act 80 of 2012 and the Mental Health Procedures Act of 1976. Direct mental health treatment services are currently provided through six state-operated hospitals and one restoration (long-term care) center.

Program Element: Community Mental Health Services

The MH/ID Act of 1966 requires county governments to provide an array of community-based mental health services, including unified intake, community consultation and education, support for families caring for members with mental disorders and community residential programs. Community services are targeted to adults with serious mental illness and children and adolescents with or at risk of serious emotional disturbance. Key provisions of service include recovery-oriented treatment, community care and support services that enable individuals to live in the community and lead independent and productive lives. Non-residential services include family-based support, outpatient care, partial hospitalization, emergency and crisis intervention, peer to peer support and after care. Community residential services include housing support, residential treatment, inpatient care, crisis services and mobile therapy. Services are administered by single counties, county joinders or through contracts with private, nonprofit organizations or agencies. Services, with some exceptions, are funded with state, federal and/or county matching funds.

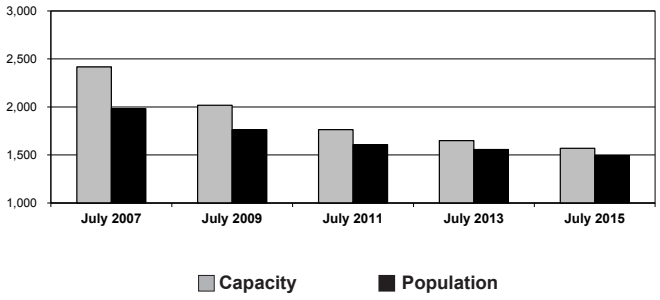
Program Element: Substance Abuse Services

The department is responsible for the oversight and administration of BHSI funding. Substance abuse treatment services are provided to individuals with severe addictive disorders (including co-occurring mental health disorders) who are uninsured, who do not have insurance that covers the service needed or who cannot obtain Medical Assistance benefits. Services available include the full continuum of treatment, as well as case management services, to assist this population with access to and retention in treatment to promote recovery.

Program Element: State Mental Hospitals

State mental hospitals provide long-term inpatient care for individuals who require intensive treatment. Additionally, they provide specialized inpatient care for the adolescent, criminal and elderly (long-term) populations. A unit for the treatment of violent sexual predators, whose commitment in the Youth Development Center system terminates at age 21, was established as mandated in Act 21 of 2003. To move individuals into the most integrated setting, efforts continue to assess and transfer individuals to community mental health programs, where services are provided in a less restrictive setting through the Community/Hospital Integration Projects Program (CHIPPs).

Mental Hospitals
Population Compared to Capacity



The population at state mental hospitals has declined by 491 individuals (or 25 percent) since July of 2007, as more people receive mental health services in the community. During that same period, capacity at the state mental hospitals has declined by 846 beds (or 35 percent).

Program: Mental Health (continued)

Expenditures by Hospital, Restoration Center and Community Programs

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget
Allentown			
State Funds	$ 2,438	$ 2,130	$ 2,340
Federal Funds	0	0	0
Augmentations	0	0	0
TOTAL	$ 2,438	$ 2,130	$ 2,340
Clarks Summit			
State Funds	$ 15,880	$ 27,822	$ 31,123
Federal Funds	31,100	22,700	22,700
Augmentations	1,589	1,579	1,590
TOTAL	$ 48,569	$ 52,101	$ 55,413
Danville			
State Funds	$ 13,786	$ 22,281	$ 24,578
Federal Funds	26,500	22,200	22,200
Augmentations	876	1,040	863
TOTAL	$ 41,162	$ 45,521	$ 47,641
Norristown			
State Funds	$ 37,962	$ 35,117	$ 42,842
Federal Funds	35,300	35,700	35,700
Augmentations	1,086	1,310	1,010
TOTAL	$ 74,348	$ 72,127	$ 79,552
South Mountain State Restoration Center			
State Funds	$ 12,965	$ 15,329	$ 16,639
Federal Funds	12,550	14,400	14,400
Augmentations	1,942	1,450	1,789
TOTAL	$ 27,457	$ 31,179	$ 32,828
Torrance			
State Funds	$ 37,564	$ 41,146	$ 45,130
Federal Funds	35,900	34,200	34,200
Augmentations	968	1,210	970
TOTAL	$ 74,432	$ 76,556	$ 80,300

	2013-14 Actual	2014-15 Available	2015-16 Budget
Warren			
State Funds	$ 24,771	$ 25,198	$ 27,954
Federal Funds	18,550	20,700	20,700
Augmentations	1,737	1,560	1,700
TOTAL	$ 45,058	$ 47,458	$ 50,354
Wernersville			
State Funds	$ 30,488	$ 35,061	$ 39,914
Federal Funds	29,014	20,700	27,378
Augmentations	1,786	1,739	1,778
TOTAL	$ 61,288	$ 57,500	$ 69,070
Administrative Cost			
State Funds	$ 4,877	$ 5,140	$ 5,358
Federal Funds	0	0	0
Augmentations	0	0	0
TOTAL	$ 4,877	$ 5,140	$ 5,358
Community Programs			
State Funds	$ 501,480	$ 520,785	$ 551,434
Federal Funds	69,387	73,232	62,127
Augmentations	0	0	0
TOTAL	$ 570,867	$ 594,017	$ 613,561
Budgetary Reserve			
State Funds	$ 0	$ 1,575	$ 0
Federal Funds	6,036	6,000	0
Augmentations	0	0	0
TOTAL	$ 6,036	$ 7,575	$ 0

Program: Mental Health (continued)

Hospital and Restoration Center Populations for the Prior, Current and Upcoming Year

State Mental Hospitals	Population July 2013	Population July 2014	Projected Population July 2015	Projected Bed Capacity July 2015	Projected Percentage of Capacity July 2015
Clarks Summit	216	203	203	208	97.6%
Danville	166	168	160	170	94.1%
Norristown	262	252	246	265	92.8%
South Mountain	143	151	151	159	95.0%
Torrance	330	329	328	340	96.5%
Warren	182	168	146	162	90.1%
Wernersville	258	256	256	266	96.2%
TOTAL	1,557	1,527	1,490	1,570	94.9%

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

Mental Health Services

$ 24,700	—to continue current program.
6,713	—to annualize previous program revisions providing expanded community services.
1,000	—to reflect change in federal earnings.
264	—Costs related to the Department of General Services Annex Complex move.
4,725	—Initiative—Human Services Waiting List Reductions. To provide home and community-based services for 90 individuals currently residing in state hospitals.
18,326	—Initiative—Human Services Funding Restoration. To restore funding to seven human services appropriations. Additional funds will be added over three years to offset the 2012-13 funding cuts when the human services block grant pilot program was implemented.
$ 55,728	*Appropriation Increase*

Behavioral Health Services

$ 2,500	—Initiative—Combating the Heroin Epidemic. To provide additional services to address heroin and opioid addiction.
1,597	—Initiative—Human Services Funding Restoration. To restore funding to seven human services appropriations. Additional funds will be added over three years to offset the 2012-13 funding cuts when the human services block grant pilot program was implemented.
$ 4,097	*Appropriation Increase*

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
GENERAL FUND:							
Mental Health Services	$ 682,211	$ 731,584	$ 787,312	$ 833,194	$ 872,350	$ 894,159	$ 916,513
Behavioral Health Services	43,117	43,117	47,214	48,811	50,408	50,408	50,408
TOTAL GENERAL FUND	$ 725,328	$ 774,701	$ 834,526	$ 882,005	$ 922,758	$ 944,567	$ 966,921

Program: Intellectual Disabilities

Goal: To maximize each individual's capacity for more independent living and participation in community life by providing needed training and support services.

The Department of Human Services supports a comprehensive array of services for people with intellectual disabilities including community residential and non-residential programs provided through the home and community-based waiver programs and the base program. Services are also provided in state operated institutions and private intermediate care facilities for the intellectually disabled (ICF/IDs). In addition to state and federal funding, local funding is provided for the community base program as required by the Mental Health and Intellectual Disability Act of 1966, as amended by Act 105 of 2011 (MH/ID Act).

The program for people with intellectual disabilities has evolved from a system of large congregate residential facilities to a flexible and dynamic system of community supports and services tailored to the needs of persons living in the community. The trend toward enhancing the natural supports that exist in the family and the community continues to define services.

The department provides services to enhance the quality of life and promote independence for Pennsylvanians living with autism, a lifelong neurobiological disorder.

Program Element: Institutional Services

The department provides institutional care funding for people with intellectual disabilities. Services are offered through five public state centers whose primary goal is to develop residents' abilities to function more independently in preparation for living in a less restrictive environment. All facilities are currently certified for Medical Assistance (MA) under standards established by the Centers for Medicare & Medicaid Services. Private ICF/IDs provide the same intensive habilitative services to persons with intellectual disabilities. Large facilities are single or multiple buildings on campus-like sites accommodating nine persons or more while small facilities must be located in the community and serve four to eight persons.

Program Element: Intellectual Disabilities – Community Services

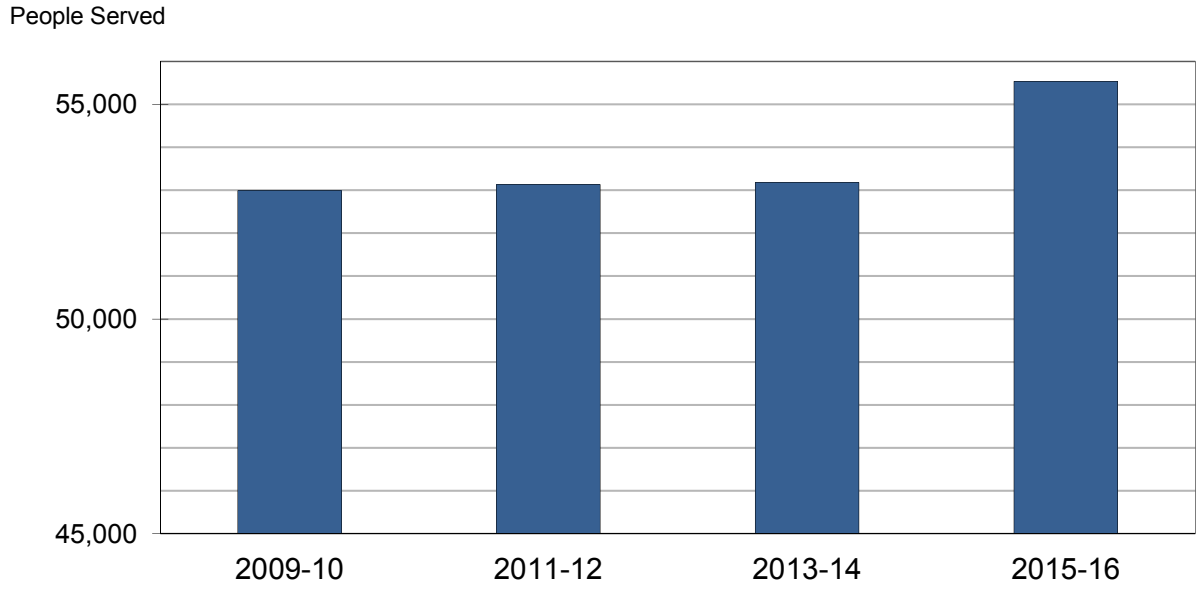
The MH/ID Act provides the statutory basis, along with the Medicaid Consolidated and Person Family Directed/Support waivers, for the development of community-based services for persons with intellectual disabilities. Community living arrangements include group homes, apartments with or without a roommate and life-sharing settings with family or others. Day services such as supported employment, pre-vocational programs, adult training and home and community habilitation are provided for people living in the community based on individual need. Other services available include transportation, environmental accessibility modifications, adaptive appliances/equipment, specialized therapies and nursing, and educational support. Respite services are also available for families of people with intellectual disabilities.

Program Element: Services for Individuals with Autism

The department provides funding for a statewide program to support the needs of Pennsylvanians living with autism spectrum disorders. The department developed and administers two direct services programs for adults with autism - the Adult Community Autism Program and the Adult Autism Waiver program. Both programs are outcome-based and have been designed to assist participants in gaining the greatest level of independence possible, encourage involvement in community life, improve social skills and provide support to caregivers. In addition, the department supports people with autism of all ages through the Autism Service, Education, Research, and Training (ASERT) regional collaboratives, the development of crisis programs to support individuals in need of acute intervention, family support programs, and training programs to increase provider capacity. The three ASERT collaboratives work to improve regional access to quality services and interventions, provide information and support to families, train professionals in best practices and facilitate program development.

Program: Intellectual Disabilities (continued)

Intellectual Disabilities - Community Services



The number of individuals with intellectual disabilities receiving community services has increased over 2,546 since 2009-10.

State Centers Population for the Prior, Current and Upcoming Years

State Centers	Population July 2013	Population July 2014	Projected Population July 2015	Projected Bed Capacity July 2015	Projected Percent Capacity July 2015
Ebensburg	252	246	223	249	89.6%
Hamburg	104	100	91	186	48.9%
Polk	267	257	234	521	44.9%
Selinsgrove	277	257	234	564	41.5%
White Haven	145	135	123	275	44.7%
TOTAL STATE CENTERS	1,045	995	905	1,795	50.4%

Program: Intellectual Disabilities (continued)

Expenditures by State Center

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget
Ebensburg			
State funds	$ 26,266	$ 29,412	$ 31,865
Federal funds	34,699	36,598	38,650
Augmentations	6,770	6,764	6,738
TOTAL	$ 67,735	$ 72,774	$ 77,253
Embreeville			
State funds	$ 0	$ 0	$ 0
Federal funds	0	0	0
Augmentations	0	0	0
TOTAL	$ 0	$ 0	$ 0
Hamburg			
State funds	$ 14,514	$ 16,084	$ 17,261
Federal funds	18,753	18,819	19,796
Augmentations	2,874	2,998	2,957
TOTAL	$ 36,141	$ 37,901	$ 40,014
Polk			
State funds	$ 27,905	$ 31,493	$ 33,980
Federal funds	37,295	39,428	41,571
Augmentations	7,430	7,079	7,075
TOTAL	$ 72,630	$ 78,000	$ 82,626
Selinsgrove			
State funds	$ 29,869	$ 33,800	$ 36,065
Federal funds	39,754	42,476	44,297
Augmentations	7,605	7,290	7,232
TOTAL	$ 77,228	$ 83,566	$ 87,594
White Haven			
State funds	$ 17,422	$ 19,349	$ 20,996
Federal funds	22,341	23,152	24,523
Augmentations	3,984	3,943	3,913
TOTAL	$ 43,747	$ 46,444	$ 49,432
Non-Facility			
State funds	$ 793	$ 876	$ 1,012
Federal funds	0	0	0
Augmentations	0	0	0
TOTAL	$ 793	$ 876	$ 1,012
Budgetary Reserve			
State funds	$ 0	$ 1,970	$ 0
Federal funds	0	9,641	5,000
Augmentations	0	0	0
TOTAL	$ 0	$ 11,611	$ 5,000

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

Intellectual Disabilities - State Centers

$ 6,826	—to continue current program.
956	—revision of federal financial participation from 51.82% to 52.01%.
447	—impact of decrease in federal funding and other revenue.
–34	—Initiative—Human Services Waiting List Reductions. To provide home and community-based services for 75 individuals with intellectual disabilities currently residing in state centers.
$ 8,195	*Appropriation Increase*

Intellectual Disabilities - Intermediate Care Facilities

$ 1,521	—to continue current program.
4,803	—prior year settlements and appeals.
1,033	—revision of federal financial participation from 51.82% to 52.01%.
–3,691	—to reflect individuals transferring to the community program.
$ 3,666	*Appropriation Increase*

Intellectual Disabilities - Community Base Program

$ –1,356	—to reflect individuals transferring to the community program.
58	—revision of federal financial participation from 51.82% to 52.01%.
500	—Initiative—Human Services Enhancement. To provide additional supports to promote competitive employment opportunities for individuals with intellectual disabilities.
4,832	—Initiative—Human Services Funding Restoration. To restore funding to seven human services appropriations. Additional funds will be added over three years to offset the 2012-13 funding cuts when the human services block grant pilot program was implemented.
$ 4,034	*Appropriation Increase*

Intellectual Disabilities - Community Waiver Program

$ 28,243	—increase in utilization and costs.
12,880	—to annualize previous program revisions providing enhanced community services.
5,071	—to reflect individuals transferring from the ICF/ID and Community Base programs.
31,632	—nonrecurring prior year federal Balancing Incentive Program initiative.
13,512	—nonrecurring prior year carryover funds.
6,834	—revision of federal financial participation from 51.82% to 52.01%.
18,699	—prior year settlements and appeals.
952	—Initiative—Human Services Waiting List Reductions. To provide home and community-based services for 75 individuals with intellectual disabilities currently residing in state centers.
18,878	—Initiative—Human Services Waiting List Reductions. To provide home and community-based services for 1,000 individuals who are on the waiting list or are students graduating from Special Education.
$ 136,701	*Appropriation Increase*

Program: Intellectual Disabilities (continued)

Program Recommendations: (continued)

This budget recommends the following changes: (Dollar Amounts in Thousands)

		Autism Intervention and Services
$	–668	—to continue current program.
	1,349	—to annualize previous program revisions providing enhanced services.
	298	—nonrecurring prior year federal Balancing Incentive Program initiative.
	120	—revision of federal financial participation from 51.82% to 52.01%.
	–1,130	—funding reduction.
	372	—Initiative—Human Services Waiting List Reductions. To provide home and community-based services for 50 additional adults with autism spectrum disorders.
$	341	*Appropriation Increase*

The Intellectual Disabilities - Lansdowne Residential Services appropriation is recommended at the current year funding level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
GENERAL FUND:							
Intellectual Disabilities - State Centers	$ 116,769	$ 132,984	$ 141,179	$ 146,120	$ 149,773	$ 153,517	$ 157,355
Intellectual Disabilities - Intermediate Care Facilities	149,576	152,298	155,964	155,964	155,964	155,964	155,964
Intellectual Disabilities - Community Base Program	150,918	149,681	153,715	158,547	163,379	163,379	163,379
Intellectual Disabilities - Community Waiver Program	1,026,790	1,074,887	1,211,588	1,283,885	1,393,015	1,511,421	1,639,892
Autism Intervention and Services	16,487	19,169	19,510	20,253	20,253	20,253	20,253
Intellectual Disabilities - Lansdowne Residential Services	340	340	340	340	340	340	340
TOTAL GENERAL FUND	$ 1,460,880	$ 1,529,359	$ 1,682,296	$ 1,765,109	$ 1,882,724	$ 2,004,874	$ 2,137,183

Program: Human Services

Goal: To enhance the social and economic well-being of families and individuals through the provision of an array of services and support programs.

The department operates a variety of programs designed to provide supportive services to people while they overcome an adverse behavior or circumstance that has affected their lives.

Program Element: Family Support Service

The Department of Human Services and county governments are jointly responsible for providing quality, effective services to children who are in need of care and protection. These services are state supervised and county administered. Each county is responsible for developing and implementing a program of services designed to treat and prevent child abuse, neglect and exploitation, and to provide services that reduce dependency and delinquency. The County Children and Youth program includes services to families and children to enable children to safely remain in their own homes and communities and develop natural supports and resources to gain self-sufficiency. The safety of children is the paramount concern of this program. Policies and procedures have been instituted to protect children from harm and to minimize time in foster homes and institutions. Court oversight for children who have been abused and neglected has been increased and new emphasis has been placed on parental responsibility for children.

Counties provide services such as in-home services, temporary placement for children who cannot live with their own families, assistance to provide a permanent legal family for children who cannot be returned to their own families, adoption assistance, day treatment services, child protective services, emergency shelter, counseling and juvenile detention.

Special programs have been developed to support the delivery of services by county child welfare agencies. One program provides equalized access to adoption or permanency services for all eligible children through a statewide adoption network. This program includes services to children who are in foster placement and cannot be returned to their birth parents.

The courts may order any service or care for children who have been adjudicated dependent or delinquent. This may include youth adjudicated delinquent but remanded to private residential treatment programs. Treatment is reviewed on a periodic basis.

Program Element: Youth Development Service

Pennsylvania's juvenile justice system is designed to minimize institutionalization while recognizing that confinement in a treatment environment is necessary for certain juveniles who pose a threat to themselves or others. The court may sentence youth to either the Youth Development Center and Youth Forestry Camp (YDC/YFC) system or a private facility. Both systems provide residential programming in secure settings for Pennsylvania's serious juvenile offenders and those with serious at-risk behaviors. The purpose of the system is to bring about positive changes in the juveniles by helping them to develop skills and attitudes that will enable them to become responsible, productive members of society. Included in the YDC/YFC system are specialized treatment services for sex offenders, drug and alcohol abusers, emotionally disturbed youth and those with developmental disabilities.

Administrative Complex	Population July 2013	Population July 2014	Projected Population July 2015	Projected Capacity July 2015	Projected Percentage of Capacity July 2015
YFC-Hickory Run	23	28	27	49	55.1%
YFC-Trough Creek	30	34	36	50	72.0%
Cresson	20	28	27	52	51.9%
Loysville	218	209	219	271	80.8%
Total Current Program	291	299	309	422	73.2%

The Master Case Planning System guides treatment of youth within the YDCs/YFCs. This system requires comprehensive diagnosis and assessment of each youth in care, development of an individualized treatment plan, implementation strategies, periodic reviews and revisions of each plan, and identification of aftercare needs. Individual and group counseling forms the core of the treatment process.

The YDCs/YFCs emphasize programs and activities designed to promote youth competency, victim awareness, social and financial restitution, and public safety and protection. Each program provides training and education in daily living skills. Many YDCs/YFCs also provide actual job training and work experience opportunities where youth may be paid. Youth are required to use a portion of their earnings for restitution.

Education is a major component of the YDC/YFC system. Each program includes both academic and vocational curricula. Educational diagnostic testing precedes all academic placements and is used in the development of Individual Education Plans for each youth.

Program Element: Family Planning and Breast Cancer Screening

Family planning clinics provide educational, medical and social services to persons over age 16 to address contraceptive or infertility issues. Grants are provided to approximately 250 clinics across the state.

Program: Human Services (continued)

Breast cancer screening for low-income women is directed toward those at high risk of developing breast cancer. The target group is new family planning clients, women 35 years and older, and women with a family history of breast cancer.

Program Element: Legal Services

The department provides low-income individuals assistance with family, consumer, employment and other civil legal problems. The emphasis of the service delivery is to provide emergency legal services in situations that threaten the basic needs of individuals. These services do not include political activities or services in criminal matters.

Program Element: Domestic Violence and Rape Crisis

Domestic violence services are provided through a contract with a statewide coalition, which in turn subcontracts for services at the local level. The services to victims of domestic violence include crisis intervention, counseling, victim advocacy, information and referral, and temporary shelter for victims and their dependent children. Prevention and education programs are provided by local groups to lessen the risk of domestic violence in the community.

Rape crisis services also are provided through a contract with a statewide coalition, which in turn subcontracts for services at the local level. Rape crisis programs provide crisis intervention services, counseling, victim advocacy, information and referral, and accompaniment through police, medical and judicial systems. Educational programs are provided to lessen the risk of sexual assault for adults and children in the community.

Program Element: Homeless Assistance

The Homeless Assistance program operates through counties to provide temporary shelter to homeless individuals and rental assistance to those in immediate danger of becoming homeless. Shelter may be provided in large mass shelters or in hotels and motels through a voucher system.

Housing assistance can include a cash payment on behalf of an individual or family to prevent or end homelessness, or intervention to prevent homelessness where an eviction is imminent. In addition to preventing homelessness, housing assistance is available to move people out of temporary shelters into permanent housing.

Case management services are used to assure ongoing coordination with the client and to assist the client with activities needed for self-sufficient living.

Specialized residences for the mentally ill homeless are provided in a small number of counties with concentrations of these individuals. The program provides housing for an indefinite period of time, coupled with supportive services that will enable the client to move to a long-term semi-independent or independent living situation.

Program Element: Human Services Block Grant

A 30 county program was implemented to provide local governments with increased flexibility to address local needs. As part of this program, funding for the following six programs is combined at the local level into a flexible Human Services Block Grant: community mental health services, behavioral health services, intellectual disability community base services, county child welfare special grants, homeless assistance programs and Act 152 drug and alcohol services. Funding continues to be provided from the individual appropriations.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

	Youth Development Institutions and Forestry Camps
$ 4,090	—to continue current program.
	County Child Welfare
$ 23,878	—for county needs-based budgets as mandated by Act 30 of 1991.
15,000	—nonrecurring prior year federal funds.
1,466	—Initiative—Human Services Funding Restoration. To restore funding to seven human services appropriations. Additional funds will be added over three years to offset the 2012-13 funding cuts when the human services block grant pilot program was implemented.
$ 40,344	*Appropriation Increase*
	Domestic Violence
$ 1,532	—Initiative—Human Services Enhancement. To expand domestic violence programs and services.
	Rape Crisis
$ 876	—Initiative—Human Services Enhancement. To expand rape crisis programs and services.
	Human Services Development Fund
$ 499	—Initiative—Human Services Funding Restoration. To restore funding to seven human services appropriations. Additional funds will be added over three years to offset the 2012-13 funding cuts when the human services block grant pilot program was implemented.

Program: Human Services (continued)

Program Recommendations: (continued)

This budget recommends the following changes: (Dollar Amounts in Thousands)

		Homeless Assistance
$	1,000	—Initiative—Human Services Enhancement. To provide additional services and supports to reduce homelessness for veterans.
	685	—Initiative—Human Services Funding Restoration. To restore funding to seven human services appropriations. Additional funds will be added over three years to offset the 2012-13 funding cuts when the human services block grant pilot program was implemented.
$	1,685	*Appropriation Increase*

All other appropriations are recommended at the current year funding levels.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
GENERAL FUND:							
Youth Development Institutions and Forestry Camps	$ 55,217	$ 63,299	$ 67,389	$ 69,748	$ 71,492	$ 73,279	$ 75,111
County Child Welfare	1,055,029	1,081,466	1,121,810	1,123,276	1,124,742	1,124,742	1,124,742
Domestic Violence	13,926	15,319	16,851	16,851	16,851	16,851	16,851
Rape Crisis	7,966	8,763	9,639	9,639	9,639	9,639	9,639
Breast Cancer Screening	1,623	1,623	1,623	1,623	1,623	1,623	1,623
Human Services Development Fund	13,460	13,460	13,959	14,458	14,957	14,957	14,957
Legal Services	2,461	2,461	2,461	2,461	2,461	2,461	2,461
Homeless Assistance	18,496	18,496	20,181	20,866	21,551	21,551	21,551
TOTAL GENERAL FUND	$ 1,168,178	$ 1,204,887	$ 1,253,913	$ 1,258,922	$ 1,263,316	$ 1,265,103	$ 1,266,935

Program: Child Development

Goal: To promote opportunities for all Pennsylvania children and families by building systems and providing supports that help ensure access to high-quality child and family services.

The Department of Human Services, in conjunction with the Department of Education, promotes opportunities for all children and families by helping to ensure access to high-quality child and family services. The focus on effective prevention strategies and high-quality early childhood programs will help Pennsylvania mitigate the social and educational disparities of young children that influence their ability to attain economic independence and self-sufficiency as adults. In addition, research consistently shows that the economic and education benefits of quality early learning opportunities extend from participating children to their families and communities.

Keystone STARS remains one of the largest, most comprehensive, quality rating improvement systems in the nation. Keystone STARS expands the reach of high-quality early child care and education in Pennsylvania for at-risk children. This initiative is designed to increase future graduation rates of at-risk children, decrease involvement in crime and its associated costs, and prepare children for successful lives. Quality early care and education is a bedrock of educational success.

Child Care Funding
(Dollar Amounts in Thousands)

	2015-16
Low-Income Working Families	
State Funds[1]	$ 155,691
Federal Funds	294,304
Total	$ 449,995
TANF Recipients / Former TANF Recipients	
State Funds[2]	$ 152,609
Federal Funds	163,918
Other Funds	1,646
Total	$ 318,173
Grand Total	$ 768,168

[1] Child Care Services appropriation.
[2] Child Care Assistance appropriation.

The subsidized child care program allows children of families receiving cash assistance through the Temporary Assistance for Needy Families (TANF) program, families formerly receiving TANF and low-income families to access child care while their parents are attending training or working. The subsidy program uses both state and federal funds to supplement parental co-payments and encourages families to be self-supporting and self-sufficient. Families can select subsidized child care from various facilities including licensed centers, group child care homes, registered family child care homes and relatives or neighbors. Child care information service agencies offer families a choice of child care services and provide information/counseling on how to select quality early childhood services.

The Early Intervention program, for children from birth to age three, provides services and supports to children and their families to maximize the child's development and to decrease the need for special education. These services are provided to the child and family in the child's home, community center or early childhood education setting so that the child is well prepared for school and life success.

The department also provides programs that help parents improve their child-rearing skills. The Nurse Family Partnership program is designed to serve low-income, at-risk pregnant teens and young women expecting their first child. Registered nurses work with expectant mothers through the child's second birthday to encourage healthy pregnancies and promote healthy child development. Additional home visiting services are being provided under the federal Maternal Infant and Early Childhood Home Visiting grant program.

Program Recommendations:

This budget recommends the following changes:

All appropriations are recommended at the current year funding level.

This budget recommends the amount of $17,805,000 in the CCDFBG - Child Care Services to provide subsidized child care services for approximately 3,600 additional children of low-income families.

This budget recommends the amount of $6,156,000 in the CCDFBG - Child Care Services and $5,244,000 in TANFBG - Child Care Assistance to provide increased tiered reimbursement rates for STAR 3 and STAR 4 programs to incentivize providers to reach higher STARS levels.

This budget recommends the amount of $1,080,000 in the CCDFBG - Child Care Services and $920,000 in TANFBG - Child Care Assistance to provide increased add-on rates for high-quality infant/toddler care.

Program: Child Development (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
GENERAL FUND:							
Early Intervention	$ 131,831	$ 127,974	$ 127,974	$ 127,974	$ 127,974	$ 127,974	$ 127,974
Community Based Family Centers	3,258	3,258	3,258	3,258	3,258	3,258	3,258
Child Care Services	155,673	155,691	155,691	155,691	155,691	155,691	155,691
Child Care Assistance	152,609	152,609	152,609	152,609	152,609	152,609	152,609
Nurse Family Partnership	11,978	11,978	11,978	11,978	11,978	11,978	11,978
TOTAL GENERAL FUND	$ 455,349	$ 451,510	$ 451,510	$ 451,510	$ 451,510	$ 451,510	$ 451,510

Program Measures

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Program: Human Services Support							
Objective: Maintain services and supports that will improve the cost effectiveness of human services programs.							
Third-party liability cases referred for recovery	22,422	25,900	27,200	28,600	30,000	31,500	31,500
Total dollars recovered (in thousands)	$162,484	$176,200	$185,000	$194,300	$204,000	$214,000	$214,000
Recipient appeals cases receiving final disposition	122,783	150,000	175,000	200,000	225,000	225,000	225,000
Provider appeals cases receiving final disposition	2,386	2,500	2,300	2,300	2,300	2,300	2,300
On-line applications submitted through COMPASS	785,378	791,230	800,145	815,145	836,150	857,700	879,800
Program: Medical Assistance							
Objective: Maintain services and supports to eligible Pennsylvanians while helping them to improve their health and well-being.							
Persons participating in Medical Assistance (monthly average)	2,147,889	2,223,795	2,327,725	2,420,835	2,517,670	2,618,375	2,723,110
Affordable Care Act - Newly eligible children formerly eligible for CHIP	9,561	39,280	40,850	41,260	41,670	42,090	42,510
Medicaid Expansion - Newly eligible adults	0	302,590	623,330	642,030	661,300	681,130	681,130
Medical Assistance recipients served (monthly average): Average managed care enrollment - physical health	1,590,694	1,831,630	2,235,475	2,324,895	2,417,890	2,514,605	2,615,190
Medical Assistance recipients served (monthly average): Average HealthChoices behavioral health enrollment	1,871,079	2,121,030	2,553,875	2,656,030	2,762,270	2,872,760	2,987,670
Fee-for-Service (Population Only)							
Outpatient Services/visits per 1,000 enrollees:							
Physician visits	827	810	820	830	840	850	850
Clinic visits	441	370	400	430	460	500	500
Emergency room visits	284	300	300	300	300	300	300
Average prescriptions filled per enrollee per month	2.70	3	3	3	3	3	3
Percentage of generic and over the counter prescriptions	87%	90%	90%	90%	90%	90%	90%
Percentage of brand name prescriptions filled	13%	10%	10%	10%	10%	10%	10%
Average cost - generic and over the counter drugs	$12.26	$11.75	$11.50	$11.25	$11	$10.75	$10.75
Average prescription cost - brand name	$464.72	$520	$585	$655	$730	$820	$920

Program Measures

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Inpatient Admissions per 1,000 enrollees:							
General hospital	107	100	90	90	80	80	80
Rehabilitation hospital	1	1	1	1	1	1	1
Private psychiatric hospital	4	3	3	3	3	3	3
Capitation							
Percentage of children from birth to 15 months visiting a physician 6 or more times in the past year	65%	65.50%	66%	66.50%	67%	67.50%	68%
Percentage of children age 12 to 24 months visiting a doctor or nurse in the past year	96.70%	97%	97.50%	98%	98.50%	99%	99.50%
Percentage of children 25 months to 6 years visiting a doctor or nurse in the past year	88.20%	88.50%	89%	89.50%	90%	90.50%	91%
Percentage of pregnant women who received over 80% of the recommended prenatal visits	72.80%	73.50%	74%	74.50%	75%	75.50%	76%
Transportation Program							
One-way trips (in thousands)	8,943	9,250	10,150	10,150	10,150	10,150	10,150
Cost per trip	$13.06	$13.70	$14	$14	$14	$14	$14
Medical Care for Workers with Disabilities							
Recipients enrolled in program (monthly average)	34,933	39,190	42,475	45,290	47,270	48,755	50,075

Persons participating in Medical Assistance (monthly average) does not include Newly Eligible Children Formerly Eligible for CHIP nor Medicaid Expansion - Newly Eligible Adults.

Program: Long Term Living

Objective: Maintain supports and services for older Pennsylvanians and persons with physical disabilities and increase the number of these persons that live in their communities, instead of institutions, through the effective delivery of needed community-based supports.

Long-Term Care							
Recipients under age 60 receiving institutional care (monthly average)	4,540	4,590	4,640	4,690	4,740	4,790	4,840
Recipients over age 60 receiving institutional care (monthly average)	45,260	45,810	46,360	46,910	47,460	48,010	48,560
Percentage of long term care recipients receiving institutional care (monthly average)	52%	49%	48%	46%	44%	43%	42%
Average monthly cost of nursing home care	$5,212	$5,210	$5,210	$5,210	$5,210	$5,210	$5,210
Recipients over age 60 receiving home and community-based waiver services (monthly average)	23,244	26,115	28,190	30,510	32,830	35,150	37,470
Average monthly cost of home and community-based waiver services (age 60 age over)	$2,177	$2,285	$2,400	$2,400	$2,400	$2,400	$2,400

Program Measures

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Percentage of long term care recipients receiving services in the community (monthly average)	48%	51%	52%	54%	56%	57%	58%
Recipients receiving services through the LIFE program (monthly average)	4,048	4,665	4,835	5,335	5,835	6,335	6,835
Other Long-Term Living Services							
Recipients under age 60 receiving attendant care services (waiver and Act 150) (monthly average)	8,252	8,995	9,665	10,215	10,765	11,315	11,865
Persons with developmental disabilities served in the community (monthly average)	10,400	12,045	13,165	14,605	16,045	17,485	18,925

Program: Income Maintenance

Objective: Maintain services and supports to eligible Pennsylvanians while helping them to increase their self-sufficiency and well-being.

Persons receiving cash assistance (monthly average)	165,794	166,030	168,385	168,385	168,385	168,385	168,385
Persons receiving state supplemental grants (monthly average)	387,265	385,155	391,710	395,625	399,585	403,580	407,615
Households receiving energy cash payments	397,952	390,425	378,080	378,080	378,080	378,080	378,080
Households receiving energy crisis payments	133,756	127,060	122,355	122,355	122,355	122,355	122,355
TANF recipients enrolled in RESET employment and training program (monthly average)	18,537	18,025	18,025	18,025	18,025	18,025	18,025
TANF recipients obtaining employment	50,065	60,000	60,000	60,000	60,000	60,000	60,000
Child support orders established	367,837	368,000	368,000	368,000	368,000	368,000	368,000
Child support collected (in millions)	$1,319	$1,320	$1,320	$1,320	$1,320	$1,320	$1,320

Program: Mental Health

Objective: Maintain services and supports for persons with mental illness to live, work and contribute to their communities with increased health and independence.

Community Mental Health Services							
Persons receiving mental health inpatient and outpatient services from non-Medical Assistance funding (unduplicated)	216,820	217,420	217,450	217,510	217,510	217,510	217,510
Persons receiving services through Medical Assistance expenditures (fee-for-service and HealthChoices) (unduplicated)	480,014	544,135	655,180	681,385	708,640	736,990	766,470

Program Measures

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Substance Abuse Services							
Persons receiving services through Medical Assistance expenditures (fee-for-service and HealthChoices) (unduplicated)	83,167	94,275	113,515	118,060	122,780	127,690	132,800
Non-hospital detoxification and rehabilitation clients	28,512	28,510	28,510	28,510	28,510	28,510	28,510
State Mental Hospitals							
Total persons served in state mental hospitals	2,363	2,335	2,305	2,275	2,275	2,275	2,275
Total admissions to state mental hospitals	703	675	645	615	615	615	615
Cost per person in state mental hospital population	$153,283	$166,395	$166,395	$166,395	$166,395	$166,395	$166,395
Forensic admissions to state mental hospitals	297	297	297	297	297	297	297
Percentage of adults readmitted to state mental hospitals within one year of last discharge	9%	9%	9%	9%	9%	9%	9%
Percentage of persons in state mental hospitals with stay longer than two years	40%	40%	40%	40%	40%	40%	40%

Program: Intellectual Disabilities

Objective: Maintain supports and services for individuals with developmental disabilities and their families, including persons with autism, to more fully participate in their communities by effectively providing needed home and community-based services and supports that will increase their independence and ensure their health and well-being.

Persons receiving Autism services during fiscal year	568	670	720	720	720	720	720
Persons receiving intellectual disability services during fiscal year	53,618	54,720	55,720	55,720	55,720	55,720	55,720
Persons receiving residential services (during fiscal year):							
Private intermediate care facilities for persons with intellectual disabilities	2,263	2,300	2,270	2,225	2,225	2,225	2,225
State centers	1,046	1,000	915	805	770	735	700
Persons receiving Intellectual Disability services during fiscal year: Home and community services	50,915	52,065	53,265	53,265	53,265	53,265	53,265
Unduplicated persons receiving Consolidated Waiver services during fiscal year: Home and community services	17,251	18,075	18,585	18,585	18,585	18,585	18,585
Unduplicated persons receiving person/family directed supports waiver services during fiscal year: Home and community services	12,580	13,295	13,895	13,895	13,895	13,895	13,895

Program Measures

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Average cost of individuals served in the community:							
Consolidated waiver services	$107,083	$109,315	$113,360	$115,245	$115,245	$115,245	$115,245
Person/family directed supports waiver services	$16,988	$18,485	$18,455	$18,705	$18,705	$18,705	$18,705
Autism services	$40,329	$44,365	$46,720	$46,720	$46,720	$46,720	$46,720

Program: Human Services

Objective: Maintain supports and services that will improve the health, well-being, development and safety of Pennsylvania's families.

Youth Development Centers							
Youth served	777	750	750	750	750	750	750
Occupancy rates	69%	70%	70%	70%	70%	70%	70%
Youth in work experience	378	400	400	400	400	400	400
Family Support Services							
Unduplicated annual number of children receiving child welfare services at home	167,582	171,580	174,230	176,230	178,960	181,960	184,760
Out of home placements in:							
Community residential programs	21,888	21,560	21,120	20,710	20,280	19,880	19,880
Group Homes: Community residential programs	3,034	3,210	3,140	3,080	3,020	2,960	2,960
Foster Care: Community residential programs	17,043	16,590	16,260	15,940	15,610	15,300	15,300
Other: Community residential programs	1,811	1,760	1,720	1,690	1,650	1,620	1,620
In-state institutional care programs (annual unduplicated recipients)	2,668	2,650	2,650	2,640	2,640	2,630	2,630
Children in out of state programs	253	245	240	230	230	220	220
Percentage of children reunited with parents or primary caregiver within twelve months of placement	49.90%	50.50%	50.50%	50.50%	50.50%	50.50%	50.50%
Percentage of children not returning to care within 12 months of discharge to parents or primary caregivers	68.10%	71%	71.50%	71.50%	71.50%	71.50%	71.50%
Finalized adoptions	1,746	1,500	1,400	1,400	1,400	1,400	1,400
Children reaching permanency outside of adoption	8,006	7,050	7,000	7,000	7,000	7,000	7,000
Investigations of reported child abuse	26,414	30,740	33,240	35,730	35,730	35,730	35,730
Percentage of child abuse investigations substantiated	12.30%	15.50%	17.50%	17.50%	18%	18%	18.50%

Program Measures

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Homeless Assistance							
Total persons receiving homeless services	73,483	75,000	81,775	81,775	81,775	81,775	81,775
Human Services							
Domestic violence victims served	42,822	42,822	47,104	47,104	47,104	47,104	47,104
Rape crisis/sexual assault persons served	23,561	25,000	28,050	28,050	28,050	28,050	28,050
Breast cancer screening clients	93,723	93,750	93,750	93,750	93,750	93,750	93,750
Legal service clients	15,872	16,000	16,000	16,000	16,000	16,000	16,000

Program: Child Development

Objective: Maintain supports and services that will improve the health, well-being, development and safety of all Pennsylvania's children.

Child Development							
Children enrolled in Keystone STARS facilities	165,779	167,000	168,000	169,000	170,000	170,000	170,000
Number of Keystone STARS facilities	3,878	4,000	4,100	4,200	4,300	4,300	4,300
Percentage of child care centers participating in Keystone STARS	65%	67%	70%	73%	76%	76%	76%
Children participating in subsidized child care (unduplicated)	198,742	204,555	211,360	211,360	211,360	211,360	211,360
Children participating in subsidized child care (monthly average):							
Welfare/TANF families	23,539	24,500	24,500	24,500	24,500	24,500	24,500
Former TANF families	30,056	30,070	30,070	30,070	30,070	30,070	30,070
Low-income working families	61,236	63,590	68,100	68,100	68,100	68,100	68,100
Percentage of children participating in subsidized child care enrolled in a department regulated setting:							
TANF families	87%	87%	87%	87%	87%	87%	87%
Former TANF families	83%	83%	83%	83%	83%	83%	83%
Low-income working families	89%	89%	89%	89%	89%	89%	89%
Early Intervention							
Children participating in Early Intervention (EI) services	36,586	37,800	37,800	37,800	37,800	37,800	37,800
Children who met their individual goals and no longer needed EI services prior to their third birthday	5,397	5,200	5,200	5,200	5,200	5,200	5,200
Children who met their individual goals at their third birthday and no longer needed EI services	688	800	800	800	800	800	800
Percentage of EI children served in typical early childhood educational settings (e.g. home, child care, Head Start)	99%	99%	99%	99%	99%	99%	99%

INFRASTRUCTURE INVESTMENT AUTHORITY

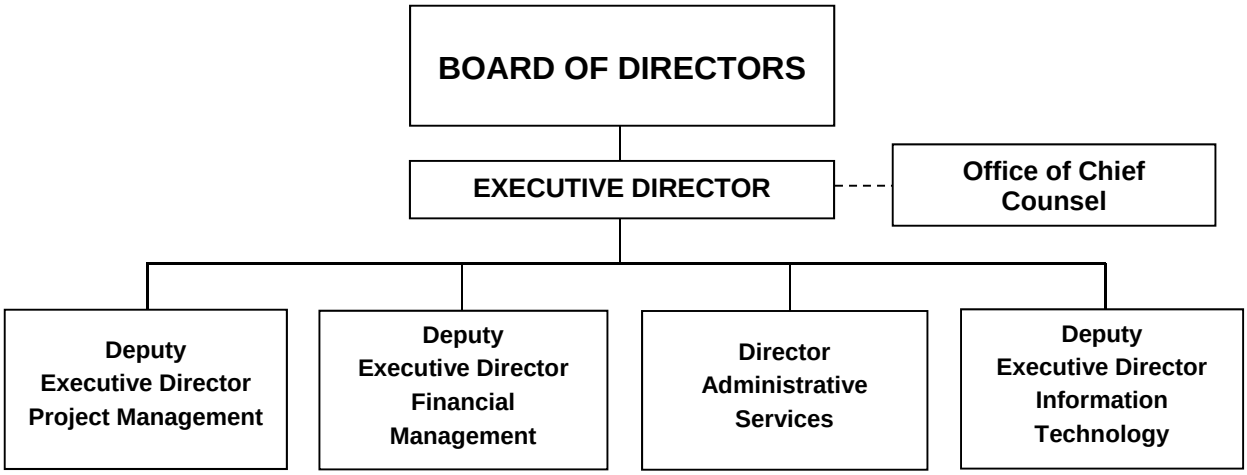
The mission of the Infrastructure Investment Authority is to serve the communities and citizens of Pennsylvania by funding sewer, storm water, drinking water and various other types of projects that solve water problems not associated with traditional infrastructure systems, such as brownfields, acid mine drainage and homeowner septic problems.

The authority administers the PENNVEST program authorized by Act 16 of 1988 that provides an investment pool of capital to rebuild and expand community drinking water systems and municipal sewage treatment facilities in the commonwealth.

Programs and Goals

PENNVEST: *To promote public health and a clean environment and to further economic development in the commonwealth by providing a financing program, technical assistance and administrative support for community drinking water systems, municipal sewage treatment facilities, storm water control projects and various other non-traditional water-related projects.*

Organization Overview



- **Deputy Executive Director of Project Management** coordinates the efforts of the four PENNVEST regions in the identification, evaluation and recommendation of PENNVEST funding candidates and the nutrient credit program.
- **Deputy Executive Director of Financial Management** is responsible for the financial operations of the PENNVEST loan portfolio that includes the federal drinking water and clean water programs.
- **Director of Administrative Services** is responsible for a wide range of administrative, logistical and human resource issues that affect agency operations and personnel.
- **Deputy Executive Director of Information Technology** is responsible for day-to-day IT operations and staff, planning, project management and technology implementation.

Authorized Complement

2009-10 Actual	2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Actual
30	30	28	28	28

Summary by Fund and Appropriation

	2013-14 ACTUAL	2014-15 AVAILABLE	2015-16 BUDGET
	(Dollar Amounts in Thousands)		
GENERAL FUND:			
Grants and Subsidies:			
(F)Sewage Projects Revolving Loan Fund	$ 160,050	$ 150,050	$ 100,000
(F)Drinking Water Projects Revolving Loan Fund	83,430	63,282	70,535
(F)ARRA – Sewage Projects Revolving Loan Fund	5,000	0	0
(F)ARRA – Drinking Water Projects Revolving Loan Fund	1,750	0	0
Total - Grants and Subsidies	$ 250,230	$ 213,332	$ 170,535
GENERAL FUND TOTAL	**$ 250,230**	**$ 213,332**	**$ 170,535**
OTHER FUNDS:			
ENVIRONMENTAL STEWARDSHIP FUND:			
Storm Water, Water and Sewer Grants (EA)	$ 13,855	$ 15,650	$ 16,097
MARCELLUS LEGACY FUND:			
Water and Sewer Projects (EA)	$ 10,263	$ 9,156	$ 9,146
PENNVEST FUND:			
PENNVEST Operations (EA)	$ 3,894	$ 4,561	$ 5,976
Revenue Bond Loan Pool (EA)	10	10	10
Grants - Other Revenue Sources (EA)	2,000	1,000	2,000
Revolving Loans and Administration (EA)	150,000	150,000 a	120,000 a
Growing Greener Grants	5,434	15,000	15,000
Revolving Loans - Conditional Funds	7,476	10,000	10,000
Marcellus Grants (Marcellus Legacy Fund)	0 b	0 b	0 b
PENNVEST FUND TOTAL	**$ 168,814**	**$ 180,571**	**$ 152,986**
PENNVEST DRINKING WATER REVOLVING FUND:			
Additional Drinking Water Projects Revolving Loans (EA)	$ 75,000	$ 75,000	$ 80,000
Transfer to PENNVEST Water Pollution Control Revolving Fund	10,000	20,000	20,000
(F)Drinking Water Projects Revolving Loan Fund (EA)	0 c	0 c	0 c
(F)Loan Program Administration (EA)	0 d	0 d	0 d
(F)Technical Assistance to Small Systems (EA)	0 e	0 e	0 e
(F)Assistance to State Programs (EA)	0 f	0 f	0 f
(F)Local Assistance and Source Water Pollution (EA)	0 g	0 g	0 g
(F)ARRA - Drinking Water Projects Revolving Loan Fund	0 h	0	0
(F)ARRA - Principal Forgiveness Drinking Water Fund	0 i	0	0
Revolving Loans - Conditional Funds	1,090	1,000	1,000
PENNVEST DRINKING WATER REVOLVING FUND TOTAL	**$ 86,090**	**$ 96,000**	**$ 101,000**
PENNVEST WATER POLLUTION CONTROL REVOLVING FUND:			
Additional Sewage Projects Revolving Loans (EA)	$ 200,000	$ 200,000	$ 200,000
Transfer to Drinking Water Revolving Fund (EA)	26,300	20,000	20,000
(F)Sewage Projects Revolving Loan Fund (EA)	0 j	0 j	0 j
(F)On-lot Sewage Disposal Systems (EA)	0 k	0	0
(F)ARRA - Sewage Projects Revolving Loan Fund	0 l	0	0
(F)ARRA - Principal Forgiveness Sewage Projects Fund	0 m	0	0
Revolving Loans - Conditional Funds	11,078	10,000	12,000
PENNVEST WATER POLLUTION CONTROL REVOLVING FUND TOTAL	**$ 237,378**	**$ 230,000**	**$ 232,000**
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND	$ 0	$ 0	$ 0
SPECIAL FUNDS	0	0	0
FEDERAL FUNDS	250,230	213,332	170,535
OTHER FUNDS	516,400	531,377	511,229
TOTAL ALL FUNDS	**$ 766,630**	**$ 744,709**	**$ 681,764**

Summary by Fund and Appropriation

[a] Includes $150,000,000 in 2014-15 Available and $120,000,000 in 2015-16 Budget for Water Pollution Control Projects.

[b] Project funding included in the Marcellus Legacy Fund – Water and Sewer Projects appropriation.

[c] Not added to the total to avoid double counting: 2013-14 Actual is $70,000,000, 2014-15 Available is $50,000,000 and 2015-16 Budget is $57,000,000.

[d] Not added to the total to avoid double counting: 2013-14 Actual is $1,930,000, 2014-15 Available is $1,782,000 and 2015-16 Budget is $2,035,000.

[e] Not added to the total to avoid double counting: 2013-14 Actual is $1,000,000, 2014-15 Available is $1,000,000 and 2015-16 Budget is $1,000,000.

[f] Not added to the total to avoid double counting: 2013-14 Actual is $4,500,000, 2014-15 Available is $4,500,000 and 2015-16 Budget is $4,500,000.

[g] Not added to the total to avoid double counting: 2013-14 Actual is $6,000,000, 2014-15 Available is $6,000,000 and 2015-16 Budget is $6,000,000.

[h] Not added to the total to avoid double counting: 2013-14 Actual is $750,000.

[i] Not added to the total to avoid double counting: 2013-14 Actual is $1,000,000.

[j] Not added to the total to avoid double counting: 2013-14 Actual is $160,000,000, 2014-15 Available is $150,050,000 and 2015-16 Budget is $100,000,000.

[k] Not added to the total to avoid double counting: 2013-14 Actual is $50,000.

[l] Not added to the total to avoid double counting: 2013-14 Actual is $2,000,000.

[m] Not added to the total to avoid double counting: 2013-14 Actual is $3,000,000.

Program Funding Summary

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
PENNVEST							
GENERAL FUND	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
SPECIAL FUNDS	0	0	0	0	0	0	0
FEDERAL FUNDS	250,230	213,332	170,535	170,535	170,535	170,535	170,535
OTHER FUNDS	516,400	531,377	511,229	511,229	511,229	511,229	511,229
SUBCATEGORY TOTAL	$ 766,630	$ 744,709	$ 681,764	$ 681,764	$ 681,764	$ 681,764	$ 681,764
ALL PROGRAMS:							
GENERAL FUND	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
SPECIAL FUNDS	0	0	0	0	0	0	0
FEDERAL FUNDS	250,230	213,332	170,535	170,535	170,535	170,535	170,535
OTHER FUNDS	516,400	531,377	511,229	511,229	511,229	511,229	511,229
DEPARTMENT TOTAL	$ 766,630	$ 744,709	$ 681,764	$ 681,764	$ 681,764	$ 681,764	$ 681,764

Program: PENNVEST

Goal: To promote public health and a clean environment and to further economic development in the commonwealth by providing a financing program, technical assistance and administrative support for community drinking water systems, municipal sewage treatment facilities and storm water control projects.

The Pennsylvania Infrastructure Investment Authority (PENNVEST) program authorized by Act 16 of 1988 provides an investment pool of capital to rebuild and expand community drinking water systems and municipal sewage treatment facilities in the commonwealth. These systems and facilities are essential for the protection of public health and the promotion of economic development. Many systems and facilities need to be repaired, upgraded or expanded to meet environmental standards and economic development goals. Act 5 of 1992 established a program to fund storm water control projects. Funding these needed improvements has often proved difficult, especially for small communities. In 2004, the program was expanded to include the funding of brownfield reclamation and remediation projects to revitalize further Pennsylvania's older, established communities. In 2013, legislation was enacted that improves PENNVEST's ability, consistent with the state's Nonpoint Source Management Plan, to implement agricultural and other rural projects designed to control runoff of nutrients and other contaminants into streams in rural areas.

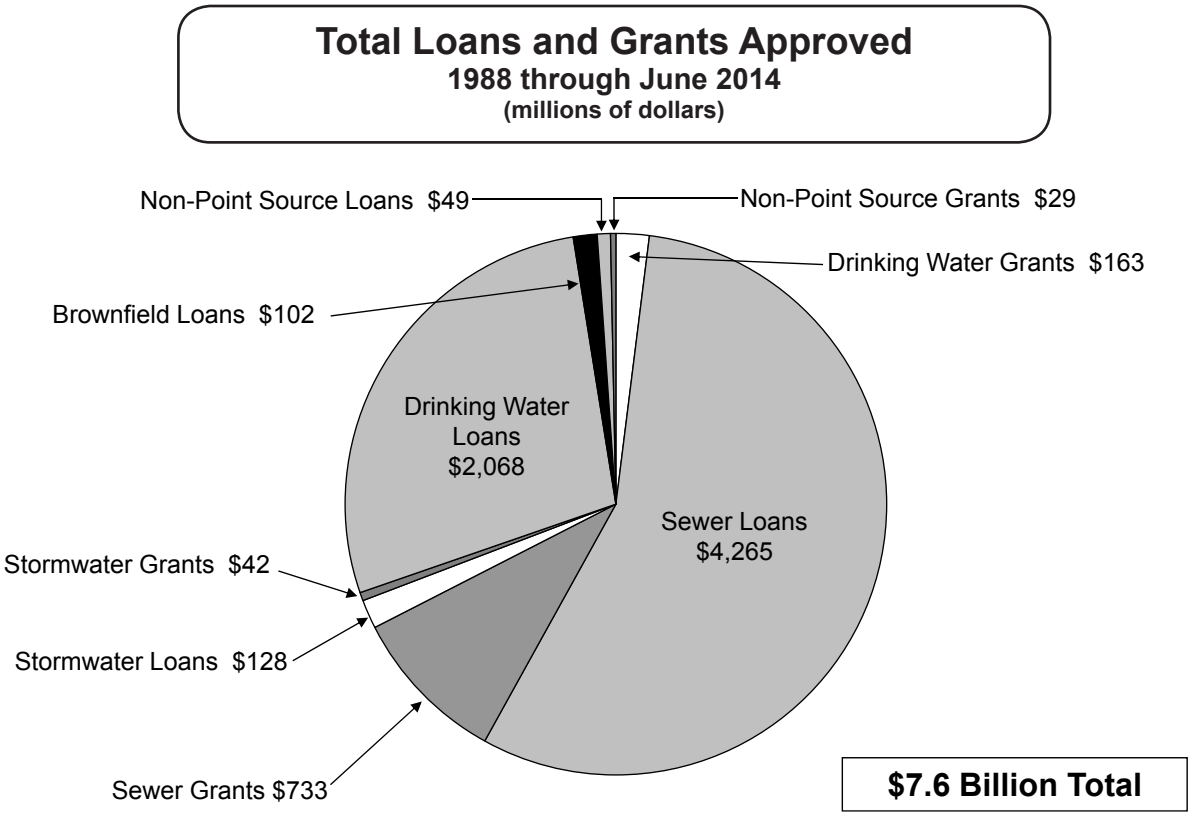
Initial funding for the PENNVEST Fund came from several sources: a $300 million bond issue approved by voter referendum; the balance of approved Water Facilities Loan Fund bonds; federal seed money for a sewage treatment facilities revolving loan fund and a drinking water project revolving loan fund; and some available Capital Facilities bonds. Act 5 of 1992 authorized a $350 million bond issue, which was approved by referendum, to provide additional funding for the program. In 1990-91, the PENNVEST Revenue Bond Pool program began providing funding. Act 68 of 1999 provided additional grant funds for storm water, water and sewer projects as part of the Growing Greener initiatives. Act 218 of 2004 established the Water Supply and Wastewater Treatment Fund and authorized an additional $50 million in funding that the authority used as grants for combined sewer overflow, sanitary sewer overflow and nutrient reduction technology projects. Act 64 of 2008 authorized a $400 million bond issue, which was approved by referendum, to provide grants and loans to municipalities and public utilities for the acquisition, repair, construction, reconstruction, rehabilitation, extension, expansion and improvement of water supply and sewage treatment systems as well as the purchase or trading of nutrient credits. Added to this are interest earnings on the fund's cash flow, interest and principal payments made on loans and grant funds received through the Environmental Stewardship Fund, which is primarily funded from tipping fee revenue.

Act 13 of 2012 authorized distributions of the proceeds received from the Marcellus Legacy Fund to the Environmental Stewardship Fund, thus increasing the amount that PENNVEST receives from the Environmental Stewardship Fund. The act further distributes a percentage of the Marcellus Legacy funds to PENNVEST for water and sewer projects. Act 147 of 2012 distributes a percentage of the payments to the Department of General Services from leases on state-owned land to PENNVEST for projects.

PENNVEST funds are used for loans and grants to municipalities, municipal authorities and private firms to improve water, sewage and storm water systems they own. Loans are available to individual homeowners to upgrade their on-lot septic systems. PENNVEST, supported by the Department of Environmental Protection, helps system owners apply for funding, provides technical assistance in planning and designing projects and, if necessary, reviews applicants' operations to improve efficiency.

To facilitate fund management and accounting, several separate funds have been established. The PENNVEST Fund serves as the repository of interest and investment income and loan repayments. Loans, grants and administrative costs are paid from this fund. The PENNVEST Water Pollution Control Revolving Fund combines federal seed money and the commonwealth's required matching funds to create a revolving loan fund for sewage treatment facilities construction. The PENNVEST Drinking Water Revolving Fund combines federal seed money and the commonwealth's required matching funds to create a revolving loan fund for drinking water projects and technical assistance. The PENNVEST Revolving Fund receives the proceeds from the sale of bonds mentioned above. The PENNVEST revenue bond pool is supported by loan interest and principal repayments from loans and disburses the proceeds from the sale of PENNVEST revenue bonds. The Water and Sewer Systems Assistance Bond Fund serves as the repository of interest and investment income and loan repayments related to Act 64; loans and grants are paid from this fund.

Program: PENNVEST (continued)



Program Recommendation:

This budget recommends the following changes: (Dollar Amounts in Thousands)

PENNVEST FUND
PENNVEST Operations (EA)
$ 1,415 —to continue current program.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
PENNVEST FUND:							
PENNVEST Operations (EA)	$ 3,894	$ 4,561	$ 5,976	$ 5,976	$ 5,976	$ 5,976	$ 5,976

Program Measures

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Program: PENNVEST							
Objective: Increase the proportion of PENNVEST subsidies allocated to projects that would not occur in the absence of the subsidies.							
Grant equivalent subsidy per household served	$70	$70	$70	$70	$70	$70	$70
Percentage of total project funding allocated to projects that would otherwise have higher financing rates	30%	30%	30%	30%	30%	30%	30%
Objective: Increase the number of drinking water and wastewater facilities that comply with safe drinking water requirements, improve system treatment capacity and improve water quality.							
Drinking water projects approved that will maintain or bring customers' water into compliance with commonwealth drinking water standards	12	20	20	20	20	20	20
Dollars disbursed to drinking water projects that will maintain or bring customers' water into compliance with commonwealth drinking water standards	$35,017,926	$50,000,000	$50,000,000	$50,000,000	$50,000,000	$50,000,000	$50,000,000
Objective: Increase the number of sustainable jobs in Pennsylvania.							
Sustainable jobs created by PENNVEST - funded projects	3,197	1,500	1,500	1,500	1,500	1,500	1,500

INSURANCE DEPARTMENT

The mission of the Insurance Department is to provide a premier regulatory environment that promotes a competitive marketplace and serves the best interest of Pennsylvania consumers.

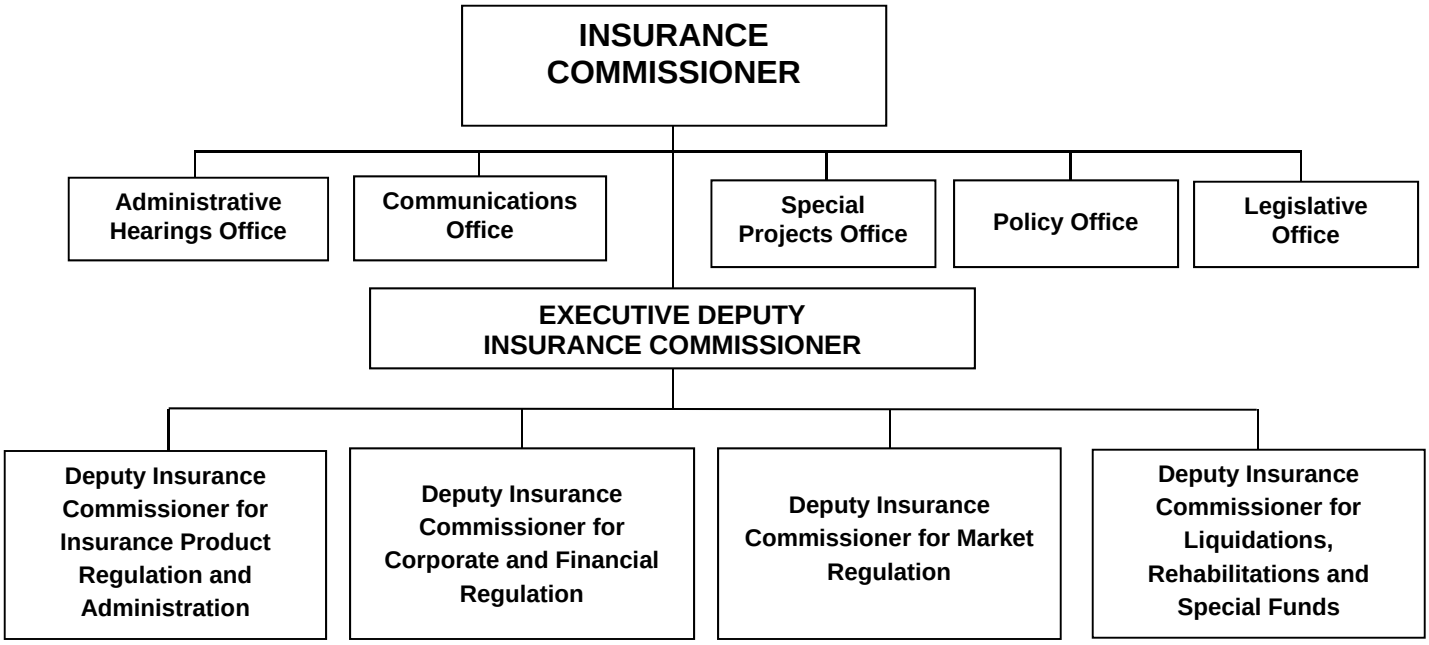
The department enforces the insurance laws of the commonwealth, monitors the financial solvency of insurance companies conducting business in Pennsylvania, regulates insurance rates and policy forms, licenses insurance companies and producers to conduct business in the state and liquidates insolvent insurance companies. The department answers consumer inquiries, responds to consumer complaints and produces and distributes educational information on insurance.

The department manages the Children's Health Insurance Program, the Medical Care Availability and Reduction of Error Fund, the Underground Storage Tank Indemnification Fund, the Catastrophic Loss Benefits Continuation Fund, the Workers' Compensation Security Fund, Insurance Liquidation Fund and the Insurance Regulation and Oversight Fund.

Programs and Goals

Insurance Industry Regulation: *To serve Pennsylvania's insurance consumers through fair and efficient regulation of the insurance industry.*

Organization Overview



- **Deputy Insurance Commissioner for Insurance Product Regulation and Administration** is responsible for reviewing and regulating insurance rates charged and policy forms sold in Pennsylvania for accident and health, life, and property and casualty insurance. The office is also responsible for budget preparation, fiscal management; revenue and accounts receivable reconciliation; human resources and area Equal Employment administration; procurement and contract management; and office services support. The director oversees the department's General Fund appropriations.
- **Deputy Insurance Commissioner for Corporate and Financial Regulation** is charged with overseeing that all insurance entities doing business in the commonwealth are properly licensed and maintain financial strength and stability.
- **Deputy Insurance Commissioner for Market Regulation** is responsible for researching and resolving consumer complaints; for testing and licensing over 133,000 insurance agents, brokers, public adjusters, solicitors, surplus lines agents, motor vehicle physical damage appraisers and professional bondsman in the commonwealth; and investigates alleged violations and enforces statutes and regulations pertaining to insurance agents, brokers, companies and other related persons.
- **Deputy Insurance Commissioner for Liquidations, Rehabilitations and Special Funds** plans, coordinates and directs a program to rehabilitate or liquidate financially troubled insurance companies. The office also oversees the Medical Care Availability and Reduction of Error program, the Underground Storage Tank Indemnification Fund, the Catastrophic Loss Benefits Continuation Fund, the Workers' Compensation Security Fund.

Authorized Complement

2009-10 Actual	2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Actual
334	317	309	289	273

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2013-14 ACTUAL	2014-15 AVAILABLE	2015-16 BUDGET
GENERAL FUND:			
General Government:			
Children's Health Insurance Administration	**$ 5,251**	**$ 6,491**	**$ 3,118**
(F)Children's Health Insurance Administration	15,436	13,503	17,138
Subtotal	$ 20,687	$ 19,994	$ 20,256
(F)High Risk Pool Administration	6,730	100	0
(F)Consumer Assistance Program	1,098	1,098	250
(F)PA Exchange Grant	1,950	1,900	262
Subtotal	$ 9,778	$ 3,098	$ 512
Subtotal - State Funds	$ 5,251	$ 6,491	$ 3,118
Subtotal - Federal Funds	25,214	16,601	17,650
Total - General Government	$ 30,465	$ 23,092	$ 20,768
Grants and Subsidies:			
Children's Health Insurance	**$ 109,594**	**$ 111,094**	**$ 27,409**
(F)Children's Health Insurance Program	304,232	307,536	303,616
Subtotal	$ 413,826	$ 418,630	$ 331,025
USTIF Loan Repayment	**0**	**0**	**7,000**
(F)High Risk Pool	41,130	3,000	0
(F)Health Insurance Premium Review	1,437	1,437	1,437
Subtotal - State Funds	$ 109,594	$ 111,094	$ 34,409
Subtotal - Federal Funds	346,799	311,973	305,053
Total - Grants and Subsidies	$ 456,393	$ 423,067	$ 339,462
STATE FUNDS	$ 114,845	$ 117,585	$ 37,527
FEDERAL FUNDS	372,013	328,574	322,703
GENERAL FUND TOTAL	**$ 486,858**	**$ 446,159**	**$ 360,230**
OTHER FUNDS:			
GENERAL FUND:			
Anti-Fraud Prevention (R)	$ 206	$ 297	$ 134
Children's Health Insurance Program (R)	24,591	41,368	30,730
GENERAL FUND TOTAL	**$ 24,797**	**$ 41,665**	**$ 30,864**
CATASTROPHIC LOSS BENEFITS CONTINUATION FUND:			
CAT Administration (EA)	$ 776	$ 776	$ 776
CAT Claims (EA)	5,789	5,500	5,500
CATASTROPHIC LOSS BENEFITS CONTINUATION FUND TOTAL	**$ 6,565**	**$ 6,276**	**$ 6,276**
INSURANCE REGULATION AND OVERSIGHT FUND:			
General Government Operations	$ 21,523	$ 22,757	$ 24,269
MEDICAL CARE AVAILABILITY AND REDUCTION OF ERROR FUND:			
General Operations (EA)	$ 14,613	$ 14,866	$ 16,944
Payment of Claims (EA)	195,742	195,742	180,020
Assessment Relief Payment	0	0	139,013
MEDICAL CARE AVAILABILITY AND REDUCTION OF ERROR FUND TOTAL	**$ 210,355**	**$ 210,608**	**$ 335,977**

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	2013-14 ACTUAL	2014-15 AVAILABLE	2015-16 BUDGET
UNDERGROUND STORAGE TANK INDEMNIFICATION FUND:			
Administration (EA)	$ 11,641	$ 11,647	$ 12,041
Claims (EA)	57,353	50,000	50,000
UNDERGROUND STORAGE TANK INDEMNIFICATION FUND TOTAL	**$ 68,994**	**$ 61,647**	**$ 62,041**
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND	$ 114,845	$ 117,585	$ 37,527
SPECIAL FUNDS	0	0	0
FEDERAL FUNDS	372,013	328,574	322,703
OTHER FUNDS	332,234	342,953	459,427
TOTAL ALL FUNDS	**$ 819,092**	**$ 789,112**	**$ 819,657**

Program Funding Summary

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
INSURANCE INDUSTRY REGULATION							
GENERAL FUND	$ 114,845	$ 117,585	$ 37,527	$ 23,450	$ 28,604	$ 34,401	$ 40,934
SPECIAL FUNDS	0	0	0	0	0	0	0
FEDERAL FUNDS	372,013	328,574	322,703	388,454	431,726	480,428	535,335
OTHER FUNDS	332,234	342,953	459,427	322,304	323,702	325,135	326,604
SUBCATEGORY TOTAL	$ 819,092	$ 789,112	$ 819,657	$ 734,208	$ 784,032	$ 839,964	$ 902,873
ALL PROGRAMS:							
GENERAL FUND	$ 114,845	$ 117,585	$ 37,527	$ 23,450	$ 28,604	$ 34,401	$ 40,934
SPECIAL FUNDS	0	0	0	0	0	0	0
FEDERAL FUNDS	372,013	328,574	322,703	388,454	431,726	480,428	535,335
OTHER FUNDS	332,234	342,953	459,427	322,304	323,702	325,135	326,604
DEPARTMENT TOTAL	$ 819,092	$ 789,112	$ 819,657	$ 734,208	$ 784,032	$ 839,964	$ 902,873

Program: Insurance Industry Regulation

Goal: To serve Pennsylvania's insurance consumers through fair and efficient regulation of the insurance industry.

The Insurance Department's core mission is the regulation of the insurance industry and the protection of insurance consumers. To meet its mission, the department:

- provides adequate safeguards related to the solicitation and sale of insurance products and services;
- closely monitors the financial stability of insurance companies to minimize insurance insolvencies;
- ensures that suitable products are available and rated appropriately; and
- provides a fair regulatory environment that will encourage insurance companies to conduct business in the commonwealth.

In conjunction with its core mission, the department also shares responsibility to implement aspects of, the federal Affordable Care Act and administers special funds, including the Children's Health Insurance Program, the Medical Care Availability and Reduction of Error Fund, the Catastrophic Loss Benefits Continuation Fund, and the Underground Storage Tank Indemnification Fund.

This budget continues the implementation of the department's dedicated funding source, created in 2013-14. The Insurance Regulation and Oversight Fund is designated for the administration of the Insurance Department in order to provide increased flexibility in the regulation, management, development and oversight of the commonwealth's insurance industry.

The Insurance Department is responsible for regulating the fifth largest insurance market in the country and the 14th largest in the world. The department is the lead regulator for many significant national and regional insurers, as well as some of the largest international insurance conglomerates, and operates in an increasingly complex, global and inter-connected regulatory landscape. Following the failure of AIG and the passage of the Dodd-Frank Act, insurance regulators have adapted just as the industry itself evolved in this new regulatory environment. As each state has its own insurance needs and unique marketplace, the department works to enhance the state-based regulation of insurance while staying abreast of the national and global marketplaces.

Program Element: Regulation and Protection

The Insurance Department regulates all aspects of the insurance industry in Pennsylvania. The financial condition of insurers licensed to transact business in Pennsylvania is monitored and regulated through the department's examination and financial analysis functions. The department prioritizes solvency regulation in response to concerns of the quality of state regulation and insurer solvency. Resources continue to be focused on improving the effectiveness of regulatory actions taken to correct problems before they lead to insolvency. In the event of an insurer insolvency, the insurance commissioner serves as statutory liquidator/receiver for Pennsylvania domestic insurers found to be insolvent by the Commonwealth Court.

The department oversees the operation of approximately 1,700 insurance companies; authorizes the admission of new insurers to the state; tests and licenses insurance agents, brokers and bondsmen; and reviews and approves approximately 12,000 rate and policy form filings each year. The department analyzes annual and quarterly financial statements and other corporate transactions filed by regulated entities; conducts on-site financial examinations of domestic insurance companies annually; conducts adjudicatory hearings; and handles more than 250,000 consumer and producer interventions and inquiries annually.

The Insurance Department provides the public with insurance information, education and complaint resolution services. The department also conducts investigations of insurance law violations and undertakes on-site market conduct examinations of insurance company records, files and operations.

The Department has a significant role ensuring Pennsylvania's compliance with private insurance provisions of the Patient Protection and Affordable Care Act of 2010 (ACA). The Department monitors private insurance rates to protect consumers against unreasonable rate increases, and provides consumers information about public and private insurance options. It administers grants provided by the ACA to the state to expand assistance to consumers and small businesses, identify rate increases defined as excessive under federal law, and improve its consumer information portal.

Pennsylvania currently participates in the Federally-Facilitiated Marketplace (FFM) and works to ensure compliance with Marketplace requirements.

Program Element: Special Programs

Children's Health Insurance Program. The Children's Health Insurance Program (CHIP), established by Act 113 of 1992, provides free or low-cost health insurance coverage to uninsured children whose families earn too much to qualify for Medical Assistance. CHIP offers a comprehensive package of benefits, including well child visits, immunizations, prescription coverage, emergency care, inpatient services, mental health services, hearing, vision and dental services. Act 136 of 2006 enhanced the program by creating Cover All Kids, which provides access to health insurance coverage for all uninsured children. The income eligibility limit for subsidized coverage, with

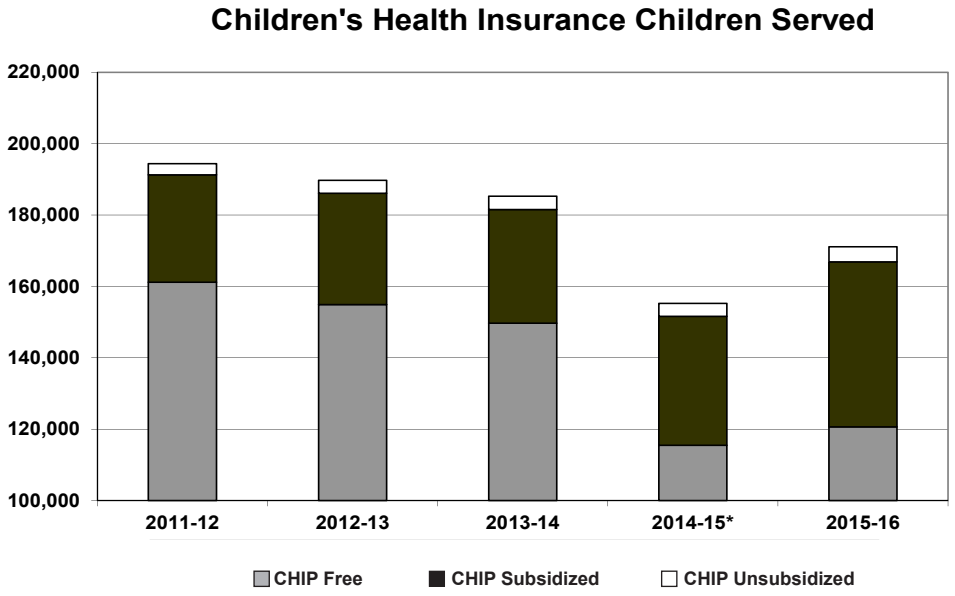
Program: Insurance Industry Regulation (continued)

cost-sharing on a sliding scale, is 300 percent of the federal poverty level with higher-income families able to purchase health care coverage at the commonwealth's cost. The coverage is funded from a portion of cigarette tax receipts, a state appropriation, the federal matching funds under Title XXI of the Social Security Act and payments by participating working families. The federal Children's Health Insurance Program Reauthorization Act of 2009 extends federal funding for CHIP through September 30, 2015. The Pennsylvania General Assembly passed Act 74 of 2013 to reauthorize and extend the life of the CHIP program through December 31, 2015 and eliminate the six-month waiting period for enrollment.

Medical Care Availability and Reduction of Error Fund. The Medical Care Availability and Reduction of Error Fund, established pursuant to Act 13 of 2002, established requirements for basic medical professional liability insurance coverage for health care providers. The MCARE program is responsible for payment of losses or damages awarded in medical professional liability actions against participating health care providers, in excess of basic insurance coverage. Revenue for the fund is derived by levying an annual surcharge on health care providers.

Catastrophic Loss Benefits Continuation Fund. The Catastrophic Loss Benefits Continuation Fund, funded through investment income, provides up to $1 million in benefits to Pennsylvanians catastrophically injured in motor vehicle accidents between October 1, 1984 and December 31, 1989 after exceeding a threshold of $100,000 in medical payments. Payments from the fund are projected until 2089.

Underground Storage Tank Indemnification Fund. The Underground Storage Tank Indemnification Fund provides reimbursement of remediation to eligible owners and operators of underground storage tanks. The program is funded through a fee schedule based on the type of product stored in the underground storage tank or the tank's capacity. In addition to reimbursing eligible tank owners or operators for damages caused by releases from their tanks, the fund also provides similar benefits to tank installers under the Tank Installation Indemnification program. Additionally, the fund makes annual allocations to the Department of Environmental Protection under four separate categories. Since inception, allocations under all categories have totaled in excess of $60 million.



Pennsylvania's Children's Health Insurance Program (CHIP) has been a national leader in ensuring that access to free or subsidized health care is available for children of low-income families. It is projected that an average of 171,100 uninsured children will be served by the program in 2015-16.

*Reflects transition of CHIP children to the Medical Assistance Program.

Program: Insurance Industry Regulation (continued)

Program Recommendation:

This budget recommends the following changes: (Dollar Amounts in Thousands)

Children's Health Insurance Administration

$ -68	—nonrecurring prior year funding.
–3,305	—revision of federal financial participation from 66.27% to 89.41%.
$ –3,373	*Appropriation Decrease*

Children's Health Insurance

$ –35,000	—nonrecurring 2014-15 budgetary freeze.
–63,090	—revision of federal financial participation from 66.27% to 89.41%.
14,405	—Initiative—Closing the Coverage Gap. To provide health insurance coverage for an additional 15,881 children.
$ –83,685	*Appropriation Decrease*

USTIF Loan Repayment

$ 7,000	—annual repayment of a transfer from the Underground Storage Tank Indemnification Fund.

This budget includes $24,269,000 for General Government Operations in the Insurance Regulation and Oversight Fund.

In addition, this budget recommends $30,730,000 in restricted cigarette tax revenue for the Children's Health Insurance program.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
GENERAL FUND:							
Children's Health Insurance Administration	$ 5,251	$ 6,491	$ 3,118	$ 3,227	$ 3,308	$ 3,391	$ 3,476
Children's Health Insurance	109,594	111,094	27,409	13,223	18,296	24,010	30,458
USTIF Loan Repayment.....	0	0	7,000	7,000	7,000	7,000	7,000
TOTAL GENERAL FUND	$ 114,845	$ 117,585	$ 37,527	$ 23,450	$ 28,604	$ 34,401	$ 40,934

Program Measures

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Program: Insurance Industry Regulation							
Objective: Reduce the number of insurance companies that become insolvent.							
Companies on a watch list	35	35	35	35	35	35	35
Objective: Enable eligible Pennsylvanians to secure access to quality, affordable health insurance coverage.							
Children's Health Insurance Program (CHIP) enrollment (monthly average)	185,256	155,220	171,100	191,235	205,660	221,495	238,915
Percentage of CHIP enrolled children two years of age who are immunized	78.71%	78.71%	78.71%	78.71%	78.71%	78.71%	78.71%
Percentage of CHIP enrolled children ages 3 to 6 years who receive a well child visit with a primary care physician	81.17%	81.17%	81.17%	81.17%	81.17%	81.17%	81.17%

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DEPARTMENT OF LABOR AND INDUSTRY

The mission of the Department of Labor and Industry is to improve the quality of life and the economic security of Pennsylvania's workers and businesses, encourage labor-management cooperation and prepare the commonwealth's workforce for the jobs of the future.

The mission is accomplished through programs that protect the health, welfare and safety of workers, provide meaningful job training and placement services, stabilize the incomes of injured, disabled or unemployed workers and facilitate labor-management cooperation.

Programs and Goals

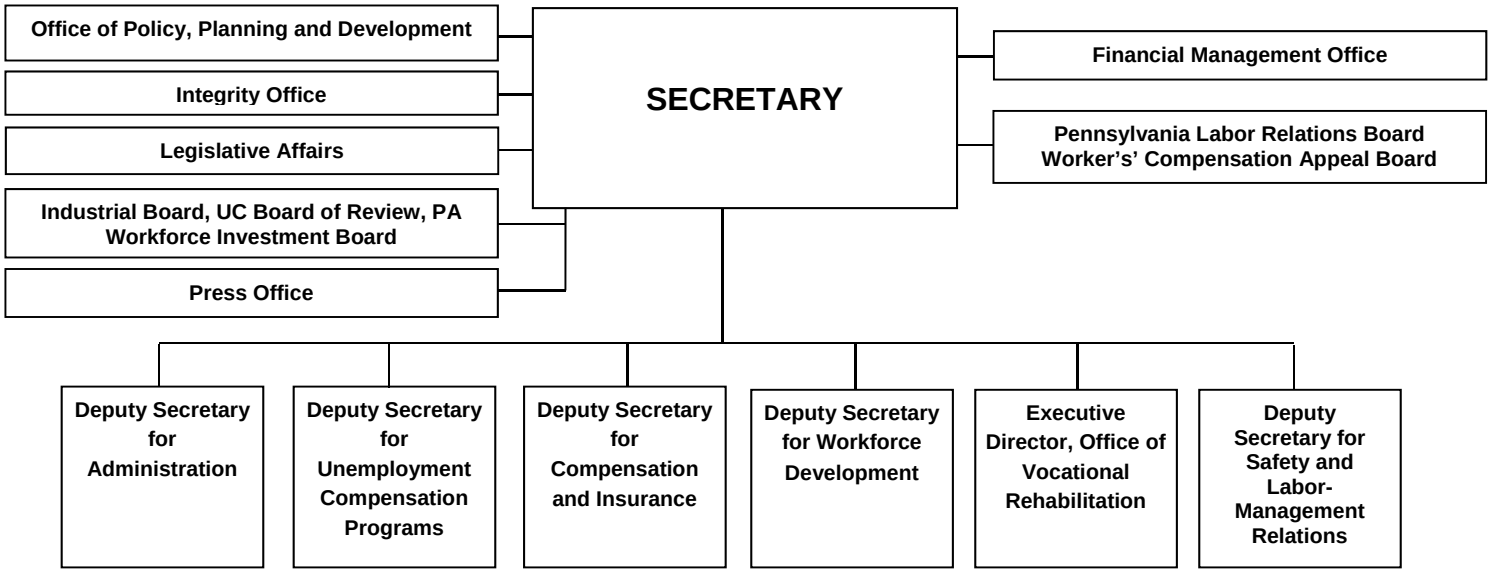
Community and Occupational Safety and Stability: *To further economic development in the commonwealth by promoting the health, welfare and safety of employees and acting to maintain continuous production and employment through mediation.*

Workers' Compensation and Assistance: *To further economic development in the commonwealth by stabilizing the incomes of employees who become unemployed.*

Workforce Investment: *To provide meaningful job training and placement services in a coordinated role with other commonwealth agencies, the private sector and the federal government in order to secure unsubsidized employment for unemployed Pennsylvanians.*

Vocational Rehabilitation: *To enable eligible persons with disabilities to obtain competitive employment.*

Organization Overview



- **Deputy Secretary for Administration** is responsible for the department's Office of Information Technology, Bureau of Human Resources, Office of Equal Opportunity, Bureau of Administrative Services, and PENNSERVE.
- **Deputy Secretary for Unemployment Compensation Programs** is responsible for the offices of Unemployment Compensation Tax Services, Unemployment Compensation Benefits Policy and Unemployment Compensation Service Centers.
- **Deputy Secretary for Compensation and Insurance** oversees the State Workers' Insurance Fund, Bureau of Workers' Compensation and the Workers Compensation Office of Adjudication.
- **Deputy Secretary for Workforce Development** oversees the Center for Workforce Information and Analysis, Bureau of Workforce Partnership and Operations, and the Bureau of Workforce Development Administration.
- **Executive Director, Office of Vocational Rehabilitation** oversees the Hiram G. Andrews Center, the Bureau of Central Operations, the Bureau of Vocational Rehabilitation Services, the Bureau of Blind and Visual Services, and the Office for the Deaf and Hard of Hearing.
- **Deputy Secretary for Safety and Labor-Management Relations** provides leadership and direction for the Bureau of Mediation, Bureau of Labor Law Compliance, Bureau of Occupational and Industrial Safety, and the Bureau of Disability Determination.

Authorized Complement

2009-10 Actual	2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Actual
5,790	5,764	5,948	5,916	5,898

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2013-14 ACTUAL	2014-15 AVAILABLE	2015-16 BUDGET
GENERAL FUND:			
General Government:			
General Government Operations	**$ 12,335**	**$ 12,547**	**$ 12,572**
(F)Workforce Investment Act - Administration	11,000	11,000	11,000
(F)Community Service and Corps	11,608	11,608	11,608
(F)Disability Determination	134,474	133,474	133,450
(F)New Hires	1,581	1,581	1,581
(A)Interpreter Registry	11	3	20
(A)Pa One Call Fees	44	50	50
Subtotal	$ 171,053	$ 170,263	$ 170,281
Occupational and Industrial Safety	**10,446**	**11,350**	**11,384**
(R)Asbestos and Lead Certification (EA)	1,968	2,025	2,025
(R)Asbestos Abatement	100	0	0
Subtotal - State Funds	$ 22,781	$ 23,897	$ 23,956
Subtotal - Federal Funds	158,663	157,663	157,639
Subtotal - Augmentations	55	53	70
Subtotal - Restricted Revenues	2,068	2,025	2,025
Total - General Government	$ 183,567	$ 183,638	$ 183,690
Grants and Subsidies:			
Occupational Disease Payments	**$ 805**	**$ 678**	**$ 624**
Transfer to Vocational Rehabilitation Fund	**40,473**	**40,473**	**45,473**
Supported Employment	**397**	**397**	**397**
Centers for Independent Living	**1,912**	**1,912**	**2,318**
Workers' Compensation Payments	**960**	**799**	**692**
Keystone Works	**500**	**100**	**0**
New Choices / New Options	**500**	**500**	**0**
Assistive Technology Devices	**400**	**400**	**400**
Assistive Technology Demonstration and Training	**399**	**399**	**399**
(F)Reed Act - Unemployment Insurance	6,000	6,000	6,000
(F)Reed Act - Employment Services	22,000	22,000	22,000
(F)WIA - Adult Employment and Training	50,000	50,000	50,000
(F)WIA - Youth Employment and Training	52,000	52,000	52,000
(F)WIA - Statewide Activities	18,000	18,000	18,000
(F)WIA - Dislocated Workers	109,000	109,000	109,000
(F)WIA - Veterans Employment and Training	900	900	0
(F)TANFBG - Youth Employment and Training	15,000	15,000	15,000
(F)Comprehensive Workforce Development (EA)	1,665	1,824	1,897
Subtotal	$ 274,565	$ 274,724	$ 273,897
Industry Partnerships	**1,813**	**1,813**	**11,613**
Subtotal - State Funds	$ 48,159	$ 47,471	$ 61,916
Subtotal - Federal Funds	274,565	274,724	273,897
Total - Grants and Subsidies	$ 322,724	$ 322,195	$ 335,813
STATE FUNDS	$ 70,940	$ 71,368	$ 85,872
FEDERAL FUNDS	433,228	432,387	431,536
AUGMENTATIONS	55	53	70
RESTRICTED REVENUES	2,068	2,025	2,025
GENERAL FUND TOTAL	**$ 506,291**	**$ 505,833**	**$ 519,503**

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2013-14 ACTUAL	2014-15 AVAILABLE	2015-16 BUDGET
OTHER FUNDS:			
GENERAL FUND:			
Vending Machine Proceeds	$ 73	$ 466	$ 466
ADMINISTRATION FUND:			
Administration of Unemployment	$ 202,473	$ 277,620	$ 277,620
EMPLOYMENT FUND FOR THE BLIND:			
General Operations	$ 531	$ 800	$ 800
HAZARDOUS MATERIAL RESPONSE FUND:			
Hazardous Material Response Administration	$ 36	$ 120	$ 120
JOB TRAINING FUND:			
Job Training (EA)	$ 5,000	$ 5,000	$ 5,000
REHABILITATION CENTER FUND:			
General Operations	$ 20,394	$ 23,566	$ 23,566
UNEMPLOYMENT COMPENSATION CONTRIBUTION:			
(R)Reemployment Services	$ 10,000	$ 10,000	$ 10,000
(R)Service and Infrastructure Improvement	40,000	70,000	50,000
UNEMPLOYMENT COMPENSATION CONTRIBUTION TOTAL	**$ 50,000**	**$ 80,000**	**$ 60,000**
VOCATIONAL REHABILITATION FUND:			
General Operations (EA)	$ 42 [a]	$ 20 [a]	$ 20 [a]
Vocational Rehabilitation Services (EA)	137,299	137,299	155,299
VOCATIONAL REHABILITATION FUND TOTAL	**$ 137,341**	**$ 137,319**	**$ 155,319**
WORKMEN'S COMPENSATION ADMINISTRATION FUND:			
Administration of Workers' Compensation	$ 76,028	$ 70,666	$ 71,513
(A) Conference Fees	241	400	400
WORKMEN'S COMPENSATION ADMINISTRATION FUND TOTAL	**$ 76,269**	**$ 71,066**	**$ 71,913**
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND	$ 70,940	$ 71,368	$ 85,872
SPECIAL FUNDS	0	0	0
FEDERAL FUNDS	433,228	432,387	431,536
AUGMENTATIONS	55	53	70
RESTRICTED	2,068	2,025	2,025
OTHER FUNDS	492,117	595,957	594,804
TOTAL ALL FUNDS	**$ 998,408**	**$ 1,101,790**	**$ 1,114,307**

[a] Transfer to Vocational Rehabilitation Fund is not added to the total to avoid double counting: 2013-14 Actual is $40,515,000, 2014-15 Available is $40,493,000, and 2015-16 Budget is $45,493,000.

Program Funding Summary

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
COMMUNITY AND OCCUPATIONAL SAFETY AND STABILITY							
GENERAL FUND	$ 22,781	$ 23,897	$ 23,956	$ 24,794	$ 25,414	$ 26,048	$ 26,700
SPECIAL FUNDS	0	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0	0
OTHER FUNDS	2,159	2,198	2,215	2,215	2,215	2,215	2,215
SUBCATEGORY TOTAL	$ 24,940	$ 26,095	$ 26,171	$ 27,009	$ 27,629	$ 28,263	$ 28,915
WORKERS COMPENSATION AND ASSISTANCE							
GENERAL FUND	$ 1,765	$ 1,477	$ 1,316	$ 1,316	$ 1,316	$ 1,316	$ 1,316
SPECIAL FUNDS	0	0	0	0	0	0	0
FEDERAL FUNDS	136,055	135,055	135,031	135,031	135,031	135,031	135,031
OTHER FUNDS	283,742	353,686	354,533	354,533	354,533	354,533	354,533
SUBCATEGORY TOTAL	$ 421,562	$ 490,218	$ 490,880	$ 490,880	$ 490,880	$ 490,880	$ 490,880
WORKFORCE INVESTMENT							
GENERAL FUND	$ 2,813	$ 2,413	$ 11,613	$ 11,613	$ 11,613	$ 11,613	$ 11,613
SPECIAL FUNDS	0	0	0	0	0	0	0
FEDERAL FUNDS	297,173	297,332	296,505	296,505	296,505	296,505	296,505
OTHER FUNDS	40,000	70,000	50,000	50,000	50,000	50,000	50,000
SUBCATEGORY TOTAL	$ 339,986	$ 369,745	$ 358,118	$ 358,118	$ 358,118	$ 358,118	$ 358,118
VOCATIONAL REHABILITATION							
GENERAL FUND	$ 43,581	$ 43,581	$ 48,987	$ 48,987	$ 48,987	$ 48,987	$ 48,987
SPECIAL FUNDS	0	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0	0
OTHER FUNDS	168,339	172,151	190,151	190,151	190,151	190,151	190,151
SUBCATEGORY TOTAL	$ 211,920	$ 215,732	$ 239,138	$ 239,138	$ 239,138	$ 239,138	$ 239,138
ALL PROGRAMS:							
GENERAL FUND	$ 70,940	$ 71,368	$ 85,872	$ 86,710	$ 87,330	$ 87,964	$ 88,616
SPECIAL FUNDS	0	0	0	0	0	0	0
FEDERAL FUNDS	433,228	432,387	431,536	431,536	431,536	431,536	431,536
OTHER FUNDS	494,240	598,035	596,899	596,899	596,899	596,899	596,899
DEPARTMENT TOTAL	$ 998,408	$ 1,101,790	$ 1,114,307	$ 1,115,145	$ 1,115,765	$ 1,116,399	$ 1,117,051

Program: Community and Occupational Safety and Stability

Goal: To further economic development in the commonwealth by promoting the health, welfare and safety of employees and acting to maintain continuous production and employment through mediation.

The department administers and enforces a wide range of laws designed to enhance income security, safeguard the health of workers and the general public, protect workers' rights and promote stable labor relations and labor-management cooperation.

Program Element: Income Security and Workers' Rights

The Bureau of Labor Law Compliance monitors and enforces Pennsylvania's laws relating to minimum wage, wage payment and collection and prevailing wage. The department also enforces several laws which protect workers' rights, those regulating child labor, seasonal farm labor, industrial homework, equal pay, medical pay, apprenticeship and training, misclassification of construction employees as independent contractors and mandatory overtime in health care. The bureau executes these responsibilities by providing employees and employers with information about the laws, conducting investigations and resolving disputes.

Program Element: Labor Relations

The Bureau of Mediation promotes stable labor relations by mediating public and private disputes. It provides mandatory mediation services pursuant to the Public Employee Relations Act, which requires parties to a public sector contract to notify the department when contract negotiations fail to yield an agreement. It also provides optional mediation services in the private sector pursuant to the National Labor Relations Act, which requires parties to file dispute notices with the department in the event of unsuccessful contract negotiations. In total, the department mediates more than 800 cases per year. Additionally, the bureau provides grievance mediation services, assists public and private sector employers and unions in forming and operating labor-management committees and offers labor-management communications training. The bureau also maintains and administers the grievance arbitration roster for Pennsylvania's public employers.

The Pennsylvania Labor Relations Board enforces and implements Pennsylvania laws which relate to collective bargaining in both the public and private sectors. Such laws include the Pennsylvania Labor Relations Act, the Public Employee Relations Act, and Act 111 of 1968 (police and firefighter collective bargaining). The board also selects collective bargaining representatives, prevents unfair practices in the public sector and helps to resolve collective bargaining disputes by creating arbitration panels and appointing fact finders.

Program Element: Public Health and Safety

The Bureau of Occupational and Industrial Safety enforces and administers a variety of statutes and regulations which relate to public safety issues, including the Uniform Construction Code, which regulates building construction, accessibility, and elevators. The bureau also enforces Pennsylvania laws regulating boilers and unfired pressure vessels, liquefied petroleum gas, flammable and combustible liquids, bedding and upholstery, stuffed toys, employee safety with regard to hazardous chemicals, and accreditation and certification in lead-based paint and asbestos occupations.

These laws are enforced by establishing necessary regulations and by conducting plan reviews, specialized field inspections, licensing and certification reviews and renewals, as well as complaint and accident investigations and audits. The bureau also monitors all inspectors' reporting activities in order to ensure that both the inspectors are discharging their duties properly and that regulated devices, equipment and construction continue to operate safely.

Additionally, the bureau maintains various training, continuing education, testing and certification programs for all persons charged with enforcement of the Uniform Construction Code and laws regulating boilers and unfired pressure vessels, elevators and passenger ropeways, and lead-based paint and asbestos abatement occupations. Such programs enable the bureau to fulfill its duties under the Pennsylvania Construction Code Act, which mandates adoption of the International Construction Codes. The programs relate to all seven areas in which a building must comply with the codes in order to be approved for occupancy: building; electrical; mechanical; plumbing; energy; accessibility; and fire protection. The bureau also administers and enforces code requirements for elevators and other lifting devices. Inspectors certified by the department ensure compliance with approved plans before issuing occupancy permits.

In Pennsylvania's 2,563 municipalities, 2,408 have opted to enforce the Uniform Construction Code locally. The bureau enforces the code as it applies to all commercial buildings within the 155 municipalities which have not opted for local enforcement. The bureau also enforces accessibility laws in municipalities that do not have officials properly certified to provide such enforcement. Additionally, the bureau has sole enforcement jurisdiction over all state-owned buildings.

Program: Community and Occupational Safety and Stability (continued)

The bureau administers the Hazardous Material Emergency Planning & Response Act. Under this law, every employer doing business in Pennsylvania is required to provide information about hazardous chemicals located in its workplace or released into the environment and also to ensure the availability of information regarding chemicals on-site to emergency response organizations. The bureau collects tier II hazardous chemical inventory report data, material safety data sheets and site plans that it manages through a secure online reporting program. In the event of an emergency incident at a reporting facility, the state Emergency Operations Center can access the online system and retrieve needed information. Data sharing agreements also enable county and local emergency response agencies to access such data for local facilities. The bureau provides training and education on hazardous chemical reporting requirements to both facilities and county and local emergency planning committees. The bureau also processes and deposits hazardous chemical reporting fees into the Hazardous Materials Response Fund.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

General Government Operations

$ 25 —to continue current program.

Occupational and Industrial Safety

$ 34 —to continue current program.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
GENERAL FUND:							
General Government Operations	$ 12,335	$ 12,547	$ 12,572	$ 13,012	$ 13,337	$ 13,670	$ 14,012
Occupational and Industrial Safety	10,446	11,350	11,384	11,782	12,077	12,378	12,688
TOTAL GENERAL FUND	$ 22,781	$ 23,897	$ 23,956	$ 24,794	$ 25,414	$ 26,048	$ 26,700

Program: Workers' Compensation and Assistance

Goal: To further economic development in the commonwealth by stabilizing the incomes of employees who become unemployed.

This program provides income and medical services security to qualifying individuals. This program includes workers' compensation, unemployment compensation, occupational disease payments and Social Security disability payments.

Through private insurance companies, the State Workers' Insurance Fund and self-insured employers, workers' compensation insurance provides wage loss benefits and payments for medical services to employees for injuries or diseases sustained during the course of their employment. The commonwealth's administrative expenses are funded from assessments through the insurance industry and self-insurers.

Act 147 of 2006 amended the Workers' Compensation Act to create an Uninsured Employers Guaranty Fund to provide benefits to injured workers whose employers do not have workers' compensation insurance and are not approved by the commonwealth to self-insure. The benefits and claims management costs of this fund come from an annual assessment through the insurance industry and self-insurers. This act also made changes to the workers' compensation litigation process by requiring a worker's compensation judge to impose specific scheduling orders at the first hearing, mandating mediation unless it would be futile and requiring a resolution hearing procedure to expedite consideration of settlements.

Occupational disease payments are made under the Workers' Compensation Act and the Occupational Disease Act, primarily to workers with silicosis and related diseases, commonly referred to as "black lung." Workers with these diseases are generally covered based on their date of last exposure and disability. Injured workers proceeding under the Workers' Compensation Act where exposure occurred after July 1, 1973 and which resulted in disability or death occurring between July 1, 1973 and June 30, 1976 are paid a proportional amount by the commonwealth. Those exposed on or after June 30, 1976 receive benefits paid entirely by their employer. Those who do not meet the eligibility requirements under the Workers' Compensation Act may file claims pursuant to the Occupational Disease Act.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

GENERAL FUND

Occupational Disease Payments

$ –54 —to continue current program based on payment requirements.

Workers' Compensation Payments

$ –107 —to continue current program based on payment requirements.

In addition, this budget recommends the following change to the Workers' Compensation Program through the Workmen's Compensation Administration Fund.

WORKMEN'S COMPENSATION ADMINISTRATION FUND:

Administration of Workers' Compensation

$ 847 —to continue current program.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
GENERAL FUND:							
Occupational Disease Payments	$ 805	$ 678	$ 624	$ 624	$ 624	$ 624	$ 624
Workers' Compensation Payments	960	799	692	692	692	692	692
TOTAL GENERAL FUND	$ 1,765	$ 1,477	$ 1,316	$ 1,316	$ 1,316	$ 1,316	$ 1,316
WORKMEN'S COMPENSATION ADMINISTRATION FUND:							
Administration of Workers' Compensation	$ 76,028	$ 70,666	$ 71,513	$ 71,513	$ 71,513	$ 71,513	$ 71,513
(A) Conference Fees	241	400	400	400	400	400	400
TOTAL WORKMEN'S COMPENSATION ADMINISTRATION FUND	$ 76,269	$ 71,066	$ 71,913	$ 71,913	$ 71,913	$ 71,913	$ 71,913

Program: Workforce Investment

Goal: To provide meaningful job training and placement services in a coordinated role with other commonwealth agencies, the private sector and the federal government in order to secure unsubsidized employment for unemployed Pennsylvanians.

The Workforce Development System provides a range of employment, training and labor market information services statewide. The Department of Labor & Industry is the lead agency in administering interagency employment and training programs for Pennsylvania's adult, dislocated worker and youth labor force. Programs assist people who are looking for work, including Temporary Assistance for Needy Families clients and unemployed individuals, in skill development and in finding suitable employment, as well as assisting working Pennsylvanians with career advancements into family sustaining jobs. It is administered by the Bureau of Workforce Development Administration, the Bureau of Workforce Partnership and Operations, the Center for Workforce Information and Analysis and the State Workforce Investment Board.

In addition to training programs, the Center for Workforce Information and Analysis provides labor market information to students, job seekers, employers, economic developers and the public at large. This includes career exploration tools for job seekers and students. The Pennsylvania Fast Facts publication provides a snapshot of labor market data from across the state including employment data, hiring trends and other economic indicators. The center also develops, in consultation with education and economic development partners, the High Priority Occupation (HPO) list. HPOs are occupations that are in demand by employers, have higher skill needs and are likely to provide family-sustaining wages. Statewide and local HPO lists are published annually. The HPO list and corresponding training programs drive Pennsylvania's investments in workforce education and training.

The Federal Workforce Investment Act (WIA) of 1998 was enacted to improve the delivery of job training and employment services. Funding for numerous programs was consolidated under the act into three basic grants under Title I-B: Adult Employment and Training, Dislocated Worker Employment and Training, and Youth Employment and Training. Ninety-five percent of the federal funds appropriated for adult and youth services are allotted to local workforce investment areas. The remainder is reserved for statewide activities. Local Workforce Investment Boards plan and oversee the local delivery of workforce development activities and services in line with the governor's vision and strategy as outlined in the strategic plan. The boards, in partnership with local elected officials, identify eligible providers of training services, monitor system performance and help develop the regional labor market information system.

On July 22, 2014, President Obama signed the Workforce Innovation and Opportunity Act (WIOA), the first legislative reform of the public workforce system in more than 15 years. The WIOA supersedes the Workforce Investment Act of 1998 and retains and amends the Adult Education and Family Literacy Act, the Wagner-Peyser Act, and the Rehabilitation Act of 1973. In general, the act takes effect on July 1, 2015, the first full program year after enactment. However, state and local plan provisions and current performance accountability systems may continue for the first program year. State unified plans, common performance accountability provisions, and one-stop infrastructure cost requirements take effect on July 1, 2016. The WIOA provides the administrative structure to deliver workforce development services from all federal agencies. The new law will bring together and enhance several key employment, education, and training programs. The WIOA will help job seekers and workers access employment, education, training, and support services to succeed in the labor market and match employers with skilled workers they need to compete in the global economy.

Through formula grants to states, the WIOA will bring together the core programs in skill development. Grants will be awarded for employment and training services for youth, adults, and dislocated workers, and Wagner-Peyser employment services. The WIOA also authorizes programs for specific vulnerable populations including participants in Job Corps, YouthBuild, and Native Americans and migrant and seasonal farm workers.

Pennsylvania was chosen as one of only eight states to be eligible for a $1.4 million WIA Incentive grant award. Pennsylvania meets performance based eligibility requirements under the Adult Education and Family Literacy Act. The grant is written in collaboration with the Pennsylvania Department of Education and aligns with the state's integrated workforce plan. The commonwealth will use the funds for the following initiatives: a competitive program that will allow local adult basic and family literacy education providers to acquire technology to support foundation skills instruction, a program that will provide vouchers to eligible students who wish to take the GED Ready™ practice test, and a program to fund career counselors in school districts that are part of the Opening Doors dropout prevention program.

Program: Workforce Investment (continued)

Program Element: PA CareerLink®

PA CareerLink® is a one-stop workforce development system that has improved service for businesses, job seekers and other customers by integrating systems and coordinating services. Services available at the PA CareerLink® for individuals include job search and placement assistance, labor market information, initial assessment of skills and needs and information about available services and follow-up services to help customers keep their jobs after placement. Services available to businesses include assistance in matching qualified job-seekers with job openings, identifying tax incentives that the business may be eligible for by employing certain target groups, assessment for occupational and training needs and provision of labor market information. In addition to physical locations, the PA CareerLink® also offers an Internet-based system that both employer and job seeker customers can access.

Congress reaffirmed the role of the American Job Center System (formerly described as the One-Stop System), a cornerstone of the public workforce investment system. PA CareerLink® is the brand name for Pennsylvania's service delivery system.

The PA CareerLink® system is a cooperative effort involving the Departments of Education, Labor & Industry, Human Services and Local Workforce Investment Boards in partnership with training providers, employers and various system users.

Program Element: Dislocated Workers

The department provides assistance to dislocated workers through training programs, rapid response efforts, support services and needs-based payments. Twenty percent of federal funds appropriated for dislocated workers are retained at the federal level to provide national emergency grants, dislocated worker demonstration projects and technical assistance. The remaining 80 percent of the funds for dislocated workers are allotted to states. Of this allotment, 70 percent is allocated to local areas and 30 percent is retained at the state level (5 percent for statewide activities and 25 percent for rapid response efforts). Local areas offer job search assistance and training services to dislocated workers.

Rapid Response is an early intervention service that assists workers, employers and communities affected by layoffs, plant closures or natural disasters. The primary objective of the Rapid Response program is to provide workers with information on the services they need to allow them to find new jobs or get the training and education needed for new careers so that they can get back to work quickly. Through Rapid Response, workers are provided information about the following: unemployment insurance; training opportunities; job search assistance; Trade Act programs; health insurance and pension benefits; social services; and emergency assistance. The Rapid Response program also offers referrals to state and local economic development services designed to help businesses that are at risk of closing remain in operation.

Rapid Response program activities are triggered when the department learns of a planned closure or layoff either by receiving a notice under the Federal Worker Adjustment and Retraining Notification Act, through the media or by information provided by community and business leaders. Services may also be offered when Pennsylvania experiences significant employment displacement as a result of a disaster. There is no charge to the employer or employee for these services and they are provided regardless of the reason for the layoff.

In July 2012, the department developed and launched a comprehensive job-matching system: JobGatewaySM. Through the modernization and improvement of the existing system, cutting-edge technologies have been introduced in phases to benefit both job seekers and employers alike. Through this initiative, job-seekers are matched with employment opportunities enabling employers to identify candidates who fit their needs.

Program Element: Industry Partnerships

The Industry Partnership program was created to support employer led consortiums within industry sectors in meeting their training and workforce development needs. Industry Partnerships are employer/worker consortiums that bring together companies with similar products, markets and human resource needs. They are organized by industry sector based on an analysis of where Pennsylvania and/or multi-county regions appear to have a competitive advantage. The intent is to make intelligent and prudent investments to develop the human capital that will lead to greater productivity, enlightened human resource practices and innovation, thereby helping these industries to survive and grow. Most importantly, by bringing together employers committed to the development of their workforce, these partnerships develop a deep and thorough understanding of their industry. Management and employees gain insight by researching the future of the industry. Government also uses this industry intelligence to help its education and training partners better understand the future needs of industry.

Industry Partnerships uncover common challenges within industries and, using economies of scale, apply private and public resources across numerous employers to develop incumbent workers' skills. Tax dollars and matching employer investments support the entire industry, not just one company's needs. Through these partnerships, industry-recognized credentials can be developed that enable workers to advance with their current employers or seek better opportunities with those who reward their educational investment. Training needs are communicated to educational partners who develop curricula for new college courses, high school and career and technical education programs and other training programs.

Program: Workforce Investment (continued)

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

	Industry Partnerships
$ –200	—non-recurring projects.
10,000	—Initiative—Jobs That Pay. To support workforce development for industry groups linked by common product markets, similar technologies and workforce strategies.
$ 9,800	*Appropriation Increase*

	Keystone Works
$ –100	—program elimination.
	New Choices/New Options
$ –500	—program elimination.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
GENERAL FUND:							
Keystone Works	$ 500	$ 100	$ 0	$ 0	$ 0	$ 0	$ 0
New Choices / New Options	500	500	0	0	0	0	0
Industry Partnerships	1,813	1,813	11,613	11,613	11,613	11,613	11,613
TOTAL GENERAL FUND	$ 2,813	$ 2,413	$ 11,613	$ 11,613	$ 11,613	$ 11,613	$ 11,613

Program: Vocational Rehabilitation

Goal: To enable eligible persons with disabilities to obtain competitive employment.

The mission of the Office of Vocational Rehabilitation (OVR) is to assist Pennsylvanians with disabilities, and secure and maintain employment and independence. There are an estimated 540,000 Pennsylvania citizens whose disabilities present a substantial impediment to their employment and independent living.

The Office of Vocational Rehabilitation (OVR) helps these citizens find appropriate work, remain independent, and enables them to contribute more to their communities and the commonwealth. As a key component of this mission, OVR also serves the needs of Pennsylvania businesses through access to OVR's talent base of qualified applicants. During 2014, approximately 75,000 customers with disabilities were referred to and/or were served by OVR programs.

In accordance with the federal Rehabilitation Act of 1973 and its re-authorization in Title IV of the Workforce Innovation and Opportunity Act (WIOA) of 2014, OVR administers funds and staffs multiple programs and initiatives that focus on helping people with disabilities find and keep jobs. The federal act provides funding and establishes eligibility criteria for vocational rehabilitation services. Services are provided to individuals with disabilities who can benefit from services to prepare for, enter, or retain employment. Primary emphasis is placed on serving individuals with the most significant disabilities. These individuals generally require extensive and varied services over an extended period of time. State and federal funds are expended through the Vocational Rehabilitation Fund.

Supported employment services are also provided and improve employment opportunities for individuals previously considered to have disabilities so significant that they could not benefit from the traditional vocational rehabilitation program. Supported employment combines job placement in the community with job training at the job site. A significant portion of OVR's funding is dedicated to purchasing services for its customers to meet their vocational rehabilitation needs through a variety of community entities such as hospitals, doctors, therapists, local businesses, community rehabilitation service providers, and other non-profits. OVR also partners with the business community to develop placements for customers and offers businesses no cost consultative services on reasonable accommodation, federal contract compliance, and the Americans with Disabilities Act. OVR also offers on-the-job training contracts to employers when hiring OVR customers.

Through its Bureau of Blind and Visual Services, OVR provides services to persons who are blind or visually impaired. In addition to vocational rehabilitation services, qualified applicants may receive specialized services through programs that are fully state-funded or through the Independent Living for Older Blind program within the federal Rehabilitation Act. Services may coincide with vocational rehabilitation services or be provided separately, depending on the needs of the individual.

The Hiram G. Andrews Center (HGAC) in Johnstown is administered through OVR. HGAC offers adults with disabilities a wide array of job training and vocational rehabilitation services in a campus-like environment. HGAC draws funds from the federal/state vocational rehabilitation program, as well as, from numerous grants and special projects.

OVR provides oversight and technical support for independent living services to nine, community-based, non-profit Centers for Independent Living, known commonly as CILs. The CILs, created by Act 139 of 1994, furnish information and referral services, peer counseling, transition services, independent living skills training and other services to Pennsylvanians with disabilities.

Advances in existing and new assistive technology are creating opportunities for people with disabilities, as well as the businesses that benefit from employing them. OVR supports and administers initiatives that increase the availability and affordability of assistive technology through two third-party programs that make financing available to people with disabilities and enable them to try new technology before making what can be a major, irreversible purchase.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

Transfer to the Vocational Rehabilitation Fund

$ 5,000 —Initiative—Jobs That Pay. To maximize the use of available federal funds to help people with disabilities.

Centers for Independent Living

$ 406 —Initiative—Assisting Pennsylvanians With Disabilities. To increase the level of support to the nine state-funded Centers for Independent Living.

All other appropriations in this program are recommended at the current year funding levels.

Program: Vocational Rehabilitation (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
GENERAL FUND:							
Transfer to Vocational Rehabilitation Fund	$ 40,473	$ 40,473	$ 45,473	$ 45,473	$ 45,473	$ 45,473	$ 45,473
Supported Employment	397	397	397	397	397	397	397
Centers for Independent Living	1,912	1,912	2,318	2,318	2,318	2,318	2,318
Assistive Technology Devices	400	400	400	400	400	400	400
Assistive Technology Demonstration and Training	399	399	399	399	399	399	399
TOTAL GENERAL FUND	$ 43,581	$ 43,581	$ 48,987	$ 48,987	$ 48,987	$ 48,987	$ 48,987

Program Measures

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Program: Community and Occupational Safety and Stability							
Objective: Increase compliance with labor laws.							
Income Security - Workers' Rights							
Minimum wage violations cited	450	450	450	450	450	450	450
Child Labor Law violations	200	200	200	200	200	200	200
Nonpayment of wage violations	6,000	6,000	6,000	6,000	6,000	6,000	6,000
Prevailing Wage Law violations	500	500	500	500	500	500	500
Prevailing Wage Law violations cases closed	300	300	300	300	300	300	300
Prevailing Wage Law violations cases closed-average number of days	180	180	180	180	180	180	180
Public Health and Safety Inspections							
Building inspections performed	37,300	37,000	37,000	37,000	37,000	37,000	37,000
Elevator inspections performed	12,000	12,500	13,800	14,600	14,600	14,600	14,600
Boiler inspections performed	28,500	34,000	34,000	34,000	34,000	34,000	34,000
Other inspections performed	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Building approvals issued	3,200	3,200	3,200	3,200	3,200	3,200	3,200
New buildings certified and renovations of existing buildings certified	2,100	2,100	2,100	2,100	2,100	2,100	2,100
Municipalities choosing to provide their own enforcement under the Uniform Construction Code Act	2,407	2,408	2,408	2,408	2,408	2,408	2,408
Certifications, accreditations & licensing (Asbestos/Lead/Private Employment Agency Licensing/Uniform Construction Code)	3,500	3,500	6,000	3,500	3,500	6,000	3,500
Objective: Maintain and improve cooperative labor-management relations.							
Labor Relations							
Mediated cases for public sector bargaining units involving work stoppages	2%	2%	2%	2%	2%	2%	2%
Mediated cases for private sector bargaining units involving work stoppages	10%	10%	10%	10%	10%	10%	10%
Unfair labor practice cases opened	375	375	375	375	375	375	375
Unfair labor practice cases concluded	325	325	325	325	325	325	325
Union representation cases opened	150	150	150	150	150	150	150
Union representation cases concluded	100	100	100	100	100	100	100
Public Health and Safety Inspections							
Incident reports received	650	650	650	600	600	600	600

Program Measures

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Program: Workers' Compensation and Assistance							
Objective: Reduce the cost of doing business while making workplaces safer.							
Reportable injuries arising in the course of employment under the Workers' Compensation Act	91,000	91,000	91,000	91,000	91,000	91,000	91,000
Number of final decisions in litigated workers' compensation claims	48,000	48,000	48,000	48,000	48,000	48,000	48,000
Claimants qualifying for occupational disease payments from commonwealth funds	304	274	244	214	184	154	154
Objective: Reduce the cost of paying unemployment compensation claims and collecting UC taxes while improving services for claimants and employers.							
New claims for unemployment compensation	728,000	722,000	716,000	710,000	705,000	705,000	700,000
Program: Workforce Investment							
Objective: Increase the number of Pennsylvanians able to obtain, retain and advance in 21st-century careers, as well as improve the global competitiveness of Pennsylvania's employers.							
Work Investment Act Title I							
Workforce Investment Act Adult Entered Employment Rate	73%	75%	77%	77%	77%	77%	77%
Dislocated Worker Entered Employment Rate	77%	79%	80%	82%	82%	82%	82%
Youth Placement Rate	64%	66%	67%	67%	67%	67%	67%
Workforce Investment Act Adult Employment Retention	86%	87%	88%	88%	88%	88%	88%
Dislocated Worker Employment Retention	89%	90%	90%	90%	90%	90%	90%
Youth Attainment (Individuals attaining a high school diploma, GED, postsecondary degree, or certification while enrolled in training)	86%	88%	88%	88%	88%	88%	88%
Number of Rapid Response Activities	250	200	200	150	150	150	150
Number of Individuals Trained by Individual Training Accounts	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Wagner Peyser							
Wagner-Peyser Entered Employment Rate	55%	57%	58%	60%	60%	60%	60%
Wagner-Peyser Employment Retention	83%	84%	84%	84%	84%	84%	84%
Incumbent Workers							
Incumbent Worker Employment Retention Rate (Industry Partnership Participants)	82%	83%	85%	85%	85%	85%	85%

Program Measures

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Incumbent Worker Wage Change (Industry Partnership Participants)	5%	5%	7%	7%	7%	7%	7%
Number of Incumbent Workers Trained (Industry Partnership Participants)	4,000	4,000	7,000	7,000	7,000	7,000	7,000
Apprentice completions-graduations	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Registered Apprentices	14,500	15,000	15,000	15,000	15,000	15,000	15,000
Minorities Registered for Apprenticeship	1,500	1,500	1,500	1,500	1,500	1,500	1,500

Program: Vocational Rehabilitation

Objective: Increase the employment potential and personal independence of persons with disabilities.

Number of eligible participants with active plans	52,000	50,000	50,000	50,000	50,000	50,000	50,000
Number of participants closed as employed	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Number of persons successfully completing independent living/specialized services	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Number of persons moving into employment who received postsecondary education and who were referred to OVR while in secondary education	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Number of persons moving into employment without receiving postsecondary education and who were referred to OVR while in secondary education	1,255	1,255	1,255	1,255	1,255	1,255	1,255

LIQUOR CONTROL BOARD

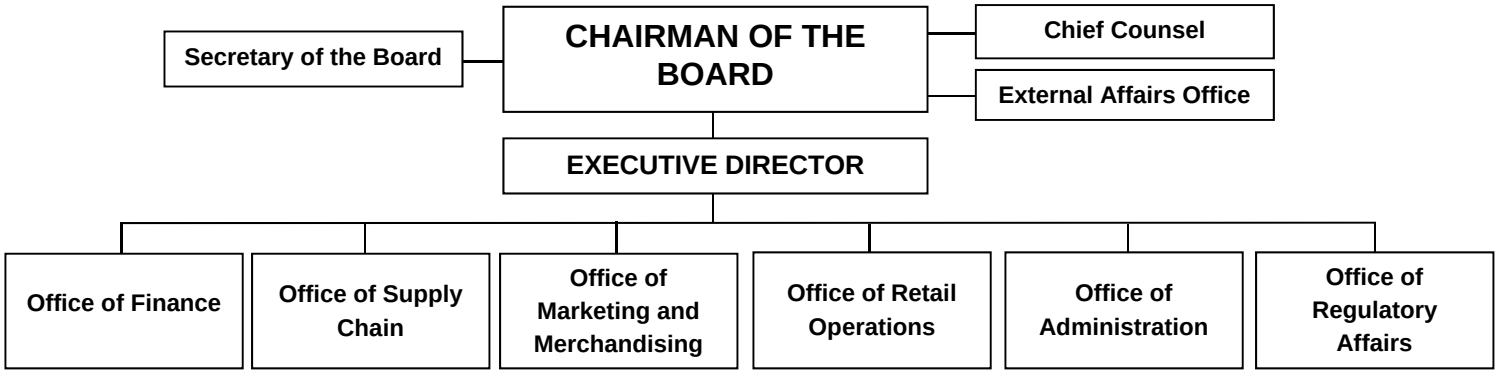
The mission of the Liquor Control Board is to regulate the alcohol beverage industry in a fair and consistent manner; to provide the best service to its customers through modern, convenient outlets, superior product selection and competitive prices in a controlled environment; and to provide factual information on alcohol and its effects through a comprehensive alcohol education program.

The board controls the manufacture, possession, sale, consumption, importation, use, storage, transportation and delivery of liquor, alcohol and malt or brewed beverages in the commonwealth.

Programs and Goals

Liquor Control: *To control the manufacture, distribution and sale of alcoholic beverages in Pennsylvania.*

Organization Overview



- **Office of Finance** is responsible for budgeting, planning, forecasting, managing banking relationships, cash control, financial analyses, and coordinating monthly accounting and reporting. Beyond the fiscal role, other functions of the Office of Finance include the procurement of all services, equipment and non-stock items. The office is also responsible for implementation of technology to support administrative, retail, merchandising and supply chain systems throughout the business.
- **Office of Supply Chain** purchases approximately 3,500 regular wine and spirits products from domestic and foreign suppliers, which includes controlling the flow of merchandise to meet customer demands. The office handles the importation, excise taxes, customs duties, warehousing and transportation of products to the retail stores.
- **Office of Marketing and Merchandising** selects and presents the best wine and spirits at Fine Wine & Good Spirits stores at competitive prices while striving to build relationships with consumers through communications, advertising and social media outlets. Marketing directs the overall planning, organization, coordination and strategic direction of marketing programs, initiatives and projects.
- **Office of Retail Operations** is responsible for overseeing the daily operations of more than 600 Fine Wine & Good Spirits stores throughout the Commonwealth. This includes store staffing, training, inventory control, various marketing/sales promotions, equipment enhancements, software upgrades and the implementation of new incentives.
- **Office of Administration** develops and implements policies, procedures and regulations regarding the day-to-day operations. It also directs new strategic initiatives of the agency, and manages all internal operations.
- **Office of Regulatory Affairs** oversees more than 17,000 licensees throughout the commonwealth ensuring the licensed beverage industry complies with statutory requirements and regulatory mandates. In addition, this office handles all consumer feedback and issues through consumer relations and provides leadership and resources to reduce alcohol misuse through alcohol education, training, and guidance to owners and managers.

Authorized Complement

2009-10 Actual	2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Actual
3,276	3,276	3,276	3,276	3,270

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	2013-14 ACTUAL	2014-15 AVAILABLE	2015-16 BUDGET
OTHER FUNDS:			
STATE STORES FUND:			
General Operations (EA)	$ 452,970	$ 484,958	$ 513,961
(A)Sale of Automobiles	9	23	20
Purchase of Liquor (EA)	1,243,000	1,281,000	1,332,250
Comptroller Operations (EA)	4,200	5,000	5,000
Transfer of Profits to General Fund (EA)	80,000	80,000	80,000
STATE STORES FUND TOTAL	**$ 1,780,179**	**$ 1,850,981**	**$ 1,931,231**

Program Funding Summary

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
LIQUOR CONTROL							
GENERAL FUND	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
SPECIAL FUNDS	0	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0	0
OTHER FUNDS	1,780,179	1,850,981	1,931,231	2,010,661	2,086,125	2,164,690	2,246,405
SUBCATEGORY TOTAL	$ 1,780,179	$ 1,850,981	$ 1,931,231	$ 2,010,661	$ 2,086,125	$ 2,164,690	$ 2,246,405
ALL PROGRAMS:							
GENERAL FUND	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
SPECIAL FUNDS	0	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0	0
OTHER FUNDS	1,780,179	1,850,981	1,931,231	2,010,661	2,086,125	2,164,690	2,246,405
DEPARTMENT TOTAL	$ 1,780,179	$ 1,850,981	$ 1,931,231	$ 2,010,661	$ 2,086,125	$ 2,164,690	$ 2,246,405

Program: Liquor Control

Goal: To control the manufacture, distribution and sale of alcoholic beverages in Pennsylvania.

Under existing law, all bottle sales of wines and spirits in Pennsylvania, with the exception of sales by licensed Pennsylvania wineries and distilleries are made through more than 600 state liquor stores operated by the Pennsylvania Liquor Control Board (PLCB). This includes both retail sales to individual consumers and wholesale sales to those private establishments that make retail sales of alcoholic beverages by the drink. The state liquor stores currently include six outlet stores, 19 one-stop shops located in grocery stores, 79 Premium Collection stores, one Wine Boutique and 175 stores that are open on Sundays.

Revenues from the sale of wines and spirits cover the cost of merchandise sold in the stores and all Liquor Control Board operating expenses including Office of the Comptroller for the PLCB, operations of the Pennsylvania State Police Bureau of Liquor Control Enforcement, Department of Drug and Alcohol programs, and expenses related to services provided by other state agencies such as the Office of Administration and Auditor General. Currently, remaining proceeds from wine and spirit sales are transferred annually to the commonwealth's General Fund in accordance with the Pennsylvania Liquor Code.

The Liquor Control Board's marketing strategy is geared to offering increased service to customers of legal age while maintaining the necessary controls at the point of purchase of alcoholic beverages. Each year, more than 1.3 million minor challenges are documented in sales situations where store employees had concern regarding the legal age requirement of potential buyers. Recent agency initiatives to increase service and expand premium product selection include growth of the Chairman's Selection™ wine program, enhanced internet presence and a make-over of the Liquor Control Board's image through a complete rebranding effort in select retail locations. Expanded customer service has resulted from amendments to the Liquor Code that have allowed implementation of consumer-oriented changes within the store environment including trade publication and accessory item sales, in-store sampling of products, Sunday sales and redeemable coupons.

The PLCB licenses private establishments that make retail sales of alcoholic beverages by the drink. It also regulates the sale of malt and brewed beverages by licensing the distributors, restaurants, hotels and clubs that sell these items. The license quota system is county-based to allow for flexibility of licenses in developing areas most needed within the counties.

The Liquor Control Board has established an important nuisance bar program to ensure the safety and security of our citizens. This program supports a task force that uses the expertise of representatives of community affairs offices, district attorney offices, local and state police drug task forces, local communities, and the general assembly. If it is determined that a licensed business has abused its license privilege and, through its conduct or record of violations, demonstrates a pattern of activities that threatens the health and safety of the local community, the Liquor Control Board will refuse to renew its license. The Board typically rejects renewal of more than 150 licenses annually.

The Liquor Control Board formalizes its commitment to providing information about alcohol consumption through the Bureau of Alcohol Education. The bureau's annual budget supports its three-fold mission of delivering a no-alcohol use or "zero tolerance" message to all citizens under the age of 21, encouraging responsibility and moderation for any adult age 21 and over who chooses to drink alcoholic beverages, and promoting responsible alcohol beverage service and practices among licensees and persons that serve beverage alcohol in Pennsylvania. The Education and Grants Management Division awards a maximum of $1.5 million in educational grants annually that enable colleges, communities and law enforcement agencies to combat underage and dangerous drinking. A comprehensive Responsible Alcohol Management Program (RAMP) offers responsible service training to licensees in Pennsylvania. The Bureau of Alcohol Education's RAMP Division is responsible for overseeing this program, including offering owner/manager training to licensees and certifying, monitoring and tracking all server/seller training in Pennsylvania. Annually, RAMP training is provided to more than 25,000 licensee servers.

Responsible Alcohol Management Program (RAMP)	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Owners/Managers Trained	4,513	4,513	4,513	4,513	4,513	4,513	4,513
Servers/Sellers Trained	36,861	38,151	39,486	40,868	42,299	43,779	45,312
Establishments Certified	1,151	1,186	1,221	1,258	1,295	1,334	1,374

Program: Liquor Control (continued)

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

STATE STORES FUND

General Operations (EA)

$ 27,903	—to continue current program.
3,500	—nonrecurring headquarter building improvements.
–2,400	—nonrecurring information system upgrades.
$ 29,003	*Appropriation Increase*

Purchase of Liquor (EA)

$ 51,250	—for inventory costs.

Comptroller Operations (EA) is recommended at the current year funding level.

This budget proposes a transfer of $80 million from the State Stores Fund to the General Fund in 2015-16.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
STATE STORES FUND:							
General Operations (EA)	$ 452,970	$ 484,958	$ 513,961	$ 543,641	$ 568,105	$ 593,670	$ 620,385
Purchase of Liquor (EA)	1,243,000	1,281,000	1,332,250	1,382,000	1,433,000	1,486,000	1,541,000
Comptroller Operations (EA)	4,200	5,000	5,000	5,000	5,000	5,000	5,000
TOTAL STATE STORES FUND	$ 1,700,170	$ 1,770,958	$ 1,851,211	$ 1,930,641	$ 2,006,105	$ 2,084,670	$ 2,166,385

Program Measures

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Program: Liquor Control							
Objective: Increase revenue contributions to the General Fund by maximizing returns.							
Pennsylvania State Liquor Stores	606	603	605	605	605	605	605
Gross sales (includes taxes) (in thousands)	$2,271,836	$2,356,000	$2,443,000	$2,533,000	$2,627,000	$2,724,000	$2,825,000
Operating income (in thousands)	$147,959	$152,000	$157,000	$162,000	$167,000	$172,000	$177,000
Total contributions from State Stores Fund (including Sales and Use tax, the Johnstown Flood tax and profit transfer)	$534,062	$551,000	$568,000	$586,000	$605,000	$625,000	$645,000
Objective: Increase the number of individuals that receive alcohol education to promote moderation and avoidance of abuse among legal consumers, and prevention of purchase and consumption by minors.							
Alcohol education grants awarded	61	61	61	61	61	61	61
Alcohol education grant money awarded	$1,071,314	$1,500,000	$1,500,000	$1,500,000	$1,500,000	$1,500,000	$1,500,000
Alcohol education materials distributed	556,000	556,000	556,000	556,000	556,000	556,000	556,000

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DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

The Department of Military and Veterans Affairs has two missions in state government. One mission is to provide world-class service to Pennsylvania veterans, their spouses and their dependents by operating a network of veterans assistance programs and six veterans homes.

Its second mission is to provide combat-ready units of the Pennsylvania Army and Air National Guard to protect the lives and property of the people of the commonwealth and preserve peace, order and public safety.

The Pennsylvania National Guard has dual missions. Its federal mission is to be trained and equipped to join the active military forces in time of war or national emergency. Its state mission is to respond to the orders of the governor in the event of natural and man-made disasters.

The department consists of the Adjutant General, the State Armory Board, the State Veterans Commission, the Pennsylvania Soldiers and Sailors Home in Erie, the Veterans Home in Hollidaysburg, the Southeastern Veterans Center in Spring City, the Gino J. Merli Veterans Center in Scranton, the Southwestern Veterans Center in Pittsburgh and the Delaware Valley Veterans Home in Philadelphia.

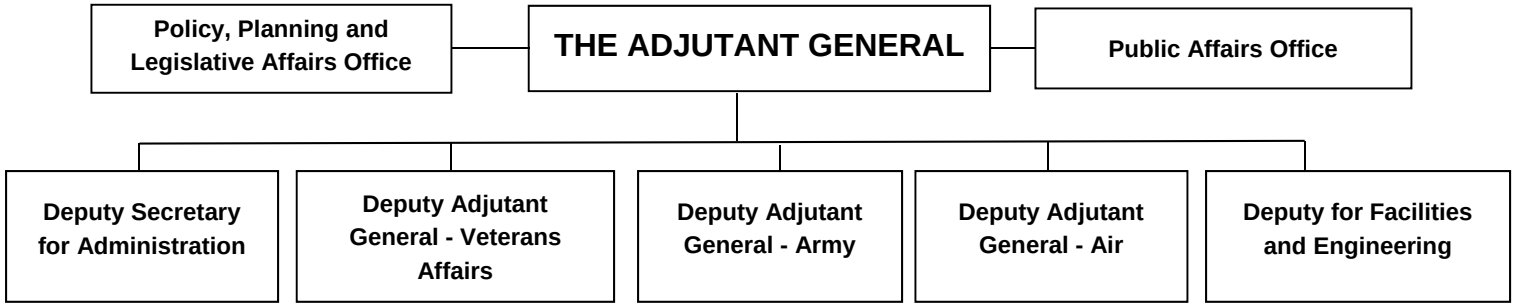
Programs and Goals

State Military Readiness: *To achieve and maintain a readiness capability in units of the Pennsylvania National Guard for quick and effective response to state or federal mobilization.*

Veterans Homes: *To provide nursing and domiciliary care for veterans.*

Compensation and Assistance: *To provide advisory and financial assistance to eligible Pennsylvania veterans, National Guardsmen and their dependents.*

Organization Overview



- **Deputy Secretary for Administration** is responsible for monitoring the operations of the department to ensure adherence to federal and state policies and regulations. The office acts as the liaison to the state comptroller's office for proper and timely submission of fiscal data and as liaison to the federal U.S. Property and Fiscal Office to process funds and reimbursements in support of federally funded state positions and operational maintenance agreements between the agency and the federal government. It is responsible for planning, supervising and implementing administrative and procedural matters for the Governor's Office of Administration and managing the administration, office service support and policy direction for the department.

- **Deputy Adjutant General for Veterans Affairs** is responsible for the administration and management of DMVA veterans programs, investigating the work of state agencies in administering laws affecting veterans, advising the Department of Education on veterans programs and managing the six state veterans homes. By legislative mandate, this office is the official liaison between federal, state and local governmental agencies on all matters concerning veterans' benefits. Its mission is to provide world-class advice and assistance to Pennsylvania's nearly one million veterans, and to provide the highest quality of care to our aging veterans.

- **Deputy Adjutant General for Army** is responsible for the manning, equipping and training of the Pennsylvania Army National Guard, as well as assisting The Adjutant General in supervision and management of the Department of Military and Veterans Affairs.

- **Deputy Adjutant General for Air** is responsible for the Pennsylvania Air National Guard reserve component of the United States Air Force and the fourth largest Air National Guard force in the country with 4,000 members. It plays an important role in the nation's defense and supporting the Commonwealth of Pennsylvania in times of need. The organization has three diverse operational wings located at six separate bases across the commonwealth ensuring both federal and state missions are efficiently and successfully accomplished.

- **Deputy for Facilities and Engineering** is responsible for the acquisition, management, maintenance, construction, operation and disposal of all land and facilities that support the Pennsylvania Army National Guard. This includes Fort Indiantown Gap National Guard training center, approximately eighty-five National Guard readiness centers, twenty National Guard field maintenance shops dispersed throughout the commonwealth, and six veterans homes.

Authorized Complement

2009-10 Actual	2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Actual
2,336	2,312	2,236	2,218	2,226

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2013-14 ACTUAL	2014-15 AVAILABLE	2015-16 BUDGET
GENERAL FUND:			
General Government:			
General Government Operations	**$ 20,354**	**$ 21,381**	**$ 23,494**
(F)Facilities Maintenance	77,685	77,685	77,685
(F)Federal Construction Grants	30,000	28,000	110,000
(F)Rural Veterans Coordination Pilot	0	2,000	0
(F)Domestic Preparedness (EA)	500	0	0
(A)Rental of Armories and Other Facilities	122	122	122
(A)Housing Fees	62	69	75
(A)Utility Reimbursements	188	195	199
(A)Miscellaneous	43	107	94
Burial Detail Honor Guard	**99**	**99**	**99**
American Battle Monuments	**50**	**50**	**50**
Armory Maintenance and Repair	**446**	**245**	**245**
Special State Duty	**35**	**35**	**35**
Subtotal	$ 129,584	$ 129,988	$ 212,098
Subtotal - State Funds	$ 20,984	$ 21,810	$ 23,923
Subtotal - Federal Funds	108,185	107,685	187,685
Subtotal - Augmentations	415	493	490
Total - General Government	$ 129,584	$ 129,988	$ 212,098
Institutional:			
Veterans Homes	**$ 77,916**	**$ 82,433**	**$ 92,351**
(F)Operations and Maintenance	44,587	45,519	49,763
(F)Medical Reimbursements	255	260	225
(F)Enhanced Veterans Reimbursement	22,728	22,728	22,830
(A)Aid and Attendance Payments	7,710	7,491	7,763
(A)Residential Fees	17,601	19,310	19,747
(A)Estate Collections	2,786	2,774	2,774
(A)Insurance or Third Party Reimbursements	43	29	29
(A)Physical & Occupational Therapy Reimbursements	365	365	365
(A)Pharmaceutical Reimbursement	435	1,129	1,170
(A)Miscellaneous	332	26	26
Subtotal	$ 174,758	$ 182,064	$ 197,043
Subtotal - State Funds	$ 77,916	$ 82,433	$ 92,351
Subtotal - Federal Funds	67,570	68,507	72,818
Subtotal - Augmentations	29,272	31,124	31,874
Total - Institutional	$ 174,758	$ 182,064	$ 197,043
Grants and Subsidies:			
Education of Veterans Children	**$ 101**	**$ 101**	**$ 601**
Transfer to Educational Assistance Program Fund	**12,870**	**9,500**	**9,500**
Veterans Assistance	**200**	**0**	**0**
Blind Veterans Pension	**222**	**222**	**222**
Amputee and Paralyzed Veterans Pension	**2,131**	**3,174** a	**3,500**
National Guard Pension	**5**	**5**	**5**
Supplemental Life Insurance Premiums	**364**	**164**	**164**
Civil Air Patrol	**100**	**0**	**0**
Disabled American Veterans Transportation	**336**	**336**	**336**
Veterans Outreach Services	**2,682**	**3,182**	**2,332**
Subtotal	$ 19,011	$ 16,684	$ 16,660
Total - Grants and Subsidies	$ 19,011	$ 16,684	$ 16,660

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	2013-14 ACTUAL	2014-15 AVAILABLE	2015-16 BUDGET
STATE FUNDS	$ 117,911	$ 120,927	$ 132,934
FEDERAL FUNDS	175,755	176,192	260,503
AUGMENTATIONS	29,687	31,617	32,364
GENERAL FUND TOTAL	**$ 323,353**	**$ 328,736**	**$ 425,801**
OTHER FUNDS:			
GENERAL FUND:			
Military Family Relief Assistance	$ 164	$ 200	$ 200
Seized/Forfeited Property - Federal	2	0	0
GENERAL FUND TOTAL	**$ 166**	**$ 200**	**$ 200**
EDUCATIONAL ASSISTANCE PROGRAM FUND:			
National Guard Education (EA)	$ 130 [b]	$ 2,000 [b]	$ 2,000 [b]
PENNSYLVANIA VETERANS MEMORIAL TRUST FUND:			
Veterans Memorial (EA)	$ 90	$ 75	$ 50
STATE TREASURY ARMORY FUND:			
Armory Improvements	$ 1,120	$ 1,500	$ 1,500
VETERANS TRUST FUND:			
Grants and Assistance (EA)	$ 0	$ 1,500	$ 1,600
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND	$ 117,911	$ 120,927	$ 132,934
SPECIAL FUNDS	0	0	0
FEDERAL FUNDS	175,755	176,192	260,503
AUGMENTATIONS	29,687	31,617	32,364
OTHER FUNDS	1,506	5,275	5,350
TOTAL ALL FUNDS	**$ 324,859**	**$ 334,011**	**$ 431,151**

[a] Includes recommended supplemental appropriation of $1,043,000.

[b] Transfer to Educational Assistance Program Fund not added to the total to avoid double counting: 2013-14 Actual is $12,870,000; 2014-15 Available is $9,500,000; and 2015-16 Budget is $9,500,000.

Program Funding Summary

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
STATE MILITARY READINESS							
GENERAL FUND	$ 20,984	$ 21,810	$ 23,923	$ 24,745	$ 25,353	$ 25,976	$ 26,615
SPECIAL FUNDS	0	0	0	0	0	0	0
FEDERAL FUNDS	108,185	107,685	187,685	187,685	187,685	187,685	187,685
OTHER FUNDS	1,791	2,268	2,240	2,230	2,225	2,220	2,215
SUBCATEGORY TOTAL	$ 130,960	$ 131,763	$ 213,848	$ 214,660	$ 215,263	$ 215,881	$ 216,515
VETERANS HOMES							
GENERAL FUND	$ 77,916	$ 82,433	$ 92,351	$ 101,586	$ 105,650	$ 109,876	$ 114,271
SPECIAL FUNDS	0	0	0	0	0	0	0
FEDERAL FUNDS	67,570	68,507	72,818	67,988	67,988	68,488	68,488
OTHER FUNDS	29,272	31,124	31,874	31,874	31,874	31,874	31,874
SUBCATEGORY TOTAL	$ 174,758	$ 182,064	$ 197,043	$ 201,448	$ 205,512	$ 210,238	$ 214,633
COMPENSATION AND ASSISTANCE							
GENERAL FUND	$ 19,011	$ 16,684	$ 16,660	$ 17,230	$ 19,301	$ 19,874	$ 19,949
SPECIAL FUNDS	0	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0	0
OTHER FUNDS	130	3,500	3,600	3,600	1,600	1,600	1,600
SUBCATEGORY TOTAL	$ 19,141	$ 20,184	$ 20,260	$ 20,830	$ 20,901	$ 21,474	$ 21,549
ALL PROGRAMS:							
GENERAL FUND	$ 117,911	$ 120,927	$ 132,934	$ 143,561	$ 150,304	$ 155,726	$ 160,835
SPECIAL FUNDS	0	0	0	0	0	0	0
FEDERAL FUNDS	175,755	176,192	260,503	255,673	255,673	256,173	256,173
OTHER FUNDS	31,193	36,892	37,714	37,704	35,699	35,694	35,689
DEPARTMENT TOTAL	$ 324,859	$ 334,011	$ 431,151	$ 436,938	$ 441,676	$ 447,593	$ 452,697

Program: State Military Readiness

Goal: To achieve and maintain a readiness capability in units of the Pennsylvania National Guard for quick and effective response to state or federal mobilization.

This program provides the administrative, logistical and training support necessary for the Pennsylvania National Guard to maintain requisite readiness capability to serve during emergencies. Such emergencies may result in full or partial mobilization of the Pennsylvania National Guard for state service in the commonwealth or federal service anywhere in the world. In 2013-14, the Pennsylvania National Guard units were deployed a total of 2,665 state active duty days for statewide emergencies. Costs for military equipment, supplies and training, such as monthly training assemblies and 15 days annual training, are funded 100 percent by the federal government.

The readiness capability of Pennsylvania National Guard units is evaluated according to established federal inspection and training standards. Primary efforts are directed toward having the Pennsylvania National Guard in top readiness condition in order to perform state and federal missions. The training of personnel is directly dependent upon the adequacy of the operation, maintenance and repair of numerous National Guard armories and readiness centers, support facilities, Air National Guard bases and installations. A statewide communications network is in operation providing a quicker and more effective response to state or federal mobilization.

Included within this program are those activities essential to operate a network of community armories and air bases serving as training locations for National Guard units. The commonwealth is responsible for providing for the operations, maintenance and repair of the armories and readiness centers, and air bases. These facilities may also be utilized as mass care centers for disaster victims in addition to providing meeting and recreational facilities for local civic and youth organizations.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

		General Government Operations
$	1,093	—to continue current program.
	120	—Initiative - to provide additional resources for Veterans Affairs programs.
	900	—Initiative - to enhance the Veterans Case Management system.
$	2,113	*Appropriation Increase*

All other appropriations are recommended at the current year funding levels.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
GENERAL FUND:							
General Government Operations	$ 20,354	$ 21,381	$ 23,494	$ 24,316	$ 24,924	$ 25,547	$ 26,186
Burial Detail Honor Guard	99	99	99	99	99	99	99
American Battle Monuments	50	50	50	50	50	50	50
Armory Maintenance and Repair	446	245	245	245	245	245	245
Special State Duty	35	35	35	35	35	35	35
TOTAL GENERAL FUND	$ 20,984	$ 21,810	$ 23,923	$ 24,745	$ 25,353	$ 25,976	$ 26,615

Program: Veterans Homes

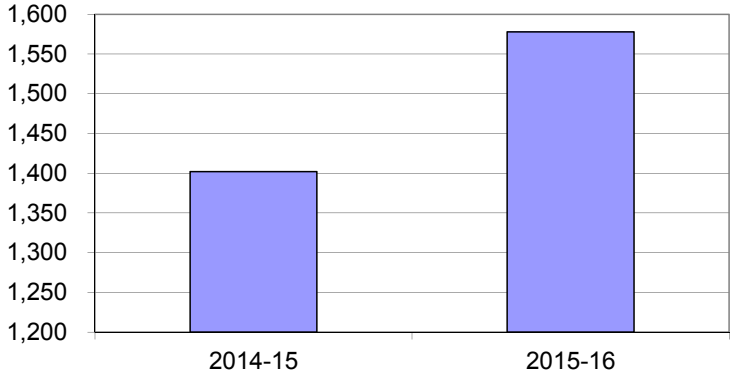
Goal: To provide nursing and domiciliary care for veterans.

The Department of Military and Veterans Affairs, Bureau of Veterans Homes, provides Pennsylvania veterans with different levels of care, including skilled nursing, dementia and domiciliary and personal care. Currently, there are six veterans homes located throughout the commonwealth: the Pennsylvania Soldiers and Sailors Home in Erie, the Hollidaysburg Veterans Home in Duncansville, the Southeastern Veterans Center in Spring City, the Gino J. Merli Veterans Center in Scranton, the Southwestern Veterans Center in Pittsburgh and the Delaware Valley Veterans Home in the County of Philadelphia.

For federal fiscal year 2015, the program will receive assistance from the United States Department of Veterans Affairs (USDVA) at the rate of $44.19 per patient day for domiciliary and personal care and $102.38 per patient day for skilled nursing care.

Along with federal per diem funding, residents of these state veterans homes receive a personal needs allowance from the USDVA and are charged a monthly maintenance fee that is set upon admission and recalculated annually to determine their cost of care payment obligation.

Veterans Receiving Care in State Veterans Homes



Veterans receiving care at state veterans homes is projected to be 1,578 in 2015-16.

Expenditures by Institution: (Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget
Erie Soldiers and Sailors Home			
State Funds	$ 8,329	$ 9,424	$ 10,714
Federal Funds	7,371	7,338	7,529
Augmentations	3,352	3,431	3,436
TOTAL	$ 19,052	$ 20,193	$ 21,679
Hollidaysburg Veterans Home			
State Funds	$ 22,282	$ 25,349	$ 26,768
Federal Funds	19,595	19,882	21,729
Augmentations	7,160	7,665	7,777
TOTAL	$ 49,037	$ 52,896	$ 56,274
Southeastern Veterans Center			
State Funds	$ 12,231	$ 11,585	$ 14,133
Federal Funds	10,178	11,124	13,354
Augmentations	4,850	5,205	5,820
TOTAL	$ 27,259	$ 27,914	$ 33,307
Gino J. Merli Veterans Center			
State Funds	$ 7,839	$ 9,031	$ 10,314
Federal Funds	10,113	9,921	10,547
Augmentations	5,254	5,433	5,440
TOTAL	$ 23,206	$ 24,385	$ 26,301

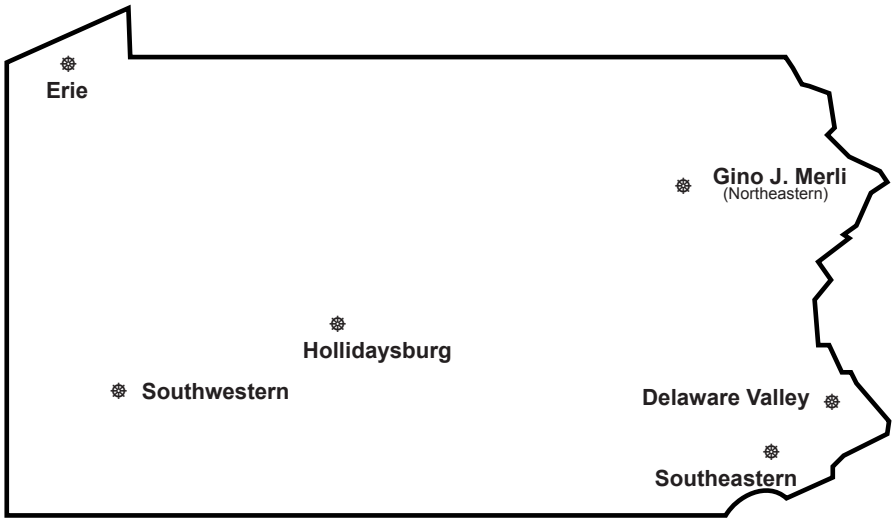
	2013-14 Actual	2014-15 Available	2015-16 Budget
Southwestern Veterans Center			
State Funds	$ 8,910	$ 9,707	$ 12,641
Federal Funds	12,071	12,894	12,232
Augmentations	4,899	5,416	5,423
TOTAL	$ 25,880	$ 28,017	$ 30,296
Delaware Valley Veterans Home			
State Funds	$ 6,953	$ 9,647	$ 11,439
Federal Funds	8,242	7,348	7,427
Augmentations	3,757	3,974	3,978
TOTAL	$ 18,952	$ 20,969	$ 22,844
Central Veterans Homes Services			
State Funds	$ 11,372	$ 7,690	$ 6,342
Federal Funds	-	-	-
Augmentations	-	-	-
TOTAL	$ 11,372	$ 7,690	$ 6,342

Program: Veterans Homes (continued)

Population and Capacity

Institution	Population Dec 2014	Projected Population Dec 2015	Projected Capacity Dec 2015	Projected Percent of Capacity
Hollidaysburg Veterans Home	435	465	506	92%
Erie Soldiers and Sailors Home	190	195	207	94%
Southeastern Veterans Center	208	320	346	92%
Gino J. Merli Veterans Center	185	193	196	98%
Southwestern Veterans Center	213	235	236	100%
Delaware Valley Veterans Home	171	170	171	99%
Total	1,402	1,578	1,662	95%

Veterans Homes



Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

		Veterans Homes
$	8,383	—to continue current program.
	1,535	—to reopen a 54 bed skilled nursing unit in the Southeastern Veterans Center.
$	9,918	*Appropriation Increase*

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
GENERAL FUND:							
Veterans Homes	$ 77,916	$ 82,433	$ 92,351	$ 101,586	$ 105,650	$ 109,876	$ 114,271

Program: Compensation and Assistance

Goal: To provide advisory and financial assistance to eligible Pennsylvania veterans, National Guardsmen and their dependents.

The Department of Military and Veterans Affairs administers several activities within this program.

Program Element: Education of Children of Deceased and Disabled Veterans

Under current law, educational grants of up to $500 per semester are provided for children of honorably discharged veterans who have been certified as having wartime service-connected disabilities, rated as 100 percent totally and permanently disabled, or children of veterans who die or died in service during a period of war or armed conflict or hostile fire in peacetime as certified by the United States Department of Veterans Affairs (USDVA). Under current law, children must be between 16 and 23 years of age and living in Pennsylvania five years prior to application. They must also attend a school within Pennsylvania and demonstrate financial need.

Program Element: Educational Assistance — National Guard

Tuition grants are provided for certain members of the Pennsylvania National Guard who enroll in a Pennsylvania institution of higher learning with degree-granting status, as approved by the Pennsylvania Higher Education Assistance Agency. Grants are available for full-time students for up to 100 percent of the tuition charged not to exceed $3,311 per semester to a Pennsylvania resident at a member institution of the State System of Higher Education. The maximum annual grant for a part-time student who does not possess a bachelor's degree is $2,207. The part-time grant for members possessing a bachelor's degree is 50 percent of the tuition or $1,104, whichever is less, per semester. National Guard personnel receiving educational financial aid was 2,773 in 2013-14 and is projected to be 2,900 in 2014-15. These public service educational grants not only serve as an incentive to the Pennsylvania National Guard's recruiting and retention efforts but also reward those Pennsylvanians who volunteer to serve their nation and the commonwealth.

Program Element: Blind Veterans Pension

Pensions of $150 per month are provided for Pennsylvania veterans who incurred functional blindness while performing active military service and are rated as blinded through service connection by the USDVA.

Program Element: Amputee and Paralyzed Veterans Pension

Pensions of $150 per month are provided to Pennsylvania veterans who have a loss or loss of use of two or more extremities and are rated by the USDVA to have a service connected loss or loss of use of two or more extremities.

Program Element: National Guard Pension

Payment of a pension is provided to guardsmen and widowed and dependent family members. A national guardsman who is injured, otherwise disabled or dies as a result of injuries or other disability received or contracted while performing duty in active service to the commonwealth, or in the performance of other state military duty, is eligible. Current law provides for a monthly pension for dependents up to a maximum of $300 per month for a period of 10 years. In the case of children of a deceased member, the pension is paid until the child reaches 18 years of age.

Program Element: Supplemental Life Insurance Premiums

DMVA pays or reimburses the cost, not otherwise paid for by the federal government, of service members' group life insurance premiums for eligible soldiers and airmen of the Pennsylvania National Guard.

Program Element: Veterans Outreach Services

The Veterans Service Organizations grant program provides grants to organizations for the improvement of the administration and delivery of services to Pennsylvania veterans. Grants are used solely to support accredited veterans services officers and the associated costs, including: wages, benefits, other compensation and related personnel costs; training provided by accredited veterans services advocacy staff; and equipment to be used by accredited veterans services officer staff. The American Legion, American Veterans, Veterans of Foreign Wars and Disabled American Veterans are designated to receive grants under this program. Other veterans organizations, which are members of the State Veterans Commission, may also be designated to receive grant funding.

Program Element: Persian Gulf Conflict Veterans Benefit Program

Veterans and beneficiaries of deceased veterans may receive compensation of a one-time benefit of $75 per month for each month of active service in the Persian Gulf Conflict Theater of Operations (August 1990 – August 1991). The maximum compensation is $525. An additional one-time benefit of $5,000 will be received if the service member was declared a prisoner of war while on active service in the Persian Gulf Conflict. Beneficiaries of deceased veterans may also receive an additional $5,000 if the service member died while on active service or died as a result of injury or illness sustained in the Persian Gulf

Program: Compensation and Assistance (continued)

Conflict Theater.

Program Element: Disabled Veterans Real Estate Tax Exemption Program

This program provides a real estate tax exemption for any honorably discharged veteran who is determined by the USDVA to be 100 percent permanently disabled. The veteran must be a resident of the commonwealth with a financial need who served during established war or armed conflict service dates and who resides in the property subject to the exemption as his or her principal dwelling. This exemption is extended to the unmarried surviving spouse upon the death of an eligible veteran provided that the State Veterans Commission determines that such person is in need of the exemption.

Program Element: Military Family Relief Assistance Program

The Military Family Relief Assistance Program was created to provide for short-term financial relief to families in need due to deployment of a family member. This program, originally intended to last for five years, is funded through contributions from state income tax return check-offs and donations. The program has since been extended until January 1, 2018.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

Education of Veterans Children

$ 500 —Initiative - for increased education gratuity payments and expanded eligibility requirements.

Amputee and Paralyzed Veterans Pension

$ 326 —to continue current program.

Veterans Outreach Services

$ –850 —funding reduction.

Grants and Assistance (EA) through the Veterans Trust Fund includes an additional $100,000 to allow for increased use of donations to cover program costs.

All other appropriations are recommended at the current year funding levels.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
GENERAL FUND:							
Education of Veterans Children	$ 101	$ 101	$ 601	$ 601	$ 601	$ 601	$ 601
Transfer to Educational Assistance Program Fund	12,800	9,500	9,500	10,000	12,000	12,500	12,500
Veterans Assistance	200	0	0	0	0	0	0
Blind Veterans Pension	222	222	222	222	222	222	222
Amputee and Paralyzed Veterans Pension	2,131	3,174	3,500	3,570	3,641	3,714	3,789
National Guard Pension	5	5	5	5	5	5	5
Supplemental Life Insurance Premiums	364	164	164	164	164	164	164
Civil Air Patrol	100	0	0	0	0	0	0
Disabled American Veterans Transportation	336	336	336	336	336	336	336
Veterans Outreach Services	2,682	3,182	2,332	2,332	2,332	2,332	2,332
TOTAL GENERAL FUND	$ 19,011	$ 16,684	$ 16,660	$ 17,230	$ 19,301	$ 19,874	$ 19,949
VETERANS TRUST FUND:							
Grants and Assistance (EA)	$ 0	$ 1,500	$ 1,600	$ 1,600	$ 1,600	$ 1,600	$ 1,600

Program Measures

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Program: State Military Readiness							
Objective: Maintain the strength and readiness of the Pennsylvania Army National Guard.							
Pennsylvania Army National Guard Force Structure Allowance	15,273	15,300	15,400	15,500	15,500	15,500	15,500
Pennsylvania Army National Guard End Strength Ceiling	15,600	15,700	15,700	15,700	15,700	15,700	15,700
Percentage of Pennsylvania Army National Guard assigned strength of the Force Structure Allowance	102%	103%	102%	101%	101%	101%	101%
Department of Defense personnel receiving training at Fort Indiantown Gap	127,675	121,600	121,600	121,600	121,600	121,600	121,600
Non-Department of Defense personnel receiving training at Fort Indiantown Gap	9,126	10,000	10,000	10,000	10,000	10,000	10,000
Objective: Maintain the strength and readiness of the Pennsylvania Air National Guard.							
Pennsylvania Air National Guard Force Structure Allowance	4,108	4,100	4,100	4,100	4,100	4,100	4,100
Pennsylvania Air National Guard End Strength Ceiling	3,944	4,100	4,100	4,100	4,100	4,100	4,100
Percentage of the Pennsylvania Air National Guard assigned strength of the Force Structure Allowance	96%	100%	100%	100%	100%	100%	100%
Objective: Maintain a network of facilities and Air National Guard bases that provide a professional working environment, assure cost effectiveness and establish the National Guard as a good neighbor.							
Percentage of armories and field sites rated adequate to satisfy the mission	50%	51%	53%	57%	60%	63%	65%
Readiness centers and field sites under major repair	25	30	20	15	25	15	10
Program: Veterans Homes							
Objective: Provide quality care to residents in Pennsylvania's veterans homes.							
Percentage of population at veterans homes that are veterans	90%	88%	88%	88%	88%	88%	88%
Percentage of population at veterans homes that are non-veterans or spouses	10%	12%	12%	12%	12%	12%	12%
Percentage of occupancy rate above national average of state veterans homes - domiciliary care	16%	16%	16%	16%	16%	16%	16%
Percentage of occupancy rate above national average of state veterans homes - nursing care	6%	6%	6%	6%	6%	6%	6%

Program Measures

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Program: Compensation and Assistance							
Objective: Increase the number of eligible Pennsylvania veterans receiving services and entitlement benefits.							
Veterans in Pennsylvania	953,700	927,400	902,300	877,800	853,200	829,300	805,400
Recipients of veterans emergency assistance	229	440	485	535	585	645	710
Recipients of blind veterans pension	120	121	121	121	121	121	121
Children of deceased and disabled veterans receiving educational gratuity	101	101	300	300	300	300	300
Participants in paralyzed veterans programs	1,444	1,850	1,950	2,000	2,050	2,100	2,150
Objective: Increase the number of eligible Pennsylvania National Guard personnel receiving educational financial aid.							
National Guard personnel receiving educational financial aid	2,773	2,900	3,000	3,300	3,300	3,300	3,300

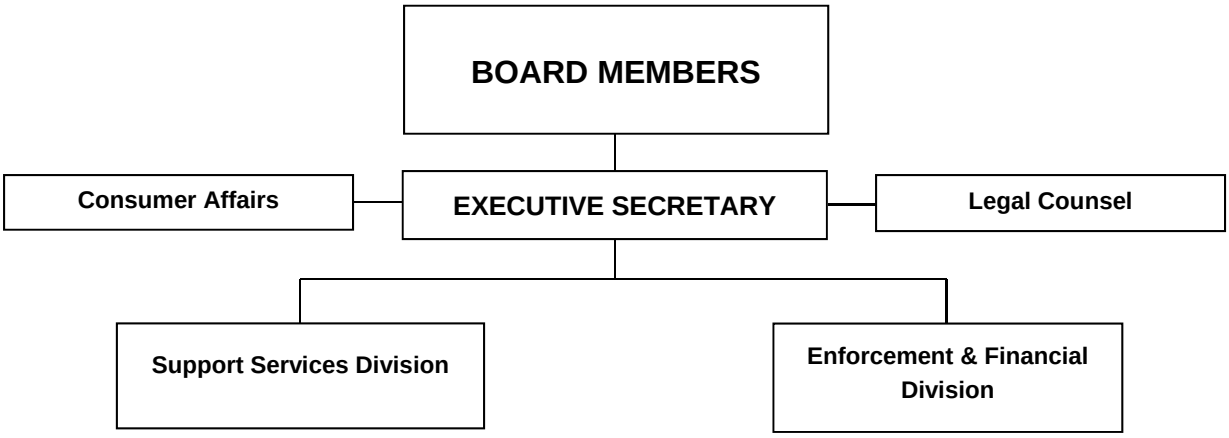
MILK MARKETING BOARD

The mission of the Milk Marketing Board is to ensure that Pennsylvania's dairy industry remains viable by providing a regulatory environment that facilitates a safe, adequate supply of wholesome milk while providing security for its dairy farmers and milk dealers and protection for the public health and welfare of consumers.

Programs and Goals

Milk Industry Regulation: *To maintain an adequate supply of wholesome fluid milk.*

Organization Overview



- **Support Services Division Chief** is responsible for the administrative support services for the board, including fiscal and human resources oversight. Responsibilities also include licensing and bonding of dealers and subdealers.
- **Enforcement Director** is responsible for directing the Milk Marketing Auditors and the Milk Marketing Examiners in enforcing all official general orders, policies of the board, and compliance with the Milk Marketing Law and Board regulations. The division is also responsible for gathering, compiling, and interpreting financial and accounting information used by the board in hearings and other administrative proceedings; for issuing price announcements, and responding to violations of the minimum retail, wholesale, and farm-level prices issued by the board.

Authorized Complement

2009-10 Actual	2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Actual
33	33	33	32	32

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	2013-14 ACTUAL	2014-15 AVAILABLE	2015-16 BUDGET
OTHER FUNDS:			
MILK MARKETING FUND:			
General Operations	$ 2,840	$ 2,840	$ 2,840

Program Funding Summary

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
MILK INDUSTRY REGULATION							
GENERAL FUND	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
SPECIAL FUNDS	0	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0	0
OTHER FUNDS	2,840	2,840	2,840	2,840	2,840	2,840	2,840
SUBCATEGORY TOTAL	$ 2,840	$ 2,840	$ 2,840	$ 2,840	$ 2,840	$ 2,840	$ 2,840
ALL PROGRAMS:							
GENERAL FUND	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
SPECIAL FUNDS	0	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0	0
OTHER FUNDS	2,840	2,840	2,840	2,840	2,840	2,840	2,840
DEPARTMENT TOTAL	$ 2,840	$ 2,840	$ 2,840	$ 2,840	$ 2,840	$ 2,840	$ 2,840

Program: Milk Industry Regulation

Goal: To maintain an adequate supply of wholesome fluid milk.

The Milk Marketing Board is a special fund agency financed from milk industry license fees, permit fees and fines. The board supervises, inspects and regulates the milk industry of the commonwealth and establishes reasonable trade control and marketing practices. It formulates policy, holds public hearings and subsequently issues and enforces general marketing orders, rules and regulations. The board also handles prosecution and levying of penalties against violators of the Milk Marketing Law, the Milk Producers' Security Act and board regulations.

The board's major function is to ensure an adequate milk supply by setting minimum prices paid to farmers, minimum prices dealers can charge wholesale and retail customers, and minimum prices stores can charge consumers. The regulation process is complicated by the existence of federal marketing orders, which are prices established by the federal government that must be paid to producers.

The board has implemented an automated milk accounting and regulatory system. The system values milk based on component pricing, allowing adaptation to changes in the state and federal regulatory environment. Pricing information collected through the system and from public hearings is used by the board to establish minimum milk prices.

The board had previously considered the ratio of the supply of milk fluid to demand in the regulation process, but other indicators are more relevant to the process and that ratio is no longer calculated. Factors such as the price of milk in neighboring states and the ratio of the cost of production to current or expected prices are more important to price establishment and are widely discussed at the public meetings.

Program Recommendation:

This budget recommends the following changes from the Milk Marketing Fund:
(Dollar Amounts in Thousands)

General Operations is recommended at the current year funding level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
MILK MARKETING FUND:							
General Operations	$ 2,840	$ 2,840	$ 2,840	$ 2,840	$ 2,840	$ 2,840	$ 2,840

Program Measures

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Program: Milk Industry Regulation							
Objective: Maintain producer payment compliance above 99% for all payment amounts due to Pennsylvania dairy farmers.							
Percentage of producer payments made adequately and on time	98%	99%	99%	99%	99%	99%	99%
Objective: Establish a Class 1 over-order premium based upon industry testimony which enhances Pennsylvania producer revenue that also maintains orderly milk marketing in Pennsylvania.							
Public hearings held to consider the level and duration of the Class 1 over-order premium	2	2	2	2	2	2	2
Objective: Include current dealer and retail store costs in minimum resale prices.							
General and cost replacement hearings held to determine dealer and retailer costs	6	6	6	6	6	6	6
Objective: Licenses and permits issued							
Licenses and permits issued	2,267	2,200	2,200	2,200	2,200	2,200	2,200
Objective: Audits of milk dealers for compliance with milk sales rules and regulations.							
Audits of milk dealers for compliance with milk sales rules and regulations	1,089	800	800	800	800	800	800

PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM

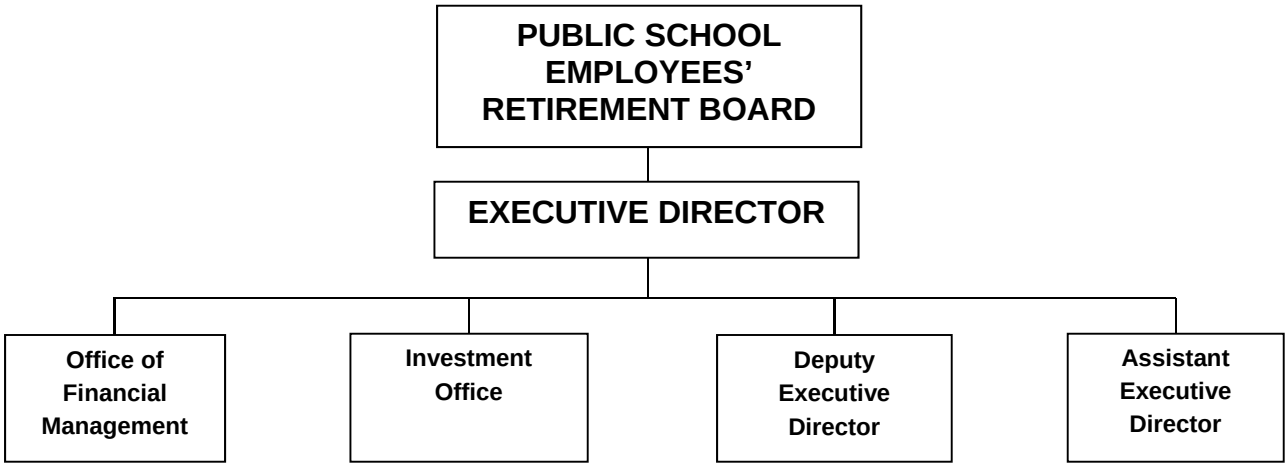
The mission of the Public School Employees' Retirement System is to serve the members and stakeholders of the system by providing timely and accurate payment of benefits, maintaining a financially sound system, prudently investing the assets of the system, clearly communicating members' and employers' rights and responsibilities and effectively managing the resources of the system.

The system is responsible for administering the School Employees' Retirement Fund, the School Employees' Health Insurance Fund and supplemental retirement allowances for annuitants.

Programs and Goals

Public School Employees' Retirement: *To provide retirement benefits to public school employees of the Commonwealth of Pennsylvania.*

Organization Overview



- **Office of Financial Management** is responsible for planning, organizing and directing a complete accounting and financial reporting system in conformance with generally accepted accounting principles. Oversight is provided for new systems development and maintenance of existing systems, and ensuring appropriate accounting controls. The office is the liaison for other state and federal agencies, reporting units, financial consultants, actuaries, and investment advisors for all accounting matters.
- **Investment Office** is responsible for the investment activities of the system. In accordance with the investment policy established by the board, PSERS' investment assets are allocated to numerous outside professional investment advisors and internal investment professionals.
- **Deputy Executive Director** directly oversees the benefit programs for all active and retired members of the system, the development and implementation of the member and employer communications programs and the member counseling programs, and the maintenance of agency policies, procedures, and benefit-related data. Additionally, this position supervises a Chief Information Officer who oversees business and information technology strategic planning, policy development, and implementation. The organizational units directly reporting to this position include the Bureau of Benefits Administration, the Bureau of Communications and Counseling, and the Information Technology Office.
- **Assistant Executive Director** administers the Health Options and Premium Assistance programs in addition to the facilities, human resources, and procurement activities necessary to support, secure and optimize agency operations. Organizational units overseen by the Assistant Executive Director include the Bureau of Administration, the Human Resources Office, and the Health Insurance Office.

Authorized Complement

2009-10 Actual	2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Actual
310	310	310	314	314

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	2013-14 ACTUAL	2014-15 AVAILABLE	2015-16 BUDGET
OTHER FUNDS:			
SCHOOL EMPLOYEES' RETIREMENT FUND:			
Administration	$ 41,689	$ 41,689	$ 43,777
Investment Related Expenses	12,990	16,549	16,294
Health Insurance Account	1,874	2,412	2,236
(A)Health Options - Administration Reimbursement	2,959	2,844	3,142
SCHOOL EMPLOYEES' RETIREMENT FUND TOTAL	**$ 59,512**	**$ 63,494**	**$ 65,449**

Program Funding Summary

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
PUBLIC SCHOOL EMPLOYEES' RETIREMENT							
GENERAL FUND	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
SPECIAL FUNDS	0	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0	0
OTHER FUNDS	59,512	63,494	65,449	67,739	69,433	71,168	72,947
SUBCATEGORY TOTAL	$ 59,512	$ 63,494	$ 65,449	$ 67,739	$ 69,433	$ 71,168	$ 72,947
ALL PROGRAMS:							
GENERAL FUND	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
SPECIAL FUNDS	0	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0	0
OTHER FUNDS	59,512	63,494	65,449	67,739	69,433	71,168	72,947
DEPARTMENT TOTAL	$ 59,512	$ 63,494	$ 65,449	$ 67,739	$ 69,433	$ 71,168	$ 72,947

Program: Public School Employees' Retirement

Goal: To provide retirement benefits to public school employees of the Commonwealth of Pennsylvania.

The Public School Employees' Retirement System (PSERS) was established in 1917 to administer retirement benefits of eligible public school employees in any of the 789 reporting entities. The School Employees' Retirement Fund uses contributions from employees and their employers as well as earning from investments to pay for annuities, disability benefits and administration of the system. The School Employees' Retirement Fund is shown in the Other Special Funds Appendix.

PSERS undergoes an annual independent actuarial valuation to calculate the assets and liabilities of the pension fund. Based on the actuarial valuation process and legal requirements, PSERS develops the recommended employer contribution rate. Normal retirement for most public school employees is at age 60, or at any age with 35 years of service. Retirement is possible after five years of service but is actuarially reduced to the equivalent of the annuity that would have been payable at superannuation retirement.

Act 120 of 2010 made significant changes to the pension system. Act 120 amended the benefit structure for new employees hired after July 1, 2011 and amended key funding provisions. Benefit changes included: lowering the benefit accrual rate from 2.5 percent of final average salary for each year of service to 2 percent; setting the new employee contribution rate at 10.3 percent if employees elect to accrue service at 2.5 percent for each year of service; increasing the vesting period from 5 years to 10 years; eliminating the option for members to withdraw their contributions; increasing the normal retirement age to age 65 for most employees; and implementing a shared-risk provision that could raise or lower member contribution rates based on the rate assumed for PSERS' actuarial valuations. Act 120 also included changes to the funding provisions including re-amortizing existing liabilities and future experience gains and losses over 24 years with level percentage of pay amortization, and implementing employer contribution rate collars which limit year-over-year increases in the employer contribution rate. The collars established by Act 120 were 3 percent for 2011-12, 3.5 percent for 2012-13 and 4.5 percent for all subsequent years. The collars will end when the actuarial calculated rate is below the collared rate.

PSERS is also responsible for the administration of the School Retirees' Health Insurance Fund that provides premium assistance benefits to retirees. The School Retirees' Health Insurance Fund is shown in the Other Special Funds Appendix.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

SCHOOL EMPLOYEES' RETIREMENT FUND
School Employees' Retirement Administration

$ 2,088 —to continue current program.

The School Employees' Retirement Administration appropriation includes $2,000,000 in continued support for the Information Technology Upgrade Initiative. 2015-16 will be the fourth year of the six year project.

In addition, $16,294,000 in Investment Related Expenses will be used to support the program.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
SCHOOL EMPLOYEES' RETIREMENT FUND:							
Administration	$ 41,689	$ 41,689	$ 43,777	$ 45,309	$ 46,442	$ 47,603	$ 48,793
Investment Related Expenses	12,990	16,549	16,294	16,864	17,286	17,718	18,161
Health Insurance Account	1,874	2,412	2,236	2,314	2,372	2,431	2,492
(A)Health Options - Administration Reimbursement	2,959	2,844	3,142	3,252	3,333	3,416	3,501
TOTAL SCHOOL EMPLOYEES' RETIREMENT FUND	$ 59,512	$ 63,494	$ 65,449	$ 67,739	$ 69,433	$ 71,168	$ 72,947

Program Measures

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Program: Public School Employees' Retirement							
Objective: Increase member's cognitive awareness of PSERS benefits.							
Total number of members counseled	9,047	10,500	9,500	9,300	9,300	9,300	9,300
Objective: Provide timely and accurate retirement benefit payments.							
Total number of retired employees (annuitants), beneficiaries, and survivor annuitants	218,500	226,300	233,800	240,400	246,100	251,300	255,800
Total Pension and Healthcare Premium Assistance benefit payments (in billions)	$6.21	$6.52	$6.82	$7.10	$7.40	$7.72	$8.06

PUBLIC UTILITY COMMISSION

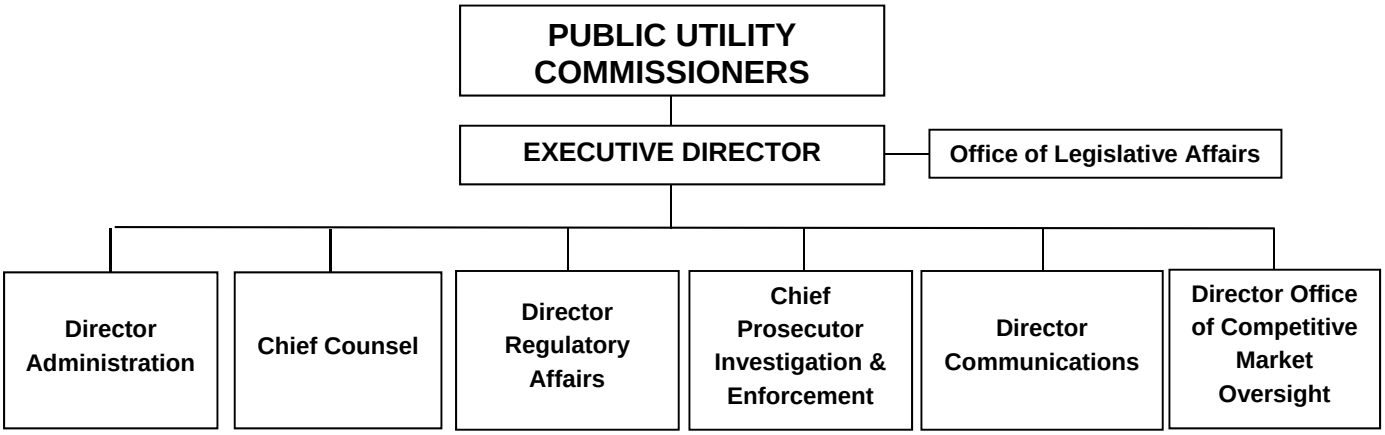
The mission of the Public Utility Commission is to provide for regulation of public utilities and includes establishing reasonable rates, providing for safe service, conducting audits, and ensuring compliance with public utility regulations.

The commission is comprised of five members appointed by the governor with senate confirmation.

Programs and Goals

Regulation of Public Utilities: *To ensure that safe and adequate public utility services are available to the public at fair and reasonable rates.*

Organization Overview



- **Director of Administration** is responsible for overseeing the Secretary's Bureau and all fiscal, administrative and personnel functions including the budget, collection of assessments, and all human resources, information technology, and procurement functions.
- **Chief Counsel** oversees the Law Bureau and provides legal support to other commission bureaus and the commission directly on regulatory matters involving fixed utilities and common carriers. Law bureau attorneys represent the commission in all appellate and original jurisdiction actions before state and federal courts.
- **Director of Regulatory Affairs** oversees the PUC's bureaus with regulatory functions, including the Bureau of Audits, the Bureau of Consumer Services, the Bureau of Technical Utility Services, the Office of Special Assistants and the Office of Administrative Law Judge. The Director of Regulatory Affairs also is responsible for planning, organizing, coordinating, directing and overseeing regulatory staff.
- **Chief Prosecutor of Investigation & Enforcement** oversees the Bureau of Investigation and Enforcement that serves as the prosecutory bureau for purposes of representing the public interest in ratemaking and service matters before the Office of Administrative Law Judge, and enforcing compliance with the state and federal motor carrier safety and gas safety laws and regulations.
- **Director of the Office of Communications** is accountable for commission media relations, employee communications and consumer education, in addition to acting as the lead staff for the Consumer Advisory Council.
- **Director of the Office of Competitive Market Oversight** serves as the commission's electric retail choice ombudsman. In this capacity, the office will oversee the development and functioning of the competitive retail electric supply market. The office also similarly monitors the retail natural gas supply market.

Authorized Complement

2009-10 Actual	2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Actual
519	519	532	520	520

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2013-14 ACTUAL	2014-15 AVAILABLE	2015-16 BUDGET
GENERAL FUND:			
General Government:			
(R)General Government Operations	$ 63,090	$ 64,571	$ 69,130
(F)Natural Gas Pipeline Safety	2,819	1,897	2,095
(F)Motor Carrier Safety	1,888	1,888	966
(F)ARRA - Electric Regulatory Assistance	200	0	0
Subtotal - Federal Funds	4,907	3,785	3,061
Subtotal - Restricted Revenues	63,090	64,571	69,130
Total - General Government	$ 67,997	$ 68,356	$ 72,191
FEDERAL FUNDS	4,907	3,785	3,061
RESTRICTED REVENUES	63,090	64,571	69,130
GENERAL FUND TOTAL	**$ 67,997**	**$ 68,356**	**$ 72,191**
OTHER FUNDS:			
MARCELLUS LEGACY FUND:			
Transfer to Highway Bridge Improvement	$ 20,525	$ 18,311	$ 18,292
Transfer to Environmental Stewardship Fund	28,210	42,324	42,317
Transfer to Hazardous Sites Cleanup Fund	0	3,662	8,658
County Recreational Planning, Development and Rehabilitation	12,315	10,987	10,975
Transfer to Commonwealth Financing Authority-H2O	10,263	9,156	9,146
Transfer to Commonwealth Financing Authority	16,420	14,649	14,634
MARCELLUS LEGACY FUND TOTAL	**$ 87,733**	**$ 99,089**	**$ 104,022**
UNCONVENTIONAL GAS WELL FUND:			
Gas Well Fee Administration	$ 1,000	$ 1,000	$ 1,000
Transfer to Marcellus Legacy Fund - DEP	2,500	0	0
Conservation District Grants	3,750	3,844	3,940
Transfer to Conservation District Fund	3,750	3,844	3,940
Transfer to Housing Affordability & Rehab Enhancement Fund	5,000	5,000	5,000
Host Counties	42,534	37,752	37,711
Host Municipalities	43,716	38,801	38,758
Local Municipalities	31,901	28,314	28,283
Transfer to Marcellus Legacy Fund	82,101	73,245	73,168
UNCONVENTIONAL GAS WELL FUND TOTAL	**$ 216,252**	**$ 191,800**	**$ 191,800**
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND	$ 0	$ 0	$ 0
SPECIAL FUNDS	0	0	0
FEDERAL FUNDS	4,907	3,785	3,061
RESTRICTED	63,090	64,571	69,130
OTHER FUNDS	303,985	290,889	295,822
TOTAL ALL FUNDS	**$ 371,982**	**$ 359,245**	**$ 368,013**

Program Funding Summary

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 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	4,907	3,785	3,061	3,061	3,061	3,061	3,061
OTHER FUNDS	367,075	355,460	364,952	364,911	364,861	364,861	364,861
SUBCATEGORY TOTAL	$ 371,982	$ 359,245	$ 368,013	$ 367,972	$ 367,922	$ 367,922	$ 367,922
ALL PROGRAMS:							
GENERAL FUND	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
SPECIAL FUNDS	0	0	0	0	0	0	0
FEDERAL FUNDS	4,907	3,785	3,061	3,061	3,061	3,061	3,061
OTHER FUNDS	367,075	355,460	364,952	364,911	364,861	364,861	364,861
DEPARTMENT TOTAL	$ 371,982	$ 359,245	$ 368,013	$ 367,972	$ 367,922	$ 367,922	$ 367,922

Program: Regulation of Public Utilities

Goal: To ensure that safe and adequate public utility services are available to the public at fair and reasonable rates.

The Pennsylvania Public Utility Commission balances the needs of consumers and utilities to ensure safe and reliable utility service at reasonable rates; protect the public interest; educate consumers to make independent and informed utility choices; further economic development; and foster new technologies and competitive markets in an environmentally sound manner.

The commission regulates approximately 8,000 entities providing electricity, natural gas, steam heat, water, wastewater collection and disposal, telephone, transportation of passengers and property by train, bus, truck, taxicab and limousine and transmission of gas and oil by pipeline.

The commission is funded by assessments of regulated public utilities, pipeline operators under Act 127 of 2011, electric generation and natural gas suppliers under Act 155 of 2014. The commission also receives funding to administer Act 13 of 2012 - unconventional gas well impact fees. Specifically, the commission is authorized to impose assessments on public utilities to reflect the approved budget. Public utility assessments and fees are deposited into a restricted account within the General Fund.

During the past 20 years, the number of jurisdictional public utilities has increased, as have the commission's responsibilities and mandated functions. The focus of the commission has expanded from the traditional role of approving the cost-based rates and regulating the service of all public utilities to a broader mandate of also enabling and facilitating competitive markets for the electric, natural gas and telecommunications industries.

The commission continues to experience a steady number of rate requests from electric, natural gas and water companies. The requests reflect the removal of electricity rate caps, established during the advent of electric competition, as well as significant increases in infrastructure investment and inflation-driven costs. Commission approval of mergers and acquisitions is an ongoing process, especially affecting the water and telecommunications industries.

The commission continues to expend significant resources on the continued implementation of Act 129 of 2008, which requires Pennsylvania's seven largest electric distribution companies to develop energy efficiency and conservation plans and use other methods of reducing the amount of electricity consumed by residential and business consumers. The act mandated an overall reduction in consumption with targeted benchmarks. The commission is continuing to monitor utility compliance. The law requires the commission to determine whether additional targets can be met in a cost-effective manner and what those targets could be every five years beginning November 30, 2013. The commission set new required incremental reductions in consumption that included the filing and approval of new energy efficiency and conservation plans. The participating electric distribution companies began implementing these plans in June 2013.

Other directives of Act 129 include the deployment of smart meter technology and time-of-use rates over a 15-year period. Smart meter plans have been adopted for each of the utilities and the plans are at various stages of deployment.

The commission also continues to implement other major laws: Act 201 of 2004 established specific standards and procedures for payment arrangements, customer deposits, and termination of electric, natural gas and water service. The commission has issued numerous orders interpreting and implementing the law and has finalized relevant regulations. Biennial reports on this activity are submitted to the General Assembly. The increased level of consumer call activity to the commission due to this law continues. The commission convened an internal group to study Chapter 14 and offered recommendations to the General Assembly for possible changes to the law.

Act 155 of 2014 gave reauthorization to Chapter 14 of Act 201 of 2004 providing guidelines and provisions for customer shut offs and other consumer related activities. In addition, it gave the commission the authority to assess the electric generation and natural gas suppliers that it oversees.

Act 213 of 2004 established alternative energy portfolio standards requiring electric distribution companies and generation suppliers to include electricity generated from alternative energy resources in their sales to retail customers. The commission has issued standards related to net metering, interconnection and demand side management and is working with stakeholders and the Department of Environmental Protection to effectively carry out this law. The commission has contracted with an alternative energy credit program administrator as part of the implementation. All electric distribution companies and electric generation suppliers complied with these requirements for the 2013 reporting year.

Act 183 of 2004 addressed the obligations of telecommunication public utilities by continuing existing network modernization plans and providing incentives for acceleration of the deployment of high-speed internet service, while reducing filing and reporting requirements for the incumbent local exchange carriers. The Federal Communications Commission issued the Intercarrier Compensation/Universal Service Reform Order creating

Program: Regulation of Public Utilities (continued)

a Connect America Fund that affected a series of changes and reforms in the federal universal service fund mechanism and in various parameters of intrastate and interstate intercarrier compensation. The order is a complex and comprehensive proposal to restructure the nationwide telecommunications marketplace. The commission continues to ensure the telecommunication public utilities adhere to these standards.

The Energy Policy Act of 2005 established a number of new federal mandates that state regulators are required to consider and potentially implement. These include standardizations for connecting electric generation facilities with the utility, compensation of retail customers for generated electricity sold back to the utility and policies concerning reduction or shifting of consumption from peak periods.

The commission continues with oversight of the development and functioning of the competitive retail electric supply market. The retail markets investigation provided a regulatory framework that encourages electric generation suppliers to invest in Pennsylvania's retail electric market. Work continues to ensure that citizens have access to a robust competitive market in which consumers have the choice of different competitive pricing options and a variety of innovative product offerings. The commission also launched a retail markets investigation of the natural gas industry in order to increase the availability of options for consumers to shop for natural gas.

Act 127 of 2011 empowered the commission to enforce federal pipeline safety laws as they relate to non-public utility gas and hazardous liquids pipeline equipment and facilities within Pennsylvania. The act enables the commission to fund an increase in its complement of pipeline safety inspectors by assessments to be paid by Pennsylvania pipeline operators.

Act 11 of 2012 allows jurisdictional water and wastewater, natural gas and electric utilities to petition the commission for approval to implement a distribution system improvement charge (DSIC) to fund infrastructure upgrades. The commission established procedures for implementing DSIC for utilities; filing long-term infrastructure improvement plans; revising the method used to fix the value of and return on the property for ratemaking purposes; establishing procedures for the use of a fully-projected test year in base rate proceedings; allowing utilities to combine for ratemaking purposes different types of utility service; and establishing customer protections and notifications.

Act 13 of 2012 gave the commission oversight of the collection and distribution of the unconventional gas well impact fees.

The commission has established the following goals for 2015-16 and future years:

- To ensure that necessary utility service is available to all residents of Pennsylvania.
- To foster development of competitive markets in the electric, telecommunications and natural gas industries.
- To promptly and effectively address anti-competitive activity by jurisdictional utilities or licensed competitive suppliers.
- To promote greater public awareness and understanding of the public utility industry and how it affects customers.
- To establish policies that will encourage public utilities to operate in the most environmentally compatible, safe, fair and cost-effective manner.
- To encourage and coordinate the upgrade of Pennsylvania's water delivery and wastewater systems.
- To establish policies to manage the replacement and repair of our aging natural gas and electric distribution systems.
- Implement new laws dealing with pipeline safety, unconventional well impact fee and utility infrastructure improvements.
- To contribute to the economic development of Pennsylvania.
- To support Pennsylvania's environmental initiatives, particularly with respect to alternative energy portfolio standards and energy efficiency and demand side response programs.
- To continue improving internal efficiencies and enhancing public access to information maintained and produced by the commission.
- To maintain policies and procedures for recruiting and retaining an efficient, diverse and well-trained commission staff in order to enhance performance and promote timely, consistent, well-reasoned regulatory decisions.
- To provide the Pennsylvania General Assembly and the United States Congress with utility policy recommendations promoting the interest of Pennsylvania consumers in state and federal regulatory forums.

Program: Regulation of Public Utilities (continued)

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

General Government Operations

$ 4,559 —to continue current program.

In addition, this budget includes distributions of $104,022,000 from the Marcellus Legacy Fund and $191,800,000 from the Unconventional Gas Well Fund in accordance with Act 13 of 2012.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
GENERAL FUND:							
General Government Operations	$ 63,090	$ 64,571	$ 69,130	$ 69,130	$ 69,130	$ 69,130	$ 69,130

Program Measures

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Program: Regulation of Public Utilities							
Objective: Maintain safe and reliable utility services at affordable rates for consumers.							
Utilities Regulated							
Fixed utilities:							
Electric distribution	16	16	16	16	16	16	16
Electric generation	241	246	250	250	250	250	250
Transportation	7,700	7,700	7,700	7,700	7,700	7,700	7,700
Rate requests received:							
Fixed utilities - Rate Requests	60	60	60	60	60	60	60
Rate cases completed:							
Fixed utilities - Rate Cases Completed	40	40	40	40	40	40	40
Audits conducted - Fixed utilities:							
Special	159	168	168	168	169	169	169
Management	7	9	10	10	10	10	9
Audits conducted - Enforcement/investigations:							
Gas Safety	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Audits conducted - Transportation:							
Rail safety	1,700	1,700	1,700	1,700	1,700	1,700	1,700
Motor safety	14,000	14,000	14,000	14,000	14,000	14,000	14,000
Consumer Services							
Fixed utilities:							
Complaints received, investigated and resolved	107,000	107,000	107,000	107,000	107,000	107,000	107,000
Electric Deregulation:							
Homes eligible to participate (in thousands)	5,110	5,150	5,150	5,150	5,150	5,150	5,150
Businesses eligible to participate (in thousands)	702	709	713	720	724	724	724

DEPARTMENT OF REVENUE

The mission of the Department of Revenue is to fairly, efficiently and accurately administer the tax laws and other revenue programs of the commonwealth to fund necessary government services.

The department collects all tax levies as well as various fees, fines and other monies due the commonwealth. The department also supervises the administration and collection of monies for the first and second class county sales tax and various special funds.

The department prepares the official estimates of the tax yield due the commonwealth and analyzes the effect on revenues of proposed changes in either the laws or the tax structure of the commonwealth.

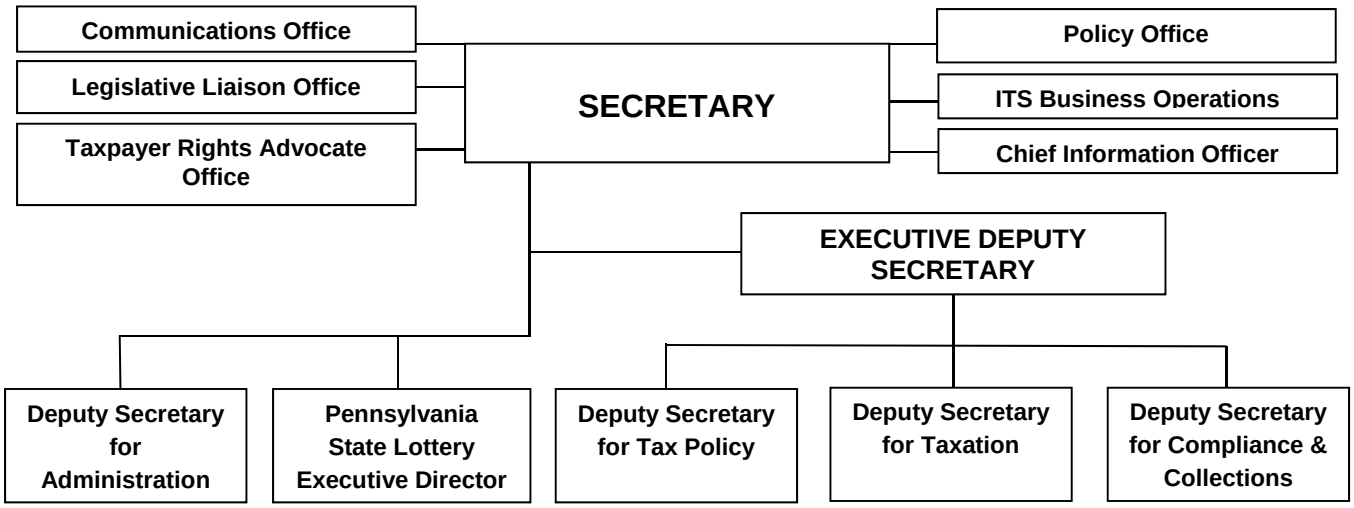
Programs and Goals

Revenue Collection and Administration: *To assure the availability of resources for the commonwealth's programs through the equitable and efficient administration of Pennsylvania's revenue system.*

Community Development and Preservation: *To equitably distribute the Public Utility Realty Tax to all reporting local taxing authorities.*

Homeowners and Renters Assistance: *To increase economic stability by assisting eligible Pennsylvania citizens to maintain their homes.*

Organization Overview



- **Deputy Secretary for Administration** oversees the Gaming Office and the Budget Office. The Deputy is also responsible for the bureaus of Human Resources, Administrative Services and Imaging and Document Management.
- **Pennsylvania State Lottery Executive Director** is responsible for the oversight of the Lottery's Security Office and the deputy executive directors for Administration and Finance, Marketing and Product Development, and Retailer Operations.
- **Deputy Secretary for Tax Policy** is responsible for the Board of Appeals and oversees the bureaus of Research and Audits.
- **Deputy Secretary for Taxation** oversees the Taxpayer Services and Information Center. The Deputy is also responsible for the bureaus of Corporation Taxes, Motor and Alternative Fuel Taxes, Individual Taxes, and Business Trust Fund Taxes.
- **Deputy Secretary for Compliance and Collections** is responsible for the Pass Through Business Office and the bureaus of Criminal Tax Investigations; Enforcement, Planning, Analysis and Discovery; Collections and Taxpayer Services; and Compliance.

Authorized Complement

2009-10 Actual	2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Actual
2,128	2,128	2,128	2,012	2,001

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2013-14 ACTUAL	2014-15 AVAILABLE	2015-16 BUDGET
GENERAL FUND:			
General Government:			
General Government Operations	**$ 120,244**	**$ 129,538**	**$ 129,916**
(A)Cigarette Fines and Penalties	38	37	37
(A)Cigarette Tax Enforcement	0	450	450
(A)Services to Special Funds	11,409	11,698	11,498
(A)EDP and Staff Support	6,837	6,337	6,337
(A)Tax Information	806	775	775
(A)Local Sales Tax	3,567	3,972	3,972
(A)Small Games of Chance	286	205	205
(A)Reimbursed Costs from Other Agencies	1,188	1,350	1,550
(A)BTFT - Fines and Penalties	93	177	177
(A)RTT Local Collection	175	154	154
(A)Sale of Equipment	3	0	0
(A)Enhanced Revenue Collections	15,000	25,000	25,000
(A)Prepaid Wireless E-911	20	10	10
(A)Cost of Collecting Philadelphia Cigarette Tax	0	1,335	1,780
Commissions - Inheritance & Realty Transfer Taxes (EA)	**6,834**	**8,475**	**8,244**
Technology and Process Modernization	**11,000**	**8,000**	**6,500**
Subtotal - State Funds	$ 138,078	$ 146,013	$ 144,660
Subtotal - Augmentations	39,422	51,500	51,945
Total - General Government	$ 177,500	$ 197,513	$ 196,605
Grants and Subsidies:			
Distribution of Public Utility Realty Tax	**$ 29,873**	**$ 31,366**	**$ 32,376**
Transfer to City of Philadelphia (EA)	**45,000**	**0**	**0**
Total - Grants and Subsidies	$ 74,873	$ 31,366	$ 32,376
STATE FUNDS	$ 212,951	$ 177,379	$ 177,036
AUGMENTATIONS	39,422	51,500	51,945
GENERAL FUND TOTAL	**$ 252,373**	**$ 228,879**	**$ 228,981**
MOTOR LICENSE FUND:			
General Government:			
Collections - Liquid Fuels Tax	**$ 14,578**	**$ 17,645**	**$ 18,076**
(F)Federal Fuel Tax Evasion Project (EA)	135	255	250
Subtotal - State Funds	$ 14,578	$ 17,645	$ 18,076
Subtotal - Federal Funds	135	255	250
Total - General Government	$ 14,713	$ 17,900	$ 18,326
Refunds:			
Refunding Liquid Fuels Tax (EA)	**$ 12,500**	**$ 16,000**	**$ 18,000**
STATE FUNDS	$ 27,078	$ 33,645	$ 36,076
FEDERAL FUNDS	135	255	250
MOTOR LICENSE FUND TOTAL	**$ 27,213**	**$ 33,900**	**$ 36,326**
LOTTERY FUND:			
General Government:			
General Operations (EA)	**$ 44,260**	**$ 37,688**	**$ 45,428**
(A)License Fees	147	157	150
(A)Annuity Assignment Fees	13	16	13
(A)Sale of Automobiles	15	0	13
Lottery Advertising (EA)	**37,000**	**44,000**	**44,000**

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2013-14 ACTUAL	2014-15 AVAILABLE	2015-16 BUDGET
Property Tax Rent Rebate - General Operations (EA)	**13,733**	**13,833**	**14,909**
On-Line Vendor Commissions (EA)	**38,899**	**40,367**	**45,949**
Instant Vendor Commissions (EA)	**26,553**	**29,924**	**32,263**
Payment of Prize Money (EA)	**371,974**	**333,005**	**375,390**
Subtotal - State Funds	$ 532,419	$ 498,817	$ 557,939
Subtotal - Augmentations	175	173	176
Total - General Government	$ 532,594	$ 498,990	$ 558,115
Grants and Subsidies:			
Property Tax & Rent Assistance for Older Pennsylvanians (EA)	**$ 280,100**	**$ 280,600**	**$ 285,200**
STATE FUNDS	$ 812,519	$ 779,417	$ 843,139
AUGMENTATIONS	175	173	176
LOTTERY FUND TOTAL	**$ 812,694**	**$ 779,590**	**$ 843,315**
OTHER FUNDS:			
RACING FUND:			
Collections - State Racing (EA)	$ 0	$ 237	$ 237
GENERAL FUND:			
Host Municipality Tavern Games Local Share Account	$ 0	$ 83	$ 83
PROPERTY TAX RELIEF FUND:			
Transfer to the State Lottery Fund	$ 0 [a]	$ 0 [a]	$ 0 [a]
STATE GAMING FUND:			
General Government:			
(R)General Operations	$ 9,513	$ 9,513	$ 9,513
OTHER FUNDS:			
STATE GAMING FUND:			
Transfer to Compulsive/Problem Gambling Treatment Fund (EA)	$ 0 [b]	$ 0 [b]	$ 0 [b]
Transfer to the Property Tax Relief Fund (EA)	0 [c]	0 [c]	0 [c]
STATE GAMING FUND TOTAL	**$ 0**	**$ 0**	**$ 0**
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND	$ 212,951	$ 177,379	$ 177,036
SPECIAL FUNDS	839,597	813,062	879,215
FEDERAL FUNDS	135	255	250
AUGMENTATIONS	39,597	51,673	52,121
RESTRICTED	9,513	9,513	9,513
OTHER FUNDS	0	320	320
TOTAL ALL FUNDS	**$ 1,101,793**	**$ 1,052,202**	**$ 1,118,455**

[a] Not added to the total to avoid double counting with the program expenditures from the Lottery Fund: 2013-14 Actual is $166,500,000, 2014-15 Available is $162,800,000, and 2015-16 Budget is $166,800,000.

[b] Not added to the total to avoid double counting with the program expenditures from the Compulsive and Problem Gambling Treatment Fund shown in the Department of Drug and Alcohol Programs: 2013-14 Actual is $8,242,000, 2014-15 Available is $7,384,000, and 2015-16 Budget is $7,800,000.

[c] Not added to the total to avoid double counting with the program expenditures from the Property Tax Relief Fund shown in the Department of Education: 2013-14 Actual is $611,600,000, 2014-15 Available is $616,200,000, and 2015-16 Budget is $616,200,000.

Program Funding Summary

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
REVENUE COLLECTION AND ADMINISTRATION							
GENERAL FUND	$ 183,078	$ 146,013	$ 144,660	$ 153,005	$ 149,057	$ 150,263	$ 154,064
SPECIAL FUNDS	559,497	532,462	594,015	599,179	611,573	623,853	635,138
FEDERAL FUNDS	135	255	250	250	250	250	250
OTHER FUNDS	49,110	61,506	61,954	62,287	62,533	62,785	63,043
SUBCATEGORY TOTAL	$ 791,820	$ 740,236	$ 800,879	$ 814,721	$ 823,413	$ 837,151	$ 852,495
COMMUNITY DEVELOPMENT AND PRESERVATION							
GENERAL FUND	$ 29,873	$ 31,366	$ 32,376	$ 33,995	$ 35,695	$ 37,479	$ 39,353
SPECIAL FUNDS	0	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0	0
OTHER FUNDS	0	0	0	0	0	0	0
SUBCATEGORY TOTAL	$ 29,873	$ 31,366	$ 32,376	$ 33,995	$ 35,695	$ 37,479	$ 39,353
HOMEOWNERS AND RENTERS ASSISTANCE							
GENERAL FUND	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
SPECIAL FUNDS	280,100	280,600	285,200	287,200	288,100	277,700	276,500
FEDERAL FUNDS	0	0	0	0	0	0	0
OTHER FUNDS	0	0	0	0	0	0	0
SUBCATEGORY TOTAL	$ 280,100	$ 280,600	$ 285,200	$ 287,200	$ 288,100	$ 277,700	$ 276,500
ALL PROGRAMS:							
GENERAL FUND	$ 212,951	$ 177,379	$ 177,036	$ 187,000	$ 184,752	$ 187,742	$ 193,417
SPECIAL FUNDS	839,597	813,062	879,215	886,379	899,673	901,553	911,638
FEDERAL FUNDS	135	255	250	250	250	250	250
OTHER FUNDS	49,110	61,506	61,954	62,287	62,533	62,785	63,043
DEPARTMENT TOTAL	$ 1,101,793	$ 1,052,202	$ 1,118,455	$ 1,135,916	$ 1,147,208	$ 1,152,330	$ 1,168,348

Program: Revenue Collection and Administration

Goal: To assure the availability of resources for the commonwealth's programs through the equitable and efficient administration of Pennsylvania's revenue system.

This program administers the commonwealth's revenue statutes by assessing and collecting various taxes. Major revenue sources for the General Fund include corporation, personal income, inheritance, sales and use, cigarette, beverage and realty transfer taxes. Tax revenue is also collected for the first and second class county sales taxes and for the Motor License, Racing and Gaming Funds.

The department continues to expand the use of automated procedures thereby permitting quick deposit of funds and review of a tax return's accuracy. It has added automated processes that assist taxpayers in filing accurately and more efficiently. These include the Electronic Tax and Data Exchange System and an internet system for filing business taxes such as sales tax, employer withholding tax, liquid fuels tax, fuel tax and corporation tax extensions and estimates. There are also electronic systems for filing and payment of personal income tax. Revenue collection efforts are being enhanced to improve violation enforcement and improve business practices. To ensure fairness in tax administration, the department audits and verifies tax returns to detect fraud and non-filers. In addition, there is an extensive delinquent tax collection effort that involves automation as well as traditional tax collection methods.

This program is responsible for the administration of the State Lottery. Through a network of private retailers, the commonwealth sells lottery tickets, the proceeds of which support programs for older Pennsylvanians.

Program Recommendation:

This budget recommends the following changes: (Dollar Amounts in Thousands)

GENERAL FUND

General Government Operations
$ 378 —to continue current program.

Commissions - Inheritance & Realty Transfer Taxes (EA)
$ –231 —based on current revenue estimates.

Technology and Process Modernization
$ –1,500 —decrease in current project costs.

MOTOR LICENSE FUND

Collections - Liquid Fuels Tax
$ 431 —to continue current program.

Refunding Liquid Fuels Tax (EA)
$ 2,000 —based on current estimates.

LOTTERY FUND

General Operations (EA)
$ 7,740 —to continue current program.

Property Tax Rent Rebate - General Operations
$ 1,076 —to continue current program.

On-Line Vendor Commissions (EA)
$ 5,582 —based on the latest projection of program requirements.

Instant Vendor Commissions (EA)
$ 2,339 —based on the latest projection of program requirements.

Payment of Prize Money (EA)
$ 42,385 —based on the latest projection of program requirements.

All other appropriations are recommended at the current year funding levels.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
GENERAL FUND:							
General Government Operations	$ 120,244	$ 129,538	$ 129,916	$ 134,463	$ 137,825	$ 141,271	$ 144,803
Commissions - Inheritance & Realty Transfer Taxes (EA)	6,834	8,475	8,244	8,542	8,732	8,992	9,261
Technology and Process Modernization	11,000	8,000	6,500	10,000	2,500	0	0
Transfer to City of Philadelphia (EA)	45,000	0	0	0	0	0	0
TOTAL GENERAL FUND	$ 183,078	$ 146,013	$ 144,660	$ 153,005	$ 149,057	$ 150,263	$ 154,064

Program: Revenue Collection and Administration (continued)

Appropriations within this Program: (continued)

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
MOTOR LICENSE FUND:							
Collections - Liquid Fuels Tax	$ 14,578	$ 17,645	$ 18,076	$ 16,613	$ 16,851	$ 17,111	$ 17,595
Refunding Liquid Fuels Tax (EA)	12,500	16,000	18,000	19,200	20,700	20,600	20,600
TOTAL MOTOR LICENSE FUND	$ 27,078	$ 33,645	$ 36,076	$ 35,813	$ 37,551	$ 37,711	$ 38,195
LOTTERY FUND:							
General Operations (EA)	$ 44,260	$ 37,688	$ 45,428	$ 46,625	$ 47,882	$ 49,201	$ 50,587
Lottery Advertising (EA)	37,000	44,000	44,000	44,000	44,000	44,000	44,000
Property Tax Rent Rebate - General Operations (EA)	13,733	13,833	14,909	15,224	15,577	15,947	16,336
On-Line Vendor Commissions (EA)	38,899	40,367	45,949	46,845	47,974	48,791	50,000
Instant Vendor Commissions (EA)	26,553	29,924	32,263	31,990	33,339	34,557	35,756
Payment of Prize Money (EA)	371,974	333,005	375,390	378,682	385,250	393,646	400,264
TOTAL LOTTERY FUND	$ 532,419	$ 498,817	$ 557,939	$ 563,366	$ 574,022	$ 586,142	$ 596,943
RACING FUND:							
Collections - State Racing (EA)	$ 0	$ 237	$ 237	$ 237	$ 237	$ 237	$ 237

Program: Community Development and Preservation

Goal: To equitably distribute the Public Utility Realty Tax to all reporting local taxing authorities.

A 1968 amendment to the state constitution exempted public utilities from locally administered property taxes and authorized the collection of a similar statewide tax known as the Public Utility Realty Tax. The proceeds of the tax are distributed to each local taxing authority thereby providing local revenue while ensuring fair treatment for utilities. Act 4 of 1999 revised the definition of public utility property and specifically removed, after December 31, 1999, electricity generation facilities from the definition. This was done in conjunction with electric deregulation, which opened market competition and changed previous public utility definitions for power generation.

The distribution is based on the ratio between the total tax receipts of a local taxing authority and the total tax receipts of all reporting tax authorities. This ratio is then applied to the total amount of taxes that reporting authorities could have collected had they been able to directly tax public utility realty.

Program Recommendation:

This budget recommends the following changes: (Dollar Amounts in Thousands)

$ 1,010	**Distribution of Public Utility Realty Tax** —reflects normal fluctuations in tax assessments.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
GENERAL FUND:							
Distribution of Public Utility Realty Tax	$ 29,873	$ 31,366	$ 32,376	$ 33,995	$ 35,695	$ 37,479	$ 39,353

Program: Homeowners and Renters Assistance

Goal: To increase economic stability by assisting eligible Pennsylvania citizens to maintain their homes.

This program allows Pennsylvanians 65 years of age or older, surviving spouses over 50 and permanently disabled citizens 18 years of age or older to lead fuller lives by restoring a portion of their income through property tax and rent rebate assistance.

Act 53 of 1985 set the income ceiling for program eligibility at $15,000 per household. The assistance declines from a maximum benefit of 100 percent of the tax or $500 whichever is less. Act 30 of 1999 excludes 50 percent of Social Security Income and Railroad Retirement Benefits from the income eligibility calculation. Act 1 of Special Session No. 1 of 2006 expanded the Property Tax and Rent Rebate program to give more Pennsylvanians a rebate while also increasing the amounts of the rebates. The expansion includes increasing the household income limit from $15,000 to $35,000 and increasing the maximum rebate from $500 to $650. As a result of Act 156 of 2014, income eligibility guidelines for the Property Tax/Rent Rebate Program have changed so that income increases due solely to Social Security cost-of-living adjustments (COLAs) will no longer disqualify claimants from receiving rebates.

In 2013-14, the average tax assistance payment was $442.63, and the average rent rebate was $538.88.

Program Recommendation:

This budget recommends the following changes: (Dollar Amounts in Thousands)

$ 4,600	**Property Tax & Rent Assistance for Older Pennsylvanians (EA)** —based on current estimates for participation.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
LOTTERY FUND:							
Property Tax & Rent Assistance for Older Pennsylvanians (EA).....	$ 280,100	$ 280,600	$ 285,200	$ 287,200	$ 288,100	$ 277,700	$ 276,500

Program Measures

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Program: Revenue Collection and Administration							
Objective: Efficiently maintain active accounts for all individuals and businesses with tax reporting and payment obligations, and increase voluntary compliance through quality taxpayer service.							
Active accounts by tax type							
Corporation**	698,716	735,000	771,000	810,000	850,500	893,000	937,000
Sales and Use	338,058	342,115	356,340	360,616	364,944	369,323	373,745
Employer	352,160	356,386	360,662	364,991	369,370	373,803	378,289
Personal Income Tax	6,272,046	6,300,000	6,300,000	6,300,000	6,300,000	6,300,000	6,300,000
Liquid Fuels	771	900	925	950	975	975	975
Motor Carrier - IFTA	12,028	13,000	13,250	13,250	13,500	13,575	13,575
Motor Carrier - Pennsylvania only	11,827	12,500	12,750	12,750	13,000	13,250	13,250
Taxpayer Services Provided							
Appeals filed with the Board of Appeals (all tax types)	27,393	27,500	27,500	27,500	27,500	27,500	27,500
Average time to close Board of Appeals cases (in days)	64	88	88	88	88	88	88
Taxpayer Service and Information Center calls answered	411,284	410,000	400,000	400,000	400,000	400,000	400,000
Average call wait time for TS&IC (in minutes)	6	8	8	8	8	8	8
Cases opened by the Taxpayer Rights Advocate (TRA)	1,045	1,200	1,300	1,400	1,500	1,600	1,700
Average time to close TRA cases (in days)	30	30	30	30	30	30	N/A
Operating Efficiency							
Percentage of administrative and IT personnel to total personnel (all funds)	13.92%	13.92%	13.92%	13.92%	13.92%	13.92%	13.92%
Objective: Increase the use of electronic tax filing.							
Electronic Filings							
Percentage of corporation tax returns filed electronically	69.50%	70%	75%	80%	80%	85%	85%
Percentage of sales and use tax returns filed electronically	99%	99%	99%	99%	99%	100%	100%
Percentage of employer tax returns filed electronically	99%	99%	99%	99%	99%	99%	99%
Percentage of personal income tax returns filed electronically	79%	80%	80%	81%	81%	82%	82%
Percentage of motor fuels tax returns filed electronically	40%	50%	100%	100%	100%	100%	100%

Program Measures

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Objective: Increase delinquent tax collections.							
Delinquent Collections							
Collections from delinquent accounts (in millions)	$728	$625	$625	$625	$625	$625	$625
Delinquent taxes collected per dollar spent	$11	$8	$7.70	$7.41	$7.12	$6.85	$6.59
Enhanced Revenue Collections Account collections (in millions)	$254	$305	$305	$305	$305	$305	$305
Enhanced Revenue Collection Account collections per dollar spent	$16.93	$12.20	$12.20	$12.20	$12.20	$12.20	$12.20
Objective: Increase Lottery revenues for the support of programs for older Pennsylvanians.							
Lottery Operations							
Lottery operating costs as a percentage of ticket sales (includes advertising and commissions)	3.86%	3.87%	3.94%	3.89%	3.86%	3.82%	3.79%
Lottery operating costs as a percentage of ticket sales (includes cost of lottery administration only)	1.16%	1%	1.07%	1.07%	1.07%	1.06%	1.06%
Program: Community Development and Preservation							
Objective: Ensure all eligible taxing authorities receive accurate distributions of public utility realty tax funds collected.							
Taxing authorities receiving funds	3,136	3,052	3,052	3,052	3,052	3,052	3,052
Program: Homeowners and Renters Assistance							
Objective: Maximize the number of households provided property tax or rent assistance.							
Households provided property tax or rent assistance	588,021	587,000	582,000	578,000	573,000	569,000	565,000
Households applying by June 30	543,993	564,000	562,000	562,000	562,000	562,000	560,000
Rebates mailed by July 31	452,064	500,000	500,000	500,000	500,000	500,000	500,000

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DEPARTMENT OF STATE

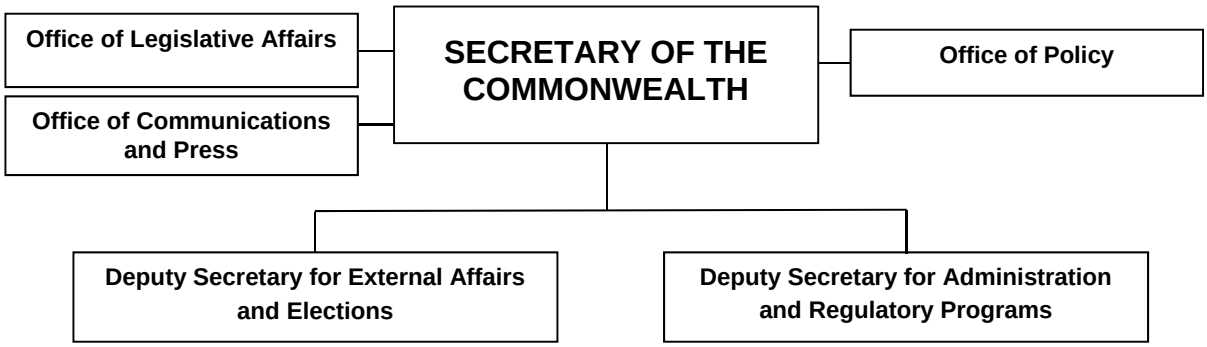
The mission of the Department of State is to promote the integrity of the electoral process; to provide the initial infrastructure for economic development through corporate organizations and transactions; and to protect the health, safety and welfare of the public. The department will encourage the highest standards of ethics and competence in the areas of elections, campaign finance, notarization, professional and occupational licensure, charitable solicitation and professional boxing and wrestling. Through the implementation of the latest technology, the department will provide exceptional public service and will remain a leader in all regulatory and enforcement policies and practices aimed at protecting every resident of the commonwealth.

The Department of State is administered by the Secretary of the Commonwealth and includes the Bureau of Corporations and Charitable Organizations, the Bureau of Commissions, Elections and Legislation, the State Athletic Commission, the Bureau of Enforcement and Investigation and the Bureau of Professional and Occupational Affairs, which provides support to 29 professional and occupational licensing boards and commissions.

Programs and Goals

Consumer Protection: *To protect the consumer from fraudulent solicitation and unqualified professional and occupational practitioners and establishments.*

Organization Overview



- **Deputy Secretary for External Affairs and Elections** is responsible for the Bureau of Commissions, Elections and Legislation, the State Athletic Commission and on behalf of the Secretary of the Commonwealth coordinates with the Department of State's Legislative Affairs Office, Policy Office, and Press and Communications Office.
- **Deputy Secretary for Administration and Regulatory Programs** is responsible for the Bureau of Professional and Occupational Affairs, the Bureau of Enforcement and Investigation, and the Bureau of Corporations and Charitable Organizations. The deputy is also responsible for the administrative duties of the Department of State including the Bureau of Human Resources, the Bureau of Finance and Operations, and the Bureau of Information Systems.

Authorized Complement

2009-10 Actual	2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Actual
531	523	506	499	496

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2013-14 ACTUAL	2014-15 AVAILABLE	2015-16 BUDGET
GENERAL FUND:			
General Government:			
General Government Operations	**$ 3,445**	**$ 3,695**	**$ 3,920**
(F)Federal Election Reform	29,265	16,570	13,653
(A)Departmental Services	0 [a]	0 [a]	0 [a]
(R)Professional and Occupational Affairs	36,907 [b]	39,207 [b]	41,861 [b]
(R)State Board of Medicine	7,330 [b]	7,559 [b]	7,975 [b]
(R)State Board of Osteopathic Medicine	1,323 [b]	1,250 [b]	1,323 [b]
(R)State Board of Podiatry	209 [b]	225 [b]	238 [b]
(R)State Athletic Commission	509 [b]	536 [b]	560 [b]
(R)Bureau of Corporations and Charitable Organizations (EA)	6,533	7,281	6,244
Subtotal	$ 85,521	$ 76,323	$ 75,774
Statewide Uniform Registry of Electors	**4,257**	**4,045**	**4,045**
Voter Registration and Education	**2,506**	**458**	**458**
(F)Elections Assistance - Grants to Counties	1,589	990	763
Subtotal	$ 4,095	$ 1,448	$ 1,221
Lobbying Disclosure	**475**	**297**	**460**
Publishing Constitutional Amendments (EA)	**0**	**2,234**	**2,700**
Subtotal - State Funds	$ 10,683	$ 10,729	$ 11,583
Subtotal - Federal Funds	30,854	17,560	14,416
Subtotal - Restricted Revenues	52,811	56,058	58,201
Total - General Government	$ 94,348	$ 84,347	$ 84,200
Grants and Subsidies:			
Voting of Citizens in Military Service	**$ 20**	**$ 20**	**$ 20**
County Election Expenses (EA)	**225**	**400**	**400**
Total - Grants and Subsidies	$ 245	$ 420	$ 420
STATE FUNDS	$ 10,928	$ 11,149	$ 12,003
FEDERAL FUNDS	30,854	17,560	14,416
RESTRICTED REVENUES	52,811	56,058	58,201
GENERAL FUND TOTAL	**$ 94,593**	**$ 84,767**	**$ 84,620**
OTHER FUNDS:			
GENERAL FUND:			
Lobbying Disclosure (R)	$ 300	$ 500	$ 337
REAL ESTATE RECOVERY FUND:			
Real Estate Recovery Payments (EA)	$ 150	$ 150	$ 150

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	2013-14 ACTUAL	2014-15 AVAILABLE	2015-16 BUDGET
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND	$ 10,928	$ 11,149	$ 12,003
SPECIAL FUNDS	0	0	0
FEDERAL FUNDS	30,854	17,560	14,416
RESTRICTED	52,811	56,058	58,201
OTHER FUNDS	450	650	487
TOTAL ALL FUNDS	**$ 95,043**	**$ 85,417**	**$ 85,107**

[a] Not added to the total to avoid double counting: 2013-14 Actual is $4,758,000, 2014-15 Available is $5,790,000 and 2015-16 Budget is $6,010,000.

[b] Appropriated from a restricted revenue account.

Program Funding Summary

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
CONSUMER PROTECTION							
GENERAL FUND	$ 10,928	$ 11,149	$ 12,003	$ 9,210	$ 10,532	$ 10,536	$ 10,743
SPECIAL FUNDS	0	0	0	0	0	0	0
FEDERAL FUNDS	30,854	17,560	14,416	14,416	14,416	14,416	14,416
OTHER FUNDS	53,261	56,708	58,688	58,688	58,688	58,688	58,688
SUBCATEGORY TOTAL	$ 95,043	$ 85,417	$ 85,107	$ 82,314	$ 83,636	$ 83,640	$ 83,847
ALL PROGRAMS:							
GENERAL FUND	$ 10,928	$ 11,149	$ 12,003	$ 9,210	$ 10,532	$ 10,536	$ 10,743
SPECIAL FUNDS	0	0	0	0	0	0	0
FEDERAL FUNDS	30,854	17,560	14,416	14,416	14,416	14,416	14,416
OTHER FUNDS	53,261	56,708	58,688	58,688	58,688	58,688	58,688
DEPARTMENT TOTAL	$ 95,043	$ 85,417	$ 85,107	$ 82,314	$ 83,636	$ 83,640	$ 83,847

Program: Consumer Protection

Goal: To protect the consumer from fraudulent solicitation and unqualified professional and occupational practitioners and establishments.

The Department of State administers several programs within the Consumer Protection program.

Program Element: Protection of the Electoral Process

This program ensures the efficiency, honesty and uniformity in the administration of the Election Code. Act 25 of 1995, the Pennsylvania Voter Registration Act, integrated voter registration into driver's license applications and made other voter registration changes to comply with the National Voter Registration Act. Nomination petitions for statewide and legislative offices are reviewed for compliance with statutory standards and are processed for inclusion on the ballot. As required by the Election Code, committees file campaign expense reports, and the public is provided the opportunity to review the reports. The department tabulates, publishes and disseminates statistics for both voter registration and all elections; it also serves as the repository of the maps and descriptions of the commonwealth's approximately 9,180 election precincts.

Act 61 of 2001 amended the Pennsylvania Voter Registration Act and requires the department to develop and maintain an integrated voter registration database containing all electors in the commonwealth. The act also created an advisory board to establish the requirements of the Statewide Uniform Registry of Electors system.

Other program functions include commissioning gubernatorial appointees to boards and commissions and preparing commissions for judges, magisterial district judges and notaries public, as well as enforcement of the Notary Public Law. In addition, the department maintains a record of all legislation passed by the General Assembly by docketing the bills and assigning act numbers.

Act 134 of 2006, the Lobbying Disclosure Act, assigned registration and monitoring duties to the department. The act requires that the department receive filings and reports from lobbyists, make this information available to the public, have the information on a website, produce annual reports and a biennial directory, conduct audits and provide administrative assistance to the regulating committee.

Program Element: Protection by Professional Licensing

This program ensures that acceptable professional and technical services are provided to the commonwealth's residents. To accomplish this, 29 boards and commissions of the Bureau of Professional and Occupational Affairs utilize licensing, enforcement and administrative authority to regulate and service the various professions. The department investigates complaints against licensees for legal or ethical violations that may result in disciplinary action by the boards.

Mechanisms used in controlling the quality of practitioners include regulating education; experience and degree of technical expertise demonstrated through applications; and subsequent written examination and/or demonstrated practical ability. Requirements for continuing education also serve as a means of meeting the constantly changing developments in the various professions and occupations.

Act 124 of 1978 created the Professional Licensure Augmentation Account enabling this program to be funded from fees and fines collected by the Bureau of Professional and Occupational Affairs. Thus, the bureau operates entirely out of restricted funds, considered for budgetary purposes as Other Funds.

Act 13 of 2002, the Medical Care Availability and Reduction of Error Act, further provided for medical malpractice liability insurance, tort reform, mandatory reporting by and to state licensing boards and continuing medical education.

Fees are revised according to the specific enabling legislation for each board.

Program Element: Regulation of Consumer Products and Promotion of Fair Business Practices

This program encompasses the activities of the Bureau of Corporations and Charitable Organizations and the State Athletic Commission.

The Bureau of Corporations and Charitable Organizations is responsible for both profit and nonprofit business incorporation filings, submission of Uniform Commercial Code (UCC) filings and registration of charitable organizations, professional fundraisers and solicitors, as well as regulation of the actual solicitation and distribution of collected funds.

The primary goals of the Bureau of Corporations and Charitable Organizations are to make the registration process as efficient as possible, enhance public access, promote transparency and disclosure by charities, educate consumers and aggressively pursue fraudulent solicitation activities.

The State Athletic Commission monitors and regulates all professional and amateur boxing, kickboxing and mixed martial arts events, professional wrestling contests and the licensing of all persons who participate in these events. The individual license categories include announcer, agent, boxer, judge, manager, matchmaker, physician, promoter (including those promoting professional wrestling), referee, second, timekeeper and trainer.

Program: Consumer Protection (continued)

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

GENERAL FUND

General Government Operations
$ 225 —to continue current program.

Lobbying Disclosure
$ 163 —based on most recent projection of biennial fees.

Publishing Constitutional Amendments (EA)
$ 466 —to advertise and publish proposed Constitutional Amendments.

This budget also recommends the following changes in appropriations and executive authorizations from restricted accounts:

Professional and Occupational Affairs
$ 2,654 —to continue current program.

State Board of Medicine
$ 416 —to continue current program.

State Board of Osteopathic Medicine
$ 73 —to continue current program.

State Board of Podiatry
$ 13 —to continue current program.

State Athletic Commission
$ 24 —to continue current program.

Bureau of Corporations and Charitable Organizations (EA)
$ –1,037 —reduction in administrative costs.

Recommendations assume that fees for all boards will be sufficient to fund the recommended expenditure level.

The Statewide Uniform Registry of Electors, Voter Registration and Education, Voting of Citizens in Military Service and County Election Expenses (EA) appropriations are recommended at the current year funding levels.

This budget includes $337,000 in augmentations to support Lobbying Disclosure. This augmentation is provided through a biennial fee, which increased from $200 to $300 on January 1, 2015.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
GENERAL FUND:							
General Government Operations	$ 3,445	$ 3,695	$ 3,920	$ 4,057	$ 4,158	$ 4,262	$ 4,369
Statewide Uniform Registry of Electors	4,257	4,045	4,045	4,045	5,196	5,196	5,196
Voter Registration and Education	2,506	458	458	458	458	458	458
Lobbying Disclosure	475	297	460	200	300	200	300
Publishing Constitutional Amendments (EA)	0	2,234	2,700	0	0	0	0
Electoral College	0	0	0	10	0	0	0
Voting of Citizens in Military Service	20	20	20	40	20	20	20
County Election Expenses (EA)	225	400	400	400	400	400	400
TOTAL GENERAL FUND	$ 10,928	$ 11,149	$ 12,003	$ 9,210	$ 10,532	$ 10,536	$ 10,743

Program Measures

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Program: Consumer Protection							
Objective: Increase number of electoral process transactions, to include voter registrations, notary public commissions, certifications and apostilles, and commissions.							
Electoral Process							
Voter registration transactions	954,000	1,200,000	1,100,000	1,200,000	1,000,000	960,000	1,100,000
Notary public commissions issued	6,968	7,000	7,000	7,100	7,100	7,250	7,250
Notary public commissions renewed	15,272	15,300	15,000	14,900	14,800	14,900	14,900
Certifications and apostilles completed	36,478	35,000	35,000	35,500	35,500	35,750	35,750
Commissions processed	699	650	700	700	700	650	700
Objective: Increase the number of campaign finance reports filed online.							
Electoral Process							
Percentage of campaign finance reports filed online	45.70%	45.80%	46.70%	47%	46.90%	47.50%	48.20%
Campaign finance reports filed	8,734	8,300	8,350	8,300	8,100	8,000	8,200
Objective: Decrease the processing time of consumer complaints against licensees.							
Enforcement and Investigation							
Average number of days it takes to close an investigation	86	110	90	90	90	90	90
Inspections completed	20,114	22,000	22,000	22,000	22,000	22,000	22,000
Investigations opened	4,762	3,800	3,800	3,800	3,800	3,800	3,800
Investigations closed	4,304	3,800	3,800	3,800	3,800	3,800	3,800
Objective: Increase the number of professional licenses renewed online.							
Professional Licensing							
Percentage of licenses renewed online	95%	95%	95%	95.50%	95.50%	95.50%	96%
Active Professional Licenses	968,827	982,990	997,160	1,011,330	1,025,510	1,039,680	1,053,860
Objective: Resolve complaints promptly by identifying those which require investigation and formal action.							
Professional Licensing							
Average number of days it takes to close a complaint	314	390	390	400	410	420	430
Cases opened	13,892	14,700	15,800	16,250	16,500	16,750	17,000
Cases closed	12,740	13,000	13,000	13,200	13,200	13,400	13,400
Disciplinary actions	2,121	2,400	2,700	2,800	2,900	3,000	3,000
Regulation packages proposed and approved	24	25	25	25	25	25	25

Program Measures

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Objective: Increase the number of licensed professionals in the rehabilitation program that successfully complete the program.							
Professional Licensing							
Health Monitoring Program:							
Percentage of licensees who started and successfully completed a PHMP program	16%	15%	15%	15%	15%	15%	15%
Cases opened	1,808	2,000	2,025	2,050	2,075	2,100	2,125
Cases closed	1,589	1,975	2,000	2,025	2,050	2,075	2,100
Licensees who completed a recovery program	216	235	245	255	265	275	285
Objective: Maintain timely processing of corporate and charitable organization registrations and Uniform Commercial Code financing statements.							
Enforcement and Investigation							
Charities investigations opened	249	240	240	240	240	240	240
Charities investigations closed	208	242	242	242	242	242	242
Corporations and Charitable Organizations							
Business Entity and Trademark filings	111,117	113,340	115,600	117,920	120,280	122,680	125,140
Uniform Commercial Code filings	126,128	128,650	131,220	133,850	136,530	139,260	142,040
Corporation and Uniform Commercial Code Requests	168,000	171,360	174,790	178,280	181,850	185,490	189,200
Charity registrations	11,006	11,230	11,450	11,680	11,900	12,150	12,400
Professional fundraiser registrations	457	466	475	485	495	505	515
Professional fundraiser contract filings	1,835	1,870	1,910	1,950	1,990	2,030	2,070
Objective: Regulate all State Athletic Commission sports in a safe and orderly manner by professionally licensing athletes and ensuring rules and regulations are followed at all wrestling, boxing and mixed martial arts events.							
State Athletic Commission							
Professionals licensed	2,338	2,400	2,400	2,400	2,400	2,400	2,400
Wrestling events	308	340	340	340	340	340	340
Boxing events (professional, amateur and kickboxing) and mixed martial arts events	154	150	150	150	150	150	150

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STATE EMPLOYEES' RETIREMENT SYSTEM

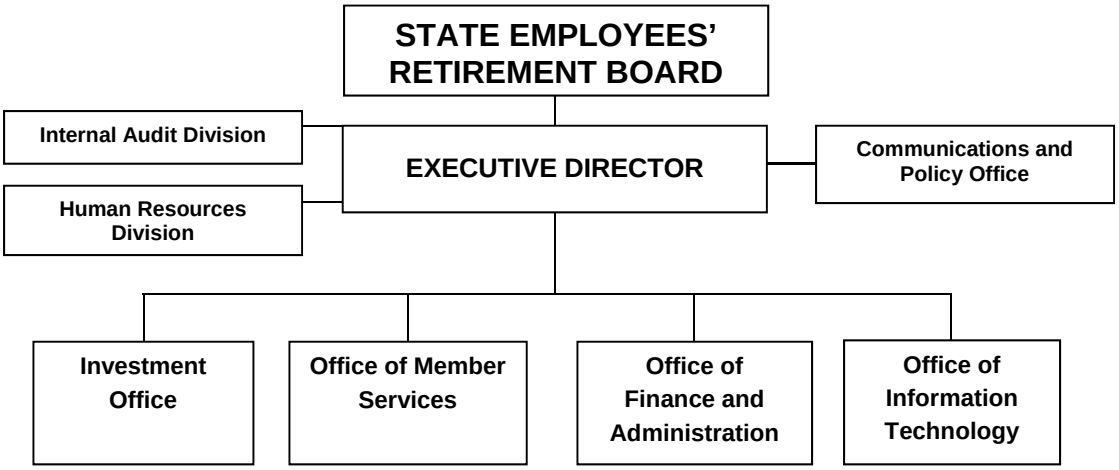
The mission of the State Employees' Retirement System is to provide retirement benefits and services to its members through sound administration and prudent investments.

The system is responsible for administering the State Employees' Retirement Fund, the supplemental retirement allowances and cost-of-living increases for annuitants. The system also administers the commonwealth's Deferred Compensation Program.

Programs and Goals

State Employees' Retirement: *To provide retirement benefits to employees of the Commonwealth of Pennsylvania.*

Organization Overview



- **Director of the Investment Office** is responsible for the Public Markets Division, Real Estate Division and the Alternative Investments Division.
- **Director of the Office of Member Services** is responsible for the Bureau of Member Services and the Bureau of Benefit Administration.
- **Director of the Office of Finance and Administration** is responsible for the divisions of General Accounting and the Deferred Compensation Program; Budget, Procurement and Operations; Investment Control; and Compliance and Quality Control.
- **Director of the Office of Information Technology** is responsible for the divisions of Applications, Database Administration, and Technical Support.

Authorized Complement

2009-10 Actual	2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Actual
197	197	197	197	197

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	2013-14 ACTUAL	2014-15 AVAILABLE	2015-16 BUDGET
OTHER FUNDS:			
STATE EMPLOYEES' RETIREMENT FUND:			
State Employees' Retirement Administration	$ 21,002	$ 22,303	$ 23,592
Investment Related Expenses	7,373	9,111	9,292
STATE EMPLOYEES' RETIREMENT FUND TOTAL	**$ 28,375**	**$ 31,414**	**$ 32,884**

Program Funding Summary

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
STATE EMPLOYEES' RETIREMENT							
GENERAL FUND	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
SPECIAL FUNDS	0	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0	0
OTHER FUNDS	28,375	31,414	32,884	34,035	34,885	35,757	36,651
SUBCATEGORY TOTAL	$ 28,375	$ 31,414	$ 32,884	$ 34,035	$ 34,885	$ 35,757	$ 36,651
ALL PROGRAMS:							
GENERAL FUND	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
SPECIAL FUNDS	0	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0	0
OTHER FUNDS	28,375	31,414	32,884	34,035	34,885	35,757	36,651
DEPARTMENT TOTAL	$ 28,375	$ 31,414	$ 32,884	$ 34,035	$ 34,885	$ 35,757	$ 36,651

Program: State Employees' Retirement

Goal: To provide retirement benefits to employees of the Commonwealth of Pennsylvania.

The State Employees' Retirement System (SERS) was established in 1923 to administer the commonwealth's employee pension program. The State Employees' Retirement Fund uses contributions from employees and their employing agencies as well as earnings from investments to pay for annuities, disability benefits and administration of the system. The State Employees' Retirement Fund is shown in the Other Special Funds Appendix.

SERS undergoes an annual independent actuarial valuation to calculate the assets and liabilities of the pension fund. Based on the actuarial valuation process and legal requirements, SERS develops the recommended employer contribution rate.

Employer contribution rates differ by class of employee. As a result of Act 9 of 2001, most system members, depending upon individual employee election of membership, contribute 6.25 percent of pay to the system. Normal retirement for most employees is age 60, age 50 for safety employees and members of the Legislature or at any age with 35 years of service. Retirement is possible after five years of service but is actuarially reduced to the equivalent of the annuity that would have been payable at superannuation retirement.

Act 120 of 2010 made significant changes to the pension system. Act 120 amended the benefit structure for new employees hired after December 31, 2010 and amended key funding provisions. Benefit changes included: lowering the benefit accrual rate from 2.5 percent of final average salary for each year of service to 2 percent; setting the new employee contribution rate at 9.3 percent if employees elect to accrue service at 2.5 percent for each year of service; increasing the vesting period from 5 years to 10 years; eliminating the option for members to withdraw their contributions; increasing the normal retirement age to age 65 for most employees, and age 55 for safety employees and members of the Legislature; and implementing a shared risk provision that could raise or lower member contribution rates based on the rate assumed for SERS' actuarial valuations. Act 120 also included changes to key funding provisions including re-amortizing existing liabilities and future experience gains and losses over 30 years with level dollar payments, and implementing employer contribution rate collars which limit year-over-year increases in the employer contribution rate. The collars established by Act 120 were 3 percent for 2011-12, 3.5 percent for 2012-13 and 4.5 percent for all subsequent years. The collars will end when the actuarial calculated rate is below the collared rate.

SERS is also responsible for the administration of the commonwealth's Deferred Compensation Program that allows commonwealth employees to voluntarily defer a portion of their salaries to a retirement savings account. The Deferred Compensation Fund is shown in the Other Special Funds Appendix.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

STATE EMPLOYEES' RETIREMENT FUND
State Employees' Retirement Administration

$ 1,289 —to continue current program.

In addition, $9,292,000 in Investment Related Expenses will be used to support this program.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
STATE EMPLOYEES' RETIREMENT FUND:							
State Employees' Retirement Administration	$ 21,002	$ 22,303	$ 23,592	$ 24,418	$ 25,028	$ 25,654	$ 26,295
Investment Related Expenses	7,373	9,111	9,292	9,617	9,857	10,103	10,356
TOTAL STATE EMPLOYEES' RETIREMENT FUND	$ 28,375	$ 31,414	$ 32,884	$ 34,035	$ 34,885	$ 35,757	$ 36,651

Program Measures

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Program: State Employees' Retirement							
Objective: Provide adequate retirement counseling sessions to our members as requested.							
Retirement Counseling Sessions	8,000	12,000	8,000	8,000	8,000	12,000	8,000
Objective: Maintain a record of the total number of retired employees.							
Total number of retired employees and beneficiaries	120,052	121,850	123,530	125,150	126,710	127,980	129,060
Objective: Maintain a record of total benefit payments (in billions).							
Total benefit payments (in billions)	$2.80	$3	$3.10	$3.30	$3.40	$3.50	$3.60

STATE POLICE

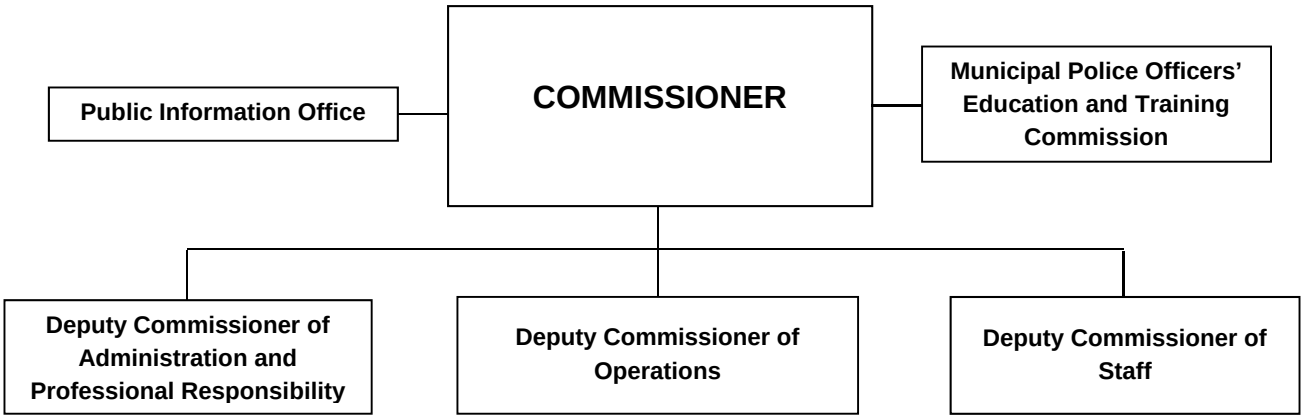
The mission of the Pennsylvania State Police is to seek justice, preserve peace and improve the quality of life for all.

The State Police promotes traffic safety, investigates crime and reduces criminal activity, and provides investigative assistance and support services to all law enforcement agencies within the commonwealth. In addition, the State Police maintains and provides to criminal justice agencies up-to-date law enforcement information, evaluates the competence level of law enforcement within the commonwealth and provides prompt, competent service in emergency situations. The State Police ensures personal protection and security for the governor and other persons designated by proper authority, and enforces all other state statutes as directed by proper authority.

Programs and Goals

Public Protection and Law Enforcement: *To enforce the law and preserve the peace through detection of crime and apprehension of criminals, patrol of highways and enforcement of the Vehicle and Liquor Codes.*

Organization Overview



- **Deputy Commissioner of Administration and Professional Responsibility** oversees the bureaus of Human Resources, Training and Education, Integrity and Professional Standards, and the Discipline Office.
- **Deputy Commissioner of Operations** oversees bureaus of Patrol, Criminal Investigation, Liquor Control Enforcement, Emergency and Special Operations, Information Technology, and Area Commands I, II and III.
- **Deputy Commissioner of Staff** oversees the bureaus of Forensic Services, Staff Services, Records and Identification, Research and Development, and Communications and Information Services.

Authorized Complement

2009-10 Actual	2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Actual
6,359	6,359	6,378	6,514	6,531

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2013-14 ACTUAL	2014-15 AVAILABLE	2015-16 BUDGET
GENERAL FUND:			
General Government:			
General Government Operations	**$ 188,904**	**$ 204,628**	**$ 223,945**
(F)Motor Carrier Safety	13,768	9,000	9,295
(F)Area Computer Crime	10,875	4,295	5,468
(F)Office of Homeland Security (EA)	4,312	4,363	4,420
(F)Homeland Security Grants (EA)	2,780	2,479	2,570
(F)Law Enforcement Preparedness (EA)	4,615	5,350	5,230
(F)Combat Underage Drinking (EA)	150	150	150
(F)Law Enforcement Projects (EA)	2,350	1,186	455
(F)ARRA - JAG Protection from Abuse Database (EA)	19	0	0
(F)ARRA - JAG Instant Check System Rewrite (EA)	682	0	0
(F)ARRA - JAG Megan's Law Modernization (EA)	758	0	0
(A)Turnpike Commission	41,098	40,800	40,300
(A)Delaware River Toll Bridge	2,494	1,800	2,400
(A)Construction Zone Patrolling	2,903	5,000	3,700
(A)Criminal History Record Checks	6,580	6,400	6,400
(A)PATCH Credit Card Receipts	6,072	4,753	6,000
(A)Fingerprint Record Checks	1,862	2,050	2,050
(A)Reimbursement for Services	2,379	2,200	2,200
(A)Superload Reimbursements	1,842	1,700	1,700
(A)Sale of Automobiles	196	100	100
(A)Registry of Protection	146	150	150
(A)Electronic Surveillance	56	40	40
(A)Littering Fines	6	6	6
(A)Photographic Services	2	10	10
(A)Training Fees	0	5	5
(A)Miscellaneous	1,303	1,302	1,302
Subtotal	$ 296,152	$ 297,767	$ 317,896
Statewide Public Safety Radio System	**7,020**	**5,703**	**6,007**
(F)Broadband Network Planning	4,050	4,050	4,050
(F)ARRA - Broadband Project for Northern PA (EA)	3,938	0	0
(A)Miscellaneous	23	0	0
Subtotal	$ 15,031	$ 9,753	$ 10,057
Law Enforcement Information Technology	**6,372**	**6,372**	**6,899**
Municipal Police Training	**998**	**998**	**1,262**
(A)Pre-Employment Testing	76	50	50
(A)Retired Law Enforcement Identification	6	5	5
Subtotal	$ 1,080	$ 1,053	$ 1,317
Forensic Laboratory Support	**1,500**	**1,500**	**0**
Automated Fingerprint Identification System	**861**	**861**	**861**
Gun Checks	**2,000**	**1,000**	**1,600**
(R)Firearm Records Check	1,948	6,214	6,130
Subtotal	$ 3,948	$ 7,214	$ 7,730
Subtotal - State Funds	$ 207,655	$ 221,062	$ 240,574
Subtotal - Federal Funds	48,297	30,873	31,638
Subtotal - Augmentations	67,044	66,371	66,418
Subtotal - Restricted Revenues	1,948	6,214	6,130
Total - General Government	$ 324,944	$ 324,520	$ 344,760

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2013-14 ACTUAL	2014-15 AVAILABLE	2015-16 BUDGET
STATE FUNDS	$ 207,655	$ 221,062	$ 240,574
FEDERAL FUNDS	48,297	30,873	31,638
AUGMENTATIONS	67,044	66,371	66,418
RESTRICTED REVENUES	1,948	6,214	6,130
GENERAL FUND TOTAL	**$ 324,944**	**$ 324,520**	**$ 344,760**
MOTOR LICENSE FUND:			
General Government:			
General Government Operations	**$ 566,311**	**$ 613,884**	**$ 671,835**
Statewide Public Safety Radio System	**15,690**	**17,109**	**18,021**
Law Enforcement Information Technology	**19,116**	**19,116**	**20,697**
Municipal Police Training	**1,039**	**1,039**	**1,262**
Automated Fingerprint Identification System	**85**	**85**	**85**
Patrol Vehicles	**11,000**	**11,000**	**12,000**
Commercial Vehicle Inspections	**8,700**	**8,885**	**10,405**
(A)Sale of Vehicles	42	35	35
(A)Waste Transportation Safety Enforcement	550	550	550
(A)Enhanced Commercial Vehicle Inspections	506	0	0
Subtotal	$ 623,039	$ 671,703	$ 734,890
Subtotal - State Funds	$ 621,941	$ 671,118	$ 734,305
Subtotal - Augmentations	1,098	585	585
Total - General Government	$ 623,039	$ 671,703	$ 734,890
Grants and Subsidies:			
Municipal Police Training Grants	**$ 0**	**$ 5,000**	**$ 5,000**
STATE FUNDS	$ 621,941	$ 676,118	$ 739,305
AUGMENTATIONS	1,098	585	585
MOTOR LICENSE FUND TOTAL	**$ 623,039**	**$ 676,703**	**$ 739,890**
OTHER FUNDS:			
GENERAL FUND:			
Federal Property Forfeiture	$ 2,677	$ 2,800	$ 1,800
State Drug Act Forfeiture	1,200	3,050	3,055
State Criminal Enforcement Forfeiture	13	85	65
Crime Lab User Fees	1,220	1,244	1,200
Auto Theft & Insurance Fraud Investigation	2,556	2,700	2,850
Firearms License Validation System	0	150	150
Vehicle Code Fines	0 [a]	2,000	1,000
Radio Systems Development Project	-298 [b]	1,000	1,000
Tower Management	-193 [b]	300	300
Broadband Middle Mile	0	5	5
GENERAL FUND TOTAL	**$ 7,175**	**$ 13,334**	**$ 11,425**
MOTOR LICENSE FUND:			
Vehicle Sales and Purchases	$ 345	$ 3,500	$ 2,000
Vehicle Code Fines	890 [a]	0	0
MOTOR LICENSE FUND TOTAL	**$ 1,235**	**$ 3,500**	**$ 2,000**
DNA DETECTION FUND:			
DNA Detection of Offenders (EA)	$ 1,891	$ 2,691	$ 4,191
STATE GAMING FUND:			
(R)Gaming Enforcement	$ 22,531	$ 22,995	$ 26,973

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	2013-14 ACTUAL	2014-15 AVAILABLE	2015-16 BUDGET
STATE STORES FUND:			
Liquor Control Enforcement	$ 24,913	$ 26,996	$ 29,462
(A)Enforcement Reimbursement	28	25	25
(A)Sale of Vehicles	10	10	10
STATE STORES FUND TOTAL	**$ 24,951**	**$ 27,031**	**$ 29,497**
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND	$ 207,655	$ 221,062	$ 240,574
SPECIAL FUNDS	621,941	676,118	739,305
FEDERAL FUNDS	48,297	30,873	31,638
AUGMENTATIONS	68,142	66,956	67,003
RESTRICTED	1,948	6,214	6,130
OTHER FUNDS	57,783	69,551	74,086
TOTAL ALL FUNDS	**$ 1,005,766**	**$ 1,070,774**	**$ 1,158,736**

[a] Per Act 71 of 2013, Vehicle Code fine revenue and subsequent distribution are redirected from the Motor License Fund to the General Fund.

[b] Includes transfer of prior year expenditures to Statewide Public Radio System.

Program Funding Summary

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
PUBLIC PROTECTION AND LAW ENFORCEMENT							
GENERAL FUND	$ 207,655	$ 221,062	$ 240,574	$ 261,264	$ 280,844	$ 301,972	$ 324,774
SPECIAL FUNDS	621,941	676,118	739,305	790,850	849,404	912,600	980,810
FEDERAL FUNDS	48,297	30,873	31,638	31,638	31,638	31,638	31,638
OTHER FUNDS	127,873	142,721	147,219	145,804	150,043	154,584	157,655
SUBCATEGORY TOTAL	$ 1,005,766	$ 1,070,774	$ 1,158,736	$ 1,229,556	$ 1,311,929	$ 1,400,794	$ 1,494,877
ALL PROGRAMS:							
GENERAL FUND	$ 207,655	$ 221,062	$ 240,574	$ 261,264	$ 280,844	$ 301,972	$ 324,774
SPECIAL FUNDS	621,941	676,118	739,305	790,850	849,404	912,600	980,810
FEDERAL FUNDS	48,297	30,873	31,638	31,638	31,638	31,638	31,638
OTHER FUNDS	127,873	142,721	147,219	145,804	150,043	154,584	157,655
DEPARTMENT TOTAL	$ 1,005,766	$ 1,070,774	$ 1,158,736	$ 1,229,556	$ 1,311,929	$ 1,400,794	$ 1,494,877

Program: Public Protection and Law Enforcement

Goal: To enforce the law and preserve the peace through detection of crime and apprehension of criminals, patrol of highways and enforcement of the Vehicle and Liquor Codes.

Program Element: Traffic Supervision

Enforcing the commonwealth's traffic laws is a major responsibility of the State Police. The State Police has jurisdiction in all political sub-divisions within the commonwealth and routinely provides assistance to municipal, state and federal law enforcement agencies. The department patrols 60 percent of the commonwealth's roadways while providing various levels of police services and traffic enforcement to the majority of municipalities in the commonwealth. The State Police is also responsible for providing primary police services and traffic enforcement on the Pennsylvania Turnpike and the interstate highway system.

The department emphasizes reducing traffic crashes and bringing the motoring public into voluntary compliance with all traffic laws through routine patrol and enforcement activities. The department conducts traffic safety education programs aimed at preventing motor vehicle crashes.

The State Police utilizes various patrol and enforcement techniques; however, the very presence of visible police patrols continues to have the greatest impact on reducing traffic crashes. Supplemental patrols are provided in construction zones for the safety of motorists, as well as construction workers. Aircraft piloted by State Police troopers routinely monitor the speeds of vehicles on interstate and secondary highways. Enforcement efforts continue to be concentrated in areas identified through the problem specific policing initiative. Problem specific policing is an incident analysis and police management process built on the principles of accurate and timely statistical data, effective tactics, rapid deployment of resources, and relentless follow-up and assessment. The goals of problem specific policing are to reduce crashes and crime, and improve the quality of life of citizens.

The department continues the use of DUI sobriety checkpoints and roving DUI patrols to combat drunk driving. The use of trained drug recognition experts is contributing to the steady increase in identifying and removing drug-impaired drivers from our highways. In addition, each State Police troop conducts troop-specific impaired driving enforcement initiatives as an enforcement tool and psychological deterrent to impaired driving. The department routinely conducts traffic safety education programs aimed at preventing DUI-related crashes.

The goal of commercial vehicle enforcement is to reduce commercial motor vehicle crashes, fatalities and injuries through consistent, uniform and effective commercial motor vehicle safety programs. Enforcement of the federal motor carrier safety regulations pertain to drivers, equipment, documents, loads and hazardous materials transportation. State Police personnel also enforce the commonwealth's laws pertaining to the size, weight and load of commercial vehicles. This is accomplished through the use of permanent weigh stations and weigh-in-motion scales.

State Police identify, collect and analyze roadway evidence, debris patterns, vehicle damage and occupant injuries to reconstruct the circumstances surrounding serious, complicated and fatal motor vehicle crashes. This process is increasingly being used to assist in criminal cases such as homicide and fire investigations. Forensic mapping is also conducted, providing for scaled, computer-generated diagrams of crash and crime scenes.

As part of a program sponsored by the National Highway Traffic Safety Administration, troopers are certified as Child Passenger Safety Technicians and Child Passenger Safety Instructors. The State Police maintains permanent child safety fitting stations. Each station conducts inspections at least once a month. Additional inspections are conducted in conjunction with national occupant safety campaigns several times a year.

Program Element: Vehicle Standards Control

Vehicle fraud investigation was established to enforce vehicle equipment laws and regulations, and to assist in the removal of unsafe vehicles from the commonwealth's highways through supervision of motor vehicle safety inspection stations and mechanics, emissions inspection stations, and motor vehicle dealers. The State Police continues to administer the school bus and mass transit vehicle inspection functions.

Program Element: Criminal Law Enforcement

Most State Police efforts in criminal law enforcement are performed at the station level and consist of investigations of violent crimes and property crimes. At the statewide level, the department conducts special investigations of drug and narcotics offenses, organized crime, terrorism, white-collar crime, public corruption, arson, computer crime, and criminal personality profiling.

State Police troopers, along with local, state and federal agencies, target major drug-trafficking organizations utilizing a comprehensive strategy that involves intelligence gathering, financial background information, criminal investigation and asset forfeiture proceedings.

The State Police administers and manages the Pennsylvania Amber Alert System, a child abduction alert notification system. Amber Alert utilizes the Emergency Alert System and the commonwealth's "Alert-PA" website to inform the public of an abduction of a child under the age of 18, whom the police believe to be in danger of serious bodily harm or death. A Missing Endangered Person Advisory System was implemented to supplement

Program: Public Protection and Law Enforcement (continued)

the Amber Alert System and notify the public of missing endangered persons of any age.

The State Police provides investigative assistance to all local, state and federal law enforcement agencies in cases where a computer has been utilized for a criminal purpose. The program task force is equipped with the newest technology, including a central forensic server that allows investigators to complete forensic examinations from remote locations across the state. The task force also provides educational information and programs to local law enforcement agencies and prosecutors.

Program Element: Crime Prevention

The State Police crime prevention mission is to reduce the incidence of crime through citizen involvement and educational crime prevention techniques. This includes initiatives such as Neighborhood Crime Watch, block parents, Crime Stoppers and business tip programs developed to encourage the reporting of suspicious activity for follow-up investigation in support of the department's homeland security mission.

The State Police provides assistance to municipalities in suppression of violent crime through saturation patrols. The State Police also works with federal and local law enforcement officials to purge violent crime from urban neighborhoods. Community involvement and intelligence gathering are essential components of these operations.

The State Police ensures the timely exchange of relevant information pertaining to sexually violent predators and other sexual offenders between public agencies and officials, and the release of information regarding offenders to the general public as required by Megan's Law.

The State Police is responsible for managing the Pennsylvania Instant Check System (PICS). PICS provides instant access to background records on an individual to determine if the person is eligible to acquire a firearm or a license to carry a firearm. The PICS is comprised of a call center responsible for ensuring accurate identification of the subject of each background check; evaluating and researching federal, state, and local records, as well as other comprehensive documentation; and maintaining positive communication with firearms dealers and county sheriffs throughout the commonwealth.

Program Element: Emergency Assistance

The State Police has primary police jurisdiction in 82 percent of the commonwealth's land area while providing assistance to a variety of local, state and federal entities. The State Police is normally called upon whenever a medium to large-scale emergency situation occurs within the commonwealth. The department classifies emergency assistance into two separate categories: civil disorder and emergency management.

Civil disorders are incidents that are or may become criminal in nature, such as prison disturbances, labor disorders, strikes, educational campus disorders, youth group disorders, terrorism and hostage situations. Emergency management is the prevention, mitigation and response to natural or man-made hazards to prevent loss of life or property, economic loss, and disruption of normal living conditions.

The State Police Watch Center provides situational awareness of emergencies to all levels of the department by establishing a standard alert condition procedure. The watch center is a 24/7 operation, which works in conjunction with the Pennsylvania Criminal Intelligence Center to provide accurate and timely situational awareness and a common operating picture of both civil disorders and emergency management situations occurring throughout the state.

The Statewide Radio Network Division, known as PA-STARNet, develops and manages the two-way public safety radio system used by the State Police and various other commonwealth agencies. PA-STARNet is connected by an extensive microwave network, carrying voice and data communications for public safety and emergency response across the commonwealth.

The State Police administers and coordinates numerous homeland and domestic security responsibilities. The department's primary mission in this area includes emergency planning and preparedness, continuity of operations, National Incident Management System implementation, liaison to the Pennsylvania Emergency Management Agency, nuclear and radiological security, school safety support, facility security for department installations, risk and vulnerability assessments for commercial/public facilities and critical infrastructures, and management of federal homeland security grants.

The department's Special Emergency Response Team is responsible for an incident-specific approach to high-risk and special emergency situations. K-9 detection teams provide drug, explosive and human remains detection during emergency and disaster incidents. The department's aircraft fleet provides assistance, search-and-rescue operations, and enforcement during emergencies. The department provides response and render-safe operations for suspicious packages and improvised explosive devices, along with security-sweep operations. The department's tactical mounted resources include 28 horses and several specialty transport vehicles that support large-scale security and emergency operations. The Clandestine Laboratory Response Team is responsible for coordinating the safe and effective response to all clandestine laboratory incidents and hazardous indoor marijuana growing operations investigated by the State Police.

Program Element: Liquor Control and Gaming Enforcement

The State Police directs and controls a coordinated enforcement effort toward violations of the Pennsylvania Liquor Code and related sections of the Crimes Code.

Program: Public Protection and Law Enforcement (continued)

Operations include covert and overt investigations, assisting municipal police agencies, conducting routine license investigations, and performing establishment audits and border patrols. The department implemented a high school and middle school education program to deter minors from using alcoholic beverages, and an underage drinking laws program to effect a change in the culture of college students to reduce binge drinking and deglamorize underage drinking.

The State Police is responsible for investigating and prosecuting criminal infractions, conducting various background checks and providing overall law enforcement services at Pennsylvania's gaming facilities.

Program Element: Management

The department's management program provides direction and coordination for all line and staff activities including administrative and overhead systems for the operation of various law enforcement programs. This program also provides the protection for the governor and visiting dignitaries, security of the executive residence, and background investigations of applicants for state employment.

State-of-the-art technology continues to automate a broad range of department functions. The Commonwealth Law Enforcement Assistance Network (CLEAN) is utilized by the commonwealth's criminal justice agencies to access driver license and motor vehicle information, state and federal criminal history record information, protection-from-abuse orders, stolen item queries, wanted persons files, and a host of other law enforcement services. CLEAN is Pennsylvania's conduit to the Federal Bureau of Investigation's National Crime Information Center and to the International Justice and Public Safety Network.

The Pennsylvania Criminal Intelligence Center provides analytical assistance to Pennsylvania law enforcement agencies, emergency managers, and the owners and operators of critical infrastructure. Intelligence analysts supply law enforcement agencies with information and intelligence products needed for tactical and strategic planning while offering access to archived public, investigative and intelligence information from a multitude of statewide and national databases.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

GENERAL FUND AND MOTOR LICENSE FUND COMBINED:

General Government Operations

$ 68,213	—to continue current program.
9,055	—Initiative-Trooper Replacement Cadet Classes. Funding for four classes with a total of 350 cadets.
$ 77,268	Appropriation Increase

Statewide Public Safety Radio System

$ 1,216	—to continue current program.

Law Enforcement Information Technology

$ 2,108	—to continue current program.

Municipal Police Training

$ 487	—to continue current program.

Forensic Laboratory Support

$ –1,500	—program elimination. Support will be provided through the DNA Detection Fund.

Gun Checks

$ 600	—to continue current program.

Patrol Vehicles

$ 1,000	—to continue current program.

Commercial Vehicles Inspection

$ 1,520	—to continue current program.

Automated Fingerprint Identification System and Muncipal Police Training Grants appropriations are recommended at the current year funding levels.

In addition, funding for the Pennsylvania Instant Check System includes $6,130,000 from the Firearm Records Check restricted account.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
GENERAL FUND:							
General Government Operations	$ 188,904	$ 204,628	$ 223,945	$ 240,781	$ 260,043	$ 280,846	$ 303,314
Statewide Public Safety Radio System	7,020	5,703	6,007	6,217	6,372	6,531	6,694
Law Enforcement Information Technology	6,372	6,372	6,899	6,899	6,899	6,899	6,899
Municipal Police Training	998	998	1,262	1,306	1,339	1,372	1,406
Forensic Laboratory Support	1,500	1,500	0	0	0	0	0
Automated Fingerprint Identification System	861	861	861	861	861	861	861
Gun Checks	2,000	1,000	1,600	5,200	5,330	5,463	5,600
TOTAL GENERAL FUND	$ 207,655	$ 221,062	$ 240,574	$ 261,264	$ 280,844	$ 301,972	$ 324,774

Program: Public Protection and Law Enforcement (continued)

Appropriations within this Program: (continued)

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
MOTOR LICENSE FUND:							
General Government Operations	$ 566,311	$ 613,884	$ 671,835	$ 722,342	$ 780,129	$ 842,539	$ 909,943
Statewide Public Safety Radio System	15,690	17,109	18,021	18,651	19,116	19,593	20,082
Law Enforcement Information Technology	19,116	19,116	20,697	20,697	20,697	20,697	20,697
Municipal Police Training	1,039	1,039	1,262	1,306	1,339	1,372	1,406
Automated Fingerprint Identification System	85	85	85	85	85	85	85
Patrol Vehicles	11,000	11,000	12,000	12,000	12,000	12,000	12,000
Commercial Vehicle Inspections	8,700	8,885	10,405	10,769	11,038	11,314	11,597
Municipal Police Training Grants	0	5,000	5,000	5,000	5,000	5,000	5,000
TOTAL MOTOR LICENSE FUND	$ 621,941	$ 676,118	$ 739,305	$ 790,850	$ 849,404	$ 912,600	$ 980,810

Program Measures

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Program: Public Protection and Law Enforcement							
Objective: Reduce motor vehicle crashes.							
Vehicle Traffic Supervision							
Motor vehicle crashes	78,456	77,100	75,800	74,500	73,300	72,000	70,800
Traffic citations issued	593,721	604,000	614,000	623,000	634,000	644,000	655,000
Written warnings issued for traffic violations	300,960	306,000	311,000	316,000	321,000	327,000	332,000
Vehicle Standards Control							
Commercial vehicle safety inspections	88,316	89,800	91,300	92,700	94,300	95,800	97,400
Percentage of commercial vehicle safety inspections resulting in vehicles being placed out of service	12%	12%	12%	12%	12%	12%	12%
Objective: Reduce fatal motor vehicle crashes.							
Vehicle Traffic Supervision							
Fatal motor vehicle crashes	558	550	540	530	520	510	500
Traffic citations issued for occupant restraint violations	18,498	18,800	19,100	19,400	19,700	20,100	20,400
Objective: Reduce DUI-related crashes.							
Vehicle Traffic Supervision							
DUI-related crashes	4,410	4,340	4,260	4,190	4,120	4,050	3,980
DUI arrests	17,088	17,400	17,700	17,900	18,200	18,500	18,800
DUI sobriety checkpoints	117	120	120	125	125	130	130
Objective: Reduce violent crime.							
Criminal Law Enforcement and Crime Prevention							
Crimes per 100,000 population in State Police jurisdiction areas:							
Violent crimes per 100,000 population	113	110	110	105	105	105	100
Arrests for violent crimes per 100,000 population	73	74	75	77	78	79	80
Percentage of violent crimes cleared (i.e. cases solved and prosecuted or disposed of through other legal means)	73%	74%	75%	76%	77%	79%	80%
Community-based crime prevention programs targeting violent crime	1,322	1,340	1,370	1,390	1,410	1,430	1,460
Enforcement and Investigation							
Megan's Law - registered sex offenders	16,608	16,900	17,200	17,400	17,700	18,000	18,300
Crime Lab							
Convicted offender DNA submissions	19,605	19,900	20,300	20,600	20,900	21,300	21,600

Program Measures

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
DNA evidence submissions	2,070	2,110	2,140	2,170	2,210	2,250	2,280
Criminal suspects identified through DNA evidence submissions	771	780	800	810	820	840	850
Background Checks							
Pennsylvania Instant Check System firearms purchase background checks	926,157	940,000	950,000	950,000	950,000	950,000	950,000
Pennsylvania Instant Check System firearms purchase initial denials	10,535	10,700	10,900	10,900	10,900	10,900	10,900
Emergency Preparedness and Response							
Requests for Special Emergency Response Team	245	250	255	255	260	265	270

Objective: Reduce property crime.

Criminal Law Enforcement and Crime Prevention							
Crimes per 100,000 population in State Police jurisdiction areas:							
Property crimes per 100,000 population	1,067	1,050	1,030	1,010	1,000	980	960
Arrests for property crimes per 100,000 population	319	325	330	335	340	345	350
Percentage of property crimes cleared (i.e. cases solved and prosecuted or disposed of through other legal means)	33%	34%	34%	35%	35%	36%	36%
Community-based crime prevention programs targeting property crime	531	540	550	560	570	580	590
Crime Lab							
Fingerprint card submissions	796,048	809,000	823,000	836,000	850,000	864,000	878,000
Criminal suspects identified through latent fingerprint comparison	3,671	3,730	3,790	3,860	3,920	3,980	4,050

Objective: Increase drug enforcement efforts.

Criminal Law Enforcement and Crime Prevention							
Community-based drug-prevention programs	347	355	360	365	370	375	385
Enforcement and Investigation							
Drug offenses	7,928	7,800	7,660	7,530	7,410	7,280	7,160
Drug-related arrests	6,400	6,510	6,610	6,720	6,830	6,940	7,060
Clandestine Laboratory Response Team deployments for illegal drug manufacturing facilities (e.g. methamphetamine labs, etc.)	228	230	235	240	245	245	250
Crime and Terrorism Tip Lines							
Drug hotline tips	751	765	780	790	800	815	830

Program Measures

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Objective: Increase compliance with liquor laws at licensed establishments.							
Liquor Control Enforcement							
Liquor law investigations	47,934	48,700	49,500	50,300	51,200	52,000	52,900
Routine liquor law inspections	3,855	3,920	3,980	4,050	4,120	4,180	4,250
Liquor law violations	14,424	14,200	13,900	13,700	13,500	13,200	13,000
Administrative citation letters issued for liquor law violations	2,604	2,560	2,520	2,470	2,430	2,390	2,350
Administrative warning letters issued for liquor law violations	2,971	2,920	2,870	2,820	2,780	2,730	2,680
Objective: Prevent terrorist attacks from occurring within the commonwealth through effective analysis and assessment of potential domestic terrorism threats.							
Crime and Terrorism Tip Lines							
Terrorism hotline tips	607	620	630	640	650	660	670
Emergency Preparedness and Response							
Requests for Hazardous Device and Explosives Section services	241	245	250	255	255	260	265
Domestic terrorism threat assessments conducted	13	13	13	14	14	14	14
Objective: Ensure intelligence information obtained concerning criminal activity and possible terrorism is shared with law enforcement agencies throughout the commonwealth.							
Enforcement and Investigation							
Municipal law enforcement agencies receiving information from the Pennsylvania Criminal Intelligence Center	1,055	1,070	1,090	1,110	1,130	1,150	1,160
Requests for intelligence information from Pennsylvania Criminal Intelligence Center	23,836	24,200	24,600	25,000	25,400	25,900	26,300
Intelligence products disseminated by the Pennsylvania Criminal Intelligence Center	52,108	53,000	53,800	54,700	55,600	56,500	57,400
CLEAN/NCIC confirmed responses (i.e. computer checks resulting in the identification of wanted persons, stolen property, etc.)	87,109	88,600	90,000	91,500	93,000	94,500	96,000
Objective: Ensure the rapid collection and appropriate dissemination of accurate information on emergency situations throughout the commonwealth.							
Emergency Preparedness and Response							
Municipal public safety agencies receiving immediate reports from the Department Watch Center	1,256	1,280	1,300	1,320	1,340	1,360	1,390
Department Watch Center immediate reports	2,818	2,870	2,910	2,960	3,010	3,060	3,110

Program Measures

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Objective: Increase the effectiveness of the Pennsylvania Statewide Radio Network (PA-STARNet).							
Public Safety Radio System							
Average monthly transmissions on PA-STARNet	4,158,534	4,230,000	4,300,000	4,370,000	4,440,000	4,510,000	4,580,000
Radios deployed statewide	26,688	26,700	26,700	26,700	26,700	26,700	26,700
High-profile site locations on air	254	255	255	255	255	255	255
Microcell site locations on air	762	760	760	760	760	760	760

DEPARTMENT OF TRANSPORTATION

The mission of the Department of Transportation is to provide a sustainable transportation system and quality services that are embraced by our communities and add value to our customers.

Programs and Goals

Transportation Support Services: *To provide an effective administrative system supporting both non-highway and highway transportation programs.*

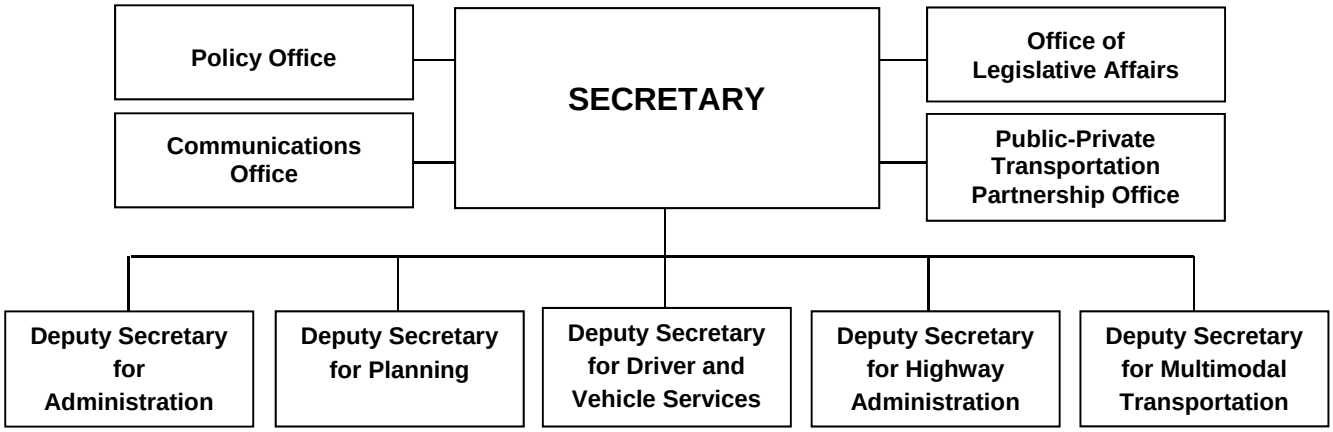
Highways and Bridges: *To provide a safe and efficient state-administered highway network through road and bridge improvements, as well as through ongoing maintenance activities including winter traffic services.*

Local Highway and Bridge Assistance: *To assist local governments in the maintenance and construction of their portion of the total highway and bridge system.*

***Multimodal Transportation*:** *To support public transportation, intercity bus, intercity rail, rail freight, ports and aviation options that improve the mobility and the quality of life for urban and rural Pennsylvanians, and enhance economic activity throughout the commonwealth.*

Driver and Vehicle Services: *To minimize traffic accidents attributable to driver error and mechanically defective vehicles and to promote highway safety programs.*

Organization Overview



- **Deputy Secretary for Administration** provides leadership and direction for the bureaus of Human Resources, Information Systems Technology Office, Transportation Innovations Office, Fiscal Management, Office Services, Equal Opportunity, and Tourism Services.
- **Deputy Secretary for Planning** is responsible for statewide transportation planning and programming activities and for developing and managing the commonwealth's multi-modal Twelve Year Transportation Program. Key to these activities is the management of federal highway and bridge funds which leverage a construction program of $1.25 billion per year.
- **Deputy Secretary for Driver and Vehicle Services** oversees nearly 1,200 driver and vehicle services employees who provide quality customer service, while keeping the safety and security of the commonwealth's 8.7 million licensed drivers and 11.3 million registered vehicle owners a paramount focus.
- **Deputy Secretary for Highway Administration** directs a team of over 9,600 employees in Central Office and eleven Engineering Districts. Responsibilities include oversight of maintenance, operations, design and construction of Pennsylvania's Highways and Bridges.
- **Deputy Secretary for Multimodal Transportation** supports public transportation, intercity bus, intercity rail, rail freight, ports and aviation to improve the mobility and quality of life for all Pennsylvanians.

Authorized Complement

2009-10 Actual	2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Actual
11,876	11,876	11,876	11,876	11,883

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2013-14 ACTUAL	2014-15 AVAILABLE	2015-16 BUDGET
GENERAL FUND:			
General Government:			
Rail Freight and Intermodal Coordination	**$ 363**	**$ 0** a	**$ 0** a
Vehicle Sales Tax Collections	**904**	**904**	**1,024**
Voter Registration	**504**	**504**	**529**
Photo ID Cards	**6**	**0**	**0**
PennPORTS-Philadelphia Regional Port Authority Debt Service	**4,605**	**4,605**	**4,607**
Total - General Government	$ 6,382	$ 6,013	$ 6,160
Grants and Subsidies:			
(F)FTA - Technical Studies	$ 2,065	$ 576	$ 0
(F)Title IV Rail Assistance	36	36	36
(F)Magnetic Levitation	10,000	0	0
(F)Surface Transportation Assistance	750	750	750
(F)FTA - Capital Improvement Grants	21,000	32,000	32,000
(F)TEA 21 - Access to Jobs	8,000	8,000	8,000
(F)Surface Transportation - Operating	18,000	18,000	16,000
(F)Surface Transportation Assistance Capital	18,000	18,000	14,000
(F)FTA - Safety Oversight	0	1,500	1,500
(F)FTA - Capital Improvements	40,000	40,000	40,000
(F)FTA - Hybrid Mass Transit Vehicles	30,000	30,000	30,000
(F)Rail Line Relocation	6,002	6,002	6,002
(F)ARRA - Transit in Non-Urban Areas	1,280	0	0
(F)ARRA - National Railroad Passenger Corporation	50,000	20,000	20,000
(F)ARRA - Supplemental Rail Freight Projects	22,000	22,000	22,000
(F)ARRA - High Speed Rail	75,000	50,000	50,000
Total - Grants and Subsidies	$ 302,133	$ 246,864	$ 240,288
STATE FUNDS	$ 6,382	$ 6,013	$ 6,160
FEDERAL FUNDS	302,133	246,864	240,288
GENERAL FUND TOTAL	**$ 308,515**	**$ 252,877**	**$ 246,448**
MOTOR LICENSE FUND:			
General Government:			
General Government Operations	**$ 52,564**	**$ 55,119**	**$ 55,256**
(A)Reimbursement - Other Agencies	699	532	532
(A)Duplicating Services	238	114	114
(A)Aviation Restricted Revenue	0	161	161
(A)Administrative Hearings	13	40	40
(A)Litter Fine Receipts	9	0	0
(A)Drug & Alcohol Testing Reimbursement	0	60	60
Welcome Centers	**3,282**	**3,480**	**3,700**
Subtotal	$ 56,805	$ 59,506	$ 59,863
Highway and Safety Improvements	**105,000**	**225,000**	**225,000**
(F)Highway Research, Planning and Construction	864,538	975,000	875,000
(F)ARRA - Highway Infrastructure Improvement	204	0	0
(A)Highway Construction Contributions	10,606	13,000	13,000
(A)Joint Use Leases	439	0	0
(A)Intern Program - PHEAA Reimbursement	123	0	0
(A)Licensing Fees- Engineering Software	154	0	0
(A)Proceeds from Sale of Right-of-Way	1,374	0	0
(A)Proceeds from Bond Sales - Highway Projects	0	145,000	195,000
Expanded Highway and Bridge Program	**165,000**	**0** b	**0** b
Highway Capital Projects (EA)	**220,000**	**220,000**	**220,000**
(R)Highway Capital Projects - Excise Tax (EA)	69,544	210,230	301,530
(R)Bridges - Excise Tax (EA)	66,011	92,553	114,271

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2013-14 ACTUAL	2014-15 AVAILABLE	2015-16 BUDGET
(R)Highway Bridge Projects (EA)	60,000	130,000	180,000
(F)Federal Aid - Highway Bridge Projects	496,027	500,000	500,000
(F)Federal Disaster Reimbursement - FHWA	13	0	0
(A)Proceeds from Bond Sales - Bridge Projects	29,868	0	0
(A)Bridge Construction Contributions	2,326	2,800	2,800
(A)Bridge Reimbursement from Local Governments	107	200	200
Subtotal	$ 2,091,334	$ 2,513,783	$ 2,626,801
Highway Maintenance	**780,000**	**872,426**	**860,000**
(F)Highway Research, Planning and Construction	134,564	150,000	150,000
(F)Disaster Recovery - FHWA	13,345	12,500	12,500
(F)Disaster Recovery - FEMA	2,167	12,500	12,500
(F)Highway Safety - Maintenance (EA)	4,000	4,000	4,000
(A)Highway Maintenance Contributions	6,770	18,087	20,000
(A)Sale of Equipment	5,151	5,000	5,000
(A)Heavy Hauling - Bonded Roads	704	57	0
(A)Sale of Signs	25	0	0
(A)Accident Damage Claims	6,404	1,144	0
(A)Litter Fine Receipts	11	100	100
(A)Recovered Permit Compliance Cost	249	85	0
(A)Intern Program - PHEAA Reimbursement	161	86	0
(A)Reimbursement - Marcellus Shale Road Damage	3,008	541	0
(R)Highway Maintenance - Excise Tax (EA)	225,614	204,817	221,652
(R)Highway Maintenance Enhancement (EA)	239,781	241,984	248,655
(R)Expanded Highway and Bridge Maintenance (EA)	73,120	191,168	296,335
Secondary Road - Maintenance and Resurfacing (EA)	**61,547**	**0** b	**0** b
Reinvestment in Facilities	**12,000**	**16,000**	**16,000**
Subtotal	$ 1,568,621	$ 1,730,495	$ 1,846,742
Driver and Vehicle Services	**125,071**	**135,380**	**146,548**
(F)Motor Carrier Safety Improvement (EA)	2,510	2,510	1,000
(F)REAL ID (EA)	4,800	4,800	0
(F)Judicial Outreach Liaison (EA)	50	50	50
(F)Pedestrian Safety (EA)	0	525	525
(A)Administrative Support	204	191	191
(A)Photo ID Program	27,341	28,000	28,000
(A)Emission Mechanic Training Courses	7	35	35
(A)Reimbursement - Data Line Charges	3	100	100
(A)Reimbursements - Other Agencies	17	25	25
(A)Postage	468	474	474
Subtotal	$ 160,471	$ 172,090	$ 176,948
(R)Aviation Operations	4,104	4,104	4,104
(F)Aviation Planning (EA)	516	516	516
(F)Airport Inspections (EA)	30	30	30
(A)Reimbursement - Flight Operations	414	640	640
(A)Airport Inspections and Licensing	57	7	7
(A)Reimbursement - Statewide Program	-3	60	60
Subtotal	$ 5,118	$ 5,357	$ 5,357
Subtotal - State Funds	$ 1,524,464	$ 1,527,405	$ 1,526,504
Subtotal - Federal Funds	1,522,764	1,662,431	1,556,121
Subtotal - Augmentations	96,947	216,539	266,539
Subtotal - Restricted Revenues	738,174	1,074,856	1,366,547
Total - General Government	$ 3,882,349	$ 4,481,231	$ 4,715,711

Summary by Fund and Appropriation

	2013-14 ACTUAL	2014-15 AVAILABLE	2015-16 BUDGET
	(Dollar Amounts in Thousands)		
Grants and Subsidies:			
Local Road Maintenance and Construction Payments	**$ 197,092**	**$ 207,191**	**$ 235,543**
Supplemental Local Road Maintenance & Construction Payments	**5,000**	**5,000**	**5,000**
Municipal Roads and Bridges	**30,000**	**30,000**	**30,000**
Maintenance and Construction of County Bridges	**5,000**	**5,000**	**5,000**
Municipal Traffic Signals	**0**	**10,000**	**25,000**
(A)Local Government Match	0	1,800	0
Payment to Turnpike Commission (EA)	**28,000**	**28,000**	**28,000**
(R)Local Road Payments - Excise Tax (EA)	69,160	84,876	105,406
(R)Payments to Municipalities (EA)	44,768	58,248	73,953
(R)Local Grants for Bridge Projects (EA)	28,000	25,000	25,000
(F)Federal Aid - Local Grants for Bridge Projects	11,636	12,500	12,500
(F)Federal Disaster Reimbursement - FHWA	2	0	0
(A)Bridge Reimbursements From Local Governments	120	100	100
(R)Local Bridge Projects (EA)	1,900	10,710	20,100
(R)County Bridges - Excise Tax (EA)	10,000	17,073	21,950
(F)Federal Aid - County Bridges	238	200	200
(R)County Bridge Projects - Marcellus Shale (EA)	17,947	20,525	18,311
(R)Toll Roads - Excise Tax (EA)	71,723	106,486	114,852
(R)Annual Maintenance Payments - Highway Transfer (EA)	18,924	18,992	19,032
(R)Restoration Projects - Highway Transfer (EA)	8,076	11,000	11,000
(R)Airport Development	6,000	6,000	6,000
(F)Airport Development (EA)	21,000	21,000	21,000
(R)Real Estate Tax Rebate	250	250	250
Subtotal	$ 574,836	$ 679,951	$ 778,197
Subtotal - State Funds	$ 265,092	$ 285,191	$ 328,543
Subtotal - Federal Funds	32,876	33,700	33,700
Subtotal - Augmentations	120	1,900	100
Subtotal - Restricted Revenues	276,748	359,160	415,854
Total - Grants and Subsidies	$ 574,836	$ 679,951	$ 778,197
Refunds:			
Refunding Collected Monies (EA)	**$ 1,500**	**$ 2,500**	**$ 2,500**
Subtotal	$ 1,500	$ 2,500	$ 2,500
STATE FUNDS	$ 1,791,056	$ 1,815,096	$ 1,857,547
FEDERAL FUNDS	1,555,640	1,696,131	1,589,821
AUGMENTATIONS	97,067	218,439	266,639
RESTRICTED REVENUES	1,014,922	1,434,016	1,782,401
MOTOR LICENSE FUND TOTAL	**$ 4,458,685**	**$ 5,163,682**	**$ 5,496,408**
LOTTERY FUND:			
Grants and Subsidies:			
Older Pennsylvanians Shared Rides (EA)	**$ 80,975**	**$ 85,975**	**$ 85,975**
Transfer to Public Transportation Trust Fund (EA)	**0** c	**0** c	**0** c
Total - Grants and Subsidies	$ 80,975	$ 85,975	$ 85,975
LOTTERY FUND TOTAL	**$ 80,975**	**$ 85,975**	**$ 85,975**

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2013-14 ACTUAL	2014-15 AVAILABLE	2015-16 BUDGET
OTHER FUNDS:			
GENERAL FUND:			
Reimbursements to Municipalities - Vehicle Code Fines	$ 5,409 [d]	$ 6,000	$ 6,800
Federal Grants - Railroad Freight Rehabilitation	0	200	200
Child Passenger Restraint Fund	557	300	300
GENERAL FUND TOTAL	**$ 5,966**	**$ 6,500**	**$ 7,300**
MOTOR LICENSE FUND:			
Federal Reimbursements - Highway Safety Program	$ 13,942	$ 15,000	$ 15,000
Reimbursements to Municipalities - Vehicle Code Fines	1,491 [d]	0	0
Reimbursements to Other States - Apportioned Registration	14,319	18,000	18,000
Federal Reimbursements - Local Bridge Projects	88,710	70,000	70,000
Motorcycle Safety Education	3,933	5,000	5,000
Federal Reimbursements - Political Subdivisions	137,596	140,000	140,000
PA Unified Certification	4	5	5
CDL - Hazardous Material Fees	386	500	500
Local Share - Highway & Bridge Projects	1	0	0
Red Light Photo Enforcement	5,143	5,000	5,000
MOTOR LICENSE FUND TOTAL	**$ 265,525**	**$ 253,505**	**$ 253,505**
HIGHWAY BEAUTIFICATION FUND:			
Control of Outdoor Advertising (EA)	$ 408	$ 408	$ 408
LIQUID FUELS TAX FUND:			
Payments to Counties	$ 30,266	$ 31,030	$ 31,187
Auditor General's Audit Costs (EA)	500	700	700
LIQUID FUELS TAX FUND TOTAL	**$ 30,766**	**$ 31,730**	**$ 31,887**
MOTOR VEHICLE TRANSACTION RECOVERY FUND:			
Reimbursement to Transportation	$ 0	$ 80	$ 80
MULTIMODAL TRANSPORTATION FUND:			
Aviation Grants (EA)	$ 4,378 [e]	$ 6,000	$ 6,360
Rail Freight Grants (EA)	7,005 [e]	10,000	10,600
Passenger Rail Grants (EA)	6,000	8,000	8,480
Ports and Waterways Grants (EA)	7,415 [e]	10,000	10,600
Bicycle and Pedestrian Facilities Grants (EA)	2,000	2,000	2,120
Statewide Programs Grants (EA)	0	20,000	40,000
Multimodal Administration and Oversight (EA)	1,000	2,200	2,100
Transfer to Commonwealth Financing Authority (EA)	0	40,008	57,750
MULTIMODAL TRANSPORTATION FUND TOTAL	**$ 27,798**	**$ 98,208**	**$ 138,010**
PENNSYLVANIA INFRASTRUCTURE BANK FUND:			
Infrastructure Bank Loans (EA)	$ 35,000	$ 30,000	$ 30,000
PUBLIC TRANSPORTATION ASSISTANCE FUND:			
Mass Transit (EA)	$ 174,832	$ 176,652	$ 197,495
Transfer to Public Transportation Trust Fund (EA)	0 [f]	0 [f]	0 [f]
PUBLIC TRANSPORTATION ASSISTANCE FUND TOTAL	**$ 174,832**	**$ 176,652**	**$ 197,495**
PUBLIC TRANSPORTATION TRUST FUND:			
Mass Transit Operating (EA)	$ 745,361	$ 797,426	$ 956,034
Asset Improvement (EA)	73,000	310,663	310,156
Capital Improvement (EA)	22,035	19,500	0
Programs of Statewide Significance (EA)	92,268	82,717	89,547
Transit Administration and Oversight (EA)	4,488	4,488	4,488
PUBLIC TRANSPORTATION TRUST FUND TOTAL	**$ 937,152**	**$ 1,214,794**	**$ 1,360,225**
UNCONVENTIONAL GAS WELL FUND:			
Rail Freight Assistance	$ 1,000	$ 1,000	$ 1,000

Summary by Fund and Appropriation

DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND	$ 6,382	$ 6,013	$ 6,160
SPECIAL FUNDS	1,872,031	1,901,071	1,943,522
FEDERAL FUNDS	1,857,773	1,942,995	1,830,109
AUGMENTATIONS	97,067	218,439	266,639
RESTRICTED	1,014,922	1,434,016	1,782,401
OTHER FUNDS	1,478,447	1,812,877	2,019,910
TOTAL ALL FUNDS	**$ 6,326,622**	**$ 7,315,411**	**$ 7,848,741**

[a] Act 89 of 2013 established the Multimodal Transportation Fund which includes Rail Freight and Intermodal Coordination programs.

[b] Act 89 redirected the Pennsylvania Turnpike Commission rent payments and eliminated the flat gas tax.

[c] Not added to the total to avoid double counting: 2013-14 Actual is $92,956,000, 2014-15 Available is $94,443,000 and 2015-16 Budget is $95,907,000.

[d] Per Act 71 of 2013, Vehicle Code fines revenue and subsequent distribution are redirected from the Motor License Fund to the General Fund.

[e] Reflects lapses processed in September 2014 to align authorizations with actual revenues.

[f] Not added to the total to avoid double counting: 2013-14 Actual is $18,038,000, 2014-15 Available is $18,180,000, and 2015-16 Budget is $20,139,000.

Program Funding Summary

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
TRANSPORTATION SUPPORT SERVICES							
GENERAL FUND	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
SPECIAL FUNDS	54,064	57,619	57,756	59,690	61,120	62,585	64,087
FEDERAL FUNDS	0	0	0	0	0	0	0
OTHER FUNDS	1,520	1,212	1,212	1,212	1,212	1,212	1,212
SUBCATEGORY TOTAL	$ 55,584	$ 58,831	$ 58,968	$ 60,902	$ 62,332	$ 63,797	$ 65,299
HIGHWAYS AND BRIDGES							
GENERAL FUND	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
SPECIAL FUNDS	1,374,829	1,364,906	1,352,700	1,268,830	1,294,925	1,227,023	1,192,124
FEDERAL FUNDS	1,514,858	1,654,000	1,554,000	1,554,000	1,554,000	1,554,000	1,554,000
OTHER FUNDS	922,623	1,408,746	1,758,803	1,812,098	1,813,465	1,827,493	1,839,309
SUBCATEGORY TOTAL	$ 3,812,310	$ 4,427,652	$ 4,665,503	$ 4,634,928	$ 4,662,390	$ 4,608,516	$ 4,585,433
LOCAL HIGHWAY AND BRIDGE ASSISTANCE							
GENERAL FUND	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
SPECIAL FUNDS	237,092	257,191	300,543	325,664	334,787	347,748	345,434
FEDERAL FUNDS	11,876	12,700	12,700	12,700	12,700	12,700	12,700
OTHER FUNDS	468,011	501,054	548,539	552,617	580,480	581,999	584,287
SUBCATEGORY TOTAL	$ 716,979	$ 770,945	$ 861,782	$ 890,981	$ 927,967	$ 942,447	$ 942,421
MULTIMODAL TRANSPORTATION							
GENERAL FUND	$ 4,968	$ 4,605	$ 4,607	$ 4,607	$ 4,607	$ 4,607	$ 4,607
SPECIAL FUNDS	80,975	85,975	85,975	85,975	85,975	85,975	85,975
FEDERAL FUNDS	323,679	268,410	261,834	261,834	261,834	261,834	261,834
OTHER FUNDS	1,151,990	1,502,415	1,708,491	1,811,684	1,918,717	1,944,151	1,979,865
SUBCATEGORY TOTAL	$ 1,561,612	$ 1,861,405	$ 2,060,907	$ 2,164,100	$ 2,271,133	$ 2,296,567	$ 2,332,281
DRIVER AND VEHICLE SERVICES							
GENERAL FUND	$ 1,414	$ 1,408	$ 1,553	$ 1,608	$ 1,647	$ 1,688	$ 1,731
SPECIAL FUNDS	125,071	135,380	146,548	153,492	155,193	156,517	159,889
FEDERAL FUNDS	7,360	7,885	1,575	1,000	1,000	1,000	1,000
OTHER FUNDS	46,292	51,905	51,905	51,905	51,905	51,905	51,905
SUBCATEGORY TOTAL	$ 180,137	$ 196,578	$ 201,581	$ 208,005	$ 209,745	$ 211,110	$ 214,525
ALL PROGRAMS:							
GENERAL FUND	$ 6,382	$ 6,013	$ 6,160	$ 6,215	$ 6,254	$ 6,295	$ 6,338
SPECIAL FUNDS	1,872,031	1,901,071	1,943,522	1,893,651	1,932,000	1,879,848	1,847,509
FEDERAL FUNDS	1,857,773	1,942,995	1,830,109	1,829,534	1,829,534	1,829,534	1,829,534
OTHER FUNDS	2,590,436	3,465,332	4,068,950	4,229,516	4,365,779	4,406,760	4,456,578
DEPARTMENT TOTAL	$ 6,326,622	$ 7,315,411	$ 7,848,741	$ 7,958,916	$ 8,133,567	$ 8,122,437	$ 8,139,959

Program: Transportation Support Services

Goal: To provide an effective administrative system supporting both non-highway and highway transportation programs.

This program provides for administrative and overhead services that support the operation of activities necessary for the achievement of commonwealth transportation goals and objectives.

The General Government Operations appropriation within the Motor License Fund develops general guidelines for highway-related activities while directing and coordinating construction, maintenance and safety functions discussed under the Highways and Bridges program and the Driver and Vehicle Services program. Managerial responsibilities include providing support in legal, budgetary, accounting, personnel, procurement, information systems and public relations matters. A central municipal services staff handles grant allocations to local governments and coordinates highway transfer activities which are discussed under the Local Highway and Bridge Assistance program. In addition, the State Transportation Commission and the Transportation Advisory Committee are funded within this appropriation.

Funding for direct supervision and oversight of aviation, mass transportation, rail freight and port activities is shown under the Multimodal Transportation program.

The Refunding Collected Monies appropriation provides for refunds of Motor License Fund overpayments associated with operator licenses, vehicle registrations, and safety inspection stickers.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

General Government Operations

$ 137 —to continue current program.

Refunding Collected Monies (EA) is recommended at the current year funding level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
MOTOR LICENSE FUND:							
General Government Operations	$ 52,564	$ 55,119	$ 55,256	$ 57,190	$ 58,620	$ 60,085	$ 61,587
Refunding Collected Monies (EA)	1,500	2,500	2,500	2,500	2,500	2,500	2,500
TOTAL MOTOR LICENSE FUND	$ 54,064	$ 57,619	$ 57,756	$ 59,690	$ 61,120	$ 62,585	$ 64,087

Program: Highways and Bridges

Goal: To provide a safe and efficient state-administered highway network through road and bridge improvements, as well as through ongoing maintenance activities including winter traffic services.

Program Element: Highway and Bridge Construction/Reconstruction

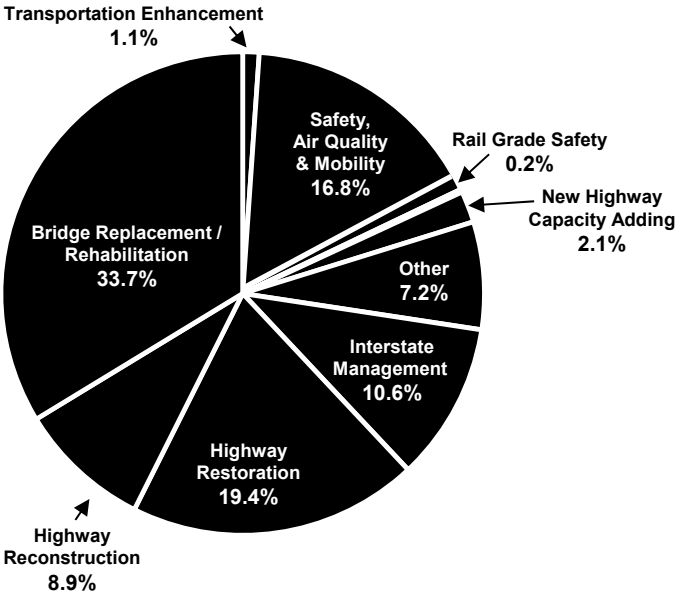
This program contributes to the economic vitality of the commonwealth and to the mobility of its residents through major reconstruction or construction of highways and bridges on the state-owned network. The commonwealth is responsible for nearly 40,000 miles of roadway and approximately 25,000 state-owned bridges that are more than eight feet in length.

Work is performed on heavily traveled interstate and primary routes, as well as on state roads and bridges that are not part of the federal aid system. With funding available from federal aid, local construction contributions and state revenues, the Department of Transportation has the responsibility of developing and executing a program that will correct the most critical deficiencies on the state-administered roadway network, including projects to enhance safety and mobility.

Decisions on regional allocations and project selection for construction and reconstruction investments are determined through two public processes. A Twelve-Year Transportation program is developed and updated every two years. The Twelve-Year program is divided into three four-year sections with projects in the first four years of the Twelve-Year program considered to be "active" projects. Federal surface transportation legislation authorizes grants to states and also addresses planning, program development and management. This federal legislation and its implementing regulations require regional Metropolitan and Rural Transportation Planning Organizations to be partners in the development of fiscally constrained transportation programs. The department, the State Transportation Commission and the Metropolitan and Rural Transportation Planning Organizations closely coordinate public input and public comment efforts during the biennial transportation program update. All regionally developed Transportation Improvement Programs are combined to form the federally mandated Statewide Transportation Improvement Program, which is then considered to be the first four-year segment of the commonwealth's Twelve-Year Transportation Program. This constitutes a mutually agreed upon list of priority projects for each region of Pennsylvania.

A base level of state highway and bridge improvement activity is funded by annual appropriations from the Motor License Fund. These appropriations are supplemented by a series of dedicated revenue sources.

Current Four-Year Project Distribution (October 2014 – September 2018)



Program Element: State Highway and Bridge Maintenance

Pennsylvania, with the fifth largest state-owned roadway network in the nation, experiences high volumes of interstate traffic and is subject to severe winter weather. The state highway and bridge maintenance program entails the following activities that prolong the useful life of existing infrastructure. This work is performed by the department or by private contractors. Roadway treatments range from crack sealing and patching to more extensive surface treatment that may include resurfacing, stabilization and lower-cost betterment projects. Bridge activity ranges from deck washing and cleaning drainage outlets to repair and preventive maintenance of deck surface and structural components.

The department emphasizes durable resurfacing of high-volume routes that serve interstate and regional commerce, intermodal transportation facilities and major population centers. Bridge activities focus on ensuring the safety of the motoring public and minimizing closures or weight restrictions by performing repairs and preservation work. Winter snow and ice control require considerable resources to keep routes under the jurisdiction of the department in a safe and passable condition. Other routine maintenance and betterment

Program: Highways and Bridges (continued)

work includes safety improvements such as skid resistant pavement applications, left turn lanes, intersection sight improvements, shoulder and curve upgrades and guiderail updates. Maintenance work not directly involved with the roadway surface itself includes activities such as pipe replacement, ditch cleaning, mowing, vegetation control and tree trimming.

Unscheduled maintenance services must be performed in response to flooding, wind storms, landslides, sinkholes and similar acts of nature. These include clean-up and repair of storm damage, which can range from isolated low-cost work to significant restoration projects across many counties. An event that is declared a national disaster becomes eligible for federal assistance, which typically covers approximately half of the total costs incurred. Owners of motor vehicles that cause damage to bridges, guiderails or other transportation assets are required to reimburse the maintenance program for the costs incurred as a result of an accident.

The condition of highways and bridges is monitored on an ongoing basis to ensure safety and to assess needs. Highway pavement conditions on the National Highway System are typically reviewed each year while less traveled routes are evaluated every other year. Under the National Bridge Inspection Standards program, the commonwealth is responsible for reporting the status of all Pennsylvania highway bridges greater than 20 feet in length. Bridges must be inspected at least every two years, but more frequent inspections are scheduled as warranted by the condition of individual structures. The department conducts a bridge inspection training and certification program while contracting with an external consultant to certify and enhance the quality of inspections. Some local bridges are inspected by the department, and the cost is deducted from Motor License Fund grants to these political subdivisions.

The department issues special hauling permits to truck operators with excess weight or size loads for the use of specific highways and bridges. By issuing these permits, the department is able to facilitate the movement of goods over Pennsylvania's roadways without adversely affecting the structural integrity of highways and bridges or the safe and convenient passage of traffic.

An accident analysis program uses computer software to identify those highway locations that have experienced more accidents than similar roads with similar traffic volumes. Another program identifies locations that have had an inordinate number of accidents in which vehicles run off the road or hit fixed objects. These programs provide a systematic means of selecting the highest priority sites for maintenance and reconstruction work.

A base level of state highway and bridge maintenance activity is funded by ongoing annual appropriations from the Motor License Fund. These appropriations are supplemented by a dedicated share of Oil Company Franchise Tax. In addition, special maintenance-related appropriations may be approved for accelerated restoration, preventive maintenance and emergency repair based on the financial status of the Motor License Fund.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

Welcome Centers

$ 220 —to continue current program.

Highway Maintenance

$ –12,426 —to continue current program with distribution to all 67 counties through a needs-based formula. Additional funding for highway maintenance is available from restricted sources.

All other appropriations are recommended at the current year funding levels to support projects on the Statewide Transportation Improvement Program.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
MOTOR LICENSE FUND:							
Welcome Centers	$ 3,282	$ 3,480	$ 3,700	$ 3,830	$ 3,925	$ 4,023	$ 4,124
Highway and Safety Improvements	105,000	225,000	225,000	116,000	192,000	133,000	98,000
Expanded Highway and Bridge Program	165,000	0	0	0	0	0	0
Highway Capital Projects (EA)	220,000	220,000	220,000	220,000	220,000	220,000	220,000
Highway Maintenance	780,000	872,426	860,000	885,000	835,000	830,000	830,000
Secondary Road - Maintenance and Resurfacing (EA)	61,547	0	0	0	0	0	0
Reinvestment in Facilities	12,000	16,000	16,000	16,000	16,000	12,000	12,000
Payment to Turnpike Commission (EA)	28,000	28,000	28,000	28,000	28,000	28,000	28,000
TOTAL MOTOR LICENSE FUND	$ 1,374,829	$ 1,364,906	$ 1,352,700	$ 1,268,830	$ 1,294,925	$ 1,227,023	$ 1,192,124

Program: Local Highway and Bridge Assistance

Goal: To assist local governments in the maintenance and construction of their portion of the total highway and bridge system.

The commonwealth provides a number of programs to assist municipal and county governments in the maintenance and construction of their approximately 78,000 miles of roadway and 6,400 bridges that are greater than twenty feet. The majority of state funds are distributed by statutory formula, while federal funds are allocated in partnership with the Metropolitan and Rural Transportation Planning Organizations.

A portion of the revenues from motor fuel taxes, certain Vehicle Code fines, and other sources are directed by law to municipal payments. The distribution of funds to the commonwealth's 2,562 municipalities is made in accordance with a statutory formula based on 50 percent road mileage and 50 percent population. Grants may be used for a broad range of highway and bridge activities. The department provides technical assistance to local governments and is responsible for assuring expenditures are made in accordance with the law.

The Highway, Railroad and Highway Bridge Capital Budget Act of 1982-1983 and subsequent amendments authorized improvements to both state and local bridges. Dedicated Motor License Fund revenues are received from a portion of the Oil Company Franchise Tax and annual registration fees of commonwealth-registered vehicles having a gross weight in excess of 26,000 pounds. For the local program, both municipalities and counties are eligible for grants on approximately 6,300 bridges greater than 20 feet long owned by these political subdivisions. Projects are selected by the Metropolitan and Rural Planning Organizations and must be approved in the commonwealth's capital budget.

The Highway Transfer program was created to restore and turn back local service roads. Dedicated Motor License Fund revenues are received from a portion of the Oil Company Franchise Tax receipts. At the onset of the program, approximately 12,000 miles of roads on the state-owned system were identified as candidates for return to local government control. This is a voluntary program in which the department pays to upgrade a road segment to acceptable standards, transfers ownership to the political subdivision and provides a $4,000 per mile per year subsidy for future maintenance. Since the program's inception in 1983, approximately 4,700 miles of these roads have been returned to local government control.

There are three programs specifically directed toward county governments. The largest of these is funded from 4.17 percent of the additional Oil Company Franchise Tax from Act 89 of 2013, which replaced the 12 cent flat tax. About $31 million is distributed to the 67 counties each fiscal year based on a statutory formula. A second program is funded from a share of the Oil Company Franchise Tax, to assist economically distressed counties in funding the local share of bridge improvement projects. A third program for maintenance and construction of county bridges specifies the distribution of the $5 million annual appropriation be calculated based on the percentage of bridge deck area in each of the 67 counties compared to the total of all counties in the state.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

Local Road Maintenance and Construction Payments

$ 28,352 —increased transportation investment due to the passage of Act 89 of 2013.

Municipal Traffic Signals

$ 15,000 —for traffic signal grant and synchronization program established by Act 89 of 2013.

All other appropriations are recommended at the current year funding levels.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
MOTOR LICENSE FUND:							
Local Road Maintenance and Construction Payments	$ 197,092	$ 207,191	$ 235,543	$ 245,664	$ 254,787	$ 267,748	$ 265,434
Supplemental Local Road Maintenance & Construction Payments	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Municipal Roads and Bridges	30,000	30,000	30,000	30,000	30,000	30,000	30,000
Maintenance and Construction of County Bridges	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Municipal Traffic Signals	0	10,000	25,000	40,000	40,000	40,000	40,000
TOTAL MOTOR LICENSE FUND	$ 237,092	$ 257,191	$ 300,543	$ 325,664	$ 334,787	$ 347,748	$ 345,434

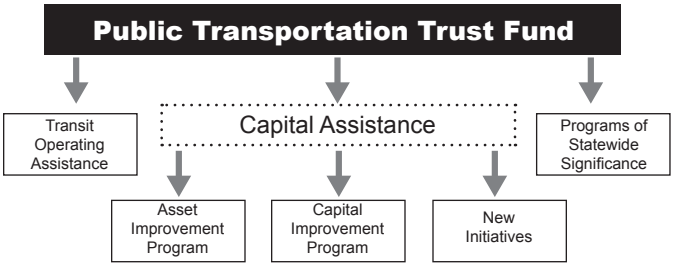
Program: Multimodal Transportation

Goal: To support public transportation, intercity bus, intercity rail, rail freight, ports and aviation options that improve the mobility and the quality of life for urban and rural Pennsylvanians, and enhance economic activity throughout the commonwealth.

Multimodal Transportation provides support for the commonwealth's non-highway infrastructure that includes public transportation, aviation, bicycle, pedestrian, passenger and freight rail, and ports. Improvements and programs for non-highway transportation are funded through various sources.

The Multimodal Transportation Fund provides project funding either through competitive grants or restricted set asides. Revenues deposited into the Multimodal Transportation Fund include payments from the Pennsylvania Turnpike Commission, a portion of certain motor vehicle fees and penalties and, beginning in 2015-16, a portion of the Oil Company Franchise Tax.

The Public Transportation Trust Fund consists of five separate accounts which specifically funds public transportation services, programs and infrastructure. The Transit Operating Assistance account provides grants to service providers for transit operations. Three accounts authorize capital assistance: the Asset Improvement program through capital grants, the Alternative Energy Capital Investment program and New Initiatives for fixed guideway systems such as commuter rail or dedicated bus lanes. The Programs of Statewide Significance account supports a variety of programs including Rural Transportation for Persons with Disabilities, intercity bus and rail, Welfare to Work, technical assistance, demonstration projects and rail safety oversight.



Primary dedicated revenue sources for the Public Transportation Trust Fund are a 4.4 percent share of the state sales and use tax, payments from the Pennsylvania Turnpike Commission, transfers from the Lottery Fund, and the Public Transportation Assistance Fund, and certain motor vehicle fees, fines and surcharges. Transit agencies also receive additional state funds from Capital Facilities Fund bond proceeds. Urban systems receive federal funds directly from the Federal Transit Administration, while federal grants to rural service providers are administered by the department and are reflected in commonwealth budget totals.

Program Element: Public Transportation

Public transportation service within Pennsylvania is provided by 37 transit systems. Operating grants to these organizations are determined by a base allocation equal to the prior year subsidy and supplemental funding distributed on four performance factors. The factors are total passengers, senior passengers, revenue vehicle miles and revenue vehicle hours. In order to be eligible for the full amount of state operating assistance, transit agencies eventually will be required to collect a local match equal to 15 percent of the state grant.

The Asset Improvement account provides public transportation capital funding to maintain and improve vehicles, communication equipment, technology and transit facilities. These funds require a local match equal to 3.33 percent of the state grant.

Through the Programs of Statewide Significance account the commonwealth supports affordable access to demographic groups whose mobility would otherwise be more limited. For instance, the Persons with Disabilities program provides discounted fares on shared ride services to individuals who do not have access to other publicly funded transportation. Philadelphia, with its extensive fixed route network and complementary paratransit service, is not eligible for this program. In 2013-14, individuals with disabilities scheduled close to 360,000 shared ride trips and paid only 15 percent of the fare. Intercity bus and rail passenger service and capital are also funded through Programs of Statewide Significance and are described below.

Program Element: Older Pennsylvanians Transit

The commonwealth's older citizens have benefited from greater mobility through the implementation of the Free Transit and the Shared Ride programs. Both programs are funded from a portion of the revenues received from state lottery sales.

Pennsylvanians who are 65 years of age or older are eligible for free rides on participating local fixed route operations. Free service is now available during all operating hours. Proceeds from the Lottery Fund are transferred to the Public Transportation Trust Fund for distribution by the department to transit systems as part of their annual operating assistance grant.

The Shared Ride program for older Pennsylvanians enables senior citizens 65 years or older to use demand responsive service at a significant fare discount. The department grants lottery funds to shared-ride service providers who operate on a non-fixed route basis and allow senior citizens to ride at an 85 percent discount on the

Program: Multimodal Transportation (continued)

general public fare. Senior citizen riders pay 15 percent of the applicable fare for their respective trips. This program continues to be administered directly from the Lottery Fund, which reimburses shared-ride transit operators the remaining 85 percent of the shared-ride fare.

The Free Transit and Shared Ride programs recognize the limited availability of private transportation for older Pennsylvanians and their reliance upon public transportation. In 2013-14, fixed route transportation systems provided approximately 34.6 million trips at no charge to senior citizens and shared-ride operators provided 3.9 million trips at an 85 percent discount to senior citizens. These programs enhance the ability of older Pennsylvanians to remain connected with local services and community life.

Program Element: Intercity Transportation

This program element includes intercity bus service operated by private bus companies and intercity rail passenger service operated by the National Railroad Passenger Corporation (Amtrak).

The commonwealth's intercity bus program supports operations on routes where, without state assistance, essential service would be terminated. In 2013-14, the commonwealth's subsidy resulted in more than 397,920 passengers on intercity bus services. As private operators propose termination of such services, the department evaluates the economic and social impacts of service termination and determines the merits of public subsidy. Federal funds also are used to support intercity bus operations and supplement the existing state-sponsored program.

Intercity rail passenger service in Pennsylvania, as distinguished from local or regional commuter service, is presently provided by Amtrak. The department has contracted with Amtrak to supplement Amtrak's national system schedule in the Harrisburg to Philadelphia Corridor (The Keystone) and to sustain service between Harrisburg and Pittsburgh (The Pennsylvanian). This financial assistance helps to support 26 weekday trains and 14 weekend day trains on The Keystone, with 1.35 million passenger trips made through this service in 2013-14. The commonwealth supports The Pennsylvanian, to provide two one-way trips per day between Philadelphia and Pittsburgh, which transported 228,480 passengers in 2013-14.

Program Element: PennPORTS

Pennsylvania's ports provide a competitive advantage for the commonwealth in attracting and retaining business and a cost effective method of freight movement. Pennsylvania boasts a deepwater port in Philadelphia, a busy, sprawling inland port in Pittsburgh, and a Great Lakes port in Erie with access to the world through the St. Lawrence Seaway, as well as a number of privately-owned and operated terminals throughout the commonwealth.

The Port of Philadelphia is one of the busiest along the Atlantic Coast. It handles more than one-quarter of the entire North Atlantic District's annual tonnage and it is the fourth largest port in the United States for the handling of imported goods. The Port of Pittsburgh moves more than 36 million tons of cargo annually along its three major waterways, the Allegheny, Monongahela and Ohio Rivers, making it the second largest inland port in the United States and the origin for more tons of raw materials than any other port in the world. Midway between New York and Chicago, the Port of Erie handles more than 500,000 tons of cargo and is within a 300 mile radius of one-third of the population of the United States, making it easy to reach major markets such as Detroit, New York, Chicago, Washington D.C. and parts of Canada.

The PennPORTS program was transferred to the department in 2013-14 and is funded through the Multimodal Transportation Fund. PennPORTS supports the operation and maintenance of the ports of Erie, Pittsburgh and Philadelphia as well as strategic planning and policy development. The program also works with privately-owned and operated terminals engaged in waterborne commerce to increase jobs and cargo opportunities throughout the commonwealth. The funds are distributed among the ports based upon need demonstrated through a competitive application process. State funds aid in the development of port assets to facilitate the efficient, cost effective and environmentally sound movement of goods. These assets generate port and shipping-related jobs and assist Pennsylvania firms to better compete in the global marketplace.

Program Element: Rail Freight

Commonwealth involvement in rail freight began in the mid-1970's as a result of the bankruptcy of seven northeastern and midwestern railroad companies. Short line railroad corporations were formed to acquire and operate these lines so that businesses would continue to have access to low-cost, bulk commodity shipping. The department issues grants to these entities for acquisition, accelerated maintenance and new construction. Pennsylvania now has approximately 67 short line and regional railroad corporations, which is more than any other state.

To address the fact that many rail lines throughout the commonwealth were in a state of disrepair, two programs were initiated to assist railroad owners with infrastructure improvements. The Rail Freight Assistance Program is funded from the Multimodal Transportation Fund and the Transportation Assistance Program is funded from Capital Facilities Fund bond proceeds. Grants may be issued to private railroads, companies utilizing rail in their shipping process, and public authorities or municipalities that are

Program: Multimodal Transportation (continued)

conduits for rail activities. The Rail Freight Assistance Program and Rail Transportation Assistance Program have been used to improve track, make acquisitions and construct new rail facilities. The benefits from these programs include economic development (private investment and associated jobs), environmental quality (fuel efficiency with low emissions), less congestion on the highways (an alternate mode for goods movement), and land use opportunities (redevelopment of existing commercial sites).

Beginning in 2012, the department receives $1 million annually from the Unconventional Gas Well Fund that is used to fund rail freight grants for projects related to or directly benefitting the commonwealth's Marcellus Shale gas drilling industry.

Program Element: Aviation

Aviation plays a major role in the movement of passengers and cargo throughout the commonwealth, with 132 public use airports and heliports. These include 15 with scheduled passenger service, all of which are operated by local governments or authorities. In addition to facilitating the movement of people and goods, aviation facilities bring substantial economic benefits to the commonwealth. According to a 2011 study, aviation contributes over $23 billion of economic benefits to Pennsylvania annually and is responsible for over 304,000 jobs, representing $9.2 billion in payrolls to Pennsylvania workers.

The department provides programs to improve the safety and effectiveness of the commonwealth's aviation network, including an airport inspection and licensing program. The department administers state and federal grant programs that are available for the commonwealth's public use airports. Taxes on jet fuel and aviation fuel sold in the commonwealth fund two state grant programs – the Airport Development program and the Real Estate Tax Rebate program. The Airport Development grant program is used for public use airports to meet safety, security, capacity, environmental and planning needs. The Real Estate Tax Rebate program allows for private and public-use airports to receive rebates on real estate taxes for land that is essential for airport public use. In addition, capital bond funds are available through the Aviation Transportation Assistance program for airports that have a public sector sponsor.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

GENERAL FUND

PennPORTS - Philadelphia Regional Port Authority Debt Service

$ 2 —to continue current program.

LOTTERY FUND

Older Pennsylvanians Shared Rides (EA) is recommended at the current year funding level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
GENERAL FUND:							
Rail Freight and Intermodal Coordination..	$ 363	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
PennPORTS-Philadelphia Regional Port Authority Debt Service	4,605	4,605	4,607	4,607	4,607	4,607	4,607
TOTAL GENERAL FUND	$ 4,968	$ 4,605	$ 4,607	$ 4,607	$ 4,607	$ 4,607	$ 4,607
LOTTERY FUND:							
Older Pennsylvanians Shared Rides (EA)	$ 80,975	$ 85,975	$ 85,975	$ 85,975	$ 85,975	$ 85,975	$ 85,975

Program: Multimodal Transportation (continued)

Appropriations within this Program: (continued)

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
PUBLIC TRANSPORTATION TRUST FUND:							
Mass Transit Operating (EA)	$ 745,361	$ 797,426	$ 956,034	$ 1,005,157	$ 1,045,079	$ 1,062,449	$ 1,088,435
Asset Improvement (EA)	73,000	310,663	310,156	332,293	376,842	376,842	377,666
Capital Improvement (EA)	22,035	19,500	0	0	0	0	0
Programs of Statewide Significance (EA)	92,268	82,717	89,547	95,701	104,165	106,403	109,666
Transit Administration and Oversight (EA)	4,488	4,488	4,488	4,488	4,488	4,488	4,488
TOTAL PUBLIC TRANSPORTATION TRUST FUND	$ 937,152	$ 1,214,794	$ 1,360,225	$ 1,437,639	$ 1,530,574	$ 1,550,182	$ 1,580,255
MULTIMODAL TRANSPORTATION FUND:							
Aviation Grants (EA)	$ 4,378	$ 6,000	$ 6,360	$ 6,360	$ 6,742	$ 6,742	$ 7,147
Rail Freight Grants (EA)	7,005	10,000	10,600	10,600	11,236	11,236	11,910
Passenger Rail Grants (EA)	6,000	8,000	8,480	8,480	8,989	8,989	9,528
Ports and Waterways Grants (EA)	7,415	10,000	10,600	10,600	11,236	11,236	11,910
Bicycle and Pedestrian Facilities Grants (EA)	2,000	2,000	2,120	2,120	2,247	2,247	2,382
Statewide Programs Grants (EA)	0	20,000	40,000	40,000	40,000	40,000	40,000
Multimodal Administration and Oversight (EA)	1,000	2,200	2,100	2,100	2,200	2,200	2,300
Transfer to Commonwealth Financing Authority (EA)	0	40,008	57,750	57,740	61,350	61,350	58,823
TOTAL MULTIMODEL TRANSPORTATION FUND	$ 27,798	$ 98,208	$ 138,010	$ 138,000	$ 144,000	$ 144,000	$ 144,000

Program: Driver and Vehicle Services

Goal: To minimize traffic accidents attributable to driver error and mechanically defective vehicles and to promote highway safety programs.

Driver and Vehicle Services is responsible for a number of front-line customer services that affect most of Pennsylvania's adult population. The department is responsible for processing applications and collecting fees for all vehicle registrations, titles and operator licenses. Pennsylvania has more than 11 million registered vehicles including individual automobiles, commercial vehicles, trailers and fleet vehicles, as well as fee-exempt vehicles owned by state and local governments and certain non-profit organizations. This total includes over 200,000 heavy trucks greater than 17,000 pounds and more than 205,000 trailers greater than 10,000 pounds. The number of licensed drivers has remained constant over the past few years at 8.9 million, including 435,000 commercial drivers. The Driver and Vehicle Services program oversees operator and vehicular licensing activities such as testing, inspections and revocations. The department also operates the Driver's License Examination program. Over 745,000 driving knowledge and skills tests were conducted in 2013-14 to certify applicants to operate passenger and commercial vehicles and motorcycles. A statewide network of facilities conducts written, oral and skills tests. Generally, around 300,000 new drivers are licensed each year, either as first-time drivers or drivers from other states.

The Vehicle Safety Inspection program for the commonwealth's more than 11 million motor vehicles is intended to minimize traffic accidents due to mechanical failure. The commonwealth operates an annual Vehicle Emissions Inspection program in 25 counties affecting approximately 7 million vehicles. In the remaining 42 counties not required to participate in the Vehicle Emissions Inspection program, the annual Vehicle Safety Inspection program incorporates a visual anti-tampering check for the presence of federally-required emission control components that were installed on the vehicle by the manufacturer.

Pennsylvania enforcement officials are responsible for the issuance of citations for Vehicle Code violations. Approximately 470,000 of the 1.4 million citations issued in 2013-14 resulted in the department having to take some action against a driver or vehicle record. In addition to assigning points for driver infractions, the department suspends or recalls driver's licenses for an accumulation of points. Commercial drivers may be sanctioned by having their commercial driving privilege revoked for certain offenses. This program area also administers the Motor Voter program and the commonwealth's Organ Donor program.

The department processes cancellation notices received from insurance companies. Notification of cancellation prompts the department to have registrants revalidate proper insurance coverage for the vehicle. This process, combined with the authority granted to enforcement officials to cite motorists who do not have insurance, can result in a revocation or suspension of vehicle registration, or payment of a $500 civil penalty. A total of 116,000 vehicle suspensions were imposed during 2013-14 for insurance infractions.

The department currently has 97 offices statewide offering driver examination and/or photo licensing services and is working with private business to further decentralize its driver and vehicle services to improve access. In 2013-14, 2.3 million customers visited driver license centers and over 3.1 million customers came to get their pictures taken for their photo license and photo identification cards. The computerized online messenger program, which connects private businesses with the department, has been the cornerstone of the decentralization effort. There are currently 254 messenger sites, processing a million driver's license and motor vehicle transactions annually. Other efforts to improve service include more efficient linkage between the department and automobile dealers, leasing and rental agencies, and fleet owners for the immediate processing of registration and titling transactions. Customers can also process transactions on the department's Internet renewal system. During 2013-14, approximately 4.4 million customers renewed their non-commercial driver's license, photo identification card or vehicle registration via the Internet.

Beginning December 31, 2016, vehicle owners may elect to renew their vehicle registration for one or two years, and vehicle registration stickers will no longer be issued.

Program: Driver and Vehicle Services (continued)

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

GENERAL FUND

Vehicle Sales Tax Collections

$ 120	—to continue current program.

Voter Registration

$ 25	—to continue current program.

MOTOR LICENSE FUND

Driver and Vehicle Services

$ 6,967	—to continue current program.
4,201	—Initiative-enhanced driver and vehicle services.
$ 11,168	*Appropriation Increase*

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
GENERAL FUND:							
Vehicle Sales Tax Collections	$ 904	$ 904	$ 1,024	$ 1,060	$ 1,086	$ 1,113	$ 1,141
Voter Registration	504	504	529	548	561	575	590
Photo ID Cards	6	0	0	0	0	0	0
TOTAL GENERAL FUND	$ 1,414	$ 1,408	$ 1,553	$ 1,608	$ 1,647	$ 1,688	$ 1,731
MOTOR LICENSE FUND:							
Driver and Vehicle Services	$ 125,071	$ 135,380	$ 146,548	$ 153,492	$ 155,193	$ 156,517	$ 159,889

Program Measures

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Program: Transportation Support Services							
Objective: Maintain low overhead costs while providing timely, quality service in order to create the best value for all customers.							
Overhead costs as a percentage of department budget (state funds)	1.28%	1.13%	1%	1%	1%	1%	1%
Program: Highways and Bridges							
Objective: Increase the percentage of highway system in good or excellent condition, and decrease the number of structurally deficient bridges through the modernization of assets; effective use of complement; and streamlining of processes.							
Highway and Bridge Construction/Reconstruction							
Miles of new highway construction	11	12	19	18	16	13	11
Miles of Interstate reconstruction or restoration	74	47	78	68	68	68	68
Miles of non-Interstate reconstruction or restoration	56	179	211	197	197	197	195
Interstate Highway System in good or excellent condition	83.10%	83.20%	83.50%	83.70%	83.80%	84%	84.10%
Interstate Highway System in poor condition	3.20%	3.10%	3%	2.90%	2.80%	2.70%	2.70%
National Highway System non-Interstate highways in good or excellent condition	62.70%	64.40%	66.20%	67.90%	69.60%	71.40%	72.90%
National Highway System non-Interstate highways in poor condition	14.70%	14.40%	14.10%	13.80%	13.50%	13.20%	13.10%
Bridges replaced/repaired	270	450	660	660	660	470	470
Structurally deficient bridges by deck area	11.10%	10.60%	10.30%	10%	9.70%	9.30%	9.20%
Variance of final cost of construction versus original contract amount	4.20%	3%	3%	3%	3%	3%	3%
Number of bridges preserved	200	230	210	210	210	210	210
Highway and Bridge Maintenance							
Miles of state maintained highways improved:							
Structural restoration	158	290	331	318	312	280	248
Structural resurfacing	229	359	364	340	325	309	301
Non-structural resurfacing	344	523	562	547	546	508	470
Surface Repairs	3,223	3,590	3,697	3,902	4,178	4,418	4,590
Total:	3,954	4,762	4,954	5,107	5,361	5,515	5,609

Program Measures

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Program: Local Highway and Bridge Assistance							
Objective: Maintain locally administered highways and bridges through continuous improvement and innovation with a special focus on delivery of projects, department wide operations, asset management and mobility.							
Percentage of Pennsylvania highways locally maintained	66.20%	66.30%	66.30%	66.40%	66.40%	66.40%	66.50%
Local bridges brought up to standard through state bridge program	40	48	55	55	75	100	125
Program: Multimodal Transportation							
Objective: Increase the use, safety and economic impact of Pennsylvania's public transit, rail and aviation systems through integrated land use and local, regional, state, and federal transportation planning.							
Mass Transportation							
Passengers carried by state-assisted operators (millions annually)	426.90	428.60	428.60	428.60	428.60	428.60	428.60
Passengers per vehicle hour	39.30	39.50	39.50	39.50	39.50	39.50	39.50
Percentage share of average income of mass transit trips:							
From revenue	37.50%	35.70%	35.70%	35.70%	35.70%	35.70%	35.70%
From commonwealth	47.50%	49.10%	49.10%	49.10%	49.10%	49.10%	49.10%
From federal government	7.70%	8%	8%	8%	8%	8%	8%
From local government	7.30%	7.20%	7.20%	7.20%	7.20%	7.20%	7.20%
Older Pennsylvanians Transit							
Free transit trips (millions annually)	34.65	35	35.34	35.70	36.05	36.41	36.78
Trips on state assisted shared ride vehicles (millions annually)	3.90	4.14	4.18	4.22	4.26	4.31	4.35
Cost to the commonwealth per trip:							
Free Transit	$2.68	$2.70	$2.72	$2.74	$2.76	$2.78	$2.80
State assisted shared ride vehicles	$17.78	$18.13	$18.50	$18.87	$19.24	$19.63	$20
Intercity Transportation							
Intercity Bus:							
Passengers handled	397,920	398,032	398,032	398,032	398,032	398,032	398,032
Subsidy per passenger trip	$5	$5	$5	$5	$5	$5	$5
Intercity Rail:							
Passengers handled	1,518,624	1,584,000	1,623,600	1,664,190	1,705,795	1,748,440	1,792,151
Subsidy per passenger mile	$0.11	$0.09	$0.12	$0.12	$0.13	$0.13	$0.13

Program Measures

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Rail Freight:							
Miles of rail lines, state assisted	275	300	300	300	300	300	300
Direct and indirect jobs created by state-supported rail freight improvements	48,626	50,000	50,000	50,000	50,000	50,000	50,000
Additional trucks that would be needed without rail freight bulk cargo service	287,072	300,000	300,000	300,000	300,000	300,000	300,000
Aviation:							
Airport development grants	92	75	75	75	75	75	75
Projects receiving federal priority	87%	86%	90%	90%	90%	90%	90%
Runways with a pavement condition index of fair or better	94%	96%	96%	96%	96%	96%	96%

Program: Driver and Vehicle Services

Objective: Maintain a high level of customer service and maximize the effectiveness of transportation products and services.

Vehicles inspected:							
Safety inspections	11,359,850	11,500,000	11,500,000	11,500,000	11,500,000	11,500,000	11,500,000
Emission inspections	6,608,762	6,800,000	6,800,000	6,800,000	6,800,000	6,800,000	6,800,000
Registrations:							
New vehicle registrations	1,630,861	1,630,000	1,630,000	1,630,000	1,630,000	1,630,000	1,630,000
Renewed vehicle registrations	9,729,191	9,730,000	9,730,000	9,730,000	8,972,500	8,972,500	8,972,500
Licensed drivers:							
New drivers licensed	292,604	310,000	310,000	310,000	310,000	310,000	310,000
Renewed drivers licenses	2,160,824	2,161,000	2,161,000	2,161,000	2,161,000	2,161,000	2,161,000
New commercial drivers licensed	15,902	17,000	17,000	17,000	17,000	17,000	17,000
Photo identification cards issued (non-driver photos)	365,097	365,000	365,000	365,000	365,000	365,000	365,000
Service center customers served within 30 minutes	87%	90.50%	90.50%	90.50%	90.50%	90.50%	90.50%
Access rate of driver and vehicle services call center	99.40%	99.50%	99.50%	99.50%	99.50%	99.50%	99.50%

Per Act 89 of 2013, voluntary biennial vehicle registration becomes effective December 31, 2016.

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LEGISLATURE

The mission of the General Assembly of Pennsylvania is to formulate and enact the public policy of the commonwealth.

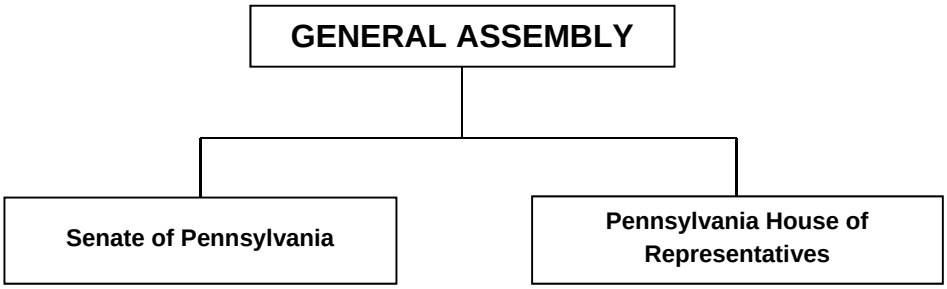
Through legislation and resolution, the General Assembly defines the functions of state government, provides for revenue for the commonwealth and appropriates money for the operation of state agencies and other purposes.

The General Assembly is composed of two bodies – the Senate and the House of Representatives. Its sessions begin on the first Tuesday of each year unless otherwise convened by proclamation of the governor.

Programs and Goals

Legislature: *To formulate and enact the public policy of the commonwealth, to define the functions of state government, to provide revenue for the commonwealth and to appropriate money for the operation of state agencies and for other purposes.*

Organization Overview



- **Senate of Pennsylvania** has 50 members who are elected by district. Senators are elected for four-year terms, staggered every two years such that half of the seats are contested at each election. Even-numbered seats and odd-numbered seats are contested in separate election years. Senators have office staff at the state capitol in Harrisburg and in their district offices.

- **Pennsylvania House of Representatives** has 203 members, elected for two-year terms from single member districts. Representatives have office staff at the state capitol in Harrisburg and in their district offices.

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2013-14 ACTUAL	2014-15 AVAILABLE	2015-16 BUDGET
GENERAL FUND:			
General Goverment:			
Senate:			
Senators' Salaries	$ 7,292 *	$ 7,365	$ 7,365
Senate President - Expenses	305	308	308
Employees of Chief Clerk	2,578	784	2,604
Salaried Officers and Employees	10,810	10,418	10,918
Incidental Expenses	2,711	688	2,738
Expenses - Senators	1,257	320	1,270
Legislative Printing and Expenses	6,818	1,726	6,886
Committee on Appropriations (R)	1,268	895	0
Committee on Appropriations (D)	1,268	895	0
Committee on Appropriations (R) and (D)	0	0	2,560
Caucus Operations (R) and (D)	0	0	61,304
Caucus Operations (R)	31,356	21,291	0
Caucus Operations (D)	29,341	19,923	0
Subtotal	$ 95,004	$ 64,613	$ 95,953
House of Representatives:			
Members' Salaries, Speaker's Extra Compensation	$ 27,389	$ 27,663	$ 27,663
Caucus Operations (R) and (D)	0	0	98,927
Caucus Operations (R)	52,892	48,696	0
Caucus Operations (D)	45,056	41,481	0
Speaker's Office	1,740	437	1,757
Bi-Partisan Committee, Chief Clerk, Comptroller and EMS	14,210	14,232	14,402
Mileage - Representatives, Officers and Employees	357	311	361
Chief Clerk and Legislative Journal	2,635	2,682	2,712
Speaker	20	20	0
Chief Clerk	514	560	0
Floor Leader (R)	7	7	0
Floor Leader (D)	7	7	0
Whip (R)	6	6	0
Whip (D)	6	6	0
Chairman - Caucus (R)	3	3	0
Chairman - Caucus (D)	3	3	0
Secretary - Caucus (R)	3	3	0
Secretary - Caucus (D)	3	3	0
Chairman - Appropriations Committee (R)	6	6	0
Chairman - Appropriations Committee (D)	6	6	0
Chairman - Policy Committee (R)	2	2	0
Chairman - Policy Committee (D)	2	2	0
Caucus Administrator (R)	2	2	0
Caucus Administrator (D)	2	2	0
Administrator for Staff (R)	20	20	0
Administrator for Staff (D)	20	20	0
Contingent Expenses (R) and (D)	0	0	688
Incidental Expenses	4,872	1,531	4,921
Expenses - Representatives	4,086	1,177	4,127
Legislative Printing and Expenses	10,260	9,833	10,363
National Legislative Conference - Expenses	491	146	496
Committee on Appropriations (R)	3,098	2,659	3,129
Committee on Appropriations (D)	3,098	1,869	3,129
Special Leadership Account (R)	5,811	5,029	5,869
Special Leadership Account (D)	5,811	5,869	5,869
Subtotal	$ 182,438	$ 164,293	$ 184,413
Total - General Government	$ 277,442	$ 228,906	$ 280,366

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	2013-14 ACTUAL	2014-15 AVAILABLE	2015-16 BUDGET
GENERAL FUND TOTAL	**$ 277,442**	**$ 228,906**	**$ 280,366**

* This budget presents the Government Support Agencies appropriations on page E46-1.

Program Funding Summary

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
LEGISLATURE							
GENERAL FUND	$ 277,442	$ 228,906	$ 280,366	$ 280,366	$ 280,366	$ 280,366	$ 280,366
SPECIAL FUNDS	0	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0	0
OTHER FUNDS	0	0	0	0	0	0	0
SUBCATEGORY TOTAL	$ 277,442	$ 228,906	$ 280,366	$ 280,366	$ 280,366	$ 280,366	$ 280,366
ALL PROGRAMS:							
GENERAL FUND	$ 277,442	$ 228,906	$ 280,366	$ 280,366	$ 280,366	$ 280,366	$ 280,366
SPECIAL FUNDS	0	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0	0
OTHER FUNDS	0	0	0	0	0	0	0
DEPARTMENT TOTAL	$ 277,442	$ 228,906	$ 280,366	$ 280,366	$ 280,366	$ 280,366	$ 280,366

Program: Legislature

Goal: To formulate and enact the public policy of the commonwealth, to define the functions of state government, to provide revenue for the commonwealth and to appropriate money for the operation of state agencies and for other purposes.

This program provides for the operation of the General Assembly, which consists of a 50 member Senate and a 203 member House of Representatives, funded by numerous General Fund appropriations. These appropriations are detailed in the Summary by Fund and Appropriation portion of this presentation.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

	GENERAL FUND
	Legislature
$ 51,460	—restoration of line-item veto cuts made during 2014-15.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
TOTAL GENERAL FUND	$ 277,442	$ 228,906	$ 280,366	$ 280,366	$ 280,366	$ 280,366	$ 280,366

JUDICIARY

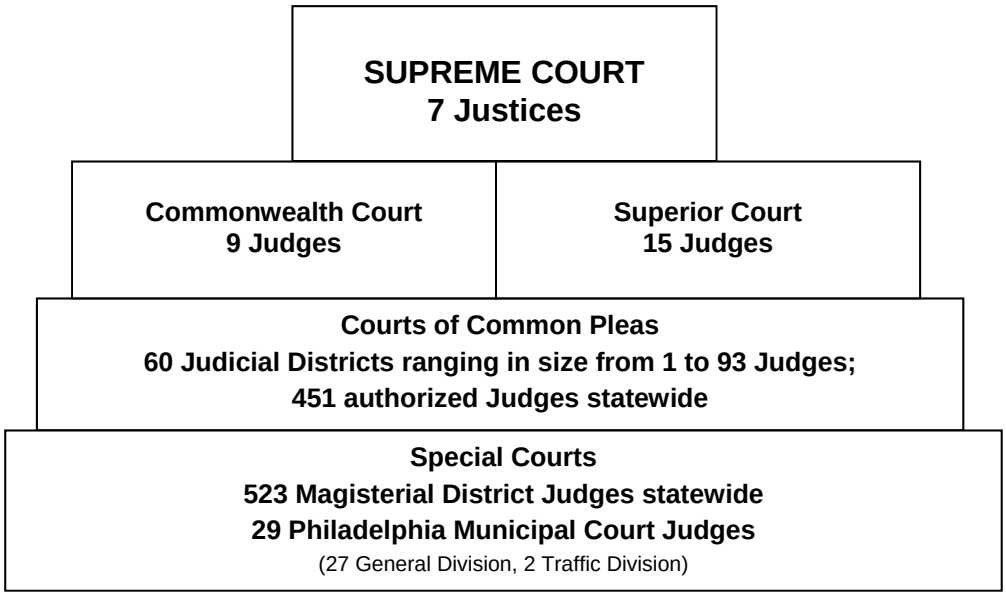
The mission of the judicial system of the commonwealth is to provide citizens with prompt and equitable justice under the law.

The court system includes the Supreme Court, Superior Court, Commonwealth Court, Courts of Common Pleas and community courts including Philadelphia Municipal Court, Pittsburgh Municipal Court and magisterial district judges.

Programs and Goals

State Judicial System*: To provide the citizens of the commonwealth with prompt and equitable justice under the law.*

Organization Overview



- **Supreme Court** is the commonwealth's court of last resort. The judiciary's administrative powers and jurisdictional responsibilities are vested with the seven-member court by the Pennsylvania State Constitution and a collection of statutes known as the Judicial Code. The Administrative Office of Pennsylvania Courts carries out the majority of the Supreme Court's administrative duties. The Supreme Court has various committees and boards responsible for advising the court on procedural rules for judges, attorneys and litigants to ensure an efficient and fair judicial review.

- **Commonwealth Court** is one of Pennsylvania's two statewide intermediate appellate courts. The Commonwealth Court is primarily responsible for matters involving state and local governments and regulatory agencies. It also acts as a trial court when lawsuits are filed by or against the commonwealth.

- **Superior Court** is one of Pennsylvania's two statewide intermediate appellate courts. The Superior Court is responsible for appeals in criminal and civil cases from the Courts of Common Pleas and appeals on matters involving children and families. In such matters, it is often the final arbiter of legal disputes.

- **Courts of Common Pleas** are the general trial courts of Pennsylvania. These courts are responsible for appeals from the minor courts, appeals not exclusively assigned to another court, and matters involving children and families.

- **Special Courts** are the first level of Pennsylvania's judiciary. They are responsible for determining whether serious criminal cases go to the Court of Common Pleas, preliminary arraignments and preliminary hearings, and setting and accepting bail.

Reported Complement

(Independent Agency – Complement Not Under the Governor's Jurisdiction/Control)

2009-10 Actual	2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Actual
2,221	2,203	2,198	2,199	2,198

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2013-14 ACTUAL	2014-15 AVAILABLE	2015-16 BUDGET
GENERAL FUND:			
General Government:			
Supreme Court:			
Supreme Court	$ 13,636	$ 13,636	$ 13,636
Justices Expenses	118	118	118
Judicial Center Operations	675	675	675
Judicial Council	141	141	141
District Court Administrators	17,276	17,276	17,276
Interbranch Commission	308	308	308
Court Management Education	73	73	73
Rules Committees	1,491	1,491	1,491
Court Administrator	9,953	9,953	9,953
(F)Court Improvement Project	1,100	1,130	1,130
(F)STOP Violence Against Women (EA)	0	222	0
(F)Veterans Court Process Evaluation	200	197	0
(F)PA Weighted Caseload Project	80	80	0
(F)ARRA - Specialty Courts IT Project (EA)	136	0	0
Integrated Criminal Justice System	2,372	2,372	2,372
(R)Judicial Computer System	57,048	57,048	57,048
Unified Judicial System Security	2,002	2,002	2,002
Subtotal	$ 106,609	$ 106,722	$ 106,223
Superior Court:			
Superior Court	$ 27,024	$ 27,024	$ 27,024
Judges Expenses	183	183	183
Subtotal	$ 27,207	$ 27,207	$ 27,207
Commonwealth Court:			
Commonwealth Court	$ 16,404	$ 16,404	$ 16,404
Judges Expenses	132	132	132
Subtotal	$ 16,536	$ 16,536	$ 16,536
Courts of Common Pleas:			
Courts of Common Pleas	$ 100,636	$ 100,636	$ 100,636
Senior Judges	3,715	3,715	3,715
Judicial Education	1,138	1,138	1,138
Ethics Committee	57	57	57
Problem-Solving Courts	103	103	103
Subtotal	$ 105,649	$ 105,649	$ 105,649
Magisterial District Judges:			
Magisterial District Judges	$ 73,522	$ 73,522	$ 73,522
Magisterial District Judge Education	671	671	671
Subtotal	$ 74,193	$ 74,193	$ 74,193
Philadelphia Courts:			
Traffic Court	$ 939	$ 0 a	$ 0 a
Municipal Court	5,918	6,857 a	6,857 a
Subtotal	$ 6,857	$ 6,857	$ 6,857

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	2013-14 ACTUAL	2014-15 AVAILABLE	2015-16 BUDGET
Judicial Conduct:			
Judicial Conduct Board	**$ 1,577**	**$ 1,577**	**$ 1,577**
Court of Judicial Discipline	**468**	**468**	**468**
Subtotal	$ 2,045	$ 2,045	$ 2,045
Subtotal - State Funds	$ 280,532	$ 280,532	$ 280,532
Subtotal - Federal Funds	1,516	1,629	1,130
Subtotal - Restricted Revenues	57,048	57,048	57,048
Total - General Government	$ 339,096	$ 339,209	$ 338,710
Grants and Subsidies:			
Reimbursement of County Costs:			
Jurors Cost Reimbursement	**$ 1,118**	**$ 1,118**	**$ 1,118**
County Courts Reimbursement	**34,407**	**34,407**	**34,407**
Senior Judge Reimbursement	**1,375**	**1,375**	**1,375**
Subtotal	$ 36,900	$ 36,900	$ 36,900
Total - Grants and Subsidies	$ 36,900	$ 36,900	$ 36,900
STATE FUNDS	$ 317,432	$ 317,432	$ 317,432
FEDERAL FUNDS	1,516	1,629	1,130
RESTRICTED REVENUES	57,048	57,048	57,048
GENERAL FUND TOTAL	**$ 375,996**	**$ 376,109**	**$ 375,610**

[a] Transition of Traffic Court functions and judges to Municipal Court in accordance with Act 17 of 2013.

Program Funding Summary

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
STATE JUDICIAL SYSTEM							
GENERAL FUND	$ 317,432	$ 317,432	$ 317,432	$ 317,432	$ 317,432	$ 317,432	$ 317,432
SPECIAL FUNDS	0	0	0	0	0	0	0
FEDERAL FUNDS	1,516	1,629	1,130	1,130	1,130	1,130	1,130
OTHER FUNDS	57,048	57,048	57,048	57,048	57,048	57,048	57,048
SUBCATEGORY TOTAL	$ 375,996	$ 376,109	$ 375,610	$ 375,610	$ 375,610	$ 375,610	$ 375,610
ALL PROGRAMS:							
GENERAL FUND	$ 317,432	$ 317,432	$ 317,432	$ 317,432	$ 317,432	$ 317,432	$ 317,432
SPECIAL FUNDS	0	0	0	0	0	0	0
FEDERAL FUNDS	1,516	1,629	1,130	1,130	1,130	1,130	1,130
OTHER FUNDS	57,048	57,048	57,048	57,048	57,048	57,048	57,048
DEPARTMENT TOTAL	$ 375,996	$ 376,109	$ 375,610	$ 375,610	$ 375,610	$ 375,610	$ 375,610

Program: State Judicial System

Goal: To provide the citizens of the commonwealth with prompt and equitable justice under the law.

Pennsylvania's Unified Judicial System is a layered court system consisting of the Supreme Court, Superior Court, Commonwealth Court, Courts of Common Pleas, the Magisterial District Courts statewide, and the two Philadelphia municipal courts--Philadelphia Municipal Court, and Traffic Court of Philadelphia (pending anticipated action by the legislature and the electorate to amend the PA Constitution to abolish it).

In counties other than Philadelphia, courts at the first level of the system are presided over by Magisterial District Judges who have jurisdiction over summary criminal cases, landlord-tenant matters and other civil actions where the amount claimed does not exceed $12,000. They also have jurisdiction to issue warrants, hold arraignments and preliminary hearings in all criminal cases and accept guilty pleas under certain circumstances.

In Philadelphia, the Municipal Court, with its Traffic Division created by Act 17 of 2013 to assume the functions of the Traffic Court, is the initial level of the court system. Municipal Court is a court of record whose judges must be lawyers. Its limited jurisdiction is analogous to that of the Magisterial District Judges. The judges of the Traffic Division need not be lawyers but must complete an education course and pass the qualifying examination.

The second level in the court system is the Courts of Common Pleas, which are courts of general trial jurisdiction. They have original jurisdiction over all cases not exclusively assigned to another court. Appellate jurisdiction extends to appeals from final orders of the lower courts and appeals from certain state and most local government agencies.

Appeals from the Courts of Common Pleas are generally handled by one of the two intermediate-level appellate courts: Commonwealth Court and Superior Court. Commonwealth Court has jurisdiction over appeals involving government agencies and officials and not-for-profit corporations as well as original jurisdiction over Election Code matters and cases involving state officials. Superior Court has jurisdiction over all direct appeals not within the specific statutory jurisdiction of another appellate court.

The Supreme Court is Pennsylvania's court of last resort and is responsible for administration of the entire Unified Judicial System.

As defined by the state constitution, statute and court rule, the Administrative Office of Pennsylvania Courts (AOPC) is the administrative arm of the Supreme Court, in the court's oversight responsibility of the Unified Judicial System.

The Supreme Court has initiated a number of programs in recent years. Among the more recent of these are the creation within AOPC of the Office for Children and Families in the Court, which assists courts statewide in providing neglected and abused children with safe and permanent homes in as brief a time as possible, and a program to assist judicial districts in establishing, expanding or maintaining special problem-solving courts, such as drug courts, mental health and veterans courts. A long-standing automation program has been underway since the mid-1980s, with the goal of computerization of the entire Judiciary, most notably through the development and operation of an integrated case and financial management system to allow the seamless transfer of cases from the first level of the Judiciary through the court of last resort. Among the first of its scope nationally, the Judicial Computer System (JCS) has been an unqualified success in each of its stages, beginning with the Magisterial District Judge System, the Pennsylvania Appellate Courts Case Management System, and the Common Pleas Criminal Case Management System which automated the criminal courts statewide. They also enable the Judiciary to be a keystone in providing the commonwealth's multi-agency Integrated Criminal Justice Network (commonly known as JNET) with important case data. Future stages of the computerization project will automate orphans and family courts followed by civil courts.

Through exercise of its statutory realignment responsibilities over the magisterial districts, the Supreme Court has eliminated 19 districts to date as a cost-cutting measure. By the end of the process in January 2018, the Supreme Court will have reduced the count of magisterial districts by 29, from 545 districts at the start of the process in January 2010, to 516 by January 2018, saving an estimated $4.1 million annually at current costs.

Finally, the Unified Judicial System contains a two-tiered, independent judicial disciplinary system, consisting of the Judicial Conduct Board which investigates complaints regarding the conduct of judges, and Court of Judicial Discipline, which conducts hearings to determine whether a sanction should be imposed upon a member of the Judiciary.

Program: State Judicial System (continued)

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

Judiciary is recommended at the current year funding level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
GENERAL FUND:							
Supreme Court	$ 13,636	$ 13,636	$ 13,636	$ 13,636	$ 13,636	$ 13,636	$ 13,636
Justices Expenses	118	118	118	118	118	118	118
Judicial Center Operations	675	675	675	675	675	675	675
Judicial Council	141	141	141	141	141	141	141
District Court Administrators	17,276	17,276	17,276	17,276	17,276	17,276	17,276
Interbranch Commission	308	308	308	308	308	308	308
Court Management Education	73	73	73	73	73	73	73
Rules Committees	1,491	1,491	1,491	1,491	1,491	1,491	1,491
Court Administrator	9,953	9,953	9,953	9,953	9,953	9,953	9,953
Integrated Criminal Justice System	2,372	2,372	2,372	2,372	2,372	2,372	2,372
Unified Judicial System Security	2,002	2,002	2,002	2,002	2,002	2,002	2,002
Superior Court	27,024	27,024	27,024	27,024	27,024	27,024	27,024
Judges Expenses	183	183	183	183	183	183	183
Commonwealth Court	16,404	16,404	16,404	16,404	16,404	16,404	16,404
Judges Expenses	132	132	132	132	132	132	132
Courts of Common Pleas	100,636	100,636	100,636	100,636	100,636	100,636	100,636
Senior Judges	3,715	3,715	3,715	3,715	3,715	3,715	3,715
Judicial Education	1,138	1,138	1,138	1,138	1,138	1,138	1,138
Ethics Committee	57	57	57	57	57	57	57
Problem-Solving Courts	103	103	103	103	103	103	103
Magisterial District Judges	73,522	73,522	73,522	73,522	73,522	73,522	73,522
Magisterial District Judge Education	671	671	671	671	671	671	671
Traffic Court	939	0	0	0	0	0	0
Municipal Court	5,918	6,857	6,857	6,857	6,857	6,857	6,857
Judicial Conduct Board	1,577	1,577	1,577	1,577	1,577	1,577	1,577
Court of Judicial Discipline	468	468	468	468	468	468	468
Jurors Cost Reimbursement	1,118	1,118	1,118	1,118	1,118	1,118	1,118
County Courts Reimbursement	34,407	34,407	34,407	34,407	34,407	34,407	34,407
Senior Judge Reimbursement	1,375	1,375	1,375	1,375	1,375	1,375	1,375
TOTAL GENERAL FUND	$ 317,432	$ 317,432	$ 317,432	$ 317,432	$ 317,432	$ 317,432	$ 317,432

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GOVERNMENT SUPPORT AGENCIES

The mission of the Government Support Agencies is to serve the members of the legislature, legislative committees, the governor, heads of state agencies and, in certain cases, citizens of the commonwealth, by providing research, fiscal and regulatory review, and administrative and operational support.

Programs and Goals

Government Support Agencies: *To provide research, fiscal and regulatory review, and administrative and operational support.*

Organization Overview

- **Legislative Reference Bureau** prepares requested legislative bills and resolutions for introduction in the General Assembly; advises members of the legislature and legislative committees; and, from time to time, prepares proposed codifications of existing general statutes for adoption or rejection by the General Assembly.

- **Legislative Budget and Finance Committee** conducts studies and makes recommendations aimed at eliminating unnecessary expenditures, promoting economy in the government of the commonwealth and assuring that state funds are being expended in accordance with legislative intent and law.

- **Legislative Data Processing Center** establishes and operates computer systems capable of storing and retrieving all of the financial, factual, procedural and legal information necessary to serve all of the committees, officers and agencies of the Pennsylvania General Assembly.

- **Joint State Government Commission** is the primary non-partisan research organization that serves the General Assembly. It provides the legislature with a readily available mechanism for conducting interdisciplinary studies.

- **Local Government Commission** is a bipartisan legislative service agency affording research assistance to propose legislation that will enable local governments to be more effective and efficient in providing services.

- **Joint Legislative Air and Water Pollution Control Committee** conducts studies, holds hearings and makes recommendations to the General Assembly on environmental issues. It also makes recommendations with regard to the custodianship and care of our land, water and air to determine where there are problems, what solutions are found and what can be done to bring about positive change.

- **Legislative Audit Advisory Commission** plans and performs the audit of the General Assembly's financial transactions.

- **Independent Regulatory Review Commission** reviews commonwealth agency regulations to make certain that the agency has the statutory authority to enact the regulation and determine whether the regulation is consistent with legislative intent. The commission then considers other criteria, such as economic impact, public health and safety, reasonableness, impact on small businesses and clarity. It also acts as a clearinghouse for complaints, comments and other input from the General Assembly and the public regarding proposed and final regulations.

- **Capitol Preservation Committee** serves the citizens of the commonwealth by restoring and preserving the art, architecture and history of the Pennsylvania State Capitol and Capitol Complex.

- **Commission on Sentencing** is charged with creating and maintaining a consistent and rational statewide sentencing policy through the adoption of guidelines that promote fairer and more uniform sentencing throughout the commonwealth.

- **Center for Rural Pennsylvania** is a bipartisan, bicameral legislative agency that serves as a resource for rural policy within the Pennsylvania General Assembly. The center works with the legislature, educators, state and federal executive branch agencies and national, statewide, regional and local organizations to maximize resources and strategies that can better serve Pennsylvania's nearly 3.5 million rural residents.

- **Commonwealth Mail Processing Center** receives and performs a security scan of all incoming mail, overnight packages, and parcels and delivers to offices of the legislature, departments under the governor's jurisdiction and the judiciary.

- **Legislative Reapportionment Commission**, in accordance with the Pennsylvania Constitution, redistricts the state Senate and the state House in the year following the federal decennial census.

- **Independent Fiscal Office** provides revenue projections for use in the state budget process along with impartial and timely analysis of fiscal, economic and budgetary issues to assist commonwealth residents and the General Assembly in their evaluation of policy decisions.

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2013-14 ACTUAL	2014-15 AVAILABLE	2015-16 BUDGET
GENERAL FUND:			
General Government:			
Legislative Reference Bureau - Salaries and Expenses	**$ 8,365**	**$ 8,449**	**$ 8,449**
Printing of PA Bulletin and PA Code	**803**	**801**	**811**
Subtotal	$ 9,168	$ 9,250	$ 9,260
Legislative Budget and Finance Committee	**1,775**	**1,413**	**1,750**
Legislative Data Processing Center	**16,969**	**9,163**	**21,043**
Joint State Government Commission	**1,416**	**1,010**	**1,430**
Local Government Commission	**1,074**	**965**	**1,111**
Local Government Codes	**89**	**20**	**20**
Joint Legislative Air and Water Pollution Control Committee	**510**	**405**	**515**
Legislative Audit Advisory Commission	**245**	**127**	**247**
Independent Regulatory Review Commission	**1,850**	**1,869**	**1,869**
Capitol Preservation Committee	**710**	**717**	**717**
Capitol Restoration	**1,850**	**1,869**	**1,869**
Commission on Sentencing	**1,800**	**1,818**	**1,818**
(F)JAG - Consolidated Project Grants (EA)	1,280	1,280	1,280
Center for Rural Pennsylvania	**875**	**884**	**884**
Commonwealth Mail Processing Center	**2,894**	**2,923**	**2,923**
Legislative Reapportionment Commission	**700**	**177**	**707**
Independent Fiscal Office	**1,675**	**1,692**	**1,692**
Public Employees Retirement Commission	**769** [a]	**914** [a]	**914** [a]
Subtotal	$ 36,481	$ 27,246	$ 40,789
Subtotal - State Funds	$ 44,369	$ 35,216	$ 48,769
Subtotal - Federal Funds	1,280	1,280	1,280
Total - General Goverment	$ 45,649	$ 36,496	$ 50,049
STATE FUNDS	$ 44,369	$ 35,216	$ 48,769
FEDERAL FUNDS	1,280	1,280	1,280
GENERAL FUND TOTAL	**$ 45,649**	**$ 36,496**	**$ 50,049**
OTHER FUNDS:			
JUSTICE REINVESTMENT FUND:			
Commission on Sentencing	$ 12	$ 283 [b]	$ 400 [c]
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND	$ 44,369	$ 35,216	$ 48,769
SPECIAL FUNDS	0	0	0
FEDERAL FUNDS	1,280	1,280	1,280
OTHER FUNDS	12	283	400
TOTAL ALL FUNDS	**$ 45,661**	**$ 36,779**	**$ 50,449**

[a] Appropriated in Executive Offices in 2013-14 and 2014-15. The 2015-16 budget moves Public Employee Retirement Commission to Government Support Agencies.

[b] 2014-15 Available includes recommended increase to executive authorization of $164,000.

[c] Act 196 of 2012 requires that funding be appropriated beginning in 2015-16.

Program Funding Summary

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
GOVERNMENT SUPPORT AGENCIES							
GENERAL FUND	$ 44,369	$ 35,216	$ 48,769	$ 48,769	$ 48,769	$ 48,769	$ 48,769
SPECIAL FUNDS	0	0	0	0	0	0	0
FEDERAL FUNDS	1,280	1,280	1,280	1,280	1,280	1,280	1,280
OTHER FUNDS	12	283	400	400	400	0	0
SUBCATEGORY TOTAL	$ 45,661	$ 36,779	$ 50,449	$ 50,449	$ 50,449	$ 50,049	$ 50,049
ALL PROGRAMS:							
GENERAL FUND	$ 44,369	$ 35,216	$ 48,769	$ 48,769	$ 48,769	$ 48,769	$ 48,769
SPECIAL FUNDS	0	0	0	0	0	0	0
FEDERAL FUNDS	1,280	1,280	1,280	1,280	1,280	1,280	1,280
OTHER FUNDS	12	283	400	400	400	0	0
DEPARTMENT TOTAL	$ 45,661	$ 36,779	$ 50,449	$ 50,449	$ 50,449	$ 50,049	$ 50,049

Program: Government Support Agencies

Goal: To provide research, fiscal and regulatory review, and administrative and operational support.

This program primarily supports state government legislative operations by providing research, fiscal and regulatory review, and administrative and operational support.

The Legislative Reference Bureau prepares requested legislative bills and resolutions for introduction in the General Assembly; advises members of the Legislature and legislative committees; and, from time to time, prepares proposed codifications of existing general statutes for adoption or rejection by the General Assembly.

The Legislative Budget and Finance Committee is a bipartisan, bicameral legislative service agency that conducts studies and makes recommendations aimed at eliminating unnecessary expenditures, promoting economy in the government of the commonwealth and assuring that state funds are being expended in accordance with legislative intent and law.

The Legislative Data Processing Center establishes and operates computer systems capable of storing and retrieving all of the financial, factual, procedural and legal information necessary to serve all of the committees, officers and agencies of the General Assembly.

The Joint State Government Commission serves as the bipartisan and bicameral research agency of the General Assembly.

The Local Government Commission is a bipartisan legislative service agency affording research assistance on proposed legislation that will enable local governments to be more effective and efficient in providing services.

The Joint Legislative Air and Water Pollution Control Committee conducts studies regarding air, water and mining practices in the state and makes recommendations to the General Assembly.

The Legislative Audit Advisory Commission plans and performs the audit of the General Assembly's financial transactions.

The Independent Regulatory Review Commission reviews commonwealth agency regulations to ensure that they are in the public interest.

The Capitol Preservation Committee works to preserve the art, architecture and history of the Pennsylvania Capitol Building and Complex.

The Commission on Sentencing adopts statewide sentencing guidelines. Act 196 of 2012 distributed funds to the commission in 2013-14 and 2014-15 from the Justice Reinvestment Fund to establish models for risk assessment.

The Center for Rural Pennsylvania serves as a resource for rural policy within the General Assembly.

The Commonwealth Mail Processing Center screens and dispatches correspondence, packages and parcels.

The Legislative Reapportionment Commission receives the Census Bureau redistricting data in each year following the year of the federal decennial census. It is used as a basis for apportioning seats in the U.S. House of Representatives. Census data is also used to redraw legislative districts for the House of Representatives and the State Senate.

The Independent Fiscal Office provides nonpartisan budget information and analysis.

The Public Employee Retirement Commission monitors public employee retirement systems to assure their actuarial viability, and studies the retirement needs of public employees in order to formulate principles, develop objectives and recommend legislation.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

GENERAL FUND
Government Support Agencies

$ 13,553 —restoration of line-item veto cuts made during 2014-15 for all appropriations except Legislative Budget and Finance Committee, Local Government Commission and Local Government Codes, which are recommended at the requested funding levels.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
GENERAL FUND:							
Government Support Agencies.....	$ 44,369	$ 35,216	$ 48,769	$ 48,769	$ 48,769	$ 48,769	$ 48,769

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Commonwealth of Pennsylvania

Governor's Executive Budget

Capital Budget

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Program Summary

This section presents the 2015-16 Capital Budget and Five Year Capital Program. The proposed funding sources and amounts needed to support capital programs are projected for five fiscal years.

All projects are grouped by categories regardless of the source of funding. The six categories, as explained below, are consistently used for projects which are to be funded by commonwealth debt obligations, current revenues and funds received from other jurisdictions. Funding source distinctions are clearly noted throughout the section which itemizes the recommended capital program.

Public Improvement Projects — this category includes various types of renovation projects and new buildings, nonstructural improvements and the acquisition of land. The Department of General Services administers design and construction for the majority of these projects. However, Keystone Recreation, Park and Conservation and Environmental Stewardship projects are administered by the Department of Conservation and Natural Resources.

Public Improvement—Original Furniture and Equipment Projects — this category provides for the equipping of newly completed public improvement projects by purchasing original movable furniture and equipment through the Department of General Services. Replacement furniture and equipment to be used in existing buildings are purchased as fixed assets through agency operating budgets.

Transportation Assistance Projects — this category of projects include: the purchase of rolling stock and construction or improvement of facilities operated by mass transportation agencies throughout the commonwealth; the acquisition, construction and equipping of rural and intercity common carrier surface transportation systems or any components thereof; and air transportation systems. These projects are administered by the Department of Transportation.

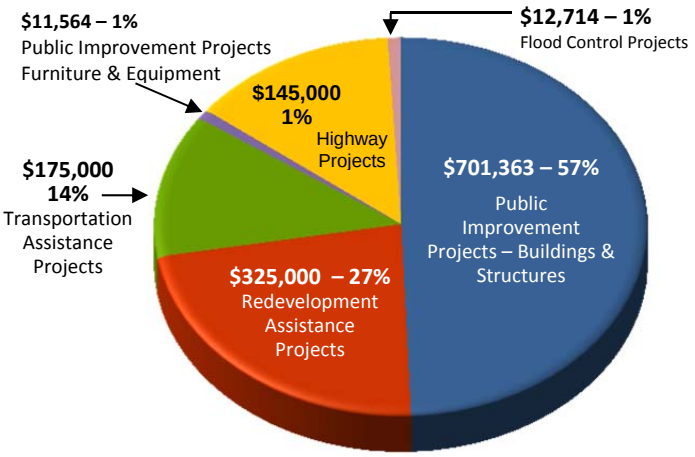
Redevelopment Assistance Projects — this category provides grants for the acquisition of land and the construction of buildings and other property appurtenances for municipal agencies and authorities for economic development and the prevention and elimination of blight.

Flood Control Projects — this category provides the state's share of federal flood control works and improvements to prevent floods and to preserve, control and regulate the flow of rivers and streams in the commonwealth. These projects are administered by the Department of Environmental Protection.

Highway Projects — this category includes the design, purchase of rights-of-way, construction, reconstruction and other improvements to highways and bridges on the state highway system. These projects are designed and constructed by the Department of Transportation.

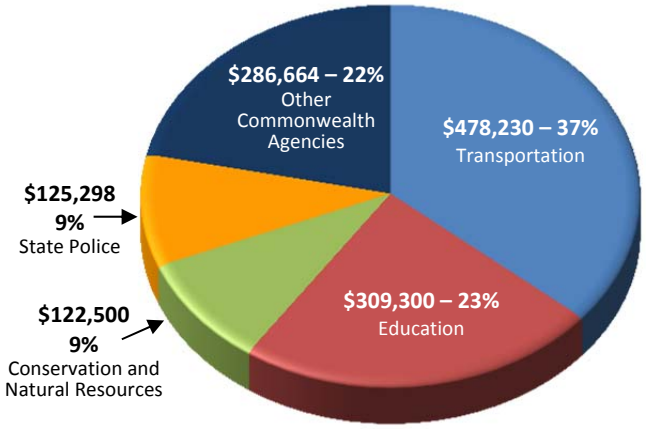
2015-16 Estimated Capital Expenditures
Capital Facilities Bond Fund

(Dollar Amounts in Thousands)



Recommended 2015-16 New Project Authorizations
Capital Facilities Bond Fund

(Dollar Amounts in Thousands)



Capital Budget Financing. Most project authorizations recommended in the capital budget are debt financed by General Obligation Bonds. However, other capital projects are financed by current revenues either from dedicated sources or appropriations through operating budgets. An additional $859.8 million in 2015-16 new project authorizations (mostly highway projects) is financed by current revenues.

The Capital Budget section consists of the following three subsections.

2015-16 New Project Authorizations — this section itemizes and describes the new capital projects recommended for authorization in 2015-16 and their proposed source of funding. The projects are listed by department and capital project category.

Impact on Operating Costs. The description of each recommended capital project contains a statement concerning the impact on program operating costs expected from the implementation of the capital project. With certain exceptions, the statement indicates little or no effect on operating costs. This is due to the fact that most capital projects involve the renovation or replacement of existing facilities. Consequently, any operating cost impact is derived from such items as efficiencies in energy consumption and avoided maintenance. These items, when viewed in terms of the total agency or program budget, generally tend to be negligible.

An exception is when a large-scale project is implemented which will dramatically change efficiencies and other components of an operating budget. In this case, the expected change in operating expenses is quantified. The net change in operating cost also is quantified when new construction will result in a significant increase in the capital asset base. A more precise figure will be recommended in the agency's operating budget when the project has been completed, which is usually several years after a capital project is authorized.

There are several categories of capital authorizations for which no estimate of operating cost impact is provided. Among these are Redevelopment Assistance, Flood Control, Transportation Assistance and flood protection projects undertaken as part of the Public Improvement category. These projects constitute improvements to the property of other entities, primarily local jurisdictions such as cities, boroughs, townships and universities, among others. Any change in operating costs will, therefore, be borne by an entity other than the commonwealth.

Finally, the Highway Projects category also will not provide a statement of operating cost impact. This is because the bulk of capital spending in this category is for the rehabilitation of the existing highway network rather than the addition of new mileage. As rehabilitation takes place, previously high maintenance costs are avoided. These avoided maintenance costs are then shifted to other segments of roadway where repair needs are relatively significant. As a result, the total highway operating budget experiences little net change.

Future New Project Authorizations — this section contains a dollar forecast of new capital projects requested during each of the fiscal years 2016-17 through 2019-20. The projections are grouped by department and capital project category.

Estimated Capital Project Expenditures — this section provides an estimate of expenditures for capital projects during each of the next five fiscal years. Since design, acquisition and construction of a project are not generally completed during the fiscal year in which the project is initiated, actual expenditures usually occur over several fiscal years. The estimated expenditures determine the amount of bonds which must be issued or the current revenue appropriations required in each fiscal year. The projections are listed by capital project category and agency and are further subdivided by currently authorized projects, new projects proposed for 2015-16 and projects which will be authorized in the future (through 2019-20).

ESTIMATED CAPITAL EXPENDITURES
State Funds

This table presents summary data on the source of funding and use for currently authorized and proposed capital projects. Detailed information on debt issued for capital projects is contained in the Public Debt section of this budget document.

(Dollar Amounts in Thousands)

	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
GENERAL OBLIGATION BOND FUNDING					
Revenues					
Capital Facilities Bonds:					
Public Improvement Projects - Buildings and Structures	$ 750,000	$ 765,000	$ 780,000	$ 796,000	$ 812,000
Public Improvement Projects - Furniture and Equipment	20,000	20,000	20,000	20,000	20,000
Redevelopment Assistance Projects	335,000	342,000	349,000	356,000	363,000
Flood Control Projects	10,000	10,000	10,000	10,000	10,000
Transportation Assistance Projects	175,000	175,000	175,000	175,000	175,000
Less: Costs of Issue	-5,000	-5,000	-5,000	-5,000	-5,000
Miscellaneous Revenue	11,230	5,615	5,615	5,615	5,615
Change in Available Cash	-70,589	-23,825	-162,056	18,662	-169,174
Total	$ 1,225,641	$ 1,288,790	$ 1,172,559	$ 1,376,277	$ 1,211,441
Expenditures					
Capital Facilities Fund:					
Public Improvement Projects - Buildings and Structures	$ 701,363	$ 672,351	$ 674,505	$ 870,376	$ 838,253
Public Improvement Projects - Furniture and Equipment	11,564	35,249	6,865	14,712	14,712
Redevelopment Assistance Projects	325,000	385,000	295,000	295,000	175,000
Flood Control Projects	12,714	21,189	21,189	21,189	8,476
Transportation Assistance Projects	175,000	175,000	175,000	175,000	175,000
Total - General Obligation Bonds	$ 1,225,641	$ 1,288,790	$ 1,172,559	$ 1,376,277	$ 1,211,441
FROM CURRENT REVENUES					
Public Improvement Projects - Fish and Boat Fund	$ 750	$ 750	$ 750	$ 750	$ 750
Acquisition, Improvement and Restoration Projects - Keystone Recreation, Park and Conservation Fund	17,677	18,325	18,325	11,801	17,495
Acquisition, Rehabilitation and Development Projects Environmental Stewardship Fund	7,905	11,761	12,173	12,599	13,040
Highway Projects - Motor License Fund	481,869	409,059	409,623	422,687	434,245
Total Current Revenues	$ 508,201	$ 439,895	$ 440,871	$ 447,837	$ 465,530
TOTAL - ALL FUNDS	$ 1,733,842	$ 1,728,684	$ 1,613,430	$ 1,824,114	$ 1,676,970

FORECAST OF NEW PROJECT AUTHORIZATIONS
State Funds

This table provides a summary of the budget recommendations and potential future authorizations by department.

(Dollar Amounts in Thousands)

	2015-16	2016-17	2017-18	2018-19	2019-20	Total
Agriculture	$ 8,750	$ 8,750	$ 8,750	$ 8,750	$ 8,750	$ 43,750
Conservation and Natural Resources	143,040	33,800	69,500	80,500	122,550	449,390
Corrections	95,780	95,880	0	0	0	191,660
Education	279,300	449,400	290,000	241,750	206,500	1,466,950
Environmental Protection	0	6,990	21,064	49,752	20,425	98,231
General Services	6,900	18,500	16,750	0	0	42,150
Historical and Museum Commission	29,380	29,380	36,000	28,775	28,380	151,915
Human Services	33,430	33,100	24,870	0	0	91,400
Labor and Industry	0	0	0	0	0	0
Military and Veterans Affairs	149,830	0	0	0	0	149,830
State Police	125,298	125,298	0	0	0	250,596
Transportation	1,267,048	859,020	575,000	575,000	575,000	3,851,068
TOTAL	$ 2,138,756	$ 1,660,118	$ 1,041,934	$ 984,527	$ 961,605	$ 6,786,940

RECOMMENDED 2015-16 NEW PROJECT AUTHORIZATIONS STATE FUNDS

This table provides a summary of new project authorizations by department and capital program category within bond and current revenue sources.

(Dollar Amounts in Thousands)

	Capital Facilities Bond Funds			
	Public Improvement Projects	Original Furniture & Equipment	Transportation Assistance Projects	Flood Control Projects
Agriculture	$ 8,750	$ 0	$ 0	$ 0
Conservation and Natural Resources	111,500	0	0	0
Corrections	95,780	0	0	0
Education	262,500	16,800	0	0
Emergency Management Agency	0	0	0	0
Environmental Protection	0	0	0	0
Executive Offices	0	0	0	0
Fish and Boat Commission	0	0	0	0
Game Commission	0	0	0	0
General Services	6,900	0	0	0
Human Services	33,430	0	0	0
Historical and Museum Commission	26,680	2,700	0	0
Labor and Industry	0	0	0	0
Military and Veterans Affairs	110,424	0	0	0
State Police	125,298	0	0	0
Transportation	75,000	0	404,230	0
TOTAL	$ 856,262	$ 19,500	$ 404,230	$ 0

	Current Revenues		All Funds
	Highway Projects	Public Improvement Projects	
Agriculture	$ 0	$ 0	$ 8,750
Conservation and Natural Resources	0	31,540	143,040
Corrections	0	0	95,780
Education	0	0	279,300
Emergency Management Agency	0	0	0
Environmental Protection	0	0	0
Executive Offices	0	0	0
Fish and Boat Commission	0	0	0
Game Commission	0	0	0
General Services	0	0	6,900
Historical and Museum Commission	0	0	29,380
Human Services	0	0	33,430
Labor and Industry	0	0	0
Military and Veterans Affairs	0	39,406	149,830
State Police	0	0	125,298
Transportation	787,818	0	1,267,048
TOTAL	$ 787,818	$ 70,946	$ 2,138,756

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
2015-16 PUBLIC IMPROVEMENT PROJECTS				
Protection and Development of Agricultural Industries	$ 8,750	$ 0	$ 0	$ 8,750
TOTAL	$ 8,750	$ 0	$ 0	$ 8,750
SOURCE OF FUNDS				
General Obligation Bond Issues				
Capital Facilities Fund - Buildings and Structures	$ 8,750	$ 0	$ 0	$ 8,750
TOTAL	$ 8,750	$ 0	$ 0	$ 8,750

Department of Agriculture 2015-16 Projects

PUBLIC IMPROVEMENT PROJECTS

FROM CAPITAL FACILITIES BOND FUNDS

Program: Protection and Development of Agricultural Industries

This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
DAUPHIN COUNTY				
Farm Show Complex UPGRADE INFORMATION TECHNOLOGY INFRASTRUCTURE: This project will provide for upgrades to the information technology infrastructure including security and linking improvements to meet current needs.	$ 3,750	$ 0	$ 0	$ 3,750
Farm Show Complex UPGRADE INFRASTRUCTURE: This project will provide for upgrades to the subsurface water and utility lines.	2,700	0	0	2,700
Vetinary Laboratory DISSEMBLE ALKALINE DIGESTER: This project will provide for the disassembly of an alkaline digester at the Vetinary Laboratory that is no longer in use and reconfigure lab space.	2,300	0	0	2,300
PROGRAM TOTAL.....	$ 8,750	$ 0	$ 0	$ 8,750

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
2015-16 PUBLIC IMPROVEMENT PROJECTS				
Parks and Forest Management	$ 130,440	$ 0	$ 12,600	$ 143,040
TOTAL	$ 130,440	$ 0	$ 12,600	$ 143,040
SOURCE OF FUNDS				
General Obligation Bond Issues				
Capital Facilities Fund - Buildings and Structures	$ 98,900	$ 0	$ 12,600	$ 111,500
Current Revenues				
Keystone Recreation, Park and Conservation Fund - Improvements and Rehabilitation	$ 3,775	$ 0	$ 0	$ 3,775
Growing Greener 'Environmental Stewardship Fund - Acquisition, Improvements and Rehabilitation	6,350	0	0	6,350
State Forestry Bridge - Parks and Forest Management	6,710	0	0	6,710
ATV/Snowmobile Funds - Parks and Forest Management	180	0	0	180
Dirt and Gravel Funds - Acquisition, Improvements and Rehabilitation	500	0	0	500
Oil & Gas Lease Funds - Parks and Forest Management	5,225	0	0	5,225
Commonwealth Finance Authority Grants - Parks and Forest Management	8,800	0	0	8,800
Subtotal Current Revenues	$ 31,540	$ 0	$ 0	$ 31,540
TOTAL	$ 130,440	$ 0	$ 12,600	$ 143,040

Department of Conservation and Natural Resources 2015-16 Projects

PUBLIC IMPROVEMENT PROJECTS

FROM CAPITAL FACILITIES BOND FUNDS

Program: Parks and Forest Management

This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
BUCKS COUNTY				
Delaware Canal State Park	$ 25,200	$ 0	$ 2,800	$ 28,000
REHABILITATE CANAL STRUCTURES: This project will rehabilitate canal structures, buildings, roads, bridges, parking lots, walls, tow paths and comfort facilities.				
CAMERON COUNTY				
Elk State Forest	2,800	0	700	3,500
REPLACE HEADQUARTERS: This project will provide for the replacement of Brooks Run Maintenance Headquarters and a storage building.				
CLINTON COUNTY				
Sproul State Forest	2,400	0	600	3,000
CONSTRUCT HEADQUARTERS: This project will provide for the construction of Snow Shoe Run Maintenance Headquarters.				
ELK COUNTY				
Elk State Forest	2,400	0	600	3,000
REPLACE HEADQUARTERS: This project will provide for the replacement of Hick Run Maintenance Headquarters complex.				
ERIE COUNTY				
Presque Island State Park	30,000	0	0	30,000
UPDATE MASTER PLAN: This project will provide for the update of the master plan including replacement or rehabilitation of facilities.				
FOREST COUNTY				
Cornplanter State Forest	6,400	0	1,600	8,000
CONSTRUCT RESOURCE CENTER: This project will provide for the construction of a new resource management center and storage building.				
FRANKLIN COUNTY				
Michaux State Forest	6,400	0	1,600	8,000
CONSTRUCT RESOURCE CENTER: This project will provide for the construction of a new resource management center and storage building.				
FULTON COUNTY				
Cowans Gap State Park	5,400	0	600	6,000
CONSTRUCT NEW VISITORS' CENTER: This project will provide for the construction of a new visitors' center and office for information and park administration.				
LACKAWANNA COUNTY				
Lackawanna State Forest	2,400	0	600	3,000
REMOVE DAM: This project will provide for the the breach and removal of Edgerton Dam, and remediation.				

Department of Conservation and Natural Resources 2015-16 Projects

PUBLIC IMPROVEMENT PROJECTS

FROM CAPITAL FACILITIES BOND FUNDS ***(continued)***

Program: Parks and Forest Management

This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
LUZERNE COUNTY				
Hazelton Air Operations REBUILD OPERATIONS BUILDING: This project will provide for the razing and rebuilding of the Air Operations Building to meet current needs and codes.	$ 2,400	$ 0	$ 600	$ 3,000
LYCOMING COUNTY				
Tiadaghton State Forest CONSTRUCT FISHWAY: This project will provide for the construction of the Hepburn Street Fishway on the West Branch of the Susquehanna River to allow fish passage over the existing dam.	8,000	0	2,000	10,000
NORTHUMBERLAND COUNTY				
Shikellamy State Park REHABILITATE MARINA: This project will provide for the rehabilitation of the Marina Building Complex including building, bulkhead, launch parking, boat rental and storage areas, and shoreline stabilization.	2,700	0	300	3,000
UNION COUNTY				
Bald Eagle State Forest REMOVE DAM: This project will provide for the the breach and removal of Stoney Run Dam, and remediation.	2,400	0	600	3,000
PROGRAM TOTAL.....	$ 98,900	$ 0	$ 12,600	$ 111,500

Department of Conservation and Natural Resources 2015-16 Projects

PUBLIC IMPROVEMENT PROJECTS

FROM KEYSTONE RECREATION, PARK AND CONSERVATION CURRENT REVENUES

Program: Parks and Forest Management

This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
BEDFORD COUNTY				
Park Region #3	$ 275	$ 0	$ 0	$ 275
REPLACE HVAC: This project will replace the park's HVAC and upgrade the regional office to comply with ADA requirements.				
BERKS COUNTY				
French Creek State Park	300	0	0	300
REHABILITATE SEWAGE TREATMENT FACILITY: This project will rehabilitate the sewage treatment facility to meet current needs and code compliance.				
CAMBRIA COUNTY				
Gallitzan State Park	200	0	0	200
REMEDIATE SKEET RANGE: This project will remediate the skeet range to meet current needs.				
CENTRE COUNTY				
Bald Eagle State Park	250	0	0	250
REHABILITATE ENIVIRONMENTAL LEARNING CENTER: This project will rehabilitate the Environmental Learning Center.				
Black Moshannon State Park	400	0	0	400
REMEDIATE SHOOTING RANGE: This project will remediate the shooting range to meet current needs.				
CLINTON COUNTY				
Sproul State Forest	200	0	0	200
EXPLORE GEOTHERMAL HEATING SYSTEM: This project will provide for the exploratory investigation of using a Geothermal Heating System.				
CRAWFORD COUNTY				
Pymatuning State Park	300	0	0	300
REHABILTATE WATER SYSTEM: This project will provide for the rehabilitation of water systems within the Jamestown Cabins.				
FOREST COUNTY				
Cook Forest State Park	200	0	0	200
REMOVE UNDERGROUND STORAGE TANK: This project will provide for the removal of an underground storage tank and replace it with an above ground storage tank.				
FRANKLIN COUNTY				
Michaux State Forest	300	0	0	300
REHABILITATE SHOOTING RANGE: This project will rehabilitate the shooting target range to meet current needs.				

Department of Conservation and Natural Resources 2015-16 Projects

PUBLIC IMPROVEMENT PROJECTS

FROM KEYSTONE RECREATION, PARK AND CONSERVATION CURRENT REVENUES (continued)

Program: Parks and Forest Management

This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
HUNTINGDON COUNTY				
Rothrock State Forest	$ 250	$ 0	$ 0	$ 250
CONSTRUCT POLE BUILDING: This project will provide for the construction of a pole building at Greenwood Headquarters.				
PERRY COUNTY				
Tuscarora State Forest	250	0	0	250
CONSTRUCT POLE BUILDING: This project will provide for the construction of a pole building at East Licking Creek.				
TIOGA COUNTY				
Hills Creek State Park	250	0	0	250
REPLACE CULVERT: This project will provide for the replacement of a culvert on the main park road.				
WESTMORELAND COUNTY				
Forbes State Park	600	0	0	600
CONSTRUCT POLE BUILDING: This project will provide for the construction of a pole building.				
PROGRAM TOTAL.....	$ 3,775	$ 0	$ 0	$ 3,775

Department of Conservation and Natural Resources 2015-16 Projects

PUBLIC IMPROVEMENT PROJECTS

FROM GROWING GREENER ENVIRONMENTAL STEWARDSHIP FUND CURRENT REVENUES

Program: Parks and Forest Management

This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
BUCKS COUNTY				
Delaware Canal State Park REPLACE BRIDGE: This project will replace Bridge #4 at Smithtown.	$ 400	$ 0	$ 0	$ 400
Delaware Canal State Park REPLACE STRUCTURE: This project will replace superstructure of Redfield Road Bridge.	450	0	0	450
Nockamixon State Park REPAVE ROADWAYS: This project will provide for the repavement of roadways throughout the park.	1,500	0	0	1,500
CARBON COUNTY				
Lehigh Gorge State Park REPAIR STRUCTURE: This project will repair the Glen Onoko Bridge bearings.	575	0	0	575
ERIE COUNTY				
Presque Isle State Park CONNECT SEWAGE LINE: This project will provide for the connection of Beach #1 to municipal sewage treatment facilities.	400	0	0	400
HUNTINGDON COUNTY				
Rothrock State Park CONSTRUCT POLE BUILDING: This project will provide for the construction of a pole building at Whipple Dam.	250	0	0	250
LANCASTER COUNTY				
Susquehannock State Park REPAVE ROADWAYS: This project will provide for the repavement of roadways throughout the park.	250	0	0	250
LUZERNE COUNTY				
Frances Slocum State Park REHABILITATE RESOURCE CENTER: This project will provide for the rehabilitation of the Enivronmental Education Resource Center.	1,600	0	0	1,600
MIFFLIN COUNTY				
Reed Gap State Park DEMOLISH SEWAGE SYSTEM: This project will provide for the demolition of the sewage treatment plant and construction of an on-lot system.	375	0	0	375
POTTER COUNTY				
Cherry Springs State Park CONSTRUCT WATER FACILITY: This project will provide for the construction of a water treatment and storage facility.	200	0	0	200
UNION COUNTY				
Bald Eagle State Forest CONSTRUCT BUILDING: This project will provide for the construction of a pole building for the Bald Eagle Maintenance Headquarters.	350	0	0	350
PROGRAM TOTAL.....	$ 6,350	$ 0	$ 0	$ 6,350

Department of Conservation and Natural Resources 2015-16 Projects

PUBLIC IMPROVEMENT PROJECTS

FROM STATE FORESTRY BRIDGE CURRENT REVENUES

Program: Parks and Forest Management

This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
BEDFORD COUNTY				
Buchanan State Forest REHABILITATE BRIDGE: This project will provide for the rehabilitation of Abey Road Bridge over Town Creek - Georgetown Branch.	$ 320	$ 0	$ 0	$ 320
CAMBRIA COUNTY				
Gallitzan State Park REPLACE BRIDGE: This project will replace Babcock Creek Road Bridge over Babcock Creek.	200	0	0	200
CAMERON COUNTY				
Elk State Forest REPLACE STRUCTURE: This project will replace Bridge No 13-9008 over Sand Spring Run.	200	0	0	200
Elk State Forest REPLACE STRUCTURE: This project will replace Dents Run Road over Dents Run.	200	0	0	200
Elk State Forest REPLACE STRUCTURE: This project will replace structure at Fee Hollow Road over West Cowley Run.	200	0	0	200
Elk State Forest REPLACE STRUCTURE: This project will replace structure at Hicks Run Road over Beldin Hollow.	200	0	0	200
Elk State Forest REPLACE STRUCTURE: This project will replace structure No. 13-9016, 13-9019 and 9021, at Naval Hollow Road over Naval Hollow Creek.	600	0	0	600
CLEARFIELD COUNTY				
Moshannon State Forest REPLACE STRUCTURE: This project will replace Bridge No 09-0038 at Gordon Road over Whitney Run.	200	0	0	200
Moshannon State Forest REPLACE STRUCTURE: This project will replace Bridge No 09-0039, at Harley Dean Road over Laurel Run.	200	0	0	200
Moshannon State Forest REPLACE STRUCTURE: This project will replace Bridge No 09-0040, at Blackwell Road over tributary to Laurel Run.	200	0	0	200
CLINTON COUNTY				
Sproul State Forest REPLACE STRUCTURE: This project will replace structure at Barney Ridge Road over Barneys Run.	200	0	0	200
Sproul State Forest REPLACE STRUCTURE: This project will replace Bridge A No. 10-0069, at Cole Run Road over Camp Run, and Bridge B No. 10-0068 at Cole Run Road.	400	0	0	400

Department of Conservation and Natural Resources 2015-16 Projects

PUBLIC IMPROVEMENT PROJECTS

FROM STATE FORESTRY BRIDGE CURRENT REVENUES ***(continued)***

Program: Parks and Forest Management

This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
FRANKLIN COUNTY				
Buchanan State Forest REHABILITATE BRIDGES: This project will provide for the rehabilitation of Bridge No. 3 over Conodoquinet Creek and Bridge No. 4 over Trout Run.	$ 600	$ 0	$ 0	$ 600
HUNTINGDON COUNTY				
Rothrock State Forest REPLACE CULVERTS: This project will provide for the replacement of two box culverts at Boal Gap Road and Krise Valley Road over Boal Gap Run.	400	0	0	400
Rothrock State Forest REPLACE STRUCTURE: This project will replace Bridge No. 05-0029, at Spruce Mountain Road over unnamed tributary.	200	0	0	200
Rothrock State Forest REPLACE STRUCTURE: This project will replace Bridge No. 05-0030, at Cinklin Road over Lingle Creek.	200	0	0	200
LYCOMING COUNTY				
Tiadaghton State Forest REPLACE STRUCTURE: This project will replace Browns Run Road structure over Browns Run.	200	0	0	200
MONROE COUNTY				
Delaware State Forest REPLACE CULVERTS: This project will provide for the replacement of two box culverts at Five Mile Meadow Road.	400	0	0	400
PERRY COUNTY				
Tuscarora State Forest REPLACE STRUCTURE: This project will replace a structure at Steizer Road over Black Log Creek and Spectacle Gap Road over Spectacle Run.	350	0	0	350
POTTER COUNTY				
Susquehannock State Forest REPLACE STRUCTURE: This project will replace Bridge No. 15-9000, at Lebo Road over Big Spring Branch of Lebo Run.	200	0	0	200
SULLIVAN COUNTY				
Loyalsock State Forest REPLACE STRUCTURE: This project will replace a structure at McCarty Road over Dutters Run.	200	0	0	200
UNION COUNTY				
Bald Eagle State Forest REPLACE STRUCTURE: This project will replace Bridge No. 07-0001, at Havice Valley Road over Havice Creek.	320	0	0	320

Department of Conservation and Natural Resources 2015-16 Projects

PUBLIC IMPROVEMENT PROJECTS

FROM STATE FORESTRY BRIDGE CURRENT REVENUES ***(continued)***

Program: Parks and Forest Management

This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
Bald Eagle State Forest REPLACE STRUCTURE: This project will replace Bridge No. 07-0025, at Swift Run Road over Swift Run.	$ 320	$ 0	$ 0	$ 320
Bald Eagle State Forest REPLACE STRUCTURE: This project will replace Bridge No. 07-9006, at Engle Road over White Deer Creek.	200	0	0	200
PROGRAM TOTAL.....	$ 6,710	$ 0	$ 0	$ 6,710

Department of Conservation and Natural Resources 2015-16 Projects

PUBLIC IMPROVEMENT PROJECTS

FROM ATV/SNOWMOBILE FUNDS CURRENT REVENUES

Program: Parks and Forest Management

This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
POTTER COUNTY				
Susquehannock State Forest	$ 180	$ 0	$ 0	$ 180
REPLACE CULVERT: This project provides for the replacement of a culvert over the West Branch of Pine Creek on the ATV Trail.				
PROGRAM TOTAL.....	$ 180	$ 0	$ 0	$ 180

Department of Conservation and Natural Resources 2015-16 Projects

PUBLIC IMPROVEMENT PROJECTS

FROM DIRT AND GRAVEL ROAD FUNDS CURRENT REVENUES

Program: Parks and Forest Management

This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
HUNTINGDON COUNTY				
Rothrock State Forest	$ 250	$ 0	$ 0	$ 250
ROAD RECLAMATION: This project will provide for the reclamation of Stoney Creek Road.				
SOMERSET COUNTY				
Kooser State Park	250	0	0	250
REHABILITATE ROAD: This project will provide for the rehabilitation of a dirt road within the park.				
PROGRAM TOTAL.....	$ 500	$ 0	$ 0	$ 500

Department of Conservation and Natural Resources 2015-16 Projects

PUBLIC IMPROVEMENT PROJECTS

FROM OIL AND GAS FUNDS CURRENT REVENUES

Program: Parks and Forest Management

This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
CLEARFIELD COUNTY				
Moshannon State Forest	$ 225	$ 0	$ 0	$ 225
REPLACE HVAC: This project provides for the replacement of the HVAC in the district office to meet current requirements.				
DAUPHIN COUNTY				
Topographic and Geology Survey Office	5,000	0	0	5,000
REHABILTATE OFFICES: This project will provide for the rehabilitation and/or acquisition of office facilities to meet current requirements.				
PROGRAM TOTAL.....	$ 5,225	$ 0	$ 0	$ 5,225

Department of Conservation and Natural Resources 2015-16 Projects

PUBLIC IMPROVEMENT PROJECTS

FROM COMMONWEALTH FINANCING AUTHORITY GRANTS CURRENT REVENUES

Program: Parks and Forest Management

This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
MERCER COUNTY				
Pymatuning State Park	$ 8,800	$ 0	$ 0	$ 8,800
REHABILITATE CONTROLS: This project provides for the rehabilitation of the dam controls and control tower.				
PROGRAM TOTAL.....	$ 8,800	$ 0	$ 0	$ 8,800

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
2015-16 PUBLIC IMPROVEMENT PROJECTS				
Institutionalization of Offenders	$ 76,604	$ 0	$ 19,176	$ 95,780
TOTAL	$ 76,604	$ 0	$ 19,176	$ 95,780
SOURCE OF FUNDS				
General Obligation Bond Issues				
Capital Facilities Fund - Buildings and Structures	$ 76,604	$ 0	$ 19,176	$ 95,780
TOTAL	$ 76,604	$ 0	$ 19,176	$ 95,780

PUBLIC IMPROVEMENT PROJECTS

FROM CAPITAL FACILITIES BOND FUNDS

Program: Institutionalization of Offenders

This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
ALLEGHENY COUNTY				
State Correctional Institution at Pittsburgh REPLACE POWER PLANT ROOF: This project will provide for the replacement of the roof decking and other associated work on the power plant.	$ 360	$ 0	$ 90	$ 450
CLEARFIELD COUNTY				
State Correctional Institution at Houtzdale REPLACE UNDERGROUND PIPING: This project will provide for the replacement of a hot and chilled piping distribution system.	8,000	0	2,000	10,000
State Correctional Institution at Houtzdale REPLACE ROOFS: This project will provide for the replacement of roofs on various buildings throughout the institution.	2,400	0	600	3,000
State Correctional Institution at Houtzdale REPLACE TOILETS: This project will provide for the replacement of toilets throughout the institution.	960	0	240	1,200
State Correctional Institution at Houtzdale REPLACE SHOWER STALLS: This project will provide for the replacement of shower stall throughout the institution.	420	0	105	525
CUMBERLAND COUNTY				
State Correctional Institution at Camp Hill REPLACE ROOFS: This project will provide for the replacement of roofs on various buildings throughout the institution.	4,800	0	1,200	6,000
State Correctional Institution at Camp Hill REPLACE HVAC SYSTEM: This project will provide for the replacement of the HVAC in various buildings.	384	0	96	480
State Correctional Institution at Camp Hill REPLACE SEWER SYSTEM: This project will provide for the replacement of the sewer distribution system including sewer lines, access ports, and lateral connections.	4,800	0	1,200	6,000
FAYETTE COUNTY				
State Correctional Institution at Fayette REPLACE ROOFS: This project will provide for the replacement of roofs on various buildings throughout the institution.	2,400	0	600	3,000
State Correctional Institution at Fayette REPLACE POWER INVERTERS: This project will provide for the replacement of power inverter systems in various buildings.	600	0	175	775
State Correctional Institution at Fayette REPAVE FACILITY ROADWAYS: This project will provide for the repaving of facility roadways, parking areas and other associated repair work.	520	0	130	650

PUBLIC IMPROVEMENT PROJECTS

FROM CAPITAL FACILITIES BOND FUNDS

Program: Institutionalization of Offenders

This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
LANCASTER COUNTY				
Elizabethtown Training Academy REPLACE HVAC SYSTEM: This project will provide for the replacement of the HVAC throughout the facility.	$ 360	$ 0	$ 90	$ 450
LUZERNE COUNTY				
State Correctional Institution at Retreat RENOVATE BOILER PLANT: This project will provide for the renovation of the boiler plant including conversion to natural gas, installation of new boilers, emergency connections and new controls.	1,040	0	260	1,300
State Correctional Institution at Retreat REPLACE GATES: This project will provide for the replacement of sallyport gates, operators, control systems.	380	0	95	475
LYCOMING COUNTY				
State Correctional Institution at Muncy RENOVATION WATER PLANT: This project will provide for the renovation and upgrade to the water filtration system including control systems, and water tank.	1,000	0	250	1,250
MERCER COUNTY				
State Correctional Institution at Mercer ADDITIONAL FUNDING: This project will provide additional funding to DGS project 1572-14 to expand kitchen preparation and dining areas.	3,000	0	750	3,750
State Correctional Institution at Mercer REPLACE CONTROLS: This project will provide for the replacement of the automatic temperature control system throughout the institution.	400	0	100	500
MONTGOMERY COUNTY				
State Correctional Institution at Graterford RENOVATE BOILER PLANT: This project will provide for the renovation of the boiler plant including conversion to natural gas, installation of new boilers, emergency connections, and new controls.	940	0	235	1,175
State Correctional Institution at Graterford DEMOLISH OBSOLETE BUILDINGS: This project will provide for the demolition of obsolete buildings and structures and remediate the land within the perimeter fencing.	37,600	0	9,400	47,000
NORTHUMBERLAND COUNTY				
State Correctional Institution at Coal ADDITIONAL FUNDING: This project will provide additional funding to DGS project 375-6 to replace roofs.	2,400	0	600	3,000
State Correctional Institution at Coal ADDITIONAL FUNDING: This project will provide additional funding to DGS project 375-1 to replace hot and chilled water piping.	2,240	0	560	2,800

PUBLIC IMPROVEMENT PROJECTS

FROM CAPITAL FACILITIES BOND FUNDS

Program: Institutionalization of Offenders

This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
SCHUYLKILL COUNTY				
State Correctional Institution at Frackville	$ 400	$ 0	$ 100	$ 500
REPLACE SEWAGE TANK: This project will provide for the replacement of sewage holding tank, bar screen building, and control systems.				
SOMERSET COUNTY				
State Correctional Institution at Somerset	1,200	0	300	1,500
RENOVATE BOILER PLANT: This project will provide for the renovation of the boiler plant including conversion to natural gas, installation of new boilers, emergency connections and new controls.				
PROGRAM TOTAL.....	$ 76,604	$ 0	$ 19,176	$ 95,780

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
2015-16 PUBLIC IMPROVEMENT PROJECTS				
Higher Education - State-Related Universities	$ 31,800	$ 0	$ 7,000	$ 38,800
Higher Education - State System of Higher Education	203,700	0	36,800	240,500
TOTAL	$ 235,500	$ 0	$ 43,800	$ 279,300
SOURCE OF FUNDS				
General Obligation Bond Issues				
Capital Facilities Fund - Buildings and Structures	$ 218,700	$ 0	$ 43,800	$ 262,500
Capital Facilities Fund - Furniture and Equipment	16,800	0	0	16,800
TOTAL	$ 235,500	$ 0	$ 43,800	$ 279,300

PUBLIC IMPROVEMENT PROJECTS

FROM CAPITAL FACILITIES BOND FUNDS

Program: Higher Education - State-Related Universities

This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
ALLEGHENY COUNTY				
University of Pittsburgh RENOVATE LIBRARY ADDITIONAL FUNDING: This project will provide for additional funding for project 1103-67 to renovate Hillman Library.	$ 12,000	$ 0	$ 3,000	$ 15,000
DELAWARE COUNTY				
Pennsylvania State University RENOVATE VAIRO LIBRARY: This project will provide for the renovation of the Vairo Library on the Brandywine Campus to meet current needs and codes. When completed, this project will not increase operating costs since the university, not the Department of Education, is responsible for maintenance.	10,000	0	2,000	12,000
Pennsylvania State University ORIGINAL FURNITURE AND EQUIPMENT VAIRO LIBRARY: This project will provide for original furniture and equipment at the Vairo Library.	1,800	0	0	1,800
PHILADELPHIA COUNTY				
Temple University DEMOLISH BUILDING: This project will provide for the demolition of the old William Penn High School.	8,000	0	2,000	10,000
PROGRAM TOTAL.....	$ 31,800	$ 0	$ 7,000	$ 38,800

PUBLIC IMPROVEMENT PROJECTS

FROM CAPITAL FACILITIES BOND FUNDS

Program: Higher Education - State System of Higher Education

This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
BERKS COUNTY				
Kutztown University RENOVATE DEFRANCESCO BUILDING ADDITIONAL FUNDING: This project will provide additional funding for the renovation of the DeFrancesco Building.	$ 1,000	$ 0	$ 0	$ 1,000
BUTLER COUNTY				
Slippery Rock University RENOVATE STUDENT SUCCESS CENTER ADDITIONAL FUNDING: This project will provide additional funding for the renovation of the Student Success Center.	3,000	0	0	3,000
CHESTER COUNTY				
West Chester University RENOVATE LAWRENCE HALL: This project will provide additional funding for the renovation of the Lawrence Hall.	16,700	0	3,300	20,000
West Chester University ORIGINAL FURNITURE AND EQUIPMENT HEALTH SCIENCE CENTER: This project will provide for original furniture and equipment at the Sturzebecker Health Science Center.	4,000	0	0	4,000
CLINTON COUNTY				
Lock Haven University RENOVATE ROBINSON LEARNING CENTER: This project will provide for the renovation of the Robinson Learning Center to meet current needs and code requirements. When completed, this project will not increase operating costs since the university, not the Department of Education, is responsible for maintenance.	16,700	0	3,300	20,000
Lock Haven University RENOVATE STEVENSON LIBRARY: This project will provide for the renovation of the Stevenson Library to meet current needs and code requirements. When completed, this project will not increase operating costs since the university, not the Department of Education, is responsible for maintenance.	20,800	0	4,200	25,000
COLUMBIA COUNTY				
Bloomsburg University RENOVATE MCCORMICK CENTER ADDITIONAL FUNDING: This project will provide additional funding for the renovation of the McCormick Center.	2,000	0	500	2,500
CUMBERLAND COUNTY				
Shippensburg University RENOVATE FRANKLIN SCIENCE CENTER ADDITIONAL FUNDING: This project will provide additional funding for the renovation of the Franklin Science Center.	29,200	0	5,800	35,000
Shippensburg University ORIGINAL FURNITURE AND EQUIPMENT FRANKLIN SCIENCE CENTER: This project will provide original furniture and equipment at the Franklin Science Center.	9,000	0	0	9,000

PUBLIC IMPROVEMENT PROJECTS

FROM CAPITAL FACILITIES BOND FUNDS

Program: Higher Education - State System of Higher Education

This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
DAUPHIN COUNTY				
Department of Education RENOVATE DEPARTMENT HEADQUARTERS: This project will provide for the renovation of two floors of the Department Headquarters.	$ 1,000	$ 0	$ 0	$ 1,000
ERIE COUNTY				
Edinboro University RENOVATE LIBRARY: This project will provide for the renovation of B-F Library to meet current needs and codes. When completed, this project will not increase operating costs since the university, not the Department of Education, is responsible for maintenance.	25,000	0	5,000	30,000
Edinboro University ORIGINAL FURNITURE AND EQUIPMENT B-F LIBRARY: This project will provide for original furniture and equipment at the B-F Library.	2,000	0	0	2,000
INDIANA COUNTY				
Indiana University DEMOLISH FOSTER HALL: This project will provide for the demolition of Foster Hall including remediation.	2,500	0	500	3,000
LANCASTER COUNTY				
Millersville University CONSTRUCT ACADEMIC BUILDING: This project will provide for the construction of a new academic building for the School of Business. When completed, this project will not increase operating costs since the university, not the Department of Education, is responsible for maintenance.	20,800	0	4,200	25,000
WASHINGTON COUNTY				
California University RENOVATE SCIENCE BUILDING ADDITIONAL FUNDING: This project will provide additional funding for the renovation of the Science Building.	37,500	0	7,500	45,000
California University RENOVATE MORGAN HALL: This project will provide for the renovation of Morgan Hall to meet current needs and codes. When completed, this project will not increase operating costs since the university, not the Department of Education, is responsible for maintenance.	12,500	0	2,500	15,000
PROGRAM TOTAL.....	$ 203,700	$ 0	$ 36,800	$ 240,500

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
2015-16 PUBLIC IMPROVEMENT PROJECTS				
Environmental Protection and Management	$ 39,700	$ 0	$ 0	$ 39,700
TOTAL	$ 39,700	$ 0	$ 0	$ 39,700
SOURCE OF FUNDS				
General Obligation Bond Issues				
Capital Facilities Fund - Buildings and Structures	$ 39,700	$ 0	$ 0	$ 39,700
TOTAL	$ 39,700	$ 0	$ 0	$ 39,700

PUBLIC IMPROVEMENT PROJECTS

FROM CAPITAL FACILITIES BOND FUNDS

Program: Environmental Protection and Management

This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
CAMBRIA COUNTY				
Little Conemaugh AMD Treatment Plant	$ 12,000	$ 0	$ 0	$ 12,000
CONSTRUCT ACID MINE TREATMENT PLANT: This project will provide for the design and construction of an acid mine treatment plant along the Little Conemaugh River.				
JEFFERSON COUNTY				
Weisner Hollow Drainage Project	11,200	0	0	11,200
FLOOD PROTECTION PROJECT: This project will provide for the regrading of a stream channel; it also closes off a coal refuse channel and constructs two overflow channels.				
LACKAWANNA COUNTY				
Dolph Underground Fire Remediation	16,500	0	0	16,500
ELIMINATE DOLPH UNDERGROUND FIRE HAZARD: This project will provide for the elimination of the public health and safety hazards associated with an abandoned coal mine fire including remediating the land and water.				
PROGRAM TOTAL.....	$ 39,700	$ 0	$ 0	$ 39,700

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
2015-16 PUBLIC IMPROVEMENT PROJECTS				
Facility, Property and Commodity Management	$ 5,000	$ 0	$ 1,900	$ 6,900
TOTAL	$ 5,000	$ 0	$ 1,900	$ 6,900
SOURCE OF FUNDS				
General Obligation Bond Issues				
Capital Facilities Fund - Buildings and Structures	$ 5,000	$ 0	$ 1,900	$ 6,900
TOTAL	$ 5,000	$ 0	$ 1,900	$ 6,900

Department of General Services 2015-16 Projects

PUBLIC IMPROVEMENT PROJECTS

FROM CAPITAL FACILITIES BOND FUNDS

Program: Facility, Property and Commodity Management

This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
DAUPHIN COUNTY				
Arsenal Building RENOVATE ELEVATOR: This project will provide for the renovation of the elevators in the Arsenal Building including cab, shaft, mechanical and controls to meet current codes.	$ 1,000	$ 0	$ 200	$ 1,200
Capitol Complex - Forum Building REPLACE FIRE ALARM SYSTEM: This project will provide for the replacement and upgrade of the current fire alarm system to meet current codes.	1,000	0	500	1,500
Capitol Complex - Judicial Center WATER ELIMINATION: This project will provide for the elimination of water intrusion within the building and removal of mineral deposits.	1,000	0	500	1,500
Capitol Complex - Main Capitol Plaza REPLACE CONCRETE: This project will provide for the replacement of concrete on the Main Capitol Plaza level on the 3rd Street side of the Main Capitol Building.	250	0	50	300
Governor's Residence REPLACE BRICKS: This project will provide for the replacement of bricks and repair all walk surfaces at the Governor's Residence.	250	0	50	300
Rachel Carson Building REPLACE FIRE ALARM SYSTEM: This project will provide for the replacement and upgrade of the current fire alarm system to meet current codes.	1,000	0	500	1,500
Tent Building RENOVATE ELEVATOR: This project will provide for the renovation of the elevators in the Tent Building including cab, shaft, mechanical and controls to meet current codes.	500	0	100	600
PROGRAM TOTAL.....	$ 5,000	$ 0	$ 1,900	$ 6,900

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
2015-16 PUBLIC IMPROVEMENT PROJECTS				
State Historic Preservation	$ 24,900	$ 0	$ 4,480	$ 29,380
TOTAL	$ 24,900	$ 0	$ 4,480	$ 29,380
SOURCE OF FUNDS				
General Obligation Bond Issues				
Capital Facilities Fund - Buildings and Structures	$ 22,200	$ 0	$ 4,480	$ 26,680
Capital Facilities Fund - Furniture and Equipment	2,700	0	0	2,700
TOTAL	$ 24,900	$ 0	$ 4,480	$ 29,380

PUBLIC IMPROVEMENT PROJECTS

FROM CAPITAL FACILITIES BOND FUNDS

Program: State Historic Preservation

This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
BERKS COUNTY				
Conrad Weiser Homestead	$ 3,000	$ 0	$ 600	$ 3,600
RENOVATE BUILDINGS: This project will provide for the renovation of exterior and interior components of various buildings including infrastructure, HVAC, water and sewage, and other systems.				
CENTRE COUNTY				
Pennsylvania Military Museum	1,500	0	300	1,800
RESTORATION OF MONUMENTS: This project will provide for the restoration of monuments and memorials including landscape and hardscape features.				
Pennsylvania Military Museum	400	0	80	480
INSTALL FIRE SUPPRESSION EQUIPMENT: This project will provide for the installation of a fire suppression system in vehicle storage and maintenance buildings. When completed, it is expected to increase operating costs by $3,000 annually.				
DAUPHIN COUNTY				
State Archives Building	2,700	0	0	2,700
PURCHASE NEW EQUIPMENT: This project will provide for original furniture, fixtures and equipment for a new addition to State Records Center.				
LACKAWANNA COUNTY				
Anthracite Heritage Museum	5,000	0	1,000	6,000
DESIGN NEW EXHIBITS: This project will provide for the design, fabrication and installation of new exhibits in the museum building.				
LANCASTER COUNTY				
Ephrata Cloister Museum	8,000	0	1,600	9,600
RENOVATE AND EXPAND VISITOR CENTER: This project will provide for the renovation and expansion of the visitors' center including HVAC, water and sewage, and other systems. When completed, it is expected to increase operating costs by $10,000 annually.				
SOMERSET COUNTY				
Somerset Historical Center	1,000	0	200	1,200
RENOVATE BUILDINGS: This project will provide for the renovation of exterior and interior components of various buildings including infrastructure and other operating systems.				

PUBLIC IMPROVEMENT PROJECTS

FROM CAPITAL FACILITIES BOND FUNDS

Program: State Historic Preservation

This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
VENANGO COUNTY				
Drake Well Museum	$ 3,300	$ 0	$ 700	$ 4,000
RENOVATE BUILDING: This project will provide for the renovation of the entrance building including expansion of functionality and underground infrastructure. When completed, it is expected to increase operating costs by $5,000 annually.				
PROGRAM TOTAL.....	$ 24,900	$ 0	$ 4,480	$ 29,380

DEPARTMENT OF HUMAN SERVICES

Summary of Recommended Authorization Amounts by Program and Source of Funds

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
2015-16 PUBLIC IMPROVEMENT PROJECTS				
Human Services	$ 29,700	$ 0	$ 3,730	$ 33,430
TOTAL	$ 29,700	$ 0	$ 3,730	$ 33,430
SOURCE OF FUNDS				
General Obligation Bond Issues				
Capital Facilities Fund - Buildings and Structures	$ 29,700	$ 0	$ 3,730	$ 33,430
TOTAL	$ 29,700	$ 0	$ 3,730	$ 33,430

PUBLIC IMPROVEMENT PROJECTS

FROM CAPITAL FACILITIES BOND FUNDS

Program: Human Services

This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
CAMBRIA COUNTY				
Ebensburg Center	$ 2,200	$ 0	$ 0	$ 2,200
ELECTRICAL UPGRADE ADDITIONAL FUNDING: This project will provide additional funds to upgrade the existing electrical system.				
FRANKLIN COUNTY				
South Mountain Secure Treatment Unit	3,500	0	0	3,500
CONSTRUCT BUILIDING ADDITIONAL FUNDING: This project will provide additional funding for project 577-49 Phase 2 to complete construction of a multi-purpose building.				
South Mountain Secure Treatment Unit	500	0	100	600
REPLACE ROOFS ON BUILDINGS: This project will provide for the replacement of roofs on various buildings.				
HUNTINGDON COUNTY				
Youth Forestry Camp #3	950	0	190	1,140
REPLACE ELECTRICAL EQUIPMENT: This project will provide for the replacement of current electrical distribution equipment including panels, substations and switches.				
LUZERNE COUNTY				
White Haven Center	800	0	0	800
ELECTRICAL UPGRADE ADDITIONAL FUNDING: This project will provide additional funds to upgrade the existing electrical system.				
MONTGOMERY COUNTY				
Norristown State Hospital	1,200	0	240	1,440
REPLACE WINDOWS: This project will provide for the replacement of current windows for security and efficiency.				
SNYDER COUNTY				
Selinsgrove Center	550	0	0	550
REPLACE ELEVATORS ADDITIONAL FUNDING: This project will provide additional funding for the replacement of elevators and controls throughout the facility.				
VENANGO COUNTY				
Polk Center	4,000	0	0	4,000
UPGRADE FIRE ALARM SYSTEM ADDITIONAL FUNDING: This project will provide additional funding for project 552-28 for the upgrade of the fire alarm system throughout the facility.				

PUBLIC IMPROVEMENT PROJECTS

FROM CAPITAL FACILITIES BOND FUNDS

Program: Human Services

This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
WARREN COUNTY				
Warren State Hospital	$ 6,000	$ 0	$ 1,200	$ 7,200
REPLACE BOILERS: This project will replace existing boilers that have exceeded their useful life with more efficient boilers.				
WESTMORELAND COUNTY				
Torrance State Hospital	10,000	0	2,000	12,000
REPLACE ELECTRICAL EQUIPMENT: This project will provide for the replacement of current electrical distribution equipment including panels, substations feeder cables and switches.				
PROGRAM TOTAL.....	$ 29,700	$ 0	$ 3,730	$ 33,430

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
2015-16 PUBLIC IMPROVEMENT PROJECTS				
State Military Readiness	$ 26,500	$ 0	$ 5,300	$ 31,800
Veterans Homes	63,500	0	15,124	78,624
TOTAL	$ 90,000	$ 0	$ 20,424	$ 110,424
SOURCE OF FUNDS				
General Obligation Bond Issues				
Capital Facilities Fund - Buildings and Structures	$ 58,475	$ 0	$ 12,543	$ 71,018
Other Revenues				
Federal Funds	$ 31,525	$ 0	$ 7,881	$ 39,406
TOTAL	$ 90,000	$ 0	$ 20,424	$ 110,424

PUBLIC IMPROVEMENT PROJECTS

FROM CAPITAL FACILITIES BOND FUNDS

Program: State Military Readiness

This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
CAMBRIA COUNTY				
Johnstown Airport Road Readiness Center	$ 3,500	$ 0	$ 700	$ 4,200
REHABILITATE READINESS CENTER: This project will provide for the rehabilitation of various buildings at Johnstown Airport Road Readiness Center.				
LAWRENCE COUNTY				
New Castle Readiness Center	4,000	0	800	4,800
REHABILITATE READINESS CENTER: This project will provide for the rehabilitation of various buildings at New Castle Readiness Center.				
LEBANON COUNTY				
Fort Indiantown Gap Readiness Center	3,000	0	600	3,600
REHABILITATE READINESS CENTER: This project will provide for the rehabilitation of various buildings at 628th D Aviation Support Batallion at the Readiness Center.				
Fort Indiantown Gap Readiness Center	3,000	0	600	3,600
REHABILITATE READINESS CENTER: This project will provide for the rehabilitation of various buildings at Fitzpatrick Hall Readiness Center.				
UNION COUNTY				
Danville Field Maintenance Building	10,000	0	2,000	12,000
CONSTRUCT NEW MAINTENANCE BUILDING: This project will provide for the construction of a new multi-bay field maintenance shop on the existing property.				
WESTMORELAND COUNTY				
Torrance Readiness Center	3,000	0	600	3,600
REHABILITATE READINESS CENTER: This project will provide for the rehabilitation of various buildings at Torrance Readiness Center.				
PROGRAM TOTAL.....	$ 26,500	$ 0	$ 5,300	$ 31,800

PUBLIC IMPROVEMENT PROJECTS

FROM CAPITAL FACILITIES BOND FUNDS

Program: Veterans Homes

This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.

(Dollar Amounts in Thousands)

		Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
BLAIR COUNTY					
Holidaysburg Veterans Home	State	$ 16,975	$ 0	$ 4,243	$ 21,218
CONSTRUC NEW COMMUNITY LIVING CENTER: This project will provide for the construction of a new 200-bed community living center at Holidaysburg Veteran Home to meet future needs and code requirements.	Federal	31,525	0	7,881	39,406
Holidaysburg Veterans Home	State	15,000	0	3,000	18,000
REHABILITATION OF ADMINISTRATION BUILDING: This project will provide for the rehabilitation and general repairs of an administration building. When completed, it is expected to increase operating costs by $220,000 annually.					
Total State		$ 31,975	$ 0	$ 7,243	$ 39,218
Total Federal		31,525	0	7,881	39,406
PROGRAM TOTAL		$ 63,500	$ 0	$ 15,124	$ 78,624

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
2015-16 PUBLIC IMPROVEMENT PROJECTS				
Public Protection and Law Enforcement	$ 98,338	$ 6,000	$ 20,960	$ 125,298
TOTAL	$ 98,338	$ 6,000	$ 20,960	$ 125,298
SOURCE OF FUNDS				
General Obligation Bond Issues				
Capital Facilities Fund - Buildings and Structures	$ 98,338	$ 6,000	$ 20,960	$ 125,298
TOTAL	$ 98,338	$ 6,000	$ 20,960	$ 125,298

PUBLIC IMPROVEMENT PROJECTS

FROM CAPITAL FACILITIES BOND FUNDS

Program: Public Protection and Law Enforcement

This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
CARBON COUNTY				
Hazleton Headquarters	$ 10,500	$ 1,000	$ 2,100	$ 13,600
CONSTRUCT NEW HEADQUARTER FACILITY: This project will provide for the design and construction of a new headquarters facility.				
DAUPHIN COUNTY				
BESO Harrisburg Headquarters	12,225	1,000	2,100	15,325
CONSTRUCT NEW HEADQUARTER FACILITY: This project will provide for the design and construction of a new Bureau of Emergency and Special Operations facility.				
ERIE COUNTY				
Erie Regional Laboratory	1,800	0	1,360	3,160
CONSTRUCT NEW LABORATORY: This project will provide for the design and construction of a new Erie Regional Laboratory facility.				
JEFFERSON COUNTY				
Punxsutawney Headquarters	11,700	1,000	2,340	15,040
CONSTRUCT NEW HEADQUARTER FACILITY: This project will provide for the design and construction of a new headquarters facility.				
LACKAWANNA COUNTY				
Dunmore Headquarters	13,500	1,000	2,700	17,200
CONSTRUCT NEW HEADQUARTER FACILITY: This project will provide for the design and construction of a new headquarters facility.				
LEHIGH COUNTY				
Bethlehem Headquarters	13,600	0	2,400	16,000
CONSTRUCT NEW HEADQUARTER FACILITY: This project will provide for the design and construction of a new headquarters facility.				
Bethlehem Regional Laboratory	12,000	1,000	2,400	15,400
CONSTRUCT NEW LABORATORY: This project will provide for the design and construction of a new Bethlehem Regional Laboratory facility.				
LYCOMING COUNTY				
Montoursville Headquarters	11,100	1,000	2,220	14,320
CONSTRUCT NEW HEADQUARTER FACILITY: This project will provide for the design and construction of a new headquarters facility.				

PUBLIC IMPROVEMENT PROJECTS

FROM CAPITAL FACILITIES BOND FUNDS

Program: Public Protection and Law Enforcement

This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
WYOMING COUNTY				
Wyoming Headquarters	$ 5,413	$ 0	$ 2,040	$ 7,453
CONSTRUCT NEW HEADQUARTER FACILITY: This project will provide for the design and construction of a new headquarters facility.				
VARIOUS COUNTIES				
Various Troop Locations	6,500	0	1,300	7,800
REPLACE FUEL TANKS: This project will provide for the replacement of fuel tanks at various locations statewide.				
PROGRAM TOTAL.....	$ 98,338	$ 6,000	$ 20,960	$ 125,298

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
2015-16 PUBLIC IMPROVEMENT PROJECTS				
State Highway, Bridge & Administration Construction/Reconstruction	$ 181,430	$ 8,700	$ 21,890	$ 212,020
HIGHWAY AND BRIDGE PROJECTS				
State Highway and Bridge Maintenance	$ 102,976	$ 2,068	$ 13,739	$ 118,783
TRANSPORTATION ASSISTANCE PROJECTS				
Urban Mass Transportation	$ 127,253	$ 78	$ 670,512	$ 797,843
Rail Freight Transportation	100,000	0	20,000	120,000
Subtotal	$ 227,253	$ 78	$ 690,512	$ 917,843
TOTAL	$ 511,659	$ 10,846	$ 726,141	$ 1,248,646
SOURCE OF FUNDS				
General Obligation Bond Issues				
Capital Facilities Fund - Public Improvement Projects	$ 63,550	$ 5,500	$ 5,950	$ 75,000
Capital Facilities Fund - Transportation Assistance	161,704	15	242,511	404,230
Subtotal	$ 225,254	$ 5,515	$ 248,461	$ 479,230
Current Revenues				
Motor License Fund	$ 170,390	$ 4,152	$ 19,149	$ 193,691
Federal Funds	104,170	828	453,129	558,127
Local Funds	11,845	351	5,402	17,598
Subtotal	$ 286,405	$ 5,331	$ 477,680	$ 769,416
TOTAL	$ 511,659	$ 10,846	$ 726,141	$ 1,248,646

PUBLIC IMPROVEMENT PROJECTS

FROM CAPITAL FACILITIES BOND FUND

Program: State Highway, Bridge & Administration Construction/Reconstruction

This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
CLINTON COUNTY				
Safety Rest Area CONSTRUCT REST AREA: This project will provide for the construction of a new Safety Rest Area Site #33, including site acquisition and development, utilities, and Pennsylvania State Police inspection lane.	$ 9,500	$ 500	$ 500	$ 10,500
Safety Rest Area CONSTRUCT REST AREA: This project will provide for the construction of a new Safety Rest Area Site #34, including site acquisition and development, utilities, and Pennsylvania State Police inspection lane.	9,500	500	500	10,500
Sewage Treatment Plant UPGRADE SEWAGE TREATMENT PLANT: This project will provide for the upgrade of existing sewage treatment system and buildings at Safety Rest Area #33 to bring into compliance with codes.	850	0	150	1,000
MERCER COUNTY				
Safety Rest Area REPLACE TANKS: This project will provide for the replacement of equalization tanks and build an enclosure at Safety Rest Areas #15 & 16.	1,700	0	300	2,000
Safety Rest Area RENOVATE REST AREA: This project will provide for the renovation and expansion of Safety Rest Area #15 including widening lanes and land acquisition.	9,500	500	500	10,500
Safety Rest Area RENOVATE REST AREA: This project will provide for the renovation and expansion of Safety Rest Area #16 including widening lanes and land acquisition.	9,500	500	500	10,500
YORK COUNTY				
Commercial Driving Service Center CONSTRUCT COMMERCIAL DRIVING CENTER: This project will provide for the construction of a new comercial driver and vehicle service center including auxiliary buildings, site work, and land acquistion in either York, Cumberland or Dauphin County.	19,500	3,000	2,500	25,000
Welcome Center CONSTRUCT WELCOME CENTER: This project will provide for the construction of a new welcome center including auxiliary buildings, site acquisition, and site work.	3,500	500	1,000	5,000
	$ 63,550	$ 5,500	$ 5,950	$ 75,000

PUBLIC IMPROVEMENT PROJECTS

FROM MOTOR LICENSE FUNDS

Program: State Highway, Bridge & Administration Construction/Reconstruction

This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
ADAMS COUNTY				
Storage Buildings CONSTRUCT STORAGE BUILDINGS: This project will provide for the construction of four storage buildings for general use.	$ 1,700	$ 0	$ 300	$ 2,000
ALLEGHENY COUNTY				
Roof and Floor Drain Separator SEPARATE DRAINS: This project will provide for the separation of floor and roof drains and add an oil/water separator at the maintenance facility.	470	0	50	520
Roof Replacement REPLACE ROOF: This project will provide for the roof replacement at the county office.	500	0	50	550
Roof Replacement REPLACE ROOF: This project will provide for the roof replacement on the county maintenance and stockpile facility.	500	0	50	550
Stockpile Facility CONSTRUCT STOCKPILE FACILITY: This project will provide for the construction of a stockpile facility.	3,000	0	0	3,000
Storage Building CONSTRUCT STORAGE BUILDING: This project will provide for the construction of one storage building for general use.	425	0	75	500
Storage Buildings CONSTRUCT STORAGE BUILDINGS: This project will provide for the construction of two storage buildings for general use.	1,800	0	200	2,000
ARMSTRONG COUNTY				
Floor Drain SEPARATE FLOOR DRAIN: This project will provide for the disconnection of the floor drain from the storm drain system at the county facility.	950	0	50	1,000
Maintenance Facility CONSTRUCT NEW MAINTENANCE FACILITY: This project will provide for the development of a new maintenance facility including site purchase, design and construction of all required buildings.	4,000	0	500	4,500
BEAVER COUNTY				
Electrical Upgrade INSTALL NEW GENERATOR: This project will provide for the installation of a new generator and electrical upgrade for the county maintenance building.	900	0	100	1,000
Electrical Upgrade INSTALL NEW GENERATOR: This project will provide for the installation of a new generator and electrical upgrade for the county maintenance 11-2 Building.	550	0	50	600
Stockpile Facility CONSTRUCT STOCKPILE FACILITY: This project will provide for the construction of a stockpile facility including land acquisitions.	2,400	100	500	3,000

PUBLIC IMPROVEMENT PROJECTS

FROM MOTOR LICENSE FUNDS

Program: State Highway, Bridge & Administration Construction/Reconstruction

This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
BEDFORD COUNTY				
Floor Drain SEPARATE FLOOR DRAIN: This project will provide for the disconnection of the floor drain from the storm drain system at the county facility.	$ 450	$ 0	$ 50	$ 500
Stockpile Facility CONSTRUCT STOCKPILE FACILITY: This project will provide for the construction of a stockpile facility including land acquisitions.	2,400	100	500	3,000
Storage Buildings CONSTRUCT STORAGE BUILDINGS: This project will provide for the construction of three storage buildings for general use.	1,400	0	100	1,500
BERKS COUNTY				
Floor Drain SEPARATE FLOOR DRAIN: This project will provide for the disconnection of the floor drain from the storm drain system at the county facility.	450	0	50	500
Roof and Floor Drain Separator SEPARATE DRAINS: This project will provide for the separation of floor and roof drains and add an oil/water separator within the county.	450	0	50	500
Stockpile Facility CONSTRUCT STOCKPILE FACILITY: This project will provide for the construction of a stockpile facility including land acquisitions.	2,000	500	500	3,000
Storage Building CONSTRUCT STORAGE BUILDING: This project will provide for the construction of one storage building for general use.	450	0	50	500
BLAIR COUNTY				
Electrical Upgrade INSTALL NEW GENERATOR: This project will provide for the installation of a new generator and associated electrical equipment at District 9-2.	550	0	50	600
Storage Buildings CONSTRUCT STORAGE BUILDINGS: This project will provide for the construction of three storage buildings for general use.	1,400	0	100	1,500
BRADFORD COUNTY				
Salt Stockpile Building CONSTRUCT STOCKPILE BUILDING: This project will provide for the construction of a salt storage building and personnel staging area.	550	0	50	600
BUCKS COUNTY				
Roof and Floor Drain Separator SEPARATE DRAINS: This project will provide for the separation of floor and roof drains and add an oil/water separator at Trevouse.	450	0	50	500
Maintenance Facility CONSTRUCT NEW MAINTENANCE FACILITY: This project will provide for the development of a new maintenance facility to include design and construction of all required buildings.	4,000	0	500	4,500

PUBLIC IMPROVEMENT PROJECTS

FROM MOTOR LICENSE FUNDS

Program: State Highway, Bridge & Administration Construction/Reconstruction

This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
BUTLER COUNTY				
Stockpile Facility CONSTRUCT STOCKPILE FACILITY: This project will provide for the construction of a stockpile facility including land acquisitions.	$ 1,750	$ 750	$ 500	$ 3,000
CARBON COUNTY				
Roof and Floor Drain Separator SEPARATE DRAINS: This project will provide for the separation of floor and roof drains and add an oil/water separator at Hudsondale.	450	0	50	500
Storage Building CONSTRUCT STORAGE BUILDING: This project will provide for the construction of one storage building for general use.	450	0	50	500
CENTRE COUNTY				
Floor Drain SEPARATE FLOOR DRAIN: This project will provide for the disconnection of the floor drain from the storm drain system at the county facility.	950	0	50	1,000
Stockpile Facility CONSTRUCT STOCKPILE FACILITY: This project will provide for the construction of a stockpile facility including land acquisitions.	1,750	750	500	3,000
CLARION COUNTY				
Roof Replacement REPLACE ROOF: This project will provide for the roof replacement on the county office.	550	0	50	600
Weigh Station RENOVATE WEIGH STATION: This project will provide for the renovation of a Pennsylvania State Police weigh station.	1,700	0	300	2,000
CRAWFORD COUNTY				
Floor Drain SEPARATE FLOOR DRAIN: This project will provide for the disconnection of the floor drain from the storm drain system at the county facility.	950	0	50	1,000
Truck Wash Facility CONSTRUCT TRUCK WASH FACILITY: This project will provide for the construction of a new truck wash facility including site work, utilities and wash equipment.	450	0	50	500
CUMBERLAND COUNTY				
Floor Drain SEPARATE FLOOR DRAIN: This project will provide for the disconnection of the floor drain from the storm drain system at the county facility.	340	0	60	400
Storage Building CONSTRUCT STORAGE BUILDING: This project will provide for the construction of one storage building for general use.	440	0	60	500

PUBLIC IMPROVEMENT PROJECTS

FROM MOTOR LICENSE FUNDS

Program: State Highway, Bridge & Administration Construction/Reconstruction

This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
DAUPHIN COUNTY				
Roof and Floor Drain Separator SEPARATE DRAINS: This project will provide for the separation of floor and roof drains and add an oil/water separator at the county facility.	$ 450	$ 0	$ 50	$ 500
Sign Shop RENOVATE SIGN SHOP: This project will provide for the renovation of sign shop buildings including painting, siding, utility relocation, roof & gutter systems, and building systems upgrades.	640	0	160	800
Storage Buildings CONSTRUCT STORAGE BUILDINGS: This project will provide for the construction of three storage buildings for general use.	1,275	0	225	1,500
DELAWARE COUNTY				
Floor Drain SEPARATE FLOOR DRAIN: This project will provide for the disconnection of the floor drain from the storm drain system at the county facility.	550	0	75	625
Roof and Floor Drain Separator SEPARATE DRAINS: This project will provide for the separation of floor and roof drains and add an oil/water separator at Media.	550	0	75	625
ELK COUNTY				
Maintenance Facility RENOVATE MAINTENANCE FACILITY: This project will provide for the renovation and expansion of the current facility.	2,000	0	500	2,500
ERIE COUNTY				
Electrical Upgrade INSTALL NEW GENERATOR: This project will provide for the installation of a new generator and electrical upgrade at the Welcome Center.	510	0	90	600
Floor Drain SEPARATE FLOOR DRAIN: This project will provide for the disconnection of the floor drain from the storm drain system at the county facility.	950	0	50	1,000
Roof Replacement REPLACE ROOF: This project will provide for the roof replacement at the county office.	550	0	50	600
Truck Wash Facility CONSTRUCT TRUCK WASH FACILITY: This project will provide for the construction of a new truck wash facility including site work, utilities and wash equipment.	450	0	50	500
FAYETTE COUNTY				
Electrical Upgrade INSTALL NEW GENERATOR: This project will provide for the installation of a new generator and electrical upgrade for the District 12-0 Office Building.	900	0	100	1,000

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FAYETTE COUNTY (continued)				
Floor Drain SEPARATE FLOOR DRAIN: This project will provide for the disconnection of the floor drain from the storm drain system at the county facility.	$ 450	$ 0	$ 50	$ 500
Roof and Floor Drain Separator SEPARATE DRAINS: This project will provide for the separation of floor and roof drains and add an oil/water separator at the county facility.	450	0	50	500
FRANKLIN COUNTY				
Stockpile Facility CONSTRUCT STOCKPILE FACILITY: This project will provide for the construction of a stockpile facility including land acquisitions.	1,275	0	225	1,500
FULTON COUNTY				
HVAC System REPLACE BOILER/HVAC: This project will provide for the replacement of the boiler and HVAC at the county maintenance facility.	600	0	50	650
Roof and Floor Drain Separator SEPARATE DRAINS: This project will provide for the separation of floor and roof drains and add an oil/water separator at the county facility.	450	0	50	500
Salt Brine Operation CONSTRUCT SALT BRINE FACILITY: This project will provide for the construction of a salt brine manufacturing operation including a building, equipment, tanks, utilities, and site work.	600	0	150	750
FULTON COUNTY (continued)				
Stockpile Facility CONSTRUCT STOCKPILE FACILITY: This project will provide for the construction of a stockpile facility including land acquisitions.	2,000	500	500	3,000
Storage Buildings CONSTRUCT STORAGE BUILDINGS: This project will provide for the construction of three storage buildings for general use.	1,400	0	100	1,500
GREENE COUNTY				
Electrical Upgrade INSTALL NEW GENERATOR: This project will provide for the installation of a new generator and electrical upgrade at the Welcome Center.	510	0	90	600
Floor Drain SEPARATE FLOOR DRAIN: This project will provide for the disconnection of the floor drain from the storm drain system at the county facility.	450	0	50	500
HVAC System UPGRADE HVAC SYSTEM: This project will provide for the upgrade of the HVAC system in all buildings at the county maintenance facility.	800	0	100	900
Storage Buildings CONSTRUCT STORAGE BUILDINGS: This project will provide for the construction of two storage buildings for general use.	900	0	100	1,000

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HUNTINGDON COUNTY				
Electrical Upgrade INSTALL NEW GENERATOR: This project will provide for the installation of a new generator and electrical upgrade at the maintenance building.	$ 500	$ 0	$ 100	$ 600
Roof Replacement REPLACE ROOF: This project will provide for the roof replacement at the county office.	530	0	70	600
Stockpile Facility CONSTRUCT STOCKPILE FACILITY: This project will provide for the construction of a stockpile facility including land acquisitions.	2,000	500	500	3,000
Storage Building CONSTRUCT STORAGE BUILDING: This project will provide for the construction of one storage building for general use.	500	0	50	550
INDIANA COUNTY				
Truck Wash Facility CONSTRUCT TRUCK WASH FACILITY: This project will provide for the construction of a new truck wash facility including site work, utilities and wash equipment.	650	0	50	700
JEFFERSON COUNTY				
Truck Wash Facility CONSTRUCT TRUCK WASH FACILITY: This project will provide for the construction of a new truck wash facility including site work, utilities and wash equipment.	1,200	0	300	1,500
JUNIATA COUNTY				
Truck Wash Facility CONSTRUCT TRUCK WASH FACILITY: This project will provide for the construction of a new truck wash facility including site work, utilities and wash equipment.	950	0	50	1,000
LACKAWANNA COUNTY				
Floor Drain SEPARATE FLOOR DRAIN: This project will provide for the disconnection of the floor drain from the storm drain system at the county facility.	450	0	50	500
Safety Rest Area RENOVATE SAFETY REST AREA #55: This project will provide for the renovation and expansion of Safety Rest Area #55 including the sewage treatment facilities.	2,125	0	375	2,500
Roof Replacement REPLACE ROOF: This project will provide for the roof replacement at the county office.	550	0	50	600
Truck Wash Facility CONSTRUCT TRUCK WASH FACILITY: This project will provide for the construction of a new truck wash facility including site work, utilities and wash equipment.	900	0	100	1,000

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LANCASTER COUNTY				
HVAC System UPGRADE HVAC SYSTEM: This project will provide for the upgrade of the HVAC system in all buildings at the county maintenance facility.	$ 510	$ 0	$ 90	$ 600
Storage Buildings CONSTRUCT STORAGE BUILDINGS: This project will provide for the construction of two storage buildings for general use.	850	0	150	1,000
LAWRENCE COUNTY				
Electrical Upgrade INSTALL NEW GENERATOR: This project will provide for the installation of a new generator and electrical upgrade at the maintenance building.	500	0	100	600
Floor Drain SEPARATE FLOOR DRAIN: This project will provide for the disconnection of the floor drain from the storm drain system at the county facility.	450	0	50	500
LAWRENCE COUNTY (continued)				
Storage Buildings CONSTRUCT STORAGE BUILDINGS: This project will provide for the construction of two storage buildings for general use at Safety Rest Areas #17 & 18.	900	0	100	1,000
Water Supply RENOVATE WATER SUPPLY: This project will provide for the renovation of water supply and treatment system including infrastructure at Safety Rest Areas #17 & 18.	850	0	150	1,000
LEBANON COUNTY				
Storage Buildings CONSTRUCT STORAGE BUILDINGS: This project will provide for the construction of two storage buildings for general use.	850	0	150	1,000
Truck Wash Facility CONSTRUCT TRUCK WASH FACILITY: This project will provide for the construction of a new truck wash facility including site work, utilities and wash equipment.	900	0	100	1,000
LEHIGH COUNTY				
Floor Drain SEPARATE FLOOR DRAIN: This project will provide for the disconnection of the floor drain from the storm drain system at the county facility.	450	0	50	500
Roof and Floor Drain Separator SEPARATE DRAINS: This project will provide for the separation of floor and roof drains and add an oil/water separator at the county facility.	450	0	50	500
Storage Buildings CONSTRUCT STORAGE BUILDINGS: This project will provide for the construction of three storage buildings for general use.	1,400	0	100	1,500
LUZERNE COUNTY				
Floor Drain SEPARATE FLOOR DRAIN: This project will provide for the disconnection of the floor drain from the storm drain system at the county facility.	450	0	50	500

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LUZERNE COUNTY (continued)				
Salt Brine Operation CONSTRUCT SALT BRINE FACILITY: This project will provide for the construction of a salt brine manufacturing operation, including a building, equipment, tanks, utilities, and site work.	$ 600	$ 0	$ 150	$ 750
Storage Building CONSTRUCT STORAGE BUILDING: This project will provide for the construction of one storage building for general use.	450	0	50	500
LYCOMING COUNTY				
Salt Stockpile Building CONSTRUCT STOCKPILE BUILDING: This project will provide for the construction of a salt storage building and personnel staging area.	450	0	50	500
MERCER COUNTY				
County Maintenance Garage RENOVATE FACILITY: This project will provide for the renovation of the County Maintenance Facility.	2,000	0	500	2,500
Floor Drain SEPARATE FLOOR DRAIN: This project will provide for the disconnection of the floor drain from the storm drain system at the county facility.	950	0	50	1,000
Roof and Floor Drain Separator SEPARATE DRAINS: This project will provide for the separation of floor and roof drains and add an oil/water separator at the county facility.	450	0	50	500
MIFFLIN COUNTY				
Salt Stockpile Building CONSTRUCT STOCKPILE BUILDING: This project will provide for the construction of a salt storage building and personnel staging area.	450	0	50	500
MONROE COUNTY				
County Maintenance Garage RESURFACE FLOOR: This project will provide for the resurfacing of the floor at the county maintenance garage.	400	0	50	450
County Maintenance Garage REPLACE ROOF: This project will provide for the roof replacement at the county maintenance garage.	440	0	60	500
Roof and Floor Drain Separator SEPARATE DRAINS: This project will provide for the separation of floor and roof drains and add an oil/water separator at the county facility.	1,350	0	150	1,500
Storage Building CONSTRUCT STORAGE BUILDING: This project will provide for the construction of one storage building for general use.	450	0	50	500
Truck Wash Facility CONSTRUCT TRUCK WASH FACILITY: This project will provide for the construction of a new truck wash facility including site work, utilities and wash equipment.	900	0	100	1,000
MONTGOMERY COUNTY				
Storage Building CONSTRUCT STORAGE BUILDING: This project will provide for the construction of one storage building for general use.	450	0	50	500

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MONTGOMERY COUNTY (continued)				
Truck Wash Facility CONSTRUCT TRUCK WASH FACILITY: This project will provide for the construction of a new truck wash facility including site work, utilities and wash equipment.	$ 1,200	$ 0	$ 200	$ 1,400
MONTOUR COUNTY				
Salt Stockpile Building CONSTRUCT STOCKPILE BUILDING: This project will provide for the construction of a salt storage building and personnel staging area.	450	0	50	500
NORTHAMPTON COUNTY				
Roof and Floor Drain Separator SEPARATE DRAINS: This project will provide for the separation of floor and roof drains and add an oil/water separator at the county facility.	450	0	50	500
Storage Buildings CONSTRUCT STORAGE BUILDINGS: This project will provide for the construction of two storage buildings for general use.	900	0	100	1,000
NORTHUMBERLAND COUNTY				
Bridgebeam Facility RENOVATE BRIDGE BEAM FACILITY: This project will provide for the renovation and expansion of the current facility.	2,750	0	250	3,000
County Maintenance Garage REPLACE ROOF: This project will provide for the roof replacement at the county maintenance facility.	550	0	50	600
Floor Drain SEPARATE FLOOR DRAIN: This project will provide for the disconnection of the floor drain from the storm drain system at the county facility.	950	0	50	1,000
Salt Stockpile Building CONSTRUCT STOCKPILE BUILDING: This project will provide for the construction of a salt storage building and personnel staging area.	450	0	50	500
PERRY COUNTY				
Roof and Floor Drain Separator SEPARATE DRAINS: This project will provide for the separation of floor and roof drains and add an oil/water separator at the county facility.	450	0	50	500
Storage Buildings CONSTRUCT STORAGE BUILDINGS: This project will provide for the construction of two storage buildings for general use.	850	0	150	1,000
PHILADELPHIA COUNTY				
Storage Building CONSTRUCT STORAGE BUILDING: This project will provide for the construction of one storage building for general use.	450	0	50	500
Truck Wash Facility CONSTRUCT TRUCK WASH FACILITY: This project will provide for the construction of a new truck wash facility including site work, utilities and wash equipment.	1,250	0	250	1,500
PIKE COUNTY				
Storage Buildings CONSTRUCT STORAGE BUILDINGS: This project will provide for the construction of two storage buildings for general use.	850	0	150	1,000

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POTTER COUNTY				
Salt Stockpile Building CONSTRUCT STOCKPILE BUILDING: This project will provide for the construction of a salt storage building and personnel staging area.	$ 450	$ 0	$ 50	$ 500
SCHUYLKILL COUNTY				
Truck Wash Facility CONSTRUCT TRUCK WASH FACILITY: This project will provide for the construction of a new truck wash facility including site work, utilities and wash equipment.	900	0	100	1,000
SOMERSET COUNTY				
Maintenance Facility CONSTRUCT NEW MAINTENANCE FACILITY: This project will provide for the development of a new maintenance facility including site design and construction.	1,000	0	0	1,000
Storage Buildings CONSTRUCT STORAGE BUILDINGS: This project will provide for the construction of three storage buildings for general use.	1,400	0	100	1,500
SUSQUEHANNA COUNTY				
Floor Drain SEPARATE FLOOR DRAIN: This project will provide for the disconnection of the floor drain from the storm drain system at the county facility.	450	0	50	500
Storage Building CONSTRUCT STORAGE BUILDING: This project will provide for the construction of one storage building for general use.	450	0	50	500
Truck Wash Facility CONSTRUCT TRUCK WASH FACILITY: This project will provide for the construction of a new truck wash facility including site work, utilities and wash equipment.	900	0	100	1,000
WASHINGTON COUNTY				
Roof and Floor Drain Separator SEPARATE DRAINS: This project will provide for the separation of floor and roof drains and add an oil/water separator at the county facility.	470	0	30	500
Storage Buildings CONSTRUCT STORAGE BUILDINGS: This project will provide for the construction of three storage buildings for general use.	1,400	0	100	1,500
WAYNE COUNTY				
County Maintenance Garage RENOVATE FACILITY: This project will provide for the renovation of the facility.	450	0	50	500
County Maintenance Garage UPGRADE HVAC: This project will provide for the installation of radiant heating and HVAC upgrades at the county facility.	600	0	150	750
Floor Drain SEPARATE FLOOR DRAIN: This project will provide for the disconnection of the floor drain from the storm drain system at the county facility.	450	0	50	500

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WAYNE COUNTY (continued)				
Truck Wash Facility CONSTRUCT TRUCK WASH FACILITY: This project will provide for the construction of a new truck wash facility including site work, utilities and wash equipment.	$ 900	$ 0	$ 100	$ 1,000
WESTMORELAND COUNTY				
County Maintenance Garage CONSTRUCT MAINTENANCE BUILDING: This project will provide for the construction of a new maintenance building with a weld shop.	3,000	0	250	3,250
Roof and Floor Drain Separator SEPARATE DRAINS: This project will provide for the separation of floor and roof drains and add an oil/water separator at the county facility.	470	0	30	500
Storage Buildings CONSTRUCT STORAGE BUILDINGS: This project will provide for the construction of three storage buildings for general use.	1,400	0	100	1,500
WYOMING COUNTY				
Floor Drain SEPARATE FLOOR DRAIN: This project will provide for the disconnection of the floor drain from the storm drain system at the county facility.	450	0	50	500
Storage Buildings CONSTRUCT STORAGE BUILDINGS: This project will provide for the construction of three storage buildings for general use.	1,400	0	100	1,500
YORK COUNTY				
Roof and Floor Drain Separator SEPARATE DRAINS: This project will provide for the separation of floor and roof drains and add an oil/water separator at the county facility.	450	0	50	500
Storage Buildings CONSTRUCT STORAGE BUILDINGS: This project will provide for the construction of two storage buildings for general use.	850	0	150	1,000
PROGRAM TOTAL.....	$ 117,880	$ 3,200	$ 15,940	$ 137,020

PUBLIC IMPROVEMENT PROJECTS

FROM MOTOR LICENSE FUNDS

Program: State Highway and Bridge Maintenance - Highway

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ALLEGHENY COUNTY					
Install Auxiliary Lane	State	$ 480	$ 4	$ 100	$ 584
CONSTRUCT AUXILIARY LANES: This project will provide for the construction of auxiliary lanes and traffic signal improvements on Library Road at Kings School Road intersection and Logan Road intersection.	Federal	1,920	16	400	2,336
Interchange Improvement	State	3,300	600	160	4,060
IMPROVE INTERCHANGE: This project will provide for the improvement of Thorn Run Road interchange in Moon Township.	Federal	800	0	0	800
	Local	3,336	150	40	3,526
Pedestrian Bridge	State	1,920	40	0	1,960
CONSTRUCT PEDESTRIAN BRIDGE: This project will provide for the construction of a new pedestrian bridge between Allegheny Avenue and Reedsdale Road and will transfer ownership to Port Authority of Allegheny County.	Federal	7,680	0	2,090	9,770
Road Overlay	Federal	1,500	0	0	1,500
RECONSTRUCT CARSON STREET: This project will provide for the reconstruction of Carson Street and 1000 feet of Smithfield Road.					
Road Overlay	State	0	0	100	100
RECONSTRUCT COCHRAN ROAD: This project will provide for the mill and overlay of Cochran Road from Washington Road to Beverly Road.	Federal	1,000	75	125	1,200
Road Overlay	State	0	80	250	330
RECONSTRUCT FIFTH AVENUE: This project will provide for the mill and overlay of Fifth Avenue from Vine Street to Stoops Ferry Road.	Federal	1,500	0	0	1,500
Road Reconstruction	State	2,050	0	0	2,050
RECONSTRUCT ROAD: This project will provide for the reconstruction of a bridge on SR 400, at Bloomfield Bridge to Baum Boulevard.	Federal	8,200	200	400	8,800
Turning Lane	State	2,100	100	750	2,950
ADD TURNING LANE: This project will provide for the an additional turning lane on Lesnett McMillian Road and McLaughlin Run Road.					
Turning Lane	State	240	0	0	240
CONSTRUCT TURNING LANES: This project will provide for the construction of a left turn lane and two right turn lanes on Warrendale Bayne Road including rehabilitation and widening.	Federal	960	0	0	960
Widen Road	State	2,000	0	0	2,000
WIDEN ROAD: This project will provide for the widening of Mount Nebo Road from east of I-79 interchange to east of Nicholson Road.	Local	2,000	0	0	2,000
Widen Road	State	1,400	0	280	1,680
WIDEN PINE CREEK ROAD: This project will provide for the widening of Pine Creek Road at Perry Highway to provide left turn lanes.	Local	1,600	0	0	1,600

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ARMSTRONG COUNTY					
Road Overlay	State	$ 3,000	$ 0	$ 0	$ 3,000
REPAVE US 422: This project will provide for the mill and overlay on US 422 from SR 8012 to SR 8010.					
BEAVER COUNTY					
Drainage Upgrades	State	2,100	0	0	2,100
DRAINAGE UPGRADES: This project will provide for drainage upgrades at the Aliquippa Tin Mill site.					
Road Overlay	State	10,100	0	0	10,100
REPAVE SR 65: This project will provide for the mill and overlay on SR 65 from the Allegheny/Beaver County line to SR 51.	Federal	0	0	3,500	3,500
BERKS COUNTY					
Surface Treatment	State	1,680	0	0	1,680
PROVIDE SURFACE TREATMENT: This project will provide for the the surface treatment to multiple state roads in multiple municipalities.					
BUCKS COUNTY					
Road Enhancements	State	0	100	200	300
RENOVATE ROAD: This project will provide for traffic calming turn lane and intersection improvements with multi-use trail at Stoopville.	Federal	1,250	100	221	1,571
BUTLER COUNTY					
Road Overlay	State	1,600	0	0	1,600
RESURFACE ROAD: This project will provide for the mill and overlay of Freedom Road from US 19 to Beaver County Line.					
DELAWARE COUNTY					
Road Overlay	State	990	2	77	1,069
RESURFACE SMITHBRIDGE ROAD: This project will provide for mill and overlay, edge repair, road widening and modify guiderail on Smithbridge Road between Concord Township and Chester Heights Borough.	Federal	3,960	9	308	4,277
LACKAWANNA COUNTY					
Drainage Upgrades					
IMPROVE DRAINAGE: This project will provide for the drainage improvements on Lane Street over Steery Creek.	Federal	600	0	0	600
LAWRENCE COUNTY					
Road Overlay	State	0	0	150	150
RESURFACE ROAD: This project will provide for the mill and overlay of Polland Road from the Ohio State Line to Mount Jackson Road.	Federal	3,500	0	180	3,680
LEHIGH COUNTY					
Road Overlay	State	400	0	100	500
RESURFACE ROAD: This project will provide for the mill and overlay of SR 222 from segment 82 to 142.	Federal	2,000	0	500	2,500

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LEHIGH COUNTY (continued)					
Road Overlay	State	$ 100	$ 8	$ 40	$ 148
RESURFACE ROAD: This project will provide for the mill and overlay of Schoenersville Road from Ave C and Stoke Park to 8th Avenue.	Federal	1,000	75	400	1,475
Road Overlay	State	200	8	55	263
RESURFACE ROAD: This project will provide for the mill and overlay with corridor improvements of 15th Street.	Federal	2,000	75	550	2,625
MONROE COUNTY					
Interchange Improvement	State	1,500	0	0	1,500
IMPROVE INTERCHANGE: This project will provide for the improvement of the interchange at SR115 and I-80.	Local	0	200	800	1,000
Road Overlay	State	3,700	0	200	3,900
RESURFACE ROAD: This project will provide for the mill and overlay of Hamilton West from Lesh Road to SR 33.					
Road Overlay	State	500	0	40	540
RESURFACE ROAD: This project will provide for the mill and overlay of the Carbon County Line to SR 115 in Tunkhannock Township.					
NORTHAMPTON COUNTY					
Reconstruct Road	State	150	10	65	225
RECONSTRUCT ROAD: This project will provide for the reconstruction of 2nd Street, Spring Garden Street, 4th Street and Ferry Street.	Federal	1,500	100	650	2,250
WESTMORELAND COUNTY					
Concrete Patching	State	2,000	0	0	2,000
RESURFACE ROAD: This project will provide for the concrete patching in District 12.					
Road Overlay	State	3,000	0	0	3,000
REPAIR ROADS: This project will provide for the repairing of roads and slide repair in District 12.					
VARIOUS COUNTIES					
Bridge Wash	State	1,500	0	0	1,500
WASH BRIDGES: This project will provide for the washing and minor repairs of various sites in Allegheny, Beaver and Lawrence counties.					
TOTAL STATE FUNDS		$ 46,010	$ 952	$ 2,567	$ 49,529
TOTAL FEDERAL FUNDS		39,370	650	9,324	49,344
TOTAL LOCAL FUNDS		6,936	350	840	8,126
PROGRAM TOTAL		$ 92,316	$ 1,952	$ 12,731	$ 106,999

PUBLIC IMPROVEMENT PROJECTS

FROM MOTOR LICENSE FUNDS

Program: State Highway and Bridge Maintenance - Bridge

This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.

(Dollar Amounts in Thousands)

		Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
ARMSTRONG COUNTY					
Rehabilitate SR 3023 Bridge BK 2946	State	$ 0	$ 0	$ 39	$ 39
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge in South Buffalo Township.	Federal	293	0	0	293
Rehabilitate SR 3023 Bridge BK 2947	State	0	0	39	39
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge in South Buffalo Township.	Federal	293	0	0	293
Rehabilitate SR 0128 Bridge BK 2950	State	0	0	39	39
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge in North Buffalo Township.	Federal	293	0	0	293
Rehabilitate SR 0128 Bridge BK 2952	State	0	0	39	39
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge in North Buffalo Township.	Federal	293	0	0	293
RehabilitateT-414 Church Road Bridge BK 2953	State	0	0	39	39
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on Church Road in North Buffalo Township.	Federal	293	0	0	293
Rehabilitate T-414 Church Road Bridge BK 2954	State	0	0	39	39
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on Church Road in North Buffalo Township.	Federal	293	0	0	293
Rehabilitate T-435 McHaddon Church Road Bridge BK 2955	State	0	0	39	39
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on Church Road in North Buffalo Township.	Federal	293	0	0	293
Rehabilitate T-435 McHaddon Church Road Bridge BK 2956	State	0	0	39	39
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on Church Road in North Buffalo Township.	Federal	293	0	0	293
JEFFERSON COUNTY					
Replace Bridge BK 19614	State	0	0	165	165
REPLACE BRIDGE: This project will provide for the replacement of a bridge over Stump Creek in Henderson Township.	Federal	908	58	183	1,149
Replace Bridge BK 19612	State	0	0	165	165
REPLACE BRIDGE: This project will provide for the replacement of a bridge over Rock Run in Bell Township.	Federal	908	58	183	1,149
VARIOUS COUNTIES					
Repair Various Bridges Countywide	State	6,500	0	0	6,500
REPAIR VARIOUS BRIDGES: This project will provide for the repair and preservation of various bridges in Northampton and Lehigh Counties.					
TOTAL STATE FUNDS.....		$ 6,500	$ 0	$ 642	$ 7,142
TOTAL FEDERAL FUNDS.....		4,160	116	366	4,642
PROGRAM TOTAL.....		$ 10,660	$ 116	$ 1,008	$ 11,784

TRANSPORTATION ASSISTANCE PROJECTS

FROM CAPITAL FACILITIES BOND FUNDS

Program: Urban Mass Transportation

This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.

(Dollar Amounts in Thousands)

		Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
ALLEGHENY COUNTY					
Port Authority of Allegheny County	State	$ 47,033	$ 0	$ 5,226	$ 52,259
INFRASTRUCTURE SAFETY RENEWAL PROGRAM: This project will provide for the authority's Infrastructure Safety Renewal Program, which includes capital improvements to stations, signals, track, power, and buildings.	Local	1,567	0	174	1,741
Port Authority of Allegheny County	State	14,671	15	285	14,971
SECTIONS 5307/5339 PROGRAMs: This project will provide for the state funds to match discretionary federal capital and local funding for the replacement of major components of a bus and fixed guideway system.	Federal	60,640	62	1,176	61,878
	Local	489	1	9	499
PHILADELPHIA COUNTY					
Southeastern Pennsylvania Transportation Authority	State	0	0	107,000	107,000
FEDERAL GRANT PROGRAM: This project will provide for the state funds to match discretionary federal capital funding to rehabilitate or replace existing facilities and infrastructure.	Federal	0	0	442,263	442,263
	Local	2,853	0	713	3,566
Southeastern Pennsylvania Transportation Authority	State	0	0	110,000	110,000
BUS PURCHASE PROGRAM: This project will provide for the authority's state funds to match discretionary federal capital funding to replace buses and rehabilitate various facilities.	Local	0	0	3,666	3,666
TOTAL STATE FUNDS		$ 61,704	$ 15	$ 222,511	$ 284,230
TOTAL FEDERAL FUNDS		60,640	62	443,439	504,141
TOTAL LOCAL FUNDS		4,909	1	4,562	9,472
PROGRAM TOTAL		$ 127,253	$ 78	$ 670,512	$ 797,843

TRANSPORTATION ASSISTANCE PROJECTS (continued)

FROM CAPITAL FACILITIES BOND FUNDS

Program: Rail Freight Transportation

This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.

(Dollar Amounts in Thousands)

		Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
FRANKLIN COUNTY					
Proctor & Gamble Shippensburg Site CONSTRUCT SIDING: This project will provide for the construction of a rail siding from Norfolk Southern mainline into the new Proctor & Gamble facility as well as construct needed rail infrastructure.	State	$ 10,000	$ 0	$ 2,000	$ 12,000
VARIOUS COUNTIES					
All Counties INFRASTRUCTURE IMPROVEMENTS: This project will provide for the rehabilitation and expansion of current rail infrastructure including bridges to provide for the safe transportation of all types of hazardous materials.	State	20,000	0	4,000	24,000
All Counties INFRASTRUCTURE IMPROVEMENTS: This project will provide for the rehabilitation and expansion of current rail infrastructure including bridges to accommodate current and future growth demands.	State	20,000	0	4,000	24,000
All Counties FACILITY IMPROVEMENTS: This project will provide for the rehabilitation and expansion of current rail yards and intermodal facilities as well as the construction of new intermodal facilities and rail yards.	State	20,000	0	4,000	24,000
All Counties TECHNOLOGY IMPROVEMENTS: This project will provide for the purchase and installation of all components related to technology improvements within the rail industry including, positive train control, rolling stock upgrades and signalization.	State	15,000	0	3,000	18,000
All Counties REHABILITATE SIDINGS: This project will provide for the construction and rehabilitation of rail sidings and spurs to provide businesses with access to rail shipping for economic development.	State	15,000	0	3,000	18,000
PROGRAM TOTAL.....		$ 100,000	$ 0	$ 20,000	$ 120,000

FORECAST OF FUTURE NEW PROJECT AUTHORIZATIONS
State Funds

This table provides a summary of the estimated level of future authorizations by department from bond funds and current revenue sources.

(Dollar Amounts in Thousands)

	2016-17	2017-18	2018-19	2019-20
Agriculture	$ 8,750	$ 8,750	$ 8,750	$ 8,750
Conservation and Natural Resources	33,800	69,500	80,500	122,550
Corrections	95,880	0	0	0
Education	449,400	290,000	241,750	206,500
Emergency Management Agency	0	0	0	0
Environmental Protection	6,990	21,064	49,752	20,425
Fish and Boat Commission	0	0	0	0
Game Commission	0	0	0	0
General Services	18,500	16,750	0	0
Historical and Museum Commission	29,380	36,000	28,775	28,380
Human Services	33,100	24,870	0	0
Military and Veterans Affairs	0	0	0	0
State Police	125,298	0	0	0
Transportation	859,020	575,000	575,000	575,000
TOTAL	$ 1,660,118	$ 1,041,934	$ 984,527	$ 961,605

Forecast of Future Projects

This section contains estimated authorizations (State funds only) for future Capital Budgets from 2016-17 through 2019-20. Amounts in this section are grouped by department, along with the general types of projects involved, and are identified by capital project category.

(Dollar Amounts in Thousands)

FROM CAPITAL FACILITIES BOND FUNDS	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
Agriculture PUBLIC IMPROVEMENT PROJECTS: Provides for improvements at the Farm Show Complex and the laboratory.	$ 8,750	$ 8,750	$ 8,750	$ 8,750
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.	25,300	61,000	72,000	114,050
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 original furniture and equipment authorizations.	95,880	0	0	0
Education PUBLIC IMPROVEMENT PROJECTS: Provides for construction, expansion, renovation and conversion of classroom and auxiliary buildings, utilities and recreational facilities for the State System of Higher Education, State-Owned Schools and for the State-Related Universities. Also may include original furniture and equipment authorizations.	449,400	290,000	241,750	206,500
Emergency Management Agency PUBLIC IMPROVEMENT PROJECTS: Provides for construction and renovations at the State Fire Academy, Emergency Operations Centers around the state and other emergency facilities.	0	0	0	0
Environmental Protection PUBLIC IMPROVEMENT PROJECTS: Provides for construction and improvement projects to protect the environment and the health and safety of citizens using state lands and waterways. These projects include flood protection construction. Also may include original furniture and equipment authorizations.	6,990	21,064	49,752	20,425
Environmental Protection FLOOD CONTROL PROJECTS: Provides for the state share of federal flood control projects including the construction and improvement of levees, dikes, walls, revetments, dams, lakes, reservoirs and other works deemed necessary to control floods. Also, will control, preserve and regulate the flow of rivers and streams.	0	0	0	0
General Services PUBLIC IMPROVEMENT PROJECTS: Provides for the construction, renovation and improvements to state office buildings and facilities.	18,500	16,750	0	0
Historical and Museum Commission PUBLIC IMPROVEMENT PROJECTS: Provides for restoration and renovation of historic facilities, installation of fire and security systems, development of fixed exhibits and miscellaneous building and utility improvements at commonwealth owned museums and historic sites. Also may include original furniture and equipment authorizations.	29,380	36,000	28,775	28,380

Forecast of Future Projects

(Dollar Amounts in Thousands)

FROM CAPITAL FACILITIES BOND FUNDS (continued)	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
Human Services PUBLIC IMPROVEMENT PROJECTS: Provides for construction and renovation of patient buildings, support facilities and utilities at the state institutions for the mentally ill and intellectually disabled, restoration centers and youth development centers. Also may include original furniture and equipment authorizations.	$ 33,100	$ 24,870	$ 0	$ 0
Military and Veterans Affairs PUBLIC IMPROVEMENT PROJECTS: Provides for land acquisition, renovations, additions and replacement at the state armories and veterans' homes. Also may include original furniture and equipment authorizations.	0	0	0	0
State Police PUBLIC IMPROVEMENT PROJECTS: Provides for renovation, expansion and construction of troop headquarters/station facilities and driver examination facilities. Also may include original furniture and equipment authorizations.	125,298	0	0	0
Transportation PUBLIC IMPROVEMENT PROJECTS: Provides for construction of and additions to highway maintenance and district office buildings, driver examination facilities, welcome centers and state-owned airport facilities. Also may include original furniture and equipment authorizations.	284,020	0	0	0
Transportation TRANSPORTATION ASSISTANCE PROJECTS: Provides for the purchase/rehabilitation of rolling stock and equipment and for construction/renovation of facilities operated by local mass transportation agencies. Also includes the purchase and improvement of rail lines.	175,000	175,000	175,000	175,000
CAPITAL FACILITIES BOND FUNDS				
Total — Public Improvement Program.....	$ 1,076,618	$ 458,434	$ 401,027	$ 378,105
Total — Transportation Assistance Program.....	175,000	175,000	175,000	175,000
SUBTOTAL— CAPITAL FACILITIES BOND FUNDS.....	$ 1,251,618	$ 633,434	$ 576,027	$ 553,105

Forecast of Future Projects

(Dollar Amounts in Thousands)

	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 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 and environmental protection or essential for facility operation.	$ 3,500	$ 3,500	$ 3,500	$ 3,500
Conservation and Natural Resources PUBLIC IMPROVEMENT PROJECTS — ENVIRONMENTAL STEWARDSHIP FUND: Provides for the acquisition, rehabilitation and development of open space, forests, parks and scenic environments.	5,000	5,000	5,000	5,000
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.	400,000	400,000	400,000	400,000
CURRENT REVENUES				
Total – Public Improvement Program	$ 8,500	$ 8,500	$ 8,500	$ 8,500
Total – Highway Program	400,000	400,000	400,000	400,000
SUBTOTAL – CURRENT REVENUES	$ 408,500	$ 408,500	$ 408,500	$ 408,500
TOTAL – ALL PROGRAMS	$ 1,660,118	$ 1,041,934	$ 984,527	$ 961,605

ESTIMATED CAPITAL PROJECT EXPENDITURES BY DEPARTMENT

This table provides a summary of total estimated capital expenditures for state funds by department.

(Dollar Amounts in Thousands)

Department	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
Executive Offices	$ 0	$ 0	$ 0	$ 0	$ 0
Agriculture	945	1,095	2,562	4,067	5,961
Conservation and Natural Resources	53,609	50,314	64,056	68,453	79,727
Community and Economic Development	390,202	446,594	341,525	359,466	212,961
Corrections	137,408	40,205	52,084	67,316	51,214
Education	256,547	270,990	280,852	306,845	266,006
Emergency Management Agency	1,925	1,532	2,608	3,947	2,506
Environmental Protection	21,072	35,103	39,580	41,039	26,409
Fish and Boat Commission	7,866	4,428	5,747	5,588	3,822
Game Commission	41	32	55	83	53
General Services	167,652	212,711	46,252	60,597	37,258
Historical and Museum Commission	7,056	10,439	14,231	20,004	20,393
Human Services	6,351	8,181	10,565	10,685	7,515
Military and Veterans Affairs	12,492	16,342	27,190	31,552	28,528
State Police	5,312	21,493	36,059	39,015	38,495
Transportation	665,365	609,225	690,064	805,457	896,123
TOTAL - ALL STATE FUNDS	$ 1,733,841	$ 1,728,685	$ 1,613,431	$ 1,824,114	$ 1,676,971

Estimate of Capital Expenditures

This table provides estimated capital expenditures by department for currently authorized capital projects, projects recommended in this budget and potential future authorizations.

(Dollar Amounts in Thousands)

	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
CAPITAL FACILITIES BOND FUNDS					
Executive Offices					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures	$ 0	$ 0	$ 0	$ 0	$ 0
Furniture and Equipment	0	0	0	0	0
Projects in 2015-16 Budget					
Buildings and Structures	0	0	0	0	0
Furniture and Equipment	0	0	0	0	0
Future Projects (2016-20)					
Buildings and Structures	0	0	0	0	0
Furniture and Equipment	0	0	0	0	0
TOTAL - EXECUTIVE OFFICES	$ 0	$ 0	$ 0	$ 0	$ 0
Agriculture					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures	$ 857	$ 219	$ 373	$ 565	$ 359
Furniture and Equipment	0	0	0	0	0
Projects in 2015-16 Budget					
Buildings and Structures	88	788	1,313	1,313	2,100
Furniture and Equipment	0	0	0	0	0
Future Projects (2016-20)					
Buildings and Structures	0	88	876	2,189	3,502
Furniture and Equipment	0	0	0	0	0
TOTAL - AGRICULTURE	$ 945	$ 1,095	$ 2,562	$ 4,067	$ 5,961
Conservation and Natural Resources					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures	$ 26,666	$ 8,324	$ 11,266	$ 13,548	$ 6,851
Furniture and Equipment	136	541	180	0	0
Projects in 2015-16 Budget					
Buildings and Structures	1,225	11,025	18,375	18,375	18,375
Furniture and Equipment	0	0	0	0	0
Future Projects (2016-20)					
Buildings and Structures	0	338	3,737	12,130	23,966
Furniture and Equipment	0	0	0	0	0
TOTAL - CONSERVATION AND NATURAL RESOURCES	$ 28,027	$ 20,228	$ 33,558	$ 44,053	$ 49,192
Community and Economic Development					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures	$ 65,202	$ 61,594	$ 46,525	$ 64,466	$ 37,961
Furniture and Equipment	0	0	0	0	0
Projects in 2015-16 Budget					
Buildings and Structures	0	0	0	0	0
Furniture and Equipment	0	0	0	0	0
Future Projects (2016-20)					
Buildings and Structures	0	0	0	0	0
Furniture and Equipment	0	0	0	0	0
Subtotal	$ 65,202	$ 61,594	$ 46,525	$ 64,466	$ 37,961

Estimate of Capital Expenditures

(Dollar Amounts in Thousands)

	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
Redevelopment Assistance Projects					
Projects Currently Authorized					
Acquisition and Construction	$ 325,000	$ 385,000	$ 295,000	$ 295,000	$ 175,000
TOTAL - COMMUNITY AND ECONOMIC DEVELOPMENT	$ 390,202	$ 446,594	$ 341,525	$ 359,466	$ 212,961
Corrections					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures	$ 136,420	$ 30,597	$ 29,078	$ 38,567	$ 22,465
Furniture and Equipment	30	29	10	0	0
Projects in 2015-16 Budget					
Buildings and Structures	958	8,620	14,367	14,367	14,367
Furniture and Equipment	0	0	0	0	0
Future Projects (2016-20)					
Buildings and Structures	0	959	8,629	14,382	14,382
Furniture and Equipment	0	0	0	0	0
TOTAL - CORRECTIONS	$ 137,408	$ 40,205	$ 52,084	$ 67,316	$ 51,214
Education					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures	$ 245,239	$ 212,857	$ 188,727	$ 152,330	$ 72,686
Furniture and Equipment	4,183	14,714	4,904	14,712	14,712
Projects in 2015-16 Budget					
Buildings and Structures	2,925	26,325	43,875	43,875	43,875
Furniture and Equipment	4,200	12,600	0	0	0
Future Projects (2016-20)					
Buildings and Structures	0	4,494	43,346	95,928	134,733
Furniture and Equipment	0	0	0	0	0
TOTAL - EDUCATION	$ 256,547	$ 270,990	$ 280,852	$ 306,845	$ 266,006
Emergency Management Agency					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures	$ 1,925	$ 1,532	$ 2,608	$ 3,947	$ 2,506
Furniture and Equipment	0	0	0	0	0
Projects in 2015-16 Budget					
Buildings and Structures	0	0	0	0	0
Furniture and Equipment	0	0	0	0	0
Future Projects (2016-20)					
Buildings and Structures	0	0	0	0	0
Furniture and Equipment	0	0	0	0	0
TOTAL - EMERGENCY MANAGEMENT AND HOMELAND SECURITY	$ 1,925	$ 1,532	$ 2,608	$ 3,947	$ 2,506

Estimate of Capital Expenditures

(Dollar Amounts in Thousands)

	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
Environmental Protection					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures	$ 7,961	$ 10,271	$ 11,596	$ 10,452	$ 3,087
Furniture and Equipment	0	0	0	0	0
Projects in 2015-16 Budget					
Buildings and Structures	397	3,573	5,955	5,955	5,955
Furniture and Equipment	0	0	0	0	0
Future Projects (2016-20)					
Buildings and Structures	0	70	840	3,443	8,891
Furniture and Equipment	0	0	0	0	0
Subtotal	$ 8,358	$ 13,914	$ 18,391	$ 19,850	$ 17,933
Flood Control Projects					
Projects Currently Authorized					
Structures and Improvements	$ 12,714	$ 21,189	$ 21,189	$ 21,189	$ 8,476
Projects in 2014-15 Budget					
Structures and Improvements	0	0	0	0	0
Future Projects (2015-19)					
Structures and Improvements	0	0	0	0	0
Subtotal	$ 12,714	$ 21,189	$ 21,189	$ 21,189	$ 8,476
TOTAL - ENVIRONMENTAL PROTECTION	$ 21,072	$ 35,103	$ 39,580	$ 41,039	$ 26,409
Fish and Boat Commission					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures	$ 7,116	$ 3,678	$ 4,997	$ 4,838	$ 3,072
Furniture and Equipment	0	0	0	0	0
Projects in 2015-16 Budget					
Buildings and Structures	0	0	0	0	0
Furniture and Equipment	0	0	0	0	0
Future Projects (2016-20)					
Buildings and Structures	0	0	0	0	0
Furniture and Equipment	0	0	0	0	0
TOTAL - FISH AND BOAT COMMISSION	$ 7,116	$ 3,678	$ 4,997	$ 4,838	$ 3,072
Game Commission					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures	$ 41	$ 32	$ 55	$ 83	$ 53
Furniture and Equipment	0	0	0	0	0
Projects in 2015-16 Budget					
Buildings and Structures	0	0	0	0	0
Furniture and Equipment	0	0	0	0	0
Future Projects (2016-20)					
Buildings and Structures	0	0	0	0	0
Furniture and Equipment	0	0	0	0	0
TOTAL - GAME COMMISSION	$ 41	$ 32	$ 55	$ 83	$ 53

Estimate of Capital Expenditures

(Dollar Amounts in Thousands)

	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
General Services					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures	$ 167,580	$ 207,845	$ 42,031	$ 55,279	$ 30,935
Furniture and Equipment	3	4,060	1,353	0	0
Projects in 2015-16 Budget					
Buildings and Structures	69	621	1,035	1,035	1,035
Furniture and Equipment	0	0	0	0	0
Future Projects (2016-20)					
Buildings and Structures	0	185	1,833	4,283	5,288
Furniture and Equipment	0	0	0	0	0
TOTAL - GENERAL SERVICES	$ 167,652	$ 212,711	$ 46,252	$ 60,597	$ 37,258
Historical and Museum Commission					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures	$ 6,141	$ 5,602	$ 7,195	$ 8,067	$ 3,710
Furniture and Equipment	0	90	30	0	0
Projects in 2015-16 Budget					
Buildings and Structures	267	2,401	4,002	4,002	4,002
Furniture and Equipment	648	2,052	0	0	0
Future Projects (2016-20)					
Buildings and Structures	0	294	3,004	7,935	12,681
Furniture and Equipment	0	0	0	0	0
TOTAL - HISTORICAL AND MUSEUM	$ 7,056	$ 10,439	$ 14,231	$ 20,004	$ 20,393
Human Services					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures	$ 3,653	$ 4,128	$ 5,202	$ 5,670	$ 2,500
Furniture and Equipment	2,364	1,044	348	0	0
Projects in 2015-16 Budget					
Buildings and Structures	334	3,009	5,015	5,015	5,015
Furniture and Equipment	0	0	0	0	0
Future Projects (2016-20)					
Buildings and Structures	0	0	0	0	0
Furniture and Equipment	0	0	0	0	0
TOTAL - HUMAN SERVICES	$ 6,351	$ 8,181	$ 10,565	$ 10,685	$ 7,515

Estimate of Capital Expenditures

(Dollar Amounts in Thousands)

	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
Military and Veterans Affairs					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures	$ 11,388	$ 5,954	$ 7,358	$ 7,785	$ 3,268
Furniture and Equipment	0	119	40	0	0
Projects in 2015-16 Budget					
Buildings and Structures	1,104	9,938	16,564	16,564	16,564
Furniture and Equipment	0	0	0	0	0
Future Projects (2016-20)					
Buildings and Structures	0	331	3,228	7,203	8,696
Furniture and Equipment	0	0	0	0	0
TOTAL - MILITARY AND VETERANS AFFAIRS	$ 12,492	$ 16,342	$ 27,190	$ 31,552	$ 28,528
State Police					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures	$ 4,059	$ 8,963	$ 5,987	$ 1,425	$ 905
Furniture and Equipment	0	0	0	0	0
Projects in 2015-16 Budget					
Buildings and Structures	1,253	11,277	18,795	18,795	18,795
Furniture and Equipment	0	0	0	0	0
Future Projects (2016-20)					
Buildings and Structures	0	1,253	11,277	18,795	18,795
Furniture and Equipment	0	0	0	0	0
TOTAL - STATE POLICE	$ 5,312	$ 21,493	$ 36,059	$ 39,015	$ 38,495
Transportation					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures	$ 7,756	$ 9,916	$ 11,279	$ 10,317	$ 3,175
Furniture and Equipment	0	0	0	0	0
Projects in 2015-16 Budget					
Buildings and Structures	740	6,660	11,100	11,100	11,100
Furniture and Equipment	0	0	0	0	0
Future Projects (2016-20)					
Buildings and Structures	0	8,590	83,062	186,353	272,603
Furniture and Equipment	0	0	0	0	0
Subtotal	$ 8,496	$ 25,166	$ 105,441	$ 207,770	$ 286,878
Transportation Assistance Projects					
Projects Currently Authorized					
Mass Transit, Rail and Air	$ 175,000	$ 135,000	$ 96,500	$ 50,250	$ 56,250
Projects in 2015-16 Budget					
Mass Transit, Rail and Air	0	40,000	61,000	81,000	40,000
Future Projects (2016-20)					
Mass Transit, Rail and Air	0	0	17,500	43,750	78,750
Subtotal	$ 175,000	$ 175,000	$ 175,000	$ 175,000	$ 175,000
TOTAL - TRANSPORTATION	$ 183,496	$ 200,166	$ 280,441	$ 382,770	$ 461,878

Estimate of Capital Expenditures

(Dollar Amounts in Thousands)

	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
TOTAL - CAPITAL FACILITIES BOND FUNDS					
Public Improvement Projects					
Buildings and Structures	$ 701,363	$ 672,351	$ 674,505	$ 870,376	$ 838,253
Furniture and Equipment	11,564	35,249	6,865	14,712	14,712
Redevelopment Assistance Projects					
Acquistion and Construction	325,000	385,000	295,000	295,000	175,000
Flood Control Projects					
Structures and Improvements	12,714	21,189	21,189	21,189	8,476
Transportation Assistance Projects					
Mass Transit, Rail and Air	175,000	175,000	175,000	175,000	175,000
TOTAL	$ 1,225,641	$ 1,288,790	$ 1,172,559	$ 1,376,277	$ 1,211,441
CURRENT REVENUES					
FISH AND BOAT FUND					
Fish and Boat Commission					
Public Improvement Projects					
Projects Currently Authorized	$ 750	$ 750	$ 750	$ 750	$ 750
Projects in 2015-16 Budget	0	0	0	0	0
Future Projects (2016-20)	0	0	0	0	0
TOTAL - FISH AND BOAT COMMISSION	$ 750	$ 750	$ 750	$ 750	$ 750
KEYSTONE RECREATION, PARK AND CONSERVATION FUND					
Conservation and Natural Resources					
Keystone Recreation, Park and Conservation Projects - Acquisition,					
Projects Currently Authorized	$ 17,677	$ 15,549	$ 11,661	$ 0	$ 0
Projects in 2015-16 Budget	0	2,002	3,002	4,003	4,503
Future Projects (2016-20)	0	774	3,661	7,798	12,992
Subtotal	$ 17,677	$ 18,325	$ 18,325	$ 11,801	$ 17,495
ENVIRONMENTAL STEWARDSHIP FUND					
Conservation and Natural Resources					
Environmental Stewardship Projects - Acquisition, Rehabilitation and Development					
Projects Currently Authorized	$ 7,905	$ 10,670	$ 6,944	$ 3,620	$ 4,061
Projects in 2014-15 Budget	0	318	318	318	318
Future Projects (2015-19)	0	774	4,911	8,661	8,661
Subtotal	$ 7,905	$ 11,761	$ 12,173	$ 12,599	$ 13,040
TOTAL - CONSERVATION AND NATURAL RESOURCES	$ 25,582	$ 30,086	$ 30,498	$ 24,400	$ 30,535
MOTOR LICENSE FUND					
Transportation					
Highway and Bridge Projects					
Projects Currently Authorized	$ 481,723	$ 400,468	$ 401,163	$ 401,866	$ 401,001
Projects in 2015-16 Budget	146	582	437	728	1,164
Future Projects (2016-20)	0	8,009	8,023	20,093	32,080
TOTAL - TRANSPORTATION	$ 481,869	$ 409,059	$ 409,623	$ 422,687	$ 434,245

Estimate of Capital Expenditures

(Dollar Amounts in Thousands)

	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
TOTAL - CURRENT REVENUES					
Public Improvement Projects					
Fish and Boat Fund	$ 750	$ 750	$ 750	$ 750	$ 750
Acquisition, Improvement and Restoration Projects					
Keystone Recreation, Park and Conservation Fund	17,677	18,325	18,325	11,801	17,495
Acquisition, Rehabilitation and Development Projects					
Environmental Stewardship Fund	7,905	11,761	12,173	12,599	13,040
Highway and Bridge Projects					
Motor License Fund	481,869	409,059	409,623	422,687	434,245
TOTAL - CURRENT REVENUES	$ 508,201	$ 439,895	$ 440,871	$ 447,837	$ 465,530
TOTAL - ALL STATE FUNDS	$ 1,733,842	$ 1,728,684	$ 1,613,430	$ 1,824,114	$ 1,676,970

Totals may not add due to rounding.

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Commonwealth of Pennsylvania

Governor's Executive Budget

PUBLIC DEBT

This section presents data on the debt obligations of the commonwealth. Debt financing is used by the commonwealth to finance its capital programs, finance voter-approved bond referendums, and fund certain disaster relief programs. Most long-term financing by the commonwealth is provided by the issuance of general obligation debt. Appropriation-backed debt has been used in limited instances for capital purposes. Data on such debt is included in this presentation only in the calculation of the debt ratios shown.

The Commonwealth Constitution permits debt to be issued for (i) capital projects in approved capital budgets; (ii) purposes approved by voter referendum; and (iii) response to disasters. The following items are guidelines the commonwealth follows in executing its capital and other debt financing activities:

- Referenda to authorize additional debt should be submitted to the voters only for critical needs when sufficient other resources are not available.
- The general obligation pledge of the commonwealth is the preferred source of security for commonwealth debt.
- A moral obligation pledge of the commonwealth should not be given beyond those already given.
- Revenue pledges are to be used only by independent agencies and authorities that cannot pledge the commonwealth's general obligation.
- Lease revenue debt should be used only when budgetary restraints prohibit current revenue funding for assets that are infrequently obtained and do not meet capital project definitions.
- Debt should be structured to mature within the useful life of the projects being financed.
- All long-term financing should be sold by competitive bid.
- Short-term borrowing should not comprise a majority of outstanding debt.
- Debt service paid by the General Fund should not exceed five percent of revenues.
- Capital projects addressing health, safety and public protection receive top priority for activation. New construction projects have the lowest priority.
- Highway capital projects should be funded from current revenues of the Motor License Fund.

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DEBT AUTHORIZED, ISSUED AND OUTSTANDING

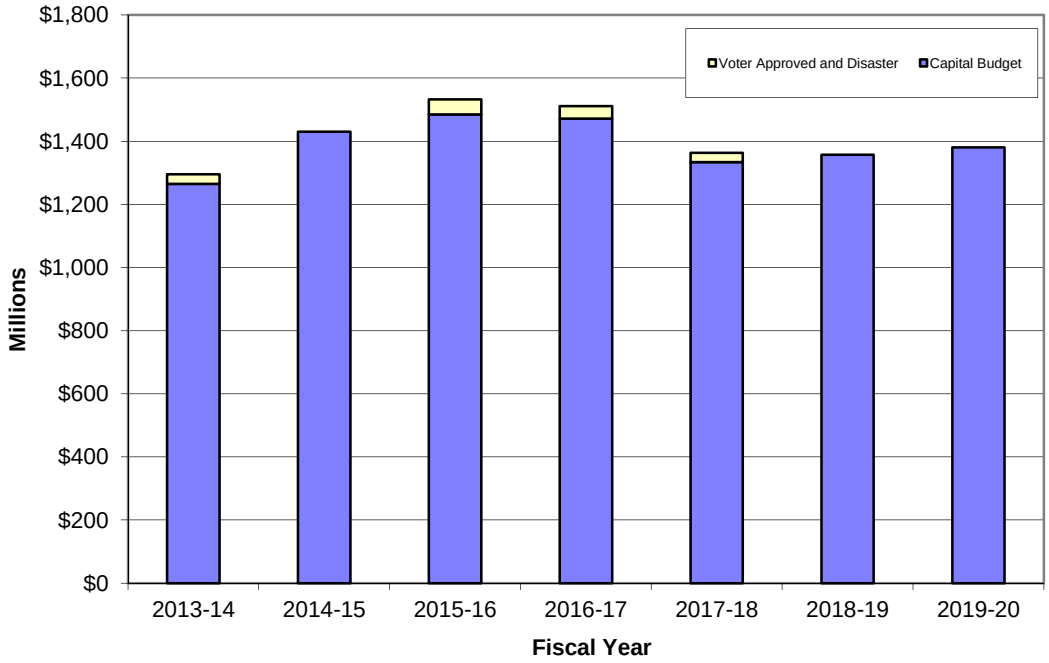
The following statement reflects the debt of the commonwealth as of December 31, 2014. Issues for which all authorized debt has been previously issued and for which said debt has been completely redeemed are not included. The Constitution permits capital budget debt to be issued without voter approval but subject to a debt limit. Except for debt issued for disaster recovery purposes, all other debt requires voter approval.

	(Dollar Amounts in Thousands)		
Debt Subject to Constitutional Limit	Total Debt Authorized	Original Debt Issued	Debt Outstanding
Capital Budget	$ 120,522,043	$ 23,215,955	$ 7,337,750
Capital Budget Refunding Bonds Outstanding	NA	NA	2,391,199
Less: Capital Debt Fund Balance	NA	NA	-61,389
Subtotal	$ 120,522,043	$ 23,215,955	$ 9,667,560
Debt Not Subject to Constitutional Limit - Voter Approved and Disaster			
Disaster Relief	$ 192,708	$ 170,800	$ 0
Disaster Relief 1996	110,000	26,000	0
Economic Revitalization	190,000	176,000	0
Land and Water Development	500,000	499,700	0
Vietnam Veterans' Compensation	65,000	62,000	0
Volunteer Companies Loan	100,000	50,000	0
Water Facilities - 1981 Referendum	300,000	288,500	0
PENNVEST- 1988 & 1992 Referenda	650,000	634,000	183,620
PENNVEST- 2008 Referendum	400,000	364,400	341,445
Agricultural Conservation Easement	100,000	100,000	0
Local Criminal Justice	200,000	197,000	1,550
Nursing Home Loans	100,000	69,000	0
Keystone Recreation, Park and Conservation	50,000	50,000	0
Water Supply and Wastewater Infrastructure	250,000	241,275	160,345
Growing Greener	625,000	569,000	383,605
Persian Gulf Conflict Veterans' Compensation	20,000	7,000	4,860
Refunding Bonds Outstanding	NA	NA	166,431
Less: Non-capital Sinking Fund Balances	NA	NA	-9,621
Subtotal	$ 3,852,708	$ 3,504,675	$ 1,232,235
TOTAL	$ 124,374,751	$ 26,720,630	$ 10,899,795

GENERAL OBLIGATION BOND ISSUES
2013-14 Through 2019-20

This table shows the projected amount of general obligation bonds of the commonwealth to be issued during the prior and current fiscal year and the subsequent five fiscal years based on current projects. Refunding bonds are not included in the data.

New General Obligation Bond Issues

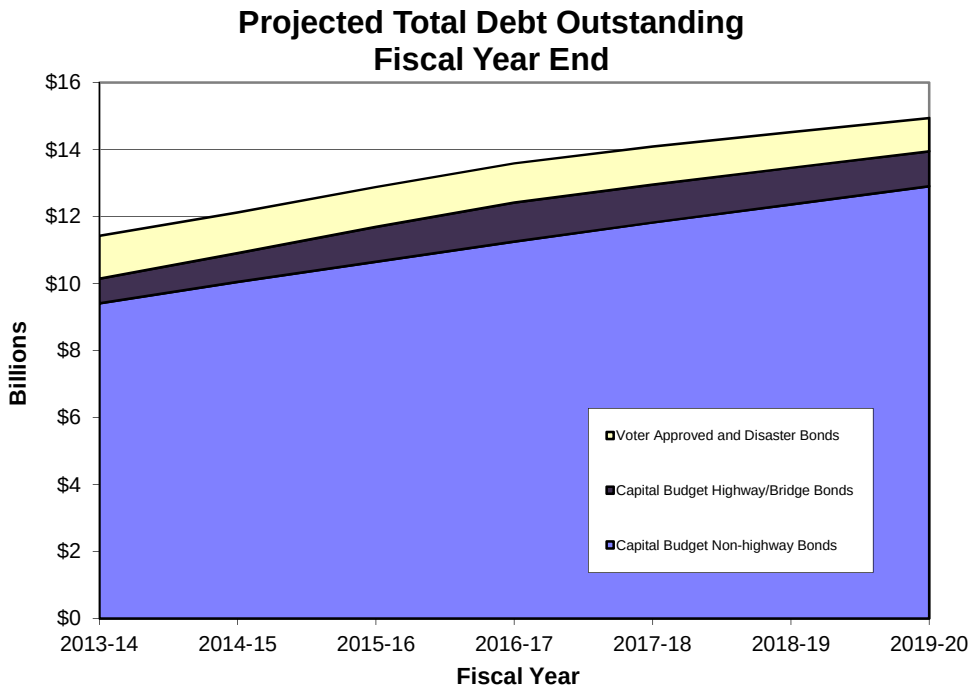


(Dollar Amounts in Thousands)

General Obligation Bond Issues	2013-14 Actual	2014-15 Estimated	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
Capital Budget							
Buildings and Structures	$ 695,000	$ 725,000	$ 750,000	$ 765,000	$ 780,000	$ 796,000	$ 812,000
Flood Control	0	0	10,000	10,000	10,000	10,000	10,000
Furnishings and Equipment	10,000	50,000	20,000	20,000	20,000	20,000	20,000
Redevelopment Assistance	340,000	335,000	335,000	342,000	349,000	356,000	363,000
Transportation Assistance	180,000	175,000	175,000	175,000	175,000	175,000	175,000
ACT 89 Highway Projects	0	145,000	195,000	160,000	0	0	0
Bridge Projects	40,000	0	0	0	0	0	0
Subtotal	$ 1,265,000	$ 1,430,000	$ 1,485,000	$ 1,472,000	$ 1,334,000	$ 1,357,000	$ 1,380,000
Voter Approved and Disaster							
PENNVEST -- 1988, 1992 & 2008 Ref.	$ 30,000	$ 0	$ 19,000	$ 19,000	$ 13,600	$ 0	$ 0
Water and Wastewater Referendum	0	0	8,725	0	0	0	0
Growing Greener Referendum	0	0	20,000	20,000	16,000	0	0
Subtotal	$ 30,000	$ 0	$ 47,725	$ 39,000	$ 29,600	$ 0	$ 0
TOTAL	$ 1,295,000	$ 1,430,000	$ 1,532,725	$ 1,511,000	$ 1,363,600	$ 1,357,000	$ 1,380,000

GENERAL OBLIGATION DEBT OUTSTANDING
2013-14 Through 2019-20

Outstanding debt of the commonwealth is projected using the proposed bond issuance contained in this budget and encompasses all general obligation debt. Sinking fund balances are excluded. Only capital budget debt is subject to the constitutional debt limit [Article VIII, Section 7(a)(4)].

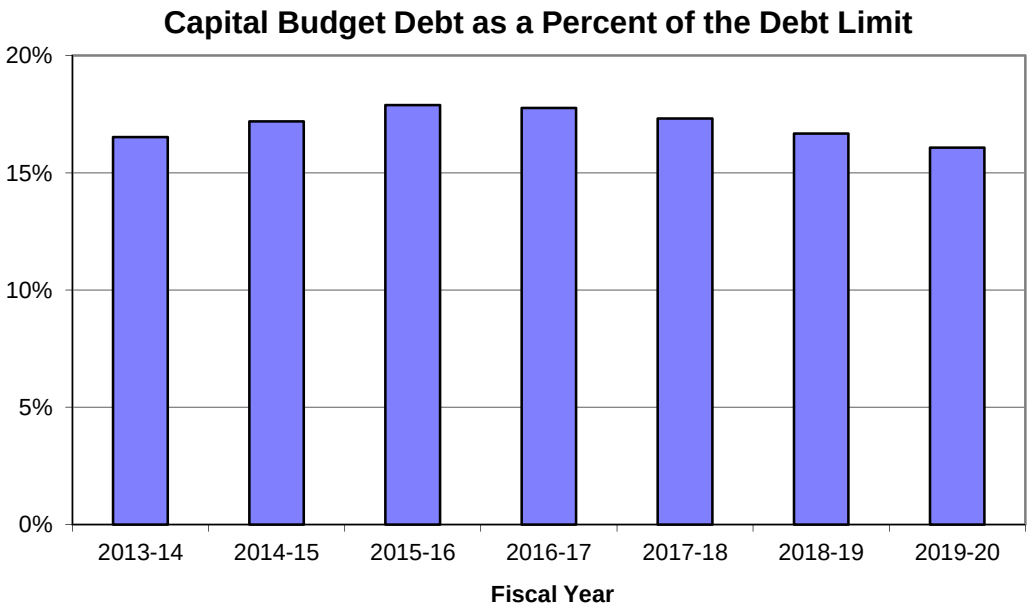


(Dollar Amounts in Thousands)

Fiscal Year End Debt Outstanding	2013-14 Actual	2014-15 Estimated	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
Capital Budget Non-Highway Bonds....	$ 9,406,289	$ 10,045,440	$10,651,721	$ 11,248,972	$ 11,817,890	$ 12,353,078	$ 12,901,024
Capital Budget Highway/Bridge Bonds	731,975	860,445	1,034,640	1,167,018	1,133,262	1,097,888	1,045,546
Voter Approved and Disaster Bonds....	1,278,811	1,208,645	1,191,195	1,168,396	1,134,671	1,069,366	993,990
TOTAL.....	$ 11,417,075	$ 12,114,530	$12,877,556	$ 13,584,386	$ 14,085,823	$ 14,520,332	$ 14,940,560

CONSTITUTIONAL DEBT LIMIT
2013-14 Through 2019-20

The state constitution limits outstanding capital budget debt to 1.75 times the average tax revenues during the previous five (5) fiscal years. Voter approved and disaster relief debt are not subject to the constitutional debt limit. The table and chart below present actual data for one fiscal year and current projections for six fiscal years.



(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Estimated	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
Debt Limit Projection							
Capital Budget Debt Subject to Constitutional Debt Limit:							
Outstanding Debt Beginning of Fiscal Year*.....	$ 9,526,884	$ 10,132,660	$ 10,900,281	$ 11,680,757	$ 12,410,386	$ 12,945,548	$ 13,445,362
Debt to be Issued**.....	1,495,870	1,430,000	1,485,000	1,472,000	1,334,000	1,357,000	1,380,000
Debt to be Retired***.....	-890,094	-662,379	-704,524	-742,371	-798,838	-857,186	-884,396
Outstanding Debt End of Fiscal Year*.....	$ 10,132,660	$ 10,900,281	$ 11,680,757	$ 12,410,386	$ 12,945,548	$ 13,445,362	$ 13,940,966
Debt Limit (from below).....	61,334,564	62,290,326	65,316,953	69,881,397	74,764,179	80,659,234	86,747,670
Capital Budget Debt as a percent of Debt Limit.....	16.5%	17.2%	17.9%	17.8%	17.3%	16.7%	16.1%
Calculation of Debt Limit:							
Average Tax Revenues Previous Five Years.....	$ 35,048,322	$ 35,594,472	$ 37,323,973	$ 39,932,227	$ 42,722,388	$ 46,090,991	$ 49,570,097
Debt Limit (1.75 times revenues).	61,334,564	62,290,326	65,316,953	69,881,397	74,764,179	80,659,234	86,747,670

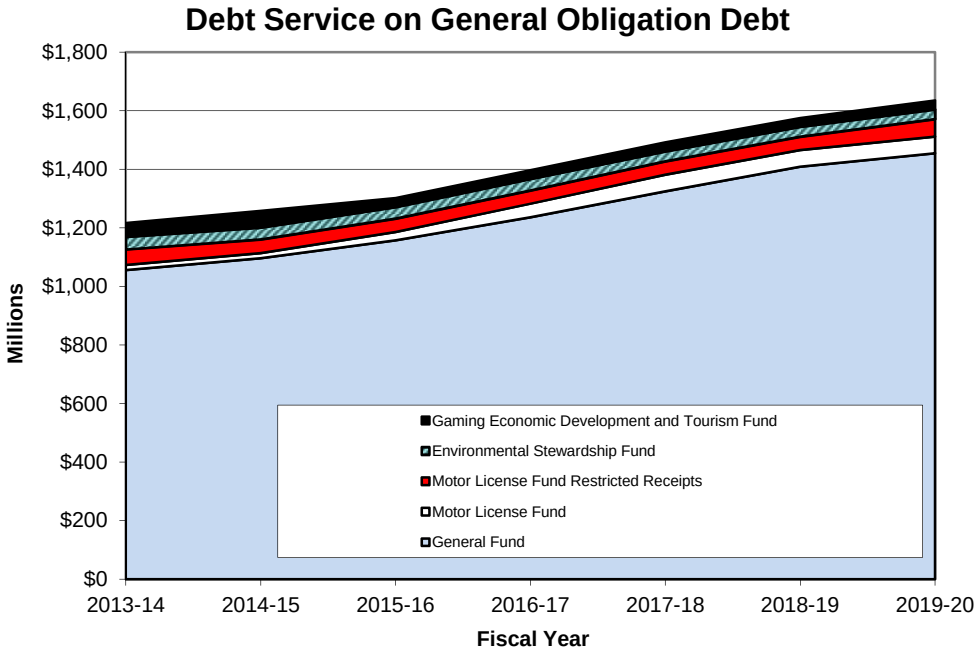
* Actual year amount is net of June 30 Capital Debt Fund balance.

** Actual year amount includes refunding bonds of $230,870.

*** Actual year amount includes $250,625 in bonds refunded.

DEBT SERVICE ON GENERAL OBLIGATION DEBT
2013-14 Through 2019-20

This table shows the estimated debt service payable by the commonwealth on currently outstanding general obligation bonds and on projected general obligation bond issues.



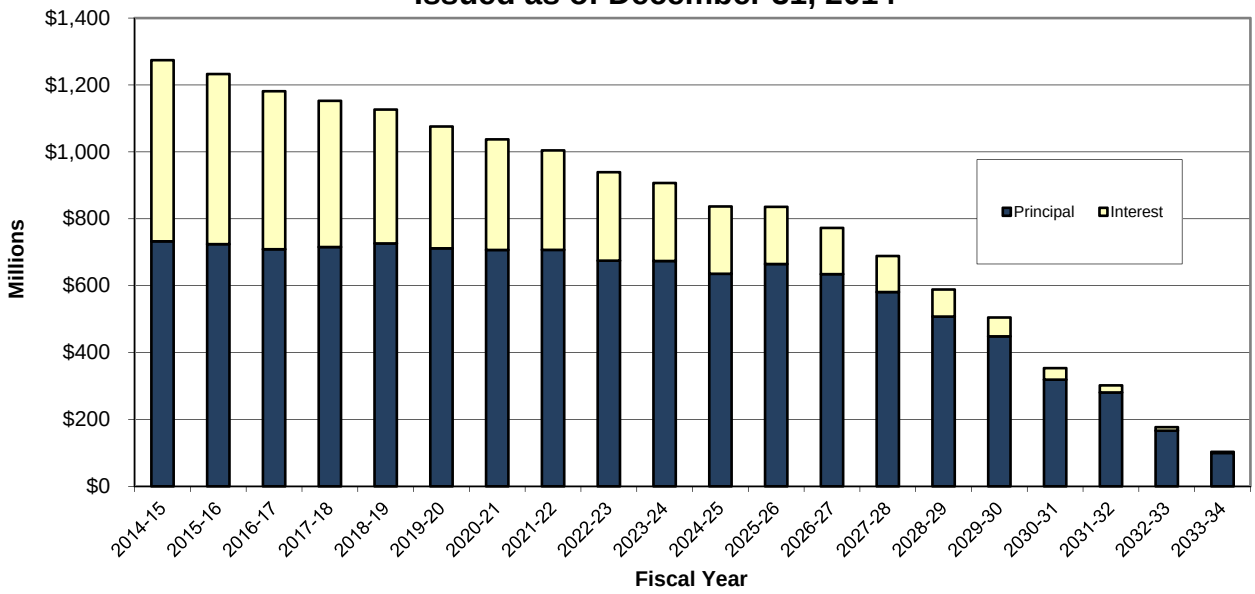
(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Estimated	2015-16 Budget	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated
General Fund							
Capital Budget Non-Highway	$ 1,011,033	$1,050,025	$1,110,155	$ 1,191,057	$1,279,766	$1,369,096	$ 1,415,391
Voter Approved and Disaster	44,666	46,475	46,845	45,263	45,052	39,774	39,362
Subtotal	$ 1,055,699	$1,096,500	$1,157,000	$ 1,236,320	$1,324,818	$1,408,870	$ 1,454,753
Environmental Stewardship Fund							
Growing Greener II	$ 42,736	$ 40,201	$ 39,964	$ 39,217	$ 34,256	$ 33,958	$ 32,925
Gaming Economic Development and Tourism Fund							
Pennsylvania Convention Center	$ 47,074	$ 56,787	$ 30,000	$ 30,000	$ 30,000	$ 30,000	$ 30,000
Motor License Fund							
Capital Budget -- Highways	$ 748	$ 0	$ 11,635	$ 29,283	$ 40,061	$ 40,058	$ 40,055
Capital Budget	17,001	16,936	16,968	16,921	16,921	16,921	16,854
Subtotal	$ 17,749	$ 16,936	$ 28,603	$ 46,204	$ 56,982	$ 56,979	$ 56,909
Motor License Fund Restricted Rec.							
Highway Bridge Improvement -- Cap. Bdgt.	$ 52,942	$ 47,152	$ 45,571	$ 45,449	$ 45,362	$ 45,292	$ 60,377
TOTAL	$ 1,216,200	$1,257,576	$1,301,137	$ 1,397,190	$1,491,417	$1,575,098	$ 1,634,964

ANNUAL DEBT SERVICE ON OUTSTANDING GENERAL OBLIGATION BONDS
Bonds Issued as of December 31, 2014

Fiscal year principal and interest payments on general obligation bonds issued as of the end of calendar year 2014 are shown in the table below. Debt service on projected bond issues is excluded from this data.

Principal and Interest on Outstanding Bonds Issued as of December 31, 2014



General Obligation Bond Annual Debt Service

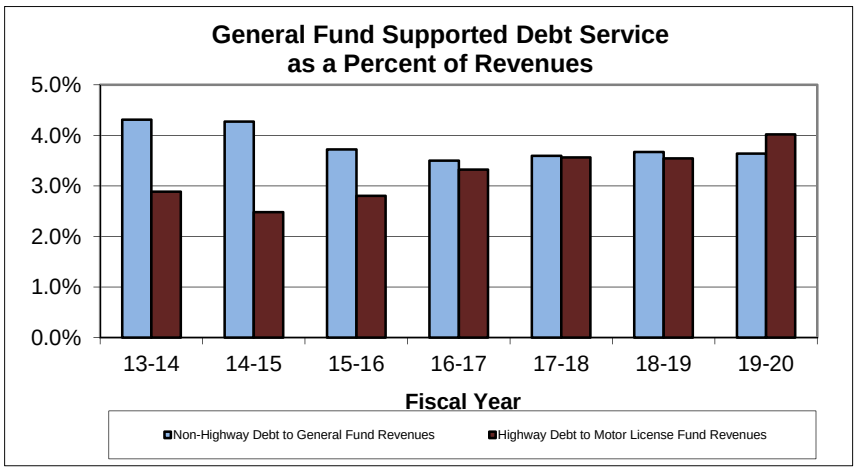
(Dollar Amounts in Thousands)

	Capital Budget (Non-highway)			Capital Budget (Highway)			Voter Approved and Disaster			Grand
Fiscal Year	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Total
2014-15	$ 645,849	$ 445,235	$ 1,091,084	$ 16,530	$ 36,223	$ 52,753	$ 70,166	$ 60,061	$ 130,227	$ 1,274,064
2015-16	642,395	415,607	1,058,002	16,420	35,352	51,772	65,175	57,624	122,799	1,232,573
2016-17	631,360	383,449	1,014,809	17,120	34,530	51,650	60,355	54,394	114,749	1,181,208
2017-18	636,860	352,027	988,887	17,890	33,673	51,563	60,630	51,416	112,046	1,152,496
2018-19	645,850	319,241	965,091	18,715	32,777	51,492	61,580	48,297	109,877	1,126,460
2019-20	605,270	287,459	892,729	34,850	31,673	66,523	71,465	45,072	116,537	1,075,789
2020-21	595,745	258,986	854,731	36,480	30,031	66,511	74,480	41,670	116,150	1,037,392
2021-22	580,355	230,983	811,338	47,355	28,282	75,637	79,220	38,124	117,344	1,004,318
2022-23	540,785	204,144	744,929	49,640	26,007	75,647	84,280	34,317	118,597	939,173
2023-24	532,000	179,281	711,281	52,535	23,591	76,126	89,115	30,383	119,498	906,905
2024-25	488,730	154,345	643,075	55,170	21,008	76,178	91,565	25,871	117,436	836,688
2025-26	508,440	131,200	639,640	58,015	18,238	76,253	98,175	21,495	119,670	835,563
2026-27	479,725	106,408	586,133	61,035	15,271	76,306	93,545	16,602	110,147	772,586
2027-28	439,055	83,279	522,334	64,215	12,117	76,332	77,590	12,381	89,971	688,637
2028-29	379,205	63,270	442,475	67,640	8,720	76,360	60,595	8,944	69,539	588,374
2029-30	334,550	45,080	379,630	55,240	5,252	60,492	58,585	5,970	64,555	504,677
2030-31	248,225	28,862	277,087	31,595	2,402	33,997	39,130	3,046	42,176	353,260
2031-32	234,790	18,474	253,264	18,830	1,274	20,104	26,880	1,519	28,399	301,767
2032-33	142,815	9,274	152,089	9,610	504	10,114	13,970	674	14,644	176,848
2033-34	94,285	3,134	97,419	3,090	107	3,197	2,310	116	2,426	103,042

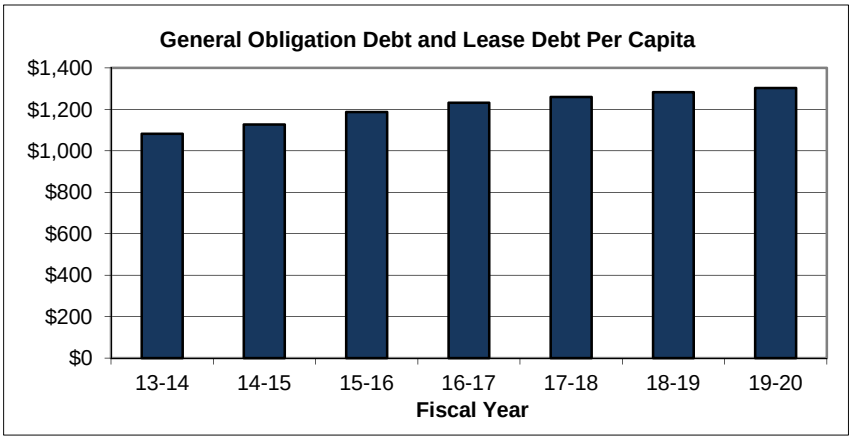
TRENDS IN DEBT SERVICE AND DEBT RATIOS
2013-14 Through 2019-20

The charts portray projections for indicators of the cost of projected annual debt service and the burden of projected debt outstanding. Debt service and outstanding debt includes general obligation debt and debt secured by lease rental payments or operating subsidies from various commonwealth departments.

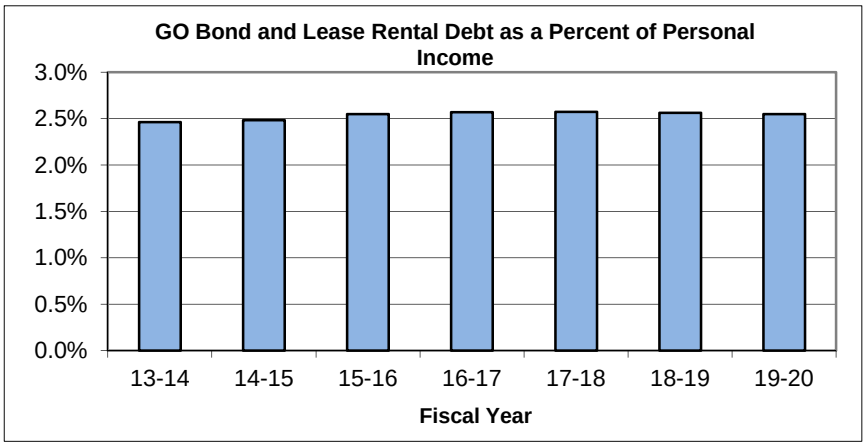
General Fund debt service as a percent of revenues remains below Standard & Poors criteria of 5% for issuers considered to have a "low debt burden."



Per capita debt levels remain relatively low, although the lack of population growth in the commonwealth affects per capita levels.



Growing personal income keeps the planned bond issuance affordable.



OUTSTANDING INDEBTEDNESS OF PENNSYLVANIA AGENCIES AND AUTHORITIES

The indebtedness of the following agencies and authorities is not an obligation of the Commonwealth of Pennsylvania but represents the debt of those agencies and authorities created by the commonwealth for a public purpose. These obligations are not considered as debt under Article VIII of the State Constitution.

	Bonds and Notes as of 12/31/14 (in millions)
Commonwealth Financing Authority Created to promote health, safety, employment, business opportunities, economic activity and the general welfare of the commonwealth. Debt service on the bonds is paid from revenues of the authority.	$ 1,611.9
Delaware River Joint Toll Bridge Commission Created by Pennsylvania and New Jersey to construct, operate and maintain bridges crossing the upper Delaware River. Debt service on the bonds is paid from tolls and other revenues of the commission.	329.3
Delaware River Port Authority Created by Pennsylvania and New Jersey to control and operate bridges crossing the Delaware River, it may construct or acquire other bridges, tunnels and other projects for port improvement and development. The authority operates a rapid transit system, which it constructed. Debt service on the bonds is paid from tolls, fares, rents and other revenue of the authority.	1,584.9
Pennsylvania Economic Development Financing Authority Created to offer pooled bond issues of both taxable and tax-exempt bonds on behalf of local industrial and commercial development authorities for economic development projects. Debt service on the bonds is paid by loan interest and repayments and other authority revenues.	6,030.8
Pennsylvania Energy Development Authority Makes or guarantees loans for energy projects including the conversion and technological improvement of energy systems utilizing Pennsylvania coal or renewable energy resources. Debt service on the bonds is paid from the revenues of the authority.	0.0
Pennsylvania Higher Education Assistance Agency Makes or guarantees student loans for graduate and undergraduate programs to students or parents, lending institutions or postsecondary institutions. Debt service on the bonds is paid by loan interest and repayments and by other agency revenues.	6,995.7
Pennsylvania Higher Educational Facilities Authority Acquires, constructs, improves and leases (as lessor) college facilities and makes loans to colleges and universities within the commonwealth. Debt service on the bonds is paid from rentals and from loan repayments collected for the use of the facilities.	6,643.9
Pennsylvania Housing Finance Agency Makes construction and permanent mortgage loans to qualified borrowers for the purchase and construction of multi and single family housing for low and moderate income persons or families. Debt service on the bonds is paid from mortgage loan interest and repayments and further secured by a "moral obligation" of the Commonwealth.	3,203.2
Pennsylvania Industrial Development Authority Makes mortgage loans to local nonprofit industrial development agencies for the financing of industrial development projects. Debt service on the bonds is paid from loan interest and repayments and other authority revenues.	216.1
Pennsylvania Infrastructure Investment Authority Provides low interest rate loans and grants for constructing new and for improving existing water supply and sewage disposal systems. Loans and grants are available to local governments and, in certain circumstances, to private companies. The bonds are secured by principal repayments and interest payments on loans.	0.0
Pennsylvania Turnpike Commission Constructs, maintains and operates the Pennsylvania Turnpike. Debt service on the bonds is paid from tolls and other revenue sources of the commission.	9,653.8
Philadelphia Regional Port Authority Operates port facilities in Bucks and Delaware counties, and the City of Philadelphia. Debt service on the bonds is paid by a pledge of the authority's revenues, rentals and receipts.	23.9
State Public School Building Authority Constructs, improves, equips and makes loans to local school districts for school facilities. Debt service on the bonds is paid from rentals collected for the use of the facilities and from loan repayments.	3,177.8
TOTAL	$ 39,471.3

Commonwealth of Pennsylvania

Governor's Executive Budget

Other Special Funds

This section provides information and financial data for the more than 150 Other Special Funds contributing revenue to the commonwealth's operating budget. The funds included here were created to more closely relate specific revenue sources to specific programs or to support particular government programs or activities. This information is presented to demonstrate the magnitude and complexity of the commonwealth's financial structure as well as provide important details about the various funds. Additional information on Other Special Funds expenditures can be found in Section E Department Presentations in each agency's Summary by Fund and Appropriation statement.

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OTHER SPECIAL FUNDS

This section contains a brief presentation of all active commonwealth funds not given an expanded treatment in the other sections of the budget. In a limited number of cases certain expenditures from funds presented in this section are included in other presentations.

Generally, the commonwealth uses a modified cash basis of accounting for financial reporting where certain revenues are reported when collected and, for certain taxes, when accrued and expenditures are reported when disbursed or committed.

For the funds included in this section, all financial data shown herein is on a calculated cash basis. Receipts include only those items actually received and credited to the funds by the Department of Revenue. Several funds carrying long-term investments show an investment adjustment to reflect the current market value of those investments as of June 30. Disbursements are recorded at the time payment requisitions and invoices are posted to the commonwealth's accounting system and do not include commitments or encumbrances.

The cash beginning and ending balances reported through this format may differ from the actual cash balance in Treasury and/or the cash general ledger account in the commonwealth's accounting system due to timing differences, but the calculated cash balances reported provide an accurate reflection of the true cash position of the fund.

The vast majority of the commonwealth's day-to-day activities are financed from the General Fund. However, over time a large number of other funds have been created to more closely relate specific revenue sources to specific programs or to identify particular government programs or activities. These special funds are categorized into groups to aid in identifying their purpose. The groups are defined as follows:

Governmental Funds: Collectively these funds account for and report activities that are associated with routine, ordinary governmental functions and are financed largely by tax and grant revenues. The group includes the General Fund, Special Revenue Funds, Capital Project Funds and Debt Service Funds.

Special Revenue Funds — These funds are used to account for revenues from specific taxes or other earmarked revenue sources, which by law are designated to finance particular functions or activities.

Capital Project Funds — Bond funds are used to account for the receipt and disbursement of bond sale proceeds that normally finance the construction or acquisition of designated fixed assets.

Debt Service Funds — These funds account for the accumulation of resources, principally from transfers from other funds, for the payment of general long-term debt principal and interest.

Proprietary Funds: Include Enterprise Funds and Internal Service Funds. Such funds account for and report activities the way a private business or industry would. They include such activities as sale of goods or services, and lending and other financing activities where purchasers or customers pay a charge or a user fee.

Enterprise Funds — These funds accommodate the operation of public service programs financed wholly or mostly by user charges, or where the periodic determination of net income is deemed appropriate.

Internal Service Funds — These funds account for the financing of goods or services provided by one department or agency on a cost-reimbursement basis to other departments or agencies within the commonwealth or to other governmental units.

Fiduciary Funds: These funds are used to account for assets held by the commonwealth as trustee or agent for individuals, private organizations and other government units.

The special funds are categorized on the next two pages.

SPECIAL FUND CATEGORIES
Governmental Funds – Special Revenue Funds

Acid Mine Drainage Abatement and Treatment Fund
Administration Fund
Agricultural College Land Scrip Fund
Agricultural Conservation Easement Purchase Fund
Anthracite Emergency Bond Fund
Automobile Theft Prevention Trust Fund
Banking Fund
Ben Franklin Tech Development Authority Fund
Boat Fund
Broadband Outreach and Aggregation Fund
Budget Stabilization Reserve Fund
Capitol Restoration Trust Fund
Catastrophic Loss Benefits Continuation Fund
Children's Trust Fund
Cigarette Fire Safety & Firefighter Protection Act Enforcement Fund
Clean Air Fund
Coal Lands Improvement Fund
Community College Capital Fund
Compulsive and Problem Gambling Treatment Fund
Conrad Weiser Memorial Park Trust Fund
Conservation District Fund
DNA Detection Fund
Educational Assistance Program Fund
Emergency Medical Services Operating Fund
Energy Conservation and Assistance Fund
Energy Development Fund
Environmental Education Fund
Environmental Stewardship Fund
Farm Products Show Fund
Fire Insurance Tax Fund
Fish Fund
Game Fund
Gov Robert P. Casey Organ & Tissue Donation Awareness Trust Fund
Growing Greener Bond Fund
Hazardous Material Response Fund
Hazardous Sites Cleanup Fund
Higher Education Assistance Fund
Highway Beautification Fund
HOME Investment Trust Fund
Homeowners Assistance Settlement Fund
Housing Affordability and Rehabilitation Enhancement Fund
Industrial Development Fund
Industrial Sites Cleanup Fund
Insurance Fraud Prevention Trust Fund
Insurance Regulation and Oversight Fund
Job Training Fund
Justice Reinvestment Fund
Marcellus Legacy Fund
Medical Care Availability & Reduction of Error Fund
Milk Marketing Fund
Mine Safety Fund
Monetary Penalty Endowments Fund
Motor Vehicle Transaction Recovery Fund
Multimodel Transportation Fund
Municipalities Financial Recovery Revolving Aid Fund
Non-Coal Surface Mining Conservation and Reclamation Fund
Nutrient Management Fund
Oil and Gas Lease Fund
Patient Safety Trust Fund
Pennsylvania Economic Revitalization Fund
Pennsylvania eHealth Partnership Fund
Pennsylvania Gaming Economic Development and Tourism Fund
Pennsylvania Historical & Museum Commission Trust
Pennsylvania Race Horse Development Fund
Pennsylvania Veterans Memorial Trust Fund
PENNVEST Bond Authorization Fund
PENNVEST Drinking Water Revolving Fund
PENNVEST Fund
PENNVEST Non-Revolving Equity Fund
PENNVEST Revolving Fund
PENNVEST Trustee Fund
PENNVEST Water Pollution Control Revolving Fund
Persian Gulf Conflict Veterans' Comp Bond Fund
Pharmaceutical Assistance Fund
Philadelphia Regional Port Authority Fund
Port of Pittsburgh Commission Fund
Property Tax Relief Fund
Public Transportation Assistance Fund
Public Transportation Trust Fund
Racing Fund
Real Estate Recovery Fund
Recycling Fund
Remining Financial Assurance Fund
Self-Insurance Guaranty Fund
Solid Waste-Resource Recovery Development Fund
Special Administration Fund
State College Experimental Farm Fund
State Gaming Fund
State Insurance Fund
State School Fund
State Treasury Armory Fund
Storage Tank Fund
Substance Abuse Education & Demand Reduction
Surface Mining Conservation and Reclamation Fund
Tobacco Settlement Fund
Treasury Initiative Support Fund
Unconventional Gas Well Fund
Underground Storage Tank Indemnification Fund
Uninsured Employers Guaranty Fund
Vocational Rehabilitation Fund
Water and Sewer Systems Assistance Bond Fund
Water Supply and Wastewater Treatment Fund
Wild Resources Conservation Fund
Wireless E-911 Emergency Services Fund
Workers' Compensation Security Fund
Workmen's Compensation Administration Fund
Workmen's Compensation Supersedeas Fund

SPECIAL FUND CATEGORIES

Governmental Funds – Capital Project Funds

Capital Facilities Fund
Keystone Recreation, Park and Conservation Fund
Land and Water Development Fund

Governmental Funds – Debt Service Funds

Capital Debt Fund
Growing Greener Bond Sinking Fund
Land and Water Development Sinking Fund
Local Criminal Justice Sinking Fund
PENNVEST Redemption Fund
Persian Gulf Conflict Veterans' Comp Sinking Fund
Tax Note Sinking Fund
Water & Sewer System Assist Bond Sinking Fund
Water Supply & Wastewater Treatment Sinking Fund

Proprietary Funds – Enterprise Funds

Coal and Clay Mine Subsidence Insurance Fund
Employment Fund for the Blind
Historical Preservation Fund
Local Government Capital Project Loan Fund
Machinery and Equipment Loan Fund
Minority Business Development Fund
Pennsylvania Infrastructure Bank
Philadelphia Taxicab&Limousine Regulatory Fund
Philadelphia Taxicab Medallion Fund
Rehabilitation Center Fund
Small Business First Fund
State Restaurant Fund
State Stores Fund
State Worker's Insurance Fund
Tuition Account Guaranteed Savings Program Fund
Unemployment Comp Benefit Payment Fund
Unemployment Compensation Contribution Fund
Unemployment Compensation Debt Service Fund
Veterans Trust Fund
Volunteer Companies Loan Fund

Proprietary Funds – Internal Service Funds

Manufacturing Fund
Purchasing Fund

Fiduciary Funds

Benefit Completion Fund
City Revitalization and Improvement Fund
Deferred Compensation Fund
Deferred Compensation Fund Short-Term Portfolio
Insurance Liquidation Fund
Liquid Fuels Tax Fund
Liquor License Fund
Local Cigarette Tax Fund
Municipal Pension Aid Fund
Neighborhood Improvement Zone Fund
Pennsylvania Municipal Retirement Fund
Rightful Owners' Claims Payment Fund
School Employees' Retirement Fund
School Retirees' Health Insurance Fund
State Employees' Retirement Fund
Tuition Account Investment Program Fund

Acid Mine Drainage Abatement and Treatment Fund

This fund was created in 1992 to receive money authorized by Title IV of the Federal Surface Mining Control and Reclamation Act. This fund receives up to ten percent of the commonwealth's federal Title IV grant for abandoned mine reclamation. Funds are used for acid mine drainage abatement and treatment.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 52,535**	**$ 62,451**	**$ 63,650**
Receipts:			
Federal Receipts	$ 15,940	$ 13,436	$ 11,850
Interest	510	1,199	1,199
Total Receipts	16,450	14,635	13,049
Total Funds Available	**$ 68,985**	**$ 77,086**	**$ 76,699**
Disbursements:			
Environmental Protection	$ 6,534	$ 13,436	$ 11,850
Total Disbursements	-6,534	-13,436	-11,850
Cash Balance, Ending	**$ 62,451**	**$ 63,650**	**$ 64,849**

Administration Fund

This fund was created for the administrative costs associated with the Unemployment Compensation Law and the state system of public employment offices (Office of Employment Security). While the fund can receive funds from any source, the majority of revenue results from monies requisitioned from the commonwealth's account in the Federal Unemployment Trust Fund.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 5,884**	**$ 2,169**	**$ 3,174**
Receipts:			
Federal Unemployment Trust Fund	$ 190,169	$ 269,000	$ 269,000
Federal — Other Funds	7,955	8,000	8,000
Interest	7	5	5
Other	1,010	1,620	1,620
Total Receipts	199,141	278,625	278,625
Total Funds Available	**$ 205,025**	**$ 280,794**	**$ 281,799**
Disbursements:			
Labor and Industry	$ 202,856	$ 277,620	$ 277,620
Total Disbursements	-202,856	-277,620	-277,620
Cash Balance, Ending	**$ 2,169**	**$ 3,174**	**$ 4,179**

Agricultural College Land Scrip Fund

This fund was established in 1862 with $500,000 received from the sale of lands and scrip which was donated to the commonwealth by an Act of Congress to establish a college for the benefit of Agriculture and the Mechanical Arts. The income derived from the investment of the monies in the fund plus appropriations which may be made from time to time by the General Assembly serve as revenue to the fund. Monies in this fund can be disbursed only for use by the officially designated land grant college (Pennsylvania State University) for the benefit of Agriculture and Mechanical Arts. Act 26 of 2011 established a restricted revenue account in the Fund for the Department of Agriculture.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 635**	**$ 621**	**$ 625**
Receipts:			
Transfer from General Fund	$ 46,237	$ 46,237	$ 46,237
Interest	5	4	4
Total Receipts	46,242	46,241	46,241
Total Funds Available	**$ 46,877**	**$ 46,862**	**$ 46,866**
Disbursements:			
Agriculture	$ 46,237	$ 46,237	$ 46,237
Treasury	19	0	0
Total Disbursements	-46,256	-46,237	-46,237
Cash Balance, Ending	**$ 621**	**$ 625**	**$ 629**

Agricultural Conservation Easement Purchase Fund

This fund was created by Act 64 of 1988 to implement the referendum approved by the electorate on November 8, 1988. That referendum authorized the commonwealth to incur indebtedness of $100 million to be used for farmland preservation through the purchase of agricultural conservation easements. Act 23 of 1992 increased the annual ceiling on easement purchases from bond sales from $20 to $25 million. All bonds authorized have been issued.

Act 89 of 2002 changed the annual transfer of cigarette tax revenues from the first two thirty-firsts of the cigarette tax to $20,485,000 to be made in two equal payments by July 15th and January 15th. Act 15 of 1999 created a supplemental program for farmland preservation. Beginning in 2005-06 the program receives a set percentage (14.8%) of the Environmental Stewardship Fund for the continued purchase of agricultural easements.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 25,910**	**$ 21,196**	**$ 23,995**
Receipts:			
Transfer of Cigarette Tax	$ 20,485	$ 20,485	$ 20,485
Transfer from Environmental Stewardship Fund	8,436	9,773	10,052
Interest	76	41	41
Total Receipts	28,997	30,299	30,578
Total Funds Available	**$ 54,907**	**$ 51,495**	**$ 54,573**
Disbursements:			
Agriculture	$ 33,711	$ 27,500	$ 30,000
Total Disbursements	-33,711	-27,500	-30,000
Cash Balance, Ending	**$ 21,196**	**$ 23,995**	**$ 24,573**

Anthracite Emergency Bond Fund

This fund was created by Act 171 of 1986 to provide loans for anthracite underground mine operators who cannot obtain necessary bonding or whose bonding has been cancelled due to insolvency or bankruptcy of the original bonding company. Revenues are provided by a fee for each ton of coal estimated by certain mine operations and payments made by operators in lieu of a bond. Act 173 of 1992 extended the program to anthracite surface mine operators.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 631**	**$ 644**	**$ 209**
Receipts:			
Operator Payments	$ 12	$ 12	$ 12
Interest	1	1	1
Total Receipts	13	13	13
Total Funds Available	**$ 644**	**$ 657**	**$ 222**
Disbursements:			
Environmental Protection	$ 0	$ 448	$ 76
Total Disbursements	0	-448	-76
Cash Balance, Ending	**$ 644**	**$ 209**	**$ 146**

Automobile Theft Prevention Trust Fund

The Automobile Theft Prevention Trust Fund was created by Act 171 of 1994. The purpose of the fund is to finance programs in the commonwealth to prevent, combat and reduce automobile theft as well as improve and support automobile theft prosecutions. Revenue to the fund consists of assessments on the insurance companies that conduct business in the commonwealth, interest earnings, and fines and penalties.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 0**	**$ 5**	**$ 5**
Receipts:			
Assessments	$ 6,977	$ 7,199	$ 7,199
Interest	4	1	1
Total Receipts	6,981	7,200	7,200
Total Funds Available	**$ 6,981**	**$ 7,205**	**$ 7,205**
Disbursements:			
Automobile Theft Prevention Authority	$ 6,976	$ 7,200	$ 7,200
Total Disbursements	-6,976	-7,200	-7,200
Cash Balance, Ending	**$ 5**	**$ 5**	**$ 5**

Banking Fund

The Banking Fund is a special revenue fund composed of monies received from fees, assessments, charges and penalties collected or recovered from persons, firms, corporations or associations under the supervision of the Department of Banking and Securities. It provides for the administration of the Department of Banking and Securities and regulation of the financial services industry. During 2013-14, Act 86 of 2012 provided for a transfer of $2,500,000 to the Institution Resolution Account within the Banking Fund. These funds are to be used at the discretion of the Secretary of Banking and Securities in the event of a seizure or liquidation of a financial institution, association or credit union.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 14,810**	**$ 17,435**	**$ 16,038**
Receipts:			
Licenses and Fees	$ 18,666	$ 19,753	$ 22,870
Fines and Penalties	1,593	400	400
Interest	274	287	287
Other	750	600	400
Total Receipts	21,283	21,040	23,957
Total Funds Available	**$ 36,093**	**$ 38,475**	**$ 39,995**
Disbursements:			
Banking and Securities	$ 18,658	$ 22,437	$ 23,178
Total Disbursements	-18,658	-22,437	-23,178
Cash Balance, Ending	**$ 17,435 a**	**$ 16,038 a**	**$ 16,817 a**

a Ending cash balance includes the following amounts in the Institution Resolution Restricted Account: 2013-14 Actual is $2,500,000, 2014-15 Available is $5,000,000 and 2015-16 Estimated is $7,000,000.

Ben Franklin Technology Development Authority Fund

Act 38 of 2001 created the Ben Franklin Technology Development Authority Fund. This fund merges the activities of the Ben Franklin Partnership and the Pennsylvania Technology Investment Authority (PTIA) under one authority. The Ben Franklin component assists small and medium sized technology, research and start-up companies to do applied research and development projects and to develop and introduce new products and processes. PTIA provides high-tech financing to small and medium-sized businesses; stimulates the adoption and expansion of electronic commerce; and coordinates and expands university-based research and development in high-tech fields. Revenue to the fund includes annual transfers from the General Fund, loan repayments and interest earnings.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 13,140**	**$ 8,416**	**$ 105,621**
Receipts:			
Transfer from General Fund	$ 14,500	$ 14,500	$ 14,500
Innovate in PA Tax Credit Sale Proceeds	0	100,000 a	0
Interest on Escrow	1,763	1,500	1,300
Loan Principal and Interest Repayments	0	500	500
Interest	51	26	20
Other	32	0	0
Total Receipts	16,346	116,526	16,320
Total Funds Available	**$ 29,486**	**$ 124,942**	**$ 121,941**
Disbursements:			
Community and Economic Development	$ 21,070	$ 19,321	$ 119,000 a
Total Disbursements	-21,070	-19,321	-119,000
Cash Balance, Ending	**$ 8,416**	**$ 105,621**	**$ 2,941**

a Reflects the sale of up to $100M in Innovate PA tax credits, sale pending.

Benefit Completion Fund

This fund was created in 2003 to accumulate reserves for the payment of pensions to eligible former state employees with a statutory benefit entitlement under the State Employees' Retirement Code that exceeds the limits of Section 415(b) of the Internal Revenue Code (IRC). Reserves in this fund are disbursed to members of the retirement system in accordance with the provision of IRC Section 415(m).

The fund receives revenue from employer contributions and interest income. Employer contributions are an actuarially determined percentage of payroll sufficient to fund the benefit payments of the forthcoming calendar year and the on-going expenses to administer the plan. Management of the fund and payment of benefits is overseen by the State Employees' Retirement Board.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 1,854**	**$ 4,325**	**$ 4,795**
Receipts:			
Employer Contributions	$ 4,569	$ 1,770	$ 1,787
Interest	5	6	6
Total Receipts	4,574	1,776	1,793
Total Funds Available	**$ 6,428**	**$ 6,101**	**$ 6,588**
Disbursements:			
State Employees' Retirement System	$ 2,103	$ 1,306	$ 1,381
Total Disbursements	-2,103	-1,306	-1,381
Cash Balance, Ending	**$ 4,325**	**$ 4,795**	**$ 5,207**

Boat Fund

The Boat Fund is a special revenue fund composed of monies from boating license fees, fines, penalties, federal contributions and other sources and from liquid fuel taxes transferred from the Motor License and Liquid Fuels Tax Funds. This fund provides for the administration and enforcement of programs relating to boats and boating activities.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 23,191**	**$ 22,255**	**$ 18,049**
Receipts:			
Licenses and Fees	$ 7,162	$ 7,047	$ 7,047
Fines and Penalties	273	200	200
Transfer from Motor License Fund	0	6,000	10,300
Transfer from Liquid Fuels Tax Fund	0	100	100
Federal Receipts	5,417	5,195	5,467
Interest	505	500	500
Other	30	130	130
Total Receipts	13,387	19,172	23,744
Total Funds Available	**$ 36,578**	**$ 41,427**	**$ 41,793**
Disbursements:			
Fish and Boat Commission	$ 14,323	$ 23,378	$ 26,682
Total Disbursements	-14,323	-23,378	-26,682
Cash Balance, Ending	**$ 22,255**	**$ 18,049**	**$ 15,111**

Broadband Outreach and Aggregation Fund

Act 183 of 2004 established the Broadband Outreach and Aggregation Fund to fund grants and outreach programs with the ultimate purpose of increasing broadband access in unserved or underserved areas. Deposits to the fund include assessments levied and collected by the Public Utility Commission (PUC) on certain local exchange telecommunications companies. Up to three percent of annual proceeds can be used by the agency for administrative costs. The total amount of the fund shall not exceed $5 million annually.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 3,296**	**$ 3,446**	**$ 284**
Receipts:			
Transfer from PUC	$ 447	$ 477	$ 475
Interest	6	5	6
Total Receipts	453	482	481
Total Funds Available	**$ 3,749**	**$ 3,928**	**$ 765**
Disbursements:			
Community and Economic Development	$ 303	$ 3,644	$ 765
Total Disbursements	-303	-3,644	-765
Cash Balance, Ending	**$ 3,446**	**$ 284**	**$ 0**

Budget Stabilization Reserve Fund

This fund was created on July 15, 2002 by Act 91 of 2002 to replace the Tax Stabilization Reserve Fund. The fund provides financial assistance to minimize future revenue shortfalls and deficits, and promote greater continuity and predictability in the funding of vital government services. It minimizes the need to increase taxes to balance the budget of the commonwealth during periods of economic distress. Act 91 provides revenue through an annual transfer of twenty-five percent of the General Fund's fiscal year ending surplus. If the fund's ending balance would equal or exceed six percent of actual General Fund revenues for the fiscal year in which the surplus occurs, the General Fund transfer would be reduced to ten percent. Act 53 of 2008 suspended the transfer of surplus funds for 2007-08. Act 50 of 2009 transferred $755 million to the General Fund in 2009-10. Act 46 of 2010 transferred $745,000 to the General Fund in 2010-11. Act 26 of 2011 suspended the transfer of surplus funds for 2010-11. Act 87 of 2012 suspended the transfer of surplus funds for 2011-12. Act 71 of 2013 suspended the transfer of surplus funds for 2012-13. Act 126 of 2014 suspended the transfer of surplus funds for 2013-14. This budget proposes to reinstate the transfer of 25 percent of the 2014-15 General Fund surplus to the reserve fund.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 61**	**$ 231**	**$ 236**
Receipts:			
Transfer from General Fund	$ 0	$ 0	$ 2,992
Interest	170	5	22
Total Receipts	170	5	3,014
Total Funds Available	**$ 231**	**$ 236**	**$ 3,250**
Disbursements:			
Transfer to General Fund	$ 0	$ 0	$ 0
Total Disbursements	0	0	0
Cash Balance, Ending	**$ 231**	**$ 236**	**$ 3,250**

Capital Debt Fund

Principal and interest payments on bonds issued for purposes of capital budget projects are paid from this fund. Annual appropriations from various funds for payment of interest and principal due on general obligation bonds are the primary sources of revenue. Funds in excess of interest and principal falling due in any one particular fiscal year may be used by the Board of Finance and Revenue to retire any other general obligation bonds issued to provide revenue to the Capital Facilities Fund.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 122,477**	**$ 145,873**	**$ 29,419**
Receipts:			
Transfer from Other Funds	$ 1,186,582	$ 956,829	$ 1,167,361
Refunding Bond Maturing Escrow Funds	970,218	73,723	46,968
Build America Bond Federal Subsidies	26,668	25,622	25,492
Interest on Securities	240	57	50
Total Receipts	2,183,708	1,056,231	1,239,871
Total Funds Available	**$ 2,306,185**	**$ 1,202,104**	**$ 1,269,290**
Disbursements:			
Treasury	$ 2,160,312	$ 1,172,685	$ 1,266,205
Total Disbursements	-2,160,312	-1,172,685	-1,266,205
Cash Balance, Ending	**$ 145,873**	**$ 29,419**	**$ 3,085**

Capital Facilities Fund

This fund is used to meet the financial costs of capital projects authorized by capital budget acts. Revenue for this fund comes principally from the sale of general obligation debt and interest earnings. Debt issued for this fund is subject to a debt limit equal to one and three quarter times the average of annual tax revenues in the preceding five fiscal years. This fund has at least one account for each category of capital projects. Interest earned on investment or deposit of monies in the fund is credited to the account in the fund to which such invested or deposited money was originally credited.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 172,788**	**$ 518,777**	**$ 551,327**
Receipts:			
Sale of Bonds	$ 1,265,166	$ 1,285,000	$ 1,290,000
Premium on Sale of Bonds	148,743	161,000	0
Cash Management Loan	275,000	250,000	0
Interest on Securities	735	750	750
Other	24,658	25,000	25,000
Total Receipts	1,714,302	1,721,750	1,315,750
Total Funds Available	**$ 1,887,090**	**$ 2,240,527**	**$ 1,867,077**
Disbursements:			
Community and Economic Development	$ 294,033	$ 335,000	$ 335,000
Conservation & Natural Resources	1,510	1,500	1,500
General Services	600,379	750,000	810,000
Transportation	192,544	200,000	200,000
Treasury	276,144	250,000	0
Other	3,703	152,700	168,700
Total Disbursements	-1,368,313	-1,689,200	-1,515,200
Cash Balance, Ending	**$ 518,777**	**$ 551,327**	**$ 351,877**

Capitol Restoration Trust Fund

This fund was created by Act 327 of 1982 to finance the maintenance, restoration, preservation and rehabilitation of artifacts, documents and other historical objects or resources located within and around or associated with the State Capitol Building, and the acquisition of artifacts, documents and other historical objects or resources which contribute to the historical significance of the State Capitol Building. This fund is administered by the Capitol Preservation Committee. Revenue is derived from gifts, donations and legacies of money from individuals, organizations, public or private corporations, and from the sale of commemorative medals and other items of a similar nature which promote the historic preservation and restoration of the State Capitol Building.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 422**	**$ 426**	**$ 418**
Receipts:			
Contribution & Sales	$ 8	$ 5	$ 5
Interest	1	1	1
Total Receipts	9	6	6
Total Funds Available	**$ 431**	**$ 432**	**$ 424**
Disbursements:			
Capitol Preservation Committee	$ 5	$ 14	$ 20
Total Disbursements	-5	-14	-20
Cash Balance, Ending	**$ 426**	**$ 418**	**$ 404**

Catastrophic Loss Benefits Continuation Fund

This fund was established by Act 24 of 1989 to replace the Catastrophic Loss Trust Fund. The purpose of the Catastrophic Loss Benefits Continuation Fund (CAT fund) is to pay all medical claims owed by the Catastrophic Loss Trust Fund. Monies in the former Catastrophic Loss Trust Fund were transferred to this fund effective July 1, 1989.

Act 13 of 2002 established the Medical Care Availability and Reduction of Error (Mcare) Fund and mandated that all surcharges levied and collected under the CAT fund be remitted to the Mcare Fund beginning in January 2004. Act 50 of 2009 redirected the surcharge to the General Fund for 2009-10 and 2010-11. Act 26 of 2011 redirected the surcharge to the General Fund for 2011-12 and for each fiscal year thereafter.

This fund will continue to pay claimants from its balance and interest earnings until no further obligations exist. The most recent actuarial report estimates final expenditure in 2089.

No obligation or expense of, or claim against, the fund constitutes a debt of the commonwealth or a charge against the General Fund or the Motor License Fund.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 91,094**	**$ 88,628**	**$ 85,078**
Receipts:			
Interest	$ 2,649	$ 2,153	$ 2,153
Other	150	699	0
Total Receipts	2,799	2,852	2,153
Total Funds Available	**$ 93,893**	**$ 91,480**	**$ 87,230**
Disbursements:			
Insurance	$ 5,265	$ 6,402	$ 6,276
Total Disbursements	-5,265	-6,402	-6,276
Cash Balance, Ending	**$ 88,628**	**$ 85,078**	**$ 80,954**

Children's Trust Fund

Act 151 of 1988 created the Children's Trust Fund. Revenue is generated by a $10 surcharge on marriage licenses and divorce applications. Expenditures are for community-based children's programs and services for child abuse and neglect prevention.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 2,165**	**$ 1,886**	**$ 1,576**
Receipts:			
Marriage/Divorce Surcharge	$ 1,076	$ 1,137	$ 1,137
Interest	5	3	3
Total Receipts	1,081	1,140	1,140
Total Funds Available	**$ 3,246**	**$ 3,026**	**$ 2,716**
Disbursements:			
Human Services	$ 1,360	$ 1,450	$ 1,400
Total Disbursements	-1,360	-1,450	-1,400
Cash Balance, Ending	**$ 1,886**	**$ 1,576**	**$ 1,316**

Cigarette Fire Safety and Firefighter Protection Act Enforcement Fund

Act 42 of 2008 provides for cigarette fire safety, for certification of compliance by manufacturers, for package markings, and for enforcement and penalties. Certification fees are collected by the Department of Revenue at a rate of $1,000 per brand family and $500 for each additional listing within a brand family. Penalties are charged for specified violations. The Attorney General's Office enforces the act.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 342**	**$ 355**	**$ 424**
Receipts:			
Fees	$ 12	$ 118	$ 19
Interest	1	1	1
Total Receipts	13	119	20
Total Funds Available	**$ 355**	**$ 474**	**$ 444**
Disbursements:			
Attorney General	$ 0	$ 50	$ 50
Total Disbursements	0	-50	-50
Cash Balance, Ending	**$ 355**	**$ 424**	**$ 394**

City Revitalization and Improvement Fund

The City Revitalization and Improvement Fund is a fiduciary fund established by Act 52 of 2013 which authorizes City Revitalization and Improvement Zones to provide economic development and job creation in cities with populations greater than 30,000. Each zone is comprised of parcels designated by the contracting authority constructing facilities in the zone. Through 2016, only two zones may be created, including a pilot program which is a zone in a township or borough having a population of at least 7,000 people. After 2016, two additional zones may be approved each year. Bonds are issued by the contracting authority and state and local taxes collected within a zone are used for program efforts and to repay debt service.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 0**	**$ 0**	**$ 0**
Receipts:			
Revenue	$ 0	$ 0	$ 10,400
Interest	0	0	30
Other	0	0	0
Total Receipts	0	0	10,430
Total Funds Available	**$ 0**	**$ 0**	**$ 10,430**
Disbursements:			
Community and Economic Development	$ 0	$ 0	$ 10,430
Total Disbursements	0	0	-10,430
Cash Balance, Ending	**$ 0**	**$ 0**	**$ 0**

Clean Air Fund

This fund was created to meet the provisions of Act 787 of 1959, as amended by Act 95 of 1992, to finance the attainment of air quality standards, the administration of the rules and regulations promulgated under these acts, the reduction of interstate air pollution transport and a program to assist businesses in meeting emission standards. Fines, civil penalties and fees from air pollution emitters, as well as appropriations from the General Assembly, federal or local governments and interest earnings are deposited in this fund.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 53,463**	**$ 47,775**	**$ 34,920**
Receipts:			
Fines and Penalties	$ 2,068	$ 2,000	$ 2,000
Fees	15,196	17,143	16,843
Interest	1,295	1,183	1,183
Other	5	271	50
Total Receipts	18,564	20,597	20,076
Total Funds Available	**$ 72,027**	**$ 68,372**	**$ 54,996**
Disbursements:			
Environmental Protection	$ 24,252	$ 33,452	$ 32,135
Total Disbursements	-24,252	-33,452	-32,135
Cash Balance, Ending	**$ 47,775**	**$ 34,920**	**$ 22,861**

Coal and Clay Mine Subsidence Insurance Fund

This fund was created by Act 484 of 1961 to provide insurance to home owners in mining areas against damages resulting from subsidence. Revenue is derived from premiums paid by policyholders for subsidence insurance. Act 155 of 2002 updated this insurance program by further defining and establishing coverage by insurance providers and requiring the Department of Environmental Protection to prepare an annual report on the program and insurance sales. Disbursements are used to cover the payment of insurance claims and commissions to insurance agents who forward insurance applications as outlined in Act 155. A sufficient balance in the fund must be maintained to provide adequate protection for the solvency of the fund.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 94,138**	**$ 97,251**	**$ 98,814**
Receipts:			
Premiums Collected	$ 5,243	$ 5,500	$ 5,750
Interest	1,778	1,950	1,950
Other	0	1	2
Total Receipts	7,021	7,451	7,702
Total Funds Available	**$ 101,159**	**$ 104,702**	**$ 106,516**
Disbursements:			
Environmental Protection	$ 3,908	$ 5,888	$ 5,727
Total Disbursements	-3,908	-5,888	-5,727
Cash Balance, Ending	**$ 97,251**	**$ 98,814**	**$ 100,789**

Coal Lands Improvement Fund

This fund was created by Act 117 of 1965 to finance the restoration of land acquired by the commonwealth through eminent domain or amicable methods which has been defaced by open pit or strip mining and has been declared a health hazard. Initially, the fund was provided a $1 million appropriation, but subsequent revenue is derived from the sale of restored land and interest on investments.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 2,784**	**$ 2,790**	**$ 2,532**
Receipts:			
Interest	$ 6	$ 4	$ 4
Total Receipts	6	4	4
Total Funds Available	**$ 2,790**	**$ 2,794**	**$ 2,536**
Disbursements:			
Environmental Protection	$ 0	$ 262	$ 100
Total Disbursements	0	-262	-100
Cash Balance, Ending	**$ 2,790**	**$ 2,532**	**$ 2,436**

Community College Capital Fund

This fund was established by Act 46 of 2005. Fund revenue consists of an appropriation from the General Fund for transfer to the Community College Capital Fund. Monies in this fund can be disbursed only for payment of the commonwealth's annual share of approved capital debt service and lease payments to Pennsylvania's community colleges.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 1,372**	**$ 2,430**	**$ 2,465**
Receipts:			
Transfer from General Fund	$ 48,869	$ 48,869	$ 48,869
Interest	41	35	35
Total Receipts	48,910	48,904	48,904
Total Funds Available	**$ 50,282**	**$ 51,334**	**$ 51,369**
Disbursements:			
Education	$ 47,852	$ 48,869	$ 48,869
Total Disbursements	-47,852	-48,869	-48,869
Cash Balance, Ending	**$ 2,430**	**$ 2,465**	**$ 2,500**

Compulsive and Problem Gambling Treatment Fund

Act 71 of 2004, the Pennsylvania Race Horse Development and Gaming Act, established the Compulsive and Problem Gambling Treatment Fund to support a compulsive and problem gambling program within the Department of Health. This program provides public education, awareness and training regarding both the problem of compulsive and problem gambling and its treatment and prevention. Act 1 of 2010 amended the funding for this program by increasing revenues provided based on the greater of $2 million or .002 multiplied by the gross terminal revenue of all active and operating gaming entities. It also provides for an annual $3 million transfer to the Compulsive and Problem Gambling Treatment Fund for drug and alcohol addiction treatment services in the Department of Health.

Act 50 of 2010 created the Department of Drug and Alcohol Programs and requires that all drug and alcohol funding previously allocated to the Department of Health be transferred to the Department of Drug and Alcohol Programs. As a result, beginning in 2012-13, these funds are allocated to the Department of Drug and Alcohol Programs.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 8,121**	**$ 8,694**	**$ 5,722**
Receipts:			
Transfer from the State Gaming Fund - Drug and Alcohol	$ 3,000	$ 3,000	$ 3,000
Transfer from the State Gaming Fund	5,242	4,384	4,800
Interest	23	14	5
Total Receipts	8,265	7,398	7,805
Total Funds Available	**$ 16,386**	**$ 16,092**	**$ 13,527**
Disbursements:			
Drug and Alcohol Programs	$ 7,692	$ 10,370	$ 8,800
Total Disbursements	-7,692	-10,370	-8,800
Cash Balance, Ending	**$ 8,694**	**$ 5,722**	**$ 4,727**

Conrad Weiser Memorial Park Trust Fund

This fund was created to provide for control, management, supervision, restoration and improvement of the Conrad Weiser Memorial Park, Berks County. Source of revenue for the fund is interest from the $20,000 perpetual endowment created by the estate of Colonel Conrad Weiser.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 93**	**$ 94**	**$ 74**
Receipts:			
Interest	$ 1	$ 0	$ 0
Total Receipts	1	0	0
Total Funds Available	**$ 94**	**$ 94**	**$ 74**
Disbursements:			
Historical and Museum Commission	$ 0	$ 20	$ 0
Total Disbursements	0	-20	0
Cash Balance, Ending	**$ 94**	**$ 74**	**$ 74**

Conservation District Fund

Act 110 of 2006 created the Conservation District Fund to assist local conservation districts in the conservation of soil, water and natural resources. Revenue may be provided from state appropriations, federal appropriations, interest earnings and other funds available to the State Conservation Commission. Act 13 of 2012 provided for the collection and distribution of unconventional gas well impact fees, including tranfers to conservation districts from the Public Utility Commission. Fifty percent of the Act 13 revenue is distributed directly by the Public Utility Commission in equal payments to all county conservation districts. The remaining fifty percent of this revenue is deposited into the Conservation District Fund to provide additional conservation district support.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 3,418**	**$ 5,238**	**$ 3,874**
Receipts:			
Transfer from General Fund	$ 3,375	$ 3,375	$ 3,375
Transfer from Unconventional Gas Well Fund	3,750	3,844	3,940
Interest	10	6	6
Total Receipts	7,135	7,225	7,321
Total Funds Available	**$ 10,553**	**$ 12,463**	**$ 11,195**
Disbursements:			
Environmental Protection	$ 3,538	$ 4,969	$ 4,476
Agriculture	1,777	3,620	2,839
Total Disbursements	-5,315	-8,589	-7,315
Cash Balance, Ending	**$ 5,238**	**$ 3,874**	**$ 3,880**

Deferred Compensation Fund

Act 81 of 1987 established the Commonwealth Deferred Compensation Program. The program enables commonwealth employees to defer a portion of their salaries into a retirement savings plan. The State Employees' Retirement System is responsible for administration of the act.

Contributions to the fund began in 1988. The disbursements shown under the Executive Offices are employee contribution funds transferred to one of the investment plan options. Those funds, together with the interest they earn, are available to employees upon retirement.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 3,973**	**$ 32,428**	**$ 21,930**
Receipts:			
Employee Contributions	$ 123,198	$ 125,662	$ 128,176
Premium on Sale of Securities	-225	-227	-229
Net Investments	31,066 [a]	30,435 [a]	31,021 [a]
Total Receipts	154,039	155,870	158,968
Total Funds Available	**$ 158,012**	**$ 188,298**	**$ 180,898**
Disbursements:			
Benefits and Rollovers	$ 107,333	$ 101,966	$ 96,868
Fees and Expenses	18,251	64,402	61,182
Total Disbursements	-125,584	-166,368	-158,050
Cash Balance, Ending	**$ 32,428**	**$ 21,930**	**$ 22,848**

[a] Includes interest earned on funds controlled by SERS and the Treasury Department.

Deferred Compensation Fund — Short-Term Portfolio

Act 81 of 1987 established the Commonwealth Deferred Compensation Program. The program enables commonwealth employees to defer a portion of their salaries into a retirement savings plan. Available for the employees' investment selection is the Treasury Short-Term Money Market Account. In order to maintain the identity of the investments and deferred compensation contributions, the Deferred Compensation Fund - Short-Term Portfolio was established.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 51,571**	**$ 53,987**	**$ 53,432**
Receipts:			
Transfers from Deferred Compensation Fund	$ 9,235	$ 9,327	$ 9,513
Interest	85	78	78
Total Receipts	9,320	9,405	9,591
Total Funds Available	**$ 60,891**	**$ 63,392**	**$ 63,023**
Disbursements:			
State Employees' Retirement System	$ 6,904	$ 9,960	$ 8,531
Total Disbursements	-6,904	-9,960	-8,531
Cash Balance, Ending	**$ 53,987**	**$ 53,432**	**$ 54,492**

DNA Detection Fund

The DNA Detection Fund was created by Act 14 of Special Session One of 1995 to account for the collection and processing of Deoxyribonucleic Acid (DNA) samples by State Police from individuals convicted, adjudicated delinquent or granted accelerated rehabilitation disposition for a felony sex offense or other specified offense. Revenues are derived from mandatory fees which are assessed on sexual offenders. Expenditures are made to establish and maintain a DNA database and DNA bank. Act 57 of 2002 reestablished this fund as well as the State DNA Data Base and State DNA Data Bank. Additional requirements provide for testing and the imposition of related costs on certain offenders, while further defining the apportionment of liability and damages against defendants.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 10,055**	**$ 10,160**	**$ 9,255**
Receipts:			
Assessments	$ 1,954	$ 2,000	$ 2,000
Interest	20	15	15
Total Receipts	1,974	2,015	2,015
Total Funds Available	**$ 12,029**	**$ 12,175**	**$ 11,270**
Disbursements:			
State Police	$ 1,869	$ 2,920	$ 4,191
Total Disbursements	-1,869	-2,920	-4,191
Cash Balance, Ending	**$ 10,160**	**$ 9,255**	**$ 7,079**

Educational Assistance Program Fund

The Educational Assistance Program Fund was established in Act 212 of 2004 to fund the Educational Assistance Program for members of the National Guard.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 3,503**	**$ 6,137**	**$ 4,210**
Receipts:			
Transfer from General Fund	$ 12,870	$ 9,500	$ 9,500
Interest	18	3	3
Total Receipts	12,888	9,503	9,503
Total Funds Available	**$ 16,391**	**$ 15,640**	**$ 13,713**
Disbursements:			
Military and Veterans Affairs	$ 10,254	$ 11,430	$ 11,500
Total Disbursements	-10,254	-11,430	-11,500
Cash Balance, Ending	**$ 6,137**	**$ 4,210**	**$ 2,213**

Emergency Medical Services Operating Fund

The fund was created by the Emergency Medical Services Act, Act 45 of 1985, to assist in activities relating to the prevention and reduction of premature death and disability in the commonwealth; to provide assistance, coordination and support of the development and maintenance of the comprehensive emergency medical services system; to determine qualifications, eligibility and certification of emergency medical services personnel; and to fund ambulance services. Revenue is derived from a $10 fine levied on all moving traffic violations and a $25 fee imposed on persons admitted to programs for Accelerated Rehabilitation Disposition (ARD) related to driving under the influence of drugs and/or alcohol. The initial legislation that supported the revenue for these programs expired on January 1, 2014. Act 126 of 2013 restored the $10 surcharge funding that had been set to expire on January 1, 2014.

These fines are in addition to other fines imposed at the discretion of the court. This statement includes both the Emergency Medical and Catastrophic Medical and Rehabilitation components of the act.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 13,187**	**$ 13,376**	**$ 9,831**
Receipts:			
Fines	$ 12,556	$ 12,500	$ 12,500
Interest	299	318	318
Total Receipts	12,855	12,818	12,818
Total Funds Available	**$ 26,042**	**$ 26,194**	**$ 22,649**
Disbursements:			
Health	$ 12,666	$ 16,363	$ 14,400
Total Disbursements	-12,666	-16,363	-14,400
Cash Balance, Ending	**$ 13,376**	**$ 9,831**	**$ 8,249**

Employment Fund for the Blind

This fund was created in 1967 to make loans to persons who are blind to purchase equipment, stock, merchandise and accessories necessary to put into operation vending or refreshment stands or other suitable business enterprises in suitable locations to be leased or arranged for by state agencies. Act 15 of 1999 transferred the authority to administer the fund from the Department of Human Services to the Department of Labor and Industry.

Monies credited to this fund include: (1) repayment of money advanced to persons who are blind for the purchase of merchandise, equipment, stock and accessories; (2) rental fees paid by persons who are blind for leasing equipment and accessories purchased, owned, installed and maintained by the Department of Labor and Industry; (3) a percentage of the profits from vending machines in state buildings where a restaurant or cafeteria is operated by the Department of General Services; and (4) any grants or contributions from the federal government.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 2,211**	**$ 2,137**	**$ 2,047**
Receipts:			
Vending Stand Equipment Rentals	$ 570	$ 241	$ 241
Vending Machine Receipts	171	466	466
Interest	6	3	3
Total Receipts	747	710	710
Total Funds Available	**$ 2,958**	**$ 2,847**	**$ 2,757**
Disbursements:			
Labor and Industry	$ 821	$ 800	$ 800
Total Disbursements	-821	-800	-800
Cash Balance, Ending	**$ 2,137**	**$ 2,047**	**$ 1,957**

Energy Conservation and Assistance Fund

This fund was created by Act 122 of 1986 to receive all oil overcharge settlements including the uncommitted balance of settlements received prior to the act. Appropriations are made from the fund for supplemental low-income weatherization and home energy assistance programs, and energy conservation activities.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Total Cash Balance, Beginning	**$ 7**	**$ 0**	**$ 0**
Receipts:			
Interest	$ 0	$ 0	$ 0
Total Receipts	0	0	0
Total Funds Available	**$ 7**	**$ 0**	**$ 0**
Disbursements:			
Human Services	$ 7	$ 0	$ 0
Total Disbursements	-7	0	0
Cash Balance, Ending	**$ 0**	**$ 0**	**$ 0**

Energy Development Fund

The Energy Development Fund was created by Act 280 of 1982. The fund provides the vehicle to accomplish the purposes of the Pennsylvania Energy Development Authority (PEDA) including the sale of bonds. Activities of the fund include preparation of the energy development plan, payment of administrative costs, the making of grants and loans for limited research intended to make the greatest possible contributions to energy conservation and development, and the establishment of reserves in respect to loans guaranteed or bonds issued by the authority. The fund is supported by loan repayments and interest earnings.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 4,442**	**$ 4,629**	**$ 3,776**
Receipts:			
Loan Principal and Interest Repayments	$ 128	$ 120	$ 105
Interest	99	108	108
Total Receipts	227	228	213
Total Funds Available	**$ 4,669**	**$ 4,857**	**$ 3,989**
Disbursements:			
Environmental Protection	$ 40	$ 1,081	$ 2,432
Total Disbursements	-40	-1,081	-2,432
Cash Balance, Ending	**$ 4,629**	**$ 3,776**	**$ 1,557**

Environmental Education Fund

This fund was authorized by Act 24 of 1993 to provide environmental education programs and to provide grants to schools and other organizations. Funding is from the transfer of 5 percent of fines and penalties deposited in the special funds and restricted revenue accounts which are administered by the Department of Environmental Protection. Act 18 of 1995 requires that not less than 25 percent of the annual receipts of this fund shall be provided to the Department of Conservation and Natural Resources.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 1,131**	**$ 830**	**$ 320**
Receipts:			
Transfers from Other Funds	$ 658	$ 534	$ 534
Interest	4	2	2
Total Receipts	662	536	536
Total Funds Available	**$ 1,793**	**$ 1,366**	**$ 856**
Disbursements:			
Conservation and Natural Resources	$ 120	$ 187	$ 134
Environmental Protection	843	859	675
Total Disbursements	-963	-1,046	-809
Cash Balance, Ending	**$ 830**	**$ 320**	**$ 47**

Environmental Stewardship Fund

The Environmental Stewardship Fund is a special revenue fund composed of monies from certain landfill fees. The fund provides for farmland preservation projects, open space protection, abandoned mine reclamation, watershed protection and restoration, water and sewer infrastructure and the improvement and conservation of commonwealth and community parks and recreational facilities. The fund originally received revenue from a 25 cent per ton, or 25 cent per three cubic yards, fee for all solid waste received at a landfill in the commonwealth. Act 90 of 2002 added an additional $4 per ton disposal fee for all solid waste disposed of at any municipal waste landfill. For 2002-03, the first $50 million received from this fee was deposited into this special fund. In 2003-04, and thereafter, all revenue from these fees is deposited in this special fund. Act 13 of 2012 authorized an annual transfer from the Marcellus Legacy Fund into the Environmental Stewardship Fund.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 59,690**	**$ 68,051**	**$ 6,609**
Receipts:			
Licenses and Fees	$ 64,770	$ 65,000	$ 65,000
Transfer from Marcellus Legacy Fund	28,210	42,324	42,317
Interest	1,145	1,245	1,245
Total Receipts	94,125	108,569	108,562
Total Funds Available	**$ 153,815**	**$ 176,620**	**$ 115,171**
Disbursements:			
Treasury:			
Debt Service for Growing Greener	$ 41,329	$ 42,136	$ 39,964
Agriculture:			
Agricultural Conservation Easement Program	8,652	9,773	10,052
Conservation and Natural Resources:			
Community Conservation Grants	3,394	14,869	4,174
Park and Forest Facility Rehabilitation	4,471	21,399	11,829
Natural Diversity Conservation Grants	278	1,055	366
Environmental Protection:			
Watershed Protection and Restoration	13,129	64,030	25,402
Abandoned Mine Reclamation and Remediation	656	1,099	0
Infrastructure Investment Authority:			
Stormwater, Water and Sewer Grants	13,855	15,650	16,097
Total Disbursements	-85,764	-170,011	-107,884
Cash Balance, Ending	**$ 68,051**	**$ 6,609**	**$ 7,287**

Farm Products Show Fund

The Farm Products Show Fund is a special revenue fund composed of monies received from the leasing of space to exhibitors and from rental, entry fees and other monies received or collected by the Farm Products Show Commission. It also includes a tranfer from the PA Race Horse Development Fund. The fund is used for salaries and expenses of the Farm Products Show Commission, for the maintenance of the Farm Show Building and for prizes and premiums.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 1,158**	**$ 1,123**	**$ 720**
Receipts:			
Transfer from PA Race Horse Development Fund	$ 4,000	$ 4,000	$ 5,000
Rentals	2,218	2,789	2,604
Parking	720	1,810	1,830
Exhibit Fees	387	397	399
Service Charges	936	570	573
Concession	1,715	955	960
Interest	4	5	5
Other	122	294	244
Total Receipts	10,102	10,820	11,615
Total Funds Available	**$ 11,260**	**$ 11,943**	**$ 12,335**
Disbursements:			
Agriculture	$ 10,137	$ 11,223	$ 11,791
Total Disbursements	-10,137	-11,223	-11,791
Cash Balance, Ending	**$ 1,123**	**$ 720**	**$ 544**

Fire Insurance Tax Fund

The revenue for the Fire Insurance Tax Fund results from the 2 percent tax paid upon premiums received from foreign (out-of-state) fire insurance companies on business done within the commonwealth. The funds are distributed based on the population and market value of real estate of each municipality. In addition, the distribution formula provides for differential payment for paid and volunteer firefighters. The amount to be distributed based on paid firefighters is transferred to the Municipal Pension Aid Fund for payment. This money must be paid by the local governmental organization into the relief, pension or retirement fund of the recognized fire fighting organization serving the city, town, township or borough.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 88,098**	**$ 84,091**	**$ 84,061**
Receipts:			
Tax Payable to Municipalities	$ 84,093	$ 84,970	$ 85,820
Total Receipts	84,093	84,970	85,820
Total Funds Available	**$ 172,191**	**$ 169,061**	**$ 169,881**
Disbursements:			
Auditor General	$ 88,100	$ 85,000	$ 86,000
Total Disbursements	-88,100	-85,000	-86,000
Cash Balance, Ending	**$ 84,091**	**$ 84,061**	**$ 83,881**

Fish Fund

The Fish Fund is a special revenue fund composed of monies from fishing license fees, fines, penalties, federal contributions and other sources. It provides for the administration and enforcement of the fish laws and the protection and propagation of aquatic life.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 63,765**	**$ 66,631**	**$ 61,800**
Receipts:			
Licenses and Fees	$ 26,892	$ 26,158	$ 26,158
Fines and Penalties	425	400	400
Restricted Funds	4,713	4,700	4,700
Federal Receipts	7,121	7,860	7,319
H2O PA Program	0	11,245	0
Interest	914	900	900
Sale of Goods	169	169	169
Sale of Publications	10	30	30
Other	1,256	1,644	1,415
Total Receipts	41,500	53,106	41,091
Total Funds Available	**$ 105,265**	**$ 119,737**	**$ 102,891**
Disbursements:			
Fish and Boat Commission	$ 38,634	$ 57,937	$ 41,323
Total Disbursements	-38,634	-57,937	-41,323
Cash Balance, Ending	**$ 66,631**	**$ 61,800**	**$ 61,568**

Game Fund

The Game Fund is a special revenue fund composed of monies from hunting license fees, sale of wood products, fines and penalties, rents, federal contributions and interest. It provides for the administration and enforcement of the game laws and the protection and propagation of game species.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 46,050**	**$ 39,181**	**$ 19,021**
Receipts:			
Licenses and Fees	$ 40,994	$ 40,481	$ 43,364
Fines and Penalties	1,496	1,280	1,580
Gas and Oil Leases	22,693	21,000	21,050
Federal Receipts	20,225	29,095	21,165
Interest	1,202	1,076	1,076
Sale of Goods	1,339	1,803	1,895
Sale of Wood Products	6,929	6,000	6,525
Sale of Publications	646	682	693
Other	2,415	1,018	1,186
Total Receipts	97,939	102,435	98,534
Total Funds Available	**$ 143,989**	**$ 141,616**	**$ 117,555**
Disbursements:			
Game Commission	$ 104,808	$ 122,595	$ 106,959
Total Disbursements	-104,808	-122,595	-106,959
Cash Balance, Ending	**$ 39,181**	**$ 19,021**	**$ 10,596**

Governor Robert P. Casey Memorial Organ and Tissue Donation Awareness Trust Fund

This fund was established by Act 102 of 1994 and derives revenue from private contributions and a voluntary $1 add-on to the fee for an original or renewal driver's license, state identification card, or vehicle registration.

After the payment of initial departmental operating costs associated with the fund and in support of the Organ Donation Advisory Committee, any remaining funds are spent as prescribed by the act: 10 percent for hospital and medical expenses, funeral expenses and incidental expenses incurred by the donor or the donor's family in conjunction with making a vital organ donation; 50 percent for grants to certified organ procurement organizations for the development and implementation of organ donation awareness programs; 15 percent in cooperation with certified organ procurement organizations for the "project-make-a-choice program"; and 25 percent for the implementation of organ donation awareness programs in secondary schools.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 2,376**	**$ 1,848**	**$ 1,332**
Receipts:			
Donations - State Income Tax Forms	$ 22	$ 22	$ 22
Donations - Driver's License Applicants	311	311	311
Donations - Motor Vehicle Registrations	558	558	558
Donations - Private	1	1	1
Interest	5	5	5
Total Receipts	897	897	897
Total Funds Available	**$ 3,273**	**$ 2,745**	**$ 2,229**
Disbursements:			
Education	$ 305	$ 293	$ 200
Health	1,120	1,120	996
Total Disbursements	-1,425	-1,413	-1,196
Cash Balance, Ending	**$ 1,848**	**$ 1,332**	**$ 1,033**

Growing Greener Bond Fund

This fund was created under the authority of Act 45 of 2005 to receive and distribute the proceeds from the sale of $625 million in bonds. This money will be used to finance various environmental projects such as watershed protection, mine drainage remediation, advanced energy, flood protection, brownfields remediation, state parks and forests facilities, open space conservation, farmland preservation, capital improvement projects for fishing, boating and hunting, and for county environmental initiatives. This budget includes a special allocation of $45 million from this fund for the *Investing in Penn's Woods* initiative, a two-year $211 million investment in state parks and forests infrastructure. Because of premiums earned on bond issuances and accrued interest, this additional funding is available to support this initiative.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 41,293**	**$ 33,495**	**$ 2,993**
Receipts:			
Referendum Bonds	$ 0	$ 0	$ 20,000
Premium/Discount on Sale of Bonds	0	0	0
Interest	81	25	0
Total Receipts	81	25	20,000
Total Funds Available	**$ 41,374**	**$ 33,520**	**$ 22,993**
Disbursements:			
Treasury	$ 3	$ 0	$ 13
Agriculture:			
Purchase of County Easements	0	77	60
Community and Economic Development:			
Main Street Downtown Development	462	2,000	1,500
Industrial Sites Reuse	121	1,000	1,500
Conservation and Natural Resources:			
Parks & Recreation Improvements	363	900	700
State Parks/Forest Projects	24	5,000	8,500
Open Space Conservation	1,323	17,000	791
Environmental Protection:			
Authority Projects	686	500	3,000
Environmental Improvement Projects	2,492	1,000	1,500
Acid Mine Drainage Abatement	1,928	1,000	1,000
Fish and Boat Commission:			
Capital Improvement Projects	461	2,000	2,000
Game Commission:			
Capital Improvement Projects	16	50	50
Total Disbursements	-7,879	-30,527	-20,614
Cash Balance, Ending	**$ 33,495**	**$ 2,993**	**$ 2,379**

Growing Greener Bond Sinking Fund

Payment of interest and principal due on outstanding Growing Greener bonds is made from this fund. The annual authorization from the Environmental Stewardship Fund for general obligation debt service and interest on monies in the Growing Greener Bond Fund provide revenues to this fund.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 1**	**$ 0**	**$ 0**
Receipts:			
Transfer from Environmental Stewardship Fund	$ 42,735	$ 40,202	$ 39,964
Build America Bond Federal Subsidies	0	1,170	1,291
Total Receipts	42,735	41,372	41,255
Total Funds Available	**$ 42,736**	**$ 41,372**	**$ 41,255**
Disbursements:			
Treasury	$ 42,736	$ 41,372	$ 41,255
Total Disbursements	-42,736	-41,372	-41,255
Cash Balance, Ending	**$ 0**	**$ 0**	**$ 0**

Hazardous Material Response Fund

The Hazardous Material Response Fund was created by Act 165 of 1990 and amended by Act 121 of 2000 to carry out Pennsylvania's responsibilities under Title III of the Federal Superfund Amendments and Reauthorization Act (SARA Title III). Revenue is generated from toxic chemical registration fees and toxic chemical release form fees. Expenditures are for training hazardous material response teams, public education programs, grants to counties for SARA Title III activities, cost recovery grants, facility and vehicle inspections, and testing and administration of the program including data collection and management.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 3,448**	**$ 3,048**	**$ 2,314**
Receipts:			
Toxic Chemical Release Form Fee	$ 1,015	$ 820	$ 820
Chemical Inventory Fee	356	360	360
Interest	184	130	130
Other	112	90	90
Total Receipts	1,667	1,400	1,400
Total Funds Available	**$ 5,115**	**$ 4,448**	**$ 3,714**
Disbursements:			
Emergency Management	$ 2,031	$ 2,014	$ 1,900
Labor and Industry	36	120	120
Total Disbursements	-2,067	-2,134	-2,020
Cash Balance, Ending	**$ 3,048**	**$ 2,314**	**$ 1,694**

Hazardous Sites Cleanup Fund

This fund was created by Act 58 of 1987 to finance the cleanup and restoration of abandoned hazardous waste sites in the commonwealth. Expenditures from this fund are for cleaning up abandoned hazardous waste sites throughout the commonwealth and restoring the land to productive use. Revenue is generated from a Hazardous Waste Fee as well as money received from parties determined responsible for site contamination. Prior to 2002-03, the fund received one-quarter mill of the Capital Stock and Franchise Tax. Act 45 of 2005 provided for transfers to the fund from the Environmental Stewardship Fund in 2005-06 and 2006-07. Act 77 of 2007 provided for a one-time transfer in 2007-08 of monies lapsed from certain appropriations within the Legislative Department. Beginning in 2008-09, the act also includes an annual transfer to the fund of $40 million of revenue received from the Capital Stock and Franchise Tax. Act 13 of 2012 includes an annual transfer from the Marcellus Legacy Fund beginning in 2014-15.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Total Cash Balance, Beginning	**$ 53,911**	**$ 62,027**	**$ 46,218**
Receipts:			
Capital Stock and Franchise Tax	$ 40,000	$ 40,000	$ 40,000
Transfer from Marcellus Legacy Fund	0	3,662	8,658
Hazardous Waste Fee	1,655	1,999	1,999
Cost Recovery	1,532	1,540	1,285
Interest	486	530	530
Total Receipts	43,673	47,731	52,472
Total Funds Available	**$ 97,584**	**$ 109,758**	**$ 98,690**
Disbursements:			
Environmental Protection	$ 28,577	$ 59,165	$ 51,936
Transfer to Industrial Sites Environmental Assessment Fund	2,000	2,000	2,000
Transfer to Industrial Sites Cleanup Fund	2,000	1,500	2,000
Transfer to Household Hazardous Waste Account	1,000	875	1,000
Valley Forge Superfund	1,980	0	0
Total Disbursements	-35,557	-63,540	-56,936
Cash Balance, Ending	**$ 62,027**	**$ 46,218**	**$ 41,754**

Higher Education Assistance Fund

This fund statement presents financial activity within the Higher Education Assistance Fund that is related only to programs funded by state and federal appropriations. The Pennsylvania Higher Education Assistance Agency (PHEAA) administers other programs through the Higher Education Assistance Fund which are not included in this presentation. Funding is used primarily for the following purposes: (1) grants to students; (2) grants to nonsectarian private post-secondary educational institutions; (3) grants to institutions of higher learning for the purpose of helping the institution secure federal funds to provide direct financial aid to students; (4) funds to institutions for the Federal Work Study Program; (5) grants to minority students entering graduate professional schools under the Bond-Hill Program; (6) funds to recruit gifted students to Cheyney University; (7) funds for the higher education of disadvantaged students; and (8) funds for the higher education of blind or deaf students. Revenues to this fund are derived from General Fund appropriations by the General Assembly, federal funds and interest earnings.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 32,491**	**$ 37,186**	**$ 33,490**
Receipts:			
Transfer from General Fund	$ 386,475	$ 391,475	$ 407,066
Investment Earnings	584	550	550
Federal Revenue	1,876	1,596	1,588
Other	90,199	91,463	117,000
Total Receipts	479,134	485,084	526,204
Total Funds Available	**$ 511,625**	**$ 522,270**	**$ 559,694**
Disbursements:			
Higher Education Assistance Agency	$ 474,439	$ 488,780	$ 525,654
Total Disbursements	-474,439	-488,780	-525,654
Cash Balance, Ending	**$ 37,186**	**$ 33,490**	**$ 34,040**

Highway Beautification Fund

The Highway Beautification Fund was created by Act 5 of Special Session Three of 1966. Highway beautification activities are supported by licenses, fees, fines, penalties and interest. Activities include the regulating of outdoor advertising and junkyards.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 728**	**$ 733**	**$ 626**
Receipts:			
Licenses and Fees	$ 306	$ 310	$ 310
Interest	2	1	1
Total Receipts	308	311	311
Total Funds Available	**$ 1,036**	**$ 1,044**	**$ 937**
Disbursements:			
Transportation	$ 303	$ 418	$ 408
Total Disbursements	-303	-418	-408
Cash Balance, Ending	**$ 733**	**$ 626**	**$ 529**

Historical Preservation Fund

This fund was created for expenditure by the Historical and Museum Commission for the preservation, care and maintenance of state historical properties, museums and records and for the financing of historical research and publication programs. Money in the fund can also be used to purchase publications and souvenirs of a historical nature for sale at commission administered properties. This fund is made up of monies from the sale of publications by the Pennsylvania Historical and Museum Commission and all monies received from admission fees or other sales by the commission at the state historical properties and/or museums. Act 173 of 2002 enables the commission to sell most commonwealth publications to the public and provides that net proceeds from the publication sales and from the sale of historical properties administered by the commission shall be deposited into the fund.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 2,977**	**$ 3,260**	**$ 3,166**
Receipts:			
Admission Fees	$ 1,036	$ 1,000	$ 1,128
Interest	7	5	5
Other	758	500	500
Total Receipts	1,801	1,505	1,633
Total Funds Available	**$ 4,778**	**$ 4,765**	**$ 4,799**
Disbursements:			
Historical and Museum Commission	$ 1,518	$ 1,599	$ 1,771
Total Disbursements	-1,518	-1,599	-1,771
Cash Balance, Ending	**$ 3,260**	**$ 3,166**	**$ 3,028**

HOME Investment Trust Fund

This fund was established by Act 172 of 1992 in order to administer Pennsylvania's program under the National Affordable Housing Act of 1990. Funding is provided by the Federal Department of Housing and Urban Development on an annual basis. Expenditures are for development and support of affordable rental housing and home ownership through the acquisition, new construction, reconstruction or rehabilitation of housing.

Act 58 of 1996 transferred this program from the Department of Community Affairs to the Department of Community and Economic Development. Beginning in 2000-01 the majority of federal funds are granted directly through the implementation of the United States Department of Housing and Urban Development Integrated Disbursement and Information System and do not flow through the Department of Community and Economic Development. Administrative funds are appropriated to the department to continue the program.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 57**	**$ 32**	**$ 0**
Receipts:			
Federal Revenue	$ 1,050	$ 1,575	$ 2,000
Total Receipts	1,050	1,575	2,000
Total Funds Available	**$ 1,107**	**$ 1,607**	**$ 2,000**
Disbursements:			
Community and Economic Development	$ 1,075	$ 1,607	$ 2,000
Total Disbursements	-1,075	-1,607	-2,000
Cash Balance, Ending	**$ 32**	**$ 0**	**$ 0**

Homeowner Assistance Settlement Fund

This fund was established by Act 70 of 2012. Payments received pursuant to the Homeowner Assistance Settlement Agreement are deposited into this fund. Disbursements are made for the Homeowner's Emergency Mortgage Assistance Program, for housing consumer protection programs and for civil legal assistance related to housing issues.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 43,115**	**$ 31,187**	**$ 19,219**
Receipts:			
Interest	$ 59	$ 32	$ 20
Total Receipts	59	32	20
Total Funds Available	**$ 43,174**	**$ 31,219**	**$ 19,239**
Disbursements:			
Pennsylvania Housing Finance Agency	$ 10,800	$ 10,800	$ 10,800
Attorney General	587	600	600
Transfer to Access to Justice Account	600	600	600
Total Disbursements	-11,987	-12,000	-12,000
Cash Balance, Ending	**$ 31,187**	**$ 19,219**	**$ 7,239**

Housing Affordability and Rehabilitation Enhancement Fund

This fund was established by Act 105 of 2010. Revenue consists of a transfer from the Unconventional Gas Well Fund. Disbursements are made in accordance with the Housing Finance Agency Law.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 1**	**$ 5,001**	**$ 2**
Receipts:			
Transfer from Unconventional Gas Well Fund	$ 8,717	$ 9,647	$ 5,000
Interest	0	1	1
Total Receipts	8,717	9,648	5,001
Total Funds Available	**$ 8,718**	**$ 14,649**	**$ 5,003**
Disbursements:			
Pennsylvania Housing Finance Agency	$ 3,717	$ 14,647	$ 5,001
Total Disbursements	-3,717	-14,647	-5,001
Cash Balance, Ending	**$ 5,001**	**$ 2**	**$ 2**

Industrial Development Fund

Periodic General Fund appropriations made by the General Assembly to the Pennsylvania Industrial Development Authority (PIDA) are credited to this fund. From 1992 to 1994, these appropriations were replaced by an annual $70 million transfer of Corporate Net Income tax revenues as provided by Act 22 of 1991. This transfer ended at the close of the 1993-94 fiscal year as part of the PIDA recapitalization.

The fund makes loans to local industrial development agencies to stimulate economic activity in areas of high unemployment. Repayments of loans and other revenues, generally not credited to this fund, are used by PIDA to make additional loans.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 22**	**$ 47**	**$ 47**
Receipts:			
Interest	$ 0	$ 0	$ 0
Total Receipts	0	0	0
Total Funds Available	**$ 22**	**$ 47**	**$ 47**
Disbursements:			
Community and Economic Development	$ -25	$ 0	$ 0
Total Disbursements	25	0	0
Cash Balance, Ending	**$ 47**	**$ 47**	**$ 47**

Industrial Sites Cleanup Fund

Act 2 of 1995 created the Industrial Sites Cleanup Fund to provide grants and loans to political subdivisions, local economic development agencies and others who, as part of an economic development strategy, undertake voluntary cleanup of property contaminated by industrial activity. Act 6 of 2000 allows the Department of Community and Economic Development to provide performance-based loans, which may be forgiven if performance measures are met. Also, Act 6 expanded the program to include remediation of non-hazardous waste or debris. Revenue to the fund consists of transfers from the Hazardous Sites Cleanup Fund, any funds appropriated by the General Assembly, interest earnings and loan repayments. Grants and loans are prioritized based on the benefit of the project to the public health and safety, the cost effectiveness of the project, the economic distress of the area and the potential of the project to result in economic development.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 18,428**	**$ 19,973**	**$ 10,646**
Receipts:			
Loan Principal and Interest Repayments	$ 823	$ 800	$ 800
Transfer from Hazardous Sites Cleanup Fund	2,000	1,500	2,000
Interest	267	250	250
Total Receipts	3,090	2,550	3,050
Total Funds Available	**$ 21,518**	**$ 22,523**	**$ 13,696**
Disbursements:			
Community and Economic Development	$ 1,545	$ 11,877	$ 5,614
Total Disbursements	-1,545	-11,877	-5,614
Cash Balance, Ending	**$ 19,973**	**$ 10,646**	**$ 8,082**

Insurance Fraud Prevention Trust Fund

The Insurance Fraud Prevention Trust Fund was created by Act 166 of 1994. The purpose of the fund is to finance activities in the commonwealth to prevent, combat and reduce insurance fraud, by improving and supporting insurance fraud law enforcement, prosecutions and prevention. The source of funds includes assessments on the insurance companies that conduct business in the Commonwealth of Pennsylvania, fines and penalties, and interest earnings.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 3,740**	**$ 1,273**	**$ 563**
Receipts:			
Assessments, Fines and Penalties	$ 12,969	$ 13,184	$ 13,539
Interest	15	2	2
Total Receipts	12,984	13,186	13,541
Total Funds Available	**$ 16,724**	**$ 14,459**	**$ 14,104**
Disbursements:			
Insurance Fraud Prevention Authority	$ 15,451	$ 13,896	$ 14,100
Total Disbursements	-15,451	-13,896	-14,100
Cash Balance, Ending	**$ 1,273**	**$ 563**	**$ 4**

Insurance Liquidation Fund

The Insurance Department is responsible for administering the liquidation of insolvent domestic insurance carriers pursuant to orders of the Commonwealth Court under Article V of the Insurance Department Act. This fund is used to permit the Treasury Department to invest the assets of insolvent insurance carriers. These assets are used to pay claims and expenses incurred in the administration of domestic insurance carrier insolvencies.

The net investment adjustment shown below is to reflect the current market value of long-term investments as of June 30.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 67,887**	**$ 68,456**	**$ 67,668**
Receipts:			
Net Investment Adjustment	$ 1	$ 0	$ 0
Interest	1,393	1,464	1,464
Other	-825	344	-48
Total Receipts	569	1,808	1,416
Total Funds Available	**$ 68,456**	**$ 70,264**	**$ 69,084**
Disbursements:			
Insurance	$ 0	$ 2,596	$ 200
Total Disbursements	0	-2,596	-200
Cash Balance, Ending	**$ 68,456**	**$ 67,668**	**$ 68,884**

Insurance Regulation and Oversight Fund

This fund was established by Act 46 of 2013 to provide for the Insurance Department's regulation, management, development and oversight of the commonwealth's insurance industry.

The Insurance Regulation and Oversight Fund will receive 50 percent of all licenses and fees collected by the Insurance Department, all augmentations and reimbursements made to the department by regulated entities and in 2013-14, 100 percent of all penalties, fines, assessments, and settlements. The surcharge moving vehicle violations will remain in the General Fund. This fund will be used by the department in lieu of a General Government Operations appropriation from the General Fund.

At the end of the fiscal year, the fund retains an amount equal to no more than 100% of the total expenditures and commitments by the department from the immediately preceeding fiscal year. If the balance in the fund at the end of the fiscal year exceeds the retention amount, then that amount of excess funds is to be returned to the General Fund within 30 days of the end of the fiscal year.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 0**	**$ 26,197**	**$ 24,625**
Receipts:			
Licenses and Fees	$ 29,461	$ 26,881	$ 26,881
Fines and Penalties	5,949	0	0
Interest	7	28	28
Enhanced Regulatory Assessment	9,560	0	0
Other	978	809	809
Return to General Fund	0	-6,448	-4,353
Total Receipts	45,955	21,270	23,365
Total Funds Available	**$ 45,955**	**$ 47,467**	**$ 47,990**
Disbursements:			
Insurance	$ 19,758	$ 22,842	$ 24,269
Total Disbursements	-19,758	-22,842	-24,269
Cash Balance, Ending	**$ 26,197**	**$ 24,625**	**$ 23,721**

Job Training Fund

This fund was created by Act 5 of 2005 to facilitate advances in workforce development in the commonwealth. The Job Training Fund awards annual grants to entities in specified rural counties which run workforce education programs and services for job training assistance to incumbent workers, dislocated workers, adult and youth workers and other workforce development programs. Receipts in the fund are transfers from the Special Administration Fund and are supplemented by interest earnings and other monies appropriated to the fund.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 608**	**$ 354**	**$ 357**
Receipts:			
Transfer from Special Administration Fund	$ 0	$ 5,000	$ 5,000
Interest	3	3	3
Total Receipts	3	5,003	5,003
Total Funds Available	**$ 611**	**$ 5,357**	**$ 5,360**
Disbursements:			
Labor and Industry	$ 257	$ 5,000	$ 5,000
Total Disbursements	-257	-5,000	-5,000
Cash Balance, Ending	**$ 354**	**$ 357**	**$ 360**

Justice Reinvestment Fund

The Justice Reinvestment Fund was created by Act 196 of 2012 to support programs and activities that will improve the delivery of criminal justice services within the commonwealth. Receipts are derived from savings to the Department of Corrections (DOC) through implementation of Act 122 of 2012, which establishes the Justice Reinvestment Initiative (JRI). Disbursements are made according to the provisions of Act 196 and include fixed amounts in 2013-14 and 2014-15 to the Pennsylvania Commission on Crime and Delinquency (PCCD) and the Pennsylvania Commission on Sentencing. Amounts remaining in the fund after these disbursements are distributed by formula to various JRI programs managed by the PCCD, DOC, and the Pennsylvania Board of Probation and Parole.

Disbursements fund various state and county programs, such as victim services; offender risk assessment modeling; county probation grants; county innovative policing and contracts to divert short- and medium-minimum offenders from incarceration; state parole processes and coordinated safe community reentry programs.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 0**	**$ 19**	**$ 0**
Receipts:			
Transfer from General Fund	$ 43	$ 991	$ 1,437
Total Receipts	43	991	1,437
Total Funds Available	**$ 43**	**$ 1,010**	**$ 1,437**
Disbursements:			
PA Commission on Crime and Delinquency	$ 12	$ 727	$ 1,026
PA Commission on Sentencing	12	283	400
Corrections	0	0	9
Board of Probation and Parole	0	0	2
Total Disbursements	-24	-1,010	-1,437
Cash Balance, Ending	**$ 19**	**$ 0**	**$ 0**

Keystone Recreation, Park and Conservation Fund

The Keystone Recreation, Park and Conservation Fund is a special fund composed of monies from the sale of specific bonds and certain tax revenues. This fund provides for increased acquisitions, improvements and expansions of commonwealth and community parks, recreation facilities, historic sites, zoos, public libraries, nature preserves and wildlife habitats.

Act 50 of 1993 approved the transfer of 15 percent of revenues from the state Realty Transfer Tax to this fund. These monies are distributed to programs according to the formula contained in the act.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Total Cash Balance, Beginning	**$ 92,205**	**$ 101,076**	**$ 0**
Receipts:			
Realty Transfer Tax	$ 64,806	$ 70,288	$ 76,518
Interest	1,883	2,084	2,084
Total Receipts	66,689	72,372	78,602
Total Funds Available	**$ 158,894**	**$ 173,448**	**$ 78,602**
Disbursements:			
Conservation and Natural Resources	$ 36,018	$ 124,264	$ 51,092
Education	14,621	25,354	17,292
Historical and Museum Commission	7,179	23,830	10,218
Total Disbursements	-57,818	-173,448	-78,602
Cash Balance, Ending	**$ 101,076**	**$ 0**	**$ 0**

Land and Water Development Fund

This fund was created in 1968 to finance projects to eliminate land and water scars, air pollution and subsidence due to past coal mining operations, to aid political subdivisions in constructing or improving sewage treatment plants, to develop public outdoor recreation lands and to aid local governments in acquiring land for recreation purposes. In addition, administrative expenses incurred in support of any of these activities may be paid with monies in this fund. Initially, revenue to the fund was derived from the sale of Land and Water Development Bonds up to the $500 million approved by the electorate on May 16, 1967. All appropriated funds from the bonds have been expended.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 247**	**$ 97**	**$ 97**
Receipts:			
Sale of Refuse Bank Materials	$ 0	$ 0	$ 0
Total Receipts	0	0	0
Total Funds Available	**$ 247**	**$ 97**	**$ 97**
Disbursements:			
Environmental Protection	$ 150	$ 0	$ 0
Total Disbursements	-150	0	0
Cash Balance, Ending	**$ 97**	**$ 97**	**$ 97**

Land and Water Development Sinking Fund

Payment of interest and principal due on outstanding Land and Water Development bonds is made from this fund. The annual appropriation from the General Fund for general obligation debt service and interest on invested balances in this fund and in the Land and Water Development Fund provide the revenues to the fund.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 9**	**$ 18**	**$ 25**
Receipts:			
Remining Financial Assurance Assist Fund Interest	$ 9	$ 7	$ 7
Interest	0	0	0
Total Receipts	9	7	7
Total Funds Available	**$ 18**	**$ 25**	**$ 32**
Disbursements:			
Treasury	$ 0	$ 0	$ 0
Total Disbursements	0	0	0
Cash Balance, Ending	**$ 18**	**$ 25**	**$ 32**

Liquid Fuels Tax Fund

The Liquid Fuels Tax Fund was created in 1931 to assist in funding the local roads system. Through December 2013, one-half cent per gallon of gasoline and diesel fuel taxes was deposited into the fund for semi-annual distribution to county governments and to pay registration fees for vehicles operated by mass transportation systems. Beginning January 2014, per Act 89 of 2013, a new millage rate will replace the one-half cent per gallon on gasoline and diesel fuel tax. The new rate is 4.17% of the mills imposed under Title 75, Section 9502 (A) (5). After payment of fees, remaining funds are allocated to the counties on a three-year average refund to total refund formula and must be used for highway purposes. Since the majority of counties have direct jurisdiction over a limited number of roads, a large portion of these funds are further allocated by the counties to their political subdivisions. To streamline payments to counties, the Department of Revenue delegated the authority for these payments and attendant expenses to the Department of Transportation effective in 1999-00.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 5,208**	**$ 3,692**	**$ 2,744**
Receipts:			
Tax on Gasoline	$ 22,328	$ 24,504	$ 24,504
Tax on Diesel Fuel	6,858	6,509	6,509
Total Receipts	29,186	31,013	31,013
Total Funds Available	**$ 34,394**	**$ 34,705**	**$ 33,757**
Disbursements:			
Transfer to Boat Fund	$ 0	$ 100	$ 100
Transportation	30,702	31,861	31,887
Total Disbursements	-30,702	-31,961	-31,987
Cash Balance, Ending	**$ 3,692**	**$ 2,744**	**$ 1,770**

Liquor License Fund

The Liquor License Fund serves as a pass-through account for liquor and/or beer license fees from hotels, restaurants and clubs. These fees are returned semi-annually to the municipalities in which the licenses are located. Interest earned on fund deposits is credited to the General Fund.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 2,324**	**$ 2,374**	**$ 2,294**
Receipts:			
License Fees	$ 4,571	$ 4,500	$ 4,500
Total Receipts	4,571	4,500	4,500
Total Funds Available	**$ 6,895**	**$ 6,874**	**$ 6,794**
Disbursements:			
Liquor Control Board	$ 4,521	$ 4,580	$ 4,640
Total Disbursements	-4,521	-4,580	-4,640
Cash Balance, Ending	**$ 2,374**	**$ 2,294**	**$ 2,154**

Local Cigarette Tax Fund

The Local Cigarette Tax Fund is a fiduciary fund composed of monies received from the collection of a local option cigarette tax in cities of the first class. Act 131 of 2014 allows a school district, when authorized by the governing body of a first class city (Philadelphia), to impose and assess an excise tax on the sale or possession of cigarettes at the rate of $0.10 per cigarette. This tax is only assessed on cigarettes currently subject to a levy under Article XII of the Tax Reform Code of 1971. The authorization for this cigarette tax shall expire on June 30, 2019.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 0**	**$ 0**	**$ 0**
Receipts:			
Philadelphia Cigarette Tax Collections	$ 0	$ 49,512	$ 60,178
Total Receipts	0	49,512	60,178
Total Funds Available	**$ 0**	**$ 49,512**	**$ 60,178**
Disbursements:			
Distribution to the Philadelphia School District	$ 0	$ 48,177	$ 58,398
Department of Revenue	0	1,335	1,780
Total Disbursements	0	-49,512	-60,178
Cash Balance, Ending	**$ 0**	**$ 0**	**$ 0**

Local Criminal Justice Sinking Fund

Payment of interest and principal due on outstanding local criminal justice bonds is made from this fund. The annual appropriation from the General Fund for general obligation debt service and interest on invested balances in this fund provide the revenues to this fund.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 566**	**$ 260**	**$ 170**
Receipts:			
Transfer from General Fund	$ 0	$ 85	$ 0
Interest	1	1	1
Total Receipts	1	86	1
Total Funds Available	**$ 567**	**$ 346**	**$ 171**
Disbursements:			
Treasury	$ 307	$ 176	$ 171
Total Disbursements	-307	-176	-171
Cash Balance, Ending	**$ 260**	**$ 170**	**$ 0**

Local Government Capital Project Loan Fund

This fund was created in 1990 to assist municipal governments in acquiring equipment and facilities by providing low-interest loans to those governments which find conventional loan costs to be prohibitive. Loans are provided at a rate of 2 percent for periods not to exceed 10 years. Revenues received from loan repayment and interest accrual are returned to the fund on a revolving basis. Act 58 of 1996 transferred this program from the Department of Community Affairs to the Department of Community and Economic Development. Act 46 of 1997 extended this fund indefinitely.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 3,226**	**$ 3,268**	**$ 2,428**
Receipts:			
Loan Principal and Interest Repayments	$ 252	$ 200	$ 200
Interest	7	5	5
Total Receipts	259	205	205
Total Funds Available	**$ 3,485**	**$ 3,473**	**$ 2,633**
Disbursements:			
Community and Economic Development	$ 217	$ 1,045	$ 1,000
Total Disbursements	-217	-1,045	-1,000
Cash Balance, Ending	**$ 3,268**	**$ 2,428**	**$ 1,633**

Machinery and Equipment Loan Fund

This fund was established by Act 120 of 1988 to provide low-interest machinery and equipment financing for Pennsylvania businesses in order to facilitate their growth, competitiveness and value-added capacity. The fund was initially capitalized by an appropriation from the Pennsylvania Economic Revitalization Fund. It is now funded from loan repayments, transfers from the General Fund, Small Business First Fund, and interest earnings. Act 22 of 2004 required the Commonwealth Financing Authority to transfer $75 million in bond proceeds to the Department of Community and Economic Development for deposit in the fund. Act 161 of 2014 transitioned the administration of this fund to the Pennsylvania Industrial Development Authority.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 121,591**	**$ 115,799**	**$ 5,691**
Receipts:			
Loan Principal and Interest Repayments	$ 11,808	$ 11,750	$ 11,750
Loan Service Fees	4	4	4
Other	11	8,080	11
Interest	1,494	300	50
Total Receipts	13,317	20,134	11,815
Total Funds Available	**$ 134,908**	**$ 135,933**	**$ 17,506**
Disbursements:			
Community and Economic Development	$ 19,109	$ 45,242	$ 11,778
Transfer to General Fund	0	85,000	0
Total Disbursements	-19,109	-130,242	-11,778
Cash Balance, Ending	**$ 115,799**	**$ 5,691**	**$ 5,728**

Manufacturing Fund

The Manufacturing Fund, created in 1915, is a self-sustaining enterprise providing institutionalized offenders an opportunity for vocational rehabilitation. Receipts are derived from the sale of inmate manufactured goods to government agencies or government-aided organizations. Expenditures are made for the purchase of raw materials, machinery replacement, inmate wages and other costs related to the sale and manufacture of their products.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 19,222**	**$ 22,890**	**$ 8,732**
Receipts:			
Sale of Products	$ 68,032	$ 72,135	$ 73,660
Interest	401	425	425
Total Receipts	68,433	72,560	74,085
Total Funds Available	**$ 87,655**	**$ 95,450**	**$ 82,817**
Disbursements:			
Corrections	$ 64,765	$ 86,718	$ 79,057
Total Disbursements	-64,765	-86,718	-79,057
Cash Balance, Ending	**$ 22,890**	**$ 8,732**	**$ 3,760**

Marcellus Legacy Fund

This fund was created by Act 13 of 2012 to provide for the distribution of unconventional gas well impact fees to counties, municipalities, and Commonwealth agencies. The fee revenue will be used for statewide initiatives in the areas of acid mine drainage abatement, gas well management and plugging, development and rehabilitation of greenways and recreational trails, sewage treatment projects, replacement and repair of deteriorated bridges in municipalities with unconventional gas wells. Receipts deposited into the Marcellus Legacy Fund come from transfers from the Unconventional Gas Well Fund and the Oil and Gas Lease Fund.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 86,066**	**$ 64,123**	**$ 35,390**
Receipts:			
Transfer from Unconventional Gas Well Fund	$ 84,601	$ 73,245	$ 73,168
Transfer from Oil and Gas Lease Fund	20,000	35,000	40,000
Interest	92	61	61
Total Receipts	104,693	108,306	113,229
Total Funds Available	**$ 190,759**	**$ 172,429**	**$ 148,619**
Disbursements:			
Public Utility Commission:			
County Grants	$ 12,315	$ 10,987	$ 10,975
Transfer to Commonwealth Financing Authority	28,855	16,420	14,634
Transfer to Commonwealth Financing Authority-H2O	18,034	9,156	9,146
Community and Economic Development	0	7,695	0
Environmental Protection	663	19,328	0
PENNVEST	18,034	9,156	9,146
Transfer to Highway Bridge Improvement	20,525	18,311	18,292
Transfer to Environmental Stewardship Fund	28,210	42,324	42,317
Transfer to Hazardous Sites Cleanup Fund	0	3,662	8,658
Total Disbursements	-126,636	-137,039	-113,168
Cash Balance, Ending	**$ 64,123**	**$ 35,390**	**$ 35,451**

Medical Care Availability and Reduction of Error Fund

Act 13 of 2002, the Medical Care Availability and Reduction of Error (Mcare) Act, established the Medical Care Availability and Reduction of Error Fund and transferred to it the assets, liabilities, rights and responsibilities of the Medical Professional Liability Catastrophe Loss Fund effective October 15, 2002. The Mcare Fund is used to pay claims against participating health care providers for losses or damages awarded in medical professional liability actions against them in excess of the basic insurance coverage required by the act. In addition to the transfer of assets from the Medical Professional Liability Catastrophe Loss Fund, revenue includes an assessment on health care providers. Beginning in 2004, the moving violation surcharge revenue that accrued to the Catastrophic Loss Benefits Continuation Fund accrues to this fund for a period of ten years. Act 50 of 2009 provided that $100 million be transferred from the fund to the General Fund in 2009-10 and redirected the moving violation surcharge to the General Fund for 2009-10 and 2010-11. Act 26 of 2011 redirected the surcharge to the General Fund for 2011-12 and for each fiscal year thereafter.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 213,346**	**$ 247,708**	**$ 234,807**
Receipts:			
Assessments	$ 238,356	$ 197,000	$ 153,000
Interest	1,727	1,713	1,713
Other	184	100	100
Total Receipts	240,267	198,813	154,813
Total Funds Available	**$ 453,613**	**$ 446,521**	**$ 389,620**
Disbursements:			
Insurance	$ 205,905	$ 211,714	$ 196,964
Assessment Relief Payment	0	0	139,013
Total Disbursements	-205,905	-211,714	-335,977
Cash Balance, Ending	**$ 247,708**	**$ 234,807** [a]	**$ 53,643** [a]

[a] Ending balance includes $30 million in the MCARE reserve account.

Milk Marketing Fund

The Milk Marketing Fund is a special revenue fund composed of monies received from license fees, fines, penalties and permits relating to the milk industry. The purpose of this fund is to provide for the operation of the Milk Marketing Board and to serve as a depository for money due dairy farmers from underpayments by milk dealers.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 4,073**	**$ 4,006**	**$ 3,478**
Receipts:			
License and Fees	$ 2,434	$ 2,381	$ 2,381
Fines and Penalties	6	13	13
Interest	8	6	6
Total Receipts	2,448	2,400	2,400
Total Funds Available	**$ 6,521**	**$ 6,406**	**$ 5,878**
Disbursements:			
Milk Marketing Board	$ 2,515	$ 2,928	$ 2,840
Total Disbursements	-2,515	-2,928	-2,840
Cash Balance, Ending	**$ 4,006**	**$ 3,478**	**$ 3,038**

Mine Safety Fund

Act 55 of 2008 created the Mine Safety Fund to recover expenses for responding to mine safety. The monies are used for mine safety activities and the administration of the Act.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 138**	**$ 113**	**$ 83**
Receipts:			
Fines and Penalties	$ 33	$ 33	$ 33
Total Receipts	33	33	33
Total Funds Available	**$ 171**	**$ 146**	**$ 116**
Disbursements:			
Environmental Protection	$ 58	$ 63	$ 33
Total Disbursements	-58	-63	-33
Cash Balance, Ending	**$ 113**	**$ 83**	**$ 83**

Minority Business Development Fund

This fund was created by Act 206 of 1974 to accommodate the operation of the Pennsylvania Minority Business Development Authority. Revenues to the fund are from loan repayments, transfer of General Fund appropriations and interest. The authority has the power to issue bonds or other obligations which would provide further revenue to the fund. Expenditures are made for loans to minority business enterprises and for operating expenses of the authority.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 4,884**	**$ 4,498**	**$ 2,669**
Receipts:			
Loan Principal and Interest Repayments	$ 504	$ 500	$ 500
Interest	10	7	7
Other	1	3	3
Total Receipts	515	510	510
Total Funds Available	**$ 5,399**	**$ 5,008**	**$ 3,179**
Disbursements:			
Community and Economic Development	$ 901	$ 2,339	$ 1,302
Total Disbursements	-901	-2,339	-1,302
Cash Balance, Ending	**$ 4,498**	**$ 2,669**	**$ 1,877**

Monetary Penalty Endowments Trust Fund

The Monetary Penalty Endowments Trust Fund is a special revenue fund created by Act 1 of 2013 to deposit monetary penalties assessed to higher education institutions. Fund revenues are comprised of monies from installment payments made by the institutions and interest. Fund expenditures are made by the Pennsylvania Commission on Crime and Delinquency to support child abuse treatment and prevention programs within the commonwealth.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 0**	**$ 0**	**$ 36,054**
Receipts:			
NCAA - Penn State Settlement	$ 0	$ 36,000	$ 12,000
Interest	0	54	2,160
Total Receipts	0	36,054	14,160
Total Funds Available	**$ 0**	**$ 36,054**	**$ 50,214**
Disbursements:			
PA Commission on Crime and Delinquency	$ 0	$ 0	$ 4,800
Total Disbursements	0	0	-4,800
Cash Balance, Ending	**$ 0**	**$ 36,054**	**$ 45,414**

Motor Vehicle Transaction Recovery Fund

The Motor Vehicle Transaction Recovery Fund was created by Act 83 of 1990 to provide protection from dealers or other agents who fail to forward fees and taxes pertaining to an application for titling or registration of a vehicle to the Department of Transportation. Revenues to the fund consist of assessments (or reassessments should the balance of the fund fall below $500,000) on every applicant for motor vehicle dealer registration plates or for the authority to act as agent of the department with respect to vehicle titling and registration.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 2,263**	**$ 2,257**	**$ 2,215**
Receipts:			
Title & Registration Fees	$ -11	$ 35	$ 35
Interest	5	3	3
Total Receipts	-6	38	38
Total Funds Available	**$ 2,257**	**$ 2,295**	**$ 2,253**
Disbursements:			
Transportation	$ 0	$ 80	$ 80
Total Disbursements	0	-80	-80
Cash Balance, Ending	**$ 2,257**	**$ 2,215**	**$ 2,173**

Multimodal Transportation Fund

The Multimodal Transportation Fund was created by Act 89 of 2013 to provide additional funding for passenger rail, rail freight, ports and waterways, aviation, bicycle and pedestrian facilities, roads and bridges, and other modes of transportation. The program is funded by deposits from the Pennsylvania Turnpike Commission, a portion of certain Motor Vehicle Fees, and beginning in 2015-16 the Oil Company Franchise Tax.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 0**	**$ 17,731**	**$ 0**
Receipts:			
Pennsylvania Turnpike Commission	$ 0	$ 30,000	$ 30,000
Motor Vehicle Fees	27,795	68,198	73,000
Oil Company Franchise Tax	0	0	35,000
Interest	3	10	10
Total Receipts	27,798	98,208	138,010
Total Funds Available	**$ 27,798**	**$ 115,939**	**$ 138,010**
Disbursements:			
Transportation	$ 10,067	$ 75,931	$ 80,260
Transfer to Commonwealth Financing Authority	0	40,008	57,750
Total Disbursements	-10,067	-115,939	-138,010
Cash Balance, Ending	**$ 17,731**	**$ 0**	**$ 0**

Municipal Pension Aid Fund

This fund was created by Act 205 of 1984, the Municipal Pension Plan Funding Standard and Recovery Act, and is administered by the Auditor General. Beginning in July 1985, this fund receives a portion of the revenues from the Foreign Casualty Insurance Premium Tax and the Foreign Fire Insurance Premium Tax. These revenues and earnings are for distribution to municipalities for various municipal, police and fire pension funds, including post-retirement adjustments mandated by Act 147 of 1988. Beginning in 2005-06, fund disbursements include additional post-retirement adjustments according to the provisions of Act 64 of 2002.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 264,489**	**$ 254,087**	**$ 253,231**
Receipts:			
Foreign Casualty Insurance Premium Tax	$ 257,297	$ 257,193	$ 259,627
Foreign Fire Insurance Premium Tax	10,055	9,258	8,501
Interest	-44	-45	-45
Total Receipts	267,308	266,406	268,083
Total Funds Available	**$ 531,797**	**$ 520,493**	**$ 521,314**
Disbursements:			
Auditor General	$ 277,710 a	$ 267,262 b	$ 267,664 c
Total Disbursements	-277,710	-267,262	-267,664
Cash Balance, Ending	**$ 254,087**	**$ 253,231**	**$ 253,650**

a Includes post-retirement payment of $2,116,798 as authorized by Act 147 of 1988 and $8,818,732 per Act 64 of 2002.

b Includes post-retirement payment of $1,942,173 as authorized by Act 147 of 1988 and $8,127,070 per Act 64 of 2002.

c Includes post-retirement payment of $1,768,543 as authorized by Act 147 of 1988 and $7,489,664 per Act 64 of 2002.

Municipalities Financial Recovery Revolving Aid Fund

This fund was created by Act 157 of 1988 to make loans and grants to assist municipalities that are declared financially distressed. Initial funding was provided through the transfer of unused funds remaining from a 1986-87 General Fund appropriation for Distressed Community Emergency Aid. In addition, Act 157 stipulated that all repayments on loans made from the fund should be redeposited into the fund and used to make additional loans and grants to distressed municipalities. Act 58 of 1996 transferred this program from the Department of Community Affairs to the Department of Community and Economic Development.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 11,870**	**$ 16,727**	**$ 8,160**
Receipts:			
Transfer from General Fund	$ 7,096	$ 4,000	$ 3,000
Loan Principal and Interest Repayments	309	402	200
Interest	31	28	28
Total Receipts	7,436	4,430	3,228
Total Funds Available	**$ 19,306**	**$ 21,157**	**$ 11,388**
Disbursements:			
Community and Economic Development	$ 2,579	$ 12,997	$ 9,000
Total Disbursements	-2,579	-12,997	-9,000
Cash Balance, Ending	**$ 16,727**	**$ 8,160**	**$ 2,388**

Neighborhood Improvement Zone Fund

This fund was established by Act 50 of 2009. This fund is administered by the State Treasurer and the primary administrator of the program is the Department of Revenue. An entity collecting a local tax within the neighborhood improvement zone shall, within 30 days of the end of a fiscal quarter, submit all the local taxes collected to the State Treasurer for transfer to the fund. Interest income derived from investment of the money in the fund shall be credited by the Treasury Department to the fund. Funds may only be utilized for payment of debt service on bonds issued for the improvement and development of all or any part of the neighborhood improvement zone and the purpose of constructing a facility or facility complex. Funds may not be utilized for purposes of renovating or repairing a facility or facility complex, except for capital maintenance and improvement projects. The reconciliation between the state tax share transferred and the actual liablity incurred, could result in the return of the excess state tax share in the subsequent fiscal year.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 0**	**$ 3**	**$ 0**
Receipts:			
State Tax Share	$ 48,224	$ 55,903	$ 53,153
State Tax Share Return	-1,993	-16,283	0
Local Tax Share	1,492	1,621	1,647
Interest	3	0	0
Total Receipts	47,726	41,241	54,800
Total Funds Available	**$ 47,726**	**$ 41,244**	**$ 54,800**
Disbursements:			
Treasury	$ 47,723	$ 41,244	$ 54,800
Total Disbursements	-47,723	-41,244	-54,800
Cash Balance, Ending	**$ 3**	**$ 0**	**$ 0**

Non-Coal Surface Mining Conservation and Reclamation Fund

This fund was created by Act 219 of 1984 to finance reclamation projects on land scarred by non-coal surface mining. Projects include recontouring, terracing and planting trees, shrubs and grasses. Revenues are provided by charging non-coal surface mining operators for licenses and permits and by fining them for failing to apply for the licenses and permits as well as by forfeiture of collateral bonds, cash or securities for failure to comply with an approved reclamation plan.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 10,695**	**$ 10,214**	**$ 8,995**
Receipts:			
Licenses and Fees	$ 1,991	$ 2,071	$ 2,071
Penalties	125	100	100
Interest	289	245	245
Collateral	102	0	0
Forfeiture	4	0	0
Payment in Lieu of Bonds	48	49	49
Total Receipts	2,559	2,465	2,465
Total Funds Available	**$ 13,254**	**$ 12,679**	**$ 11,460**
Disbursements:			
Environmental Protection	$ 3,040	$ 3,684	$ 4,296
Total Disbursements	-3,040	-3,684	-4,296
Cash Balance, Ending	**$ 10,214**	**$ 8,995**	**$ 7,164**

Nutrient Management Fund

This fund was created under the authority of Act 6 of 1993 to fund loans and grants for the implementation of nutrient management plans by agricultural operations. Revenue comes from commonwealth and federal appropriations, interest, loan repayments and gifts. Act 18 of 1995 transferred some responsibilities for the Nutrient Management Program from the Department of Environmental Protection to the Department of Agriculture.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 1,875**	**$ 1,939**	**$ 913**
Receipts:			
Transfer from General Fund	$ 2,714	$ 2,714	$ 2,714
Interest	4	5	5
Fees	55	25	25
Fines	5	63	25
Total Receipts	2,778	2,807	2,769
Total Funds Available	**$ 4,653**	**$ 4,746**	**$ 3,682**
Disbursements:			
Agriculture	$ 791	$ 1,039	$ 1,050
Environmental Protection	1,923	2,794	2,073
Total Disbursements	-2,714	-3,833	-3,123
Cash Balance, Ending	**$ 1,939**	**$ 913**	**$ 559**

Oil and Gas Lease Fund

Created in 1955, this fund is used to finance conservation, recreation, dams or flood control projects or to match any federal grants made for these purposes. Revenues are derived from rents and royalties from oil and gas leases of commonwealth owned land with the exception of rents and royalties from land owned by either the Pennsylvania Game or Fish and Boat Commissions. Those revenues are paid into the Game and Fish Funds. Act 50 of 2009 provides $50 million for an annual appropriation from the fund to the Department of Conservation and Natural Resources. In addition, any monies above the $50 million must be specifically appropriated by the General Assembly. Act 46 of 2010 authorized a transfer of $180 million to the General Fund. Act 13 of 2012 authorized annual transfers to the Marcellus Legacy Fund.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 87,691**	**$ 113,839**	**$ 72,630**
Receipts:			
Rents and Royalties	$ 147,440	$ 132,640	$ 132,640
Interest	477	524	524
Other	44	1,000	0
Total Receipts	147,961	134,164	133,164
Total Funds Available	**$ 235,652**	**$ 248,003**	**$ 205,794**
Disbursements:			
Conservation and Natural Resources	$ 45,267	$ 77,827	$ 59,210
State Parks Operations	39,160	45,009	38,765
State Forests Operations	17,386	17,537	19,045
Transfer to Marcellus Legacy Fund	20,000	35,000	40,000
Total Disbursements	-121,813	-175,373	-157,020
Cash Balance, Ending	**$ 113,839**	**$ 72,630**	**$ 48,774**

Patient Safety Trust Fund

Act 13 of 2002, known as the Medical Care Availability and Reduction of Error Act, established the Patient Safety Trust Fund for the purpose of independent review of medical facilities which will result in ensuring patient safety and reducing medical errors. Revenue to the fund includes a surcharge on medical facility licensing fees. These fees are assessed by the Department of Health, deposited in the General Fund and transferred to the Patient Safety Fund. The Patient Safety Authority established by Act 13 contracts with entities who collect, analyze and evaluate data regarding reports of serious events and incidents at medical facilities and identify patterns in frequency or severity at individual medical facilities or in certain regions of this commonwealth.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 7,512**	**$ 7,368**	**$ 7,583**
Receipts:			
Surcharges	$ 6,648	$ 7,830	$ 7,250
Contract/Grants	826	543	0
Interest	14	11	11
Total Receipts	7,488	8,384	7,261
Total Funds Available	**$ 15,000**	**$ 15,752**	**$ 14,844**
Disbursements:			
Patient Safety Authority	$ 7,632	$ 8,169	$ 7,877
Total Disbursements	-7,632	-8,169	-7,877
Cash Balance, Ending	**$ 7,368**	**$ 7,583**	**$ 6,967**

Pennsylvania Economic Revitalization Fund

The Pennsylvania Economic Revitalization Fund was created by Act 104 of 1984 as a three-year $190 million program financed through a bond issue authorized by the electorate. The fund was formally established in the 1988-89 budget as an economic development fund and authorization for the fund was eliminated in 1995-96. Activity continues because of the long-term nature of existing projects. Upon completion of project activity, the remaining balance in this fund will be transferred to the General Fund.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 2,181**	**$ 2,572**	**$ 2,976**
Receipts:			
Loan Principal and Interest Repayments	$ 387	$ 400	$ 400
Interest	4	4	4
Total Receipts	391	404	404
Total Funds Available	**$ 2,572**	**$ 2,976**	**$ 3,380**
Disbursements:			
Transfer to General Fund	$ 0	$ 0	$ 0
Total Disbursements	0	0	0
Cash Balance, Ending	**$ 2,572**	**$ 2,976**	**$ 3,380**

Pennsylvania eHealth Partnership Fund

This fund was established by Act 121 of 2012. The fund is administered by the Pennsylvania eHealth Partnership Authority. The authority will develop, establish and maintain a health information exchange that complies with federal and state law. The authority will expire on July 5, 2017.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 1,861**	**$ 2,142**	**$ 2,600**
Receipts:			
Contracts/Grants/Fees	$ 465	$ 1,161	$ 0
Transfer from General Fund	1,540	3,850	1,500
Federal Funds	0	17,837	3,874
Interest	3	3	3
Total Receipts	2,008	22,851	5,377
Total Funds Available	**$ 3,869**	**$ 24,993**	**$ 7,977**
Disbursements:			
Pennsylvania eHealth Partnership Authority	$ 1,727	$ 22,393	$ 7,699
Total Disbursements	-1,727	-22,393	-7,699
Cash Balance, Ending	**$ 2,142**	**$ 2,600**	**$ 278**

Pennsylvania Gaming Economic Development and Tourism Fund

Act 71 of 2004, the Pennsylvania Race Horse Development and Gaming Act, established the Pennsylvania Gaming Economic Development and Tourism Fund (GEDTF) to receive a daily assessment of 5 percent of each licensed gaming entity's gross terminal revenue. Proceeds of the fund are distributed through specific enacted capital budgets. Funds for economic development and tourism projects in Philadelphia and Allegheny counties were authorized in Act 53 of 2007. In addition, pursuant to Act 63 of 2008, GEDTF proceeds can be used to fund debt service for water and sewer projects, flood control projects, and high hazard unsafe dam projects located elsewhere in Pennsylvania as approved by the Commonwealth Financing Authority.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 71,654**	**$ 46,800**	**$ 15,249**
Receipts:			
Gross Terminal Revenue Assessments	$ 117,092	$ 118,187	$ 120,838
Transfer from Property Tax Relief Fund	0	0	35,000
Build America Bonds Federal Interest Subsidy	9,268	9,206	9,083
Interest	130	83	83
Total Receipts	126,490	127,476	165,004
Total Funds Available	**$ 198,144**	**$ 174,276**	**$ 180,253**
Disbursements:			
Community and Economic Development	$ 93,905	$ 101,825	$ 102,200
General Services	737	625	5,424 a
Transfer to Commonwealth Financing Authority	56,702	56,577	56,438
Total Disbursements	-151,344	-159,027	-164,062
Cash Balance, Ending	**$ 46,800**	**$ 15,249**	**$ 16,191**

a Includes a $4.613M remaining pledge installment owed by a casino operator that is due on April 1, 2015. This installment amount is illustrated due to cashflow timing and is not expected to be paid by this fund or any other commonwealth fund.

Pennsylvania Historical and Museum Commission Trust Fund

This fund, created by Act 113 of 1931, is administered by the Governor, Auditor General, State Treasurer and the Pennsylvania Historical and Museum Commission. The interest received from investment of the $33,000 perpetual endowment to this fund in bonds of the commonwealth or any of its political subdivisions is credited to the fund. Interest earned on investments is used for the restoration, maintenance and improvement of the Cornwall Charcoal Furnace, Cornwall Borough, Lebanon County.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 183**	**$ 184**	**$ 184**
Receipts:			
Interest	$ 1	$ 0	$ 0
Total Receipts	1	0	0
Total Funds Available	**$ 184**	**$ 184**	**$ 184**
Disbursements:			
Historical and Museum Commission	$ 0	$ 0	$ 0
Total Disbursements	0	0	0
Cash Balance, Ending	**$ 184**	**$ 184**	**$ 184**

Pennsylvania Infrastructure Bank

This fund was established by Act 57 of 1997 to make loans to, or enter into leases with, qualified borrowers to finance the costs of transportation projects. Acts 165 and 7A of 2004 expanded this program to include financing of rail freight infrastructure. Receipts are derived from loan repayments and interest earnings.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 58,524**	**$ 55,058**	**$ 42,345**
Receipts:			
Loan Principal and Interest Repayments	$ 15,338	$ 15,622	$ 16,937
Interest	1,331	1,253	1,253
Other	2	742	0
Total Receipts	16,671	17,617	18,190
Total Funds Available	**$ 75,195**	**$ 72,675**	**$ 60,535**
Disbursements:			
Transportation	$ 20,137	$ 30,330	$ 30,000
Total Disbursements	-20,137	-30,330	-30,000
Cash Balance, Ending	**$ 55,058**	**$ 42,345**	**$ 30,535**

Pennsylvania Municipal Retirement Fund

Act 15 of 1974 created the Pennsylvania Municipal Retirement System which replaced the Municipal Employes Retirement Law and the Municipal Police Retirement Law and combined all employes covered under both into a state-related municipal system. The fund established under Act 15 provides for payment of retirement allowances to officers, employes, firemen and police of political subdivisions (counties, cities, boroughs and townships of the first and second class). Any municipality may elect by ordinance to join the system. Revenues are generated from the contributions of the members of the system and investment earnings. The board established has control over the system's operation. The net investment adjustment shown below is to reflect carrying value of long-term investments as of June 30. A municipality may, upon meeting the requirements set forth in Act 15, elect to withdraw from participation in this fund. Withdrawals may substantially increase the level of disbursements reflected in this presentation.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Total Cash Balance, Beginning	**$ 1,729,430**	**$ 2,019,435**	**$ 2,055,624**
Receipts:			
Contributions	$ 62,996	$ 68,036	$ 73,479
Interest	26,482	27,940	29,476
Premium / Discount on Sale of Securities	118,908	15,497	16,349
Net Investment Adjustment	167,881	17,027	92,497
Other	11	0	0
Total Receipts	376,278	128,500	211,801
Total Funds Available	**$ 2,105,708**	**$ 2,147,935**	**$ 2,267,425**
Disbursements:			
Municipal Retirement Board	$ 86,273	$ 92,311	$ 98,773
Total Disbursements	-86,273	-92,311	-98,773
Cash Balance, Ending	**$ 2,019,435**	**$ 2,055,624**	**$ 2,168,652**

Pennsylvania Race Horse Development Fund

Act 71 of 2004, the Pennsylvania Race Horse Development and Gaming Act, established the Pennsylvania Race Horse Development Fund to support and advance the commonwealth's horse racing industry. Operating tracks receive a daily assessment as determined by the Department of Revenue. The daily assessment from each licensed gaming entity is based on a formula established in the act, which is capped at 12 percent of an entity's gross terminal revenue for that day. Proceeds are distributed to licensees conducting live horse racing. Track owners deposit 80 percent of the proceeds into a purse account. Thoroughbred tracks commit the remaining proceeds to the Breeders' Fund and a Horseman's Organization Fund. Standardbred tracks commit proceeds to the Sire Stakes Fund, the Pennsylvania Standardbred Breeders Development Fund, and a Horsemen's Organizational Fund. Act 1 of 2010 provided for a transfer from the Pennsylvania Race Horse Development Fund to the General Fund for fiscal years 2009-10 through 2012-13. The 2015-16 budget proposes an annual transfer to the State Racing Fund to permanently sustain operations.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 396**	**$ 3,507**	**$ 3,280**
Receipts:			
Assessments	$ 246,067	$ 246,600	$ 250,180
Interest	18	11	11
Total Receipts	246,085	246,611	250,191
Total Funds Available	**$ 246,481**	**$ 250,118**	**$ 253,471**
Disbursements:			
Revenue	$ 221,456	$ 228,340	$ 225,020
Agriculture	13,418	13,898	13,659
Transfer to Farm Products Show Fund	4,000	4,000	5,000
Transfer to General Fund	500	0	0
Transfer to Racing Fund	3,600	600	6,500
Total Disbursements	-242,974	-246,838	-250,179
Cash Balance, Ending	**$ 3,507**	**$ 3,280**	**$ 3,292**

Pennsylvania Veterans Memorial Trust Fund

Act 60 of 1988 established the Pennsylvania Veterans Memorial Trust Fund to be administered by the Pennsylvania Veterans Memorial Commission. Revenues come from General Fund appropriations and public or private contributions. Funds were expended to erect a monument to Pennsylvania Veterans who served in armed conflicts in which the United States was a participant. Act 63 of 2002 expanded the use of this fund to include operation and maintenance of the memorial.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 278**	**$ 244**	**$ 169**
Receipts:			
Public and Private Donations	$ 3	$ 4	$ 4
Interest	0	0	0
Total Receipts	3	4	4
Total Funds Available	**$ 281**	**$ 248**	**$ 173**
Disbursements:			
Military and Veterans Affairs	$ 37	$ 79	$ 50
Total Disbursements	-37	-79	-50
Cash Balance, Ending	**$ 244**	**$ 169**	**$ 123**

PENNVEST Bond Authorization Fund

This fund, created under the authority of Act 16 of 1988, receives the proceeds from the sale of bonds authorized by general referendum, transfers from the Water Facilities Loan Fund or from the Capital Facilities Fund for site development. Expenditures are for transfers of funds to the PENNVEST Fund, the PENNVEST Drinking Water Revolving Fund, the PENNVEST Water Pollution Control Revolving Fund, the PENNVEST Revolving Fund or the PENNVEST Non-Revolving Equity Fund.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 9,780**	**$ 7,213**	**$ 7,224**
Receipts:			
Referendum Bonds	$ 0	$ 0	$ 8,000
Premium on Sale of Bonds	0	0	0
Interest	21	11	25
Total Receipts	21	11	8,025
Total Funds Available	**$ 9,801**	**$ 7,224**	**$ 15,249**
Disbursements:			
Treasury	$ 0	$ 0	$ 0
Infrastructure Investment Authority	2,588	0	0
Total Disbursements	-2,588	0	0
Cash Balance, Ending	**$ 7,213**	**$ 7,224**	**$ 15,249**

PENNVEST Drinking Water Revolving Fund

This fund was created under the authority of Act 16 of 1988 to receive funds from the federal government to establish a revolving loan program for drinking water projects. Required matching state funds are transferred from the PENNVEST Bond Authorization Fund and the PENNVEST Fund. Because of the lag in receiving federal funds, cash is borrowed from other PENNVEST funds. Negative receipts reflect the repayment of these loans.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 144,285**	**$ 143,423**	**$ 194,450**
Receipts:			
PENNVEST Fund	$ 0	$ 5,000	$ 6,000
Federal Funds	26,598	63,282	70,535
Transfer from PENNVEST Water Pollution Control Revolving Fund	37,078	20,000	20,000
Loan Principal and Interest Repayments	7,830	56,300	56,300
Interest	1,990	2,445	2,445
Total Receipts	73,496	147,027	155,280
Total Funds Available	**$ 217,781**	**$ 290,450**	**$ 349,730**
Disbursements:			
Infrastructure Investment Authority	$ 74,358	$ 96,000	$ 101,000
Total Disbursements	-74,358	-96,000	-101,000
Cash Balance, Ending	**$ 143,423**	**$ 194,450**	**$ 248,730**

PENNVEST Fund

This fund was created under the authority of Act 16 of 1988 to receive funds from sources other than the sale of general obligation bonds. These sources include appropriations from the General Fund, payments of revolving loans, interest received from revolving and non-revolving loans, investment income and the sale of assets. In addition to grants and loans for water and sewer projects, these funds can be used for administrative costs and matching funds for federal grants.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 175,716**	**$ 232,410**	**$ 137,489**
Receipts:			
Revolving Loan Payments	$ 191,232	$ 65,000	$ 65,000
Transfer from Environmental Stewardship Fund	13,855	15,650	16,097
Transfer from Marcellus Legacy Fund	18,034	9,156	9,146
Interest	3,505	5,000	4,149
Other	-36	0	0
Total Receipts	226,590	94,806	94,392
Total Funds Available	**$ 402,306**	**$ 327,216**	**$ 231,881**
Disbursements:			
Infrastructure Investment Authority:			
Grants	$ 0	$ 1,000	$ 2,000
Administration	2,437	4,561	5,976
Growing Greener Grants	5,434	15,000	15,000
Revenue Bond Loan Pool	0	10	10
Marcellus Grants	0	9,156	9,146
Revolving Loans and Administration	162,025	150,000	120,000
State Conditional Fund	0	10,000	10,000
Total Disbursements	-169,896	-189,727	-162,132
Cash Balance, Ending	**$ 232,410**	**$ 137,489**	**$ 69,749**

PENNVEST Non-Revolving Equity Fund

This fund, created under the authority of Act 16 of 1988, receives monies transferred from the PENNVEST Bond Authorization Fund. These funds are used for non-revolving loans authorized by the act. These non-revolving loans can be made to public or private entities for drinking water supply or sewer projects. Repayments of loans and interest are deposited in the PENNVEST Redemption Fund.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 30**	**$ 0**	**$ 0**
Receipts:			
Bond Authorization Fund	$ 0	$ 0	$ 0
Transfer to PENNVEST Fund	-30	0	0
Total Receipts	-30	0	0
Total Funds Available	**$ 0**	**$ 0**	**$ 0**
Disbursements:			
Infrastructure Investment Authority	$ 0	$ 0	$ 0
Total Disbursements	0	0	0
Cash Balance, Ending	**$ 0**	**$ 0**	**$ 0**

PENNVEST Redemption Fund

This fund, created under the authority of Act 16 of 1988, receives repayments of non-revolving loans and investment interest along with the annual appropriation from the General Fund for general obligation debt service. Revenues are used to pay debt service on general obligation bonds issued for PENNVEST.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 1,481**	**$ 2,199**	**$ 2,257**
Receipts:			
Transfer from General Fund	$ 7,224	$ 4,116	$ 4,010
Interest on Securities	3	5	5
Non-Revolving Loan Repayments	11,483	13,853	13,853
Total Receipts	18,710	17,974	17,868
Total Funds Available	**$ 20,191**	**$ 20,173**	**$ 20,125**
Disbursements:			
Treasury	$ 17,992	$ 17,916	$ 17,822
Total Disbursements	-17,992	-17,916	-17,822
Cash Balance, Ending	**$ 2,199**	**$ 2,257**	**$ 2,303**

PENNVEST Revolving Fund

This fund, created under the authority of Act 16 of 1988, receives monies transferred from the PENNVEST Bond Authorization Fund. Funds are used for revolving loans which can be made to public or private entities for drinking water supply or sewer projects. Repayments of loans and interest are deposited in the PENNVEST Fund. In 2006-07, funds were redirected to the PENNVEST Non-Revolving Equity Fund and other PENNVEST funds.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 36**	**$ 0**	**$ 0**
Receipts:			
Bond Authorization Fund	$ 0	$ 0	$ 0
Interest	0	0	0
Transfer to PENNVEST Fund	-36	0	0
Total Receipts	-36	0	0
Total Funds Available	**$ 0**	**$ 0**	**$ 0**
Disbursements:			
Infrastructure Investment Authority	$ 0	$ 0	$ 0
Total Disbursements	0	0	0
Cash Balance, Ending	**$ 0**	**$ 0**	**$ 0**

PENNVEST Trustee Fund

This fund was created in Treasury by the Pennsylvania Infrastructure Investment Authority (PENNVEST) to record the accounting transactions of their trustee. The trustee will transfer the proceeds from the sale of Commercial Paper and Revenue Bonds to the Authority for loans to the public entities receiving State funds for construction projects.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 28**	**$ 0**	**$ 0**
Receipts:			
Transfer to PENNVEST Fund	$ -18	$ 0	$ 0
Interest	0	0	0
Total Receipts	-18	0	0
Total Funds Available	**$ 10**	**$ 0**	**$ 0**
Disbursements:			
Infrastructure Investment Authority	$ 10	$ 0	$ 0
Total Disbursements	-10	0	0
Cash Balance, Ending	**$ 0**	**$ 0**	**$ 0**

PENNVEST Water Pollution Control Revolving Fund

This fund was created under the authority of Act 16 of 1988 for funds received from the federal government to establish a revolving loan program for sewer projects. Required matching state funds are transferred from the PENNVEST Bond Authorization Fund and the PENNVEST Fund.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 510,495**	**$ 531,675**	**$ 543,402**
Receipts:			
PENNVEST Fund	$ 0	$ 10,722	$ 11,200
Federal Funds	53,915	150,050	100,000
Transfer from PENNVEST Drinking Water Revolving Fund	0	20,000	20,000
Loan Principal and Interest Repayments	109,288	200,000	200,000
Interest	7,783	11,005	11,005
Other	-4	0	0
Total Receipts	170,982	391,777	342,205
Total Funds Available	**$ 681,477**	**$ 923,452**	**$ 885,607**
Disbursements:			
Infrastructure Investment Authority	$ 149,802	$ 380,050	$ 332,000
Total Disbursements	-149,802	-380,050	-332,000
Cash Balance, Ending	**$ 531,675**	**$ 543,402**	**$ 553,607**

Persian Gulf Conflict Veterans Compensation Bond Fund

The Persian Gulf Conflict Veterans Compensation Bond Fund was created by Act 29 of 2006 to receive and distribute the proceeds from $20 million in bonds approved by the electorate in November of 2006. This money is used for compensation to commonwealth veterans who were active in the Persian Gulf Theater of operations during the period from August 2, 1990 to August 31, 1991 and who have received the Southwest Asia Service Medal. The maximum compensation is $525, except in the cases of death or the veteran was a prisoner of war. In such instances the maximum compensation is $5,000. Applications will be accepted until August 31, 2015.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 2,632**	**$ 2,525**	**$ 2,229**
Receipts:			
Interest	$ 6	$ 4	$ 4
Other	0	0	0
Total Receipts	6	4	4
Total Funds Available	**$ 2,638**	**$ 2,529**	**$ 2,233**
Disbursements:			
Military and Veterans Affairs	$ 113	$ 300	$ 200
Total Disbursements	-113	-300	-200
Cash Balance, Ending	**$ 2,525**	**$ 2,229**	**$ 2,033**

Persian Gulf Conflict Veterans Compensation Sinking Fund

Monies in this fund are used to redeem or pay interest on bonds issued for the Persian Gulf Conflict Veterans' Compensation Program. The annual appropriation from the General Fund for general obligation debt service provides revenues to the fund.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 0**	**$ 0**	**$ 0**
Receipts:			
Transfer from General Fund	$ 506	$ 503	$ 500
Total Receipts	506	503	500
Total Funds Available	**$ 506**	**$ 503**	**$ 500**
Disbursements:			
Treasury	$ 506	$ 503	$ 500
Total Disbursements	-506	-503	-500
Cash Balance, Ending	**$ 0**	**$ 0**	**$ 0**

Pharmaceutical Assistance Fund

The revenue for the Pharmaceutical Assistance Fund (PACE) is received from the Lottery Fund. This fund provides a limited pharmaceutical assistance program for older Pennsylvanians who are 65 years of age or over and whose annual income does not exceed the maximum specified for program eligibility. The PACE Fund is used for pharmaceutical claims processing for the Department of Health's Special Pharmaceutical Benefits Program and its disease specific programs, as well as the Insurance Department's Auto Cat and the Worker's Compensation Security Fund. Funds not expended in the fiscal year in which they are appropriated are available for use in the following fiscal year. For additional information on the programs refer to the program descriptions in the Departments of Aging, Health, and Insurance.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 133,006**	**$ 75,386**	**$ 46,423**
Receipts:			
Transfer from Lottery Fund	$ 130,000	$ 155,000	$ 160,000
Interest	723	409	231
Disease Specific Programs	5,313	5,508	6,240
Special Pharmaceutical Services	35,448	60,075	67,567
Auto Cat Program	807	942	944
Workers' Compensation Security Fund Program	2,570	3,274	3,276
Other	-64	3,609	0
Total Receipts	174,797	228,817	238,258
Total Funds Available	**$ 307,803**	**$ 304,203**	**$ 284,681**
Disbursements:			
Aging	$ 183,306	$ 187,981	$ 187,510
Health	44,901	65,583 [a]	73,807 [a]
Insurance	4,210	4,216 [a]	4,220 [a]
Total Disbursements	-232,417	-257,780	-265,537
Cash Balance, Ending	**$ 75,386**	**$ 46,423**	**$ 19,144**

[a] Expenditures from restricted accounts in the Department of Aging.

Philadelphia Regional Port Authority Fund

The Philadelphia Regional Port Authority was created by Act 50 of 1989 to acquire and operate the port facilities of the former Philadelphia Port Corporation. The Philadelphia Regional Port Authority Fund handles payroll of the authority via transfer of funds from the authority's private bank accounts. The authority is authorized to issue bonds to finance port improvements and may pay off such bonds.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 416**	**$ 557**	**$ 731**
Receipts:			
Transfer from Philadelphia Regional Port Authority	$ 7,930	$ 8,000	$ 8,200
Interest	1	2	2
Total Receipts	7,931	8,002	8,202
Total Funds Available	**$ 8,347**	**$ 8,559**	**$ 8,933**
Disbursements:			
Philadelphia Regional Port Operations	$ 7,790	$ 7,828	$ 8,023
Total Disbursements	-7,790	-7,828	-8,023
Cash Balance, Ending	**$ 557**	**$ 731**	**$ 910**

Philadelphia Taxicab and Limousine Regulatory Fund

This fund was created by Act 64 of 2013 to act as the primary operating fund for the Philadelphia Parking Authority to regulate taxicabs and limousines in the city of the first class. Revenues in the fund are derived from assessments and fees to taxicab, limousine, and dispatcher utility groups. Monies in the fund are used by the Authority for administration and enforcement of the taxicab and limousine program.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 0**	**$ 137**	**$ 137**
Receipts:			
Assessments	$ 737	$ 7,072	$ 8,442
Interest	0	0	0
Other	0	0	0
Total Receipts	737	7,072	8,442
Total Funds Available	**$ 737**	**$ 7,209**	**$ 8,579**
Disbursements:			
Philadelphia Parking Authority	$ 600	$ 7,072	$ 8,442
Total Disbursements	-600	-7,072	-8,442
Cash Balance, Ending	**$ 137**	**$ 137**	**$ 137**

Philadelphia Taxicab Medallion Fund

This fund was created by Act 64 of 2013 for the Philadelphia Parking Authority to administer the taxicab medallion program. Revenues are generated from the sale of medallions. Expeditures are those limited to the operation and enforcement of the medallion program.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 0**	**$ 642**	**$ 642**
Receipts:			
Sale of Medallions	$ 642	$ 500	$ 2,000
Interest	0	0	0
Total Receipts	642	500	2,000
Total Funds Available	**$ 642**	**$ 1,142**	**$ 2,642**
Disbursements:			
Philadelphia Parking Authority	$ 0	$ 500	$ 2,000
Total Disbursements	0	-500	-2,000
Cash Balance, Ending	**$ 642**	**$ 642**	**$ 642**

Port of Pittsburgh Commission Fund

The Port of Pittsburgh Commission was created by Act 133 of 1992 to promote and encourage capital investment in port facilities and port-related projects within the port district encompassing Allegheny, Armstrong, Beaver, Butler, Clarion, Fayette, Greene, Lawrence, Washington and Westmoreland counties.

Act 140 of 2000 expanded the authority of the commission to allow for economic development projects, including certain recreation projectssponsored by third parties. Act 111 of 2001 added Indiana County, and Act 131 of 2006 added Blair County to the Port District.

Grants supporting the commission's operations are deposited into this fund along with interest earnings from deposited funds. The commission also has the authority to issue bonds to finance port improvements and may pledge its revenues to pay off such bonds.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 3,479**	**$ 2,628**	**$ 2,236**
Receipts:			
State Grants	$ 0	$ 500	$ 500
Federal Grants	1,476	1,500	1,500
Loan Repayments	2	0	0
Interest	9	4	4
Total Receipts	1,487	2,004	2,004
Total Funds Available	**$ 4,966**	**$ 4,632**	**$ 4,240**
Disbursements:			
Port of Pittsburgh Commission	$ 2,338	$ 2,396	$ 2,456
Total Disbursements	-2,338	-2,396	-2,456
Cash Balance, Ending	**$ 2,628**	**$ 2,236**	**$ 1,784**

Property Tax Relief Fund

Act 71 of 2004, the Pennsylvania Race Horse Development and Gaming Act, created the Property Tax Relief Fund to provide local property and wage tax relief payments to school districts. The fund receives revenue from the State Gaming Fund representing the balance of money collected in the State Gaming Fund after other distributions. Act 1 of Special Session 1 of 2006, the Taxpayer Relief Act, further provides for the distribution of funds from the Property Tax Relief Fund to school districts. In addition, transfers are made to the State Lottery Fund for an expanded Property Rent Rebate Program and supplemental senior citizen tax reduction payments. Act 78 of 2012 provides for additional funding for the Volunteer Fire Company Grants out of the Property Tax Relief Reserve Fund. The fiscal year ending balances include the Property Tax Relief Reserve Account and funding for property tax relief payments made in August and October each year.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 564,752**	**$ 535,987**	**$ 514,492**
Receipts:			
Transfer from State Gaming Fund	$ 747,163	$ 755,520	$ 773,097
Transfer from Property Tax/Rent Relief Restricted Account	0	0	35,000
Property Tax Relief Reserve Fund Loan Repayment	6,578	6,385	6,385
Interest	594	600	600
Total Receipts	754,335	762,505	815,082
Total Funds Available	**$ 1,319,087**	**$ 1,298,492**	**$ 1,329,574**
Disbursements:			
Property Tax Relief Payments:			
Education:			
General Property Tax Relief	$ 595,000	$ 595,000	$ 595,000
Sterling Act	16,600	21,200	21,200
Subtotal: Education Property Tax Relief Payments	611,600	616,200	616,200
Revenue:			
Expanded Prop Tax/Rent Rebate/Senior Tax Reductions	136,700	133,500	136,400
Cities and High-Burden	29,800	29,300	30,400
Subtotal: Revenue Property Tax Relief Payments	166,500	162,800	166,800
Total Property Tax Relief Disbursements	778,100	779,000	783,000
Emergency Management:			
Volunteer Company Grants	5,000	5,000	5,000
Transfer to PA Gaming Economic Development and Tourism Fund	0	0	35,000
Total Disbursements	-783,100	-784,000	-823,000
Cash Balance, Ending	**$ 535,987** [a]	**$ 514,492** [b]	**$ 506,574** [c]

a 2013-14 Available includes a balance of $42,713,863 in the Property Tax Relief Reserve Account.

b 2014-15 Available includes a balance of $21,170,909 in the Property Tax Relief Reserve Account.

c 2015-16 Estimated includes a balance of $1,455,409 in the Property Tax Relief Reserve Account.

Public Transportation Assistance Fund

The Public Transportation Assistance Fund was established by Act 26 of 1991 to assist the capital, asset maintenance and other transportation needs of the commonwealth's transit entities. Act 44 of 2007 revised the purpose of this fund by transferring programs to the new Public Transportation Trust Fund.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 7,639**	**$ 7,686**	**$ 10,972**
Receipts:			
Tire Fee, Rental Fee and Lease Tax	$ 102,125	$ 102,300	$ 103,100
Sales and Use Tax	90,505	95,800	114,700
Interest	34	18	18
Total Receipts	192,664	198,118	217,818
Total Funds Available	**$ 200,303**	**$ 205,804**	**$ 228,790**
Disbursements:			
Transportation:			
Grants	$ 174,597	$ 176,652	$ 197,495
Transfer to Public Transportation Trust Fund	18,020	18,180	20,139
Total Disbursements	-192,617	-194,832	-217,634
Cash Balance, Ending	**$ 7,686**	**$ 10,972**	**$ 11,156**

Public Transportation Trust Fund

The Public Transportation Trust Fund was created by Act 44 of 2007 to provide dedicated funding for public transportation in the commonwealth. Act 89 of 2013 increased funding and revenue sources for the fund. Revenues come from scheduled payments by the Pennsylvania Turnpike Commission, a portion of the Sales and Use Tax, certain motor vehicle fees, vehicle code fines and surcharges, and transfers from the Public Transportation Assistance Fund and the Lottery Fund. Monies in this fund are disbursed as grants to public transit agencies for operating costs, capital and asset improvements, and programs of statewide significance.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 142,266**	**$ 162,352**	**$ 72,317**
Receipts:			
Sales and Use Tax	$ 420,508	$ 445,111	$ 532,925
Pennsylvania Turnpike Commission	250,000	420,000	420,000
Transfer from Lottery Fund	92,956	94,443	95,907
Transfer from Public Transportation Assistance Fund	18,020	18,180	20,139
Motor Vehicle Fees	30,692	129,042	217,203
Vehicle Code Fines	6,302	34,500	41,000
Interest	2,117	2,000	2,000
Total Receipts	820,595	1,143,276	1,329,174
Total Funds Available	**$ 962,861**	**$ 1,305,628**	**$ 1,401,491**
Disbursements:			
Transportation	$ 800,509	$ 1,233,311	$ 1,360,225
Total Disbursements	-800,509	-1,233,311	-1,360,225
Cash Balance, Ending	**$ 162,352**	**$ 72,317**	**$ 41,266**

Purchasing Fund

Created in 1933, this fund finances the purchase of materials, supplies, services and equipment by the Department of General Services and Executive Offices for use by other departments, boards and commissions. Salaries for the personnel administering the fund are paid by the fund. Revenue sources are periodic appropriations from the General Fund and reimbursements by other departments, boards and commissions for the materials and supplies provided them.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 25,071**	**$ 15,103**	**$ 7,351**
Receipts:			
Reimbursements to General Services	$ 363,912	$ 449,236	$ 465,000
Reimbursements to Executive Offices	60,579	65,000	67,873
Interest	60	94	94
Total Receipts	424,551	514,330	532,967
Total Funds Available	**$ 449,622**	**$ 529,433**	**$ 540,318**
Disbursements:			
General Services	$ 369,250	$ 460,082	$ 455,000
Executive Offices	65,269	62,000	68,984
Total Disbursements	-434,519	-522,082	-523,984
Cash Balance, Ending	**$ 15,103**	**$ 7,351**	**$ 16,334**

Racing Fund

The Racing Fund is a special revenue fund composed of monies received from taxes and license fees collected by the State Horse Racing Commission and the State Harness Racing Commission for the regulation of horse and harness racing. The administration and enforcement of racing in Pennsylvania is governed by the Race Horse Industry Reform Act (Act 93 of 1983 and subsequent amendments). Licensed racing corporations annually conducting at least 100 days of racing remit wagering taxes at the rate of 1.5%. License and fee revenue is derived from the licensing of jockeys and other persons participating in racing as prescribed by the State Racing Commission. Penalties and interest on taxes due, interest on securities and uncashed tickets comprise miscellaneous revenue. Act 30 of 2013 provided a one-time transfer of $4.2 million from the Pennsylvania Race Horse Development Fund. Act 52 of 2014 established the Advance Deposit Wagering Tax which is assessed to non-licensed corporations that offer and accept pari-mutuel wagers. Shortly after enactment, the non-licensed corporations filed a legal challenge against imposition of this tax; no receipts are shown in 2014-15 and 2015-16 pending the outcome of the court case.

The Race Horse Industry Reform Act also provides for allocations from the State Racing Fund to two restricted accounts, the Pennsylvania Breeders Fund and the Sire Stakes Fund, providing such revenue is available after payment of commission efforts regarding administration and enforcement. In recent years, such revenue has not been available and all deposits to the restricted accounts have come solely from the Pennsylvania Race Horse Development Fund.

Due to continuing revenue declines, this budget proposes an annual $6.5 million transfer from the Pennsylvania Race Horse Development Fund to the State Racing Fund to ensure that the Department of Agriculture continues to perform its regulatory obligations in support of horse racing in Pennsylvania.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 14,727**	**$ 23,566**	**$ 20,048**
Receipts:			
Admission and Wagering	$ 10,147	$ 10,510	$ 9,879
Licenses and Fees	691	673	603
Transfers from PA Race Horse Development Fund	3,600	600	6,500
Advance Deposit Wagering Tax	2,201	0	0
Other	1,673	1,912	1,412
Restricted Revenues	36,337	33,800	33,800
Interest	573	357	357
Total Receipts	55,222	47,852	52,551
Total Funds Available	**$ 69,949**	**$ 71,418**	**$ 72,599**
Disbursements:			
Agriculture	$ 15,028	$ 16,633	$ 18,214
Revenue	0	237	237
Loan Repayment to General Fund	300	0	0
Agriculture - Restricted Funds	31,055	34,500	34,500
Total Disbursements	-46,383	-51,370	-52,951
Cash Balance, Ending	**$ 23,566**	**$ 20,048**	**$ 19,648**

Real Estate Recovery Fund

This fund was established in 1980 to reimburse aggrieved persons any amounts unpaid from final judgements against any person licensed by the Real Estate Commission. Revenue is derived from additional fees paid by licensees, with interest on investments being retained by the fund.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 113**	**$ 578**	**$ 529**
Receipts:			
Additional License Fees	$ 462	$ 100	$ 100
Interest	1	1	1
Total Receipts	463	101	101
Total Funds Available	**$ 576**	**$ 679**	**$ 630**
Disbursements:			
State	$ -2	$ 150	$ 150
Total Disbursements	2	-150	-150
Cash Balance, Ending	**$ 578**	**$ 529**	**$ 480**

Recycling Fund

This fund was created by Act 101 of 1988 to finance the planning, processing, resource recovery and recycling of solid waste. Revenue is generated by a fee on all waste disposed of in landfills or processed by resource recovery facilities. Expenditures are for recycling and planning grants, market and waste minimization studies, and public information and education activities throughout the commonwealth. Act 125 of 1998 allowed for up to $1.5 million annually for five years of Recycling Fund money to finance the cleanup of illegally deposited waste on state forest and state park lands.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 71,904**	**$ 76,605**	**$ 61,805**
Receipts:			
Recycling Fees	$ 36,246	$ 36,550	$ 36,550
Interest	1,281	1,385	1,385
Transfer from Hazardous Sites Cleanup Fund	1,000	875	1,000
Total Receipts	38,527	38,810	38,935
Total Funds Available	**$ 110,431**	**$ 115,415**	**$ 100,740**
Disbursements:			
Environmental Protection	$ 33,826	$ 53,610	$ 47,618
Total Disbursements	-33,826	-53,610	-47,618
Cash Balance, Ending	**$ 76,605**	**$ 61,805**	**$ 53,122**

Rehabilitation Center Fund

This fund was created by Act 55 of 1959 for the operation of the Hiram G. Andrews Rehabilitation Center and is funded from fees for services rendered by the center. Most of these services are rendered to vocational rehabilitation clients. The Department of Labor and Industry is pursuing diversification and privatization of services offered at the center. These plans include training enhancement for clients of the center and economic development opportunities for the Johnstown region.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 8,554**	**$ 11,095**	**$ 9,343**
Receipts:			
Client Fees	$ 21,386	$ 20,000	$ 20,000
Interest	18	18	18
PHEAA Grants	96	96	96
Labor and Industry	205	200	200
Other	1,231	1,500	1,500
Total Receipts	22,936	21,814	21,814
Total Funds Available	**$ 31,490**	**$ 32,909**	**$ 31,157**
Disbursements:			
Labor and Industry	$ 20,395	$ 23,566	$ 23,566
Total Disbursements	-20,395	-23,566	-23,566
Cash Balance, Ending	**$ 11,095**	**$ 9,343**	**$ 7,591**

Remining Financial Assurance Fund

Act 173 of 1992 authorized this fund to assist mine operators who qualify to purchase reclamation bonds or make payment in lieu of reclamation bonds. Revenues are the transfer of up to $5 million from the Land and Water Development Fund and from in lieu of bond premium payments. Interest earnings are deposited in the Land and Water Development Sinking Fund. Expenditures from this fund occur only when mine operators default.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 4,008**	**$ 4,141**	**$ 3,936**
Receipts:			
Interest transfer to Land and Water Development Sinking Fund	$ -9	$ -7	$ -7
Interest	9	7	7
Operator Annual Fee	133	119	119
Total Receipts	133	119	119
Total Funds Available	**$ 4,141**	**$ 4,260**	**$ 4,055**
Disbursements:			
Environmental Protection	$ 0	$ 324	$ 50
Total Disbursements	0	-324	-50
Cash Balance, Ending	**$ 4,141**	**$ 3,936**	**$ 4,005**

Rightful Owners' Claims Payment Fund

The Rightful Owners' Claims Payment Fund was created by Act 45 of 2003 to make reimbursements and prompt payment of claims to an owner for a restitution payment previously held as unclaimed by any court, public corporation, public authority or instrumentality of the commonwealth, or by a public officer or political subdivision. Under the act, five percent of the funds transferred annually into the Treasury will be deposited into the Rightful Owners' Claims Payment Fund to create the capability to make a reimbursement in the event a claim is filed. The remaining ninety-five percent balance of the restitution monies annually escheated from the entities identified are to be deposited to the Crime Victims' Compensation Fund.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 27**	**$ 53**	**$ 36**
Receipts:			
Transfers from Unclaimed Property Accounts	$ 510	$ 426	$ 435
Total Receipts	510	426	435
Total Funds Available	**$ 537**	**$ 479**	**$ 471**
Disbursements:			
Treasury Payments to Claimants	$ 484	$ 443	$ 452
Total Disbursements	-484	-443	-452
Cash Balance, Ending	**$ 53**	**$ 36**	**$ 19**

School Employees' Retirement Fund

The Public School Employees' Retirement Fund provides for receipt and accounting of member and employer contributions, investment of those funds and payment of benefits to retired school employees.

According to the provisions of Act 29 of 1994, starting with the employer contribution payment for the third quarter of 1995 (school salaries paid from July 1, 1995 to September 30, 1995), employers defined as school entities (school districts, intermediate units, and area vocational technical schools) pay 100 percent of the employer share of contributions to the fund. The commonwealth pays school entities a portion of these costs from appropriated funds based on a statutory formula. Commonwealth contributions of the employer share for non-school entities are also paid from appropriated funds. These contributions are paid directly to the fund.

Earnings from investments provide additional revenue and pay for the expenses of the Public School Employees' Retirement Board. The board is responsible for management of the fund and payment of benefits. The employer contribution rate is determined by the fund's actuary and adopted by the board.

Act 40 of 2003 changed the retirement system's amortization, thereby lowering the employer contribution costs. Act 120 of 2010 amended the benefit structure for most new employees hired after July 1, 2011 and amended the funding provisions. Act 120 also established a new shared risk benefit plan.

The cash balance shown in the statement includes substantial investment assets. The net investment adjustment item is included to reflect the carrying value of long-term investments.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 48,712,183**	**$ 52,128,399**	**$ 53,581,149**
Receipts:			
Transfer from General Fund — Employer Contribution (non-school entities)	$ 10,683	$ 15,000	$ 18,000
Transfers from State Retirement System	10,631	11,000	11,000
Transfer from Tobacco and Health Venture	0	225,000	0
Contributions of School Employees	967,306	979,000	1,006,000
Contributions of Employers	1,940,214	2,792,000	3,462,000
Net Investment Adjustment	6,870,163	3,982,000	4,074,000
Total Receipts	9,798,997	8,004,000	8,571,000
Total Funds Available	**$ 58,511,180**	**$ 60,132,399**	**$ 62,152,149**
Disbursements:			
Treasury	$ 243	$ 250	$ 250
Public School Employees' Retirement Board	6,382,538	6,551,000	6,820,000
Total Disbursements	-6,382,781	-6,551,250	-6,820,250
Cash Balance, Ending	**$ 52,128,399**	**$ 53,581,149**	**$ 55,331,899**

School Retirees' Health Insurance Fund

This fund was created by Act 9 of 2001. The fund is used to establish and maintain a reserve sufficient to pay the expected claims experience of the Health Options Program (HOP). The HOP is a Public School Employees' Retirement System (PSERS) sponsored voluntary health insurance program for the sole benefit of PSERS retirees, their spouses or surviving spouses, and their dependents. This presentation only reflects the activity of the claims reserve account. PSERS administers other activity through the fund which is not included herein. The revenue for HOP is from premiums paid by its participants for the benefit coverage they elect and, beginning in 2006, federal funds to subsidize Medicare Part D prescription drug benefits for HOP participants enrolled in that program. The May 2002 initial transfer consisted of funds paid in by those insured and associated investment revenue in the amount of $27 million that had accumulated in the Public School Employees' Retirement Fund prior to the creation of the separate health insurance fund.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 0**	**$ 0**	**$ 0**
Receipts:			
Insurance Claims	$ 33,257	$ 3,021	$ 0 [a]
Total Receipts	33,257	3,021	0
Total Funds Available	**$ 33,257**	**$ 3,021**	**$ 0**
Disbursements:			
School Employees' Retirement System	$ 33,257	$ 3,021	$ 0 [a]
Total Disbursements	-33,257	-3,021	0
Cash Balance, Ending	**$ 0**	**$ 0**	**$ 0**

[a] Beginning in September 2014, the funds received from the centers for Medicare & Medicaid Services are directly deposited into the accounts held by a Third Party Administrator.

Self-Insurance Guaranty Fund

This fund was created by Act 44 of 1993, the Pennsylvania Workers' Compensation Act. The purpose of this fund is to pay claims arising from defaulting self-insurance employers and defaulting members of self-insurance pooling arrangements under the Workers' Compensation Act for injuries occurring on or after October 30, 1993. The fund is maintained by assessments on self-insurers. Act 53 of 2000 provides for payments of claims resulting from injuries prior to October 30, 1993, through a Prefund Account funded by transfers from the Workers' Compensation Administration Fund. Act 49 of 2001 limited annual transfers to the Prefund Account to $3.8 million. The Prefund Account and the fund are administered by the Department of Labor and Industry.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 58,515**	**$ 57,562**	**$ 54,749**
Receipts:			
Assessments	$ 1,077	$ 3,000	$ 3,000
Workmen's Compensation Transfers	4,657	0	0
Interest	1,020	1,116	1,116
Internal Interest Transfers	-1,017	-920	-920
Total Receipts	5,737	3,196	3,196
Total Funds Available	**$ 64,252**	**$ 60,758**	**$ 57,945**
Disbursements:			
Labor and Industry	$ 6,690	$ 6,009	$ 5,000
Total Disbursements	-6,690	-6,009	-5,000
Cash Balance, Ending	**$ 57,562**	**$ 54,749**	**$ 52,945**

Small Business First Fund

Act 67 of 1996 created the Small Business First Fund. The fund replaced the Air Quality Improvement Fund, Storage Tank Loan Fund and the Pennsylvania Capital Loan Fund. Balances and program commitments in those funds were transferred to the Small Business First Fund. The fund may receive transfers from the Minority Business Development Fund to facilitate its programs for small businesses. Act 50 of 2009 enabled the fund to transfer monies to the Machinery and Equipment Loan Fund in support of its activities.

This program provides low-interest loans for small businesses of 100 employees or less. Eligible projects include land and building acquisition and construction; machinery and equipment purchases; working capital; compliance with environmental regulations and municipal or commercial recycling. In addition, companies eligible to participate in this program are those impacted by the reduction in defense-related activities and those involved in exports, advanced technology and the hospitality industry. Act 161 of 2014 transitioned the administration of this fund to the Pennsylvania Industrial Development Authority.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 93,479**	**$ 101,877**	**$ 8,225**
Receipts:			
Loan Principal and Interest Repayments	$ 14,726	$ 13,000	$ 13,000
Interest	1,323	300	50
Transfer from Trustee	0	7,300	0
Other	27	7,311	30
Total Receipts	16,076	27,911	13,080
Total Funds Available	**$ 109,555**	**$ 129,788**	**$ 21,305**
Disbursements:			
Community and Economic Development	$ 7,678	$ 26,563	$ 15,000
Transfer to General Fund	0	95,000	0
Total Disbursements	-7,678	-121,563	-15,000
Cash Balance, Ending	**$ 101,877**	**$ 8,225**	**$ 6,305**

Solid Waste-Resource Recovery Development Fund

Created in 1974, this fund provides financial assistance to municipalities in the planning, development, construction and operation of resource recovery and solid waste disposal facilities. Loans for new facilities are restricted to municipalities in seventh and eighth class counties. Revenue is provided through appropriations by the General Assembly and by the repayment of loans made to municipalities.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 441**	**$ 443**	**$ 444**
Receipts:			
Interest	$ 2	$ 1	$ 1
Total Receipts	2	1	1
Total Funds Available	**$ 443**	**$ 444**	**$ 445**
Disbursements:			
Environmental Protection	$ 0	$ 0	$ 0
Total Disbursements	0	0	0
Cash Balance, Ending	**$ 443**	**$ 444**	**$ 445**

Special Administration Fund

The purpose of this fund, administered by the Department of Labor and Industry, is to cover those administrative expenses of the Unemployment Compensation Law not properly and validly chargeable to the Administration Fund. The receipts of the fund are generated from interest and penalties collected from claimants and employers under provisions of the Unemployment Compensation Law. Act 5 of 2005 requires that all monies in excess of $200,000 in the fund, less encumbrances for litigation, shall be transferred by June 25th of each year to either the Unemployment Compensation Contribution Fund or the Job Training Fund or both.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 4,770**	**$ 9,352**	**$ 200**
Receipts:			
Penalty and Interest Collections	$ 10,971	$ 11,265	$ 11,594
Interest	16	13	13
Total Receipts	10,987	11,278	11,607
Total Funds Available	**$ 15,757**	**$ 20,630**	**$ 11,807**
Disbursements:			
Transfer to Job Training Fund	$ 0	$ 5,000	$ 5,000
Labor and Industry	6,405	15,430	6,607
Total Disbursements	-6,405	-20,430	-11,607
Cash Balance, Ending	**$ 9,352**	**$ 200**	**$ 200**

State College Experimental Farm Fund

Act 56, approved May 13, 1887, authorized the sale of the eastern and western experimental farms which were purchased with federal land grant monies in 1862. These farms were sold for $17,000 in 1888 and the proceeds were placed in this fund to be invested in bonds of the commonwealth at 6 percent per annum with the interest serving as an ongoing revenue to this fund. Interest earned is disbursed to the Pennsylvania State University.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 24**	**$ 24**	**$ 24**
Receipts:			
Interest	$ 0	$ 0	$ 0
Total Receipts	0	0	0
Total Funds Available	**$ 24**	**$ 24**	**$ 24**
Disbursements:			
Treasury	$ 0	$ 0	$ 0
Total Disbursements	0	0	0
Cash Balance, Ending	**$ 24**	**$ 24**	**$ 24**

State Employees' Retirement Fund

This fund was created in 1923 to accumulate reserves for the payment of pensions to eligible former state employees. Money in this fund is used to pay retirement, disability and death benefits to members of the State Employees' Retirement System and their beneficiaries. Membership in the system is mandatory for most state employees and available to employees of non-state entities, such as the Pennsylvania State University, the Turnpike Commission, the Delaware River Port Authority and other public and quasi-public institutions authorized by the Retirement Code.

The fund receives revenue from employee contributions, employer contributions and income derived from its investment portfolio. Employer contributions are an actuarially determined percentage of payroll sufficient to fund current and future benefit payments. Investment income is used to credit interest to each member's account; to pay the administrative expenses of the retirement system; and to accumulate monies for the payment of future benefits. Management of the fund and payment of benefits are overseen by the State Employees' Retirement Board.

Act 40 of 2003 changed the retirement system's amortization period, thereby lowering the employer contribution costs. Act 120 of 2010 amended the benefit structure for most new employees hired after December 31, 2010 and amended the funding provisions. Act 120 also established a new shared risk benefit plan.

The cash balance shown in the statement includes substantial investment assets. The net investment adjustment item is to reflect the carrying value of long-term investments.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 25,344,120**	**$ 27,802,230**	**$ 28,507,195**
Receipts:			
Contributions of Employees	$ 374,466	$ 368,356	$ 364,500
Contributions of Employers	885,320	1,266,254	1,519,713
Transfer from PSERS	13,905	14,322	14,752
Directed Commissions	102	105	105
Net Investment Adjustment	4,091,966	2,085,162	2,138,166
Other	888	896	896
Total Receipts	5,366,646	3,735,095	4,038,132
Total Funds Available	**$ 30,710,766**	**$ 31,537,325**	**$ 32,545,327**
Disbursements:			
Treasury	$ 265	$ 250	$ 300
Benefits and Expenses	2,908,272	3,029,880	3,202,619
Total Disbursements	-2,908,537	-3,030,130	-3,202,919
Cash Balance, Ending	**$ 27,802,230**	**$ 28,507,195**	**$ 29,342,408**

State Gaming Fund

Act 71 of 2004, the Pennsylvania Race Horse Development and Gaming Act, established the State Gaming Fund to receive all licenses fees provided for in the act and 34 percent of the gross terminal revenue (GTR) generated by licensed gaming facilities. These monies are to be distributed annually to various programs as set forth in the act with the remainder being transferred to the Property Tax Relief Fund in order to provide property tax relief as required by Act 1 of Special Session 1 of 2006. Also licensed gaming facilities deposit an additional 4 percent of GTR into the fund for local share distributions where gaming facilities are located.

Act 1 of 2010 expanded gaming in the commonwealth to include table games and required licensed gaming facilities with table games to deposit an additional 2 percent of the gross table games revenue into the fund for local share distributions.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 171,805**	**$ 170,505**	**$ 150,993**
Receipts:			
State Tax Revenue	$ 796,228	$ 803,674	$ 821,701
Licensee Deposit Accts	54,739	56,803	58,126
Local Share Assessment	150,684	152,093	155,505
Interest	319	322	329
Other	11,851	7,100	7,100
Total Receipts	1,013,821	1,019,992	1,042,761
Total Funds Available	**$ 1,185,626**	**$ 1,190,497**	**$ 1,193,754**
Disbursements:			
Revenue:			
Transfer to Compulsive and Problem Gambling Treatment Fund	$ 5,242	$ 4,384	$ 4,800
Transfer to Compulsive and Problem Gambling Treatment Fund - Drug and Alcohol	3,000	3,000	3,000
Payment in Lieu of Taxes:			
Conservation and Natural Resources	5,100	5,146	5,146
Fish and Boat Commission	17	40	40
Game Commission	3,549	3,586	3,686
Emergency Management:			
Volunteer Company Grants	25,000	25,000	25,000
Gaming Control Board:			
Local Law Enforcement Grants	128	2,000	2,000
Local Share Assessment Distribution:			
Revenue	117,415	118,513	121,171
Community and Economic Development	35,215	35,544	36,342
Education	1,230	1,242	1,269
Transfer to General Fund	0	8,000	0
Administrative Appropriations:			
Gaming Control Board	40,571	40,853	40,000
Revenue	8,047	11,552	9,513
State Police	22,518	23,815	26,973
Attorney General	926	1,309	1,192
Transfer to Property Tax Relief Fund	747,163	755,520	773,097
Total Disbursements	-1,015,121	-1,039,504	-1,053,229
Cash Balance, Ending	**$ 170,505** [a]	**$ 150,993** [a]	**$ 140,525** [a]

[a] Ending cash balance includes the following restricted balances: 2013-14 Actual is $162,153,000, 2014-15 Available is $145,321,000 and 2015-16 Estimated is $129,592,000.

State Insurance Fund

Act 227 of 1915 created this fund which finances expenditures related to the rebuilding, restoring or replacing of buildings, structures, equipment or other property owned by the commonwealth that have been damaged or destroyed by fire or other casualty. This includes natural or man-made disasters. Revenue is derived from interest earned by the fund, interest received from the Fire Insurance Tax Fund and from reimbursements by insurance companies. If needed, money may also be directly appropriated to this fund. Receipts of the fund include reimbursement from the commonwealth's excess insurance policy, which is responsible for damages for any occurrence in excess of $1 million. This fund satisfies the requirements of the federal government for the Disaster Insurance Program.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 9,463**	**$ 8,278**	**$ 7,309**
Receipts:			
Recovered Damages	$ 0	$ 450	$ 450
Interest	397	295	295
Other	0	79	0
Total Receipts	397	824	745
Total Funds Available	**$ 9,860**	**$ 9,102**	**$ 8,054**
Disbursements:			
General Services	$ 1,582	$ 1,793	$ 1,800
Total Disbursements	-1,582	-1,793	-1,800
Cash Balance, Ending	**$ 8,278**	**$ 7,309**	**$ 6,254**

State Restaurant Fund

This fund was created by Act 259 of 1943 to finance the purchase and maintenance of equipment for the operation of the restaurant in the State Capitol as well as any other restaurants in other State Office Buildings. At present, the Capitol East Wing Cafeteria is the only restaurant operated through this fund. Revenue is derived from profit-sharing with the contracted vendor.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 1,056**	**$ 1,024**	**$ 964**
Receipts:			
Revenue from Operations	$ 23	$ 35	$ 48
Interest	3	2	2
Total Receipts	26	37	50
Total Funds Available	**$ 1,082**	**$ 1,061**	**$ 1,014**
Disbursements:			
General Services	$ 58	$ 97	$ 60
Total Disbursements	-58	-97	-60
Cash Balance, Ending	**$ 1,024**	**$ 964**	**$ 954**

State School Fund

This fund was established in 1911 and is funded primarily by the sale of escheated estates and other nonpublic real estate and interest earnings of the Sinking Fund. Changes in the escheat law and lack of interest earnings from the Sinking Fund or investment of monies in the State School Fund have resulted in a low revenue level. The fund is active in only a limited sense.

The original purpose of the fund was to equalize educational advantages across the commonwealth; to provide advancements to school districts temporarily in need of aid; and to promote education in the conservation of natural resources, forestry, agriculture and other industrial pursuits. The law was amended in 1960 to change the purpose of the fund to equalization of educational opportunities, and to pay part of the cost of repair or alteration of local public school or state college buildings when required to satisfy requirements of the Department of Labor and Industry or other relevant governmental agencies. Currently, the State Board of Education periodically uses the interest earned to fund research and small projects.

Expenditures from the fund are made at the direction of the State Board of Education.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 665**	**$ 661**	**$ 662**
Receipts:			
Interest	$ 1	$ 1	$ 1
Total Receipts	1	1	1
Total Funds Available	**$ 666**	**$ 662**	**$ 663**
Disbursements:			
Education	$ 5	$ 0	$ 0
Total Disbursements	-5	0	0
Cash Balance, Ending	**$ 661**	**$ 662**	**$ 663**

State Stores Fund

The State Stores Fund serves as the general operating fund for the Liquor Control Board. The Pennsylvania State Police also receive funds for the enforcement of the Liquor Code. Prior to 2012-13, the Department of Health received funds for alcohol abuse programs. Act 50 of 2010 created the Department of Drug and Alcohol Programs and requires that all drug and alcohol funding previously allocated to the Department of Health be transferred to the Department of Drug and Alcohol Programs.

This fund receives revenues from the sale of goods in State Liquor Stores, fees not credited to the Liquor License Fund, fines and penalties, losses and damages recovered, and loans from the General Fund to provide working capital. Expenditures cover all costs associated with the operation and administration of the Liquor Store System and enforcement of the Liquor Code. Surplus funds are transferred to the General Fund.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ -1,193**	**$ 40,072**	**$ 39,783**
Receipts:			
Fees, Fines and Penalties	$ 14,138	$ 14,150	$ 14,150
Sale of Goods	1,817,774	1,885,032	1,954,778
Liquor Sales Taxes	454,062	470,862	488,284
Recovered Losses and Damages	2,298	2,358	2,355
Other	45	0	0
Interest	420	319	319
Total Receipts	2,288,737	2,372,721	2,459,886
Total Funds Available	**$ 2,287,544**	**$ 2,412,793**	**$ 2,499,669**
Disbursements:			
Drug and Alcohol Programs	$ 2,567	$ 2,474	$ 2,500
Liquor Control Board	1,685,896	1,791,664	1,851,231
State Police	24,947	28,010	29,497
Transfer of Liquor Sales Taxes to General Fund	454,062	470,862	488,284
Transfer of Profits to General Fund	80,000	80,000	80,000
Total Disbursements	-2,247,472	-2,373,010	-2,451,512
Cash Balance, Ending	**$ 40,072**	**$ 39,783**	**$ 48,157**

State Treasury Armory Fund

Created in accordance with Act 92 of 1975, the State Treasury Armory Fund receives monies derived from the sale of any armory building, armory site or other real estate. Funds are expended solely for the purchase of equipment, furniture and fixtures or for the construction of new armories in the commonwealth.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 1,799**	**$ 2,729**	**$ 4,360**
Receipts:			
Armory Rentals	$ 325	$ 300	$ 300
Sale of Armories and Land	1,717	2,770	925
Interest	5	3	3
Other	3	58	7
Total Receipts	2,050	3,131	1,235
Total Funds Available	**$ 3,849**	**$ 5,860**	**$ 5,595**
Disbursements:			
Military and Veterans Affairs	$ 1,120	$ 1,500	$ 1,500
Total Disbursements	-1,120	-1,500	-1,500
Cash Balance, Ending	**$ 2,729**	**$ 4,360**	**$ 4,095**

State Workers' Insurance Fund

The State Workers' Insurance Fund (SWIF) was created by Act 338 of 1915 and operates within the Department of Labor and Industry. It is a self-sustaining fund providing workers' compensation insurance to employers, including those refused policies by private insurance firms. SWIF is subject to underwriting rules, classification and rates promulgated by rating bureaus authorized by the State Insurance Commissioner. Premium rates are established by them based on the history of accidents by industry. Administrative costs are paid from the fund including expenses related to Insurance Department and Auditor General examinations.

Act 68 of 1990 provides for the transfer of money from SWIF. Annual payments are made to the General Fund equal to the amount which would have been paid in taxes had SWIF been subject to taxes. The act also established an Advisory Council to recommend the amount of surplus in SWIF, if any, that could be distributed without jeopardizing its legal obligations to policy holders. If such a surplus exists, the SWIF Board may then recommend distribution of the surplus as refunds to current or former policyholders. The funds recommended by the board to be transferred or refunded to policyholders must be approved and appropriated by the General Assembly.

The net investment adjustment shown below is to reflect the current market value of long-term investments as of June 30.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 1,507,787**	**$ 1,490,978**	**$ 1,459,003**
Receipts:			
Premiums	$ 223,853	$ 240,000	$ 240,000
Interest	52,942	53,000	54,000
Net Investment Adjustment	-4,700	5,700	5,700
Other	4,377	5,600	5,600
Total Receipts	276,472	304,300	305,300
Total Funds Available	**$ 1,784,259**	**$ 1,795,278**	**$ 1,764,303**
Disbursements:			
Labor and Industry	$ 288,828	$ 331,475	$ 331,475
Premium Tax Payment to General Fund	4,453	4,800	4,800
Total Disbursements	-293,281	-336,275	-336,275
Cash Balance, Ending	**$ 1,490,978**	**$ 1,459,003**	**$ 1,428,028**

Storage Tank Fund

This fund was created by Act 32 of 1989 for the operation of an aboveground and underground storage tank regulation, registration and enforcement program. Revenues to the fund consist of registration and permit fees, fines, judgements, bond forfeitures, interest and recovered costs. Expenditures include the remediation of leaking underground storage tanks.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 9,324**	**$ 8,133**	**$ 3,693**
Receipts:			
Registration Fees	$ 3,186	$ 3,110	$ 3,110
Federal Funds - EPA	3,552	4,740	4,740
Fines and Penalties	391	550	550
Interest	22	11	11
Other	3,439	2,644	2,642
Total Receipts	10,590	11,055	11,053
Total Funds Available	**$ 19,914**	**$ 19,188**	**$ 14,746**
Disbursements:			
Environmental Protection	$ 11,781	$ 15,495	$ 14,510
Total Disbursements	-11,781	-15,495	-14,510
Cash Balance, Ending	**$ 8,133**	**$ 3,693**	**$ 236**

Substance Abuse Education and Demand Reduction Fund

This fund was created by Act 198 of 2002 and amended by Act 36 of 2006. The purpose of the fund is to provide research-based approaches to prevention, intervention, training, treatment and education services to reduce substance abuse and to offer statewide programs to assist families in accessing those services. The fund also provides for statewide programs to educate employers, unions and employees about the dangers of substance abuse in the workplace and provide comprehensive drug-free workplace programs and technical resources for businesses. Revenue to the fund consists of assessments on individuals convicted, adjudicated delinquent or granted accelerated rehabilitative disposition and also those individuals who plead guilty or nolo contendere to either a violation of the Controlled Substance, Drug, Device and Cosmetic Act or a violation relating to driving under the influence of alcohol or controlled substance.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 14,039**	**$ 12,748**	**$ 8,058**
Receipts:			
Assessments	$ 3,358	$ 3,400	$ 3,400
Interest	209	210	210
Total Receipts	3,567	3,610	3,610
Total Funds Available	**$ 17,606**	**$ 16,358**	**$ 11,668**
Disbursements:			
Executive Offices	$ 4,187	$ 8,000	$ 8,000
Attorney General	671	300	300
Total Disbursements	-4,858	-8,300	-8,300
Cash Balance, Ending	**$ 12,748**	**$ 8,058**	**$ 3,368**

Surface Mining Conservation and Reclamation Fund

This fund was created in 1945 to finance reclamation projects on land scarred by surface mining. Projects include recontouring, terracing and planting of trees, shrubs and grasses. Revenues are provided by charging surface mining operators for licenses and permits and by fining them for failure to apply for the licenses and permits as well as by forfeiture of collateral bonds, cash or securities for failure to comply with an approved reclamation plan. Act 95 of 2012 required sum-certain guarantees to cover stage III reclamation liability under a permittee's reclamation bond, to the extent funds are available.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 66,053**	**$ 64,866**	**$ 60,107**
Receipts:			
Licenses and Fees	$ 282	$ 287	$ 287
Fines and Penalties	301	370	370
Interest	1,497	1,534	1,534
Forfeiture of Bonds	362	0	0
Other	1,348	488	-417
Total Receipts	3,790	2,679	1,774
Total Funds Available	**$ 69,843**	**$ 67,545**	**$ 61,881**
Disbursements:			
Environmental Protection	$ 4,977	$ 7,438	$ 7,348
Total Disbursements	-4,977	-7,438	-7,348
Cash Balance, Ending	**$ 64,866**	**$ 60,107**	**$ 54,533**

Tax Note Sinking Fund

Monies in this fund are used solely for the payment of principal and interest on tax anticipation notes issued for the General Fund or the Motor License Fund. Repayment of tax anticipation notes must be accomplished before the end of the fiscal year in which the notes were issued.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 83**	**$ 83**	**$ 83**
Receipts:			
Payment from General Fund	$ 0	$ 0	$ 2,000,000
Total Receipts	0	0	2,000,000
Total Funds Available	**$ 83**	**$ 83**	**$ 2,000,083**
Disbursements:			
Treasury	$ 0	$ 0	$ 2,000,000
Total Disbursements	0	0	-2,000,000
Cash Balance, Ending	**$ 83**	**$ 83**	**$ 83**

Tobacco Settlement Fund

The Tobacco Settlement Fund is a special revenue fund comprised of monies from all tobacco settlements under the Tobacco Master Settlement Agreement. Act 77 of 2001 created the Tobacco Settlement Fund (TSF) to receive the revenues from the Master Settlement Agreement that was reached with the five major tobacco companies on December 17, 1999. The TSF was established to provide funding for health care insurance for the uninsured, home and community-based services for seniors, tobacco use prevention and cessation, broad-based health research, medical care for workers with disabilities, hospital uncompensated care and an endowment component to preserve a portion of the receipts for future use. Since 2005-06, a portion of the tobacco revenue has been used to offset the escalating cost of long-term care services for persons with disabilities and older Pennsylvanians.

In September 2013, an arbitration panel hearing the non-participating manufacturer (NPM) adjustment dispute with respect to MSA payments received in 2004 issued a decision adverse to the commonwealth. The Attorney General challenged the decision and due to Pennsylvania's Court Order the 2013 MSA assessment has been recalculated. Act 126 of 2014 reappropriates the Master Settlement Agreement (MSA) funds received in April 2013 as follows: 13 percent for home and community-based services, 2.93 percent for tobacco use prevention and cessation activities, 6.8 percent for health and related research, 4.09 percent for uncompensated care, 30 percent for Medicaid benefits for workers with disabilities and 43.18 percent for health-related purposes. Several of the revised 2013-14 appropriations have been placed in budgetary reserve pending the receipt of additional funds from the 2013 MSA payment.

In 2014-15, Act 126 of 2014 appropriates the Master Settlement Agreement (MSA) funds to be received in April 2015 as follows: 13 percent for home and community-based services, 4.5 percent for tobacco use prevention and cessation activities, 13.6 percent for health and related research, 8.18 percent for uncompensated care, 15.12 percent for Medicaid benefits for workers with disabilities and 45.6 percent for health-related purposes. In addition, the annual strategic contribution payment was appropriated for health-related purposes. This budget reflects revised 2014-15 appropriations based on a lower April 2015 MSA payment.

This budget proposes to allocate funds for 2015-16 based on the anticipated April 2016 MSA payment. The distribution of funds is 30 percent for Medicaid benefits for workers with disabilities, 13.6 percent for health and related research, 13 percent for home and community-based services, 4.5 percent for tobacco use prevention and cessation, 8.18 percent for uncompensated care and 30.72 percent for health-related purposes. In addition, the annual strategic payment is recommended to be appropriated for health-related purposes.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 367,138**	**$ 348,282**	**$ 20,679**
Receipts:			
Gross Settlements	$ 212,300	$ 322,327	$ 292,250
Strategic Contributions	20,992	20,789	19,829
Federal Receipts	187,089	140,879	161,924
Interest	21	170	100
Net Investment Adjustment	15,878	0	0
Total Receipts	436,280	484,165	474,103
Total Funds Available	**$ 803,418**	**$ 832,447**	**$ 494,782**
Disbursements:			
Executive Offices:			
Transfer to Public School Employees Retirement System	$ 0	$ 225,000	$ 0
Aging:			
Home and Community-Based Services (EA)	-96	-328	0
(F)Medical Assistance-Community Services (EA)	-72	-23	0
Community and Economic Development:			
Tobacco Settlement Investment Board	224	281	0
Life Science Greenhouses	0	3,966	3,000
Health:			
Tobacco Use Prevention and Cessation (EA)	10,953	16,196	13,151
Health Research - Health Priorities (EA)	-67	57,376	36,823
Health Research - National Cancer Institute (EA)	0	4,652	2,922
Human Services:			
Medical Care for Workers with Disabilities (EA)	94,892	46,468	87,675
(F)Medical Assistance - Workers with Disabilities (EA)	110,107	51,351	94,839
Uncompensated Care (EA)	24,694	38,396	23,906
(F)Medical Assistance - Uncompensated Care (EA)	30,690	41,913	25,909
Home and Community - Based Services (EA)	41,057	39,953	37,993
(F)Medical Assistance - Community Services (EA)	47,638	47,638	41,176
Medical Assistance - Long-Term Care	95,116	238,929	106,609
Total Disbursements	-455,136	-811,768	-474,003
Cash Balance, Ending	**$ 348,282**	**$ 20,679**	**$ 20,779**

Treasury Initiative Support Fund

The Treasury Initiative Support Fund was created in 2009 to account for funding received in support of Treasury initiatives and to track spending as required by the various funding agreements. Treasury established the Keystone Home Energy Loan Program (HELP) in 2006 to offer affordable energy efficiency financing options to homeowners. These consumer loans are bundled and purchased as an investment into a Treasury investment pool. This program received funding to administer components of the Alternate Energy Investment Act of July 9, 2008, Special Session 1. It has also received funding to support the HELP loans, including funds for a geothermal energy component. Support received to assist a Micro Lending investment program is also included in this fund. In addition, Treasury has received independent foundation grants to develop a nationwide market to support the sale of energy efficiency loans and to make investments that promote energy efficiency improvements on college and university campuses in Pennsylvania.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 14,914**	**$ 8,581**	**$ 1,382**
Receipts:			
Program Funding	$ 343	$ 150	$ 147
Interest	549	27	26
Total Receipts	892	177	173
Total Funds Available	**$ 15,806**	**$ 8,758**	**$ 1,555**
Disbursements:			
Treasury	$ 7,225	$ 7,376	$ 1,555
Total Disbursements	-7,225	-7,376	-1,555
Cash Balance, Ending	**$ 8,581**	**$ 1,382**	**$ 0**

Tuition Account Guaranteed Savings Program Fund

Act 11 of 1992, amended by Act 58 of 2000, provided for the establishment of two programs for postsecondary educational savings. Both programs are administered by the Tuition Account Programs Bureau within the Treasury Department with oversight by the Tuition Account Programs (TAP) Advisory Board. This fund offers a guaranteed rate of return tied to tuition inflation. Revenue is derived primarily from application fees, Tuition Account Guaranteed Savings Program contracts and investment income. Fund expenditures consist mainly of payments to educational institutions for tuition and administrative costs.

The ending fund balance shown in the statement includes subtantial investment assets. The net investment adjustment receipt item is included to reflect the carrying value of long-term investments as of June 30. The Long-Term Investments (outside of Treasury) disbursement represents cash for investments purchased through various TAP fund investment managers.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 1,516,126**	**$ 1,688,058**	**$ 1,873,260**
Receipts:			
Application Fees	$ 1,372	$ 1,841	$ 1,399
Tuition Unit Purchases	190,215	148,059	194,019
Investment Earnings	22,590	26,300	23,042
Net Investment Adjustment	173,016	227,538	245,741
Other	2,335	3,309	2,382
Total Receipts	389,528	407,047	466,583
Total Funds Available	**$ 1,905,654**	**$ 2,095,105**	**$ 2,339,843**
Disbursements:			
Treasury	$ 217,596	$ 221,845	$ 224,948
Total Disbursements	-217,596	-221,845	-224,948
Cash Balance, Ending	**$ 1,688,058**	**$ 1,873,260**	**$ 2,114,895**

Tuition Account Investment Program Fund

Act 11 of 1992, amended by Act 58 of 2000, provided for the establishment of two programs for postsecondary educational savings. Both programs are administered by the Tuition Account Programs Bureau within the Treasury Department with oversight by the Tuition Account Programs Advisory Board. The Tuition Account Investment Program, launched in July 2002, provides market-based investment returns and offers participants several investment options based on age, investment risk or socially responsible investments comprising a mix of equity and fixed income portfolios. Fund revenue is derived primarily from Tuition Account Investment Program contracts and investment income. Fund expenditures consist mainly of redemption of program contracts.

The cash balance shown in the statement includes substantial investment assets. The net investment adjustment item is included to reflect the carrying value of long-term investments as of June 30.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 2,698,966**	**$ 4,383,470**	**$ 6,411,995**
Receipts:			
Tuition Investment Purchases	$ 67,476	$ 66,307	$ 68,826
Net Investment Adjustment	1,685,425	2,031,400	2,193,907
Total Receipts	1,752,901	2,097,707	2,262,733
Total Funds Available	**$ 4,451,867**	**$ 6,481,177**	**$ 8,674,728**
Disbursements:			
Treasury	$ 68,397	$ 69,182	$ 69,765
Total Disbursements	-68,397	-69,182	-69,765
Cash Balance, Ending	**$ 4,383,470**	**$ 6,411,995**	**$ 8,604,963**

Unconventional Gas Well Fund

This fund was created by Act 13 of 2012 to provide for the collection and distriibution of unconventional gas well impact fees. The fee revenue will be used by Commonwealth agencies for monitoring and oversight of unconventional gas wells, emergency responder training, and for rail freight assistance projects. Distributions will also be made to county conservation districts and to host counties and municipalities. Receipts deposited into the Unconventiional Gas Well Fund are derived from an impact fee assessed to drillers of natural gas wells in the Marecellus Shale regions of the Commonwealth. The fee is assessed per gas well and may be adjusted based on the number of wells and changes in the Consumer Price Index for all urban consumers in the Pennsylvania, New Jersey, Delaware, and Maryland area.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 11,099**	**$ 14,652**	**$ 343**
Receipts:			
Impact Fee Revenues	$ 225,844	$ 201,300	$ 201,300
Interest	93	43	43
Total Receipts	225,937	201,343	201,343
Total Funds Available	**$ 237,036**	**$ 215,995**	**$ 201,686**
Disbursements:			
Public Utility Commission	$ 117,561	$ 111,649	$ 109,692
Emergency Management	374	5,469	1,500
Environmental Protection	6,000	6,000	6,000
Fish and Boat Commission	949	2,230	1,000
Transportation	432	3,568	1,000
Transfer to Conservation District Fund	3,750	3,844	3,940
Transfer to Marcellus Legacy Fund - DEP	2,500	0	0
Transfer to Marcellus Legacy Fund	82,101	73,245	73,168
Transfer to Housing Affordability and Rehabilitation Enhancement Fund	8,717	9,647	5,000
Total Disbursements	-222,384	-215,652	-201,300
Cash Balance, Ending	**$ 14,652**	**$ 343**	**$ 386**

Underground Storage Tank Indemnification Fund

The Storage Tank and Spill Prevention Act, Act 32 of 1989, as amended, established the Underground Storage Tank Indemnification Fund to administer a program to provide claim payments to owners and operators of underground storage tanks who incur liability for taking corrective action or for bodily injury or property damage caused by a release from underground storage tanks. Expenses for administration of the fund are also covered. The fund is administered by the Insurance Department in conjunction with a nine member Underground Storage Tank Indemnification Board.

Act 13 of 1998 established a new loan program to assist owners of regulated underground storage tanks to upgrade their underground storage tank systems to meet federal Environmental Protection Agency upgrade requirements or to remove them from service. Act 100 of 2000 expanded the upgrade loan program to include the removal of underground storage tanks. The act also established an environmental cleanup program and a pollution prevention program that are administered by the Department of Environmental Protection. A loan of $100 million was made to the General Fund on October 15, 2002 in accordance with Act 91 of 2002. Act 74 of 2012 extended authority for the Underground Storage Tank Environmental Cleanup Program and the Underground Storage Tank Pollution Prevention Program until June 30, 2017. Act 72 of 2013 changed the repayment of the $100 million loan to the General Fund to before July 1, 2029. As of 2013-14, $32.5 million of the $100 million loan has been

The net investment adjustment shown below is to reflect the current market value of long-term investments as of June 30.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 163,299**	**$ 185,972**	**$ 177,613**
Receipts:			
Gallon Fee	$ 55,571	$ 54,000	$ 54,000
Tank Capacity Fee	6,439	6,000	6,000
Investment Income	4,449	460	460
Net Investment Adjustment	9,284	0	0
Loan Repayments	2	0	0
Loan Repayments from General Fund	0	0	7,000
Other	425	6,300	500
Total Receipts	76,170	66,760	67,960
Total Funds Available	**$ 239,469**	**$ 252,732**	**$ 245,573**
Disbursements:			
Community and Economic Development	$ 1	$ 0	$ 0
Environmental Protection	3,034	12,362	11,497
Insurance	50,462	62,757	62,041
Total Disbursements	-53,497	-75,119	-73,538
Cash Balance, Ending	**$ 185,972**	**$ 177,613**	**$ 172,035**

Unemployment Compensation Benefit Payment Fund

Employers' and employees' contributions under the Unemployment Compensation Law are credited to the commonwealth's account in the Federal Unemployment Trust Fund. Requisitions of money from the Trust Fund for the payment of unemployment compensation benefits to eligible individuals are the revenue for the Unemployment Compensation Benefit Payment Fund.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 0**	**$ 0**	**$ 0**
Receipts:			
Regular Unemployment Compensation Program	$ 2,543,187	$ 2,310,000	$ 2,278,000
Other	679,781	68,000	67,000
Total Receipts	3,222,968	2,378,000	2,345,000
Total Funds Available	**$ 3,222,968**	**$ 2,378,000**	**$ 2,345,000**
Disbursements:			
Labor and Industry	$ 3,222,968	$ 2,378,000	$ 2,345,000
Total Disbursements	-3,222,968	-2,378,000	-2,345,000
Cash Balance, Ending	**$ 0**	**$ 0**	**$ 0**

Unemployment Compensation Contribution Fund

This fund was created to hold monies collected from employers under the Unemployment Compensation Law and, except for refunds of collections or transfers to the Special Administration Fund, are transferred to the United States Treasury for credit to the commonwealth's account in the Federal Unemployment Trust Fund established under Section 904 of the Social Security Act.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 368**	**$ -36,248**	**$ 0**
Receipts:			
Contributions from Employers and Employees	$ 2,555,620	$ 2,706,800	$ 2,818,200
Other	49,211	40,000	40,000
Total Receipts	2,604,831	2,746,800	2,858,200
Total Funds Available	**$ 2,605,199**	**$ 2,710,552**	**$ 2,858,200**
Disbursements:			
Labor and Industry	$ 2,641,447	$ 2,710,552	$ 2,858,200
Total Disbursements	-2,641,447	-2,710,552	-2,858,200
Cash Balance, Ending	**$ -36,248**	**$ 0**	**$ 0**

Unemployment Compensation Debt Service Fund

This fund was created in accordance with the Unemployment Compensation Law. The fund is administered by the Department of Labor and Industry and was originally used for the collection and repayment of interest on loans from the federal government to the Commonwealth's account in the Unemployment Compensation Trust Fund.

Act 60 of 2012, the Commonwealth's UC Reform Legislation, allowed for the issuance of bonds to repay the state's Unemployment Compensation debt to the federal government. The name of the fund was changed to the Debt Service Fund and its purpose was expanded to process payments for bond obligations and administrative expenses, payment of annual interest on federal loans, workforce investment and infrastructure improvements, and once debt levels are reduced to established thresholds, payment or transfer to the Unemployment Compensation Trust Fund for payment of unemployment compensation to individuals.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 1,612**	**$ 1,668**	**$ 0**
Receipts:			
Contributions from Employers	$ 440,986	$ 469,000	$ 489,000
Total Receipts	440,986	469,000	489,000
Total Funds Available	**$ 442,598**	**$ 470,668**	**$ 489,000**
Disbursements:			
Labor and Industry	$ 440,930	$ 470,668	$ 489,000
Total Disbursements	-440,930	-470,668	-489,000
Cash Balance, Ending	**$ 1,668**	**$ 0**	**$ 0**

Uninsured Employers Guaranty Fund

This fund was created by Act 147 of 2006, amending the Pennsylvania Workers' Compensation Act. The purpose of this fund is to pay claimants, or their dependents, workers' compensation benefits where the employer liable for the payments failed to insure or self-insure its workers' compensation liability at the time the injuries took place. Funding will then be maintained by assessments on insurers and self-insured employers. Assessments are limited to 0.1% of the total compensation paid by all insurers or self-insured employers during the previous calendar year. The department is preparing a proposal to request legislative action to generate additional revenues for the Fund. This budget proposes a transfer from the Workmen's Compensation Administration Fund in 2015-16.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 1,577**	**$ 487**	**$ 0**
Receipts:			
Assessments/Self-Insurer's Security	$ 4,755	$ 5,069	$ 5,375
Transfer from Workmen's Compensation Admin Fund	0	0	5,000
Interest	8	1	1
Total Receipts	4,763	5,070	10,376
Total Funds Available	**$ 6,340**	**$ 5,557**	**$ 10,376**
Disbursements:			
Labor and Industry	$ 5,853	$ 5,557	$ 8,342
Total Disbursements	-5,853	-5,557	-8,342
Cash Balance, Ending	**$ 487**	**$ 0**	**$ 2,034**

Veterans Trust Fund

The Veterans Trust Fund was established by Act 87 of 2012. The fund is administered by the Department of Military and Veterans Affairs and consists of proceeds paid by the Department of Transportation relating to special plates for veterans and $3 check-offs on drivers' license and motor vehicle registration applications, as well as grants, gifts, donations and other payments from an individual or governmental entity. The purpose of this fund is to provide grants for programs or projects supporting Pennsylvania veterans and their families.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 1,074**	**$ 1,421**	**$ 1,098**
Receipts:			
Contributions - Plates, Drivers License and Registration	$ 919	$ 1,415	$ 1,415
Interest	2	2	2
Total Receipts	921	1,417	1,417
Total Funds Available	**$ 1,995**	**$ 2,838**	**$ 2,515**
Disbursements:			
Military and Veterans Affairs:			
Veterans Service Organizations	$ 58	$ 0	$ 0
Grants and Assistance	516	1,740	1,600
Total Disbursements	-574	-1,740	-1,600
Cash Balance, Ending	**$ 1,421**	**$ 1,098**	**$ 915**

Vocational Rehabilitation Fund

This fund, administered by the State Board of Vocational Rehabilitation in the Department of Labor and Industry, was created to provide vocational rehabilitation services to any person who has a disability, mental or physical, which constitutes a handicap to employment or to achieve independent living status. Services can be provided directly or through a purchase of service arrangement. Receipts for this fund come from federal vocational rehabilitation funds, transfer of General Fund appropriations for matching the federal funds, interest earned and local match.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ -402** [a]	**$ 1,146**	**$ 426**
Receipts:			
Transfer from General Fund	$ 40,473	$ 40,473	$ 45,473
Federal Vocational Rehabilitation Funds	127,234	151,299	155,299
Other	77	0	0
Interest	42	20	20
Total Receipts	167,826	191,792	200,792
Total Funds Available	**$ 167,424**	**$ 192,938**	**$ 201,218**
Disbursements:			
Labor and Industry	$ 166,278	$ 192,512	$ 200,792
Total Disbursements	-166,278	-192,512	-200,792
Cash Balance, Ending	**$ 1,146**	**$ 426**	**$ 426**

[a] The negative beginning balance is due to the posting of expenditures in 2012-13 and the receipt of the corresponding federal reimbursement of $4,370,904.25 in 2013-14.

Volunteer Companies Loan Fund

Bond referenda in 1975, 1981, 1990 and 2002 authorized a total of $100 million of bonds to be issued for acquisition and replacement of volunteer fire, ambulance and rescue company equipment and facilities. Act 208 of 1976 established a revolving loan fund known as the Volunteer Companies Loan Fund. Loans provided for under these bond issues are administered by the Office of the State Fire Commissioner. In addition to bond proceeds, revenues include loan repayments and penalty charges. To increase program participation and accessibility, Act 129 of 2013 modified loan amount, loan periods and the number of loans allowed for emergency service providers.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 65,843**	**$ 75,859**	**$ 47,889**
Receipts:			
Loan Principal and Interest Repayments	$ 16,660	$ 16,500	$ 16,500
Interest	812	500	500
Penalty Charges	33	30	30
Total Receipts	17,505	17,030	17,030
Total Funds Available	**$ 83,348**	**$ 92,889**	**$ 64,919**
Disbursements:			
Office of State Fire Commissioner	$ 7,489	$ 15,000	$ 16,000
Transfer to General Fund	0	30,000	0
Total Disbursements	-7,489	-45,000	-16,000
Cash Balance, Ending	**$ 75,859**	**$ 47,889**	**$ 48,919**

Water and Sewer Systems Assistance Bond Fund

Act 64 of 2008, the Water and Sewer Systems Assistance Act, and Act 50 of 2009 authorized a $400 million bond issue, which was approved by referendum, to provide grants and loans to municipalities and public utilities for the acquisition, repair, construction, reconstruction, rehabilitation, extension, expansion and improvement of water supply and sewage treatment systems as well as the purchase or trading of nutrient credits.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 84,553**	**$ 36,361**	**$ 32,410**
Receipts:			
Referendum Bonds	$ 0	$ 11,000	$ 11,000
Transfer from PENNVEST Fund	173	0	0
Transfer to Water and Sewer Systems Assistance Sinking Fund	-500	0	0
Interest	106	49	49
Total Receipts	-221	11,049	11,049
Total Funds Available	**$ 84,332**	**$ 47,410**	**$ 43,459**
Disbursements:			
Treasury	$ 2	$ 0	$ 0
Infrastructure Investment Authority	47,969	15,000	15,000
Total Disbursements	-47,971	-15,000	-15,000
Cash Balance, Ending	**$ 36,361**	**$ 32,410**	**$ 28,459**

Water and Sewer Systems Assistance Bond Sinking Fund

This fund will be established to redeem or pay interest on bonds issued for the Water and Sewer Systems Assistance program. The annual appropriation from the General Fund for general obligation debt service will provide revenues to the fund.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 0**	**$ 0**	**$ 0**
Receipts:			
Transfer from General Fund	$ 24,992	$ 24,897	$ 24,787
Transfer from Water and Sewer Systems Assistance Bond Fund	500	0	0
Total Receipts	24,992	24,897	24,787
Total Funds Available	**$ 24,992**	**$ 24,897**	**$ 24,787**
Disbursements:			
Treasury	$ 24,992	$ 24,897	$ 24,787
Total Disbursements	-24,992	-24,897	-24,787
Cash Balance, Ending	**$ 0**	**$ 0**	**$ 0**

Water Supply and Wastewater Treatment Fund

Act 218 of 2004 established the Water Supply and Wastewater Infrastructure Capitalization Program. Funding for the program is generated from the $250 million bond issue approved by the electorate in April of 2004. Funds are allocated to the Commonwealth Financing Authority and the Infrastructure Investment Authority (PENNVEST) to be used for grants and loans for new and existing water supply and wastewater system projects in the commonwealth.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 28,942**	**$ 32,181**	**$ 26,708**
Receipts:			
Sale of Bonds	$ 30,000	$ 0	$ 8,725
Premium on Sale of Bonds	3,600	0	0
Loan Principal and Interest- GF Revenues	-25,008	0	0
Interest	57	60	55
Total Receipts	8,649	60	8,780
Total Funds Available	**$ 37,591**	**$ 32,241**	**$ 35,488**
Disbursements:			
Community & Economic Development - Public	$ 5,377	$ 5,533	$ 5,500
Bond Issuing Expense	33	0	0
Total Disbursements	-5,410	-5,533	-5,500
Cash Balance, Ending	**$ 32,181**	**$ 26,708**	**$ 29,988**

Water Supply and Wastewater Treatment Sinking Fund

Monies in this fund are used to redeem or pay interest on bonds issued for the Water Supply and Wastewater Treatment Program. The annual appropriation from the General Fund for general obligation debt service provides revenues to the fund.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 0**	**$ 0**	**$ 0**
Receipts:			
Transfer from General Fund	$ 14,815	$ 16,959	$ 16,988
Total Receipts	14,815	16,959	16,988
Total Funds Available	**$ 14,815**	**$ 16,959**	**$ 16,988**
Disbursements:			
Treasury	$ 14,815	$ 16,959	$ 16,988
Total Disbursements	-14,815	-16,959	-16,988
Cash Balance, Ending	**$ 0**	**$ 0**	**$ 0**

Wild Resource Conservation Fund

This fund was created by Act 170 of 1982. Revenue is derived primarily from tax rebate check-offs and voluntary contributions. The fund collects information relating to population, distribution, habitat needs, limiting factors and other biological and ecological data to classify plants and to determine necessary management measures. These management measures include promotion of a statewide system of private wild plant sanctuaries; permitting of removal, collection or transplanting of endangered or threatened plant species; and regulation of the digging, harvesting, sale and exploitation of designated species.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 178**	**$ 211**	**$ 121**
Receipts:			
Tax Check-Offs	$ 67	$ 67	$ 67
Voluntary Donations	3	2	2
License Plate Sales	26	21	21
Other	2	3	3
Total Receipts	98	93	93
Total Funds Available	**$ 276**	**$ 304**	**$ 214**
Disbursements:			
Conservation and Natural Resources	$ 65	$ 183	$ 142
Total Disbursements	-65	-183	-142
Cash Balance, Ending	**$ 211**	**$ 121**	**$ 72**

Wireless E-911 Emergency Services Fund

Act 56 of 2003, the Public Safety Emergency Telephone Act, established the Wireless E-911 Emergency Services Fund to support a statewide integrated wireless E-911 plan. The fund is used to collect and deposit a surcharge collected by wireless service providers on a monthly basis, the proceeds of which are remitted to the fund quarterly. Up to two percent of annual surcharge proceeds can be used by the agency for administrative costs with the remaining available balance being used for approved county grants. Act 84 of 2014 extended the surcharge expiration to June 30, 2015.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 12,525**	**$ 9,427**	**$ 7,697**
Receipts:			
Surcharges	$ 117,424	$ 117,000	$ 117,000
Interest	25	25	25
Total Receipts	117,449	117,025	117,025
Total Funds Available	**$ 129,974**	**$ 126,452**	**$ 124,722**
Disbursements:			
Emergency Management:			
Administration	$ 1,151	$ 2,550	$ 2,303
Grants	119,396	116,205	116,000
Total Disbursements	-120,547	-118,755	-118,303
Cash Balance, Ending	**$ 9,427**	**$ 7,697**	**$ 6,419**

Workers' Compensation Security Fund

The purpose of this fund is payment of valid claims for compensation provided by the Workers' Compensation Act to individuals who are insured by an insolvent stock company. Expenses for administration of the fund are also covered.

Through June 30, 2000, payment equal to one percent of the net written premiums received for workers' compensation insurance policies written in the commonwealth by stock companies, mutual carriers and reciprocal exchanges during the preceding annual reporting period were credited to the fund. Such payments were required only if the balance less known liabilities of the fund was determined to be less than five percent of the loss reserves of all such companies for payments of benefits under the Workers' Compensation Act.

Act 49 of 2000 removed the statutory annual assessment procedures in conjunction with giving prudent person investment authority to the Insurance Commissioner jointly with the State Treasurer for the investment of monies in the fund. This change was expected to generate increased earnings to the fund, thereby reducing the frequency of the assessment. The act requires the Insurance Department to manage the fund to maintain its actuarial soundness and a minimum balance of $500 million as of December 31 of any given year. If the fund balance falls below $500 million by calendar year end, the department will assess contributions to restore the balance in the fund in a timely manner.

The net investment adjustment shown below is to reflect the current market value of long-term investments as of June 30.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 687,716**	**$ 771,677**	**$ 762,669**
Receipts:			
Assessments and Receipts	$ 38,997	$ 27,935	$ 18,000
Net Investment Adjustment	78,297	0	0
Interest	67	57	57
Other	2,142	1,000	1,000
Total Receipts	119,503	28,992	19,057
Total Funds Available	**$ 807,219**	**$ 800,669**	**$ 781,726**
Disbursements:			
Insurance	$ 35,542	$ 38,000	$ 38,000
Total Disbursements	-35,542	-38,000	-38,000
Cash Balance, Ending	**$ 771,677**	**$ 762,669**	**$ 743,726**

Workmen's Compensation Administration Fund

This fund was created by Act 2 of 1976 to finance the expenses of the Department of Labor and Industry in administering the Pennsylvania Workers' Compensation Act and the Pennsylvania Occupational Disease Act. Act 44 of 1993 and Act 57 of 1996 amended the Workers' Compensation Act, expanding the administrative responsibilities of the department. The fund is supported by annual assessments on insurers and self-insurers under the act. These administrative funds are approved by the legislature for expenditure through the appropriation process. Administrative funds are also provided to the Office of the Small Business Advocate through the Department of Community and Economic Development to represent the interests of the employers in workers' compensation rate filings before the Insurance Department.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 113,763**	**$ 110,352**	**$ 108,186**
Receipts:			
Assessments	$ 63,961	$ 72,028	$ 70,666
Interest	216	224	224
Fines and Penalties	21	5	5
Other	678	714	720
Total Receipts	64,876	72,971	71,615
Total Funds Available	**$ 178,639**	**$ 183,323**	**$ 179,801**
Disbursements:			
Treasury	$ 3	$ 0	$ 0
Community and Economic Development	142	198	194
Transfer to Uninsured Employers Guaranty Fund	0	0	5,000
Labor and Industry	68,142	74,939	71,913
Total Disbursements	-68,287	-75,137	-77,107
Cash Balance, Ending	**$ 110,352**	**$ 108,186**	**$ 102,694**

Workmen's Compensation Supersedeas Fund

The purpose of this fund is to reimburse insurers for payments made by them to claimants under the Workers' Compensation Act who are later determined to be ineligible. The fund is maintained by annual assessments on insurers and self-insurers and is administered by the Department of Labor and Industry.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2013-14 Actual	2014-15 Available	2015-16 Estimated
Cash Balance, Beginning	**$ 4,533**	**$ 6,515**	**$ 6,163**
Receipts:			
Assessments	$ 19,520	$ 20,642	$ 21,000
Interest	29	6	6
Other	215	0	0
Total Receipts	19,764	20,648	21,006
Total Funds Available	**$ 24,297**	**$ 27,163**	**$ 27,169**
Disbursements:			
Labor and Industry	$ 17,782	$ 21,000	$ 24,000
Total Disbursements	-17,782	-21,000	-24,000
Cash Balance, Ending	**$ 6,515**	**$ 6,163**	**$ 3,169**

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Commonwealth of Pennsylvania

Governor's Executive Budget

COMPLEMENT

This section provides a summary by department of authorized salaried complement on a full-time equivalent basis for the actual, available and budget years. It also provides a brief description by agency and appropriation of the changes recommended in the budget.

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AUTHORIZED SALARIED COMPLEMENT BY AGENCY
FULL-TIME EQUIVALENT

The following is a summary, by department, of the commonwealth's authorized complement levels on a full-time equivalent basis.

Department	*2013-14 Actual*	*2014-15 Available*	*2015-16 Budget*	*Difference Budget vs. Available*
Governor's Office	68	68	68	
Executive Offices	1,789	1,733	1,709	-24
Lieutenant Governor's Office	13	13	13	
Aging	102	102	102	
Agriculture	592	596	590	-6
Banking and Securities	243	234	234	
Civil Service Commission	121	108	108	
Community and Economic Development	307	302	307	5
Conservation and Natural Resources	1,403	1,406	1,426	20
Corrections	15,925	15,959	16,023	64
Drug and Alcohol Programs	77	81	81	
Education	535	529	532	3
Emergency Management Agency	195	198	201	3
Environmental Hearing Board	14	13	13	
Environmental Protection	2,708	2,681	2,731	50
Fish and Boat Commission	432	432	432	
Game Commission	708	714	714	
General Services	1,003	954	954	
Health	1,336	1,316	1,320	4
Historical and Museum Commission	210	210	206	-4
Human Services	16,721	17,032	16,989	-43
Infrastructure Investment Authority	28	28	28	
Insurance	273	272	272	
Labor and Industry	5,898	5,902	5,902	
Liquor Control Board	3,270	3,270	3,270	
Military and Veterans Affairs	2,226	2,226	2,229	3
Milk Marketing Board	32	28	24	-4
Municipal Employes' Retirement	37	38	38	
Probation and Parole Board	1,264	1,300	1,330	30
Public Utility Commission	520	503	503	
Revenue	2,001	2,046	2,046	
School Employees' Retirement System	314	316	316	
State	496	497	505	8
State Employees' Retirement System	197	197	197	
State Police	6,531	6,561	6,561	
Transportation	11,883	11,883	11,883	
TOTAL ALL DEPARTMENTS	79,472	79,748	79,857	109

Summary of 2015-16 Complement Changes

The following is a detailed listing, by department, of the recommended authorized salaried complement changes (on a full-time equivalent basis) for 2015-16. It reflects proposed eliminations, new positions and transfers between appropriations and agencies.

Department / Fund / Appropriation	Increase/ Decrease	Comment on Complement Change
EXECUTIVE OFFICES		
General Fund:		
Commission on Crime and Delinquency	1	NEW: For Child Advocacy Centers.
Public Employee Retirement Commission	-7	TRANSFERRED: To Government Support Agencies.
Safe Schools Advocate	-3	TRANSFERRED: To Education.
Office of the Budget	-15	Eliminated positions.
DEPARTMENT TOTAL	-24	
AGRICULTURE		
General Fund:		
General Government Operations	16	TRANSFERRED: From State Racing Commissions (8), Dog Law Enforcement (7) and Farm Products Show Fund (1).
Dog Law Enforcement	-7	TRANSFERRED: To General Government Operations.
General Fund Total	9	
Racing Fund:		
State Racing Commissions	-8	TRANSFERRED: To General Government Operations.
Equine Toxicology and Research Lab	-6	Eliminated positions.
Farm Products Show Fund:		
General Operations	-1	TRANSFERRED: To General Government Operations.
Special Funds Total	-14	
DEPARTMENT TOTAL	-6	
COMMUNITY AND ECONOMIC DEVELOPMENT		
General Fund:		
General Government Operations	3	NEW: For federal Housing and Urban Development monitoring and compliance (5). TRANSFERRED: To Base Realignment and Closure (-2).
Base Realignment and Closure	2	TRANSFERRED: From General Government Operations.
DEPARTMENT TOTAL	5	
CONSERVATION AND NATURAL RESOURCES		
General Fund:		
General Government Operations	-2	Eliminated positions.
State Parks Operations	22	NEW: For Point State Park (7) and Washington Crossing (15).
DEPARTMENT TOTAL	20	
CORRECTIONS		
General Fund:		
Medical Care	5	NEW: For enhanced treatment of inmates with serious mental illness.
Inmate Education and Training	-10	Eliminated positions.
State Correctional Institutions	69	NEW: For enhanced treatment of inmates with serious mental illness.
DEPARTMENT TOTAL	64	
DRUG AND ALCOHOL PROGRAMS		
General Fund:		
General Government Operations	3	TRANSFERRED: From SABG - Administration and Operation (F).
Federal Funds:		
SABG - Administration and Operation (F)	-3	TRANSFERRED: To General Government Operations.
DEPARTMENT TOTAL	0	

Summary of 2015-16 Complement Changes

Department / Fund / Appropriation	Increase/ Decrease	Comment on Complement Change
EDUCATION		
General Fund:		
Office of Safe Schools Advocate	3	TRANSFERRED: From Executive Offices.
EMERGENCY MANAGEMENT AGENCY		
General Fund:		
General Government Operations	3	NEW: For management of new headquarters building and emergency operations.
ENVIRONMENTAL PROTECTION		
General Fund:		
Environmental Protection Operations	25	NEW: For Oil and Gas related enforcement.
Well Plugging Account	25	NEW: For Oil and Gas related enforcement.
DEPARTMENT TOTAL	50	
HEALTH		
General Fund:		
General Government Operations	-9	TRANSFERRED: To Sexually Transmitted Disease Screening and Treatment (-8) and Collaborative Chronic Disease Programs (F) (-1).
Sexually Transmitted Disease Screening and Treatment	8	TRANSFERRED: From General Government Operations.
Achieving Better Care - MAP Administration	5	NEW: To implement and administer the Act 191 prescription drug monitoring program.
General Fund Total	4	
Federal Funds:		
TB - Administration & Operation (F)	-1	Eliminated position.
Collaborative Chronic Disease Programs (F)	-7	TRANSFERRED: From General Government Operations (1) and Live Healthy (F) (-8).
Live Healthy (F)	8	TRANSFERRED: From Collaborative Chronic Disease Programs (F).
Federal Funds Total	0	
DEPARTMENT TOTAL	4	
HISTORICAL AND MUSEUM COMMISSION		
General Fund:		
General Government Operations	-4	Eliminated positions.
HUMAN SERVICES		
General Fund:		
General Government Operations	24	NEW: For Medicaid Expansion.
Mental Health Services (Hospitals)	-28	Eliminated positions.
Intellectual Disabilities - State Centers	-39	Eliminated positions.
DEPARTMENT TOTAL	-43	
MILITARY AND VETERANS AFFAIRS		
General Fund:		
General Government Operations	3	NEW: For the Office of Veterans Affairs.
MILK MARKETING BOARD		
Milk Marketing Fund:		
General Operations	-4	Eliminated positions.
PROBATION AND PAROLE		
General Fund:		
General Government Operations	29	NEW: For parole supervision and review (28) and for victim assistance (1).
Sexual Offenders Assessment Board	1	NEW: For treatment compliance tracking.
DEPARTMENT TOTAL	30	

Summary of 2015-16 Complement Changes

Department / Fund / Appropriation	Increase/ Decrease	Comment on Complement Change
STATE		
General Fund:		
Professional and Occupational Affairs.....	9	NEW: For Professional and Occupational Affairs Initiatives.
Federal Funds:		
Federal Election Reform (F).....	-1	Eliminated position.
DEPARTMENT TOTAL	8	
GRAND TOTAL	**109**	

Commonwealth of Pennsylvania

Governor's Executive Budget

STATISTICAL DATA

This section contains historical data for various Pennsylvania economic indicators. Data is obtained from published sources noted on each page. Additional data is available from the Penn State Data Center through their homepage at (www.pasdc.hbg.psu.edu/).

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SELECTED DATA ON THE COMMONWEALTH OF PENNSYLVANIA

General

The Commonwealth of Pennsylvania is one of the most populous states, ranking sixth behind California, Texas, New York, Florida, and Illinois. Pennsylvania is an established state with a diversified economy. Pennsylvania had been historically identified as a heavy industrial state. That reputation has changed over the last thirty years as the coal, steel and railroad industries declined. The commonwealth's business environment readjusted with a more diversified economic base. This economic readjustment was a direct result of a long-term shift in jobs, investment and workers away from the northeast part of the nation. Currently, the major sources of growth in Pennsylvania are in the service sector, including trade, medical and health services, education and financial institutions.

Pennsylvania's agricultural industries remain an important component of the commonwealth's economic structure, accounting for more than $7.3 billion in crop and livestock products annually. In 2013, agribusiness and food related industries had export sales surpassing $1.3 billion in economic activity. Over 59,000 farms form the backbone of the state's agricultural economy. Farmland in Pennsylvania includes over four million acres of harvested cropland and three million acres of pasture and farm woodlands - nearly one-third of the commonwealth's total land area. Agricultural diversity in the commonwealth is demonstrated by the fact that Pennsylvania ranks among the top ten states in the production of a variety of agricultural products.

Pennsylvania's extensive public and private forests provide a vast source of material for the lumber, furniture and paper products industries. The forestry and related industries account for 1.5% of employment with economic activity of nearly $5 billion in domestic and international trade. Additionally, the commonwealth derives a good water supply from underground sources, abundant rainfall, and a large number of rivers, streams and lakes. Other natural resources include major deposits of coal, petroleum and natural gas. Annually, about 66 million tons of anthracite and bituminous coal, 1,310 billion cubic feet of natural gas and about 2.2 million barrels of oil are extracted from Pennsylvania. Pennsylvania is one of the top 10 producing states in the country for aggregate/crushed stone. The value of non-coal mineral production in PA is around $1 billion dollars annually.

Pennsylvania is a Mid-Atlantic state within easy reach of the populous eastern seaboard as well as a gateway to the Midwest. A comprehensive transportation grid enhances the commonwealth's strategic geographic position. The commonwealth's water systems afford the unique feature of triple port coverage, a deep-water port at Philadelphia, a Great Lakes port at Erie and an inland water port at Pittsburgh. Between air, rail, water or road, Pennsylvania is easily accessible for both inter and intra state trade and commerce.

Population

The commonwealth is highly urbanized. Of the commonwealth's 2013 mid-year population estimate, 79 percent resided in the 15 Metropolitan Statistical Areas ("MSAs") of the commonwealth. The largest MSAs in the commonwealth are those that include the cities of Philadelphia and Pittsburgh, which together contain almost 44 percent of the state's total population. The population of Pennsylvania, 12.7 million people in 2013, according to the U.S. Bureau of the Census, represents a population growing slower than the nation with a higher portion than the nation or the region comprised of persons 45 or over. The following tables present the population trend from 2004 to 2013 and the age distribution of the population for 2013.

Population Trends
Pennsylvania, Middle Atlantic Region and the United States
2004-2013

	Total Population In Thousands			Total Population as a % of 2004 base		
As of July 1	PA	Middle Atlantic Region[a]	U.S.	PA	Middle Atlantic Region[a]	U.S.
2004	12,388	40,297	293,045	100%	100%	100%
2005	12,418	40,370	295,753	100	101	102
2006	12,471	40,451	296,593	101	101	103
2007	12,522	40,581	301,579	101	101	103
2008	12,566	40,697	304,374	102	101	105
2009	12,604	40,854	307,006	102	102	106
2010	12,711	40,913	309,326	102	102	107
2011	12,743	41,080	311,588	103	102	107
2012	12,763	41,198	313,914	103	103	108
2013	12,773	41,324	316,128	103	103	108

[a] Middle Atlantic Region: Pennsylvania, New York, New Jersey.
Source: U.S. Department of Commerce, Bureau of the Census.

Population By Age Group — 2013
Pennsylvania, Middle Atlantic Region and the United States

Age	Pennsylvania	Middle Atlantic Region[a]	United States
Under 5 years	5.6%	5.8%	6.4%
5-24 years	25.4	25.7	26.9
25-44 years	24.6	26.1	26.3
45-64 years	28.0	27.4	26.5
65 years and over	16.4	15.0	14.1

[a] Middle Atlantic Region: Pennsylvania, New York, New Jersey.
Source: U.S. Department of Commerce, Bureau of the Census.

Employment

Non-agricultural employment in Pennsylvania over the ten years ending in 2013 increased at an average annual rate of 0.02 percent compared with a 0.03 percent rate for the Middle Atlantic region and 0.04 percent rate for the U.S. The following table shows employment trends from 2004 through 2013.

Non-Agricultural Establishment Employment Trends
Pennsylvania, Middle Atlantic Region and the United States
2004-2013

	Total Establishment Employment In Thousands			Total Establishment Employment as a % of 2004 base		
Calendar Year	PA	Middle Atlantic Region[a]	U.S.	PA	Middle Atlantic Region[a]	U.S.
2004	5,647	18,099	131,749	100 %	100 %	100 %
2005	5,705	18,270	134,005	101	100	102
2006	5,759	18,437	136,398	101	101	102
2007	5,801	18,602	137,936	101	101	101
2008	5,802	18,633	137,170	100	100	101
2009	5,618	18,058	131,233	99	99	99
2010	5,623	18,028	130,275	99	99	98
2011	5,686	18,212	131,842	100	100	100
2012	5,726	18,415	134,104	100	100	100
2013	5,743	18,587	136,368	100	100	100

[a] Middle Atlantic Region: Pennsylvania, New York, New Jersey.
Source: U.S. Department of Labor, Bureau of Labor Statistics.

Non-manufacturing employment in Pennsylvania has increased in recent years and reached 90.2 percent of total employment by 2013. Consequently, manufacturing employment constitutes a diminished share of total employment within the commonwealth. Manufacturing, contributing 9.8 percent of 2013 non-agricultural employment, has fallen behind the services sector and the trade sector and the government sector as the 4th largest single source of employment within the commonwealth. In 2013, the services sector accounted for 48.4 percent of all non-agricultural employment while the trade sector accounted for 14.9 percent. The following table shows trends in employment by sector for Pennsylvania from 2009 through 2013.

Non-Agricultural Establishment Employment by Sector
Pennsylvania
2009-2013
(In Thousands)

	CALENDAR YEAR									
	2009		2010		2011		2012		2013	
	Employees	%	Employees	%	Employees	%	Employees	%	Employees	%
Manufacturing:										
Durable	344.8	6.1	334.3	5.9	342.0	6.0	347.5	6.1	345.8	6.0
Non-Durable	229.3	4.1	225.7	4.0	223.0	3.9	219.7	3.8	217.5	3.8
Total Manufacturing[d]	574.1	10.2	560.0	10.0	565.0	9.9	567.2	9.9	563.3	9.8
Non-Manufacturing:										
Trade[a]	850.3	15.1	847.7	15.1	852.9	15.0	857.8	15.0	857.5	14.9
Finance[b]	318.4	5.7	311.0	5.5	308.6	5.4	309.5	5.4	312.5	5.4
Services	2,630.2	46.8	2,660.1	47.3	2,714.0	47.7	2,755.2	48.1	2,781.6	48.4
Government	768.2	13.7	770.6	13.7	751.4	13.2	732.3	12.8	721.1	12.5
Utilities[c]	230.5	4.1	231.6	4.1	238.2	4.2	241.8	4.2	245.0	4.3
Construction	224.6	4.0	215.9	3.8	222.8	3.9	225.8	3.9	226.4	3.9
Mining	21.7	0.4	25.9	0.5	33.2	0.6	36.3	0.6	35.1	0.6
Total Non-Manufacturing[d]	5,043.9	89.8	5,062.8	89.8	5,121.1	90.1	5,158.7	90.1	5,179.2	90.2
Total Employees[d][e]	5,618.0	100.0	5,622.8	99.8	5,686.1	100.0	5,725.9	100.0	5,742.5	100.0

[a] Wholesale and retail trade.
[b] Finance, insurance and real estate.
[c] Includes transportation, communications, electric, gas and sanitary services.
[d] Discrepancies occur due to rounding.
[e] Does not include workers involved in labor-management disputes.
Source: US Bureau of Labor Statistics.

The following table presents the percentages of non-agricultural employment in various sectors in Pennsylvania and the United States in 2013.

Non-Agricultural Establishment Employment by Sector
Pennsylvania and the United States

	2013 Calendar Year	
	Pennsylvania	United States
Manufacturing	9.8 %	8.8%
Trade[a]	14.9	15.3
Finance[b]	5.5	5.8
Services	48.4	45.6
Government	12.6	16.0
Utilities[c]	4.3	3.7
Construction	3.9	4.2
Mining	0.6	0.6
Total	100.0 %	100.0 %

[a] Wholesale and retail trade.
[b] Finance, insurance and real estate.
[c] Includes transportation, communications, electric, gas and sanitary services.
Source: U.S. Department of Labor, Bureau of Labor Statistics.

Within the manufacturing sector of Pennsylvania's economy, which now accounts for about one-tenth of total non-agricultural employment in Pennsylvania, the fabricated metals industries employed the largest number of workers. Employment in the fabricated metals industries is 14.4 percent of Pennsylvania manufacturing employment but only 1.4 percent of total Pennsylvania non-agricultural employment in 2013. The following table shows trends in manufacturing employment by industry for Pennsylvania from 2009 through 2013.

Manufacturing Establishment Employment by Industry
Pennsylvania
2009-2013
(In Thousands)

	CALENDAR YEAR									
	2009		2010		2011		2012		2013	
	Employees	%	Employees	%	Employees	%	Employees	%	Employees	%
Durable Goods:										
Primary Metals	35.6	6.2	36.2	6.5	38.5	6.8	39.7	7.0	39.5	7.0
Fabricated Metals	79.5	13.8	77.6	13.9	80.3	14.2	81.7	14.4	80.9	14.4
Machinery (excluding electrical)	47.4	8.3	45.2	8.1	47.0	8.3	48.8	8.6	48.5	8.6
Electrical Equipment	24.8	4.3	24.7	4.4	25.9	4.6	26.0	4.6	26.0	4.6
Transportation Equipment	38.6	6.7	36.9	6.6	37.6	6.7	39.1	6.9	38.7	6.9
Furniture Related Products	16.1	2.8	14.9	2.7	15.1	2.7	15.1	2.7	14.9	2.6
Other Durable Goods	102.8	17.9	98.8	17.6	97.6	17.3	97.1	17.1	97.3	17.3
Total Durable Goods[(a)]	344.8	60.1	334.3	59.7	342.0	60.5	347.5	61.3	345.8	61.4
Non-Durable Goods:										
Pharmaceutical/Medicine	21.7	3.8	21.3	3.8	20.2	3.6	19.0	3.3	18.0	3.2
Food Products	66.8	11.6	66.5	11.9	66.7	11.8	67.1	11.8	67.3	11.9
Chemical Products	43.5	7.6	43.0	7.7	42.2	7.5	41.2	7.3	40.7	7.2
Printing and Publishing	29.9	5.2	28.2	5.0	27.0	4.8	25.5	4.5	24.4	4.3
Plastics/Rubber Products	35.0	6.1	35.2	6.3	35.3	6.2	35.2	6.2	35.2	6.2
Other Non-Durable Goods	32.4	5.6	31.5	5.6	31.6	5.6	31.7	5.6	31.9	5.7
Total Non-Durable Goods[(a)]	229.3	39.9	225.7	40.3	223.0	39.5	219.7	38.7	217.5	38.6
Total Manufacturing Employees[(a)]	574.1	100.0	560.0	100.0	565.0	100.0	567.2	100.0	563.3	100.0

[(a)] Discrepancies occur due to rounding

Source: U.S. Department of Labor, Bureau of Labor Statistics.

Unemployment

Pennsylvania's annual average unemployment rate was equivalent to the national average throughout the 2000s. Slower economic growth caused the unemployment rate in the commonwealth to rise to 8.5 percent in 2010 compared to 4.4 percent annual unemployment rate in 2007. As of December 2014, the most recent month for which figures are available, Pennsylvania had a seasonally adjusted annual unemployment rate of 4.8 percent. The following table represents the annual non-adjusted unemployment rate in Pennsylvania, the Middle Atlantic Region, and the United States from 2004 through 2013.

Annual Average Unemployment Rate
Pennsylvania, Middle Atlantic Region and the United States
2004-2013

Calendar Year	Pennsylvania	Middle Atlantic Region[a]	United States
2004	5.4 %	5.5 %	5.5 %
2005	5.0	4.9	5.1
2006	4.5	4.6	4.6
2007	4.4	4.4	4.6
2008	5.3	5.4	5.8
2009	7.9	8.4	9.3
2010	8.5	8.8	9.6
2011	8.0	8.4	8.9
2012	7.9	8.5	8.1
2013	7.4	7.7	7.4

[a] Middle Atlantic Region: Pennsylvania, New York, New Jersey.
Source: U.S. Department of Labor, Bureau of Labor Statistics.

The following table presents the thirty largest non-governmental employers in Pennsylvania:

Commonwealth of Pennsylvania
Thirty Largest
Non-Governmental Employers
December 2013

Company	Rank	Company	Rank
Wal-Mart Associates	1	Comcast Cablevision Corp	16
University of Pennsylvania	2	Vanguard Group Inc.	17
Giant Food Stores	3	Merck Sharp & Dohme Corp	18
Pennsylvania State University	4	K-MART Corp.	19
United Parcel Service	5	US Airways Inc	20
UPMC Presbyterian	6	Highmark Health Services……	21
University of Pittsburgh	7	Milton S. Hershey Medical Center	22
PNC Bank, NA	8	Macy's Retail Holdings Inc.	23
Giant Eagle Inc.	9	Temple University	24
Lowe's Home Centers Inc	10	Heartland Employment Services	25
Weis Markets Inc	11	Wegmans Food Markets Inc……	26
Target Corporation	12	Pennsylvania CVS Pharmacy, LLC	27
Home Depot USA Inc	13	Thomas Jefferson University Hospital	28
The Children's Hospital of Philadelphia	14	Western Penn Allegheny Health	29
GMRI Inc…….	15	WAWA Inc…….	30

Source: Pennsylvania Department of Labor, Office of Employment Security.

Personal Income

Personal income in the commonwealth for 2013 was $586.7 billion, an increase of 1.9 percent over the previous year. During the same period, national personal income increased by 2.5 percent. Based on the 2013 personal income estimates, per capita income was at $46,202 in the commonwealth compared to per capita income in the United States of $44,765. The following tables represent annual personal income data and per capita income from 2004 through 2013.

Personal Income
Pennsylvania, Mideast Region and the United States
2004-2013

	Total Personal Income Dollars in Millions			Total Personal Income As a % of 2004 base		
Year	PA	Mideast Region[a]	U.S.[b]	PA	Mideast Region[a]	U.S.
2003.....	$ 430,261	$1,848,337	$10,043,231	100 %	100 %	100 %
2005.....	447,157	1,938,732	10,605,595	104	104	106
2006.....	476,607	2,080,422	11,376,405	110	112	113
2007.....	501,352	2,211,267	11,990,104	117	120	119
2008.....	519,190	2,277,305	12,429,234	121	123	124
2009.....	514,729	2,239,525	12,080,223	119	121	120
2010.....	529,201	2,307,870	12,417,659	123	125	124
2011.....	558,142	2,431,827	13,189,935	129	132	131
2012.....	581,772	2,532,215	13,873,161	134	136	136
2013.....	590,170	2,562,612	14,151,427	136	138	140

[a] Mideast Region: Pennsylvania, New York, New Jersey, Maryland, District of Columbia, and Delaware.
[b] Sum of States.
Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Per Capita Income
Pennsylvania, Mideast Region and the United States
2004-2013

	Per Capita Income			As a % of U.S.	
Calendar Year	PA	Mideast Region[a]	U.S.	PA	Mideast Region[a]
2004.....	$ 34,668	$ 39,191	$ 34,300	101 %	114 %
2005.....	35,916	41,041	35,888	100	114
2006.....	38,096	43,952	38,127	100	115
2007.....	39,904	46,579	39,804	100	117
2008.....	41,165	47,757	40,873	101	117
2009.....	40,636	46,711	39,379	103	119
2010.....	41,635	47,878	40,144	104	119
2011.....	43,806	50,194	42,332	104	118
2012.....	45,577	52,056	44,200	103	117
2013.....	46,202	52,485	44,765	103	117

[a] Mideast Region: Pennsylvania, New York, New Jersey, Maryland, District of Columbia, and Delaware.
Source: U.S. Department of Commerce, Bureau of Economic Analysis.

The following table presents growth rates in personal income and selected components of personal income for Pennsylvania, the Mideast Region and the United States from 2009 through 2013.

Annual Growth Rates
Personal Income and Selected Components of Personal Income
Pennsylvania, Mideast Region and the United States

Calendar Year	Pennsylvania	Mideast Region[a]	United States
Total Personal Income			
2009	-3.2%	-4.1%	-4.8%
2010	3.6	4.3	3.8
2011	4.8	4.6	5.2
2012	3.3	2.9	3.4
2013	1.9	1.9	2.5
Manufacturing			
2009	-11.1%	-10.4%	-11.3%
2010	2.0	6.2	2.4
2011	4.2	2.1	5.3
2012	3.3	1.5	4.6
2013	-0.3	-0.1	1.6
Trade[b]			
2009	-2.8%	-3.3%	-4.8%
2010	2.3	2.8	2.3
2011	4.7	4.3	4.8
2012	3.6	4.2	5.1
2013	2.7	4.0	5.9
Finance[c]			
2009	-4.0%	-10.0%	-4.2%
2010	2.9	12.7	7.8
2011	2.8	4.4	4.4
2012	-0.9	2.9	-1.3
2013	3.9	1.0	3.1
Services			
2009	-6.2%	-6.4%	-7.3%
2010	1.7	2.7	3.2
2011	3.8	5.3	5.7
2012	6.5	5.4	5.5
2013	4.7	4.7	4.5
Utilities			
2009	-8.8%	-10.0%	-6.3%
2010	2.7	7.5	3.3
2011	8.4	4.0	4.2
2012	6.7	8.7	8.9
2013	3.4	2.2	4.3
Construction			
2009	-10.9%	-8.9%	13.1%
2010	2.9	1.5	-1.7
2011	4.5	2.9	1.8
2012	3.7	2.4	5.4
2013	4.4	7.3	8.5
Mining			
2009	-32.9%	-44.9%	-40.0%
2010	30.9	23.1	13.5
2011	28.6	34.7	17.7
2012	6.5	4.0	3.7
2013	2.5	2.0	4.7

[a] Mideast Region: Delaware, District of Columbia, Maryland, Pennsylvania, New York, and New Jersey.
[b] Wholesale and retail trade.
[c] Finance and insurance.
Source: U.S. Department of Commerce, Bureau of Economic Analysis.

The commonwealth's average hourly wage rate of $19.16 for manufacturing and production workers compares to the national average of $20.13 for 2013 The following table presents the average hourly wage rates for 2009 through 2013.

Average Hourly Wages
Production Workers on Manufacturing Payrolls
Pennsylvania and the United States
2009-2013

Calendar Year	PA	U.S.
2009	$ 16.28	$ 18.61
2010	16.88	19.05
2011	17.49	19.44
2012	18.26	19.74
2013	19.16	20.13

Source: U.S. Department of Labor, Bureau of Labor Statistics.

Market and Assessed Valuation of Real Property

Annually, the State Tax Equalization Board (the "STEB") determines an aggregate market value of all taxable real property in the commonwealth. The STEB determines the market value by applying assessment to sales ratio studies to assessment valuations supplied by local assessing officials. The market values certified by the STEB do not include property that is tax exempt but do include an adjustment correcting the data for preferential assessments granted to certain farm and forestlands.

The table below shows the assessed valuation as determined and certified by the counties and the market value and the assessed to market value ratio determined by the STEB for real property over the last ten years. In computing the market values for uneven-numbered years, the STEB is statutorily restricted to certifying only those changes in market value that result from properties added to or removed from the assessment rolls. The STEB is permitted to adjust the market valuation to reflect any change in real estate values or other economic change in value only in even-numbered years. This restriction accounts for the two-year pattern of market value changes apparent in the data below.

Valuations of Taxable Real Property
2004-2013

Year	Market Value[a]	Assessed Valuation	Ratio of Assessed Valuation to Market Value[a]
2004	523,595,339,800	352,014,550,601	67.2%
2005	546,222,770,500	378,011,903,306	69.2
2006	619,788,036,800	393,869,708,825	63.5
2007	633,886,898,100	400,428,104,035	63.1
2008	708,521,506,000	406,426,527,325	57.3
2009	717,475,983,911	431,911,595,146	60.2
2010	753,847,457,900	436,995,393,629	57.9
2011	756,045,833,849	451,343,272,265	59.7
2012	753,344,175,841	452,361,346,637	60.0
2013	781,362,158,748	499,743,087,376	63.9

[a] Value adjusted for difference between regular assessment and preferential assessment permitted on certain farm and forestlands.
Source: Annual Certifications by the State Tax Equalization Board.

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