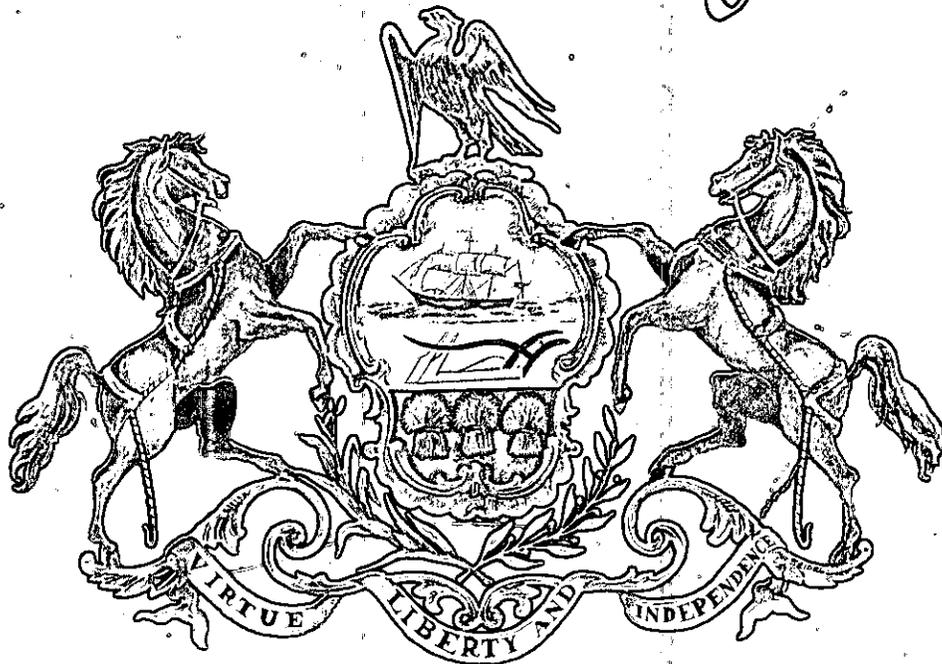


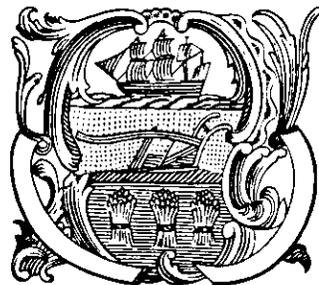
1988-89
Governor's
Executive Budget



Commonwealth of Pennsylvania

Robert P. Casey
Governor

The Coat of Arms appearing on the cover of the Budget Document is the official Coat of Arms of Pennsylvania. It was established by an appointed commission in 1875 and is used on countless documents throughout the Commonwealth. The original 1777 design of the Arms consisted of a ship under full sail, a plow and three sheaves of wheat. There was no crest, motto, or supporters and no knowledge of the original designer. It is thought that the images used on this Coat of Arms may have been a composition made up of the Provincial seals of the three original counties of Philadelphia, Chester and Bucks.



Pennsylvania Coat of Arms of 1777

FOREWORD

The 1988-89 Recommended Budget contains three significant improvements which are intended to build upon and strengthen the program planning budgeting system which has been in use in Pennsylvania for almost two decades: a reorganization of the Commonwealth Program Plan, changes in departmental presentations and, for the first time, a report showing tax expenditures.

TAX EXPENDITURES

In the past, the budget document showed estimated Commonwealth revenues and the recommendations for the appropriation of those revenues for various programs. This budget, for the first time, will consider the indirect subsidies that occur through preferential treatment within the tax structure. Within the tax structure are various tax credits, deductions, exemptions and exclusions which result in reductions in revenue that would otherwise be received by the Commonwealth at current tax rates. These reductions are "tax expenditures."

The 1988-89 Governor's Executive Budget document includes the first step toward a comprehensive tax expenditure analysis which is provided in Section D of this document.

OVERVIEW OF COMMONWEALTH AND AGENCY PRESENTATIONS

The 1988-89 Budget format has been revised to improve clarity, eliminate duplication, improve the quality of the analyses presented, be more compact and allow a more efficient budget production system so that more time may be spent on analysis. The result of that effort is:

- 1 The Commonwealth Program Plan was reorganized to present a clearer picture of the effort devoted to human services and economic development.
- 2 A clearer and more direct link was made between agency program/subcategories and the Commonwealth Program Plan.
- 3 The Agency Program Plan was revised so that there are fewer, but more relevant agency program presentations.
- 4 Individual appropriations are shown only once. They are shown with a single program subcategory rather than being split among several as was done in the past.
- 5 Program presentations place more emphasis on cost and program performance explanations.
- 6 The Summary by Fund and Appropriation has been expanded to show those Federal and other appropriations which supplement or augment a State appropriation.

THE COMMONWEALTH PROGRAM PLAN

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

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

The Commonwealth Program Plan has been revised to show information that was hidden by the way it was previously configured. A new Commonwealth Program entitled Health and Human Services has been created by merging the Commonwealth Programs of Health—Physical and Mental Well-Being and Social Development as well as the Income Maintenance (primarily cash assistance) portion of the former program Economic Development and Income Maintenance. Thus, the Commonwealth efforts in the areas of Health and Human Services and in Economic Development will be shown separately.

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

THE DEPARTMENTAL PRESENTATION

Recommendations for the continuation of current programs at essentially current levels of commitment are shown within departmental program subcategories. Recommendations for major program changes in 1988-89 are identified as departmental Program Revision Requests which provide explanations and justification for the change.

Beyond 1988-89, the projections of financial data, as well as impacts and other program measures, show the future implications of the 1988-89 recommendations and policies.

Consequently, the five year plan is a base line which represents the future program effort and financial resources needed to sustain the 1988-89 level of commitment.

The departmental presentation has been reorganized and streamlined in order to provide a more concise programmatic presentation. To assist in understanding the individual agency presentations, the following information and key is provided for the reader.

PROGRAM PRESENTATION (THE AGENCY PROGRAM PLAN)

The Program Presentation is comprised of interrelated components which provide a written and financial explanation of the activities of the program. These include:

Objective—A statement of program purposes in terms of desired accomplishments.

Narrative—Describes program services and activities within the program subcategory.

Program Recommendations—Identifies the increases or decreases over the 1987-88 available funds as presented in the summary by fund and appropriation.

Appropriation within this Program—Identifies State appropriations which support the activities within the subcategory. Previously, an appropriation may have been distributed among several program subcategories; however, beginning this year, each appropriation appears in only one agency subcategory.

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

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

An effort has been made to improve the quality of the measures presented. This has led to the elimination of many measures which were deemed ineffective or inconsequential. As part of this effort, the measures have been updated to reflect the latest data available and, to the extent possible, the expected impact of the recommended budget. Notable exceptions are discussed.

It is anticipated that a major effort will be undertaken in the upcoming year to improve the quality of the program measures presented including more emphasis on program impact rather than output measures.

SUMMARY BY FUND AND APPROPRIATION

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

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

For purposes of this presentation, State funds include the General, Motor License, Banking Department, Boat, Energy Conservation and Assistance (Oil Overcharge), Fair, Farm Products Show, Fish, Game, Lottery, Milk Marketing and Racing Funds.

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

The amounts shown as "Federal Funds" include appropriations to date as well as anticipated adjustments because of increases or decreases in the amount of funds to be received. Because of the manner in which Federal funds are appropriated, they are deposited as General Fund revenues rather than augmentations. They are not, however, included in the revenue sections of the budget, but are shown with the State funds which they supplement.

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

(A) Institutional Collections—Identifies monies which augment the identified State appropriation.

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

In several cases, the budget proposes departmental reorganizations or the restructuring of appropriations within departments. Usually, for ease of comparison, all columns in the budget presentation are shown consistent with the recommendation in the budget year. This means, however, that the amounts shown in the actual and available columns may not be consistent with those shown in accounting reports and appropriations acts. When this occurs, explanations have been included in the Budget.

Section G of this document provides descriptions and financial statements for all of the active special funds of the Commonwealth not otherwise reflected in the Budget.

PROGRAM EVALUATIONS

The Budget Office conducts program evaluations and other analyses. The following are the results and recommendations of evaluations conducted during the 1986-87 fiscal year.

Housing and Redevelopment Assistance—the persistent and sometimes high available balances associated with prior year Housing and Redevelopment appropriations were the result of the annual carry-forward of commitments from projects on schedule, delayed projects, departmental actions to control draw down of funds and efforts to recover and recommit funds from closed or discontinued projects. It was recommended that the two-year appropriation lapse requirement be extended to three or four years.

Population Trends in the State Mental Hospitals—This report examined the ten-year declining patient population trends in the State Mental Hospitals and concludes that increases in the number of clients between age 22 to 54 may cause the trend to level off or even reverse. Persons in this age group stay for shorter periods of time and are discharged and readmitted more frequently than other clients. The growing number of admissions in the 22 to 54 year old age group causes total population levels to be more sensitive to admission/discharge decisions.

County Economic Indicators—This project identified county economic indicators useful in assessing the degree of economic disadvantage or distress experienced by counties or regions of the Commonwealth. The indicators provide a quick, objective method of assessing relative economic circumstances.

Federal Funds Identification

The most common abbreviations used to identify Federal funds are:

"ADAMHSBG"	Alcohol, Drug Abuse and Mental Health Services Block Grant
"AFDC"	Aid to Families with Dependent Children
"ARC"	Appalachian Regional Commission
"BG"	Block Grant
"BVS"	Blind and Visual Services
"CSBG"	Community Services Block Grant
"DOE"	Department of Energy
"ECIA"	Education Consolidation and Improvement Act
"ECIBG"	Education Consolidation and Improvement Block Grant
"EDA"	Economic Development Administration
"EEOC"	Equal Employment Opportunity Commission
"EPA"	Environmental Protection Agency
"EPCA"	Energy Policy and Conservation Act
"ESEA"	Elementary and Secondary Education Act
"FEMA"	Federal Emergency Management Agency
"FUTA"	Federal Unemployment Tax Act
"GED"	General Education Development
"HUD"	Department of Housing and Urban Development
"JTPA"	Job Training Partnership Act
"LIHEABG"	Low-Income Home Energy Assistance Block Grant
"LSCA"	Library Services Construction Act
"LWCP"	Land and Water Conservation Fund
"MCHSBG"	Maternal and Child Health Services Block Grant
"MH/MR"	Mental Health/Mental Retardation Services
"NCHS"	National Center for Health Statistics
"NPDES"	National Pollutant Discharge Elimination System
"NSF"	National Science Foundation
"PAFE"	Pennsylvania Agricultural Foods Exposition
"PHHSBG"	Preventive Health and Health Services Block Grant
"PHRC"	Pennsylvania Human Relations Commission
"SCDBG"	Small Communities Development Block Grant
"SDA"	Service Delivery Area
"SSA"	Social Security Act
"SSBG"	Social Services Block Grant
"VA"	Veterans Administration
"YDC"	Youth Development Center

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COMMONWEALTH OF PENNSYLVANIA
GOVERNOR'S OFFICE
HARRISBURG

MICHAEL H. HERSHOCK
SECRETARY
OFFICE OF THE BUDGET

February 9, 1988

*To the Members of the General Assembly and
all Citizens of Pennsylvania:*

Governor Casey and I are pleased to present to you the first full budget prepared by his Administration. It represents the culmination of a deliberate and thoughtful process of assuring that the priority needs of the Commonwealth are met within available resources. The Governor is committed to balancing his priorities with the revenues that can reasonably be anticipated in the budget and future years so he can meet his commitment to no tax increase.

In his first full budget, Governor Casey continues his emphasis on protecting the environment, improving education, commitment to economic development and his commitment to human services, job training and older Pennsylvanians including the maintenance of the integrity of the Lottery Fund. Additional support is provided for insurance industry oversight, response to the Corrections Task Force report and Pennsylvania's veterans, including the commitment of the Casey Administration to a fourth veterans home.

Governor Casey proposes that the \$195 million Unemployment Compensation debt to the Federal Government be retired prior to November 10, 1988 by using \$49 million from the Unemployment Compensation Interest Fund and the transfer of \$146 million from the surplus in the State Workmen's Insurance Fund. Thus the penalty tax scheduled to go into effect for 1988 will not occur and Commonwealth employers will save over \$450 million in taxes thereby reducing the cost of doing business in the Commonwealth.

In addition to retargeting existing resources and providing additional resources, the budget recommends several cost containment initiatives including reorganization of the press and communications functions, health care case management and increased Federal reimbursements to state mental hospitals through improved cost reporting.

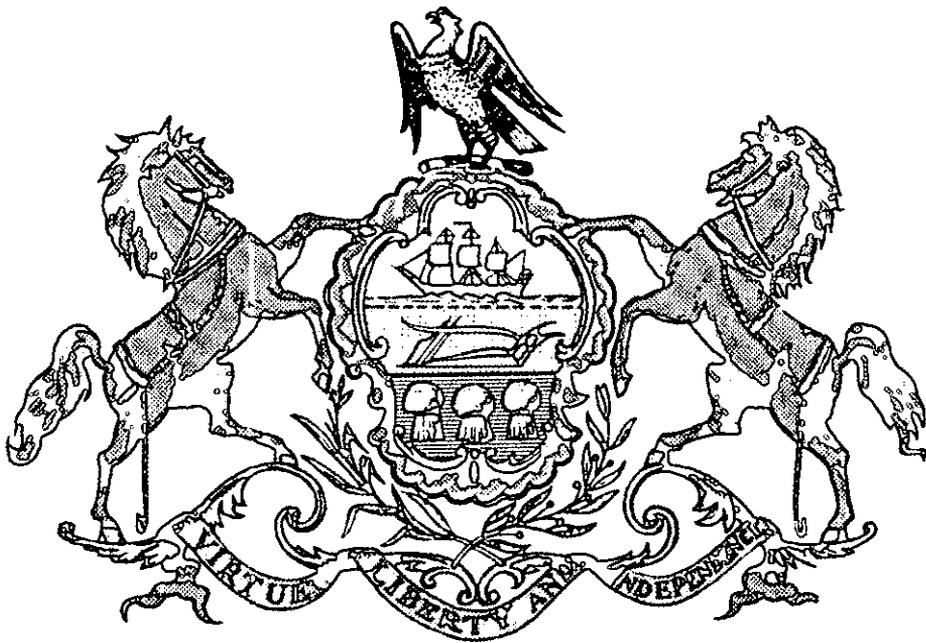
The total Commonwealth budget of \$19.9 billion for the 1988-89 fiscal year is comprised of \$10.9 billion in the General Fund, \$1.5 billion in the Motor License Fund, \$3.4 billion in fees and other special fund revenues and \$4.1 billion in Federal funds. Over three-quarters of the General Fund total—some \$8.4 billion—is returned to institutions, organizations and citizens in the form of grants and subsidies.

Finally, this budget initiates my personal commitment to build upon and strengthen the program planning budgeting system of Pennsylvania by reorganizing the Commonwealth's Program Plan, streamlining and clarifying departmental presentations and introducing a report showing tax expenditures.

A separate Budget in Brief booklet presents selected tables and charts to concisely highlight the 1988-89 Budget of the Commonwealth of Pennsylvania. For answers to further questions about the Budget and for copies of the Budget in Brief, requests may be sent to the Governor's Office of the Budget, Room 734 Strawberry Square, P.O. Box 1323, Harrisburg, Pennsylvania 17105, or call (717) 787-5442.

Sincerely,
Michael H. Hershock
Michael H. Hershock
Secretary of the Budget

Statements



The crest of the Arms is represented by an eagle, which symbolizes sovereignty.

GENERAL FUND

Five Year Financial Statement

The projections beyond the 1988-89 fiscal year show future implications of the present budgetary policies and recommendations only. Revenue estimates are based upon current tax rates.

	(Dollar Amounts in Thousands)						
	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
Beginning Balance	\$ 212,772	\$ 347,834	\$ 159,269	\$ 2,523	.....	.....	.....
Revenues	\$ 9,969,615	\$ 10,427,520	\$ 10,947,850	\$ 11,578,265	\$ 12,176,034	\$ 12,883,106	\$ 13,633,281
Adjustments ^a	-103,718	-100,852	-204,282	-169,578	-191,184	-213,928	-251,922
Tax Stabilization Reserve	-25,000	-25,000	.....	-25,000	-25,000	-25,000	-25,000
Sunny Day Reserve	-25,000	-20,000	.....	-25,000	-25,000	-25,000	-25,000
Funds Available	\$ 10,028,669	\$ 10,629,502	\$ 10,902,837	\$ 11,361,210	\$ 11,934,850	\$ 12,619,178	\$ 13,331,359
Expenditures	-9,680,835	-10,470,233	-10,900,314	-11,353,495	-11,785,037	-12,248,730	-12,730,439
Ending Balance ^b	\$ 347,834	\$ 159,269	\$ 2,523	\$ 7,715	\$ 149,813	\$ 370,448	\$ 600,920

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

^bEnding balances not carried forward after 1989-90.

FIVE YEAR FINANCIAL STATEMENTS

Motor License Fund^a

	(Dollar Amounts in Thousands)						
	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
Beginning Balance	\$ 81,632	\$ 78,105	\$ 74,568	\$ 5,534	\$ 543	\$ 4,899	\$ 20,678
Receipts	1,403,752	1,436,212	1,428,847	1,445,014	1,454,867	1,470,085	1,471,198
Funds Available	<u>\$ 1,485,384</u>	<u>\$ 1,514,317</u>	<u>\$ 1,503,415</u>	<u>\$ 1,450,548</u>	<u>\$ 1,455,410</u>	<u>\$ 1,474,984</u>	<u>\$ 1,491,876</u>
Less Expenditures	-1,407,279	-1,439,749	-1,497,881	-1,450,005	-1,450,511	-1,454,306	-1,447,001
Ending Balance.....	<u>\$ 78,105</u>	<u>\$ 74,568</u>	<u>\$ 5,534</u>	<u>\$ 543</u>	<u>\$ 4,899</u>	<u>\$ 20,678</u>	<u>\$ 44,875</u>

Banking Department Fund

	(Dollar Amounts in Thousands)						
	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
Beginning Balance	\$ 2,559	\$ 2,318	\$ 2,187	\$ 2,045	\$ 1,722	\$ 1,312	\$ 852
Receipts	6,755	7,208	7,904	8,055	8,297	8,585	8,883
Funds Available	<u>\$ 9,314</u>	<u>\$ 9,526</u>	<u>\$ 10,091</u>	<u>\$ 10,100</u>	<u>\$ 10,019</u>	<u>\$ 9,897</u>	<u>\$ 9,735</u>
Less Expenditures	-6,996	-7,339	-8,046	-8,378	-8,707	-9,045	-9,399
Ending Balance.....	<u>\$ 2,318</u>	<u>\$ 2,187</u>	<u>\$ 2,045</u>	<u>\$ 1,722</u>	<u>\$ 1,312</u>	<u>\$ 852</u>	<u>\$ 336</u>

Boat Fund

	(Dollar Amounts in Thousands)						
	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
Beginning Balance	\$ 4,266	\$ 4,188	\$ 3,273	\$ 2,439	\$ 1,681	\$ 988	\$ 355
Receipts	4,224	3,508	3,671	3,798	3,918	4,018	4,118
Funds Available	<u>\$ 8,490</u>	<u>\$ 7,696</u>	<u>\$ 6,944</u>	<u>\$ 6,237</u>	<u>\$ 5,599</u>	<u>\$ 5,006</u>	<u>\$ 4,473</u>
Less Expenditures	-4,302	-4,423	-4,505	-4,556	-4,611	-4,651	-4,473
Ending Balance.....	<u>\$ 4,188</u>	<u>\$ 3,273</u>	<u>\$ 2,439</u>	<u>\$ 1,681</u>	<u>\$ 988</u>	<u>\$ 355</u>	<u>.....</u>

^aExcludes restricted revenue.

**FIVE YEAR FINANCIAL STATEMENTS
(Continued)**

Energy Conservation and Assistance Fund

	(Dollar Amounts in Thousands)						
	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
Beginning Balance		\$ 106,834	\$ 106,427	\$ 70,171	\$ 23,365	\$ 9,914	\$ 10,826
Receipts	\$ 146,599	49,900	21,605	10,355	1,549	912	1,072
Funds Available	<u>\$ 146,599</u>	<u>\$ 156,734</u>	<u>\$ 128,032</u>	<u>\$ 80,526</u>	<u>\$ 24,914</u>	<u>\$ 10,826</u>	<u>\$ 11,898</u>
Less Expenditures	-39,765	-50,307	-57,861	-57,161	-15,000		
Ending Balance	<u>\$ 106,834</u>	<u>\$ 106,427</u>	<u>\$ 70,171</u>	<u>\$ 23,365</u>	<u>\$ 9,914</u>	<u>\$ 10,826</u>	<u>\$ 11,898</u>

Fair Fund^a

	(Dollar Amounts in Thousands)						
	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
Beginning Balance	\$ 143	\$ 15					
Receipts	9	5					
Funds Available	<u>\$ 152</u>	<u>\$ 20</u>					
Less Expenditures	-137	-20					
Ending Balance	<u>\$ 15</u>	<u></u>	<u></u>	<u></u>	<u></u>	<u></u>	<u></u>

Farm Products Show Fund

	(Dollar Amounts in Thousands)						
	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
Beginning Balance	\$ 754	\$ 868	\$ 871	\$ 390	\$ 391	\$ 376	\$ 285
Receipts	2,961	2,860	2,914	2,968	3,026	3,026	3,026
Funds Available	<u>\$ 3,715</u>	<u>\$ 3,728</u>	<u>\$ 3,785</u>	<u>\$ 3,358</u>	<u>\$ 3,417</u>	<u>\$ 3,402</u>	<u>\$ 3,311</u>
Less Expenditures	-2,847	-2,857	-3,395	-2,967	-3,041	-3,117	-3,195
Ending Balance	<u>\$ 868</u>	<u>\$ 871</u>	<u>\$ 390</u>	<u>\$ 391</u>	<u>\$ 376</u>	<u>\$ 285</u>	<u>\$ 116</u>

^aAct 92 signed July 8, 1986, eliminated the Fair Fund as a Special Fund, effective July 1, 1986 and created a General Fund grant appropriation. Payments to Pennsylvania Fairs.

**FIVE YEAR FINANCIAL STATEMENTS
(Continued)**

Fish Fund

	(Dollar Amounts in Thousands)						
	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
Beginning Balance	\$ 8,746	\$ 9,631	\$ 9,666	\$ 8,980	\$ 7,802	\$ 6,087	\$ 3,686
Receipts	22,593	22,745	23,210	23,490	23,711	23,763	23,587
Funds Available	<u>\$ 31,339</u>	<u>\$ 32,376</u>	<u>\$ 32,876</u>	<u>\$ 32,470</u>	<u>\$ 31,513</u>	<u>\$ 29,850</u>	<u>\$ 27,273</u>
Less Expenditures	-21,708	-22,710	-23,896	-24,668	-25,426	-26,164	-26,711
Ending Balance	<u>\$ 9,631</u>	<u>\$ 9,666</u>	<u>\$ 8,980</u>	<u>\$ 7,802</u>	<u>\$ 6,087</u>	<u>\$ 3,686</u>	<u>\$ 562</u>

Game Fund

	(Dollar Amounts in Thousands)						
	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
Beginning Balance	\$ 16,855	\$ 20,683	\$ 20,419	\$ 19,886	\$ 17,073	\$ 12,848	\$ 7,154
Receipts	45,184	40,489	37,995	36,928	36,928	36,928	36,928
Funds Available	<u>\$ 62,039</u>	<u>\$ 61,172</u>	<u>\$ 58,414</u>	<u>\$ 56,814</u>	<u>\$ 54,001</u>	<u>\$ 49,776</u>	<u>\$ 44,082</u>
Less Expenditures	-41,356	-40,753	-38,528	-39,741	-41,153	-42,622	-44,082
Ending Balance	<u>\$ 20,683</u>	<u>\$ 20,419</u>	<u>\$ 19,886</u>	<u>\$ 17,073</u>	<u>\$ 12,848</u>	<u>\$ 7,154</u>	<u>.....</u>

Lottery Fund

	(Dollar Amounts in Thousands)						
	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
Beginning Balance	\$ 258,352	\$ 214,506	\$ 204,901	\$ 154,098	\$ 42,361	\$ -94,057	\$ -264,960
Add: Reserve From Previous Year	110,493	113,534	119,493	125,844	127,671	128,505	128,951
Receipts	810,589	874,903	899,360	914,012	924,167	932,510	946,395
Funds Available	<u>\$ 1,179,434</u>	<u>\$ 1,202,943</u>	<u>\$ 1,223,754</u>	<u>\$ 1,193,954</u>	<u>\$ 1,094,199</u>	<u>\$ 966,958</u>	<u>\$ 810,386</u>
Less Expenditures	-851,394	-878,549	-943,812	-1,023,922	-1,059,751	-1,102,967	-1,143,527
Less Reserve for Current Years	-113,534	-119,493	-125,844	-127,671	-128,505	-128,951	-130,478
Ending Balance	<u>\$ 214,506</u>	<u>\$ 204,901</u>	<u>\$ 154,098</u>	<u>\$ 42,361</u>	<u>\$ -94,057</u>	<u>\$ -264,960</u>	<u>\$ -463,619</u>

**FIVE YEAR FINANCIAL STATEMENTS
(continued)**

Milk Marketing Fund

	(Dollar Amounts in Thousands)						
	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
Beginning Balance	\$ 399	\$ 274	\$ 241	\$ 135	\$ 105	\$ 75	\$ 45
Receipts	1,609	1,719	1,630	1,630	1,630	1,630	1,630
Funds Available	<u>\$ 2,008</u>	<u>\$ 1,993</u>	<u>\$ 1,871</u>	<u>\$ 1,765</u>	<u>\$ 1,735</u>	<u>\$ 1,705</u>	<u>\$ 1,675</u>
Less Expenditures	-1,734	-1,752	-1,736	-1,660	-1,660	-1,660	-1,660
Ending Balance	<u>\$ 274</u>	<u>\$ 241</u>	<u>\$ 135</u>	<u>\$ 105</u>	<u>\$ 75</u>	<u>\$ 45</u>	<u>\$ 15</u>

Racing Fund

	(Dollar Amounts in Thousands)						
	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
Beginning Balance	\$ 1,825	\$ 1,373	\$ 2,052	\$ 1,277	\$ 1,004	\$ 717	\$ 418
Receipts	7,120	7,614	7,350	7,350	7,350	7,350	7,350
Funds Available	<u>\$ 8,945</u>	<u>\$ 8,987</u>	<u>\$ 9,402</u>	<u>\$ 8,627</u>	<u>\$ 8,354</u>	<u>\$ 8,067</u>	<u>\$ 7,768</u>
Less Expenditures	-7,572	-6,935	-8,125	-7,623	-7,637	-7,649	-7,661
Ending Balance	<u>\$ 1,373</u>	<u>\$ 2,052</u>	<u>\$ 1,277</u>	<u>\$ 1,004</u>	<u>\$ 717</u>	<u>\$ 418</u>	<u>\$ 107</u>

Five-Year Department Summary by Fund

(Dollar Amounts in Thousands)

	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
Governor's Office							
General Fund	\$ 3,998	\$ 4,983	\$ 5,540	\$ 5,706	\$ 5,877	\$ 6,054	\$ 6,235
Total	\$ 3,998	\$ 4,983	\$ 5,540	\$ 5,706	\$ 5,877	\$ 6,054	\$ 6,235
Executive Offices							
General Fund	\$ 51,647	\$ 56,932	\$ 62,362	\$ 63,856	\$ 65,197	\$ 66,576	\$ 68,049
Motor License Fund	3,577	3,777	4,127	4,333	4,550	4,778	5,016
Lottery Fund			29	60	62	64	66
Energy Conservation and Assistance	5,000	5,737	5,700	5,000			
Total	\$ 60,224	\$ 66,446	\$ 72,218	\$ 73,249	\$ 69,809	\$ 71,418	\$ 73,131
Lieutenant Governor's Office							
General Fund	\$ 668	\$ 711	\$ 791	\$ 814	\$ 840	\$ 864	\$ 889
Total	\$ 668	\$ 711	\$ 791	\$ 814	\$ 840	\$ 864	\$ 889
Attorney General							
General Fund	\$ 25,016	\$ 27,247	\$ 29,020	\$ 30,348	\$ 31,257	\$ 32,193	\$ 33,156
Total	\$ 25,016	\$ 27,247	\$ 29,020	\$ 30,348	\$ 31,257	\$ 32,193	\$ 33,156
Auditor General							
General Fund	\$ 27,464	\$ 29,699	\$ 35,010	\$ 57,432	\$ 58,386	\$ 59,369	\$ 60,383
Total	\$ 27,464	\$ 29,699	\$ 35,010	\$ 57,432	\$ 58,386	\$ 59,369	\$ 60,383
Treasury							
General Fund	\$ 342,091	\$ 379,005	\$ 407,852	\$ 457,040	\$ 507,641	\$ 547,681	\$ 574,705
Motor License Fund	172,810	181,957	186,658	191,070	189,912	184,275	178,103
Banking Department Fund	2	5	5	5	5	5	5
Boat Fund		5	5	5	5	5	5
Fish Fund		5	5	5	5	5	5
Game Fund		6	6	6	6	6	6
Lottery Fund	10	20	20	20	20	20	20
Milk Marketing Fund		10	10	10	10	10	10
State Farm Products Show Fund		5	5	5	5	5	5
State Racing Fund		10	10	10	10	10	10
Total	\$ 514,913	\$ 561,028	\$ 594,576	\$ 648,176	\$ 697,619	\$ 732,022	\$ 752,874
Aging							
General Fund		\$ 1,500	\$ 3,000	\$ 3,090	\$ 3,182	\$ 3,278	\$ 3,376
Lottery Fund	\$ 185,128	197,367	269,807	362,231	409,737	464,518	516,586
Total	\$ 185,128	\$ 198,867	\$ 272,807	\$ 365,321	\$ 412,919	\$ 467,796	\$ 519,962
Agriculture							
General Fund	\$ 30,980	\$ 32,052	\$ 33,419	\$ 32,645	\$ 33,393	\$ 34,164	\$ 34,956
Pennsylvania Fair Fund	137	20					
State Farm Products Show Fund	1,847	1,852	2,390	1,962	2,036	2,112	2,190
State Racing Fund	7,468	6,801	7,989	7,481	7,488	7,493	7,498
Total	\$ 40,432	\$ 40,725	\$ 43,798	\$ 42,088	\$ 42,917	\$ 43,769	\$ 44,644

Five-Year Department Summary by Fund

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
Banking							
Banking Department Fund	\$ 6,693	\$ 7,035	\$ 7,747	\$ 8,081	\$ 8,405	\$ 8,742	\$ 9,092
Total	\$ 6,693	\$ 7,035	\$ 7,747	\$ 8,081	\$ 8,405	\$ 8,742	\$ 9,092
Civil Service Commission							
General Fund	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1
Total	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1
Community Affairs							
General Fund	\$ 45,741	\$ 215,925	\$ 64,362	\$ 64,728	\$ 64,999	\$ 65,278	\$ 65,566
Energy Conservation and Assistance	19,765	.....	21,459	21,459	.....	.....	.....
Total	\$ 65,506	\$ 215,925	\$ 85,821	\$ 86,187	\$ 64,999	\$ 65,278	\$ 65,566
Corrections							
General Fund	\$ 204,144	\$ 239,100	\$ 259,085	\$ 266,885	\$ 274,906	\$ 283,166	\$ 291,675
Total	\$ 204,144	\$ 239,100	\$ 259,085	\$ 266,885	\$ 274,906	\$ 283,166	\$ 291,675
Crime Commission							
General Fund	\$ 2,240	\$ 2,330	\$ 2,297	\$ 2,366	\$ 2,437	\$ 2,509	\$ 2,586
Total	\$ 2,240	\$ 2,330	\$ 2,297	\$ 2,366	\$ 2,437	\$ 2,509	\$ 2,586
Economic Development Partnership							
General Fund	\$ 89,232	\$ 149,740	\$ 119,683	\$ 131,422	\$ 127,925	\$ 124,445	\$ 124,980
Total	\$ 89,232	\$ 149,740	\$ 119,683	\$ 131,422	\$ 127,925	\$ 124,445	\$ 124,980
Education							
General Fund	\$ 4,640,734	\$ 4,890,145	\$ 5,127,113	\$ 5,302,575	\$ 5,515,706	\$ 5,735,843	\$ 5,966,101
Motor License Fund	1,975	2,300	2,300	2,300	2,300	2,300	2,300
Total	\$ 4,642,709	\$ 4,892,445	\$ 5,129,413	\$ 5,304,875	\$ 5,518,006	\$ 5,738,143	\$ 5,968,401
Emergency Management Agency							
General Fund	\$ 2,439	\$ 6,477	\$ 3,402	\$ 3,542	\$ 3,174	\$ 3,270	\$ 3,367
Total	\$ 2,439	\$ 6,477	\$ 3,402	\$ 3,542	\$ 3,174	\$ 3,270	\$ 3,367
Environmental Resources							
General Fund	\$ 152,775	\$ 183,201	\$ 200,140	\$ 196,181	\$ 199,825	\$ 203,914	\$ 208,123
Energy Conservation and Assistance	5,000	.....	.....	.....	.....	.....	.....
Total	\$ 157,775	\$ 183,201	\$ 200,140	\$ 196,181	\$ 199,825	\$ 203,914	\$ 208,123
Fish Commission							
General Fund	\$ 7	\$ 7	\$ 7	\$ 7	\$ 7	\$ 7	\$ 7
Boat Fund	3,445	3,863	3,920	3,959	3,999	4,039	3,861
Fish Fund	14,586	15,399	16,127	16,772	17,443	18,141	18,866
Total	\$ 18,038	\$ 19,269	\$ 20,054	\$ 20,738	\$ 21,449	\$ 22,187	\$ 22,734
Game Commission							
Game Fund	\$ 36,302	\$ 36,540	\$ 33,949	\$ 35,307	\$ 36,719	\$ 38,188	\$ 39,648
Total	\$ 36,302	\$ 36,540	\$ 33,949	\$ 35,307	\$ 36,719	\$ 38,188	\$ 39,648

Five-Year Department Summary by Fund

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
General Services							
General Fund	\$ 110,991	\$ 108,904	\$ 106,821	\$ 104,193	\$ 103,100	\$ 101,004	\$ 102,049
Motor License Fund	27,667	27,685	28,177	30,160	31,589	35,560	38,560
Banking Department Fund	301	299	294	292	297	298	302
Boat Fund	2	2	2	2	2	2	2
Fish Fund	62	63	63	63	63	63	63
Lottery Fund	189	188	185	183	187	185	185
Total	\$ 139,212	\$ 137,141	\$ 135,542	\$ 134,893	\$ 135,238	\$ 137,112	\$ 141,161
Health							
General Fund	\$ 140,640	\$ 146,955	\$ 149,092	\$ 150,358	\$ 151,608	\$ 152,894	\$ 154,222
Total	\$ 140,640	\$ 146,955	\$ 149,092	\$ 150,358	\$ 151,608	\$ 152,894	\$ 154,222
Higher Education Assistance Agency							
General Fund	\$ 125,566	\$ 139,473	\$ 156,822	\$ 161,028	\$ 165,360	\$ 169,822	\$ 174,418
Total	\$ 125,566	\$ 139,473	\$ 156,822	\$ 161,028	\$ 165,360	\$ 169,822	\$ 174,418
Historical and Museum Commission							
General Fund	\$ 13,441	\$ 15,188	\$ 14,630	\$ 15,025	\$ 14,680	\$ 15,098	\$ 15,526
Total	\$ 13,441	\$ 15,188	\$ 14,630	\$ 15,025	\$ 14,680	\$ 15,098	\$ 15,526
Housing Finance Agency							
General Fund	\$ 25,750	\$ 15,000	\$ 15,000	\$ 7,500	.....	.....	.....
Total	\$ 25,750	\$ 15,000	\$ 15,000	\$ 7,500	.....	.....	.....
Insurance							
General Fund	\$ 7,827	\$ 8,675	\$ 11,105	\$ 12,390	\$ 12,762	\$ 13,145	\$ 13,540
Total	\$ 7,827	\$ 8,675	\$ 11,105	\$ 12,390	\$ 12,762	\$ 13,145	\$ 13,540
Labor and Industry							
General Fund	\$ 42,080	\$ 46,138	\$ 48,526	\$ 50,043	\$ 53,289	\$ 56,423	\$ 57,792
Total	\$ 42,080	\$ 46,138	\$ 48,526	\$ 50,043	\$ 53,289	\$ 56,423	\$ 57,792
Military Affairs							
General Fund	\$ 26,584	\$ 30,615	\$ 32,271	\$ 34,424	\$ 39,569	\$ 43,568	\$ 44,793
Total	\$ 26,584	\$ 30,615	\$ 32,271	\$ 34,424	\$ 39,569	\$ 43,568	\$ 44,793
Milk Marketing Board							
General Fund	\$ 950	\$ 950	\$ 950	\$ 950	\$ 950	\$ 950	\$ 950
Milk Marketing Fund	784	792	776	700	700	700	700
Total	\$ 1,734	\$ 1,742	\$ 1,726	\$ 1,650	\$ 1,650	\$ 1,650	\$ 1,650
Probation and Parole							
General Fund	\$ 30,014	\$ 35,133	\$ 37,507	\$ 38,425	\$ 39,151	\$ 39,899	\$ 40,671
Total	\$ 30,014	\$ 35,133	\$ 37,507	\$ 38,425	\$ 39,151	\$ 39,899	\$ 40,671
Public Television Network							
General Fund	\$ 9,239	\$ 9,638	\$ 10,133	\$ 10,215	\$ 10,301	\$ 10,388	\$ 10,478
Total	\$ 9,239	\$ 9,638	\$ 10,133	\$ 10,215	\$ 10,301	\$ 10,388	\$ 10,478

Five-Year Department Summary by Fund

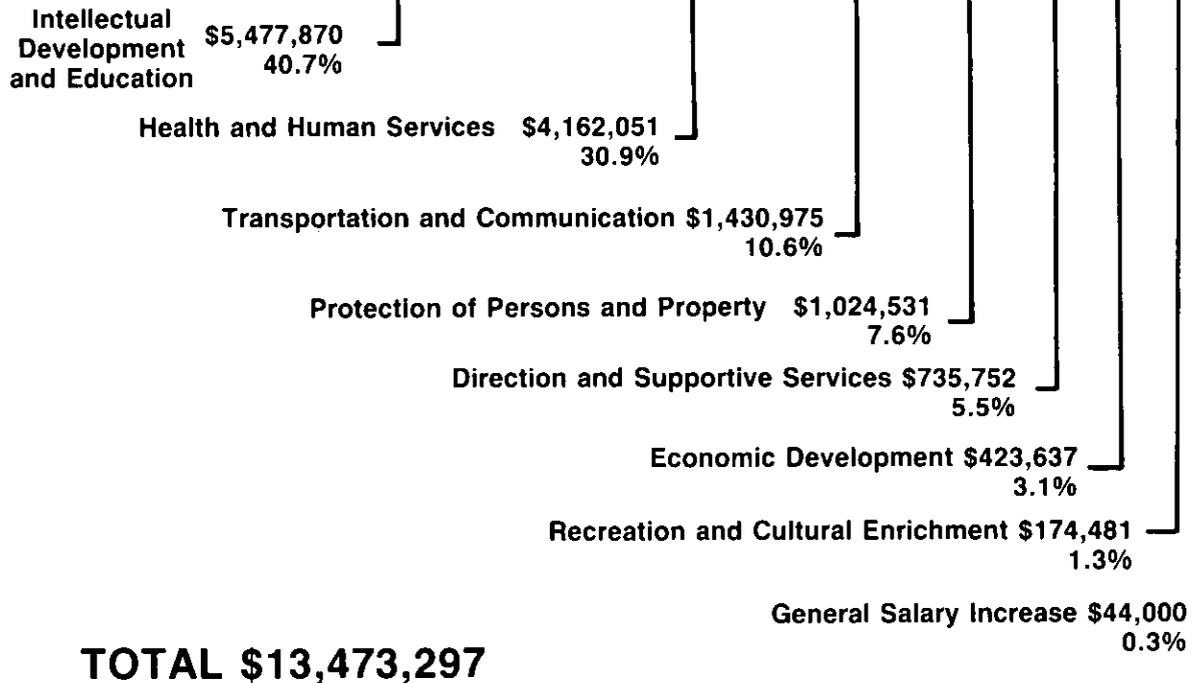
	(Dollar Amounts in Thousands)						
	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
	Actual	Available	Budget	Estimated	Estimated	Estimated	Estimated
Public Welfare							
General Fund	\$ 2,870,792	\$ 3,011,214	\$ 3,180,181	\$ 3,319,189	\$ 3,447,679	\$ 3,606,275	\$ 3,783,154
Energy Conservation and Assistance	10,000	45,302	30,702	30,702	15,000	.....	.....
Lottery Fund	170,301	151,835	126,000	106,000	86,000	66,000	46,000
Total	\$ 3,051,093	\$ 3,208,351	\$ 3,336,883	\$ 3,455,891	\$ 3,548,679	\$ 3,672,275	\$ 3,829,154
Revenue							
General Fund	\$ 153,878	\$ 163,715	\$ 169,801	\$ 174,146	\$ 179,334	\$ 184,679	\$ 188,854
Motor License Fund	12,400	14,258	9,205	9,547	9,906	10,283	10,678
Lottery Fund	380,045	410,436	423,736	428,241	432,900	437,641	442,239
State Racing Fund	104	124	126	132	139	146	153
Total	\$ 546,427	\$ 588,533	\$ 602,868	\$ 612,066	\$ 622,279	\$ 632,749	\$ 641,924
Securities Commission							
General Fund	\$ 2,346	\$ 2,529	\$ 2,774	\$ 2,819	\$ 2,905	\$ 2,992	\$ 3,081
Total	\$ 2,346	\$ 2,529	\$ 2,774	\$ 2,819	\$ 2,905	\$ 2,992	\$ 3,081
State							
General Fund	\$ 3,177	\$ 3,220	\$ 3,414	\$ 3,444	\$ 3,535	\$ 3,629	\$ 3,733
Total	\$ 3,177	\$ 3,220	\$ 3,414	\$ 3,444	\$ 3,535	\$ 3,629	\$ 3,733
State Employees Retirement System							
General Fund	\$ 1,193	\$ 679	\$ 3,655	\$ 6,605	\$ 6,605	\$ 6,605	\$ 6,605
Total	\$ 1,193	\$ 679	\$ 3,655	\$ 6,605	\$ 6,605	\$ 6,605	\$ 6,605
State Police							
General Fund	\$ 68,618	\$ 74,508	\$ 80,348	\$ 85,195	\$ 90,261	\$ 92,972	\$ 95,767
Motor License Fund	151,885	162,224	165,652	171,151	176,920	183,056	189,494
Total	\$ 220,503	\$ 236,732	\$ 246,000	\$ 256,346	\$ 267,181	\$ 276,028	\$ 285,261
State Tax Equalization Board							
General Fund	\$ 933	\$ 1,015	\$ 1,043	\$ 1,074	\$ 1,107	\$ 1,140	\$ 1,174
Total	\$ 933	\$ 1,015	\$ 1,043	\$ 1,074	\$ 1,107	\$ 1,140	\$ 1,174
Transportation							
General Fund	\$ 191,311	\$ 223,557	\$ 207,386	\$ 238,759	\$ 245,632	\$ 252,712	\$ 260,003
Lottery Fund	115,721	118,703	124,035	127,187	130,845	134,539	138,431
Motor License Fund	1,036,965	1,053,548	1,101,762	1,041,444	1,035,334	1,034,054	1,022,850
Total	\$ 1,343,997	\$ 1,395,808	\$ 1,433,183	\$ 1,407,390	\$ 1,411,811	\$ 1,421,305	\$ 1,421,284
Legislature							
General Fund	\$ 111,731	\$ 122,885	\$ 130,830	\$ 130,830	\$ 130,830	\$ 130,830	\$ 130,830
Total	\$ 111,731	\$ 122,885	\$ 130,830	\$ 130,830	\$ 130,830	\$ 130,830	\$ 130,830
Judiciary							
General Fund	\$ 124,597	\$ 141,187	\$ 140,941	\$ 142,925	\$ 144,946	\$ 147,013	\$ 149,121
Total	\$ 124,597	\$ 141,187	\$ 140,941	\$ 142,925	\$ 144,946	\$ 147,013	\$ 149,121

Five-Year Department Summary by Fund

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
General Salary Increase							
General Fund			\$ 44,000	\$ 45,320	\$ 46,680	\$ 48,080	\$ 49,523
Total			\$ 44,000	\$ 45,320	\$ 46,680	\$ 48,080	\$ 49,523
Commonwealth Totals							
General Fund	\$ 9,680,835	\$10,520,233	\$10,900,314	\$11,353,495	\$11,785,037	\$12,248,730	\$12,730,439
Motor License Fund	1,407,279	1,445,749	1,497,881	1,450,005	1,450,511	1,454,306	1,447,001
Banking Department Fund	6,996	7,339	8,046	8,378	8,707	9,045	9,399
Boat Fund	3,447	3,870	3,927	3,966	4,006	4,046	3,868
Energy Conservation and Assistance	39,765	51,039	57,861	57,161	15,000		
Fish Fund	14,648	15,467	16,195	16,840	17,511	18,209	18,934
Game Fund	36,302	36,546	33,955	35,313	36,725	38,194	39,654
Lottery Fund	851,394	878,549	943,812	1,023,922	1,059,751	1,102,967	1,143,527
Milk Marketing Fund	784	802	786	710	710	710	710
Pennsylvania Fair Fund	137	20					
State Farm Products Show Fund	1,847	1,857	2,395	1,967	2,041	2,117	2,195
State Racing Fund	7,572	6,935	8,125	7,623	7,637	7,649	7,661
Grand Total	\$12,051,006	\$12,968,406	\$13,473,297	\$13,959,380	\$14,387,636	\$14,885,973	\$15,403,388

Distribution of the Commonwealth Dollar GENERAL FUND AND SPECIAL FUNDS

1988-89 Fiscal Year
(Dollar Amounts in Thousands)



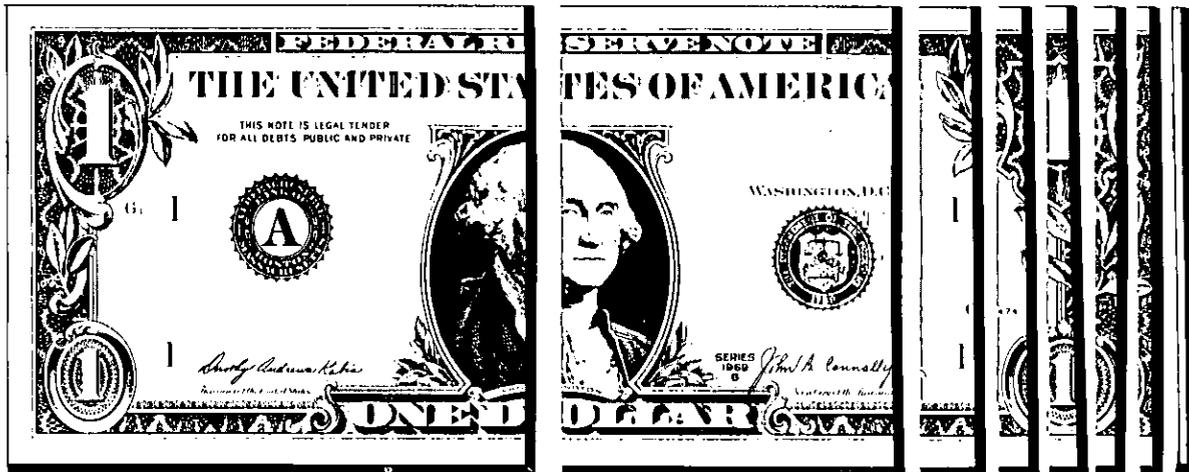
GENERAL FUND AND SPECIAL FUNDS

Five-Year Commonwealth Program Summary

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Recommended	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
Commonwealth Program							
Direction and Supportive Services	\$ 633,607	\$ 699,901	\$ 735,752	\$ 754,176	\$ 771,013	\$ 788,975	\$ 806,142
Protection of Persons and Property	887,971	982,922	1,024,531	1,053,362	1,083,646	1,115,035	1,145,346
Intellectual Development and Education	4,924,144	5,211,086	5,477,870	5,678,529	5,912,308	6,150,900	6,396,444
Health and Human Services	3,755,567	3,946,592	4,162,051	4,384,371	4,538,286	4,728,435	4,945,622
Economic Development	348,868	558,336	423,637	459,940	450,934	466,613	480,245
Transportation and Communication	1,337,531	1,398,120	1,430,975	1,404,610	1,402,365	1,400,470	1,388,053
Recreation and Cultural Enrichment	163,318	171,449	174,481	179,072	182,404	187,465	192,013
General Salary Increase . . . . .	. . . . .	. . . . .	44,000	45,320	46,680	48,080	49,523
GENERAL FUND AND SPECIAL FUNDS TOTAL	<u>\$12,051,006</u>	<u>\$12,968,406</u>	<u>\$13,473,297</u>	<u>\$13,959,380</u>	<u>\$14,387,636</u>	<u>\$14,885,973</u>	<u>\$15,403,388</u>

Distribution of the Commonwealth Dollar GENERAL FUND

1988-89 Fiscal Year



Intellectual Development and Education 50.2¢

Health and Human Services 31.7¢

Protection of Persons and Property 7.1¢

Direction and Supportive Services 3.8¢

Economic Development 3.7¢

Transportation and Communication 2.0¢

Recreation and Cultural Enrichment 1.1¢

General Salary Increase 0.4¢

\$1.00

GENERAL FUND

Five-Year Commonwealth Program Summary

(Dollar Amounts in Thousands)

	1986-87 Actual	1987-88 Available	1988-89 Recommended	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
Commonwealth Program							
Direction and Supportive Services	\$ 360,760	\$ 393,687	\$ 418,374	\$ 428,797	\$ 437,629	\$ 444,937	\$ 452,283
Protection of Persons and Property	649,946	743,913	775,117	796,354	817,928	840,101	860,741
Intellectual Development and Education	4,922,169	5,208,786	5,475,570	5,676,229	5,910,008	6,148,600	6,394,144
Health and Human Services	3,117,641	3,275,051	3,455,211	3,602,862	3,742,559	3,910,525	4,093,321
Economic Development	324,103	552,599	396,478	433,481	450,934	466,613	480,245
Transportation and Communication	197,295	230,615	215,144	247,483	255,121	262,842	270,609
Recreation and Cultural Enrichment	108,921	115,582	120,420	122,969	124,178	127,032	129,573
General Salary Increase			44,000	45,320	46,680	48,080	49,523
GENERAL FUND TOTAL	\$ 9,680,835	\$10,520,233	\$10,900,314	\$11,353,495	\$11,785,037	\$12,248,730	\$12,730,439

GENERAL FUND

1988-89 Fiscal Year
(Dollar Amounts in Thousands)

INCOME



	SALES \$4,104,474	37.4%		
	PERSONAL INCOME \$3,104,774	28.3%		
	OTHER BUSINESS \$1,470,200	13.4%		
	CORPORATE NET INCOME \$1,126,700	10.2%		
	OTHER REVENUES \$941,120	8.6%		
	CIGARETTE \$229,300	2.1%		
TOTAL INCOME	\$ 10,976,568			
REFUNDS	-225,000			
TAX CREDIT	-8,000			
BEGINNING BALANCE	159,269			
TOTAL	\$ 10,902,837			

OUTGO



	INTELLECTUAL DEVELOPMENT AND EDUCATION \$5,475,570	50.2%		
	HEALTH AND HUMAN SERVICES \$3,455,211	31.7%		
	PROTECTION \$775,117	7.1%		
	DIRECTION \$418,374	3.8%		
	ECONOMIC DEVELOPMENT \$396,478	3.7%		
	OTHER PROGRAMS \$379,564	3.5%		
TOTAL OUTGO	\$ 10,900,314			
PLUS ENDING SURPLUS ..	-2,523			
TOTAL	\$ 10,902,837			

GENERAL FUND

Program Summary

	(Dollar Amounts in Thousands)			
	1987-88		1988-89	
Direction and Supportive Services	\$ 393,687	3.7%	\$ 418,374	3.8%
Protection of Persons and Property	743,913	7.1%	775,117	7.1%
Intellectual Development and Education	5,208,786	49.5%	5,475,570	50.2%
Health and and Human Services	3,275,051	31.1%	3,455,211	31.7%
Economic Development	552,599	5.3%	396,478	3.7%
Transportation and Communication	230,615	2.2%	215,144	2.0%
Recreation and Cultural Enrichment	115,582	1.1%	120,420	1.1%
General Salary Increase .....	.....	.....	44,000	0.4%
GENERAL FUND TOTAL	<u>\$ 10,520,233</u>	<u>100.0%</u>	<u>\$ 10,900,314</u>	<u>100.0%</u>

Protecting Pennsylvania's Environment

Over the past decade, Pennsylvanians have faced many environmental accidents and emergencies that have threatened their lives, health, and property. Over 2,000 hazardous waste sites in Pennsylvania threaten the health and safety of the citizens of the Commonwealth. Environmentally sound solid waste management has also reached a crisis stage. Ten years ago, there were nearly 1,000 landfills accepting municipal waste. Today, only 82 landfills remain, and 90 percent of these will reach their capacity over the year 2000. Pennsylvania communities regularly face drinking water shortages because of environmental problems. Sixty percent of the community drinking water systems in Pennsylvania have some type of deficiency. Over 1,000 community water systems are not permitted and about 250 systems must rely on unfiltered surface water supplies. Approximately 30 percent of the municipal sewage treatment plants in the Commonwealth have bans or limitations on new connections because their capacity is overloaded. The Department of Environmental Resources estimates that one million Pennsylvanians are served by inadequate on-lot sewage systems and 187 communities are discharging untreated sewage into Commonwealth waters.

This Budget contains Program Revisions that will reduce and eventually eliminate these serious environmental problems.

Recommended Program Revisions: _____

This budget recommends the following Program Revisions which are explained in more detail in the agency presentations. 1988-89

Program Revision / Department / Appropriation	General Fund	Other Funds
	(Dollar Amounts in Thousands)	
HAZARDOUS WASTE SITES CLEANUP _____		
Environmental Resources		
Capital Stock & Franchise Fee	\$ 8,500
Tipping Fee	5,500
Subtotal	\$ 14,000

This Program Revision will increase the assessment of dangerous sites and the rate of remedial actions which will be funded from the Hazardous Sites Cleanup Fund. This fund was created by Act 58 of 1987 which dedicated one half mill of the Capital Stock/Franchise Tax for cleanup activities. This budget also proposes a \$5 tipping fee on disposal of hazardous materials to fund these activities. Combined with the recommended General Fund appropriation of \$15.7 million, the total program will be \$29.7 million.

IMPROVED EMERGENCY RESPONSE _____

Environmental Resources		
Office of Protection	\$ 932	.....

This Program Revision will fund additional personnel to provide on-the-scene technical assistance to local emergency response crews at accidental spills of hazardous and toxic materials.

SOLID WASTE MANAGEMENT _____

Environmental Resources		
Office of Protection	\$ 1,826	.....

This Program Revision will establish technical assistance for waste planning and local recycling programs and provide additional enforcement of waste disposal facilities for municipal and residual wastes.

Improving Education

The Budget continues the Administration's commitment to leave no one behind in the educational process. In 1987-88, a commitment was made to increase funding for the Equalized Subsidy for Basic Education, to develop programs for dropout prevention and to give all eligible students the opportunity to attend institutions of higher education.

In the 1988-89 Executive Budget, these commitments will be continued and expanded with additional funding. The \$140 million increase to Equalized Subsidy for Basic Education will be continued, minimum teacher salaries will be increased to \$18,500 over a two-year period and dropout prevention efforts will be doubled. In addition, this budget recommends a substantial effort for the improvement of teaching. Teachers will have programs available to them for professional development, continuing education, and partial loan forgiveness. In addition, a renewed commitment is being made to encourage high school graduates to attend the many private and public universities and colleges in the Commonwealth.

Recommended Program Revisions:

This budget recommends the following Program Revisions which are explained in more detail in the agency presentations.

	1988-89	
Program Revision / Department / Appropriation	General Fund	Other Funds
	(Dollar Amounts in Thousands)	
SCHOOL PERFORMANCE INCENTIVES		
Education		
General Government Operations	\$ 22	.....
School Performance Incentives	14,000	.....
Subtotal	\$ 14,022	.....

This Program Revision will provide bonuses to schools for superior performance and will provide funds to begin the development of a statewide test.

SPECIAL SERVICES FOR STUDENTS		
Education		
General Government Operations	\$ 44	.....
Dropout Prevention	500	.....
Teen Pregnancy and Parenting	118	.....
Comprehensive Reading	300	.....
Governor's Schools for Excellence	205	.....
Subtotal	\$ 1,167	.....

This Program Revision will increase funding for dropout prevention, teen pregnancy and parenting and the Governor's Schools for Excellence and provide funding for comprehensive reading programs.

TEACHER SALARY INCREASE		
Education		
Equalized Subsidy for Basic Education	\$ 3,831	.....
School Employees' Social Security	288	.....
School Employees' Retirement Fund Transfer	738	.....
Subtotal	\$ 4,857	.....

This Program Revision recommends a two-year initiative to raise the Statewide minimum teachers salary to \$18,500. Funding is provided to raise the statewide minimum teachers salary to \$17,500 in 1988-89.

Program Revision / Department / Appropriation

General Fund	Other Funds
(Dollar Amounts in Thousands)	

FOR THE IMPROVEMENT OF TEACHING _____

Education

For the Improvement of Teaching	\$	3,000
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This Program Revision will establish centers for the development of lead teacher programs, provide competitive grants to schools with professional development programs and provide a grant to the State System of Higher Education for the Academy for the Profession of Teaching.

EQUAL OPPORTUNITY FOR STUDENTS _____

Education

Cheyney Enhancement	\$	1,750	.....
Higher Education for the Disadvantaged		500	.....
Subtotal	\$	2,250	.....

This Program Revision funds to restore the academic and administrative resources of Cheyney State University and for tutoring and academic counseling for part-time students.

AID TO STUDENTS _____

Higher Education Assistance Agency

Grants to Full Time Students	\$	10,560	.....
College Work Study		750	.....
Institutional Assistance Grants		2,168	.....
Subtotal	\$	13,478	.....

This Program Revision will provide for changes in student grant eligibility including increases in the maximum grant, improved college work study opportunities, and funds to private institutions to enable them to keep tuition costs down thereby improving educational choices for students among all institutions.

LOAN FORGIVENESS _____

Higher Education Assistance Agency

Loan Forgiveness	\$	3,000
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This Program Revision will provide for a loan forgiveness program for graduates in Education who agree to teach in rural or urban areas which are experiencing teacher shortages.

INCREASE GRANTS TO THE ARTS _____

Council on the Arts

Grants to the Arts	\$	3,000
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This Program Revision will provide increased funding for grants and initiatives for the Council on the Arts. This will raise the level of funding to \$1.00 per Pennsylvania citizen.

Commitment to Economic Development

This budget continues the Administration's commitment to economic development through continuation of the Pennsylvania Economic Revitalization Fund (PERF), by making the final repayment of the Commonwealth's Federal Unemployment Compensation debt, by expanding funding of sewage treatment facilities and community water systems, and by providing funding for municipal pension systems.

This is the first budget to formally propose establishing PERF as a permanent economic development tool. Specifically proposed is a series of General Fund transfers to PERF, beginning with \$32 million in 1988-89 and increasing to over \$40 million annually in succeeding years. This will allow continuation of the numerous successful PERF programs that would otherwise be terminated as early as June 30th, as well as initiation of three new PERF programs. Given this otherwise imminent termination, all of these 1988 programs are treated as Program Revisions.

In addition, there are other economic development Program Revisions and program initiatives that will be financed through the Economic Development Partnership (EDP) and other agencies. Primary among these is the Unemployment Compensation debt retirement which will avoid a penalty tax that will cost Pennsylvania employers over \$450 million.

Recommended Program Revisions:

This budget recommends the following Program Revisions which are explained in more detail in the agency presentations.

	1988-89	
Program Revision / Department / Appropriation	General Fund	Other Funds
	(Dollar Amounts in Thousands)	
COMMITMENT TO ECONOMIC DEVELOPMENT		
Agriculture		
PennAG Fund	\$ 1,000
Community Affairs		
Reduction of State Match	\$ 1,500
Economic Development Partnership		
Business Infrastructure Development	\$ 22,500
Employe Ownership—Technical Assistance	500
Capital Loan Fund	8,000
Mon Valley Revitalization	2,000
Beaver Valley Revitalization	1,000
Shenango Valley Revitalization	1,000
Johnstown Industrial Heritage	1,000
Community Economic Recovery	1,000
Industrial Resource Centers	10,000
Lehigh Mountaintop Campus	1,000
Subtotal	\$ 50,500

This Program Revision provides for the continuation of nine existing programs and the creation of three new programs funded from the Pennsylvania Economic Revitalization Fund.

Program Revision / Department / Appropriation	1988-89	
	General Fund	Other Funds
	(Dollar Amounts in Thousands)	
UNEMPLOYMENT COMPENSATION DEBT REIMBURSEMENT _____		
Labor and Industry		
State Workmens' Insurance Fund	\$ 146,000
Unemployment Compensation Interest Fund	49,000
Subtotal	\$ 195,000

This Program Revision will fund the final repayment of the Commonwealth's Federal Unemployment Compensation debt in order to prevent a penalty tax that would cost Pennsylvania employers over \$450 million. The monies will come from the State Workmens' Insurance Fund and the Unemployment Compensation Interest Fund.

PENNVEST/SAFE DRINKING WATER _____		
Environmental Resources		
PENNVEST	\$ 14,500	.....
Office of Protection	1,007	.....
Subtotal	\$ 15,507	.....

This Program Revision will fund construction of sewage treatment facilities and community water supply systems, and improve water quality.

MUNICIPAL RETIREMENT SYSTEM RECOVERY PLAN _____		
Auditor General		
Municipal Pension System State Aid	\$ 4,175	.....

This Program Revision will provide funding for municipal pension systems which are making the required steps to meet funding standards but are unable to do so within existing municipal resources.

Human Services

Human service programs in this Commonwealth have historically encouraged the poor, the needy, and the handicapped to stay on welfare. This Budget commits sufficient resources to begin breaking the cycle of dependency. Human service programs must be revamped to provide individuals with the skills and resources to give them as independent a life as possible.

Recommended Program Revisions: _____

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

Program Revision / Department / Appropriation	1988-89	
	General Fund	Other Funds
	(Dollar Amounts in Thousands)	
COST CONTAINMENT — STATE MENTAL HOSPITALS REIMBURSEMENT _____		
Public Welfare		
State Mental Hospitals	\$ -11,000	.....

This Program Revision will provide for increased Federal Medicaid and Medicare reimbursement through improved cost reporting.

HEALTH CARE COST CONTAINMENT — CASE MANAGEMENT _____		
Public Welfare		
County Administration Statewide	\$ 567	.....
Medical Assistance—Outpatient	350	.....
Medical Assistance—Inpatient	-7,354	.....
Community Mental Health	2,000	.....
Subtotal	\$ -4,437	.....

This Program Revision will provide for expanded case management services for high cost medical and psychiatric cases to insure provision of appropriate level and location of care.

EXPANDED MEDICAL ASSISTANCE COVERAGE _____		
Public Welfare		
Medical Assistance—Outpatient	\$ 6,314	.....
Medical Assistance—Inpatient	10,506	.....
Subtotal	\$ 16,820	.....

This Program Revision provides for expanded medical assistance coverage for pregnant women, children, elderly and the disabled. This Program Revision is also shown under Older Pennsylvanians.

1988-89

Program Revision / Department / Appropriation

General Fund	Other Funds
(Dollar Amounts in Thousands)	

MEDICAL ASSISTANCE AUDIT ENHANCEMENT _____

Public Welfare

Long Term Care	\$-12,000	. . . .
County Administration Statewide	192	. . . .
Subtotal	\$ -11,808	. . . .

This Program Revision provides for enhancement of audits of the long term care program.

COUNTY CHILD WELFARE _____

Public Welfare

County Child Welfare	\$ 9,612
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This Program Revision increases financial support to the County Child Welfare Program.

DAY CARE SERVICES _____

Public Welfare

Day Care Services	\$ 2,550
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This Program Revision provides for expanded day care placements.

Older Pennsylvanians

Pennsylvania is experiencing a demographic revolution that will greatly impact the delivery of human services. The number and proportion of older Pennsylvanians in the Commonwealth is increasing dramatically. The greatest increase is occurring in the over 75 age group. This age group is expected to double between 1980 and the year 2000.

This Budget continues to take steps to ensure the integrity of the Lottery Fund as well as provide funds to help defray medical costs for members of the school retirement system and a cost of living increase for members of the State retirement system.

Recommended Program Revisions:

This budget recommends the following Program Revisions which are explained in more detail in the agency presentations.

	1988-89	
	General Fund	Other Funds
Program Revision / Department / Appropriation	(Dollar Amounts in Thousands)	
MAINTAINING THE INTEGRITY OF THE LOTTERY FUND		
Public Welfare		
Long Term Care .....	.....	\$ -14,000
Medicare Part B Payments .....	.....	-13,587
Pre-Admission Assessment .....	.....	-2,368
Subtotal	.....	\$ -29,955
Public Welfare		
Long Term Care	\$ 14,000	.....
Medical Assistance—Outpatient	13,587	.....
Pre-Admission Assessment	2,368	.....
Subtotal	\$ 29,955	.....

This Program Revision will provide General Fund monies for programs partially or entirely funded from the Lottery Fund. Details are presented in the Department of Aging.

EXPANDED MEDICAL ASSISTANCE COVERAGE

Public Welfare		
Medical Assistance—Outpatient	\$ 6,314	.....
Medical Assistance—Inpatient	10,506	.....
Subtotal	\$ 16,820	.....

This Program Revision provides for expanded medical assistance coverage for pregnant women, children, the disabled and older Pennsylvanians. This Program Revision is also shown under Human Services.

ABUSE INTERVENTION SERVICES FOR OLDER PENNSYLVANIANS

Aging		
Abuse Intervention Services for Older Pennsylvanians .....	.....	\$ 2,440

This Program Revision will provide funds from the Lottery Fund for implementation of the Elderly Protection Act of 1987.

SCHOOL ANNUITANTS SUPPLEMENT

Education		
School Annuitant Supplement	\$ 4,250	.....

This Program Revision provides for the state share of the employer cost of a supplemental payment to annuitants of the School Employees Retirement System.

COST OF LIVING ADJUSTMENT

State Employees Retirement		
Cost of Living Adjustment	\$ 2,950	.....

This Program Revision will provide for the increased cost of an employer contribution to the State Employees' Retirement System resulting from a cost of living increase for annuitants.

Insurance Industry Oversight

The cost of auto insurance is already high and auto insurance companies are filing for double-digit rate increases.

In addition, increases in the number of long term care, health and other kinds of insurance policies for older Pennsylvanians have generated increases in the number of complaints about the way those policies are sold, their limitations and the delays and number of denials when claims are processed.

Our citizens' dependency on insurance products, the competitive nature of the industry, and the forces of the market place increase pressure on government to provide leadership in protecting the interests of consumers. The Insurance Department is improving its ability to assume that leadership role. The 1988-89 Executive Budget includes funding to expand the Insurance Department's staff to support its efforts to meet those responsibilities.

Recommended Program Revisions: _____

This budget recommends the following Program Revision which is explained in more detail in the agency presentation.

	1988-89	
Program Revision / Department / Appropriation	General Fund	Other Funds
	(Dollar Amounts in Thousands)	
INSURANCE INDUSTRY OVERSIGHT _____		
Insurance		
General Government Operations	\$ 1,884	.....

This Program Revision provides the ability to meet increased demands on the Insurance Commission, particularly in the areas of rate review, health insurer solvency, financial solvency, statistical analysis and treatment and care of older Pennsylvanians.

Response to the Corrections Task Force Report

On October 21, 1987, the Governor's Interdepartmental Task Force on Corrections issued its report. This report included 48 recommendations to improve Pennsylvania's correctional system in the following areas: education, job training, health care, prisoner treatment and visitation, overcrowding, and the management of the correctional system. Some of the recommendations require additional resources. This budget provides funding to implement those recommendations requiring additional funds.

Recommended Program Revisions: _____

This budget recommends the following Program Revision which is explained in more detail in the agency presentations.

Program Revision / Department / Appropriation	1988-89	
	General Fund	Other Funds
	(Dollar Amounts in Thousands)	
IMPROVED REINTEGRATION SERVICES _____		
Corrections		
State Correctional Institutions	\$ 719	.....
Education		
Corrections Education	\$ 936	.....
Probation and Parole		
General Government Operations	\$ 299	.....

This Program Revision is comprised of several components. The details are provided in the Department of Corrections. The Corrections component provides \$115,000 which, combined with \$579,000 in Federal funds, will provide drug and alcohol treatment for an additional 226 inmates. Also provided is \$604,000 to improve the inmate record system and management information system through the purchase of mainframe terminals and personal computers.

The Education Component expands education programs at correctional institutions and doubles the number of job placement specialists.

The Probation and Parole component will provide intensive parole supervision.

Pennsylvania Veterans

By the year 2000 the number of veterans over age 65 living in Pennsylvania will have grown from the present 318,000 to an estimated 504,000. It is important to provide for the needs of those men and women who have so ably and proudly served our country in the armed services. The primary responsibility for carrying out the Governor's veterans initiatives rests with the Department of Military Affairs.

Recommended Program Revisions: _____

This budget recommends the following Program Revision which is explained in more detail in the agency presentation.

Program Revision / Department / Appropriation	1988-89	
	General Fund	Other Funds
	(Dollar Amounts in Thousands)	
VETERANS ASSISTANCE _____		
Military Affairs		
Southeastern Veterans Home	\$ 541	.....
Veterans Assistance	959	.....
Education of Veterans Children	45	.....
Veteran Memorial Commission	50	.....
Subtotal	\$ 1,595	.....

This Program Revision provides for a number of increases including:

- (A) domicillary care to an additional 42 veterans;*
- (B) an increase in temporary assistance payments to veterans by an average of 45 percent;*
- (C) more than doubles educational gratuities to eligible children of veterans by increasing tuition assistance from \$200 a semester to \$500 per semester; and,*
- (D) provides a continuing appropriation for the operating costs of the Commission.*

In addition to the above, the Administration is committed to a fourth veterans home. A committee, comprised of veterans, has been appointed to review possible sites and needs. Once the committee submits its report, an appropriate capital budget recommendation will be made.

USE OF THE GENERAL FUND DOLLAR

1988-89 Fiscal Year

GRANTS AND SUBSIDIES 77.6¢



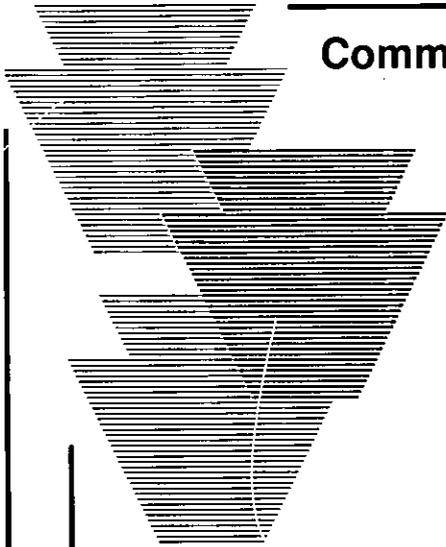
GENERAL GOVERNMENT 11.2¢

INSTITUTIONAL 7.1¢

DEBT SERVICE REQUIREMENTS 4.0¢

CAPITAL 0.1¢

\$1.00



Federal Block Grants

The Federal Omnibus Budget Reconciliation Act of 1981 created nine block grants of which one was repealed. Eight of these were implemented during 1982-83. In addition, information is provided herein on the Job Training Partnership Act which has not been labeled by the Federal government as a block grant but which provides for a program that operates in a very similar manner to the original block grants.

The following tables provide information on the estimated amounts to be received from the Federal government and an estimated distribution of the funds by program within the block grant. The 1987-88 estimated block amounts reflect the best current estimate of the amounts available and, therefore, may be different from the amounts appropriated.

The distribution by program for 1988-89 is a preliminary proposal. Opportunities for public review and comment and the public hearing process will provide feedback from affected groups and the public which may result in modifications to the proposed distribution.

In general the amount shown for administrative costs represents the amount that Federal law permits under that particular block grant. It is shown for informational purposes although in many cases it is anticipated that less than the full amount will be spent. The major exception to this approach is the Education Block grant. The law permits up to 20 percent to be spent for administration, but a more realistic figure of about 10 percent is shown.

SUMMARY OF FEDERAL BLOCK GRANTS

(Dollar Amounts in Thousands)

	1986-87 Actual Block	1987-88 Estimated Block	1988-89 Recommended Block
Community Services	\$ 15,063	\$ 18,138	\$ 19,635
Small Communities	77,454	60,109	60,054
Education	24,059	24,269	24,298
Maternal and Child Health	20,146	20,906	21,040
Preventive Health and Health Services ...	4,405	4,960	5,008
Alcohol, Drug Abuse, and Mental Health .	26,461	26,417	27,062
Low-Income Home Energy Assistance ...	133,317	113,102	104,520
Social Services	138,248	136,922	134,169
Job Training Partnership	185,968	199,897	172,541
Anti-Drug Abuse .....	.....	26,597	22,621
TOTAL	\$ 625,121	\$ 631,317	\$ 590,948

Community Services

This block grant provides funds for community based programs that offer health, nutrition, housing and employment related services to improve the standard of living of low-income persons.

Programs consolidated into the block include Community Action; Senior Opportunities and Services; Community Food and Nutrition; Energy Conservation; Training, Evaluation and Technical Assistance.

The requirement that 90 percent of the funding be distributed to existing Community Action Agencies (CAAs) has been continued for future years of the program; 5 percent is allowed for administration and the remaining 5 percent is utilized for competitive projects. The 90 percent program monies are being granted to existing CAAs for maintenance or operating costs, energy coordination; Pennsylvania Intergovernmental Council; Pennsylvania Director's Association for Community Action; and competitive grants in the areas of employment training, job preparedness, community conservation corps, community economic development, summer employment and youth programs and emergency 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	1986-87	1987-88	1988-89
	Actual Block	Estimate Block	Recommended Block
Community Affairs			
Administration	\$ 335	\$ 638	\$ 645
Community Services	14,728	17,500	18,990
TOTAL	\$ 15,063	\$ 18,138	\$ 19,635

Small Communities

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

The program recognizes Pennsylvania's need to rehabilitate its aging housing and infrastructure in order to benefit low and moderate income citizens.

Act 179 of 1984 requires that funds be allocated on a formula basis. Eighty-five percent of the funds must go for grants to eligible cities, boroughs/townships and counties with 24 percent allocated to cities, 38 percent to boroughs/townships and 38 percent for counties. There is a 13 percent setaside for discretionary projects which the department plans to distribute to boroughs and townships under 10,000 in population. The remaining 2 percent is set aside for administrative costs.

The higher expenditure rate show in 1986-87 reflects the effort to place under contract larger amounts of carryover funds available at the end of the previous year.

Department / Appropriation	(Dollar Amounts in Thousands)		
	1986-87 Actual Block	1987-88 Estimate Block	1988-89 Recommended Block
Community Affairs			
Administration	\$ 885	\$ 909	\$ 854
Small Communities	76,503	59,200	59,200
Small Communities — Jobs	66	.....	.....
TOTAL	\$ 77,454	\$ 60,109	\$ 60,054

Education

Federal law provides that the Commonwealth must distribute at least 80 percent of this block grant to school districts and may retain up to 20 percent for administration. The proposed of distribution provides 90 percent of available funds to districts. Federal law provides that the Commonwealth cannot direct how the districts spend their block grant as long as it is spent on approved programs. The school district block is distributed according to a formula based on students and poverty/disadvantaged factors.

Department / Appropriation	(Dollar Amounts in Thousands)		
	1986-87 Actual Block	1987-88 Estimate Block	1988-89 Recommended Block
Education:			
Education Block Grant — Administration	\$ 2,209	\$ 2,451	\$ 2,427
Subtotal	<u>\$ 2,209</u>	<u>\$ 2,451</u>	<u>\$ 2,427</u>
School Districts:			
Education Block Grant — School District Distribution	\$ 19,022	\$ 18,872	\$ 20,000
Education Block Grant — Technology Initiative	2,828	2,946	1,871
Subtotal	<u>\$ 21,850</u>	<u>\$ 21,818</u>	<u>\$ 21,871</u>
TOTAL	<u>\$ 24,059</u>	<u>\$ 24,269</u>	<u>\$ 24,298</u>

Maternal and Child Health

This block grant provides funds for health services for mothers and children to reduce infant mortality and the incidence of preventable diseases and handicapping conditions among children; rehabilitative services for blind and disabled individuals under age 16, and treatment and care for crippled children.

Consolidated programs include maternal and child health services/crippled children's services, supplemental security income, and disabled children's services.

The Omnibus Budget Reconciliation Act of 1981 provides that the Department of Health and Human Services (DHHS) monitor administrative expenses to insure they do not exceed traditional levels. In accordance with DHHS final rules and regulations, administrative costs will not exceed ten percent.

Department / Appropriation	(Dollar Amounts in Thousands)		
	1986-87	1987-88	1988-89
	Actual Block	Estimate Block	Recommended Block
Health:			
Administration	\$ 1,688	\$ 1,750	\$ 1,750
Maternal and Child Health Services	11,750	11,750	11,950
Crippled Children's Services	5,758	5,456	6,390
Supplemental Security Income Services	950	950	950
 TOTAL	\$ 20,146	\$ 20,906	\$ 21,040

Preventive Health and Health Services

This block grant provides for preventive health services for individuals and families, and for a variety of public health services to reduce preventable morbidity and mortality. Programs consolidated into the block grant include emergency medical services, health incentive grants, hypertension control, rodent control, health education/risk reduction, and rape prevention and crisis services.

The Omnibus Budget Reconciliation Act provides a ceiling of ten percent on funds which may be used for administration.

(Dollar Amounts in Thousands)			
Department / Appropriation	1986-87 Actual Block	1987-88 Estimate Block	1988-89 Recommended Block
Health:			
Administration	\$ 227	\$ 300	\$ 300
Emergency Medical Services	800		
Health Education and Prevention	443	475	475
Tuberculosis Programs	374	569	569
Hypertension	816	910	1,178
Diabetes	174	218	218
Fluoridation	19	80	60
Aids Education		600	400
Subtotal	<u>\$ 2,853</u>	<u>\$ 3,152</u>	<u>\$ 3,200</u>
Public Welfare:			
Rape Crisis Centers	\$ 192	\$ 180	\$ 180
Environmental Resources:			
Administration	\$ 99	\$ 128	\$ 128
Rodent Control	1,261	1,500	1,500
Subtotal	<u>\$ 1,360</u>	<u>\$ 1,628</u>	<u>\$ 1,628</u>
TOTAL	<u><u>\$ 4,405</u></u>	<u><u>\$ 4,960</u></u>	<u><u>\$ 5,008</u></u>

Alcohol Drug Abuse and Mental Health

This block grant provides funds to establish and maintain programs to combat alcohol and drug abuse, to care for the mentally ill and to promote mental health. Programs include: community mental health centers, drug abuse, community services, drug and alcohol formula grants and alcoholism treatment and rehabilitation.

(Dollar Amounts in Thousands)

Department / Appropriation	1986-87 Actual Block	1987-88 Estimate Block	1988-89 Recommended Block
Health:			
Alcohol and Drug Abuse Administration	\$ 1,260	\$ 1,379	\$ 1,379
Alcohol Grant Programs	4,433	4,515	4,815
Drug Grant Programs	6,490	6,609	6,927
Subtotal	<u>\$ 12,183</u>	<u>\$ 12,503</u>	<u>\$ 13,121</u>
Public Welfare:			
Alcohol Drug Abuse and Mental Health			
Administration	\$ 119	\$ 108	\$ 120
Mental Health — Community Health	14,049	13,696	13,711
Subtotal	<u>\$ 14,168</u>	<u>\$ 13,804</u>	<u>\$ 13,831</u>
Corrections:			
Alcohol and Drug Addiction	<u>\$ 110</u>	<u>\$ 110</u>	<u>\$ 110</u>
TOTAL	<u>\$ 26,461</u>	<u>\$ 26,417</u>	<u>\$ 27,062</u>

Low-Income Home Energy Assistance

This block grant provides funds to assist eligible low income individuals and families to meet the cost of home energy and to provide low cost residential weatherization or other energy related home repairs for low income households. In addition to the amounts shown below, the Department of Public Welfare's energy assistance program receives supplemental funding from the Energy Conservation and Assistance Fund. During 1987-88, the fund provided \$45,302,000 which includes a supplemental of \$13,428,000. The recommendation for 1988-89 is to transfer \$30,702,000 from the Fund to maintain the current energy assistance program level.

Department / Appropriation	(Dollar Amounts in Thousands)		
	1986-87 Actual Block	1987-88 Estimate Block	1988-89 Recommended Block
Community Affairs:			
Low-Income Home Energy Assistance —			
Administration .....	.....	\$ 1,475	.....
Low-Income Home Energy Assistance —			
Weatherization .....	.....	19,896 ^a	.....
Subtotal .....	.....	\$ 21,371	.....
Public Welfare:			
Low-Income Home Energy Assistance Block			
Grant — Administration	\$ 13,282	\$ 11,651 ^a	\$ 11,830
Low-Income Home Energy Assistance Block			
Grant	120,035	80,080 ^a	92,690
Subtotal	\$ 133,317	\$ 91,731	\$ 104,520
TOTAL	\$ 133,317	\$ 113,102	\$ 104,520

^aAvailable estimates are based on the actual Federal grant.

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 contracts with the Department. These Federal allocations serve to augment State appropriations thereby increasing the total level of services provided.

Department / Appropriation	(Dollar Amounts in Thousands)		
	1986-87	1987-88	1988-89
	Actual Block	Estimate Block	Recommended Block
Public Welfare:			
General Government	\$ 5,670	\$ 5,384	\$ 5,056
County Assistance Offices	14,498	13,768	12,929
Youth Development	1,710	950	950
Community Mental Health	8,918	10,254	12,050
Community Mental Retardation	13,659	14,059	13,203
Mental Retardation Residential Services	5,498	5,664	5,319
County Child Welfare	11,005	11,181	9,000
Day Care	40,766	39,904	39,904
Domestic Violence	1,574	1,573	1,573
Rape Crisis	827	826	826
Family Planning	5,020	5,020	5,020
Legal Services	6,688	6,688	6,688
Homeless Assistance	2,851	2,849	2,849
Attendant Care	4,464	4,463	4,463
Human Services Development Fund	15,100	14,339	14,339
TOTAL	\$ 138,248	\$ 136,922	\$ 134,169

Job Training Partnership

The Federal Job Training Partnership Act (JTPA) places responsibility for the administration of job training programs with the Commonwealth. The ultimate goal is to provide unsubsidized employment to those entering and completing the program. Under JTPA, Title II (Training services for disadvantaged) economically disadvantaged adults, youth and older workers receive training, education and job search assistance and placement services to assist them in reentering the workforce.

Under Title III (dislocated workers) training and related employment assistance is provided to workers in three categories: (1) terminated or laid-off or who have received a notice of termination or lay-off from employment, are eligible for or have exhausted their entitlement to unemployment compensation, and are unlikely to return to their previous industry or occupation; (2) terminated, or who have received a notice of termination of employment, as a result of any permanent closure of a plant or facility; or (3) long-term unemployed who have limited opportunities for employment or reemployment in the same or a similar occupation in the area in which they reside, including any older individuals who may have substantial barriers to employment by reason of age. Services may include such activities as job search assistance, retraining, prelayoff assistance and relocation.

Title II, the larger of two titles, requires that 78 percent of its funds pass through to Service Delivery Areas (SDAs) established by the Governor in coordination with the State Job Training Coordinating Council (SJTCC). Those areas establish Private Industry Councils (PIC's) whose responsibility is to develop plans for expenditures to be approved by the Governor and the SJTCC. The remainder of the funds under this title are spent as follows: 8 percent for educational training programs; 6 percent for incentive grants; 3 percent for an older workers program and 5 percent for administration.

Administration of these titles is shared by the Departments of Labor and Industry and Education, the Office of the Budget, as well as the Economic Development Partnership. Any unused portion of the five percent administrative funds may be used to fund special training project priorities of the Governor.

Both the Dislocated Worker portion under Title III and the Educational Training portion of Title II-A require a non-Federal match based on the current level of State unemployment as compared to the national level. The matching requirement is decreased when unemployment rates are higher than national averages. It is estimated that a total of \$8,750,000 in State funding will be required to meet this matching requirement. These funds are reflected under the Departments of Education and Labor and Industry.

(Dollar Amounts in Thousands)

Department / Appropriation	1986-87	1987-88	1988-89
	Actual Block	Estimate Block	Recommended Block
Labor and Industry:			
Administration	\$ 2,514 ^a	\$ 2,897 ^b	\$ 2,430
Grants to Service Delivery Areas	100,667	102,040	82,000
Summer Youth Program	41,449	37,100	29,000
Incentive Grants	8,197	17,647	16,000
Technical Assistance	2,219	2,000	2,000
Older Workers	4,512	5,371	4,531
Dislocated Workers	12,989	17,054	24,200
Veterans' Employment	1,187	1,187	1,187
Job Training Welfare Recipients	353	1,000	
Teen Pregnancy and Parenthood	980	1,000	1,000
Subtotal	\$ 175,067	\$ 187,296	\$ 162,348
Executive Offices:			
Office of the Budget	\$ 777	\$ 884	\$ 886
Economic Development Partnership:			
Occupational Information		\$ 130	\$ 130
Education:			
Linkages	\$ 409	\$ 540	\$ 774
Corrections Education	428	647	807
Educational Training	9,287	10,400	7,596
Subtotal	\$ 10,124	\$ 11,587	\$ 9,177
TOTAL	\$ 185,968	\$ 199,897	\$ 172,541

^a\$414,000 of this amount was actually appropriated to the Office of Policy Development.

^b\$296,000 of this amount was actually appropriated to the Office of Policy Development.

Anti-Drug Abuse

The Anti-Drug Abuse Act of 1986 authorizes Federal funds for drug enforcement, education, treatment and prevention. These drug enforcement funds are to provide additional personnel, equipment, facilities, personnel training and supplies for the apprehension, prosecution and adjudication of persons who violate state and local drug laws pertaining to controlled substances. Funds may also be used for additional public correctional resources to detain persons convicted of violating state and local drug laws.

Drug education funds may be used to establish or expand drug abuse prevention and intervention programs, for grants to community based organizations for drug abuse prevention, early intervention, rehabilitation referral and education programs, and for development, training, technical assistance and coordination activities. Community based program funds may be distributed to local governments, public agencies and private non-profit groups.

Drug treatment and prevention funds may be used for drug abuse treatment and rehabilitation programs and for activities that increase the availability of programs provided by treatment centers, and for expansion of treatment and rehabilitation program capacity.

The following presentation shows the use of Federal funds. In addition, the State provided \$562,000 for the twenty-five percent State match for the local law enforcement grant program which was begun and completed by the State Police and the Commission on Crime and Delinquency in 1987-88.

Department / Appropriation	(Dollar Amounts in Thousands)	
	1987-88 Estimate Block	1988-89 Recommended Block
Executive Offices		
<i>Commission on Crime and Delinquency</i>		
Local Law Enforcement — Administration . . .	\$ 200	\$ 200
Local Law Enforcement	5,116	7,537
State Law Enforcement — Administration . . .	121	. . . .
State Law Enforcement	1,503	. . . .
Subtotal	\$ 6,940	\$ 7,737
<i>Drug Policy Council</i>		
Law Enforcement — Administration	\$ 97	\$ 98
Special Program for Drug Free Schools and Communities — Administration	43	46
Subtotal	\$ 140	\$ 144
Attorney General		
Mobile Cooperative Task Force	\$ 311	\$ 411
Technical Assistance	34	47
Financial Asset Investigation	296	390
Subtotal	\$ 641	\$ 848
Education		
Education — Administration	\$ 506	\$ 680
Drug Free Schools and Communities	4,556	5,200
Special Program for Drug Free Schools and Communities	2,169	2,494
Subtotal	\$ 7,231	\$ 8,374
Health		
Substance Abuse — Administration	\$ 83	\$ 83
Substance Abuse	8,216	4,848
TASC/SCI Pre/Post Release	35	. . . .
Drug Free Schools	560	. . . .
Subtotal	\$ 8,894	\$ 4,931
Probation and Parole		
Statewide Urinalysis Testing	\$ 59	\$ 182
Special Intensive Supervision Drug Project . .	150	405
Subtotal	\$ 209	\$ 587
State Police		
State Law Enforcement — Administration . . .	\$ 121	. . . .
State Law Enforcement	2,421	. . . .
Subtotal	\$ 2,542	. . . .
TOTAL	\$ 26,597	\$ 22,621

PENNSYLVANIA ECONOMIC REVITALIZATION FUND

An important addition to Pennsylvania's economic development program was the creation in 1984 of the Pennsylvania Economic Revitalization Fund (PERF), a three-year \$190 million program encompassing ten different programs in five agencies. Originally financed through a bond issue authorized by the electorate on April 10, 1984, PERF was in 1985-86 converted to a current revenue-funded program via a General Fund transfer.

This table summarizes the overall funding levels available and proposed for the various PERF programs.

Please refer to the Commitment to Economic Development Program Revision in the Economic Development Partnership budget for specific PERF proposals.

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Budget
Agriculture			
Agricultural Loans	\$ 2,550	.....	.....
PennAG Fund .....	.....	.....	\$ 1,000
Subtotal	<u>\$ 2,550</u>	<u>.....</u>	<u>\$ 1,000</u>
Community Affairs			
RIRA	\$ 15,479	\$ 6,000 ^b	.....
LERTA Tax Credits	3,000 ^a	.....	.....
Reduction of State Match	3,000 ^a	.....	\$ 1,500
Subtotal	<u>\$ 21,479</u>	<u>\$ 6,000</u>	<u>\$ 1,500</u>
Economic Development Partnership			
Engineering School Equipment	\$ 728	\$ 3,000 ^a	.....^d
Minority Assistance—Bonds	1,212 ^a	.....	.....
Minority Assistance—Loans	985 ^a	.....	.....
Minority Assistance—Technical Assistance	985 ^a	.....	.....
Business Infrastructure Development	25,497	29,000 ^c	\$ 22,500 ^c
Incubator Loans/Grants	3,506	4,000 ^c	.....^d
Seed Capital Challenge Grants	1,500	.....	.....
Employee Ownership—Technical Assistance	299	500	500
Capital Loan Fund	15,000	8,000	8,000
Mon Valley Revitalization	2,000	2,000	2,000
Beaver Valley Revitalization	1,000	1,000	1,000
Shenango Valley Revitalization	1,000	1,000	1,000
Johnstown Industrial Heritage .....	.....	.....	1,000
Community Economic Recovery	1,000	1,000	1,000
Advanced Technology Facilities	4,000	.....	.....
Industrial Resource Centers .....	.....	10,000 ^c	10,000 ^c
Lehigh Mountaintop Campus .....	.....	.....	1,000
Subtotal	<u>\$ 58,712</u>	<u>\$ 59,500</u>	<u>\$ 48,000</u>
Education			
Vocational-Technical Equipment	\$ 9,252	.....	.....
Environmental Resources			
Conservation Corps	\$ 6,018 ^a	\$ 6,050 ^a	.....^d
Recreational Improvements	11,326	7,950 ^a	.....^d
Subtotal	<u>\$ 17,344</u>	<u>\$ 14,000</u>	<u>.....</u>
PENNSYLVANIA ECONOMIC REVITALIZATION			
FUND TOTAL	<u><u>\$ 109,337</u></u>	<u><u>\$ 79,500</u></u>	<u><u>\$ 50,500</u></u>

^aContinuing appropriation from which expenditures can be made in subsequent year(s).

^bActually an increase to a 1984-85 continuing appropriation approved in 1987-88.

^cProposed to be made a continuing appropriation, so that expenditures can be made in subsequent year(s).

^dExpenditures will occur from previous continuing appropriation(s).

Unemployment Compensation Debt Reduction and Economic Development

For most of its history, the State Workmens' Insurance Fund (SWIF) has been a relatively small factor in Pennsylvania's workers' compensation industry. That picture has changed in recent years because of events in the insurance business. The number of policy holders has soared and SWIF's all-bond investment portfolio has yielded high interest rates and significant capital gains. The Fund's net income has risen with the result that SWIF now has a surplus over and above what is necessary to meet its future obligations to injured workers and to cover catastrophic accidents.

Governor Casey proposes that some of SWIF's surplus be used to benefit the business community of the Commonwealth by reducing the unemployment compensation debt, thus lowering the cost of employing working men and women in Pennsylvania.

UNEMPLOYMENT COMPENSATION DEBT REDUCTION _____

The Commonwealth, as of November 30, 1987, had outstanding \$589 million in loans from the Federal Unemployment Account to the Pennsylvania Unemployment Compensation Fund (the UC Fund). The loans, which began in October 1975, were needed to provide funds to pay unemployment compensation benefits in amounts that exceeded the income to the UC Fund.

Payment of interest on a portion of the total outstanding indebtedness of the UC Fund began in September 1982. Under the provisions of Federal legislation, the payment of interest costs may be made over several years providing the UC Fund attains specified progress toward solvency. Changes to Pennsylvania's unemployment compensation program enacted in July 1983 requiring increased taxes and reductions of benefit levels enabled the UC Fund to achieve these and other solvency requirements to qualify for reduced penalty tax rates for employers paying the Federal Unemployment Tax.

For the past several years, employers in Pennsylvania have been required by the Federal Government to pay an additional UC tax in an effort to reduce the outstanding debt. This penalty or additional tax amounted to \$84 per employe for 1986 and \$105 per employe for 1987. The rate is projected to go to \$126 per employe for 1988 unless the debt can be paid off by November 10, 1988.

Governor Casey proposes that the \$195 million debt be retired prior to November 10, 1988, by using \$49 million from the UC Interest Fund and the transfer of \$146 million from the surplus in the State Workmens' Insurance Fund. Thus the penalty tax will not go into effect for 1988 and Commonwealth employers will save over \$450 million in taxes thereby reducing the cost of doing business in the Commonwealth.

ECONOMIC DEVELOPMENT AND STABILIZATION _____

To provide additional assistance to the Governor and the Commonwealth in their efforts to attract industrial, manufacturing and research and development enterprises to this state, it is proposed that \$25 million be transferred from the SWIF surplus to the Sunny Day Fund. Expenditures for individual projects would require approval by two-thirds of the members of the General Assembly.

Another appropriation of \$25 million is recommended for transfer to the Tax Stabilization Reserve Fund (Rainy Day Fund). This money would be used to provide financial assistance to minimize future revenue shortfalls and deficits which might occur during periods of economic distress. Appropriations from this fund would also require approval by two-thirds of the members of the General Assembly.

Finally, \$25 million is recommended to supplement the General Fund contribution for mass transit operating assistance. Those two sources of funds would provide a total of \$218.7 million for Mass Transit Assistance for 1988-89, an increase of \$8.4 million over the funds available for 1987-88.

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 communication efforts. Funds are budgeted in over 30 agencies to provide public notification and information to the Commonwealth's public, news media, businesses, legislators and citizens regarding the bidding of contracts, issuance of rules and regulations, announcement of public hearings and the availability of services and financial aid such as the weatherization program and low income energy assistance. This amount which is detailed below excludes those items which are strictly educational and materials which are offered for public sale such as the "Game News" and "Angler."

Effective February 1, 1988 the Governor reorganized the executive branch communications offices in order to improve, expand and better coordinate the many public information activities. The goal of this effort is to assure the most cost-effective delivery of information to the press and public about the initiatives of state government. A host of new technologies will make possible this increase both in coordination and in actual volume of communications efforts as well as reduce overall costs.

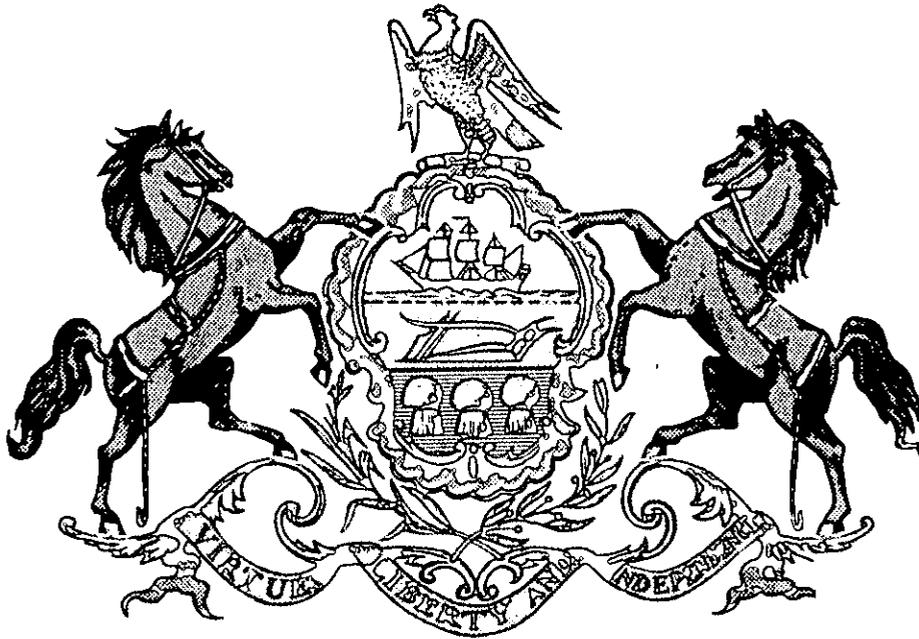
Under the reorganization which is described in the Program Revision shown in the Governor's Office, a Governor's Office of Public Information will work closely with departmental press offices. Agencies will be billed for these services, but there will be a reduction in their own press and communications complement and expenses. The following amounts reflect the estimated savings for 1987-88 and 1988-89.

	(Dollar Amounts in Thousands)					
	1987-88 Current Estimate	1987-88 Less Savings	1987-88 Revised Estimate	1988-89 Current Estimate	1988-89 Less Savings	1988-89 Revised Estimate
Governor's Office	\$ 601	.....	\$ 601	\$ 702	.....	\$ 702
Executive Offices	171	-11	160	189	-26	163
Department of Aging	122	-6	116	140	-15	125
Department of Agriculture	211	-7	204	213	-18	195
Banking Department	125	-9	116	138	-21	117
Civil Service Commission	38	.....	38	43	.....	43
Department of Community Affairs	218	-8	210	241	-20	221
Department of Corrections	164	-6	158	179	-14	165
Economic Development Partnership	152	-12	140	206	-28	178
Department of Education	241	-23	218	251	-55	196
Emergency Management Agency	116	-5	111	127	-12	115
Department of Environmental Resources	566	-33	533	596	-78	518
Fish Commission	87	.....	87	91	.....	91
Game Commission	22	.....	22	23	.....	23
Department of General Services	100	-22	78	104	-52	52
Department of Health	228	-21	207	236	-49	187
Historical and Museum Commission	33	-8	25	39	-20	19
Insurance Department	101	-5	96	106	-11	95
Department of Labor and Industry	156	-14	142	170	-33	137
Liquor Control Board	121	.....	121	135	.....	135
Department of Military Affairs	152	-7	145	158	-17	141
Milk Marketing Board	39	.....	39	39	.....	39
Board of Probation and Parole	12	-5	7	15	-13	2
Public Television Network	97	.....	97	99	.....	99
Public Utility Commission	178	.....	178	181	.....	181
Department of Public Welfare	339	-15	324	370	-35	335
Department of Revenue	107	-12	95	114	-29	85
Securities Commission	11	.....	11	14	.....	14
Department of State	121	-6	115	126	-14	112
State Police	102	-5	97	108	-12	96
Tax Equalization Board	83	.....	83	85	.....	85
Department of Transportation	477	-22	455	502	-53	449
TOTAL	\$ 5,291	\$ -262	\$ 5,029	\$ 5,740	\$ -625	\$ 5,115

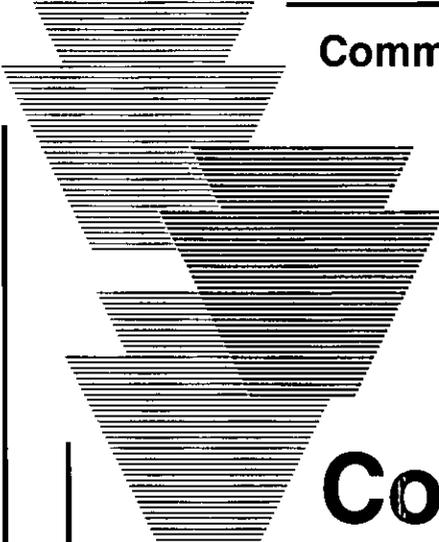
The Commonwealth also spends funds in these areas:

- *Lottery sales promotion* — \$9.1 million is spent on advertising campaigns to promote lottery sales and to disseminate information on the various lottery programs including property tax and rent assistance for elderly citizens during 1987-88. These expenditures are expected to generate approximately \$825 million in lottery revenues during 1987-88.
- *Economic development* — A total of \$9 million is recommended from the General Fund to promote tourism and economic development. This has contributed to an estimated \$10.8 billion in 1987-88 travel revenues to Pennsylvania and supports the State's aggressive effort to preserve and create jobs.

Program Budget Summary



The Arms is supported by speed and strength personified by two rampant steeds of sable color further denoting prudence and fidelity. The horses depicted here are rearing and wearing ornamental trappings and harnesses for drawing or pulling.



Commonwealth of Pennsylvania

Commonwealth Program Budget

This section summarizes the 1988-89 budget by the seven major program areas in which the Commonwealth provides services to its residents. It crosses departmental lines as well as individual special funds. As such it provides an overview of the major recommendations of this budget for program improvements or continuation.

Each program presentation contains a summary statement of budget recommendations in that program as well as a break out of categories and subcategories (subdivisions of activities) which contribute to the Commonwealth's total effort in that program.

The Commonwealth Program Budget has undergone a major reorganization. See Foreword for details.

Five-Year Summary of Commonwealth Programs

(Dollar Amounts in Thousands)

	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
DIRECTION AND SUPPORTIVE SERVICES							
GENERAL FUND	\$ 360,760	\$ 393,687	\$ 418,374	\$ 428,797	\$ 437,629	\$ 444,937	\$ 452,283
SPECIAL FUNDS	272,847	306,214	317,378	325,379	333,384	344,038	353,859
FEDERAL FUNDS	777	1,024	1,030	1,033	961	886	886
OTHER FUNDS	65,925	75,304	78,151	80,220	82,715	85,297	87,732
TOTAL-OPERATING	\$ 700,309	\$ 776,229	\$ 814,933	\$ 835,429	\$ 854,689	\$ 875,158	\$ 894,760
CAPITAL BOND AUTHORIZATION.	\$ 19,793	\$ 14,176	.....	\$ 5,175	\$ 5,450	\$ 5,750	\$ 6,050
PROGRAM TOTAL	\$ 720,102	\$ 790,405	\$ 814,933	\$ 840,604	\$ 860,139	\$ 880,908	\$ 900,810
PROTECTION OF PERSONS AND PROPERTY							
GENERAL FUND	\$ 649,946	\$ 743,913	\$ 775,117	\$ 796,354	\$ 817,928	\$ 840,101	\$ 860,741
SPECIAL FUNDS	238,025	239,009	249,414	257,008	265,718	274,934	284,605
FEDERAL FUNDS	51,195	79,902	75,109	74,733	75,560	75,964	69,070
OTHER FUNDS	502,457	557,697	605,982	658,371	695,103	735,708	784,828
TOTAL-OPERATING	\$ 1,441,623	\$ 1,620,521	\$ 1,705,622	\$ 1,786,466	\$ 1,854,309	\$ 1,926,707	\$ 1,999,244
CAPITAL BOND AUTHORIZATION.	\$ 125,758	\$ 94,659	.....	\$ 81,076	\$ 37,207	\$ 39,401	\$ 41,375
PROGRAM TOTAL	\$ 1,567,381	\$ 1,715,180	\$ 1,705,622	\$ 1,867,542	\$ 1,891,516	\$ 1,966,108	\$ 2,040,619
INTELLECTUAL DEVELOPMENT AND EDUCATION							
GENERAL FUND	\$ 4,922,169	\$ 5,208,786	\$ 5,475,570	\$ 5,676,229	\$ 5,910,008	\$ 6,148,600	\$ 6,394,144
SPECIAL FUNDS	1,975	2,300	2,300	2,300	2,300	2,300	2,300
FEDERAL FUNDS	39,024	52,374	53,220	53,050	53,060	53,070	53,080
OTHER FUNDS	614,482	677,536	709,608	710,241	710,890	711,556	712,243
TOTAL-OPERATING	\$ 5,577,650	\$ 5,940,996	\$ 6,240,698	\$ 6,441,820	\$ 6,676,258	\$ 6,915,526	\$ 7,161,767
CAPITAL BOND AUTHORIZATION.	\$ 124,161	\$ 67,171	.....	\$ 41,500	\$ 48,975	\$ 51,350	\$ 54,500
PROGRAM TOTAL	\$ 5,701,811	\$ 6,008,167	\$ 6,240,698	\$ 6,483,320	\$ 6,725,233	\$ 6,966,876	\$ 7,216,267
HEALTH AND HUMAN SERVICES							
GENERAL FUND	\$ 3,131,907	\$ 3,289,151	\$ 3,469,278	\$ 3,617,134	\$ 3,756,340	\$ 3,924,395	\$ 4,106,903
SPECIAL FUNDS	637,926	671,541	706,840	781,509	795,727	817,910	852,301
FEDERAL FUNDS	2,625,198	2,748,666	2,891,342	2,963,950	3,067,005	3,174,891	3,288,738
OTHER FUNDS	346,948	348,255	359,231	365,095	376,920	388,329	400,129
TOTAL-OPERATING	\$ 6,741,979	\$ 7,057,613	\$ 7,426,691	\$ 7,727,688	\$ 7,995,992	\$ 8,305,525	\$ 8,648,071
CAPITAL BOND AUTHORIZATION.	\$ 29,301	\$ 23,108	.....	\$ 18,812	\$ 19,762	\$ 20,887	\$ 21,987
PROGRAM TOTAL	\$ 6,771,280	\$ 7,080,721	\$ 7,426,691	\$ 7,746,500	\$ 8,015,754	\$ 8,326,412	\$ 8,670,058
ECONOMIC DEVELOPMENT							
GENERAL FUND	\$ 324,103	\$ 552,599	\$ 396,478	\$ 433,481	\$ 450,934	\$ 466,613	\$ 480,245
SPECIAL FUNDS	24,765	5,737	27,159	26,459	.....	.....	.....
FEDERAL FUNDS	350,434	382,026	381,866	315,385	310,410	305,436	305,462
OTHER FUNDS	188,244	213,026	166,658	169,416	166,076	166,722	171,486
TOTAL-OPERATING	\$ 887,546	\$ 1,153,388	\$ 972,161	\$ 944,741	\$ 927,420	\$ 938,771	\$ 957,193
CAPITAL BOND AUTHORIZATION.	\$ 406,526	\$ 556	.....	\$ 2,887	\$ 731	\$ 1,125	\$ 825
PROGRAM TOTAL	\$ 1,294,072	\$ 1,153,944	\$ 972,161	\$ 947,628	\$ 928,151	\$ 939,896	\$ 958,018

Five-Year Summary of Commonwealth Programs

			(Dollar Amounts in Thousands)				
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
TRANSPORTATION AND COMMUNICATION							
GENERAL FUND	\$ 197,295	\$ 230,615	\$ 215,144	\$ 247,483	\$ 255,121	\$ 262,842	\$ 270,609
SPECIAL FUNDS	1,140,236	1,167,505	1,215,831	1,157,127	1,147,244	1,137,628	1,117,444
FEDERAL FUNDS	670,774	850,224	653,482	670,198	604,398	552,602	539,813
OTHER FUNDS	322,672	369,965	398,485	364,587	307,827	332,480	304,271
TOTAL-OPERATING	<u>\$ 2,330,977</u>	<u>\$ 2,618,309</u>	<u>\$ 2,482,942</u>	<u>\$ 2,439,395</u>	<u>\$ 2,314,590</u>	<u>\$ 2,285,552</u>	<u>\$ 2,232,137</u>
CAPITAL BOND AUTHORIZATION.	\$ 1,812,942	\$ 95,419	\$	\$ 46,650	\$ 46,425	\$ 48,375	\$ 50,525
PROGRAM TOTAL	<u>\$ 4,143,919</u>	<u>\$ 2,713,728</u>	<u>\$ 2,482,942</u>	<u>\$ 2,486,045</u>	<u>\$ 2,361,015</u>	<u>\$ 2,333,927</u>	<u>\$ 2,282,662</u>
RECREATION AND CULTURAL ENRICHMENT							
GENERAL FUND	\$ 94,655	\$ 101,482	\$ 106,353	\$ 108,697	\$ 110,397	\$ 113,162	\$ 115,991
SPECIAL FUNDS	54,397	55,867	54,061	56,103	58,226	60,433	62,440
FEDERAL FUNDS	10,187	9,995	10,346	10,364	10,411	10,411	10,411
OTHER FUNDS	33,157	32,014	18,271	18,150	18,205	18,259	18,081
TOTAL-OPERATING	<u>\$ 192,396</u>	<u>\$ 199,358</u>	<u>\$ 189,031</u>	<u>\$ 193,314</u>	<u>\$ 197,239</u>	<u>\$ 202,265</u>	<u>\$ 206,923</u>
CAPITAL BOND AUTHORIZATION.	\$ 24,613	\$ 14,889	\$	\$ 10,900	\$ 11,450	\$ 12,112	\$ 12,738
PROGRAM TOTAL	<u>\$ 217,009</u>	<u>\$ 214,247</u>	<u>\$ 189,031</u>	<u>\$ 204,214</u>	<u>\$ 208,689</u>	<u>\$ 214,377</u>	<u>\$ 219,661</u>
GENERAL SALARY INCREASE							
GENERAL FUND	\$	\$	\$ 44,000	\$ 45,320	\$ 46,680	\$ 48,080	\$ 49,523
PROGRAM TOTAL	<u> </u>	<u> </u>	<u>\$ 44,000</u>	<u>\$ 45,320</u>	<u>\$ 46,680</u>	<u>\$ 48,080</u>	<u>\$ 49,523</u>
COMMONWEALTH TOTALS							
GENERAL FUND	\$ 9,680,835	\$10,520,233	\$10,900,314	\$11,353,495	\$11,785,037	\$12,248,730	\$12,730,439
SPECIAL FUNDS	2,370,171	2,448,173	2,572,983	2,605,885	2,602,599	2,637,243	2,672,949
FEDERAL FUNDS	3,747,589	4,124,211	4,066,395	4,088,713	4,121,805	4,173,260	4,267,460
OTHER FUNDS	2,073,885	2,273,797	2,336,386	2,366,080	2,357,736	2,438,351	2,478,770
TOTAL-OPERATING	<u>\$17,872,480</u>	<u>\$19,366,414</u>	<u>\$19,876,078</u>	<u>\$20,414,173</u>	<u>\$20,867,177</u>	<u>\$21,497,584</u>	<u>\$22,149,618</u>
CAPITAL BOND AUTHORIZATION.	2,543,094	309,978	. . . . .	207,000	170,000	179,000	188,000
PROGRAM TOTAL	<u>\$20,415,574</u>	<u>\$19,676,392</u>	<u>\$19,876,078</u>	<u>\$20,621,173</u>	<u>\$21,037,177</u>	<u>\$21,676,584</u>	<u>\$22,337,618</u>

Direction and Supportive Service

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

This is a general, Commonwealth type of support. Administrative costs specifically related to particular programs usually appear in a program subcategory to which they specifically relate.

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

Contribution by Category and Subcategory

General Fund and Special Funds

		(Dollar Amounts in Thousands)						
		1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
		Actual	Available	Budget	Estimated	Estimated	Estimated	Estimated
Administrative and Support Services	\$	38,689	\$ 41,896	\$ 47,106	\$ 51,521	\$ 52,885	\$ 54,290	\$ 55,788
Executive Direction		36,180	39,858	41,994	43,415	44,734	46,093	47,544
Personnel Selection		1	1	1	1	1	1	1
State Retirement System		1,193	679	3,655	6,605	6,605	6,605	6,605
Legal Services		1,315	1,358	1,456	1,500	1,545	1,591	1,638
Fiscal Management	\$	366,508	\$ 416,020	\$ 434,732	\$ 443,435	\$ 453,446	\$ 463,721	\$ 472,933
Revenue Collection and Administration		304,869	339,884	354,498	361,841	370,453	379,285	387,011
Disbursement		34,175	46,437	49,399	49,832	50,277	50,737	51,209
Auditing		27,464	29,699	30,835	31,762	32,716	33,699	34,713
Physical Facilities and Commodities								
Management	\$	97,718	\$ 97,574	\$ 99,808	\$ 102,939	\$ 106,622	\$ 111,392	\$ 116,671
Facility, Property and Commodity Management		97,718	97,574	99,808	102,939	106,622	111,392	116,671
Legislative Processes	\$	111,731	\$ 122,885	\$ 130,830				
Legislature		111,731	122,885	130,830	130,830	130,830	130,830	130,830
Interstate Relations	\$	579	\$ 626	\$ 734	\$ 684	\$ 684	\$ 684	\$ 684
Interstate Relations		579	626	734	684	684	684	684
Debt Service	\$	18,382	\$ 20,900	\$ 22,542	\$ 24,767	\$ 26,546	\$ 28,058	\$ 29,236
Debt Service		18,382	20,900	22,542	24,767	26,546	28,058	29,236
PROGRAM TOTAL	\$	633,607	\$ 699,901	\$ 735,752	\$ 754,176	\$ 771,013	\$ 788,975	\$ 806,142

Protection of Persons and Property

The goal of this Commonwealth program is to provide an environment and a social system in which the lives of individuals and the property of individuals and organizations are protected from natural and man-made disasters and from illegal and unfair action.

This program deals with the following substantive areas: consumer protection, certain regulatory activities, the criminal justice system and mitigation of the effects of disasters.

Within these broad areas, the State Police, Department of Banking, Attorney General, Department of Corrections, Crime Commission, Public Utility Commission, Liquor Control Board, Department of Military Affairs, Emergency Management Agency, Board of Probation and Parole, State Judicial System, Milk Marketing Board, Securities Commission, Department of State and the Insurance Commission deal almost entirely with protection of persons and property. Several agencies such as the Executive Offices and the Departments of Environmental Resources, Agriculture and Labor and Industry are more diversified and some of their activities are included in this program as well as other Commonwealth programs.

Contribution by Category and Subcategory

General Fund and Special Funds

(Dollar Amounts in Thousands)

	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
General Administration and Support . . .	\$ 9,985	\$ 10,971	\$ 12,436	\$ 12,787	\$ 13,111	\$ 13,446	\$ 13,790
Criminal & Juvenile Justice Planning . . .	2,105	2,205	2,025	2,086	2,148	2,213	2,279
Environmental Support Services	7,880	8,766	10,411	10,701	10,963	11,233	11,511
Public Protection and Law Enforcement \$	295,440	\$ 310,012	\$ 325,690	\$ 339,347	\$ 353,691	\$ 366,203	\$ 379,262
State Police	220,503	236,732	246,000	256,346	267,181	276,028	285,261
Attorney General	25,016	27,247	29,020	30,348	31,257	32,193	33,156
Highway Safety Administration and Licensing	49,921	46,033	50,670	52,653	55,253	57,982	60,845
Control and Reduction of Crime	\$ 236,398	\$ 276,563	\$ 298,889	\$ 307,676	\$ 316,494	\$ 325,574	\$ 334,932
Criminal Law Enforcement	2,240	2,330	2,297	2,366	2,437	2,509	2,586
Institutionalization of Offenders	204,144	239,100	259,085	266,885	274,906	283,166	291,675
Reintegration of Adult Offenders	30,014	35,133	37,507	38,425	39,151	39,899	40,671
Juvenile Crime Prevention	\$ 3,358	\$ 3,469	\$ 3,719	\$ 3,733	\$ 3,748	\$ 3,763	\$ 3,779
Reintegration of Juvenile Delinquents..	3,358	3,469	3,719	3,733	3,748	3,763	3,779
Adjudication of Defendants	\$ 124,597	\$ 141,187	\$ 140,941	\$ 142,925	\$ 144,946	\$ 147,013	\$ 149,121
State Judicial System	124,597	141,187	140,941	142,925	144,946	147,013	149,121
Public Order & Community Safety	\$ 12,856	\$ 15,634	\$ 14,356	\$ 14,817	\$ 14,788	\$ 15,232	\$ 15,688
Emergency Management	1,596	3,808	2,540	2,680	2,286	2,355	2,425
State Military Readiness	11,260	11,826	11,816	12,137	12,502	12,877	13,263
Protection from Natural Hazards & Disasters	\$ 100,591	\$ 114,543	\$ 114,273	\$ 115,916	\$ 118,100	\$ 120,348	\$ 122,663
Environmental Management and Protection	78,741	91,899	95,739	96,868	98,521	100,223	101,975
Radiation Protection	7,761	7,312	2,344	2,408	2,476	2,544	2,615
Forest Resources Management	14,089	15,332	16,190	16,640	17,103	17,581	18,073

Protection of Persons and Property (continued)

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
Consumer Protection	\$ 54,853	\$ 56,955	\$ 62,525	\$ 62,213	\$ 63,688	\$ 65,207	\$ 66,780
Consumer Protection	3,177	3,220	3,414	3,444	3,535	3,629	3,733
Financial Institution Regulation	6,693	7,035	7,747	8,081	8,405	8,742	9,092
Securities Industry Regulation	2,346	2,529	2,774	2,819	2,905	2,992	3,081
Insurance Industry Regulation	7,827	8,675	11,105	12,390	12,762	13,145	13,540
Horse Racing Regulation	7,266	6,585	7,764	7,246	7,242	7,236	7,230
Milk Industry Regulation	1,734	1,742	1,726	1,650	1,650	1,650	1,650
Medical Malpractice Arbitration and Health Facilities	591	629	661	681	701	722	744
Protection & Development of Agricultural Industries	25,219	26,540	27,334	25,902	26,488	27,091	27,710
Community and Occupational Safety and Stability	\$ 14,873	\$ 17,107	\$ 14,085	\$ 14,475	\$ 14,901	\$ 17,400	\$ 17,917
Community and Occupational Safety and Stability	14,030	14,438	13,223	13,613	14,013	16,485	16,975
Fire Prevention and Safety	843	2,669	862	862	888	915	942
Prevention and Elimination of Discriminatory Practices	\$ 5,374	\$ 5,903	\$ 6,556	\$ 6,814	\$ 7,019	\$ 7,230	\$ 7,448
Prevention and Elimination of Discriminatory Practices	5,374	5,903	6,556	6,814	7,019	7,230	7,448
Debt Service	\$ 29,646	\$ 30,578	\$ 31,061	\$ 32,659	\$ 33,160	\$ 33,619	\$ 33,966
Debt Service	29,646	30,578	31,061	32,659	33,160	33,619	33,966
PROGRAM TOTAL	\$ 887,971	\$ 982,922	\$ 1,024,531	\$ 1,053,362	\$ 1,083,646	\$ 1,115,035	\$ 1,145,346

Intellectual Development and Education

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

Services are provided through this program in the areas of pre-school, elementary and secondary, vocational, higher and continuing adult education.

This Commonwealth program is financed primarily through the Department of Education. Other departments providing support are Revenue, the Higher Education Assistance Agency and Tax Equalization Board.

Contribution by Category and Subcategory

	General Fund		Special Funds				
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
Educational Support Services	\$ 17,149	\$ 16,700	\$ 17,436	\$ 18,016	\$ 18,558	\$ 19,116	\$ 19,689
Education Support Services	17,149	16,700	17,436	18,016	18,558	19,116	19,689
Basic Education	\$ 3,751,208	\$ 3,968,083	\$ 4,179,227	\$ 4,327,068	\$ 4,511,323	\$ 4,701,692	\$ 4,901,266
Basic Education	3,696,504	3,909,894	4,119,300	4,265,538	4,448,143	4,636,813	4,834,636
Information Technology Education	5,525	5,801	6,519	6,519	6,519	6,519	6,519
Public Utility Realty Payments	49,179	52,388	53,408	55,011	56,661	58,360	60,111
Higher Education	\$ 999,498	\$ 1,047,849	\$ 1,087,978	\$ 1,119,933	\$ 1,152,849	\$ 1,186,752	\$ 1,221,674
Higher Education	879,457	914,177	937,675	965,424	994,008	1,023,449	1,053,775
Financial Assistance to Students	101,080	111,815	126,260	129,745	133,334	137,031	140,839
Financial Assistance to Institutions	18,961	21,857	24,043	24,764	25,507	26,272	27,060
Debt Service	\$ 156,289	\$ 178,454	\$ 193,229	\$ 213,512	\$ 229,578	\$ 243,340	\$ 253,815
Debt Service	156,289	178,454	193,229	213,512	229,578	243,340	253,815
PROGRAM TOTAL	\$ 4,924,144	\$ 5,211,086	\$ 5,477,870	\$ 5,678,529	\$ 5,912,308	\$ 6,150,900	\$ 6,396,444

Economic Development

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

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

The total effort of the Economic Development Partnership and the Department of Community Affairs are devoted to this program. The Executive Offices, Auditor General and the Departments of Education and Environmental Resources, the Housing Finance Agency, and the Departments of Labor and Industry and Revenue also contribute to this program.

Contribution by Category and Subcategory

General Fund and Special Funds

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
Economic Development Support							
Services	\$ 22,277	\$ 23,255	\$ 23,683	\$ 24,172	\$ 24,675	\$ 25,195	\$ 25,730
Management and Policy	22,277	23,255	23,683	24,172	24,675	25,195	25,730
Commonwealth Economic Development	\$ 74,738	\$ 140,472	\$ 124,770	\$ 127,868	\$ 118,916	\$ 114,966	\$ 115,018
Investment in Private Capital	21,303	16,635	17,250	17,250	16,250	16,250	16,250
Investment in Public Capital	13,952	78,100	46,000	59,000	56,000	52,000	52,000
Investment in Technology Transfer	31,700	31,750	32,750	31,000	31,000	31,000	31,000
Energy Management and Conservation	7,783	8,487	8,770	8,118	3,166	3,216	3,268
Environmental Infrastructure .....	.....	5,500	20,000	12,500	12,500	12,500	12,500
Economic Development of the Disadvantaged and Handicapped ..	\$ 45,448	\$ 49,154	\$ 53,727	\$ 55,873	\$ 59,224	\$ 60,378	\$ 61,736
Job Training	25,610	25,117	26,548	26,694	26,845	26,999	27,157
Job Training and Development	5,373	6,912	7,775	7,775	7,775	7,775	7,775
Vocational Rehabilitation	14,465	17,125	19,404	21,404	24,604	25,604	26,804
Community Development	\$ 121,684	\$ 128,677	\$ 139,137	\$ 133,162	\$ 105,669	\$ 107,179	\$ 108,734
Community Development and Conservation	60,331	75,750	85,471	85,837	64,649	64,928	65,216
Housing Assistance	25,750	15,000	15,000	7,500	.....	.....	.....
Public Utility Realty Payments	35,603	37,927	38,666	39,825	41,020	42,251	43,518
Natural Resource Development and Management	\$ 21,397	\$ 24,436	\$ 24,942	\$ 25,595	\$ 25,848	\$ 26,446	\$ 27,060
Water and Mineral Resources Management	21,397	24,436	24,942	25,595	25,848	26,446	27,060
Local Government Assistance	\$ 5,175	\$ 140,175	\$ 4,525	\$ 26,020	\$ 26,020	\$ 26,020	\$ 26,020
Municipal Administrative Support Capability	5,175	140,175	350	350	350	350	350
Municipal Pension Systems .....	.....	.....	4,175	25,670	25,670	25,670	25,670
Debt Service	\$ 58,149	\$ 52,167	\$ 52,853	\$ 67,250	\$ 90,582	\$ 106,429	\$ 115,947
Debt Service	58,149	52,167	52,853	67,250	90,582	106,429	115,947
PROGRAM TOTAL	<u>\$ 348,868</u>	<u>\$ 558,336</u>	<u>\$ 423,637</u>	<u>\$ 459,940</u>	<u>\$ 450,934</u>	<u>\$ 466,613</u>	<u>\$ 480,245</u>

Health and Human Services

The goals of this program are to provide a healthful environment; to ensure that all citizens of the Commonwealth have access to a comprehensive quality medical care system; income maintenance including cash, military and crime victims assistance; and to provide a system of services for reinforcing the capacity of individuals and families for effective adjustment to society and for minimizing socially aberrant behavior.

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

The scope of these activities are primarily the responsibility of the Departments of Aging, Health and Public Welfare with contributions by the Executive Offices and the Departments of Agriculture, Labor and Industry, Military Affairs and Revenue.

Contribution by Category and Subcategory

General Fund and Special Funds

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
Human Services Support	\$ 60,391	\$ 50,674	\$ 53,011	\$ 55,020	\$ 56,764	\$ 58,558	\$ 60,409
Human Services Support	60,391	50,674	53,011	55,020	56,764	58,558	60,409
Social Development of Individuals	\$ 204,075	\$ 226,491	\$ 242,125	\$ 244,544	\$ 247,036	\$ 249,602	\$ 252,247
Human Services	204,075	226,491	242,125	244,544	247,036	249,602	252,247
Support of Older Pennsylvanians	\$ 457,625	\$ 475,904	\$ 553,138	\$ 647,897	\$ 697,909	\$ 755,188	\$ 809,677
Community Services for Older Pennsylvanians	85,128	98,867	107,807	114,321	119,919	125,796	131,962
Older Pennsylvanians Transit	115,721	118,703	124,035	127,187	130,845	134,539	138,431
Homeowners and Renters Assistance ..	156,776	158,334	156,296	155,389	154,145	152,853	151,284
Pharmaceutical Assistance	100,000	100,000	165,000	251,000	293,000	342,000	388,000
Income Maintenance	\$ 870,422	\$ 891,426	\$ 895,746	\$ 918,335	\$ 913,399	\$ 908,911	\$ 919,813
Income Maintenance	859,638	880,393	883,822	907,269	902,671	898,507	909,712
Workmen's Compensation and Assistance ..	8,212	7,663	8,124	7,251	6,897	6,559	6,238
Crime Victims' Assistance	436	451	497	512	528	542	560
Military Compensation and Assistance ..	2,136	2,919	3,303	3,303	3,303	3,303	3,303
Physical Health Treatment	\$ 1,278,724	\$ 1,332,123	\$ 1,435,603	\$ 1,479,802	\$ 1,550,798	\$ 1,650,080	\$ 1,763,525
Medical Assistance	1,116,949	1,161,698	1,260,659	1,301,520	1,366,239	1,460,356	1,571,372
Health Treatment Services	17,800	16,623	15,015	15,077	15,141	15,206	15,272
Health Support Services	16,654	16,810	17,123	17,688	18,220	18,767	19,331
Health Research	7,533	8,042	8,118	8,360	8,606	8,860	9,126
Emergency Food Assistance	7,947	7,600	8,700	8,940	9,187	9,442	9,704
Prevention and Treatment of Drug and Alcohol Abuse	31,076	32,002	32,127	32,127	32,127	32,127	32,127
Preventive Health	67,577	73,478	76,709	77,106	77,514	77,934	78,366
Veterans Homes	13,188	15,870	17,152	18,984	23,764	27,388	28,227
Mental Health	\$ 438,704	\$ 483,823	\$ 479,835	\$ 506,268	\$ 521,456	\$ 537,100	\$ 553,213
Mental Health	438,704	483,823	479,835	506,268	521,456	537,100	553,213
Mental Retardation	\$ 371,336	\$ 405,272	\$ 417,431	\$ 441,270	\$ 454,513	\$ 468,152	\$ 482,201
Mental Retardation	371,336	405,272	417,431	441,270	454,513	468,152	482,201
Debt Service	\$ 74,290	\$ 80,879	\$ 85,162	\$ 91,235	\$ 96,411	\$ 100,844	\$ 104,537
Debt Service	74,290	80,879	85,162	91,235	96,411	100,844	104,537
PROGRAM TOTAL	\$ 3,755,567	\$ 3,946,592	\$ 4,162,051	\$ 4,384,371	\$ 4,538,286	\$ 4,728,435	\$ 4,945,622

Transportation and Communication

The purpose of this program is to provide a system for the fast, efficient and safe movement of individuals, cargo and information within the Commonwealth which is interfaced with a national-international system of transportation and communication.

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

Contribution by Category and Subcategory

General Fund and Special Funds

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
Transportation Systems and Services . . .	\$1,178,355	\$ 1,231,072	\$ 1,258,478	\$ 1,227,550	\$ 1,225,713	\$ 1,228,784	\$ 1,222,008
State Highway and Bridge Construction and Reconstruction	175,100	188,760	207,860	148,200	138,400	133,000	116,000
Local Highway and Bridge Assistance . .	158,476	158,281	163,544	163,325	164,281	165,481	167,161
Urban Mass Transportation	179,586	210,271	193,682	225,242	231,999	238,959	246,128
Rural and Intercity Rail and Bus Transportation	8,456	9,208	9,354	9,354	9,354	9,354	9,354
Air Transportation	325	375	200	200	200	200	200
State Highway and Bridge Maintenance	632,447	639,482	657,971	654,396	653,422	652,449	652,477
Transportation Support Services	23,965	24,695	25,867	26,833	28,057	29,341	30,688
Debt Service	\$ 159,176	\$ 167,048	\$ 172,497	\$ 177,060	\$ 176,652	\$ 171,686	\$ 166,045
Debt Service	159,176	167,048	172,497	177,060	176,652	171,686	166,045
PROGRAM TOTAL	<u>\$ 1,337,531</u>	<u>\$ 1,398,120</u>	<u>\$ 1,430,975</u>	<u>\$ 1,404,610</u>	<u>\$ 1,402,365</u>	<u>\$ 1,400,470</u>	<u>\$ 1,388,053</u>

Recreation and Cultural Enrichment

The goal of this program is to make available sufficient opportunities for individual and group recreation and cultural growth.

In working toward this broad Commonwealth goal, the Department of Environmental Resources undertakes a wide variety of activities in the development and provision of outdoor recreational opportunities; and 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 Commission, Game Commission, Public Television Network and Council on the Arts contribute to this Commonwealth category.

Contribution by Category and Subcategory

General Fund and Special Funds

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
Recreation	\$ 82,247	\$ 85,765	\$ 84,517	\$ 87,514	\$ 90,582	\$ 93,762	\$ 96,771
Recreation Areas and Facilities							
Management	27,907	29,956	30,514	31,469	32,414	33,387	34,389
Recreational Fishing and Boating	18,038	19,269	20,054	20,738	21,449	22,187	22,734
Wildlife Management	36,302	36,540	33,949	35,307	36,719	38,188	39,648
Cultural Enrichment	\$ 55,350	\$ 62,178	\$ 67,131	\$ 68,427	\$ 69,477	\$ 71,358	\$ 73,317
State Historical Preservation	10,808	11,190	12,093	12,431	12,028	12,387	12,756
Local Museum Assistance	2,633	3,998	2,537	2,594	2,652	2,711	2,770
Development of Artists and Audiences	7,748	9,780	12,871	12,910	12,937	12,966	12,995
State Library Services	24,922	27,572	29,497	30,277	31,559	32,906	34,318
Public Television Services	9,239	9,638	10,133	10,215	10,301	10,388	10,478
Debt Service	\$ 25,721	\$ 23,506	\$ 22,833	\$ 23,131	\$ 22,345	\$ 22,345	\$ 21,925
Debt Service	25,721	23,506	22,833	23,131	22,345	22,345	21,925
PROGRAM TOTAL	\$ 163,318	\$ 171,449	\$ 174,481	\$ 179,072	\$ 182,404	\$ 187,465	\$ 192,013

Summary By Fund



Within the shield there is a black and white ship under full sail representing wisdom and anticipation, which sails upon a changeless sea of blue symbolizing justice and loyalty. The ship was originally an image on the seal of the City of Philadelphia.



Commonwealth of Pennsylvania

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.

GENERAL FUND

Financial Statement

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Estimated
Beginning Balance	\$ 212,772	\$ 347,834	\$ 159,269
Adjustment to Beginning Balance ..	7,100 ^a	.....	.....
Adjusted Beginning Balance	<u>\$ 219,872</u>	<u>\$ 347,834</u>	<u>\$ 159,269</u>
Revenue:			
Official Estimate	\$ 9,652,375	\$ 10,321,608	\$ 10,947,850
Adjustment to Official Estimate	317,240	105,912 ^b	.....
Tax for Hazardous Site Cleanup Fund .....	.....	11,700	20,200
Transfer to Hazardous Site Cleanup Fund .....	.....	-11,700	-20,200
Less Refunds Reserve	-218,800	-205,000	-225,000
Accrued Revenue Unrealized	419,925	480,073	508,791
Less Revenues Accrued Previously ..	-367,927	-419,925	-480,073
Less Jobs Creation Tax Credit	-3,900	-6,000	-8,000
Total Revenue	<u>\$ 9,798,913</u>	<u>\$ 10,276,668</u>	<u>\$ 10,743,568</u>
Prior Year Lapses	59,884	50,000	.....
Funds Available	<u>\$ 10,078,669</u>	<u>\$ 10,674,502</u>	<u>\$ 10,902,837</u>
Expenditures:			
Appropriations	\$ 9,731,605	\$ 10,468,921	\$ 10,900,314
Supplemental Appropriations .....	.....	51,312	.....
Less Current Year Lapses	-50,770	-50,000	.....
Estimated Expenditures	<u>\$ -9,680,835</u>	<u>\$ -10,470,233</u>	<u>\$ -10,900,314</u>
Reserves:			
Tax Stabilization Reserve	\$ 25,000	\$ 25,000	.....
Sunny Day Fund	25,000	20,000	.....
Total Reserves	<u>\$ -50,000</u>	<u>\$ -45,000</u>	<u>.....</u>
Ending Balance	<u><u>\$ 347,834</u></u>	<u><u>\$ 159,269</u></u>	<u><u>\$ 2,523</u></u>

^aReflects the July 7, 1986 approval of Act 88 which deleted the \$7.1 million 1985-86 Disaster Assistance appropriation and replaced it with a \$15 million 1986-87 appropriation for the same purpose.

^bAssumes passage of legislation by April 1988 to correct the Mutual Thrift Institutions Tax.

GENERAL FUND

NOTES ON FINANCIAL STATEMENT

(Dollar Amounts in Thousands)

	1987-88 Estimated
SUPPLEMENTAL APPROPRIATIONS	
Executive Offices	
Audit of Auditor General	\$ 150
Agriculture	
Temporary Emergency Food Assistance Program (TEFAP) Administration ..	\$ 600
Environmental Resources	
PENNVEST	\$ 5,500
Military Affairs	
Southeastern Veterans Homes	\$ 320
Public Welfare	
State Mental Hospitals	\$ 21,255
Long-Term Care	13,785
Department Total	\$ 35,040
Revenue	
Distribution of Public Utility Realty Tax	\$ 2,177
State	
General Government Operations	\$ 81
Judiciary	
Supreme Court	\$ 125
Superior Court	340
Commonwealth Court	135
Court of Common Pleas	3,073
Common Pleas - Senior Judges	351
Community Courts - District Justices	3,238
Philadelphia Traffic Court	20
Philadelphia Municipal Court	162
Department Total	\$ 7,444
TOTAL	<u>\$ 51,312</u>

NOTES ON FINANCIAL STATEMENT

(Dollar Amounts in Thousands)

SUNNY DAY RESERVE

It is proposed that \$25 million be appropriated from the State Workmen's Insurance Fund to the Sunny Day Fund to alleviate unemployment by attracting large industrial, manufacturing or research and development plants into the Commonwealth. Specific spending plans will be proposed as opportunities are identified. With this additional amount the Sunny Day Reserve will exceed \$31 million at the end of 1988-89.

TAX STABILIZATION RESERVE

It is proposed that \$25 million be appropriated from the State Workmen's Insurance Fund to the Tax Stabilization Reserve to provide a cushion to the State budget in times of economic downturns when revenues are depressed and social needs are the greatest. With this additional amount the Tax Stabilization Reserve will exceed \$109 million at the end of 1988-89.

GENERAL FUND

STATE FUNDS BY DEPARTMENT

The following is a summary, by department of 1986-87 actual expenditures, of 1987-88 amounts available and of 1988-89 amounts budgeted from the General Fund as presented in the budget.

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Budget
Governor's Office	\$ 3,998	\$ 4,983	\$ 5,540
Executive Offices	51,647	56,932	62,362
Lieutenant Governor's Office	668	711	791
Attorney General's Office	25,016	27,247	29,020
Auditor General's Office	27,464	29,699	35,010
Treasury Department	342,091	379,005	407,852
Department of Aging		1,500	3,000
Department of Agriculture	30,980	32,052	33,419
Civil Service Commission	1	1	1
Department of Community Affairs	45,741	215,925	64,362
Department of Corrections	204,144	239,100	259,085
Crime Commission	2,240	2,330	2,297
Economic Development Partnership	89,232	149,740	119,683
Department of Education	4,640,734	4,890,145	5,127,113
Emergency Management Agency	2,439	6,477	3,402
Department of Environmental Resources	152,775	183,201	200,140
Fish Commission	7	7	7
Department of General Services	110,991	108,904	106,821
Department of Health	140,640	146,955	149,092
Higher Education Assistance Agency	125,566	139,473	156,822
Historical and Museum Commission	13,441	15,188	14,630
Housing Finance Agency	25,750	15,000	15,000
Insurance Department	7,827	8,675	11,105
Department of Labor and Industry	42,080	46,138	48,526
Department of Military Affairs	26,584	30,615	32,271
Milk Marketing Board	950	950	950
Board of Probation and Parole	30,014	35,133	37,507
Public Television Network	9,239	9,638	10,133
Department of Public Welfare	2,870,792	3,011,214	3,180,181
Department of Revenue	153,878	163,715	169,801
Securities Commission	2,346	2,529	2,774
Department of State	3,177	3,220	3,414
State Employees' Retirement System	1,193	679	3,655
State Police	68,618	74,508	80,348
Tax Equalization Board	933	1,015	1,043
Department of Transportation	191,311	223,557	207,386
Legislature	111,731	122,885	130,830
Judiciary	124,597	141,187	140,941
General Salary Increase			44,000
TOTAL	\$ 9,680,835	\$ 10,520,233	\$ 10,900,314

GENERAL FUND

FEDERAL FUNDS BY DEPARTMENT

The following is a summary of Federal Funds, by department, of 1986-87 expenditures, the 1987-88 amounts available and the 1988-89 amounts budgeted as presented in the General Fund budget. Excluded are revenue sharing monies which are shown in the special fund—Revenue Sharing Trust Fund. The General Assembly specifically appropriates Federal Funds by Federal source.

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Budget
Executive Offices	\$ 4,778	\$ 12,086	\$ 12,087
Attorney General's Office	1,748	3,127	3,207
Department of Agriculture	4,439	4,561	3,211
Department of Community Affairs	113,482	121,910	100,245
Department of Corrections	360	912	1,139
Crime Commission	1,620	1,800	1,800
Economic Development Partnership	624	1,370	830
Department of Education	49,526	64,464	62,358
Emergency Management Agency	3,290	4,024	3,025
Department of Environmental Resources	84,469	104,057	152,230
Department of Health	106,576	130,199	128,609
Historical and Museum Commission	399	719	450
Department of Labor and Industry	213,557	237,111	215,146
Department of Military Affairs	2,871	4,212	3,733
Board of Probation and Parole	38	228	623
Public Utility Commission	662	560	575
Department of Public Welfare	2,425,731	2,511,494	2,658,479
State Police	1,631	5,284	975
Department of Transportation	12,565	11,941	10,838
Judiciary .....	.....	332	.....
TOTAL	<u>\$ 3,028,366</u>	<u>\$ 3,220,391</u>	<u>\$ 3,359,560</u>

GENERAL FUND

AUGMENTATIONS BY DEPARTMENT

The following is a summary of Augmentations, by department, of 1986-87 expenditures, the 1987-88 amounts available and the 1988-89 amounts budgeted as presented in the General Fund budget.

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Budget
Governor's Office		\$ 315	\$ 750
Executive Offices	\$ 29,765	34,000	34,342
Attorney General's Office	3,710	3,149	3,250
Auditor General's Office	5,132	5,625	5,850
Treasury Department	805	984	805
Department of Agriculture	827	1,377	1,486
Civil Service Commission	7,312	7,998	8,177
Department of Community Affairs	7,926	9,726	8,407
Department of Corrections	610	780	789
Crime Commission	12	1	
Economic Development Partnership	1,317	1,553	1,551
Department of Education	9,297	9,944	9,761
Emergency Management Agency	95	100	400
Department of Environmental Resources	14,557	26,673	28,227
Department of General Services	7,677	9,560	10,390
Department of Health	8,583	9,562	9,479
Historical and Museum Commission	510	475	722
Insurance Department	847	972	1,045
Labor and Industry	240	5,370	12,470
Department of Military Affairs	4,320	4,507	4,790
Probation and Parole Board		54	136
Public Television Network	168	75	
Public Utility Commission	24,182	25,989	27,898
Department of Public Welfare	156,770	160,170	166,000
Department of Revenue	7,313	8,996	9,486
Securities Commission	10	20	
Department of State	10,943	11,967	14,508
State Police	13,242	13,835	13,733
Department of Transportation	453	708	25,687
Legislature	35	33	
Judiciary	1,313	1,093	5,242
TOTAL	\$ 317,971	\$ 355,611	\$ 405,381

General Fund Revenue Summary

Five Year Revenue Projections

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Estimated	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
TAX REVENUE							
Corporation Taxes							
Corporate Net Income	\$ 1,009,337	\$ 1,082,000	\$ 1,126,700	\$ 1,190,300	\$ 1,250,800	\$ 1,298,500	\$ 1,337,300
Capital Stock and Franchise	469,981	433,000	440,200	474,500	507,200	543,900	583,200
Selective Business:							
Utilities Gross Receipts	543,624	520,000	546,000	583,500	611,400	644,600	679,300
Public Utility Realty	129,349	133,000	137,500	142,300	147,300	152,500	157,800
Insurance Premiums	180,070	189,500	198,200	214,300	218,400	226,400	235,200
Financial Institutions	119,003	155,900	138,300	125,400	126,800	139,900	157,900
Other	8,548	10,000	10,000	10,000	10,000	10,000	10,000
Total—Corporation Taxes	\$ 2,459,912	\$ 2,523,400	\$ 2,596,900	\$ 2,740,300	\$ 2,871,900	\$ 3,015,800	\$ 3,160,700
Consumption Taxes							
Sales and Use	\$ 3,568,903	\$ 3,831,600	\$ 4,080,800	\$ 4,343,800	\$ 4,591,800	\$ 4,904,400	\$ 5,231,000
Cigarette	229,926	230,700	229,300	228,200	227,000	225,900	224,700
Malt Beverage	26,774	27,067	26,800	26,800	26,800	26,800	26,800
Liquor	110,890	111,900	112,998	113,565	114,134	114,706	115,281
Total—Consumption Taxes	\$ 3,936,493	\$ 4,201,267	\$ 4,449,898	\$ 4,712,365	\$ 4,959,734	\$ 5,271,806	\$ 5,597,781
Other Taxes							
Personal Income Tax	\$ 2,817,526	\$ 2,918,500	\$ 3,099,700	\$ 3,293,900	\$ 3,481,600	\$ 3,709,300	\$ 3,961,100
Realty Transfer	200,479	204,000	209,000	219,900	235,700	246,100	256,900
Inheritance	371,840	392,000	412,000	432,700	450,000	467,000	486,700
Minor and Repealed	1,199	700	800	800	800	800	800
Total—Other Taxes	\$ 3,391,044	\$ 3,515,200	\$ 3,721,500	\$ 3,947,300	\$ 4,168,100	\$ 4,423,200	\$ 4,705,500
TOTAL TAX REVENUE	\$ 9,787,449	\$ 10,239,867	\$ 10,768,298	\$ 11,399,965	\$ 11,999,734	\$ 12,710,806	\$ 13,463,981
NONTAX REVENUE							
Liquor Store Profits	\$ 32,000	\$ 29,000	\$ 16,000	\$ 13,000	\$ 11,000	\$ 7,000	\$ 4,000
Licenses, Fees and Miscellaneous:							
Licenses and Fees	37,936	38,300	40,950	40,950	40,950	40,950	40,950
Miscellaneous	96,725	104,603	106,852	108,600	108,600	108,600	108,600
Fines, Penalties and Interest:							
On Taxes	14,714	15,050	15,050	15,050	15,050	15,050	15,050
Other	791	700	700	700	700	700	700
TOTAL NONTAX REVENUES	\$ 182,166	\$ 187,653	\$ 179,552	\$ 178,300	\$ 176,300	\$ 172,300	\$ 169,300
GENERAL FUND TOTAL	\$ 9,969,615	\$ 10,427,520	\$ 10,947,850	\$ 11,578,265	\$ 12,176,034	\$ 12,883,106	\$ 13,633,281

General Fund Revenues

Adjustments To Revenue Estimate

On July 13, 1987, the official estimate for the 1987-88 fiscal year was re-certified to be \$10,321,608.

The adjustments detailed below take into account actual revenue collections through the first six months of the fiscal year and projected collections for the last half of the fiscal year based on current expectations for the economy and revenue trends.

	(Dollar Amounts in Thousands)		
	1987-88 Official Estimate	Adjustments	1987-88 Revised Estimate
TAX REVENUE			
Corporation Taxes			
Corporate Net Income	\$ 1,042,000	\$ 40,000	\$ 1,082,000
Capital Stock and Franchise	423,000	10,000	433,000
Selective Business:			
Utilities Gross Receipts	540,300	-20,300	520,000
Public Utility Realty	133,000	.....	133,000
Insurance Premiums	189,500	.....	189,500
Financial Institutions ^a	128,200	27,700	155,900
Other	10,000	.....	10,000
Total—Corporation Taxes	\$ 2,466,000	\$ 57,400	\$ 2,523,400
Consumption Taxes			
Sales and Use	\$ 3,837,000	\$ -5,400	\$ 3,831,600
Cigarette	230,700	.....	230,700
Malt Beverage	27,067	.....	27,067
Liquor	110,500	1,400	111,900
Total—Consumption Taxes	\$ 4,205,267	\$ -4,000	\$ 4,201,267
Other Taxes			
Personal Income Tax	\$ 2,877,900	\$ 40,600	\$ 2,918,500
Realty Transfer	204,000	.....	204,000
Inheritance	387,000	5,000	392,000
Minor and Repealed	700	.....	700
Total—Other Taxes	\$ 3,469,600	\$ 45,600	\$ 3,515,200
TOTAL TAX REVENUE	\$ 10,140,867	\$ 99,000	\$ 10,239,867
NONTAX REVENUE			
Liquor Store Profits	\$ 31,000	\$ -2,000	\$ 29,000
Licenses, Fees and Miscellaneous:			
Licenses and Fees	38,950	-650	38,300
Miscellaneous	94,941	9,662	104,603
Fines, Penalties and Interest:			
On Taxes	15,050	.....	15,050
Other	800	-100	700
TOTAL NONTAX REVENUES	\$ 180,741	\$ 6,912	\$ 187,653
GENERAL FUND TOTAL	\$ 10,321,608	\$ 105,912	\$ 10,427,520

^aAssumes passage of legislation by April 1988 to correct the Mutual Thrift Institutions Tax.

General Fund Revenue Sources

Corporate Net Income Tax

(Dollar Amounts in Thousands)

Actual		Estimated	
1981-82	\$ 856,571	1987-88	\$1,082,000
1982-83	818,578	1988-89	1,126,700
1983-84	854,982	1989-90	1,190,300
1984-85	933,390	1990-91	1,250,800
1985-86	953,241	1991-92	1,298,500
1986-87	1,009,337	1992-93	1,337,300

Tax Base: This tax is paid by all domestic and foreign business corporations for the privilege of doing business in, carrying on activities in, 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 is determined by a three factor apportionment formula.

Exclusions and Deductions: The following organizations are exempt from this tax: Building and loan associations, banks, savings institutions, trust companies, insurance and surety companies, and Pennsylvania S corporations. Deductions allowed from Federal taxable income for computing Pennsylvania taxable income include corporate dividends received, interest on U.S. government securities and Pennsylvania net losses carried forward from prior years. The increased depreciation deductions allowed by the accelerated cost recovery system ("ACRS") permitted for Federal taxes were not allowed to be deducted from taxable income for tax years 1981 or 1982. In tax year 1983, corporations could deduct one-half of the increased depreciation allowance resulting from ACRS for that year from their State tax base. In tax year 1984 all of the increased allowance for ACRS deductions could be taken from the tax base. Beginning with the 1984 tax year and each tax year thereafter, corporations may recover one-fourth of the increased depreciation allowances for tax years 1981, 1982 and 1983 not previously recovered, until all ACRS depreciation has been recovered.

Credits: Credits against the tax include the neighborhood assistance credit, the employment incentive payment credit, the mortgage assistance credit, the economic revitalization tax credit, and the job creation tax credit.

Recent Tax Rates: January 1, 1987 to current: 8.5 percent.
January 1, 1984 to December 31, 1986: 9.5 percent.
January 1, 1977 to December 31, 1983: 10.5 percent.

Payment: Under the estimated tax system, which commenced in taxable year 1986, a corporation estimates what it will owe for the taxable year and makes payments on the 15th day of the 4th, 6th, 9th, and 12th months of the taxable year. The final balance of tax due, if any, must be paid with the annual return due 105 days after the end of the tax year.

Recent Changes: The tax rate was reduced to 8.5 percent, effective January 1, 1987. Act No. 1986-79 established a tax credit to employers who provide new employment. The tax credit is \$140 for each new employee in 1986, \$161 for 1987, \$168 for 1988 and thereafter until the Commonwealth's indebtedness to the Federal Unemployment Compensation Trust Fund is repaid.

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

General Fund Revenue Sources

Capital Stock and Franchise Taxes

(Dollar Amounts in Thousands)

Actual	Estimated
1981-82 \$ 341,639	1987-88 \$ 433,000
1982-83 363,520	1988-89 440,200
1983-84 388,838	1989-90 474,500
1984-85 425,858	1990-91 507,200
1985-86 465,276	1991-92 543,900
1986-87 469,981	1992-93 583,200

Tax Base: The taxes are levied on the capital stock value of domestic and foreign business corporations doing business or having property or capital employed in the State on that portion of the capital stock value allocable to Pennsylvania under a statutory apportionment formula.

Exclusions and Deductions: The capital stock value of the following organizations are exempt from this tax: Non-profit corporations, agricultural co-ops without capital stock and not conducted for profit, banks and savings institutions, title insurance or trust companies, building and loan associations, insurance companies, family farm corporations, limited partnerships formed under the Uniform Limited Partnership Act, Massachusetts or business trusts, law trusts or real estate investment trusts, agricultural credit associations, and credit unions. Assets used in manufacturing, processing, research and development, and pollution control by all corporations are also exempt.

Recent Tax Rates: January 1, 1988 to current: 9.5 mills
 January 1, 1987 to December 31, 1987: 9 mills
 Prior to January 1, 1987: 10 mills
 A minimum tax of \$75 is required for both taxes.

Payment: A tentative return for both taxes for the current tax year must be filed within 105 days of the tax year together with a tentative tax payment of 90 percent, based on the second previous year's liability or an estimate of the current year liability. An optional four payment installment system for the 90 percent tentative payment is available providing for payments in the fourth, sixth, ninth and twelfth months of the tax year. The final balance of tax due, if any, must be paid with the annual return due 105 days after the end of the tax year.

Recent Changes: Numerous changes were provided for by Act No. 1987-58. The tax rate was reduced retroactively from 10 mills to 9.0 mills for tax years beginning in 1987, increased to 9.5 mills for tax year 1988 through 1991, and reduced back to 9.0 mills for 1992 and thereafter. The additional 0.5 mill from 1988 through 1991, not included in the estimates above, will provide revenue to the Hazardous Sites Cleanup Fund. The first \$100,000 of a corporation's capital stock value is exempt effective for 1988. Beginning in 1988 a corporation may elect to pay in quarterly installments the tentative tax due computed either by applying the current tax rate to 90 percent of the second prior year tax base or on a basis estimated by the corporation for the current year. A phase-in of the quarterly installments will occur during the period 1988 to 1991.

Installments

<u>Year In Which Tax Year Begins</u>	<u>First (4th month)</u>	<u>Second (6th month)</u>	<u>Third (9th Month)</u>	<u>Fourth (12th month)</u>
1988	44%	44%	6%	6%
1989	34%	34%	16%	16%
1990	29%	29%	21%	21%
1991 and thereafter	25%	25%	25%	25%

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

General Fund Revenue Sources

Utilities Gross Receipts Tax

(Dollar Amounts in Thousands)

Actual		Estimated	
1981-82	\$ 501,536	1987-88	\$ 520,000
1982-83	503,648	1988-89	546,000
1983-84	511,126	1989-90	583,500
1984-85	550,470	1990-91	611,400
1985-86	518,300	1991-92	644,600
1986-87	543,624	1992-93	679,300

Tax Base: This tax is levied on the gross receipts from business transacted within Pennsylvania by specified utilities owned, operated or leased by corporations, associations or individuals.

Exclusion and Deductions: Gross receipts of municipally owned or operated public utilities from the furnishing of a public utility service within the limits of the municipality are exempt from the tax.

Credits: Act No. 1980-24, as amended, provides a tax credit for expenditures by railroads for maintenance and improvement of rights-of-way for tax years through 1992.

Recent Tax Rates: For all utilities except motor transportation companies:
 January 1, 1988 to current: 44 mills
 Prior to January 1, 1988: 45 mills.
 Motor transportation companies are taxed at the rate of 8 mills.

Payments: A tentative return for a current tax year must be filed within 105 days of the beginning of the tax year. A payment of 90 percent of the estimated tax liability is to be paid with the tentative return. The final balance of tax due, if any, must be paid with the annual return, which is due and payable by April 15 following the close of the tax year.

Recent Changes: Commencing with the tax year beginning January 1, 1988, and thereafter the rate of tax is reduced from 45 mills to 44 mills. This change was enacted by Act No. 1987-58.

References: Purdon's Title 72 P.S. §8101—§8102; 71 P.S. §2183—§2194.

General Fund Revenue Sources

Public Utility Realty Tax

(Dollar Amounts in Thousands)

Actual		Estimated	
1981-82	\$ 104,156	1987-88	\$ 133,000
1982-83	111,564	1988-89	137,500
1983-84	173,725	1989-90	142,300
1984-85	130,285	1990-91	147,300
1985-86	132,781	1991-92	152,500
1986-87	129,349	1992-93	157,800

Tax Base: This tax is levied on the State taxable value of the property owned by utilities furnishing utility service and regulated by the Pennsylvania Public Utility Commission or similar regulatory body. The State taxable value is defined as the cost of utility realty, less reserves for depreciation or depletion as shown by the books of account of the utility.

Exclusions and Deductions: Excluded from utility realty for purposes of this tax are the following: (1) easements, (2) railroad rights-of-way, (3) unattached machinery, equipment, and similar items, and (4) realty subject to local real estate taxation under any law in effect on April 23, 1968. Utilities furnishing public utility sewage services and any municipality or municipal authority furnishing any public utility service are exempt from the tax. Hydroelectric facilities are exempt for a period of ten years if placed into service after July 1, 1983.

Recent Tax Rates: 30 mills on each dollar of State taxable value.

Payment: Payment of the tax and a report showing the amount and method of computing state taxable value as at the end of the preceeding calendar year is required on April 15 of each year. On or before April 15, every public utility reports tentative tax liability for the current tax year equal to 90 percent of the tax liability of the immediate prior year, and pays 25 percent of such amount on April 15, June 15, September 15 and December 15 of each year. The balance, if any, is paid on the April 15th following the tax year.

Reference: Purdon's Title 72 P.S. §8101-A—§8108-A.

General Fund Revenue Sources

Insurance Premiums Tax

(Dollar Amounts in Thousands)

Actual		Estimated	
1981-82	\$ 104,057	1987-88	\$ 189,500
1982-83	103,168	1988-89	198,200
1983-84	110,550	1989-90	214,300
1984-85	118,666	1990-91	218,400
1985-86	152,525	1991-92	226,400
1986-87	180,070	1992-93	235,200

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

Exclusions and Deductions: Companies that are purely mutual beneficial associations and non-profit hospital and medical associations are exempt.

Recent Tax Rates: The rate is 2 percent of the gross premiums. The rate may be higher on taxable companies incorporated in other states where that state imposes a higher tax burden upon Pennsylvania companies doing insurance business in that state. Marine insurance companies pay a 5 percent tax on underwriting profits attributable to Pennsylvania in lieu of the gross premiums tax.

Payment: Companies are required to transmit tentative reports annually together with a tentative payment of the current year's tax computed by applying the current rate of tax to 90 percent of the tax base for the immediate prior year. Alternatively, the taxpayer may elect to estimate the tentative tax payment at an amount not less than 90 percent of the tax as finally reported. The reports and payments must be submitted by April 15 of each year while the remaining amount due must be paid by April 15 of the following year.

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

General Fund Revenue Sources

Financial Institutions Taxes

(Dollar Amounts in Thousands)

Actual		Estimated	
1981-82	\$ 34,995	1987-88	\$ 155,900
1982-83	50,706	1988-89	138,300
1983-84	72,848	1989-90	125,400
1984-85	76,121	1990-91	126,800
1985-86	102,041	1991-92	139,900
1986-87	119,003	1992-93	157,900

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

Exclusions and Deductions: The value of the capital stock is adjusted to exclude the value of United States obligations in the same proportion that the book value of those obligations bears to total assets. Act No. 1982-184 enacted provisions allowing mutual thrift institutions to carry forward net operating losses up to a maximum of three years and deduct them from future year's tax liabilities. This provision was phased-in over a three-year period beginning in 1981.

Credits: Credits against the tax include the neighborhood assistance credit, the employment incentive payment credit, and the mortgage emergency assistance credit.

Recent Tax Rates: The tax rate for the Bank Shares Tax and Title Insurance and Trust Companies Shares Tax is 1.075 percent on the dollar value of each share of capital stock. Before January 1, 1984, the rate for both taxes was 15 mills on the actual value of capital stock shares. A rate of 11.5 percent is levied on net earnings or income of mutual thrift institutions under the Mutual Thrift Institutions Tax.

Payment: An 80 percent payment of the bank shares and title insurance and trust companies shares taxes is due by April 15 of the current year. The balance is due by April 15 of the following year. Payment of the Mutual Thrift Institution Tax requires a 90 percent tentative payment of the tax with the remainder due when the tax return is filed in the following year.

Recent Changes: The above estimates assume the Mutual Thrift Institutions Tax is amended in 1987-88 to recover revenue losses from the July 1987 Pennsylvania Supreme Court decision in *First Federal Savings & Loan Association of Philadelphia v. Commonwealth* which held that interest from Pennsylvania State and local obligations was improperly included in the computation of the tax.

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

General Fund Revenue Sources

Other Selective Business Taxes

(Dollar Amounts in Thousands)

Actual		Estimated	
1981-82	\$ 8,075	1987-88	\$ 10,000
1982-83	8,830	1988-89	10,000
1983-84	8,548	1989-90	10,000
1984-85	8,752	1990-91	10,000
1985-86	10,247	1991-92	10,000
1986-87	8,548	1992-93	10,000

Tax Base: Other selective business taxes include: Domestic Excise Tax, Act of July 25, 1953, P.L. 564 (repealed by Act No. 182 of July 12, 1972, effective September 10, 1972); Corporation Excise Tax -Foreign, Act of July 25, 1953, P.L. 560 (declared unconstitutional by the Supreme Court of Pennsylvania on July 6, 1976); Loans Tax Domestic and Foreign, Act of June 22, 1935, P.L. 414 as amended; Electric Cooperative Corporation Tax, Act of June 21, 1937, P.L. 1969; Agricultural Cooperative Associations Corporate Net Income Tax, Act of May 23, 1945, P.L. 893; Gross Receipts—Private Banks, Act of May 16, 1961, P.L. 708 as amended; and Corporation Income Tax, Act of August 24, 1951, P.L. 1417 as amended (repealed for years ending on or after January 1, 1981 by the Act of December 21, 1981, P.L. 482, No. 141).

Recent Tax Rates: Loans Tax—Domestic and Foreign, Act of June 22, 1935, P.L. 414, rate is 4 mills on the dollar. The rate for the Agricultural Cooperative Associations Corporate Net Income Tax is 4 percent. The tax rate for the Gross Receipts—Private Banks Tax is 1 percent of gross receipts for a calendar year.

References: Purdon's Title 72 P.S. §3250—§3250-14—Loans Tax—Domestic and Foreign.
 Purdon's Title 72 P.S. §3420-21—§3420-28—Agricultural Cooperative Associations.
 Purdon's Title 72 P.S. §2221—§2223—Gross Receipts—Private Banks.

General Fund Revenue Sources

Sales and Use Tax

(Dollar Amounts in Thousands)

Actual		Estimated	
1981-82	\$2,229,436	1987-88	\$3,831,600
1982-83	2,365,061	1988-89	4,080,800
1983-84	2,720,628	1989-90	4,343,800
1984-85	3,019,349	1990-91	4,591,800
1985-86	3,241,419	1991-92	4,904,400
1986-87	3,568,903	1992-93	5,231,000

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.

Exclusions and Deductions: A number of specific items are excluded from the sales and use tax. Among the most important items excluded are: Most wearing apparel, except such items as accessories, formal wear, clothing worn strictly for sports activities, etc., take-out food, prescription or non-prescription medicines and drugs, prescription eyeglasses, medical supplies, residential use of steam, gas, fuel oil and electricity, water and motor fuels. Also excluded from the tax are items sold to the United States, to the Commonwealth or its political subdivisions. Sales to charitable organizations, non-profit educational institutions, volunteer firemen's organizations and religious organizations are excluded to the extent the items are used in furtherance of the purpose of the organization. Items directly used in manufacturing, processing, farming, dairying or utility service are exempt. Materials used in the construction of foundations for tax exempt machinery and equipment are also exempt from tax.

Credit: A credit against the tax on an item or service taxable in the Commonwealth for use inside the Commonwealth shall be given if the sales tax is paid to another state and that state grants similar tax relief to Pennsylvania.

Rate: A bracket system based on 6 percent of retail price for Sales and Use Tax and 6 percent of rent for Hotel Occupancy Tax.

Payment: Every person maintaining a place of business in Pennsylvania who sells or leases taxable tangible personal property or services must apply for a sales tax license and collect and remit the tax. Vendors who collect \$600 or more in the third calendar quarter of the first year of operation are required to remit collections monthly by the 20th day of the following month. Vendors collecting more than \$75 in the third calendar quarter but less than \$600 for the same calendar quarter report quarterly and transmit collections within 20 days of the end of the collection quarter. Vendors collecting less than \$75 annually are required to remit on a semi-annual basis by February 20 and August 20. The tax on motor vehicles is collected when application for a certification of title is made.

Recent Changes: Act No. 1987-58 exempts purchases made with Food Stamps which are not otherwise exempt from Sales and Use Tax effective September 30, 1987.

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

General Fund Revenue Sources

Cigarette Tax

(Dollar Amounts in Thousands)

Actual		Estimated	
1981-82	\$ 254,922	1987-88	\$ 230,700
1982-83	250,733	1988-89	229,300
1983-84	242,717	1989-90	228,200
1984-85	239,201	1990-91	227,000
1985-86	233,526	1991-92	225,900
1986-87	229,926	1992-93	224,700

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

Exclusions and Deductions: No tax is levied on the possession or sale of cigarettes which this Commonwealth is prohibited from taxing under the Constitution or statutes of the United States.

Recent Tax Rates: The rate is 9/10 of a cent per cigarette.

Payment: The tax is collected by sale of stamps to dealers who affix these to each package.

Reference: Purdon's Title 72 P.S. §8201—§8297.

General Fund Revenue Sources

Malt Beverage Tax

(Dollar Amounts in Thousands)

Actual		Estimated
1981-82	\$ 28,397	1987-88
1982-83	27,904	1988-89
1983-84	27,023	1989-90
1984-85	27,061	1990-91
1985-86	27,083	1991-92
1986-87	26,774	1992-93
		\$ 27,067
		26,800
		26,800
		26,800
		26,800
		26,800

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.

Credits: Act No. 1986-26, provides a tax credit for domestic manufacturers of malt or brewed beverages. The credit is for "qualifying capital expenditures" and may not exceed the amount of the expenditures or \$150,000 a year. The act is effective for the period January 1, 1986 to December 31, 1989.

Recent Tax Rates: The tax rate is 2/3c per half pint of 8 fluid ounces or fraction thereof, and in larger quantities at the rate of one cent (1c) per pint of 16 fluid ounces or fraction thereof.

Payment: Manufacturers, distributors and importers are required to file with and pay taxes owed to the Department of Revenue by the 15th of every month.

Reference: Purdon's Title 47 P.S. §103—§120.3.

Liquor Tax

(Dollar Amounts in Thousands)

Actual		Estimated
1981-82	\$ 113,736	1987-88
1982-83	107,467	1988-89
1983-84	105,311	1989-90
1984-85	103,079	1990-91
1985-86	107,964	1991-92
1986-87	110,890	1992-93
		\$ 111,900
		112,998
		113,565
		114,134
		114,706
		115,281

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

Recent Tax Rates: As of January 1, 1968, the rate is 18 percent of the net retail purchase price.

Payment: Tax is collected by the Liquor Control Board and is periodically transferred to the General Fund.

Reference: Purdon's Title 47 P.S. §794 et seq.

General Fund Revenue Sources

Personal Income Tax

(Dollar Amounts in Thousands)

Actual		Estimated	
1981-82	\$2,011,990	1987-88	\$2,918,500
1982-83	2,078,995	1988-89	3,099,700
1983-84	2,581,584	1989-90	3,293,900
1984-85	2,637,557	1990-91	3,481,600
1985-86	2,710,603	1991-92	3,709,300
1986-87	2,817,526	1992-93	3,961,100

Tax Base: The tax is paid by all residents, resident trust and estates on eight separate classes of income: (1) compensation, (2) net profits, (3) interest, (4) dividends, (5) income from the disposition of property, (6) rents and royalties, (7) gambling and lottery winnings, and (8) income from estates and trusts. The tax is also paid by non-resident individuals, estates and trusts on each of the classes of income from sources within the Commonwealth. 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.

Exclusions and Deductions: Income not falling into one of the enumerated classes is not taxable. A full or partial exemption from the tax or a refund of taxes paid is provided for taxpayers who are eligible under standards of poverty defined in Act No. 1974-32, and amended by Act No. 1987-58.

Credits: Credit against the tax is allowed for gross or net income taxes paid to other states by Pennsylvania residents.

Recent Tax Rates:

- September 1, 1986 to present — 2.1 percent
- January 1, 1986 to August 31, 1986 — 2.2 percent.
- July 1, 1984 to December 31, 1985 — 2.35 percent.
- January 1, 1983 to June 30, 1984 — 2.45 percent.
- January 1, 1978 to December 31, 1982 — 2.2 percent.

Payment: Withholding of the tax is required by employers from all persons liable for the tax with the size of collections determining the frequency for remittance to the Commonwealth by employers. For those individuals with taxable incomes over \$2,500, other than wages subject to withholding, a declaration and payment of the estimated tax is required similar to those mandated by Federal law. Payments may be made annually on April 15 for calendar year taxpayers, twice yearly, three times yearly, or four times yearly. There are special declaration and estimated tax provisions provided for farm income. Final returns and remittance of any tax due for a tax year are to be filed on or before the date when the taxpayer's Federal income tax return is due. Application for refund must be filed within three years from the time the return is required to be filed.

Recent Changes: Act No. 1987-58 increased the poverty income excluded from tax from \$3,000 to \$4,500 for an individual along with increased exclusions for dependents of \$1,500 rather than \$1,200 for the first additional dependent and \$1,000 rather than \$750 for each additional dependent.

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

General Fund Revenue Sources

Realty Transfer Tax

(Dollar Amounts in Thousands)

Actual	Estimated
1981-82\$ 67,848	1987-88\$ 204,000
1982-83 82,815	1988-89 209,000
1983-84 106,993	1989-90 219,900
1984-85 121,220	1990-91 235,700
1985-86 146,968	1991-92 246,100
1986-87 200,479	1992-93 256,900

Tax Base: The tax is levied on the value of property transferred through the medium of a deed, instrument or other writing.

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

Payments: The tax is paid through the purchase of stamps which are affixed to the legal document presented for recording. The tax is collected by the county recorder of deeds and transmitted periodically to the Commonwealth.

Recent Changes: Act No. 1986-77 clarified exemptions to the Realty Transfer Tax. Several transactions which were not previously taxable were brought under the authority of the tax. Long-term leases greater than thirty years, transfers from industrial development authorities which will not be used primarily for industrial purposes, and transfers through the acquisition of companies in which the acquired company is in the business of holding or selling real estate are now subject to tax.

References: Purdon's Title 72 P.S. §8101-C —§ 8111-C.

Inheritance Tax

(Dollar Amounts in Thousands)

Actual	Estimated
1981-82\$ 218,399	1987-88\$ 392,000
1982-83 250,599	1988-89 412,000
1983-84 282,217	1989-90 432,700
1984-85 277,568	1990-91 450,000
1985-86 322,740	1991-92 467,000
1986-87 371,840	1992-93 486,700

Tax Base: The Inheritance Tax is levied on the clear value of property transferred to beneficiaries of a deceased person. The value of the transfer is established on the date of the decedent's death. The Estate Tax is levied on the amount equal to the Federal estate tax credit on estates situated in Pennsylvania and applies to residents and non-residents.

Exclusions and Deductions: Transfers to the U.S. Government, the Commonwealth, charities or eleemosynary societies are exempt from this tax. Property passing to lineal beneficiaries may qualify for a \$2,000 family exemption.

Recent Tax Rate: Lineal beneficiaries are taxed at the rate of 6 percent and collateral beneficiaries are taxed at 15 percent. The Estate Tax is equal to the amount of Federal estate tax credit.

Payment: The tax is due and payable upon the death of the decedent, but does not become delinquent until nine months after the date of death. The Register of Wills of the County in which the resident decedent died or non-resident owned property is the collection agent for the Commonwealth.

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

General Fund Revenue Sources

Minor and Repealed Taxes

(Dollar Amounts in Thousands)

Actual		Estimated	
1981-82	\$ 586	1987-88	\$ 700
1982-83	613	1988-89	800
1983-84	724	1989-90	800
1984-85	743	1990-91	800
1985-86	832	1991-92	800
1986-87	1,199	1992-93	800

Minor Taxes Include: Tax on Legal Documents, Act of April 6, 1830, P.L. 272 (Purdon's Title 72 P.S. §3172) and the Spiritous 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).

Repealed and Expired Taxes Include: Consumers Sales Tax, Act of July 13, 1953, P.L. 389—Expired August 31, 1955, Anthracite Coal Tax, Act of May 11, 1921, P.L. 479—Expired 1931, Stock Transfer Tax, Repealed by Act of July 10, 1957, P.L. 671, Documentary Stamp Tax, Act of May 16, 1935, P.L. 203—Expired 1937, Soft Drink Tax, Act of May 14, 1947, P.L. 249—Expired May 31, 1951, Personal Property Tax, Act of June 22, 1935, P.L. 414—Expired 1943, Building and Loan Association Stock Tax, Act of June 22, 1897, P.L. 178, Repealed by Act of March 15, 1937, P.L. 62, Mercantile License Tax System, Act of May 2, 1899, P.L. 184, Repealed by Act of May 7, 1943, P.L. 237 (effective January 1, 1944) and others.

Liquor Store Profits

(Dollar Amounts in Thousands)

Actual		Estimated	
1981-82	\$ 40,000	1987-88	\$ 29,000
1982-83	50,000	1988-89	16,000
1983-84	35,000	1989-90	13,000
1984-85	35,000	1990-91	11,000
1985-86	33,000	1991-92	7,000
1986-87	32,000	1992-93	4,000

Liquor Store Profits represent the amount of profit from the operation of State liquor stores less deductions for reserve and inventory. This amount is transferred to the General Fund from the State Stores Fund to be used for general appropriation purposes as provided by Act No. 412-1/2 of July 18, 1935, P.L. 1316.

General Fund Revenue Sources

Licenses, Fees, and Miscellaneous Revenue

(Dollar Amounts in Thousands)

Actual		Estimated	
1981-82	\$ 165,648	1987-88	\$ 142,903
1982-83	171,408	1988-89	147,802
1983-84	130,695	1989-90	149,550
1984-85	144,673	1990-91	149,550
1985-86	138,923	1991-92	149,550
1986-87	134,661	1992-93	149,550

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

Miscellaneous revenues includes all other income to be used for general appropriation purposes in the General Fund, except monies which are given to the Commonwealth by individuals, or are provided by law to be used only for a specific purpose. The largest source is earnings on securities and deposits. Other major sources are transfers from special funds, escheats and district justice costs.

Fines, Penalties and Interest

(Dollar Amounts in Thousands)

Actual		Estimated	
1981-82	\$ 20,619	1987-88	\$ 15,750
1982-83	17,199	1988-89	15,750
1983-84	17,964	1989-90	15,750
1984-85	17,513	1990-91	15,750
1985-86	18,752	1991-92	15,750
1986-87	15,505	1992-93	15,750

This revenue source includes all penalties and interest collected in the enforcement of tax regulations. The largest portion is from corporation taxes, penalties and interest.

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

General Fund Revenue Detail

The following is a detailed list of all General Fund revenues available for general appropriation. This listing does not include special restricted receipts and receipts augmenting appropriations or Federal Funds.

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Estimated	1988-89 Budget
TAX REVENUE			
Corporate Net Income Tax	<u>\$ 1,009,337</u>	<u>\$ 1,082,000</u>	<u>\$ 1,126,700</u>
Capital Stock and Franchise Taxes			
Capital Stock Taxes—Domestic	\$ 276,500	\$ 254,700	\$ 259,000
Franchise Taxes—Foreign	193,481	178,300	181,200
Subtotal	<u>\$ 469,981</u>	<u>\$ 433,000</u>	<u>\$ 440,200</u>
Utilities Gross Receipts			
Telephone and Telegraph	\$ 122,126	\$ 116,820	\$ 122,660
Electric, Hydroelectric and Water Power	339,633	324,870	341,110
Motor Transportation	2,278	2,180	2,290
Transportation	1,543	1,480	1,550
Gas	78,044	74,650	78,390
Subtotal	<u>\$ 543,624</u>	<u>\$ 520,000</u>	<u>\$ 546,000</u>
Public Utility Realty Tax	<u>\$ 129,349</u>	<u>\$ 133,000</u>	<u>\$ 137,500</u>
Insurance Premiums Tax			
Domestic Casualty	\$ 34,792	\$ 36,610	\$ 38,290
Domestic Marine	24	30	30
Domestic Fire	26,882	28,290	29,590
Domestic Life and Previously Exempted Lines	7,886	8,300	8,680
Unauthorized Insurance	1,768	1,860	1,950
Foreign Life	81,648	85,920	89,870
Foreign Excess Casualty	9,661	10,170	10,630
Foreign Marine	10	10	10
Foreign Excess Fire	8,153	8,580	8,980
Excess Insurance Brokers	8,007	8,430	8,810
Title Insurance	1,239	1,300	1,360
Subtotal	<u>\$ 180,070</u>	<u>\$ 189,500</u>	<u>\$ 198,200</u>
Financial Institutions Taxes			
Trust Companies	\$ 16,135	\$ 21,140	\$ 18,750
State Banks	17,585	23,040	20,440
National Banks	46,338	60,700	53,850
State Mutual Thrift Institutions	28,483	37,310	33,100
Federal Mutual Thrift Institutions	10,462	13,710	12,160
Subtotal	<u>\$ 119,003</u>	<u>\$ 155,900</u>	<u>\$ 138,300</u>

General Fund Revenue Detail

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Estimated	1988-89 Budget
Other Selective Business Taxes			
Excise—Foreign	\$ -1		
Corporate Loans—Domestic	7,166	\$ 8,450	\$ 8,450
Corporate Loans—Foreign	1,006	1,180	1,180
Tax on Electric Cooperative Corporations	18	20	20
Corporate Net Income Tax on Agricultural Cooperative Associations	66	80	80
Corporation Income	2	2	2
Gross Receipts—Private Bankers	228	268	268
Department of Justice Collections	-11		
Corporation Taxes — Clearing Accounts Undistributed	74		
Subtotal	<u>\$ 8,548</u>	<u>\$ 10,000</u>	<u>\$ 10,000</u>
Sales and Use Tax			
Non-Motor Vehicle	\$ 2,937,315	\$ 3,153,500	\$ 3,410,000
Motor Vehicle	631,588	678,100	670,800
Subtotal	<u>\$ 3,568,903</u>	<u>\$ 3,831,600</u>	<u>\$ 4,080,800</u>
Cigarette Tax	<u>\$ 229,926</u>	<u>\$ 230,700</u>	<u>\$ 229,300</u>
Malt Beverage Tax	<u>\$ 26,774</u>	<u>\$ 27,067</u>	<u>\$ 26,800</u>
Liquor Tax	<u>\$ 110,890</u>	<u>\$ 111,900</u>	<u>\$ 112,998</u>
Personal Income Tax			
Withholding	\$ 2,033,471	\$ 2,157,200	\$ 2,293,000
Non-Withholding	784,055	761,300	806,700
Subtotal	<u>\$ 2,817,526</u>	<u>\$ 2,918,500</u>	<u>\$ 3,099,700</u>
Realty Transfer Tax	<u>\$ 200,479</u>	<u>\$ 204,000</u>	<u>\$ 209,000</u>
Inheritance Tax			
Resident Transfer Inheritance and Estate Tax	\$ 369,776	\$ 389,820	\$ 409,710
Nonresident Transfer Inheritance and Estate Tax	2,064	2,180	2,290
Subtotal	<u>\$ 371,840</u>	<u>\$ 392,000</u>	<u>\$ 412,000</u>
Minor and Repealed Taxes			
Tax on Writs, Wills and Deeds	\$ 1,160	\$ 680	\$ 770
Distilled Spirits	1	1	1
Rectified Spirits	1	1	1
Wines	37	18	28
Subtotal	<u>\$ 1,199</u>	<u>\$ 700</u>	<u>\$ 800</u>
TOTAL TAX REVENUE	<u>\$ 9,787,449</u>	<u>\$ 10,239,867</u>	<u>\$ 10,768,298</u>
NONTAX REVENUES			
Liquor Store Profits	<u>\$ 32,000</u>	<u>\$ 29,000</u>	<u>\$ 16,000</u>

General Fund Revenue Detail

	(Dollar Amounts in Thousands)		
Licenses, Fees and Miscellaneous	1986-87 Actual	1987-88 Estimated	1988-89 Budget
Governor's Office			
MISCELLANEOUS REVENUE			
Miscellaneous .....	*	.....	.....
Executive Office			
MISCELLANEOUS REVENUE			
Miscellaneous	\$ 2	*	.....
Crime Victim's Award Restitution	48	\$ 15	\$ 15
Refunds of Expenditures Not Credited to Appropriation .....	*	*	.....
Subtotal	\$ 50	\$ 15	\$ 15
Lieutenant Governor's Office			
LICENSES AND FEES			
Board of Pardon Fees	\$ 1	\$ 1	\$ 1
Board of Pardon Filing Fees	4	7	7
Board of Pardon Copying Fees .....	*	*	.....
Subtotal	\$ 5	\$ 8	\$ 8
Auditor General			
LICENSES AND FEES			
Filing Fees	\$ 8	\$ 9	\$ 9
MISCELLANEOUS REVENUE			
Refunds of Expenditures Not Credited to Appropriations	2	2	2
Subtotal	\$ 10	\$ 11	\$ 11
Attorney General			
MISCELLANEOUS REVENUE			
Antitrust Case Payments	\$ 2	.....	.....
Assessed Civil Penalties Payments	162	\$ 155	\$ 170
Miscellaneous	12	12	12
Subtotal	\$ 176	\$ 167	\$ 182
Treasury Department			
MISCELLANEOUS REVENUE			
Interest on Securities	\$ 43,861	\$ 53,000	\$ 57,000
Interest on Deposits	2,896	1,500	250
Allocation of Treasury Cost	1,701	1,700	1,700
Premium and Discount on Tax Notes Sold	-249	15	.....
Interest on Securities—Liquor License Fund	122	150	158
Redeposit of Checks	1,898	1,200	1,000
Refund of Expenditures Not Credited to Appropriations .....	.....	10	10
Miscellaneous	-34	10	10
Depository Adjustments	-658	458	.....
Subtotal	\$ 49,537	\$ 58,043	\$ 60,128

* Less than \$500.

General Fund Revenue Detail

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Estimated	1988-89 Budget
Department of Agriculture			
LICENSES AND FEES			
Carbonated Beverage License	\$ 7	\$ 20	\$ 20
Egg Certification Fees	25	27	27
Cold Storage Warehouse Licenses	15	3	3
Egg Opening Licenses	*	*	*
Seed Testing and Certification Fees	64	62	71
Bakery Licenses	50	49	50
Ice Cream Licenses	51	45	49
Domestic Animal Dealers Licenses	7	7	7
Abattoir Licenses	18	18	9
Rendering Plant Licenses	1	1	1
Horse Slaughtering Licenses	*	*	*
Approved Inspector's Certificate and Registration Fees	7	7	7
Garbage Feeders Licenses	*	*	*
Poultry Technician Licenses	1	1	1
Miscellaneous Licenses and Fees	18	22	22
Farm Product Inspection Fees	15	11	11
Veterinarian Diagnostic Lab Fees	176	175	175
Public Weighmaster's Liquid Fuels Licenses	49	49	52
Public Weighmaster's Solid Fuels Licenses	28	29	26
Livestock Branding Fees	*	*	*
Pesticide Dealers License and Fees	8	.....	.....
Pesticide Application License and Fees	101	.....	.....
Pesticide Registration Fees	91	.....	.....
MISCELLANEOUS REVENUE			
Miscellaneous	2	1	1
Refund of Expenditures Not Credited to Appropriations	17	39	39
Sale of Dressed Meats — MAEC	11	.....	.....
Subtotal	<u>\$ 762</u>	<u>\$ 566</u>	<u>\$ 571</u>
Civil Service Commission			
MISCELLANEOUS REVENUE			
Miscellaneous .....	*	.....	.....
Department of Commerce			
MISCELLANEOUS REVENUE			
Miscellaneous	\$ 14	\$ 25	\$ 30
Nursing Home Loans — Repayments	4,782	4,835	4,935
Refund of Expenditures Not Credited to Appropriations .....	.....	65	65
Subtotal	<u>\$ 4,796</u>	<u>\$ 4,925</u>	<u>\$ 5,030</u>
Department of Community Affairs			
LICENSES AND FEES			
Municipal Indebtedness Fees	\$ 122	\$ 103	\$ 107
MISCELLANEOUS REVENUE			
Miscellaneous	45	85	89
Refunds of Expenditures Not Credited to Appropriations	148	210	219
Subtotal	<u>\$ 315</u>	<u>\$ 398</u>	<u>\$ 415</u>

* Less than \$500.

General Fund Revenue Detail

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Estimated	1988-89 Budget
Department of Corrections			
MISCELLANEOUS REVENUE			
Antitrust Case Payments	\$ 1	\$ 1	\$ 1
Miscellaneous	*	1	1
Refunds of Expenditures Not Credited to Appropriations	3	16	13
Subtotal	<u>\$ 4</u>	<u>\$ 18</u>	<u>\$ 15</u>
Crime Commission			
MISCELLANEOUS REVENUE			
Refunds of Expenditures Not Credited to Appropriations	<u>\$ 1</u>	<u>\$ 2</u>	<u>\$ 2</u>
Department of Education			
LICENSES AND FEES			
Secondary Education Evaluation Fees	\$ 105	\$ 100	\$ 100
Private Trade School License Fees	9		
Business School License Fees	13		
Correspondence School License Fees	4		
Private Academic School License Fees	59	64	66
Private Driver Training School Fees	23	23	23
Teachers Certification Fees	374	330	330
Teachers Certification Fees — Private Academy	11	14	14
PDE — Fees Transcripts/Closed Private Schools	*		
Private Licenses School Fees	209	102	182
MISCELLANEOUS REVENUE			
Miscellaneous	2	2	2
Refunds to Expenditures Not Credited to Appropriations	37	85	85
Subtotal	<u>\$ 846</u>	<u>\$ 720</u>	<u>\$ 802</u>
Emergency Management Agency			
MISCELLANEOUS REVENUE			
Miscellaneous	<u>.....</u>	<u>\$ 5</u>	<u>\$ 5</u>
Department of Environmental Resources			
LICENSES AND FEES			
Bathing Place Licenses	\$ 2	\$ 1	\$ 1
Sewage and Industrial Waste Permit Fees	373	300	350
Restaurant Licenses	550	525	525
Miscellaneous Licenses and Fees	23	25	25
Registration Fees for Organized Camps	5	5	5
Explosive Storage Permit Fees	115	127	127
Blasters' Examination and Licensing Fees	48	60	60
Examination and Certificate Fees	9	15	15
Bituminous Miners' Examination and Certificate Fees	*	1	1
Bituminous Shot Firers and Machine Runners Examination and Certificates	2	2	2
Anthracite Miners' Examination and Certificate Fees	*	*	*
Water Power and Supply Permit Fees	60	70	80
Dams and Encroachment Fees	117	130	130
Water Bacteriological Examinations	54	60	60
Sewage Enforcement Examination Fees	3	2	3
Sewage Enforcement-Certificate Copy Fees	10	5	6
Hazardous Waste Treatment Storage or Disposal	44	100	100
Hazardous Waste Transporter Licenses Application Fees	19	20	20

* Less Than \$500.

General Fund Revenue Detail

	(Dollar Amounts in Thousands)		
Department of Environmental Resources (continued)	1986-87 Actual	1987-88 Estimated	1988-89 Budget
MISCELLANEOUS REVENUE			
Stumpage	*	*	*
Minerals Sales	\$ 222	\$ 250	\$ 250
Camp Leases	206	220	220
Water Leases	1	5	5
Rights-of-Way	174	175	180
Recovered Damages	3	3	3
Housing Rents	12	15	15
Ground Rents	15	15	17
Royalties for Recovery of Materials-Schuylkill River	70	75	75
Miscellaneous	80	85	85
Surface Subsidence Assistance Loans—Principal Amounts ..	21	25	25
Refunds of Expenditures Not Credited to Appropriations ..	59	200	200
Payment to Occupy Submerged Lands	26	27	28
Payments of Loans — Water Facilities Loans	1,809	1,900	2,000
Interest Income	1,832	2,000	2,200
Penalty Charges — Delinquent	1	8	8
Sewage Treatment and Waterworks Application Fee	1	2	2
Sales Tax Escrow Account	2	2	2
Subtotal	\$ 5,968	\$ 6,455	\$ 6,825
Department of General Services			
MISCELLANEOUS REVENUE			
Sale of State Property	\$ 560	\$ 550	\$ 550
Sale of Publications	79	75	75
Sale of Unserviceable Property	169	200	200
Rental of State Property	125	150	150
Recovery on Insurance and Surety Bonds	*	*	1
Mileage of State Automobiles	423	450	450
Contract Forfeitures and Damages	*	5	5
Allocation of Property Costs	7,436	7,500	7,750
Real Estate Services	103	100	100
Miscellaneous	424	1,000	1,000
Refunds of Expenditures Not Credited to Appropriations ..	47	50	50
Subtotal	\$ 9,366	\$ 10,080	\$ 10,331
Department of Health			
LICENSES AND FEES			
Vital Statistics Fees	\$ 2,091	\$ 2,091	\$ 2,091
Registration Fees-Drugs Devices and Cosmetics Act	352	353	353
Profit Making Hospital Licenses	69	69	69
Nursing Home Licenses	300	300	300
Life Safety Code Disposition Fees	132	132	132
Birth Center Licensure Fees	14	14	14
MISCELLANEOUS REVENUE			
Miscellaneous	66	89	89
Subtotal	\$ 3,024	\$ 3,048	\$ 3,048

* Less than \$500

General Fund Revenue Detail

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Estimated	1988-89 Budget
Historical and Museum Commission			
MISCELLANEOUS REVENUE			
Miscellaneous	\$ 1	\$ *	*
Refunds of Expenditures Not Credited to Appropriations	5	2	2
Subtotal	\$ 6	\$ 2	\$ 2
Insurance Department			
LICENSES AND FEES			
Agents' Licenses	\$ 7,437	\$ 8,400	\$ 8,900
Brokers' Licenses	662	151	480
Examination Fees and Expenses	914	915	1,065
Valuation of Policies Fees	1,591	1,500	1,500
Miscellaneous Fees	7	7	7
Miscellaneous Licenses	27	60	60
Physical Damage Appraiser Licenses	11	60	60
Division of Companies Certification — Certificates' and Filing Fees	444	400	400
Agents and Brokers' Certification Fees	169	170	170
MISCELLANEOUS REVENUE			
Miscellaneous	27	27	27
Subtotal	\$ 11,289	\$ 11,690	\$ 12,669
Labor and Industry			
LICENSES AND FEES			
Bedding and Upholstery Fees	\$ 286	\$ 282	\$ 285
Boiler Inspection Fees	739	780	740
Elevator Inspection Fees	823	800	800
Employment Agents' Licenses	41	40	38
Projectionists' Examination and License Fees	7	7	6
Approval of Elevator Plan Fees	99	90	90
Industrial Homework Permit Fees	*	*	*
Employment Agents' Registration Fees	8	7	7
Liquified Petroleum Gas Registration Fees	132	132	135
Stuffed Toys Manufacturers Registration Fees	27	29	29
Approval of Building Plan Fees	2,953	2,750	2,750
MISCELLANEOUS REVENUE			
Miscellaneous	18	14	14
Refunds of Expenditures Not Credited to Appropriations	43	55	55
Indirect Costs Reimbursements	284	925	500
Right-to-Know Fees, Materials & Publications .....	.....	1	.....
Subtotal	\$ 5,460	\$ 5,912	\$ 5,449
Department of Military Affairs			
MISCELLANEOUS REVENUE			
Miscellaneous	\$ 1	\$ 1	\$ 1
Refunds of Expenditures Not Credited to Appropriations	3	6	6
Subtotal	\$ 4	\$ 7	\$ 7

* Less than \$500.

General Fund Revenue Detail

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Estimated	1988-89 Budget
Board of Probation and Parole			
MISCELLANEOUS REVENUE			
Refunds of Expenditures Not Credited to Appropriations	\$ 31	\$ 5	\$ 5
Public Utility Commission			
LICENSES AND FEES			
General Assessment Fees		*	*
MISCELLANEOUS REVENUE			
Refunds of Expenditures Not Credited to Appropriations	\$ 1	\$ 1	\$ 1
Subtotal	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 1</u>
Department of Public Welfare			
LICENSES AND FEES			
Private Mental Hospital Licenses	\$ 14	\$ 16	\$ 16
MISCELLANEOUS REVENUE			
Miscellaneous	3	5	5
Refunds of Expenditures Not Credited to Appropriations	2	3	3
Subtotal	<u>\$ 19</u>	<u>\$ 24</u>	<u>\$ 24</u>
Department of Revenue			
LICENSES AND FEES			
Cigarette Permit Fees	\$ 654	\$ 665	\$ 665
Certificate and Copy Fees	34	35	35
Domestic Violence and Rape Crisis Program Fees	1,752	1,781	1,701
Secretary's Writ Collections	*	*	
MISCELLANEOUS REVENUE			
Abandoned Property — Financial Institutions Deposits	8,593	7,000	7,014
Abandoned Property — Other Holder Deposits	10,692	9,000	9,500
Abandoned Property — Claim Payments	-2,909	-2,580	-2,580
Abandoned Property — Administration Cost			
Reimbursements	-390	-350	-350
Miscellaneous	123	120	120
Refunds of Expenditures Not Credited to Appropriations	24	25	25
District Justice Cost	7,631	7,180	7,615
Distribution Due Absentee	606	600	600
Donations	196	194	197
Subtotal	<u>\$ 27,006</u>	<u>\$ 23,670</u>	<u>\$ 24,542</u>

* Less than \$500.

General Fund Revenue Detail

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Estimated	1988-89 Budget
Pennsylvania Securities Commission			
LICENSES AND FEES			
Section 205 — Security Registration and Amendment	\$ 605	\$ 500	\$ 550
Section 206 — Security Registration and Amendment Fees ..	67	60	65
Mutual Funds and Investment Company Section			
203I-205-205-206	3,560	3,530	3,730
Brokers/Dealers Registration Fees — Initial	51	62	74
Brokers/Dealers Registration Fees — Renewal	196	240	279
Brokers/Dealers Registration Fees — Pa. Office — Initial ..	17	15	22
Brokers/Dealers Registration Fees — Pa. Office — Renewal ..	40	51	66
SCT 205 — Amendment Fees	17	15	15
Securities Agents Filing Fees — Initial	601	810	1,019
Securities Agents Filing Fees — Renewal	1,248	1,565	2,018
Securities Agents Filing Fees — Transfer	53	64	99
SCT 206 — Amendment Fees	2	1	2
Security Agents Filing Fees — Mass Transfer	19	19	14
Investment Advisors Filing Fees — Initial	10	41	54
Investment Advisors Filing Fees — Renewal	27	36	70
Section 202G Security Exemption Fees	2	2	2
Section 203I and 203(O)II Section Exemption Fees	15	15	15
Section 203(D) Security Exemption Fees	344	350	350
Section 203(N) Security Exemption Fees	4	3	3
Section 203(P) Security Exemption Fees	2	2	2
Takeover Disclosure Filing Fees Section IV Registration ..	23	11	11
Costs — Examination, Auditing, Investigation, Prosecution — Except Takeover Costs	67	25	25
MISCELLANEOUS REVENUE			
Miscellaneous	86	*	*
Subtotal	<u>\$ 7,056</u>	<u>\$ 7,417</u>	<u>\$ 8,485</u>
Department of State			
LICENSES AND FEES			
Commission and Filing — Corporation Bureau	\$ 5,453	\$ 5,500	\$ 6,000
Recorder of Deeds Fees	35	35	42
Notary Public Commission Fees	461	435	445
Commissions and Filing Fees — Bureau of Elections	120	150	200
MISCELLANEOUS REVENUE			
Refunds of Expenditures Not Credited to Appropriation	2	1	1
Subtotal	<u>\$ 6,071</u>	<u>\$ 6,121</u>	<u>\$ 6,688</u>
State Police			
MISCELLANEOUS REVENUE			
Miscellaneous	\$ 251	\$ 251	\$ 251
Reimbursement for Lost Property	3	3	3
Refunds of Expenditures Not Credited to Appropriations ..	107	107	107
Subtotal	<u>\$ 361</u>	<u>\$ 361</u>	<u>\$ 361</u>

* Less than \$500.

General Fund Revenue Detail

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Estimated	1988-89 Budget
Department of Transportation			
MISCELLANEOUS REVENUE			
VW Rail Spur Lease Recovery	\$ 119	\$ 60	\$ 60
Refunds of Expenditures Not Credited to Appropriations	330	60	60
Subtotal	<u>\$ 449</u>	<u>\$ 120</u>	<u>\$ 120</u>
Commonwealth Court			
MISCELLANEOUS REVENUE			
Refunds of Expenditures Not Credited to Appropriations	*	\$ 7	\$ 7
Other			
MISCELLANEOUS REVENUE			
Conscience Money	\$ 2	\$ 2	\$ 2
Transfer from State Racing Fund	1,825	1,373	2,052
Transfer from State Insurance Fund	221	1,730	.....
Subtotal	<u>\$ 2,048</u>	<u>\$ 3,105</u>	<u>\$ 2,054</u>
TOTAL LICENSES, FEES AND MISCELLANEOUS	<u>\$ 134,661</u>	<u>\$ 142,903</u>	<u>\$ 147,802</u>
Fines, Penalties and Interest on Taxes			
Penalties on Excise Taxes — Corporations	\$ 515	\$ 530	\$ 530
Interest on Excise Taxes — Corporation (Department of Revenue)	7,615	7,780	7,780
Corporation Net Income Tax	6,420	6,570	6,570
Realty Transfer Tax	164	170	170
Other Fines and Penalties			
Department of Agriculture			
General Food Fines	\$ 17	\$ 17	\$ 17
Pesticide Fines and Penalties	6	*	*
Egg Fines	*	*	*
Marketing Law Fines	1	1	1
Miscellaneous	2	1	1
Horse Racing Fines and Penalties	43	43	43
Harness Racing Fines and Penalties	32	22	22
Amusement Rides and Attractions — Fines	9	7	7
Department of Environmental Resources			
Miscellaneous Fines	41	35	35
Department of General Services			
Traffic Violations	33	35	35
Department of Insurance			
Miscellaneous Fines	242	240	240
Department of Labor and Industry			
Miscellaneous Fines	4	3	3
Minor Labor Law Fines	3	1	1
Public Utility Commission			
Violation of Order Fines	281	280	280
Department of Revenue			
Malt Liquor Fines and Penalties	15	3	3
Miscellaneous Fines	4	*	*
Spiritous and Vinous Liquor Fines and Penalties	*	*	*
Motor Law Fines Prior to July 1, 1976	57	11	11
Ethics Commission Violators Act 170-1978	1	1	1
TOTAL FINES, PENALTIES AND INTEREST	<u>\$ 15,505</u>	<u>\$ 15,750</u>	<u>\$ 15,750</u>
TOTAL NONTAX REVENUE	<u>\$ 182,166</u>	<u>\$ 187,653</u>	<u>\$ 179,552</u>
TOTAL GENERAL FUND REVENUES	<u><u>\$ 9,969,615</u></u>	<u><u>\$ 10,427,520</u></u>	<u><u>\$ 10,947,850</u></u>

* Less Than \$500



Commonwealth of Pennsylvania

Motor License Fund

The Motor License Fund is a special fund composed of monies received from the Liquid Fuels and Fuel Use Taxes, licenses and fees of motor vehicles, aviation 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.

Motor License Fund

Financial Statement*

	1986-87 Actual	(Dollar Amounts in Thousands) 1987-88 Available	1988-89 Estimated
Beginning Balance	\$ 81,632	\$ 78,105	\$ 74,568
Revenue:			
Official Estimate	\$ 1,388,328	\$ 1,404,262	\$ 1,429,247
Adjustment to Official Estimate .....	.....	23,965	.....
Reserve for Transfer to Bridge Account .....	.....	-2,315	-2,300
Accrued Revenues Unrealized	142,100	144,400	146,300
Less Revenues Accrued Previously	-140,700	-142,100	-144,400
Total Revenue	1,389,728	1,428,212	1,428,847
Prior Year Lapses	14,024	8,000	.....
Funds Available	\$ 1,485,384	\$ 1,514,317	\$ 1,503,415
Expenditures:			
Appropriated	\$ 1,407,279	\$ 1,445,749	\$ 1,497,881
Less Current Year Lapses .....	.....	6,000	.....
Estimated Expenditures	-1,407,279	-1,439,749	-1,497,881
Ending Balance	\$ 78,105	\$ 74,568	\$ 5,534

*Excludes restricted revenue

Motor License Fund

Summary by Department

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Budget
Executive Offices			
General Government			
Office of the Budget	\$ 3,577	\$ 3,777	\$ 4,127
TOTAL STATE FUNDS	<u>\$ 3,577</u>	<u>\$ 3,777</u>	<u>\$ 4,127</u>
Augmentations	\$ 705	\$ 884	\$ 897
DEPARTMENT TOTAL	<u>\$ 4,282</u>	<u>\$ 4,661</u>	<u>\$ 5,024</u>
Treasury Department			
General Government			
Replacement Checks	\$ 11	\$ 60	\$ 60
Refunding Liquid Fuel Tax — Agriculture	3,150	4,200	4,200
Administration of Refunding Liquid Fuel Tax	182	248	254
Refunding Liquid Fuel Tax — State Share	199	350	350
Refunding Emergency Liquid Fuel Tax .....	.....	1	1
Refunding Liquid Fuel Tax — Political Subdivision Use	1,499	2,250	2,250
Refunding Liquid Fuel Tax — Volunteer Fire Companies, Ambulance Services and Rescue Squads	104	160	160
Refunding Marine Liquid Fuel Tax — Boating Fund	1,253	1,500	1,500
Subtotal	<u>\$ 6,398</u>	<u>\$ 8,769</u>	<u>\$ 8,775</u>
Debt Service Requirements			
Capital Debt — Transportation Projects	\$ 164,911	\$ 164,998	\$ 165,051
Capital Debt — Public Improvement Projects	529	524	521
Advance Construction Interstate—Interest Payments	875	7,535	12,180
Loan and Transfer Agent	97	131	131
Subtotal	<u>\$ 166,412</u>	<u>\$ 173,188</u>	<u>\$ 177,883</u>
TOTAL STATE FUNDS	<u>\$ 172,810</u>	<u>\$ 181,957</u>	<u>\$ 186,658</u>
Restricted Revenue	\$ 193	\$ 6,024	\$ 54,727
DEPARTMENT TOTAL	<u>\$ 173,003</u>	<u>\$ 187,981</u>	<u>\$ 241,385</u>
Department of Education			
Grants and Subsidies			
Safe Driving Course	\$ 1,975	\$ 2,300	\$ 2,300
DEPARTMENT TOTAL	<u>\$ 1,975</u>	<u>\$ 2,300</u>	<u>\$ 2,300</u>

Motor License Fund

Summary by Department (continued)

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Budget
Department of General Services			
General Government			
Asbestos Control .....	.....	.....	500
Debt Service Requirements			
General State Authority Rentals	\$ 1,167	\$ 1,185	\$ 1,177
Grants and Subsidies			
Tort Claims — Payments	\$ 26,500	\$ 26,500	\$ 26,500
DEPARTMENT TOTAL	<u>\$ 27,667</u>	<u>\$ 27,685</u>	<u>\$ 28,177</u>
Department of Revenue			
General Government			
Collection — Liquid Fuels Tax	\$ 5,105	\$ 6,758	\$ 6,830
Refunding Liquid Fuels Taxes	7,295	7,500	2,375
DEPARTMENT TOTAL	<u>\$ 12,400</u>	<u>\$ 14,258</u>	<u>\$ 9,205</u>
Pennsylvania State Police			
General Government			
General Government Operations	\$ 149,704	\$ 152,205	\$ 158,473
Municipal Police Training	2,181	2,314	2,420
Patrol Vehicles .....	.....	6,030	4,759
Officer Uniforms .....	.....	1,675	.....
DEPARTMENT TOTAL	<u>\$ 151,885</u>	<u>\$ 162,224</u>	<u>\$ 165,652</u>
Department of Transportation			
General Government			
General Government Operations	\$ 20,901	\$ 21,528	\$ 22,544
Refunding Collected Monies	1,725	1,725	1,725
Highway and Safety Improvement	147,485	162,560	183,560
Highway Maintenance	548,638	567,609	582,887
Highway Maintenance—Supplemental	10,947	16,766	14,531
One-time Maintenance Payment	20,000	.....	.....
Highway Restorations-Highway Transfer	5,000	.....	.....
Salt Storage Buildings	1,500	1,500	1,500
Roadside Rest Areas .....	.....	.....	2,000
Reinvestment — Facilities .....	.....	.....	3,000
Local Bridge Inspection	391	800	800
Secondary Roads — Maintenance and Resurfacing	51,362	52,896	53,113
Safety Administration and Licensing	48,416	44,483	48,064
Motor Vehicle Insurance Compliance .....	.....	.....	994
Subtotal	<u>\$ 856,365</u>	<u>\$ 869,867</u>	<u>\$ 914,718</u>
Debt Service Requirements			
State Highway and Bridge Authority Rentals	\$ 27,515	\$ 26,200	\$ 24,300

Motor License Fund

Summary by Department (Continued)

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Budget
Department of Transportation (continued)			
Grants and Subsidies			
Local Road Maintenance and Construction Payments	\$ 147,158	\$ 151,533	\$ 156,798
Supplemental Local Road Maintenance and Construction Payments	5,000	5,000	5,000
Philadelphia Payment — Franchise Tax	927	948	946
Subtotal	<u>\$ 153,085</u>	<u>\$ 157,481</u>	<u>\$ 162,744</u>
TOTAL STATE FUNDS	<u>\$ 1,036,965</u>	<u>\$ 1,053,548</u>	<u>\$ 1,101,762</u>
Federal Funds	\$ 659,944	\$ 840,113	\$ 644,269
Augmentations	20,404	26,449	26,980
Restricted Revenue	175,543	115,381	90,161
DEPARTMENT TOTAL	<u>\$ 1,892,856</u>	<u>\$ 2,035,491</u>	<u>\$ 1,863,172</u>
Fund Summary			
State Funds — Transportation	\$ 1,036,965	\$ 1,053,548	\$ 1,101,762
State Funds — Other Departments	370,314	392,201	396,119
TOTAL STATE FUNDS	<u>\$ 1,407,279</u>	<u>\$ 1,445,749</u>	<u>\$ 1,497,881</u>
Motor License Fund Total — All Funds			
State Funds	\$ 1,407,279	\$ 1,445,749	\$ 1,497,881
Federal Funds	659,944	840,113	644,269
Augmentations	21,109	27,333	27,877
Restricted Revenue	175,736	121,405	144,888
FUND TOTAL	<u>\$ 2,264,068</u>	<u>\$ 2,434,600</u>	<u>\$ 2,314,915</u>

Motor License Fund

REVENUE SUMMARY

Five Year Revenue Projections

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Estimated	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
Liquid Fuels Taxes ^a	\$ 893,645	\$ 912,615	\$ 926,200	\$ 933,900	\$ 941,700	\$ 952,100	\$ 962,500
Motor Licenses and Fees ^a	428,618	434,000	435,900	443,100	443,400	446,200	447,200
Other Motor License Fund Revenues	66,065	81,612	67,147	69,414	70,967	72,685	62,398
TOTAL MOTOR LICENSE FUND REVENUES	<u>\$ 1,388,328</u>	<u>\$ 1,428,227</u>	<u>\$ 1,429,247</u>	<u>\$ 1,446,414</u>	<u>\$ 1,456,067</u>	<u>\$ 1,470,985</u>	<u>\$ 1,472,098</u>
 Aviation Restricted Revenues	 \$ 10,697	 \$ 13,911	 \$ 15,481	 \$ 16,235	 \$ 17,032	 \$ 17,871	 \$ 18,753
Highway Bridge Improvement Restricted Revenues	\$ 79,171	\$ 45,600	\$ 70,400	\$ 77,000	\$ 78,200	\$ 80,500	\$ 82,200
State Highway Transfer Restricted Revenues	\$ 14,225	\$ 14,500	\$ 14,700	\$ 14,900	\$ 15,000	\$ 15,100	\$ 15,300

Adjustments to 1987-88 Revenue Estimate

On October 1, 1987, a revised official estimate for the 1987-88 fiscal year of \$1,404,262 was certified to reflect changes to tax statutes.

The revised estimate detailed below reflects actual revenue collections through the first seven months of the fiscal year and expected collections for the balance of the fiscal year.

	(Dollar Amounts in Thousands)		
	1987-88 Official Estimate	Adjustments	1987-88 Revised Estimate
Liquid Fuels Taxes ^a	\$ 904,867	\$ 7,748	\$ 912,615
Motor Licenses and Fees ^a	426,195	7,805	434,000
Other Motor Receipts	73,200	8,412	81,612
TOTAL	<u>\$ 1,404,262</u>	<u>\$ 23,965</u>	<u>\$ 1,428,227</u>

^aIncludes undistributed Highway Bridge Improvement revenues.

Motor License Fund

Revenue Sources

Liquid Fuels Taxes				
	Actual	(Dollar Amounts in Thousands)	Estimated	
1981-82	\$	705,463	1987-88	\$ 912,615
1982-83		698,028	1988-89	926,200
1983-84		801,732	1989-90	933,900
1984-85		860,536	1990-91	941,700
1985-86		873,782	1991-92	952,100
1986-87		893,645	1992-93	962,500

Tax Base and Rates:

Liquid Fuels. The liquid fuels tax is based on the number of gallons of liquid fuel used, sold or delivered within the Commonwealth by distributors. After discounts, all monies collected are placed in the Motor License Fund, except that an amount equal to one-half cent per gallon is placed in the Liquid Fuels Tax Fund. The present tax rate is twelve cents per gallon, having been increased from the previous eleven cents per gallon rate on August 8, 1983.

Fuel Use. The fuel use tax is based on the number of gallons of fuel used or delivered for use. Any dealer-user bringing over 50 gallons of fuel, other than fuels taxed under the Liquid Fuels Tax Act, into the Commonwealth is taxed. All monies collected, less allowed discounts, are paid into the Motor License Fund and the Liquid Fuels Tax Fund in the same proportion as the Liquid Fuels Tax monies. The current tax rate of twelve cents per gallon became effective on August 8, 1983, increasing one cent from the previous rate.

Motor Carriers Road Tax. The Motor Carriers Road Tax is levied on motor carriers operating vehicles with a gross weight or registered gross weight in excess of 17,000 pounds. The tax is comprised of: a twelve cent per gallon tax; a six percent tax on the average wholesale price; and a six cent per gallon surtax levied by Act 56 of 1987, effective July 1, 1987, which is periodically transferred to the restricted Highway Bridge Improvement account within the Motor License Fund.

In addition, identification markers are required for each vehicle to be issued annually upon a payment of \$5 per vehicle.

Interstate Bus Compact Fuels Tax. The Compact on Taxation of Motor Fuels Consumed by Interstate Buses imposes a tax on fuel consumed by interstate buses under compacts entered into with other states to avoid multiple taxation of fuels. Taxes in each state are computed on the basis of the number of gallons of fuel used within the state. The present Pennsylvania tax rate is twelve cents per gallon. Prior to August 8, 1983, the tax rate was eleven cents per gallon.

Oil Company Franchise Tax. This tax is an excise tax on oil companies for the privilege of exercising their corporate franchise, doing business, employing capital, owning or leasing property, maintaining an office or having employees in the Commonwealth. The current tax rate of 6.0 percent of the wholesale price of motor fuels used for motor vehicles in the Commonwealth became effective August 8, 1983. Previously, the tax rate was 3.5 percent of the wholesale price. Funding for the local highway turnback program consisted of two mills of the Oil Company Franchise Tax in 1983-84 and three mills for 1984-85 and thereafter and is not included in the above estimates.

Exclusions and Deductions and Reimbursements:

Liquid Fuels, Fuel Use and Oil Company Franchise Taxes: Fuels used, sold or delivered to the U.S. Government, the Commonwealth and any of its political subdivisions, public authorities, nonprofit schools, volunteer fire companies, ambulance services, rescue squads, fuels sold and delivered under the Commerce Clause of the Constitution of the United States, liquid fuel delivered instate by one distributor to another when receiver is taxable or when tax has already been paid (applicable to liquid fuels tax only), fuel (not over 50 gallons) brought into the Commonwealth in vehicle's fuel supply tanks (applicable to fuel use tax only) and fuels used for certain agricultural purposes are not taxable.

Motor Carrier Road Tax. Credit is given for tax paid on motor fuels purchased in Pennsylvania but consumed elsewhere.

Motor License Fund

Revenue Sources (continued)

Motor Licenses and Fees

Actual	(Dollar Amounts in Thousands)	Estimated
1981-82	\$ 401,040	1987-88
1982-83	380,834	1988-89
1983-84	386,989	1989-90
1984-85	402,545	1990-91
1985-86	421,347	1991-92
1986-87	428,618	1992-93
		\$ 434,000
		435,900
		443,100
		443,400
		446,200
		447,200

The Commonwealth receives revenue from the collection of fees levied for the registration and titling of motor vehicles and for the issuance of learner's permits, operator's licenses, certificates of title and transfers of registration. This category includes Highway Bridge Improvement revenues derived from a portion of the registration fee for Pennsylvania based motor vehicles in classes 9-25, which are periodically transferred to the Highway Bridge Improvement Restricted Account within the Motor License Fund.

Other Motor License Fund Revenues

Actual	(Dollar Amounts in Thousands)	Estimated
1981-82	\$ 60,644	1987-88
1982-83	57,973	1988-89
1983-84	54,155	1989-90
1984-85	75,643	1990-91
1985-86	73,124	1991-92
1986-87	66,065	1992-93
		\$ 81,612
		67,147
		69,414
		70,967
		72,685
		62,398

Other Motor License Fund revenues include the following sources:

Fines — Aeronautics fines collected under the Fuel Use Tax Act and certain vehicle code fines.

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

Gross Receipts Tax — An excise tax imposed upon the gross receipts of owners and operators of motor vehicles transporting passengers or property for hire on public highways. The current tax rate is eight mills. Only the tax received from companies operating over routes which are not entirely within the Commonwealth is deposited in the Motor License Fund.

This category also includes \$15.8 million in 1987-88 of anticipated Federal reimbursement of advance construction interstate (ACI) payments financed initially with State funds, and advance construction interstate interest reimbursements and interest earnings.

Motor License Fund

Revenue Detail

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

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Estimated	1988-89 Budget
LIQUID FUELS TAXES			
Liquid Fuels Tax			
Liquid Fuels Tax	\$ 502,556	\$ 511,010	\$ 516,510
Liquid Fuels Tax Penalties	189	190	190
Liquid Fuels Tax Interest	96	100	100
Total	<u>\$ 502,841</u>	<u>\$ 511,300</u>	<u>\$ 516,800</u>
Fuel Use Tax			
Fuel Use Tax	\$ 97,505	\$ 101,070	\$ 104,170
Fuel Use Tax Penalties	222	230	230
Fuel Use Tax Interest	193	200	200
Total	<u>\$ 97,920</u>	<u>\$ 101,500</u>	<u>\$ 104,600</u>
Motor Carriers Road Tax			
Motor Carriers Road—Fuels Tax ^a	\$ 18,196	\$ 18,815	\$ 20,500
Motor Carriers Road Tax Registration Fees and Special Permit Fees	2,467	4,000	3,400
Total	<u>\$ 20,663</u>	<u>\$ 22,815</u>	<u>\$ 23,900</u>
Interstate Bus Compact Fuels Tax			
Interstate Bus Compact Fuels Tax	\$ 650	\$ 696	\$ 696
Interstate Bus Compact Fuels Tax Penalties	3	2	2
Interstate Bus Compact Fuels Tax Interest	*	2	2
Total	<u>\$ 653</u>	<u>\$ 700</u>	<u>\$ 700</u>
Oil Company Franchise Tax			
Oil Company Franchise Tax	\$ 271,568	\$ 276,300	\$ 280,200
Total	<u>\$ 271,568</u>	<u>\$ 276,300</u>	<u>\$ 280,200</u>
TOTAL LIQUID FUELS TAXES	<u>\$ 893,645</u>	<u>\$ 912,615</u>	<u>\$ 926,200</u>
MOTOR LICENSES AND FEES			
Operators' Licenses	\$ 41,467	\$ 43,400	\$ 42,600
Special Hauling Permit Fees	6,708	6,200	6,000
Vehicle Registration and Titling ^a	356,663	360,300	360,200
Other Fees Collected by Bureau of Motor Vehicles	13,565	13,000	13,000
Registration Fees Received From Other States/IRP	10,215	11,100	14,100
TOTAL MOTOR LICENSES AND FEES	<u>\$ 428,618</u>	<u>\$ 434,000</u>	<u>\$ 435,900</u>

* Less than \$500.

^aIncludes undistributed Highway Bridge Improvement revenues.

Motor License Fund

Revenue Detail (continued)

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Estimated	1988-89 Budget
OTHER MOTOR LICENSE FUND REVENUES			
Gross Receipts Tax			
Gross Receipts Tax	\$ 304	\$ 400	\$ 400
Total	<u>\$ 304</u>	<u>\$ 400</u>	<u>\$ 400</u>
Fines and Penalties			
Department of Transportation			
Vehicle Code Fines	\$ 2,178	\$ 2,100	\$ 2,100
Department of Revenue			
Vehicle Codes Fines	27,366	26,400	26,400
Total	<u>\$ 29,544</u>	<u>\$ 28,500</u>	<u>\$ 28,500</u>
Miscellaneous Revenues			
Treasury Department			
Interest on Securities	\$ 12,753	\$ 12,298	\$ 9,460
Interest on Securities Liquid Fuels Tax Fund	507	489	376
Interest on Deposit — Cash Advancement Accounts	83	80	62
Advance Construction Interstate Interest Earnings .....	.....	396	1,513
Interest on Deposits — Liquid Fuels Tax Fund	138	133	102
Department of General Services			
Sale of Unserviceable Property	411	500	500
Department of Revenue			
Refunds of Expenditures Not Credited to Appropriations .....	*	.....	.....
Department of Transportation			
Highway Encroachment Permits	1,003	951	951
Highway Bridges Income	105	101	101
Sale of Maps and Plans	189	177	177
Sale of Gas, Oil and Anti-Freeze	180	172	172
Recovered Damages	2	1	1
Contract Deposit Forfeitures	6	7	7
Sale of Inspection Stickers	17,744	17,798	17,798
Miscellaneous Revenues	1,725	1,633	1,633
Refunds of Expenditures Not Credited to Appropriations or Allocations	666	991	991
Fees for Reclaiming Abandoned Vehicles	16	15	15
Sale of Abandoned Vehicles	1	1	1
Sale of Bid Proposals and Contract Specifications	688	653	653
Federal Reimbursement for Advance Construction			
Interstate Payments .....	.....	15,800	.....
Advance Construction Interstate Interest Reimbursements .....	.....	516	3,734
Total	<u>\$ 36,217</u>	<u>\$ 52,712</u>	<u>\$ 38,247</u>
TOTAL OTHER MOTOR LICENSE FUND REVENUES	<u>\$ 66,065</u>	<u>\$ 81,612</u>	<u>\$ 67,147</u>
TOTAL MOTOR LICENSE FUND REVENUES	<u>\$ 1,388,328</u>	<u>\$ 1,428,227</u>	<u>\$ 1,429,247</u>

Less than \$500

Motor License Fund

Restricted Revenues Not Included in Department Total

Aviation Revenues			
Actual	(Dollar Amounts in Thousands)		Estimated
1981-82	\$ 6,280	1987-88	\$ 13,911
1982-83	6,068	1988-89	15,481
1983-84	7,609	1989-90	16,235
1984-85	8,334	1990-91	17,032
1985-86	11,155	1991-92	17,871
1986-87	10,697	1992-93	18,753

Aviation revenue includes taxes levied on aviation gasoline and jet fuel, and income earned at State-owned airports. The current tax rate on aviation gasoline is three cents per gallon, having been increased by Act 1984-164 from one and one-half cents per gallon. Jet fuel is taxed at a base rate of one and one-half cents per gallon plus an annually adjusted per gallon factor based on the jet fuel price index. The jet fuel tax, along with the annual adjustment, which began January 1, 1986, shall never exceed two cents per gallon, nor shall it be less than one and one-half cents per gallon. Airport income consists primarily of rents, concessions, utility refunds and landing fees. Aviation restricted revenues are not included in Motor License Fund Revenue totals.

	1986-87 Actual	1987-88 Estimated	1988-89 Budget
AVIATION REVENUES			
Aviation Liquid Fuels Tax	\$ 6,080	\$ 7,181	\$ 8,320
Harrisburg International Airport Operations	3,559	5,470	5,744
State Airport Operations	168	302	208
Harrisburg International Airport Industrial Park	850	958	1,209
TOTAL AVIATION REVENUES	\$ 10,697	\$ 13,911	\$ 15,481

Highway Bridge Improvement Revenues

Actual	(Dollar Amounts in Thousands)		Estimated
1981-82	\$ 55,124	1987-88	\$ 45,600
1982-83	80,400	1988-89	70,400
1983-84	72,683	1989-90	77,000
1984-85	76,074	1990-91	78,200
1985-86	79,171	1991-92	80,500
1986-87	79,171	1992-93	82,200

Prior to the U.S. Supreme Court decision declaring the Axle Tax unconstitutional, highway bridge improvement revenues included a \$36 per axle tax on heavy trucks and temporary permit fees. The Axle Tax was found unconstitutional by the U.S. Supreme Court on June 23, 1987. These revenues were replaced by Act 1987-56, which provides for the following: a 6 cent per gallon surtax on fuel consumed in Pennsylvania by motor carrier vehicles; a portion of the registration fee for Pennsylvania based motor vehicles in classes 9-25; and, temporary permit fees collected from out-of-state motor carriers for travel in Pennsylvania. Negative entries for Axle Tax receipts represent rebates paid out for previously collected taxes that did not meet payment criteria.

	1986-87 Actual	1987-88 Estimated	1988-89 Budget
HIGHWAY BRIDGE IMPROVEMENT REVENUES			
Axle Tax	\$ 74,256	\$ (8,200)	(5,900)
Motor Carrier Surcharge	42,000	42,000	60,300
Registration Fee Portion—PA-Based Motor Vehicles	7,800	7,800	12,000
Temporary Permit Fees	4,915	4,000	4,000
TOTAL HIGHWAY BRIDGE IMPROVEMENT REVENUES	\$ 79,171	\$ 45,600	\$ 70,400

Motor License Fund

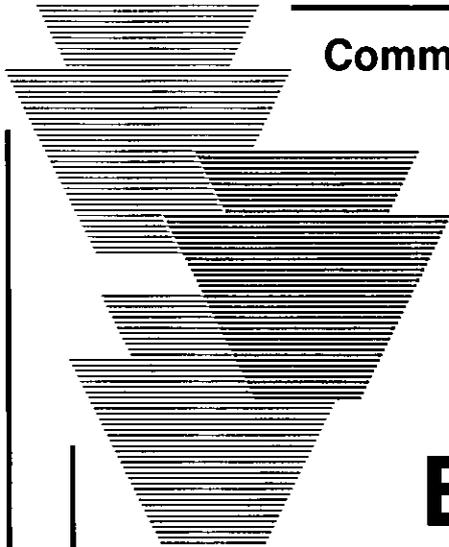
Restricted Revenues Not Included in Department Total (continued)

State Highway Transfer Revenues

Actual	(Dollar Amounts in Thousands)	Estimated	
1981-82 .....	.....	1987-88	\$ 14,500
1982-83 .....	.....	1988-89	14,700
1983-84	\$ 8,926	1989-90	14,900
1984-85	13,712	1990-91	15,000
1985-86	14,551	1991-92	15,100
1986-87	14,225	1992-93	15,300

State highway transfer restricted revenues are provided by three mills of the Oil Company Franchise Tax. The present rate became effective in 1984-85, having increased one mill from the previous rate. Act 1983-32 established a local highway turnback program funded by a restricted revenue account within the Motor License Fund.

	1986-87 Actual	1987-88 Estimated	1988-89 Budget
STATE HIGHWAY TRANSFER REVENUES			
Oil Company Franchise Tax (3 mills)	\$14,225	\$14,500	\$14,700



Commonwealth of Pennsylvania

Banking Department Fund

The Banking Department Fund is a special revenue fund composed of monies received from fees, assessments, charges and penalties collected or recovered from persons, firms, corporations or associations under supervision of the Department of Banking. It provides monies for the salaries and expenses of the Department of Banking.

Banking Department Fund

Financial Statement

	1986-87 Actual	(Dollar Amounts in Thousands) 1987-88 Available	1988-89 Estimated
Beginning Balance	\$ 2,559	\$ 2,318	\$ 2,187
Receipts:			
Revenue Estimate	\$ 6,707	\$ 7,208	\$ 7,904
Prior Year Lapses	48	.....	.....
Total Receipts	<u>6,755</u>	<u>7,208</u>	<u>7,904</u>
Funds Available	\$ 9,314	\$ 9,526	\$ 10,091
Expenditures:			
Appropriated	\$ 6,996	\$ 7,339	\$ 8,046
Estimated Expenditures	<u>-6,996</u>	<u>-7,339</u>	<u>-8,046</u>
Ending Balance	<u>\$ 2,318</u>	<u>\$ 2,187</u>	<u>\$ 2,045</u>

Summary by Department

	1986-87 Actual	(Dollar Amounts in Thousands) 1987-88 Estimated	1988-89 Budget
Treasury Department			
General Government			
Replacement Checks	\$ 2	\$ 5	\$ 5
Banking Department			
General Government			
General Operations	\$ 6,693	\$ 7,035	\$ 7,747
Department of General Services			
General Government			
Harristown Rental Charges	\$ 175	\$ 171	\$ 163
Harristown Utility and Municipal Charges	126	128	131
DEPARTMENT TOTAL	<u>\$ 301</u>	<u>\$ 299</u>	<u>\$ 294</u>
FUND TOTAL	<u>\$ 6,996</u>	<u>\$ 7,339</u>	<u>\$ 8,046</u>

Banking Department Fund

REVENUE SUMMARY

(Dollar Amounts in Thousands)

Five Year Revenue Projections

	1986-87 Actual	1987-88 Estimated	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
Licenses and Fees	\$ 6,524	\$ 7,013	\$ 7,704	\$ 7,828	\$ 8,079	\$ 8,352	\$ 8,638
Miscellaneous	183	195	200	227	218	233	245
TOTAL BANKING DEPARTMENT FUND RECEIPTS	\$ 6,707	\$ 7,208	\$ 7,904	\$ 8,055	\$ 8,297	\$ 8,585	\$ 8,883

Revenue Sources

Licenses and Fees

Actual	Estimated
1981-82	1987-88
\$ 6,596	\$ 7,013
1982-83	1988-89
6,638	7,704
1983-84	1989-90
6,528	7,828
1984-85	1990-91
6,251	8,079
1985-86	1991-92
6,588	8,352
1986-87	1992-93
6,524	8,638

The Commonwealth receives revenue from examination fees based on the actual cost of examining banks and trust companies, savings and private banks, building and loan associations, pawnbrokers, consumer discount companies, and credit unions. Overhead assessments fees, based upon total assets, also are charged against banks and trust companies, savings and private banks, credit unions, and building and loan associations. Annual license fees are charged for the following categories of concerns and individuals; pawnbrokers, consumer discount companies, small loan companies, installment sellers, sales finance companies, collector-repossessors, money transmitters, and miscellaneous fees including those for branch banks and mergers. For 1988-89 and future years, fees include the potential impact of the proposed First Mortgage program.

Fines and Penalties

Actual	Estimated
1981-82	1987-88
\$ 1	
1982-83	1988-89
1983-84	1989-90
1984-85	1990-91
1985-86	1991-92
1986-87	1992-93

The Commonwealth receives fines and penalties for late payments and reports.

Miscellaneous Revenues

Actual	Estimated
1981-82	1987-88
\$ 400	\$ 195
1982-83	1988-89
333	200
1983-84	1989-90
351	227
1984-85	1990-91
406	218
1985-86	1991-92
276	233
1986-87	1992-93
183	245

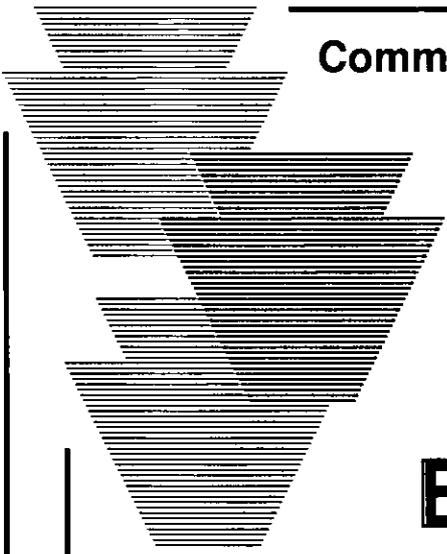
The Commonwealth receives and deposits in the Banking Department Fund revenues from the sale of copies of the banking laws and the building and loan laws, interest on deposits and sale of unserviceable property.

Banking Department Fund

Revenue Detail

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

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Estimated	1988-89 Budget
Licenses and Fees			
Banking Examinations	\$ 2,313	\$ 2,791	\$ 2,872
Banking — Overhead Assessments	1,517	1,721	1,791
Banking — Application Fees	136	78	70
Banking — Publications	1	1	1
Banking — Miscellaneous Fees	2	1	1
Banking — Interstate Application Fees	35	30	30
Foreign Bank Application Fees .....	.....	2	10
Savings Association — Examinations	556	452	469
Savings Association — Overhead Assessments	372	396	412
Savings Association — Application Fees	45	26	20
Consumer Credit — Examinations	355	340	353
Consumer Credit — Overhead Assessments	110	93	96
Miscellaneous	2	3	3
Consumer Credit — Pawnbroker Licenses	3	3	3
Consumer Credit — Installment Seller Licenses	200	194	194
Consumer Credit — Consumer Discount Company Licenses	179	163	163
Consumer Credit — Money Transmitter Licenses	4	4	4
Consumer Credit — Sales Finance Licenses	183	180	180
Consumer Credit — Collector-Repossessor Licenses	19	20	20
Consumer Credit — Second Mortgage Licenses	46	34	34
Examinations — Credit Union	177	196	204
Examinations — Money Transmitters	49	60	62
Examinations — Pawnbrokers	4	4	4
Examinations — Second Mortgage	216	221	230
Examinations — First Mortgage .....	.....	.....	326
First Mortgage Company — Licenses .....	.....	.....	152
TOTAL	<u>\$ 6,524</u>	<u>\$ 7,013</u>	<u>\$ 7,704</u>
Miscellaneous Revenues			
Interest on Securities	\$ 179	\$ 192	\$ 197
Interest on Deposits	2	2	2
Redeposit of Checks	1	1	1
Sale of Unserviceable Property	1	.....	.....
TOTAL	<u>\$ 183</u>	<u>\$ 195</u>	<u>\$ 200</u>
TOTAL REVENUES	<u>\$ 6,707</u>	<u>\$ 7,208</u>	<u>\$ 7,904</u>



Commonwealth of Pennsylvania

Boat Fund

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

Boat Fund

Financial Statement

	(Dollar Amounts in Thousands)		
	1985-86 Actual	1986-87 Available	1987-88 Estimated
Beginning Balance	\$ 4,266	\$ 4,188	\$ 3,273
Receipts:			
Revenue Estimate	\$ 4,224	\$ 3,508	\$ 3,671
Prior Year Lapses .....	.....	.....	.....
Total Receipts	4,224	3,508	3,671
Funds Available	<u>\$ 8,490</u>	<u>\$ 7,696</u>	<u>\$ 6,944</u>
Expenditures:			
Appropriated	<u>\$ 4,302</u>	<u>\$ 4,423</u>	<u>\$ 4,505</u>
Estimated Expenditures	-4,302	-4,423	-4,505
Ending Balance	<u>\$ 4,188</u>	<u>\$ 3,273</u>	<u>\$ 2,439</u>

Summary by Department

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Estimated	1988-89 Budget
Treasury Department			
General Government			
Replacement Checks .....	.....	\$ 5	\$ 5
Fish Commission			
General Government			
General Operations	\$ 3,445	\$ 3,863	\$ 3,920
Department of General Services			
Debt Service Requirements			
General State Authority Rentals	<u>\$ 2</u>	<u>\$ 2</u>	<u>\$ 2</u>
TOTAL STATE FUNDS	<u>\$ 3,447</u>	<u>\$ 3,870</u>	<u>\$ 3,927</u>
Federal Funds	\$ 836	\$ 543	\$ 568
Other Funds	19	10	10
FUND TOTAL	<u>\$ 4,302</u>	<u>\$ 4,423</u>	<u>\$ 4,505</u>

REVENUE SUMMARY

(Dollar Amounts in Thousands)

Five Year Revenue Projections

	1986-87 Actual	1987-88 Estimated	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
Licenses and Fees	\$ 1,287	\$ 1,249	\$ 1,341	\$ 1,401	\$ 1,461	\$ 1,521	\$ 1,581
Fines and Penalties	90	90	90	90	95	95	95
Miscellaneous	1,992	1,616	1,662	1,717	1,757	1,797	1,837
TOTAL BOAT FUND REVENUES ...	\$ 3,369	\$ 2,955	\$ 3,093	\$ 3,208	\$ 3,313	\$ 3,413	\$ 3,513
Augmentation	\$ 855	\$ 553	\$ 578	\$ 590	\$ 605	\$ 605	\$ 605
TOTAL BOAT FUND RECEIPTS	\$ 4,224	\$ 3,508	\$ 3,671	\$ 3,798	\$ 3,918	\$ 4,018	\$ 4,118

Revenue Sources

Licenses and Fees

Actual	Estimated
1981-82	\$ 976
1982-83	1,031
1983-84	1,071
1984-85	1,141
1985-86	1,179
1986-87	1,287
1987-88	\$ 1,249
1988-89	1,341
1989-90	1,401
1990-91	1,461
1991-92	1,521
1992-93	1,581

The Boat Fund receives revenue from fees for registering motor boats. The annual registration fee is \$4.00 for boats less than 16 feet in length and \$6.00 for boats 16 feet in length or longer.

Fines and Penalties

Actual	Estimated
1981-82	\$ 68
1982-83	83
1983-84	82
1984-85	108
1985-86	95
1986-87	90
1987-88	\$ 90
1988-89	90
1989-90	90
1990-91	95
1991-92	95
1992-93	95

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

Miscellaneous Revenues

Actual	Estimated
1981-82	\$ 2,266
1982-83	2,285
1983-84	2,159
1984-85	2,442
1985-86	1,989
1986-87	1,992
1987-88	\$ 1,616
1988-89	1,662
1989-90	1,717
1990-91	1,757
1991-92	1,797
1992-93	1,837

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

Boat Fund

Revenue Detail

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

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Estimated	1988-89 Budget
Licenses and Fees			
Motor Boat Registration Fees	\$ 1,261	\$ 1,225	\$ 1,315
Boat Mooring Permits—Walnut Creek Access	22	20	22
Boat Capacity Plate Fees	4	4	4
TOTAL	<u>\$ 1,287</u>	<u>\$ 1,249</u>	<u>\$ 1,341</u>
Fines and Penalties			
Motor Boat Fines	\$ 90	\$ 90	\$ 90
TOTAL	<u>\$ 90</u>	<u>\$ 90</u>	<u>\$ 90</u>
Miscellaneous			
Transfer From Motor License and Liquid Fuels Tax Funds	\$ 1,307	\$ 1,300	\$ 1,350
Miscellaneous	394	11	12
Interest on Securities	266	275	275
Sale of Unserviceable Property	25	30	25
TOTAL	<u>\$ 1,992</u>	<u>\$ 1,616</u>	<u>\$ 1,662</u>
TOTAL REVENUES	<u>\$ 3,369</u>	<u>\$ 2,955</u>	<u>\$ 3,093</u>
Augmentations			
Sale of Automobiles	\$ 19	\$ 10	\$ 10
Federal Reimbursement—Coastal Zone Management Act	681	344	360
Federal Reimbursement—Land and Water Conservation			
Fund			
Sport Fish Restoration	155	199	208
TOTAL	<u>\$ 855</u>	<u>\$ 553</u>	<u>\$ 578</u>
TOTAL RECEIPTS	<u>\$ 4,224</u>	<u>\$ 3,508</u>	<u>\$ 3,671</u>



Commonwealth of Pennsylvania

Energy Conservation and Assistance Fund

The Energy Conservation and Assistance 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 assistance programs, energy conservation activities and for solid waste resource recovery.

Energy Conservation and Assistance Fund

Financial Statement

	1986-87 Actual	(Dollar Amounts in Thousands) 1987-88 Available	1988-89 Estimated
Beginning Balance .....	.....	\$ 106,834	\$ 106,427
Receipts:			
Revenue Estimated	\$ 10,588	\$ 45,064	\$ 21,605
Transfer from Oil Overcharge Fund ..	136,011	4,836	.....
Prior Year Lapses .....	.....	.....	.....
Total Receipts	<u>146,599</u>	<u>49,900</u>	<u>21,605</u>
Funds Available	<u>\$ 146,599</u>	<u>\$ 156,734</u>	<u>\$ 128,032</u>
Expenditures:			
Appropriated	\$ 39,765	\$ 51,039	\$ 57,861
Current year lapse .....	.....	-732	.....
Estimated Expenditures	<u>-39,765</u>	<u>-50,307</u>	<u>-57,861</u>
Ending Balance	<u>\$ 106,834</u>	<u>\$ 106,427</u>	<u>\$ 70,171</u>

Summary by Department

	1986-87 Actual	(Dollar Amounts in Thousands) 1987-88 Estimated	1988-89 Budget
Department of Community Affairs			
General Government			
Weatherization	\$ 19,765	.....	\$ 21,459
Department of Environmental Resources			
General Government			
Solid Waste/Resource Recovery	\$ 5,000	.....	.....
Department of Public Welfare			
General Government			
Low Income Fuel Assistance	\$ 10,000	\$ 45,302	\$ 30,702
Pennsylvania Energy Office			
General Government			
Energy Conservation Programs	\$ 5,000	\$ 5,737	\$ 5,700
TOTAL STATE FUNDS	<u>\$ 39,765</u>	<u>\$ 51,039</u>	<u>\$ 57,861</u>
FUND TOTAL	<u>\$ 39,765</u>	<u>\$ 51,039</u>	<u>\$ 57,861</u>

Energy Conservation and Assistance Fund

REVENUE SUMMARY

(Dollar Amounts in Thousands)

Five Year Revenue Projections

	1986-87 Actual	1987-88 Estimated	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
Court Settlements	\$ 4,987	\$ 37,893	\$ 15,000	\$ 5,000	.....	.....	.....
Transfer from Oil Overcharge Fund	136,011	4,836	.....	.....	.....	.....	.....
Interest Earned	5,601	7,171	6,605	5,355	1,549	912	1,072
TOTAL ENERGY CONSERVATION AND ASSISTANCE FUND RECEIPTS	\$ 146,599	\$ 49,900	\$ 21,605	\$ 10,355	\$ 1,549	\$ 912	\$ 1,072

Revenue Sources

Court Settlements

Actual		Estimated	
1981-82 .....	.....	1987-88	\$ 37,893
1982-83 .....	.....	1988-89	15,000
1983-84 .....	.....	1989-90	5,000
1984-85 .....	.....	1990-91 .....	.....
1985-86 .....	.....	1991-92 .....	.....
1986-87	\$ 4,987	1992-93 .....	.....

Price controls were imposed on existing petroleum reserves during the oil embargo. Violations of this law have been recouped from the oil companies and distributed to the States in proportion to the specific product consumption.

Miscellaneous Revenues

Actual		Estimated	
1981-82 .....	.....	1987-88	\$ 7,171
1982-83 .....	.....	1988-89	6,605
1983-84 .....	.....	1989-90	5,355
1984-85 .....	.....	1990-91	1,549
1985-86*	\$ 2,853	1991-92	912
1986-87	5,601	1992-93	1,072

Miscellaneous Revenue is interest earned on the Energy Conservation Assistance Fund.

*Fund were originally deposited in General Fund. Upon transfer to special fund retroactive interest accruals were transferred.

Energy Conservation and Assistance Fund

Revenue Detail

The following is detailed list of all Energy Conservation and Assistance Fund Revenues.

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Estimated	1988-89 Budget
Court Settlements	\$ 4,987	\$ 37,893	\$ 15,000
Interest Earned	5,601	7,171	6,605
Transfer from Oil Overcharge Fund	136,011	4,836	.....
	<hr/>	<hr/>	<hr/>
TOTAL RECEIPTS	\$ 146,599	\$ 49,900	\$ 21,605



Commonwealth of Pennsylvania

Fair Fund

The Fair Fund was a special revenue fund composed of a transfer from the General Fund. Act 92 signed July 8, 1986 eliminated the Fair Fund as a Special Fund, effective July 1, 1986 and created a General Fund grant appropriation, Payments to Pennsylvania Fairs, in order to provide continued assistance to agricultural fairs.

Fair Fund

Financial Statement

	1986-87 Actual	(Dollar Amounts in Thousands) 1987-88 Available	1988-89 Estimated
Beginning Balance	\$ 143	\$ 15	.....
Receipts:			
Miscellaneous	\$ 9	\$ 5	.....
Total Receipts	<u>9</u>	<u>5</u>	<u>.....</u>
Funds Available	\$ 152	\$ 20	.....
Expenditures:			
Appropriated	\$ 137	\$ 20	.....
Estimated Expenditures	<u>-137</u>	<u>-20</u>	<u>.....</u>
Ending Balance	<u>\$ 15</u>	<u>.....</u>	<u>.....</u>

Act 92 signed July 8, 1986, eliminated the Fair Fund as a special fund, effective July 1, 1986 and created a General Fund grant appropriation, entitled to Payments to Pennsylvania Fairs, in order to provide continued assistance to agricultural fairs.

Summary by Department

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Budget
Department of Agriculture			
General Government			
General Operations	\$ 137	\$ 20	.....
FUND TOTAL	<u>\$ 137</u>	<u>\$ 20</u>	<u>.....</u>

REVENUE SUMMARY

(Dollar Amounts in Thousands)

Five Year Revenue Projections

	1986-87 Actual	1987-88 Estimated	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
Miscellaneous	\$ 9	\$ 5	.....	.....	.....	.....	.....
TOTAL FAIR FUND RECEIPTS	\$ 9	\$ 5	.....	.....	.....	.....	.....

Revenue Sources

Miscellaneous Revenue

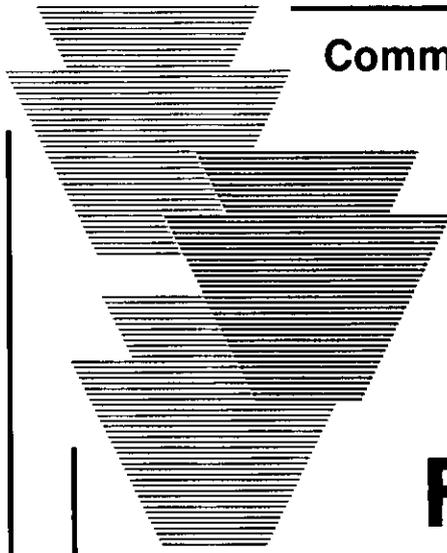
Actual	Estimated
1981-82	1987-88
\$ 2,630	\$ 5
1982-83	1988-89
2,076	.....
1983-84	1989-90
1,594	.....
1984-85	1990-91
61	.....
1985-86	1991-92
61	.....
1986-87	1992-93
9	.....

As a result of Act 93, signed December 30, 1983, the Fair Fund no longer receives monies from horse or harness racing. However, beginning in 1983-84, General Fund money was provided for transfer to the Fair Fund. Act 92 signed July 8, 1986, eliminated the Fair Fund as a special fund, effective July 1, 1986 and created a General Fund grant appropriation, Payments to Pennsylvania Fairs, in order to provide continued assistance to agricultural fairs.

Revenue Detail

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

	1986-87 Actual	1987-88 Estimated	1988-89 Budget
Miscellaneous Revenues			
Interest on Securities and Deposits	\$ 9	\$ 5	.....
TOTAL RECEIPTS	\$ 9	\$ 5	.....



Commonwealth of Pennsylvania

Farm Products Show Fund

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

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

Farm Products Show Fund

Financial Statement

	1986-87 Actual	(Dollar Amounts in Thousands) 1987-88 Available	1988-89 Estimated
Beginning Balance	\$ 754	\$ 868	\$ 871
Receipts:			
Revenue Estimate	\$ 1,891	\$ 1,860	\$ 1,914
Transfer from General Fund	1,000	1,000	1,000
Prior Year Lapses	70	.....	.....
	2,961	2,860	2,914
Funds Available	\$ 3,715	\$ 3,728	\$ 3,785
Expenditures:			
Appropriated	\$ 2,847	\$ 2,857	\$ 3,395
Estimated Expenditures	-2,847	-2,857	-3,395
	868	871	390
Ending Balance	\$ 868	\$ 871	\$ 390

Summary by Department

	1986-87 Actual	(Dollar Amounts in Thousands) 1987-88 Estimated	1988-89 Budget
Treasury Department			
General Government			
Replacement Checks .....	.....	\$ 5	\$ 5
Department of Agriculture			
General Government			
General Operations	\$ 1,847	\$ 1,852	\$ 1,890
Farm Show Roof Replacement .....	.....	.....	500
TOTAL STATE FUNDS	\$ 1,847	\$ 1,857	\$ 2,395
Augmentations	\$ 1,000	\$ 1,000	\$ 1,000
FUND TOTAL	\$ 2,847	\$ 2,857	\$ 3,395

Farm Products Show Fund

REVENUE SUMMARY

(Dollar Amounts in Thousands)

Five Year Revenue Projections

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Estimated	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
Fees	\$ 239	\$ 250	\$ 260	\$ 270	\$ 283	\$ 283	\$ 283
Miscellaneous	1,652	1,610	1,654	1,698	1,743	1,743	1,743
Total Farm Products Show Fund Revenues	\$ 1,891	\$ 1,860	\$ 1,914	\$ 1,968	\$ 2,026	\$ 2,026	\$ 2,026
Augmentations	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000
TOTAL FARM PRODUCTS SHOW FUND RECEIPTS	\$ 2,891	\$ 2,860	\$ 2,914	\$ 2,968	\$ 3,026	\$ 3,026	\$ 3,026

Revenue Sources

Fees

Actual	Estimated
1981-82	1987-88
\$ 199	\$ 250
1982-83	1988-89
198	260
1983-84	1989-90
213	270
1984-85	1990-91
208	283
1985-86	1991-92
221	283
1986-87	1992-93
239	283

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

Miscellaneous Revenue

Actual	Estimated
1981-82	1987-88
\$ 1,337	\$ 1,610
1982-83	1988-89
1,350	1,654
1983-84	1989-90
1,298	1,698
1984-85	1990-91
1,504	1,743
1985-86	1991-92
1,550	1,743
1986-87	1992-93
1,652	1,743

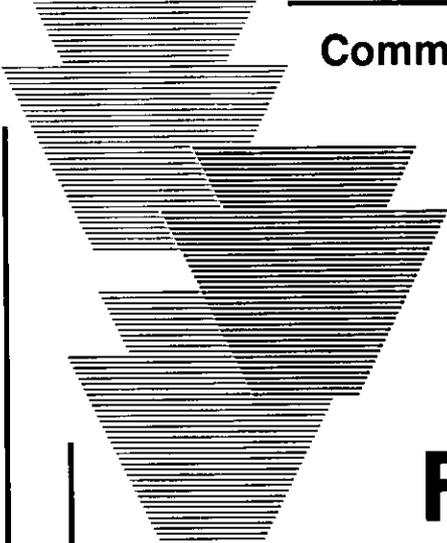
Miscellaneous revenue is raised through the leasing of the State Farm Show Buildings for exhibitions, conventions or other purposes; through the collection of service charges, net proceeds and commissions from the sale of exhibits; and through sale of unserviceable property, the collection of interest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

Farm Products Show Fund

REVENUE DETAIL

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

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Estimated	1988-89 Budget
Licenses and Fees			
Exhibit Fees — Competitive — Farm Show	\$ 15	\$ 15	\$ 15
Exhibit — Commercial	224	235	245
TOTAL	<u>\$ 239</u>	<u>\$ 250</u>	<u>\$ 260</u>
Miscellaneous Revenue			
Concession Revenue	\$ 462	\$ 439	\$ 448
Service Charges	209	211	216
Rentals	617	595	625
Sale of Exhibits — Net Proceeds	20	19	19
Miscellaneous Revenue	11	10	10
Interest on Securities, Deposits, Returned Checks	55	52	52
Parking Fees	250	255	255
Salary Reimbursement — Dairy and Livestock Association	27	28	28
Refunds of Expenditures	1	1	1
TOTAL	<u>\$ 1,652</u>	<u>\$ 1,610</u>	<u>\$ 1,654</u>
TOTAL REVENUES	<u>\$ 1,891</u>	<u>\$ 1,860</u>	<u>\$ 1,914</u>
Augmentations			
Transfer from General Fund	\$ 1,000	\$ 1,000	\$ 1,000
TOTAL	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ 1,000</u>
TOTAL RECEIPTS	<u>\$ 2,891</u>	<u>\$ 2,860</u>	<u>\$ 2,914</u>



Commonwealth of Pennsylvania

Fish Fund

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

Fish Fund

Financial Statement

	1986-87 Actual	(Dollar Amounts in Thousands) 1987-88 Available	1988-89 Estimated
Beginning Balance	\$ 8,746	\$ 9,631	\$ 9,666
Receipts:			
Miscellaneous	\$ 22,090	\$ 22,745	\$ 23,210
Prior Year Lapses	503	.....	.....
Total Receipts	<u>22,593</u>	<u>22,745</u>	<u>23,320</u>
Funds Available	<u>\$ 31,339</u>	<u>\$ 32,376</u>	<u>\$ 32,876</u>
Expenditures:			
Appropriated	\$ 21,708	\$ 22,710	\$ 23,896
Estimated Expenditures	<u>-21,708</u>	<u>-22,710</u>	<u>-23,896</u>
Ending Balance	<u>\$ 9,631</u>	<u>\$ 9,666</u>	<u>\$ 8,980</u>

Summary by Department

	1986-87 Actual	(Dollar Amounts in Thousands) 1987-88 Estimated	1988-89 Budget
Treasury Department			
General Government			
Replacement Checks .....	.....	\$ 5	\$ 5
Fish Commission			
General Government			
General Operations	\$ 14,586	\$ 15,399	\$ 16,127
Department of General Services			
Debt Service Requirements			
General State Authority Rentals	\$ 62	\$ 63	\$ 63
TOTAL STATE FUNDS	<u>\$ 14,648</u>	<u>\$ 15,467</u>	<u>\$ 16,195</u>
Federal Funds	\$ 2,445	\$ 2,777	\$ 3,153
Other Funds	4,615	4,466	4,548
FUND TOTAL	<u>\$ 21,708</u>	<u>\$ 22,710</u>	<u>\$ 23,896</u>

REVENUE SUMMARY

(Dollar Amounts in Thousands)

Five Year Revenue Projections

	1986-87 Actual	1987-88 Estimated	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
Licenses and Fees	\$ 13,149	\$ 13,436	\$ 13,544	\$ 13,652	\$ 13,759	\$ 13,759	\$ 13,759
Fines and Penalties	231	270	225	230	240	245	245
Miscellaneous	1,650	1,796	1,740	1,780	1,797	1,804	1,806
Total Fish Fund Revenues	\$ 15,030	\$ 15,502	\$ 15,509	\$ 15,662	\$ 15,796	\$ 15,808	\$ 15,810
Augmentations	\$ 7,060	\$ 7,243	\$ 7,701	\$ 7,828	\$ 7,915	\$ 7,955	\$ 7,777
TOTAL FISH FUND RECEIPTS	\$ 22,090	\$ 22,745	\$ 23,210	\$ 23,490	\$ 23,711	\$ 23,763	\$ 23,587

Revenue Sources

Actual	Licenses and Fees	Estimated	
1981-82	\$ 9,996	1987-88	\$ 13,436
1982-83	12,019	1988-89	13,544
1983-84	12,408	1989-90	13,652
1984-85	12,802	1990-91	13,759
1985-86	13,019	1991-92	13,759
1986-87	13,149	1992-93	13,759

The Commonwealth issues resident fishing licenses to persons between the ages of 16 and 64 if the applicant can prove that he has been a resident of the Commonwealth for 60 days. Through the passage of Act 180 on June 25, 1982 the resident fees were increased to \$12.00 from the \$9.00 fee passed in January of 1979. The Commonwealth also issues senior resident fishing licenses to persons 65 years of age and older for a fee of \$2.00. Beginning January 1, 1979 an individual eligible for a senior resident license has been able to purchase a lifetime license for a fee of \$10.00. Act 180 of June 25, 1982 also increased non-resident fees from \$14.00 to \$20.00 and the tourist fishing license from \$9.00 to \$15.00. Tourist licenses are valid for a period of seven consecutive days. Other sources of revenue include special eel licenses, Lake Erie commercial fishing licenses and commercial holiday licenses.

Actual	Fines and Penalties	Estimated	
1981-82	\$ 210	1987-88	\$ 270
1982-83	244	1988-89	225
1983-84	253	1989-90	230
1984-85	312	1990-91	240
1985-86	350	1991-92	245
1986-87	231	1992-93	245

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

Actual	Miscellaneous Revenue	Estimated	
1981-82	\$ 2,203	1987-88	\$ 1,796
1982-83	2,018	1988-89	1,740
1983-84	1,903	1989-90	1,780
1984-85	2,053	1990-91	1,797
1985-86	1,780	1991-92	1,804
1986-87	1,650	1992-93	1,806

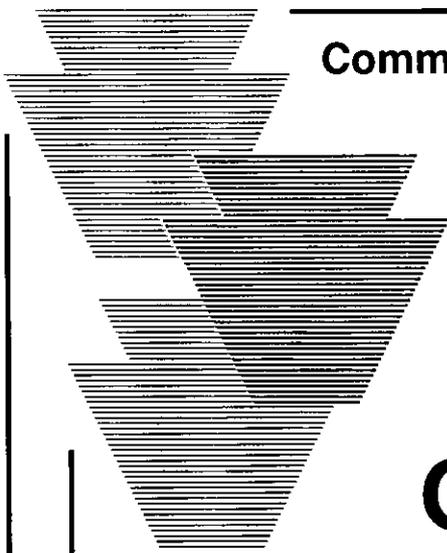
The Commonwealth receives contributions for restocking of streams principally from persons or concerns that pollute, dam, or interfere with fish propagation and survival. Monies are received from the Commission publication, *THE PENNSYLVANIA ANGLER*, from the sale of unservicable and confiscated property and from other miscellaneous sources.

Fish Fund

Revenue Detail

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

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Estimated	1988-89 Budget
Licenses and Fees			
Resident Fishing Licenses	\$ 11,502	\$ 11,700	\$ 11,760
Resident Senior Fishing Licenses	87	100	102
Nonresident Fishing Licenses	1,149	1,200	1,220
Tourist Fishing Licenses	234	240	255
Lake Erie Licenses	3	2	2
Commercial Hatchery Licenses	7	7	7
Fee—Fishing Lake Licenses	14	14	14
Miscellaneous Permits and Fees	14	19	19
Technical Service Fees—Non-Government Organizations	4	5	5
Scientific Collector's Permits	122	130	140
Lifetime Fishing Licenses — Senior Resident	9	13	13
Membership Fees — Pennsylvania League of Angling Youth	4	6	7
H.R. Stackhouse Facilities User Fees			
TOTAL	<u>\$ 13,149</u>	<u>\$ 13,436</u>	<u>\$ 13,544</u>
Fines and Penalties			
Fish Law Fines	\$ 231	\$ 270	\$ 225
TOTAL	<u>\$ 231</u>	<u>\$ 270</u>	<u>\$ 225</u>
Miscellaneous Revenue			
Sale of Publications	\$ 27	\$ 42	\$ 32
Sale of Unserviceable Property	1	2	2
Miscellaneous Revenue	120	75	80
Refund of Expenditures not Credited to Appropriations	1	.	.
Interest on Securities and Deposits	550	650	650
Rental of Fish Commission Property	21	20	23
Income from Sand and Gravel Dredging	243	250	250
In Lieu Payments for Fishways	75	75	75
Redeposit of Checks .....	.	.	.
Sale of Pennsylvania Angler	247	270	250
Sale of Patches .....	.	.	.
Deputy Waterways Patrolmen—Reimbursements	8	.	.
Van Dyke Shad Station—Reimbursements	123	175	160
Restitution For Fish Killed	222	150	160
Sale of Recreational Fishing Promotional Items	11	12	13
Royalty Payments	1	75	45
TOTAL	<u>\$ 1,650</u>	<u>\$ 1,796</u>	<u>\$ 1,740</u>
TOTAL REVENUES	<u>\$ 15,030</u>	<u>\$ 15,502</u>	<u>\$ 15,509</u>
Augmentations			
Sale of Automobiles and Other Vehicles	\$ 79	\$ 50	\$ 50
Reimbursement for Services—Boating Fund	4,300	4,416	4,498
Federal Reimbursement—Restoration	2,445	2,777	3,153
Pennsylvania Conservation Corps	236	.	.
TOTAL	<u>\$ 7,060</u>	<u>\$ 7,243</u>	<u>\$ 7,701</u>
TOTAL RECEIPTS	<u>\$ 22,090</u>	<u>\$ 22,745</u>	<u>\$ 23,210</u>



Commonwealth of Pennsylvania

Game Fund

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

Game Fund

Financial Statement

(Dollar Amounts in Thousands)

	1986-87 Actual	1987-88 Available	1988-89 Estimated
Beginning Balance	\$ 16,855	\$ 20,683	\$ 20,419
Receipts:			
Revenue Estimate	\$ 38,720	\$ 35,823	\$ 37,995
Prior Year Lapses	6,464	4,666	.....
Total Receipts	45,184	40,489	37,995
Funds Available	\$ 62,039	\$ 61,172	\$ 58,414
Expenditures:			
Appropriated	\$ 41,356	\$ 40,753	\$ 38,528
Estimated Expenditures	-41,356	-40,753	-38,528
Ending Balance	\$ 20,683	\$ 20,419	\$ 19,886

GAME FUND

Summary by Department

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Estimated	1988-89 Budget
Treasury Department			
General Government			
Replacement Checks		\$ 6	\$ 6
Game Commission			
General Government			
General Operations	\$ 36,302	\$ 36,540	\$ 33,949
TOTAL STATE FUNDS	<u>\$ 36,302</u>	<u>\$ 36,546</u>	<u>\$ 33,955</u>
Federal Funds	\$ 4,683	\$ 3,912	\$ 4,279
Other Funds	371	295	294
FUND TOTAL	<u>\$ 41,356</u>	<u>\$ 40,753</u>	<u>\$ 38,528</u>

REVENUE SUMMARY

(Dollar Amounts in Thousands)

Five Year Revenue Projections

	1986-87 Actual	1987-88 Estimated	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
Licenses and Fees	\$ 23,365	\$ 23,476	\$ 23,482	\$ 23,500	\$ 23,500	\$ 23,500	\$ 23,500
Fines and Penalties	641	1,200	2,000	1,500	1,500	1,500	1,500
Miscellaneous	9,660	6,940	7,940	7,500	7,500	7,500	7,500
TOTAL GAME FUND REVENUES ...	\$ 33,666	\$ 31,616	\$ 33,422	\$ 32,500	\$ 32,500	\$ 32,500	\$ 32,500
Augmentations	\$ 5,054	\$ 4,207	\$ 4,573	\$ 4,428	\$ 4,428	\$ 4,428	\$ 4,428
TOTAL GAME FUND RECEIPTS	\$ 38,720	\$ 35,823	\$ 37,995	\$ 36,928	\$ 36,928	\$ 36,928	\$ 36,928

Revenue Sources

Licenses and Fees

Actual	Estimated
1981-82	\$ 16,915
1982-83	16,599
1983-84	16,693
1984-85	15,923
1985-86	23,004
1986-87	23,365
1987-88	\$ 23,476
1988-89	23,482
1989-90	23,500
1990-91	23,500
1991-92	23,500
1992-93	23,500

An increase in hunting license fees issued by the Game Commission became effective September, 1985, which is the beginning of the 1985-86 license year. The annual resident hunting license for ages 17 to 64 increased \$4.00, to \$12.00; for ages 65 or older, \$5.00, to \$10.00; while the license for ages 12 to 16 remained at \$5.00. New license categories for resident furtakers were introduced with the same age and fee structure. In addition, a new resident senior lifetime hunting license of \$50.00 was approved. The archery, muzzleloader and antlerless deer licenses increased to \$5.00. License fees for non-resident hunters likewise increased; ages 17 and over, from \$60.00 to \$80.00. A non-resident license to hunt bear increased \$10.00, to \$25.00. A new non-resident license for ages 12 to 16 has been introduced with a \$40.00 fee. License categories for non-resident furtakers have also been established: ages 17 and older, \$80.00; ages 12 to 16, \$40.00. In addition, non-resident hunters may obtain a special \$3.00 3-day license for hunting on a regulated shooting ground, or a \$15.00 5-day license to hunt small game.

Fines and Penalties

Actual	Estimated
1981-82	\$ 684
1982-83	636
1983-84	551
1984-85	621
1985-86	507
1986-87	641
1987-88	\$ 1,200
1988-89	2,000
1989-90	1,500
1990-91	1,500
1991-92	1,500
1992-93	1,500

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

Revenue Sources (continued)

Miscellaneous Revenues

Actual	(Dollar Amounts in Thousands)		Estimated
1981-82	\$ 9,159	1987-88	\$ 6,940
1982-83	7,641	1988-89	7,940
1983-84	9,603	1989-90	7,500
1984-85	9,627	1990-91	7,500
1985-86	9,626	1991-92	7,500
1986-87	9,660	1992-93	7,500

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

Revenue Detail

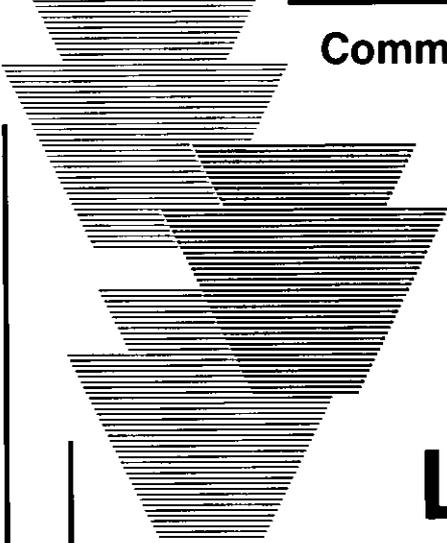
The following is a detailed list of all Game Fund Revenue available for appropriations and executive authorizations.

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Estimated	1988-89 Budget
Licenses and Fees			
Resident Hunting Licenses	\$ 10,979	\$ 11,000	\$ 11,000
Resident Junior Hunting Licenses	624	623	623
Nonresident Hunting Licenses	4,844	4,900	4,900
Special Game Permits	70	120	120
Special Antlerless Deer Licenses	2,631	2,630	2,630
Special Archery Licenses	1,222	1,210	1,210
Special Three-day Nonresidential Regulated Shooting Ground Licenses	7	7	7
Resident Senior Hunting Licenses	646	646	646
Muzzle-loading Hunting Licenses	398	400	400
Right of Way Licenses	282	284	288
Resident Bear Licenses	933	932	932
Non-resident Bear Licenses	37	37	37
Hunting License Issuing Agents' Application Fees	19	18	18
Non-Resident Junior Hunting License	98	98	100
Non-Resident 5-Day Hunting License	40	40	40
Senior Resident — Lifetime Hunting License	71	70	70
Adult Resident Furtaker License	402	400	400
Junior Resident Furtaker License	31	31	31
Senior Resident Furtaker License	25	25	25
Non-Resident Furtaker License	6	5	5
Non-Resident Junior Furtaker License .....	.....	.....	.....
TOTAL	\$ 23,365	\$ 23,476	\$ 23,482
Fines and Penalties			
Game Law Fines	\$ 641	\$ 1,200	\$ 2,000
TOTAL	\$ 641	\$ 1,200	\$ 2,000

Game Fund

Revenue Detail (continued)

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Estimated	1988-89 Budget
Miscellaneous Revenue			
Sports Promotional Publications and Materials	\$ 10	\$ 7	\$ 8
Sale of Coal	1,225	800	900
Sale of Wood Products	3,869	2,500	3,500
Interest on Deposits	57	38	38
Sale of Publications	3	..	..
Sale of Unserviceable Property	71	56	56
Rental of State Property	84	80	80
Miscellaneous Revenue	2,029	1,800	1,600
Interest on Securities	923	500	500
Gas and Oil Ground Rentals and Royalties	12	20	20
Refund of Expenditures Not Credited to Appropriations	1	1	1
Sale of Nonusable Property	24	20	20
Miscellaneous Revenue License Division	3	..	..
Redeposit of Checks	606	575	546
Sale of Game News	10	11	11
Sale of Miscellaneous Mineral Permits	37	35	38
Sale of Stone, Sand, Gravel and Limestone	43	42	42
Sale of Grain and Hay	77	85	85
Wildlife Management Promotional Revenue	389	200	300
Sale of Wood Products — PR Tracts	88	75	100
Sale of Deputy Uniforms	99	95	95
Working Together For Wildlife — NonGame Fund .....	..	..	..
Waterfowl Management Stamp Sales and Royalties .....	..	..	..
TOTAL	<u>\$ 9,660</u>	<u>\$ 6,940</u>	<u>\$ 7,940</u>
TOTAL REVENUES	<u>\$ 33,666</u>	<u>\$ 31,616</u>	<u>\$ 33,422</u>
Augmentations			
NPS Reimbursements—Land Acquisition .....	..	\$ 40	..
Sale of Automobiles	147	100	150
Federal Reimbursement—Pittman Robinson Act	4,630	3,800	4,200
Sharecrop and Agriculture License U.S.	20	20	19
Endangered Species Program	9	32	36
Pennsylvania Conservation Corps	159	25	25
Federal Reimbursement—Surface Mine Regulatory Program	44	40	43
Private Donations	45	150	100
TOTAL—AUGMENTATIONS	<u>\$ 5,054</u>	<u>\$ 4,207</u>	<u>\$ 4,573</u>
TOTAL RECEIPTS	<u>\$ 38,720</u>	<u>\$ 35,823</u>	<u>\$ 37,995</u>



Commonwealth of Pennsylvania

Lottery Fund

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

Act No. 131 of 1979 provides for the anticipation of Lottery Fund revenues and requires establishment of a reserve for each year.

Lottery Fund

Financial Statement

	1986-87 Actual	(Dollar Amounts in Thousands) 1987-88 Available	1988-89 Estimated
Beginning Balance	\$ 258,352	\$ 214,506	\$ 204,901
Reserve from Previous Year ^a	110,493	113,534	119,493
Adjusted Beginning Balance	<u>\$ 368,845</u>	<u>\$ 328,040</u>	<u>\$ 324,394</u>
Receipts:			
Revenue Estimate	\$ 793,499 ^b	\$ 852,316	\$ 899,360
Prior Year Lapses	17,090	22,587	.....
Funds Available	<u>\$ 1,179,434</u>	<u>\$ 1,202,943</u>	<u>\$ 1,223,754</u>
Expenditures:			
Appropriated	\$ 851,394	\$ 878,549	\$ 943,812
Less Current Year Lapses .....	.....	.....	.....
Estimated Expenditures	-851,394	-878,549	-943,812
Reserve for Current Year ^a	-113,534	-119,493	-125,844
Ending Balance	<u>\$ 214,506</u>	<u>\$ 204,901</u>	<u>\$ 154,098</u>

^aAct No. 131 of 1979 provides the amount in the Lottery Fund shall include the June 30 balance plus eighty percent of projected revenues after Lottery Fund administrative expenses for the subsequent fiscal year. "Reserve from Previous Year" equals twenty percent of the prior year revenues after prior year administrative expenses have been deducted.

^bExcludes \$12,895,000 cash in transit for 53rd deposit week in 1985-86 but includes \$13,725,545 cash in transit for the 52nd deposit week in 1986-87.

Lottery Fund

Summary by Department

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Estimated	1988-89 Budget
Treasury Department			
General Government			
Replacement Checks	\$ 10	\$ 20	\$ 20
Department of Aging			
General Government			
General Government Operations	\$ 2,259	\$ 2,440	\$ 2,467
Grants and Subsidies			
Aging Programs	\$ 50,198	\$ 52,077	\$ 54,160
Pharmaceutical Assistance Fund	100,000	100,000	165,000
Home Based Care for Older Pennsylvanians	32,577	42,700	45,640
Drug Education	32	50	.....
Alzheimer's Disease	62	100	100
Abuse Intervention Services for Older Pennsylvanians .....	.....	.....	2,440
Subtotal	<u>\$ 182,869</u>	<u>\$ 194,927</u>	<u>\$ 267,340</u>
TOTAL STATE FUNDS	<u>\$ 185,128</u>	<u>\$ 197,367</u>	<u>\$ 269,807</u>
Federal Funds	\$ 49,342	\$ 53,970	\$ 54,566
Augmentations	1,340	2,505	2,368
DEPARTMENT TOTAL	<u>\$ 235,810</u>	<u>\$ 253,842</u>	<u>\$ 326,741</u>
Department of General Services			
General Government			
Harristown Rental Charges	\$ 103	\$ 101	\$ 96
Harristown Utility and Municipal Charges	86	87	89
DEPARTMENT TOTAL	<u>\$ 189</u>	<u>\$ 188</u>	<u>\$ 185</u>
Department of Public Welfare			
Grants and Subsidies			
Medical Assistance—Long-Term Care Facilities	\$ 140,000	\$ 140,000	\$ 126,000 ^b
Pre-Admission Assessment	1,973	2,505	.....^b
Medicare Part B Payments	8,528	9,330	.....^b
Supplemental Grants to the Aged	17,600	.....^a	.....^a
Community Mental Retardation Services — Elderly	2,200	.....^a	.....^a
TOTAL STATE FUNDS	<u>\$ 170,301</u>	<u>\$ 151,835</u>	<u>\$ 126,000</u>
Federal Funds	\$ 1,973	\$ 2,505	\$ ^c
DEPARTMENT TOTAL	<u>\$ 172,274</u>	<u>\$ 154,340</u>	<u>\$ 126,000</u>

^aThe Supplemental Grants to the Aged and Community Mental Retardation Services — Elderly programs are shown as a General Fund appropriation for 1987-88 and 1988-89.

^bThe Pre-Admission Assessment and Medicare Part B Payments and \$14,000,000 of Medical Assistance—Long-Term Care Facilities are shown as General Funds in 1988-89.

^cIncluded in the General Fund in 1988-89.

Lottery Fund

Summary by Department (continued)

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Estimated	1988-89 Budget
Department of Revenue			
General Government			
General Operations	\$ 40,612	\$ 39,784	\$ 43,161
Personal Income Tax for Lottery Prizes	14,291	14,842	15,679
Payment of Prize Money	168,356	197,466	208,600
Refunding Lottery Monies	10	10	.....
Subtotal	<u>\$ 223,269</u>	<u>\$ 252,102</u>	<u>\$ 267,440</u>
Grants and Subsidies			
Property Tax and Rent Assistance for Older Pennsylvanians	\$ 122,086	\$ 123,681	\$ 123,170
Older Pennsylvanians' Inflation Dividend	34,690	34,653	33,126
Subtotal	<u>\$ 156,776</u>	<u>\$ 158,334</u>	<u>\$ 156,296</u>
TOTAL STATE FUNDS	<u>\$ 380,045</u>	<u>\$ 410,436</u>	<u>\$ 423,736</u>
Augmentations	<u>\$ 2,370</u>	<u>\$ 2,496</u>	<u>\$ 2,686</u>
DEPARTMENT TOTAL	<u>\$ 382,415</u>	<u>\$ 412,932</u>	<u>\$ 426,422</u>
 Department of Transportation			
General Government			
Ridership Verification	\$ 100	\$ 100	\$
Grants and Subsidies			
Older Pennsylvanians' Free Transit	\$ 71,415	\$ 69,503	\$ 73,060
Older Pennsylvanians' Shared Rides	39,402	44,300	46,075
Transfer to Motor License Fund—Vehicle Registration for Older Pennsylvanians	2,512	2,500	2,600
Demand Response Equipment Grants	2,292	2,300	2,300
Subtotal	<u>\$ 115,621</u>	<u>\$ 118,603</u>	<u>\$ 124,035</u>
DEPARTMENT TOTAL	<u>\$ 115,721</u>	<u>\$ 118,703</u>	<u>\$ 124,035</u>
 Executive Offices			
General Government			
OB — Ridership Verification	\$	\$	\$ 29
TOTAL STATE FUNDS	<u>\$ 851,394</u>	<u>\$ 878,549</u>	<u>\$ 943,812</u>
Federal Funds	\$ 51,315	\$ 56,475	\$ 54,566
Augmentations	3,710	5,001	5,054
FUND TOTAL	<u>\$ 906,419</u>	<u>\$ 940,025</u>	<u>\$ 1,003,432</u>

Lottery Fund

REVENUE SUMMARY

(Dollar Amounts in Thousands)

Five Year Revenue Projections

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Estimated	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
Collections	\$ 765,092	\$ 824,584	\$ 871,129	\$ 888,040	\$ 905,800	\$ 923,917	\$ 942,395
Miscellaneous Revenue	28,407	27,732	28,231	25,972	18,367	8,594	4,000
TOTAL LOTTERY FUND REVENUES ..	\$ 793,499	\$ 852,316	\$ 899,360	\$ 914,012	\$ 924,167	\$ 932,511	\$ 946,395

Revenue Sources

Collections

	Actual	Estimated	
1981-82	\$ 270,327	1987-88	\$ 824,584
1982-83	495,762	1988-89	871,129
1983-84	763,814	1989-90	888,040
1984-85	768,734	1990-91	905,800
1985-86	732,852	1991-92	923,917
1986-87	765,092	1992-93	942,395

Collections consist of the net proceeds from lottery ticket sales less commissions and some prizes. Currently prizes of \$2,500 or less for the three computer games and prizes of \$100 or less for instant games can be paid by the ticket agents. The State Lottery is currently operating 5 games; the "Daily Number" game introduced in March 1977, the "Big 4" game introduced in November, 1980, the "Lotto" game introduced in April 1982; and the "Super 7" introduced in August 1986; all utilize computer sales terminals located across the Commonwealth. The fifth game is the instant game which during the course of a year may consist of 4 or 5 variations of instant game tickets. Ticket prices are \$1 for "Instant Game" tickets and "Super 7" which consists of 1 play to pick 7 of 80 numbers. "Daily Number" and "Big 4" game ticket prices range from \$.50 to \$5.00. A revised "Lotto" type game will be introduced shortly.

Lottery Fund collections as reported above is a net figure and corresponds to the Lottery Fund revenue remitted to the Commonwealth and reported in the Commonwealth's accounting system. 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 collections amount.

	(Dollar Amounts in Thousands)						
	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
Ticket Sales	\$1,338,516	\$1,413,500	\$1,493,200	\$1,520,616	\$1,551,028	\$1,582,049	\$1,613,690
Commissions	89,861	92,460	97,665	99,314	101,301	103,327	105,393
Field Paid Prizes	483,563	496,456	524,406	533,262	543,927	554,805	565,902
COLLECTIONS	\$ 765,092	\$ 824,584	\$ 871,129	\$ 888,040	\$ 905,800	\$ 923,917	\$ 942,395

Lottery Fund

Revenue Sources (continued)

Miscellaneous Revenue			
Actual	(Dollar Amounts in Thousands)		Estimated
1981-82	\$ 10,147	1987-88	\$ 27,732
1982-83	8,740	1988-89	28,231
1983-84	28,704	1989-90	25,972
1984-85	45,834	1990-91	18,367
1985-86	37,917	1991-92	8,594
1986-87	28,407	1992-93	4,000

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

Revenue Detail

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

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Estimated	1988-89 Budget
Collections	\$ 765,092	\$ 824,584	\$ 871,129
Miscellaneous	28,407	27,732	28,231
TOTAL LOTTERY FUND REVENUES	<u>\$ 793,499</u>	<u>\$ 852,316</u>	<u>\$ 899,360</u>



Commonwealth of Pennsylvania

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. Also included is a transfer from the General Fund.

The purpose of this fund is to provide for the operation of the Milk Marketing Board and to serve as a depository for money due dairy farmers from underpayments by dealers.

Milk Marketing Fund

Financial Statement

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Estimated
Beginning Balance	\$ 399	\$ 274	\$ 241
Receipts:			
Revenue Estimate	\$ 643	\$ 680	\$ 680
Transfer from General Fund	950	950	950
Prior Year Lapses	16	89	.....
Total Receipts	1,609	1,719	1,630
Funds Available	\$ 2,008	\$ 1,993	\$ 1,871
Expenditures:			
Appropriated	\$ 1,734	\$ 1,752	\$ 1,736
Estimated Expenditures	-1,734	-1,752	-1,736
Ending Balance	\$ 274	\$ 241	\$ 135

Summary by Department

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Estimated	1988-89 Budget
Treasury Department			
Replacement Checks .....	.....	\$ 5	\$ 5
Refund Milk Marketing Licenses and Fees .....	.....	5	5
DEPARTMENT TOTAL .....	.....	\$ 10	\$ 10
Milk Marketing Board			
General Government	\$ 784	\$ 792	\$ 776
TOTAL STATE FUNDS	\$ 784	\$ 802	\$ 786
Augmentations	\$ 950	\$ 950	\$ 950
FUND TOTAL	\$ 1,734	\$ 1,752	\$ 1,736

Milk Marketing Fund

REVENUE SUMMARY

(Dollar Amounts in Thousands)

Five Year Revenue Projections

	1986-87 Actual	1987-88 Estimated	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
Licenses and Fees	\$ 565	\$ 600	\$ 600	\$ 600	\$ 600	\$ 600	\$ 600
Fines and Penalties	24	20	20	20	20	20	20
Miscellaneous Revenue	54	60	60	60	60	60	60
Total Milk Marketing Fund Revenues	\$ 643	\$ 680	\$ 680	\$ 680	\$ 680	\$ 680	\$ 680
Augmentations	\$ 950	\$ 950	\$ 950	\$ 950	\$ 950	\$ 950	\$ 950
TOTAL MILK MARKETING FUND RECEIPTS	\$ 1,593	\$ 1,630	\$ 1,630	\$ 1,630	\$ 1,630	\$ 1,630	\$ 1,630

Revenue Sources

Licenses and Fees

Actual	Estimated
1981-82	1987-88
\$ 606	\$ 600
1982-83	1988-89
608	600
1983-84	1989-90
573	600
1984-85	1990-91
647	600
1985-86	1991-92
600	600
1986-87	1992-93
565	600

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

Fines and Penalties

Actual	Estimated
1981-82	1987-88
\$ 29	\$ 20
1982-83	1988-89
24	20
1983-84	1989-90
9	20
1984-85	1990-91
20	20
1985-86	1991-92
20	20
1986-87	1992-93
24	20

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

Miscellaneous Revenues

Actual	Estimated
1981-82	1987-88
\$ 119	\$ 60
1982-83	1988-89
102	60
1983-84	1989-90
74	60
1984-85	1990-91
94	60
1985-86	1991-92
60	60
1986-87	1992-93
54	60

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

Milk Marketing Fund

Revenue Detail

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

		(Dollar Amounts in Thousands)	
	1986-87 Actual	1987-88 Estimated	1988-89 Budget
Licenses and Fees			
Milk Dealers Licenses	\$ 513	\$ 548	\$ 548
Milk Testers Certificate Fees	6	6	6
Milk Weighers Certificate Fees	30	31	31
Milk Testers and Weighers Examination Fees	5	5	5
Milk Haulers Licenses Fees	11	10	10
TOTAL	\$ 565	\$ 600	\$ 600
Fines and Penalties			
Milk Marketing Act Fines	\$ 24	\$ 20	\$ 20
TOTAL	\$ 24	\$ 20	\$ 20
Miscellaneous Revenue			
Interest on Securities	\$ 51	\$ 59	\$ 59
Interest on Deposits .....	.....	1	1
Miscellaneous	3	.....	.....
TOTAL	\$ 54	\$ 60	\$ 60
TOTAL REVENUES	\$ 643	\$ 680	\$ 680
Augmentations			
Transfer from General Fund	\$ 950	\$ 950	\$ 950
TOTAL	\$ 950	\$ 950	\$ 950
TOTAL RECEIPTS	\$ 1,593	\$ 1,630	\$ 1,630



Commonwealth of Pennsylvania

Racing Fund

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

Racing Fund

Financial Statement

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Estimated
Beginning Balance	\$ 1,825	\$ 1,373	\$ 2,052
Receipts:			
Revenue Estimate	\$ 6,936	\$ 7,485	\$ 7,350
Prior Year Lapses	184	129	.....
Total Receipts	<u>7,120</u>	<u>7,614</u>	<u>7,350</u>
Funds Available	<u>\$ 8,945</u>	<u>\$ 8,987</u>	<u>\$ 9,402</u>
Expenditures:			
Appropriated	<u>\$ 7,572</u>	<u>\$ 6,935</u>	<u>\$ 8,125</u>
Estimated Expenditures	<u>-7,572</u>	<u>-6,935</u>	<u>-8,125</u>
Ending Balance	<u>\$ 1,373</u>	<u>\$ 2,052</u>	<u>\$ 1,277</u>

Summary by Department

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Estimated	1988-89 Budget
Treasury Department			
General Government			
Replacement Checks .....	.....	\$ 10	\$ 10
Department of Agriculture			
General Government			
Harness Racing Commission	\$ 1,737	\$ 1,579	\$ 1,621
Horse Racing Commission	2,975	2,869	3,244
Race Horse Testing Laboratory	729	764	847
Payments to Pennsylvania Fairs — Administration	202	216	225
Subtotal	<u>\$ 5,643</u>	<u>\$ 5,428</u>	<u>\$ 5,937</u>
Grants and Subsidies			
Transfer to the General Fund	\$ 1,825	\$ 1,373	\$ 2,052
DEPARTMENT TOTAL	<u>\$ 7,468</u>	<u>\$ 6,801</u>	<u>\$ 7,989</u>
Department of Revenue			
General Government			
Collections — Racing	\$ 104	\$ 124	\$ 126
FUND TOTAL	<u>\$ 7,572</u>	<u>\$ 6,935</u>	<u>\$ 8,125</u>

Racing Fund

REVENUE SUMMARY

(Dollar Amounts in Thousands)

Five Year Revenue Projections

	1986-87 Actual	1987-88 Estimated	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
Tax Revenues	\$ 5,803	\$ 6,175	\$ 6,194	\$ 6,194	\$ 6,194	\$ 6,194	\$ 6,194
Licenses and Fees	434	514	350	350	350	350	350
Miscellaneous Revenue	699	796	806	806	806	806	806
TOTAL RACING FUND REVENUES	\$ 6,936	\$ 7,485	\$ 7,350	\$ 7,350	\$ 7,350	\$ 7,350	\$ 7,350

Revenue Sources

Tax Revenues

Actual	Estimated
1981-82	\$ 20,807
1982-83	17,416
1983-84	16,409
1984-85	7,280
1985-86	5,859
1986-87	5,803
1987-88	\$ 6,175
1988-89	6,194
1989-90	6,194
1990-91	6,194
1991-92	6,194
1992-93	6,194

Prior to December 30, 1983, the thoroughbred racing tax revenues consisted of wagering, breakage and admissions taxes assessed by the Race Horse Industry Reform Act (Act 135 of December 17, 1981). This act amended the wagering tax from 4.75 percent to a sliding rate ranging from 4.5 percent to 2 percent depending on the number of days raced per licensee. This was effective January 1, 1982. Effective September 1, 1981, the breakage tax was reduced from 50 percent to 25 percent. The admissions tax was lowered from 15 percent to 10 percent on September 1, 1981, and decreased to 5 percent on September 1, 1982.

Also prior to December 30, 1983 harness racing tax revenues consisted of wagering and admissions taxes assessed by the Race Horse Industry Reform Act (Act 135 of December 17, 1981). This act amended the wagering tax from 4.75 percent to a sliding rate ranging from 4.5 percent to 2 percent depending on the number of days raced per licensee. This was effective January 1, 1982. A State Admissions Tax was levied at the rate of 5 percent of the admission price.

The Harness Racing Fund and the Horse Racing Fund were combined into the Racing Fund by Act 93 of 1983. Act 93 amended portions of the Race Horse Industry Reform Act. For licensed racing corporations annually conducting at least 100 days of racing or for two licensed corporations conducting their racing at the same facility with a minimum of 175 combined racing days, the previous sliding wagering tax rate was changed to a flat 3.8 percent effective January 1, 1984 decreasing to 2 percent effective July 1, 1984 and 1.5 percent effective July 1, 1986 and thereafter. For licensed racing corporations not conducting the minimum number of racing days, the wagering rate was 2.5 percent from July 1, 1984 to June 30, 1986 and 2 percent thereafter. In addition, a 0.7 percent wagering tax was imposed on exotic wagering.

Licenses and Fees

Actual	Estimated
1981-82	\$ 352
1982-83	311
1983-84	308
1984-85	404
1985-86	370
1986-87	434
1987-88	\$ 514
1988-89	350
1989-90	350
1990-91	350
1991-92	350
1992-93	350

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

Racing Fund

Revenue Sources (continued)

		Fines and Penalties	
Actual		(Dollar Amounts in Thousands)	Estimated
1981-82	\$	43	1987-88
1982-83		1	1988-89
1983-84			1989-90
1984-85			1990-91
1985-86			1991-92
1986-87			1992-93

The Commonwealth receives fines and penalties from violations of the Race Horse Industry Reform Act. In accordance with that act, fines and penalties are no longer collected in this fund but are deposited directly in the General Fund.

		Miscellaneous Revenue		
Actual		(Dollar Amounts in Thousands)	Estimated	
1981-82	\$	2,902	1987-88	\$ 796
1982-83		1,842	1988-89	806
1983-84		1,744	1989-90	806
1984-85		1,473	1990-91	806
1985-86		1,135	1991-92	806
1986-87		699	1992-93	806

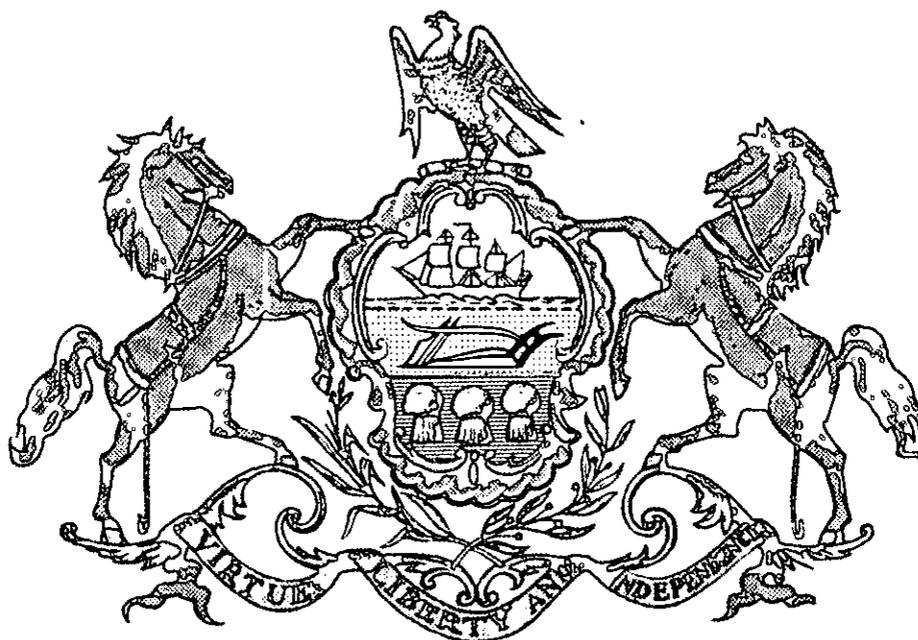
Penalties and interest on taxes due, interest on securities and uncashed tickets comprise Miscellaneous Revenue.

Revenue Detail

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

	1986-87 Actual	(Dollar Amounts in Thousands) 1987-88 Estimated	1988-89 Budget
Tax Revenue			
State Admission Tax	\$ 135	\$ 135	\$ 139
Wagering Tax	5,196	5,599	5,614
Breakage Tax	472	441	441
TOTAL	\$ 5,803	\$ 6,175	\$ 6,194
Licenses and Fees			
License Fees	\$ 434	\$ 514	\$ 350
TOTAL	\$ 434	\$ 514	\$ 350
Miscellaneous			
Uncashed Tickets	\$ 485	\$ 590	\$ 600
Interest on Securities	185	185	185
Miscellaneous	2	2	2
Redeposit of Checks	9	.	.
Interest On Deposits	3	4	4
Owner-by-Agent Security Deposit Forfeits	13	15	15
Refunds of Expenditures Not Credited to Appropriation	2	.	.
TOTAL	\$ 699	\$ 796	\$ 806
TOTAL REVENUES	\$ 6,936	\$ 7,485	\$ 7,350

Tax Expenditures



Placed on a gold background in the center of the shield is the ruddy plow which stands for generosity and devotion. This symbol appeared first on the seal of Chester County.



Commonwealth of Pennsylvania

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.

General Fund Tax Expenditures

TAX EXPENDITURE ANALYSIS

The traditional budget process involves estimating Commonwealth revenues and the appropriation of these monies for numerous programs. The process is subject to intense scrutiny by interests in and outside government. Constrained by available revenues, programs are initiated, limited or deleted based on merit. However, this annual review has previously not considered indirect subsidies that occur through preferential treatment within the tax structure. Various tax credits, deductions, exemptions and exclusions are provided which result in a significant reduction in revenue that would otherwise be received by the Commonwealth at current tax rates. These reductions are "tax expenditures."

The Commonwealth's tax structure contains many tax expenditures. Examples include items as diverse as the Sales and Use Tax exemption for firewood to the manufacturing exemption in the Capital Stock/Franchise Tax. In general, they are characterized by the fact that they confer preferential treatment to specific taxpayers or for specific activities. These reductions are the accumulation of many prior legislative sessions, and the original intent of certain expenditures may no longer be valid or consistent with current policies. A comprehensive tax expenditure analysis permits an on-going evaluation of each tax expenditure.

Therefore, the 1988-89 Governor's Executive Budget document includes the first step toward a comprehensive tax expenditure analysis. The intended purposes are to:

- (1) Identify indirect sources of budgetary support for various activities.
- (2) Present estimated costs associated with each tax expenditure.
- (3) Allow for administration, legislative and public scrutiny and facilitate discussion on each tax expenditure's merits.

A four year phase-in schedule for full development of the tax expenditure analysis is anticipated. This analysis will be expanded annually to include additional tax areas according to the following schedule:

Executive Budget	Taxes First Included in Analysis
1988-89	Sales and Use Tax Bank Shares Tax Title Insurance and Trust Companies Shares Tax Insurance Premiums Tax Mutual Thrift Institutions Tax Unemployment Compensation Insurance Tax Marine Insurance Underwriting Profits Tax
1989-90	Corporate Net Income Tax Capital Stock/Franchise Tax Utility Gross Receipts Tax Utility Realty Tax Co-operative Agricultural Association Corporate Net Income Tax Electric Co-operative Corporation Tax
1990-91	Personal Income Tax Liquid Fuels and Fuel Use Taxes Oil Company Franchise Tax Gross Receipts Tax on Motor Carriers Vehicle Registration Fees

General Fund Tax Expenditures

Tax Expenditure Analysis (continued)

Executive Budget

1991-92

Taxes First Included in Analysis

Realty Transfer Tax
Inheritance Tax
Cigarette Tax
Malt Beverage Tax
Spiritous and Vinous Liquors Tax
Property Taxes
Other Taxes

House Bill 978, currently before the General Assembly for consideration, defines tax expenditure 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, preferential rate or preferential 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

- (1) Reduces State tax revenues
- (2) Confers preferential 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

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 base is defined as the retail sale of tangible personal property.

Financial institutions and insurance companies are exempted from Corporate Net Income Tax (CNIT) and Capital Stock/Franchise Tax (CS/FT). However, these corporations are subject to alternative taxes—the Insurance Premiums Tax, Bank Shares Tax or Mutual Thrift Institutions Tax. The exemption of these corporations from the CNIT and CS/FT are **not** in themselves tax expenditures. 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 subsidy.

The pro rata exclusion of U.S. securities from Bank 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.

¹The Expenditure Budgets of California, Minnesota and Michigan have provided considerable guidance in developing the criteria established to evaluate Pennsylvania tax expenditures.

General Fund Tax Expenditures

Tax Expenditure Analysis (continued)

The Economic Revitalization Tax Credit was funded by a \$25 million appropriation continuing through 1988. Because the amount devoted to the credit was appropriated, it is **not** a tax expenditure even though it limits Commonwealth revenues by conferring preferential tax treatment.

There are three primary limitations on the tax expenditure estimates. First, estimated revenue foregone due to a tax expenditure should not be construed as the revenue which could be gained if the tax expenditure provision was rescinded. No attempt has been made to account for changes in taxpayer behavior which may occur because of tax law changes. For example, if the Sales and Use Tax exemptions were rescinded for equipment and utilities directly used in manufacturing, it is possible that capital investment in manufacturing would be reduced and that these Sales and Use Tax receipts would be less than the tax expenditure estimate.

A second limitation is that individual estimates are **not** additive. Each tax expenditure was estimated without 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 thousands of dollars. The word "nominal" is used when the estimated impact is less than \$100,000 and estimates which are not available are represented by "NA."

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 department regulations.

General Fund Tax Expenditures

CORPORATION TAXES

INSURANCE PREMIUMS TAX

MUTUAL BENEFICIAL ASSOCIATIONS

Authorization: Article IX, Section 1001(1) of the Act of March 4, 1971 (P.L. 6, No.2)

Description: Purely mutual beneficial associations, whose funds for the benefits of members and families or heirs are made up entirely of the contributions from their members and the accumulated interest thereon, are exempt from the Insurance Premiums Tax.

Purpose: Mutual beneficial associations are charitable and benevolent organizations which provide life, accident and health benefits for their members. The exemption also benefits subscribers to the extent that it is reflected in reduced premiums.

(Dollar Amounts in Thousands)

<i>Estimates:</i>	1987-88	1988-89	1989-90	1990-91	1991-92
	\$ 3,510	\$ 4,100	\$ 4,780	\$ 5,570	\$ 6,500

NONPROFIT HOSPITAL AND MEDICAL CARE SERVICE ORGANIZATIONS

Authorization: Article IX, Section 1001(1), of the Act of March 4, 1971 (P.L. 6, No.2)

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 Blue Cross of Greater Philadelphia; Blue Cross of Western Pa.; Capital Blue Cross; Hospital Service Plan of Northeastern Pa.; Inter-County Hospital Plan, Inc., Crown Dental Plan, Inc., Good Vision Plan, Inc., Inter-County Health Plan, Inc., Medical Service Association of Pa. (Blue Shield), Pa. Dental Service Corp., and Vision Service Plan of Pa. For purposes of this tax expenditure analysis, health maintenance organizations are not included because they are not considered to be insurance companies so as to be subject to the Insurance Premiums Tax, but rather are held to be corporations and as such are subject to corporate taxation.

Purpose: These corporations are deemed to be charitable and benevolent institutions which 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 Thousands)

<i>Estimates:</i>	1987-88	1988-89	1989-90	1990-91	1991-92
	\$ 98,110	\$ 107,920	\$ 118,720	\$ 130,600	\$ 143,650

LIFE AND HEALTH INSURANCE GUARANTY ASSOCIATION CREDIT

Authorization: Act of November 26, 1978 (P.L. 1188, No. 280)

Description: A tax credit is available to companies that are members of the Life and Health Insurance Guaranty Association. These companies may offset a proportionate part of assessments made by the association against the Insurance Premiums Tax.

Purpose: This nonprofit 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. Members are assessed to provide funds to carry out the purpose of the association and may consider their assessment obligation in determining their premium rates. This tax credit provides relief to subscribers to the extent that it offsets increases in premium rates that are due to assessment obligations.

Estimates: The amount of credits applied under this Act has averaged less than thirty thousand dollars per year for the period 1983-84 through 1986-87. Barring any unforeseen circumstances or catastrophic events which may lead to the impairment or insolvency of member insurers, assessments against members and the resultant credits to be applied will continue to be nominal through 1991-92.

General Fund Tax Expenditures

MARINE INSURANCE UNDERWRITING PROFITS TAX

Authorization: Act of May 13, 1927 (P.L. 998, No. 486)

Description: Companies transacting marine insurance business within the Commonwealth are subject to a tax of 5 percent on the portion of underwriting profits attributable to Pennsylvania in lieu of the 2 percent Insurance Premiums Tax on premiums written for risks located in the State. Premiums written in this particular line of insurance are typically attributed to states based upon the location of the agent who wrote the policy. The tax expenditure is the difference between what is paid on underwriting profits and what would be paid under the Insurance Premium Tax.

Purpose: Ocean marine insurance is taxed on underwriting profits, as opposed to gross premiums, because this line of insurance covers seagoing vessels and their cargo with respect to the risks of transit thereby making it difficult to allocate risks among states.

(Dollar Amounts in Thousands)

<i>Estimates:</i>	1987-88	1988-89	1989-90	1990-91	1991-92
	\$ 650	\$ 690	\$ 740	\$ 790	\$ 850

BANK SHARES TAX

PERSONAL PROPERTY TAX EXEMPTION

Authorization: Article VII, Section 701, of the Act of March 4, 1971 (P.L. 6, No. 2)

Description: Banks that collect the Bank Shares Tax from their shareholders are exempt from the Personal Property Tax imposed by local authorities on the assessed value of certain intangible property which they own in their own right.

Purpose: The Personal Property Tax is not intended to serve the purpose of a business tax. A bank's assets are mostly comprised of intangible property. This property is taxed under the Bank Shares Tax and local taxation of this property would place a disproportionate burden of taxes on banks.

(Dollar Amounts in Thousands)

<i>Estimates:</i>	1987-88	1988-89	1989-90	1990-91	1991-92
	\$ 473,880	\$ 521,270	\$ 573,400	\$ 630,740	\$ 693,810

TITLE INSURANCE AND TRUST COMPANY SHARES TAX

PERSONAL PROPERTY TAX EXEMPTION

Authorization: Article VIII, Section 801, of the Act of March 4, 1971 (P. L. 6, No. 2)

Description: Title insurance and trust companies that collect the shares tax from their stockholders are exempt from the Personal Property Tax imposed by local authorities on the assessed value of certain intangible property which they own in their own right.

Purpose: The Personal Property Tax is not intended to serve the purpose of a business tax. A vast majority of the assets held by title insurance and trust companies is comprised of intangible property. This property is taxed under the shares tax and local taxation of this property would place a disproportionate burden of taxes on title insurance and trust companies.

(Dollar Amounts in Thousands)

<i>Estimates:</i>	1987-88	1988-89	1989-90	1990-91	1991-92
	Nominal	Nominal	Nominal	Nominal	Nominal

General Fund Tax Expenditures

MUTUAL THRIFT INSTITUTIONS TAX

PERSONAL PROPERTY TAX EXEMPTION

Authorization: Act of December 23, 1983 (P.L. 360, No. 89)

Description: Mutual thrift institutions are exempt from all local taxation in Pennsylvania (except taxes on real estate or real estate transfer), including the Personal Property Tax on the assessed value of certain intangible property owned or held by Pennsylvania residents.

Purpose: The Personal Property Tax is not intended to serve the purpose of a business tax. A vast majority of a thrift institution's assets is comprised of intangible property and the Mutual Thrift Institutions Tax is imposed on the income earned from this property. To subject the thrift institutions to the Personal Property Tax would place a disproportionate burden of taxes on them.

(Dollar Amounts in Thousands)

<i>Estimates:</i>	1987-88	1988-89	1989-90	1990-91	1991-92
	\$ 165,050	\$ 174,620	\$ 184,750	\$ 195,460	\$ 206,800

CREDIT UNIONS

Authorization: Act of September 20, 1961 (P.L. 1548, No. 658)

Description: Credit unions are exempt from taxation. The tax expenditure is determined by applying the current Mutual Thrift Institutions Tax rate of 11.5 percent 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 Thousands)

<i>Estimates:</i>	1987-88	1988-89	1989-90	1990-91	1991-92
	\$ 4,040	\$ 4,220	\$ 4,470	\$ 4,730	\$ 5,000

CREDIT PROGRAMS

NEIGHBORHOOD ASSISTANCE PROGRAMS

Authorization: Act of November 29, 1967 (P.L. 636, No. 292)

Description: A tax credit is available to banks, thrift institutions, title insurance and trust companies, and insurance companies (other than foreign fire/casualty insurance companies), as well as corporations doing business in Pennsylvania and subject to the Corporate Net Income Tax and Capital Stock/Franchise Tax that engage in certain assistance programs in impoverished areas or contribute to neighborhood organizations which provide such activities. The credit is allowed for neighborhood assistance, job training or education for individuals, community services, or crime prevention in an impoverished area. The program must be approved by the Secretary of Community Affairs. The amount of the credit available to a taxpayer is 50 percent of the contribution to approved programs during the taxable year, but it may not exceed \$250,000. An expanded credit of 70 percent may be available for investments in certain priority programs defined by the Secretary of Community Affairs. The total amount of credits taken by all taxpayers can not exceed \$12,750,000 in any one fiscal year, \$4,000,000 of which is exclusively reserved for private companies (as defined in Section 3 of the Pennsylvania Industrial Development Authority Act and Section 3 of the Industrial and Commercial Development Act) which make qualified investments to improve buildings or land located within designated enterprise zones.

General Fund Tax Expenditures

Neighborhood Assistance Programs (continued)

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

(Dollar Amounts in Thousands)

<i>Estimates:</i>	Bank Shares Tax				
	<u>1987-88</u>	<u>1988-89</u>	<u>1989-90</u>	<u>1990-91</u>	<u>1991-92</u>
	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500
	Title Insurance and Trust Company Shares Tax				
	<u>1987-88</u>	<u>1988-89</u>	<u>1989-90</u>	<u>1990-91</u>	<u>1991-92</u>
	NOMINAL	NOMINAL	NOMINAL	NOMINAL	NOMINAL
	Mutual Thrift Institutions Tax				
	<u>1987-88</u>	<u>1988-89</u>	<u>1989-90</u>	<u>1990-91</u>	<u>1991-92</u>
	NOMINAL	NOMINAL	NOMINAL	NOMINAL	NOMINAL
	Insurance Premiums Tax				
	<u>1987-88</u>	<u>1988-89</u>	<u>1989-90</u>	<u>1990-91</u>	<u>1991-92</u>
	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500
	Corporate Net Income Tax				
	<u>1987-88</u>	<u>1988-89</u>	<u>1989-90</u>	<u>1990-91</u>	<u>1991-92</u>
	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500
	Capital Stock/Franchise Tax				
	<u>1987-88</u>	<u>1988-89</u>	<u>1989-90</u>	<u>1990-91</u>	<u>1991-92</u>
	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500

EMPLOYMENT INCENTIVE PAYMENTS

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

Description: Any bank, thrift institution, title insurance and trust company, or insurance company, as well as any corporation or person subject to the Corporate Net Income Tax or the Personal Income Tax, employing persons formerly receiving welfare benefits may claim an employment incentive payment as credit against any tax liability in selected taxes. The credit is for a portion of wages paid to a qualifying employee in the first three years of employment. Employment incentive payments will not be available for employees hired after June 30, 1989.

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

Estimates: Since the program was enacted, only a limited number of financial institutions and insurance companies have participated. The most active year for the program was 1986-87 with two banks and three insurance companies combining for a total of \$105,000 in credits. Future application of credits against special corporate taxes is expected to be nominal until the program expires in 1989.

Employment incentive credits have been applied by several hundred taxpayers against the Corporate Net Income Tax. The average amount of credits applied per year for the period 1984-85 through 1986-87 is \$950,000 with the last year accounting for \$1.3 million in applied credits. Future application of credits against the Corporate Net Income Tax is approximated to be \$1 million per annum until the program expires.

General Fund Tax Expenditures

HOMEOWNERS' EMERGENCY MORTGAGE ASSISTANCE FUND

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

Description: A tax credit is available to a bank, thrift institution, title insurance and trust company, and insurance company (other than a foreign fire/casualty insurance company), as well as any corporation doing business in Pennsylvania and subject to the Corporate Net Income Tax, for amounts contributed to the Homeowner's Emergency Mortgage Assistance Fund. Provisions for this credit expire December 23, 1989.

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

Estimates: The credits used under this Act amount to a total of \$79,800 which was applied by four banks and one corporation in 1984-85. No future application of this credit is expected before the program's scheduled expiration date in 1989.

General Fund Tax Expenditures

SALES AND USE TAX

Authorization: The Sales and Use Tax was first enacted by the Act of March 6, 1956, (P.L. 1228) effective March 7, 1956. That act was repealed by the Act of March 4, 1971, (P.L. 6, No. 2) which enacted a new Sales and Use Tax Law cited as Article II, Tax for Education, of the Tax Reform Code of 1971.

GENERAL / PERSONAL EXPENDITURES

FOOD

Description: Food and beverages purchased for human consumption are exempt from taxation. The exemption does not apply to soft drinks, alcoholic beverages or food purchased from a location identified as an eating place.

Purpose: Food is considered to be a basic necessity of life. Additionally, this provision reduces the regressive nature of the tax and eases the tax burden on families who use a disproportionate share of income on these products.

(Dollar Amounts in Thousands)

<i>Estimates:</i>	<u>1987-88</u>	<u>1988-89</u>	<u>1989-90</u>	<u>1990-91</u>	<u>1991-92</u>
	\$ 1,028,640	\$ 1,076,980	\$ 1,127,600	\$ 1,180,600	\$ 1,236,090

CANDY, GUM AND CONFECTIONARY PRODUCTS

Description: The purchase of candy, gum and similar confections is exempt from taxation. Confections are characterized by their sweet taste. For example, candy-coated peanuts are a confectionary item while salted peanuts are not.

Purpose: This provision may have been perceived as helping Pennsylvania candy manufacturers maintain a dominant position in the industry.

(Dollar Amounts in Thousands)

<i>Estimates:</i>	<u>1987-88</u>	<u>1988-89</u>	<u>1989-90</u>	<u>1990-91</u>	<u>1991-92</u>
	\$ 37,910	\$ 39,920	\$ 42,040	\$ 44,270	\$ 46,610

HOUSEHOLD PAPER AND CLEANING SUPPLIES

Description: Household supplies purchased at retail establishments for residential consumption are exempt from taxation. These supplies include soaps, detergents, cleaning and polishing preparations, paper goods, wrapping supplies and paper products used for feminine hygiene.

Purpose: Household paper and cleaning supplies are considered essential for maintaining a basic standard of life. This provision reduces the regressive nature of the tax and eases the tax burden on families who use a disproportionate share of income purchasing these products.

(Dollar Amounts in Thousands)

<i>Estimates:</i>	<u>1987-88</u>	<u>1988-89</u>	<u>1989-90</u>	<u>1990-91</u>	<u>1991-92</u>
	\$ 89,030	\$ 93,020	\$ 97,180	\$ 101,530	\$ 106,090

General Fund Tax Expenditures

NEWSPAPERS AND PERIODICALS

Description: The purchase or use of periodicals and publications containing information of general interest published at regular intervals, not exceeding three months, and circulated among the general public is exempt from taxation. Printed advertising included in these publications is also exempt.

Purpose: The intent of this tax exemption is to encourage the citizenry to be well informed. Additionally, the purchase of these items may be perceived as an information service in that the tangible nature of the document is incidental to the information being provided.

(Dollar Amounts in Thousands)

<i>Estimates:</i>	<u>1987-88</u>	<u>1988-89</u>	<u>1989-90</u>	<u>1990-91</u>	<u>1991-92</u>
	\$ 136,680	\$ 145,670	\$ 155,260	\$ 165,480	\$ 176,360

CLOTHING AND FOOTWEAR

Description: The purchase at retail or use of wearing apparel, footwear and other articles of clothing worn on the human body is exempt from taxation. Accessories, ornamental wear, formal day or evening apparel, furs and sporting goods are taxable.

Purpose: Clothing and footwear are considered essential for maintaining a basic standard of life. This provision reduces the regressive nature of the tax and eases the tax burden on families who use a disproportionate share of income on these products.

(Dollar Amounts in Thousands)

<i>Estimates:</i>	<u>1987-88</u>	<u>1988-89</u>	<u>1989-90</u>	<u>1990-91</u>	<u>1991-92</u>
	\$ 519,720	\$ 554,470	\$ 585,690	\$ 619,470	\$ 661,340

AMUSEMENT DEVICES

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

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

(Dollar Amounts in Thousands)

<i>Estimates:</i>	<u>1987-88</u>	<u>1988-89</u>	<u>1989-90</u>	<u>1990-91</u>	<u>1991-92</u>
	\$ 22,060	\$ 23,170	\$ 24,320	\$ 25,540	\$ 26,820

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, iron lung or kidney machine.

Purpose: Prescription drugs and orthopedic equipment are considered essential for maintaining life. This provision reduces the regressive nature of the tax and eases the tax burden on families who must spend a disproportionate share of income on these products.

(Dollar Amounts in Thousands)

<i>Estimates:</i>	<u>1987-88</u>	<u>1988-89</u>	<u>1989-90</u>	<u>1990-91</u>	<u>1991-92</u>
	\$ 118,600	\$ 126,620	\$ 135,200	\$ 144,390	\$ 154,220

General Fund Tax Expenditures

NON-PRESCRIPTION DRUGS

Description: The purchase at retail or use of non-prescription drugs such as antiseptics, aspirin, milk of magnesia, castor oil, cold capsules, eye washes and vitamins is exempt from taxation.

Purpose: Nonprescription drugs are considered essential for maintaining a basic standard of life. This provision reduces the regressive nature of the tax and eases the tax burden on families who use a disproportionate share of income on these products.

(Dollar Amounts in Thousands)

<i>Estimates:</i>	<u>1987-88</u>	<u>1988-89</u>	<u>1989-90</u>	<u>1990-91</u>	<u>1991-92</u>
	\$ 62,260	\$ 66,060	\$ 70,080	\$ 74,360	\$ 78,900

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 tax that would be collected at the retail level and 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 for the Department of Revenue.

(Dollar Amounts in Thousands)

<i>Estimates:</i>	<u>1987-88</u>	<u>1988-89</u>	<u>1989-90</u>	<u>1990-91</u>	<u>1991-92</u>
	\$ 71,770	\$ 75,870	\$ 80,260	\$ 84,380	\$ 88,270

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 do not reflect a true exchange of property, but rather security in the event a container is not returned.

(Dollar Amounts in Thousands)

<i>Estimates:</i>	<u>1987-88</u>	<u>1988-89</u>	<u>1989-90</u>	<u>1990-91</u>	<u>1991-92</u>
	\$ 9,580	\$ 9,650	\$ 9,740	\$ 9,840	\$ 9,950

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 is included in the price charged by the retailer.

(Dollar Amounts in Thousands)

<i>Estimates:</i>	<u>1987-88</u>	<u>1988-89</u>	<u>1989-90</u>	<u>1990-91</u>	<u>1991-92</u>
	NA	NA	NA	NA	NA

General Fund Tax Expenditures

BIBLES, RELIGIOUS PUBLICATIONS, ARTICLES

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

Purpose: Religious materials are perceived to provide a beneficial influence on the Commonwealth's citizenry. Therefore, the social structure is improved by their dissemination.

(Dollar Amounts in Thousands)

Estimates: The estimate below relates only to the sale of bibles.

	1987-88	1988-89	1989-90	1990-91	1991-92
	\$ 980	\$ 1,030	\$ 1,080	\$ 1,130	\$ 1,180

CASKETS AND BURIAL VAULTS

Description: The purchase or use of caskets, burial vaults, markers and tombstones to be used for human remains and graves is exempt from taxation.

Purpose: These items are considered to be the final basic necessity of life. Additionally, this exemption reduces the regressive nature of the tax and eases the burden on low income families.

(Dollar Amounts in Thousands)

	1987-88	1988-89	1989-90	1990-91	1991-92
	NA	NA	NA	NA	NA

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 Thousands)

	1987-88	1988-89	1989-90	1990-91	1991-92
	NA	NA	NA	NA	NA

TEXTBOOKS

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

Purpose: The education of the Commonwealth's citizenry is a major policy objective of state government. This exemption helps to reduce the overall cost of obtaining an education.

(Dollar Amounts in Thousands)

	1987-88	1988-89	1989-90	1990-91	1991-92
	\$ 13,900	\$ 15,200	\$ 16,700	\$ 18,200	\$ 20,000

General Fund Tax Expenditures

CATALOGS AND DIRECT MAIL ADVERTISING

Description: The purchase of a mail order catalog or direct mail advertising literature or material is exempt from taxation.

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

(Dollar Amounts in Thousands)

<i>Estimates:</i>	<u>1987-88</u>	<u>1988-89</u>	<u>1989-90</u>	<u>1990-91</u>	<u>1991-92</u>
	NA	NA	NA	NA	NA

FOOD STAMP PURCHASES

Description: The purchase at retail or use of tangible personal property in accordance with the Federal Food Stamp Act of 1977 is exempt from taxation. Primarily, exempt items are soft drinks, certain drink mixes, vegetable and fruit seeds and plants and certain prepared cold foods.

Purpose: This provision was mandated by Federal law for continued State participation in the federally funded food stamp program. The effective date was October 1, 1987.

(Dollar Amounts in Thousands)

<i>Estimates:</i>	<u>1987-88</u>	<u>1988-89</u>	<u>1989-90</u>	<u>1990-91</u>	<u>1991-92</u>
	\$ 970	\$ 1,340	\$ 1,390	\$ 1,450	\$ 1,510

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: Separately stated gratuities or tips are not included in the cost of the meal or accommodation acquired by the purchaser but are considered costs of accompanying non-taxable services.

(Dollar Amounts in Thousands)

<i>Estimates:</i>	<u>1987-88</u>	<u>1988-89</u>	<u>1989-90</u>	<u>1990-91</u>	<u>1991-92</u>
	\$ 13,440	\$ 14,400	\$ 15,430	\$ 16,530	\$ 17,710

FUELS AND UTILITIES

RESIDENTIAL FUEL

Description: As defined by law, "tangible personal property" specifies taxable items. Omitted from this definition are steam, natural, manufactured and bottled gas and fuel oil when purchased directly by the user solely for his own residential use.

Purpose: Residential fuel is considered essential for maintaining a basic standard of life. Additionally, this provision reduces the regressive nature of the tax on low and moderate income families.

(Dollar Amounts in Thousands)

<i>Estimates:</i>	<u>1987-88</u>	<u>1988-89</u>	<u>1989-90</u>	<u>1990-91</u>	<u>1991-92</u>
	\$ 136,960	\$ 138,170	\$ 146,920	\$ 167,570	\$ 195,240

General Fund Tax Expenditures

COAL

Description: The purchase or use of coal is exempt from taxation.

Purpose: This exemption provides special tax treatment of coal versus alternative energy forms. Other major energy sources are exempt only when used directly by the purchaser for his own residential use. Encouragement of coal consumption may have been perceived as providing or preserving employment when mining was a major employer within the Commonwealth.

(Dollar Amounts in Thousands)

<i>Estimates:</i>	<u>1987-88</u>	<u>1988-89</u>	<u>1989-90</u>	<u>1990-91</u>	<u>1991-92</u>
	\$ 99,840	\$ 92,750	\$ 86,170	\$ 80,050	\$ 74,370

FIREWOOD

Description: The purchase or use of firewood cut into lengths for burning and used as fuel for cooking, heating water or residential dwellings is exempt from taxation.

Purpose: Alternative energy sources such as heating oil, natural gas, coal and electricity are exempt when used for residential purposes. The extension of this exemption to firewood provided consistency among all major energy sources.

(Dollar Amounts in Thousands)

<i>Estimates:</i>	<u>1987-88</u>	<u>1988-89</u>	<u>1989-90</u>	<u>1990-91</u>	<u>1991-92</u>
	\$ 600	\$ 650	\$ 690	\$ 740	\$ 810

RESIDENTIAL UTILITIES

Description: As defined by law, "tangible personal property" specifies taxable items. Omitted from this definition are electricity and intrastate telephone or telegraph service when purchased directly by the user solely for his own residential use.

Purpose: Residential utilities are considered essential for maintaining a basic standard of life. Additionally, this provision reduces the regressive nature of the tax and reduces the tax burden on families who use a disproportionate share of income on these services.

(Dollar Amounts in Thousands)

<i>Estimates:</i>	Electric:				
	<u>1987-88</u>	<u>1988-89</u>	<u>1989-90</u>	<u>1990-91</u>	<u>1991-92</u>
	\$ 198,100	\$ 217,610	\$ 242,100	\$ 270,420	\$ 299,620
	Telephone:				
	<u>1987-88</u>	<u>1988-89</u>	<u>1989-90</u>	<u>1990-91</u>	<u>1991-92</u>
	\$ 86,110	\$ 96,230	\$ 102,910	\$ 106,670	\$ 112,170

WATER

Description: The purchase at retail or use of water in liquid or solid form is exempt from taxation.

Purpose: Water is a basic necessity of life. Additionally, this provision reduces the regressive nature of the tax and reduces the tax burden on families who use a disproportionate share of income on this product.

(Dollar Amounts in Thousands)

<i>Estimates:</i>	<u>1987-88</u>	<u>1988-89</u>	<u>1989-90</u>	<u>1990-91</u>	<u>1991-92</u>
	\$ 44,680	\$ 48,040	\$ 51,700	\$ 55,670	\$ 60,010

General Fund Tax Expenditures

GASOLINE AND MOTOR FUELS

Description: The purchase or use of gasoline and other motor fuels, taxed under the Liquid Fuels Tax Act or the Fuel Use 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 Thousands)

<i>Estimates:</i>	<u>1987-88</u>	<u>1988-89</u>	<u>1989-90</u>	<u>1990-91</u>	<u>1991-92</u>
	\$ 312,330	\$ 329,510	\$ 345,660	\$ 362,770	\$ 381,630

MOTOR VEHICLES / VESSELS

COMMON CARRIERS

Description: Vehicles purchased by a public utility, engaged in business as a common carrier, to be used in rendering utility services are exempt from taxation.

Purpose: Without this exemption, the tax would be built into the rate base of public utility services and, ultimately, passed on to consumers. Therefore, this exemption reduces the overall cost of utility services which are considered to be basic necessities.

(Dollar Amounts in Thousands)

<i>Estimates:</i>	<u>1987-88</u>	<u>1988-89</u>	<u>1989-90</u>	<u>1990-91</u>	<u>1991-92</u>
	\$ 10,200	\$ 10,710	\$ 11,250	\$ 11,810	\$ 12,400

ALTERNATE IMPOSITION OF TAX (Motor Vehicle Dealers)

Description: This provision provides motor vehicle dealers an alternative method of calculating "use" tax on vehicles purchased under the resale exemption and put to taxable use before final sale. A dealer may pay use tax, at 6%, on the fair rental value which is calculated as 3% of the purchase price in lieu of the 6% tax on the full purchase price.

Purpose: The alternative method of tax calculation may have been permitted because of the generally short time dealer owned vehicles are used for demonstration and other purposes.

(Dollar Amounts in Thousands)

<i>Estimates:</i>	<u>1987-88</u>	<u>1988-89</u>	<u>1989-90</u>	<u>1990-91</u>	<u>1991-92</u>
	\$ 35,160	\$ 37,870	\$ 40,780	\$ 43,920	\$ 47,310

ALTERNATE IMPOSITION OF TAX (Commercial Aircraft Operators)

Description: This provision provides commercial aircraft operators an alternative method of calculating "use" tax on aircraft purchased under the resale exemption and put to a taxable use before final sale. An operator may pay a use tax, at 6%, on the fair rental value which is calculated as 2% of the purchase price in lieu of the 6% tax on the full purchase price.

Purpose: The alternative method of tax calculation may have been permitted because of the generally short time these aircraft are used for demonstration, training or other purposes.

(Dollar Amounts in Thousands)

<i>Estimates:</i>	<u>1987-88</u>	<u>1988-89</u>	<u>1989-90</u>	<u>1990-91</u>	<u>1991-92</u>
	NA	NA	NA	NA	NA

General Fund Tax Expenditures

COMMERCIAL VESSELS (Construction)

Description: The purchase or use of commercial vessels of fifty tons or larger is exempt from taxation if delivery is taken in Pennsylvania.

Purpose: Imposition of the tax at the point of sale would place Pennsylvania ship builders at a competitive disadvantage relative to those states allowing this exemption.

Estimates: The most recent data available show that Pennsylvania has 12 establishments engaged in shipbuilding and repair with only 5 having more than 20 employees.

(Dollar Amounts in Thousands)

<u>1987-88</u>	<u>1988-89</u>	<u>1989-90</u>	<u>1990-91</u>	<u>1991-92</u>
\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000

COMMERCIAL VESSELS (Repair)

Description: Property or services purchased or used in building, rebuilding, repairing and making additions to or replacements in commercial vessels of fifty tons or more are exempt from taxation.

Purpose: Imposition of the tax at the point of sale would place Pennsylvania ship builders at a competitive disadvantage relative to those states allowing this exemption.

Estimates: The most recent data available show that Pennsylvania has 12 establishments engaged in shipbuilding and repair with only 5 having more than 20 employees.

(Dollar Amounts in Thousands)

<u>1987-88</u>	<u>1988-89</u>	<u>1989-90</u>	<u>1990-91</u>	<u>1991-92</u>
\$ 900	\$ 900	\$ 900	\$ 900	\$ 900

COMMERCIAL VESSELS (Equipment, Maintenance)

Description: The purchase or use of fuel, supplies, equipment, ships' or sea stores and cleaning or maintenance supplies is exempt from taxation. This exemption applies to any vessel, commercial or private, regardless of size.

Purpose: Imposition of the tax at the point of sale would place Pennsylvania vendors at a competitive disadvantage relative to those vendors operating in other states which allow this exemption.

(Dollar Amounts in Thousands)

<u>1987-88</u>	<u>1988-89</u>	<u>1989-90</u>	<u>1990-91</u>	<u>1991-92</u>
NA	NA	NA	NA	NA

MOTOR VEHICLES (Out-of-State Purchases)

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 Thousands)

<u>1987-88</u>	<u>1988-89</u>	<u>1989-90</u>	<u>1990-91</u>	<u>1991-92</u>
NA	NA	NA	NA	NA

General Fund Tax Expenditures

SCHOOL BUSES

Description: The purchase at retail or use of school buses is exempt from taxation. These buses must be used exclusively for the transportation of children for school purposes. The provision is extended to persons who have contracts with school districts to bus 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 Thousands)

<i>Estimates:</i>	<u>1987-88</u>	<u>1988-89</u>	<u>1989-90</u>	<u>1990-91</u>	<u>1991-92</u>
	\$ 9,830	\$ 11,090	\$ 12,520	\$ 14,140	\$ 15,960

REAL ESTATE

REAL ESTATE

Description: A person constructing, repairing, altering or cleaning real estate, or applying or installing personal property as a repair or replacement part of real estate is not making a taxable "sale at retail." Also, the person obtaining such services is not making a taxable "use" of such personal property or services. Materials and supplies consumed by the persons providing these services are taxable.

Purpose: Generally, services are non-taxable because they do not directly involve the sale or use of tangible personal property.

(Dollar Amounts in Thousands)

<i>Estimates:</i>	<u>1987-88</u>	<u>1988-89</u>	<u>1989-90</u>	<u>1990-91</u>	<u>1991-92</u>
	NA	NA	NA	NA	NA

PRODUCTION EXPENDITURES

MANUFACTURING EXEMPTION (Manufacture and Processing)

Description: By law, "sale at retail" does not include, and therefore exempts, rendering services or the purchase or use of machinery, equipment and parts and supplies including utilities used directly or consumed in the manufacture and processing of personal property. This exemption does not apply to motor vehicles, maintenance facilities, managerial or other non-operational activities or materials, supplies or equipment used relative to real estate.

Purpose: Exemption of manufacturing equipment and supplies prevents the multiple taxation which could occur in the production of a finished good for consumption. Were these items not exempt, this additional cost would be passed through to the ultimate consumer.

(Dollar Amounts in Thousands)

<i>Estimates:</i>	<u>1987-88</u>	<u>1988-89</u>	<u>1989-90</u>	<u>1990-91</u>	<u>1991-92</u>
	\$ 551,710	\$ 590,050	\$ 619,420	\$ 649,700	\$ 688,680

General Fund Tax Expenditures

MANUFACTURING EXEMPTION (Agriculture)

Description: By law, "sale at retail" does not include, and therefore exempts, rendering services or the purchase or use of machinery, equipment and parts and supplies including utilities used directly or consumed in farming, dairying, horticulture, floriculture or aquaculture. This exemption does not apply to motor vehicles, maintenance facilities, managerial or other nonagricultural activities or materials, supplies or equipment used relative to real estate.

Purpose: Exemption of agricultural equipment and supplies prevents multiple taxation which could occur in the production of an agricultural commodity for consumption. Were these items not exempt, this additional cost would be passed through to the ultimate consumer.

(Dollar Amounts in Thousands)

<i>Estimates:</i>	<u>1987-88</u>	<u>1988-89</u>	<u>1989-90</u>	<u>1990-91</u>	<u>1991-92</u>
	\$ 84,070	\$ 83,280	\$ 82,530	\$ 81,810	\$ 81,110

MANUFACTURING EXEMPTION (Public Utility)

Description: By law, "sale at retail" does not include, and therefore exempts, the cost of services or the purchase or use of machinery, equipment and parts and supplies used directly or consumed in producing, delivering or rendering a public utility service. This exemption does not apply to motor vehicles (except those used as common carriers), maintenance facilities, managerial or other non-operational activities or materials, supplies or equipment used relative to real estate.

Purpose: Exemption of equipment and supplies used in producing and delivering a public utility service prevents the multiple taxation which could occur in providing the service. Were these items not exempt, this additional cost would be passed through to the ultimate consumer.

(Dollar Amounts in Thousands)

<i>Estimates:</i>	<u>1987-88</u>	<u>1988-89</u>	<u>1989-90</u>	<u>1990-91</u>	<u>1991-92</u>
	NA	NA	NA	NA	NA

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.

Machinery and equipment have been exempt since the tax was first enacted. Act #202—1980 extended the exemption to include foundations for these items.

Purpose: Exemption of foundations for manufacturing equipment prevents the multiple taxation which could occur in the production of a finished good for consumption. Were these items not exempt, this additional cost would be passed through to the ultimate consumer.

(Dollar Amounts in Thousands)

<i>Estimates:</i>	<u>1987-88</u>	<u>1988-89</u>	<u>1989-90</u>	<u>1990-91</u>	<u>1991-92</u>
	\$ 1,120	\$ 1,240	\$ 1,370	\$ 1,510	\$ 1,670

General Fund Tax Expenditures

OTHER

COIN OPERATED FOOD AND BEVERAGE VENDING MACHINES

Description: The tax on food and beverages dispensed from coin operated vending machines is applied to total receipts collected from the machines rather than to the price of each individual item 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 Thousands)

<i>Estimates:</i>	<u>1987-88</u>	<u>1988-89</u>	<u>1989-90</u>	<u>1990-91</u>	<u>1991-92</u>
	\$ 120	\$ 130	\$ 130	\$ 130	\$ 130

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, motel, 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 approximates permanent dwelling rental which is non-taxable.

(Dollar Amounts in Thousands)

<i>Estimates:</i>	<u>1987-88</u>	<u>1988-89</u>	<u>1989-90</u>	<u>1990-91</u>	<u>1991-92</u>
	NA	NA	NA	NA	NA

COMMISSION

Description: A licensed vendor is permitted a 1% discount as a credit against the gross amount of tax collected provided that a tax return, with payment due the Department, is postmarked on or before the due date. Almost 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 Thousands)

<i>Estimates:</i>	<u>1987-88</u>	<u>1988-89</u>	<u>1989-90</u>	<u>1990-91</u>	<u>1991-92</u>
	\$ 30,960	\$ 32,970	\$ 35,100	\$ 37,100	\$ 39,630

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. That 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 Thousands)

<i>Estimates:</i>	<u>1987-88</u>	<u>1988-89</u>	<u>1989-90</u>	<u>1990-91</u>	<u>1991-92</u>
	NA	NA	NA	NA	NA

General Fund Tax Expenditures

TRADE-IN VALUE

Description: A deduction is allowed against the gross purchase price for the value of personal property actually taken in trade or exchange. The reduction in purchase price is considered to be the value of the trade-in.

Purpose: Usually, tangible personal property taken as a trade-in is resold. Therefore, it is treated as a sale for resale, and its value is exempt from tax.

(Dollar Amounts in Thousands)

<i>Estimates:</i>	<u>1987-88</u>	<u>1988-89</u>	<u>1989-90</u>	<u>1990-91</u>	<u>1991-92</u>
	\$ 167,580	\$ 177,260	\$ 187,290	\$ 197,530	\$ 208,050

ISOLATED SALES

Description: Infrequent personal property sales of a non-recurring nature by a person not in the business of selling such items are exempt from taxation. These sales can occur no more than three times nor more than a total of seven days in a year. These sales may include the sale of a lawn mower to a neighbor, liquidation of an estate, sale of a used typewriter by an insurance company or yard sale items. Motor vehicles and property which must be registered or licensed are not granted this exemption.

Purpose: The exclusion of isolated sales from taxation greatly reduces administration and compliance burdens for the seller and the Commonwealth.

(Dollar Amounts in Thousands)

<i>Estimates:</i>	<u>1987-88</u>	<u>1988-89</u>	<u>1989-90</u>	<u>1990-91</u>	<u>1991-92</u>
	\$ 47,900	\$ 49,000	\$ 51,100	\$ 53,400	\$ 55,600

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 Thousands)

<i>Estimates:</i>	<u>1987-88</u>	<u>1988-89</u>	<u>1989-90</u>	<u>1990-91</u>	<u>1991-92</u>
	NA	NA	NA	NA	NA

HORSES

Description: The sale of a horse is exempt from taxation if the seller is directed to deliver the horse to an out-of-state location. A horse may be temporarily delivered to a resident or agent prior to being delivered out-of-state.

Purpose: This exemption provides preferential treatment of horses relative to other tangible personal property by permitting temporary location in Pennsylvania before a horse is delivered out-of-state.

(Dollar Amounts in Thousands)

<i>Estimates:</i>	<u>1987-88</u>	<u>1988-89</u>	<u>1989-90</u>	<u>1990-91</u>	<u>1991-92</u>
	\$ 2,180	\$ 2,360	\$ 2,550	\$ 2,750	\$ 2,970

General Fund Tax Expenditures

EXEMPT ORGANIZATIONS

Description: The sale of personal property or services to or for use by any (1) charitable organization, (2) volunteer fireman's organization, (3) nonprofit educational institution or (4) religious organization is exempt from taxation. Transactions unrelated to the trade or business of such organizations are taxable as are materials, supplies and equipment purchased for use in connection with real estate.

Purpose: These organizations provide public and charitable services which are perceived to benefit the general public. This exemption permits these services to be rendered at reduced cost.

(Dollar Amounts in Thousands)

<i>Estimates:</i>	Charitable organizations:				
	1987-88	1988-89	1989-90	1990-91	1991-92
	\$ 93,290	\$ 98,150	\$ 103,340	\$ 108,350	\$ 113,260
	Volunteer fireman's organizations:				
	1987-88	1988-89	1989-90	1990-91	1991-92
	\$ 4,080	\$ 4,290	\$ 4,520	\$ 4,740	\$ 4,950
	Nonprofit educational institutions:				
	1987-88	1988-89	1989-90	1990-91	1991-92
	\$ 49,010	\$ 51,560	\$ 54,290	\$ 56,930	\$ 59,500
	Religious organizations:				
	1987-88	1988-89	1989-90	1990-91	1991-92
	\$ 4,200	\$ 4,420	\$ 4,650	\$ 4,880	\$ 5,100

EXEMPT GOVERNMENTAL UNITS

Description: The sale of personal property or services to or for use by the Federal government and 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 the tax on local government expenditures.

Purpose: This exemption is an indirect means of assistance to local governments and reduces tax burdens on residents.

(Dollar Amounts in Thousands)

<i>Estimates:</i>	1987-88	1988-89	1989-90	1990-91	1991-92
	\$ 106,830	\$ 112,400	\$ 118,350	\$ 124,100	\$ 129,710

SUBSTITUTED TAX BASE

Description: The tax on tangible personal property purchased six months prior to the first taxable use in Pennsylvania may be based on the prevailing market price at the time of the taxable use. This substituted base would be in lieu of taxing the original purchase price.

Purpose: This alternative tax base permits taxpayers to pay tax relative to the current market value of such assets which most closely approximates current taxable value.

(Dollar Amounts in Thousands)

<i>Estimates:</i>	1987-88	1988-89	1989-90	1990-91	1991-92
	NA	NA	NA	NA	NA

General Fund Tax Expenditures

OUT-OF-STATE PURCHASES

Description: Tangible personal property purchased and used outside the State by a nonresident who later brings the property into Pennsylvania while establishing a permanent residence or business is exempt from taxation. This property must be purchased more than six months prior to the first taxable use in Pennsylvania.

Purpose: This provision eases administrative costs for the Commonwealth and compliance costs for the taxpayer and prevents a substantial tax liability being imposed when a person moves to Pennsylvania.

(Dollar Amounts in Thousands)

<i>Estimates:</i>	<u>1987-88</u>	<u>1988-89</u>	<u>1989-90</u>	<u>1990-91</u>	<u>1991-92</u>
	NA	NA	NA	NA	NA

RAIL TRANSPORTATION EQUIPMENT

Description: The purchase or use of rail transportation equipment used by a business, other than a utility, in the movement of its own personal property is exempt from taxation.

Purpose: Exemption of rail equipment provides preferential treatment benefiting specific users of this transportation mode. Were these items not exempt, this additional cost would be passed through to the ultimate consumer.

(Dollar Amounts in Thousands)

<i>Estimates:</i>	<u>1987-88</u>	<u>1988-89</u>	<u>1989-90</u>	<u>1990-91</u>	<u>1991-92</u>
	NA	NA	NA	NA	NA

FISH FEED

Description: The purchase or use of fish feed by sportsmen's clubs, fish cooperatives or nurseries approved by the Pennsylvania Fish Commission is exempt from taxation.

Purpose: The exemption provides preferential treatment benefiting organizations which raise fish ultimately destined for human consumption.

(Dollar Amounts in Thousands)

<i>Estimates:</i>	<u>1987-88</u>	<u>1988-89</u>	<u>1989-90</u>	<u>1990-91</u>	<u>1991-92</u>
	NOMINAL	NOMINAL	NOMINAL	NOMINAL	NOMINAL

TOURIST PROMOTION AGENCIES

Description: The purchase or use of supplies and materials by tourist promotion agencies for distribution to the public is exempt from taxation. To be permitted this exemption, an agency must receive grants from the State.

Purpose: Excluding supplies and materials used by tourist promotion agencies which receive State grants reduces the cost of performing promotional activities. The need for direct support to these agencies is decreased by providing this exemption.

(Dollar Amounts in Thousands)

<i>Estimates:</i>	<u>1987-88</u>	<u>1988-89</u>	<u>1989-90</u>	<u>1990-91</u>	<u>1991-92</u>
	\$ 560	\$ 610	\$ 660	\$ 720	\$ 780

General Fund Tax Expenditures

TROUT

Description: The purchase or use of brook trout, brown trout or rainbow trout is exempt from taxation.

Purpose: Preferential treatment is conferred to those involved in the raising or sale of trout ultimately destined for human consumption.

(Dollar Amounts in Thousands)

<i>Estimates:</i>	1987-88	1988-89	1989-90	1990-91	1991-92
	NOMINAL	NOMINAL	NOMINAL	NOMINAL	NOMINAL

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 enjoyment.

(Dollar Amounts in Thousands)

<i>Estimates:</i>	1987-88	1988-89	1989-90	1990-91	1991-92
	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100

STORAGE

Description: Charges for the storage of tangible personal property and the value of that property are exempt from taxation for Pennsylvania residents. For nonresidents, a storage charge within the State is exempt but the value of the property is taxable under the "use" tax.

Purpose: Generally, services are exempt because they do not directly involve the sale or use of tangible personal property.

(Dollar Amounts in Thousands)

<i>Estimates:</i>	1987-88	1988-89	1989-90	1990-91	1991-92
	NA	NA	NA	NA	NA

PUBLIC TRANSPORTATION (Local)

Description: Expenditures for public transportation fares are not taxable.

Purpose: State and local governments are primary financial contributors to public transportation systems. Taxing these services would be contrary to public policy of supporting public transportation.

(Dollar Amounts in Thousands)

<i>Estimates:</i>	1987-88	1988-89	1989-90	1990-91	1991-92
	\$ 23,690	\$ 24,970	\$ 26,320	\$ 27,740	\$ 29,240

General Fund Tax Expenditures

SERVICES

Description: Generally, expenditures for services are not taxable under the Sales and Use Tax law except where specifically noted. Currently, only services rendered on taxable tangible personal property are taxed.

Purpose: The basis for the Sales and Use Tax is tangible personal property. Services are not taxed, in most instances, unless they are related to taxable property.

Fiscal Year Impact:

	(Dollar Amounts in Thousands)				
	1987-88	1988-89	1989-90	1990-91	1991-92
LODGING					
Trailer parks and camps	\$ 4,500	\$ 4,700	\$ 4,900	\$ 5,100	\$ 5,400
PERSONAL SERVICES					
Cleaning, storage and repair of clothing and shoes (1)	\$ 21,600	\$ 22,600	\$ 23,800	\$ 25,000	\$ 26,400
Drycleaning (1)	10,300	10,800	11,400	12,000	12,600
Barber and beauty shops	33,700	35,300	37,100	39,000	41,100
Funeral parlors and crematories	18,900	19,800	20,800	21,800	23,000
All other personal services	20,100	21,100	22,200	23,300	24,600
BUSINESS SERVICES					
Advertising (local)	\$ 126,800	\$ 132,900	\$ 139,700	\$ 146,700	\$ 154,600
Credit reporting, collection agencies	9,900	10,400	10,900	11,400	12,000
Stenographers	2,000	2,100	2,200	2,300	2,400
Exterminators	5,200	5,400	5,700	6,000	6,300
Janitorial service	50,800	53,200	55,900	58,700	61,900
Personnel supply service	80,800	84,700	89,000	93,500	98,500
Computer and data processing	167,100	175,100	184,000	193,200	203,600
Management, consulting and public relations	108,000	113,200	119,000	125,000	131,800
Research	13,000	13,600	14,300	15,000	15,800
Detective agencies	30,300	31,800	33,400	35,100	37,000
AUTOMOTIVE SERVICES					
Automobile parking	\$ 11,600	\$ 12,200	\$ 12,800	\$ 13,400	\$ 14,100
RECREATION SERVICES					
Commercial sports admissions	\$ 55,900	\$ 58,600	\$ 61,600	\$ 64,700	\$ 68,200
Entertainers	6,400	6,700	7,000	7,400	7,800
Health clubs	8,200	8,600	9,000	9,500	10,000
Memberships	15,700	16,500	17,300	18,200	19,200
Other admissions	24,800	26,000	27,300	28,700	30,200
HEALTH SERVICES					
Health, except hospitals	\$ 178,900	\$ 187,500	\$ 197,100	\$ 207,000	\$ 218,200
Hospitals	492,700	516,300	542,600	569,700	600,500
PROFESSIONAL SERVICES					
Legal	\$ 197,800	\$ 207,300	\$ 217,900	\$ 228,800	\$ 241,200
Engineering	216,700	227,100	238,700	250,600	264,100
Surveying / architects	22,400	23,500	24,700	25,900	27,300
Accounting, auditing and bookkeeping services	74,000	77,600	81,600	85,700	90,300
MISCELLANEOUS SERVICES					
Cable television	\$ 32,500	\$ 34,700	\$ 37,000	\$ 39,500	\$ 42,100
Learned professions	NA	NA	NA	NA	NA
Electrician, plumber, heating and air conditioner service fees	NA	NA	NA	NA	NA
Veterinary fees	15,600	16,400	17,300	18,100	19,000
Stockbroker fees	NA	NA	NA	NA	NA
Real estate agent fees	NA	NA	NA	NA	NA
Financial institution fees	124,700	144,700	168,000	195,100	226,500
Pilots fees	NA	NA	NA	NA	NA
OTHER SERVICES					
Other	\$ 234,200	\$ 245,400	\$ 257,900	\$ 270,800	\$ 285,400

(1) These services, pertaining to tangible personal property, are specifically exempt by Statute.

Special Fund Tax Expenditures

UNEMPLOYMENT COMPENSATION INSURANCE TAX

LIMITATION OF THE TAXABLE WAGE BASE

Authorization: The Act of December 5, 1936 (2nd special session, 1937 P.L. 2897, No. 1), 4(x)(1) as amended, 43 P.S. 753 (x)(1).

Description: The Commonwealth's unemployment compensation law provides for a limitation of the taxable wage base to the first \$8,000 of wages paid to each employe 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. Most 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.

Purpose: The limitation on taxable wages limits growth in employer tax liabilities that would otherwise occur as wages rise. It also reduces the potential cyclical volatility of U.C. contributions.

(Dollar Amounts in Thousands)

<i>Estimates:</i>	<u>1987-88</u>	<u>1988-89</u>	<u>1989-90</u>	<u>1990-91</u>	<u>1991-92</u>
	\$ 2,806,700	\$ 2,981,900	\$ 3,129,700	\$ 3,225,000	\$ 3,323,100

Departmental Presentations



The three sheaves of wheat denote constancy and abundance with their golden color. The emerald background symbolizes an environment of gentleness and courtesy. The sheaf of wheat was originally the crest on the seal of Sussex County (now in Delaware) and on the seal of Bucks County.



Commonwealth of Pennsylvania

Governor's Office

The Governor directs and coordinates the work of State Government and guides the programs of the agencies in the direction that assures compliance with existing legislation, definable needs and administration goals.

GOVERNOR'S OFFICE

PROGRAM REVISION

Budgeted Amounts Include the Following Program Revisions:

Appropriation	Title	1988-89 State Funds (in thousands)
GENERAL FUND		
Governor's Office	Cost Containment Reorganization of Press Office .....	.....

This Program Revision provides for the reorganization of executive branch communication offices.

GOVERNOR'S OFFICES

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Budget
GENERAL FUND			
GENERAL GOVERNMENT:			
Governor's Office	\$ 3,998 ^a	\$ 4,983 ^b	\$ 5,540
(A) Press Services .....	.....	315	750
GENERAL FUND TOTAL	\$ 3,998	\$ 5,298	\$ 6,290

^aActually appropriated as \$3,472,000 for the Governor's Office and \$526,000 for the Office of Policy Development.

^bActually appropriated as \$4,112,000 for the Governor's Office and \$871,000 for the Office of Policy Development.

GOVERNOR'S OFFICE

Program Funding Summary:

	(Dollar Amounts in Thousands)						
	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
	Actual	Available	Budget	Estimated	Estimated	Estimated	Estimated
Executive Direction:							
General Fund	\$ 3,998	\$ 4,983	\$ 5,540	\$ 5,706	\$ 5,877	\$ 6,054	\$ 6,235
Federal Funds .....	.....	.....	.....	.....	.....	.....	.....
Other Funds .....	.....	315	750	772	796	820	844
TOTAL	<u>\$ 3,998</u>	<u>\$ 5,298</u>	<u>\$ 6,290</u>	<u>\$ 6,478</u>	<u>\$ 6,673</u>	<u>\$ 6,874</u>	<u>\$ 7,079</u>

GOVERNOR'S OFFICE

PROGRAM OBJECTIVE: To provide an effective administrative system through which the substantive programs of the Commonwealth can be accomplished.

Program: Executive Direction

This program provides for the Office of the Governor, in whom the executive authority of the Commonwealth is vested. It supports the Governor in performing his functions as delegated by the State Constitution and laws passed by the General Assembly.

legislative, policy development and research, administrative and public information functions required of the office, operation of Pennsylvania's Liaison Office in Washington, D.C. and official entertainment and household expenses at the Governor's Home.

This program also includes funding for staff to assist with the

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

Governor's Office
\$ 557 —to continue current program.

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
GENERAL FUND:							
Governor's Office	<u>3,998</u>	<u>4,983</u>	<u>5,540</u>	<u>5,706</u>	<u>5,877</u>	<u>6,054</u>	<u>6,235</u>

GOVERNOR'S OFFICE

Program Revision: Cost Containment—Reorganization of Press Offices

This Program Revision provides for the reorganization of the executive branch communications offices. The purpose of this effort is to improve the efficiency of information delivery to the press and the public and, at the same time, reduce the cost of operations. Efficiencies will be achieved through the introduction of a computer system and other communications enhancements which will allow better coordination between the Governor's Office and the agencies and more timely, accurate, and consistent information to reach the press and the public. Reduction in the cost of operations will be achieved by an anticipated net reduction in personnel and a reduction in the overall size of the communications organization, which has become larger than necessary in recent years.

Under the reorganization, the Governor's Office of Public Information will work more closely with the individual agency press offices by coordinating their work, serving as a managing editor and providing specialized services not available to many individual agencies. Agencies

will be billed for these services according to their size, complexity and ongoing need for press services.

Cost reductions will be achieved primarily by position reductions throughout the agency press offices. Since this reorganization will begin immediately, a partial cost reduction will be noted in 1987-88 with the full impact beginning in 1988-89 and beyond. Estimated cost reduction amounts are shown for each of the 23 agencies in Section A of this document. The agency billings are shown in the Governor's Office presentation as an augmentation to the General Government Operations appropriation.

The costs associated with the reorganization total \$1.4 million, of which \$750,000 will be billed to the agencies for press services provided by the Governor's Office on their behalf. The net saving due to this reorganization is estimated to be approximately \$625,000 in 1988-89, which represents a net reduction in press/communications staff.

Program Revision Recommendations:

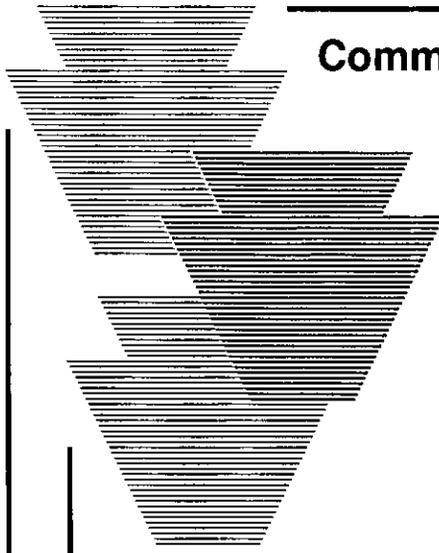
This budget recommends the following changes: (Dollar Amounts in Thousands)

<p>General Government Operations—Augmentations</p> <p>\$ 750 —to install computer links among all press offices and provide specialized services.</p>	<p>General Government Operations—Various Agencies</p> <p>\$ -625 —net savings in 23 agencies dsue to press/communications reorganization.</p>
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Recommended Program Revision Summary:

SUMMARY OF COSTS AND SAVINGS

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
Selected agency press/communications—total cost		\$ -577	\$ -1,375	\$ -1,415	\$ -1,458	\$ -1,501	\$ -1,546
Governor's Office augmentation for press/communications		315	750	772	796	820	844
Net savings due to reorganization		<u>\$ -262</u>	<u>\$ -625</u>	<u>\$ -643</u>	<u>\$ -662</u>	<u>\$ -681</u>	<u>\$ -702</u>



Commonwealth of Pennsylvania

Executive Offices

To aid the Governor, the Office of Administration performs the duties of a central management agency and coordinates the Commonwealth's Integrated Central System. The Office of the Budget performs the duties of a central management agency, prepares the annual Governor's Budget and Five Year Financial Plan based upon the Governor's priorities and analysis of program effectiveness and provides comptroller services for the maintenance and management of all agency accounts in the Commonwealth. The Human Relations Commission and the Pennsylvania Commission for Women promote equal opportunities for all people in employment, housing, public accommodations and education. The Energy Office studies the Commonwealth's entire energy program from production to demand, provides support to regional energy centers and coordinates the activities of the Energy Conservation and Assistance Fund. The Council on the Arts provides for encouragement and development of the arts in Pennsylvania. The Commission on Crime and Delinquency provides the planning and technical assistance for the improvement of the Criminal Justice System. The Governor's Action Center provides citizens easy access to State Government. The Milrite Council seeks solutions to Pennsylvania's economic problems and makes funds available for local labor/management committees. The Public Employee Retirement Study Commission monitors public employe retirement plans to assure their actuarial viability. The Office of General Counsel provides legal counsel in matters affecting the operation of State agencies. The Juvenile Court Judges Commission provides technical and financial assistance to the juvenile probation staffs of the county courts. The Crime Victims Compensation Board provides financial assistance to relieve the financial hardship of individuals who have been victimized by criminal acts. The Health Facilities Hearing Board conducts preliminary hearings on appeals from decisions of the Department of Health relating to applications for certificate of need and the licensure of health care facilities. The Health Care Conciliation Panels assist courts by conducting conciliation conferences involving medical malpractice cases. The Medical Professional Liability Catastrophe Loss Fund makes claim payments in certain medical malpractice cases. The Drug Policy Council supervises the expenditure of Federal Anti-Drug Abuse monies along with performing research and evaluation studies related to illegal drug use and alcohol abuse. The Inspector General investigates suspected improper use of State revenues.

EXECUTIVE OFFICES

PROGRAM REVISION

Budgeted Amounts Include the Following Program Revisions:

Appropriation	Title	1988-89 State Funds (in thousands)
GENERAL FUND		
Grants to the Arts	Increase Grants to the Arts	\$ 3,000

This Program Revision will provide increased funding for the Council of the Arts grant program.

EXECUTIVE OFFICES

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	1986-87 Actual	1987-88 Available	1988-89 Budget
GENERAL FUND			
GENERAL GOVERNMENT:			
Governor's Action Center	\$ 559	\$ 573	\$ 578
Office of Administration	4,000	4,060	4,070
(A) Classification and Pay	1,453	1,645	1,707
(A) CMIC	10,257	11,663	11,145
(A) BMS/EDP	700	837	1,576
(A) Labor Relations	29	41	30
(A) Directives Management	205	245	252
Subtotal State Funds	4,000	4,060	4,070
Subtotal Augmentations	12,644	14,431	14,710
Total — Office of Administration	\$ 16,644	\$ 18,491	18,780
Inspector General .....	.....	\$ 387	\$ 432
Audit of Auditor General .....	.....	150	.....
Office of the Budget	\$ 18,672	20,259	21,169
(F) JTPA — Program Accountability	777	884	886
(A) Comptroller Services	16,973	18,959	19,517
Total — Office of the Budget	\$ 36,422	\$ 40,102	\$ 41,572
ICS Development	\$ 3,196	\$ 3,475	3,631
Human Resources Committee	290	.....	.....
Milrite Council	384	\$ 203	237
Human Relations Commission	5,199	5,719	6,322
(F) EEOC — Special Project Grant	656	700	750
(F) HUD — Special Project Grant	200	155	100
Subtotal State Funds	5,199	5,719	6,322
Subtotal Federal Funds	856	855	850
Total — Human Relations Commission	\$ 6,055	\$ 6,574	\$ 7,172
Council on the Arts	\$ 748	\$ 780	871
(F) NEA — Grants to the Arts - Administration	42	50	50
Total — Council on the Arts	\$ 790	\$ 830	\$ 921
Commission for Women	\$ 175	\$ 184	234
Energy Office	1,463	1,450	1,570
(F) Energy Extension Services	359	260	150
(F) State Energy Conservation Plan	745	590	380
(F) Institutional Conservation	142	210	210
(F) No. 2 Fuel Oil Survey	18	18	.....
(F) Developmental Institutional Conservation — Administration	95	85	.....
(F) Gas Conservation Demonstration Project	200	10	.....
(F) HUD — Energy Conservation Assistance	306	408	180
(A) Chevron	33	58	.....
(A) Gas Research Institute .....	.....	21	.....
Subtotal State Funds	1,463	1,450	1,570
Subtotal Federal Funds	1,865	1,581	920
Subtotal Augmentations	33	79	0
Total — Energy Office	\$ 3,361	\$ 3,110	\$ 2,490

Recommended supplemental

EXECUTIVE OFFICES

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Budget
GENERAL FUND			
<i>GENERAL GOVERNMENT: (continued)</i>			
New Castle School District Energy Plan	20		
Energy Development Authority — PEDA	1,300	1,300	1,500
Juvenile Court Judges Commission	456	480	480
(F) Statistical Analysis Center	62		
Total — Juvenile Court Judges Commission	<u>\$ 518</u>	<u>\$ 480</u>	<u>\$ 480</u>
Commission on Crime and Delinquency	<u>\$ 1,805</u>	<u>\$ 1,905</u>	<u>\$ 2,025</u>
(F) Plan for Juvenile Justice	155	155	150
(F) Dangerous Juvenile Offender		26	
(F) Offender Based Transaction Statistics		5	
(F) ADA — Local Law Enforcement Administration		200	200
(F) Criminal Justice Statistics	34		
(F) ADA — Local Law Enforcement		5,116	7,537
(F) ADA — State Law Enforcement		1,503	
(F) ADA — State Law Enforcement — Administration		121	
(A) Deputy Sheriff's Education and Training	115	115	115
(A) ADA — State Law Enforcement State Match		416	
Subtotal State Funds	1,805	1,905	2,025
Subtotal Federal Funds	189	7,126	7,887
Subtotal Augmentations	115	531	115
Total — Commission on Crime and Delinquency	<u>\$ 2,109</u>	<u>\$ 9,562</u>	<u>\$ 10,027</u>
Office of General Counsel	<u>\$ 1,315</u>	<u>\$ 1,358</u>	<u>1,456</u>
Crime Victims Compensation Board	436	451	497
(F) Crime Victims Payments	400	800	700
Total — Crime Victims Compensation Board	<u>\$ 836</u>	<u>\$ 1,251</u>	<u>\$ 1,197</u>
Health Facilities Hearing Board	145	173	173
Health Care Arbitration Panels	446	456	488
Public Employee Retirement Study Commission	373	465	470
Distinguished Daughters	3	4	4
Drug Policy Council		84	91
(F) ADA — Local Law Enforcement		97	98
(F) ADA — Special Programs for Drug Free Schools and Communities		43	46
Subtotal State Funds		84	91
Subtotal Federal Funds		140	144
Total — Drug Policy Council		<u>224</u>	<u>235</u>
Subtotal — State Funds	<u>\$ 40,985</u>	<u>\$ 43,916</u>	<u>46,298</u>
Subtotal — Federal Funds	4,191	11,436	11,437
Subtotal — Augmentations	29,765	34,000	34,342
Total — General Government	<u>\$ 74,641</u>	<u>\$ 89,352</u>	<u>92,077</u>
GRANTS AND SUBSIDIES:			
Grants to the Arts	<u>\$ 7,000</u>	<u>\$ 9,000</u>	<u>12,000</u>
(F) NEA — Grants	587	650	650
Total — Grants to The Arts	<u>\$ 7,587</u>	<u>\$ 9,650</u>	<u>\$ 12,650</u>
Eagleview Hospital	300	300	
Improvement of Juvenile Probation Services	2,902	2,989	3,239
Labor Management Committee	460	727	825
Subtotal — State Funds	<u>\$ 10,662</u>	<u>\$ 13,016</u>	<u>16,064</u>
Subtotal — Federal Funds	587	650	650
Total Grants and Subsidies	<u>\$ 11,249</u>	<u>\$ 13,666</u>	<u>\$ 16,714</u>
STATE FUNDS	<u>\$ 51,647</u>	<u>\$ 56,932</u>	<u>62,362</u>
FEDERAL FUNDS	4,778	12,086	12,087
AUGMENTATIONS	29,765	34,000	34,342
GENERAL FUND TOTAL	<u>\$ 86,190</u>	<u>\$ 103,018</u>	<u>\$ 108,791</u>

EXECUTIVE OFFICES

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Budget
MOTOR LICENSE FUND			
<i>GENERAL GOVERNMENT:</i>			
Office of the Budget	\$ 3,577	\$ 3,777	\$ 4,127
(A) Reimbursement Comptroller Services	705	884	897
MOTOR LICENSE FUND TOTAL	\$ 4,282	\$ 4,661	\$ 5,024
ENERGY CONSERVATION AND ASSISTANCE FUND			
<i>GRANTS AND SUBSIDIES:</i>			
Energy Conservation	\$ 5,000	\$ 5,737	5,700
LOTTERY FUND			
<i>GENERAL GOVERNMENT:</i>			
Ridership Verification .....	.....	.....	\$ 29
OTHER FUNDS			
<i>GENERAL FUND:</i>			
Federal Juvenile Justice and Delinquency Prevention	\$ 2,077	\$ 2,000	\$ 2,000
Crime Victim Payments	1,308	2,000	2,600
Victim/Witness Services	794	1,000	1,200
Federal Criminal Justice Assistance	976	2,000	1,500
Federal Crime Victim Assistance	1,669	2,000	2,000
GENERAL FUND TOTAL	\$ 6,824	\$ 9,000	9,300
<i>MEDICAL PROFESSIONAL LIABILITY CATASTROPHE LOSS FUND:</i>			
General Government Operations	\$ 4,219	\$ 6,690	7,289
Payment of Claims	136,098	140,000	150,000
MEDICAL PROFESSIONAL LIABILITY CATASTROPHE LOSS FUND TOTAL	\$ 140,317	\$ 146,690	157,289
<i>OIL OVERCHARGE FUND:</i>			
Energy Conservation (Amoco)	\$ 754	.....	.....
Institutional Conservation Program	1,385	.....	.....
OIL OVERCHARGE FUND	2,139	.....	.....
OTHER FUNDS TOTAL	\$ 149,280	\$ 155,690	166,589
DEPARTMENT TOTAL — ALL FUNDS			
General Fund	\$ 51,647	\$ 56,932	62,362
Special Funds	8,577	9,514	9,856
Federal Funds	4,778	12,086	12,087
Augmentations	30,470	34,884	35,239
Other Funds	149,280	155,690	166,589
TOTAL ALL FUNDS	\$ 244,752	\$ 269,106	\$ 286,133

EXECUTIVE OFFICES

Program Funding Summary:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
EXECUTIVE DIRECTION							
General Fund	\$ 27,937	\$ 30,387	\$ 31,507	\$ 32,502	\$ 33,405	\$ 34,333	\$ 35,338
Special Funds	3,577	3,777	4,156	4,393	4,612	4,842	5,082
Federal Funds	777	1,024	1,030	1,033	961	886	886
Other Funds	30,322	34,274	35,124	36,150	37,207	38,296	39,418
TOTAL	<u>\$ 62,613</u>	<u>\$ 69,462</u>	<u>\$ 71,817</u>	<u>\$ 74,078</u>	<u>\$ 76,185</u>	<u>\$ 78,357</u>	<u>\$ 80,724</u>
LEGAL SERVICES							
General Fund	\$ 1,315	\$ 1,358	\$ 1,456	\$ 1,500	\$ 1,545	\$ 1,591	\$ 1,638
TOTAL	<u>\$ 1,315</u>	<u>\$ 1,358</u>	<u>\$ 1,456</u>	<u>\$ 1,500</u>	<u>\$ 1,545</u>	<u>\$ 1,591</u>	<u>\$ 1,638</u>
PREVENTION AND ELIMINATION OF DISCRIMINATORY PRACTICES							
General Fund	\$ 5,374	\$ 5,903	\$ 6,556	\$ 6,814	\$ 7,019	\$ 7,230	\$ 7,448
Federal Funds	856	855	850	850	850	850	850
TOTAL	<u>\$ 6,230</u>	<u>\$ 6,758</u>	<u>\$ 7,406</u>	<u>\$ 7,664</u>	<u>\$ 7,869</u>	<u>\$ 8,080</u>	<u>\$ 8,298</u>
DEVELOPMENT OF ARTISTS AND AUDIENCES							
General Fund	\$ 7,748	\$ 9,780	\$ 12,871	\$ 12,910	\$ 12,937	\$ 12,966	\$ 12,995
Federal Funds	629	700	700	700	700	700	700
TOTAL	<u>\$ 8,377</u>	<u>\$ 10,480</u>	<u>\$ 13,571</u>	<u>\$ 13,610</u>	<u>\$ 13,637</u>	<u>\$ 13,666</u>	<u>\$ 13,695</u>
ENERGY MANAGEMENT AND CONSERVATION							
General Fund	\$ 2,783	\$ 2,750	\$ 3,070	\$ 3,118	\$ 3,166	\$ 3,216	\$ 3,268
Special Funds	5,000	5,737	5,700	5,000	.....	.....	.....
Federal Funds	1,865	1,581	920	663	663	663	663
Other Funds	2,172	79	.....	.....	.....	.....	.....
TOTAL	<u>\$ 11,820</u>	<u>\$ 10,147</u>	<u>\$ 9,690</u>	<u>\$ 8,781</u>	<u>\$ 3,829</u>	<u>\$ 3,879</u>	<u>\$ 3,931</u>
INCOME MAINTENANCE							
General Fund	\$ 436	\$ 451	\$ 497	\$ 512	\$ 528	\$ 542	\$ 560
Federal Funds	400	800	700	700	700	700	700
Other Funds	1,308	2,000	2,600	2,600	2,600	2,600	2,600
TOTAL	<u>\$ 2,144</u>	<u>\$ 3,251</u>	<u>\$ 3,797</u>	<u>\$ 3,812</u>	<u>\$ 3,828</u>	<u>\$ 3,842</u>	<u>\$ 3,860</u>

EXECUTIVE OFFICES

Program Funding Summary:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
CRIMINAL AND JUVENILE JUSTICE PLANNING AND COORDINATION							
General Fund	\$ 2,105	\$ 2,205	\$ 2,025	\$ 2,086	\$ 2,148	\$ 2,213	\$ 2,279
Federal Funds	189	7,126	7,887	7,892	7,897	7,902	150
Other Funds	5,631	7,531	6,815	6,815	6,815	6,815	6,815
TOTAL	\$ 7,925	\$ 16,862	\$ 16,727	\$ 16,793	\$ 16,860	\$ 16,930	\$ 9,244
REINTEGRATION OF JUVENILE DELINQUENTS							
General Fund	\$ 3,358	\$ 3,469	\$ 3,719	\$ 3,733	\$ 3,748	\$ 3,763	\$ 3,779
Federal Funds	62	.....	.....	.....	.....	.....	.....
TOTAL	\$ 3,420	\$ 3,469	\$ 3,719	\$ 3,733	\$ 3,748	\$ 3,763	\$ 3,779
MEDICAL MALPRACTICE AND HEALTH FACILITIES HEARINGS							
General Fund	\$ 591	\$ 629	\$ 661	\$ 681	\$ 701	\$ 722	\$ 744
Other Funds	140,317	146,690	157,289	165,008	173,108	181,609	190,530
TOTAL	\$ 140,908	\$ 147,319	\$ 157,950	\$ 165,689	\$ 173,809	\$ 182,331	\$ 191,274
ALL PROGRAMS							
GENERAL FUND	\$ 51,647	\$ 56,932	\$ 62,362	\$ 63,856	\$ 65,197	\$ 66,576	\$ 68,049
SPECIAL FUNDS	8,577	9,514	9,856	9,393	4,612	4,842	5,082
FEDERAL FUNDS	4,778	12,086	12,087	11,838	11,771	11,701	3,949
OTHER FUNDS	179,750	190,574	201,828	210,573	219,730	229,320	239,363
TOTAL	\$ 244,752	\$ 269,106	\$ 286,133	\$ 295,660	\$ 301,310	\$ 312,439	\$ 316,443

EXECUTIVE OFFICES

PROGRAM OBJECTIVE: To provide an effective administrative system through which the substantive programs of the Commonwealth can be achieved.

Program: Executive Direction

The Executive Direction program provides administrative support and policy direction for implementing and maintaining the substantive programs of the Commonwealth.

The Governor's Action Center simplifies citizen contact with State government by operating a statewide, toll-free hotline. This service, established in 1973, provides general information, referral for specific programs and assistance in solving citizen's problems.

The Office of Administration provides policy direction and administrative support. Centralized personnel services insure equity by maintaining the classification, pay and benefits systems, negotiating and administering collective bargaining agreements between the Commonwealth and the various unions representing State employees under the provisions of the Public Employee Relations Act of 1970, recruiting for all non-civil service positions, training in management and supervisory skills and administering the Commonwealth's affirmative action process and programs.

In addition to personnel administration, the Office of Administration maintains the Central Management Information Center (CMIC) and conducts management studies on State programs to improve their operation, administration and organization.

The Bureau of EDP/Telecommunications Technology provides executive direction in areas related to electronic data processing and telecommunications by approving all Commonwealth EDP and telecommunications resource acquisitions. They also establish Commonwealth policy governing the acquisition, management, utilization and security of these resources.

The Central Management Information Center is the data processing service center for all Commonwealth central administrative systems. The center manages and maintains the Commonwealth's payroll, personnel, accounting and retirement systems for all agencies under the Governor's jurisdiction.

Also under Executive Direction is the Office of Inspector General who is charged with investigating suspected improper use of State resources. The Inspector General also provides leadership, coordination and control over satellite Inspector General Offices in designated executive agencies.

The Office of the Budget assists the Governor in formulating fiscal policies and procedures and prepares the Commonwealth Budget for

delivery to the General Assembly. The office also prepares fiscal notes and reviews proposed regulations as mandated by Act 149 of 1978.

In addition, the Office of the Budget provides accounting, auditing, and financial advisory and supportive services to all Commonwealth agencies and is responsible for the maintenance of the ICS accounting system.

The Integrated Central System (ICS) facilitates policymaking and provides integrated accounting, payroll, purchasing and personnel systems. This improves the effectiveness of managing the Commonwealth's operations as well as improving efficiency and controlling costs by decreasing paper flow, expediting processing and improving productivity.

The Milrite Council examines impediments to the development of industry and jobs in Pennsylvania by focusing on those problems requiring the cooperation of labor, business and government which affect firms and establishments currently doing business in Pennsylvania. The council administers the Area Labor Management Committee Grant Program and works with businesses and labor leaders across the State who are interested in establishing area labor management committees.

The Public Employee Retirement Study Commission provides an ongoing mechanism to monitor public employee retirement plans in the Commonwealth. The commission also provides technical assistance to the General Assembly and the Governor in conjunction with their consideration of public pension legislation.

Distinguished Daughters provides payment for selected women designated as Distinguished Daughters of Pennsylvania to attend ceremonies at the Governor's Home.

The Drug Policy Council is designated as the State coordinating agency for purposes of implementing a statewide strategy to combat illegal drug use and drug and alcohol abuse in the Commonwealth. The council supervises the expenditure of \$24 million in Federal Anti-Drug Abuse monies and makes final approval of all grant applications. The council also performs evaluations, conducts studies, and develops policy analyses related to illegal drug use and alcohol abuse. The Anti-Drug Abuse monies have been appropriated to four State agencies: Pennsylvania Commission on Crime and Delinquency, the Department of Education, the Department of Health and State Police.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

	GENERAL FUND				
	Governor's Action Center		\$	-12	Inspector General
\$	5	—to continue current program.		26	—nonrecurring expenses.
				31	—to continue current program.
	Office of Administration				—increase investigative efforts.
\$	527	—to continue current program.	\$	45	Appropriation increase
	48	—to expand Office Information System.			Office of the Budget
	32	—to expand Affirmative Action efforts.	\$	-159	—nonrecurring expenses.
	-597	—EDP services to be funded through interagency billings.		1,069	—to continue current program
					Appropriation increase
\$	10	Appropriation Increase	\$	910	Audit of the Auditor General
					—nonrecurring.
			\$	-150	

EXECUTIVE OFFICES

Program: Executive Direction (continued)
Program Recommendations: (continued)

<p>GENERAL FUND (continued)</p> <p>ICS Development</p> <p>\$ -21 —nonrecurring expenses.</p> <p>32 —to continue current program.</p> <p>34 —3% increase to Central Management Information Center (CMIC) for ICS development costs.</p> <p>111 —to utilize office space more efficiently and provide additional equipment for program design.</p> <hr/> <p>\$ 156 <i>Appropriation increase</i></p> <p>Milrite</p> <p>\$ 34 —to continue current program.</p> <p>Public Employee Retirement Study Commission</p> <p>\$ -9 —nonrecurring expenses.</p> <p>4 —to continue current program.</p> <p>10 —funding additional consulting studies on various retirement systems.</p> <hr/> <p>\$ 5 <i>Appropriation increase</i></p>	<p>Distinguished Daughters</p> <p>\$ —maintain program at current level of funding.</p> <p>Labor Management Committees</p> <p>\$ 98 —increase grant to fund five additional Labor Management Committees for a total of seventeen.</p> <p>Drug Policy Council</p> <p>\$ 7 —to continue current program.</p> <p>MOTOR LICENSE FUND</p> <p>Office of the Budget</p> <p>\$ 350 —to continue current program.</p> <p>LOTTERY FUND</p> <p>Ridership Verification</p> <p>\$ 29 —audit of Older Pennsylvanians Shared Ride vendors.</p>
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Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
GENERAL FUND:							
Governor's Action Center	\$ 559	\$ 573	\$ 578	\$ 595	\$ 613	\$ 632	\$ 650
Office of Administration	4,000	4,060	4,070	4,192	4,318	4,447	4,581
Inspector General	.....	387	432	478	492	507	522
Office of the Budget	18,672	20,259	21,169	21,844	22,500	23,175	23,870
Audit of Auditor General	.....	150	.....	.....	.....	.....	.....
ICS Development	3,196	3,475	3,631	3,741	3,853	3,969	4,088
Human Resources Committee	290	.....	.....	.....	.....	.....	.....
Milrite	384	203	237	244	251	259	268
Public Employee Retirement Study	.....	.....	.....	.....	.....	.....	.....
Commission	373	465	470	485	499	515	530
Distinguished Daughters	3	4	4	4	4	4	4
Drug Policy Council	.....	84	91	94	50	.....	.....
Labor Management Committee	460	727	825	825	825	825	825
TOTAL GENERAL FUND	<u>\$ 27,937</u>	<u>\$ 30,387</u>	<u>\$ 31,507</u>	<u>\$ 32,502</u>	<u>\$ 33,405</u>	<u>\$ 34,333</u>	<u>\$ 35,338</u>
MOTOR LICENSE FUND							
Office of the Budget	<u>\$ 3,577</u>	<u>\$ 3,777</u>	<u>\$ 4,127</u>	<u>\$ 4,333</u>	<u>\$ 4,550</u>	<u>\$ 4,778</u>	<u>\$ 5,016</u>
LOTTERY FUND							
Office of the Budget — Ridership	.....	.....	.....	.....	.....	.....	.....
Verification	.....	.....	<u>\$ 29</u>	<u>\$ 60</u>	<u>\$ 62</u>	<u>\$ 64</u>	<u>\$ 66</u>

EXECUTIVE OFFICES

PROGRAM OBJECTIVE: To provide legal advice to the Governor and the Cabinet, and to supervise, coordinate and administer legal services for the Commonwealth.

Program: Legal Services

The Office of the General Counsel is headed by the General Counsel who serves as the chief legal advisor to the Governor and directs the legal activities of the Executive Branch.

This office has the responsibility to appoint the Chief Counsel in each agency and to supervise, coordinate and administer legal services. The office renders such legal advice and representation prior to initiation of any action concerning matters and issues arising in connection with the operation of agencies under the Governor's jurisdiction.

There are two major areas of responsibility for the General Counsel. First, this office provides general legal assistance to the Governor. The office reviews and approves for form and legality all Commonwealth deeds, leases, contracts, rules and regulations. It also is responsible for initiating appropriate proceedings or defending the Commonwealth when the Attorney General refuses or fails to initiate appropriate proceedings. Second, the General Counsel has the authority to intervene

in any action by or against an agency under the Governor's jurisdiction whenever the Governor shall request. This authority is not altered even if the Attorney General conducts the case.

The General Counsel also serves as the Chief Administrative Officer of the Office of General Counsel, the Department of Corrections, the Juvenile Court Judges Commission, the Crime Victims Compensation Board, the Health Facilities Hearing Board and the Health Care Arbitration Panels.

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 Commission on Charitable Organizations, 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	
\$ -25	—nonrecurring costs.
80	—to continue current program.
43	—to assist with increased litigation.
<hr/>	
\$ 98	<i>Appropriation Increase</i>

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
GENERAL FUND:							
Office of General Counsel	<u>\$ 1,315</u>	<u>\$ 1,358</u>	<u>\$ 1,456</u>	<u>\$ 1,500</u>	<u>\$ 1,545</u>	<u>\$ 1,591</u>	<u>\$ 1,638</u>

EXECUTIVE OFFICES

PROGRAM OBJECTIVE: To insure equal opportunities and participation for all individuals regardless of race, color, religious creed, handicap or disability, ancestry, age or sex in all areas of employment, housing, public accommodations and education.

Program: Prevention and Elimination of Discriminatory Practices

The Human Relations Commission is responsible for identifying, preventing and eliminating illegal discriminatory practices as defined by the Pennsylvania Human Relations Act and the Pennsylvania Fair Educational Opportunities Act. The two principal methods utilized by the commission to secure compliance with the law are processing formal complaints of discrimination which might result in formal legal proceedings being initiated and providing technical assistance to organizations, businesses, governmental bodies and individuals to promote voluntary compliance.

Processing formal complaints continues to be the major activity of the commission.

Substantial resources are also devoted to the commission's second major effort. Technical assistance is provided to anyone who requests guidance in avoiding illegal discriminatory acts. The commission is also involved with major outreach programs to provide information to community leaders and public officials regarding the Pennsylvania Human Relations Act and its procedures.

The commission's efforts to identify and remedy systemic

discrimination will continue. This approach addresses major problems of discrimination against whole classes of employees. In addition, litigation remains a significant feature of the commission's workload.

The Commission for Women functions as the Commonwealth's advocate for women and is responsible for developing and implementing policies and programs that work to ensure equal opportunity.

A large part of the work of the commission is the distribution of information on subjects that affect equal opportunities and full participation. The agency utilizes five major methods of disseminating information: publication of a periodical mailed directly to groups and individual leaders; publication of handbooks or checklists on specific subjects; distribution of news releases and other information to press and broadcast media; speeches to groups and broadcast appearances; and the provision of information to individuals requesting assistance, often distributed through legislative offices.

Citizens contact the commission seeking information or assistance in redress of discrimination. Response includes appropriate information, copies of publications and referrals to government or private agencies.

Program Measures:

	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
<i>Human Relations Commission:</i>							
Formal complaint investigation:							
Complaints pending	5,098	5,828	6,804	7,531	8,023	8,455	8,887
New complaints filed	4,061	4,400	4,920	4,960	4,960	4,960	4,960
Complaints closed	3,331	3,424	4,193	4,468	4,528	4,528	4,528
Projected complaints pending	5,828	6,804	7,531	8,023	8,455	8,887	9,319
Informal complaints received	19,577	19,000	19,000	19,000	19,500	19,500	19,500
<i>Commission For Women:</i>							
Information to organizations and individuals	82,750	83,500	85,000	86,200	87,500	89,000	90,500
Public Education Efforts, Media Contacts and Speeches	177	175	178	182	185	188	190

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

Human Relations Commission	
\$ -23	—nonrecurring.
480	—to continue current program and annualize 1987-88 costs to increase number of investigations.
146	—EDP equipment and staff to reduce backlog.
<u>\$ 603</u>	<i>Appropriation Increase</i>

Commission for Women	
\$ 6	—to continue current program.
9	—support for update of publications.
35	—expansion of program to address women's issues.
<u>\$ 50</u>	<i>Appropriation Increase</i>

EXECUTIVE OFFICES

Program: Prevention and Elimination of Discriminatory Practices (continued)

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
GENERAL FUND:							
Human Relations Commission	\$ 5,199	\$ 5,719	\$ 6,322	\$ 6,573	\$ 6,771	\$ 6,974	\$ 7,183
Commission for Women	175	184	234	241	248	256	265
TOTAL GENERAL FUND	<u>\$ 5,374</u>	<u>\$ 5,903</u>	<u>\$ 6,556</u>	<u>\$ 6,814</u>	<u>\$ 7,019</u>	<u>\$ 7,230</u>	<u>\$ 7,448</u>

EXECUTIVE OFFICES

PROGRAM OBJECTIVE: To increase public exposure to quality artistic and cultural programs and to stimulate a climate that offers opportunities and encouragement to artists.

Program: Development of Artists and Audiences

The Commonwealth encourages cultural development in the arts through matching grants-in-aid to arts organizations and through service programs initiated by the Council on the Arts. The organizations and artists served are diverse and range from small community organizations that engender and support local arts programs to world-renowned orchestras, museums, dance companies, theatres and festivals.

As the council enters its third decade, it will focus on the Commonwealth's environment for the arts and artists.

The council process depends upon 14 advisory panels, each chaired by a council member and composed of nine professionals in each program area. The peer review panels are the cornerstone of the decision-making process and provide the method that assures applications receive the most informed and objective review possible. Panels also review program structure and recommend needed changes to the staff and the council.

The Pennsylvania Council on the Arts functions in three ways to support and assist the arts in the Commonwealth: a grant program that responds to applications, program initiatives that address issues and

problems that are beyond the capacity of a single arts institution, and staff services and technical assistance to arts organizations. The first two involve direct expenditure of grant funds as well as the administrative costs of staff, panelists and specialists. The third is carried out by the program staff, panelists and council members, and is supported entirely by the administrative appropriation.

The grant program provides funds to nonprofit arts organizations for general support, support of specific arts projects, technical assistance, touring and administrative and artistic development. The grant program also funds the Minority Arts program which encourage minority, traditional and ethnic artists and ensembles to participate to a greater extent in the Pennsylvania Arts. With Federal funds, fellowships are awarded to individual artists to provide time for creative work.

The council also provides technical assistance and staff services to arts organizations. Site visits, consultations and evaluations are the basis of the development and monitoring of programs. Staff assists arts organizations in analyzing their problems and in planning solutions.

Program Measures:

	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
Attendance at supported events (in thousands)	58,250	58,600	59,500	60,000	60,000	60,000	60,000
Site visits and consultations	18,064	15,000	16,500	16,700	17,000	17,200	17,400
Award applications reviewed	2,050	2,253	2,400	2,450	2,450	2,450	2,475
Awards made	950	900	1,150	1,200	1,250	1,300	1,350
Information services (circulation in thousands)	135	120	137	138	139	140	141

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

Council on the Arts
 \$ -13 —savings due to press/communications reorganization.
 104 —to continue current program.

Grants to the Arts
 \$ 3,000 —PRR - Increased Grants to the Arts. See the Program Revision Request following this program for further information.

91 *Appropriation Increase*

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
GENERAL FUND:							
Council on the Arts	\$ 748	\$ 780	\$ 871	\$ 910	\$ 937	\$ 966	\$ 995
Grants to the Arts	7,000	9,000	12,000	12,000	12,000	12,000	12,000
TOTAL GENERAL FUND	\$ 7,748	\$ 9,780	\$ 12,871	\$ 12,910	\$ 12,937	\$ 12,966	\$ 12,995

EXECUTIVE OFFICES

Program Revision: Increase Grants to the Arts

This Program Revision will increase funding for grants and initiatives, thus meeting the Governor's goal of a \$1.00 per capita commitment to the Arts as highlighted in the 1987-88 budget. Increased

grant monies will assist the Local Government Incentive Program, the Minority Arts Program, the Artists in Education Program, Music, the Media Arts, and the Cross Disciplinary Arts Program.

Program Measures:

	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
Attendance at supported events (in thousands)							
Current	58,250	58,600	59,000	59,500	60,000	60,000	60,000
Program Revision .....	.....	.....	59,500	60,000	60,000	60,000	60,000
Award applications reviewed							
Current	2,050	2,253	2,281	2,320	2,350	2,375	2,400
Program Revision .....	.....	.....	2,400	2,450	2,450	2,450	2,475
Awards made							
Current	950	980	1,015	1,050	1,100	1,120	1,140
Program Revision .....	.....	.....	1,150	1,200	1,250	1,300	1,350

Program Revision Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

Grants to the Arts

\$ 3,000 —to provide a \$1.00 per capita commitment to the Arts.

Recommended Program Revision Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
GENERAL FUND:							
Grants to the Arts	<u>.....</u>	<u>.....</u>	<u>\$ 3,000</u>	<u>\$ 3,000</u>	<u>\$ 3,000</u>	<u>\$ 3,000</u>	<u>\$ 3,000</u>

EXECUTIVE OFFICES

PROGRAM OBJECTIVE: To increase public awareness of energy problems and to encourage public participation in the reduction of energy consumption.

Program: Energy Management and Conservation

Program Element: Energy Conservation

Stable energy prices, increased energy efficiency and greater reliance on the State's indigenous energy resources are key elements in enhancing Pennsylvania's economic growth. The Energy Office has been charged with responsibility for ensuring that these goals are met.

The Energy Office has maintained its emphasis on providing site specific assistance to selected target audiences rather than generic information. The Federally funded State Energy Conservation Plan and Energy Extension Service have assisted small businesses, local municipalities, public institutions and farmers to conduct site specific feasibility studies of waste to energy projects such as cogeneration, municipal solid waste and agricultural waste recycling. All site specific studies require a matching contribution.

There is a Pennsylvania Energy Center (PEC) in each region of the State. While the centers can be used as a source of information by private citizens, they are specifically tailored to serve the needs of small businesses, local governments, nonprofit organizations and multi-family building owners. A key element of the center is its Energy Efficiency Team (EET) which surveys target facilities to identify energy conservation opportunities. The office conducts an annual performance evaluation that is used to allocate approximately one-third of their funding. The EET energy savings compose approximately one-half of the evaluation.

Energy efficiency capital improvement grants are offered to Pennsylvania's schools and hospitals through the Institutional Conservation Program (ICP).

Program Element: Energy Conservation and Assistance Fund

Act 122 of 1986 established the Energy Conservation and Assistance Fund as a repository for all oil overcharge settlements. The act also provides a framework for allowable expenditures from the fund. While several of the major court settlements tie the use of funds to existing Federal energy programs, Act 122 restricts Pennsylvania's participation to four of the five programs.

Two programs, Pennsylvania Supplemental Low-Income Energy Assistance and Pennsylvania Supplemental Low-Income Weatherization, are both authorized by the Federal Low Income Home Energy Assistance Program (LIHEAP). The LIHEAP program, while basically providing cash grants to pay energy bills, allows diversion of up to 15 percent of the funds for installing energy conservation improvements in homes.

The act also provides up to 25 percent of the total appropriations each year for activities authorized by three Federal energy conservation programs: the State Energy Conservation Program (SECP), the Energy Extension Service (EES) and the Institutional Conservation Program (ICP).

Program Measures:

	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
Energy center efficiency team surveys . . .	2,300	2,400	2,500	2,500	2,500	2,500	2,500
Workshop attendance	2,100	2,000	2,100	2,100	2,100	2,100	2,100
Institutional Conservation Program technical assistance studies	40	41	52	52	52	52	52
Institutional Conservation Program energy conservation measures funded by category:							
Schools	109	49	57	48	48	48	48
Hospital	23	20	23	19	19	19	19
Residential energy and solar projects . . .	3,756	1,575	1,260	1,260	1,260	1,260	1,260

Institutional Conservation programs decrease due to \$800,000 decrease in federal funding in 1987-88. This program is now being funded from the Energy Conservation and Assistance Fund.

Energy Center efficiency team surveys and residential energy and solar projects measures have changed substantially. The new data represent updated historical information and estimates.

EXECUTIVE OFFICES

Program: Energy Management and Conservation (continued)

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

GENERAL FUND	ENERGY CONSERVATION AND ASSISTANCE FUND:	
Energy Office	Energy Conservation Programs	
\$ -119 —nonrecurring expenses.	\$ -732 —nonrecurring	
239 —to continue current program.	200 —Agribusiness Energy Audits	
	500 —Increased support for basic energy conservation programs	
<hr/>	<hr/>	
\$ 120 <i>Appropriation Increase</i>	-37 <i>Appropriation Decrease</i>	
Energy Development Authority		
\$ 200 —non-coal projects.		

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
GENERAL FUND:							
Energy Office	\$ 1,463	\$ 1,450	\$ 1,570	\$ 1,618	\$ 1,666	\$ 1,716	\$ 1,768
New Castle School District Energy Plan ..	20	.....	.....	.....	.....	.....	.....
Energy Development Authority	1,300	1,300	1,500	1,500	1,500	1,500	1,500
TOTAL	<u>\$ 2,783</u>	<u>\$ 2,750</u>	<u>\$ 3,070</u>	<u>\$ 3,118</u>	<u>\$ 3,166</u>	<u>\$ 3,216</u>	<u>\$ 3,268</u>
ENERGY CONSERVATION AND ASSISTANCE FUND:							
Energy Conservation Programs	5,000	5,737	5,700	5,000	.....	.....	.....
TOTAL	<u>\$ 5,000</u>	<u>\$ 5,737</u>	<u>\$ 5,700</u>	<u>5,000</u>	<u>.....</u>	<u>.....</u>	<u>.....</u>

EXECUTIVE OFFICES

PROGRAM OBJECTIVE: To increase economic stability by providing financial assistance to those who have suffered financial loss as a result of being injured during the commission of a crime.

Program: Income Maintenance

The Crime Victims Compensation Program was established in 1976 to ameliorate the financial burden faced by the victims of crime.

Individuals under age 60 receive compensation for out-of-pocket expenses exceeding \$100 or for loss of at least two continuous weeks' earnings or support. The maximum compensation paid to a victim or dependant is \$35,000. In addition to earnings, compensation is limited to actual treatment costs or the exact amount of stolen support payments.

The program was expanded by legislation in 1979, 1984 and again in 1986. The changes in 1979 eliminate the minimum loss requirement for victims over 60 and required law enforcement officials to notify victims of the compensation program. The 1984 amendments provided coverage for the stolen cash proceeds of a social security check when it could be determined that social security was the victim's primary source of income. The board was authorized to award compensation when the claimant and offender were related so long as they did not reside together and the offender would not benefit from the award. Also, compensation was allowed for a family member assuming liability for a homicide victim's funeral expenses.

In addition to expanding compensable coverage, Act 96 of 1984

reinforced the victim notification requirements and imposed costs on criminals to finance victims compensation. Referred to as "reverse Miranda," victims rights programs, were established statewide to inform individuals of their right to compensation.

The amendment passed in 1986 expanded the definition of injury to include mental damage but limited compensation to the cost of psychological or psychiatric services. The amendment also allowed reimbursement for stolen railroad retirement and child or spousal support payments if the loss is the primary income source.

The Crime Victims Compensation Program is the payor of last resort for crime victims' losses and the board is required to verify all aspects of each claim prior to payment.

No State grant funds are required for this program after 1986-87 as a result of the Federal Victims of Crime Act of 1984 which allocates Federal funds for crime victims' payments and State Act 96 of 1984 which allows collections and disbursements of court imposed costs from an established restricted revenue account. Since the imposed costs are paid from a restricted revenue account, they are listed as other funds in this program.

Program Measures:

	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
Claim backlog	456	744	1,399	2,099	2,699	3,199	3,599
Claims submitted	2,231	2,610	2,700	2,800	2,900	3,000	3,100
Claims paid	969	975	1,000	1,100	1,200	1,300	1,400
Claims denied	974	980	1,000	1,100	1,200	1,300	1,400

Information concerning program availability has become more widespread, causing increase in claims submitted and claims backlog.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

Crime Victims Compensation
\$ 46 —to continue current program.

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
GENERAL FUND:							
Crime Victims Compensation Board	\$ 436	\$ 451	\$ 497	\$ 512	\$ 528	\$ 542	\$ 560
TOTAL GENERAL FUND	\$ 436	\$ 451	\$ 497	\$ 512	\$ 528	\$ 542	\$ 560

EXECUTIVE OFFICES

PROGRAM OBJECTIVE: To provide criminal and juvenile justice system policy analysis, coordination and planning to improve criminal justice programs.

Program: Criminal and Juvenile Justice Planning and Coordination

The Pennsylvania Commission on Crime and Delinquency (PCCD) examines criminal justice problems and needs, researches and proposes improvement strategies and assesses the results of these strategies on affected components of the justice system. Appointed task forces, advisory groups and planning committees, encompassing commission and noncommission members, advise the commission in addressing specific problem areas.

The commission also administers a mix of State and Federal grant programs which are designed to provide support to local elements of the criminal justice system and, through selective financing of proposals, demonstrate new solutions to statewide problems.

The "Pennsylvania Crime Watch," serves law enforcement organizations and citizens across the Commonwealth through a comprehensive training and technical assistance effort designed to foster the planning, implementation and evaluation of effective community crime prevention programs. A key element of the program is the four-day Police Crime Prevention Practitioners' Course which is composed of modules covering the value and benefit of crime prevention community programming, increasing public awareness of precautions against property and personal crimes, educating the public and developing a resource network. In addition to providing special seminars to citizens groups, PCCD provides a "Model for Municipal Crime Prevention Programs" which outlines a systematic basis for local program development. PCCD assistance is predicated on supporting the recipient agency or group rather than supplanting their work.

Under the guidance of its gubernatorially appointed Juvenile Advisory Committee, PCCD occupies a central role in the interaction between the Department of Public Welfare, the Juvenile Court Judges'

Commission and other agencies in the development and implementation of policy and programming relative to juvenile justice. Paramount to PCCD's involvement has been the administration of the Federal Juvenile Justice and Delinquency Prevention Act formula grant program.

The Commission's Prison and Jail Overcrowding Task Force continues to oversee the adoption and implementation of initiatives to alleviate crowding, monitor and evaluate the effects of the initiatives and identify further necessary changes.

PCCD uses county-based policy boards to define local victim service needs and develop cost-effective victim/witness service strategies. Technical and financial assistance is provided through community organizations to support comprehensive service to victims of all violent crime with particular emphasis on services to victims of sexual assault, domestic violence and child abuse. Grants are made using court imposed costs authorized by Act 96 of 1984 and the Federal Victims of Crime Act of 1984.

The Federal Justice Assistance Act (JAA) of 1984 established a state grant program to assist state and local governments in carrying out programs which offer a high probability of improving the functions of the criminal justice system with special emphasis on violent crime and serious offenders. PCCD adopted four priorities for JAA funds: prison and jail overcrowding, career criminals, drug prevention and criminal justice training.

Act 2 of 1984 established a basic and continuing training program for deputy sheriffs to be financed through a surcharge on fees levied by the sheriffs for legal services executed. The first, 160 hour basic training school began in 1985 and continues to train deputy sheriffs at regular intervals.

Program Measures:

	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
Police officers attending crime prevention practitioner's course and inservice instructors' development workshops . . .	200	200	200	200	200	200	200
Citizens attending community crime prevention training		100	200	200	200	200	200
Police/citizens environmental design training workshops		50	100	100	100	100	100
Counties receiving technical assistance and grants for crime victims services	55	60	67	67	67	67	67

EXECUTIVE OFFICES

Program: Criminal and Juvenile Justice Planning and Coordination (continued)

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

Commission on Crime and Delinquency	
\$ -100	—nonrecurring
-13	—savings due to press/communications reorganization
150	—to maintain current program.
83	—Anti-Drug Abuse State Match.
<hr/>	
\$ 120	<i>Appropriation Increase</i>

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
GENERAL FUND:							
Commission on Crime and Delinquency . . .	\$ 1,805	\$ 1,905	\$ 2,025	\$ 2,086	\$ 2,148	\$ 2,213	\$ 2,279
Eagleville Hospital	300	300	. . . . .	. . . . .	. . . . .	. . . . .	. . . . .
TOTAL GENERAL FUND	<u>\$ 2,105</u>	<u>\$ 2,205</u>	<u>\$ 2,025</u>	<u>\$ 2,086</u>	<u>\$ 2,148</u>	<u>\$ 2,213</u>	<u>\$ 2,279</u>

EXECUTIVE OFFICES

PROGRAM OBJECTIVE: To reduce the recurrence of juvenile delinquency through replacement of criminal behavior with socially acceptable behavior.

Program: Reintegration of Juvenile Delinquents

The Juvenile Court Judges Commission is responsible for the development and improvement of juvenile probation services throughout the Commonwealth. These services focus on the effective reintegration of juvenile offenders into the community through increased performance by juvenile courts and their staff.

The development of statewide juvenile probation standards, comprehensive training and specialized intensive probation and aftercare programs have significantly improved the quality of services within the Commonwealth's juvenile court system.

66 Counties participate in the commission's grant-in-aid program and have voluntarily adopted intake standards, participated in training programs and complied with statistical reporting requirements. The grant program supports several major programs including intensive probation

and aftercare initiatives.

The intensive probation program is designed as an alternative to placement while the availability of aftercare programs reduces the average length of placement.

As a result of the Coleman versus Stanziani settlement on April 18, 1986, the commission began a massive training program mandated by the courts. The case challenged the constitutionality of the detention provisions of the Pennsylvania Juvenile Act. The settlement promulgated secure detention standards and charged the commission with training all judges, probation officers and detention center staff in application of the standard. In addition, the commission must monitor compliance for ten years and report annually to the court.

Program Measures:

	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
Commitments as a percent of referrals . . .	14.96%	13.96%	12.96%	11.96%	11.46%	10.96%	10.5%
Children referred to court	28,900	28,400	27,900	27,800	27,750	27,750	27,250
Children arrested for violent crime	4,571	4,521	4,471	4,421	4,371	4,321	4,271
Intensive probation and aftercare programs operating	59	58	60	62	62	64	64
Juvenile Justice personnel trained	1,800	1,700	1,800	1,850	1,900	1,950	2,000

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

Juvenile Court Judges Commission
Maintain program at current level of funding.

\$ 250

Improvement of Juvenile Probation Services
—Development of an Intensive Aftercare program targeted at serving 500 habitual and serious juvenile offenders.

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
GENERAL FUND:							
Juvenile Court Judges Commission	\$ 456	\$ 480	\$ 480	\$ 494	\$ 509	\$ 524	\$ 540
Improvement of Juvenile Probation Services	2,902	2,989	3,239	3,239	3,239	3,239	3,239
TOTAL GENERAL FUND	\$ 3,358	\$ 3,469	\$ 3,719	\$ 3,733	\$ 3,748	\$ 3,763	\$ 3,779

EXECUTIVE OFFICES

PROGRAM OBJECTIVE: To assist persons who have sustained injury or death as a result of tort or breach of contract by a health care provider to obtain prompt and just adjudication of their claim and to conduct preliminary hearings on appeals concerning health care facilities.

Program: Medical Malpractice Arbitration and Health Facilities Hearings

The Health Care Services Malpractice Act of 1975 created a comprehensive program to assure the availability of medical malpractice insurance at reasonable rates. As originally designed by the act, the Arbitration Panels for Health Care conducted arbitration hearings in medical malpractice cases to promote reduced insurance costs and prompt resolution of claims.

In 1984, the arbitration hearing system was replaced by a conciliation conference service which conducts court-supervised settlement conferences pursuant to Section 7342 of the Judicial Code. This service has been well received and is highly regarded by judges, attorneys and other interested legal and professional groups. It has dramatically increased the settlement rate for medical malpractice cases in those counties where the court has ordered it implemented. While use of the service remains at the discretion of the court, it is available throughout the State.

The Health Care Services Malpractice Act also established the Medical Professional Liability Catastrophe Loss Fund to pay the cost of settlements in excess of \$200,000 per occurrence and \$600,000 annually for individuals and \$1 million annually for hospitals. A Statement of Cash Receipts and Disbursements for the fund is included in the

Special Funds Appendix. The fund expenditures are also reflected as other funds in this program.

The State Health Facility Hearing Board, created by Act 48 of 1979, is reflected in this program. The board conducts hearings throughout the State on appeals of decisions made by the Department of Health on application for certificate of need and licensure of health care facilities. Decisions of the board may be appealed to Commonwealth Court.

The Department of Health's action on certificate of need applications may be appealed either by the institution applying for the certificate or by other institutions that anticipate an adverse impact from the change. The appeal hearing does not judge the correctness of the department's action but determines if the evidence is sufficient to reasonably support the decision.

In licensing appeals, the board must discover the facts and make a judgement on the relative merit of the case. The department's decisions may involve either the initial licensing of a new facility or possible revocation or penalties against a licensed facility where impropriety is alleged. The majority of these appeals are settled by pre-hearing conferences.

Program Measures:

	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
Health Care Arbitration Panels:							
Court cases settled as a result of							
conciliation conferences	250	260	270	280	285	285	285
Conciliation conferences held	456	485	500	515	530	530	530
Total value of settlements reached (in millions of dollars)	\$47.5	\$52.5	\$55	\$57.5	\$60	\$60	\$60
Time incident to disposition (in months)	1	1	1	1	1	1	1
Health Facilities Hearing Board:							
Unresolved appeals carried forward . . .	65	56	50	49	49	48	46
New appeals filed	50	54	59	60	62	63	64
Total number of open cases	115	110	109	109	111	111	110
Appeals resolved	59	60	60	60	63	65	66
Decisions Appealed to Commonwealth Court	3	3	3	3	4	4	4
Time incident to disposition of appeal (in months)	9	9	9	9	9	9	9

Health Care Arbitration Panels conciliation conferences increase due to additional counties being served and additional support provided to Pittsburgh Common Pleas.

Health Facilities Hearing Board unresolved appeals carried forward decreases in 1986-87 due to withdrawal of appeals.

Program Recommendations:

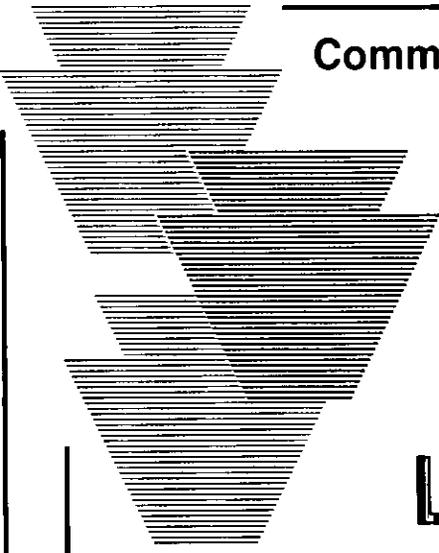
This budget recommends the following changes: (Dollar Amounts in Thousands)

Health Facilities Hearing Board					
maintain program at current funding level.	\$	32	—	to continue current programs.	

EXECUTIVE OFFICES

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
	Actual	Available	Budget	Estimated	Estimated	Estimated	Estimated
GENERAL FUND:							
Health Facilities Hearing Board	\$ 145	\$ 173	\$ 173	\$ 179	\$ 183	\$ 189	\$ 195
Health Care Arbitration Panels	446	456	488	502	528	542	560
TOTAL GENERAL FUND	<u>\$ 591</u>	<u>\$ 629</u>	<u>\$ 661</u>	<u>\$ 681</u>	<u>\$ 711</u>	<u>\$ 731</u>	<u>\$ 755</u>



Commonwealth of Pennsylvania

Lieutenant Governor

The Lieutenant Governor serves as President of the Senate and Chairman of the Board of Pardons. In the case of the death, conviction on impeachment, failure to qualify or resignation of the Governor, the Lieutenant Governor shall become Governor for the remainder of the term and in the case of the disability of the Governor, the powers, duties and emoluments of the office shall devolve upon the Lieutenant Governor until the disability is removed.

LIEUTENANT GOVERNOR

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Budget
GENERAL FUND			
<i>GENERAL GOVERNMENT:</i>			
Lieutenant Governor's Office	\$ 476	\$ 503	\$ 583
Board of Pardons	192	208	208
GENERAL FUND TOTAL.....	<u>\$ 668</u>	<u>\$ 711</u>	<u>\$ 791</u>

LIEUTENANT GOVERNOR

Program Funding Summary:

	(Dollar Amounts in Thousands)						
	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
	Actual	Available	Budget	Estimated	Estimated	Estimated	Estimated
EXECUTIVE DIRECTION:							
General Fund	<u>\$ 668</u>	<u>\$ 711</u>	<u>\$ 791</u>	<u>\$ 814</u>	<u>\$ 840</u>	<u>\$ 864</u>	<u>\$ 889</u>

LIEUTENANT GOVERNOR

PROGRAM OBJECTIVE: To provide an effective administrative system through which substantive programs of the agency can be accomplished.

Program: Executive Direction

This program provides for the execution of duties relating to the office of the Lieutenant Governor. These duties as prescribed by the Constitution include presiding over the Senate; serving as chairman of the Board of Pardons, and assumption of the office of the Governor for the remainder of the Governor's term if necessary as a result of death, conviction or impeachment, failure to qualify or resignation of the Governor.

In addition to these duties prescribed by law, he also serves the Governor in many other areas and is Chairman of the Emergency Management Council and the Pennsylvania Energy Office. As chairman, the Lieutenant Governor has direct responsibility for coordinating relief information and assistance.

Also included in this program is the Board of Pardons which reviews applications for reprieve, commutation of sentences and pardons.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

Lieutenant Governors Office
\$ 80 —to continue current program.

Board of Pardons
\$ -10 —nonrecurring costs.
10 —to continue current program.
..... *Appropriation Increase*

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
GENERAL FUND:							
Lieutenant Governor's Office	\$ 476	\$ 503	\$ 583	\$ 600	\$ 619	\$ 637	\$ 657
Board of Pardons	192	208	208	\$ 214	221	227	232
TOTAL GENERAL FUND	\$ 668	\$ 711	\$ 791	\$ 814	\$ 840	\$ 864	\$ 889



Commonwealth of Pennsylvania

Attorney General

The State constitution provides that the Attorney General shall be the chief law officer of the Commonwealth and shall exercise such powers and perform such duties as may be imposed by law.

The Commonwealth Attorneys Act establishes the Attorney General as the chief legal and law enforcement officer of the Commonwealth and provides the following fundamental duties and responsibilities of the Office of Attorney General:

To be the Commonwealth's chief law enforcement officer charged with the responsibility for the prosecution of organized crime and public corruption. This law enforcement program includes a criminal investigations unit and drug law enforcement program as well as direction of state-wide 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.

ATTORNEY GENERAL

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Budget
GENERAL FUND			
GENERAL GOVERNMENT:			
General Government Operations	\$ 24,437	\$ 26,551	\$ 28,116
(F) Medicaid Fraud	1,748	1,968	2,067
(F) Mobile Cooperative Task Force .....	.....	311	411
(F) Technical Assistance .....	.....	34	47
(F) Financial Asset Investigation .....	.....	296	390
(F) Drug Prosecution Program .....	.....	438	292
(A) Sale of Seized Vehicles	78	.....	.....
(A) Court Ordered Restitution of Drug Purchases	729	.....	.....
(A) Legal Fees Reimbursement	135	160	163
(A) Collections — Legal	155	155	163
(A) Department Services	68	92	97
(A) Consumer Protection Investigation	28	20	21
(A) Antitrust — Legal Fees	41	65	68
(A) Investigative Cost Reimbursement .....	.....	35	.....
(R) Office of the Consumer Advocate	2,476	2,622	2,738
Total — General Government Operations	<u>\$ 29,895</u>	<u>\$ 32,747</u>	<u>\$ 34,573</u>
Hazardous Waste Prosecutions	431	596	794
(F) Hazardous Waste Management .....	.....	80	.....
Subtotal — State Funds	24,868	27,147	28,910
Subtotal — Federal Funds	1,748	3,127	3,207
Subtotal — Augmentations	1,234	527	512
Subtotal — Restricted Revenues	2,476	2,622	2,738
Total — General Government	<u>\$ 30,326</u>	<u>\$ 33,423</u>	<u>\$ 35,367</u>
GRANTS AND SUBSIDIES:			
County Trial Reimbursement	\$ 148	\$ 100	\$ 110
STATE FUNDS	\$ 25,016	\$ 27,247	\$ 29,020
FEDERAL FUNDS	1,748	3,127	3,207
AUGMENTATIONS	1,234	527	512
RESTRICTED REVENUE	2,476	2,622	2,738
GENERAL FUND TOTAL	<u>\$ 30,474</u>	<u>\$ 33,523</u>	<u>\$ 35,477</u>
OTHER FUNDS			
GENERAL FUND:			
Seized/Forfeited Property — State Court Awarded .....	.....	\$ 760	\$ 960
Seized/Forfeited Property — Federal Grant Awarded	\$ 155	661	463
OTHER FUNDS TOTAL	<u>\$ 155</u>	<u>\$ 1,421</u>	<u>\$ 1,423</u>
DEPARTMENT TOTAL — ALL FUNDS			
GENERAL FUNDS	\$ 25,016	\$ 27,247	\$ 29,020
FEDERAL FUNDS	1,748	3,127	3,207
AUGMENTATIONS	1,234	527	512
RESTRICTED REVENUE	2,476	2,622	2,738
OTHER FUNDS	155	1,421	1,423
TOTAL — ALL FUNDS	<u>\$ 30,629</u>	<u>\$ 34,944</u>	<u>\$ 36,900</u>

ATTORNEY GENERAL

Program Funding Summary:

	(Dollar Amounts in Thousands)						
	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
	Actual	Available	Budget	Estimated	Estimated	Estimated	Estimated
PUBLIC PROTECTION AND LAW ENFORCEMENT:							
General Fund	\$ 25,016	\$ 27,247	\$ 29,020	\$ 30,348	\$ 31,257	\$ 32,193	\$ 33,156
Federal Funds	1,748	3,127	3,207	2,401	2,067	2,067	2,067
Other Funds	3,865	4,570	4,673	5,007	5,421	5,836	6,255
TOTAL	<u>\$ 30,629</u>	<u>\$ 34,944</u>	<u>\$ 36,900</u>	<u>\$ 37,756</u>	<u>\$ 38,745</u>	<u>\$ 40,096</u>	<u>\$ 41,478</u>

ATTORNEY GENERAL

PROGRAM OBJECTIVE: To enforce the criminal laws of the Commonwealth and protect the interests of Pennsylvania citizens in areas of consumer protection, antitrust enforcement, operation of charitable trusts and organizations, and civil rights.

Program: Public Protection and Law Enforcement

The Attorney General as the chief law enforcement officer of the Commonwealth is charged with the responsibility for the investigation and prosecution of organized crime and public corruption. The agency investigates and prosecutes criminal activity in accordance with Sections 205 and 206 of the Commonwealth's Attorneys Act, and utilizes statewide investigative grand juries as appropriate. The Attorney General's Office works with the State Police to curtail drug abuse in the Commonwealth by immobilizing illegal drug traffickers. Last year, over 2,000 drug traffickers were arrested, of which 541 were considered major.

Other major activities of this program involve: decreasing the

incidence of fraud and deceptive business practices and securing recovery of damages to the Commonwealth and its citizens; encouraging free enterprise and competition; prosecution of hazardous waste cases; and providing for representation of the consumer before the Public Utility Commission through the Office of the Consumer Advocate.

This program also provides legal services for governmental agencies of the Commonwealth, as required by Section 204 of the Commonwealth's Attorney's Act. Specifically, the Attorney General's Office represents the Commonwealth in any action brought by or against the Commonwealth or its agencies, particularly tort claims.

Program Measures:

	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
Cases presented to the statewide investigating Grand Jury	26	27	28	29	29	29	29
Drug law arrests	2,214	2,448	2,693	2,962	2,962	2,962	2,962
Major drug traffickers arrested	541	612	673	741	741	741	741
Consumer complaints concerning business practices investigated and mediated	23,173	23,200	24,400	25,000	25,000	25,000	25,000
Dollar value of recoupment to consumers regarding business practices (in thousands)	\$1,768	\$2,000	\$2,000	\$2,100	\$2,100	\$2,100	\$2,100
Rate cases argued by Consumer Advocate	72	61	61	N/A	N/A	N/A	N/A
Other cases argued by the Consumer Advocate	30	29	29	N/A	N/A	N/A	N/A
Antitrust and oil overcharge cases:							
Settlements with or without court action	15	10	10	10	10	10	10
Dollars paid or agreed to be paid to the Commonwealth or directly to its citizens (in thousands)	\$43,137	\$25,220	\$2,000	\$2,200	\$2,200	\$2,200	\$2,200

Refunds to the Commonwealth from the large Federal oil overcharge cases are expected to end in 1987-88. Since 1981, Pennsylvania has received over \$150 million in refunds.

ATTORNEY GENERAL

Program: Public Protection and Law Enforcement (continued)

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

Attorney General's Office
 \$ 936 —to maintain current program.
 629 —to expand investigating activities, as well as staff services to State agencies and local governments. Includes staff increases in the areas of asbestos abatement program cost recovery, torts and civil litigation, anti-trust and consumer protection, drug investigations, child abuse prosecutions, collections, and assistance to local law enforcement agencies.
 \$ 1,565

Hazardous Waste Prosecutions
 \$ 198 —to maintain current program including annualization of 1987-88 initiative.

County Trial Reimbursements
 \$ 10 —to maintain current program.

This budget also recommends the following change to the appropriation for the Office of Consumer Advocate from its restricted revenue account in the General Fund :
 (Dollar Amounts in Thousands)

\$ 116 —to continue current program.

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
GENERAL FUND:							
Attorney General's Office	\$ 24,437	\$ 26,551	\$ 28,116	\$ 29,420	\$ 30,305	\$ 31,215	\$ 32,152
Hazardous Waste Prosecution	431	596	794	818	842	868	894
County Trial Reimbursement	148	100	110	110	110	110	110
TOTAL GENERAL FUND	\$ 25,016	\$ 27,247	\$ 29,020	\$ 30,348	\$ 31,257	\$ 32,193	\$ 33,156



Commonwealth of Pennsylvania

Auditor General

The Department of the Auditor General post-audits the affairs of State Government agencies and certain local government agencies, officials, and organizations. The objective is to insure conformance with established legislative and administrative regulations and to assure that all money has been disbursed legally and properly. In addition, the Auditor General examines the accounts of revenue collecting agents to assure that all money due the Commonwealth was reported and transmitted properly.

AUDITOR GENERAL

PROGRAM REVISION

Budgeted Amounts Include the Following Program Revisions:

Appropriation	Title	1988-89 State Funds (in thousands)
GENERAL FUND		
Municipal Pension System State Aid	Municipal Retirement System Recovery Plan	\$ 4,175

This Program Revision will provide funding for municipal pension systems which are making the required steps to meet funding standards but are unable to do so within existing municipal resources.

AUDITOR GENERAL

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Budget
GENERAL FUND			
GENERAL GOVERNMENT:			
Auditor General's Office	\$ 26,318	\$ 28,608	\$ 29,720
(A) Reimbursement for Auditing Services	5,087	5,625	5,850
(A) Sale of Automobiles	45	.....	.....
Subtotal — State Funds	\$ 26,318	\$ 28,608	\$ 29,720
Subtotal — Augmentations	5,132	5,625	5,850
Total — Auditor General's Office	<u>\$ 31,450</u>	<u>\$ 34,233</u>	<u>\$ 35,570</u>
Transition — Governor	125	.....	.....
Board of Claims	937	1,091	1,115
Security and Other Expenses — Outgoing Governor	84	.....	.....
Subtotal — State Funds	\$ 27,464	\$ 29,699	\$ 30,835
Subtotal — Augmentations	5,132	5,625	5,850
Total — General Government	<u>\$ 32,596</u>	<u>\$ 35,324</u>	<u>\$ 36,685</u>
GRANTS AND SUBSIDIES:			
Municipal Pension System State Aid .....	.....	.....	\$ 4,175
Total — Grants and Subsidies	<u>.....</u>	<u>.....</u>	<u>\$ 4,175</u>
DEPARTMENT TOTAL — ALL FUNDS			
GENERAL FUND	\$ 27,464	\$ 29,699	\$ 35,010
AUGMENTATIONS	5,132	5,625	5,850
TOTAL ALL FUNDS	<u>\$ 32,596</u>	<u>\$ 35,324</u>	<u>\$ 40,860</u>

AUDITOR GENERAL

Program Funding Summary:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
AUDITING:							
General Fund	\$ 27,464	\$ 29,699	\$ 30,835	\$ 31,762	\$ 32,716	\$ 33,699	\$ 34,713
Other Funds	5,132	5,625	5,850	6,026	6,207	6,393	6,585
TOTAL	<u>\$ 32,596</u>	<u>\$ 35,324</u>	<u>\$ 36,685</u>	<u>\$ 37,788</u>	<u>\$ 38,923</u>	<u>\$ 40,092</u>	<u>\$ 41,298</u>
MUNICIPAL PENSION SYSTEMS:							
General Fund	<u>.....</u>	<u>.....</u>	<u>\$ 4,175</u>	<u>\$ 25,670</u>	<u>\$ 25,670</u>	<u>\$ 25,670</u>	<u>\$ 25,670</u>
ALL PROGRAMS							
GENERAL FUND	\$ 27,464	\$ 29,699	\$ 35,010	\$ 57,432	\$ 58,386	\$ 59,369	\$ 60,383
OTHER FUNDS	5,132	5,625	5,850	6,026	6,207	6,393	6,585
TOTAL	<u>\$ 32,596</u>	<u>\$ 35,324</u>	<u>\$ 40,860</u>	<u>\$ 63,458</u>	<u>\$ 64,593</u>	<u>\$ 65,762</u>	<u>\$ 66,698</u>

AUDITOR GENERAL

PROGRAM OBJECTIVE: To insure that all revenue to which the Commonwealth is entitled is deposited in the State Treasury and that public money is disbursed legally and properly.

Program: Auditing

The Auditor General is required by the Fiscal Code to audit the financial affairs of State Government. Each year, the department makes thousands of regular and special post audits of Commonwealth agencies, persons, associations, and corporations to insure money is disbursed legally and properly. Also, the Auditor General examines accounts of revenue collecting agents to assure that all money due to the Commonwealth, totaling several billions of dollars, was reported and transmitted properly and that Commonwealth financial statements conform to Generally Accepted Accounting Principles (GAAP). A joint audit of the General Purpose Financial Statements of the Commonwealth is being performed by the Auditor General and an independent certified public accounting firm.

The Auditor General is also required by the Fiscal Code to audit

public assistance payments to determine eligibility of persons receiving public assistance grants. Recipients of public assistance are subject to continuous audit. These audits serve to adjust grants to persons either not eligible, receiving overpayments or underpayments.

In addition to the Auditor General's fiscal duties, there are other responsibilities imposed by law such as serving as a member of the General State Authority, the State Public School Building Authority and other major Commonwealth boards and commissions.

The Board of Claims operates within this program exercising its function as an independent judicial and administrative body with jurisdiction to hear and determine claims that equal or exceed \$300 against the Commonwealth.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

<p style="text-align: center;">Auditor General's Office</p> <p>\$ 1,112 —to continue current program.</p>	<p style="text-align: center;">Board of Claims</p> <p>\$ 24 —to continue current program.</p>
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Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
GENERAL FUND:							
Auditor General's Office	\$ 26,318	\$ 28,608	\$ 29,720	\$ 30,613	\$ 31,532	\$ 32,480	\$ 33,456
Security and Other Expenses — Outgoing							
Governor	84	.....	.....	.....	.....	.....	.....
Board of Claims	937	1,091	1,115	1,149	1,184	1,219	1,257
Transition — Governor's Office	125	.....	.....	.....	.....	.....	.....
TOTAL GENERAL FUND	\$ 27,464	\$ 29,699	\$ 30,835	\$ 31,762	\$ 32,716	\$ 33,699	\$ 34,713

AUDITOR GENERAL

PROGRAM OBJECTIVE: To assist municipal pension systems through loans and disbursement of annual supplemental State assistance.

Program: Municipal Pension Systems

In 1984, the General Assembly passed Act 205 known as the Municipal Pension Plan Funding Standard and Recovery Act. The enactment of this legislation was in response to the solvency problems facing many of the Commonwealth's municipal pension systems. The act requires the submission of municipal pension plan actuarial reports to the Public Employee Retirement Study Commission (PERSC) every two years and establishes criteria for determination of actuarial soundness and the amount of State financed support that will be provided.

The Auditor General is basically responsible for audits of municipal pension funds for non-uniformed employes where municipalities choose to allocate State aid to those funds. The municipal pension plans for

non-uniformed employes total approximately 1,300. In July of 1985, the Auditor General became responsible for administration of the Supplemental State Assistance Account which will, from July 1985 to December 1988, contain portions of the proceeds of the Foreign Casualty Premium Tax previously paid to the State Employees Retirement Board. The initial funding is immediately available for loans to municipalities in imminent danger of defaulting on the obligations of their pension plans.

Beginning in December 1988, the Auditor General will also be responsible for disbursement of Supplemental State Assistance to distressed municipal pension systems based on certified State assistance amounts provided by PERSC.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

Municipal Pension System State Aid

\$ 4,175 —PRR - Municipal Retirement System Recovery Plan. See the Program Revision Request following this program for further information.

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
	Actual	Available	Budget	Estimated	Estimated	Estimated	Estimated
GENERAL FUND:							
Municipal Pension System State Aid	<u> </u>	<u> </u>	<u>\$ 4,175</u>	<u>\$ 25,670</u>	<u>\$ 25,670</u>	<u>\$ 25,670</u>	<u>\$ 25,670</u>

AUDITOR GENERAL

Program Revision: Municipal Retirement System Recovery Plan

The Municipal Pension Plan Funding Standard and Recovery Act, Act 205 of 1984, provided for the funding standards now in place for municipal pension systems. It also provided for loans and grants should they be required by municipalities attempting to become actuarially sound.

The Supplemental Loan Program was funded from 1985-86 to 1987-88 from certain revenues of the Municipal Pension Aid Fund which were designated for that purpose. Those funds were deposited in the Supplemental State Assistance Fund and were available for loans to municipal systems in danger of imminent default. During the period no system was in need of those funds and as a result the Supplemental State Assistance Fund will have a balance of over \$21 million for 1988-89.

The General Municipal Pension State Aid Program was designed by the Act to provide funds to the municipal pension funds in the Commonwealth which are making the required steps to meet funding

standards but are unable to do so within existing municipal resources. These funds are to be distributed to those systems in accordance with actuarial and municipal finance indicators as certified by the Public Employee Retirement Study Commission. The Act provided for an appropriation of up to \$35 million each year from 1988 until 2003 or the first year in which no municipalities are entitled to receive the assistance.

The Commission has reviewed the municipal reports and has certified that the payment to be made in 1988 will total \$25,752,600. Since the current balance in the Supplemental State Assistance Fund is over \$21 million, the appropriation necessary for 1988-89 will be \$4,175,000.

The appropriation for the future years is expected to be certified at \$25,753,000 or less in each year.

The Supplemental State Assistance Fund is a nonbudgeted special fund shown in the appendix of this volume.

Program Measures:

	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
Municipalities aided							
Current							
Program Revision			28	28	28	28	28

Program Revision Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

Municipal Pension System State Aid
 \$ 4,175 —to fund a recovery program for financially distressed municipal pension systems.

Recommended Program Revision Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
GENERAL FUND:							
Municipal Pension System State Aid			\$ 4,175	\$ 25,753	\$ 25,753	\$ 25,753	\$ 25,753



Commonwealth of Pennsylvania

Treasury Department

The Treasury Department is responsible for receiving all Commonwealth monies and for depositing such monies in State depositories approved by the Board of Finance and Revenue; for managing all securities in its custody to the best advantage of the Commonwealth; for preauditing all requisitions for the expenditures of funds; and for disbursement of all State monies upon proper authorization to those entitled to receive payment.

TREASURY DEPARTMENT

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Budget
GENERAL FUND			
GENERAL GOVERNMENT:			
State Treasurer's Office	\$ 12,568	\$ 12,945	\$ 13,182
(A) Expenses — Unemployment Compensation	768	984	805
(A) Fees — Federal Savings Bonds	31		
(A) Sale of Automobiles	5		
(A) Photocopy Services	1		
Subtotal — State Funds	\$ 12,568	\$ 12,945	\$ 13,182
Subtotal — Augmentations	805	984	805
Total — State Treasurer's Office	<u>\$ 13,373</u>	<u>\$ 13,930</u>	<u>\$ 13,987</u>
Board of Finance and Revenue	790	931	955
Council of State Governments	115	118	124
Great Lakes Commission	31	35	40
Publishing Monthly Statements	33	36	38
National Conference of State Legislatures	124	129	137
Education Commission of the States	61	65	68
Advisory Commission on Intergovernmental Relations	4	9	9
National Governor's Association	101	107	114
Coalition of Northeast Governors	59	63	136
Northeast—Midwest Institute	48	50	58
Governmental Accounting Standards Board	36	42	40
State and Local Legal Center		8	8
Replacement Checks (EA)	56	100	100
Subtotal — State Funds	\$ 14,026	\$ 14,638	\$ 15,009
Subtotal — Augmentations	805	984	805
Total — General Government	<u>\$ 14,831</u>	<u>\$ 15,622</u>	<u>\$ 15,814</u>
DEBT SERVICE REQUIREMENTS:			
Interest Obligations — Penn State University		16	16
Loan and Transfers Agent	171	221	221
Tax Note Expenses	89	168	165
General Obligation Debt Service	313,844	340,908	366,691
Commercial Paper Costs (EA)	454	400	400
Interest on Tax Anticipation Notes (EA)	13,232	22,154	25,000
Total — Debt Service Requirements	<u>\$ 327,790</u>	<u>\$ 363,867</u>	<u>\$ 392,493</u>
GRANTS AND SUBSIDIES:			
Law Enforcement Officer's Death Benefits	\$ 275	\$ 500	\$ 350
Total — Grants and Subsidies	<u>\$ 275</u>	<u>\$ 500</u>	<u>\$ 350</u>
STATE FUNDS	\$ 342,091	\$ 379,005	\$ 407,852
AUGMENTATIONS	805	984	805
GENERAL FUND TOTAL	<u>\$ 342,896</u>	<u>\$ 379,989</u>	<u>\$ 408,657</u>
MOTOR LICENSE FUND			
GENERAL GOVERNMENT:			
Replacement Checks	\$ 11	\$ 60	\$ 60
Refunding Liquid Fuel Tax — Agricultural	3,150	4,200	4,200
Refunding Liquid Fuel Tax — State Share	199	350	350
Refunding Emergency Liquid Fuel Tax		1	1
Refunding Liquid Fuel Tax — Political Subdivisions	1,499	2,250	2,250
Administration of Refunding Liquid Fuel Tax	182	248	254
Refunding Liquid Fuel Tax — Volunteer Services	104	160	160
Refunding Marine Liquid Fuel Tax — Boat Fund	1,253	1,500	1,500
Total — General Government	<u>\$ 6,398</u>	<u>\$ 8,769</u>	<u>\$ 8,775</u>

TREASURY DEPARTMENT

	(Dollar Amounts in Thousands)		
1986-87 Actual	1987-88 Available	1988-89 Budget	
DEBT SERVICE REQUIREMENTS:			
Capital Debt — Transportation Projects	\$ 164,911	\$ 164,998	\$ 165,051
Capital Debt — General State Authority	529	524	521
Advance Construction Interstate — Interest	875	7,535	12,180
Loan and Transfer Agent	97	131	131
(R) Aviation Debt Service	193	144	144
(R) Capital Bridge Debt .....	.....	5,880	15,583
(R) Advance Construction Interstate — Principal .....	.....	.....	39,000
Subtotal — State Funds	<u>\$ 166,412</u>	<u>\$ 173,188</u>	<u>\$ 177,883</u>
Subtotal — Restricted Revenue	193	6,024	54,727
Total — Debt Service	<u>\$ 166,605</u>	<u>\$ 179,212</u>	<u>\$ 232,610</u>
Subtotal — State	<u>\$ 172,810</u>	<u>\$ 181,957</u>	<u>\$ 186,658</u>
Subtotal — Restricted Receipts	193	6,024	54,727
MOTOR LICENSE FUND TOTAL	<u>\$ 173,003</u>	<u>\$ 187,981</u>	<u>\$ 241,385</u>
BANKING DEPARTMENT FUND			
<i>GENERAL GOVERNMENT:</i>			
Replacement Checks (EA)	<u>\$ 2</u>	<u>\$ 5</u>	<u>\$ 5</u>
BANKING DEPARTMENT FUND TOTAL	<u>\$ 2</u>	<u>\$ 5</u>	<u>\$ 5</u>
BOAT FUND			
<i>GENERAL GOVERNMENT:</i>			
Replacement Checks (EA) .....	.....	<u>\$ 5</u>	<u>\$ 5</u>
BOAT FUND TOTAL	<u>.....</u>	<u>\$ 5</u>	<u>\$ 5</u>
FARM PRODUCTS SHOW FUND			
<i>GENERAL GOVERNMENT:</i>			
Replacement Checks (EA) .....	.....	<u>\$ 5</u>	<u>\$ 5</u>
FARM PRODUCTS SHOW FUND TOTAL	<u>.....</u>	<u>\$ 5</u>	<u>\$ 5</u>
FISH FUND			
<i>GENERAL GOVERNMENT:</i>			
Replacement Checks (EA) .....	.....	<u>\$ 5</u>	<u>\$ 5</u>
FISH FUND TOTAL	<u>.....</u>	<u>\$ 5</u>	<u>\$ 5</u>
GAME FUND			
<i>GENERAL GOVERNMENT:</i>			
Replacement Checks (EA) .....	.....	<u>\$ 6</u>	<u>\$ 6</u>
GAME FUND TOTAL	<u>.....</u>	<u>\$ 6</u>	<u>\$ 6</u>
LOTTERY FUND			
<i>GENERAL GOVERNMENT:</i>			
Replacement Checks (EA)	<u>\$ 10</u>	<u>\$ 20</u>	<u>\$ 20</u>
LOTTERY FUND TOTAL	<u>\$ 10</u>	<u>\$ 20</u>	<u>\$ 20</u>

TREASURY DEPARTMENT

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Budget
MILK MARKETING FUND			
<i>GENERAL GOVERNMENT:</i>			
Refund Milk Marketing Licenses and Fees .....	.....	\$ 5	\$ 5
Replacement Checks (EA) .....	.....	5	5
MILK MARKETING FUND TOTAL .....	.....	\$ 10	\$ 10
 RACING FUND			
<i>GENERAL GOVERNMENT:</i>			
Replacement Checks (EA) .....	.....	\$ 10	\$ 10
RACING FUND TOTAL .....	.....	\$ 10	\$ 10
 DEPARTMENT TOTAL — ALL FUNDS			
GENERAL FUND	\$ 342,091	\$ 379,005	\$ 407,852
SPECIAL FUNDS	172,822	182,023	186,724
AUGMENTATIONS	805	984	805
RESTRICTED REVENUE	193	6,024	54,727
TOTAL ALL FUNDS	\$ 515,911	\$ 568,036	\$ 650,108

Program Funding Summary:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
DISBURSEMENT:							
General Fund	\$ 13,689	\$ 14,476	\$ 14,587	\$ 15,012	\$ 15,449	\$ 15,901	\$ 16,005
Special Funds	6,410	8,835	8,841	8,849	8,857	8,865	8,873
Other Funds	805	984	805	830	855	881	907
TOTAL	<u>\$ 20,904</u>	<u>\$ 24,295</u>	<u>\$ 24,233</u>	<u>\$ 24,691</u>	<u>\$ 25,161</u>	<u>\$ 25,647</u>	<u>\$ 26,145</u>
DEBT SERVICE:							
General Fund	\$ 327,823	\$ 363,903	\$ 392,531	441,344	\$ 491,508	\$ 531,096	\$ 557,656
Special Funds	166,412	173,188	177,883	182,287	181,121	175,476	169,296
Other Funds	193	6,024	54,727	89,334	97,070	122,037	90,500
TOTAL	<u>\$ 494,428</u>	<u>\$ 543,115</u>	<u>\$ 625,141</u>	<u>\$ 712,965</u>	<u>\$ 769,699</u>	<u>\$ 828,609</u>	<u>\$ 817,452</u>
INTERSTATE RELATIONS:							
General Fund	<u>\$ 579</u>	<u>\$ 626</u>	<u>\$ 734</u>	<u>\$ 684</u>	<u>\$ 684</u>	<u>\$ 684</u>	<u>\$ 684</u>
ALL PROGRAMS							
GENERAL FUND	\$ 342,091	\$ 379,005	\$ 407,852	\$ 457,040	\$ 507,641	\$ 547,681	\$ 574,705
SPECIAL FUNDS	172,822	182,023	186,724	191,136	189,978	184,341	178,169
OTHER FUNDS	998	7,008	55,532	90,164	97,925	122,918	91,407
TOTAL	<u>\$ 515,911</u>	<u>\$ 568,036</u>	<u>\$ 650,108</u>	<u>\$ 738,340</u>	<u>\$ 795,544</u>	<u>\$ 854,940</u>	<u>\$ 844,281</u>

TREASURY

PROGRAM OBJECTIVE: To receive and safeguard the monies of the Commonwealth; to manage the funds to the best advantage of the Commonwealth; and to insure that all disbursements of funds are legal and proper.

Program: Disbursement

The Treasury Department is required by statute to receive and deposit all monies of the Commonwealth; to invest in short-term securities any Commonwealth monies which accumulate beyond the daily needs of the various funds; to manage to the best possible advantage all securities in its custody; to preaudit all requisitions for the expenditure of funds; and to disburse all State monies upon proper authorization to those entitled to receive payment. In this capacity the State Treasury is responsible for the receipt, custody and disbursement of billions of dollars each year.

Treasury also audits disbursement records, maintains accounting controls and disburses all checks to recipients of Public Assistance. Thousands of checks are processed each working day for distribution to recipients. This processing includes preauditing, collating, authenticating and mailing the checks to individual recipients and banks. Hundreds of participating banks throughout the Commonwealth

distribute thousands of checks daily.

The State Treasurer is also Chairman of the Board of Finance and Revenue and serves as a member of the General State Authority, various public retirement boards, the State Highway and Bridge Authority and several other boards and commissions.

The Board of Finance and Revenue operates within this program by reviewing and deciding appeals concerning settlements made between the Commonwealth and persons, associations and corporations. The board also administers the program for refunding certain monies to which the Commonwealth is not legally entitled.

Under the provisions of Act 101 of 1976 the Treasury is required to pay \$25,000 in death benefits to the surviving spouse or children of firemen or law enforcement officers of the Commonwealth killed in the performance of their duties and to reimburse political subdivisions for such payment made to survivors of local firemen or law enforcement officers.

Program Measures:

	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
Disbursements issued	10,286,273	10,500,000	10,500,000	N/A	N/A	N/A	N/A
Average monthly number of persons receiving cash assistance	674,102	646,400	649,300	659,400	666,700	674,000	681,600
Interest earned on investments:							
General Fund	\$ 46,879	\$ 54,650	\$ 57,408	N/A	N/A	N/A	N/A
Motor Fund	13,481	13,396	11,513	N/A	N/A	N/A	N/A
TOTAL	\$ 60,360	\$ 68,046	\$ 68,921	N/A	N/A	N/A	N/A

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

<p>General Fund State Treasurer's Office \$ 237 —to continue current program.</p> <p>Board of Finance and Revenue 24 —to continue current program.</p> <p>Law Enforcement Officers Death Benefits -150 —decrease in requests for claims.</p>	<p>Motor Fund Administration of Refunding Liquid Fuels Tax \$ 6 —to continue current program.</p> <p>Other Special Funds This budget recommends that all special fund replacement checks programs be continued at current levels.</p>
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Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
GENERAL FUND:							
State Treasurers' Office	\$ 12,568	\$ 12,945	\$ 13,182	\$ 13,578	\$ 13,986	\$ 14,407	\$ 14,840
Board of Finance and Revenue	790	931	955	984	1,013	1,044	1,075
Replacement Checks	56	100	100	100	100	100	100
Law Enforcement Officers Death Benefits	275	500	350	350	350	350	350
TOTAL GENERAL FUND	\$ 13,689	\$ 14,476	\$ 14,587	\$ 15,012	\$ 15,449	\$ 15,901	\$ 16,365

TREASURY

Program: Disbursement

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
MOTOR LICENSE FUND:							
Replacement Checks	\$ 11	\$ 60	\$ 60	\$ 60	\$ 60	\$ 60	\$ 60
Refunding Liquid Fuels Tax-Agricultural Use	3,150	4,200	4,200	4,200	4,200	4,200	4,200
Refunding Liquid Fuels Tax-State Share ..	199	350	350	350	350	350	350
Refunding Liquid Fuel Tax-Political Subdivisions	1,499	2,250	2,250	2,250	2,250	2,250	2,250
Administration of Refunding Liquid Fuel Tax	182	248	254	262	270	278	286
Refunding Liquid Fuel Tax-Volunteer Services	104	160	160	160	160	160	160
Refunding Marine Liquid Fuel Tax- Boating Fund	1,253	1,500	1,500	1,500	1,500	1,500	1,500
Refunding Emergency Liquid Fuels Tax ..	1	1	1	1	1	1	1
TOTAL MOTOR LICENSE FUND	\$ 6,398	\$ 8,769	\$ 8,775	\$ 8,783	\$ 8,791	\$ 8,799	\$ 8,807
BANKING DEPARTMENT FUND:							
Replacement Checks	\$ 2	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5
BOATING FUND:							
Replacement Checks		\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5
FARM PRODUCTS SHOW FUND:							
Replacement Checks		\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5
FISH FUND:							
Replacement Checks		\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5
GAME FUND:							
Replacement Checks		\$ 6	\$ 6	\$ 6	\$ 6	\$ 6	\$ 6
LOTTERY FUND:							
Replacement Checks	\$ 10	\$ 20	\$ 20	\$ 20	\$ 20	\$ 20	\$ 20
RACING FUND:							
Replacement Checks		\$ 10	\$ 10	\$ 10	\$ 10	\$ 10	\$ 10
MILK MARKETING FUND:							
Replacement Checks		\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5
Refunding Milk Marketing Licenses and Fees		5	5	5	5	5	5
TOTAL MILK MARKETING FUND		\$ 10	\$ 10	\$ 10	\$ 10	\$ 10	\$ 10

TREASURY

PROGRAM OBJECTIVE: To provide for interest and principal requirements of notes and bonds issued by the Commonwealth and other expenses related to debt service.

Program: Debt Service

The Commonwealth, through the Treasury Department, is obligated to meet principal and interest requirements and other expenses related to debt service.

Long-term bonds are issued by the State to cover the cost of financing public improvements which represent such a heavy financial burden that they cannot be funded through current revenues. These bond issues have provided funds over the years for projects such as the acquisition and development of public recreation and historic sites

and facilities; the payment of compensation to veterans of the Vietnam Conflict; relief for victims of disasters; accomplishing economic revitalization efforts; and a wide variety of construction and renovation projects including hospitals, higher education facilities, State parks, flood control, correctional institutions, and various public buildings. Debt service also provides funds to bring nursing homes up to the standards of the State Life Safety Code.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

General Fund
 \$ 28,628 — to meet principal and interest requirements and other costs relating to General Fund Debt Service.

Motor License Fund
 \$ 4,695 — to meet principal and interest requirements and other costs relating to Motor License Fund Debt Service.

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
GENERAL FUND:							
Publishing Monthly Statements	\$ 33	\$ 36	\$ 38	\$ 38	\$ 38	\$ 38	\$ 38
Interest Obligations — Penn State							
University		16	16	16	16	16	16
Loan and Transfer Agents	171	221	221	221	221	221	221
Tax Note Expenses	89	168	165	165	165	165	165
Commercial Paper Cost	454	400	400	400	400	400	400
Interest on Tax Anticipation Notes	13,232	22,154	25,000	25,000	25,000	25,000	25,000
General Obligation — Debt Service	313,844	340,908	366,691	415,504	465,668	505,256	531,816
TOTAL GENERAL FUND	\$ 327,823	\$ 363,903	\$ 392,531	\$ 441,344	\$ 491,508	\$ 531,096	\$ 557,656
MOTOR LICENSE FUND:							
Capital Debt — Transportation Projects	\$ 164,911	\$ 164,998	\$ 165,051	\$ 165,066	\$ 165,075	\$ 164,976	\$ 164,850
Advance Construction Interstate —							
Interest	875	7,535	12,180	15,728	14,553	9,007	2,953
Loan and Transfer Agent	97	131	131	131	131	131	131
Capital Debt — Public Improvement							
Projects	529	524	521	1,362	1,362	1,362	1,362
TOTAL MOTOR LICENSE FUND	\$ 166,412	\$ 173,188	\$ 177,883	\$ 182,287	\$ 181,121	\$ 175,476	\$ 169,296

PROGRAM OBJECTIVE: To promote interstate cooperation and progress through participation in various associations and organizations both regionally and nationally.

Program: Interstate Relations

Pennsylvania helps promote interstate progress and cooperation through participation in various organizations, associations, and commissions with other states and other units of government. As a member of the Council of State Governments, Education Commission of the States, National Conference of State Legislatures, Coalition of Northeast Governors, Northeast-Midwest Institute, Advisory Commission on Intergovernmental Relations and the National Governors Association, Pennsylvania helps coordinate ideas on programs, intrastate progress, budgets, Federal state relations, education, labor, research, governmental techniques and general information concerning the states in liaison with other states, the Congress and the Federal Executive Branch.

Also included within this program is the Governmental Accounting Standards Board which provides guidance and establishes standards to promote uniformity and comparability in governmental accounting and financial reporting and the State and Local Legal Center which provides for Pennsylvania's participation in a center to advance and defend the interests of state and local Governments in matters involving Federal preemption, state taxing and spending powers, the tenth amendment and other issues.

This program also covers Pennsylvania's cost of the Great Lakes Commission. The commission was established in 1956 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)

<p>Various Associations and Commissions</p> <p>\$ 35 —net increase for membership cost in nine organizations.</p>	<p>Coalition of Northeastern Governors</p> <p>\$ 23 —increase for membership fee.</p> <p>50 —hosting coalition convention.</p> <p><u>\$ 73</u> <i>Appropriation Increase</i></p>
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Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
GENERAL FUND:							
Council on State Governments	\$ 115	\$ 118	\$ 124	\$ 124	\$ 124	\$ 124	\$ 124
National Conference of State Legislatures	124	129	137	137	137	137	137
Education Commission of the States	61	65	68	68	68	68	68
National Governors Association	101	107	114	114	114	114	114
Advisory Commission on							
Intergovernmental Relations	4	9	9	9	9	9	9
Coalition of Northeastern Governors	59	63	136	86	86	86	86
Northeast — Midwest Institute	48	50	58	58	58	58	58
Governmental Accounting Standards							
Board	36	42	40	40	40	40	40
Great Lakes Commission	31	35	40	40	40	40	40
State and Local Legal Center . . . . .	. . . . .	8	8	8	8	8	8
TOTAL GENERAL FUND	<u>\$ 579</u>	<u>\$ 626</u>	<u>\$ 734</u>	<u>\$ 684</u>	<u>\$ 684</u>	<u>\$ 684</u>	<u>\$ 684</u>



Commonwealth of Pennsylvania

Department of Aging

The Department of Aging, created by Act 70 of 1978, consolidates services for Older Pennsylvanians and provides a single point of contact through which these older Pennsylvanians can address their concerns to State government. The Secretary of Aging serves as a cabinet-level advocate and is routinely advised of citizens concerns through a network including area agency advisory boards, regional councils and the Pennsylvania Council on Aging.

Statewide services are provided through the local Area Agencies on Aging. Services include nutrition, employment, transportation, domiciliary care, in-home services, protection and long-term care assessment and management (LAMP). Additionally, the Department of Aging manages the pharmaceutical assistance program for Older Pennsylvanians.

PROGRAM REVISION

Budgeted Amounts Include the Following Program Revisions:

Appropriation	Title	1988-89 State Funds (In thousands)
LOTTERY FUND		
Abuse Intervention Services for Older Pennsylvanians	Abuse Intervention Services for Older Pennsylvanians	\$ 2,440
<p style="text-align: center;">This Program Revision will provide funds for implementation of the Elderly Protection Act of 1987.</p>		
DEPARTMENT TOTAL		<u>\$ 2,440</u>

In addition, to maintain the integrity of the Lottery Fund, this budget recommends the following funding changes in the Department of Public Welfare to provide additional Lottery Fund balances to maintain Lottery Funds for programs for older Pennsylvanians.

GENERAL FUND

Long Term Care	Maintaining the Integrity of the Lottery Fund	\$ 14,000
Medical Assistance — Outpatient	Maintaining the Integrity of the Lottery Fund	13,587
Pre-Admission Assessment	Maintaining the Integrity of the Lottery Fund	2,368
Subtotal		<u>\$ 29,955</u>

LOTTERY FUND

Long Term Care	Maintaining the Integrity of the Lottery Fund	\$ -14,000
Medicare Part B	Maintaining the Integrity of the Lottery Fund	-13,587
Pre-Admission Assessment	Maintaining the Integrity of the Lottery Fund	-2,368
Subtotal		<u>\$ -29,955</u>

This Program Revision will provide General Funds for programs previously funded partially or entirely from the Lottery Fund.

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Budget
GENERAL FUND			
GENERAL GOVERNMENT:			
Transitional Care .....	.....	\$ 750	\$ 1,500
Family Caregiver Support .....	.....	750	1,500
GENERAL FUND TOTAL	<u>.....</u>	<u>\$ 1,500</u>	<u>\$ 3,000</u>
LOTTERY FUND			
GENERAL GOVERNMENT:			
General Government Operations	\$ 2,259	\$ 2,440	\$ 2,467
(F) Aging - (Title III) - Administration	1,401	1,530	1,574
(F) Aging - (Title V) - Administration	111	135	140
Total — General Government	<u>\$ 3,771</u>	<u>\$ 4,105</u>	<u>\$ 4,181</u>
GRANTS AND SUBSIDIES:			
Aging Programs	\$ 50,198	\$ 52,077	\$ 54,160
(F) Aging - (Title III)	35,244	38,500	39,170
(F) Aging - Nutrition	7,500	7,500	7,500
(F) Aging - (Title V) - Employment	3,444	3,800	3,815
Total — Aging Programs	<u>\$ 96,386</u>	<u>\$ 101,877</u>	<u>\$ 104,645</u>
Home Based Care for Older Pennsylvanians	32,577 ^a	42,700 ^b	45,640
(F) Medical Assistance — Pre-Admission Assessment	1,642	2,505	2,367
(A) Pre-Admission Assessment	1,340	2,505	2,368
Total — Pre-Admission Assessment	<u>\$ 35,559</u>	<u>\$ 47,710</u>	<u>\$ 50,375</u>
Drug Education	32	50	.....
Alzheimer's Disease	62	100	100
Abuse Intervention Services for Older Pennsylvanians .....	.....	.....	2,440
Pharmaceutical Assistance Fund	100,000	100,000	165,000
Subtotal — State Funds	<u>\$ 182,869</u>	<u>\$ 194,927</u>	<u>\$ 267,340</u>
Subtotal — Federal Funds	47,830	52,305	52,852
Subtotal — Augmentations	1,340	2,505	2,368
Total — Grants and Subsidies	<u>\$ 232,039</u>	<u>\$ 249,737</u>	<u>\$ 322,560</u>
STATE FUNDS	\$ 185,128	\$ 197,367	\$ 269,807
FEDERAL FUNDS	49,342	53,970	54,566
AUGMENTATIONS	<u>1,340</u>	<u>2,505</u>	<u>2,368</u>
LOTTERY FUND TOTAL	<u>\$ 235,810</u>	<u>\$ 253,842</u>	<u>\$ 326,741</u>
DEPARTMENT TOTAL — ALL FUNDS			
GENERAL FUND .....	.....	\$ 1,500	\$ 3,000
SPECIAL FUNDS	\$ 185,128	197,367	269,807
FEDERAL FUNDS	49,342	53,970	54,566
AUGMENTATIONS	<u>1,340</u>	<u>2,505</u>	<u>2,368</u>
TOTAL ALL FUNDS	<u>\$ 235,810</u>	<u>\$ 255,342</u>	<u>\$ 329,741</u>

^aActually appropriated as In-Home Services \$16,000,000, Pre-Admission In-Home Services \$11,177,000 and Attendant Care \$5,400,000.

^bActually appropriated as In-Home Services \$24,000,000, Pre-Admission In-Home Services \$13,300,000 and Attendant Care \$5,400,000.

Program Funding Summary:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	
COMMUNITY SERVICES							
FOR OLDER PENNSYLVANIANS							
General Fund		\$ 1,500	\$ 3,000	\$ 3,090	\$ 3,182	\$ 3,278	\$ 3,376
Special Funds	\$ 85,128	97,367	104,807	111,231	116,737	122,518	128,586
Federal Funds	49,342	53,970	54,566	54,566	54,566	54,566	54,566
Other Funds	1,340	2,505	2,368	2,368	2,368	2,368	2,368
TOTAL	\$ 135,810	\$ 155,342	\$ 164,741	\$ 171,255	\$ 176,853	\$ 182,730	\$ 188,896
PHARMACEUTICAL ASSISTANCE							
Special Funds	\$ 100,000	\$ 100,000	\$ 165,000	\$ 251,000	\$ 293,000	\$ 342,000	\$ 388,000
ALL PROGRAMS							
GENERAL FUND		\$ 1,500	\$ 3,000	\$ 3,090	\$ 3,182	\$ 3,278	\$ 3,376
SPECIAL FUNDS	\$ 185,128	197,367	269,807	362,231	409,737	464,518	516,586
FEDERAL FUNDS	49,342	53,970	54,566	54,566	54,566	54,566	54,566
OTHER FUNDS	1,340	2,505	2,368	2,368	2,368	2,368	2,368
TOTAL	\$ 235,810	\$ 255,342	\$ 329,741	\$ 422,255	\$ 469,853	\$ 524,730	\$ 576,896

PROGRAM OBJECTIVE: To enable older Pennsylvanians to maintain active and independent lives in their own homes or alternative community living arrangements.

Program: Community Services for Older Pennsylvanians

The Department of Aging has established a network of support and assistance programs addressing the varied needs of older Pennsylvanians. Programs enrich the lives of healthy older Pennsylvanians and enable frail older Pennsylvanians to delay or avoid institutionalization. The 51 Area Agencies on Aging, serving all 67 counties, provide aging services at the local level.

Many older Pennsylvanians require only minimal outside support to function independently and a basic service of Area Agencies on Aging (AAA) is to inform these people of available services. AAAs sponsor over 500 senior centers throughout the Commonwealth that provide a full range of socialization, recreational and educational activities. Congregate meals served by the centers at noon time provide older Pennsylvanians a hot, nutritionally balanced meal. Transportation services provided by the agencies allow older Pennsylvanians to visit the doctor, shop or attend senior center events. A job placement service helps older Pennsylvanians find unsubsidized private sector employment and offers job training and subsidized, part-time community service employment.

Frail older Pennsylvanians require more extensive and personalized services to remain in their homes and communities and avoid placement in an institutional setting such as a nursing home or personal care boarding home. The Long-Term Care Assessment and Management

Program (LAMP), operating as a pilot program, helps older Pennsylvanians and their families determine the least restrictive environment needed and helps secure in-home services.

A variety of personal support services are available for the growing population of frail older Pennsylvanians. The most common service is home delivered meals for people unable to prepare adequate meals for themselves or participate in group dining at senior centers. Personal care services are provided by trained attendants to assist physically disabled persons with key activities of daily living such as eating, dressing and personal hygiene. Homemaker service helps with light housekeeping, laundry and personal grooming. Chore services assist people with minor home maintenance such as replacing window panes, installing safety rails, cutting grass or shoveling snow.

The Department of Aging has developed two demonstration projects to support family caregivers and provide special services to older Pennsylvanians after hospitalization. The family caregiver program utilizes small groups to support families responsible for elderly relatives and includes funds to reimburse low income caregivers for respite care. The transitional care program provides intensive in-home services to older Pennsylvanians living alone during a convalescence period.

Program Measures:

	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
Pennsylvanians 60 years and older	2,394,000	2,435,000	2,476,000	2,518,000	2,560,000	2,600,000	2,641,000
Persons receiving assistance:							
Congregate meals	134,553	142,156	150,000	158,000	165,000	171,000	178,000
Transportation (complete round trips)	87,716	100,809	106,000	111,000	115,000	120,000	124,000
Intensive community long-term care	2,189	2,600	3,100	3,100	3,200	3,200	3,200
Attendant care services	2,438	2,535	3,000	3,000	3,000	3,000	3,000
Home delivered meals	33,573	36,270	38,200	39,000	40,000	41,000	42,000
Homemaker services	44,481	47,000	49,000	50,000	51,000	52,000	53,000
Units of services delivered:							
Employment services (unsubsidized job placements)	2,794	3,059	3,100	3,100	3,100	3,100	3,100
Volunteer services (volunteer hours)	3,774,628	3,775,000	3,785,000	3,795,000	3,800,000	3,810,000	3,820,000
Homemaker (client hours)	2,373,285	2,624,950	2,770,000	2,881,000	2,996,000	3,116,000	3,241,000
Chore services (client hours)	222,881	273,669	288,721	300,000	312,000	325,000	338,000

The attendant care services increase reflects outreach activities by the AAAs to inform older Pennsylvanians of the program.

Program: Community Services for Older Pennsylvanians

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

GENERAL FUND:			
Transitional Care			
\$ 700	—to provide full year funding for four sites.		
50	—to evaluate the program.	\$ 2,440	
\$ 750	<i>Appropriation Increases</i>		
Family Caregiver Support			
\$ 700	—to provide full year funding for four sites.		
50	—to evaluate the program.	\$ 2,083	
\$ 750	<i>Appropriation Increase</i>		
LOTTERY FUND:			
General Government Operations			
\$ 42	—to continue current program.	\$ 1,440	
-15	—savings due to press/communications reorganization.	1,500	
\$ 27	<i>Appropriation Increase</i>	\$ 2,940	
			Abuse Intervention Services for Older Pennsylvanians
			—PRR — Abuse Intervention Services for Older Pennsylvanians — See the Program Revision Request following this program for further information.
			Aging Programs
			—to continue current program for 51 local AAAs.
			Home Based Care for Older Pennsylvanians
			—to continue current program.
			—to provide a full year funding for 3 LAMP sites opened in 1987-88.
			<i>Appropriation Increase</i>
			Drug Education
		\$ -50	—the department will leverage private funds to continue this program.

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
	Actual	Available	Budget	Estimated	Estimated	Estimated	Estimated
GENERAL FUND:							
Transitional Care		\$ 750	\$ 1,500	\$ 1,545	\$ 1,591	\$ 1,639	\$ 1,688
Family Caregiver Support		750	1,500	1,545	1,591	1,639	1,688
TOTAL GENERAL FUND	\$	\$ 1,500	\$ 3,000	\$ 3,090	\$ 3,182	\$ 3,278	\$ 3,376
LOTTERY FUND:							
General Government Operations	\$ 2,259	\$ 2,440	\$ 2,467	\$ 2,541	\$ 2,617	\$ 2,696	\$ 2,777
Aging Programs	50,198	52,077	54,160	56,868	59,711	62,697	65,832
Home Based Care for Older Pennsylvanians	32,577	42,700	45,640	47,922	50,319	52,835	55,477
Drug Education	32	50					
Alzheimer's Disease	62	100	100	100	100	100	100
Abuse Intervention Services for Older Pennsylvanians			2,440	3,800	3,990	4,190	4,400
TOTAL LOTTERY FUND	\$ 85,128	\$ 97,367	\$ 104,807	\$ 111,231	\$ 116,737	\$ 122,518	\$ 128,586

Program Revision: Abuse Intervention Services for Older Pennsylvanians

The Abuse Intervention Services for Older Pennsylvanians program implements Act 79 of 1987 by protecting older Pennsylvanians from being abused, neglected, exploited or abandoned. This Program Revision recommends \$2.44 million in State Lottery funding for a program to assist 2,880 older Pennsylvanians. Currently, there are an estimated 2.4 million persons 60 years of age or older in Pennsylvania. It is estimated that approximately 2 of every 1,000 persons in this age group needs assistance due to abuse.

The Department of Aging will be responsible for overall coordination, public education and necessary training activities. When the program is fully operational, the department believes that of the 4,800 cases reported each year, 3,600 will require intervention. Of those needing intervention, 80 percent or 2,880 older Pennsylvanians will accept and use these protective services.

The department will conduct an ongoing campaign designed to

inform and educate older adults and others about the need for protective services. The department will consult with other departments of the Commonwealth on the design and implementation of the ongoing public awareness campaign. Additionally, the department will establish minimum standards of training and experience which protective services providers will be required to follow.

The network of 51 Area Agencies on Aging will provide the following services: administer or contract for abuse intervention services for older Pennsylvanians; conduct investigations of reported abuse; receive and maintain abuse records; conduct client assessments and develop service plans; petition the court; provide emergency involuntary intervention; arrange for available services needed to implement service plans; and purchase, on a temporary basis, services determined to be necessary to reduce, correct, and eliminate abuse.

Program Measures:

	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
Abuse cases reported							
Program Revision			3,460	4,650	4,700	4,700	4,700
Abuse cases substantiated							
Program Revision			2,243	3,450	3,500	3,500	3,500
Clients served							
Program Revision			1,100	2,700	2,800	2,800	2,800

Program Revision Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

Abuse Intervention Services for Older Pennsylvanians			
\$ 100	—to inform community professionals and the public of the program.	\$ 860	—to investigate alleged abuse and devise solutions to alleviate abuse.
\$ 125	—to train AAA staff on verification, assessment, and interaction with potentially abused elderly and their families.	\$ 1,355	—to provide services to reduce, correct or eliminate abuse.
		<u>\$ 2,440</u>	<i>Program Revision Total</i>

Recommended Program Revision Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
LOTTERY FUND:							
Abuse Intervention Services for Older Pennsylvanians			<u>2,440</u>	<u>3,800</u>	<u>3,990</u>	<u>4,190</u>	<u>4,400</u>

PROGRAM OBJECTIVE: To assist eligible older Pennsylvanians who experience difficulty meeting the cost of prescription drugs necessary to maintain healthy lives.

Program: Pharmaceutical Assistance

Act 63 of 1983 established the pharmaceutical assistance program to aid older Pennsylvanians who face a growing burden from the cost of drugs required to maintain healthy, productive lives. The program, financed by Lottery Fund revenue and administered by the Department of Aging, is referred to as PACE.

The PACE program pays the entire cost of prescription drugs and insulin supplies after a mandatory co-payment is made by eligible participants. Since the inception of the program, the co-payment has been \$4.00; however, the law allows a semi-annual adjustment based on financial experience and program expenditure projections.

Pennsylvania residents who are 65 or older qualify for PACE benefits if their annual income is below \$12,000 for single persons and \$15,000 for married persons and if they are not eligible for drug benefits provided by other public assistance or insurance programs. A PACE identification card, which must be renewed annually to assure compliance with the income limit, is used to acquire benefits through local pharmacies.

Participating pharmacies are reimbursed for the cost of drugs plus a dispensing fee. The act places limits upon the quantities of drugs that may be dispensed per prescription and restricts costs by only reimbursing pharmacies for the average wholesale cost for product packages of 500 or the actual price of the drug, whichever is lower. In addition, the act prohibits payment for experimental drugs without certification by the physician.

The 1987 PACE reauthorization legislation increased program compliance responsibilities of the Department of Aging as a means of containing costs. In addition to careful review of eligibility, the department audits providers to detect and deter fraud and will establish a drug utilization review system to monitor and correct misutilization of drug therapies. The use of generic drugs is encouraged by requiring claimants to pay the difference if they choose to use a brand name drug when the physician has allowed generic substitution.

Program Measures:

	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
Average Older Pennsylvanians enrolled . . .	473,278	490,000	500,000	504,000	509,000	515,000	520,000
Total prescriptions per year	10,494,888	11,390,000	12,350,000	12,960,000	15,580,000	14,210,000	14,850,000
Program Expenditures (in thousands)	\$ 133,624	\$ 170,090	\$ 205,257	\$ 243,555	\$ 284,624	\$ 334,630	\$ 379,604

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

Transfer to PACE Fund
 \$ 65,000 —to continue current programs.

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
LOTTERY FUND:							
Transfer to PACE Fund	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ 165,000</u>	<u>\$ 251,000</u>	<u>\$ 293,000</u>	<u>\$ 342,000</u>	<u>\$ 388,000</u>

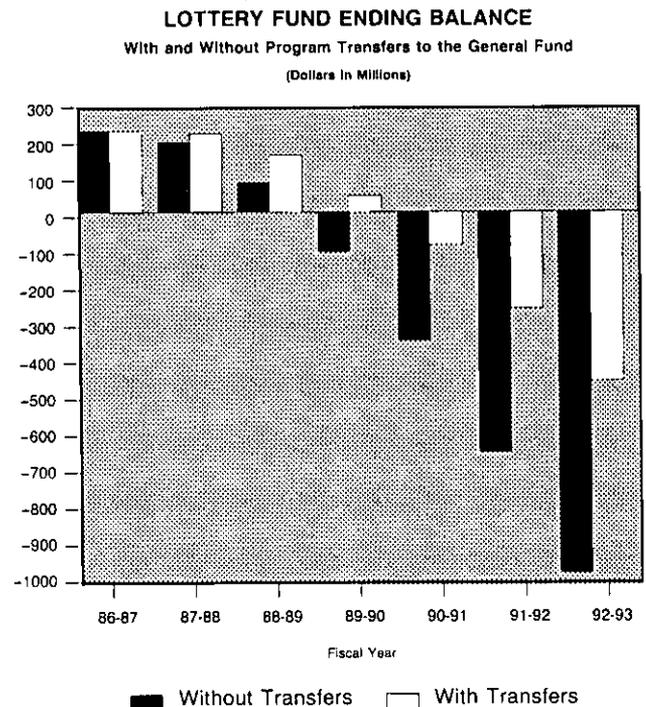
Program Revision: Maintaining the Integrity of the Lottery Fund

Originally, revenue generated from Lottery games was to be used to develop new services for older Pennsylvanians in recognition of this group's increasing growth and needs. The Lottery Fund was never intended to replace existing sources of revenue or finance existing programs. Yet in past years, Lottery funds have been used for these purposes. In 1986-87, almost \$173 million worth of programs were funded from the Lottery Fund that should have been funded from the General Fund. These programs included Medical Assistance Long Term Care for the Elderly, Pre-admission Assessments, Medicare Part B Premiums, Supplemental Grants to the Aged, Community Mental Retardation Services for the Elderly, and the administrative costs of operating the Department of Aging.

In 1987-88, the first steps were taken to move the funding for these programs back to the General Fund. About \$20 million in funding for Supplemental Grants for the Aged and Community Mental Retardation Services for the Elderly were transferred back to the General Fund in 1987-88.

This Program Revision would continue this trend by transferring \$13.587 million for Medicare Part B Premiums, \$2.368 million for Pre-Admission Assessment and \$14 million for Long Term Care from the Lottery Fund to the General Fund. In future years, if economic conditions permit, an additional \$20 million will be transferred each year from the Lottery to the General Fund for Long Term Care.

As the following graph shows, the proposed transfers to the General Fund will delay a negative balance in the Lottery Fund by one fiscal year. The transfers will also significantly reduce the projected deficit in the Lottery Fund in the planning years.



Program Revision Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

LOTTERY FUND		GENERAL FUND	
\$ -14,000	Medical Assistance-Long Term Care —transfer to the General Fund.	\$ 14,000	Medical Assistance—Long Term Care —transfer from the Lottery Fund.
-13,587	Medicare Part B Payments —transfer to the General Fund.	13,587	Medicare Part B Payments —transfer from the Lottery Fund.
-2,368	Pre-Admission Assessment —transfer to the General Fund.	2,368	Pre-Admission Assessment —transfer from the Lottery Fund.
<u>\$ -29,955</u>	<i>Total transfer to the General Fund</i>	<u>\$ 29,955</u>	<i>Total transfer from the Lottery Fund</i>

Recommended Program Revision Costs by Appropriation:

(Dollar Amounts in Thousands)

	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
LOTTERY FUND:							
Medical Assistance-Long Term Care			\$ -14,000	\$ -34,000	\$ -54,000	\$ 74,000	\$ -94,000
Medicare Part B Payments			-13,587	-14,171	-14,866	-15,594	-16,358
Pre-Admission Assessment			-2,368	2,368	2,368	2,368	2,368
TOTAL LOTTERY FUND			<u>\$ -29,955</u>	<u>\$ -50,539</u>	<u>\$ -71,234</u>	<u>\$ -91,962</u>	<u>\$ -112,726</u>
GENERAL FUND:							
Medical Assistance-Long Term Care			\$ 14,000	\$ 34,000	\$ 54,000	\$ 74,000	\$ 94,000
Medical Assistance-Outpatient			13,587	14,171	14,866	15,594	16,358
Pre-Admission			2,368	2,368	2,368	2,368	2,368
TOTAL GENERAL FUND			<u>\$ 29,955</u>	<u>\$ 50,539</u>	<u>\$ 71,234</u>	<u>\$ 91,962</u>	<u>\$ 112,726</u>



Commonwealth of Pennsylvania

Department of Agriculture

The Department of Agriculture carries out activities to ensure wholesome and quality agricultural products for consumers; to expand existing and develop new domestic and foreign markets for Pennsylvania's agricultural products; 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.

PROGRAM REVISION

Budgeted Amounts Include the Following Program Revision:

Appropriation	Title	1988-89 State Funds (in thousands)
PENNSYLVANIA ECONOMIC REVITALIZATION FUND		
PennAG Fund	Commitment to Economic Development	\$ 1,000
This is part of a \$50.5 million Program Revision entitled Commitment to Economic Development. Please see the Economic Development Partnership budget for further details on this Program Revision.		
DEPARTMENT TOTAL		<u>\$ 1,000</u>

AGRICULTURE

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1986-87	1987-88	1988-89
GENERAL FUND	Actual	Available	Budget
GENERAL GOVERNMENT:			
General Government Operations	\$ 16,119	\$ 16,156	\$ 16,176
(F) Diagnostic Laboratory Services	101	125	198
(F) FDA Food Sanitation Inspection	106	150	60
(F) Poultry Grading Services	128	135	116
(F) Marketing Services .....	.....	25	.....
(F) Market News Reporting	22	22	22
(F) Medicated Feed Mill Inspection	12	28	11
(F) Donated Foods	100	100	76
(F) Plant Pest Detection System	36	36	32
(F) Household Commodity Program	3,489	3,500	2,300
(F) Pseudorabies Pilot Project	142	213	172
(F) Pesticide Control	303	227	224
(A) Feed and Fertilizer	281	295	291
(A) Lime Inspection	36	43	38
(A) Soil Conditioner	14	11	14
(A) Milk Plant Inspections	33	31	34
(A) Fruit Tree Improvement	10	15	12
(A) Animal Industry Services	6	7	7
(A) Special Conferences and Projects	52	12	13
(A) Administrative Services	390	444	444
(A) Weights and Measures Inspections	2	3	3
(A) Pesticide Regulation .....	.....	516	624
(A) Training Rides and Attractions	3	.....	6
Total — General Government Operations	\$ 21,385	\$ 22,094	\$ 20,870
Agricultural Research	981	1,000	1,000
Agricultural Promotion	184	360	360
Pennsylvania Pesticide Control Act	239	.....	.....
Transfer to Pesticide Regulatory Account .....	.....	60	.....
Subtotal — State Funds	\$ 17,523	\$ 17,576	\$ 17,536
Subtotal — Federal Funds	4,439	4,561	3,211
Subtotal — Augmentations	827	1,377	1,486
Total — General Government	\$ 22,789	\$ 23,514	\$ 22,233

AGRICULTURE

	1986-87 Actual	(Dollar Amounts in Thousands) 1987-88 Available	1988-89 Budget
GRANTS AND SUBSIDIES:			
Brucellosis Vaccination Program	\$ 150	\$ 150	.....
Rabies Research	273	273	\$ 273
Livestock Diagnostic Contract	189	189	189
Poultry Laboratory Diagnostic Contract	189	189	189
Field Investigation	200	200	200
Poultry Surveillance	150	150	150
Johne's Disease	115	115	115
Animal Indemnities	184	350	350
Acid Rain Research	100	.....	.....
Transfer to State Farm Products Show Fund	1,000	1,000	1,000
Livestock Show	83	133	90
Open Dairy Show	66	66	66
Junior Dairy Show	28	28	28
4-H Club Shows	33	33	33
Payments to Pennsylvania Fairs	2,750	3,000	3,000
Emergency Food Assistance	7,947	7,000	8,000
Agricultural Development .....	.....	1,000	.....
TEFAP - Administration .....	.....	600 ^a	700
Total — Grants and Subsidies	\$ 13,457	\$ 14,476	\$ 14,383
CAPITAL IMPROVEMENTS:			
Farm Show Roof Replacement .....	.....	.....	\$ 1,500
STATE FUNDS	\$ 30,980	\$ 32,052	\$ 33,419
FEDERAL FUNDS	4,439	4,561	3,211
AUGMENTATIONS	827	1,377	1,486
GENERAL FUND TOTAL	\$ 36,246	\$ 37,990	\$ 38,116
FAIR FUND			
GENERAL FUND:			
General Government	\$ 137	\$ 20	.....
FAIR FUND TOTAL	\$ 137	\$ 20	.....
FARM PRODUCTS SHOW FUND			
GENERAL GOVERNMENT:			
General Operations	\$ 1,847	\$ 1,852	\$ 1,890
(A) Transfer from General Fund ^b .....	.....	.....	.....
Total — General Government	\$ 1,847	\$ 1,852	\$ 1,890
CAPITAL IMPROVEMENTS:			
Farm Show Roof Replacement .....	.....	.....	\$ 500
FARM PRODUCTS SHOW FUND TOTAL	\$ 1,847	\$ 1,852	\$ 2,390

^aRecommended supplemental.

^bNot added to the total to avoid double counting. 1986-87 actual is \$1,000,000, 1987-88 available is \$1,000,000 and 1988-89 recommended is \$1,000,000.

AGRICULTURE

(Dollar Amounts in Thousands)

	1986-87 Actual	1987-88 Available	1988-89 Budget
RACING FUND			
<i>GENERAL GOVERNMENT:</i>			
Harness Racing Commission	\$ 1,737	\$ 1,579	\$ 1,621
Horse Racing Commission	2,975	2,869	3,244
Race Horse Testing Laboratory	729	764	847
Payments to Pennsylvania Fairs—Administration	202	216	225
Total — General Government	\$ 5,643	\$ 5,428	\$ 5,937
<i>GRANTS AND SUBSIDIES:</i>			
Transfer to the General Fund	\$ 1,825	\$ 1,373	\$ 2,052
RACING FUND TOTAL	\$ 7,468	\$ 6,801	\$ 7,989
OTHER FUNDS			
<i>GENERAL FUND:</i>			
Agriculture Farm Operations	\$ 422	\$ 513	\$ 481
Recovery on Lost Commodities	5	9	15
Dog Law Administration	3,113	3,416	3,818
Farm Loan Program	96	137	154
Pesticide Regulatory Account	16	516	624
Public Weightmasters	16	16	15
GENERAL FUND TOTAL	\$ 3,652	\$ 4,607	\$ 5,107
<i>RACING FUND:</i>			
Sire Stakes Fund	\$ 1,905	\$ 1,861	\$ 1,867
Breeders' Fund	1,997	2,085	2,406
RACING FUND TOTAL	\$ 3,902	\$ 3,946	\$ 4,273
<i>PENNSYLVANIA ECONOMIC REVITALIZATION FUND:</i>			
Agricultural Loans	\$ 2,550	.....	.....
PennAG Fund .....	.....	.....	\$ 1,000
PENNSYLVANIA ECONOMIC REVITALIZATION FUND TOTAL	\$ 2,550	.....	\$ 1,000
OTHER FUNDS TOTAL	\$ 10,104	\$ 8,553	\$ 10,380
DEPARTMENT TOTAL — ALL FUNDS			
GENERAL FUND	\$ 30,980	\$ 32,052	\$ 33,419
SPECIAL FUNDS	9,452	8,673	10,379
FEDERAL FUNDS	4,439	4,561	3,211
AUGMENTATIONS	827	1,377	1,486
OTHER FUNDS	10,104	8,553	10,380
TOTAL ALL FUNDS	\$ 55,802	\$ 55,216	\$ 58,875

AGRICULTURE

Program Funding Summary:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
PROTECTION AND DEVELOPMENT OF AGRICULTURE INDUSTRIES							
General Fund	\$ 23,033	\$ 24,452	\$ 24,719	\$ 23,705	\$ 24,206	\$ 24,722	\$ 25,252
Special Funds	2,186	2,088	2,615	2,197	2,282	2,369	2,458
Federal Funds	950	1,061	911	911	911	911	911
Other Funds	7,029	5,984	7,593	7,620	7,801	7,994	8,189
TOTAL	\$ 33,198	\$ 33,585	\$ 35,838	\$ 34,433	\$ 35,200	\$ 35,996	\$ 36,810
HORSE RACING REGULATION							
Special Funds	\$ 7,266	\$ 6,585	\$ 7,764	\$ 7,246	\$ 7,242	\$ 7,236	\$ 7,230
Other Funds	3,902	3,946	4,273	4,469	4,603	4,742	4,884
TOTAL	\$ 11,168	\$ 10,531	\$ 12,037	\$ 11,715	\$ 11,845	\$ 11,978	\$ 12,114
EMERGENCY FOOD ASSISTANCE							
General Fund	\$ 7,947	\$ 7,600	\$ 8,700	\$ 8,940	\$ 9,187	\$ 9,442	\$ 9,704
Federal Funds	3,489	3,500	2,300	2,300	2,300	2,300	2,300
TOTAL	\$ 11,436	\$ 11,100	\$ 11,000	\$ 11,240	\$ 11,487	\$ 11,742	\$ 12,004
ALL PROGRAMS							
GENERAL FUND	\$ 30,980	\$ 32,052	\$ 33,419	\$ 32,645	\$ 33,393	\$ 34,164	\$ 34,956
SPECIAL FUNDS	9,452	8,673	10,379	9,443	9,524	9,605	9,688
FEDERAL FUNDS	4,439	4,561	3,211	3,211	3,211	3,211	3,211
OTHER FUNDS	10,931	9,930	11,866	12,089	12,404	12,736	13,073
TOTAL	\$ 55,802	\$ 55,216	\$ 58,875	\$ 57,388	\$ 58,532	\$ 59,716	\$ 60,928

AGRICULTURE

Program: Protection and Development of Agricultural Industries (continued)

Program Measures:

	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
Agribusiness Development							
Agricultural exports (millions)	\$150	\$164	\$175	\$193	\$213	\$225	\$225
Animal Health							
Animals examined to determine disease (thousands)	1,650	2,000	2,000	2,000	2,000	2,000	2,000
Animals quarantined	20,000	4,400,000	2,200,000	5,000	5,000	5,000	5,000
Animals destroyed	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Livestock herds and flocks under surveillance	68,000	67,000	66,000	65,000	65,000	65,000	65,000
Consumable Agricultural Products							
Incidence of food products showing major discrepancies	10,400	10,500	10,500	10,500	10,500	10,500	10,500
Dollar value of products removed from the market (thousands)	\$3,100	\$3,400	\$3,400	\$3,400	\$3,400	\$3,000	\$3,400

The revised program data shown for Agricultural exports more accurately reflects actual program activity than that shown previously. The sharp increase in the data for number of animals quarantined in 1987-88 and 1988-89 is the result of an outbreak of laryngotracheitis in poultry.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

<p>General Government Operations</p> <p>\$ -160 —nonrecurring projects.</p> <p>89 —to fund current program.</p> <p>84 —to improve accountability and inventory control in the government donated foods programs.</p> <p>25 —to provide funds for appraisers and legal services for agricultural conservation easements for the preservation of agricultural land.</p> <p>-18 —savings due to press/communication reorganization.</p> <hr/> <p>\$ 20 <i>Appropriation increase</i></p> <p>Transfer to Pesticide Regulatory Account</p> <p>\$ -60 —nonrecurring.</p> <p>Brucellosis Vaccination Program</p> <p>\$ -150 —funding no longer required, since Pennsylvania is now brucellosis-free.</p> <p>Livestock Show</p> <p>\$ -50 —nonrecurring costs.</p> <p>7 —to maintain current program.</p> <hr/> <p>\$ -43 <i>Appropriation decrease</i></p> <p>Agricultural Development</p> <p>\$ -1,000 —1987-88 appropriation is a two-year continuing appropriation, so no additional funding required in 1988-89.</p>	<p>\$ 1,500</p> <hr/> <p>\$ -2</p> <p>40</p> <hr/> <p>\$ 38</p> <p>\$ 500</p> <hr/> <p>\$ 9</p> <hr/> <p>\$ -20</p>	<p>Farm Show Roof Replacement</p> <p>—General Fund share for roof replacement.</p> <p>State Farm Products Show Fund</p> <p>General Operations</p> <p>—nonrecurring costs.</p> <p>—to maintain current program.</p> <p><i>Executive Authorization Increase</i></p> <p>Farm Show Roof Replacement</p> <p>—special fund share for roof replacement.</p> <p>State Racing Fund</p> <p>Payments to Pennsylvania Fairs—Administration</p> <p>—to maintain current program.</p> <p>Pennsylvania Fair Fund</p> <p>General Operations</p> <p>—projected ending balance in the former Pennsylvania Fair Fund will be fully utilized in 1987-88.</p> <p>All other General Fund programs are recommended to be continued at current levels. See the Commitment to Economic Development Program Revision in the Economic Development Partnership budget and the special PERF presentation for recommendations concerning PERF programs.</p>
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AGRICULTURE

Program: Protection and Development of Agricultural Industries (continued)

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
GENERAL FUND:							
General Government Operations	\$ 16,119	\$ 16,156	\$ 16,176	\$ 16,662	\$ 17,163	\$ 17,679	\$ 18,209
Agricultural Research	981	1,000	1,000	1,000	1,000	1,000	1,000
Agricultural Promotion	184	360	360	360	360	360	360
Pennsylvania Pesticide Control Act	239						
Transfer to Pesticide Regulatory Account		60					
Brucellosis Vaccination	150	150					
Rabies Research	273	273	273	273	273	273	273
Livestock Diagnostic Contract	189	189	189	189	189	189	189
Poultry Laboratory Diagnostic Contract ..	189	189	189	189	189	189	189
Field Investigation	200	200	200	200	200	200	200
Poultry Surveillance Program	150	150	150	150	150	150	150
John's Disease	115	115	115	115	115	115	115
Animal Indemnities	184	350	350	350	350	350	350
Acid Rain Research	100						
Transfer to State Farm Products Show Fund	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Livestock Show	83	133	90	90	90	90	90
Open Dairy Show	66	66	66	66	66	66	66
Junior Dairy Show	28	28	28	28	28	28	28
4-H Club Shows	33	33	33	33	33	33	33
Payments to Pennsylvania Fairs	2,750	3,000	3,000	3,000	3,000	3,000	3,000
Agricultural Development		1,000					
Farm Show Roof Replacement			1,500				
TOTAL GENERAL FUND	\$ 23,033	\$ 24,452	\$ 24,719	\$ 23,705	\$ 24,206	\$ 24,722	\$ 25,252
STATE FARM PRODUCTS SHOW FUND							
General Operations	\$ 1,847	\$ 1,852	\$ 1,890	\$ 1,962	\$ 2,036	\$ 2,112	\$ 2,190
Roof Replacement State Farm Products Show Fund			500				
Total	\$ 1,847	\$ 1,852	\$ 2,390	\$ 1,962	\$ 2,036	\$ 2,112	\$ 2,190
STATE RACING FUND							
Payments to Pennsylvania Fairs — Administration	\$ 202	\$ 216	\$ 225	\$ 235	\$ 246	\$ 257	\$ 268
PENNSYLVANIA FAIR FUND							
General Operations	\$ 137	\$ 20					

AGRICULTURE

PROGRAM OBJECTIVE: To prevent consumer fraud in the racing industry.

Program: Horse Racing Regulation

Activities in this program area include the development and implementation of rules, regulations and procedures to insure the public and harness and horse owners of honest and safe competitive 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.

From monies remaining in the Racing Fund after payment of necessary expenses, percentages of the amount wagered as specified by law, are credited to the Breeders' Fund and to the Sire Stakes Fund. All remaining monies in the Racing Fund are then transferred to the General Fund in the subsequent fiscal year.

Program Measures:

	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
Investigations to insure compliance with established rules and regulations:							
Harness	102	200	125	125	125	125	125
Horse	1,467	1,492	1,517	1,517	1,517	1,517	1,517
Tests conducted by the Pennsylvania Race Horse Testing Laboratory (thousands)	1,816	2,500	2,500	2,500	2,500	2,500	2,500
Participant licenses issued:							
Harness	5,578	10,000	5,000	5,000	5,000	5,000	5,000
Horse	20,000	13,000	7,000	7,000	7,000	7,000	7,000
Racing days approved:							
Harness	352	352	352	352	352	352	352
Horse	494	494	494	494	494	494	494

The decrease in the number of tests conducted by the Pennsylvania Race Horse Testing Laboratory over prior year estimates is due to the closing of Liberty Bell racetrack.

The number of participant licenses issued is declining as a result of Act 93 of 1986, which established a multi-year licensing statute. Effective January 1, 1987 licenses are issued for a three-year period.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

<p>Harness Racing Commission \$ 42 —to continue current program.</p> <p>Horse Racing Commission \$ 375 —to continue current program.</p>	<p>Race Horse Testing Lab \$ 83 —to continue current program.</p> <p>Transfer to the General Fund. \$ 679 —to transfer the projected June 30, 1988 ending surplus in the Racing Fund to the General Fund as specified by law.</p>
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Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
STATE RACING FUND:							
Harness Racing Commission	\$ 1,737	\$ 1,579	\$ 1,621	\$ 1,694	\$ 1,770	\$ 1,850	\$ 1,933
Horse Racing Commission	2,975	2,869	3,244	3,390	3,543	3,702	3,869
Race Horse Testing Lab	729	764	847	885	925	967	1,010
Transfer to the General Fund	1,825	1,373	2,052	1,277	1,004	717	418
TOTAL STATE RACING FUND	\$ 7,266	\$ 6,585	\$ 7,764	\$ 7,246	\$ 7,242	\$ 7,236	\$ 7,230

AGRICULTURE

PROGRAM OBJECTIVE: To distribute surplus and donated food through institutions and counties or designated lead agencies to individuals and families who are dependent or disadvantaged to support minimum standards of living and economic independence.

Program: Emergency Food Assistance

The State funded Emergency Food Assistance program provides grants to counties or a designated lead agency to purchase food to be provided to the needy. These grants are allocated to counties based on three factors: unemployment, food stamp recipients not on public assistance, and medical assistance recipients. Administrative costs of this program are funded from the grants, with a 5 percent limit on administrative allocations.

This program also distributes Federal surplus food through two programs: the traditional program involving schools, prisons, hospitals, summer camps, etc; and the Federal Temporary Emergency Food Assistance Program (TEFAP) which involves distribution of surplus food to the needy in Pennsylvania who meet certain eligibility criteria.

The traditional program distributes commodities among the states based on daily census, and are allocated within the State based on the same criteria. The TEFAP commodities are allocated among the states according to unemployment and poverty levels, and are allocated within the State based on the same criteria. Administrative and warehousing costs for both programs have been borne by the Federal government; however in 1987-88 it was apparent that State funded support of the Federal TEFAP program would also be necessary due to Federal reductions in administrative support. TEFAP — Administration monies will reimburse local lead agencies for administrative costs incurred in accepting and distributing TEFAP commodities to feed the hungry.

Program Measures:

	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
Dollar value of commodities distributed (thousands)	\$63,527	\$63,527	\$63,527	\$63,527	\$63,527	\$63,527	\$63,527
Persons receiving donated or surplus foods (thousands):							
Traditional Program	1,074	1,074	1,074	1,074	1,074	1,074	1,074
TEFAP	3,860	3,860	3,860	3,860	3,860	3,860	3,860
Emergency Food Assistance Program	3,419	3,800	3,800	3,914	4,031	4,152	4,276
Dollar value of consumer commodities inspected (thousands)	\$ 40,428	\$ 40,428	\$ 40,428	\$ 40,428	\$ 40,428	\$ 40,428	\$ 40,428

The measure for the persons receiving donated or surplus foods were derived from departmental input received from program lead agencies. In the instance of the State Emergency Food Assistance program, sixteen counties did not respond to the department's annual questionnaire, therefore, estimates for those counties were included for 1986-87 and based on prior levels of program participation. These measures assume the Federal government will maintain the current level of commodities distribution in future years.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

<p>EMERGENCY FOOD ASSISTANCE</p> <p>\$ 1,000 —to increase the financial support to counties and lead agencies to feed the needy.</p>	<p>TEFAP ADMINISTRATION</p> <p>\$ 100 —to reimburse local lead agencies for administrative costs incurred for the Federal TEFAP program but not reimbursed by the Federal government.</p>
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Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
GENERAL FUND:							
Emergency Food Assistance	\$ 7,947	\$ 7,000	\$ 8,000	\$ 8,240	\$ 8,487	\$ 8,742	\$ 9,004
TEFAP—Administration		600	700	700	700	700	700
TOTAL GENERAL FUND	\$ 7,947	\$ 7,600	\$ 8,700	\$ 8,940	\$ 9,187	\$ 9,442	\$ 9,704



Commonwealth of Pennsylvania

Department of Banking

The Department of Banking protects the public through the examination of records, accounts and policies of State-chartered financial institutions.

PROGRAM OBJECTIVE: To insure the maintenance of an economically sound and competitive system of State-chartered financial institutions.

Program: Financial Institution Regulation

This program involves supervision and examination of the records, accounts, and policies of State-chartered banking institutions, State-chartered savings associations, sales finance companies, installment sellers, money transmitters, consumer discount companies, collector-repossessors, pawnbrokers, and State-chartered credit unions. Other activities included in this program area are examinations of business development credit corporations and special investigations where necessary.

As of June 30, 1987, there were 147 banks under the department's supervision: 125 commercial banks, eight savings banks, five private banks and nine trust companies. In addition there were seven foreign banks which established nine branch offices in Pennsylvania. Also there are eighty-one bank holding companies and twenty-eight multi-bank holding companies in operation in Pennsylvania.

Department of Banking responsibilities were significantly expanded

by the Regional Interstate Banking Act, Act 69 of 1986, which became effective on August 25, 1986. This act includes a "trigger" to permit nationwide interstate banking on March 4, 1990 and gives the department broad supervisory authority and responsibility. The department must approve all interstate activity, which includes actions involving both State and national banks.

On a daily basis, Banking also has the responsibility of supervising any bank holding company that owns an institution in Pennsylvania regardless of where that holding company is located and examining it for safety and soundness as well as to ensure that the needs of Pennsylvania's communities are adequately serviced. This entails assuring that Pennsylvania residents have available to them the basic transaction accounts offered by the in-state institutions, and that the State's economy does not suffer through a lack of loans and other services that are required to enhance and maintain the State's economy.

Program Measures:

	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
Total assets of consumer credit agencies (millions)	\$72,029	\$90,036	\$103,542	\$113,896	\$119,591	\$125,570	\$131,849
Total resources of State-chartered banking institutions (millions)	\$68,554	\$74,038	\$79,961	\$86,358	\$93,267	\$100,728	\$108,786
Assets in State-chartered credit unions (millions)	\$1,115	\$1,282	\$1,475	\$1,622	\$1,784	\$1,963	\$2,159
Assets in State-chartered savings and loans institutions (millions)	\$15,900	\$17,100	\$18,400	\$19,800	\$21,200	\$22,800	\$23,800

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

General Operations			
\$ 367	—to continue current program.	104	—to initiate a Consumer Outreach Program to investigate and respond to consumer complaints and educate the public on banking services and department functions.
262	—to implement the proposed First Mortgage program based on expected enactment of the proposed Mortgage Bankers and Brokers Act, which will require licensing of lending institutions offering 1st mortgages.	-21	—savings due to press/communications reorganization.
		\$ 712	<i>Executive Authorization Increase</i>

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
BANKING DEPARTMENT FUND:							
General Operations	<u>\$ 6,693</u>	<u>\$ 7,035</u>	<u>\$ 7,747</u>	<u>\$ 8,081</u>	<u>\$ 8,405</u>	<u>\$ 8,742</u>	<u>\$ 9,092</u>



Commonwealth of Pennsylvania

Civil Service Commission

The Civil Service Commission administers the Commonwealth's merit system. The responsibilities of the commission include: recruitment of qualified candidates; evaluation of applicants' education and experience to determine if minimum requirements have been met; development and administration of examinations; and certification of eligibles to the appointing agencies.

CIVIL SERVICE COMMISSION

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Budget
GENERAL FUND			
<i>GENERAL GOVERNMENT:</i>			
General Government Operations	\$ 1	\$ 1	\$ 1
(A) Fees From Agencies	6,855	7,467	7,741
(A) Special Merit System Services	457	531	436
STATE FUNDS	\$ 1	\$ 1	\$ 1
AUGMENTATIONS	7,312	7,998	8,177
GENERAL FUND TOTAL	<u>\$ 7,313</u>	<u>\$ 7,999</u>	<u>\$ 8,178</u>

CIVIL SERVICE COMMISSION

Program Funding Summary:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
PERSONNEL SELECTION:							
General Fund	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1
Other Funds	7,132	7,998	8,177	8,319	8,568	8,825	9,090
TOTAL	<u>\$ 7,313</u>	<u>\$ 7,999</u>	<u>\$ 8,178</u>	<u>\$ 8,320</u>	<u>\$ 8,569</u>	<u>\$ 8,826</u>	<u>\$ 9,091</u>

CIVIL SERVICE COMMISSION

PROGRAM OBJECTIVE: To provide a sufficient number of qualified, available persons to meet merit system manpower needs.

Program: Personnel Selection

Through this program, the Civil Service Commission provides qualified persons to meet merit system staffing needs.

The commission works toward bringing the Commonwealth merit system into full compliance with all State laws and regulations concerning employee selection procedures and the Federal Uniform Guidelines on Employee Selective Procedures. This includes job analysis, test discrimination, test analysis and development and implementation of an adverse impact determination program.

Goals of the commission include; 1) identification and elimination of adverse impact; 2) development of more valid examinations; 3) the identification and elimination of unfair discrimination in the Commonwealth's personnel system; 4) increased efficiency in meeting personnel needs of other State agencies; and 5) prompt and accurate resolution or adjudication of complaints, grievances and appeals.

The funds supporting this program are received from billing various General and Special Fund agencies.

Program Measures:

	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
Total eligibles on lists	166,003	180,000	180,000	180,000	180,000	180,000	180,000
Persons scheduled for exams	132,681	140,000	145,000	145,000	150,000	150,000	150,000
Appeal requests received and processed	830	900	950	975	1,000	1,025	1,050
Certifications audited	11,000	13,500	14,000	14,250	14,500	14,750	15,000
Handicapped provided employment information		275	350	425	425	425	425
Handicapped persons hired		40	55	65	65	65	65
Employees referred to interested agencies for employment consideration		50	100	150	150	150	150

Program Recommendations:

This budget recommends the following changes in augmentations received from agency billings. (Dollar Amounts in Thousands) .

General Government Operations

- \$ -241 —less non-recurring costs for miniaturization of employe records initiative.
- 290 —to continue current program.
- 130 —PRR: productivity improvement through electronic testing and scoring.

\$ 179 *Augmentation Increase*

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
GENERAL FUND:							
General Government Operations	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1



Commonwealth of Pennsylvania

Department of Community Affairs

The Department of Community Affairs provides a system of services and programs permitting the development and redevelopment of Pennsylvania's communities to enhance the total environment of citizens. The department seeks to improve the capabilities of local governments to meet critical social and economic problems and to develop human resources so each citizen will have an equal opportunity to achieve the full measure of the State's economic prosperity. It carries out these activities through technical consultation and assistance; grants for housing, redevelopment, flood plain management, planning and manpower training.

COMMUNITY AFFAIRS

PROGRAM REVISION

Budgeted Amounts Include the Following Program Revision:

Appropriation	Title	1988-89 State Funds (in thousands)
PENNSYLVANIA ECONOMIC REVITALIZATION FUND		
Reduction of State Match	Commitment to Economic Development	\$ 1,500
<p>This is part of a \$50.5 million Program Revision entitled Commitment to Economic Development. Please see the Economic Development Partnership budget for further details on this Program Revision.</p>		
DEPARTMENT TOTAL		<u>\$ 1,500</u>

COMMUNITY AFFAIRS

Summary by Fund and Appropriation

GENERAL FUND	1986-87 Actual	(Dollar Amounts in Thousands) 1987-88 Available	1988-89 Budget
GENERAL GOVERNMENT:			
General Government Operations	\$ 11,028	\$ 7,390	\$ 8,651
(F) ARC Planning — Administration	24	25	25
(F) LWCF — Administration	125	50	40
(F) Weatherization — Administration	1,017	.....	.....
(F) Low Income Weatherization — Administration .....	.....	1,475	.....
(F) SCDBG — Administration	885	909	854
(F) CSBG — Administration	335	638	645
(F) Operation Outreach	28	11	50
(F) Training Road and Street Maintenance	11	15	60
(F) Police Management .....	.....	50	55
(A) Mobile and Industrialized Housing Act	127	119	126
(A) Training Course Registration	324	325	325
(A) Disaster Relief Fund	18	.....	.....
(A) Energy Conservation Code Fees	200	245	290
(A) Stock Room Reimbursement .....	.....	21	21
(A) Distressed Communities Reimbursement .....	.....	249	.....
(A) RIRA Reimbursement .....	.....	222	.....
(A) State Clearinghouse	145 ^a	145 ^a	145
Subtotal — State Funds	\$ 11,028	\$ 7,390	\$ 8,651
Subtotal — Federal Funds	2,425	3,173	1,729
Subtotal — Augmentations	814	1,326	907
Total — General Government	\$ 14,267	\$ 11,889	\$ 11,287
GRANTS AND SUBSIDIES:			
Flood Plain Management	\$ 71	\$ 75	\$ 75
(F) FEMA — Technical Assistance	79	100	125
Total — Flood Plain Management	\$ 150	\$ 175	\$ 200
Community Conservation and Youth Employment	2,716	2,736	2,736
(F) Community Services Block Grant	14,728	17,500	18,990
Total — Community Conservation and Youth Employment	\$ 17,444	\$ 20,246	\$ 21,726
Housing and Redevelopment Assistance	20,000	45,000	45,000
(F) Small Communities Block Grant	76,503	59,200	59,200
(F) Temporary Housing — Superfund Cleanup	19	100	100
(F) DOE — Weatherization	10,652	13,000	11,700
(F) Rental Rehabilitation	2,176	.....	.....
(F) Low-Income Energy Assistance .....	.....	19,896	.....
(F) ARC — Innovative Housing Program	3	47	47
(F) Small Communities Block Grant — Jobs	66	.....	.....
(F) Centralia Recovery	5,078 ^b	6,553	7,314
(F) Hyndman Disaster .....	.....	406	.....
(F) Small Communities Block Grant — Jobs Program	1,200	1,000	.....
(F) Emergency Shelter for the Homeless	371	860	1,000
(A) Return of Unused Project Monies	7,112	8,300	7,500
Total — Housing and Redevelopment Assistance	\$ 123,180	\$ 154,362	\$ 131,861
Enterprise Development	\$ 6,250	\$ 7,250	\$ 7,250
(A) Return of Unused Project Monies .....	.....	100	.....
Total — Enterprise Development	\$ 6,250	\$ 7,350	\$ 7,250
Regional Councils	175	175	350
Planning Assistance	150	150	300
(F) ARC — Land Use Development Planning	174	75	40
(F) Coastal Zone Management — Administration	8	.....	.....
Total — Planning Assistance	\$ 332	\$ 225	\$ 340

^aActually expended by the Office of Policy Development.

^b\$65,000 of this amount actually appropriated to the Office of Policy Development.

COMMUNITY AFFAIRS

Summary by Fund and Appropriation

	1986-87 Actual	1987-88 Available	1988-89 Budget
(Dollar Amounts in Thousands)			
GENERAL FUND			
<i>GRANTS AND SUBSIDIES: (continued)</i>			
United Social Services	\$ 201	\$ 160	
Distressed Community Emergency Aid	5,000		
Community Development Projects		7,764	
Einstein Community Development	150		
Local Tax Reform		140,000	
Point Breeze Performing Arts Center		75	
Discovery of America Anniversary		150	
We The People 200		5,000	
Subtotal — State Funds	\$ 34,713	\$ 208,535	\$ 55,711
Subtotal — Federal Funds	111,057	118,737	98,516
Subtotal — Augmentations	7,112	8,400	7,500
Total — Grants and Subsidies	<u>\$ 152,882</u>	<u>\$ 335,672</u>	<u>\$ 161,727</u>
STATE FUNDS	\$ 45,741	\$ 215,925	\$ 64,362
FEDERAL FUNDS	113,482	121,910	100,245
AUGMENTATIONS	7,926	9,726	8,407
GENERAL FUND TOTAL	<u>\$ 167,149</u>	<u>\$ 347,561</u>	<u>\$ 173,014</u>
ENERGY CONSERVATION AND ASSISTANCE FUND:			
Weatherization	\$ 19,765		\$ 21,459
ENERGY CONSERVATION AND ASSISTANCE FUND TOTAL	<u>\$ 19,765</u>		<u>\$ 21,459</u>
OTHER FUNDS			
<i>GENERAL FUND:</i>			
ARC Revolving Loan Fund	\$ 100	\$ 100	\$ 100
<i>PENNSYLVANIA ECONOMIC REVITALIZATION FUND:</i>			
Recreational Improvement and Rehabilitation	\$ 15,479	\$ 6,000	
Enterprise Zones Tax Credits — LERTA	3,000		
Reduction of State Match	3,000		\$ 1,500
PENNSYLVANIA ECONOMIC REVITALIZATION FUND TOTAL	<u>\$ 21,479</u>	<u>\$ 6,000</u>	<u>\$ 1,500</u>
OTHER FUNDS TOTAL	<u>\$ 21,579</u>	<u>\$ 6,100</u>	<u>\$ 1,600</u>
DEPARTMENT TOTAL — ALL FUNDS			
GENERAL FUND	\$ 45,741	\$ 215,925	\$ 64,362
SPECIAL FUNDS	19,765		21,459
FEDERAL FUNDS	113,482	121,910	100,245
AUGMENTATIONS	7,926	9,726	8,407
OTHER FUNDS	21,579	6,100	1,600
TOTAL ALL FUNDS	<u>\$ 208,493</u>	<u>\$ 353,661</u>	<u>\$ 196,073</u>

COMMUNITY AFFAIRS

Program Funding Summary:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
COMMUNITY DEVELOPMENT AND CONSERVATION							
General Fund	\$ 40,566	\$ 75,750	\$ 64,012	\$ 64,378	\$ 64,649	\$ 64,928	\$ 65,216
Special Funds	19,765	.....	21,459	21,459	.....	.....	.....
Federal Funds	113,443	121,884	100,135	73,509	73,509	73,509	73,509
Other Funds	29,505	15,826	10,007	10,007	10,007	10,007	10,007
TOTAL	\$ 203,279	\$ 213,460	\$ 195,613	\$ 169,353	\$ 148,165	\$ 148,444	\$ 148,732
MUNICIPAL ADMINISTRATIVE SUPPORT CAPABILITY							
General Fund	\$ 5,175	\$ 140,175	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350
Special Funds .....	.....	.....	.....	.....	.....	.....	.....
Federal Funds	39	26	110	110	110	110	110
Other Funds .....	.....	.....	.....	.....	.....	.....	.....
TOTAL	\$ 5,214	\$ 140,201	\$ 460	\$ 460	\$ 460	\$ 460	\$ 460
ALL PROGRAMS							
GENERAL FUND	\$ 45,741	\$ 215,925	\$ 64,362	\$ 64,728	\$ 64,999	\$ 65,278	\$ 65,566
SPECIAL FUNDS	19,765	.....	21,459	21,459	.....	.....	.....
FEDERAL FUNDS	113,482	121,910	100,245	73,619	73,619	73,619	73,619
OTHER FUNDS	29,505	15,826	10,007	10,007	10,007	10,007	10,007
TOTAL	\$ 208,493	\$ 353,661	\$ 196,073	\$ 169,813	\$ 148,625	\$ 148,904	\$ 149,192

COMMUNITY AFFAIRS

PROGRAM OBJECTIVE: To enhance the total environment of Pennsylvania's communities through improvements in the areas of housing, recreational facilities, job training and economic development.

Program: Community Development and Conservation

The Department of Community Affairs' (DCA's) role in improving Pennsylvania's communities involves a wide range of both State and Federally funded activities. Program activities are provided under three related elements.

Program Element: Housing and Redevelopment

Housing and Redevelopment provides grants to communities and redevelopment authorities to improve blighted neighborhoods through redevelopment, and the provision of low and moderate income housing through rehabilitation. Similarly, Enterprise Development provides grants for locally-planned, innovative projects which can stimulate private investment and create jobs in State designated enterprise zones.

The Weatherization component of the element provides funds to weatherize existing housing stock through furnace retrofits as well as the installation of insulation, storm doors and windows in homes of persons who meet income eligibility standards developed by the Federal Government. Weatherization will be funded from the Energy Conservation and Assistance Fund and U.S. Department of Energy Weatherization funds in 1988-89.

Program Element: Community Development

The Federal Small Communities Block Grant provides assistance in expanding low and moderate income housing opportunities; enhancing economic development and job opportunities for low and moderate income individuals; correcting public facilities such as water and sewer systems, and improving public facilities that affect public health and safety.

Through the Neighborhood Assistance Act, tax credits are provided to encourage private sector involvement in developing solutions to problems that are prevalent in low-income communities. These tax credits are available to corporations that contribute funding or services to local organizations administering programs that provide community services education, job training, crime prevention and neighborhood revitalization for low-income residents of impoverished areas.

Also, two Pennsylvania Economic Revitalization Fund (PERF) activities are administered by DCA within this element. The Enterprise Zone Municipal Tax Exemption Reimbursement (LERTA) program stimulates business development in enterprise zones by encouraging exemptions from local taxes for physical improvements made by business and industry in these areas.

Under the Recreational Improvement and Rehabilitation Act (RIRA), grants from PERF are made to municipalities for improvements to local parks and recreational facilities.

Program Element: Job Training and Services

The Community Conservation and Youth Employment program provides General Fund monies to municipalities, Community Action Agencies and non-profit sponsors for the development of employment opportunities and for community conservation activities.

Another Federal block grant, Community Services, provides funds for community based programs that offer health, nutrition, housing and employment related services to improve the standard of living of low-income persons.

Program Measures:

	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
Housing and Redevelopment:							
State funded housing activities and programs:							
Rehabilitation of existing units	1,312	1,312	1,312	1,312	1,312	1,312	1,312
Jobs created	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Homes weatherized	20,796	19,436	18,125	18,125	6,380	6,380	6,380
Community Development:							
Small Communities Block Grant:							
Jobs created and/or retained	1,400	1,000	1,000	1,000	1,000	1,000	1,000
Housing units rehabilitated	2,400	2,400	1,600	1,600	1,600	1,600	1,600
Recreation Improvement and Rehabilitation Act (RIRA) grants							
RIRA job opportunities created	197	140	140	. . . . .	. . . . .	. . . . .	. . . . .
	1,200	800	800	. . . . .	. . . . .	. . . . .	. . . . .
Job Training and Services:							
Persons participating:							
Community conservation and youth employment	81,127	83,127	85,127	87,127	89,127	91,127	93,327
Community Service Block Grant	682,966	656,017	592,000	585,000	570,000	560,000	550,000
Employment related services and training projects	9,721	9,971	10,221	10,471	10,721	10,971	11,221
Job Placement Program:							
Persons placed	3,520	3,570	3,620	3,670	3,720	3,770	3,820

Three programs make up the Job Training measures, with each requiring varying degrees of participation, resulting in fluctuating aggregate numbers from year to year. The Homes weatherized data reflect the lack of availability of Energy Conservation and Assistance Fund monies after 1989-90. The RIRA job opportunities measure represents seasonal jobs.

COMMUNITY AFFAIRS

Program: Community Development and Conservation (continued)

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

General Government Operations	
\$ 800	—to replace 1987-88 funding sources not available in 1988-89.
301	—to maintain current program.
103	—to monitor program activities of the Distressed Communities program.
77	—to increase local government training efforts.
-20	—savings due to press/communication reorganization.
<hr/>	
\$ 1,261	<i>Appropriation Increase</i>
Planning Assistance Grants	
\$ 150	—to provide increased planning funds for distressed communities.

All other General Fund programs are recommended be continued at current levels, except for nonrecurring appropriations. The LERTA appropriation in PERF is recommended to be changed from a two-year continuing appropriation to a continuing appropriation so funds may be expended in 1988-89 and beyond. See the special PERF presentation and the Commitment to Economic Development Program Revision in the Economic Development Partnership budget for recommendations concerning other PERF programs.

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
GENERAL FUND:							
General Government Operations	\$ 11,028	\$ 7,390	\$ 8,651	\$ 9,192	\$ 9,651	\$ 10,134	\$ 10,641
Flood Plain Management	71	75	75	75	75	75	75
Planning Assistance Grants	150	150	300	300	300	300	300
Community Conservation and Youth							
Employment	2,716	2,736	2,736	2,736	2,736	2,736	2,736
United Social Services	201	160	.....	.....	.....	.....	.....
Housing and Redevelopment	20,000	45,000	45,000	45,000	45,000	45,000	45,000
Enterprise Development	6,250	7,250	7,250	7,250	7,250	7,250	7,250
We The People Celebration	.....	5,000	.....	.....	.....	.....	.....
Community Development Projects	.....	7,764	.....	.....	.....	.....	.....
Einstein Hospital	150	.....	.....	.....	.....	.....	.....
Point Breeze Performing Arts Center	.....	75	.....	.....	.....	.....	.....
Discovery of America Anniversary	.....	150	.....	.....	.....	.....	.....
TOTAL GENERAL FUND	<u>\$ 40,566</u>	<u>\$ 75,750</u>	<u>\$ 64,012</u>	<u>\$ 64,553</u>	<u>\$ 65,012</u>	<u>\$ 65,495</u>	<u>\$ 66,002</u>
ENERGY CONSERVATION AND ASSISTANCE FUND							
Weatherization	<u>\$ 19,765</u>	<u>.....</u>	<u>\$ 21,459</u>	<u>\$ 21,459</u>	<u>.....</u>	<u>.....</u>	<u>.....</u>

COMMUNITY AFFAIRS

PROGRAM OBJECTIVE: To improve local governments' ability to provide effective and economical municipal services.

Program: Municipal Administrative Support Capability

Efforts to improve provision of local government services are centered around a variety of activities within this program.

Distressed Community Emergency Aid provides for the establishment and development of systems to identify, assist and ameliorate fiscal distress of communities of the Commonwealth. Continued funding for this program is recommended to be provided from the Local Tax Reform Fund.

The second major effort to make local government more effective involves the one time \$140 million appropriation for local tax reform recommended in the 1987-88 General Fund budget. The Administration has proposed a series of bills that would utilize the \$140 million to establish a Local Tax Reform Fund, and then create a series of programs within this fund aimed at local tax relief.

The third major component of this program, funded from the Pennsylvania Economic Revitalization Fund (PERF), provides a pool of funds to reduce the required local match for financially distressed communities that utilize Commonwealth matching grant programs.

Finally, the Regional Councils appropriation is used as an incentive to induce local governments to undertake inter-municipal cooperative efforts, thereby fostering increased efficiency and effectiveness of municipal functions. Community Affairs monitors nearly 500 municipalities, townships and boroughs providing intergovernmental services crossing jurisdictional boundaries. A variety of projects and services are involved such as joint police protection, regional airports and workmen compensation pools, all of which minimize cost and enhance the quality of services delivered.

Program Measures:

	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
Distressed communities receiving financial assistance	N/A	16	32	40	.....	.....	.....
Distressed communities receiving technical assistance	N/A	265	361	330	300	270	240
Municipal officials/employees trained	22,340	22,000	22,500	22,500	23,000	23,500	24,000

* Current Legislative authorization for program expires.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

<p>Regional Councils</p> <p>\$ 175 — to provide for increased coordination of programs and services among multi-jurisdiction municipalities.</p> <p>Local Tax Reform</p> <p>\$ -140,000 — nonrecurring project. The \$140 million appropriated in 1987-88 is recommended to be placed in a Local Tax Reform Fund.</p>	<p>See the special PERF presentation and the Commitment to Economic Development Program Revision in the Economic Development Partnership budget for recommendations on PERF programs.</p>
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Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
GENERAL FUND:							
Regional Councils	\$ 175	\$ 175	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350
Distressed Community Emergency Aid	5,000	.....	.....	.....	.....	.....	.....
Local Tax Reform . . . . .	.....	140,000	.....	.....	.....	.....	.....
TOTAL GENERAL FUND	\$ 5,175	\$ 140,175	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350



Commonwealth of Pennsylvania

Department of Corrections

The department maintains a State system for the custody and rehabilitation of convicted criminals. Included within this system are residential programs and pre-release programs to provide inmates with supervision, counseling and treatment to enable them to satisfactorily adjust to society.

CORRECTIONS

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1986-87	1987-88	1988-89
	Actual	Available	Budget
GENERAL FUND			
<i>INSTITUTIONAL:</i>			
State Correctional Institutions	\$ 204,144	\$ 239,100	\$ 259,085
(F) Federal Inmates	100	125	125
(F) Mariel — Cuban Inmates	94	95	76
(F) Veterans Training	2	145	75
(F) Library Services	9	28	30
(F) Vocational Training	45	17	.....
(F) Community Center Training .....	.....	25	.....
(F) ADAMHBG — Rehabilitation	110	110	110
(F) Therapeutic Communities .....	.....	237	579
(F) Drug and Alcohol Rehabilitation .....	.....	105	144
(F) Library Literacy .....	.....	25	.....
(A) Institutional Reimbursements	385	400	498
(A) Community Service Centers	211	339	285
(A) Project Impact	14	41	6
STATE FUNDS	\$ 204,144	\$ 239,100	\$ 259,085
FEDERAL FUNDS	360	912	1,139
AUGMENTATIONS	610	780	789
GENERAL FUND TOTAL	\$ 205,114	\$ 240,792	\$ 261,013
OTHER FUNDS			
<i>MANUFACTURING FUND:</i>			
General Operations	\$ 17,244	\$ 18,235	\$ 18,353
OTHER FUNDS TOTAL	\$ 17,244	\$ 18,235	\$ 18,353
DEPARTMENT TOTAL — ALL FUNDS			
GENERAL FUND	\$ 204,144	\$ 239,100	\$ 259,085
FEDERAL FUNDS	360	912	1,139
AUGMENTATIONS	610	780	789
OTHER FUNDS	17,244	18,235	18,353
TOTAL ALL FUNDS	\$ 222,358	\$ 259,027	\$ 279,366

CORRECTIONS

Program Funding Summary:

	(Dollar Amounts in Thousands)						
	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
	Actual	Available	Budget	Estimated	Estimated	Estimated	Estimated
INSTITUTIONALIZATION OF OFFENDERS							
General Fund	\$ 204,144	\$ 239,100	\$ 259,085	\$ 266,885	\$ 274,906	\$ 283,166	\$ 291,675
Federal Funds	360	912	1,139	1,170	1,202	1,236	1,271
Other Funds	17,854	19,015	19,142	19,907	20,703	21,531	22,392
TOTAL	\$ 222,358	\$ 259,027	\$ 279,366	\$ 287,962	\$ 296,811	\$ 305,933	\$ 315,338

CORRECTIONS

PROGRAM OBJECTIVE: To decrease the recurrence of crime by replacing criminal behavior with socially acceptable behavior.

Program: Institutionalization of Offenders

The State administered system includes 13 correctional institutions and 15 community service centers with a capacity for 12,567 inmates. In addition, during 1988, a new facility at Smithfield will open with a planned capacity of 488 and expansion at Graterford will increase available cells by 418. There were 16,338 inmates housed in the State system at the end of calendar year 1987.

In addition to providing the basic necessities of life, programs are available which enable inmates to leave prison better prepared to adjust to life in the community. These include educational services, vocational training, and behavior modification.

Educational programs provided by the Pennsylvania Department of Education offer inmates the opportunity to obtain high school diplomas or adult basic educational skills. Post secondary education, in cooperation with nearby colleges, enables students to earn associate's

or bachelor's degrees.

Vocational training is dedicated to the development of marketable job skills so that inmates are more employable upon their release. A variety of programs are offered which may lead to employment as plumbers, electricians, auto mechanics, sheet metalworkers, barbers or cosmeticians.

Counseling services are designed to modify social behavior to a more acceptable level. Mental health and sex offender units have been opened at many institutions. Alcohol and drug rehabilitation is also available.

Community service centers permit highly screened inmates, who meet established criteria, to live in halfway houses in the community. Here they receive 24 hour supervision and can utilize counseling services while working or attending school.

Program Measures:

	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
Inmates	15,088	16,125	17,077	17,792	18,240	18,560	18,800
Prison Capacity	11,048	12,087	13,317	13,558	13,662	13,662	13,662
Inmates receiving vocational training	2,414	2,580	3,073	3,380	3,560	3,710	3,760
Inmates receiving other education training	4,828	5,160	5,465	5,695	5,830	5,940	6,010
Average annual cost per inmate	\$13,416	\$14,635	\$15,396	\$15,664	\$15,929	\$16,431	\$16,917

Population and Capacity

Institutions	Population Oct. 1987	Estimated Population Oct. 1988	Capacity Oct. 1987	Estimated Capacity Oct. 1988
Camp Hill	2,547	2,530	1,826	1,826
Cresson	527	575	499	499
Dallas	1,964	1,950	1,457	1,457
Frackville	537	640	540	540
Graterford	2,478	2,650	2,144	2,562
Greensburg	792	780	461	461
Huntingdon	2,034	2,005	1,347	1,347
Mercer	678	675	464	464
Muncy	497	535	464	464
Pittsburgh	1,589	1,430	1,140	984
Retreat		480		480
Rockview	1,930	1,910	1,250	1,250
Smithfield		340		488
Waynesburg	137	145	144	144
Community Service Centers	342	342	351	351
Group Homes	73	90		
TOTAL	16,125	17,077	12,087	13,317

CORRECTIONS

Program: Institutionalization of Offenders (continued)

Expenditures by Institution:

	(Dollar Amounts in Thousands)				(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Budget		1986-87 Actual	1987-88 Available	1988-89 Budget
Camp Hill							
State Funds	\$ 27,352	\$ 29,188	\$ 30,037	State Funds	\$ 9,135	\$ 10,135	\$ 10,367
Federal Funds	45	17	55	Federal Funds	10	10	.....
Augmentations	130	127	129	Augmentations	3	8	9
TOTAL	\$ 27,527	\$ 29,332	\$ 30,221	TOTAL	\$ 9,148	\$ 10,153	\$ 10,376
Cresson							
State Funds	\$ 5,115	\$ 11,001	\$ 11,373	State Funds	\$ 11,076	\$ 11,558	\$ 12,002
Federal Funds	.....	.....	.....	Federal Funds	25	50	28
Augmentations	.....	3	4	Augmentations	113	174	121
TOTAL	\$ 5,115	\$ 11,004	\$ 11,377	TOTAL	\$ 11,214	\$ 11,782	\$ 12,151
Dallas							
State Funds	\$ 22,185	\$ 22,870	\$ 23,419	State Funds	\$ 22,013	\$ 23,577	24,053
Federal Funds	.....	.....	.....	Federal Funds	.....	.....	.....
Augmentations	68	69	69	Augmentations	.....	.....	1
TOTAL	\$ 22,253	\$ 22,939	\$ 23,488	TOTAL	\$ 22,013	\$ 23,577	\$ 24,054
Frackville							
State Funds	\$ 4,712	\$ 10,123	\$ 10,432	State Funds	\$ 1,348	\$ 6,092	\$ 9,733
Federal Funds	.....	.....	.....	Federal Funds	.....	.....	.....
Augmentations	.....	.....	1	Augmentations	.....	.....	1
TOTAL	\$ 4,712	\$ 10,123	\$ 10,433	TOTAL	\$ 1,348	\$ 6,092	\$ 9,734
Graterford							
State Funds	\$ 33,098	\$ 35,950	\$ 39,521	State Funds	\$ 19,901	\$ 21,184	\$ 21,579
Federal Funds	.....	237	191	Federal Funds	5	.....	.....
Augmentations	32	39	41	Augmentations	47	49	53
TOTAL	\$ 33,130	\$ 36,226	\$ 39,753	TOTAL	\$ 19,953	\$ 21,233	\$ 21,632
Greensburg							
State Funds	\$ 10,788	\$ 11,728	\$ 12,040	State Funds	\$ 47	\$ 3,973	\$ 10,858
Federal Funds	.....	.....	388	Federal Funds	.....	.....	.....
Augmentations	2	16	16	Augmentations	.....	.....	.....
TOTAL	\$ 10,790	\$ 11,744	\$ 12,444	TOTAL	\$ 47	\$ 3,973	\$ 10,858
Huntingdon							
State Funds	\$ 20,608	\$ 21,017	\$ 21,555	State Funds	\$ 4,017	\$ 4,670	\$ 4,889
Federal Funds	4	.....	.....	Federal Funds	.....	.....	7
Augmentations	.....	44	44	Augmentations	.....	9	9
TOTAL	\$ 20,612	\$ 21,061	\$ 21,599	TOTAL	\$ 4,017	\$ 4,679	\$ 4,905
Community Service Centers							
State Funds	\$ 5,589	\$ 6,093	\$ 6,473	State Funds	\$ 7,161	\$ 9,941	\$ 10,754
Federal Funds	.....	25	.....	Federal Funds	270	573	470
Augmentations	211	238	285	Augmentations	3	4	6
TOTAL	\$ 5,800	\$ 6,356	\$ 6,758	TOTAL	\$ 7,434	\$ 10,518	\$ 11,230
Mercer							
Muncy							
Pittsburgh							
Retreat							
Rockview							
Smithfield							
Waynesburg							
Central Office							

CORRECTIONS

Program: Institutionalization of Offenders (continued)

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

State Correctional Institutions	
\$ 6,885	—for full-year operation of the new Smithfield prison.
3,641	—for full-year operation of the Retreat prison.
3,006	—for full-year operation of the 418 cell expansion at Graterford.
719	—to upgrade the computerized system and to expand drug and alcohol treatment. See Program Revision on the following page.
663	—for full-year operation of four new mental health units.
796	—to replace equipment and for facility improvements.
4,289	—to continue current program.
-14	—savings from Press/Communications reorganization.
<u>\$ 19,985</u>	<i>Appropriation Increase</i>

Several initiatives are recommended in response to the Governor's Interdepartmental Task Force on Corrections. The Department of Corrections budget includes \$115,000 to increase drug and alcohol treatment and \$604,000 to enhance computerization. In addition, an intensive parole pilot program will be implemented by the Board of Probation and Parole. The Department of Education's budget also includes \$936,000 for three initiatives that will improve educational and job placement services for inmates. For additional information, see the Program Revision for Corrections.

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
GENERAL FUND:							
State Correctional Institutions	<u>\$ 204,144</u>	<u>\$ 239,100</u>	<u>\$ 259,085</u>	<u>\$ 266,885</u>	<u>\$ 274,906</u>	<u>\$ 283,166</u>	<u>\$ 291,675</u>

Program Revision: Improved Reintegration Services

This Program Revision would begin the process of implementing the recommendations of the Governor's Interdepartmental Task Force on Corrections.

This budget recommends an additional \$115,000 to upgrade drug and alcohol treatment services in the correctional institutions. Combined with \$579,000 in Federal funds, an additional 226 inmates will be treated for drug or alcohol abuse. The therapeutic drug and alcohol community at SCI-Camp Hill will be expanded by 122 slots and new 52 bed therapeutic community will be established at SCI-Graterford and at a third institution. Also, recordkeeping and reporting will be improved by increasing resources for computerization by \$604,000.

The Board of Probation and Parole will initiate a Special Intensive Parole Supervision Program to divert about 200 low risk parole violators annually from the State prison system. The parole violator would be placed on intensive parole as a sanction for violating certain parole conditions. Currently, these parole violators are returned to prison which exacerbates the prison overcrowding problem.

By diverting parole violators into an intensive parole program as opposed to reincarceration, This proposal will result in a cost avoidance in the corrections system of \$2.5 million annually. In 1988-89, it will cost the Commonwealth an estimated \$15,400 to incarcerate an inmate in prison. By comparison, an inmate released on intensive parole will only cost about \$3,000 per year to supervise. Also, many of the parolees will have jobs that will permit them to pay taxes and restitution to their victims.

The Department of Education's Corrections Education Program will also be expanded to improve educational and job placement services for inmates. New academic and vocational teachers will be hired to initiate educational services at the expanded Graterford Institution and to expand educational services throughout the correctional system. Also, the number of job placement specialists will be doubled to expand job placement services from four to eight institutions.

In addition to the fiscal initiatives described above, the Department of Corrections will implement many of the other recommendations of the Task Force Report.

The department has purchased over \$1 million worth of new up-to-date machines for institutional work shops using revenue from the Manufacturing Fund. Modernization of equipment will continue in 1988-89 as revenues in the Manufacturing Fund permit. The Department of Corrections will work with the Departments of Education and Labor and Industry, and the Board of Probation and Parole to improve the coordination of job-related information, establish job training

demonstration programs, upgrade existing job training programs and increase inmate participation in job training programs during 1988-89.

The Department of Corrections will establish a Medical and Dental Advisory Committee and initiate a health care survey to evaluate and improve the delivery of health care in the correctional system. The Department of Corrections will work with the Department of Public Welfare to evaluate existing sex offender treatment programs for effectiveness, evaluate the need to establish a program for inmates with a dual-diagnosis of mental illness and drug or alcohol abuse, and to improve the coordination of discharge and aftercare planning between correctional institutions and forensic facilities.

The department will also begin upgrading a variety of social services and departmental procedures that affect inmate morale and conditions of confinement in 1988-89. The current one visit per week restriction will gradually be eliminated as resources become available to provide additional staff and visiting space. Transportation services that permit relatives and friends to visit inmates will be expanded while the department undertakes a study on extended family visitations. An inmate grievance committee will be formed to review the inmate grievance system and determine how to incorporate the Task Force recommendations into the grievance system. Correctional officer and staff training will be upgraded to more adequately address the issue of inmate abuse. The department will eliminate the policies that place "death row" inmates and pregnant inmates in Restricted Housing Units. Policies will be restructured and alternative locations within the institutions will be identified to separate these inmates from other inmates when appropriate.

The department will work with other State criminal justice agencies to develop a comprehensive plan to reduce overcrowding. The 1988-89 Budget contains sufficient funds to operate three new institutions that will add almost 1,400 cells to the prison system. A new Intensive Parole pilot program discussed above will divert about 200 offenders each year from the institutional system and the department will continue to work with the General Assembly to pass an earned time bill that would reduce an inmate's sentence in exchange for good behavior. Forty-eight states already have an earned time credit provision in law.

Finally, the department is developing a new affirmative action plan and will strengthen its basic and in-service training program. In particular, interpersonal skills courses such as Conflict Resolution and Ethnic and Racial Sensitivity, will be emphasized.

Program Measures:

	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
Inmates receiving drug and alcohol treatment in therapeutic communities							
Current	100	100	100	100	100	100	100
Program Revision			326	326	326	326	326
Prison Population							
Current	15,088	16,125	17,077	17,792	18,240	18,560	18,800
Program Revision			16,977	17,592	18,040	18,360	18,600
Cost avoidance from intensive parole program (amount in thousands)							
Program Revision			\$ 1,241	\$ 2,481	\$ 2,500	\$ 2,500	\$ 2,500
Inmates in educational programs							
Current	4,200	4,300	4,425	4,691	4,972	5,270	5,270
Program Revision			5,305	5,571	5,852	6,150	6,150
Inmates placed in jobs or advanced training							
Current	200	200	200	200	200	200	200
Program Revision			300	400	400	400	400

CORRECTIONS

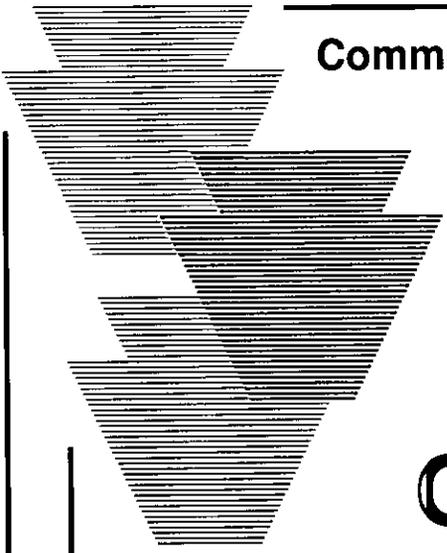
Program Revision Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

Department of Corrections		Department of Education	
State Correctional Institutions		Correctional Institutions-Education	
\$ 115	—to expand drug and alcohol abuse treatment services.	\$ 355	—to expand academic and vocational education at SCI-Graterford addition.
\$ 604	—to improve data processing capabilities.	483	—to expand academic and vocational education at other institutions.
Board of Probation and Parole		General Government Operations	
\$ 299	—to establish a special intensive parole pilot program.	98	—to double the number of institutions within job placement services.
		\$ 936	<i>Appropriation Increase</i>
		\$ 1,954	<i>Total Program Revision Increase</i>

Recommended Program Revision Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
GENERAL FUND:							
DEPARTMENT OF CORRECTIONS							
State Correctional Institutions			\$ 719	\$ 118	\$ 122	\$ 126	\$ 130
BOARD OF PROBATION AND PAROLE							
General Government Operations			\$ 299	\$ 501	\$ 516	\$ 531	\$ 547
DEPARTMENT OF EDUCATION							
Correctional Institutions-Education			\$ 936	\$ 414	\$ 427	\$ 440	\$ 453
TOTAL GENERAL FUND			\$ 1,954	\$ 1,033	\$ 1,065	\$ 1,097	\$ 1,130



Commonwealth of Pennsylvania

Crime Commission

The Crime Commission conducts investigations into organized crime activities. Through its investigations the commission seeks to determine and combat causes of organized crime as well as prevent such criminal activities.

PENNSYLVANIA CRIME COMMISSION

Summary by Fund and Appropriation

	1986-87 Actual	(Dollar Amounts in Thousands) 1987-88 Available	1988-89 Budget
GENERAL FUND			
GENERAL GOVERNMENT:			
Crime Commission	\$ 2,165	\$ 2,230	\$ 2,297
(F) Leviticus Project	134	300	.....
(F) LEAA — MAGLOCLEN	1,486	1,500	1,800
(A) Prosecutors' Seminar	12	1	.....
 	<hr/>	<hr/>	<hr/>
Berks County Narcotics Information Center	75	50	.....
Criminal Investigation Analysis Upgrade .....	.....	50	.....
 	<hr/>	<hr/>	<hr/>
STATE FUNDS	\$ 2,240	\$ 2,330	\$ 2,297
FEDERAL FUNDS	1,620	1,800	1,800
AUGMENTATIONS	12	1	.....
 	<hr/>	<hr/>	<hr/>
GENERAL FUND TOTAL	\$ 3,872	\$ 4,131	\$ 4,097

CRIME COMMISSION

Program Funding Summary:

	(Dollar Amounts in Thousands)						
	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
	Actual	Available	Budget	Estimated	Estimated	Estimated	Estimated
CRIMINAL LAW ENFORCEMENT:							
General Fund	\$ 2,240	\$ 2,330	\$ 2,297	\$ 2,366	\$ 2,437	\$ 2,509	\$ 2,586
Federal Funds	1,620	1,800	1,800	1,800	2,000	2,000	2,300
Other Funds	12	1	.....	.....	.....	.....	.....
TOTAL	<u>\$ 3,872</u>	<u>\$ 4,131</u>	<u>\$ 4,097</u>	<u>\$ 4,166</u>	<u>\$ 4,437</u>	<u>\$ 4,509</u>	<u>\$ 4,886</u>

CRIME COMMISSION

PROGRAM OBJECTIVE: To conduct investigations into organized crime activities and causes of such crime in order to reduce the crime rate.

Program: Criminal Law Enforcement

The commission is an independent State agency managed by five members. The Governor, President Pro Tempore of the Senate, the Speaker of the House, and Minority Leaders of the Senate and House appoint one member each.

The Pennsylvania Crime Commission's basic function is to investigate organized crime, public corruption, and the persons engaged

in those activities. Cooperation with other law enforcement agencies, especially through information exchange, is critical to the commission. The commission is the grantee for MAGLOCLEN, an eight State Congressionally sponsored association of law enforcement agencies that facilitates information exchange regarding criminals who cross State lines.

Program Measures:

	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
Investigations completed (annual)	187	170	150	150	150	150	150
Investigations referred to prosecutors, law enforcement or regulatory agencies	36	30	27	26	25	25	25
Intelligence inquiries from other law enforcement agencies	4,123	4,500	4,500	4,500	4,500	4,500	4,500
Positive responses to intelligence inquiries	802	1,000	1,000	1,000	1,000	1,000	1,000

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

<p>Crime Commission \$ 67 —to maintain current program level.</p> <p>Berks County Narcotics Information Center \$ -50 —nonrecurring project.</p>	<p>Criminal Investigation Analysis Upgrade \$ -50 —nonrecurring project.</p>
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Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
GENERAL FUND:							
Crime Commission	\$ 2,165	\$ 2,230	\$ 2,297	\$ 2,366	\$ 2,437	\$ 2,509	\$ 2,586
Berks County Narcotics Information Center	75	50	.....	.....	.....	.....	.....
Criminal Investigation Analysis Upgrade . . . . .	.....	50	.....	.....	.....	.....	.....
TOTAL GENERAL FUND	\$ 2,240	\$ 2,330	\$ 2,297	\$ 2,366	\$ 2,437	\$ 2,509	\$ 2,586



Commonwealth of Pennsylvania

Economic Development Partnership

The Commonwealth economic development programs have been reorganized under the Economic Development Partnership, a public and private approach that provides the Commonwealth with the essential elements to be competitive with its resources and create employment for its residents. Through the Partnership, Pennsylvania will be better equipped to respond to economic development issues as well as to target the Commonwealth's resources to the most critical areas.

ECONOMIC DEVELOPMENT PARTNERSHIP

PROGRAM REVISION

Budgeted Amounts Include the Following Program Revision:

Appropriation	Title	1988-89 State Funds (In thousands)
PENNSYLVANIA ECONOMIC REVITALIZATION FUND		
Business Infrastructure Development	Commitment to Economic Development	\$ 22,500
Employe Ownership — Technical Assistance	Commitment to Economic Development	500
Capital Loan Fund	Commitment to Economic Development	8,000
Mon Valley Revitalization	Commitment to Economic Development	2,000
Beaver Valley Revitalization	Commitment to Economic Development	1,000
Shenango Valley Revitalization	Commitment to Economic Development	1,000
Johnstown Industrial Heritage	Commitment to Economic Development	1,000
Community Economic Recovery	Commitment to Economic Development	1,000
Industrial Resource Centers	Commitment to Economic Development	10,000
Lehigh Mountaintop Campus	Commitment to Economic Development	1,000
DEPARTMENT TOTAL		\$ 48,000*

This Program Revision continues the Administration's emphasis on economic development through continuation of what has become a major tool in the Commonwealth's economic development arsenal — the Pennsylvania Economic Revitalization Fund (PERF). With PERF originally planned as a three year effort to rejuvenate Pennsylvania's economy, and subsequently extended for a fourth year during the 1987-88 budget negotiations, this is the first budget to formally propose establishing PERF as a permanent fixture on the economic development scene.

*Also included in this \$50.5 million Program Revision is \$1 million for the PennAG Fund in the Department of Agriculture and \$1.5 million for the Reduction of State Match program in the Department of Community Affairs.

ECONOMIC DEVELOPMENT PARTNERSHIP

Summary by Fund and Appropriation

GENERAL FUND	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Budget
GENERAL GOVERNMENT:			
General Government Operations	\$ 7,049	\$ 7,751	\$ 7,283
(F) ARC — Development Facilities Grant			
(F) ARC — Technical Assistance	524	600	600
(F) EDA — Planning Assistance	100 ^a	100	100
(F) JTPA — Occupational Information		130	130
(F) Economic Development Research and Training		150	
(F) Foreign Investment Guide		200	
(F) Industrial Property Inventory		190	
(A) Minority Business Development Authority	513	583	600
(A) Nursing Home Loan	204	204	210
(A) Copy Center Services	105	202	208
(A) Pennsylvania Industrial Development Authority	324	517	533
(A) Pennsylvania Energy Development Authority	171	47	
Subtotal — General Government Operations	\$ 8,990	\$ 10,674	\$ 9,664
Marketing	7,100	7,668	9,000
Subtotal — State Funds	\$ 14,149	\$ 15,419	\$ 16,283
Subtotal — Federal Funds	624	1,370	830
Subtotal — Augmentations	1,317	1,553	1,551
Total — General Government	\$ 16,090	\$ 18,342	\$ 18,664
GRANTS AND SUBSIDIES:			
Industrial Development Assistance	\$ 500	\$ 500	\$ 500
Pennsylvania Industrial Development Authority	15,000	12,000	12,500
Site Development	961	6,000	1,000
Local Development District Grants	850	1,000	1,000
Appalachian Regional Commission	353	400	400
Minority Business Development Authority	2,000	2,000	2,000
Community Facilities	6,491	6,500	6,500
Minority Business Technical Assistance	238	250	250
International City Project	100	100	
American Wind Symphony	65	85	
Transfer to Pennsylvania Economic Revitalization Fund ..		59,000	32,000
Ben Franklin Partnership	27,950	30,000	31,000
Tourist Promotion Assistance	5,000	5,935	5,500
Port of Philadelphia	4,000	4,100	4,000
Port of Erie	1,500	1,500	1,500
Port of Pittsburgh	1,000	1,000	1,000
American Music Theatre Festival	100	100	
U.S. Constitution Bicentennial	1,250		
Metals Reuse Study	375		
Super Computer Center	1,750	1,750	1,750
Pittsburgh Technology Development Center	2,000		
J & L Site Development	2,000	2,000	1,000
Rural Research and Development	1,025		
Health Science Practitioners	400		
Bridgewater Planning Grant	50		
Site Development — Johnson Bronze	25		
Beaver Valley Industrial Study	100		
Philadelphia Music Foundation		100	
Transfer High Speed Rail Records		1	
Economic Development Financing Authority			1,000
Federal Procurement			500
Total — Grants and Subsidies	\$ 75,083	\$ 134,321	\$ 103,400
STATE FUNDS	\$ 89,232	\$ 149,740	\$ 119,683
FEDERAL FUNDS	624	1,370	830
AUGMENTATIONS	1,317	1,553	1,551
GENERAL FUND TOTAL	\$ 91,173	\$ 152,663	\$ 122,064

^aActually expended by the Office of Policy Development.

ECONOMIC DEVELOPMENT PARTNERSHIP

	1986-87 Actual	(Dollar Amounts in Thousands) 1987-88 Available	1988-89 Budget
OTHER FUNDS			
<i>PENNSYLVANIA ECONOMIC REVITALIZATION FUND:</i>			
Engineering School Equipment	\$ 728	\$ 3,000	.....
Minority Business Assistance — Bid and Performance	1,212	.....	.....
Minority Business Assistance — Loans	985	.....	.....
Minority Business Assistance — Technical/Managerial Assistance	985	.....	.....
Business Infrastructure Development	25,497	29,000	\$ 22,500
Small Business Incubators — Loans	3,506	4,000	.....
Seed Capital Challenge Grants	1,500	.....	.....
Employe Ownership — Technical Assistance	299	500	500
Capital Loan Fund	15,000	8,000	8,000
Beaver Valley Revitalization	1,000	1,000	1,000
Mon Valley Revitalization	2,000	2,000	2,000
Shenango Valley Revitalization	1,000	1,000	1,000
Community Economic Recovery	1,000	1,000	1,000
Industrial Resource Centers .....	.....	10,000	10,000
Advanced Technology Facilities — BFP	4,000	.....	.....
Lehigh Mountaintop Campus .....	.....	.....	1,000
Johnstown Industrial Heritage .....	.....	.....	1,000
PENNSYLVANIA ECONOMIC REVITALIZATION FUND TOTAL	<u>\$ 58,712</u>	<u>\$ 59,500</u>	<u>\$ 48,000</u>
<i>SUNNY DAY FUND:</i>			
Genesis	\$ 4,000	.....	.....
Eastman Kodak	14,710	.....	.....
Swearingen Fanjet .....	.....	8,000	.....
Corning Glass Works .....	.....	8,000	.....
Allegheny Particleboard Inc. ....	.....	2,000	.....
AVTEK Inc. ....	.....	8,000	.....
Microwood Inc. ....	.....	2,000	.....
Lavengart and Company .....	.....	1,500	.....
Grumman Aircraft .....	.....	7,500	.....
SUNNY DAY FUND TOTAL	<u>\$ 18,710</u>	<u>\$ 37,000</u>	.....
OTHER FUNDS TOTAL	<u>\$ 77,422</u>	<u>\$ 96,500</u>	<u>\$ 48,000</u>
DEPARTMENT TOTAL — ALL FUNDS			
GENERAL FUND	\$ 89,232	\$ 149,740	\$ 119,683
FEDERAL FUNDS	624	1,370	830
AUGMENTATIONS	1,317	1,553	1,551
OTHER FUNDS	<u>77,422</u>	<u>96,500</u>	<u>48,000</u>
TOTAL ALL FUNDS	<u>\$ 168,595</u>	<u>\$ 249,163</u>	<u>\$ 170,064</u>

ECONOMIC DEVELOPMENT PARTNERSHIP

Program Funding Summary:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
MANAGEMENT AND POLICY							
General Fund	\$ 22,277	\$ 23,255	\$ 23,683	\$ 24,172	\$ 24,675	\$ 25,195	\$ 25,730
Federal Funds	624	1,370	830	830	830	830	830
Other Funds	6,317	6,553	7,551	6,551	6,551	6,551	6,551
TOTAL	<u>\$ 29,218</u>	<u>\$ 31,178</u>	<u>\$ 32,064</u>	<u>\$ 31,553</u>	<u>\$ 32,056</u>	<u>\$ 32,576</u>	<u>\$ 33,111</u>
INVESTMENT IN PUBLIC CAPITAL							
General Fund	\$ 13,952	\$ 78,100	\$ 46,000	\$ 59,000	\$ 56,000	\$ 52,000	\$ 52,000
Other Funds	25,497	29,000	22,500	22,500	22,500	22,500	22,500
TOTAL	<u>\$ 39,449</u>	<u>\$ 107,100</u>	<u>\$ 68,500</u>	<u>\$ 81,500</u>	<u>\$ 78,500</u>	<u>\$ 74,500</u>	<u>\$ 74,500</u>
INVESTMENT IN PRIVATE CAPITAL							
General Fund	\$ 21,303	\$ 16,635	\$ 17,250	\$ 17,250	\$ 16,250	\$ 16,250	\$ 16,250
Other Funds	42,197	49,500	8,500	8,500	8,500	8,500	8,500
TOTAL	<u>\$ 63,500</u>	<u>\$ 66,135</u>	<u>\$ 25,750</u>	<u>\$ 25,750</u>	<u>\$ 24,750</u>	<u>\$ 24,750</u>	<u>\$ 24,750</u>
INVESTMENT IN TECHNOLOGY TRANSFER							
General Fund	\$ 31,700	\$ 31,750	\$ 32,750	\$ 31,000	\$ 31,000	\$ 31,000	\$ 31,000
Other Funds	4,728	13,000	11,000	11,000	4,000	.....	.....
TOTAL	<u>\$ 36,428</u>	<u>\$ 44,750</u>	<u>\$ 43,750</u>	<u>\$ 42,000</u>	<u>\$ 35,000</u>	<u>\$ 31,000</u>	<u>\$ 31,000</u>
ALL PROGRAMS							
GENERAL FUND	\$ 89,232	\$ 149,740	\$ 119,683	\$ 131,422	\$ 127,925	\$ 124,445	\$ 124,980
FEDERAL FUNDS	624	1,370	830	830	830	830	830
OTHER FUNDS	78,739	98,053	49,551	48,551	41,551	37,551	37,551
TOTAL	<u>\$ 168,595</u>	<u>\$ 249,163</u>	<u>\$ 170,064</u>	<u>\$ 180,803</u>	<u>\$ 170,306</u>	<u>\$ 162,826</u>	<u>\$ 163,361</u>

ECONOMIC DEVELOPMENT PARTNERSHIP

PROGRAM OBJECTIVE: To utilize State economic development resources in a cohesive and cost-effective manner in order to assist in the job creation and retention process within the Commonwealth.

Program: Management and Policy

This program is keyed toward the development of both statewide and regional/local economic development strategies, and also toward ensuring that the Commonwealth's economic development programs are managed and utilized in a targeted and cost-effective manner that maximizes their impact on business development.

Two newly created functions in this area are the Response Team and Development Packaging. The Response Team reacts immediately to key problems and opportunities related to economic development including major business locations, relocations, expansions or labor-management conflicts which require administration-wide, multi-departmental involvement. The Office of Development Packaging directs, coordinates and controls the participation of the Partnership and the Commonwealth in the packaging of large scale development projects.

Marketing and local planning assistance efforts further supplement the day to day operations of the Economic Development Partnership (EDP). Marketing plays an important role in two distinct areas: selling Pennsylvania to individuals as an attractive place to vacation in order to maximize Pennsylvania's share of the tourism dollar; and selling Pennsylvania to industry as possessing a good business climate, as well as being an excellent place to live. Towards these ends, the Partnership runs two separate extensive multi-media advertising campaigns, one targeting economic development and the other targeting tourism.

The economic development marketing component includes efforts to increase foreign investments in Pennsylvania, and to expand the markets for products of Pennsylvania firms overseas. A primary means available to assist export trade is to provide small businesses with support in overcoming the many legal, financial and logistical problems inherent in doing business internationally. The Federal Export Import (Eximbank) program continues to be an important vehicle for providing financial

assistance.

The tourism marketing component also involves the Tourist Promotion Assistance (TPA) Grant program, which assists county and regional tourist promotion agencies in Pennsylvania by providing grants as matching assistance for advertising, and promotion expenses. A key element of tourism marketing is the proper meshing of the Commonwealth's tourism program with the TPAs' efforts.

An important local assistance effort is Industrial Development Assistance, a program of matching State grants to local economic development agencies. These grants aid the local agencies in arranging financing packages, and in local marketing and promotion activities.

A second local assistance program involves grants to seven Local Development Districts covering 52 counties. These agencies provide direct managerial and technical assistance to small businesses along with packaging loan and grant transactions.

The other major local assistance efforts of the Partnership involve the revitalization and community economic programs first authorized by the legislature in June 1984 out of the Pennsylvania Economic Revitalization Fund (PERF). Funding is provided for economic development efforts in the Mon, Shenango and Beaver Valley areas, thereby targeting funds to three of the most distressed areas of the Commonwealth. Grants are available to help finance special planning and marketing efforts designed to be a part of a comprehensive local economic recovery strategy to retain existing jobs, to assist in business startups and expansions and to attract new industry. Similarly, the Community Economic Recovery program provides grants for these same purposes to distressed areas of the State not included in the three revitalization programs.

Program Measures:

	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
State jobs attributable to foreign investments in Pennsylvania	110,201	111,000	112,000	113,000	114,000	115,000	115,000
Foreign companies located in Pennsylvania	663	700	760	820	880	880	880
Employment derived from tourism activities (in thousands)	209.4	214.5	219.6	224.9	230.4	235.9	235.9
Wages derived from tourism activities (in millions)	\$2,210.5	\$2,343.1	\$2,483.7	\$2,632.7	\$2,790.7	\$2,958.1	\$2,958.1
Commonwealth revenues derived from tourism activities (in millions)	\$451.4	\$478.5	\$507.2	\$537.6	\$569.9	\$604.1	\$604.1
Traveler expenditures (in millions)	\$10,161.1	\$10,770.8	\$11,417.0	\$12,102.0	\$12,828.2	\$13,597.8	\$13,597.8
Communities assisted through targeted revitalization funds:							
Mon Beaver and Shenago Valleys	132	132	132	132	132	132	132
Community Economic Recovery	25	18	36	36	36	36	36

ECONOMIC DEVELOPMENT PARTNERSHIP

Program: Management and Policy (continued)

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

	General Government Operations	\$	832	Marketing
\$ -615	—nonrecurring projects.			—to continue current program.
-5	—to continue current program.		500	—to provide for an expanded economic development and statewide tourism advertising effort.
180	—to provide an increase in computerization.			
-28	—savings due to press/communications reorganization			
			\$ 1,332	<i>Appropriation Increase</i>
\$ -468	<i>Appropriation Decrease</i>			
				Tourist Promotion Assistance
			\$ -435	—nonrecurring projects.

All other General Fund programs are recommended to be continued at current levels, except for a nonrecurring appropriation. In addition, this budget proposes a \$1 million PERF-Funded Johnstown Industrial Heritage program to assist in the revitalization of Johnstown. See the special PERF presentation and the Commitment to Economic Development Program Revision for recommendations concerning PERF programs.

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
GENERAL FUND:							
General Government Operations	\$ 7,049	\$ 7,751	\$ 7,283	\$ 7,502	\$ 7,726	\$ 7,959	\$ 8,198
Marketing	7,100	7,668	9,000	9,270	9,549	9,836	10,132
Industrial Development Assistance	500	500	500	500	500	500	500
Local Development District Grants	850	1,000	1,000	1,000	1,000	1,000	1,000
Appalachian Regional Commission	353	400	400	400	400	400	400
Tourist Promotion Assistance	5,000	5,935	5,500	5,500	5,500	5,500	5,500
Rural Research and Development	1,025	. . . . .	. . . . .	. . . . .	. . . . .	. . . . .	. . . . .
Health Science Practitioners	400	. . . . .	. . . . .	. . . . .	. . . . .	. . . . .	. . . . .
Transfer High Speed Rail Records . . . . .	. . . . .	1	. . . . .	. . . . .	. . . . .	. . . . .	. . . . .
TOTAL GENERAL FUND	\$ 22,277	\$ 23,255	\$ 23,683	\$ 24,172	\$ 24,675	\$ 25,195	\$ 25,730

ECONOMIC DEVELOPMENT PARTNERSHIP

PROGRAM OBJECTIVE: To ensure that the Commonwealth's public infrastructure promotes business expansion and relocation within the Commonwealth.

Program: Investment in Public Capital

Since most infrastructure improvement activities, such as water, sewer, highway and bridge improvements, fall under the purview of agencies other than the Economic Development Partnership (EDP), most EDP efforts in this area involve working with these other agencies to ensure that public infrastructure improvements meet the needs of both business and the public. Nonetheless, several important public infrastructure improvement programs are operated by the EDP.

The Community Facilities and Site Development Programs are both aimed at developing local infrastructure in advance of industrial development. These programs provide matching grants to small municipalities to primarily improve their water, sewer and solid waste systems in an effort to make the areas more attractive to job producing private investment.

The Partnership also administers funds for the development of the Philadelphia, Erie, and Pittsburgh ports. These funds are used to

aid in capital development of these ports, which not only generate port and shipping related jobs, but also assist Pennsylvania firms to export their products.

The newest of the Commonwealth's public infrastructure programs, the Business Infrastructure Development (BID) Program, was established in 1984 within the Pennsylvania Economic Revitalization Fund (PERF) for the purpose of making grants and loans to local sponsors in order to install specific infrastructure improvements necessary to complement planned industrial investment by private companies. As with the Site Development and Community Facilities grants, BID is geared to increasing Pennsylvania's share of domestic and international commerce and creating net new jobs. Unlike these older programs, however, BID ties infrastructure grants to actual business development as opposed to anticipated business development.

Program Measures:

	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
Community facility projects funded	116	100	106	106	106	106	106
Site development projects funded	14	27	17	17	17	17	17
Business Infrastructure Development projects funded (BID)	21	23	30	30	30	30	30
BID projected employment opportunities (in thousands)	3,360	3,680	4,800	4,800	4,800	4,800	4,800

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

<p>Site Development</p> <p>\$ -5,000 —to return to historical funding level.</p> <p>Transfer to PERF</p> <p>\$ -27,000 —reduction in amount necessary to fund PERF programs. All other General Fund programs are recommended to be continued at the current levels. See the special PERF presentation and the Commitment to Economic Development Program Revision for recommendations concerning PERF programs.</p>	<p>Port of Philadelphia</p> <p>\$ -100 —nonrecurring projects.</p>
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Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
GENERAL FUND:							
Site Development	\$ 961	\$ 6,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000
Community Facilities	6,491	6,500	6,500	6,500	6,500	6,500	6,500
Transfer to PERF		59,000	32,000	45,000	42,000	38,000	38,000
Port of Philadelphia	4,000	4,100	4,000	4,000	4,000	4,000	4,000
Port of Erie	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Port of Pittsburgh	1,000	1,000	1,000	1,000	1,000	1,000	1,000
TOTAL GENERAL FUND	\$ 13,952	\$ 78,100	\$ 46,000	\$ 59,000	\$ 56,000	\$ 52,000	\$ 52,000

ECONOMIC DEVELOPMENT PARTNERSHIP

PROGRAM OBJECTIVE: To ensure that capital for the creation, location, retention and expansion of private business is available at each step of the business life cycle for all types and sizes of business, and to make possible lower capital costs as an attraction for businesses to invest or re-invest in Pennsylvania.

Program: Investment in Private Capital

The Partnership has a broad array of programs available to create the best possible climate for business development.

Program Element: Industrial Development

The Pennsylvania Industrial Development Authority (PIDA) was established in 1956 to make long-term, low-interest business loans to firms which are engaged in manufacturing or industrial enterprises. PIDA funds may be used for land and buildings. Current policy targets PIDA funds to small and advanced technology businesses and enterprise zones. A qualified business may receive up to \$1.5 million with interest rates ranging from 3.0 percent to 7.5 percent, depending upon the unemployment rate in the county where the project is located.

The Pennsylvania Capital Loan Fund makes low interest loans to businesses for projects which will result in long-term net new employment opportunities. Loans may be used for the purchase of buildings and associated land, building renovation, the purchase of machinery and equipment and for working capital.

Program Element: Minority Business

The Pennsylvania Minority Business Development Authority (PMBDA) offers low interest loans to minority-owned businesses for fixed asset financing and, recently, for working capital and other financing needs. These efforts can be particularly crucial, given the difficulty minority entrepreneurs have in securing adequate funding, especially working capital.

This program also includes funds for technical assistance to minority business owners in the areas of management, accounting, personnel and other administrative details necessary to operate a business on a daily basis, as well as a bond guarantee program.

Program Element: Employee Ownership Assistance

The Employee Ownership Assistance Program is a Commonwealth effort to assist in establishing employee-owned enterprises in existing industries, and industries which are experiencing layoffs or would otherwise close. Loans and grants are available to employee groups

for technical assistance.

Program Element: Small Business Incubators

Small Business Incubator funding is designed to assist the formation of facilities where new start-up business can begin and grow. Grants and loans are provided for the acquisition of existing buildings and land, the rehabilitation of buildings and other facilities, and the purchase of equipment necessary for the creation of the incubator facilities. This program supplements incubator development programs of the Ben Franklin Partnership.

Program Element: Pennsylvania Economic Development Financing Authority (PEDFA)

The Pennsylvania Economic Development Financing Authority (PEDFA) is a new loan program in the start-up stage. PEDFA has the ability to finance economic development projects through pooled bond issues, both taxable and tax-exempt. PEDFA can finance land, buildings, machinery and equipment. Applications must be submitted through an industrial development authority and are subject to the State allocation formula of tax-exempt industrial or manufacturing projects. This budget proposes an initiative to fund PEDFA operating costs in lieu of a service fee, which in effect provides an interest subsidy to make the program more attractive, and to guarantee borrowers' letters of credit, buy down interest rates and provide a pool of interim funds to be used in advance of long-term issues.

Program Element: Federal Procurement

This budget also recommends a pilot program to establish three Federal procurement assistance offices that will assist private industry in Pennsylvania to obtain increases in Federal contracts. Such assistance is currently provided sporadically at the local level; this initiative will be targeted to developing a comprehensive and coordinated statewide effort to bring such contracts and resultant jobs to Pennsylvania that would otherwise be lost to states that actively pursue these Federal dollars.

Program Measures:

	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
PIDA loan commitments (thousands)	\$72,213	\$127,000	\$85,000	\$85,000	\$85,000	\$85,000	\$85,000
PIDA committed plant locations and expansions	144	254	170	170	170	170	170
PIDA projected employment opportunities	6,018	10,582	7,083	7,083	7,083	7,083	7,083
Minority business loan commitments (thousands)	\$2,258	\$3,000	\$3,500	\$3,800	\$4,000	\$4,200	\$4,500
Pennsylvania Capital Loan Program commitments from State funds (thousands)	\$9,575	\$14,000	\$21,000	\$20,000	\$23,000	\$26,000	\$29,000
Employee ownership feasibility studies funded	1	3	3	3	3	3	3
PEDFA loan commitments (thousands) . . .	\$15,000	\$30,000	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000
PEDFA industrial projects		30	60	90	90	90	90
PEDFA projected employment opportunities		300	600	900	900	900	900
Federal Procurement Program:							
New contracts received (thousands) . . .			\$ 14,000	\$ 14,000	\$ 14,000	\$ 14,000	\$ 14,000
Businesses assisted			23	23	23	23	23

The PIDA 1987-88 data represents a concerted effort to speed up processing time on loan applications in order to reduce backlog.

ECONOMIC DEVELOPMENT PARTNERSHIP

Program: Investment in Private Capital (continued)

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

<p>Pennsylvania Industrial Development Authority</p> <p>\$ 500 ---to encourage business expansion and development.</p> <p>J&L Site Development</p> <p>\$ -1,000 ---represents 6th year of 7 year funding support, which will end in 1989-90 with completion of site development.</p> <p>Pennsylvania Economic Development Financing Authority</p> <p>\$ 500 ---to guarantee borrowers' letters of credit, buy down interest rates and provide a pool of interim funds to be used in advance of long-term issues.</p> <p>500 ---to provide operating expenses in lieu of service fees, which in effect provides an interest subsidy to make the program more attractive to borrowers.</p> <p><u>\$ 1,000</u> <i>Appropriation Increase</i></p>	<p>Federal Procurement Program</p> <p>\$ 500 ---to establish a pilot program of three Federal procurement assistance offices to assist private industry in obtaining more Federal contracts.</p> <p> </p> <p>All other General Fund programs are recommended to be continued at current levels, except for nonrecurring appropriations. See the special PERF presentation and the Commitment to Economic Development Program Revision for recommendations concerning PERF programs.</p>
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Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
GENERAL FUND:							
Pennsylvania Industrial Development Authority	\$ 15,000	\$ 12,000	\$ 12,500	\$ 12,500	\$ 12,500	\$ 12,500	\$ 12,500
Minority Business Development Authority	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Minority Business Technical Assistance	238	250	250	250	250	250	250
International City Project	100	100	.....	.....	.....	.....	.....
American Wind Symphony	65	85	.....	.....	.....	.....	.....
American Music Theatre	100	100	.....	.....	.....	.....	.....
U.S. Constitution Bicentennial	1,250	.....	.....	.....	.....	.....	.....
Metals Reuse Study	375	.....	.....	.....	.....	.....	.....
J & L Site Development	2,000	2,000	1,000	1,000	.....	.....	.....
Bridgewater Planning Grant	50	.....	.....	.....	.....	.....	.....
Site Development — Johnson Bronze	25	.....	.....	.....	.....	.....	.....
Beaver Valley Plant Industrial	100	.....	.....	.....	.....	.....	.....
Philadelphia Music Foundation	.....	100	.....	.....	.....	.....	.....
Pennsylvania Economic Development Financing Authority	.....	.....	1,000	1,000	1,000	1,000	1,000
Federal Procurement	.....	.....	500	500	500	500	500
TOTAL GENERAL FUND	<u>\$ 21,303</u>	<u>\$ 16,635</u>	<u>\$ 17,250</u>	<u>\$ 17,250</u>	<u>\$ 16,250</u>	<u>\$ 16,250</u>	<u>\$ 16,250</u>

ECONOMIC DEVELOPMENT PARTNERSHIP

PROGRAM OBJECTIVE: To promote the use of advanced technology in order to help Pennsylvania industries compete successfully in the national and international market places; to encourage research and development of new products and processes that will foster the start-up of new business within the Commonwealth; and to fund research centers that will provide an incentive for indigenous business formation, as well as serving to attract investment in Pennsylvania.

Program: Investment in Technology Transfer

Recognizing the instrumental role that technology transfer can play in Pennsylvania's effort to remain competitive, the Commonwealth has established a number of transfer programs geared to provide the necessary resources to stimulate greater utilization of advanced technology.

The Ben Franklin Partnership (BFP) has been the Commonwealth's major technology transfer program. BFP programs promote advanced technology in an effort to make traditional industries more competitive in the marketplace and to spin off new small businesses on the leading edge of technological innovation. Businesses and non-profit agencies that participate in a joint venture project with an educational institution in Pennsylvania are eligible to apply.

Pennsylvania has initiated an Industrial Resource Centers program, another significant commitment to technology transfer. These centers will be designed to improve the competitive ability of Pennsylvania's traditional and emerging manufacturing firms by helping them to understand and implement modern manufacturing techniques and technologies. The centers will be operated as non-profit corporations

with significant direction from a board comprised of a majority of private sector representatives. A 1:1 matching requirement is currently in effect, and this requirement will increase to 2:1 in 1988-89.

An ongoing effort in technology transfer is a three-year, \$5.25 million commitment to the Super Computer Center. The third and final year of this commitment is reflected in this budget. These funds supplement a joint effort with University of Pittsburgh, Carnegie Mellon University and Westinghouse Electric Corporation to establish a National Super Computer Center which will eventually serve as the hub of a national communication network for related research facilities.

As a support effort keyed to enhancing Pennsylvania's capability to attract and retain talented scientific minds, an ongoing Engineering School Equipment Program was created in PERF in 1984. Additional funding has been provided via a 1987-88 continuing appropriation from PERF for engineering equipment to be used in instructing engineering students. This funding is available to each of Pennsylvania's 15 accredited engineering colleges and universities provided these universities can raise the required private match.

Program Measures:

	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
Private and public funds committed to BFP projects (in thousands)	\$81,000	\$108,000	\$108,000	\$108,000	\$108,000	\$108,000	\$108,000
Incubator facilities created through BFP	27	34	39	42	42	42	42
Firms established through advanced technology center efforts	127	150	150	150	150	150	150
Private sector jobs created or retained through BFP (cumulative)	8,000	11,654	19,084	28,574	40,274	53,084	66,909
Industrial Resource Centers:							
Centers created			7	8			
Companies assisted			350	450			

The Industrial Resource Centers' program current legal authorization expires June 30, 1990, so no program measure data is shown beyond that date. In addition, since this new program is in the developmental stage in 1987-88 with the first contracts to be awarded in the summer of 1988, no data is shown for 1987-88.

ECONOMIC DEVELOPMENT PARTNERSHIP

Program: Investment in Technology Transfer (continued)

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

Ben Franklin Partnership
 \$ 1,000 —for further development of technology transfer programs.

This budget recommends other General Fund programs be continued at current levels. See the special PERF presentation and the Commitment to Economic Development Program Revision for recommendations concerning PERF programs.

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
	Actual	Available	Budget	Estimated	Estimated	Estimated	Estimated
GENERAL FUND:							
Ben Franklin Partnership	\$ 27,950	\$ 30,000	\$ 31,000	\$ 31,000	\$ 31,000	\$ 31,000	\$ 31,000
Super Computer Center	1,750	1,750	1,750	.....	.....	.....	.....
Pittsburgh Technology Development Center	2,000	.....	.....	.....	.....	.....	.....
TOTAL GENERAL FUND	<u>\$ 31,700</u>	<u>\$ 31,750</u>	<u>\$ 32,750</u>	<u>\$ 31,000</u>	<u>\$ 31,000</u>	<u>\$ 31,000</u>	<u>\$ 31,000</u>

ECONOMIC DEVELOPMENT PARTNERSHIP

Program Revision: Commitment to Economic Development

This Program Revision continues the Casey Administration's emphasis on economic development through continuation of what has become a major tool in the Commonwealth's economic development arsenal—the Pennsylvania Economic Revitalization Fund (PERF). With PERF originally planned as a three-year effort to rejuvenate Pennsylvania's economy, and subsequently extended for a fourth year during the 1987-88 budget negotiations, this is the first budget to formally propose establishing PERF as a permanent economic development program. While it would be possible to abolish PERF and continue its programs directly from the General Fund, this budget recommends a long term commitment of set-asides targeted to the economic future of the Commonwealth.

Specifically proposed is a series of General Fund transfers to PERF, beginning with \$32 million in 1988-89 and increasing to over \$40 million annually in succeeding years, that will continue the numerous successful PERF programs that would otherwise be terminated as early as June 30th, 1988.

In addition, this proposal involves the establishment of three new PERF programs:

- The \$1 million Johnstown Industrial Heritage Program will parallel

current revitalization efforts already targeted toward three of our most distressed areas—the Mon, Beaver and Shenango valleys. The Johnstown program will contribute to the economic revitalization of that area by helping restore mines, factories and related structures that will enhance Johnstown's drawing power and help improve its tourism industry.

Lehigh University's Mountaintop Campus extension, acquired from Bethlehem Steel with State financial assistance, now requires operating assistance until research grants and contract revenues increase sufficiently to make it self-sustaining; this Program Revision recommends \$1 million in each of the next three years for this purpose.

The third new PERF program, the PennAG Fund, will be a low-interest loan program that will provide funds to agricultural producers and processors who are either upgrading their technology and equipment to increase productivity or altering their mix of outputs to meet market demands. This program will fill a void left by other economic development programs whose high job creation/loan amount ratios or overall employment requirements exclude many agricultural businesses. PennAG will be run as a revolving loan program through the Pennsylvania Capital Loan Fund (PCLF).

Program Measures:

	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
Business Infrastructure Development							
(BID) projects funded:							
Current	21	23	.....	.....	.....	.....	.....
Program Revision .....	.....	.....	30	30	30	30	30
BID projected employment opportunities:							
Current	3,360	3,600	.....	.....	.....	.....	.....
Program Revision .....	.....	.....	4,800	4,800	4,800	4,800	4,800
Pennsylvania Capital Loan Fund (PCLF)							
commitments from State funds							
(thousands):							
Current	\$9,575	\$14,000	.....	.....	.....	.....	.....
Program Revision .....	.....	.....	\$21,000	\$20,000	\$23,000	\$26,000	\$29,000
Employ ownership feasibility studies							
funded:							
Current	1	3	.....	.....	.....	.....	.....
Program Revision .....	.....	.....	3	3	3	3	3
Industrial Resource Centers created:							
Current .....	.....	.....	.....	.....	.....	.....	.....
Program Revision .....	.....	.....	7	8	.....	.....	.....
Companies assisted by Industrial							
Resource Centers:							
Current .....	.....	.....	.....	.....	.....	.....	.....
Program Revision .....	.....	.....	350	450	.....	.....	.....
Amount of private sector dollars							
leveraged by PennAG Fund monies							
(thousands):							
Current .....	.....	.....	.....	.....	.....	.....	.....
Program Revision .....	.....	.....	\$1,500	\$1,875	\$2,250	\$2,625	\$3,000
Communities assisted through targeted							
revitalization funds:							
Current	157	150	.....	.....	.....	.....	.....
Program Revision .....	.....	.....	169	169	169	169	169

The Industrial Resource Centers' program current legal authorization expires June 30, 1990, so no program measure data is shown beyond that date. In addition, since this new program is in the developmental stage in 1987-88 with the first contracts to be awarded in the summer of 1988, no data is shown for 1987-88.

ECONOMIC DEVELOPMENT PARTNERSHIP

Program Revision: Commitment to Economic Development Commitment (continued)

Program Revision Recommendations:

This budget recommends the following funding be provided from PERF: (Dollar Amounts in Thousands)

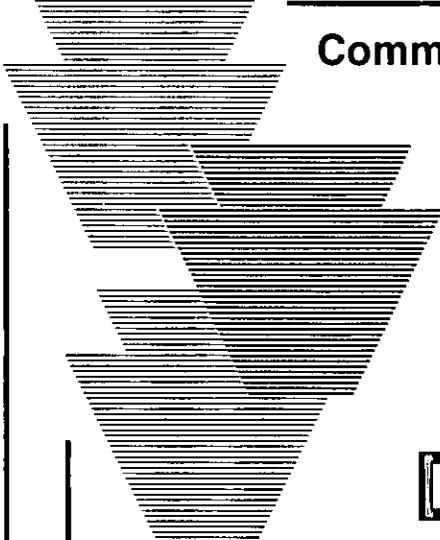
Economic Development Partnership				
\$ 22,500	—for the Business Infrastructure Development (BID) program, which ties infrastructure grants and loans to actual rather than anticipated business development.	\$ 1,000		—for the Community Economic Recovery Program, which provides grants for revitalization and community economic recovery efforts for those distressed areas of the Commonwealth not included in the four targeted program areas above.
\$ 500	—for the Employee Ownership Technical Assistance program, which assists in establishing employe-owned enterprises.	\$ 10,000		—for the recently-initiated Industrial Resource Centers program, which assists Pennsylvania industries by helping them implement modern manufacturing techniques and technologies.
\$ 8,000	—for the Capital Loan Fund (PCLF), a low-interest loan program aimed at generating new long-term employment.	\$ 1,000		—to assist Lehigh's new Mountaintop Campus in its start-up stages.
\$ 2,000	—for a revitalization and community economic recovery program for the Mon Valley.			
\$ 1,000	—for a revitalization and community economic recovery program for the Beaver Valley.	\$ 1,000		Agriculture —for a new \$1 million PennAG Fund program, which will provide low-interest loans to agricultural producers and processors to upgrade equipment or alter their product mix.
\$ 1,000	—for a revitalization and community economic recovery program for the Shenango Valley.			
\$ 1,000	—for a revitalization and community economic recovery program for Johnstown.	\$ 1,500		Community Affairs —for the Reduction of State Match Program, which in effect reduces the local matching requirements for financially-distressed municipalities in selected programs.
		<u>\$ 50,500</u>		<i>Program Revision Total</i>

Recommended Program Revision Costs by Appropriation:

	(Dollar Amounts in Thousands)					1991-92 Estimated	1992-93 Estimated
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated		
PENNSYLVANIA ECONOMIC REVITALIZATION FUND:							
Business Infrastructure Development			\$ 22,500	\$ 22,500	\$ 22,500	\$ 22,500	\$ 22,500
Employee Ownership—Tech Asst			500	500	500	500	500
Capital Loan Fund			8,000	8,000	8,000	8,000	8,000
Mon Valley Revitalization			2,000	2,000	2,000	2,000	2,000
Beaver Valley Revitalization			1,000	1,000	1,000	1,000	1,000
Shenango Valley Revitalization			1,000	1,000	1,000	1,000	1,000
Johnstown Industrial Heritage			1,000	. . . . .	. . . . .	. . . . .	. . . . .
Community Economic Recovery			1,000	1,000	1,000	1,000	1,000
Industrial Resource Centers			10,000	10,000	. . . . .	. . . . .	. . . . .
Lehigh Mountaintop Campus			1,000	1,000	1,000	. . . . .	. . . . .
PERF TOTAL — ECONOMIC DEVELOPMENT PARTNERSHIP			<u>\$ 48,000</u>	<u>\$ 47,000</u>	<u>\$ 37,000</u>	<u>\$ 36,000</u>	<u>\$ 36,000</u>

In addition to the appropriations shown above, this Program Revision also includes funding for the following appropriations in other departments.

AGRICULTURE							
PennAG Fund			<u>\$ 1,000</u>				
COMMUNITY AFFAIRS							
Reduction of State Match			<u>\$ 1,500</u>				



Commonwealth of Pennsylvania

Department of Education

The Department of Education promotes and encourages desirable educational change based upon research and development so that all Pennsylvanians may benefit from a quality educational program which gives the greatest promise of developing each individual to his fullest potential as a contributing member of society.

The department conducts programs to assist the local school districts in improving educational and administrative techniques, curricula and guidance services; and provides consultant and data collection services on higher education. The bulk of the department's budget consists of subsidies for basic and higher education.

EDUCATION

PROGRAM REVISION

Budgeted Amounts Include the Following Program Revisions:

Appropriation	Title	1988-89 State Funds (in thousands)
GENERAL FUND		
Corrections Education	Improved Reintegration Services	\$ 936
<p>This Program Revision expands education programs at correctional institutions and doubles the number of job placement specialists. For further details see the Program Revision Request in the Department of Corrections.</p>		
Equalized Subsidy for Basic Education	Teacher Salary Increase	\$ 3,831
School Employees' Social Security	Teacher Salary Increase	288
School Employees' Retirement Fund Transfer	Teacher Salary Increase	738
	Subtotal	\$ 4,857
<p>This Program Revision will provide funding to raise the statewide minimum teacher salary to \$17,500 in 1988-89.</p>		
General Government Operations	School Performance Incentives	\$ 22
School Performance Incentives	School Performance Incentives	14,000
	Subtotal	\$ 14,022
<p>This Program Revision will provide bonuses to schools for superior performance and will provide funds to begin the development of a statewide test.</p>		
For the Improvement of Teaching	For the Improvement of Teaching	\$ 3,000
<p>This Program Revision will establish centers for the development of lead teacher programs, provide competitive grants to schools with professional development programs and provide a grant to the State System of Higher Education for the Academy for the Profession of Teaching.</p>		
Adult Literacy	Adult Literacy	\$ 2,000
<p>This Program Revision provides for additional community based literacy programs serving an additional 3,000 adults.</p>		
School Annuity Supplement	School Annuity Supplement	\$ 4,250

This Program Revision provides for the state share of the employer cost of a supplemental payment to annuitants of the School Employees Retirement System.

EDUCATION

Appropriation	Title	1988-89 State Funds (in thousands)
GENERAL FUND		
Customized Job Training	Customized Job Training	\$ 2,500

This Program Revision will support an increase in the number of unemployed persons trained or retraining.

General Government Operations	Special Services for Students	\$ 44
Dropout Prevention	Special Services for Students	500
Teen Pregnancy and Parenthood	Special Services for Students	118
Comprehensive Reading	Special Services for Students	300
Governor's Schools for Excellence	Special Services for Students	205
Subtotal		<u>\$ 1,167</u>

This Program Revision will increase funding for dropout prevention, teen pregnancy and parenting, and the Governor's Schools for Excellence and provide funding for comprehensive reading programs.

General Government Operations	Model Child Care Programs	\$ 22
Model Child Care	Model Child Care Programs	1,000
Subtotal		<u>\$ 1,022</u>

This Program Revision will provide for model school based day care programs.

Cheyney Enhancement	Equal Opportunity for Students	\$ 1,750
Higher Education of the Disadvantaged	Equal Opportunity for Students	500
Subtotal		<u>\$ 2,250</u>

This Program Revision funds the academic and administrative restoration of Cheyney State University and a program of tutoring and academic counseling for part-time students.

DEPARTMENT TOTAL	<u><u>\$ 36,004</u></u>
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EDUCATION

Summary by Fund and Appropriation

GENERAL FUND	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Budget
GENERAL GOVERNMENT:			
General Government Operations	\$ 16,216	\$ 15,685	\$ 16,393
(F) Adult Basic Education	293	615	695
(F) Education of Exceptional Children	2,610	3,300	3,500
(F) ECIA Chapter (I)	1,894	2,100	1,986
(F) State Approving Agency (VA)	486	605	515
(F) Food and Nutrition Service	1,793	2,150	2,265
(F) Migrant Education	219	385	450
(F) Common Core Data Survey	11	12	.
(F) Emergency Immigrant Education .....	.	3	2
(F) Civil Rights Technical Assistance	296	491	820
(F) National Origin Desegregation	91	166	.
(F) Community Awareness	31	200	.
(F) Vocational Education	3,514	4,042	4,237
(F) Transition for Refugee Children	4	11	11
(F) Migrant Education .....	.	70	100
(F) Parental Involvement .....	.	200	200
(F) Health Curriculum .....	.	250	.
(F) Math and Science Teacher Training	216	498	500
(F) Recruitment of Migrants	223	315	205
(F) Removal of Architectural Barriers .....	.	90	42
(F) Special Education Evaluation .....	.	.	66
(F) AIDS Demonstration/Training .....	.	132	.
(F) Byrd Scholarships .....	.	54	27
(F) Project Learning Tree .....	.	2	2
(F) Bicentennial Commission .....	.	75	.
(F) ESEA (VII) Bilingual Education .....	.	50	.
(F) ADA — Education Administration .....	.	506	680
(F) ADA — Drug Free Schools and Communities .....	.	4,556	5,200
(F) ADA — Special Drug Program .....	.	2,169	2,494
(F) JTPA — Linkage	409	540	774
(F) ECIBG — Administration	2,209	2,451	2,427
(F) Highway Safety	234	350	350
(F) Addiction Prevention	294	325	325
(F) Developmental Disabilities PR	27	30	30
(F) Migrant Education — Disadvantaged	23	.	.
(F) School Climate Improvement	7	.	.
(F) Preventive Health Maintenance — Migrants	32	.	.
(F) Project Excellence (ECIBG)	21	.	.
(F) NOIOC	6	70	70
(F) Longitudinal Study of Chapter I Students	19	.	.
(F) Early Childhood Planning	136	168	.
(F) Parent Educator Partnership	80	80	.
(F) Migrant Education List	109	42	.
(F) Migrant Education Self Esteem	52	.	.
(F) Adult Basic Education Evaluation	152	.	.
(F) Evaluation of Special Education .....	.	118	.
(F) Early Childhood .....	.	58	.
(F) Demonstration/Prevention of AIDS .....	.	.	195
(F) Drug Abuse Education .....	.	200	200
(F) Teacher Preparation .....	.	86	86
(F) Constitution — Student Voices .....	.	67	.
(F) Homeless Assistance .....	.	250	.
(A) Mott Foundation Award .....	.	5	.

EDUCATION

(Dollar Amounts in Thousands)

	1986-87 Actual	1987-88 Available	1988-89 Budget
GENERAL FUND			
GENERAL GOVERNMENT: (continued)			
General Government Operations (continued)			
(A) EDP Services	\$ 60	\$ 53	\$ 53
(A) Conference Fees	121	.....	.....
(A) Environmental Education	90	75	75
(A) State Farm Show	1	.....	.....
(A) Teacher Test Fees .....	.....	250	.....
Subtotal — State Funds	\$ 16,216	\$ 15,685	\$ 16,393
Subtotal — Federal Funds	15,491	27,882	28,454
Subtotal — Augmentations	272	383	128
Total — General Government Operations	\$ 31,979	\$ 43,950	\$ 44,975
State Library	\$ 2,577	\$ 2,591	\$ 2,708
(F) LSCA I	884	923	951
(F) Nuclear Regulatory Commission Document	14	17	15
(F) National Endowment for the Humanities Newspaper Project	297	400	226
(A) Penalties and Reimbursements	12	12	12
(A) LEXIS	2	2	2
Subtotal — State Funds	2,577	2,591	2,708
Subtotal — Federal Funds	1,195	1,340	1,192
Subtotal — Augmentations	14	14	14
Total — State Library	\$ 3,786	\$ 3,945	\$ 3,914
Subtotal — State Funds	18,793	18,276	19,101
Subtotal — Federal Funds	16,686	29,222	29,646
Subtotal — Augmentations	286	392	142
Total — General Government	\$ 35,765	\$ 47,890	\$ 48,889
Debt Service Requirements:			
General State Authority Rentals —			
State-Aided Institutions	\$ 3,775	\$ 3,745	\$ 3,813
(A) General State Authority Rentals	555	549	492
Total — Debt Service	\$ 4,330	\$ 4,294	\$ 4,305
Institutional:			
Youth Development Centers Education	\$ 3,396	\$ 3,967	\$ 4,625
Correctional Institutions Education	4,505	6,000	6,827
(F) Individual Diagnostic Systems .....	.....	.....	.....
(F) Computer Assisted Instruction .....	.....	.....	.....
(F) Corrections Education	493	1,047	1,190
(F) Interactive Video Discs .....	.....	58	.....
(F) Training and Development Modules	18	34	.....
(F) JTPA Corrections	428	647	807
Total — Correctional Institutions Education	\$ 5,444	\$ 7,786	\$ 8,824
Scranton State School for the Deaf	\$ 3,122	\$ 3,432	\$ 3,480
(F) ESEA — Education for the Handicapped	97	97	97
(F) School Milk Lunch	30	30	30
(F) Life Long Learning	6	11	11
(F) Adult Basic Education	10	10	10
(A) Cafeteria	30	35	35
Total — Scranton State School for the Deaf	\$ 3,295	\$ 3,615	\$ 3,663
Scotland School for Veterans' Children	\$ 6,276	\$ 7,042	\$ 7,224
(F) ESEA — Education for the Disadvantaged	379	500	500
(F) School Milk Lunch	222	240	250
(A) Cafeteria Fees	66	70	74
Total — Scotland School for Veterans' Children	\$ 6,943	\$ 7,852	\$ 8,048

EDUCATION

GENERAL FUND	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Budget
INSTITUTIONS: (continued)			
Thaddeus Stevens State School	\$ 3,049	\$ 3,388	\$ 3,695
(F) Vocational Education	20	350	350
(A) Tuition and Fees	688	739	760
Total — Thaddeus Stevens State School	<u>\$ 3,757</u>	<u>\$ 4,477</u>	<u>\$ 4,805</u>
Subtotal — State Funds	\$ 20,348	\$ 23,829	\$ 25,851
Subtotal — Federal Funds	1,703	3,024	3,245
Subtotal — Augmentations	784	844	869
Total — Institutional	<u>\$ 22,835</u>	<u>\$ 27,697</u>	<u>\$ 29,965</u>
GRANTS AND SUBSIDIES:			
Support of Public Schools:			
Equalized Subsidy for Basic Education	\$ 2,210,883	\$ 2,353,000	\$ 2,496,279
School Performance Incentives .....	.....	.....	14,000
Agenda for Excellence	28,000	28,000	14,000
School Based Professional Development	7,000	4,000	.....
For the Improvement of Teachers .....	.....	.....	3,000
Adult Literacy	2,000	5,000	7,000
Vocational Education	34,818	36,531	37,221
Authority Rentals and Sinking Fund Requirements	136,000	135,000	134,000
Pupil Transportation	206,050	215,124	217,650
Nonpublic Pupil Transportation	13,200	12,500	12,725
Special Education	290,510 ^a	307,942 ^b	326,000
(A) Early Intervention—Handicapped Children	7,672	8,017	8,258
Homebound Instruction	490	495	495
Tuition for Orphans and Children Placed in Private Homes	13,600	14,030	14,600
Payments in Lieu of Taxes	72	65	80
Education of Migrant Laborers' Children	172	183	194
Education of the Disadvantaged	1,000	1,000	1,000
Special Education—Approved Private Schools	44,500	50,170	52,500
Higher Education of Blind or Deaf Students	50	50	50
Intermediate Units	13,400	13,400	13,400
School Food Services	10,844	10,844	10,844
School Employees' Social Security	164,200	170,120	187,288
School Employees' Retirement Fund Transfer	440,993	465,661	482,706
School Annuitants Supplement .....	.....	.....	4,250
School District Payments—Racing Birdville	3,500	3,500	3,500
Brandywine Heights .....	.....	500	.....
Education of Indigent Children	114	100	100
(F) ECIBG — School Districts	19,022	18,872	20,000
(F) ECIBG — Discretionary	<u>2,828</u>	<u>2,946</u>	<u>1,871</u>
Subtotal — State Funds	\$ 3,621,396	\$ 3,827,215	\$ 4,032,882
Subtotal — Federal Funds	21,850	21,818	21,871
Subtotal — Augmentations	7,672	8,017	8,258
Total — Support of Public Schools	<u>\$ 3,650,918</u>	<u>\$ 3,857,050</u>	<u>\$ 4,063,011</u>
Other Grants and Subsidies:			
Customized Job Training	\$ 13,500	\$ 13,500	\$ 16,000
JTPA — Matching Funds	8,000	7,000	5,600
(F) JTPA — Educational Training	9,287	10,400	7,596
Services to Nonpublic Schools	40,838	43,411	46,016
Textbooks for Nonpublic School	7,865	8,361	7,000
Student Supplies for Nonpublic Schools	4,637	4,929	3,500
Teen Pregnancy and Parenthood	709	710	828

^aActually appropriated as \$272,207,000 for Special Education and \$18,303,000 for State Schools and Hospitals Education.

^bActually appropriated as \$288,539,000 for Special Education and \$19,403,000 for State Schools and Hospitals Education.

EDUCATION

GENERAL FUND

(Dollar Amounts in Thousands)

	1986-87 Actual	1987-88 Available	1988-89 Budget
GRANTS AND SUBSIDIES: (continued)			
Other Grants and Subsidies: (continued)			
Comprehensive Reading .....	.....	.....	\$ 300
Model Child Care .....	.....	.....	1,000
Dropout Prevention .....	.....	\$ 500	1,000
Improvement of Library Services	\$ 19,496	20,475	21,500
Library Services for Blind and Handicapped	1,549	1,626	1,789
Library Access	1,000	2,000	3,000
Library Projects .....	.....	430	.....
School Library Catalog	200	350	500
College of Physicians	100	100	.....
Educational Radio and Television Grants	175	175	175
Conservatory Leadership School	30	30	30
Ethnic Heritage	100	150	200
Governor's Schools for Excellence	600 ^a	750	955
(A) Governor's School for Business .....	.....	137	.....
Subtotal — Governor's Schools for Excellence	\$ 600	\$ 887	\$ 955
Subtotal — State Funds	\$ 98,799	\$ 104,497	\$ 109,393
Subtotal — Federal Funds	9,287	10,400	7,596
Subtotal — Augmentations .....	.....	137	.....
Subtotal — Other Grants and Subsidies	\$ 108,086	\$ 115,034	\$ 116,989
Higher Education — Other Grants and Subsidies:			
Community Colleges	\$ 102,000	\$ 103,160	\$ 107,286
Community College Enhancement .....	.....	2,000	.....
Higher Education of the Disadvantaged	5,860	6,153	6,899
Lincoln — Cheyney Urban Center	300	.....	.....
Rural Initiatives	900	900	945
Psychiatric Education	1,000	1,250	1,250
Differential Technology Grants	20,300	.....	.....
Rural Educational Development	250	.....	.....
Academy of Sciences .....	.....	100	.....
Subtotal — Higher Education — Other Grants and Subsidies	\$ 130,610	113,563	116,380
State System of Higher Education:			
State System of Higher Education	\$ 279,381	\$ 295,350	\$ 307,164
Recruitment of the Disadvantaged	200	200	200
Deferred Maintenance	2,500	2,500	.....
Cheyney Enhancement	1,656	1,630	1,750
McKeever Center	250	250	.....
Teaching Academy .....	.....	500	.....
Rural Services Institute	100	.....	.....
Rural Education Partnership	225	.....	.....
Rural Librarianship	50	.....	.....
Subtotal — State System of Higher Education	\$ 284,362	\$ 300,430	\$ 309,114
State-Related Universities:			
Pennsylvania State University:			
Educational and General	\$ 135,965	\$ 142,763	\$ 148,474
Research	11,884	12,478	12,977
Medical Programs	3,781	3,970	4,129
Agricultural Research	14,144	14,851	15,445
Agricultural Extension Services	11,968	16,968	17,647
Recruitment of the Disadvantaged	200	200	200
Elizabethtown Hospital	3,982	4,181	4,348
Technology Upgrade .....	.....	1,000	.....
Subtotal — Pennsylvania State University	\$ 181,924	\$ 196,411	\$ 203,220

^aActually appropriated as \$175,000 for the Governor's School for the Sciences; \$295,000 for the Governor's School for the Arts; and \$130,000 for the Governor's School for Agriculture.

EDUCATION

GENERAL FUND	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Budget
GRANTS AND SUBSIDIES: (continued)			
State-Related Universities: (continued)			
University of Pittsburgh:			
Educational and General	\$ 93,176	\$ 97,835	101,748
Medical Programs	5,332	5,599	5,823
Dental Clinics	900	945	983
Titusville Campus	716	752	782
Recruitment of the Disadvantaged	200	200	200
Applied Research Center .....	.....	2,000	.....
Subtotal — University of Pittsburgh	\$ 100,324	\$ 107,331	\$ 109,536
Temple University:			
Education and General	\$ 102,085	\$ 107,189	\$ 111,477
Medical Programs	7,098	7,453	7,751
Dental Clinics	900	945	983
Technology Programs .....	.....	2,000	.....
Recruitment of the Disadvantaged	200	200	200
Subtotal — Temple University	\$ 110,283	\$ 117,787	\$ 120,411
Lincoln University:			
Education and General	\$ 7,363 ^a	\$ 7,881 ^b	\$ 8,196
Recruitment of the Disadvantaged	200	200	200
Subtotal — Lincoln University	\$ 7,563	\$ 8,081	\$ 8,396
Non-State-Related Universities and Colleges:			
Delaware Valley College of Science and Agriculture	\$ 357	\$ 400	\$ 390
Drexel University	4,934	5,181	5,388
Hahnemann Medical College:			
Medical Programs	\$ 4,395	\$ 4,615	4,800
Allied Health Programs	454	702	496
Subtotal — Hahnemann Medical College	\$ 4,849	\$ 5,317	5,296
Thomas Jefferson University:			
Medical Programs	\$ 5,233	\$ 5,495	\$ 5,715
Allied Health	2,193	.....	.....
Operations and Maintenance .....	.....	3,913	4,070
Subtotal — Thomas Jefferson University	\$ 7,426	\$ 9,408	\$ 9,785
The Medical College of Pennsylvania:			
Medical Programs	\$ 2,601	\$ 2,731	2,840
Allied Health Programs	826	867	902
Subtotal — The Medical College of Pennsylvania	\$ 3,427	\$ 3,598	\$ 3,742
University of Pennsylvania:			
Instruction	\$ 14,033	\$ 14,735	\$ 15,324
Dental Clinics	900	945	983
Medical Programs	3,877	4,071	4,234
School of Veterinary Medicine	6,753	7,091	7,375
New Bolton	3,013	3,264	3,291
New Bolton Computer Center	290	.....	.....
New Bolton Renovation	541	.....	.....
Poultry Biohazard	142	.....	.....
Food and Animal Clinics	1,675	1,759	1,829
Center for Animal Health and Productivity .....	.....	1,073	.....
Center for Excellence — Cognitive Science .....	.....	800	.....
Dairy Cattle Teaching and Research Facility .....	.....	300	.....
Subtotal — University of Pennsylvania	\$ 31,224	\$ 34,038	\$ 33,036

^aActually appropriated as \$6,363,000 for Education and General and \$1,000,000 for Desegregation.

^bActually appropriated as \$6,881,000 for Education and General and \$1,000,000 for Desegregation.

EDUCATION

(Dollar Amounts in Thousands)

	1986-87 Actual	1987-88 Available	1988-89 Budget
NonState Related Universities and Colleges:			
Pennsylvania College of Podiatric Medicine	\$ 987	\$ 1,106	1,077
Pennsylvania College of Optometry	1,402	1,472	1,531
Philadelphia University of the Arts	759	797	829
Philadelphia College of Textiles and Science	471	495	515
Philadelphia College of Osteopathic Medicine	<u>4,730</u>	<u>4,967</u>	<u>5,166</u>
Subtotal Non-State-Related Universities and Colleges	\$ 60,566	\$ 66,779	\$ 66,755
Non-State-Related Institutions:			
Berean:			
Maintenance	\$ 723	\$ 859	\$ 893
Rental Payments	<u>102</u>	<u>102</u>	<u>102</u>
Subtotal — Berean	\$ 825	\$ 961	\$ 995
Downingtown	\$ 799	\$ 839	\$ 873
Rental	81	81	81
Special Projects	<u>50</u>	<u>52</u>	<u>54</u>
Subtotal — Downingtown	\$ 930	\$ 972	\$ 1,008
Johnson Technical Institute	\$ 172	\$ 181	\$ 188
Williamson Free School of Mechanical Trades	<u>64</u>	<u>87</u>	<u>70</u>
Subtotal — Non-State-Related Institutions	\$ 1,991	\$ 2,201	\$ 2,261
Subtotal Higher Education Subsidies	\$ 877,623	\$ 912,583	\$ 936,073
Total—Grants and Subsidies	<u>\$ 4,597,818</u>	<u>\$ 4,844,295</u>	<u>\$ 5,078,348</u>
STATE FUNDS	\$ 4,640,734	\$ 4,890,145	\$ 5,127,113
FEDERAL FUNDS	49,526	64,464	62,358
AUGMENTATIONS	<u>9,297</u>	<u>9,944</u>	<u>9,761</u>
GENERAL FUND TOTAL	<u>\$ 4,699,557</u>	<u>\$ 4,964,553</u>	<u>\$ 5,199,232</u>

MOTOR LICENSE FUND

GRANTS AND SUBSIDIES:

Safe Driving Course	\$ 1,975	\$ 2,300	\$ 2,300
MOTOR LICENSE FUND TOTAL	<u>\$ 1,975</u>	<u>\$ 2,300</u>	<u>\$ 2,300</u>

OTHER FUNDS

GENERAL FUND:

Vocational Education Act	\$ 32,522	\$ 40,190	\$ 47,838
Education Consolidation and Improvement Act:			
Education of Children of Low-Income Families —			
Title I	164,240	191,300	192,614
Education of the Handicapped — Title VI	72	.....	.....
Adult Basic Education	4,390	4,599	6,385
Education of Handicapped	57,992	66,639	68,809
Food Nutrition Services	129,669	130,765	142,795
Library Services — Extension, Development, and Improvement	3,772	4,400	5,475
Library Services/Jobs Bill	67	.....	.....
Career Education Incentive .....	.....	.....	.....
Pennsylvania State University — Land Grant Aid	50	50	50
Transition Program — Refugee Children	435	500	538
Emergency Immigrant Assistance	107	177	142
Math and Science Teacher Training	3,131	3,926	5,260
Removal of Architectural Barriers .....	.....	1,797	35
Surety Bond Proceeds	20	25	20
Tax Sheltered Annuities	7,367	7,367	7,367
Training Personnel for Education of Handicapped .....	.....	120	71
Homeless Adult Assistance .....	.....	<u>600</u>	.....
GENERAL FUND TOTAL	<u>\$ 403,834</u>	<u>\$ 452,455</u>	<u>\$ 477,399</u>

EDUCATION

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Budget
<i>PENNSYLVANIA ECONOMIC REVITALIZATION FUND:</i>			
Education	\$ 9,252	.....	.....
PENNSYLVANIA ECONOMIC REVITALIZATION FUND ..	\$ 9,252	.....	.....
<i>SCHOOL EMPLOYES RETIREMENT FUND:</i>			
Administration	\$ 10,362	\$ 10,755	\$ 12,640
SCHOOL EMPLOYES RETIREMENT FUND TOTAL	\$ 10,362	\$ 10,755	\$ 12,640
OTHER FUNDS TOTAL	\$ 423,448	\$ 463,210	\$ 490,039
 DEPARTMENT TOTAL — ALL FUNDS			
GENERAL FUND	\$ 4,640,734	\$ 4,890,145	5,127,113
SPECIAL FUNDS	1,975	2,300	2,300
FEDERAL FUNDS	49,526	64,464	62,358
AUGMENTATIONS	9,297	9,944	9,761
OTHER FUNDS	423,448	463,210	490,039
TOTAL ALL FUNDS	\$ 5,124,980	\$ 5,430,063	\$ 5,691,571

EDUCATION

Program Funding Summary:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
EDUCATION SUPPORT SERVICES							
General Fund	\$ 16,216	\$ 15,685	\$ 16,393	\$ 16,942	\$ 17,451	\$ 17,976	\$ 18,515
Federal Funds	15,491	27,882	28,454	28,454	28,454	28,454	28,454
Other Funds	7,639	7,750	7,495	7,495	7,495	7,495	7,495
TOTAL	\$ 39,346	\$ 51,317	\$ 52,342	\$ 52,891	\$ 53,400	\$ 53,925	\$ 54,464
BASIC EDUCATION							
General Fund	\$ 3,694,529	\$ 3,907,594	\$ 4,117,000	\$ 4,263,238	\$ 4,445,843	\$ 4,634,513	\$ 4,832,336
Federal Funds	23,533	24,492	24,766	24,596	24,606	24,616	24,626
Special Funds	1,975	2,300	2,300	2,300	2,300	2,300	2,300
Other Funds	419,960	459,652	485,514	486,147	486,796	487,462	488,149
TOTAL	\$ 4,139,997	\$ 4,394,038	\$ 4,629,580	\$ 4,776,281	\$ 4,959,545	\$ 5,148,891	\$ 5,347,411
JOB TRAINING							
General Fund	\$ 25,610	\$ 25,117	\$ 26,548	\$ 26,694	\$ 26,845	\$ 26,999	\$ 27,157
Federal Funds	9,307	10,750	7,946	7,946	7,946	7,946	7,946
Other Funds	688	739	760	817	827	832	837
TOTAL	\$ 35,605	\$ 36,606	\$ 35,254	\$ 35,457	\$ 35,618	\$ 35,777	\$ 35,940
LIBRARY SERVICES							
General Fund	\$ 24,922	\$ 27,572	\$ 29,497	\$ 30,277	\$ 31,559	\$ 32,906	\$ 34,318
Federal Funds	1,195	1,340	1,192	1,192	1,192	1,192	1,192
Other Funds	3,853	4,414	5,489	5,489	5,489	5,489	5,489
TOTAL	\$ 29,970	\$ 33,326	\$ 36,178	\$ 36,958	\$ 38,240	\$ 39,587	\$ 40,999
HIGHER EDUCATION							
General Fund	\$ 879,457	\$ 914,177	\$ 937,675	\$ 965,424	\$ 994,008	\$ 1,023,449	\$ 1,053,775
Other Funds	605	559	542	542	542	542	542
TOTAL	\$ 880,062	\$ 914,776	\$ 938,217	\$ 965,966	\$ 994,550	\$ 1,023,991	\$ 1,054,317
ALL PROGRAMS							
GENERAL FUND	\$ 4,640,734	\$ 4,890,145	\$ 5,127,113	\$ 5,302,575	\$ 5,515,706	\$ 5,735,843	\$ 5,966,101
FEDERAL FUNDS	49,526	64,464	62,358	62,188	62,198	62,208	62,218
SPECIAL FUNDS	1,975	2,300	2,300	2,300	2,300	2,300	2,300
OTHER FUNDS	432,745	473,154	499,800	500,490	501,149	501,820	502,512
TOTAL	\$ 5,124,980	\$ 5,430,063	\$ 5,691,571	\$ 5,867,553	\$ 6,081,353	\$ 6,302,171	\$ 6,533,131

EDUCATION

PROGRAM OBJECTIVE: To provide an effective administrative system through which the substantive programs of the agency can be achieved.

Program: Education Support Services

Education Support Services provides for the administrative and overhead systems which support the operations of programs necessary for the achievement of Commonwealth and agency objectives. The success or failure of these supportive efforts can only be indirectly reflected by the effectiveness of the activities they support. A primary concern of the Commonwealth and each agency is to minimize these administrative costs in relation to the costs of provided services.

In addition to including the executive offices of the Department of Education, budget, publication and legal offices, 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.

The funds from the School Employees' Retirement Fund used for administration of the School Employees' Retirement System are also included as other funds in this program. Administration of the School Employees Retirement System includes provision of benefits for retired school employes, counseling and information services for active employes, and legal services for all three public employe retirement systems. The system currently provides benefits to over 86,000 annuitants.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

Education Support Services	
\$ -150	—non-recurring costs.
-55	—savings from press/communications reorganization.
105	—to update teacher certification tests.
132	—to provide staff support to implement or expand the following programs: Model Child Care Programs, Dropout Prevention, Teen Pregnancy and Parenting, Achievement Test Development, and Teacher Pre-Service and In Service Programs.
676	—to maintain current program.
\$ 708	Appropriation Increase

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
GENERAL FUND:							
General Government Operations	\$ 16,216	\$ 15,685	\$ 16,393	\$ 16,942	\$ 17,451	\$ 17,976	\$ 18,515

PROGRAM OBJECTIVE: To provide students with the skills, attitudes and abilities needed for effective living in our complex society.

Program: Basic Education

Program Element: Basic Education

This program element includes funding primarily for the instructional cost at public schools. In addition to funding the Equalized Subsidy for Basic Education, the element includes funds for programs of remediation in mathematics and reading, for the Improvement of Teachers, vocational education, school based teen pregnancy and dropout prevention, adult literacy, and the Governor's Schools of Excellence. Funds are also provided for the State operated Scotland School for Veteran's Children and the Downingtown Industrial and Agricultural School.

The Equalized Subsidy for Basic Education (ESBE) was established by Act 73 of 1983 to distribute the basic education subsidy beginning in the 1983-84 payable year. ESBE was altered slightly by Act 93 of 1984, by Act 31 of 1985 and most recently by Act 117 of 1986. However, over its five years of existence, ESBE has contained three primary components: a base subsidy to account for instructional expense, an economic supplement to account for pupils in low income families and an economic supplement to account for local tax effort and population per square mile. An augmentation to the subsidy system designed to provide additional assistance to small school districts was included in Act 31 of 1985 and a second augmentation entitled School Supplement was added by Act 117 of 1986.

The basic subsidy to account for instructional expense is determined by multiplying a school district's Weighted Average Daily Membership (WADM) by the Factor for Educational Expense (FEE) and the district's market value/personal income aid ratio. The FEE is a dollar amount set each fiscal year.

The economic supplement to account for children in low income families is determined by the number of Aid to Families with Dependent Children (AFDC) in the district. At least ten percent of the pupils in average daily attendance must be from AFDC Families receiving \$2,000 or more in assistance per year to qualify. Depending on the percentage of AFDC pupils in the average daily attendance, a district can qualify for \$100, \$300 or \$500 per child under current law. The 1988-89 budget proposes a change in the parameters for the poverty supplement, recognizing the need to lend greater levels of support to impoverished districts. The new proposal recommends lowering the floor to eight percent AFDC recipients and changing reimbursement rates to \$128, \$358, and \$589.

The economic supplement to account for local tax effort and population per square mile is provided to districts which are levying local taxes equal to or in excess of the statewide median tax effort, as measured by the State median equalized mills on market value. The amount of the supplement is determined by the population per square mile of the district. The more persons per square mile, the greater the supplement. The supplement is either one, three, or five percent of the actual instructional cost. Those districts with a population per square mile of 5,950 or more persons and a student population in excess of 35,000 Weighted Average Daily Memberships, receive a supplement equal to 19 percent of their actual instruction expense.

A district qualifies for Small District Assistance when the market value/personal income ratio is .5000 or greater. The amount of assistance is a flat dollar amount times the ADM.

Finally, the School Supplement is a guaranteed dollar amount per average daily membership (ADM). It is first determined by the percentage of full funding a district is receiving; the higher the percentage of full funding, the lower the amount. Then the average annual percentage change in personal income is determined. If the change is less than 1.5 percent, the district qualifies for additional aid based on a percentage

of its actual instructional expense. The final amount is the result of these two calculations with a minimum dollar amount per average daily membership guaranteed.

Program Element: Educational Support

The activities included in this element are those which support basic education programs, but are not directly involved with their implementation. These programs include: payments to school districts to cover the state share of payroll costs for Social Security and retirement, authority rental and sinking fund payments for school infrastructure, pupil transportation, school food service subsidy, intermediate units, payments in lieu of taxes, and school district payments from the racing fund.

Program Element: Basic Education-Nonpublic Schools

The Commonwealth provides aid to nonprofit nonpublic schools through this element. Appropriations are for services, textbooks, student supplies, and transportation to nonpublic schools.

Services provided include guidance, counseling, testing, psychological services, speech and hearing services, remedial reading, remedial math, and services for exceptional children. Textbooks are loaned to children in nonpublic schools under a program established by Act 195. Act 90 authorizes instructional materials to be loaned to nonpublic schools. Finally, transportation is provided to nonpublic school students under the Public School Code of 1949.

Program Element: Basic Education-Adjudicated Youth and Incarcerated Adults

This element includes educational services for those in rehabilitative or correctional facilities. The appropriations within this element are the Commonwealth's Youth Development Centers and Correctional Education programs.

The Commonwealth's Youth Development Centers house minors adjudicated from the court system. These centers provide rehabilitation and education for these incarcerated juveniles.

A substantial basic education program is provided to adults at the Commonwealth's thirteen correctional institutions. Adults who are incarcerated in the institutions are provided the opportunity to participate in an education program which includes: an assessment component that diagnoses the academic achievement levels of each inmate entering an educational program; a basic education curriculum with instruction geared to preparation for the General Education Development diploma; remedial instruction in reading and mathematics; and vocational education and training with the emphasis on providing entry level employment skills. There are also opportunities to obtain college level instruction and job placement services throughout the state system.

Program Element: Special Education

Special education, in partnership with basic education, is serving about 250,000 school aged students in Pennsylvania school districts, intermediate units, approved schools, private residential facilities and state schools and hospitals.

The major special education appropriation provides monetary support for programs for exceptional children served by the public schools of the Commonwealth. Public school special education programs are operated by all 29 intermediate units and approximately 400 public school districts. When appropriate public education is not available, students are assigned to department approved private schools.

EDUCATION

Program: Basic Education (continued)

Program Measures

	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
Basic Education							
Public school enrollments (K-12)	1,112,298	1,117,630	1,102,148	1,087,523	1,086,783	1,095,623	1,109,443
Median instructional cost per public school pupil	\$2,592	\$2,768	\$2,990	\$3,230	\$3,488	\$3,767	\$4,068
High school graduates	96,279	107,000	101,100	91,900	84,100	80,550	79,400
Graduates enrolling in business, technical or college programs	57,929	64,246	60,660	55,167	50,428	48,298	47,608
Vocational education enrollments	164,332	158,890	155,887	158,087	158,287	158,487	158,687
Teachers enrolled in Math/Science in- service program	2,743	4,219	4,300	4,350	4,400	4,400	4,400
Public/Private partnerships in Math/Science programs	22	30	60	60	60	60	60
Scotland School for Veterans Children enrollment	380	380	380	380	380	380	380
Downingtown Industrial and Agricultural School enrollment	112	99	109	110	110	110	110
Basic Education-Nonpublic Schools							
Nonpublic School Enrollment	310,438	302,760	295,590	288,810	283,335	279,810	276,875
Basic Education-Adjudicated Youth and Incarcerated Adults							
Youth Development Centers							
Total Population	561	654	635	628	628	628	628
Corrections Education							
Enrollments in institutional programs .	4,700	5,500	5,700	5,900	6,100	6,300	6,500
Classes presented	180	224	249	261	278	290	302
General Educational Development							
Diplomas (GED's) issued	19,652	24,123	25,000	27,000	28,000	28,000	28,000
Special Education							
Pupils enrolled in programs for the physically and mentally handicapped	196,175	195,250	195,125	195,020	194,825	194,860	194,835
Pupils enrolled in programs for the gifted and talented	74,379	74,500	74,700	74,900	75,000	75,000	75,000
Full-time equivalent enrollment	41,424	41,300	41,200	41,200	41,200	41,200	41,200
Special Education Program audits	10	6	10	10	9	10	10
Approved private school evaluations . . .	12	13	13	13	13	13	13
Budget reviews conducted	0	0	21	21	21	21	21
Special Education Plans Amended	1,978	2,000	2,050	2,050	2,050	2,050	2,050
Scranton School for the Deaf enrollments	141	138	150	150	150	150	150

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

<p>Equalized Subsidy for Basic Education \$ 139,448 —to increase the Factor for Educational Expense (FEE) to \$2,230 and the guarantee of full funding to 93%. 3,831 —PRR - Teachers Salary Increase. See the Program Revision Request following this program for further information. <hr style="width: 10%; margin-left: 0;"/> \$ 143,279 <i>Appropriation Increase</i></p> <p>School Performance Incentives \$ 14,000 —PRR - School Performance Incentives — See the Program Revision Request following this program for further information.</p> <p>Agenda for Excellence \$ -14,000 —to fund PRR - School Performance Incentives.</p> <p>For the Improvement of Teachers \$ 3,000 —PRR - For the Profession of Teaching. See the Program Revision Request at the end of this program for further information.</p> <p>School Based Professional Development \$ -4,000 —nonrecurring.</p> <p>Adult Literacy \$ 2,000 —PRR - Adult Literacy. See the Program Revision Request following this program for further information.</p> <p>Vocational Education \$ -135 —nonrecurring costs. -105 —Adult Affidavits and Travel. -100 —Support of Employment. 200 —for Single Parent/Homemaker Programs. 100 —for Personnel Development. 250 —for Curriculum Development. 180 —for Health Occupations Programs. 300 —for economic development programs. <hr style="width: 10%; margin-left: 0;"/> \$ 690 <i>Appropriation Increase</i></p> <p>Tuition for Orphans and Children in Private Homes \$ 570 —to continue current program.</p> <p>Education of Migrants' Children \$ 11 —to continue current program.</p>	<p>Teen Pregnancy and Parenthood \$ 118 —PRR - Special Services for Students—see the Program Revision Request following this program for further information.</p> <p>Dropout Prevention \$ 500 —PRR - Special Services for Students—see the Program Revision Request following this program for further information.</p> <p>Model Child Care \$ 1,000 —PRR - Model Child Care Program — See the Program Revision Request following this program for further information.</p> <p>Comprehensive Reading \$ 300 —PRR - Special Services for Students — See the Program Revision Request following this program for further information.</p> <p>Ethnic Heritage Studies \$ 50 —to increase grant to Balch Institute.</p> <p>Governor's Schools of Excellence \$ 60 —to continue current program. 145 —to fund Governor's School for Business (funded in the EDP in 1987-88 at \$137). <hr style="width: 10%; margin-left: 0;"/> \$ 205 <i>Appropriation Increase</i></p> <p>Scotland School for Veterans' Children \$ -221 —nonrecurring project. 203 —to continue current program. 200 —deferred maintenance projects. <hr style="width: 10%; margin-left: 0;"/> \$ 182 <i>Appropriation Increase</i></p> <p>Downingtown Industrial and Agricultural School—Maintenance \$ 34 —to continue current program.</p> <p>Payments in Lieu of Taxes \$ 15 —to continue current program.</p> <p>Downingtown Special Projects \$ 2 —to continue current program.</p>
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EDUCATION

Program: Basic Education (continued)

Program Recommendations: (continued)

\$ 4,250 **School Annuitants' Supplement**
—PRR—School Annuitants' Supplement — See the Program Revision Request following this program for further information.

\$ 16,880 **School Employes' Social Security**
—to meet increasing employers' share.
288 —PRR—Teacher Salary Increases. See the Program Revision Request following this program for further information.

\$ 17,168

\$ 16,307 **School Employes' Retirement Fund Transfer**
—to meet increasing employers' share.
738 —PRR—Teacher Salary Increases — See the Program Revision Request following this program for further information.

\$ 17,045 *Appropriation Increase*

\$ -1,000 **Authority Rentals and Sinking Fund**
—to continue current program.

\$ 2,526 **Pupil Transportation**
—to continue current program.

\$ -500 **Brandywine Heights Schools**
—nonrecurring project.

\$ 2,605 **Services to Nonpublic Schools**
—to continue current program.

\$ -1,361 **Textbooks for Nonpublic Schools**
—to continue current program.

\$ -1,429 **Student Supplies for Nonpublic Schools**
—to continue current program.

\$ 225 **Nonpublic Pupil Transportation**
—to transport 3,215 additional pupils.

\$ 319 **Youth Development Centers Education**
—to continue current program.
189 —to provide education programs at the Loysville Security Unit for 20 youths.
150 —to increase the number of days of educational programming at the New Bedford YDC from 180 days to 205 days.
\$ 658 —*Appropriation Increase*

\$ -109 **Corrections Education**
—nonrecurring costs.
936 —PRR—Improved Integration Services. See the Program Revision Request in the Department of Corrections for further information.
\$ 827 —*Appropriation Increase*

\$ 18,058 **Special Education**
—to continue current program.

\$ 2,330 **Special Education—Approved Private Schools**
—to continue current program. Assumes passage of legislation to change reimbursement from 80 percent of final audit cost to an excess cost basis currently used to reimburse school district special education programs.

\$ 48 **Scranton State School for the Deaf**
—to continue current program.

All other appropriations reflect current program levels.

EDUCATION

Program: Basic Education (continued)

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
GENERAL FUND:							
Equalized Subsidy for Basic Education . . .	2,210,883	2,353,000	2,496,279	2,571,167	2,674,014	2,780,975	2,892,214
School Performance Incentives			14,000	28,000	28,000	28,000	28,000
Agenda for Excellence	28,000	28,000	14,000	0	0	0	0
For the Improvement of Teaching			3,000	3,000	3,000	3,000	3,000
School Based Professional Development . .	7,000	4,000	0	0	0	0	0
Adult Literacy	2,000	5,000	7,000	7,000	7,000	7,000	7,000
Vocational Education	34,818	36,531	37,221	38,710	40,258	41,868	43,543
Homebound Instruction	490	495	495	495	495	495	495
Tuition for Orphans and Children Placed in Private Homes	13,600	14,030	14,600	15,038	15,489	15,954	16,433
Education of Migrants' Children	172	183	194	194	194	194	194
Education of Disadvantaged	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Teen Pregnancy and Parenting	709	710	828	828	828	828	828
Dropout Prevention	0	500	1,000	1,000	1,000	1,000	1,000
Model Child Care			1,000	1,000	1,000	1,000	1,000
Comprehensive Reading			300	300	300	300	300
Ethnic Heritage Studies	100	150	200	200	200	200	200
Education of Indigent Children	114	100	100	100	100	100	100
Education Radio and Television	175	175	175	175	175	175	175
Governor's Schools of Excellence	600	750	955	955	955	955	955
Scotland School for Veterans' Children . .	6,276	7,042	7,224	7,441	7,665	7,894	8,131
Conservatory Leadership School	30	30	30	30	30	30	30
Downingtown Industrial and Agricultural School — Maintenance	799	839	873	899	926	954	983
Downingtown Industrial and Agricultural School — Rental	81	81	81	81	81	81	81
Downingtown Special Projects	50	52	54	56	58	60	62
Payments in Lieu of Taxes	72	65	80	80	80	80	80
School District Payments Racing	3,500	3,500	3,500	3,500	3,500	3,500	3,500
School Employees' Social Security	164,200	170,120	187,288	200,398	217,000	232,000	248,000
School Retirement	440,993	465,661	482,706	511,668	547,485	585,809	626,816
School Annuitants' Supplement			4,250	8,500	8,500	8,500	8,500
Authority Rentals and Sinking Fund	136,000	135,000	134,000	134,000	134,000	134,000	134,000
Pupil Transportation	206,050	215,124	217,650	224,180	230,905	237,832	244,967
School Food Services	10,844	10,844	10,844	10,844	10,844	10,844	10,844
Intermediate Units	13,400	13,400	13,400	13,400	13,400	13,400	13,400
Brandywine Heights Schools		500					
Services to Nonpublic School	40,838	43,411	46,016	47,396	49,766	52,254	54,869
Textbooks for Nonpublic Schools	7,865	8,361	7,000	7,000	7,000	7,000	7,000
Students Supplies for Nonpublic Schools .	4,637	4,929	3,500	3,500	3,500	3,500	3,500
Nonpublic Pupil Transportation	13,200	12,500	12,725	12,400	12,200	12,000	11,900
Youth Development Centers	3,396	3,967	4,625	4,764	4,907	5,054	5,206
Correction Education	4,505	6,000	6,827	7,239	7,456	7,680	7,910
Special Education	290,510	307,942	326,000	339,040	352,602	366,706	381,374
Special Education — Approved Private Schools	44,500	50,170	52,500	54,075	56,238	58,488	60,828
Scranton State School for the Deaf	3,122	3,432	3,480	3,585	3,692	3,803	3,918
TOTAL GENERAL FUND	<u>3,694,529</u>	<u>3,907,594</u>	<u>4,117,000</u>	<u>4,263,238</u>	<u>4,445,843</u>	<u>4,634,513</u>	<u>4,832,336</u>
MOTOR LICENCE FUND							
Safe Driving Program	<u>1,975</u>	<u>2,300</u>	<u>2,300</u>	<u>2,300</u>	<u>2,300</u>	<u>2,300</u>	<u>2,300</u>

Program Revision: Teacher Salary Increases

This program revision provides funding to raise minimum classroom teacher salaries to \$18,500 over a two-year period, and to reimburse qualifying districts that act to raise the pay scales of teachers making more than \$18,500. Funding for the minimum salary increases will be provided through a two-year supplement to the Equalized Subsidy for Basic Education (ESBE) appropriation. Funding for the pay scale adjustments and the continued support of the minimum salary increases will be incorporated into the ESBE formula.

In 1988-89, all school districts paying full-time teachers less than \$17,500 per year will receive funding to raise those salaries to \$17,500. In 1989-90, all school districts paying full-time teachers less than \$18,500 per year will receive funding to raise those salaries to \$18,500. The entire employer's share of social security and retirement increases related to the two-year minimum salary increases also will be paid by the Commonwealth. In 1990-91, continued support of the minimum salary

increases will be incorporated into the ESBE formula used to calculate district ESBE payments.

School districts that act in 1988-89 to adjust the salary schedules of teachers making more than \$18,500 will receive additional ESBE funding to help pay for those salary increases. Funding will be made available by establishing a bonus to the Factor for Educational Expense (FEE) amount in the ESBE formula starting in 1989-90 and continuing in 1990-91. Qualifying districts will receive the bonus. In order to qualify for the bonus, school districts must demonstrate through the existing salary reporting process that on the average, teachers making more than \$18,500 received salary increases in proportion to the year to year increase in the Consumer Price Index plus an increase of at least \$1,000. In 1991-92, the ESBE formula will revert back to one FEE amount.

Program Measures:

	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
Number of Classroom Teachers making less than \$17,500 per year:							
Current:	4,734	3,885	3,033	2,730	2,457	2,211	1,990
Program Revision: .....	.....	.....	.....	.....	.....	.....	.....
Number of Classroom Teachers making less than \$18,500 per year:							
Current:	7,271	6,102	5,059	4,756	4,227	3,759	3,343
Program Revision: .....	.....	.....	5,059	.....	.....	.....	.....

Program Revision Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

<p>Equalized Subsidy for Basic Education</p> <p>\$ 3,831 —to increase teacher salaries to a minimum of \$17,500.</p>	<p>School Employes' Retirement Fund</p> <p>\$ 738 —for retirement costs associated with raising minimum salary.</p>
<p>School Employes' Social Security</p> <p>\$ 288 —for social security costs associated with raising minimum salary.</p>	<p>Program Revision Total</p> <p>\$ 4,857</p>

Recommended Program Revision Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
GENERAL FUND:							
Equalized Subsidy for Basic Education	\$ 3,831	\$ 7,773	\$ 7,773	\$ 7,773	\$ 7,773
School Employes' Social Security	288	584	292	292	292
School Employes' Retirement Fund	738	1,498	749	749	749
TOTAL GENERAL FUND	\$ 4,857	\$ 9,855	\$ 8,814	\$ 8,814	\$ 8,814

Program Revision: School Performance Incentives

This Program Revision will provide rewards to individual schools that show significant improvement in measures of achievement. These measures may include improvement in achievement test results, increases in the number of students graduating from high school, and other positive post-secondary activity, which will be developed in cooperation with teachers and school leaders, which may include college attendance and training-related job placement.

Testing for Essential Learning and Literacy Skills (TELLS) will be used as the achievement testing measure in grades 3, 5 and 8. The department will also begin expanding the basic math and reading test to additional grade levels so that by 1989-90 additional students in grades 2 through 11 will be tested for these basic skills. In future years the Educational Quality Assessment Test (EQA) and other tests will be expanded to include cognitive skills testing. The entire comprehensive

testing program will be in place by 1993.

The criteria for awarding the bonuses will be based on improvement in the individual school's achievements and not as a comparison with other schools' results. Therefore, all schools will have an opportunity to be rewarded regardless of their financial status, student enrollment or geographic location.

Currently, remediation is provided through programs outside of the classroom for students who are having difficulty in school. The intent of this program is to provide teachers with greater responsibility and accountability to ensure that they are meeting the needs of all students in the regular classroom setting and to ensure that all personnel within the school work as a team for the improvement of the learning environment.

Program Measures:

	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
Students passing TELLs							
Current	22,576	22,576	22,576	22,576	22,576	22,756	22,576
Program Revision			30,856	40,319	41,206	42,138	43,116
Students graduating from high school							
Current	120,770	120,770	120,770	120,770	120,770	120,770	120,770
Program Revision			121,532	122,402	122,484	122,570	122,660
Students attending college							
Current	56,641	56,641	56,641	56,641	56,641	56,641	56,641
Program Revision			59,821	63,455	63,796	64,154	64,530
State achievement tests administered							
Current	720,000	720,000	720,000	720,000	720,000	720,000	720,000
Program Revision			720,000	1,560,000	2,400,000	3,240,000	4,080,000

Program Revision Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

	General Government Operations
\$ 22	—to provide support for the development of a comprehensive testing program.
	School Performance Incentives
\$ 13,500	—to provide a program of rewards to schools to recognize overall student achievement.
\$ 500	—to expand current TELLs testing program to additional grade levels.
\$ 14,022	<i>Program Revision Total</i>

Recommended Program Revision Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
GENERAL FUND:							
General Government Operations			\$ 22	\$ 44	\$ 45	\$ 46	\$.47
School Performance Incentives			14,000	28,000	28,000	28,000	28,000
GENERAL FUND TOTAL			\$ 14,022	\$ 28,044	\$ 28,045	\$ 28,046	\$ 28,047

Program Revision: For The Improvement of Teaching

Through the Department of Education's Bureau of Higher Education and the State System of Higher Education a partnership will be developed between higher and basic education instructors to develop ways to improve upon the profession of teaching. The department will work in conjunction with SSHE's Academy for the Profession of Teaching to establish linkages between teams of lead teachers, school administrators, and individual universities to establish pilot programs for model approaches to teaching.

In 1986-87, SSHE implemented the Academy for the Profession of Teaching to develop projects for urban education for prospective teachers, reforming teacher preparation programs and improving teaching and learning in the college classroom. This year the Academy will expand its efforts in these areas to include working with basic education teachers to implement programs for professional development.

Pennsylvania's schools are beginning to designate lead teachers to provide guidance to new teachers. The department will establish five regional lead teacher centers where teachers from across the State will meet together to share and develop model approaches of teaching to reach today's youth. Models for teaching developed at the academy can be used as a guideline for lead teacher development.

In addition, funding will be provided through a competitive grant program to encourage schools to provide intensive programs that meet the requirements of Act 178 of 1986 for all school districts to submit plans for permanent certification and continuing professional development programs. School districts submitted plans required by Act 178 in 1987-88. These plans will be reviewed based on competitive criteria with the most qualified proposals awarded grant funds in 1988-89.

Program Measures:

	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
Teachers completing a four week training cycle							
Current
Program Revision	400	1,000	1,000	1,000	1,000
Lead Teacher Centers							
Current
Program Revision	2	5	5	5	5

Program Revision Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

For the Improvement of Teaching

\$ 500 —to provide a grant to the State System of Higher Education to coordinate professional development programs between the department and the Academy for the Profession of Teaching.

\$ 500 —to develop five lead teacher centers.

\$ 2,000 —to provide competitive grants to schools to increase professionalism.

\$ 3,000 *Program Revision Total*

Recommended Program Revision Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
GENERAL FUND:							
For the Improvement of Teaching	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000

Program Revision: Adult Literacy

A significant portion of the population lacks the basic skills required to function in contemporary society. The Casey Administration is encouraging Commonwealth citizens to join the workforce through its job training programs; being literate in the English language is a critical component of this program.

This program provides funds to establish additional local adult literacy programs and to expand or improve existing programs through the combined efforts of schools, literacy councils, public and other non-profit agencies.

This Program Revision recommends an additional \$2 million to

expand adult literacy services to adults in classroom and volunteer literacy council settings and to establish firm linkages with labor and employers for the provision of literacy services.

The greatest enrollments in the current program are to improve basic literacy skills, to qualify for job training programs, and to provide literacy training to persons whose second language is English. In 1987-88 approximately 22,000 adults will participate in over 130 state supported literacy programs. The recommended funding is expected to support an additional 3,000 adults in 1988-89.

Program Measures:

	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
Enrollment in adult basic education							
Current	10,117	22,000	22,000	22,000	22,000	22,000	22,000
Program Revision .....	.....	.....	25,000	25,000	25,000	25,000	25,000

Program Revision Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

Adult Literacy
 \$ 2,000 —to expand Adult Literacy programs to 3,000 additional adults.

Recommended Program Revision Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
GENERAL FUND:							
Adult Literacy	<u>\$ 2,000</u>	<u>\$ 2,000</u>	<u>\$ 2,000</u>	<u>\$ 2,000</u>	<u>\$ 2,000</u>

Program Revision: School Annuitants Supplement

In preparation for this budget, a review was made of current payments to annuitants of the school retirement system to determine the need for additional assistance. As a result of that review, it has been determined that a supplemental payment would be the most appropriate response to the needs of this group. While this is intended to be a discretionary payment to be used as the annuitant deems appropriate, it is important to note that during the last three years medical costs for older Pennsylvanians have increased at a rate faster than the Consumer Price Index.

Many Pennsylvania public sector employers continue medical insurance coverage for employees when they retire after 25 years or more of service. However, this practice is not consistently implemented across the State's school systems. In some cases districts and other local education agencies continue basic health coverage for their employees upon retirement or allow them to purchase continued coverage in the

school district's group health plan at the annuitant's own expense. In some cases little or no coverage is provided.

In addition to recommending that this supplemental payment be used by eligible annuitants to meet medical costs, this budget recommends that school districts be required to allow annuitants the option to purchase membership in the group health insurance plan if coverage is not funded by the school district.

The supplemental payment program recommended here will begin on January 1, 1989, with a \$4,250,000 supplemental payment from the Commonwealth, matched by the school districts through the Public School Employees Retirement System. That payment will be equally distributed to annuitants and will total almost \$100 per annuitant. In 1990 and thereafter the payment from both the Commonwealth and the districts will be twice that amount or about \$200 for each annuitant.

Program Revision Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

School Annuitants Supplement
 \$ 4,250 —to make supplemental payments to annuitants of the school retirement system.

Recommended Program Revision Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
GENERAL FUND:							
School Annuitants Supplement	<u>4,250</u>	<u>8,500</u>	<u>8,500</u>	<u>8,500</u>	<u>8,500</u>

Program Revision: Special Services for Students

This Program Revision recommends the expansion of programs designed to provide special services to students. Programs receiving increased funding include Teen Pregnancy and Parenting, Dropout Prevention, Comprehensive Reading Programs and the Schools for Excellence.

Competitive grants will be given to additional schools for pilot programs in Teen Pregnancy and Parenting and Dropout Prevention. An additional 236 pregnant and parenting teens will receive school-based educational and health care services and the number of State-supported dropout prevention programs will be doubled. Current programs will be encouraged to become self-sufficient through community participation so that more schools will have access to the grants.

The Commonwealth will also embark on a Comprehensive Reading

Program to assist public schools in preparing literate citizens. A network of chief school administrators and teachers in every school district, college and university will be established to implement daily activities that will encourage skillful reading and writing among all students.

Programs will be continued for the five schools for excellence including the Governor's School for the Arts, the Pennsylvania School for the Sciences, the Governor's School for International Studies, the Governor's School for Agriculture, and the Governor's School for Business. Additional funding is being provided to move the Governor's School for Business from the Economic Development Partnership to the Department of Education. These are intensive training sessions to assist gifted students in further developing their specific skills.

Program Measures:

	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
Schools with Dropout Programs							
Current		13	13	13	13	13	13
Program Revision			26	26	26	26	26
Pregnant and parenting teens receiving on-site services							
Current	1,410	1,420	1,420	1,420	1,420	1,420	1,420
Program Revision			1,656	1,656	1,656	1,656	1,656
School Districts participating in the comprehensive reading program							
Current							
Program Revision			20	50	90	150	300

Program Revision Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

<p>General Government Operations</p> <p>\$ 44 —to provide support for expanded services to students.</p> <p>Teen Pregnancy and Parenting</p> <p>\$ 118 —to expand program grants for school-based educational and health care programs.</p> <p>Dropout Prevention</p> <p>\$ 500 —to double the number of state-supported program grants, from 13 to 26, for school-based programs to reach high-risk students.</p>	<p>Comprehensive Reading</p> <p>\$ 300 —to create a program for improving literacy and encouraging school students to read.</p> <p>Schools For Excellence</p> <p>\$ 205 —to provide for the continuation of five schools for excellence and to transfer the Governor's School for Business from the Economic Development Partnership to the Department of Education.</p>
<p>\$ 1,167 Total Program Revision</p>	

Recommended Program Revision Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
GENERAL FUND:							
General Government Operations			\$ 44	\$ 88	\$ 91	\$ 94	\$ 97
Teen Pregnancy and Parenthood			118	118	118	118	118
Dropout Prevention			500	500	500	500	500
Comprehensive Reading			300	300	300	300	300
Schools for Excellence			205	205	205	205	205
GENERAL FUND TOTAL			\$ 1,167	\$ 1,211	\$ 1,214	\$ 1,217	\$ 1,220

Program Revision: Model Child Care Programs

The Casey Administration has made a commitment, through job training programs, to encourage Commonwealth citizens to join the work force. A growing number of these new workers come from families with children where both parents are working. This program will establish models for child care in public facilities to offer child care to working parents. These child care and latchkey programs will be developed to address the change in the structure of the family, increase the number of working mothers, and increase the inability of existing programs to serve all the children needing services.

The existing Head Start, Get Set and Title XX Day Care programs serve a portion of the population through the Department of Public Welfare. Because the Department of Education has access to the school population and a linkage with the family unit through the public school

system, it will work closely with the Department of Public Welfare to integrate children from families of all income levels into day care programs.

In addition, the department will contract with school districts to extend the hours of the school day to provide supervised care for growing numbers of latchkey children. These programs will be established as models that will become self-supporting based on a family's ability to pay for the services.

Twelve to fifteen models will be developed to test the implementation of child care and latchkey programs where families of all income levels will have access to the same child care services. This Program Revision funds start-up costs and a sliding-fee scale will be implemented to cover operating expenditures.

Program Measures:

	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
Children Served:							
Current
Program Revision	626	626	626	626	626

Program Revision Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

<p>General Government Operations</p> <p>\$ 22 —to provide support for development of Model Child Care Programs.</p>	<p>Model Child Care Programs</p> <p>\$ 1,000 —to establish model programs for child care in public facilities.</p>
<p><u>\$ 1,022</u> <i>Program Revision Total</i></p>	

Recommended Program Revision Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
GENERAL FUND:							
General Government Operations	\$ 22	\$ 44	\$ 45	\$ 46	\$ 47
Model Child Care Programs	1,000	1,000	1,000	1,000	1,000
GENERAL FUND TOTAL	<u>.....</u>	<u>.....</u>	<u>\$ 1,022</u>	<u>\$ 1,044</u>	<u>\$ 1,045</u>	<u>\$ 1,046</u>	<u>\$ 1,047</u>

EDUCATION

PROGRAM OBJECTIVE: To improve the employment capabilities of those persons in the Commonwealth who are unemployed or underemployed.

Program: Job Training

This program includes funding for the Job Training Partnership, Customized Job Training Program, and programs offered through Thaddeus Stevens Trade School, Berean Training and Industrial School, Johnson Technical Institute, and Williamson Free School of Mechanical Trades.

Under the Federal Job Training Partnership Act, State government, local government and the private sector work cooperatively in the development, planning and implementation of programs. Eight percent of funds under Title II-A of the act are earmarked for involvement of the education community in providing vocational skills training, counseling and remedial services to participants with matching funds provided from State and local sources. Up to 20 percent of the education funds can be used for coordination and linkage activities between education

institutions and entities responsible for local administration of employment and training services.

The Customized Job Training Program supplies firms with workers specifically trained for jobs that are available as well as training current employes in the use of new technologies. Customized Job Training plays an important role in creating and fostering an environment suitable to economic growth.

Thaddeus Stevens School provides vocational training to indigent children at State expense. Berean Training and Industrial School offers one and two year post secondary trade and technical training. Johnson Technical Institute and Williamson Free School of Mechanical Trades provide secondary three year technical programs.

Program Measures:

	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
Providers offering economic development training plans	275	275	275	275	275	275	275
Trainees enrolled in economic development training programs	30,643	33,940	33,000	33,100	33,200	33,300	33,400
Trainees completing instruction	17,800	20,150	19,700	19,700	19,800	19,800	19,800
Trainees placed in jobs	14,769	17,200	16,930	16,940	16,750	16,770	16,800
Stevens enrollments	430	437	437	437	437	437	437
Berean enrollments	150	200	200	200	200	200	200
Johnson enrollments	421	417	430	451	466	480	480
Williamson enrollments	225	220	225	225	230	245	250

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

	JTPA—Matching Funds	Thaddeus Stevens Trade School
\$ 1,400	—adequacy of this funding level contingent upon 1987-88 appropriation being made continuing.	\$ -130 —nonrecurring. First year of two-year library materials acquisition program.
		127 —to maintain current program.
		135 —final year of library materials acquisition program.
\$ 2,500	—PRR - Customized Job Training. See Program Revision Request following this program for further information.	100 —deferred maintenance projects.
		75 —to move equipment to new shop.
		<u>\$ 307</u> <i>Appropriation increase</i>
\$ 24	—to maintain current program.	

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
GENERAL FUND:							
JTPA—Matching Funds	\$ 8,000	\$ 7,000	\$ 5,600	\$ 5,600	\$ 5,600	\$ 5,600	\$ 5,600
Customized Job Training	13,500	13,500	16,000	16,000	16,000	16,000	16,000
Thaddeus Stevens Trade School	3,049	3,388	3,695	3,806	3,921	4,039	4,160
State Aided Institutions	1,061	1,229	1,253	1,288	1,324	1,360	1,397
TOTAL GENERAL FUND	<u>\$ 25,610</u>	<u>\$ 25,117</u>	<u>\$ 26,548</u>	<u>\$ 26,694</u>	<u>\$ 26,845</u>	<u>\$ 26,999</u>	<u>\$ 27,157</u>

Program Revision: Customized Job Training

This program provides job training that is customized to the demands of particular businesses through grants for training and retraining potential or active members of the workforce. This is a critical tool in the Commonwealth's commitment to job training and economic development and is being increased by almost 19 percent to ensure that commitment is upheld.

Customized Job Training (CJT) funds are available to Pennsylvania companies or those interested in relocating to Pennsylvania through educational institutions such as universities, community colleges, intermediate units, private trade schools, area vocational technical schools, and school districts. An integral part of the CJT process is for educators to work closely with business representatives to determine training needs and then design training programs which meet those needs.

During 1987-88, the Casey Administration recommended changes in the direction of the CJT program after a thorough investigation of its job training activities. Since the implementation of the CJT program in 1982, funding levels for training workers through CJT has declined, while there has been a significant rise in the training of individuals already employed. A new emphasis is being placed on the need to train the unemployed, therefore, this budget shows a drop in the number of clients served from 1986-87 to 1987-88 due to a greater cost for their training. Additional funding is being provided to assist these efforts.

During 1986-87 educational agencies provided training to 176 firms from 46 counties. An anticipated 20,770 persons will receive services in 1987-88 with the greater emphasis on training for the unemployed. The targeting of economically depressed counties and new businesses will be continued.

Program Measures:

	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
Participants in CJT programs							
Current	29,706	20,770	20,770	20,770	20,770	20,770	20,770
Program Revision .....	.....	.....	24,616	24,616	24,616	24,616	24,616

Program Revision Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

Customized Job Training
 \$ 2,500 —to increase funding for grants for job training programs.

Recommended Program Revision Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
GENERAL FUND:							
Customized Job Training	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500

PROGRAM OBJECTIVE: To provide and improve library services to citizens of the Commonwealth, special libraries, and agencies and employees of government.

Program: Library Services

This program includes funding to support and improve State and local library services and to insure access to these services by citizens of the Commonwealth. The program includes: the State Library, Library Projects, Improvement of Library Services, Library Services for the Blind and Handicapped, Library Access, School Library Catalog, and the College of Physicians.

The State Library is the agency of the Commonwealth charged with developing, improving and coordinating library services and systems in the State. It provides statewide leadership in the development of libraries as essential contributors to cultural and economic well being of Pennsylvania communities.

The appropriation for Improvement of Library Services encourages local libraries to meet the information, education, and recreation needs of the Commonwealth. These funds assist in supporting 28 district libraries making their resources and services available to all residents of their respective areas on behalf of the Commonwealth. In addition, they support four regional resource center libraries, which are designed by State law to acquire research collections, and make them available to all residents.

Library Services for the Blind and Physically Handicapped provides operating funds to Pennsylvania's regional libraries for direct mail

services to Pennsylvania residents who are blind and physically handicapped and cannot utilize regular print materials. Seventy percent of the users of this program are elderly persons who are often homebound and isolated with no other access to the world of books. The service is provided through contracts with the Carnegie Library of Pittsburgh and the Free Library of Philadelphia.

The library ACCESS program allows people to use any participating public library no matter where they live; libraries are reimbursed for the cost of lending books to people living outside their service area.

The School Library Catalog Program provides students and teachers with information about library holdings across the Commonwealth. It provides students and teachers with access to books, journals, and other information held by any participating school, college or university. The program's objective is to increase access to educational materials and to automate the time consuming management functions of Pennsylvania school libraries.

The College of Physicians provides copies of books and articles from its nationally recognized collections in the fields of public health and medicine at no cost to patrons of public libraries. Library staff also conduct workshops which advise librarians about developing collections in public health and medicine.

Program Measures:

	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
Percentage of State population served by State-aided libraries	97.5	98	98	98.3	98.5	98.6	98.7
Items lent (in thousands)	43,080	44,080	45,580	47,580	50,080	53,080	56,265
Libraries receiving State aid	574	575	576	576	578	581	583
Titles in State library collection listed in machine readable catalog data base ...	477,413	508,000	536,000	564,000	592,000	620,000	648,000
Patron queries handled by State library staff	74,000	74,000	74,000	74,000	74,000	74,000	74,000
Interlibrary loan requests handled by State library staff	19,100	21,000	24,000	25,000	26,000	27,000	28,000

EDUCATION

Program: Library Services (continued)

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

<p>State Library \$ 117 —to continue current program.</p> <p>Improvement of Library Services \$ 1,025 —to continue current program and maintain the State's 18 percent share of total library funding.</p> <p>Library Services for the Blind and Handicapped \$ 163 —to continue program and add new equipment, purchase large print books and produce Pennsylvania specific braille and video tape materials.</p>	<p>Library Access \$ 1,000 —to fund first full year of statewide library card system.</p> <p>Library Projects \$ -430 —nonrecurring projects.</p> <p>School Library Catalog \$ 150 —to permit 100 more schools to add their resources to the database.</p> <p>College of Physicians \$ -100 —nonrecurring appropriation.</p>
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Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
GENERAL FUND:							
State Library	\$ 2,577	\$ 2,591	\$ 2,708	\$ 2,789	\$ 2,872	\$ 2,959	\$ 3,048
Improvement of Library Services	19,496	20,475	21,500	22,145	23,252	24,415	25,636
Library Services for the Blind and Handicapped	1,549	1,626	1,789	1,843	1,935	2,032	2,134
Library Access	1,000	2,000	3,000	3,000	3,000	3,000	3,000
School Library Catalog	200	350	500	500	500	500	500
College of Physicians	100	100	.....	.....	.....	.....	.....
Library Projects .....	.....	430	.....	.....	.....	.....	.....
TOTAL GENERAL FUND	\$ 24,922	\$ 27,572	\$ 29,497	\$ 30,277	\$ 31,559	\$ 32,906	\$ 34,318

PROGRAM OBJECTIVE: To fulfill Pennsylvania's requirements for graduates of higher education programs, to respond to the demands of students for higher education, and to support the public institutions providing those programs.

Program: Higher Education

Higher education in Pennsylvania is provided through 242 degree granting institutions which include the State System of Higher Education, the four state related universities, 12 state aided colleges and universities, 14 community colleges, and the Commonwealth's independent colleges, universities, and specialized degree granting institutions.

Funding for these institutions is through the direct grant appropriations and, for most of the independent sector, through the Institutional Assistance Grants and student support programs of the Higher Education Assistance Agency.

Table 1
Full-Time Equivalent Enrollments at State-Supported Institutions of Higher Education, Actual and Projected

Institutional Category	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
State System of Higher Education	81,200	81,844	82,474	82,982	83,301	83,715	83,989
State-Related Universities	114,371	115,080	115,406	115,362	115,267	115,107	114,977
Community Colleges	59,809	61,367	61,874	62,669	63,471	64,133	64,634
State-Aided Institutions	38,002	38,345	38,749	39,036	39,169	39,359	39,647
TOTAL	293,382	296,636	298,503	300,049	301,208	302,314	303,247

Program Element: State System of Higher Education

Funding for the fourteen universities of the State System of Higher Education is distributed through the Chancellor's office to the individual universities in accordance with a formula which considers the enrollment and programs of the school and the cost of operating and maintaining the individual campuses. The universities provide a broad liberal arts curriculum but each has a specific mission; some in health sciences, others in technologies or teacher education. Most offer the Masters degree level in some of their programs. The system is in the process of establishing the Academy for the Profession of Teaching which will provide research in teaching methods and a forum for discussion of teaching methods and issues.

Program Element: Community Colleges

Funding for the community colleges is shared by the sponsoring counties or school districts, the students through tuition payments, and the Commonwealth. Commonwealth appropriations are based on a formula which considers the number of students enrolled, the number in each of several technical programs for which additional stipends are paid to recognize the high cost of those programs, and the capitol costs of the college. The colleges offer two year liberal arts curricula for transfer to other institutions and two year programs in technologies or other vocational areas which culminate in an associate degree or certificate. Several of the colleges are offering sophisticated technology programs.

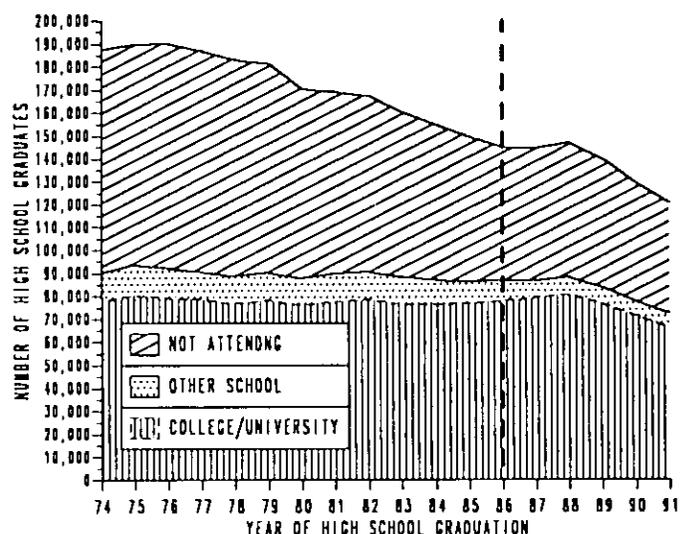
Program Element: State Related Universities

Funding for the four State related universities—The Pennsylvania State University, The University of Pittsburgh, Temple University, and Lincoln University provides basic support for the educational program. The first three, generally grouped as the Commonwealth Universities, are major research universities; they provide programs to the doctoral level in the arts and sciences and professional schools in medical and legal fields.

Program Element: State Aided Colleges and Universities

Aid to the twelve State aided colleges and universities provides support for a varied group of programs in agriculture, medicine, physical sciences, technology, and the arts. The University of Pennsylvania is a major research university and is supported by a variety of appropriations supporting its general programs, medical fields which include the only veterinary science school in the State, and others.

Figure 1
High School Graduates Continuing Study in a Degree-Granting Institution with Projections for 1987 Through 1991



Program: Higher Education (continued)

Enrollment and Degree Programs:

Enrollment in State supported institutions is expected to increase by a little more than two percent over the next five years but that trend differs from one sector to another. Only the Community colleges, with a five year increase of 4.9 percent, is estimating a significant change. The enrollment is affected by two factors: the population of college age students continues its decline but the impact of the decrease is offset by increases in attendance of older students and part time students.

There is concern about the number of Pennsylvania high school graduates who choose not to attend college. In 1987, it is projected that of 144,400 high school graduates only 79,450 or 55 percent will attend college and another five percent will be involved in other postsecondary

education. This is a substantial improvement over 1985 when only 51 percent of high school graduates attended college. The chart shows that while there is cause for concern in the numbers of graduates not attending postsecondary education, the statistics have improved steadily over the past ten years.

The Pennsylvania Association of Colleges and Universities (PACU), the Higher Education Assistance Agency, and the Department of Education are all working with school districts to disseminate information to students and their parents about the importance of postsecondary education, the choices available to students, the financial aid available and the high school preparation required.

Table 2
Actual 1986-87 and Projected 1987-88 to 1992-93
State-Supported Institution FTE Enrollments by Subject Area

Subject Area	Number and Percent of Total	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93	Percent Change
Agricultural and Renewable Natural Resources	#	3,056	3,054	3,072	3,079	3,072	3,021	2,940	-3.80
	%	1.4	1.03	1.03	1.03	1.02	1.00	0.97	
Arts and Letters	#	42,950	43,444	43,409	43,606	43,825	44,031	44,181	2.87
	%	14.64	14.65	14.54	14.53	14.55	14.56	14.57	
Business, Management, Data Processing	#	62,904	63,672	64,087	64,475	64,646	64,934	65,156	3.58
	%	21.44	21.46	21.47	21.49	21.46	21.48	21.49	
Communications and Related Technologies	#	9,395	9,428	9,517	9,586	9,613	9,649	9,689	3.13
	%	3.20	3.18	3.19	3.19	3.19	3.19	3.20	
Computer and Information Sciences	#	8,893	8,845	8,840	8,943	8,990	9,000	9,028	1.52
	%	3.03	2.98	2.96	2.98	2.98	2.98	2.98	
Education	#	31,699	32,241	32,719	32,837	32,995	33,171	33,376	5.29
	%	10.80	10.87	10.96	10.94	10.95	10.97	11.01	
Engineering, Architecture and Environmental Design	#	22,158	22,384	22,525	22,540	22,568	22,607	22,657	2.25
	%	7.55	7.55	7.55	7.51	7.49	7.48	7.47	
Engineering and Related Technologies	#	6,939	7,028	7,127	7,159	7,175	7,192	7,194	3.67
	%	2.37	2.37	2.39	2.39	2.38	2.38	2.37	
Health Professions, Health Sciences, and Biological Sciences	#	35,100	35,489	35,720	35,987	36,214	36,405	36,578	4.21
	%	11.96	11.96	11.97	11.99	12.02	12.04	12.06	
Home Economics, Human Services and Public Affairs	#	15,055	15,266	15,425	15,496	15,567	15,540	15,557	3.33
	%	5.13	5.15	5.17	5.16	5.17	5.14	5.13	
Industrial, Repair, Construction and Transport Technologies	#	2,127	2,212	2,304	2,350	2,407	2,451	2,493	17.21
	%	0.72	0.75	0.77	0.78	0.80	0.81	0.82	
Law	#	3,412	3,392	3,401	3,405	3,405	3,408	3,411	-0.03
	%	1.16	1.14	1.14	1.13	1.13	1.13	1.12	
Physical Sciences, Mathematics and Related Technologies	#	14,984	15,147	15,234	15,307	15,327	15,386	15,540	3.11
	%	5.11	5.11	5.10	5.10	5.09	5.09	5.09	
Social Sciences, Psychology, Area Studies and Foreign Languages	#	26,217	26,373	26,431	26,469	26,481	26,538	26,561	1.31
	%	8.94	8.89	8.85	8.82	8.79	8.78	8.76	
Multi-Interdisciplinary Studies/Military Sciences	#	8,493	8,661	8,692	8,810	8,923	8,981	8,976	5.69
	%	2.89	2.92	2.91	2.94	2.96	2.97	2.96	
TOTAL	#	293,382	296,636	298,503	300,049	301,208	302,314	303,247	3.36

Program: Higher Education (continued)

Along with higher education enrollment size, the mix of enrollments by discipline will shape the future of higher education. Table 2 shows projections of enrollment in the State supported institutions from 1986-87 through 1992-93. It reflects the increased choices of job-oriented disciplines with good employment rates such as the health professions, engineering, computer sciences, and business.

A review of fields in which degrees are awarded shows the greatest numbers of four year degrees are in business including marketing, computer sciences, education, engineering with emphasis on electrical

and mechanical engineering, health sciences including medicine and nursing, and the social sciences including political science and economics.

The public sector institutions in Pennsylvania graduate over 56,000 students annually with degrees ranging from the two year Associate Degree to doctoral and professional levels. Total Pennsylvania degree graduates from the public and private sector total over 97,000 annually.

Table 3
Higher Education Degrees Awarded by State-Supported Institutions of Higher Education, Actual and Projected

Institutional Category	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
State System of Higher Education	15,249	15,513	15,561	15,674	15,760	15,841	15,904
State-Related Universities	22,836	22,803	22,746	22,768	22,784	22,806	22,827
Community Colleges	8,142	8,109	8,228	8,382	8,503	8,621	8,673
State-Aided Institutions	9,965	10,088	10,178	10,346	10,361	10,343	10,420
TOTAL	56,192	56,513	56,803	57,170	57,408	57,611	57,824

Figure 2

Associate And Baccalaureate Degrees Awarded By Higher Education Institutions With Projections For 1986-87 To 1990-91

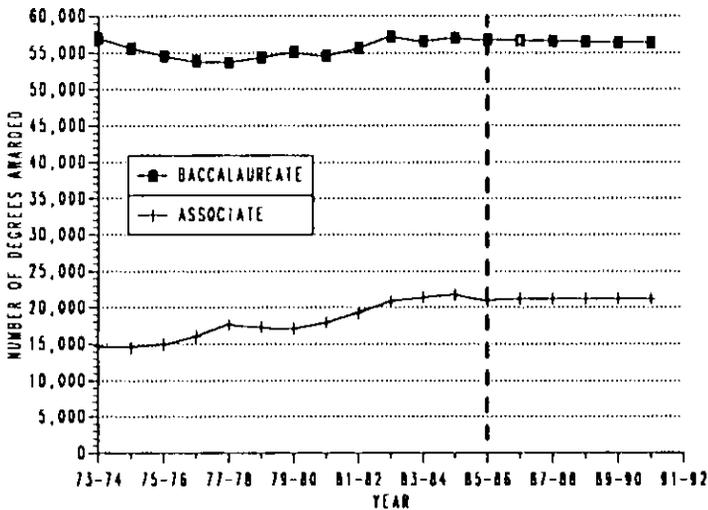
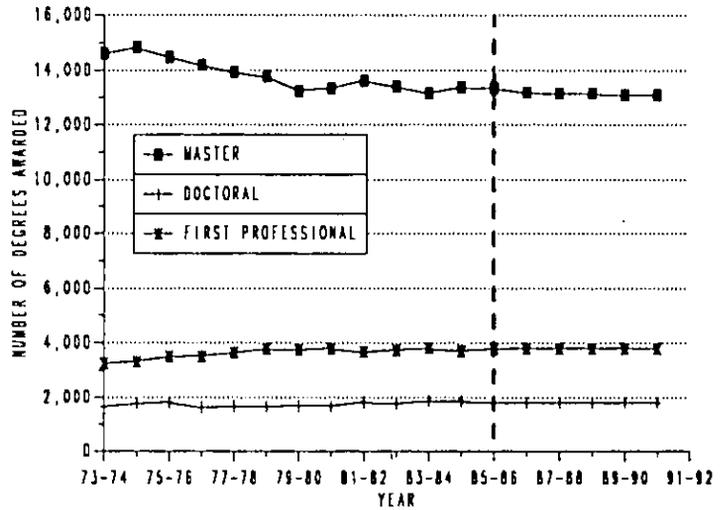


Figure 3

Degrees Awarded Above the Baccalaureate By Higher Education Institutions With Projections For 1986-87 To 1990-91



Program: Higher Education (continued)

Program Element: Support for Educationally Disadvantaged and Minority Students

The Higher Education Equal Opportunity program provides grants to colleges for tutorial and counseling services for economically and educationally disadvantaged students to aid them in succeeding in college.

The 1983 agreement between the Department of Education and the Federal Office of Civil Rights provided a five year plan to enhance Cheyney and Lincoln Universities and increase minority enrollment at the other State system and State related universities. While that agreement ends in the current fiscal year, the budget continues the initiative it began. Funding is included to continue to help the major systems with the cost of recruiting and retaining minority students. Funds for the enhancement of Lincoln are continued as part of their education and general appropriation. A new initiative by the State System of Higher Education to enhance Cheyney University is funded at \$1,750,000.

Program Element: Research

An essential ingredient for a healthy economy and the creation of new jobs in any region is the existence of vigorous research universities. Regions with the most dynamic economies are those where research and development investments have been heavy. The research university not only provides new ideas, technologies, and products to industry but also educates and motivates graduates to turn those ideas, technologies, and products into industry and jobs.

The Pennsylvania State University is the primary recipient of direct research funds designated by the Commonwealth to support research in agriculture, engineering, biological and physical sciences, earth and mineral sciences, health and human services, and others. Penn State

is the Commonwealth's federally designated Land-Grant university and as such has received funds designated for agricultural research since 1901.

The continued State support for organized research is a means of promoting a responsive position on the ever changing needs of the Commonwealth. In this regard, colleges and universities can play a major role in the economic development of the Commonwealth through the creation of a climate which will attract new high technology industries to the state.

Program Element: Community Service

Public and community services are provided by all sectors of higher education and include short term courses and workshops and programs in the arts. The bulk of Commonwealth funding in this area supports the Cooperative Extension Service of Penn State. The service offers consultation to any state resident on agricultural or environmental issues. It operates the Agricultural Extension Computer Network which, with a computer in every county extension office, offers a statewide network of information linked to the resources of the main campus.

Program Element: Support Services

The Department of Education provides leadership and support services to all sectors of higher education. Responsibilities includes liason with the national accrediting agencies, the state Board of Education, and other governing boards, policy review and development based on comprehensive planning and research and implementation of higher education master plan and the Commonwealth of Pennsylvania plan for equal education opportunity. The agency also provides certificates to those seeking teaching certification in Pennsylvania.

Program Measures:

	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
Office of Civil Rights Reviews Act 101 grants	32	32	32	32	32	32	32
Teacher Certifications	22,944	24,000	24,000	25,000	25,000	25,000	25,000
Tests administered for certification	2,500	10,500	11,000	11,000	11,000	11,000	11,000
Programs evaluated	764	676	682	682	858	875	890

Program Revision: Equal Opportunity for Students

This budget is committed to ensuring that all students have access to higher education through grants, scholarships and special programs. Funding is provided for the State System of Higher Education to undertake a revitalization project at Cheyney University and for the Bureau of Higher Education to expand its Act 101 programs for the disadvantaged to include part-time students.

Part-time student enrollment in degree programs of higher education continues to increase. The existing program commonly referred to as the Act 101 program, is confined to full-time educationally disadvantaged students. Educationally disadvantaged part-time students will be more likely to enroll and continue college to upgrade their education and job opportunities if support services including academic counseling and tutorial help are available. This budget includes additional funding for grants to begin to include these students in the existing Act 101 grant program.

A major commitment is being made to enhancement and revitalization projects at Cheyney University. Historically, the university

has had enrollment shortages and financial and administrative difficulties. This budget will provide funding for several programs to address these problems.

The student body at Cheyney University is currently characterized by low enrollment and poor graduation rates. This problem will be addressed by recruitment and retention programs to assist students with their academic achievements.

The academic program will be strengthened with centers of excellence, a concentration of grant funds, equipment purchases, and additional faculty to support programs in technology, mathematics, physical education and industrial arts.

The administration of the university will be strengthened by acquisition of an automated accounting system and administrative infrastructure development including a policy manual and a training program for administrators. Energy conservation projects to make the campus operations more efficient and reduce costs are also funded.

Program Measures:

	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
Part-time students receiving academic support services							
Current							
Program Revision			895	895	895	895	895

Program Revision Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

<p>Cheyney Enhancement \$ 1,750 —for enhancement and revitalization projects at Cheyney University.</p>	<p>Higher Education for the Disadvantaged \$ 500 —expansion of Act 101 support services to include disadvantaged part-time students</p>
<p><u>\$ 2,250</u> <i>Program Revision Total</i></p>	

Recommended Program Revision Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
GENERAL FUND:							
Higher Education for the Disadvantaged			\$ 500	\$ 500	\$ 500	\$ 500	\$ 500
Cheyney Enhancement			1,750	1,803	1,857	1,913	1,970
GENERAL FUND TOTAL			\$ 2,250	\$ 2,303	\$ 2,357	\$ 2,413	\$ 2,470

EDUCATION

Program: Higher Education (continued)

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

<p>Higher Education for the Disadvantaged</p> <p>\$ 246 —for increases in operating costs.</p> <p>500 —PRR—Equal Opportunity for Students—see the Program Revision Request following this program for further information.</p> <p>Rural Initiatives</p> <p>\$ 45 —to continue current program.</p> <p>Academy of Science</p> <p>\$ -100 —nonrecurring appropriation.</p>	<p>\$ 20,989</p> <p>1,750</p> <p>\$ 68</p>	<p>Community Colleges, State System of Higher Education, State Related Universities, and State Aided Colleges and Universities</p> <p>—for these systems the budget provides four percent increases in operating line items. Nonrecurring appropriations including Community College Enhancement, the technology programs, and the legislative initiatives appropriated in 1987-88 are not funded.</p> <p>—PRR—Equal Opportunity For Students—see the Program Revision Request following this program for further information.</p> <p>General State Authority Rentals</p> <p>—Reflects decrease in billings resulting from audit related change in lease agreements.</p> <p>All other appropriations reflect current program levels.</p>
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Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
GENERAL FUND:							
Higher Education of the Blind and Deaf	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50
Community Colleges	102,000	105,160	107,286	110,505	113,820	117,235	120,752
Higher Education for the Disadvantaged	5,860	6,153	6,899	6,899	6,899	6,899	6,899
Lincoln Urban Center	300						
Rural Initiatives	900	900	945	945	945	945	945
Psychiatric Education	1,000	1,250	1,250	1,250	1,250	1,250	1,250
Differential Technology Grants	20,300						
Academy of Science		100					
Rural Education Development	250						
State System of Higher Education (SSHE)	284,362	300,430	309,114	318,388	327,939	337,777	347,910
Pennsylvania State University	181,924	196,411	203,220	209,315	215,594	222,061	228,722
University of Pittsburgh	100,324	107,331	109,536	112,821	116,205	119,690	123,281
Temple University	110,283	117,787	120,411	124,023	127,744	131,576	135,523
Lincoln University	7,563	8,081	8,396	8,648	8,907	9,174	9,450
State Aided Colleges and Universities	60,566	66,779	66,755	68,757	70,821	72,946	75,134
General State Authority Rentals	3,775	3,745	3,813	3,823	3,834	3,846	3,859
TOTAL GENERAL FUND	\$ 879,457	\$ 914,177	\$ 937,675	\$ 965,424	\$ 994,008	\$ 1,023,449	\$ 1,053,775



Commonwealth of Pennsylvania

Emergency Management Agency

The Pennsylvania Emergency Management Agency develops and maintains a comprehensive plan and program for the civil defense of the Commonwealth. Primarily, the plan calls for the protection of life and property both under enemy attack and in the event of natural disasters and man-made disasters. The agency also provides loans to volunteer fire, ambulance and rescue companies, and coordinates State fire services.

EMERGENCY MANAGEMENT AGENCY

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Budget
GENERAL FUND			
GENERAL GOVERNMENT:			
General Government Operations	\$ 1,518	\$ 1,808	\$ 2,540
(F) Civil Preparedness	2,551	3,209	2,494
(F) Flash Flood Project — Warning System	699	800	501
(F) Rescue Training	30	5	..
(A) Nuclear Facility	95	100	100
(A) Nuclear Power Plant Planning .....	..	..	300
Total — General Government Operations	\$ 4,893	\$ 5,922	\$ 5,935
Office of Fire Safety	843	869	862
(F) Fire Prevention	10	10	30
Total — Office of Fire Safety	\$ 853	\$ 879	\$ 892
Subtotal — State Funds	2,361	2,677	3,402
Subtotal — Federal Funds	3,290	4,024	3,025
Subtotal — Augmentations	95	100	400
Total — General Government	\$ 5,746	\$ 6,801	\$ 6,827
GRANTS AND SUBSIDIES:			
Emergency Grid Pilot — Schuylkill County	\$ 78	..	..
Emergency and Disaster Relief — Oil Spill .....	..	\$ 2,000	..
Total — Grants and Subsidies	\$ 78	\$ 2,000	..
CAPITAL IMPROVEMENTS:			
State Fire Academy .....	..	\$ 1,800	..
STATE FUNDS	\$ 2,439	\$ 6,477	\$ 3,402
FEDERAL FUNDS	3,290	4,024	3,025
AUGMENTATIONS	95	100	400
GENERAL FUND TOTAL	\$ 5,824	\$ 10,601	\$ 6,827
OTHER FUNDS			
GENERAL FUND:			
Disaster Relief Assistance	\$ 617	\$ 100	\$ 50
Contributions for Civil Defense	39	211	50
Emergency Management and Disaster Assistance	8,080	7,000	4,000
Radiation Emergency Response Fund	928	836	500
Radiation Transportation Emergency Response Fund	2	81	60
Metropolitan Edison — TMI Plea Agreement	693	38	30
OTHER FUNDS TOTAL	\$ 10,359	\$ 8,266	\$ 4,690
DEPARTMENT TOTAL — ALL FUNDS			
GENERAL FUNDS	\$ 2,439	\$ 6,477	\$ 3,402
FEDERAL FUNDS	3,290	4,024	3,025
AUGMENTATIONS	95	100	400
OTHER FUNDS	10,359	8,266	4,690
TOTAL — ALL FUNDS	\$ 16,183	\$ 18,867	\$ 11,517

EMERGENCY MANAGEMENT AGENCY

Program Funding Summary:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
EMERGENCY MANAGEMENT							
General Fund	\$ 1,596	\$ 3,808	\$ 2,540	\$ 2,680	\$ 2,286	\$ 2,355	\$ 2,425
Federal Funds	3,280	4,014	2,995	2,604	2,512	2,423	2,338
Other Funds	10,454	8,366	5,090	4,960	4,960	4,960	4,960
TOTAL	<u>\$ 15,330</u>	<u>\$ 16,188</u>	<u>\$ 10,625</u>	<u>\$ 10,244</u>	<u>\$ 9,758</u>	<u>\$ 9,738</u>	<u>\$ 9,723</u>
FIRE PREVENTION AND SAFETY							
General Fund	\$ 843	\$ 2,669	\$ 862	\$ 862	\$ 888	\$ 915	\$ 942
Federal Funds	10	10	30	.....	.....	.....	.....
TOTAL	<u>\$ 853</u>	<u>\$ 2,679</u>	<u>\$ 892</u>	<u>\$ 862</u>	<u>\$ 888</u>	<u>\$ 915</u>	<u>\$ 942</u>
ALL PROGRAMS							
GENERAL FUND	\$ 2,439	\$ 6,477	\$ 3,402	\$ 3,542	\$ 3,174	\$ 3,270	\$ 3,367
FEDERAL FUNDS	3,290	4,024	3,025	2,604	2,512	2,423	2,338
OTHER FUNDS	10,454	8,366	5,090	4,960	4,960	4,960	4,960
TOTAL	<u>\$ 16,183</u>	<u>\$ 18,867</u>	<u>\$ 11,517</u>	<u>\$ 11,106</u>	<u>\$ 10,646</u>	<u>\$ 10,653</u>	<u>\$ 10,665</u>

EMERGENCY MANAGEMENT AGENCY

PROGRAM OBJECTIVE: To develop and maintain a statewide emergency force capable of immediate and effective action in event of natural disasters and rapid organizational expansion to cope with technological emergencies.

Program: Emergency Management

This program provides essential services and facilities during periods of emergency, coordinates State, county and local activities associated with emergency services and coordinates Pennsylvania's civil defense operations with those of other states through the Federal Emergency Management Program.

The Pennsylvania Emergency Management Agency (PEMA) has developed a basic organization designed on the National Governors Association model of comprehensive emergency management. A multi-agency training program is designed to develop and maintain a Statewide emergency force composed of State, county and local units jointly capable of: (a) prompt and effective action aimed at the protection of life and property and the alleviation of human suffering and hardship resulting from natural and man-made disasters and (b) rapid organizational expansion required for civil defense.

The Commonwealth's civil preparedness and response capability in the event of emergencies is provided through the maintenance of a Statewide assessment, planning, warning, training and education, communications and radiation-monitoring network and the nucleus of an organization to facilitate deployment of resources to protect life and property. Federal, State, county and local emergency management

activities and training are coordinated through this program. PEMA is responsible for county, municipal and state planning and response around nuclear power plants. This program involves 49 counties.

Counties are required to have an approved emergency program plan consisting of: (1) a statement of accomplishments; (2) required financial needs; (3) hazard vulnerability; and (4) goals indicating projected activity. The Federal Emergency Management Agency (FEMA) now requires an annual review and update of emergency operations plans.

Recent additional requirements of the Environmental Protection Agency under the Superfund Amendments and Reauthorization Act (SARA Title III) involve upgrading chemical emergency preparedness plans; responsibilities in the area involve PEMA, county governments and chemical manufacturers.

An area of increasing emphasis is that of readiness training at the county and local level as measured through a comprehensive exercise program. With the development of a much more extensive and integrated program of training, exercises and tests, the ability of the county and local forces to provide a comprehensive and coordinated first line response to emergency conditions has been greatly enhanced at relatively low cost.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

General Government Operations			
\$	-210	—nonrecurring costs.	470 —to continue the satellite expansion program
	51	—to continue current program.	. currently in its second year of operation.
	300	—to replace lost Federal funds that support	-12 —savings due to press/communication
		general operating needs.	reorganization.
	48	—to complete installation of an expanded radio	
		system.	\$ 732 <i>Appropriation Increase</i>
	85	—to provide for Superfund Amendments and	
		Reauthorization Act (SARA Title III) mandate	
		to upgrade chemical emergency preparedness	
		plans.	

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
GENERAL FUND:							
General Government Operations	\$ 1,518	\$ 1,808	\$ 2,540	\$ 2,680	\$ 2,286	\$ 2,355	\$ 2,425
Emergency Grid Pilot — Schuylkill							
County	78						
Emergency and Disaster Relief — Oil							
Spill		2,000					
TOTAL GENERAL FUND	\$ 1,596	\$ 3,808	\$ 2,540	\$ 2,680	\$ 2,286	\$ 2,355	\$ 2,425

EMERGENCY MANAGEMENT AGENCY

PROGRAM OBJECTIVE: To minimize the loss of life and property due to fire by developing and maintaining statewide municipal fire and emergency service capability.

Program: Fire Prevention and Safety

This program provides for the administration and operation of the Volunteer Loan Company Program which provides low interest loans to rescue and fire companies and units; the administration and operation of the Lewistown Fire School which provides training classes to professional as well as volunteer fire and ambulance personnel; and operating funds for the Fire Commissioner to coordinate and organize all fire safety functions.

The State Fire Commissioner is responsible for coordinating Federal, State and private fire safety funds in Pennsylvania; assisting State agencies in the development of any 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 its contacts with government agencies, the business community, consumers, and the fire service, the Fire Commissioner's Office renders technical assistance, collects, reviews, and disseminates pertinent information about fire death data and fire prevention and control techniques and conducts Statewide fire safety educational programs for the entire fire community.

The State Fire Academy at Lewistown is the catalyst for fire training

delivery. The academy provides advanced professional development of fire service officers, command personnel, instructors, and other specialists engaged in fire prevention and suppression activities; acts as the educational hub for all other fire and emergency services training in Pennsylvania; serves the Commonwealth's fire community; and coordinates the activities of the Pennsylvania Fire Service Professional Qualifications Board, which is responsible for administering a voluntary certification program for fire service personnel in the Commonwealth.

Another area of assistance to the fire fighting and prevention community is the Volunteer Company Loan Fund. The purpose of the fund is to improve the capabilities of volunteer fire companies, ambulance services and rescue squads through the provision of low interest loans for the purpose of establishing or modernizing facilities to house fire fighting apparatus, purchasing new apparatus or equipment for firefighting, protective services, communications, and accessory equipment. Priority is given to replacement of outmoded or unsafe equipment and provision of additional equipment needed to meet unusual demand. Interest is at two percent per annum for a maximum of ten years. Loans of \$10,000 or less are limited to five years.

Program Measures:

	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
Local fire training graduates	27,047	27,317	27,590	27,866	28,145	28,426	28,710
Fire school graduates	817	400	400	856	942	1,036	1,140
Volunteer loans granted (in thousands) . .	\$8,134	\$9,000	\$9,500	\$10,000	\$10,000	\$10,000	\$10,000

The sharp decline in 1987-88 and 1988-89 in the number of fire school graduates is due to the deterioration of the Burn Building, which restricted usage and resulted in limited participation in fire suppression classes. The Burn Building is currently being renovated via a special 1987-88 appropriation to the Fire Academy. The renovation is expected to be completed in 1989.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

Office of Fire Safety		State Fire Academy	
\$ -32	—to continue current program.	\$ -1,800	—one-time appropriation for Burn Building renovation, liquid fuels system renovation and purchase of various fire-fighting vehicles.
25	—to replace auditorium roof at the State Fire Academy.		
\$ -7			
	<i>Appropriation Decrease</i>		

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
GENERAL FUND:							
Office of Fire Safety	\$ 843	\$ 869	\$ 862	\$ 862	\$ 888	\$ 915	\$ 942
State Fire Academy		1,800					
TOTAL GENERAL FUND	\$ 843	\$ 2,669	\$ 862	\$ 862	\$ 888	\$ 915	\$ 942



Commonwealth of Pennsylvania

Department of Environmental Resources

The Department of Environmental Resources is responsible for managing the State's natural resources, enforcing laws and regulations to prevent environmental pollution and degradation and acting as a trustee to guarantee the rights of all Pennsylvanians, including future generations, to a clean environment,

The department includes the Citizens Advisory Council, the Environmental Hearing Board, the Environmental Quality Board, the State Conservation Commission, the State Board for Certification of Sewage Enforcement Officers, the State Board for Certification of Sewage Treatment and Waterworks Operators and the Water Facilities Loan Board.

ENVIRONMENTAL RESOURCES

PROGRAM REVISION

Budgeted Amounts Include the Following Program Revisions:

Appropriation	Title	1988-89 State Funds (in thousands)
HAZARDOUS SITES CLEANUP FUND		
Hazardous Waste Control	Hazardous Waste Sites Cleanup	\$ 14,000
This Program Revision will increase the assessment of dangerous sites and the rate of remedial actions.		
GENERAL FUND		
PENNVEST Office of Protection	PENNVEST/Safe Drinking Water	\$ 14,500
	PENNVEST/Safe Drinking Water	1,007
	Subtotal	<u>\$ 15,507</u>
This Program Revision will fund construction of sewage treatment facilities and community water supply systems, and improve water quality		
Office of Protection	Improved Emergency Response	\$ 932
This Program Revision will fund additional personnel who will provide on-the-scene technical assistance to local emergency response crews at accidental spills of hazardous and toxic materials.		
Office of Protection	Solid Waste Management	\$ 1,826
This Program Revision will establish technical assistance for local recycling programs and provide additional enforcement of waste disposal facilities for municipal and residual wastes.		
DEPARTMENT TOTAL		<u><u>\$ 32,265</u></u>

ENVIRONMENTAL RESOURCES

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Budget
GENERAL FUND			
GENERAL GOVERNMENT:			
General Government Operations	\$ 7,030	\$ 7,866	\$ 8,411
(F) Surface Mine Conservation	829	1,029	1,044
(F) EPA Planning Grant	187	266	277
(F) Construction Management — Administration	304	586	346
(F) Safe Drinking Water Act — Administration	40	75	76
(A) Department Services	2	..	..
(A) Computer Services	35	35	35
(A) Clean Air Fund	48	48	50
(A) Solid Waste Abatement Fund	112	112	115
(A) Clean Water Fund	56	56	57
(A) Water Facilities Loan Fund	255	295	308
(A) Wild Resources Conservation Fund .....	..	..	..
Subtotal — State Funds	<u>\$ 7,030</u>	<u>\$ 7,866</u>	<u>\$ 8,411</u>
Subtotal — Federal Funds	1,360	1,956	1,743
Subtotal — Augmentations	508	546	565
Total — General Government Operations	<u>\$ 8,898</u>	<u>\$ 10,368</u>	<u>\$ 10,719</u>
EDP Support	850	900	2,000
Water Quality Testing Laboratories	242	306	315
Office of Resources Management	14,949	15,231	16,297
(F) Coastal Zone Management	1,092	1,200	1,300
(F) Water Resources Management Act	19	60	40
(F) Land and Water Conservation Fund	846	1,500	1,000
(F) National Water Use Data System	19	40	40
(F) Bituminous Demonstration Project .....	..	101	101
(F) Surface Mining Control and Reclamation	244	300	357
(F) Upper Delaware National Scenic River .....	..	20	20
(F) Topographic and Geologic Survey Grants .....	..	25	30
(F) Bituminous Coal Resources	74	20	75
(F) Dam Safety Program	21	20	..
(F) Surface Mine Conservation	149	280	185
(F) Bond Forfeiture	126	904	725
(F) ARC — Abandoned Mine Restoration Research .....	..	126	126
(F) Emergency Disaster Relief	107	200	200
(F) Abandoned Mine Reclamation	41,447	45,000	45,000
(F) Centralia Mine Fire Recovery	5	15	15
(A) Water Well Drillers Act Receipts	43	45	45
(A) Topographic and Geological Services	2	1	2
(A) Wild Resources Conservation Fund	221	250	250
(A) Payments for Department Services	62	35	85
(A) Sale of Vehicles	2	3	5
Subtotal — Federal Funds	<u>44,149</u>	<u>49,811</u>	<u>49,214</u>
Subtotal — Augmentations	330	334	387
Total — Office of Resources Management	<u>\$ 59,428</u>	<u>\$ 65,376</u>	<u>\$ 65,898</u>

ENVIRONMENTAL RESOURCES

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Budget
GENERAL FUND			
GENERAL GOVERNMENT: (continued)			
Chesapeake Bay Agricultural Source Abatement	\$ 1,193	\$ 1,640	\$ 2,317
(F) Chesapeake Bay Pollution Abatement	2,959	3,315	3,500
Total — Chesapeake Bay Preservation	\$ 4,152	\$ 4,955	\$ 5,817
Deep Mine Safety	2,872	3,117	3,451
(F) Training and Education of Underground Coal Miners	648	600	450
(F) Surface Mine Control and Reclamation — Deep Mine Safety	65	120	60
(F) Office of Surface Mining — Deep Mine Safety	83	107	107
Total — Deep Mine Safety	\$ 3,668	\$ 3,944	\$ 4,068
Office of Environmental Protection	35,480	40,022	47,023
(F) EPA — Planning Grant - Administration	3,339	4,378	4,597
(F) Water Pollution Control Grants	2,829	3,329	3,340
(F) Water Pollution Control — NPDES	2,115	2,386	2,805
(F) Air Pollution Control Grants	4,092	4,628	4,464
(F) Radiation Regulation and Monitoring	90	118	80
(F) Surface Mine Control and Reclamation	8,167	9,702	9,191
(F) Diagnostic X-Ray Equipment — Testing	15	33	30
(F) Surface Mine Control and Reclamation — Laboratories	336	516	505
(F) Rural Clean Water	208	216	216
(F) Water Quality Outreach Training	29	120	100
(F) Water Quality Management Planning Grants	1,010	1,166	1,166
(F) Construction Management Assistance Grants	2,057	2,960	2,960
(F) Safe Drinking Water Act	1,619	1,559	1,648
(F) Underground Storage Tanks	156	312	200
(F) Lake Wallenpaupack — Phase II .....	.	240	555
(F) Lake Nockamixon .....	.	200	300
(F) PHHSBG — Vector Control	1,261	1,500	1,500
(F) PHHSBG — Administration	99	128	128
(F) Applicant Violator System .....	.	20	.
(F) Small Operators Assistance Program	1,100	1,300	1,600
(A) Sale of Vehicles	9	.	5
(A) Clean Air Fund	36	850	850
(A) Clean Water Fund	36	881	881
(A) Department Services	329	116	116
(A) Natural Gas Policy Act Filing Fees	136	150	150
(A) Conservation Well Permit Fees .....	.	.	.
(A) Solid Waste Abatement Fund .....	.	320	320
(A) Food Site Inspection	13	38	17
(A) Well Plugging .....	.	.	.
Subtotal — Federal Funds	\$ 28,522	\$ 34,811	\$ 35,385
Subtotal — Augmentations	559	2,355	2,339
Total — Office of Environmental Protection	\$ 64,561	\$ 77,188	\$ 84,747
PENNVEST .....	.	5,500	20,000
(F) Sewage Projects Revolving Loan Fund .....	.	.	48,000
Total — PENNVEST .....	.	\$ 5,500	\$ 68,000

ENVIRONMENTAL RESOURCES

	(Dollar Amounts in Thousands)		
GENERAL FUND	1986-87 Actual	1987-88 Available	1988-89 Budget
GENERAL GOVERNMENT: (continued)			
Seasonal Farm Worker Camp Inspections	\$ 186	\$ 248	\$ 253
Radon Testing	1,348	1,407	1,408
Radon Gas Demonstration Project	1,000	.....	.....
State Forestry Operations	10,224	10,930	11,672
(F) Forest Fire Prevention and Control	243	315	315
(F) Forestry Incentives and Agricultural Conservation	10	30	30
(F) Watershed Protection and Flood Prevention .....	.....	10	10
(F) Resources Conservation and Development	8	8	8
(F) Forest Management and Processing	90	320	320
(F) Renewable Resources Evaluations	25	25	25
(F) Cooperative Forest Insect and Disease Control	500	500	500
(A) Services to State Parks	150	150	150
(A) Sale of Forest Products	6,310	6,984	6,984
(A) Forest Fire Control	114	25	50
(A) Sale of Vehicles	3	.....	5
(A) Departmental Services	10	105	105
(A) Private Donations	14	.....	10
Subtotal — Federal Funds	876	1,208	1,208
Subtotal — Augmentations	6,601	7,264	7,304
Total — State Forestry Operations	<u>\$ 17,701</u>	<u>\$ 19,402</u>	<u>\$ 20,184</u>
Gypsy Moth and Other Insect Control	2,669	3,177	3,293
(F) Forest Insect and Disease Control	506	1,280	1,759
(A) Reimbursement from Counties	250	840	420
Total — Gypsy Moth and Other Insect Control	<u>\$ 3,425</u>	<u>\$ 5,297</u>	<u>\$ 5,472</u>
Black Fly Control and Research	2,498	2,100	2,156
(A) County Contributions	767	475	850
Total — Black Fly Control and Research	<u>\$ 3,265</u>	<u>\$ 2,575</u>	<u>\$ 3,006</u>
State Parks	27,879	29,127	30,479
(F) Forest Insect and Disease Control .....	.....	4	4
(A) Sewage Systems Use	87	100	100
(A) Use of King's Gap	21	20	20
(A) State Park User Fees	5,068	7,139	6,018
(A) Private Donations	18	25	25
(A) Sale of Vehicles	10	.....	.....
(A) Concessions	1	.....	.....
(A) Prior Year Revenues	337	.....	.....
Subtotal — Federal Funds .....	.....	4	4
Subtotal — Augmentations	5,542	7,284	6,163
Total — State Parks	<u>\$ 33,421</u>	<u>\$ 36,415</u>	<u>\$ 36,646</u>

ENVIRONMENTAL RESOURCES

GENERAL FUND	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Budget
GENERAL GOVERNMENT: (continued)			
Fabridam		\$ 800	
Low Level Radioactive Waste Control		665	\$ 736
(F) Low Level Radiation Waste		800	800
Total — Low Level Radioactive Waste Control		\$ 1,465	\$ 1,536
Hazardous Waste Control	8,684	15,684	15,684
(F) Superfund Projects	4,417	10,000	10,000
(A) Hazardous Sites Cleanup Fund		7,575 ^a	10,199 ^a
Total — Hazardous Waste Control	\$ 13,101	\$ 33,259	\$ 35,883
Office of Protector General		1,000	
Canonsburg Remedial Action	413	40	
(F) Uranium Mill Tailings Projects	884	45	
Total — Canonsburg	\$ 1,297	\$ 85	
Subtotal — State Funds	\$ 117,517	\$ 139,760	\$ 165,495
Subtotal — Federal Funds	84,469	104,057	152,230
Subtotal — Augmentations	14,557	26,673	28,227
Total — General Government	\$ 216,543	\$ 270,490	\$ 345,952
GRANTS AND SUBSIDIES:			
Flood Control Projects	\$ 604	\$ 1,000	1,325
Flood Plain Restoration — Allegheny County		1,000	
Water Control Projects		585	
Storm Water Management	443	550	550
Sewage Facilities Planning Grants	500	500	500
Sewage Facilities Enforcement Grants	1,650	1,750	1,750
Sewage Treatment Plant Operations Grants	18,920	20,100	22,300
Solid Waste Disposal Planning Grants	385	1,000	1,000
Delaware River Master	61	47	53
Ohio River Basin Commission	5	5	5
Susquehanna River Basin Commission	240	249	262
Interstate Commission on the Potomac River	21	22	26
Delaware River Basin Commission	742	807	807
Ohio River Valley Water Sanitation Commission	96	97	97
Chesapeake Bay Commission	100	100	100
Small Watershed Projects	39		
Local Soil and Water District Assistance	1,000	1,200	1,200
Interstate Mining Commission	10	10	10
Abandoned Surface Mine Reclamation	2,000	2,000	2,000
Anthracite Emergency Bond Fund	50		
Annual Fixed Charges — Flood Lands	17	17	23
Annual Fixed Charges — Project 70	11	12	12
Annual Fixed Charges — Forest Lands	1,196	1,225	1,225
Huntingdon Correctional Institution Utilities	381		
Vector Control	479	565	500
Three Mile Island Cleanups	5,000	5,000	
Appalachian States Waste Compact		200	200
Lansdown Superfund Cleanup	136		
Water, Sewer and Stream Development	1,172		
Slippery Rock University Utilities		1,400	
Non-Mine Subsidence Projects		4,000	
Wernersville State Hospital Utilities			700
Subtotal — State Funds	\$ 35,258	\$ 43,441	\$ 34,645
Total — Grants and Subsidies	\$ 35,258	\$ 43,441	\$ 34,645
STATE FUNDS	\$ 152,775	\$ 183,201	\$ 200,140
FEDERAL FUNDS	84,469	104,057	152,230
AUGMENTATIONS	14,557	26,673	28,227
GENERAL FUND TOTAL	\$ 251,801	\$ 313,931	\$ 380,597

^aAn estimated \$11,700,000 and \$25,600,000 will be received in the Hazardous Sites Cleanup Fund in FY87-88 and FY88-89, respectively, and will be available for use.

ENVIRONMENTAL RESOURCES

	1986-87 Actual	(Dollar Amounts in Thousands) 1987-88 Available		1988-89 Budget
ENERGY CONSERVATION AND ASSISTANCE FUND				
<i>GRANTS AND SUBSIDIES:</i>				
Solid Waste Resource Recovery	\$ 5,000	.....		.....
ENERGY CONSERVATION AND ASSISTANCE FUND TOTAL	<u>\$ 5,000</u>	<u>.....</u>		<u>.....</u>
OTHER FUNDS				
<i>GENERAL FUND:</i>				
Safe Drinking Water Account	\$ 101	\$ 602		\$ 446
Radiation Protection Fund	1,837	2,209		2,451
Clean Water Fund	1,078	3,369		2,352
Snowmobile Regulation	444	500		550
Clean Air Act	471	3,425		1,984
Solid Waste Abatement Fund	151	1,433		1,433
Mine Drainage Treatment Fees	14	50		.....
Well Plugging Account	343	760		352
GENERAL FUND TOTAL	<u>\$ 4,439</u>	<u>\$ 12,348</u>		<u>\$ 9,568</u>
<i>OIL AND GAS LEASE FUND:</i>				
General Operations	6,581	9,500		4,000
OIL AND GAS LEASE FUND TOTAL	<u>\$ 6,581</u>	<u>\$ 9,500</u>		<u>\$ 4,000</u>
<i>PENNSYLVANIA ECONOMIC REVITALIZATION FUND:</i>				
Pennsylvania Conservation Corps	6,018 ^a	6,050 ^a		.....
Recreational Improvement and Rehabilitation Act	11,326	7,950 ^a		.....
PENNSYLVANIA ECONOMIC REVITALIZATION FUND TOTAL	<u>\$ 17,344</u>	<u>\$ 14,000</u>		<u>\$</u>
<i>SURFACE MINING CONSERVATION AND RECLAMATION FUND:</i>				
General Operations (EA)	927	2,000		2,000
SURFACE MINING CONSERVATION AND RECLAMATION FUND TOTAL	<u>\$ 927</u>	<u>\$ 2,000</u>		<u>\$ 2,000</u>
<i>NON-COAL SURFACE MINING CONSERVATION RECLAMATION FUND:</i>				
General Operations (EA)	207	350		150
NON-COAL SURFACE MINING CONSERVATION AND RECLAMATION FUND TOTAL	<u>\$ 207</u>	<u>\$ 350</u>		<u>\$ 150</u>
<i>WILD RESOURCE CONSERVATION FUND:</i>				
General Operations (EA)	692	725		450
WILD RESOURCE CONSERVATION FUND TOTAL	<u>\$ 692</u>	<u>\$ 725</u>		<u>\$ 450</u>
OTHER FUNDS TOTAL	<u>\$ 30,190</u>	<u>\$ 38,923</u>		<u>\$ 16,168</u>
DEPARTMENT TOTAL — ALL FUND				
GENERAL FUNDS	\$ 152,775	\$ 183,201		\$ 200,140
SPECIAL FUNDS	5,000	.....		.....
FEDERAL FUNDS	84,469	104,057		152,230
AUGMENTATIONS	14,557	26,673		28,227
OTHER FUNDS	30,190	38,923		16,168
TOTAL ALL FUNDS	<u>\$ 286,991</u>	<u>\$ 352,854</u>		<u>\$ 396,765</u>

^aContinuing appropriation from which expenditures can be made in future years.

ENVIRONMENTAL RESOURCES

Program Funding Summary:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
ENVIRONMENTAL SUPPORT SERVICES							
General Fund	\$ 7,880	\$ 8,766	\$ 10,411	\$ 10,701	\$ 10,963	\$ 11,233	\$ 11,511
Federal Funds	1,360	1,956	1,743	1,743	1,743	1,743	1,743
Other Funds	508	546	565	565	565	565	565
TOTAL	<u>\$ 9,748</u>	<u>\$ 11,268</u>	<u>\$ 12,719</u>	<u>\$ 13,009</u>	<u>\$ 13,271</u>	<u>\$ 13,541</u>	<u>\$ 13,819</u>
FOREST RESOURCES MANAGEMENT							
General Fund	\$ 14,089	\$ 15,332	\$ 16,190	\$ 16,640	\$ 17,103	\$ 17,581	\$ 18,073
Federal Funds	1,382	2,488	2,967	3,166	3,780	3,716	3,321
Other Funds	7,543	8,829	8,174	8,420	8,620	8,631	8,508
TOTAL	<u>\$ 23,014</u>	<u>\$ 26,649</u>	<u>\$ 27,331</u>	<u>\$ 28,226</u>	<u>\$ 29,503</u>	<u>\$ 29,928</u>	<u>\$ 29,902</u>
WATER AND MINERAL RESOURCES MANAGEMENT							
General Fund	\$ 21,397	\$ 24,436	\$ 24,942	\$ 25,595	\$ 25,848	\$ 26,446	\$ 27,060
Federal Funds	47,108	53,126	52,714	61,116	56,141	51,167	51,193
Other Funds	8,059	12,234	6,537	6,017	5,242	5,247	5,147
TOTAL	<u>\$ 76,564</u>	<u>\$ 89,796</u>	<u>\$ 84,193</u>	<u>\$ 92,728</u>	<u>\$ 87,231</u>	<u>\$ 82,860</u>	<u>\$ 83,400</u>
ENVIRONMENTAL MANAGEMENT AND PROTECTION							
General Fund	\$ 73,741	\$ 97,399	\$ 115,739	\$ 109,368	\$ 111,021	\$ 112,723	\$ 114,475
Special Funds	5,000	.....	.....	.....	.....	.....	.....
Federal Funds	33,735	45,638	94,002	46,047	46,744	47,585	48,509
Other Funds	3,470	19,994	19,955	35,714	35,268	35,268	35,268
TOTAL	<u>\$ 115,946</u>	<u>\$ 163,031</u>	<u>\$ 229,696</u>	<u>\$ 191,129</u>	<u>\$ 193,033</u>	<u>\$ 195,576</u>	<u>\$ 198,252</u>
RADIATION PROTECTION							
General Fund	\$ 7,761	\$ 7,312	\$ 2,344	\$ 2,408	\$ 2,476	\$ 2,544	\$ 2,615
Federal Funds	884	845	800	1,000	1,000	1,000	1,000
Other Funds	1,837	2,209	2,451	2,435	2,557	2,685	2,819
TOTAL	<u>\$ 10,482</u>	<u>\$ 10,366</u>	<u>\$ 5,595</u>	<u>\$ 5,843</u>	<u>\$ 6,033</u>	<u>\$ 6,229</u>	<u>\$ 6,434</u>
RECREATION AREAS AND FACILITIES MANAGEMENT							
General Fund	\$ 27,907	\$ 29,956	\$ 30,514	\$ 31,469	\$ 32,414	\$ 33,387	\$ 34,389
Federal Funds .....	.....	4	4	4	4	4	4
Other Funds	23,330	21,784	6,713	6,713	6,713	6,713	6,713
TOTAL	<u>\$ 51,237</u>	<u>\$ 51,744</u>	<u>\$ 37,231</u>	<u>\$ 38,186</u>	<u>\$ 39,131</u>	<u>\$ 40,104</u>	<u>\$ 41,106</u>
ALL PROGRAMS							
GENERAL FUND	\$ 152,775	\$ 183,201	\$ 200,140	\$ 196,181	\$ 199,825	\$ 203,914	\$ 208,123
SPECIAL FUNDS	5,000	.....	.....	.....	.....	.....	.....
FEDERAL FUNDS	84,469	104,057	152,230	113,076	109,412	105,215	105,770
OTHER FUNDS	44,747	65,596	44,395	59,864	58,965	59,109	59,020
TOTAL	<u>\$ 286,991</u>	<u>\$ 352,854</u>	<u>\$ 396,765</u>	<u>\$ 369,121</u>	<u>\$ 368,202</u>	<u>\$ 368,238</u>	<u>\$ 372,913</u>

ENVIRONMENTAL RESOURCES

PROGRAM OBJECTIVE: To provide administrative and technical support for the Commonwealth's environmental protection programs.

Program: Environmental Support Services

This program provides the administrative and overhead systems which control and support the department's programs. Included are the executive and administrative offices, information and data processing systems, the Citizens Advisory Council, the Environmental Hearing

Board, the Environmental Quality Council, the Water Facilities Loan Board, and the administration of the Pennsylvania Conservation Corps and the Recreation Improvement and Rehabilitation Act programs of the Economic Revitalization Fund.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

	General Government Operations		Electronic Data Processing Support
\$ 331	—to continue current program.	\$ 1,100	—to expand computer capabilities for hazardous material tracking system, laboratories information management system, and hazardous material fees.
251	—increase Environmental Hearing Board by 20% to hear increased caseload.		
-37	—savings from press/communications reorganization.		
\$ 545	<i>Appropriation increase</i>		

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
GENERAL FUND:							
General Government Operations	\$ 7,030	\$ 7,866	\$ 8,411	\$ 8,701	\$ 8,963	\$ 9,233	\$ 9,511
Electronic Data Processing Support	850	900	2,000	2,000	2,000	2,000	2,000
TOTAL GENERAL FUND	\$ 7,880	\$ 8,766	\$ 10,411	\$ 10,701	\$ 10,963	\$ 11,233	\$ 11,511

ENVIRONMENTAL RESOURCES

PROGRAM OBJECTIVE: To provide, or assist in, effective management of forest lands and to reduce plant loss and damage caused by insects, disease and forest fires.

Program: Forest Resources Management

This program is responsible for the management of two million acres of State forest lands. These forest lands offer many social and recreational opportunities. Hiking, camping, hunting, fishing, cross-country skiing, canoeing and snowmobiling are examples of the diverse activities in State forests. Properly managed, forests yield economic benefits such as the promotion of tourism. In addition, there is the harvest of timber for wood products, the protection of groundwater for municipal and other uses, and the production and underground storage of natural gas. This program also provides management assistance to the more than 490,000 owners of private forest lands, and oversees fire, insect

and disease control activities affecting Pennsylvania's forests.

The gypsy moth continues to be the major forest pest problem in Pennsylvania as well as the northeastern United States. In 1986 only 880,000 acres were defoliated, significantly less than the 1.2 million acres which had been projected. The reason for this decline is not known at this time. Due to the multi-year cycle of the gypsy moth, it is possible that the spread of the pest has only temporarily subsided and that future years will again see this pest spreading at a rapid rate.

Program Measures:

	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
Forest fires	1,118	1,250	1,250	1,250	1,250	1,250	1,250
Acres of private timber land affected by professional assistance	73,000	95,000	95,000	95,000	95,000	95,000	95,000
Acres receiving insect suppression treatment	229,287	320,000	300,000	250,000	250,000	250,000	250,000

The program measure showing the number of acres receiving insect suppression treatment reflects the lower acreage defoliated by the gypsy moth in 1986-87. It is assumed that infestation will return to levels previously seen, hence the increase in acreage which will require treatment in 1987-88 and 1988-89.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

State Forestry Operations	Gypsy Moth and Other Insect Control
\$ 742 —to continue current program.	\$ 116 —to continue current program.

It is recommended that the Annual Fixed Charges — Forest Lands appropriation be continued at the current level.

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
GENERAL FUND:							
State Forestry Operations	\$ 10,224	\$ 10,930	\$ 11,672	\$ 12,023	\$ 12,384	\$ 12,756	\$ 13,140
Gypsy Moth and Other Insect Control	2,669	3,177	3,293	3,392	3,494	3,600	3,708
Annual Fixed Charges — Forest Lands ..	1,196	1,225	1,225	1,225	1,225	1,225	1,225
TOTAL GENERAL FUND	\$ 14,089	\$ 15,332	\$ 16,190	\$ 16,640	\$ 17,103	\$ 17,581	\$ 18,073

ENVIRONMENTAL RESOURCES

PROGRAM OBJECTIVE: To manage water and mineral resources in a way which insures against their undue destruction and depletion while allowing economic benefits from their use.

Program: Water and Mineral Resources Management

The Commonwealth's water and mineral resources are managed through comprehensive planning, regulatory activities, and project development. A wide variety of activities are included in this program.

The management of water resources begins with the development of long range plans for multi-purpose water use, insuring adequate supplies for drinking as well as industrial, agricultural and commercial activities. This includes active participation in a number of organizations and commissions involving the major river basins which lie within the Commonwealth and the Chesapeake Bay.

The Storm Water Management Program administers Act 167 of 1978 which requires county and municipal governments to develop and implement plans to control storm water runoff, to control erosion and sedimentations, and to protect groundwater recharge areas. The Flood Plain Management Program is a companion program, administering Act 166 of 1978 which authorizes the regulations of flood plains. Together these two programs address the threat to lives and property posed by storm runoff and flooding, by advance planning and controlling

construction and development in flood plains and in areas which contribute to devastating storm runoff.

The Dam Safety Program regulates dams and reservoirs in the Commonwealth. Existing dams are inspected for health and safety hazards. Remedial actions are ordered on those determined to be extremely hazardous. New and proposed dam construction is regulated with permit applications, design review and field inspections.

Closely linked with the management of water resources is the management of soil resources. Not only is valuable topsoil lost, but sedimentation from erosion and nutrients from farm lands are major non-point sources of water pollution, especially to the Chesapeake Bay.

Another aspect of this program is planning and design work to resolve environmental degradation, and health and safety problems resulting from inactive and abandoned coal mines. This includes the reclamation of abandoned mines, abatement of acid mine drainage, control of underground mine fires and refuse bank fires, and control of surface subsidence from abandoned deep mines.

Program Measures:

	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
Abandoned mine sites designated as potential safety problems	1,625	1,550	1,470	1,370	1,250	1,130	1,020
Erosion control plans and permits received	96	120	120	120	120	120	120
Dam inspections	1,382	1,580	1,620	1,660	1,660	1,660	1,660

The program measure for dam inspections increases to reflect the expansion of this program contained in this budget.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

<p>Office of Resources Management</p> <p>\$ 740 —to continue current program.</p> <p>168 —to increase dam safety and flood protection programs.</p> <p>158 —to double the program controlling construction in wetlands.</p> <hr/> <p>\$ 1,066 <i>Appropriation Increase</i></p>	<p>Chesapeake Bay Agricultural Source Abatement</p> <p>\$ 88 —to continue current program.</p> <p>589 —increase funding for grants to landowners.</p> <hr/> <p>\$ 677 <i>Appropriation Increase</i></p>	<p>Flood Control Projects</p> <p>\$ 325 —for Lackawanna River Study</p>	<p>Delaware River Master</p> <p>\$ 6 —to continue current level of participation</p>	<p>Susquehanna River Basin Commission</p> <p>\$ 13 —to continue current level of participation.</p>	<p>Interstate Commission on the Potomac River Basin.</p> <p>\$ 4 —to continue current level of participation.</p>
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ENVIRONMENTAL RESOURCES

Program: Water and Mineral Resources Management (continued)

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
GENERAL FUND:							
Office of Resources Management	\$ 14,949	\$ 15,231	\$ 16,297	\$ 16,880	\$ 17,387	\$ 17,910	\$ 18,449
Chesapeake Bay Agricultural Source							
Abatement	1,193	1,640	2,317	2,387	2,458	2,533	2,608
Abandoned Mine Reclamation	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Flood Control Projects	604	1,000	1,325	1,325	1,000	1,000	1,000
Water Control Projects		585					
Flood Plain — Allegheny County		1,000					
Delaware River Master	61	47	53	53	53	53	53
Ohio River Basin Commission	5	5	5	5	5	5	5
Susquehanna River Basin Commission ..	240	249	262	262	262	262	262
Interstate Commission on the Potomac River Basin	21	22	26	26	26	26	26
Delaware River Basin Commission	742	807	807	807	807	807	807
Small Watershed Projects	39						
Local Soil and Water District Assistants ..	1,000	1,200	1,200	1,200	1,200	1,200	1,200
Storm Water Management Grants	443	550	550	550	550	550	550
Chesapeake Bay Commission	100	100	100	100	100	100	100
TOTAL GENERAL FUND	\$ 21,397	\$ 24,436	\$ 24,942	\$ 25,595	\$ 25,848	\$ 26,446	\$ 27,060

ENVIRONMENTAL RESOURCES

PROGRAM OBJECTIVE: To protect and improve the quality of the air, water and environment for the health and safety of the citizens of the Commonwealth.

Program: Environmental Management and Protection

This program encompasses several major program elements which protect the health and safety of the citizens of the Commonwealth as well as the quality of their environment. While protection of citizens and the environment is the highest priority, the Commonwealth's economic health and development are also major concerns.

Program Element: Air Pollution Control

Emissions of air contaminants from existing and future sources must be closely monitored and controlled by the Department of Environmental Resources in order to improve air quality as mandated by the Federal Clean Air Act of 1970. The goal of the program is to achieve the best air quality and meet State implementation requirements while providing for industrial growth and environmentally sound energy utilization.

Monitoring air quality occurs at two levels. Ambient monitoring measures overall air quality in an area. Source monitoring, by both operators and by mobile teams from the department, is used to check individual sources of emissions. In addition, certain large facilities are required to have instruments installed which continuously monitor emissions, minimizing the risk of accidental release of large amounts of pollutants.

Permits and inspections are the primary regulatory means for ensuring that sources of emissions are designed, constructed and operated within standards. This means that plans for new construction, or modification, of a source of emission must be reviewed and approved by the department. Inspections are part of the application process for new and renewal of operating permits. These inspections assure that the facility has been constructed and operated as designed. In addition, on-site inspections are made when investigating complaints and emergencies. The department uses compliance agreements and abatement orders to correct violations of air emission standards.

Program Element: Water Quality Management

Chronic surface and groundwater pollution problems in Pennsylvania originate from a variety of sources and are classified into two general categories: point and non-point sources. Point sources are those in which the polluting substances are conveyed into a body of water by a pipe or channel, most commonly sewage discharges, industrial waste discharges, and storm or combined sewage drainage. Non-point sources are generally diffused discharges, such as polluted groundwater, drainage from abandoned mines, and agricultural runoff. A third, more acute, source of water pollution are the spills and accidents most often related to the storage and transportation of various materials.

Through its planning, permitting, surveillance and monitoring, enforcement, and grants administration activities, this program carries out its duties and responsibilities for developing water quality standards for surface and ground water, regulating water pollution control facilities, and maintaining a statewide surface and groundwater quality monitoring program. In addition, the National Pollutant Discharge Elimination System (NPDES), a Federal program under the Clean Water Act, has increased the responsibilities of the Commonwealth to monitor industrial pretreatment. This requires that industries remove hazardous and toxic materials from their waste water before release into municipal treatment plants. The program also reviews plans for facilities and assists local governments in accommodating growth and development.

Program Element: Community Environmental Management

The major portion of this program element is concerned with providing the citizens of the Commonwealth with safe, clean drinking water by regulating public water systems. These systems provide

drinking water to the majority of citizens of the Commonwealth. There are approximately 2,500 community water supplies in the Commonwealth serving 10 million residents; 8,000 non-community water systems generally serving restaurants, industries, schools and motels; and 700,000 private water supplies which must comply with standards. Approximately one-third of the community water systems and two-thirds of the private water supplies have deteriorated to where over four million people are at risk of being served unsafe water. Regulatory activities involve permitting and compliance, contaminant investigation and control, public education, and consultative services and inspections.

In addition to regulating public drinking water systems, this program also inspects food establishments, public bathing places, schools, and seasonal farm labor camps for sanitary conditions. The Vector Control Program addresses insect and rodent problems in urban areas. The Black Fly Control Program, by treating bodies of water in participating counties, reduces the black fly population and gives relief to the citizens and visitors of the Commonwealth.

The Emergency Management and Response Program is also part of this program element. It provides support and training to local firefighters and other emergency personnel at accidents and spills of hazardous and toxic materials.

Program Element: Municipal and Residual Waste

Over 95 percent of the 9 million tons of municipal solid waste is dumped in sanitary landfills; four percent is incinerated and one percent is recycled. Many current sites are reaching capacity and, due to public concern and opposition, new landfills are not being established. As a result, local governments are having great difficulty in finding landfills to accept their trash and are experiencing escalating costs for this method of disposal. This reliance on landfills for municipal waste disposal, plus the critical lack of landfill capacity over much of the Commonwealth, demands that alternatives to landfills be used. County and municipal governments are being encouraged by the department to adopt waste management plans emphasizing recycling and waste reduction, and other alternatives to landfills such as waste-to-energy and resource recovery facilities. In addition, the department regulates new and existing landfills to ensure that they are designed, constructed and operated with minimal risk to nearby residents and to the environment.

Residual waste is non-hazardous materials from industrial, mining, commercial and other similar operations. About 25 million tons are generated each year. Permits have been required for the disposal of residual waste since 1970. However, department policy in the early program years directed all available resources to permitting of municipal waste landfills and closing open dumps. In 1974, the department began permitting residual waste sites. However, with the priority given to the hazardous waste program, progress has been slow.

Program Element: Hazardous Waste

This program has two major parts. First is the identification, assessment and cleanup of existing sites where, in the past, hazardous wastes have been disposed in a manner which is a threat to the citizens and the environment. The identification and assessment of these sites continues, with a completion date of June, 1988 as its goal. Actual cleanup will begin as soon as possible with funding coming from several possible sources. First, the department will try to identify the parties responsible for the situation and actively pursue legal actions to recover

Environmental Resources

Program: Environmental Management and Protection (continued)

cleanup costs. Secondly, for those sites which are dangerous enough to qualify for the Federal Superfund program, Federal funds will be used. The department will continue to accelerate the rate of Federally funded projects, not only to speed remediation, but also to ensure that the Commonwealth receives its share of Superfund monies. The third source of cleanup funding is from several State sources. The recently approved Capital Stock Franchise Tax Surcharge will generate approximately \$20 million per year. Another \$5.5 million is to be generated from a proposed hazardous waste fee system. A general fund appropriation for \$15.5 million is also included in this budget. This will allow a cleanup program separate from the Federal Superfund, addressing the cleanup of sites which do not qualify for the federal program and the emergency cleanup of sites posing immediate health and safety hazards.

In addition to site cleanup, this program also controls the generation, storage, transportation and proper disposal of hazardous wastes in Pennsylvania. Pennsylvania is one of the leading producers of hazardous waste. The Commonwealth's industries annually generate five million tons of hazardous waste, of which one million tons are transported from the generating facility for disposal elsewhere. Of this one million tons, 28 percent is shipped out of the Commonwealth for disposal.

Of major importance to economic development is the siting of hazardous waste disposal facilities in the Commonwealth; the proposed program to site two hazardous waste disposal facilities contains incentives to communities which agree to host such facilities. This is important not only to the health and safety of citizens, but also to the economic health of the Commonwealth.

Program Element: Regulation of Mining

The purpose of this program is to minimize adverse environmental impacts of active mining operations. This includes surface and deep coal mines, oil and gas well drilling, and mines for minerals other than coal.

Focusing on the important coal industry, regulatory activities are designed to assure proper land reclamation, prevent water and air pollution and protect the health and safety of the public. In the 1977 Federal Surface Mine Control and Reclamation Act, Congress recognized the national importance of an adequate program to control the adverse environmental impacts of mining. This legislation established a new set of standards for controlling subsidence, coal refuse disposal and surface effects of both underground and surface mines. To foster

a strong State role in this regulatory effort, the act provided for delegation by the Federal government of primary enforcement responsibility (primacy). On July 31, 1982, Pennsylvania was delegated primary enforcement responsibility.

In addition to the environmental regulatory, inspection and compliance activities, this program element is also concerned with mine safety, both the safety of mine operations and the safety training of miners. The Office of Deep Mine Safety has, for several years, been engaged in conducting mine safety training programs to minimize the number of accidents. Certification requirements for underground mine workers are also managed by this program thereby directly influencing the type and degree of expertise of personnel working in responsible positions underground.

The Bureau of Oil and Gas Management is responsible for administering laws and regulations covering the oil and gas industry in Pennsylvania. Through a permitting system for drilling activity, inspecting drilling and storage sites, and monitoring and enforcement actions, the program works toward protecting the environment and balancing conflicting interests of the oil, gas and coal industries.

Another activity of the mining program is the offering of mine subsidence insurance to residential and small commercial owners of property and private structures. This insurance program is directed by the Coal and Clay Mine Subsidence Insurance Board. A special fund is administered by the board in which premium and investment income are deposited and from which insurance claims and costs are paid. The growth in the number and value of policies has steadily increased since the beginning of the fund. With increasing property values and public awareness, this trend is expected to continue. A cash flow statement for this fund is included in the appendix to this budget.

Program Element: Environmental Support Service

This program encompasses the technical and administrative support to environmental protection activities. The Bureau of Laboratories is the major component, providing analytical data which determines and identifies pollution levels in samples from any part of the environment. Samples from streams and lakes, solid wastes, drinking water, industrial wastes and fish are analyzed for toxic chemicals. Milk, food, water and air are examined for radiation; water from supply systems, beaches and sewage treatment plants for bacteria; and water from homeowners for potability.

Program Measures

	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
Air Pollution Control							
Air emission operating permits in effect . . .	5,100	5,550	6,000	6,450	6,900	7,350	7,500
Air emission inspections performed	9,110	9,250	9,400	9,750	9,825	9,825	9,825

The program measure showing air emission operating permits in effect increases as newly constructed or expanded emitters become operational. The program measure for air emission inspections performed also reflects additional facilities plus inspection of asbestos removal projects.

Water Quality Management

Sewage and other points source inspections	5,357	3,200	3,200	3,200	3,200	3,200	3,200
Permits issued for new or improved water pollution control facilities	200	200	200	200	200	200	200
Enforcement actions	397	320	320	320	320	320	320

The program measures for sewage and other points source inspections, and for enforcement actions show a high level in 1986-87, and a higher base line in the planning years compared to previous budgets. This results from Federally mandated changes in standards and an expansion in permitting and enforcement capabilities contained in this budget.

ENVIRONMENTAL RESOURCES

Program: Environmental Management and Protection (continued)

	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
Community Environmental Management							
Annual permits issued — seasonal farm labor camps	217	250	275	300	300	300	300
Inspections of food establishments	12,916	14,750	15,500	16,000	16,500	17,000	17,500
Residents of areas in Blackfly Supression program	1,920,000	1,920,000	2,000,000	2,351,000	2,351,000	2,351,000	2,351,000
Inspections of public drinking water supplies	4,118	4,500	4,750	5,000	5,250	5,500	5,500

The increase in the program measure showing inspections of public drinking water supplies reflects the implementation of the PENNVEST program and changes in Federal standards.

Municipal and Residual Waste

Municipal and residual waste facilities permitted	342	340	363	363	363	363	363
Percent of municipal waste disposed by alternate methods to landfills	5%	5%	6%	11%	18%	23%	25%

Increased permitting of municipal and residual waste facilities will result from the program expansion contained in this budget.

Hazardous Waste

Sites assessed for possible hazardous waste	333	283	101	76	25	25	25
Completions of remedial actions on hazardous waste sites		5	5	5	5	8	10
Hazardous waste inspections performed	1,633	1,670	1,715	1,715	1,715	1,715	1,715
Hazardous waste sites permitted and licensed under Act 97	170	160	120	120	120	120	120
Legal caseload — responsible party actions	3	6	9	14	20	24	28

The number of sites assessed for possible hazardous waste decreases as the inventory of sites is completed. Increases in the number of hazardous waste inspections performed and the legal caseload - responsible party actions result from the major expansion of this program contained in this budget.

Regulation of Mining

Mine permit actions:							
Coal	1,314	1,000	1,000	1,000	1,000	1,000	1,000
Non-coal	140	125	125	125	125	125	125
Inspections:							
Complete coal inspections	13,826	14,000	14,000	14,000	14,000	14,000	14,000
Partial coal inspections	27,174	27,000	27,000	27,000	27,000	27,000	27,000
Non-Coal inspections	2,765	2,500	2,500	2,500	2,500	2,500	2,500
Oil and gas field inspections	8,941	9,000	9,000	9,000	9,000	9,000	9,000
Surface mine enforcement actions	1,314	1,200	1,200	1,200	1,200	1,200	1,200
Mine subsidence insurance policies in effect	35,843	39,400	43,400	47,700	52,500	57,700	63,500
Employes trained in mine safety	8,500	8,000	7,500	7,000	7,000	7,000	7,000
Environmental Support Services							
Inorganic analysis	885,800	850,000	850,000	850,000	850,000	850,000	85,000
Organic samples	8,877	8,500	8,500	8,500	8,500	8,500	8,500
Bacteriological analysis	31,600	35,000	35,000	35,000	35,000	35,000	35,000
Radiological samples	4,799	9,000	9,000	9,000	9,000	9,000	9,000

ENVIRONMENTAL RESOURCES

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

\$ 1,826	Office of Protection —PRR – Solid Waste Management. Increases waste management and planning capabilities by 55%. The Program Revision describes this expansion and follows this subcategory.	\$ 200	Sewage Treatment Plant Operations Grants —funds to fulfill 1987-88 requirements to municipalities.
1,007	—PRR – PENNVEST/Safe Drinking Water. Increases capabilities for permitting and regulation of community water systems. The Program Revision describes this increase and follows this subcategory.	2,000	—increase in grants required as new and expanded facilities begin operations.
932	—PRR – Improved Emergency Response. Provides 30% more personnel plus equipment to respond to accidental spills of toxic materials. The Program Revision contains the details of this expansion and follows this subcategory.	\$ 2,200	<i>Appropriation Increase</i>
528	—provide additional resources to minimize delays in issuing permits in programs regulating water discharges, water quality, air quality, non-coal mining, and oil and gas drilling.	\$ 9	Water Quality Testing Laboratory —to continue current program.
330	—additional field inspections and compliance for water quality and discharge, water quality assessments, as well as oil, gas and other mining activities.	\$ 56	Black Fly Control —to continue current program.
2,419	—to continue current program, including annualization of initiatives.	\$ 5	Seasonal Farm Worker Camp Inspection —to continue current program.
-41	—savings from press/communications reorganization.	\$ 9,600	PENNVEST —state match needed to receive \$48 million in Federal funds for revolving loan program.
\$ 7,001	<i>Appropriation Increase</i>	690	—implementation of PENNVEST program.
		4,210	—assistance for water supply systems and statewide needs assessments.
		\$ 14,500	<i>—Appropriation Increase</i>
		\$ 182	Deep Mine Safety Inspection —increase effectiveness of field inspection.
		152	—to continue current program.
		\$ 334	<i>Appropriation Increase</i>

In addition, this budget recommends increased funding for the hazardous waste sites cleanup program. A Program Revision describing this continued expansion follows this subcategory.

All other appropriations in this subcategory either are recommended at current program levels or are nonrecurring costs.

ENVIRONMENTAL RESOURCES

Program: Environmental Management and Protection (continued)

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
GENERAL FUND:							
Office of Protection	\$ 35,480	\$ 40,022	\$ 47,023	\$ 48,601	\$ 50,061	\$ 51,565	\$ 53,114
PENNVEST		5,500	20,000	12,500	12,500	12,500	12,500
Sewage Facilities Planning Grants	500	500	500	500	500	500	500
Sewage Facilities Enforcement Grants	1,650	1,750	1,750	1,750	1,750	1,750	1,750
Sewage Treatment Plant Operations							
Grants	18,920	20,100	22,300	22,300	22,300	22,300	22,300
Ohio River Valley Sanitation Commission	96	97	97	97	97	97	97
Huntingdon State Correctional Institution							
Utilities	381						
Slippery Rock University Utilities		1,400					
Wernersville State Hospital Utilities			700				
Water Quality Testing Laboratory	242	306	315	325	335	344	355
Black Fly Control	2,498	2,100	2,156	2,221	2,288	2,356	2,427
Vector Control	479	565	500	500	500	500	500
Seasonal Farm Worker Camp Inspection	186	248	253	261	269	277	284
Water, Sewer and Stream Improvements	1,172						
Hazardous Waste Control	8,684	15,684	15,684	15,684	15,684	15,684	15,684
Solid Waste Disposal Planning Grants	385	1,000	1,000	1,000	1,000	1,000	1,000
Landsdowne Superfund Cleanup	136						
Deep Mine Safety Inspection	2,872	3,117	3,451	3,619	3,727	3,840	3,954
Interstate Mining Commission	10	10	10	10	10	10	10
Anthracite Bond Fund	50						
Office of Protector General		1,000					
Non-mine Subsidence Projects		4,000					
TOTAL GENERAL FUND	\$ 73,741	\$ 97,399	\$ 115,739	\$ 109,368	\$ 111,021	\$ 112,723	\$ 114,475

ENVIRONMENTAL RESOURCES

Program Revision: Hazardous Waste Sites Cleanup

This Program Revision provides an additional \$14 million from the Hazardous Sites Cleanup Fund to implement the third component of the Casey Administration's hazardous waste cleanup program. Almost \$41.4 million in State funds will be available in 1988-89 to cleanup hazardous waste sites, a 377 percent increase over 1986-87.

Revenue supporting the Hazardous Sites Cleanup Fund is generated from the Capital Stock/Franchise Surcharge and the proposed tipping fee on the disposal of hazardous waste.

In 1987-88, the Casey Administration began a three-part plan to cleanup hazardous waste sites. First, a thorough assessment of over 2000 hazardous waste sites in Pennsylvania will be completed by the end of 1987-88. Second, efforts to accelerate the Federal Superfund cleanup program in Pennsylvania have also begun. A new toxic waste management team has been established to provide the Department of Environmental Resources (DER) with expertise in toxicology, epidemiology, and risk assessment. In addition, a Superfund legal support unit to pursue responsible parties and initiate cost recovery

actions has been established.

The third component of the Administration's three-part plan is the creation of a new State hazardous waste cleanup program including the development and implementation of comprehensive hazardous waste cleanup legislation. This program would supplement the Federal Superfund program by allowing DER to act independent of the Environmental Protection Agency (EPA) to take interim, emergency and remedial measures in the event of a hazardous substance or contaminant release; move faster than the EPA to clean up sites that are on the National Priority List and cleanup hazardous waste sites that are not on the National Priority List.

This Program Revision will require additional staff resources to discover and assess about 50 new sites annually, conduct complete site inspections, establish a State hazardous site priority list, prepare remedial investigation and feasibility studies for cleaning up the sites, and develop and operate a hazardous waste tracking and fee system.

Program Measures:

	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
Hazardous waste site cleanup and project starts							
Current	4	10	10	10	10	10	10
Program Revision			12	13	18	20	24

Program Revision Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

Hazardous Sites Cleanup Fund
\$ 14,000 —additional funds to implement a new hazardous waste cleanup program.

Funds Available for Hazardous Sites Cleanup:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
GENERAL FUND:							
Hazardous Waste Control	\$ 8,684	\$ 15,684	\$ 15,684	\$ 15,684	\$ 15,684	\$ 15,684	\$ 15,684
HAZARDOUS SITES CLEANUP FUND:							
Capital Stock/Franchise Surcharge		11,700	20,200	27,100	29,200	22,400	4,600
Tipping Fee			5,500	5,500	5,500	5,500	5,500
TOTAL ALL FUNDS	\$ 8,684	\$ 27,384	\$ 41,384	\$ 48,284	\$ 50,384	\$ 43,584	\$ 25,784
CUMULATIVE TOTAL OF FUNDS . . .	\$ 8,684	\$ 36,068	\$ 77,452	\$ 125,736	\$ 176,120	\$ 219,704	\$ 245,488

ENVIRONMENTAL RESOURCES

Program Revision: PENNVEST/Safe Drinking Water Program

This Program Revision provides an additional \$14.5 million to implement the new PENNVEST financing program for community drinking water and municipal sewage treatment facilities and \$1,007,000 for additional staff to administer the State's Safe Drinking Water Program and implement new Federal drinking water requirements.

PENNVEST will be an investment pool of capital to rebuild and expand Pennsylvania's deteriorating environmental infrastructure. Initial investments in PENNVEST will be increased through interest earnings on its cashflow. PENNVEST funds will be used for grants, loans and loan guarantees to municipalities, municipal authorities and private firms to improve water and sewage systems.

The PENNVEST program will help maintain Pennsylvania's extensive system of community drinking water and municipal sewage treatment facilities which are essential to protecting public health and promoting economic development. Unfortunately, many of these systems need to be repaired, upgraded or expanded in order to meet the environmental and economic development goals of the Commonwealth. Sixty percent of the community drinking water systems in Pennsylvania have some type of deficiency, including about 250 systems which rely upon unfiltered surface water supplies. Approximately 30 percent of the municipal sewage treatment plants in Pennsylvania have bans that limit

new connections because they are overloaded. An estimated one million residents are served by inadequate or malfunctioning on-lot systems and 187 communities are discharging untreated sewage into Commonwealth waters.

This Program Revision provides \$9.6 million to match \$48 million in Federal funds for sewage treatment improvements. Funds will be available from a revolving loan program. An additional \$4.9 million is provided for assistance to improve water supply and sewage systems, water supply needs assessment contracts, and support staff to implement the PENNVEST program.

This Program Revision also provides an additional \$1,007,000 to begin full implementation of drinking water standards required by the Federal Safe Drinking Water Act and the Pennsylvania Safe Drinking Water Act of 1984. The 1986 amendments to the Federal Safe Drinking Water Act requires filtration regulations for all systems relying on surface water sources, disinfection of all groundwater sources, and strict lead content levels. The additional resources provided by this Program Revision will let the department permit more water systems, enforce the mandatory filtration rule on 250 water systems, enforce the disinfection requirement, develop and implement lead ban legislation, and increase monitoring and enforcement activities.

Program Measures:

	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
PENNVEST projects implemented							
Current							
Program Revision			25	50	100	150	200
Orders issued and permits acted on for public water systems (includes PENNVEST projects)							
Current	258	344	400	400	400	400	400
Program Revision			450	500	550	650	650

Program Revision Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

PENNVEST		Office of Protection	
\$ 9,600	—to match \$48 million in Federal funds for sewage treatment improvements.	\$ 1,007	—to implement drinking water standards required by the State and Federal Safe Drinking Water Acts.
\$ 2,960	—funds available for improvements to water supply and sewage systems.		
\$ 1,250	—to contract for water supply needs assessments.	\$ 15,507	<i>Program Revision Total</i>
\$ 690	—to provide support staff to implement the PENNVEST program.		
<u>\$ 14,500</u>	<i>Appropriation Increase</i>		

Recommended Program Revision Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
GENERAL FUND:							
PENNVEST			\$ 14,500	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000
Office of Protection			\$ 1,007	\$ 880	\$ 905	\$ 942	\$ 720
TOTAL GENERAL FUND			<u>\$ 15,507</u>	<u>\$ 7,880</u>	<u>\$ 7,905</u>	<u>\$ 7,942</u>	<u>\$ 7,720</u>

ENVIRONMENTAL RESOURCES

Program Revision: Improved Emergency Response

This Program Revision recommends an increase of \$932,000 for the Department of Environmental Resources (DER) to respond to environmental emergencies throughout the Commonwealth 24-hours-a-day, 7 days-a-week.

Pennsylvania has more transportation-related hazardous materials incidents than any other state in the country according to a Congressional report. In addition, the Commonwealth is home to an estimated 16,000 facilities that handle hazardous wastes.

In 1987, the department hired its first full-time emergency response staff and provided 24-hours-a-day, 7-days-a-week coverage in the Norristown, Harrisburg and Pittsburgh regional offices. These regional coordinators assemble trained and fully equipped multi-disciplinary emergency response teams from existing DER staff who will be available

at any time. The teams provide technical assistance to local emergency response personnel at the scene of accidental spills of hazardous materials. In addition the teams assist in training local emergency response personnel to ensure more effective cleanup of spills. The coordinators also provide liaison with the communities, counties, fire departments and the Pennsylvania Emergency Management Agency to ensure that appropriate support is available.

This Program Revision will provide three additional emergency response staff to provide 24-hours-a-day, 7-days-a-week coverage in the Wilkes-Barre, Williamsport and Meadville regional offices. Funds are also provided to purchase protective clothing, monitoring and measuring equipment, and communications equipment.

Program Measures:

	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
On-site response to environmental emergencies							
Current	300	500	500	500	500	500	500
Program Revision			700	800	1,000	1,000	1,000

Program Revision Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

Office of Protection

\$ 932 —to expand full-time emergency response coverage in the Wilkes-Barre, Williamsport, and Meadville regional offices.

Recommended Program Revision Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
GENERAL FUND:							
Office of Protection			\$ 932	\$ 131	\$ 136	\$ 142	\$ 147

ENVIRONMENTAL RESOURCES

Program Revision: Solid Waste Management

This Program Revision provides an additional \$1,826,000 to implement a comprehensive municipal waste planning and mandatory recycling program, implement new municipal waste regulations, promulgate new residual waste regulations, repermit residual waste facilities, and provide for mandatory inspection of residual waste sites.

Implementation of comprehensive municipal waste planning and mandatory recycling legislation is essential to address the critical shortage of disposal and processing capacity for municipal waste generated in the Commonwealth. This program is an integral part of the department's overall strategy to deal with the municipal waste capacity crisis.

This Program Revision will provide resources to assist 56 counties in updating their existing waste management plans and 11 counties that have not initiated waste management plans. The Department of Environmental Resources (DER) will work with county planning officials to determine current and projected waste volumes, identify deficiencies in the current waste system, and assess the long-term needs of the county. DER will provide technical assistance to almost 400 communities that will be required to establish recycling programs under the Administration's proposed mandatory recycling legislation, and enforce

compliance with the recycling law and regulations. In addition, DER will conduct public education programs about recycling and market studies for recycled materials.

Funds have also been provided to implement the department's new municipal waste regulations which require improved groundwater monitoring, leachate and gas management, liner systems, and new financial responsibility requirements for 102 facilities. The department will close or approve as many as 288 facilities in 1988-89 which will require a substantial amount of work to develop and approve plans and applications.

In addition, this Program Revision will double the staff to launch a comprehensive residual waste program. Residual waste is non-hazardous materials generated by industry and construction. Over 18 million tons of residual waste is generated in the State each year. These resources, and new residual waste regulations, will enable the department to begin permitting or closing 1,000 facilities that have never been permitted and begin repermitting or closing the 300 facilities that are currently permitted. Implementation of a mandatory inspection program will ensure compliance with department regulations.

Program Measures:

	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
Municipal facilities permitted or repermited							
Current	267	265	265	265	265	265	265
Program Revision			288	288	288	288	288
Municipal waste curbside recycling programs							
Current	91	111	131	151	171	191	211
Program Revision			250	300	350	500	550
Municipal waste inspections performed							
Current	1,929	1,973	2,025	2,025	2,025	2,025	2,025
Program Revision			2,650	2,650	2,650	2,650	2,650
Residual waste inspections performed							
Current	516	525	541	541	541	541	541
Program Revision			658	658	658	658	658

Program Revision Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

<p>Office of Protection</p> <p>\$ 1,826</p>	<p>—to increase waste management and planning capabilities by 55%, including technical assistance to county planning and municipal curbside recycling programs, market development studies for recycled materials, and regulation and inspection of waste disposal facilities. Also doubles funding for the program that regulates facilities that dispose of residual waste and other non-hazardous industrial waste.</p>
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Recommended Program Revision Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
GENERAL FUND:							
Office of Protection			<u>\$ 1,826</u>	<u>\$ 1,503</u>	<u>\$ 1,148</u>	<u>\$ 1,193</u>	<u>\$ 1,241</u>

ENVIRONMENTAL RESOURCES

PROGRAM OBJECTIVE: To protect the people from dangerous or unnecessary radiation from natural and man-made sources, including occupational and medical exposure.

Program: Radiation Protection

The program utilizes four means to protect citizens from exposure to dangerous levels of radiation. First is the regulation, licensing and inspection of radiation source users. This involves registration of radiation producing equipment, licensing of users of radioactive materials and inspection of facilities to assure compliance with regulations.

Second, the department monitors the environment for radiation. This is primarily done in the vicinity of major users of radioactive materials, such as nuclear power plants. Off-site samples taken near nuclear power plants are expected to increase as new sampling equipment and techniques become operational. The radon surveillance and action program is also part of this activity, measuring levels in private dwellings, advising owners on remedial actions they can take, and conducting research for effective solutions.

The third means of protection is routine inspection and oversight of nuclear power generating facilities in the Commonwealth. These are: Beaver Valley Power Station, Limerick Generating Station, Peach Bottom Atomic Power Station, Susquehanna Steam Electric Station and Three Mile Island Nuclear Station. An agreement with the U.S. Nuclear Regulatory Commission (NRC) allows State nuclear engineers to review

and evaluate plant design and operations, participate in any NRC hearings and participate in routine NRC inspections.

The fourth area involves planning and emergency preparedness to protect citizens of the Commonwealth in the event of accidents involving radioactive materials at power plants and other facilities utilizing radioactive materials.

Safe disposal of low-level radioactive waste, that is the disposal of such items as contaminated filters, gloves and clothing from hospitals, industries, and university research centers, is also a part of this program. (Spent nuclear fuel and similar highly radioactive materials are not included.) Since the Commonwealth is a major generator of these materials, a disposal site will be established within its borders. The Appalachian Low-Level Radioactive Waste Compact (Act 120 of 1985) committed Pennsylvania to establish a low-level radioactive waste disposal site for the four states in the compact — Delaware, Maryland, West Virginia and Pennsylvania. The next step is the passage of legislation governing the selection of a site, operation of a facility and transportation of wastes to the site.

Program Measures:

	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
Radiation user inspections performed	1,496	1,800	2,300	2,300	2,300	2,300	2,300
Users brought into compliance through inspections	220	450	600	600	600	600	600
Nuclear plant off-site samples	2,858	3,124	3,124	3,124	3,124	3,124	3,124
Cubic feet of low level radioactive waste generated in Pennsylvania	170,000	220,000	220,000	200,000	200,000	200,000	200,000

The program measures showing radiation user inspections performed and users brought into compliance through inspections will increase because of the program expansion in FY1987-88. As this program is self-funded by permit fees, no increase in General Fund monies is needed.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

<p>Radon Testing</p> <p>\$ 1 —to continue current program.</p>	<p>Low Level Radioactive Waste</p> <p>\$ 71 —to provide full year funding of program initiated in 1987-88.</p>
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The Appalachian States Low-level Waste Compact appropriation is continued at the current level of participation.

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
GENERAL FUND:							
Canonsburg Remedial Action	\$ 413	\$ 40					
Radon Testing	1,348	1,407	1,408	1,450	1,494	1,539	1,585
Three Mile Island Clean-up	5,000	5,000					
Appalachian States Low-level Waste Compact		200	200	200	200	200	200
Radon Demonstration Project	1,000						
Low Level Radioactive Waste Program		665	736	758	782	805	830
TOTAL GENERAL FUND	\$ 7,761	\$ 7,312	\$ 2,344	\$ 2,408	\$ 2,476	\$ 2,544	\$ 2,615

ENVIRONMENTAL RESOURCES

PROGRAM OBJECTIVE: To provide and manage outdoor recreation facilities and open space areas for citizens of the Commonwealth and out-of-state visitors.

Program: Recreation Areas and Facilities Management

Currently there are 113 State parks and recreation areas encompassing 281,889 acres. In 1986-87, over 35 million visitors used these facilities. An estimated 15 percent of these visitors were from out of state, significantly contributing to the Commonwealth's tourist industry. In addition to managing these facilities, this program also maintains and restores the State parks and adds new facilities where needed. User fees and concession charges are used to support the maintenance and

operation of the park system.

In addition, the Pennsylvania Conservation Corps has been involved with rehabilitation and construction projects in State parks, in other State-owned facilities and, through grants, in projects operated by county and municipal governments. The corps meets its dual objectives of improving public recreational facilities while providing work training opportunities and job skills to youths.

Program Measures:

	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
State park attendance in visitor days (in thousands)	41,997	46,965	46,965	46,965	46,965	46,965	46,965
Major maintenance or restoration projects completed	276	220	250	250	250	250	250

The program measure showing State park attendance in visitor days increases reflecting a more comprehensive method of tallying park usage. The program measure showing major maintenance or restoration projects completed will increase because of additional General Fund monies provided for operations which will free Restricted Receipts funds for major maintenance.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

State Parks	Annual Fixed Charges — Flood Lands
\$ 1,132 —to continue current program, includes increased General Fund contribution for operations.	\$ 6 —to continue current program.
\$ 220 —increase staff coverage for expanding park services.	
<u>\$ 1,352</u> Appropriation increase	

It is recommended that the Annual Fixed Charges – Project 70 appropriation continue at the current program level. The Fabridam appropriation is a nonrecurring project.

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
GENERAL FUND:							
State Parks	\$ 27,879	\$ 29,127	\$ 30,479	\$ 31,434	\$ 32,379	\$ 33,352	\$ 34,354
Annual Fixed Charges—Flood Lands	17	17	23	23	23	23	23
Annual Fixed Charges—Project 70	11	12	12	12	12	12	12
Fabridam		800					
TOTAL GENERAL FUND	<u>\$ 27,907</u>	<u>\$ 29,956</u>	<u>\$ 30,514</u>	<u>\$ 31,469</u>	<u>\$ 32,414</u>	<u>\$ 33,387</u>	<u>\$ 34,389</u>



Commonwealth of Pennsylvania

Fish Commission

The Fish Commission administers and enforces the fishing and boating laws of the Commonwealth and provides for the protection and propagation of aquatic life.

FISH COMMISSION

Summary by Fund and Appropriation

	1986-87 Actual	(Dollar Amounts in Thousands) 1987-88 Available	1988-89 Budget
GENERAL FUND			
GRANTS AND SUBSIDIES:			
Atlantic States Marine Fisheries Commission	\$ 7	\$ 7	\$ 7
BOAT FUND			
GENERAL GOVERNMENT:			
General Operations (EA)	\$ 3,445	\$ 3,863	\$ 3,920
(F) Heritage Conservation and Recreation Services			
(F) U.S. Coast Guard Grant — Boating Safety	681	344	360
(F) Sport Fish Restoration	155	199	208
(A) Sale of Vehicles	19	10	10
STATE FUNDS	\$ 3,445	\$ 3,863	\$ 3,920
FEDERAL FUNDS	836	543	568
AUGMENTATIONS	19	10	10
BOAT FUND TOTAL	\$ 4,300	\$ 4,416	\$ 4,498
FISH FUND			
GENERAL GOVERNMENT:			
General Operations (EA)	\$ 14,586	\$ 15,399	\$ 16,127
(F) Fish and Wildlife Restoration Act	2,331	2,655	3,080
(F) Commercial Fish Act	67	76	19
(F) Heritage Conservation and Recreation Services			
(F) Mid-Atlantic Fisheries Management Council	5	5	7
(F) Small Operators Assistance Program	11	15	7
(F) Surface Mine Regulatory Program	31	26	40
(A) Sale of Vehicles	79	50	50
(A) Reimbursement for Services — Boat Fund	4,300	4,416	4,498
(A) Pennsylvania Conservation Corps	236		
STATE FUNDS	\$ 14,586	\$ 15,399	\$ 16,127
FEDERAL FUNDS	2,445	2,777	3,153
AUGMENTATIONS	4,615	4,466	4,548
FISH FUND TOTAL	\$ 21,646	\$ 22,642	\$ 23,828
DEPARTMENT TOTAL — ALL FUNDS			
GENERAL FUND	\$ 7	\$ 7	\$ 7
SPECIAL FUNDS	18,031	19,262	20,047
FEDERAL FUNDS	3,281	3,320	3,721
AUGMENTATIONS	4,634	4,476	4,558
TOTAL ALL FUNDS	\$ 25,953	\$ 27,065	\$ 28,333

FISH COMMISSION

Program Funding Summary:

	(Dollar Amounts in Thousands)						
	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
	Actual	Available	Budget	Estimated	Estimated	Estimated	Estimated
RECREATIONAL FISHING AND BOATING							
General Fund	\$ 18,038	\$ 19,269	\$ 20,054	\$ 20,738	\$ 21,449	\$ 22,187	\$ 22,734
Federal Funds	3,281	3,320	3,721	3,809	3,856	3,856	3,856
Other Funds	4,634	4,476	4,558	4,609	4,664	4,704	4,526
TOTAL	<u>\$ 25,953</u>	<u>\$ 27,065</u>	<u>\$ 28,333</u>	<u>\$ 29,156</u>	<u>\$ 29,969</u>	<u>\$ 30,747</u>	<u>\$ 31,116</u>

FISH COMMISSION

PROGRAM OBJECTIVE: To establish habitats and environments which will sustain fish and wildlife population for recreational uses and for perpetuation of species, and to provide a satisfactory variety of opportunities for fishing and boating on Commonwealth waters.

Program: Recreational Fishing and Boating

The Fish 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 responds to the need for environmental safeguards, and closely monitors the water quality of many streams, lakes and rivers in the Commonwealth.

Program Measures:

	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
Fishing licenses sold	1,087,138	1,114,000	1,123,000	1,132,000	1,141,000	1,141,000	1,141,000
Pounds of fish stocked in Commonwealth streams and lakes	2,687,936	2,600,000	2,600,000	2,600,000	2,600,000	2,600,000	2,600,000
Boats registered	236,000	245,000	255,000	265,000	275,000	286,000	297,000

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

BOAT FUND:
General Government Operations
 \$ 57 —to continue current programs.

FISH FUND:
General Government Operations
 \$ 728 —to continue current programs.

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
BOAT FUND:							
General Operations	\$ 3,445	\$ 3,863	\$ 3,920	\$ 3,959	\$ 3,999	\$ 4,039	\$ 3,861
FISH FUND:							
General Operations	\$ 14,586	\$ 15,399	\$ 16,127	\$ 16,772	\$ 17,443	\$ 18,141	\$ 18,866



Commonwealth of Pennsylvania

Game Commission

The Game Commission administers and enforces the game laws of the Commonwealth and provides for the protection and propagation of wildlife.

GAME COMMISSION

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Budget
GAME FUND			
GENERAL GOVERNMENT:			
General Operations	\$ 36,302	\$ 36,540	\$ 33,949
(F) National Park Service .....	.....	40	.....
(F) Pittman-Robinson Act Reimbursements	4,629	3,800	4,200
(F) Endangered Species	10	32	36
(F) Surface Mine Regulatory Program	44	40	43
(A) Sale of Vehicles	147	100	150
(A) Sharecrop and Agricultural Leases	20	20	19
(A) Pennsylvania Conservation Corps	159	25	25
(A) Donations	45	150	100
 STATE FUNDS	 \$ 36,302	 \$ 36,540	 \$ 33,949
FEDERAL FUNDS	4,683	3,912	4,279
AUGMENTATIONS	371	295	294
 GAME FUND TOTAL	 \$ 41,356	 \$ 40,747	 \$ 38,522

GAME COMMISSION

Program Funding Summary:

	(Dollar Amounts in Thousands)						
	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
	Actual	Available	Budget	Estimated	Estimated	Estimated	Estimated
WILDLIFE MANAGEMENT							
General Fund	\$ 36,302	\$ 36,540	\$ 33,949	\$ 35,307	\$ 36,719	\$ 38,188	\$ 39,648
Federal Funds	4,683	3,912	4,279	4,159	4,159	4,159	4,159
Other Funds	371	295	294	269	269	269	269
TOTAL	<u>\$ 41,356</u>	<u>\$ 40,747</u>	<u>\$ 38,522</u>	<u>\$ 39,735</u>	<u>\$ 41,147</u>	<u>\$ 42,616</u>	<u>\$ 44,076</u>

GAME COMMISSION

PROGRAM OBJECTIVE: To establish habitats and environments which will sustain wildlife populations for recreational uses and for the perpetuation of species.

Program: Wildlife Management

The main responsibility of the Game Commission is the perpetuation of the species of wildlife found in Pennsylvania. While those species considered game animals such as deer, turkey and bear, receive the most attention, others (river otters, osprey, peregrine falcons and eagles, both bald and golden) are also the focus of programs for endangered and threatened species. More common species are not ignored; they receive the protection mandated in the Game and Wildlife Code and are recognized as part of the natural balance.

Enforcement of the provisions of this code is critical; however, the primary means of ensuring the propagation and preservation of wildlife is properly managed land and game habitat. Currently the commission administers over 1.3 million acres of public property, the State Game Lands, and is judiciously acquiring additional lands, focusing on critically important wetlands. The commission also has cooperative programs to encourage good land management and habitat improvement by private landowners; thereby stimulating hunting on private lands.

Program Measures:

	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
Hunting licenses sold	1,168,000	1,166,000	1,166,000	1,166,000	1,166,000	1,166,000	1,166,000
Deer taken	157,132	175,000	175,000	175,000	175,000	175,000	175,000
Arrests for violation of game laws	9,942	10,000	10,000	10,000	10,000	10,000	10,000

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

General Government Operations	
\$ -4,694	—Non-recurring items (headquarters building and land acquisition).
1,503	—to continue current programs.
200	—update radio system.
400	—training school expenses and equipment for new graduates.
\$ -2,591	<i>Appropriation decrease</i>

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
GENERAL FUND:							
General Operations	<u>\$ 36,302</u>	<u>\$ 36,540</u>	<u>\$ 33,949</u>	<u>\$ 35,307</u>	<u>\$ 36,719</u>	<u>\$ 38,188</u>	<u>\$ 39,648</u>



Commonwealth of Pennsylvania

Department of General Services

The Department of General Services administers the leasing, purchasing, transportation, construction, repair and maintenance services for all agencies of the Commonwealth.

GENERAL SERVICES

Summary by Fund and Appropriation

	1986-87 Actual	(Dollar Amounts in Thousands) 1987-88 Available	1988-89 Budget
GENERAL FUND			
GENERAL GOVERNMENT:			
General Government Operations	\$ 41,031	\$ 41,825	\$ 43,002
(A) Employes Group Life Insurance	50	52	52
(A) Federal Surplus Property	338	309	309
(A) Reproduction Services	931	.....	.....
(A) State Buildings Use	1,353	841	841
(A) Sound Equipment	27	29	29
(A) Employee Liability Self Insurance Program .....	.....	50	52
(A) Information Center — Centrix	140	166	166
(A) General State Authority Fiscal Function	81	78	78
(A) Newsroom Services	14	14	14
(A) Computer Services	38	42	42
(A) Plans Forfeiture	50	27	27
(A) Media Center Reimbursements	697	680	680
(A) Commonwealth Data Network	3,916	6,212	7,100
Total — General Government Operations	<u>\$ 48,666</u>	<u>\$ 50,325</u>	<u>\$ 52,392</u>
Capitol Police Operations	3,172	3,621	3,885
(A) Capitol Police Services .....	.....	50	.....
Minority Contractors Information Center	85	100	100
Utility Costs	8,900	9,500	9,500
Harristown Rental	7,948	7,798	7,300
Harristown Utility and Municipal Charges	5,831	5,918	6,064
Commonwealth Data Network	1,696	.....	.....
Printing the Pennsylvania Manual	165	.....	178
Subtotal — State Funds	\$ 68,828	\$ 68,762	\$ 70,029
Subtotal — Augmentations	7,635	8,560	9,390
Total — General Government	<u>\$ 76,463</u>	<u>\$ 77,322</u>	<u>\$ 79,419</u>
DEBT SERVICE REQUIREMENTS:			
General State Authority Rentals	\$ 40,263	\$ 38,317	\$ 34,492
(A) Student Union Rentals	42	1,000	1,000
Total — General State Authority Rentals	<u>\$ 40,305</u>	<u>\$ 39,317</u>	<u>\$ 35,492</u>
GRANTS AND SUBSIDIES:			
Capitol Fire Protection	\$ 400	\$ 550	\$ 550
Soldiers' Grove .....	.....	25	.....
Asbestos Response .....	.....	.....	1,000
Total — Grants and Subsidies	<u>\$ 400</u>	<u>\$ 575</u>	<u>\$ 1,550</u>
CAPITAL IMPROVEMENTS:			
Energy Conservation Project	\$ 1,500	\$ 750	\$ 750
Capitol Improvements .....	.....	500	.....
Total — Capital Improvements	<u>\$ 1,500</u>	<u>\$ 1,250</u>	<u>\$ 750</u>
STATE FUNDS	\$ 110,991	\$ 108,904	\$ 106,821
AUGMENTATIONS	7,677	9,560	10,390
GENERAL FUND TOTAL	<u>\$ 118,668</u>	<u>\$ 118,464</u>	<u>\$ 117,211</u>

GENERAL SERVICES

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Budget
MOTOR LICENSE FUND			
<i>DEBT SERVICE REQUIREMENTS:</i>			
General State Authority Rentals	\$ 1,167	\$ 1,185	\$ 1,177
 <i>GRANTS AND SUBSIDIES:</i>			
Tort Claim Payments	\$ 26,500	\$ 26,500	\$ 26,500
Asbestos Response .....	.....	.....	500
Total — Grants and Subsidies	<u>\$ 26,500</u>	<u>\$ 26,500</u>	<u>\$ 27,000</u>
 MOTOR LICENSE FUND TOTAL	 <u>\$ 27,667</u>	 <u>\$ 27,685</u>	 <u>\$ 28,177</u>
 BANKING DEPARTMENT FUND			
<i>GENERAL GOVERNMENT:</i>			
Harristown Rental Charges	\$ 175	\$ 171	\$ 163
Harristown Utility and Municipal Charges	<u>126</u>	<u>128</u>	<u>131</u>
 BANKING DEPARTMENT FUND TOTAL	 <u>\$ 301</u>	 <u>\$ 299</u>	 <u>\$ 294</u>
 BOAT FUND			
<i>DEBT SERVICE REQUIREMENTS:</i>			
General State Authority Rentals	\$ 2	\$ 2	\$ 2
 BOAT FUND TOTAL	 <u>\$ 2</u>	 <u>\$ 2</u>	 <u>\$ 2</u>
 FISH FUND			
<i>DEBT SERVICE REQUIREMENTS:</i>			
General State Authority Rentals	\$ 62	\$ 63	\$ 63
 FISH FUND TOTAL	 <u>\$ 62</u>	 <u>\$ 63</u>	 <u>\$ 63</u>
 LOTTERY FUND			
<i>GENERAL GOVERNMENT:</i>			
Harristown Rental Charges	\$ 103	\$ 101	\$ 96
Harristown Utility and Municipal Charges	<u>86</u>	<u>87</u>	<u>89</u>
 LOTTERY FUND TOTAL	 <u>\$ 189</u>	 <u>\$ 188</u>	 <u>\$ 185</u>

GENERAL SERVICES

	1986-87 Actual	(Dollar Amounts in Thousands) 1987-88 Available	1988-89 Budget
OTHER FUNDS			
<i>REVENUE SHARING TRUST FUND:</i>			
Moving and Relocation Expenses	\$ 171	\$ 300	\$ 247
OTHER FUNDS TOTAL	\$ 171	\$ 300	\$ 247
 DEPARTMENT TOTAL — ALL FUNDS			
GENERAL FUNDS	\$ 110,991	\$ 108,904	\$ 106,821
SPECIAL FUNDS	28,221	28,237	28,721
AUGMENTATIONS	7,677	9,560	10,390
OTHER FUNDS	171	300	247
TOTAL ALL FUNDS	\$ 147,060	\$ 147,001	\$ 146,179

GENERAL SERVICES

Program Funding Summary:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
FACILITY, PROPERTY, AND COMMODITY MANAGEMENT							
General Fund	\$ 70,728	\$ 70,587	\$ 72,329	\$ 73,464	\$ 75,638	\$ 76,409	\$ 78,684
Special Funds	26,990	26,987	27,479	29,475	30,984	34,983	37,987
Other Funds	7,806	8,860	9,637	9,813	10,255	10,722	11,211
TOTAL	<u>\$ 105,524</u>	<u>\$ 106,434</u>	<u>\$ 109,445</u>	<u>\$ 112,752</u>	<u>\$ 116,877</u>	<u>\$ 122,114</u>	<u>\$ 127,882</u>
PAYMENT OF GENERAL STATE AUTHORITY RENTALS							
General Fund	\$ 40,263	\$ 38,317	\$ 34,492	\$ 30,729	\$ 27,462	\$ 24,595	\$ 23,365
Special Funds	1,231	1,250	1,242	1,225	1,154	1,125	1,125
Other Funds	42	1,000	1,000	1,000	1,000	1,000	1,000
TOTAL	<u>\$ 41,536</u>	<u>\$ 40,567</u>	<u>\$ 36,734</u>	<u>\$ 32,954</u>	<u>\$ 29,616</u>	<u>\$ 26,720</u>	<u>\$ 25,490</u>
ALL PROGRAMS							
GENERAL FUND	\$ 110,991	\$ 108,904	\$ 106,821	\$ 104,193	\$ 103,100	\$ 101,004	\$ 102,049
SPECIAL FUNDS	28,221	28,237	28,721	30,700	32,138	36,108	39,112
OTHER FUNDS	7,848	9,860	10,637	10,813	11,255	11,722	12,211
TOTAL	<u>\$ 147,060</u>	<u>\$ 147,001</u>	<u>\$ 146,179</u>	<u>\$ 145,706</u>	<u>\$ 146,493</u>	<u>\$ 148,834</u>	<u>\$ 153,372</u>

GENERAL SERVICES

PROGRAM OBJECTIVE: To maintain the Commonwealth's real property and facilities; to provide Commonwealth agencies with quality commodities in a timely manner; and to settle tort claims in an equitable manner while reducing risks.

Program: Facility, Property, and Commodity Management

This program provides for management of the buildings and grounds including police services for the Capitol Complex in Harrisburg and the State Office buildings in Philadelphia, Pittsburgh, Scranton, Altoona, and Reading. The department also manages the acquisition and utilization of space and facilities by State agencies and provides agencies with commodities that conform to accepted standards of quality.

The department also provides telecommunications services to Commonwealth Agencies.

This program is also responsible for preparing plans, designs, surveys, and specifications for all state construction projects. All projects are closely monitored to ensure compliance with state laws and building codes.

This program handles tort claims, in conjunction with the Attorney General's Office, brought against the Commonwealth, its officials, and

employees. Act 152 of 1978 reaffirmed the Commonwealth's use of sovereign immunity as a defense against tort claims, but established criteria for limited amounts of liability in eight specific areas: vehicle liability; medical professional liability; personal property; Commonwealth real estate; potholes and other dangerous conditions; care, custody and control of domestic animals; liquor store sales; and National Guard activities. Claims in the pre-litigation stage are investigated by the department, while the Office of Attorney General defends those claims in litigation.

In order to assess the asbestos danger in Commonwealth-owned buildings \$1,000,000 from the General Fund and \$500,000 from the Motor License Fund will be provided. A professional asbestos inspection consultant will be hired to calculate the hazard potential for areas where asbestos is present and estimate the cost of abatement.

Program Measures:

	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
Value of Federal surplus property (in thousands):							
On Hand	\$2,580	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500
Distributed	\$8,345	\$8,750	\$9,000	\$9,500	\$10,000	\$10,500	\$11,000
Capital facilities projects in design and/or construction:							
Number	385	495	500	475	450	425	450
Value (in thousands)	\$725,000	\$825,000	\$850,000	\$725,000	\$675,000	\$600,000	\$625,000
Requests for telecommunications proposal and or service processed ...	8,812	8,850	8,900	9,000	9,100	9,200	9,200
Tort claims filed	7,974	8,500	9,100	10,800	11,000	14,000	14,000
Tort claims closed (includes settlements, judgements and denials)	7,282	8,000	8,500	9,000	9,500	10,500	10,500
Tort claims pending	7,139	9,364	11,000	14,000	17,000	18,500	18,500
Amount of claims pending (in thousands)	\$263,989	\$308,867	\$414,000	\$518,000	\$647,000	\$700,000	\$700,000

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

<p>General Government Operations</p> <p>\$ -177 —nonrecurring projects.</p> <p>\$ -52 —savings due to press/communications reorganization.</p> <p>1,220 —to continue current program.</p> <p>186 to expand computer services for tracking construction projects.</p> <hr/> <p>\$ 1,177 <i>Appropriation Increase</i></p> <p>Capitol Police Operations</p> <p>\$ -20 —nonrecurring project.</p> <p>194 —to continue current program.</p> <p>90 —to purchase maintenance contracts for various systems in the Capitol Addition for which the warranties are due to expire.</p> <hr/> <p>\$ 264 <i>Appropriation Increase</i></p>	<p>Harristown Rental Charges</p> <p>\$ -498 —to reflect charge provided for in the lease.</p> <p>Harristown Utility and Municipal charges</p> <p>\$ 146 —to provide for anticipated modest increase in usage.</p> <p>Pennsylvania Manual</p> <p>\$ 178 —to provide for biennial printing and distribution.</p> <p>Soldiers' Grove</p> <p>\$ 25 —nonrecurring project.</p> <p>Asbestos Response Program</p> <p>\$ 1,000 —to conduct a full-scale asbestos assessment of Commonwealth-owned buildings.</p>
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All other programs are recommended to be continued at the current levels.

GENERAL SERVICES

Program: Facility, Property, and Commodity Management (continued)

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
	Actual	Available	Budget	Estimated	Estimated	Estimated	Estimated
GENERAL FUND:							
General Government Operations	\$ 41,031	\$ 41,825	\$ 43,002	\$ 44,294	\$ 45,624	\$ 46,996	\$ 48,408
Capitol Police Operations	3,172	3,621	3,885	4,001	4,122	4,246	4,373
Minority Contractors	85	100	100	103	106	109	113
Utility Costs	8,900	9,500	9,500	9,785	10,080	10,383	10,696
Harristown Rental Charges	7,948	7,798	7,300	6,674	6,669	6,554	6,454
Harristown Utility and Municipal Charges	5,831	5,918	6,064	6,307	6,559	6,821	7,162
Pennsylvania Manual	165	.. . .	178	.. . .	178	.. . .	178
Capitol Fire Protection	400	550	550	550	550	550	550
Soldier's Grove . . . . .	.. . .	25	.. . .	.. . .	.. . .	.. . .	.. . .
Energy Conservation Projects	1,500	750	750	750	750	750	750
Capitol Improvements . . . . .	.. . .	500	.. . .	.. . .	.. . .	.. . .	.. . .
Commonwealth Data Network	1,696	.. . .	.. . .	.. . .	.. . .	.. . .	.. . .
Asbestos Response Program . . . . .	.. . .	.. . .	1,000	1,000	1,000	.. . .	.. . .
TOTAL GENERAL FUND	\$ 70,728	\$ 70,587	\$ 72,329	\$ 73,464	\$ 75,638	\$ 76,409	\$ 78,684
BANKING DEPARTMENT FUND							
Harristown Rental Charges	\$ 175	\$ 171	\$ 163	\$ 156	\$ 156	\$ 151	\$ 151
Harristown Municipal and Utility Costs	126	128	131	136	141	147	151
TOTAL BANKING DEPARTMENT FUND	\$ 301	\$ 299	\$ 294	\$ 292	\$ 297	\$ 298	\$ 302
STATE LOTTERY FUND							
Harristown Rental Charges	\$ 103	\$ 101	\$ 96	\$ 90	\$ 90	\$ 85	\$ 85
Harristown Utility and Municipal Charges	86	87	89	93	97	100	100
TOTAL STATE LOTTERY FUND	\$ 189	\$ 188	\$ 185	\$ 183	\$ 187	\$ 185	\$ 185
MOTOR LICENSE FUND							
Tort Claim Payments	\$ 26,500	\$ 26,500	\$ 26,500	\$ 29,000	\$ 30,500	\$ 34,500	\$ 37,500
Asbestos Response Program . . . . .	.. . .	.. . .	500	.. . .	.. . .	.. . .	.. . .
TOTAL MOTOR LICENSE FUND	\$ 26,500	\$ 26,500	\$ 27,000	\$ 29,000	\$ 30,500	\$ 34,500	\$ 37,500

GENERAL SERVICES

PROGRAM OBJECTIVE: To make rental payments to the General State Authority for projects financed and constructed by the authority.

Program: Payment of General State Authority Rentals

The Department of General Services makes payments to the General State Authority for rent and other charges that are due on leases or other contractual agreements between the department and the General State Authority. Payments are for the use of grounds, buildings and equipment financed and constructed by the authority with the exception of projects for State-aided colleges and universities which are

paid for by the Department of Education. This amount also provides for fire and boiler insurance premiums.

Rental payments are for the retirement of bonds issued by the authority. Since 1968, capital construction has been financed by General Obligation Bonds with the debt service paid through the Treasury Department.

Program Recommendations:

This budget recommends the following increases: (Dollar Amounts in Thousands)

<p>GENERAL FUND: General State Authority Rentals \$ -3,825 —debt service requirement.</p>	<p>MOTOR LICENSE FUND: General State Authority Rentals \$ -8 —debt service requirement.</p>
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Rental for the Fish and Boat Funds are recommended at current funding levels.

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
GENERAL FUND:							
General State Authority Rentals	<u>\$ 40,263</u>	<u>\$ 38,317</u>	<u>\$ 34,492</u>	<u>\$ 30,729</u>	<u>\$ 27,462</u>	<u>\$ 24,595</u>	<u>\$ 23,365</u>
MOTOR LICENSE FUND:							
General State Authority Rentals	<u>\$ 1,167</u>	<u>\$ 1,185</u>	<u>\$ 1,177</u>	<u>\$ 1,160</u>	<u>\$ 1,089</u>	<u>\$ 1,060</u>	<u>\$ 1,060</u>
FISH FUND:							
General State Authority Rentals	<u>\$ 62</u>	<u>\$ 63</u>	<u>\$ 63</u>	<u>\$ 63</u>	<u>\$ 63</u>	<u>\$ 63</u>	<u>\$ 63</u>
BOAT FUND:							
General State Authority Rentals	<u>\$ 2</u>	<u>\$ 2</u>	<u>\$ 2</u>	<u>\$ 2</u>	<u>\$ 2</u>	<u>\$ 2</u>	<u>\$ 2</u>



Commonwealth of Pennsylvania

Department of Health

The Department of Health is responsible for planning and coordinating all the health resources of the Commonwealth. In addition, the department provides some direct public health services, including programs for children, treatment for certain blood diseases, programs for communicable diseases, and subsidies for research and development.

The Secretary of Health receives assistance and information from approximately fifty advisory groups, the most prominent being: the Advisory Health Board, the Drug, Device and Cosmetic Board, the Advisory Committee for Clinical Laboratories, the Statewide Health Coordinating Council, and the Advisory Council on Drug and Alcohol Abuse.

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Budget
GENERAL FUND			
GENERAL GOVERNMENT:			
General Government Operations	\$ 11,068	\$ 10,930	\$ 10,815
(F) SSA (XVI) D & A Referral/Monitoring	40	43	57
(F) PHHSBG — Administration	227	300	300
(F) National Health Service Corps	127	166	166
(F) Antibody Testing and Counseling	274	450	.....
(F) Centralia Mine Fire Recovery	27	.....	.....
(F) Health Planning Development	585	168	.....
(F) ADAMHBG — Administration	1,260	1,379	1,379
(F) Health Resources Requirement	72	.....	.....
(F) MCHBG — Administration	1,688	1,750	1,750
(F) Antidrug Abuse Administration .....	.....	83	83
(F) FHWA — Driving Under Influence	46	50	.....
(A) Data Center Services	2,088	2,150	2,150
(A) Drug and Alcohol Conference Fees	81	90	50
(A) Pennsylvania State University/Hershey Medical Center — Elizabethtown Hospital for Children and Youth	4,747	5,115	5,178
(A) Departmental Services	952	875	875
Subtotal — Federal Funds	\$ 4,346	\$ 4,389	\$ 3,735
Subtotal — Augmentations	7,868	8,230	8,253
Total — General Government Operations	\$ 23,282	\$ 23,549	\$ 22,803
TMI — Health Studies	292	271	286
Quality Assurance	3,006	3,077	3,326
(F) Medicare — Health Service Agency Certification	2,328	2,550	2,300
(F) Medicaid Certification	1,655	2,100	1,964
(F) Inpatient Psychiatric Unit Surveys	35	35	35
(A) Publication Fees	10	15	15
(A) ICF/MR Reviews	109	134	139
(A) Penalty Fees	70	.....	.....
Subtotal — Federal Funds	\$ 4,018	\$ 4,685	\$ 4,299
Subtotal — Augmentations	188	149	154
Total — Quality Assurance	\$ 7,213	\$ 7,911	\$ 7,779
Vital Statistics	3,798	4,050	4,662
(F) Cooperative Health Statistics	302	453	489
(F) Drake Health Registry	192	261	170
(A) Reimbursement for Microfilming	50	52	52
Total — Vital Statistics	\$ 4,342	\$ 4,816	\$ 5,373
State Laboratory	2,580	2,803	2,982
(F) Medicare — Health Services Agency Certification	112	146	161
(A) Licensure of Clinical Laboratories	231	271	274
(A) Blood Lead Testing — Chester	12	10	10
(A) Low Volume Proficiency Testing	38	46	46
(A) Lab Personnel Registry	2	2	2
(A) Training Council Fees	1	3	.....
Subtotal — Augmentations	\$ 283	\$ 332	\$ 332
Total — State Laboratory	\$ 2,975	\$ 3,281	\$ 3,475

HEALTH

(Dollar Amounts in Thousands)

GENERAL FUND

GENERAL GOVERNMENT: (continued)

	1986-87 Actual	1987-88 Available	1988-89 Budget
State Health Care Centers	\$ 12,579	\$ 12,551	\$ 12,779
(F) Indochinese Refugees	86	110	110
(F) Migrant Health Grants	637	655	526
(F) Disease Control Immunization	319	351	396
(F) PHHSBG — Health Education and Prevention	443	475	475
(F) PHHSBG — Hypertension Services	816	910	1,178
(F) PHHSBG — Fluoridation	19	80	60
(F) Medical Assistance — SHCC	18	28	28
(A) Early Periodic Screening, Diagnosis, Treatment	14	20	20
(A) Medical Assistance — SHCC	11	20	20
(A) Departmental Services	6	6	6
Subtotal — Federal Funds	\$ 2,338	\$ 2,609	\$ 2,773
Subtotal — Augmentations	31	46	46
Total — State Health Care Centers	\$ 14,948	\$ 15,206	\$ 15,898
Vietnam Veterans Health Initiative Commission	181	219	219
Diabetes Task Force	279	360	360
(F) Diabetes Control	115	287	287
(F) PHHSBG — Diabetes Task Force	174	218	218
Total — Diabetes Task Force	\$ 568	\$ 865	\$ 865
AIDS Education	117	350	350
(F) AIDS Surveillance	46	146	...
(F) PHHSBG — AIDS .....	...	600	400
(F) AIDS Health Education	321	2,403	4,900
Subtotal — Federal Funds	\$ 367	\$ 3,249	\$ 5,300
Total — AIDS Education	\$ 484	\$ 3,499	\$ 5,650
Cancer Registry	581	613	913
Arthritis Task Force	150	165	170
Subtotal — State Funds	\$ 34,631	\$ 35,389	\$ 36,862
Subtotal — Federal Funds	11,964	16,197	17,432
Subtotal — Augmentations	8,421	8,809	8,837
Total — General Government	\$ 55,016	\$ 60,395	\$ 63,131
GRANTS AND SUBSIDIES:			
School Health Examinations	\$ 18,000	\$ 17,900	\$ 18,186
Local Health Departments	17,666	18,750	18,750
Local Health — Environmental	6,545	6,680	6,564
WIC—State Supplement	6,994	10,000	13,000
(F) Women, Infants and Children (WIC)	62,108	71,000	72,063
Maternal and Child Health	844	1,688	1,688
(F) Genetic Screening and Education	197	102	24
(F) MCHBG — Crippled Children	5,758	6,456	6,390
(F) MCHBG — Maternal Services	11,750	11,750	11,950
(F) Expanding Genetic Services	14	15	6
(F) Pediatric Rheumatology	115	...	...
(F) MCHBG — SSI Disabled Children	950	950	950
Subtotal — Federal Funds	\$ 18,784	\$ 19,273	\$ 19,320
Total — Maternal and Child Health	\$ 19,628	\$ 20,961	\$ 21,008
Cancer Control and Prevention	3,340	4,000	4,000
Pittsburgh Cancer Institute	350	350	...
University of Pennsylvania Cancer Center	500	500	...
Assistance to Drug and Alcohol Program	30,876	31,527	32,127
(F) High Risk Pilot	128	220	245
(F) ADAMHBG — Alcohol Services	4,433	4,515	4,815
(F) ADAMHBG — Drug Services	6,490	6,609	6,927

HEALTH

(Dollar Amounts in Thousands)

GENERAL FUND

GRANTS AND SUBSIDIES: (continued)

	1986-87 Actual	1987-88 Available	1988-89 Budget
(F) Antidrug Abuse — Substance Abuse		\$ 8,216	\$ 4,848
(F) ADA/ADAMHGB		681	
(F) Treatment Street Crime			110
(F) TASC — Pre/Post Release		35	
(F) Drug Free Schools		560	
(A) State Stores Fund Transfer		453	342
Subtotal — Federal Funds	\$ 11,051	20,836	16,945
Total — Assistance to Drug and Alcohol Program	\$ 41,927	\$ 53,066	\$ 49,414
Guiffre Center for Addictive Diseases		\$ 250	
Renal Dialysis	\$ 8,974	8,987	\$ 8,145
Pennsylvania Aware	200	225	
Emergency Health Services	117	35	
(F) EMS — Advanced Life Support		100	
(F) EMS — Municipal Police		200	200
(F) EMS Statewide Public Education	34		
(F) PHHSBG — EMS	800		
Total — Emergency Medical Services	\$ 951	\$ 335	\$ 200
Spina Bifida	946	979	979
Home Ventilators	534	562	562
(A) Medical Assistance — Ventilators	162	300	300
(F) MA Home Ventilator	220	400	500
Coal Workers Pneumoconiosis Services	617	490	550
(F) Black Lung Clinic	471	600	720
Adult Cystic Fibrosis	204	210	210
(F) Adult Cystic Fibrosis	110	125	
VD Screening and Treatment	372	350	393
(F) VD Survey and Follow-up	582	795	750
Cooley's Anemia	206	222	222
Screening and Treatment — TB	513	450	513
(F) Tuberculosis Control Program	78	104	110
(F) PHHSBG — Tuberculosis	374	569	569
Hemophilia	1,420	1,300	1,300
Sickle Cell Anemia	760	1,089	788
Sickle Cell Camps	25	35	25
Lupus Disease Research	78	80	82
United Neighborhood Facilities — Erie	150	195	195
Philadelphia AIDS Project		100	
Keystone State Games	150	200	150
Poison Control Center	300	375	
Tourette Syndrome	50	50	
Worksite Wellness	125	125	
HIB Vaccine	280	280	280
Fox Chase Institute for Cancer Research	635	704	674
Wistar Institute — Research	225	232	239
Wistar Institute-Research — Rabies Research	110		
Wistar Institute-AIDS		100	103
Cardiovascular Studies — University of Pennsylvania	125	129	133
Cardiovascular Studies — St Francis Hospital	125	129	133
Central Pennsylvania Oncology Group	104	140	144
Burn Foundation of Greater Delaware Valley	250	358	250
Cerebral Palsy — St. Christopher's Hospital—Operation and Maintenance	750	773	796
Home for Crippled Children, Pittsburgh	730	752	775
Children's Heart Hospital — Philadelphia	1,563		
Cerebral Palsy — St. Christopher Hospital — Handicap- ped Children's Clinic	100	103	106

HEALTH

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Budget
GENERAL FUND			
<i>GRANTS AND SUBSIDIES:(continued)</i>			
<i>Cleft Palate Clinic — Lancaster</i>	\$ 52	\$ 54	\$ 56
<i>Cleft Palate Clinic — Pittsburgh</i>	52	54	56
<i>Tay Sachs Disease — Jefferson Medical College</i>	52	54	56
<i>Subtotal — State Funds</i>	\$ 106,009	\$ 111,566	\$ 112,230
<i>Subtotal — Federal Funds</i>	94,612	114,002	111,177
<i>Subtotal — Augmentations</i>	162	300	300
Total — Grants and Subsidies	<u>\$ 200,783</u>	<u>\$ 225,868</u>	<u>\$ 223,707</u>
TOTAL: GENERAL GOVERNMENT AND GRANTS AND SUBSIDIES:			
STATE FUNDS	\$ 140,640	\$ 146,955	\$ 149,092
FEDERAL FUNDS	106,576	130,199	128,609
AUGMENTATION	8,583	9,562	9,479
GENERAL FUND TOTAL	<u>\$ 255,799</u>	<u>\$ 286,716</u>	<u>\$ 287,180</u>
OTHER FUNDS			
<i>EMERGENCY MEDICAL SERVICES OPERATING FUND:</i>			
Emergency Medical Services	\$ 5,519	\$ 5,889	\$ 5,573
OTHER FUNDS TOTAL	<u>\$ 5,519</u>	<u>\$ 5,889</u>	<u>\$ 5,573</u>
DEPARTMENT TOTAL — ALL FUNDS			
GENERAL FUND	\$ 140,640	\$ 146,955	\$ 149,092
FEDERAL FUNDS	106,576	130,199	\$ 128,609
AUGMENTATIONS	8,583	9,562	9,479
OTHER FUNDS	5,519	5,889	5,573
TOTAL ALL FUNDS	<u>\$ 261,318</u>	<u>\$ 292,605</u>	<u>\$ 292,753</u>

Program Funding Summary:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
HEALTH SUPPORT SERVICES							
General Fund	\$ 16,654	\$ 16,810	\$ 17,123	\$ 17,688	\$ 18,220	\$ 18,767	\$ 19,331
Federal Funds	8,476	9,220	8,195	8,195	8,195	8,195	8,195
Other Funds	8,339	8,711	8,739	8,739	8,739	8,739	8,739
TOTAL	\$ 33,469	\$ 34,741	\$ 34,057	\$ 34,622	\$ 35,154	\$ 35,701	\$ 36,265
HEALTH RESEARCH							
General Fund	\$ 7,533	\$ 8,042	\$ 8,118	\$ 8,360	\$ 8,606	\$ 8,860	\$ 9,126
Federal Funds	783	1,219	1,164	1,164	1,164	1,164	1,164
Other Funds	50	52	52	52	52	52	52
TOTAL	\$ 8,366	\$ 9,313	\$ 9,334	\$ 9,576	\$ 9,822	\$ 10,076	\$ 10,342
PREVENTIVE HEALTH							
General Fund	\$ 67,577	\$ 73,478	\$ 76,709	\$ 77,106	\$ 77,514	\$ 77,934	\$ 78,366
Federal Funds	84,631	97,499	100,885	100,861	100,861	100,861	100,861
Other Funds	32	46	46	46	46	46	46
TOTAL	\$ 152,240	\$ 171,023	\$ 177,640	\$ 178,013	\$ 178,421	\$ 178,841	\$ 179,273
HEALTH TREATMENT SERVICES							
General Fund	\$ 17,800	\$ 16,623	\$ 15,015	\$ 15,077	\$ 15,141	\$ 15,206	\$ 15,272
Federal Funds	1,635	1,425	1,420	1,420	1,420	1,420	1,420
Other Funds	5,681	6,189	5,873	5,873	5,873	5,873	5,873
TOTAL	\$ 25,116	\$ 24,237	\$ 22,308	\$ 22,370	\$ 22,434	\$ 22,499	\$ 22,565
DRUG AND ALCOHOL PREVENTION AND TREATMENT							
General Fund	\$ 31,076	\$ 32,002	\$ 32,127	\$ 32,127	\$ 32,127	\$ 32,127	\$ 32,127
Federal Funds	11,051	20,836	16,945	16,945	16,945	16,945	16,945
Other Funds .....	.....	453	342	342	342	342	342
TOTAL	\$ 42,127	\$ 53,291	\$ 49,414	\$ 49,414	\$ 49,414	\$ 49,414	\$ 49,414
ALL PROGRAMS							
GENERAL FUND	\$ 140,640	\$ 146,955	\$ 149,092	\$ 150,358	\$ 151,608	\$ 152,894	\$ 154,222
FEDERAL FUNDS	106,576	130,199	128,609	128,585	128,585	128,585	128,585
OTHER FUNDS	14,102	15,451	15,052	15,052	15,052	15,052	15,052
TOTAL	\$ 261,318	\$ 292,605	\$ 292,753	\$ 293,995	\$ 295,245	\$ 296,531	\$ 297,859

PROGRAM OBJECTIVE: To provide effective administration and support systems through which the substantive programs of the health delivery system and the department can be achieved.

Program: Health Support Services

Health support services include personnel, office services, budget, management and EDP functions. Also included in this program are the Quality Assurance activities. The department also operates a State laboratory for disease testing and analysis.

The Quality Assurance program conducts surveys of hospitals, nursing homes, home health agencies, primary care providers, and intermediate care facilities for the mentally retarded. The surveys determine compliance with standards for sanitation, fire safety, health and level of care required for Medicare and Medicaid certification and a State

license. The department requests from the health care facility a plan for correction of deficiencies noted in the survey. In addition, the program investigates patient complaints.

The department's capability to license long term care, hospital and medical laboratory facilities has been strengthened through the inclusion of additional personnel in the Quality Assurance and State Laboratory appropriations. The number of facilities required to be licensed has increased in both program areas.

Program Measures:

	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
Health care facilities in Pennsylvania surveyed and licensed:							
Hospitals (biennially)	117	117	131	131	131	131	131
Skilled and intermediate care nursing homes	658	658	690	705	720	735	750
Intermediate care facilities/MR	117	117	200	270	340	400	400
Freestanding birth centers	6	8	8	8	8	8	8
Home health agencies	165	252	305	305	305	305	305
Ambulatory surgical centers	18	20	30	30	30	30	30
Clinical laboratories	780	800	1,700	1,700	1,700	1,700	1,700
Psychiatric hospitals	30	26	32	32	32	32	32
Patient complaints from licensed facilities investigated	340	369	400	400	400	400	400

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

General Government Operations		Quality Assurance	
\$ -66	—decrease in operating costs.	\$ 165	—to reduce the backlog in licensing of hospitals/nursing homes.
\$ -49	—savings due to press reorganization	84	—to continue current program.
<u>\$ -115</u>	<u>—Appropriation Decrease</u>	<u>\$ 249</u>	<u>—Appropriation Increase</u>
State Laboratories			
\$ 118	—to license 70% increase in number of clinical laboratories.		
83	—to continue current programs.		
<u>\$ 201</u>	<u>Appropriation Increase</u>		

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
GENERAL FUND:							
General Government Operations	\$ 11,068	\$ 10,930	\$ 10,815	\$ 11,190	\$ 11,526	\$ 11,873	\$ 12,230
State Laboratories	2,580	2,803	2,982	3,072	3,165	3,259	3,357
Quality Assurance	3,006	3,077	3,326	3,426	3,529	3,635	3,744
TOTAL GENERAL FUND	<u>\$ 16,654</u>	<u>\$ 16,810</u>	<u>\$ 17,123</u>	<u>\$ 17,688</u>	<u>\$ 18,220</u>	<u>\$ 18,767</u>	<u>\$ 19,331</u>

PROGRAM OBJECTIVE: To develop basic scientific knowledge of the nature of disease, illness, and environmental factors to improve the use of existing and new health resources and information.

Program: Health Research

The State Health Data Center, a designated State center for health statistics under P.L. 94-623, serves as the focal point in Pennsylvania for coordinating the collection, analysis and dissemination of health statistics and information. The center maintains statistical information on the health status of the population, including leading causes of death, life expectancy, and infant mortality. The center handles about 3,000 requests for services each year. The Data Center conducts an annual survey of all hospitals and nursing homes in Pennsylvania to support the need for information on health resources and health services availability, utilization, staffing and patient characteristics.

The State Health Data Center's Vital Records Division is the repository for all records of births, deaths, fetal deaths, marriages and divorces which occurred to Pennsylvania residents.

A \$485,000 initiative funded in the Bureau of Vital Statistics begins automation of birth records for the years 1923 through 1959. In addition, approximately 2,000,000 death records will also be automated. Automation will provide efficiencies in Bureau response time and reduce the number of staff now required to operate the system manually.

The Department of Health administers diverse research projects and studies related to the etiology, distribution, and trend of major diseases. The department also provides epidemiologic assessment of health problems that include environmental-occupational hazards, health risk behavior and life style of the general public or selected populations, and provides professional consultation and technical support for other agencies, county health departments and local municipalities.

The Pennsylvania Cancer Registry was established in fiscal year 1982-83 and is now operational statewide with all hospitals reporting to the system. The registry serves as the focal point for definitive

information concerning the manner in which cancer is affecting residents in Pennsylvania. This type of information will be used to develop and assess programs and conduct epidemiological and research activities. The department will receive new funds and additional positions relating to the Cancer Registry program. These additional resources are to enable the program to become current in the publication of cancer statistics which describe the status of the disease in Pennsylvania.

Under Act 99-1982 known as the Vietnam Herbicides Information Act, the Department of Health is responsible for the establishment and maintenance of a registry of Pennsylvania's Vietnam Veterans who were possibly exposed to herbicides used in Vietnam. The program is also responsible for the initiation of programs to educate health professionals regarding current detection, diagnosis and treatment of symptoms associated with herbicide exposure and the promotion and maintenance of public information on Vietnam herbicides.

The TMI Health Research Program continues to assess health effects associated with the low-level radiation incident of March 1979 upon the local population. These efforts include the following: a special study of pregnancy outcome within ten mile radius of TMI; annual updates for TMI population registry and TMI mother/child registry; design of special surveys on morbidity and continuous epidemiologic surveillance around all nuclear plants in Pennsylvania.

The Governor's Advisory Board on Arthritis, within the Department of Health, has responsibility for assessing programs and resources for arthritis, and making recommendations relating to program needs. Similar functions are performed by the Diabetes Task Force.

In addition the department funds additional research on cancer, rabies, AIDS, and Lupus disease.

Program Measures:

	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
Vital events (births, deaths, fetal deaths, marriages and divorces):							
Registered and processed	418,100	418,300	418,500	418,700	418,800	418,900	419,000
Percent registered and processed within 30 days	40%	40%	40%	41%	43%	44%	44%
Applications for certified copies of birth and death records:							
Filled	460,200	473,000	480,000	482,000	484,000	486,000	488,000
Percent filled within 10 days	78%	76%	76%	76%	76%	76%	76%
Epidemiological studies and research projects conducted	28	30	30	30	30	30	30
Cancer Registry:							
Abstracts received	69,809	73,600	75,500	77,400	79,300	81,200	83,100

Program Recommendations:

This budget recommends the following increases: (Dollar Amounts in Thousands)

	Vital Statistics	
\$ 485	—to automate birth and death records.	
	Cancer Registry	
\$ 300	—increase staff by 35% to eliminate backlog	

Other appropriations in this subcategory reflect either a percentage increase, maintenance of current funding levels, or a decrease if nonrecurring.

Program: Health Research (continued)

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
GENERAL FUND:							
TMI-Health Studies	\$ 292	\$ 271	\$ 286	\$ 294	\$ 303	\$ 313	\$ 323
Vital Statistics	3,798	4,050	4,662	4,802	4,946	5,094	5,247
Vietnam Veterans Health Commission	181	219	219	226	232	239	247
Fox Chase — Cancer	635	704	674	694	715	736	758
Wister — Research	225	232	239	246	253	261	269
Wister — Rabies	110						
Wister — AIDS		100	103	106	109	112	115
Lupus Disease	78	80	82	82	82	82	82
Cardiovascular — Philadelphia	125	129	133	137	141	145	149
Cardiovascular — Pittsburgh	125	129	133	137	141	145	149
Cancer Registry	581	613	913	941	969	998	1,028
University of Penn Cancer Center	500	500					
Arthritis Task Force	150	165	170	176	181	185	191
Diabetes Task Force	279	360	360	371	382	393	406
Pittsburgh Cancer Institute	350	350					
Central Penn Oncology	104	140	144	148	152	157	162
TOTAL GENERAL FUND	\$ 7,533	\$ 8,042	\$ 8,118	\$ 8,360	\$ 8,606	\$ 8,860	\$ 9,126

PROGRAM OBJECTIVE: To reduce morbidity and mortality through the early detection of disease and health defects and the promotion of sound health practices and remedial care

Program: Preventive Health

The prevention of disease has always been the primary mission of the Department of Health. The department provides comprehensive maternity services, with emphasis on outreach and early enrollment into care. Maternity service includes education to promote healthy maternal behavior; screening, early detection, and appropriate timely medical intervention for preventable maternal/fetal complications and psychosocial support services for childbearing women.

The Maternity Program encompasses Maternity Services Projects which are supported by the State funded High Risk Maternity Program and the Federal Maternal and Child Health (MCH) Block Grant.

The Department of Health administers the Federally funded Special Supplemental Food Program for Women, Infants and Children (WIC). Utilizing State and Federal funds, the program provides food supplements and nutrition education to pregnant or nursing women and children who are at nutritional risk due to poor health, inadequate diet and low income. The Women, Infants, and Children (WIC) program will receive an additional \$3,000,000 in supplemental State funds. These new dollars will permit expansion of services to an additional 4,300 persons in 1988/89.

The High Risk Infant Follow-up System focuses special support for follow-up of high risk infants. The goal of this system is to ensure that each low birth weight infant receives timely assessments and treatment for vision, hearing and other factors that can contribute to his or her optimal development.

The Sudden Infant Death Syndrome (SIDS) Program provides supportive services to families following a sudden infant death. The program identifies infants considered at risk for SIDS, refers them for evaluation and provides follow-up services. Education regarding SIDS is provided to health professionals and others who normally impact on families following such a death.

Approximately four percent of the babies born in this country have a serious genetic condition. The Genetic Program seeks to improve public knowledge about genetic disease and public access to genetic services by supporting educational programs for both health professionals and citizens groups and by providing selected genetic services for low-income patients.

Family planning services help women who seek, but have difficulty achieving pregnancy and help others delay pregnancy until there is the best chance for having a healthy baby born to a healthy mother. The department participates with the Department of Public Welfare in an integrated multi-agency health service delivery system serving more than 250,000 high risk, low income women throughout the Commonwealth.

Reported cases of communicable diseases are investigated by the department to determine the source of infection, mode of transmission

and control measures to prevent additional cases. A few of the diseases investigated include giardiasis, hepatitis, salmonellosis shigellosis, toxic shock syndrome, trichinosis, rabies and Lyme Disease.

Acquired Immune Deficiency Syndrome (AIDS) presents major medical and sociological problems to the Commonwealth and nation. The department's program places primary emphasis on prevention and education. In 1987-88 the AIDS program staff was expanded. In addition, increased AIDS testing and counseling services were made available through State health care centers. For 1988-89 AIDS related services are again budgeted to substantially increase as new funding initiatives begin to better address this national problem.

The leading cause of premature death and disability in Pennsylvania are heart disease, stroke, cancer, accidents, influenza, arthritis, diabetes, and cirrhosis. Contributing to these conditions are demographic characteristics and environmental and behavioral risk factors such as smoking, alcohol abuse, high-fat-diets, physical inactivity and stress.

Risk reduction programs use methods such as incentives, health risk appraisals, risk factor screening, self-help kits, group discussion, and individual counseling to help people stop smoking, eat properly, exercise, adhere to hypertensive regimens and reduce other chronic disease risks. The department supports community risk reduction projects and comprehensive school health education programs.

Hypertension (high blood pressure) has long been known as the "silent killer" because it often goes undetected for years until serious damage to the body's organ systems has occurred. Screenings occur in all counties at more than 1,000 industrial and public screening sites and are reported to a central registry in Harrisburg. Approximately 19,000 hypertension cases of are found annually through screening.

Public health programs are administered in part through a field structure consisting of six district offices and a network of 69 Health Centers which serve all but five counties within the State. The remaining five counties and three municipalities are served by local health departments receiving grants from the department. The District offices and State Health Centers also provide health maintenance services.

The Sexually Transmissible Disease Program provides clinical services for the diagnosis and treatment of sexually transmitted disease. These services are provided to insure that patients with suspected disease have access to diagnostic and treatment services, and also provide diagnosis and treatment to those who have been exposed to a sexually transmitted infection.

The Tuberculosis Control Program utilizes chest clinics that provide a complete program of services for persons with tuberculosis disease. This consists of bacteriological studies, periodic x-ray examinations, physician and nursing evaluations.

Program Measures:

	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
Resident live births	160,300	160,400	160,400	160,500	160,500	166,000	166,000
Percent low birth weight live births	6.9%	6.9%	6.9%	7.0%	7.0%	7.0%	7.0%
Death rate of children under one year of age per 1,000 live births	10.2	10.3	10.3	10.2	10.2	10.1	10.1
High risk pregnant women in maternity care projects	25,445	28,850	28,850	28,850	28,850	28,850	28,850
Children immunized against diphtheria, pertussis, tetanus, measles, polio and rubella each year	49,567	54,525	57,250	58,000	58,000	59,000	59,000

Program: Preventive Health (continued)

	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
Reported incidences of vaccine preventable diseases in children	101	100	100	100	100	100	100
Communicable disease cases investigated	12,900	12,900	12,900	12,900	12,900	12,900	12,900
Communicable disease incidences reported:							
Venereal disease	11,249	12,500	12,500	12,200	12,100	12,100	12,100
AIDS	413	550	740	1,100	1,666	2,498	3,749
Others (less animal bites)	17,000	17,000	17,000	17,000	17,000	17,000	17,000
Persons participating in the Special Supplemental Food Program for Women, Infants and Children (WIC) (monthly average)	163,561	168,838	174,561	174,561	174,561	174,561	174,561
Average monthly WIC nutrition education contacts	54,520	57,684	56,222	56,222	56,222	56,222	56,222
Persons screened for hypertension	127,416	100,000	110,000	120,000	130,000	140,000	150,000
AIDS tests performed by state health care centers	5,983	7,644	9,000	10,500	12,000	13,500	15,000
Assessment, referral, counseling and follow-up services to high risk mothers	3,564	3,742	3,929	4,125	4,331	4,547	4,774

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

WIC State Supplement
 \$ 3,000 —to expand the number of women and children receiving services

State Health Care Centers
 \$ 168 —to fund additional services through local health care centers.

School Health Examinations
 \$ 286 —to defray expenses associated with increased service costs.

Other appropriations in this subcategory were maintained at the current level, or received incremental increases/decreases or were not recommended for funding in 1988-89.

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
GENERAL FUND:							
State Health Care Centers	\$ 12,579	\$ 12,551	\$ 12,779	\$ 13,163	\$ 13,558	\$ 13,966	\$ 14,385
AIDs Education	117	350	350	361	372	382	393
School Health Exams	18,000	17,900	18,186	18,186	18,186	18,186	18,186
Local Health Departments	17,666	18,750	18,750	18,750	18,750	18,750	18,750
Local Health — Environmental	6,545	6,680	6,564	6,564	6,564	6,564	6,564
Maternal and Child Health	844	1,688	1,688	1,688	1,688	1,688	1,688
Worksite Wellness	125	125	.....	.....	.....	.....	.....
TB — Screening and Treatment	513	450	513	513	513	513	513
VD — Screening and Treatment	372	350	393	393	393	393	393
Keystone State Games	150	200	150	150	150	150	150
HIB Vaccine	280	280	280	280	280	280	280
Tay Sachs Disease	52	54	56	58	60	62	64
WIC State Supplement	6,994	10,000	13,000	13,000	13,000	13,000	13,000
Philadelphia AIDs .....	.....	100	.....	.....	.....	.....	.....
Cancer Control, Prevention and Research	3,340	4,000	4,000	4,000	4,000	4,000	4,000
TOTAL GENERAL FUND	\$ 67,577	\$ 73,478	\$ 76,709	\$ 77,106	\$ 77,514	\$ 77,934	\$ 78,366

PROGRAM OBJECTIVE: To reduce morbidity and mortality due to disease and health defects through the restoration of ill persons to the highest possible level of health with minimum involvement with the health care system.

Program: Health Treatment Services

Program Element: Inpatient Services

One of the principal concerns of patient management is to provide treatment services at the least expensive level of care that is consistent with standards of good medical practice. Inpatient hospital and nursing care is provided for only the most acute medical conditions that require the facilities and services available in an inpatient setting. Because inpatient care is very expensive, programs providing this type of care have imposed strict controls on admissions and, where possible, are using outpatient services to avoid hospital admissions. These controls and the implementation of the Diagnostic Related Group (DRG) payment mechanism account for fewer patients in the inpatient setting.

Some of the programs operated by the department which provide inpatient care are tuberculosis control, children's cardiac surgery, cleft palate, cystic fibrosis, orthopedic, speech, hearing, spina bifida, and other disabling conditions of children. The department's children's cardiac inpatient program provides intensive diagnostic procedures such as cardiac catheterization and echocardiograms.

Program Element: Outpatient Services

Outpatient treatment services are more economical and cost-effective than inpatient care and are utilized whenever possible to provide needed treatment services for chronic respiratory diseases, physical rehabilitation and reconstruction, chronic diseases other than respiratory, catastrophic blood disorders and acute conditions.

The department provides extensive outpatient support services to victims of chronic respiratory diseases. The Coal Workers' Respiratory Disease Program provides screening, diagnostic, rehabilitative, educational, referral and follow-up care to all miners ill with pulmonary disease within the Commonwealth.

A Home Ventilator Program for children with chronic respiratory failure is administered by the Children's Hospital of Philadelphia. This program permits 17 children with chronic respiratory problems to have life support equipment and nursing care in their homes at about one-third the cost of inpatient care.

The Orthopedic Program provides outpatient care to children suffering from orthopedic conditions, amputations, and other related under the Commonwealth's Minor Treatment Law.

conditions. Services include: prosthetics, orthotics, orthopedic shoes, therapeutic and support services.

The Cleft Palate Program provides comprehensive services which includes but is not limited to pediatrics, plastic surgery, general dentistry, orthodontia, prosthodontics, etc. to children under 21 years of age.

The Spina Bifida program assists patients and their families with some of the health care costs not covered by insurance or other third party resources. The Hemophilia Program consists of eight specialized centers which offer comprehensive evaluation, rehabilitation services and blood products for hospital, outpatients or home use. Patients must be registered with a program to receive these benefits and insure their third party resources are used before State program funds are expended.

Sickle Cell Anemia is a genetically determined red blood cell disorder which affects approximately 2 percent of the black population in Pennsylvania. Patients receive medical and psycho-social services at six Sickle Cell centers.

Cooley's Anemia is found predominantly in individuals of Mediterranean ancestry. While the incidence of Cooley's Anemia cannot be estimated, currently there are 38 patients receiving care under this program.

The Renal Disease program provides dialysis, drugs, medical supplies and transportation services to persons having chronic renal failure. During 1987-88 a program was initiated to reimburse renal transplant patients for the cost of cyclosporine retroactively effective to January 1987. In 1988-89 approximately 200 individuals will be reimbursed for cyclosporine. The Renal Disease program also supports an organ donor program that promotes transplantation which is less expensive than dialysis and improves the quality of life of kidney patients.

The department provides comprehensive treatment services to diagnosed phenylketonuria (PKU) infants.

The Department of Health administers a program for planning, developing, and upgrading Emergency Medical Services (EMS) Systems throughout the Commonwealth.

Clinical services are offered in a variety of settings, including State and community health centers, family planning clinics and practicing physicians' offices. This also allows minors to seek and receive care

Program Measures:

	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
Inpatient Services							
Persons receiving inpatient hospital care from department programs	590	600	600	600	600	600	600
Children treated under the cardiac inpatient program	140	150	150	150	150	150	150
Outpatient Services							
Children receiving outpatient treatment through department supported programs:							
Cardiac	3,095	3,110	3,125	3,145	3,160	3,175	3,190
Cleft palate	3,200	3,200	3,200	3,200	3,200	3,200	3,200
Cystic fibrosis	730	780	832	885	938	988	1,040
Hemophilia	456	465	474	483	492	495	497

Program: Health Treatment Services (continued)

	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
Children receiving outpatient treatment through department supported programs: (continued)							
Speech and hearing	19,900	19,900	19,900	19,900	19,900	19,900	19,900
Orthopedic	6,500	6,600	6,650	6,670	6,750	6,850	6,950
Phenylketonuria	497	517	531	557	577	597	597
Epilepsy	355	360	365	370	375	380	385
Renal Disease	303	334	366	398	430	462	494
Cooley's Anemia	20	19	18	18	17	16	15
Sickle Cell Anemia	690	695	700	705	710	715	725
Spina Bifida	1,275	1,300	1,325	1,350	1,375	1,400	1,425
Home Ventilators	15	21	25	28	30	33	35
Adults receiving outpatient treatment and/or services through department supported programs for:							
Renal Disease	7,268	8,014	8,782	9,550	10,318	11,086	11,494
Black Lung	3,585	3,500	3,000	3,000	3,000	3,000	3,000
Tuberculosis	16,530	16,530	16,530	16,530	16,530	16,530	16,530
Venereal Disease	29,500	29,000	29,000	29,000	29,000	29,000	29,000
Hemophilia	505	515	520	525	530	540	545
Cystic Fibrosis	185	201	217	234	250	266	282
Cooley's Anemia	19	20	21	21	22	22	23
Sickle Cell Anemia	670	675	680	685	690	700	710
Spina Bifida	125	130	133	135	138	140	143

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

Appropriations in this subcategory reflect either a percentage increase, no increase, or a decrease due to nonrecurring projects.

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
GENERAL FUND:							
Handicapped Children's Clinic	\$ 100	\$ 103	\$ 106	\$ 109	\$ 112	\$ 115	\$ 118
Children's Heart Hospital	730	752	775	798	822	847	872
Home for Crippled Children	1,563						
Emergency Health Services	117	35					
Burn Foundation	250	358	250	258	266	274	282
Sickle Cell — Summer Camp	25	35	25	25	25	25	25
Poison Control Center	300	375					
Tourette Syndrome	50	50					
Hemophilia Treatment	1,420	1,300	1,300	1,300	1,300	1,300	1,300
Sickle Cell Anemia	760	1,089	788	788	788	788	788
Renal Disease	8,974	8,987	8,145	8,145	8,145	8,145	8,145
Home Ventilators	534	562	562	562	562	562	562
Coalworkers Pneumoconiosis	617	490	550	550	550	550	550
Spina Bifida	946	979	979	979	979	979	979
Adult Cystic Fibrosis	204	210	210	210	210	210	210
United Neighborhood — Erie	150	195	195	195	195	195	195
Cerebral Palsy	750	773	796	820	845	870	896
Cleft Palate — Lancaster	52	54	56	58	60	62	64
Cleft Palate — Pittsburgh	52	54	56	58	60	62	64
Cooley's Anemia	206	222	222	222	222	222	222
TOTAL GENERAL FUND	\$ 17,800	\$ 16,623	\$ 15,015	\$ 15,077	\$ 15,141	\$ 15,206	\$ 15,272

PROGRAM OBJECTIVE: To provide educational, intervention, and treatment programs to reduce drug and alcohol abuse and dependency.

Program: Drug and Alcohol Abuse Prevention and Treatment

This program provides counties with funding to purchase drug and alcohol services. Single County Authorities (SCA) prepare prevention, intervention and treatment plans tailored to the needs within their respective geographic locale. The department approves these plans and formulates a statewide program.

Prevention activities provide current information on the effects of drugs and alcohol. The prevention program's goal is to 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 clearing house, ENCORE, operated by the department. Primary emphasis has been given to youth, and a special curriculum is now used in most school districts to address the drug and alcohol problem.

Intervention services provide support to those individuals affected by drug or alcohol problems. Services include information hotlines, drop-in centers, alcohol safety programs, and occupational programs. The department operates the State Employees Assistance Program, and offers technical assistance to private sector employers interested in

providing this type of service. The Student Assistance Program (SAP) provides school personnel with the knowledge and skills needed to identify students using alcohol or drugs. Studies are referred to professional evaluators and if needed, receive treatment services. Also made available are special services designed to divert certain criminal offenders into rehabilitation programs.

Treatment services are funded in hospitals, prisons, shelters, residential units, day care and outpatient programs. Treatment often consists of short term detoxification followed by a 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 are initially treated in the outpatient modality. Typically, admissions to treatment are approximately 35 percent drug related and 65 percent alcohol related. Males represent 75% of all treatment admissions, and women account for the remaining 25%. After alcohol, the second most predominant drug now treated is cocaine. Multiple drug use is also a problem.

Program Measures:

	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
Prevention Services:							
Prevention:							
Persons viewing films	89,936	110,000	110,000	120,000	120,000	125,000	125,000
General information materials distributed	485,168	493,000	540,000	560,000	580,000	600,000	600,000
School personnel trained by Student Assistance Program	1,200	1,320	1,425	1,500	1,600	1,625	1,650
School districts participating in Student Assistance Program	63	83	108	133	158	183	208
Treatment Services:							
Inpatient programs licensed/approved:							
Hospitals	103	103	103	103	103	103	103
Non-hospitals	127	133	140	146	153	159	165
Outpatient programs licensed/approved ..	309	316	321	324	326	336	334
Patients enrolled in treatment:							
Male	49,237	49,450	49,900	50,400	50,900	51,400	51,900
Female	17,299	17,340	17,401	17,511	17,555	17,611	17,668
Patients who completed treatment	23,251	23,600	24,050	24,500	25,000	25,500	26,000
Admissions with primary diagnosis:							
Drug abuse	24,618	25,393	25,612	25,845	26,055	27,202	27,410
Alcohol abuse	41,918	43,237	43,610	44,005	44,362	44,800	45,320

Program: Drug and Alcohol Abuse Prevention and Treatment (continued)

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

Assistance to Drug and Alcohol Programs

\$ 600 —increase for county grant programs.

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
GENERAL FUND:							
Assistance to Drug and Alcohol Programs	\$ 30,876	\$ 31,527	\$ 32,127	\$ 32,127	\$ 32,127	\$ 32,127	\$ 32,127
Guiffre Center — Addictive Diseases	.....	250	.....	.....	.....	.....	.....
Pennsylvania AWARE	200	225	.....	.....	.....	.....	.....
TOTAL GENERAL FUND	<u>\$ 31,076</u>	<u>\$ 32,002</u>	<u>\$ 32,127</u>	<u>\$ 32,127</u>	<u>\$ 32,127</u>	<u>\$ 32,127</u>	<u>\$ 32,127</u>

A stylized graphic of the Commonwealth of Pennsylvania, composed of horizontal lines forming a downward-pointing arrow shape.

Commonwealth of Pennsylvania

Higher Education Assistance Agency

The Higher Education Assistance Agency provides financial aid to higher education students in the form of grants, loans, and employment opportunities through the coordination of State and Federal aid programs. In addition the agency provides institutional assistance grants to private institutions enrolling students who participate in the grant program and administers the Information Technology Education program.

HIGHER EDUCATION ASSISTANCE AGENCY

PROGRAM REVISION

Budgeted Amounts Include the Following Program Revisions:

Appropriation	Title	1988-89 State Funds (In thousands)
GENERAL FUND		
Grants to Full Time Students	Aid to Students	\$ 10,560
College Work Study	Aid to Students	750
Institutional Assistance Grants	Aid to Students	2,186
	Subtotal	<u>\$ 13,496</u>
	<p>This Program Revision will provide for changes in student grant eligibility including increases in the maximum grant, improved college work study opportunities, and funds to private institutions to enable them to keep tuition costs down thereby improving choices for students among all institutions..</p>	
Loan Forgiveness	Loan Forgiveness	\$ 3,000
	<p>This Program Revision will provide for a loan forgiveness program for graduates in Education who agree to teach in rural or urban areas which are experiencing teacher shortages.</p>	
	DEPARTMENT TOTAL	<u><u>\$ 16,496</u></u>

HIGHER EDUCATION ASSISTANCE AGENCY

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Budget
GENERAL FUND			
<i>GRANTS AND SUBSIDIES:</i>			
Grants to Full Time Students	\$ 96,000	\$ 105,600	\$ 116,160
College Work Study	4,540	5,600	6,350
Administration	50	25	.....
Institutional Assistance Grants	18,961	21,857	24,043
Equal Opportunity Professional Education	490	590	750
Loan Forgiveness .....	.....	.....	3,000
Computer Training	2,197	2,307	2,769
Computer Purchases	3,328	3,494	3,750
GENERAL FUND TOTAL	<u>\$ 125,566</u>	<u>\$ 139,473</u>	<u>\$ 156,822</u>
OTHER FUNDS			
<i>HIGHER EDUCATION ASSISTANCE FUND:</i>			
Reserve for Losses on Guaranteed Loans	\$ 73,026	\$ 83,500	\$ 88,000
State/Federal Administration Augmentations	51,839	54,000	56,000
Parent Loan Reserve	1,055	1,050	1,060
Contract Servicing	18,937	26,700	27,000
Paul Douglas Teacher Scholarship	497	803	803
State Student Incentive Grant	3,207	3,300	3,300
Reimbursement for Administrative Expense	20,865	11,469	10,500
Servicing Contracts Augmenting Administration	13,868	24,163	24,289
Transfers Augmenting State Appropriation	718	1,402	1,700
Interest Augmenting State Appropriations	2,173	2,093	2,350
Fees Augmenting State Appropriations	51	55	55
OTHER FUNDS TOTAL	<u>\$ 186,236</u>	<u>\$ 208,535</u>	<u>\$ 215,057</u>
DEPARTMENT TOTAL — ALL FUNDS			
GENERAL FUND	\$ 125,566	\$ 139,473	\$ 156,822
OTHER FUNDS	186,236	208,535	215,057
TOTAL ALL FUNDS	<u>\$ 311,802</u>	<u>\$ 348,008</u>	<u>\$ 371,879</u>

HIGHER EDUCATION ASSISTANCE AGENCY

Program Funding Summary:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
FINANCIAL ASSISTANCE TO STUDENTS							
General Fund	\$ 101,080	\$ 111,815	\$ 126,260	\$ 129,745	\$ 133,334	\$ 137,031	\$ 140,839
Other Funds	186,236	208,535	215,057	215,057	215,057	215,057	215,057
TOTAL	<u>\$ 287,316</u>	<u>\$ 320,350</u>	<u>\$ 341,317</u>	<u>\$ 344,802</u>	<u>\$ 348,391</u>	<u>\$ 352,088</u>	<u>\$ 355,896</u>
FINANCIAL ASSISTANCE TO INSTITUTIONS							
General Fund	\$ 18,961	\$ 21,857	\$ 24,043	\$ 24,764	\$ 25,507	\$ 26,272	\$ 27,060
INFORMATION TECHNOLOGY EDUCATION							
General Fund	\$ 5,525	\$ 5,801	\$ 6,519	\$ 6,519	\$ 6,519	\$ 6,519	\$ 6,519
ALL PROGRAMS							
GENERAL FUND	\$ 125,566	\$ 139,473	\$ 156,822	\$ 161,028	\$ 165,360	\$ 169,822	\$ 174,418
OTHER FUNDS	186,236	208,535	215,057	215,057	215,057	215,057	215,057
TOTAL	<u>\$ 311,802</u>	<u>\$ 348,008</u>	<u>\$ 371,879</u>	<u>\$ 376,085</u>	<u>\$ 380,417</u>	<u>\$ 384,879</u>	<u>\$ 389,475</u>

HIGHER EDUCATION ASSISTANCE AGENCY

PROGRAM OBJECTIVE: To provide financial assistance to Commonwealth residents in order to promote access to institutions of higher education.

Program: Financial Assistance to Students

The Pennsylvania Higher Education Assistance Agency (PHEAA) provides three kinds of financial assistance to students in the form of grants, work study programs, and guaranteed student loans. Funds for the various financial assistance programs flow through the Higher Education Assistance Fund.

Direct grants to students are funded by an annual appropriation from the General Fund and interest earnings from the deposit of that appropriation in the PHEAA Fund. The PHEAA Board annually determines by regulation the distribution of funds to applicants on criteria including family income, family size, and the cost of the institution the student will be attending.

The objective of the program is to remove financial barriers and thereby provide access to higher education for all Commonwealth residents and, within the limits of the resources available, help to provide freedom of choice between public colleges and universities and private universities, colleges and postsecondary schools.

The Guaranteed Student Loan Program, established by the Federal

Government and administered by PHEAA, enables students to secure long term loans from lending institutions. Act 330 of 1982, amended by Act 5 of 1983, authorized the issuance of tax-exempt bonds to fund a supplemental student loan program for students who need additional assistance; PHEAA includes in this program funds for parents to obtain loans for the education of their children and a special loan program for students in the health professions.

The College Work Study program provides funds to match Federal funds for work study and matches institutional funds for several on campus and off campus job opportunities. The on campus programs generally provide employment in campus services; off campus programs place students in work related to the course of study. The program also funds professional development of financial aid personnel.

The Equal Opportunity Professional Education program provides grants to minority graduates of Lincoln and Cheyney Universities to enter graduate programs of the Commonwealth Universities.

Program Measures:

	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
Applications for grants	234,844	250,540	250,540	250,540	250,540	250,540	250,540
Applications for grants processed	154,422	166,620	166,370	166,370	166,370	166,370	166,370
Applicants enrolled full time eligible for and receiving grants	107,181	107,400	107,620	107,620	107,620	107,620	107,620
Percent of applicants assisted	69.4%	64.5%	64.7%	64.7%	64.7%	64.7%	64.7%
Students assisted by Federal college based student aid (matching fund) programs	119,060	125,000	125,000	125,000	125,000	125,000	125,000
Students receiving Guaranteed Loans	211,426	225,713	240,000	240,000	240,000	240,000	240,000

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

<p>Grants to Full Time Students</p> <p>\$ 10,560 —PRR — Aid to Students — See the Program Revision Request following this program for further information.</p> <p>College Work Study</p> <p>\$ 750 —PRR — Aid to Students — See the Program Revision Request following this program for further information.</p>	<p>Administration</p> <p>\$ -25 —the appropriation will be discontinued.</p> <p>Equal Opportunity Professional Education</p> <p>\$ 160 —to fully fund the fifth year of students in the program.</p> <p>Loan Forgiveness</p> <p>\$ 3,000 —PRR — Loan Forgiveness — See the Program Revision Request following this program for further information.</p>
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Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
GENERAL FUND:							
Grants to Full Time Students	\$ 96,000	\$ 105,600	\$ 116,160	\$ 119,645	\$ 123,234	\$ 126,931	\$ 130,739
College Work Study	4,540	5,600	6,350	6,350	6,350	6,350	6,350
Administration	50	25	750	750	750	750	750
Equal Opportunity Professional Education	490	590	3,000	3,000	3,000	3,000	3,000
Loan Forgiveness							
TOTAL GENERAL FUND	\$ 101,080	\$ 111,815	\$ 126,260	\$ 129,745	\$ 133,334	\$ 137,031	\$ 140,839

HIGHER EDUCATION ASSISTANCE AGENCY

Program Revision: Aid To Students

This Program Revision will provide additional financial aid to students through higher education assistance programs including grants to full-time students, college work study, and institutional assistance grants. All of these programs are increased to provide all students with the opportunity to attend both public and private institutions of higher education.

This budget's \$10.56 million increase for Grants to Full Time Students will establish new eligibility standards based on family income levels and will provide for the maximum grant award of \$2,000 set in law.

The College Work Study program matches institutional and private funds for work opportunities both on and off-campus. The self-help

program provides work experience which may enhance future employment prospects and will provide an opportunity for the student to earn funds needed to pay educational costs rather than increasing the level of borrowing.

The Institutional Assistance Grant (IAG) Program is directed toward those students attending independent institutions that are nonprofit, nonsectarian and not in receipt of direct State appropriations. The objective of the grant program is to allow students to attend private colleges and universities by stabilizing the institution's educational costs. It recognizes the desirability of helping independent institutions remain fiscally sound while keeping student costs to a minimum.

Program Measures:

	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
Maximum grant award							
Current	\$1,750	\$1,850	\$1,850	\$1,850	\$1,850	\$18,50	\$1,850
Program Revision .....	.....	.....	\$2,000	\$2,000	\$2,000	2,000	\$2,000
IAG per capita grant							
Current	649	740	754	754	754	754	754
Program Revision .....	.....	.....	791	831	872	916	962

Program Revision Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands).

<p>Grants to Full Time Students</p> <p>\$ 10,560 —to allow expanded eligibility standards based on family income levels and to provide a maximum grant of \$2,000.</p>	<p>Institutional Assistance Grants</p> <p>\$ 2,186 —to provide additional funding to allow students to attend these institutions due to stabilized tuition costs.</p>
<p>College Work Study</p> <p>\$ 750 —to provide additional students with the opportunity to work in career related jobs and to assist with educational expenses.</p>	<p>Program Revision Total</p> <p>\$ 13,496</p>

Recommended Program Revision Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
GENERAL FUND:							
Grants to Full Time Students	\$ 10,560	\$ 3,485	\$ 3,589	\$ 3,797	\$ 3,808
College Work Study	750	750	750	750	750
Institutional Assistance Grants	2,186	2,907	3,650	4,415	5,203
GENERAL FUND TOTAL	\$ 13,496	\$ 7,142	\$ 7,989	\$ 8,962	\$ 9,761

HIGHER EDUCATION ASSISTANCE AGENCY

Program Revision: Loan Forgiveness

Rural and urban areas of the State face serious teacher shortages due to fewer graduates applying their degrees to the teaching profession and an increasing number of teachers approaching retirement. Such shortages threaten the quality of education for children who live in these areas. This Program Revision recommends funding for a new loan forgiveness program to attract teachers to rural and urban schools with teacher shortages.

This Program Revision will complement the Higher Education Assistance Agency's successful Math and Science Loan Forgiveness

Program by providing incentives for new teachers to teach in urban and rural areas of the state. The Casey Administration has made a commitment to raising minimum teacher salaries which will have a significant impact on these areas. The urban/rural loan forgiveness program will provide an additional incentive to attract new teachers.

An average expenditure of \$1,700 per year per student forgives one fourth of a student's loan for each of four years. This Program Revision has the potential of increasing the number of new teachers in urban rural areas by 1,765 in 1988-89.

Program Measures:

	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
Loan Forgiveness grants available for teachers in urban and rural schools							
Current							
Program Revision			1,765	1,765	1,765	1,765	1,765

Program Revision Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

Loan Forgiveness
 \$ 3,000 —to provide a loan forgiveness program for teachers who agree to teach in urban and rural areas of the Commonwealth.

Recommended Program Revision Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
GENERAL FUND:							
Loan Forgiveness			<u>\$ 3,000</u>	<u>\$ 3,000</u>	<u>\$ 3,000</u>	<u>\$ 3,000</u>	<u>\$ 3,000</u>

HIGHER EDUCATION ASSISTANCE AGENCY

PROGRAM OBJECTIVE: To assist independent postsecondary institutions to maintain enrollments and stabilize their educational costs thereby promoting access to institutions in all sectors for Pennsylvania students.

Program: Financial Aid to Institutions

The Institutional Assistance Grants program, which was begun in 1974, provides grants to assist independent postsecondary institutions which are nonprofit, nondenominational, and not recipients of direct State appropriations.

The appropriated funds provide equal per capita grants to the schools based on the number of student grant recipients enrolled during the academic year.

The program helps to preserve and develop the diverse system of higher education in Pennsylvania by allowing private colleges and universities to stabilize their educational costs and maintain enrollments. It recognizes the desirability of helping independent institutions remain fiscally sound and serves to promote full student access to institutions in all sectors by assisting student attendance at Pennsylvania independent colleges and universities.

Program Measures:

	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
Grant recipients enrolled at eligible independent institutions	29,350	29,438	28,995	28,995	28,995	28,995	28,995
Per capita grant	649	740	829	854	880	906	933
Eligible institutions	90	90	91	91	91	91	91

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

Institutional Assistance Grants
 \$ 2,186 —PRR — Aid to Students — See the Program
 Revision Request following this program for
 further information.

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
GENERAL FUND:							
Institutional Assistance Grants	\$ 18,961	\$ 21,857	\$ 24,043	\$ 24,764	\$ 25,507	\$ 26,272	\$ 27,060

HIGHER EDUCATION ASSISTANCE AGENCY

PROGRAM OBJECTIVE: To provide teacher training and computer equipment to elementary and secondary schools.

Program: Information Technology Education

The Information Technology Education Act of 1984 established a teacher education and computer purchase program designed to strengthen the computer skills of teachers and students in the Commonwealth's elementary and secondary schools.

Fourteen regional computer resource centers and four outreach sites reflecting the Commonwealth's demography provide access to teachers from all areas of the state. Teachers are trained at these sites in the classroom use of computers and on available software; in addition new software is reviewed and made available at the centers for periodic review by teachers in the area. Staff in the program also aid schools by

designing computer oriented elementary and secondary school curricula.

Schools in need of computer hardware and software submit requests to the Pennsylvania Higher Education Assistance Agency (PHEAA) which are reviewed in terms of the comprehensive plan developed by the district for equipment and course materials, the equipment currently available to the district, and the district aid ratio. Equipment is then purchased with funds appropriated for the program. For districts who are purchasing equipment with their own funds, the staff provides aid in selecting and coordinating equipment. Equipment is also purchased for loan to nonpublic schools.

Program Measures:

	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
Teachers trained in microcomputer education	2,896	3,000	3,870	3,870	3,870	3,870	3,870
New classrooms using microcomputers ..	69	72	80	90	100	110	120
Teachers using program hardware and courseware	32,000	35,000	40,000	45,000	48,000	51,000	53,000

The measure of teachers using program hardware and courseware shows the sum of all teachers who have received training through this program in how to use the computer and its use in the classroom and those teachers who have attended software demonstrations at the training and outreach sites to select courseware for their classrooms. The number of teachers making use of these services continues to grow as classroom computer use becomes more common and more kinds of software are available for review by educators.

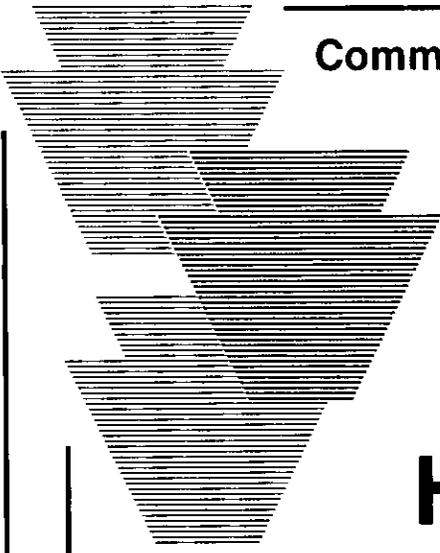
Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

<p>Computer Training</p> <p>\$ 462 —increase of 20 percent to continue training centers and meet demand for teacher training.</p>	<p>Computer Purchases</p> <p>\$ 256 —to provide equipment and software for schools.</p>
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Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
GENERAL FUND:							
Computer Training	\$ 2,197	\$ 2,307	\$ 2,769	\$ 2,769	\$ 2,769	\$ 2,769	\$ 2,769
Computer Purchases	3,328	3,494	3,750	3,750	3,750	3,750	3,750
TOTAL GENERAL FUND	\$ 5,525	\$ 5,801	\$ 6,519	\$ 6,519	\$ 6,519	\$ 6,519	\$ 6,519



Commonwealth of Pennsylvania

Historical and Museum Commission

The Historical and Museum Commission is the official agency for the conservation and presentation of Pennsylvania's historic heritage. In executing its responsibilities, the Commission provides educational and recreational facilities to the public through historical, archaeological, and museum research, administration of public records, museum exhibition and interpretation, and historic site development.

HISTORICAL AND MUSEUM COMMISSION

Summary by Fund and Appropriation

	1986-87 Actual	(Dollar Amounts in Thousands) 1987-88 Available	1988-89 Budget
GENERAL FUND			
GENERAL GOVERNMENT:			
General Government Operations	\$ 10,258	\$ 10,340	\$ 11,243
(F) Historic Preservation	396	450	450
(F) Computer Library Center	3		
(F) National Endowment For the Humanities		200	
(F) Penn Central Railroad Historical Records		63	
(F) State Historical Records Program		6	
(A) Hope Lodge Fund	95		45
(A) Historical Preservation Fund	400	475	677
(A) Land Records	15		
Maintenance Program	<u>550</u>	<u>750</u>	<u>750</u>
Subtotal — State Funds	\$ 10,808	\$ 11,090	\$ 11,993
Subtotal — Federal Funds	399	719	450
Subtotal — Augmentations	510	475	722
Total — General Government	<u>\$ 11,717</u>	<u>\$ 12,284</u>	<u>\$ 13,165</u>
GRANTS AND SUBSIDIES:			
Museum Assistance	\$ 900	\$ 1,473	\$ 700
Humanities Council		100	100
University of Pennsylvania Museum	175	180	185
Carnegie Museum	175	180	185
Franklin Institute	526	542	558
Academy of Natural Sciences	321	331	341
Buhl Science Center	175	180	185
Museum of Philadelphia Civic Center	175	180	185
Afro American Museum	154	159	164
Everhart Museum	32	33	34
Morris Arboretum		350	
Johnstown Flood Musuem		180	
Gettysburg 125th Anniversary		210	
Total — Grants and Subsidies	<u>\$ 2,633</u>	<u>\$ 4,098</u>	<u>\$ 2,637</u>
STATE FUNDS	\$ 13,441	\$ 15,188	\$ 14,630
FEDERAL FUNDS	399	719	450
AUGMENTATIONS	<u>510</u>	<u>475</u>	<u>722</u>
GENERAL FUND TOTAL	<u>\$ 14,350</u>	<u>\$ 16,382</u>	<u>\$ 15,802</u>
OTHER FUNDS			
GENERAL FUND:			
Preservation of Historic Sites and Properties	\$ 246	\$ 450	\$ 450
Hope Lodge	45	45	45
OTHER FUNDS TOTAL	<u>\$ 291</u>	<u>\$ 495</u>	<u>\$ 495</u>
DEPARTMENT TOTAL — ALL FUNDS			
GENERAL FUNDS	\$ 13,441	\$ 15,188	\$ 14,630
FEDERAL FUNDS	399	719	450
AUGMENTATIONS	510	475	722
OTHER FUNDS	<u>291</u>	<u>495</u>	<u>495</u>
TOTAL ALL FUNDS	<u>\$ 14,641</u>	<u>\$ 16,877</u>	<u>\$ 16,297</u>

HISTORICAL AND MUSEUM COMMISSION

Program Funding Summary:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
STATE HISTORIC PRESERVATION:							
General Fund	\$ 10,808	\$ 11,190	\$ 12,093	\$ 12,431	\$ 12,028	\$ 12,387	\$ 12,756
Federal Funds	399	719	450	500	500	500	500
Other Funds	801	970	1,217	1,070	1,070	1,084	1,084
TOTAL	\$ 12,008	\$ 12,879	\$ 13,760	\$ 14,001	\$ 13,598	\$ 13,971	\$ 14,340
MUSEUM ASSISTANCE:							
General Fund	\$ 2,633	\$ 3,998	\$ 2,537	\$ 2,594	\$ 2,652	\$ 2,711	\$ 2,770
ALL PROGRAMS							
GENERAL FUND	\$ 13,441	\$ 15,188	\$ 14,630	\$ 15,025	\$ 14,680	\$ 15,098	\$ 15,526
FEDERAL FUNDS	399	719	450	500	500	500	500
OTHER FUNDS	801	970	1,217	1,070	1,070	1,084	1,084
TOTAL	\$ 14,641	\$ 16,877	\$ 16,297	\$ 16,595	\$ 16,250	\$ 16,682	\$ 17,110

HISTORICAL AND MUSEUM COMMISSION

PROGRAM OBJECTIVE: To manage and safeguard Pennsylvania's historic resources through the administration of a comprehensive history and museum program to educate, interpret, research and preserve all areas of Pennsylvania History.

Program: State Historic Preservation

The State Historical Preservation Program administered by the Historical and Museum Commission is comprised of five major elements. These elements include: Executive and Administrative; Pennsylvania State and Local Records; Historic Site and Museum Operations; Historic Preservation; and Professional History and Museum Support Services.

Program Element: Executive and Administrative

This program provides the general policy and direction for administering the Commission's operations. It includes personnel management, procurement, financial grant administration, fiscal and revenue management, and other services. In addition, it serves to administer a Property Management and Lease Program through cooperative agreements with management groups, profit and non-profit organizations to operate, maintain and utilize alternative use historic sites, buildings and agriculture lands under the custody of the Commission.

Program Element: State and Local Records

This program is supported by the State Archives and Land Office. The State Archives is responsible for: the evaluation of State and political subdivision records of the Commonwealth to determine administrative, legal or historical value; records disposition requests and the development of appropriate records management and archival programs; accessioning of records, manuscripts and materials deemed appropriate for placement in the State Archives. The Commission's Archival program also provides information, microfilms, photographs and other materials and makes available finding aids and published guides for researchers and the general public. The Land Office maintains and preserves the records of the first titles acquired by the proprietaries and the Commonwealth to all the lands within Pennsylvania's boundaries, the conveyances and purchasers of the land; papers relating to the surveys of the State boundary lines; maps and other papers pertaining to the colonial history of Pennsylvania.

Program Element: Historic Site and Museum Operations

This element supports the administration and operation of twenty-seven (27) historic sites and museums throughout the Commonwealth. This program is managed through a regionalized system and provides: educational, collections, and exhibition programs for interpreting

Pennsylvania history through all of the Commission's historic sites and museums. Cooperative initiatives with associate organizations on educational and public events, and programs presenting rural and urban life along with lectures and seminars, curatorial methods and ethnic studies are also utilized. A Mobile Museum program which brings Pennsylvania history to the people is administered by the State Museum. This element is also responsible for administration of the museum assistance grants managed by the Commission.

Program Element: Historic Preservation

This element is responsible for the identification, protection and enhancement of buildings, structures and districts of historic and architectural significance within the Commonwealth and provides: the infusion of Federal funds from the Department of the Interior to enhance the economic base of many communities in Pennsylvania; a survey and a National Register nomination program; the maintenance and information network providing direction and assistance to local preservation organizations; the administration of an archaeological program to improve policies and procedures and provide direction to the professional and advocational community; and, to preserve and protect endangered historic public and private buildings, structures and landmarks through the administration of a non-profit, statewide revolving fund.

Program Element: Professional History and Museum Support Services

This element is responsible for providing a comprehensive program of support services. This element serves to coordinate and implement a historic collection's inventory system, exhibition program, a sales and publications program, development and implementation of a marketing strategy as they relate to history and promote, through historic sites and museums, the Commission's public resources and provide architectural and design services to support a major program of preservation maintenance for all buildings and structures assigned to the Commission's custody. This element is also responsible for developing professional policies, procedures and standards to ensure that the Commission's programs are carried out in the highest and best interests of the Commission.

HISTORICAL AND MUSEUM COMMISSION

Program: State Historic Preservation (continued)

Program Measures:

	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
State and Local Records							
Pages of archives and historical manuscripts (In Thousands)	89,800	91,000	94,000	97,000	98,000	100,000	102,000
Service request responses History, Archives and Land Records	71,500	72,000	73,500	73,500	74,000	74,000	75,000
Historic Site and Museum Operations							
Annual visitations to Commission historical sites and museums (In Thousands)	1,980	2,000	2,000	2,000	2,000	2,000	2,000
Historic markers	1,490	1,495	1,505	1,510	1,520	1,525	1,535
Historic Preservation							
Evaluations for the National Register of Historic Properties	325	335	350	350	350	350	350
Historic properties reviewed for tax credit	700	700	700	700	700	700	700
Professional History and Museum Support Services							
Objects maintained and conserved (In Thousands)	1,300	1,301	1,302	1,303	1,304	1,305	1,306
Commission buildings undergoing improvement	370	350	375	375	375	375	375

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

General Government Operations	
\$ 634	—to maintain current program.
50	—to provide for a minority internship program.
22	—to expand security at William Penn Memorial Museum.
141	—to provide staff and fund operations at the Flagship Niagara Site.
-20	—savings due to press/communications reorganization.
76	—to expand data processing system to meet requirements of the Divisions of Land Records, History and some sites.
<hr/>	
\$ 903	<i>Appropriation Increase.</i>

All other appropriations are recommended at current funding level.

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
GENERAL FUND:							
General Government Operations	\$ 10,258	\$ 10,340	\$ 11,243	\$ 11,581	\$ 11,928	\$ 12,287	\$ 12,656
Maintenance Program	550	750	750	750	750	750	750
Humanities Council	100	100	100	100	100	100	100
TOTAL GENERAL FUND	\$ 10,808	\$ 11,190	\$ 12,093	\$ 12,431	\$ 12,028	\$ 12,387	\$ 12,756

HISTORICAL AND MUSEUM COMMISSION

PROGRAM OBJECTIVE: To assure provision of representative artifacts, specimens of history, art, and science for all citizens through the support of museums within the Commonwealth.

Program: Museum Assistance

This program is comprised of two major components, the Museum Assistance Program and Museum Assistance General Operating Support. Both programs provide a source of financial assistance designed to enhance the quality of history and museum activities in Pennsylvania.

The Museum Assistance and Local History Grant Program established in 1985 is a competitive financial assistance process available to all qualified history related institutions within Pennsylvania. Through the established grant categories (Special Project Support, Technical Assistance, Local History, Local History General Operating and others) organizations may apply to the Historical and Museum Commission for projects ranging from the research of an historic event to a comprehensive exhibit plan and program having significant statewide impact. Special Project Support Grants and Local History General

Operating, the larger of the financial award categories, requires the successful grantee to provide dollar-for-dollar matching funds. All other categories are non-matching, but grantees are encouraged to provide in-kind support where possible.

The Museum Assistance General Operating Program provides support to major history and cultural related institutions in the Commonwealth. Organizations which currently receive funding from the commission through this program include: The University of Pennsylvania; Carnegie Museum of Natural History; Franklin Institute Science Museum; Academy of Natural Sciences; Buhl Science Center; Museum of Philadelphia Civic Center; Afro-American Historical—Cultural Museum and The Everhart Museum. Financial assistance to these institutions supports a portion of their general operating budget.

Program Measures:

	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
Museum assistance grants awarded	78	126	90	90	95	95	105
Museum Assistance General Operating Support Grants	8	8	8	8	8	8	8

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

<p>Museum Assistance</p> <p>\$ -846 —nonrecurring costs.</p> <p>50 —Morris Arboretum</p> <p>23 —increase for discretionary grants.</p> <p><u> </u></p> <p>\$ -773 —Appropriation Decrease</p>	<p>Museum Assistance—General Operating Support</p> <p>\$ 52 —to provide three percent increase for eight state aided museums.</p>
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Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
GENERAL FUND:							
Museum Assistance	\$ 900	\$ 1,473	\$ 700	\$ 700	\$ 700	\$ 700	\$ 700
University of Pennsylvania Museum	175	180	185	191	197	203	209
Carnegie Museum	175	180	185	191	197	203	209
Franklin Institute	526	542	558	575	592	610	628
Academy of Natural Sciences	321	331	341	351	362	373	384
Buhl Science Center	175	180	185	191	197	203	209
Museum of Philadelphia Civic Center	175	180	185	191	197	203	209
Afro American and Cultural Museum	154	159	164	169	174	179	184
Everhart Museum	32	33	34	35	36	37	38
Morris Arboretum		350					
Johnstown Flood Museum		180					
Gettysburg 125th Anniversary		210					
TOTAL GENERAL FUND	\$ 2,633	\$ 3,998	\$ 2,537	\$ 2,594	\$ 2,652	\$ 2,711	\$ 2,770



Commonwealth of Pennsylvania

Housing Finance Agency

The Housing Finance Agency provides funding for construction and substantial rehabilitation of multi family housing and purchase, rehabilitation, home improvement and energy conservation for single family homes.

A Homeowner's Emergency Assistance Program also provides assistance through the provision of temporary mortgage assistance payments to those threatened with loss of their home due to financial hardship.

HOUSING FINANCE AGENCY

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Budget
GENERAL FUND			
<i>GRANTS AND SUBSIDIES:</i>			
Homeowners Emergency Mortgage Assistance	\$ 25,750	\$ 15,000	\$ 15,000
GENERAL FUND TOTAL	<u>\$ 25,750</u>	<u>\$ 15,000</u>	<u>\$ 15,000</u>

HOUSING FINANCE AGENCY

Program Funding Summary:

	(Dollar Amounts in Thousands)						
	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
	Actual	Available	Budget	Estimated	Estimated	Estimated	Estimated
COMMUNITY DEVELOPMENT AND CONSERVATION							
General Fund	<u>\$ 25,750</u>	<u>\$ 15,000</u>	<u>\$ 15,000</u>	<u>\$ 7,500</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

HOUSING FINANCE AGENCY

PROGRAM OBJECTIVE: To provide and maintain adequate, affordable and safe housing for Commonwealth citizens.

Program: Community Development and Conservation

The Pennsylvania Housing Finance Agency (PHFA) operates three ongoing programs to increase the supply of decent, safe and affordable housing: The Rental Housing Development Program; The Single Family Home Ownership Program; and The Homeowners Emergency Mortgage Assistance Program.

The Rental Housing Development Program and the Single Family Home Ownership Program are both funded with proceeds from the sale of securities to private investors across the nation. The Homeowners Emergency Mortgage Assistance Program is totally supported by an annual General Fund appropriation.

The Single Family Home Ownership Program offers below market rate mortgage loans to first time home buyers. Funds to operate the program come from the sale of mortgage revenue bonds. Federal authority to issue these bonds expires on December 31, 1988. PHFA is currently working with Congress to extend the life of this financing tool through 1992.

The Rental Development Housing Program provides qualified developers with permanent financing for the construction or substantial rehabilitation of multi-family rental housing. Under its Rental Housing Development Program, PHFA has recently undertaken two new initiatives that when fully operational will address the shortfall in affordable apartments.

The Rental Housing Demonstration Program is financed with a \$6 million allocation from PHFA's own funds. It is intended to lower development costs and, therefore, rental charges for apartment projects financed with residential development bonds. Ten proposals are currently being processed by the agency that will provide approximately 300-400

rental units for elderly citizens, families of lower income and handicapped individuals.

The Homeless Housing Demonstration project provides \$5 million from the agency's fund reserves to help reduce the suffering of those Pennsylvanians unable to find even the most basic shelter. The program encourages rehabilitation, construction or adaptation of structures that offer suitable permanent accommodations for homeless families and individuals. A minimum of 250 units of housing is expected to be produced through this effort. A program goal is that successful projects can be replicated across the state.

The Governor will be requesting PHFA to commit at least another \$5 million to this program in 1988-89.

The Homeowners Emergency Mortgage Assistance Program (HEMAP) was established by Act 91 of 1983. It is designed to protect citizens, who, through no fault of their own, are in danger of losing their homes to foreclosure. Eligible applicants receive assistance in an amount sufficient to bring mortgage payments current and may also receive continuing mortgage payment assistance to up to thirty-six months. HEMAP payments are loans upon which repayment begins and interest starts to accrue when the recipient is financially able.

Act 91 originally had a three year life, with an expiration date of December 23, 1986. However, the program was extended through December 23, 1989 under provisions of Act 189 of 1986.

Since its creation in 1972, PHFA has financed 30,000 apartment units and 23,000 single-family homes through the sale of \$2 billion of tax-exempt bonds and has channeled over \$90 million in General Fund monies into the HEMAP program to save 7,000 homes from foreclosure.

Program Measures:

	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
HEMAP Loans Approved	1,825	1,500	1,500	750	.....	.....	.....

Program Recommendations:

This budget recommends that the program be continued at the current level.

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
GENERAL FUND:							
Homeowners Emergency Mortgage Assistance	\$ 25,750	\$ 15,000	\$ 15,000	\$ 7,500	.....	.....	.....



Commonwealth of Pennsylvania

Insurance Department

The Insurance Department executes the insurance laws of the Commonwealth, examines and supervises domestic insurance companies, settles complaints and regulates insurance rates. The department also licenses Pennsylvania and out-of-state companies, makes investigations of alleged violations of the law and supervises the dissolution of companies.

INSURANCE

Summary by Fund and Appropriation

	1986-87 Actual	(Dollar Amounts in Thousands) 1987-88 Available	1988-89 Budget
GENERAL FUND			
<i>GENERAL GOVERNMENT:</i>			
General Government Operations	\$ 7,827	\$ 8,600 ^a	\$ 11,105
(A) Companies in Liquidation	365	400	420
(A) Pennsylvania Bulletin and Code Regulations	110	122	120
(A) Duplicating and Mailing Services	47	40	45
(A) Workmen's Compensation Security Services	50	90	110
(A) Reimbursements — Examination Travel	275	320	350
Relco Emergency Traffic Control Study .....	.....	75	.....
Subtotal — State Funds	\$ 7,827	\$ 8,675	\$ 11,105
Subtotal — Augmentations	847	972	1,045
Total — General Government	\$ 8,674	\$ 9,647	\$ 12,150
GENERAL FUND TOTAL	\$ 8,674	\$ 9,647	\$ 12,150
OTHER FUNDS			
<i>CATASTROPHIC LOSS TRUST FUND:</i>			
Administration	\$ 6,309	\$ 8,100	\$ 13,363
Claims	20,000	30,000	64,000
OTHER FUNDS TOTAL	\$ 26,309	\$ 38,100	\$ 77,363
DEPARTMENT TOTAL — ALL FUNDS			
GENERAL FUNDS	\$ 7,827	\$ 8,675	\$ 11,105
AUGMENTATIONS	847	972	1,045
OTHER FUNDS	26,309	38,100	77,363
TOTAL ALL FUNDS	\$ 34,983	\$ 47,747	\$ 89,513

^aAppropriated in 1987-88 as General Government Operations \$8,100,000 and Rate Analysis Enhancement \$500,000.

INSURANCE

Program Funding Summary:

	(Dollar Amounts in Thousands)						
	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
	Actual	Available	Budget	Estimated	Estimated	Estimated	Estimated
INSURANCE INDUSTRY REGULATION							
General Fund	\$ 7,827	\$ 8,675	\$ 11,105	\$ 12,390	\$ 12,762	\$ 13,145	\$ 13,540
Other Funds	27,156	39,072	78,408	99,907	120,323	145,751	176,192
TOTAL	\$ 34,983	\$ 47,747	\$ 89,513	\$ 112,297	\$ 133,085	\$ 158,896	\$ 189,732

PROGRAM OBJECTIVE: To effectively regulate the insurance industry and monitor its adherence to contractual obligations and to prevent abuse of the public by illegal or unfair practices.

Program: Insurance Industry Regulation

Pennsylvania's insurance industry is rapidly expanding both in number of companies and in premium volume in response to the expanding concepts of liability and to the public's demand for new insurance products and services. State regulation must provide a fair but controlled regulatory climate which permits insurers to conduct their business and invest their funds and assure adequate consumer safeguards to the policyholder.

The Insurance Department is charged with the responsibility to regulate all aspects of the insurance industry in Pennsylvania. It is mandated to supervise the operation of 1,440 insurance companies; authorize the admission of new insurers to the State; test and license insurance agents, brokers and bondsmen; review and prior approve nearly 10,000 rate and policy form filings each year; conduct adjudicatory hearings and handle nearly 400,000 consumer inquiries annually.

In the rating area, the growing demand for insurance and its rising cost require the department to intensify its review of all insurance rate and form filings. In the casualty rating area, the high cost and/or unavailability of general liability, auto and medical malpractice insurance is requiring the department to hold more adjudicatory hearings on casualty rate filings as part of an overall effort to intensify the analysis of rates being charged to policyholders in all areas of the state.

In the health insurance area, there is great interest in new types of insurers such as health maintenance organizations (HMOs) and preferred provider organizations (PPOs). In examining HMO applications, the department must insure that the HMO is and will remain financially sound. It further examines the contracts and rates to make sure that they meet the standards required by law.

Due to the growth of complex life insurance products, more

companies will file equity-based insurance products as insurers compete to retain and increase their share of the investment dollar and to fill the void created by the tax law changes on non-insurance tax shelters.

The property/casualty segment of the insurance industry has recently shown profitable operating results with a resulting easing of the problems of unaffordability and unavailability of commercial liability insurance. The improving underwriting results of both property/casualty insurers and their reinsurers will contribute to a continuing decline in the cost of commercial liability insurance which bodes well for businesses seeking to purchase such coverage.

The examination and financial analysis functions are most directly affected by insurer financial problems. The department expends substantial resources to avoid the necessity to liquidate insurers. This activity is an increasing part of the department's workload. The department must continue to monitor the financial solvency of insurers and explore methods to improve solvency surveillance.

The Department's Consumer Affairs and Enforcement function maintains a program to provide public information and complaint review services to all insurance consumers. In addition, the Bureau is responsible for investigating violations of Pennsylvania's insurance laws.

The Catastrophic Loss Trust Fund (CLTF) was created by the Motor Vehicle Financial Responsibility Law, which became effective on October 1, 1984. The Fund's purpose is to provide benefits to Pennsylvanians who are catastrophically injured in motor vehicle accidents and incur medical expenses in excess of \$100,000. Eligible claimants receive benefits for medical treatment and rehabilitative services which are reasonable, necessary and accident related subject to a \$1,000,000 lifetime aggregate.

Program Measures:

	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
Consumer savings from departmental intervention in insurance claim disputes (in thousands)	\$4,674	\$4,200	\$4,500	\$4,800	\$5,200	\$5,500	\$5,900
Companies in liquidation	19	17	19	19	19	19	19
Rate Filings Reviewed	8,661	9,600	10,800	11,200	11,600	12,000	12,400
Policy/Form Filings Reviewed	43,451	45,500	48,700	52,100	55,800	59,700	63,000
Companies Examined	220	210	214	219	223	227	232

INSURANCE

Program: Insurance Industry Regulation (continued)

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

General Government Operations			
\$	-131	—nonrecurring costs, including a one-time Financial Solvency Study under the Rate Analysis Enhancement program.	-11 —savings due to press/communications reorganization.
	763	—to fund current programs, including the annualization of the 1987-88 Rate Analysis Enhancement program.	1,884 —PRR Insurance Industry Oversight. See Program Revision following this program for further information.
			\$ 2,505 <i>Appropriation Increase</i>

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
GENERAL FUND:							
General Government Operations	\$ 7,827	\$ 8,600	\$ 11,105	\$ 12,390	\$ 12,762	\$ 13,145	\$ 13,540
Relco Emergency Traffic Control Study		75					
TOTAL GENERAL FUND	\$ 7,827	\$ 8,675	\$ 11,105	\$ 12,390	\$ 12,762	\$ 13,145	\$ 13,540

Program Revision: Insurance Industry Oversight

The cost of auto insurance is now beyond the reach of many Pennsylvanians. Inappropriate and sometimes fraudulent health care insurance is being offered, often aimed at older Pennsylvanians. The insurance industry is changing and expanding, introducing new concepts, new forms and vehicles of insurance and taking on new roles. To respond to these concerns and changes, this budget will improve the Insurance Department's ability to operate an effective regulatory program that insures that the industry is responsive to the needs of the consumer and makes available appropriate insurance coverages at reasonable rates.

When the department conducted research to develop the Administration's auto rate reduction and reform initiative, it identified many cases of suspected consumer abuse by insurance companies. As a result, the department will step up its financial/market examinations of auto insurance companies. Another key component of auto insurance reform is the proposed requirement for the disclosure of insurance industry rate making and investment related data. To capitalize on this requirement, a Statistical Analysis Center (SAC) will be created to collect, evaluate, store, and analyze data relevant to insurance rate making. This center will be the department's central collection point for

information required to be submitted by insurance companies under legislation introduced to implement the Casey Administration's Auto Insurance Rate and Reform Plan.

Over the last few years there has been a large increase in the number of long term care insurance policies and other insurance products directed toward older Pennsylvanians. This insurance has generated additional problems with fraud and misleading information. The department will undertake a major initiative to target the insurance problems of older Pennsylvanians. It will focus its review on long term care insurance and other kinds of insurance used by older Pennsylvanians and develop education and other programs to equip these citizens to be better insurance consumers.

Recently, strong competition within the health insurance field has developed between Health Maintenance Organizations (HMOs) and Preferred Party Organizations (PPOs). The ability of these new entities to attract and maintain enough subscribers to operate in a fiscally sound manner is affected by this increased competition. The department will improve its ability to monitor the financial viability of these insurance entities and monitor their compliance with statutory provisions.

Program Measures:

	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
Savings from Departmental Intervention (in thousands)							
Current	\$ 4,674	\$ 4,200	\$ 4,300	\$ 4,400	\$ 4,500	\$ 4,600	\$ 4,600
Program Revision .....	.....	.....	4,500	4,800	5,200	5,500	5,900
Rate Filings Reviewed							
Current	8,661	9,600	10,000	10,500	11,000	11,500	11,800
Program Revision .....	.....	.....	10,800	11,200	11,600	12,000	12,400
Policy/Form Filings Reviewed							
Current	43,451	45,500	46,500	48,500	50,500	53,500	55,000
Program Revision .....	.....	.....	48,700	52,100	55,800	59,700	63,000
Companies Examined							
Current	220	210	210	213	218	220	222
Program Revision .....	.....	.....	214	219	223	227	232

These program measures reflect the Casey Administration's objective to increase the intensity of case reviews as well as the number of case reviews completed.

INSURANCE

Program Revision Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

General Government Operations	\$	542	—to enhance the rate review/litigation function of the department.
245 —to create a Statistical Analysis Center for data assimilation.			
75 —to implement a Solvency Surveillance system.		245	—to fund a program initiative on Treatment and Care of older Pennsylvanians.
110 —to fund additional examiner training and to purchase 40 personal computers for use by staff auditors/examiners.		122	—to enhance solvency and compliance in the area of Health insurance.
300 —to enable the department to hire actuarial consultants to review more complex rate filings and to serve as expert witnesses.		171	—to enhance the financial solvency functions.
		74	—to create a policy analysis unit.
	\$	1,884	<i>Total Program Revision Increase.</i>

Recommended Program Revision Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
GENERAL FUND:							
General Government Operations	\$ 1,884	\$ 2,892	\$ 2,979	\$ 3,068	\$ 3,160



Commonwealth of Pennsylvania

Department of Labor and Industry

The Department of Labor and Industry serves the labor and industrial interests of the Commonwealth by promoting the health, welfare and safety of employes; maintaining continuous production and employment by acting to reduce industrial strife; rehabilitating the vocationally handicapped; stabilizing the income of employes who become victims of certain occupational diseases or who sustain work related injuries; promoting apprenticeship training programs and assisting displaced workers in retraining and/or relocation.

LABOR AND INDUSTRY

PROGRAM REVISION

Budgeted Amounts Include the Following Program Revision:

Fund Name	Title	1988-89 Other Funds (In thousands)
OTHER SPECIAL FUNDS		
State Workmen's Insurance Fund	Unemployment Compensation Debt Reimbursement	\$ 146,000
Unemployment Compensation Interest Fund	Unemployment Compensation Debt Reimbursement	49,000
DEPARTMENT TOTAL		<u>\$ 195,000</u>

This Program Revision will fund the final repayment of the Commonwealth's Federal Unemployment Compensation debt, in order to prevent a penalty tax that would cost Pennsylvania employers over \$450 million.

LABOR AND INDUSTRY

Summary by Fund and Appropriation

GENERAL FUND	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Budget
GENERAL GOVERNMENT:			
General Government Operations	\$ 12,433	\$ 12,763	\$ 11,220
(F) JTPA — Administration	2,514 ^a	2,897 ^b	2,430
(F) National Occupational Information Coordinating Committee	150 ^c	320 ^c	230
(A) Federal Indirect Cost Reimbursement .....	.....	607	2,607
Total — General Government Operations	<u>\$ 15,097</u>	<u>\$ 16,587</u>	<u>\$ 16,487</u>
Right to Know	1,097	1,425	1,253
Job Creation Tax Credit Administration	500	250	250
PennSERV .....	.....	.....	500
Subtotal — State Funds	14,030	14,438	13,223
Subtotal — Federal Funds	2,664	3,217	2,660
Subtotal — Augmentations .....	.....	607	2,607
Total — General Government	<u>\$ 16,694</u>	<u>\$ 18,262</u>	<u>\$ 18,490</u>
GRANTS AND SUBSIDIES:			
Occupational Disease Payments	\$ 7,292	\$ 6,788	\$ 7,278
Transfer to Vocational Rehabilitation Fund	13,965	16,500	17,800
(F) Disability Determination	35,359	43,502	43,705
Supported Employment .....	.....	.....	829
(F) Supported Employment .....	.....	500	500
Harmarville Rehabilitation Fund	200	200	200
Centers for Independent Living	300	425	575
Workmen's Compensation Payments	920	875	846
Dislocated Workers .....	.....	2,500	2,500
Joint Jobs Initiative .....	.....	.....	1,500
(F) Food Stamps Job Training .....	.....	.....	8,363
(A) Joint Jobs Initiative .....	.....	.....	9,863
Total — Joint Jobs Initiative .....	.....	.....	<u>\$ 19,726</u>
JTPA — Matching Funds	1,988	3,150	3,150
(F) Dislocated Workers	12,989	17,054	24,200
(F) TAA Dislocated Worker (JTPA)	2,981	.....	.....
(F) Incentive Grants	8,197	17,647	16,000
(F) Grants to Service Delivery Areas	100,667	102,040	82,000
(F) Summer Youth	41,449	37,100	29,000
(F) Technical Assistance	2,219	2,000	2,000
(F) Older Workers	4,512	5,371	4,531
(F) Veterans' Employment	1,187	1,187	1,187
Total — JTPA	<u>\$ 176,189</u>	<u>\$ 185,549</u>	<u>\$ 162,068</u>
Job Training Welfare — Recipients	2,760	637	.....
(F) Job Training for Welfare Recipients	353	1,000	.....
(F) Food Stamps Job Training .....	.....	5,493	.....
(A) Job Training—Welfare Recipients	240	.....	.....
(A) Joint Jobs Initiative .....	.....	4,763	.....
Total — Job Training Welfare Recipients	<u>\$ 3,353</u>	<u>\$ 11,893</u>	.....

^a\$414,000 of this amount actually appropriated to the Office of Policy Development.

^b\$296,000 of this amount actually appropriated to the Office of Policy Development.

^cActually appropriated to the Office of Policy Development.

LABOR AND INDUSTRY

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Budget
GENERAL FUND			
<i>GENERAL GOVERNMENT: (continued)</i>			
Teenage Pregnancy and Parenthood	625	625	625
(F) Teenage Pregnancy and Parenthood	980	1,000	1,000
Subtotal — State Funds	\$ 28,050	\$ 31,700	\$ 35,303
Subtotal — Federal Funds	210,893	233,894	204,123
Subtotal — Augmentations	240	4,763	.....
Total — Grants and Subsidies	\$ 239,183	\$ 270,357	\$ 239,426
STATE FUNDS	\$ 42,080	\$ 46,138	\$ 48,526
FEDERAL FUNDS	213,557	237,111	215,146
AUGMENTATIONS	240	5,370	12,470
GENERAL FUND TOTAL	<u>\$ 255,877</u>	<u>\$ 288,619</u>	<u>\$ 276,142</u>
OTHER FUNDS			
<i>ADMINISTRATION FUND:</i>			
Administration of Unemployment	\$ 157,498	\$ 150,742	\$ 153,342
<i>REHABILITATION CENTER FUND:</i>			
Operation of Rehabilitation Center	\$ 10,452	\$ 12,866	\$ 13,787
<i>VOCATIONAL REHABILITATION FUND:</i>			
Administration of Vocational Rehabilitation	\$ 58,389	\$ 68,466	\$ 76,153
<i>WORKERS' COMPENSATION ADMINISTRATION FUND:</i>			
Administration of Workmen's Compensation	\$ 11,754	\$ 13,025	\$ 15,224
OTHER FUNDS TOTAL	<u>\$ 238,093</u>	<u>\$ 245,099</u>	<u>258,506</u>
DEPARTMENT TOTAL — ALL FUNDS			
GENERAL FUND	\$ 42,080	\$ 46,138	\$ 48,526
FEDERAL FUNDS	213,557	237,111	215,146
AUGMENTATIONS	240	5,370	12,470
OTHER FUNDS	238,093	245,099	258,506
TOTAL ALL FUNDS	<u>\$ 493,970</u>	<u>\$ 533,718</u>	<u>\$ 534,648</u>

* Excludes transfer from General Fund.

LABOR AND INDUSTRY

Program Funding Summary:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
COMMUNITY AND OCCUPATIONAL SAFETY AND STABILITY							
General Fund	\$ 14,030	\$ 14,438	\$ 13,223	\$ 13,613	\$ 14,013	\$ 16,485	\$ 16,975
Federal Funds	150	320	230	230	230	230	230
Other Funds		607	2,607	2,607	2,607	607	607
TOTAL	\$ 14,180	\$ 15,365	\$ 16,060	\$ 16,450	\$ 16,850	\$ 17,322	\$ 17,812
WORKERS' COMPENSATION AND ASSISTANCE							
General Fund	\$ 8,212	\$ 7,663	\$ 8,124	\$ 7,251	\$ 6,897	\$ 6,559	\$ 6,238
Federal Funds	35,359	43,502	43,705	45,890	48,185	50,594	53,124
Other Funds	169,252	163,767	168,566	169,023	169,493	169,978	170,477
TOTAL	\$ 212,823	\$ 214,932	\$ 220,395	\$ 222,164	\$ 274,575	\$ 227,131	\$ 229,839
JOB TRAINING DEVELOPMENT							
General Fund	\$ 5,373	\$ 6,912	\$ 7,775	\$ 7,775	\$ 7,775	\$ 7,775	\$ 7,775
Federal Funds	178,048	192,789	170,711	170,711	170,711	170,711	170,711
Other Funds	240	4,763	9,863	9,863	9,863	8,863	9,863
TOTAL	\$ 183,661	\$ 204,464	\$ 188,349	\$ 188,349	\$ 188,349	\$ 188,349	\$ 188,349
VOCATIONAL REHABILITATION							
General Fund	\$ 14,465	\$ 17,125	\$ 19,404	\$ 21,404	\$ 24,604	\$ 25,604	\$ 26,804
Federal Funds		500	500	500	500	500	500
Other Funds	68,841	81,332	89,940	94,161	98,586	103,222	108,081
TOTAL	\$ 83,306	\$ 98,957	\$ 109,844	\$ 116,065	\$ 123,690	\$ 129,326	\$ 135,385
ALL PROGRAMS							
GENERAL FUND	\$ 42,080	\$ 46,138	\$ 48,526	\$ 50,043	\$ 53,289	\$ 56,423	\$ 57,792
FEDERAL FUNDS	213,557	237,111	215,146	217,331	219,626	222,035	224,565
OTHER FUNDS	238,333	250,469	270,976	275,654	280,549	283,670	289,028
TOTAL	\$ 493,970	\$ 533,718	\$ 534,648	\$ 543,028	\$ 553,464	\$ 562,128	\$ 571,385

LABOR AND INDUSTRY

PROGRAM OBJECTIVE: To further economic development in the Commonwealth by promoting the health, welfare, and safety of employes and acting to maintain continuous production and employment through mediation.

Program: Community and Occupational Safety and Stability

The department is responsible for administering a wide range of laws designed to enhance income security, safeguard the health of workers and the general public, and promote labor relations stability and labor-management cooperation.

The income of employes is protected by Minimum Wage, Wage Payment and Collection, and Prevailing Wage laws which the department strictly enforces. Payment of prevailing wage rates is monitored by field inspections.

Labor relations stability is promoted through the provision of mediation services to the public and private sectors. Under the Public Employes Relations Act, parties to a contract in the public sector must notify the department if no agreement has been reached within 21 days after contract negotiations have commenced. In the private sector, dispute notices must be filed with the department based on the National Labor Relations Act and Act 177. Each year over 1,000 cases are mediated by the department.

Working in close cooperation with the Economic Development Partnership, the department will establish an Office of Labor-Management Cooperation. This new initiative will compliment the department's current mediation efforts and will help to create an environment in which management and labor can best do their job through collaboration not confrontation. This will be accomplished through education, research, marketing and technical assistance to organizations that want to establish area and in-plant cooperative processes to improve relations, restructure work and enhance organizational effectiveness.

The Department will also implement a PennSERV initiative. This program will consist of two components: an Office of Citizen Service and an Urban Services Corps. Approximately 200 young people at two

different urban sites will be provided opportunities to serve their communities while developing work habits. The Office of Citizen Service will be established to promote volunteerism throughout the Commonwealth.

The Fire and Panic Act (Act 299 of 1927), the Building Energy Conservation Act (Act 222 of 1980), the Elevator Law (Act 452 of 1929), the Bedding and Upholstery Law (Act 249 of 1973), the Stuffed Toy Law (Act 372 of 1961), and the Employment Agency Law (Act 261 of 1941) are all administered by the department. Over 100,000 inspections are performed each year to maintain compliance with these laws.

The Worker and Community Right-to-Know Act, passed in 1984 and modified by Federal Court decisions, requires all employers doing business in Pennsylvania to provide certain information about hazardous chemicals found in their workplace and to make that information available to emergency response organizations and the public via the department. In addition, worker right-to-know information is required to be provided for public employes and those in the mining industry. The department also acts as a processing agent for employer reporting under the Federal government's Superfund Amendment Reauthorization Act of 1986 Title III provisions. This act provides for a national system of planning and response to emergencies and community right-to-know provisions operated under state auspices.

Economic development and employment growth are encouraged by the Job Creation Tax Credit Act which was enacted in 1986. Certain employers, except those in retail trade, construction and services other than business services, are entitled to a tax credit for new employes determined by a comparison of employment in 1985 versus 1986, 1987, and 1988. In 1986, \$4.0 million of tax credits were granted.

Program Measures:

	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
Minimum wage violations cited	346	400	400	400	400	400	400
Persons receiving subminimum rates	1,173	1,200	1,200	1,200	1,200	1,200	1,200
Claims for nonpayment of wages	2,872	3,000	3,000	3,000	3,000	3,000	3,000
Nonpayment of wage claims settled	1,225	1,300	1,300	1,300	1,300	1,300	1,300
Percent of mediated cases involving work stoppages:							
Public bargaining units	4.2%	5%	5%	5%	5%	5%	5%
Private bargaining units	8.9%	12%	12%	12%	12%	12%	12%
Unfair labor practice cases concluded	501	515	500	500	500	500	500
Union representation cases concluded	214	253	251	251	251	251	251
Total inspections performed	102,450	105,000	106,000	106,000	106,000	106,000	106,000
Building approvals issued	16,718	12,000	11,000	11,000	11,000	11,000	11,000
New buildings certified	11,234	15,770	9,200	9,000	9,000	9,000	9,000
Renovations of existing buildings certified	2,559	2,500	2,300	1,800	1,800	1,800	1,800

The number of persons cited for minimum wage violations and the number receiving subminimum wages has dropped significantly from prior years. This is primarily due to increased economic activity and increased demand for workers in relatively low paying jobs. Employers are pressured into raising wages to attract workers.

LABOR AND INDUSTRY

Program: Community and Occupational Safety and Stability (continued)

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

<p>General Government Operations</p> <p>\$ -33 —savings due to press/communications reorganization</p> <p>-300 —nonrecurring projects.</p> <p>605 —to continue current programs.</p> <p>185 —to establish a new Office of Labor Management Cooperation.</p> <p>-2,000 —increased use of Federal indirect cost reimbursements. Additional funds will be available from the approved Federal plan.</p> <hr/> <p>\$ -1,543 <i>Appropriation Decrease</i></p>	<p>Right-to-Know Act</p> <p>\$ -172 —nonrecurring projects.</p> <p>PennSERV</p> <p>\$ 500 —to establish an Office of Citizen Service to promote volunteerism and an Urban Services Corps in inner cities.</p>
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The Job Creation Tax Credit Administration Appropriation is recommended to be continued at the current year level.

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
GENERAL FUND:							
General Government Operation	\$ 12,433	\$ 12,763	\$ 11,220	\$ 11,557	\$ 11,903	\$ 14,320	\$ 14,750
Right-To-Know Act	1,097	1,425	1,253	1,291	1,330	1,369	1,412
Job Creation Tax Credit Administration ..	500	250	250	250	250	250	250
PennSERV .....	.....	.....	500	515	530	546	563
TOTAL GENERAL FUND	\$ 14,030	\$ 14,438	\$ 13,223	\$ 13,613	14,013	16,485	16,975

LABOR AND INDUSTRY

PROGRAM OBJECTIVE: To further economic development in the Commonwealth by stabilizing the incomes of employees who become unemployed.

Program: Workers' Compensation and Assistance

This program is designed to provide income security to citizens of the Commonwealth who become victims of certain occupational diseases or sustain work related injuries.

The Governor issued an action plan to improve the administration of Workers' Compensation in Pennsylvania in June of 1987 which set forth 30 action items to rectify long standing problems. To date much progress has been made towards completing the goal of the plan to reduce the delays in resolving litigated Workers' Compensation claims. A comprehensive case management review of the litigation process has been completed. Twenty-three recommendations to reform the hearing process and to reorganize the Bureau of Workers' Compensation are being implemented. Additional referees, support staff and law clerks

have been hired to reduce the large number of cases in litigation which grew from 15,311 in 1979 to almost 25,000 in 1987. The Workers' Compensation Rules Committee and the Advisory Council have been reappointed to suggest further reforms. The Bureau has embarked on an ambitious public information program to educate employes and employers of their rights and obligations under the Workers' Compensation Act. The program includes a variety of seminars, newsletters and an informational handbook.

The department also processes applications for disability benefits, gathers evidence, and makes recommendations to the Social Security Administration under the Social Security Administration's Disability Determination Program guidelines.

Program Measures:

	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
Claimants qualifying for occupational disease payments out of Commonwealth funds	3,643	3,470	3,292	3,114	2,934	2,744	2,544
New claimants eligible for workmen's compensation payments	100,366	102,400	104,400	106,400	108,400	110,400	112,400
Individuals filing for unemployment compensation	607,122	590,000	580,000	580,000	580,000	580,000	580,000
Total petitions assigned	25,025	25,500	26,000	27,000	27,500	28,000	28,000
Referee decisions	22,066	26,000	28,000	29,000	30,000	30,000	30,000

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

Occupational Disease Payments
 \$ 490 —to continue current program. While the number of claimants qualifying for Occupational Disease Payments from Commonwealth funds is declining, this increase is necessary to meet 1986-87 obligations for which insufficient funds were encumbered.

In addition, this budget recommends the following changes for the administration of the Workmen's Compensation Administration Fund:

\$ 1,196 —to continue current program.
 1,000 —to upgrade the computer system in order to meet the goals described above.

\$2,196 *Appropriation Increase*

Workmen's Compensation Payments
 \$ -29 —to continue current program. These payments are for a special class of recipients, i.e., for claimants who become eligible before March 1968, and not for those new claimants shown in the program measures above whose payments are made from the State Workmens Insurance Fund and by private insurance companies.

LABOR AND INDUSTRY

Program: Worker's Compensation and Assistance (continued)

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
	Actual	Available	Budget	Estimated	Estimated	Estimated	Estimated
GENERAL FUND:							
Occupational Disease Payments	\$ 7,292	\$ 6,788	\$ 7,278	\$ 6,439	\$ 6,117	\$ 5,811	\$ 5,520
Workmen's Compensation Payments	920	875	846	812	780	748	718
TOTAL GENERAL FUND	\$ 8,212	\$ 7,663	\$ 8,124	\$ 7,251	\$ 6,897	\$ 6,559	\$ 6,238

LABOR AND INDUSTRY

Program Revision: Unemployment Compensation Debt Retirement

This Program Revision will enable the Commonwealth to cease payments of penalties imposed by the Federal Government and thus reduce the Commonwealth's overall debt. It will retire a remaining debt of \$195 million from \$3 billion in loans acquired from the Unemployment Compensation Trust Fund between 1975 and 1983. These loans helped the Commonwealth continue to provide benefits to unemployed workers during this difficult economic period. The Commonwealth has been assessed additional rates over the basic Federal Unemployment Compensation Tax Assessment of 1.2 percent per worker in 1986 and 1.5 percent per worker in 1987.

The Commonwealth will retire this debt by using \$49 million from the Unemployment Compensation Interest Fund and a transfer of \$146

million from the surplus in the State Workmen's Insurance Fund (SWIF). The SWIF has generated a sufficient surplus over and above those necessary to meet its future obligations to injured workers and to cover catastrophic accidents. In retiring this debt Commonwealth employers will save over \$450 million in taxes.

To ensure that the Commonwealth does not experience this situation again, the Casey Administration has requested that the Unemployment Compensation Advisory Council recommend legislation that will establish automatic trigger mechanisms that will require increased unemployment compensation rates if the reserves in the fund would fall below designated levels.

Program Measures:

	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
Federal Unemployment Compensation							
Act Penalty Per Worker	\$ 84	\$ 105	\$ 126	.....	.....	.....	.....
Program Revision	84	105	.....	.....	.....	.....	.....

Program Revision Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

	Repayment of UC Trust Fund Indebtedness
\$ 49,000	—transfer from Unemployment Compensation Interest Fund.
146,000	—transfer from State Workmen's Insurance Fund.
<hr/>	
\$ 195,000	—to retire debt owed the Unemployment Compensation Trust Fund.

LABOR AND INDUSTRY

PROGRAM OBJECTIVE: To provide meaningful job training and placement services in a coordinated role with other Commonwealth agencies, the private sector and the Federal Government in order to secure unsubsidized employment for unemployed Pennsylvanians.

Program: Job Training Development

This program provides a number of employment and training services through the Job Training Partnership Act, The Office of Employment Security, the Office of Vocational Rehabilitation, and the new Joint Jobs, Rapid Response and Job Centers initiatives.

Under the Federal Job Training Partnership Act (JTPA) Program, state and local governments work in cooperation with the private sector to establish job training programs. JTPA primarily serves the economically disadvantaged including summer youth, and dislocated workers. Uses, eligibility requirements, and distribution formulas for these programs are established under the Federal JTPA Act.

Services provided under those programs covered by Federal law include: on-the-job training, institutional skills training, job search assistance, job counseling, and skill testing and assessment. Use of these funds is determined locally by a Private Industry Council (PIC) in each Service Delivery Area (SDA). The majority of the members of each PIC are representatives from private sector businesses. The other members represent community-based organizations, local educational agencies, organized labor, and economic development organizations.

The State has also used JTPA discretionary funding for special programs developed to serve veterans, welfare recipients and pregnant and parenting youth. While the Department of Labor and Industry is the lead agency in administering the JTPA program, the Department of Education, the Economic Development Partnership and the Executive Offices share the responsibility.

State funds are also provided for support services and job training for dislocated workers and pregnant and parenting teenagers.

Also included in this program is the Joint Jobs Initiative which is a cooperative effort by the Departments of Labor and Industry, Public Welfare and Education. It is designed to improve job training and employment services available to welfare recipients. Two distinct program designs are being utilized in this initiative. The Single Point of Contact Demonstration Program (SPOC) provides comprehensive employment and training services to recipients with multiple barriers to employment. Co-location of services (Single Point of Contact) in the county assistance office is a critical element of this initiative. The

Transitionally Needy Demonstration (TN) Project provides transitionally needy welfare recipients with special job training and educational packages, including stipends and transportation for those with no other training income. This project combines on-the-job training, work experience and classroom vocational skills with job specific literacy/basic skills training, GED and job readiness training. Funding for this programs is provided by each of the three agencies involved.

Also included in this budget is a \$1.5 million initiative for model job training programs for dislocated workers, welfare recipients and other hard to serve individuals.

The department has initiated a Rapid Response program in conjunction with the Economic Development Partnership (EDP). When the EDP is unable to keep a business in Pennsylvania or to forestall it from laying off employees, the department's Rapid Response Team is available to bring a wide variety of state and local resources to the plant to assist laid-off individuals find reemployment. Services ranging from immediate job search by the Office of Employment Security to extensive retraining through the Job Training Partnership Act are offered. Local services are also brought to bear including financial and psychological counseling. The department also promotes labor/management cooperation by encouraging the formation of labor/management committees at the plant to coordinate the mix of available services.

Related to the Joint Jobs and the Rapid Response initiatives is a new program of Job Centers which will offer one stop service to a wider group of citizens in need of job training and placement assistance. These job centers will combine the job placement and counseling services of the Office of Employment Security and the Job Training Partnership Act Program with other programs of assistance, including the Office of Vocational Rehabilitation. The Job Center project also involves the forging of an alliance with the Departments of Education and Public Welfare to provide a complete array of job placement and employability services. These services will be either co-located in one building or provided through a new job service network made up of existing job service and service delivery area offices.

Program Measures:

	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
Job Training Partnership Program:							
Enrollments	115,934	112,882	121,500	131,500	131,500	131,500	131,500
Placements	27,239	28,569	32,430	32,430	32,430	32,430	32,430
Cash welfare recipients served	57,910	54,937	55,664	56,531	56,531	56,531	56,531
Welfare recipients served	57,910	54,937	55,644	56,531	56,531	56,531	56,531
Welfare recipients served under the Joint Jobs Initiative		2,000	4,006	4,006	4,006	4,006	4,006
Individuals placed through the Office of Employment Security	141,800	124,336	125,000	125,000	125,000	125,000	125,000
Individuals enrolled in on-the-job training ..	17,822	19,056	19,437	19,437	19,437	19,437	19,437
Dislocated workers served	17,954	18,313	18,679	18,679	18,679	18,679	18,679

LABOR AND INDUSTRY

Program: Job Training Development (continued)

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

\$ -637	<p>Job Training — Welfare Recipients —State funding will be provided to the Department of Public Welfare for this program, although Labor and Industry will continue administering job training programs for welfare recipients through interagency agreements.</p>	\$ 1,500	<p>Joint Jobs Initiative —for model job training programs and job training programs that integrate training and support services that ensure successful program completion by dislocated workers, welfare recipients, and other hard to serve individuals.</p>
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This budget recommends that other programs be continued at current levels.

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
GENERAL FUND:							
Dislocated Workers .....	.....	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500
Joint Jobs Initiative .....	.....	.....	1,500	1,500	1,500	1,500	1,500
Job Training Partnership	\$ 1,988	3,150	\$ 3,150	3,150	3,150	3,150	3,150
Teenage Pregnancy and Parenthood	625	625	625	625	625	625	625
Job Training — Welfare Recipients	2,760	637	.....	.....	.....	.....	.....
TOTAL GENERAL FUND	\$ 5,373	\$ 6,912	\$ 7,775	\$ 7,775	\$ 7,775	\$ 7,775	\$ 7,775

LABOR AND INDUSTRY

PROGRAM OBJECTIVE: To enhance the ability of the handicapped unemployed and underemployed to gain full employment.

Program: Vocational Rehabilitation

This program, conducted in conjunction with the Federal government, has as its target group the estimated 660,000 citizens of the Commonwealth who have a physical or mental disability which results in a handicap to employment.

The Federal Rehabilitation Act of 1973 established eligibility criteria for vocational rehabilitation services. There must be a reasonable expectation that services will enable an individual to perform work activity. Primary emphasis is placed on serving severely handicapped individuals. These clients generally require more extensive and varied services over an extended period of time.

To address the needs of persons who are judged too severely handicapped to be eligible for Federal vocational rehabilitation services, State funds are provided to operate four Centers for Independent Living. These centers provide a wide range of rehabilitation services including: referral and counseling, education and training, adaptive appliances,

home modification, independent living skills training, medical evaluation and treatment, and any other services necessary to prepare an individual for employment or living independently in the community.

In addition to the independent living initiative, this program includes a supported employment State initiative that improves employment opportunities for those previously considered too disabled to obtain competitive employment. Supported employment simultaneously combines placement in competitive jobs with training on the job site. Full time job trainers on the site, money management, long term follow up and other support services are provided.

This program also includes the Hiram G. Andrews Center in Johnstown. The center is funded from fees for services rendered. Most of the services are provided to vocational rehabilitation clients. As of June 30, 1987, the center's resident population was 360 and its community based population was 101.

Program Measures:

	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
Caseload:							
Carry-over from previous years	43,454	45,129	46,820	48,532	50,262	52,011	53,775
New referrals	36,646	37,012	37,382	37,756	38,134	38,515	38,900
Total caseload	80,100	82,141	84,202	86,288	88,396	90,526	92,675
Cases closed:							
Ineligible	16,300	16,463	16,628	16,794	16,962	17,132	17,303
Rehabilitated	11,768	11,588	11,411	11,236	11,065	10,895	10,699
Competitive	8,633	8,501	8,371	8,243	8,117	7,993	7,841
Noncompetitive	3,135	3,087	3,040	2,993	2,948	2,902	2,858
Nonrehabilitated	6,903	6,797	6,693	6,591	6,490	6,391	6,293
Total cases closed	34,971	34,848	34,732	34,621	34,517	34,418	34,295
Cases carried over	45,129	46,820	48,532	50,262	52,011	53,775	55,558
Severely disabled rehabilitated	9,488	9,390	9,240	9,090	8,935	8,778	8,616
Economic/Client Earnings Information:							
Average weekly earnings for clients closed as competitively employed	\$200	\$206	\$212	\$218	\$224	\$230	\$236
Total earnings for clients closed as competitively employed in thousands	\$89,571	\$91,063	\$92,282	\$93,443	\$94,567	\$95,596	\$96,225
Average taxes paid by competitively employed client	\$3,113	\$3,214	\$3,307	\$3,401	\$3,494	\$3,588	\$3,682
Total taxes paid by competitively employed clients in thousands	\$21,497	\$21,855	\$21,148	\$22,426	\$22,691	\$22,943	\$23,094

LABOR AND INDUSTRY

Program: Vocational Rehabilitation (continued)

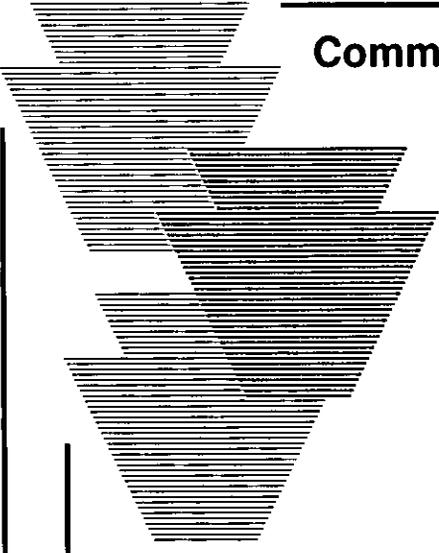
Program Recommendations: _____

This budget recommends the following changes: (Dollar Amounts in Thousands)

<p>Transfer to the Vocational Rehabilitation Fund</p> <p>\$ 360 —to match increased Federal funds.</p> <p>940 —to continue with second year of planned five-year effort to become current on Federal match requirements.</p> <hr style="width: 50px; margin-left: 0;"/> <p>\$ 1,300 <i>Appropriation Increase</i></p> <p>Supported Employment</p> <p>\$ 829 —to establish five new Supported Employment projects for a total of 16 across the Commonwealth.</p>	<p>Centers for Independent Living</p> <p>\$ 150 —to expand and improve the current program by serving additional severely disabled individuals.</p> <p>Funding for the Harmarville Rehabilitation Center is recommended to be continued at the current year level.</p>
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Appropriations within this Program: _____

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
GENERAL FUND:							
Transfer to Vocational Rehabilitation Fund	\$ 13,965	\$ 16,500	\$ 17,800	\$ 19,800	\$ 23,000	\$ 24,000	\$ 25,200
Supported Employment	.....	.....	829	829	829	829	829
Centers for Independent Living	300	425	575	575	575	575	575
Harmarville Rehabilitation Center	200	200	200	200	200	200	200
TOTAL GENERAL FUND	<u>\$ 14,465</u>	<u>\$ 17,125</u>	<u>\$ 19,404</u>	<u>\$ 21,404</u>	<u>\$ 24,604</u>	<u>\$ 25,604</u>	<u>\$ 26,804</u>



Commonwealth of Pennsylvania

Liquor Control Board

The Pennsylvania Liquor Control Board controls the manufacture, possession, sale, consumption, importation, use, storage, transportation and delivery of liquor, alcohol and malt or brewed beverages in the Commonwealth.

The board consists of three members appointed by the Governor with Senate confirmation.

The dollar amounts shown are from the State Stores Fund, a special enterprise fund, and are reflected herein as "Other Funds."

LIQUOR CONTROL BOARD

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Budget
OTHER FUNDS			
<i>STATE STORES FUND:</i>			
General Operations (EA)	\$ 172,756	\$ 171,114	\$ 178,841
Comptroller Operations (EA)	5,818	5,745	5,231
Transfer of Profits to the General Fund (EA)	32,000	29,000	16,000
OTHER FUNDS TOTAL	<u>\$ 210,574</u>	<u>\$ 205,859</u>	<u>\$ 200,072</u>

LIQUOR CONTROL BOARD

Program Funding Summary:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
LIQUOR CONTROL							
Other Funds ^a	<u>\$ 210,574</u>	<u>\$ 205,859</u>	<u>\$ 200,072</u>	<u>\$ 200,017</u>	<u>\$ 201,015</u>	<u>\$ 200,067</u>	<u>\$ 200,175</u>

^aAll funds are other than General Fund or Special Funds.

LIQUOR CONTROL BOARD

PROGRAM OBJECTIVE: To control the manufacture, distribution and sale of alcoholic beverages in Pennsylvania.

Program: Liquor Control

All bottle sales of wines and spirits in Pennsylvania (with a few exceptions) are made through approximately 705 State Liquor Stores which are run by the Liquor Control Board. This includes both retail sales and wholesale sales to those private establishments which sell by the drink. While malt and brewed beverages are not sold in State Liquor Stores, the Liquor Control Board regulates these sales by licensing the distributors who do sell these items. In addition, the board licenses those private establishments which make retail sales of alcoholic beverages by the drink.

Act 14 of 1987 reauthorized the Liquor Control Board and made some changes to its responsibilities. Most notably, enforcement of liquor laws was transferred to the Pennsylvania State Police. In addition, an Office of Administrative Law Judge, a Bureau of Wine and Wine Specialty Stores, and a Bureau of Consumer Relations were created within the Liquor Control Board.

Program Measures:

	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
Pennsylvania State Liquor Stores	702	702	716	721	726	728	728
Gross sales (includes taxes) (in thousands)	776,229	786,425	790,357	794,309	798,280	802,271	806,282
Licenses and permits issued (all types)	59,952	60,500	61,100	61,800	62,400	63,000	63,600

The program measure showing the number of liquor stores increases as specialty wine stores are opened.

Program Recommendations:

This budget recommends the following changes for executive authorizations within the State Stores Fund: (Dollar Amounts in Thousands)

- General Government Operations**
- \$ 7,727 —to continue current program, including annualization of the Office of Administrative Law Judge, the Bureau of Wine and Wine Specialty Stores, and the Bureau of Consumer Relations.
- Comptroller Operations**
- \$ -514 —to continue current program.
- Transfer to General Fund**
- \$ -13,000 —reduction in amount available for transfer to General Fund. This reduces the amount of revenue transfer to the General Fund from \$29 million to \$16 million.



Commonwealth of Pennsylvania

Department of Military Affairs

The Department of Military Affairs provides organized combat-ready units, both Army and Air National Guard, for call to Federal duty in the event of national emergency and to State duty in time of disaster or civil disorder. Their duties are to protect the lives and property of the citizens of Pennsylvania and preserve peace, order and public safety. The Bureau of Veterans Affairs administers the laws that provide for the well-being of Pennsylvania veterans and their dependents.

The Department of Military Affairs consists of the Adjutant General and the State Armory Board, the State Veterans' Commission, the Soldiers and Sailors Home at Erie, the Veterans Home at Hollidaysburg, and the Southeastern Veterans Home at Spring City.

MILITARY AFFAIRS

PROGRAM REVISION

Budgeted Amounts Include the Following Program Revisions:

Appropriation	Title	1988-89 State Funds (In thousands)
GENERAL FUND		
Southeastern Veterans Home	Veterans Assistance	\$ 541
Veterans Assistance	Veterans Assistance	959
Education of Veterans Children	Veterans Assistance	45
Veterans Memorial Commission	Veterans Assistance	50

This Program Revision will provide expansion of domiciliary care and increase assistance payments for indigent veterans. Also, higher tuition assistance for veterans' children and operating expenses for the Veterans Memorial Commission.

DEPARTMENT TOTAL \$ 1,595

In addition to the above, a committee has been appointed to review possible sites and needs for a fourth veterans home. Once the committee submits its report and a site is selected, a capital budget for the fourth home will be recommended by the Governor.

MILITARY AFFAIRS

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	1986-87 Actual	1987-88 Available	1988-89 Budget
GENERAL FUND			
GENERAL GOVERNMENT:			
General Government Operations	\$ 10,759	\$ 10,873	\$ 11,263
(F) Facilities Maintenance	510	600	600
(F) Employee Support	33	240	150
(F) New Armories .....	.....	676	.....
(A) Rental of Armories and Other Facilities	111	123	123
(A) Lt. Governor's Residence	12	22	22
(A) Pennsylvania Conservation Corps	21	.....	.....
American Battle Monuments	3	3	3
Armory Maintenance and Repair	498	850	500
Pittsburgh Vietnam Memorial .....	.....	100	.....
Veterans Memorial Commission .....	.....	.....	50
Subtotal — State Funds	\$ 11,260	\$ 11,826	\$ 11,816
Subtotal — Federal Funds	543	1,516	750
Subtotal — Augmentations	144	145	145
Total — General Government	\$ 11,947	\$ 13,487	\$ 12,711
INSTITUTIONAL:			
Erie Soldiers and Sailors Home	\$ 3,002	\$ 3,228	\$ 3,474
(F) Operations and Maintenance	660	660	786
(F) Medical Reimbursement	97	30	10
(A) Aid and Attendance Payments	228	230	290
(A) Residents Fees	875	906	870
Total — Erie Soldiers and Sailors Home	\$ 4,862	\$ 5,054	\$ 5,430
Hollidaysburg Veterans Home	7,799	8,552	8,761
(F) Operations and Maintenance	1,571	1,635	1,927
(F) Medical Reimbursement .....	.....	55	20
(A) Aid and Attendance Payments	773	773	780
(A) Residents Fees	2,242	2,257	2,393
(A) Rental Receipts	10	10	20
Total — Hollidaysburg Veterans Home	\$ 12,395	\$ 13,282	\$ 13,901
Southeastern Veterans Home	2,387	4,090 ^a	4,917
(F) Operations and Maintenance .....	.....	316	240
(A) Aid and Attendance Payments .....	.....	.....	.....
(A) Residents Fees	48	186	292
Total — Southeastern Veterans Home	\$ 2,435	\$ 4,592	\$ 5,449
Subtotal — State Funds	\$ 13,188	\$ 15,870	\$ 17,152
Subtotal — Federal Funds	2,328	2,696	2,983
Subtotal — Augmentations	4,176	4,362	4,645
Total — Institutional	\$ 19,692	\$ 22,928	\$ 24,780

MILITARY AFFAIRS

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Budget
GRANTS AND SUBSIDIES:			
Education of Veterans Children	\$ 19	\$ 75	\$ 75
Education — National Guard	305	305	327
Veterans Assistance	1,326	1,328	2,287
Blind Veterans Pension	162	169	169
Paralyzed Veterans Pension	308	1,022	425
National Guard Pension	16	20	20
Total -- Grants and Subsidies	\$ 2,136	\$ 2,919	\$ 3,303
STATE FUNDS	\$ 26,584	\$ 30,615	\$ 32,271
FEDERAL FUNDS	\$ 2,871	\$ 4,212	\$ 3,733
AUGMENTATIONS	\$ 4,320	\$ 4,507	\$ 4,790
GENERAL FUND TOTAL	\$ 33,775	\$ 39,334	\$ 40,794

^aIncludes recommended supplemental appropriation of \$320,000.

MILITARY AFFAIRS

Program Funding Summary:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
STATE MILITARY READINESS							
General Fund	\$ 11,260	\$ 11,826	\$ 11,816	\$ 12,137	\$ 12,502	\$ 12,877	\$ 13,263
Federal Funds	543	1,516	750	750	750	750	750
Other Funds	144	145	145	149	153	157	161
TOTAL	<u>\$ 11,947</u>	<u>\$ 13,487</u>	<u>\$ 12,711</u>	<u>\$ 13,036</u>	<u>\$ 13,405</u>	<u>\$ 13,784</u>	<u>\$ 14,174</u>
VETERANS HOMES							
General Fund	\$ 13,188	\$ 15,870	\$ 17,152	\$ 18,984	\$ 23,764	\$ 27,388	\$ 28,227
Federal Funds	2,328	2,696	2,983	3,531	4,747	5,071	5,326
Other Funds	4,176	4,362	4,645	5,559	7,349	7,819	8,275
TOTAL	<u>\$ 19,692</u>	<u>\$ 22,928</u>	<u>\$ 24,780</u>	<u>\$ 28,074</u>	<u>\$ 35,860</u>	<u>\$ 40,278</u>	<u>\$ 41,828</u>
COMPENSATION AND ASSISTANCE							
General Fund	<u>\$ 2,136</u>	<u>\$ 2,919</u>	<u>\$ 3,303</u>	<u>\$ 3,303</u>	<u>\$ 3,303</u>	<u>\$ 3,303</u>	<u>\$ 3,303</u>
ALL PROGRAMS							
GENERAL FUND	\$ 26,584	\$ 30,615	\$ 32,271	\$ 34,424	\$ 39,569	\$ 43,568	\$ 44,793
FEDERAL FUNDS	2,871	4,212	3,733	4,281	5,497	5,821	6,076
OTHER FUNDS	4,320	4,507	4,790	5,708	7,502	7,976	8,436
TOTAL	<u>\$ 33,775</u>	<u>\$ 39,334</u>	<u>\$ 40,794</u>	<u>\$ 44,413</u>	<u>\$ 52,568</u>	<u>\$ 57,365</u>	<u>\$ 59,305</u>

MILITARY AFFAIRS

PROGRAM OBJECTIVE: To achieve and maintain a readiness capability in units of the Pennsylvania National Guard for quick and effective response to State or Federal mobilization.

Program: State Military Readiness

This program provides the administrative, logistical and training support necessary for the Pennsylvania National Guard to maintain requisite readiness capability to serve during emergencies. Such emergencies may result in full or partial mobilization of the Pennsylvania National Guard for State service in the Commonwealth or Federal service anywhere in the world. Costs for military equipment and supplies and training, such as monthly training assemblies and 15 days annual training, are funded 100 percent by the Federal Government. The Commonwealth is responsible for providing for the operation, maintenance and repair of the armories.

The readiness capability of Pennsylvania National Guard units is evaluated according to established Federal inspection and training standards. Primary efforts are directed toward having the Pennsylvania

National Guard in top readiness condition in order to perform its State and Federal missions. The training of personnel is directly dependent upon the adequacy of the operation, maintenance and repair of Air National Guard bases and installations and numerous Army National Guard armories and support facilities. To provide a quicker and more effective response to State or Federal mobilization, a Statewide communications network is in operation.

Included within this program are those activities essential to operate a network of 104 community armories which serve as training locations for National Guard units. These armories may also be utilized as mass care centers for disaster victims and to provide meeting and recreational facilities for local civic and youth organizations.

Program Measures:

	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
Armories	104	104	104	104	104	104	104
Pennsylvania National Guard personnel ..	22,554	23,173	23,271	23,295	23,318	23,342	23,366
Percentage of authorized strength level ..	98.1%	98.7%	99.0%	99.1%	99.2%	99.3%	99.4%

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

General Government Operations	
\$ 77	—to replace equipment.
34	—to enhance computerization.
296	—to maintain current program.
-17	—savings from press/communications reorganization
<hr/>	
\$ 390	<i>Appropriation Increase</i>

Veterans Memorial Commission	
\$ 50	—1988-89 initiative to provide for operating costs.

This budget also recommends American Battle Monuments and Armory Maintenance and Repair programs be continued at current levels excluding non-recurring projects.

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
GENERAL FUND:							
General Government Operations	\$ 10,759	\$ 10,873	\$ 11,263	\$ 11,619	\$ 11,968	\$ 12,328	\$ 12,697
American Battle Monuments	3	3	3	3	3	3	3
Armory Maintenance and Repair	498	850	500	515	531	546	563
Pittsburgh Vietnam Memorial		100					
Veterans Memorial Commission			50				
TOTAL GENERAL FUND	\$ 11,260	\$ 11,826	\$ 11,816	\$ 12,137	\$ 12,502	\$ 12,877	\$ 13,263

MILITARY AFFAIRS

PROGRAM OBJECTIVE: To provide nursing and domiciliary care for veterans.

Program: Veterans Homes

The Department of Military Affairs is legally mandated to provide skilled nursing and domiciliary care for veterans who are disabled, indigent or in need of care. There are three veterans homes providing such care: the Soldiers and Sailors Home in Erie, the Veterans Home at Hollidaysburg and the new Southeastern Pennsylvania Veterans Center. The program receives assistance from the Federal Government at levels of \$7.30 per patient day for domiciliary care, \$17.05 per patient day for nursing home care, and \$6.00 per day for aid-in-attendance given

directly to the patient. In addition, residents pay a maintenance fee to help offset the cost of services.

The Administration is committed to establishing a fourth veterans home. A committee, comprised of veterans, has been appointed to review possible sites and needs. Once the committee submits its report and a site is selected, a capital budget recommendation will be proposed by the Governor for consideration by the General Assembly.

Program Measures:

	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
Beds Available:							
Erie	175	175	175	175	175	175	175
Hollidaysburg	379	379	379	379	527	527	527
Southeastern	70	70	112	112	306	306	306
Population:							
Erie	139	150	155	160	165	170	170
Hollidaysburg	375	375	375	375	503	505	505
Southeastern	51	66	101	102	291	292	292
Cost per skilled nursing care day:							
Erie	\$137	\$142	\$147	\$152	\$157	\$163	\$168
Hollidaysburg	\$126	\$135	\$141	\$148	\$155	\$163	\$168
Southeastern					\$140	\$145	\$150
Cost per domiciliary care day:							
Erie	\$72	\$75	\$78	\$81	\$84	\$87	\$90
Hollidaysburg	\$92	\$98	\$102	\$107	\$113	\$118	\$124
Southeastern	130	\$171	\$137	\$142	\$149	\$153	\$158

The cost per domiciliary care day for Erie and Southeastern, as shown in the program measures above, have changed significantly from the cost estimated in the 1987-88 budget. The current per diem costs reflect improved data collection of program costs.

State Veterans Homes — Expenditures by Institution

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Budget
Erie Soldiers and Sailors Home			
State Funds	\$ 3,002	\$ 3,228	\$ 3,474
Federal Funds	757	690	796
Augmentations	1,103	1,136	1,160
TOTAL	\$ 4,862	\$ 5,054	\$ 5,430
Hollidaysburg Veterans Home			
State Funds	\$ 7,799	\$ 8,552	\$ 8,761
Federal Funds	1,571	1,690	1,947
Augmentations	3,025	3,040	3,193
TOTAL	\$ 12,395	\$ 13,282	\$ 13,901
Southeastern Veterans Home			
State Funds	\$ 2,387	\$ 4,090	\$ 4,917
Federal Funds		316	240
Augmentations	48	186	292
TOTAL	\$ 2,435	\$ 4,592	\$ 5,449

MILITARY AFFAIRS

Program: Veterans Homes (continued)

Institution:	Projected July 1988 Capacity	Population July 1986	Population July 1987	Projected Population July 1988	Projected Percent of Capacity
Erie Soldiers and Sailors Home	175	139	150	155	89%
Hollidaysburg Veterans Home	379	375	375	375	99%
Southeastern Veterans Center	112	.....	66	101	90%

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

Erie Soldiers and Sailors Home
 \$ 42 —for equipment replacement.
 204 —to maintain current program.

\$ 246 *Appropriation Increase*

Hollidaysburg Veterans Home
 \$ 90 —for additional staff.
 119 —to maintain current program.

\$ 209 *Appropriation Increase*

Southeastern Veterans Home
 \$ 541 —for 42 bed expansion which increases
 capacity by 60%. See Program Revision that
 follows.
 94 —for equipment replacement.
 75 —to repair road and water lines.
 117 —to maintain current program.

\$ 827 *Appropriation Increase*

The Program Revision that follows contains details on the expansion of Southeastern Veterans Home and the proposed fourth veterans home.

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
GENERAL FUND:							
Erie Soldiers and Sailors Home	\$ 3,002	\$ 3,228	\$ 3,474	\$ 3,579	\$ 3,686	\$ 3,797	\$ 3,911
Hollidaysburg Veterans Home	7,799	8,552	8,761	9,024	10,173	11,339	11,680
Southeastern Veterans Home	2,387	4,090	4,917	5,381	7,205	9,052	9,276
Fourth Veterans Home .....	.....	.....	.....	1,000	2,700	3,200	3,360
TOTAL GENERAL FUND	<u>\$ 13,188</u>	<u>\$ 15,870</u>	<u>\$ 17,152</u>	<u>\$ 18,984</u>	<u>\$ 23,764</u>	<u>\$ 27,388</u>	<u>\$ 28,227</u>

MILITARY AFFAIRS

PROGRAM OBJECTIVE: To provide advisory and financial assistance to eligible Pennsylvania veterans, National Guardsmen and their dependents.

Program: Compensation and Assistance

The Department of Military Affairs administers several activities within this program.

Program Element: Veterans Assistance

Temporary financial assistance is provided for eligible veterans, their spouses and dependent children who are in need of financial assistance. Financial assistance is authorized for food, fuel, shelter and clothing and is limited to a period not exceeding three months.

Program Element: Blind Veterans Pension

Pensions of \$100 per month are provided for those Pennsylvania veterans who incurred functional blindness while performing active military service.

Program Element: National Guard Pensions

This program element is responsible for the payment of a pension to guardsmen, widows and dependent family members. A National Guardsman who is injured, otherwise disabled or dies as a result of injuries or other disability received or contracted while performing duty in active service of the Commonwealth or in the performance of other State military duty is eligible. Current law provides for a monthly pension for dependents up to a maximum of \$300 per month for a period of ten years. In the case of minor children of a deceased member, the pension is paid until the minor child reaches 18 years of age. A tuition credit of 50 percent at all State-owned universities or approved trade schools for a period not exceeding eight semesters or four years is also authorized for children of deceased guard personnel who are killed or

die while on State active duty.

Program Element: Education of Children of Deceased and Disabled Veterans

This program element provides financial assistance of \$200 per semester to children of eligible deceased or 100 percent disabled veterans attending institutions of higher learning or other schools within the Commonwealth. This program is separate from any scholarship program administered by the Pennsylvania Higher Education Assistance Agency (PHEAA).

Program Element: Education — National Guard

Act No. 152 of 1980 provides a tuition grant to certain members of the Pennsylvania National Guard who enroll in a Pennsylvania institution of higher learning, with degree-granting status, as approved by the Department of Education. The grant will be one-half of the cost of the credit, with a maximum of \$40 per credit. Assistance is limited to a maximum of six credits per quarter or semester or twelve credits per year.

Program Element: Paralyzed Veterans Pension

This program element, which became effective July 1, 1986, provides a pension of \$100 per month to those Pennsylvania veterans who have lost the use of two or more extremities while serving on active duty in the armed forces of the United States during an established war, armed conflict or combat-related activity in peacetime.

Program Measures:

	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
Veterans in Pennsylvania	1,549,000	1,544,700	1,539,800	1,534,900	1,530,100	1,525,000	1,519,800
Recipients of veterans emergency assistance	15,510	15,525	15,600	15,550	15,500	15,450	15,400
Recipients of blind veterans pensions	136	140	140	140	140	140	140
Students receiving financial aid	60	75	75	75	75	75	75
National Guard personnel receiving educational financial aid	1,075	1,075	1,150	1,150	1,150	1,150	1,150
Participants in paralyzed veterans program	258	354	354	350	345	340	330

MILITARY AFFAIRS

Program: Compensation and Assistance (continued)

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

\$	959	Veterans Assistance —to increase temporary assistance payments by an average of 45%. See Program Revision on following page.	\$	22	Education — National Guard —for additional program participants.
\$	45	Education of Veterans Children —to increase tuition assistance from \$200 a semester to \$500 a semester.			

In addition, the budget recommends continuation of other programs at current levels. This includes continuation of the paralyzed veterans pension at the projected 1987-88 level of \$425,000.

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
GENERAL FUND:							
Veterans Assistance	\$ 1,326	\$ 1,328	\$ 2,287	\$ 2,287	\$ 2,287	\$ 2,287	\$ 2,287
Blind Veterans Pensions	162	169	169	169	169	169	169
National Guard Pension	16	20	20	20	20	20	20
Education of Veterans Children	19	75 ^a	75	75	75	75	75
Education — National Guard	305	305	327	327	327	327	327
Paralyzed Veterans Pension	308	1,022	425	425	425	425	425
TOTAL GENERAL FUND	<u>\$ 2,136</u>	<u>\$ 2,919</u>	<u>\$ 3,303</u>	<u>\$ 3,303</u>	<u>\$ 3,303</u>	<u>\$ 3,303</u>	<u>\$ 3,303</u>

^aExpenditures for 1987-88 are estimated to be \$30,000.

MILITARY AFFAIRS

Program Revision: Veterans Assistance

By the year 2000 the number of veterans over 65 is expected to increase by more than 58 percent. In response to this anticipated increase and in recognition of the needs of veterans, capacity of the State operated veterans homes will be expanded and veterans assistance programs increased.

This Program Revision recommends an expansion of the Southeastern Veterans Home to provide additional capacity for the disabled, indigent and other veterans who need domiciliary care. The expansion will add 42 beds, increasing capacity by 60 percent which brings the total to 112 beds. The expansion project at the Southeastern Veterans Home will be completed in 1988-89. An appropriation increase of \$541,000 is recommended for the increased operating costs resulting from the expansion. In addition, a 194 nursing bed expansion is planned for the Southeastern Veterans Home in 1990-91. A 148 bed expansion is also being planned for the Holidaysburg Veterans Home.

The Administration is committed to establishing a fourth State Veterans Home. A Committee, comprised of veterans, has been

appointed to review the possible sites and needs. Appropriate capital budget recommendations will be made after reviewing the committee report.

This Program Revision also provides an additional \$959,000 for Veterans' Assistance to increase emergency aid for eligible veterans and their dependents who are in need of financial assistance on a temporary basis. About 15,600 Pennsylvania veterans will be provided with financial assistance for food, fuel, shelter and clothing for a period not exceeding three months. The average monthly assistance payment is expected to increase by 45 percent.

Children of certain veterans are currently eligible for tuition assistance of \$200 a semester if they are attending post secondary institution within the Commonwealth. This Program Revision will increase the education gratuity to \$500 a semester.

In addition, a \$50,000 appropriation is recommended for the Department of Military Affairs for expenses of the Veterans' Memorial Commission.

Program Measures:

	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
Beds Available at Southeastern Veterans Home:							
Current	70	70	70	70	70	70	70
Program Revision			112	112	306	306	306
Population at Southeastern:							
Current	51	66	66	66	66	66	66
Program Revision			101	102	291	292	292
Average Monthly Assistance:							
Current		\$143	\$143	\$143	\$143	\$143	\$143
Program Revision			\$207	\$207	\$207	\$207	\$207

Program Revision Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

Southeastern Veterans Home:
 \$ 541 —to increase the capacity of Southeasterns Veterans Home by 60 percent.

Education of Veterans Children:
 \$ 45 —to increase tuition assistance from \$200 a semester to \$500 a semester.

Veterans Assistance
 \$ 959 —to increase the average monthly assistance amount from current \$143 to \$207 i.e 45 percent increase on average, to all eligible veterans and their dependents.

Veterans Memorial Commission
 \$ 50 —for expenses of the Veterans Memorial Commission.

\$ 1,595 Program Revision Total

Recommended Program Revision Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
GENERAL FUND:							
Southeastern Veterans Home			\$ 541	\$ 874	\$ 900	\$ 927	\$ 955
Education of Veterans Children			45	45	45	45	45
Veterans Assistance			959	959	959	959	959
Veterans Memorial Commission			50				
GENERAL FUND TOTAL			\$ 1,595	\$ 1,878	\$ 1,904	\$ 1,931	\$ 1,959



Commonwealth of Pennsylvania

Milk Marketing Board

The Milk Marketing Board supervises, inspects and regulates the milk industry of the Commonwealth and establishes reasonable trade control and marketing practices.

MILK MARKETING BOARD

Summary by Fund and Appropriation

	1986-87 Actual	(Dollar Amounts in Thousands) 1987-88 Available	1988-89 Budget
GENERAL FUND			
<i>GENERAL GOVERNMENT:</i>			
Transfer to Milk Marketing Board	\$ 950	\$ 950	\$ 950
GENERAL FUND TOTAL	<u>\$ 950</u>	<u>\$ 950</u>	<u>\$ 950</u>
 MILK MARKETING FUND			
<i>GENERAL GOVERNMENT:</i>			
General Operations	\$ 784	\$ 792	\$ 776
(A) Transfer from General Fund ^(a) .....	.....	.....	.....
MILK MARKETING FUND TOTAL	<u>\$ 784</u>	<u>\$ 792</u>	<u>\$ 776</u>
 DEPARTMENT TOTAL — ALL FUNDS			
GENERAL FUND	\$ 950	\$ 950	\$ 950
SPECIAL FUNDS	<u>784</u>	<u>792</u>	<u>776</u>
TOTAL ALL FUNDS	<u>\$ 1,734</u>	<u>\$ 1,742</u>	<u>\$ 1,726</u>

^(a) Not added to the total to avoid double counting. 1986-87 actual is \$950,000, 1987-88 available is \$950,000 and 1988-89 recommended is \$950,000.

MILK MARKETING BOARD

Program Funding Summary:

	(Dollar Amounts in Thousands)						
	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
	Actual	Available	Budget	Estimated	Estimated	Estimated	Estimated
MILK INDUSTRY REGULATION							
General Fund	\$ 950	\$ 950	\$ 950	\$ 950	\$ 950	\$ 950	\$ 950
Special Funds	784	792	776	700	700	700	700
TOTAL	<u>\$ 1,734</u>	<u>\$ 1,742</u>	<u>\$ 1,726</u>	<u>\$ 1,650</u>	<u>\$ 1,650</u>	<u>\$ 1,650</u>	<u>\$ 1,650</u>

MILK MARKETING BOARD

PROGRAM OBJECTIVE: To maintain an adequate supply of wholesome fluid milk.

Program: Milk Industry Regulation

The Milk Marketing Board is a special fund agency financed from milk industry license fees, permit fees and fines. Since these revenue sources are insufficient to fund all board operations, a General Fund transfer is also provided. The board supervises, inspects and regulates the milk industry of the Commonwealth and establishes reasonable trade control and marketing practices. It also formulates policy; holds public hearings and subsequently issues and enforces General Marketing Orders, rules and regulations and handles all legal matters including prosecution and levying of penalties against violators of the Milk Marketing Law.

The board's major function continues to be that of insuring 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 in Washington that must be paid to producers. The board also has the authority to set maximum prices, but as yet this has not been done.

The ratio between the supply of fluid milk to demand for fluid milk is one of the board's key impact indicators. This ratio, based on a long-term established economic policy, assumes that when supplies of fluid milk approximate 125 percent of fluid sales a proper balance exists between supply and demand. If the ratio exceeds the 125 percent level by more than eight percentage points, it alerts the board that supply is out of line with demand, calling for a review of producer and resale prices. Conversely, if the ratio drops by more than eight percentage points it alerts the board that demand is out of line with supply and producer prices should be reviewed to provide sufficient incentive to farmers for expanded production.

Program Measures:

	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
Supply of fluid milk to demand for fluid milk	126%	126%	126%	126%	126%	126%	126%
Licenses and permits issued	3,095	3,000	3,000	3,000	3,000	3,000	3,000

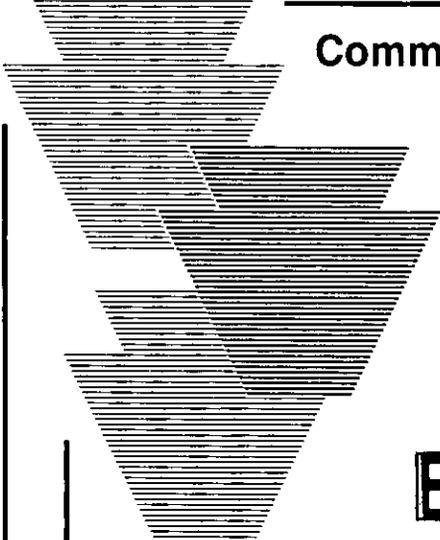
Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

General Operations	
\$ -101	—nonrecurring costs.
40	—to continue current program.
45	—to provide for systems design and forms revision costs.
<hr/>	
\$ -16	Executive Authorization Decrease

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
GENERAL FUND:							
Transfer to Milk Marketing Fund	\$ 950	\$ 950	\$ 950	\$ 950	\$ 950	\$ 950	\$ 950
MILK MARKETING FUND:							
General Operations	\$ 784	\$ 792	\$ 776	\$ 700	\$ 700	\$ 700	\$ 700



Commonwealth of Pennsylvania

Board of Probation and Parole

The Board of Probation and Parole rehabilitates and supervises persons on probation or parole, helping them to reintegrate within society. The board attempts to allow an early and controlled release of persons from correctional institutions as well as detect those who cannot adjust to the community. State probation services and pre-sentence investigations are also provided upon request from the courts.

PROBATION AND PAROLE

PROGRAM REVISION

Budgeted Amounts Include the Following Program Revisions:

Appropriation	Title	1988-89 State Funds (in thousands)
GENERAL FUND		
General Government Operations	Improved Reintegration Services	\$ 299

To provide intensive parole supervision. For further information see the Program Revision Request in the Department of Corrections.

PROBATION AND PAROLE

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Budget
GENERAL FUND			
GENERAL GOVERNMENT:			
General Government Operations	\$ 19,970	\$ 21,703	\$ 23,307
(F) Improvement of Adult Probation Services	38	19	182
(F) Statewide Urinalysis Testing .....	.....	59	405
(F) Special Intensive Supervision Drug Project .....	.....	150	36
(F) Parole Plan Advocacy Program .....	.....	.....	67
(A) Special Intensive Supervision Drug Project .....	.....	37	33
(A) Statewide Urinalysis Testing Program .....	.....	17	6
(A) Parole Plan Advocacy Program .....	.....	.....	.....
Subtotal State Funds	19,970	21,703	23,307
Subtotal Federal Funds	38	228	623
Subtotal Augmentations .....	.....	54	136
Total — General Government Operations	<u>\$ 20,008</u>	<u>\$ 21,985</u>	<u>\$ 24,066</u>
GRANTS AND SUBSIDIES:			
Improvement of Adult Probation Services	10,044	13,430	14,200
Total — Grants and Subsidies	<u>\$ 10,044</u>	<u>\$ 13,430</u>	<u>14,200</u>
STATE FUNDS	\$ 30,014	\$ 35,133	37,507
FEDERAL FUNDS	38	228	623
AUGMENTATIONS .....	.....	54	136
GENERAL FUND TOTAL	<u>\$ 30,052</u>	<u>\$ 35,415</u>	<u>38,266</u>

PROBATION AND PAROLE

Program Funding Summary:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
REINTEGRATION OF THE ADULT OFFENDER							
General Fund	\$ 30,014	\$ 35,133	\$ 37,507	\$ 38,425	\$ 39,151	\$ 39,899	\$ 40,671
Federal Funds	38	228	623	616	323	.....	.....
Other Funds		54	136	.....	.....	.....	.....
TOTAL	<u>\$ 30,052</u>	<u>\$ 35,415</u>	<u>\$ 38,266</u>	<u>\$ 39,041</u>	<u>\$ 39,474</u>	<u>\$ 39,899</u>	<u>\$ 40,671</u>

PROBATION AND PAROLE

PROGRAM OBJECTIVE: To decrease the recurrence of crime by replacing criminal behavior with socially acceptable behavior.

Program: Reintegration of the Adult Offender

The Pennsylvania Board of Probation and Parole operates in a complex and interdependent criminal justice system in the Commonwealth. The primary functions of the board are to grant parole and supervise adult offenders with a maximum sentence of two years or more; revoke the parole of technical parole violators and criminal violators convicted of new crimes and, discharge from parole clients under supervision who have fulfilled their sentences in compliance with the conditions governing parole. Commonwealth judges parole inmates with maximum sentences under two years. Under the direction of the county courts, cases can be certified to the State under special probation and parole supervision. The State provides direct support to county probation through a separate board administered grant-in-aid appropriation which subsidizes manpower at the local level.

The Pennsylvania Board of Probation and Parole's primary goal is to protect the community from crime through a process of supervising offenders who are serving sentences in the community.

The board also has quasi-judicial case decision making responsibility. Two dominant types of decisions are made by the board from information provided by field and institutional staff: parole release decisions and revocation decisions.

Explicit parole guidelines are used in the decision making process in order to structure discretion and maintain fairness in the system. The effect of these successful program efforts in decision making is that justice is administered fairly and decision making policy is more accountable to the public.

In addition to operating the State parole program, the board has had the responsibility of administering a grant-in-aid program to support county adult probation personnel and services. The grant-in-aid program provides funds to any county which adds probation staff for pre-sentence investigations and for improved probation supervision and program. Act 134 of 1986, which amended the Probation and Parole Act, requires the board to reimburse counties 80 percent of eligible personnel salaries.

Program Measures:

	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
Probationers and parolees in case load:							
County	72,778	74,233	75,718	76,475	77,239	77,239	77,239
State	16,663	17,213	17,643	17,995	18,175	18,357	18,540
Annual addition to caseload population ..	7,325	7,581	7,770	7,925	8,004	8,084	8,164
Investigative reports completed	9,682	9,682	9,875	9,974	10,024	10,098	10,098
Annual caseload additions likely to return to prison for technical violations and/or new offense	2,490	2,653	2,797	2,853	2,881	2,910	2,936
And as a percent of annual additions to caseload	34%	35%	36%	36%	36%	36%	36%
Average cases per parole agent	77	80	73	73	74	74	75

Due to the anticipated hiring of additional parole agents, caseload per agent is expected to decrease in 1988-89.

PROBATION AND PAROLE

Program: Reintegration of the Adult Offender (continued)

Program Recommendations: _____

This budget recommends the following changes: (Dollar Amounts in Thousands)

	General Government Operations		Improvement of Adult Probation Services
\$ -13	—savings due to press/communications reorganization.	\$ 770	—support legal mandate of providing 80% of professional county personnel salary cost.
-177	—nonrecurring.		
1,140	—to continue current programs.	\$ 770	<i>Appropriation Increase</i>
78	—staff in correctional facilities to prepare inmates for parole hearings.		
202	—ADA - State Match.		
75	—EDP and Telecommunications Modernization.		
299	—PRR — Improved Reintegration Services. For further information, see the Department of Corrections.		
<hr/>			
\$ 1,604	<i>Appropriation Increase</i>		

Appropriations within this Program: _____

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
GENERAL FUND:							
General Government Operations	\$ 19,970	\$ 21,703	\$ 23,307	\$ 24,225	\$ 24,951	\$ 25,699	\$ 26,471
Improvement of Adult Probation Services	10,044	13,430	14,200	14,200	14,200	14,200	14,200
 TOTAL GENERAL FUND	 <u>\$ 30,014</u>	 <u>\$ 35,133</u>	 <u>\$ 37,507</u>	 <u>\$ 38,425</u>	 <u>\$ 39,151</u>	 <u>\$ 39,899</u>	 <u>\$ 40,671</u>



Commonwealth of Pennsylvania

Public Television Network

The Public Television Network promotes and encourages public television in Pennsylvania. The network facilities provide services to the seven public television stations including the recording, storage, and delivery of programs and the interconnection of the stations for statewide program production and exchange. The network also administers a program of grants to support station operations, instructional television services, program production, and program acquisition.

PUBLIC TELEVISION NETWORK

Summary by Fund and Appropriation

	1986-87 Actual	(Dollar Amounts in Thousands) 1987-88 Available	1988-89 Budget
GENERAL FUND			
GENERAL GOVERNMENT:			
General Government Operations	\$ 2,689	\$ 2,768	\$ 2,743
(A) Services for the Hearing Impaired	130	75	.....
(A) ITV Station Contributions	38	.....	.....
Subtotal — State Funds	\$ 2,689	\$ 2,768	\$ 2,743
Subtotal — Augmentations	168	75	.....
Total — General Government Operations	<u>\$ 2,857</u>	<u>\$ 2,843</u>	<u>\$ 2,743</u>
GRANTS AND SUBSIDIES:			
Public Television Station Grants	<u>\$ 6,550</u>	<u>\$ 6,870</u>	<u>\$ 7,390</u>
STATE FUNDS	\$ 9,239	\$ 9,638	\$ 10,133
AUGMENTATIONS	168	75	.....
GENERAL FUND TOTAL	<u><u>\$ 9,407</u></u>	<u><u>\$ 9,713</u></u>	<u><u>\$ 10,133</u></u>

PUBLIC TELEVISION NETWORK

Program Funding Summary:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
PUBLIC TELEVISION SERVICES							
General Fund	\$ 9,239	\$ 9,638	\$ 10,133	\$ 10,215	\$ 10,301	\$ 10,388	\$ 10,478
Other Funds	168	75	.....	.....	.....	.....	.....
TOTAL	<u>\$ 9,407</u>	<u>\$ 9,713</u>	<u>\$ 10,133</u>	<u>\$ 10,215</u>	<u>\$ 10,301</u>	<u>\$ 10,388</u>	<u>\$ 10,478</u>

PUBLIC TELEVISION NETWORK

PROGRAM OBJECTIVE: To provide for the development and support of Pennsylvania's noncommercial public television stations.

Program: Public Television Services

The Pennsylvania Public Television Network links the seven independent noncommercial television stations in Pennsylvania to create a system in which stations provide programming to the people of Pennsylvania through independent and group efforts. The stations are located in Bethlehem, Erie, Philadelphia, Pittsburgh, Pittston, University Park and Harrisburg.

Funding for the operations of the noncommercial television stations in Pennsylvania comes from several sources; the major sources, accounting for over 60 percent of the revenue, are private donations from business and industry and contributions from individual members. Other sources are the grants made by the Commonwealth and the Federal government.

The operation of the network, located in Hershey, is fully funded by a General Fund appropriation. It is directed by a commission which includes representatives from the seven stations, the education community, the Legislature, the Council on the Arts, and the public. The

operations of the commission include governance of the network and statewide coordinating functions through a computerized microwave telecommunications system. Through the network each station has access to programs produced by other Pennsylvania stations and programs acquired from outside sources. Network promotion and audience research services are also provided as well as guidance in producing programs on cultural, educational, and public affairs of interest to all Pennsylvanians.

The Network Commission provides through its facilities a videoconferencing system for State agencies which results in a reduction in travel time and expense for State agencies.

Instructional television is provided by each of the stations in cooperation with school districts and the Department of Education, which purchases broadcast rights for some nationally produced programs. Some educational television series are produced by Pennsylvania stations for broadcast on statewide and national television.

Program Measures:

	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
Households watching public television at least once a week	2,240,000	2,260,000	2,280,000	2,300,000	2,320,000	2,350,000	2,400,000
Contributing memberships	263,000	270,000	275,000	280,000	285,000	290,000	300,000
Original programming as a percentage of total broadcasting	6.0%	5.8%	5.6%	5.5%	5.4%	5.3%	5.2%

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

General Government Operations		Station Grants Appropriation	
\$ -70	—nonrecurring cost of videoconferencing system.	\$ 90	—to continue basic operating support for the stations.
-115	—station lease cost transferred to grant appropriation.	160	—restoration of lease funds including transfer of \$115 from general government operation.
-60	—nonrecurring moving costs.	155	—second year of commitment to increase funds for national program acquisition.
81	—increase in rent and related costs resulting from relocation of the Network Commission.	115	—funds statewide program production including State Government specials.
59	—current commitment increases in personnel and operating costs.		
80	—first year of microwave relocation cost.	\$ 520	<i>Appropriation increase</i>
\$ -25	<i>Appropriation decrease</i>		

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
GENERAL FUND:							
General Government Operations	\$ 2,689	\$ 2,768	\$ 2,743	\$ 2,825	\$ 2,911	\$ 2,998	\$ 3,088
Public Television Station Grants	6,550	6,870	7,390	7,390	7,390	7,390	7,390
TOTAL GENERAL FUND	\$ 9,239	\$ 9,638	\$ 10,133	\$ 10,215	\$ 10,301	\$ 10,388	\$ 10,478



Commonwealth of Pennsylvania

Public Utility Commission

The Public Utility Commission insures that safe and adequate public utility services are available at fair and reasonable rates. This is accomplished through enforcement of the Public Utility Law and promulgation of regulations adopted by the Commission.

The commission is comprised of five members appointed by the Governor with Senate confirmation.

The dollar amounts shown are not appropriations from the General Fund. The commission receives a budgetary authorization ceiling and then bills the utilities for the amounts of the approved estimate of expenditures and expends directly from the funds collected.

PUBLIC UTILITY COMMISSION

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1986-87	1987-88	1988-89
	Actual	Available	Budget
GENERAL FUND			
GENERAL GOVERNMENT:			
(R) General Government Operations ^(a)	\$ 24,182	\$ 25,989	\$ 27,898
(F) Natural Gas Pipeline Safety	140	115	115
(F) Railroad Safety	262	185	350
(F) Motor Carrier Safety	<u>260</u>	<u>260</u>	<u>110</u>
RESTRICTED REVENUES	\$ 24,182	\$ 25,989	\$ 27,898
FEDERAL FUNDS	<u>662</u>	<u>560</u>	<u>575</u>
GENERAL FUND TOTAL	<u>\$ 24,844</u>	<u>\$ 26,549</u>	<u>\$ 28,473</u>

^(a) Appropriation from a restricted revenue account.

PUBLIC UTILITY COMMISSION

Program Funding Summary:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
REGULATION OF PUBLIC UTILITIES:							
Federal Funds	\$ 662	\$ 560	\$ 575	\$ 587	\$ 617	\$ 647	\$ 679
Other Funds	24,182	25,989	27,898	28,734	29,597	30,485	31,399
TOTAL	\$ 24,844	\$ 26,549	\$ 28,473	\$ 29,321	\$ 30,214	\$ 31,132	\$ 32,078

PUBLIC UTILITY COMMISSION

PROGRAM OBJECTIVE: To ensure that safe and adequate public utility services are available to the public at fair and reasonable rates.

Program: Regulation of Public Utilities

The Public Utility Commission's (PUC) responsibility and the service which it performs as an arm of the General Assembly as expressed in the Public Utility Code, is to ensure that safe and adequate utility service is available to the public at fair and reasonable rates.

The types of utilities regulated are electric, gas, steam heat, water, telephone, telegraph, and sewage collection and disposal services; transportation of passengers and property by railroad, aircraft, boat, ferry, and motor carrier; and transportation of certain products by pipeline.

While only 17 of approximately 5,000 utilities regulated are electric, the rate increases requested have historically been much greater than those of all other utilities combined. For example, last year electric utilities requested \$295 million in rate increases and all other utilities requested \$99 million.

In addition to its primary duty of ensuring that adequate service at reasonable rates is available to the public, the commission is required or empowered to:

- prescribe rates for common carrier motor vehicles, and to establish accounting and service requirements for them;
- regulate the formation, merger, and consolidation of public utilities;
- determine whether a public utility should be permitted to discontinue

- service to the public other than for non-payment for service rendered;
- regulate the crossing of public highways by the facilities of public utilities;
- inspect the properties, test the equipment and examine the books and other records of utilities;
- prescribe systems of accounting for public utilities;
- determine whether the issuance of utility stocks and long-term debt by public utilities is necessary or proper for the present and probable future capital needs of the utilities;
- inquire into the reasonableness, from the point of view of the public interest, of contracts between public utilities and municipalities, and of contracts for services between public utilities and their affiliates;
- assess all its expenses on utilities in accordance with Act 33 of March 3, 1972; and
- conduct management efficiency investigations and construction cost audits.

Last year the commission conducted 44,052 rail safety 1,001 gas safety and 5,896 consumer complaint investigations. In addition, the commission completed 13,685 motor safety compliance checks.

Program Measures:

	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
Utilities regulated:							
Electric	17	17	17	17	17	17	17
Others	4,904	4,900	4,915	4,915	4,920	4,920	4,920
Rate increases requested (millions):							
Electric	\$295	\$465	\$500	\$600	\$650	\$120	\$110
Others	\$79	\$18	\$27	\$40	\$41	\$46	\$45
Rate increases approved: (millions):							
Electric	\$-16	\$200	\$200	\$300	\$300	\$35	\$35
Others	\$34	\$15	\$20	\$30	\$120	\$35	\$35
Service Termination Mediations	10,181	10,600	10,600	10,600	10,600	10,600	10,600
Audits conducted:							
Financial	38	32	34	34	36	36	36
Energy/Fuel	87	76	76	76	76	76	76
Management	6	18	22	22	23	23	23
Consumer complaints investigated	5,896	6,000	6,000	6,000	6,000	6,000	6,000
Rail safety investigations conducted	44,052	50,021	82,000	84,000	84,000	84,000	84,000
Motor safety compliance checks	13,685	14,100	16,000	22,560	24,000	25,600	25,600
Gas safety inspections and investigations	1,001	1,006	1,100	1,100	1,100	1,100	1,100

The program measures for rate increases requested and approved are extremely difficult to accurately estimate. The recent Federal tax law changes have had a huge impact on utilities in particular, which has added to the problem of estimating the measure; the data shown reflect the PUC's best current estimate.

PUBLIC UTILITY COMMISSION

Program: Regulation of Public Utilities (continued)

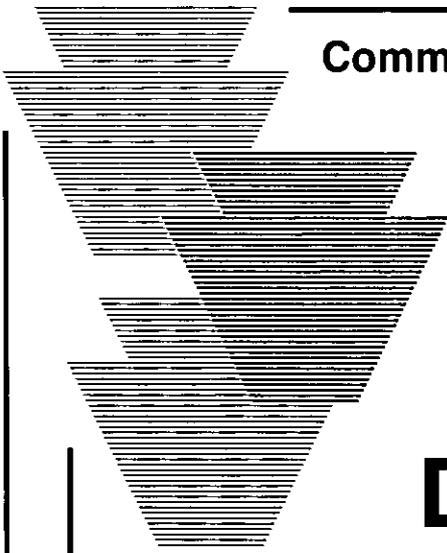
Program Recommendations:

This budget recommends the following changes to the appropriation for the PUC from its restricted revenue account in the General Fund: (Dollar Amounts in Thousands)

General Government Operations	
\$ 1,448	—to continue current program.
461	—to improve railroad and highway safety in the Commonwealth. By increasing the number of safety inspections, fewer train derailments and truck accidents are expected to occur. Increased enforcement will coerce truck drivers and railroads to improve their safety records.
\$ 1,909	<i>Appropriation Increase</i>

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
REGULATION OF PUBLIC UTILITIES:							
General Government Operations



Commonwealth of Pennsylvania

Department of Public Welfare

The Department of Public Welfare provides financial assistance and medical services to the economically dependent through public assistance grants and medical assistance payments, provides care, treatment and rehabilitation to the socially, mentally and physically disabled; and engages in activities, including education and research, which serve to prevent or reduce economic, social, mental and physical disabilities.

Services are provided directly through administration of program services and indirectly through programs of standard setting, regulation, supervision, licensing, grants, subsidies and purchase of services.

The actual delivery of welfare services is executed through regional offices, county boards of assistance and various types of institutions.

PUBLIC WELFARE

PROGRAM REVISION Budgeted Amounts Include the Following Program Revisions:

Appropriation	Title	1988-89 State Funds (in thousands)
GENERAL FUND		
State Mental Hospitals	State Mental Hospitals Reimbursement — Cost Containment	\$ -11,000
<p>This Program Revision will provide for increased Federal Medicaid and Medicare reimbursement through improved cost reporting.</p>		
County Administration—Statewide	Health Care Cost Containment — Case Management	\$ 567
Medical Assistance Outpatient	Health Care Cost Containment — Case Management	350
Medical Assistance — Inpatient	Health Care Cost Containment — Case Management	-7,354
Community Mental Health	Health Care Cost Containment — Case Management	2,000
	Subtotal	<u>\$ -4,437</u>
<p>This Program Revision will provide for expanded case management services for high cost medical and psychiatric cases to insure appropriate level and location of care.</p>		
Medical Assistance — Outpatient	Expanded Medical Assistance Coverage	\$ 6,314
Medical Assistance — Inpatient	Expanded Medical Assistance Coverage	10,506
	Subtotal	<u>\$ 16,820</u>
<p>This Program Revision provides for expanded medical assistance coverage for pregnant women, children, elderly and the disabled.</p>		
Long Term Care	Medical Assistance Audit Enhancement	\$ -12,000
County Administration—Statewide	Medical Assistance Audit Enhancement	192
	Subtotal	<u>\$ -11,808</u>
<p>This Program Revision provides for enhancement of audits of the long term care program.</p>		
County Child Welfare	County Child Welfare	\$ 9,612
<p>This Program Revision increases financial support for the County Child Welfare Program.</p>		
Day Care Services	Day Care Services	\$ 2,550
<p>This Program Revision provides for expanded day care placements.</p>		
	DEPARTMENT TOTAL	<u>\$ 1,737</u>

PUBLIC WELFARE

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1986-87	1987-88	1988-89
GENERAL FUND	Actual	Available	Budget
GENERAL GOVERNMENT:			
General Government Operations	\$ 17,012	\$ 18,043	\$ 18,944
(F) Child Welfare Services	2,277	2,587	2,277
(F) Rehabilitation Services Facilities	640	640	640
(F) Medical Assistance	11,592	16,604	12,759
(F) Maintenance Assistance	9,104	5,590	9,980
(F) Food Stamp Program — Administration	2,327	2,404	2,449
(F) Developmental Disabilities	2,874	3,723	3,723
(F) Child and Adolescent Services System	159	531	150
(F) Refugees and Persons Seeking Asylum	112	379	489
(F) ESEA(I) Handicapped Education	299	375	375
(F) Manpower Development — Mental Health	86	151	151
(F) Mental Health Community Support	205	181	.....
(F) Special Needs Adoption	100	50	.....
(F) Child Welfare/Adoption Exchange	5	165	165
(F) ADAMHSBG	119	108	120
(F) SSBG	5,670	5,384	5,056
(F) Child Sexual Abuse	146	.....	.....
(F) Outreach, Advocacy and Training	115	.....	125
(A) Institutional Collections	550	601	598
(A) Services to Other Agencies	87	80	80
(A) Management Development Services	508	522	516
(A) Child Abuse Reviews	443	450	450
Subtotal — Federal Funds	<u>\$ 35,830</u>	<u>\$ 38,872</u>	<u>\$ 38,459</u>
Subtotal — Augmentations	1,588	1,653	1,644
Total — General Government Operations	<u>\$ 54,430</u>	<u>\$ 58,568</u>	<u>\$ 59,047</u>
Monitoring Residential Contracts	86	103	116
Information Systems	36,555	25,803	26,846
(F) Maintenance Assistance	14,480	13,878	11,088
(F) Medical Assistance	11,059	7,264	11,630
(F) Food Stamp Program	4,709	3,724	1,596
(F) Child Support Enforcement	968	760	546
(A) Vendor Payments — IRS	2	.....	.....
(A) Lottery Commission	26	31	.....
(A) Data Processing Reimbursements .....	.....	10	10
Total — Information Systems	<u>\$ 67,799</u>	<u>\$ 51,470</u>	<u>\$ 51,716</u>
County Assistance Offices	154,495	160,500	167,719
(F) Maintenance Assistance	46,706	48,049	51,020
(F) Medical Assistance	18,382	20,283	21,255
(F) Food Stamp Program	29,593	32,546	35,033
(F) LIEABG — Administration	13,282	11,651	11,830
(F) LIEABG — Low-Income Families and Individuals	120,035	80,080	92,690
(F) SSBG	14,498	13,768	12,929
Total — County Assistance Offices	<u>\$ 396,991</u>	<u>\$ 366,877</u>	<u>392,476</u>

PUBLIC WELFARE

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Budget
GENERAL FUND			
GENERAL GOVERNMENT: (continued)			
County Administration — Statewide	\$ 25,012	\$ 25,544	\$ 26,982
(F) Maintenance Assistance	6,450	5,156	6,386
(F) Medical Assistance	18,670	27,268	24,018
(F) Food Stamp Program	6,939	5,292	5,387
(A) Fee for Material from Outside Vendors	11	11	11
(A) Food Stamp Retained Collections .....	.....	250	250
Total — County Administration — Statewide	<u>\$ 57,082</u>	<u>\$ 63,521</u>	<u>\$ 63,034</u>
Program Accountability	6,824	6,828	7,221
(F) Medical Assistance	483	1,215	434
(F) Maintenance Assistance	2,433	1,184	1,090
(F) Child Support Enforcement	39,508	39,924	43,892
(F) Food Stamp Program	2,469	2,046	2,000
(A) Child Support Receipts	130	130	136
(A) Food Stamp Collection .....	.....	166	166
Total — Program Accountability	<u>\$ 51,847</u>	<u>\$ 51,493</u>	<u>\$ 54,939</u>
New Directions	6,040	14,403^a	15,903
(F) Maintenance Assistance	440	1,468	6,558
(F) Work Incentive	7,903	5,245	.....
(F) Food Stamps — Employment and Training	744	15,186	14,261
(F) Work Saturation	809	420	.....
Total — Employment and Training Programs	<u>\$ 15,936</u>	<u>\$ 36,722</u>	<u>\$ 36,722</u>
Visually Handicapped	5,368	5,454	5,503
(F) Rehabilitation for the Blind — Basic Support	5,848	6,025	6,244
(F) Vocational Rehabilitation — Social Security Disability Beneficiaries	53	281	281
(F) Vocational Rehabilitation — SSI	37	.....	.....
(F) Rehabilitation Services Project	40	40	40
(A) Visually Handicapped — Miscellaneous .....	.....	1	.....
Total — Visually Handicapped	<u>\$ 11,346</u>	<u>\$ 11,801</u>	<u>\$ 12,068</u>
Subtotal — State Funds	\$ 251,392	\$ 256,678	\$ 269,234
Subtotal — Federal Funds	402,368	381,625	398,667
Subtotal — Augmentations	1,757	2,252	2,217
Total — General Government	<u>\$ 655,714</u>	<u>\$ 640,555</u>	<u>\$ 670,118</u>

^aActually appropriated as Pennsylvania Employment Program. Available year appropriation includes \$6,040,000 for Pennsylvania Employment Program, \$2,863,000 for Job Training Transitionally Needy and \$5,500,000 for Job Training AFDC Recipients.

PUBLIC WELFARE

GENERAL FUND	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Budget
INSTITUTIONS:			
Youth Development Institutions	\$ 27,026	\$ 30,711	\$ 31,489
(F) Food Nutrition Service	500	525	525
(F) Juvenile Justice and Delinquency Prevention	45	20	150
(F) SSBG — Basic Institutional Program	1,710	950	950
(A) Cafeteria	14	25	25
Total — Youth Development Institutions	<u>\$ 29,295</u>	<u>\$ 32,231</u>	<u>\$ 33,139</u>
State General Hospital	14,355	12,795	12,000
(F) Medicare Services	29,828	27,336	27,408
(F) Medical Assistance	6,331	6,431	5,608
(A) Institutional Collections	27,644	23,491	27,036
Total — State General Hospitals	<u>\$ 78,158</u>	<u>\$ 70,053</u>	<u>\$ 72,052</u>
State Mental Hospitals	299,691	329,611^b	\$ 319,927
Haverford State Hospital	500	500	500
(F) Medical Assistance	79,500	74,471	85,270
(F) Medicare Services	22,543	23,768	23,032
(F) Library Services — Title I	3	21	...
(F) Food and Nutrition Services	433	210	247
(F) Energy Conservation Grant .....	...	441	...
(A) Cafeteria	106	...	...
(A) Sale of Reclaimable Materials	3	...	...
(A) Institutional Collections	32,247	32,241	33,675
(A) Miscellaneous Institutional Reimbursements	326	...	...
Total — State Mental Hospitals and Haverford	<u>\$ 434,852</u>	<u>\$ 461,263</u>	<u>\$ 462,151</u>
State Centers for the Mentally Retarded	97,904	94,913	92,048
(F) Medical Assistance	143,070	140,425	139,758
(F) Food and Nutrition Service	65	150	150
(F) Library Services and Construction	8	...	...
(F) Hospital Improvement Grant .....	...	52	...
(F) ESEA — Title I .....	...	85	...
(A) Institutional Collections	12,227	10,493	10,000
(A) Miscellaneous	74	...	...
Total — State Centers for the Mentally Retarded	<u>\$ 253,348</u>	<u>\$ 246,118</u>	<u>\$ 241,956</u>
Subtotal — State Funds	<u>\$ 438,976</u>	<u>\$ 468,530</u>	<u>\$ 455,464</u>
Subtotal — Federal Funds	284,036	274,885	283,098
Subtotal — Augmentations	72,641	66,250	70,736
Total — Institutional	<u>\$ 795,653</u>	<u>\$ 809,665</u>	<u>\$ 809,298</u>

^bIncludes recommended supplemental appropriation of \$21,255,000.

PUBLIC WELFARE

GENERAL FUND	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Budget
GRANTS AND SUBSIDIES:			
Cash Grants	\$ 572,846	\$ 558,500	\$ 564,797
(F) Maintenance Assistance	451,031	444,456	437,580
(F) Disaster Relief — May 1986 Flood	346	.....	.....
(A) Public Assistance — Restitutions/Over Payments	20,242	29,606	23,936
(A) Child Support Payments	53,395	52,301	55,876
(A) PEMA — 1985 Tornado Disaster	22	.....	.....
(A) PEMA — 1985 Flood Relief-NE	4	.....	.....
(A) PEMA — 1985 Monogahela Flood	351	.....	.....
Total — Cash Grants	<u>\$ 1,098,237</u>	<u>\$ 1,084,863</u>	<u>\$ 1,082,189</u>
Disaster Assistance (1984, 1985 and 1986)	19,000	.....	.....
Medical Assistance — Transportation	8,554	10,334	14,592
(F) Medical Assistance	5,203	7,294	8,876
Total — Transportation	<u>\$ 13,757</u>	<u>\$ 17,628</u>	<u>\$ 23,468</u>
Medical Assistance — Outpatient	265,132	276,642	318,577
(F) Medical Assistance	264,171	258,075	289,952
(A) Collections	58	284	310
(A) Medicare Part B Recovery	254	255	255
Total — Outpatient	<u>\$ 529,615</u>	<u>\$ 535,256</u>	<u>\$ 609,094</u>
Medical Assistance — Inpatient	468,869	455,428	465,023
(F) Medical Assistance	296,887	316,727	337,111
(A) Collections — Inpatient	3,081	1,985	3,688
(A) Refunds — Inpatient	4,228	6,213	7,916
Total — Inpatient	<u>\$ 773,065</u>	<u>\$ 780,353</u>	<u>\$ 813,738</u>
Medical Assistance — Capitation	75,395	91,773	115,883
(F) Medical Assistance	57,952	75,230	93,192
Total — Capitation	<u>\$ 133,347</u>	<u>\$ 167,003</u>	<u>\$ 209,075</u>
Long-Term Care Facilities	134,143	162,891^c	206,216
(F) Medical Assistance	387,717	437,477	465,523
(A) Collections	708	1,024	1,066
Total — Long-Term Care	<u>\$ 522,568</u>	<u>\$ 601,392</u>	<u>\$ 672,805</u>
Pre-Admission Assessment .....	.....	.....	2,368
(F) Medical Assistance .....	.....	.....	2,367
Total — Pre-Admission Assessment	<u>\$</u>	<u>\$</u>	<u>\$ 4,735</u>
Supplemental Grants — Aged, Blind and Disabled	54,645	76,144	77,719
Community Mental Health Services	124,800	138,940	144,621
(F) Mental Health Offenders	75	38	29
(F) ADAMHBG	14,049	13,696	13,711
(F) SSBG	8,918	10,254	12,050
(F) Homeless Mentally Ill .....	.....	1,341	.....
(F) Disaster Relief — May 1986 Flood	24	.....	.....
Total — Community Mental Health	<u>\$ 147,866</u>	<u>\$ 164,269</u>	<u>\$ 170,411</u>

^cIncludes recommended supplemental appropriation of \$13,785,000.

PUBLIC WELFARE

GENERAL FUND	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Budget
GRANTS AND SUBSIDIES: (continued)			
Teen Suicide Center	\$ 250	\$ 250	258
Eastern Pennsylvania Psychiatric Institute	7,115	7,400	7,622
Community Based Services for the Mentally Retarded	68,891	78,806	79,717
(F) Medical Assistance	4,396	9,936	15,158
(F) Mental Retardation Offenders	26	36	37
(F) SSBG	13,659	14,059	13,203
Total — Community Based Services MR	\$ 86,972	\$ 102,837	\$ 108,115
Elwyn Institute	200	200	206
Community Residential Services for the Mentally Retarded	133,032	151,880	162,039
(F) Medical Assistance	14,096	30,565	41,552
(F) SSBG	5,498	5,664	5,319
Total — Community Residential Services - MR	\$ 152,626	\$ 188,109	\$ 208,910
Philadelphia Association for Retarded Citizens	208	278	214
Intermediate Care Facilities — Mentally Retarded	44,815	54,012	57,259
(F) Medical Assistance	59,712	69,791	76,940
(A) Cost Settlement	29	.....	.....
Total — Intermediate Care Facilities/Mentally Retarded	\$ 104,556	\$ 123,803	\$ 134,199
Early Intervention	24,000	25,080	25,832
(F) Handicapped Education .....	.....	2,500	3,056
Beacon Lodge Camp - Blind Services	40	75	77
Overbrook School	150	150	155
County Child Welfare	119,988	126,100	135,712
(F) Child Welfare Services	17,500	14,000	14,000
(F) Maintenance Assistance	43,000	47,854	51,467
(F) Refugees and Persons Seeking Asylum	1,700	1,700	1,700
(F) SSBG	11,005	11,181	9,000
Total — County Child Welfare Services	\$ 193,193	\$ 200,835	\$ 211,879
Day Care Services	24,500	28,235	30,785
(F) Dependent Care Planning	124	245	245
(F) SSBG	40,766	39,904	39,904
(F) Child Abuse Prevention Training	392	.....	.....
(F) Child Development Scholarships .....	.....	51	51
Total — Day Care	\$ 65,782	\$ 68,346	\$ 70,985
Arsenal Family and Children's Center Pittsburgh	106	139	112
Western Psychiatric Institute and Clinic	6,848	7,122	7,407
Domestic Violence	2,729	3,576	3,934
(F) Family Violence and Prevention	249	339	339
(F) SSBG	1,574	1,573	1,573
(F) Homeless Assistance .....	.....	363	374
Total — Domestic Violence	\$ 4,552	\$ 5,851	\$ 6,220

PUBLIC WELFARE

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Budget
GENERAL FUND			
GRANTS AND SUBSIDIES: (continued)			
Rape Crisis	\$ 895	\$ 1,194	\$ 1,313
(F) PHHSBG	192	180	180
(F) SSBG	827	826	826
Total — Rape Crisis	\$ 1,914	\$ 2,200	\$ 2,319
(F) SSBG — Family Planning	5,020	5,020	5,020
Breast Cancer Screening	225	402	402
Legal Services	2,000	2,000	2,000
(F) SSBG	6,688	6,688	6,688
Human Services Development Fund	13,069	13,069	13,069
(F) Refugees and Persons Seeking Asylum	4,115	4,500	4,500
(F) SSBG	15,100	14,339	14,339
(F) Immigration Reform and Control .....	.....	1,770	3,540
Total — Human Services Development	\$ 32,284	\$ 33,678	\$ 35,448
Homeless Assistance	7,000	11,335	12,800
(F) SSBG	2,851	2,849	2,849
Attendant Care	979	4,051	4,774
(F) SSBG	4,464	4,463	4,463
Subtotal — State Funds	\$ 2,180,424	\$ 2,286,006	\$ 2,455,483
Subtotal — Federal Funds	1,739,327	1,854,984	1,976,714
Subtotal — Augmentations	82,372	91,668	93,047
Total — Grants and Subsidies	\$ 4,002,123	\$ 4,232,658	\$ 4,525,244
STATE FUNDS	\$ 2,870,792	\$ 3,011,214	\$ 3,180,181
FEDERAL FUNDS	2,425,731	2,511,494	2,658,479
AUGMENTATIONS	156,770	160,170	166,000
GENERAL FUND TOTAL	\$ 5,453,293	\$ 5,682,878	\$ 6,004,660
LOTTERY FUND			
GRANTS AND SUBSIDIES:			
Medical Assistance — Long-Term Care	\$ 140,000	\$ 140,000	\$ 126,000
Pre-Admission Assessment	1,973	2,505	.....
(F) Medical Assistance	1,973	2,505	.....
Total — Pre-Admission Assessment	\$ 3,946	\$ 5,010	.....
Medicare Part B Payments	8,528	9,330	.....
Supplemental Grant to the Aged	17,600	.....	.....
Community Mental Retardation Services — Elderly	2,200	.....	.....
STATE FUNDS	170,301	151,835	126,000
FEDERAL FUNDS	1,973	2,505	.....
LOTTERY FUND TOTAL	\$ 172,274	\$ 154,340	126,000

PUBLIC WELFARE

	1986-87 Actual	(Dollar Amounts in Thousands) 1987-88 Available	1988-89 Budget
ENERGY CONSERVATION AND ASSISTANCE FUND			
<i>GRANTS AND SUBSIDIES:</i>			
Low Income Energy Assistance	\$ 10,000	\$ 45,302	\$ 30,702
Energy Conservation and Assistance Fund Total	<u>\$ 10,000</u>	<u>\$ 45,302</u>	<u>\$ 30,702</u>
DEPARTMENT TOTALS — ALL FUNDS			
GENERAL FUNDS	\$ 2,870,792	\$ 3,011,214	\$ 3,180,181
SPECIAL FUNDS	180,361	197,137	156,702
FEDERAL FUNDS	2,427,704	2,513,999	2,658,479
AUGMENTATIONS	156,770	160,170	166,000
TOTAL ALL FUNDS	<u>\$ 5,635,567</u>	<u>\$ 5,882,520</u>	<u>\$ 6,161,362</u>

PUBLIC WELFARE

Program Funding Summary:

(Dollar Amounts in Thousands)

	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
HUMAN SERVICES SUPPORT							
General Fund	\$ 60,391	\$ 50,674	\$ 53,011	\$ 55,020	\$ 56,764	\$ 58,558	\$ 60,409
Federal Funds	111,939	108,867	110,735	106,193	108,201	110,276	112,323
Other Funds	1,746	1,990	1,956	2,005	2,056	2,108	2,162
TOTAL	\$ 174,076	\$ 161,531	\$ 165,702	\$ 163,218	\$ 167,021	\$ 170,942	\$ 174,894
MEDICAL ASSISTANCE							
General Fund	\$ 966,448	\$ 1,009,863	\$ 1,134,659	\$ 1,195,520	\$ 1,280,239	\$ 1,394,356	\$ 1,525,372
Special Funds	150,501	151,835	126,000	106,000	86,000	66,000	46,000
Federal Funds	1,050,062	1,131,075	1,230,037	1,298,774	1,376,731	1,459,825	1,548,401
Other Funds	35,973	33,252	40,271	41,491	42,758	44,061	45,398
TOTAL	\$ 2,202,984	\$ 2,326,025	\$ 2,530,967	\$ 2,641,785	\$ 2,785,728	\$ 2,964,242	\$ 3,165,171
INCOME MAINTENANCE							
General Fund	\$ 832,038	\$ 835,091	\$ 853,120	\$ 876,567	\$ 887,671	\$ 898,507	\$ 909,712
Special Funds	27,600	45,302	30,702	30,702	15,000	.....	.....
Federal Funds	735,828	710,868	718,947	726,173	731,781	737,357	742,959
Other Funds	74,025	82,168	80,073	84,201	90,456	97,280	104,727
TOTAL	\$ 1,669,491	\$ 1,673,429	\$ 1,682,842	\$ 1,717,643	\$ 1,724,908	\$ 1,733,144	\$ 1,757,398
MENTAL HEALTH							
General Fund	\$ 438,704	\$ 483,823	\$ 479,835	\$ 506,268	\$ 521,456	\$ 537,100	\$ 553,213
Federal Funds	125,545	124,240	134,339	136,429	139,775	143,240	146,801
Other Funds	32,682	32,241	33,675	32,301	33,802	35,562	37,030
TOTAL	\$ 596,931	\$ 640,304	\$ 647,849	\$ 674,998	\$ 695,033	\$ 715,902	\$ 737,044
MENTAL RETARDATION							
General Fund	\$ 369,136	\$ 405,272	\$ 417,431	\$ 441,270	\$ 454,513	\$ 468,152	\$ 482,201
Special Funds	2,200	.....	.....	.....	.....	.....	.....
Federal Funds	240,530	273,263	295,173	299,724	308,155	316,838	325,786
Other Funds	12,330	10,493	10,000	10,469	10,959	11,473	12,011
TOTAL	\$ 624,196	\$ 689,028	\$ 722,604	\$ 751,463	\$ 773,627	\$ 796,463	\$ 819,998
HUMAN SERVICES							
General Fund	\$ 204,075	\$ 226,491	\$ 242,125	\$ 244,544	\$ 247,036	\$ 249,602	\$ 252,247
Federal Funds	163,800	165,686	169,248	161,085	163,279	165,539	167,867
Other Funds	14	26	25	26	27	28	29
TOTAL	\$ 367,889	\$ 392,203	\$ 411,398	\$ 405,655	\$ 410,342	\$ 415,169	\$ 420,143
ALL PROGRAMS							
GENERAL FUND	\$ 2,870,792	\$ 3,011,214	\$ 3,180,181	\$ 3,319,189	\$ 3,447,679	\$ 3,606,275	\$ 3,783,154
SPECIAL FUNDS	180,301	197,137	156,702	136,702	101,000	66,000	46,000
FEDERAL FUNDS	2,427,704	2,513,999	2,658,479	2,728,378	2,827,922	2,933,075	3,044,137
OTHER FUNDS	156,770	160,170	166,000	170,493	180,058	190,512	201,357
TOTAL	\$ 5,635,567	\$ 5,882,520	\$ 6,161,362	\$ 6,354,762	\$ 6,556,659	\$ 6,795,862	\$ 7,074,648

PUBLIC WELFARE

PROGRAM OBJECTIVE: To provide effective administrative and support systems through which the substantive programs of the department can be operated and achieved.

Program: Human Services Support

Human services support provides the administrative and support systems for the operation of the various substantive health, social, and economic development programs, as well as assisting in the development and implementation of these Commonwealth policies and programs.

The network of services provides direction and overhead support for youth development centers, general hospitals, institutions for the retarded, institutions for the mentally ill and information system support. Human services support operations provides overall planning, direction, and information system support for a comprehensive social services system and for individuals striving to attain and maintain a minimally acceptable level of living.

Human services support promotes the reduction of ill health among Pennsylvania residents by licensing and regulating selected medical

facilities, and provides direction for health programs for Pennsylvania residents who are unable to purchase adequate health care services.

The administrative costs for regional offices, various commissions and advisory committees, and the central office are included in this category. A primary concern of the Commonwealth is to minimize these administrative costs in relation to the costs of provided services.

As part of Human Services Support, the Office of Program Accountability works to investigate and recover public assistance funds that are a result of welfare fraud. Also, the Office of Program Accountability operates a Bureau of Child Support Enforcement. This bureau is part of a federally mandated program. Included in the budget request are funds to Improve Child Support Enforcement according to additional federal guidelines.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

General Government Operations	
\$ -345	—non-recurring expenditures.
328	—to provide an increase in State funds due to a reduction of Title XX Federal Funds.
310	—to provide an adjustment in State funds due to re-estimating potential Title IV B Federal Funds.
276	—to provide for increased comptroller billings in excess of Federal earnings for comptroller services.
-35	—savings due to Press and Communications Reorganization.
367	—to continue current commitment.
<u>\$ 901</u>	<i>Appropriation increase</i>

Office of Information Services	
\$ 3,044	—to replace non-recurring Federal funds.
-226	—reduction of complement by 20 positions.
260	—to begin programming of the automated eligibility determination/benefits calculation system.
-317	—to continue current commitment.
282	—to provide front-end processing capability for 350 additional county assistance office terminals.
<u>\$ 3,043</u>	<i>Appropriation increase</i>
Office of Program Accountability	
\$ -42	—to continue current commitment.
387	—to replace non-recurring federal funds.
48	—to begin Improved Child Support Enforcement Program.
<u>\$ 393</u>	<i>Appropriation increase</i>

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
GENERAL FUND:							
General Government Operations	\$ 17,012	\$ 18,043	\$ 18,944	\$ 19,549	\$ 20,136	\$ 20,741	\$ 21,365
Information Systems	36,555	25,803	26,846	28,033	28,966	29,926	30,915
Program Accountability	6,824	6,828	7,221	7,438	7,662	7,891	8,129
TOTAL GENERAL FUND	<u>\$ 60,391</u>	<u>\$ 50,674</u>	<u>\$ 53,011</u>	<u>\$ 55,020</u>	<u>\$ 56,764</u>	<u>\$ 58,558</u>	<u>\$ 60,409</u>

PROGRAM OBJECTIVE: To support a health care delivery system that provides comprehensive health care services in appropriate settings for the eligible populations.

Program: Medical Assistance

The Medical Assistance program ensures access to comprehensive health care services for those individuals and families with insufficient income to maintain the household unit or with medical expenses exceeding available income. Categorically needy individuals receive cash assistance under Aid to Families with Dependent Children, Supplemental Security Income, and General Assistance programs. Medically needy persons are individuals who do not receive cash assistance grants, but spend a significant portion of their income for medical expenses.

Program Element: Outpatient Services

Outpatient services include the majority of services offered to a person who does not need extended acute care in a health care facility. Outpatient services include clinic and office care — medical, podiatric, dental, rehabilitation, rural health, drug and alcohol — pharmaceutical services, ambulance transportation, home health care, medical equipment, and prosthetic devices.

Categorically needy persons are eligible for the complete array of services provided under the Outpatient program, while medically needy persons are eligible for all services except pharmaceutical services, medical equipment, and prosthetic devices.

In the outpatient component of the Medical Assistance program, providers of service are primarily reimbursed on a fee for service basis according to the Medical Assistance Fee Schedule.

Program Element: Inpatient Services

Inpatient hospital services includes care for Medical Assistance patients in general, rehabilitation, and private psychiatric hospitals, as well as for patients in State General Hospitals and care provided in selected other hospitals.

The Inpatient Medical Assistance program provides eligible recipients coverage on a 24 hour basis for room, board, and professional services. A recipient is only eligible for admission under Medical Assistance upon the recommendation of a physician, dentist, or podiatrist. Hospital care solely for cosmetic procedures as well as diagnostic or therapeutic procedures solely for experimental, research, or educational purposes are not covered by Medical Assistance.

The department uses a prospective payment system (PPS) to reimburse general hospitals. Acute care general hospitals are paid a predetermined amount per discharge based on the patient's diagnosis, the procedures performed, and the patient's age, sex, and discharge status. The system used to classify the various diagnoses according to the amount of resources the hospitals customarily uses to treat them is referred to as the DRG (Diagnosis Related Groups) system. The department's payment for compensable inpatient hospital services under the DRG payment system is based on the hospital's group average cost per case. Hospitals are grouped for reimbursement purposes based on the hospitals' teaching status, Medical Assistance volume, environmental characteristics, and costs. For children's hospital's, payment is made with each hospital considered its own group. The DRG system also accounts for those cases that medically cannot fall into the predetermined reimbursement schedule; these "outlier" costs are reimbursed on an exceptional cost basis in the prospective payment to the hospital. When professional care is provided to a Medical Assistance recipient, the department separately reimburses the physician, dentist, podiatrist, or midwife who provided direct care services to the recipient and is under salary or contract with the hospital. These services are reimbursed in accordance with the fees established under the Medical Assistance Fee Schedule through the Medical Assistance

Outpatient appropriation.

Free standing drug and alcohol treatment/rehabilitation hospitals, psychiatric, and rehabilitation hospitals, as well as psychiatric units of general hospitals, are excluded from the prospective payment system. The methods of treatment and associated lengths of stay for services in these settings have a wide range of variation based on the ability of the patient to respond to treatment and on how providers define the minimum length of stay to complete their program. Accordingly, a DRG system cannot be the base for reimbursement in these instances. Payment for these services continues to be made on a retrospective cost related basis subject to limitations. A Hospice Care program is to be implemented, with a savings to Inpatient. Terminally ill persons will receive assistance from a case manager. Individuals will be placed in a hospice which will better meet their needs as terminal patients.

Capital cost reimbursement for buildings and fixtures are being phased into the prospective payment rates. This phase-in started in October, 1986, and will take seven years to complete. Over the seven year period, the percentage paid as a hospital specific amount will gradually decrease while the percentage of the payment calculated as an add-on will gradually increase. Payment for direct medical education is also made in addition to the prospective payment rates. Beginning in 1985-86, increases in direct medical education costs were limited to projected rate of inflation.

The Commonwealth currently operates six other general hospitals. The original intent of these hospitals was to provide low cost care in the coal mining regions of the State. With the availability of Medicare, Medical Assistance, and third party insurance, patients are now fully charged for using the facilities. The policy of transferring the ownership of these six hospitals will depend upon the formation of local community boards willing to assume operating responsibility.

Program Element: Capitation

In the Medical Assistance program, alternative health care delivery systems for Medical Assistance recipients have been developed under Health Maintenance Organizations (HMO) and a Health Insuring Organization (HIO). These are two mechanisms of providing services to eligible Medical Assistance recipients that utilize a fixed rate per recipient enrolled in the HMO's and the HIO.

HMO's emphasize outpatient, preventive health services as a means of controlling costs. HMO's are paid a fixed or predetermined premium for each client. The department currently contracts with three HMO's to provide services to recipients in Allegheny, Armstrong, Delaware, Philadelphia, Washington, and Westmoreland counties. For recipients in Luzerne and Wyoming counties, the department contracts with a rural health center for prepaid health care.

In January, 1986, the department implemented a Health Insuring Organization program in five county assistance districts in Philadelphia. The HIO operates much like an HMO; a predetermined rate is paid per recipient enrolled in the HIO. The HIO also is the fiscal agent that administers the delivery of services to the recipients. The HIO is known as Health PASS (Philadelphia Accessible Services System) and has approximately 96,000 Medical Assistance recipients participating in the program.

Both HMO's and the HIO have an incentive to effectively manage the primary care provided to enrolled recipients. If the recipient utilizes more health care than anticipated in the predetermined rate, expenditures increase, and the HMO or HIO loses money. If, however, service costs are controlled, the provider tends to make a profit.

PUBLIC WELFARE

Program: Medical Assistance (continued)

Program Element: Medical Assistance Transportation Program

By Federal regulation, the Medical Assistance Transportation program provides funding to county governments to provide transportation for Medical Assistance recipients who need assistance traveling to and from a health care service provider or a health care facility.

The counties can utilize one of three methods to provide the transportation. County governments can provide this service directly, contract with an independent transportation agency, or pay agencies which provide transportation as part of a whole human services system.

Sixty-three counties have elected to choose their own mechanism for providing transportation. In two counties, the department selected a provider from a competitive bidding process. For the remaining two counties where no provider could be found, local county assistance offices provide these services.

Program Element: Long Term Care Facilities

The provision of skilled nursing or intermediate care to persons eligible for Medical Assistance is the primary emphasis of long term care services. Nursing homes certified to participate in the Medical Assistance program provide one or both levels of care in accordance with established standards.

Skilled nursing care involves skilled nursing and rehabilitation services rendered under the general direction of a licensed physician. The services are provided by or under the supervision of licensed professional nursing personnel or other professional health personnel. Skilled nursing care is required and provided on a daily basis, and can be practically provided on an inpatient basis. Intermediate care is a planned program of health care and management that is provided under the supervision of a physician to recipients with a mental or physical disability whose needs cannot be met in a less intensive setting.

The department pays nursing facilities their actual allowable costs, subject to certain limitations. Allowable costs include net operating costs. These are all costs related to administrative overhead and patient care. Capital costs include depreciation and interest.

Net operating costs are reimbursed based on ceilings established by the department. Ceilings are calculated by grouping the nursing home facilities into the Metropolitan Statistical Areas of Pennsylvania. The median of year end reported costs for each group is used to set the ceiling. Separate ceilings are established for skilled and intermediate nursing care. Hospital based nursing units and special rehabilitation nursing facilities are grouped on a statewide basis for ceiling setting purposes. Depreciation and interest payments are made in addition to net operating costs.

The department has entered into a contract with a reimbursement consultant to design a new reimbursement methodology for nursing home facilities. The new system will more closely align reimbursement with patient needs and resources use to meet these needs.

Program Element: Pre-Admission Assessment

Alternatives to nursing home care for individuals with long term care needs are being pursued. Pre-admission assessment is one tool being utilized to effectively place individuals in the most appropriate setting for their needs.

The Long Term Care Assessment and Management Program (LAMP) is operating in six counties to provide pre-admission assessment to individuals seeking care in a nursing home facility. The pre-admission assessment program determines if the person's needs would be best met in a nursing facility or if the person's needs could be met by utilizing services available in the community, through a less intensive setting, like a personal care boarding home, or through a combination of services that can be provided in the home.

Program Measures

	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
Persons eligible for medical assistance, monthly average	1,233,942	1,208,531	1,240,582	1,252,987	1,265,517	1,278,172	1,290,954
Outpatient							
Visits:							
Physician	4,791,248	4,594,933	4,661,008	4,651,303	4,697,816	4,744,794	4,792,242
Dentist	2,080,170	1,994,938	2,023,625	2,019,411	2,039,605	2,060,002	2,080,602
Podiatrist	105,536	101,212	102,667	102,453	103,478	104,513	105,558
Chiropractor	394,406	378,246	383,685	382,886	386,715	390,582	394,488
Outpatient clinic visits:							
Independent Medical/Surgical Clinic ...	303,034	290,618	294,797	294,183	297,125	300,096	303,097
General Hospital	4,462,738	4,279,883	4,341,428	4,332,388	4,375,712	4,419,469	4,463,664
Rural Health Clinic	51,614	49,499	50,211	50,106	50,607	51,114	51,625
Prescriptions and orders filled:							
Pharmacy	12,557,160	12,042,647	12,215,820	12,190,384	12,312,288	12,435,411	12,559,765
Medical Supplier	172,593	165,521	167,901	167,552	169,227	170,920	172,629
Inpatient							
Inpatient hospital admissions:							
DRG hospitals	188,910	181,170	183,775	183,392	185,226	187,078	188,949
Non-DRG hospitals	35,977	34,503	34,999	34,926	35,275	35,628	35,984
Average length of stay in days:							
Rehabilitation hospitals	13.42	13.42	13.42	13.42	13.42	13.42	13.42
Private psychiatric hospitals	15.06	15.06	15.06	15.06	15.06	15.06	15.06
Average cost per day:							
Rehabilitation hospitals	\$286.37	\$288.67	\$296.54	\$303.95	\$311.55	\$319.34	\$327.32
Private psychiatric hospitals	\$288.76	\$291.01	\$299.58	\$307.07	\$314.75	\$322.61	\$330.68
Average cost per case:							
DRG hospitals	1,878	1,960	2,076	2,128	2,181	2,236	2,292

PUBLIC WELFARE

Program: Medical Assistance (continued)

	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
Capitation							
Medical assistance recipients served: (Monthly Average)							
Fee for service delivery	1,130,867	1,085,867	1,101,482	1,099,187	1,110,179	1,121,281	1,132,494
Capitation programs	111,271	124,851	142,799	154,207	155,760	157,330	158,916
HMO	22,378	28,883	44,624	55,038	55,588	56,144	56,706
HIO	88,891	95,968	98,175	99,169	100,172	101,186	102,210
Percent of total eligibles enrolled	9.8%	11.4%	12.9%	14%	14%	14%	14%
Services provided by the capitation programs:							
Physician services	690,980	833,558	945,250	1,045,138	1,055,590	1,066,146	1,076,807
Dental services	55,979	67,530	76,578	84,671	85,517	86,373	87,236
Pharmaceutical Services	1,227,297	1,480,540	1,678,923	1,856,342	1,874,906	1,893,655	1,912,591
Transportation program							
One way trips provided (in thousands) ...	3,068	3,500	3,535	3,570	3,927	4,319	4,750
Long Term Care Facilities							
Average monthly number of recipients receiving institutional long-term care:							
Skilled nursing care	6,053	5,076	5,124	5,189	5,256	5,324	5,393
Intermediate care	38,112	39,144	39,808	40,368	40,939	41,522	42,116
Pre-Admission Assessments							
Number of initial assessments	11,110	20,521	22,113	22,113	22,113	22,113	22,113
Number of referrals to nursing homes ...	8,167	15,083	16,253	16,253	16,253	16,253	16,253
Number of referrals for community services	2,943	5,438	5,860	5,860	5,860	5,860	5,860

	Patient Capacity July 1987	Projected Capacity July 1988	Population July 1987	Projected Population July 1988	Projected Percent of Capacity July 1988
State General Hospitals					
Ashland	183	191	75	111	60%
Coaldale	156	156	93	93	60%
Nanticoke	94	94	49	42	45%
Philipsburg	123	123	54	52	42%
Scranton	172	121	26	91	75%
Shamokin	86	80	35	43	54%
TOTAL	814	765	332	432	56%

PUBLIC WELFARE

Program: Medical Assistance (continued)

Total Proposed Expenditures by Hospital:

	(Dollar Amounts in Thousands)				(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Budget		1986-87 Actual	1987-88 Available	1988-89 Budget
ASHLAND				PHILLIPSBURG			
State Funds	\$ 2,877	\$ 1,572	\$ 1,475	State Funds	\$ 68	\$ 1,834	\$ 1,718
Federal Funds	5,893	7,820	7,646	Federal Funds	5,861	5,992	5,858
Augmentations	6,033	6,440	7,412	Augmentations	5,886	5,040	5,801
TOTAL	<u>\$ 14,803</u>	<u>\$ 15,832</u>	<u>\$ 16,533</u>	TOTAL	<u>\$ 11,815</u>	<u>\$ 12,866</u>	<u>\$ 13,377</u>
COALDALE				SCRANTON			
State Funds	\$ 1,067	\$ 1,151	\$ 1,080	State Funds	\$ 4,888	\$ 5,066	\$ 4,752
Federal Funds	5,915	6,663	6,515	Federal Funds	3,332	3,996	3,907
Augmentations	4,870	4,691	5,399	Augmentations	2,723	2,860	3,292
TOTAL	<u>\$ 11,852</u>	<u>\$ 12,505</u>	<u>\$ 12,994</u>	TOTAL	<u>\$ 10,943</u>	<u>\$ 11,922</u>	<u>\$ 11,951</u>
HAZELTON				SHAMOKIN			
State Funds	\$ 3,287	.....	.....	State Funds	\$ 1,284	\$ 2,262	\$ 2,120
Federal Funds	6,652	.....	.....	Federal Funds	3,891	3,536	3,458
Augmentations	2,773	.....	.....	Augmentations	2,514	2,200	2,531
TOTAL	<u>\$ 12,712</u>	<u>.....</u>	<u>.....</u>	TOTAL	<u>\$ 7,689</u>	<u>\$ 7,998</u>	<u>\$ 8,109</u>
NANTICOKE							
State Funds	\$ 884	\$ 910	\$ 855				
Federal Funds	4,615	5,760	5,632				
Augmentations	2,845	2,260	2,601				
TOTAL	<u>\$ 8,344</u>	<u>\$ 8,930</u>	<u>\$ 9,088</u>				

PUBLIC WELFARE

Program: Medical Assistance (continued)

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

GENERAL FUND			
Outpatient			
\$ 8,832	—increase in unit costs for drugs of 9.28%.	-510	—effect of third year phase-in of capital costs reimbursement system.
1,485	—change in service unit costs for all other providers.	2,691	—annualization of prior year rate adjustments for Medicare rates, cost outliers, and aid category distribution.
7,529	—effect of increase in Medical Assistance caseload.	207	—effect of 2.5% increase in Short Procedure Unit payment rates.
4,035	—annualization of Expanded Medical Coverage for pregnant women and children.	-3,011	—Third Party Liability Savings.
9,696	—annualization of \$5.00 fee increase for physician office, hospital clinic and emergency room visit fees.	1,840	—revision to DRG re-admission after first discharge from hospital.
-3,306	—annualization of elimination of psychiatric partial hospitalization transportation fee.	317	—annualization of DRG rehabilitation outliers.
-1,239	—disallowance of Medicare Part B Federal funds in FY 1987-88.	-2,087	—change in exceptional capital reimbursement requirement.
-358	—disallowance of Federal funds for less-than-effective drugs and lab tests.	-131	—changes in cost of Second Surgical Opinion and Place of Service Review contracts.
-2,457	—transfer of additional recipients to Capitation plans.	-5,814	—annualization of savings from Place of Service Review and Second Service Review.
7	—increase in recipients served by Model 50 Waiver.	9,296	—annualization of Expanded Medical Coverage for pregnant women and children.
981	—Partial Psychiatric Hospitalization Transportation Fee Supplemental from Medical Assistance Transportation Program in FY 1987-88.	-3,240	—transfer of additional recipients to Capitation plans.
1,120	—other program adjustments.	1,428	—increase in Medically Needy income eligibility levels.
-325	—savings from Disability Advocacy Program initiative.	-6,173	—other program adjustments.
1,998	—PRR - Expanded Medical Coverage for elderly and Disabled: See the Program Revision Request following this program for further information.	-496	—savings from implementation of Hospice Care Case Management initiative.
350	—PRR - Health Care Cost Containment - Case Management: See the Program Revision Request following this program for further information.	-469	—savings from Disability Advocacy Program initiative.
13,587	—PRR - Transfer to General Fund from Maintaining the Integrity of the Lottery Fund. See Program Revision Request in the Department of Aging.	542	—PRR - Expanded Medical Coverage for elderly and disabled: See the Program Revision Request following this program for further information.
		-7,354	—PRR - savings from Health Care Cost Containment - Case Management: See the Program Revision Request following this program for further information.
		\$ 9,595	<i>Appropriation Increase</i>
\$ 41,935	<i>Appropriation Increase</i>		
Inpatient			
\$ 14,722	—effect of increase in Medical Assistance caseload.	\$ 6,947	Capitation —impact of projected rate and enrollment increases for HMOs.
-1,700	—adjustment to rates for Children's Hospitals.	9,706	—impact of projected rate and enrollment increases for HIO.
6,214	—effect of 2.5% inflation increase on General Hospitals.	4,080	—effect of participation of new HMO providers.
623	—effect of 2.5% inflation increase on Rehabilitation Hospitals.	288	—implementation of Hospice Care Case Management initiative.
2,053	—effect of 2.5% inflation increase on Private Mental Hospitals.	-120	—savings from Disability Advocacy Program Initiative.
647	—effect of 2.5% increase to medical education passthrough payments.	3,209	—other program adjustments.
		\$ 24,110	<i>Appropriation Increase</i>

PUBLIC WELFARE

Program: Medical Assistance (continued)

Program Recommendations: (continued)

This budget recommends the following changes: (Dollar Amounts in Thousands)

GENERAL FUND (continued)				Transportation	
Long Term Care					
\$ 17,535	—effect of annual inflation rate on Medicare and Medical Assistance nursing home rates.	\$ 3,306		—costs associated with Morgan v. White decision for partial psychiatric transportation fee.	
2,456	—increase of 1.2% for private nursing home patient days utilization.	952		—cost to carry current program.	
9,847	—annualization of increase due to the change in ceiling setting methodology from 107% of the median to 115% of the median plus an inflation factor.	\$ 4,258		<i>Appropriation Increase</i>	
-5,029	—decrease in cost settlement requirements.	\$ 168		Pre-Admission Assessment	
825	—impact of change in regulations for resources of institutionalized Medical Assistance recipients.	-305		—annualization of costs for pre-admission assessment program established in FY 1987-88.	
12,473	—impact of one-time availability of retroactive federal funds in FY 1987-88.	\$ -137		—cost to carry current program.	
6,921	—annualization of Troutman settlement, effective May 1, 1988.			<i>Appropriation Decrease</i>	
-5,844	—federal disallowance for overpayments.	\$ -795		State General Hospitals	
745	—adjustment to account for the recognition of barber and beauty cost centers.			cost to carry current program.	
-50	—second year of La Jolla contract to develop new reimbursement methodology.	\$ -14,000		LOTTERY FUND	
1,446	—other program adjustments.			Long Term Care	
-12,000	—PRR - Long Term Care Audit Enhancement: See the Program Revision Request following this program for further information.	\$ -13,587		—transfer to General Fund.	
14,000	—PRR - Transfer to General Fund from Maintaining the Integrity of the Lottery Fund. See the Program Revision Request in the Department of Aging.	\$ -2,368		Medicare Part B Payments	
				—transfer to General Fund Outpatient.	
				Pre-Admission Assessment	
				—transfer to General Fund.	
\$ 43,325				<i>Appropriation Increase</i>	

Additional information on these transfers can be found in the PRR — Maintaining the Integrity of the Lottery Fund — shown in the Department of Aging.

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
GENERAL FUND:							
Medical Assistance — Outpatient	\$ 265,132	\$ 276,642	\$ 318,577	\$ 332,237	\$ 348,824	\$ 366,236	\$ 384,520
Medical Assistance — Inpatient	488,869	455,428	465,023	461,105	475,140	488,695	503,602
Medical Assistance — Capitation	75,395	91,773	115,883	123,021	127,526	131,929	136,484
Medical Assistance — Transportation	8,554	10,334	14,592	15,176	15,783	16,414	17,071
Medical Assistance — Long Term Care	134,143	162,891	206,216	249,252	297,866	375,599	467,818
Pre-Admission Assessment . . . . .	. . . . .	. . . . .	2,368	2,368	2,368	2,368	2,368
State General Hospitals	14,355	12,795	12,000	12,361	12,732	13,115	13,509
TOTAL GENERAL FUND	\$ 966,448	\$ 1,009,863	\$ 1,134,659	\$ 1,195,520	\$ 1,280,239	\$ 1,394,356	\$ 1,525,372
LOTTERY FUND:							
Medical Assistance — Long Term Care	\$ 140,000	\$ 140,000	\$ 126,000	\$ 106,000	\$ 86,000	\$ 66,000	\$ 46,000
Medicare Part B Payments	8,528	9,330	. . . . .	. . . . .	. . . . .	. . . . .	. . . . .
Pre-Admission Assessment	1,973	2,505	. . . . .	. . . . .	. . . . .	. . . . .	. . . . .
TOTAL LOTTERY FUND	\$ 150,501	\$ 151,835	\$ 126,000	\$ 106,000	\$ 86,000	\$ 66,000	\$ 46,000

Program Revision: Health Care Cost Containment — Case Management

State subsidized medical and psychiatric care programs are required to ensure the availability of quality care for eligible recipients. This Program Revision will assure that people receive high quality health care and that services are fully accessible while increasing the cost effectiveness of the program. The implementation of a case management approach will assist clients in receiving the health care they need but will avoid unnecessary and costly utilization of services. Case managers seek to channel the client to the appropriate services, in terms of quantity, type and location of service.

Case management will be implemented for two selected groups of clients who, by diagnosis, are potential high cost users. The first group of recipients receives medical services only and are identified by conditions such as high risk pregnancy, new borns requiring extraordinary care, AIDS and sickle cell anemia. The other group includes users of inpatient psychiatric services.

For the medical services group, individuals with these medical conditions will receive all the necessary care through case management while reducing Medical Assistance cost by about 5% as compared to the traditional fee for service approach. Case management will emphasize the use of outpatient services whenever reasonable and appropriate. A reduction in inpatient and emergency room services is expected to occur. It is estimated that the Medical Assistance—Inpatient appropriation will be reduced by \$5.1 million and that Outpatient costs will increase by \$700,000 (\$350,000 in State funds) for 1988-89. The

total net savings will be about \$3.8 million (\$2.3 million in State funds) for 1988-89. Administrative and program staff are required to operate case management. However, by contracting for services to initiate the program, departmental staff requirements will be minimal. This will allow initial results of the program to be evaluated without expanding state complement.

For recipients receiving inpatient psychiatric services, the reduction in inpatient costs is estimated to be \$4.4 million in 1988-89 and \$16.6 million in 1989-90 with slightly higher savings in future years. Of these reductions, \$2.4 million in 1988-89 and \$8.6 million in 1989-90 will be used to pay for community service alternatives. The net savings will therefore be about \$8 million annually.

The program will be administered through a series of patient reviews and service utilization reviews. When a client is admitted to a psychiatric hospital, the hospital must receive approval within 24 hours from the Department's utilization review staff. The future claim will not be honored by the Medical Assistance program without having received prior approval. For clients who meet the eligibility criteria for alternative placement, utilization review managers will assess the patients' needs for service with county mental health professionals and providers of service to keep inpatient treatment to a minimum. The utilization review manager will monitor the client's treatment and negotiate alternative services as necessary.

Program Measures:

	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
Medical Assistance Psychiatric Inpatient Days							
Current			438,177	440,246	444,648	449,095	453,586
Program Revision			423,847	387,044	391,446	395,893	400,384
Community Inpatient Services							
Current							
Program Revision			14,330	53,202	53,202	53,202	53,202

Program Revision Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

<p>County Administration — Statewide</p> <p>\$ 567 —contracted services and departmental staff for case management and utilization review.</p> <p>Medical Assistance — Outpatient</p> <p>\$ 350 —increased outpatient service utilization.</p>	<p>Medical Assistance—Inpatient</p> <p>\$ -7,354 —savings due to alternative community treatment.</p> <p>Community Mental Health</p> <p>\$ 2,000 —for community mental health services as an alternative to inpatient psychiatric care.</p>
<p>Program Revision Total</p> <p>\$ -4,437</p>	

Recommended Program Revision Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
GENERAL FUND:							
County Administration — Statewide			567	1,191	1,227	1,264	1,302
Medical Assistance — Outpatient			350	718	736	754	773
Medical Assistance — Inpatient			-7,354	-22,719	-23,287	-23,870	-24,467
Community Mental Health			\$ 2,000	\$ 7,977	\$ 8,169	\$ 8,366	\$ 8,568
Total General Fund			\$ -4,437	\$ -12,833	\$ -13,155	\$ -13,486	\$ -13,824

PUBLIC WELFARE

Program Revision: Expanded Medical Assistance Coverage

Under this Program Revision, a new Categorically Needy Non-money Payment Medical Assistance category will be established. This new category will consist of individuals who were not previously eligible for Medical Assistance because they did not meet the income thresholds, and individuals who are currently classified as Medically Needy and eligible for only limited Medical Assistance services. The new recipients would be eligible for such medical services as clinic and office care, pharmaceutical services, ambulance services, home health care, medical equipment, prosthetic devices, hospital care, dental care, childhood immunizations, regular checkups, clinic services, and midwife and delivery services.

The Commonwealth will begin providing Medical Assistance coverage to pregnant women and children under age two with family incomes up to the Federal poverty level beginning April 1, 1988. Children up to age five will be gradually phased into the program in coming years.

This Program Revision provides funds to continue the program for 1988-89 and expands coverage to children up to three years of age.

This Program Revision also provides funds to expand Medical Assistance coverage to the elderly and disabled with family incomes below the Federal poverty level. Currently, these individuals are eligible only if their incomes meet the Supplemental Security Income (SSI) income and resource standards which is approximately 83 percent of the Federal poverty level. The elderly and disabled may also be eligible for limited Medical Assistance coverage if the person's net monthly income after subtracting medical expenses is equal to or less than the SSI income standard.

Finally, this Program Revision provides funds to pay the Medicare Part B premiums, Part A deductibles and co-insurance, and Part B deductibles and co-insurance for the elderly and the disabled eligible for Medical Assistance under this provision.

Program Measures:

	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
Pregnant women eligible for Medical Assistance							
Current	2,400	2,400	2,400	2,400	2,400	2,400	2,400
Program Revision			6,900	6,900	6,900	6,900	6,900
Children eligible for Medical Assistance							
Current	NA	NA	8,300	11,900	15,000	15,800	15,800
Program Revision			40,000	55,100	69,700	73,400	73,400
Elderly and disabled eligibles for new or additional Medical Services							
Program Revision			18,200	18,200	18,200	18,200	18,200

Program Revision Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

Medical Assistance-Outpatient		Medical Assistance-Inpatient	
\$ 4,316	—to expand Medical Assistance coverage to 4,500 pregnant women and 31,700 young children.	\$ 9,964	—to expand Medical Assistance coverage to 4,500 pregnant women and 31,700 young children.
\$ 1,120	—to expand Medical Assistance coverage to 2,900 additional elderly recipients and 11,700 elderly classified as Medically Needy.	285	—to expand Medical Assistance coverage to 2,900 additional elderly recipients and 11,700 elderly classified as Medically Needy.
\$ 345	—to expand Medical Assistance coverage to 700 additional disabled recipients and 2,900 disabled persons classified as Medically Needy.	257	—to expand Medical Assistance coverage to 700 additional disabled recipients and 2,900 disabled persons classified as Medically Needy.
\$ 533	—to pay Medicare premiums and deductibles for 18,220 elderly and disabled Medical Assistance recipients.	\$ 16,820	<i>Total Program Revision Increase</i>

Recommended Program Revision Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
GENERAL FUND:							
Medical Assistance-Outpatient		\$ 281	\$ 6,314	\$ 11,368	\$ 13,088	\$ 14,043	\$ 14,747
Medical Assistance-Inpatient		667	10,506	14,097	17,680	19,197	20,156
TOTAL GENERAL FUND		\$ 948	\$ 16,820	\$ 25,465	\$ 30,768	\$ 33,240	\$ 34,903

PUBLIC WELFARE

Program Revision: Medical Assistance Audit Enhancements

This Program Revision will expand Medical Assistance audit staff to more effectively manage the audit process of long term care facilities that receive reimbursement under the Medical Assistance Program. Also, the interim rate setting process is affected as a result of the additional staff.

In accordance with the State Medical Assistance Plan, a minimum of one-third of the audits on nursing homes are required to be field audits. These field audits take considerably more time and staff effort than desk audits. The additional staff will assist in meeting the State Medical Assistance Plan requirement for field audits in a more timely and accurate manner.

The interim rate setting process will be reorganized as more auditors are assisting with the review of the nursing home facilities' cost reports. The cost reports will receive more attention, allowing for more accurate allowances and disallowances of costs. As a result, the interim rates will more appropriately reflect real allowable costs based on current data.

These efforts will result in an estimated savings of \$11.8 million in State funds during 1988-89. Other benefits to the Commonwealth are more timely issuance of cost settlements, a reduction in the backlog of audits to be performed, and an increase in the quality and effectiveness of desk and field audits.

Program Revision Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

	County Administration—Statewide	\$ -11,808	<i>Program Revision Total</i>
\$ 192	—to increase field audits of long term care nursing homes.		
	Medical Assistance—Long Term Care Facilities		
\$ -12,000	—Savings to Long Term Care from additional nursing home audits.		

Recommended Program Revision Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
GENERAL FUND:							
County Administration Statewide	\$ 192	\$ 198	\$ 204	\$ 210	\$ 216
Medical Assistance—Long Term Care Facilities	-12,000	-21,000	-22,000	-23,000	-24,000
TOTAL GENERAL FUND	<u> </u>	<u> </u>	<u>\$ -11,808</u>	<u>\$ -20,802</u>	<u>\$ -21,796</u>	<u>\$ -22,790</u>	<u>\$ -23,784</u>

PROGRAM OBJECTIVE: To provide job training opportunities, cash and other assistance in support of minimum standards of living and economic independence to individuals who are dependent or disadvantaged.

Program: Income Maintenance

The broad purpose of public assistance is to provide cash and other forms of assistance to the needy and distressed to enable them to maintain for themselves and their dependents a decent and healthful standard of living, and to do this in such a way as to promote self-respect, rehabilitation and, if possible, self-dependency.

Program Element: Income Assistance

The County Assistance Office is the department's direct link with the assistance client. Staff reviews applicant eligibility for all program benefits and insures that required documentation is on file. Data is entered into the department's client information system and is available for medical assistance program determinations as well as income maintenance. All final claims payments are generated through the central office using automated systems.

Cash assistance is provided to persons determined by the staff in county assistance offices to be eligible under the Federal Aid to Families with Dependent Children (AFDC) program, the State's General Assistance (GA) Program and the State Blind Pension (SBP) Program. AFDC provides cash support for dependent children who cannot be maintained properly due to the absence, illness, unemployment, or death of a parent or parents. In Pennsylvania, the AFDC payments in FY 1987-88 are funded by 57.33% Federal and 42.67% State dollars. GA and SBP on the other hand are entirely State funded programs. Most GA recipients are individuals, or married couples with no dependent children. Blind recipients are persons who meet age, vision, and personal resource requirements specified in the Public Welfare Code.

The Low Income Home Energy Assistance Program (LIHEAP) assists eligible households by offsetting the burden of high energy costs and intervening in energy crisis situations. The eligibility standard of 150 percent of the Federal poverty level includes every household member's income. Cash payments are made to energy suppliers for persons responsible for paying heating costs or directly to those households where home heating is included in the rent. Crisis payments may cover heating costs when a household has received a termination notice for not paying bills as well as emergency repairs to heating systems.

Effective January 1, 1974, the Federally operated Supplemental

Security Income (SSI) program replaced the State assisted public assistance programs for Old Age Assistance, Aid to the Blind, and Aid to the Disabled. The SSI program provides aged, blind, and disabled persons with a monthly payment based on nationally uniform eligibility standards. Presently, the basic monthly rate for individuals is \$336.00 and \$504.00 for couples. In order to maintain benefit levels that previously existed Pennsylvania contributes a supplemental grant of \$32.40 for an individual and \$48.78 for a couple to SSI recipients through the Federal government. A special monthly State supplement is paid to SSI eligible persons in domiciliary care facilities (May 1976) and personal care boarding homes (January 1985). The department is administering a disabilities advocacy program (DAP) to assist mentally and physically disabled individuals in establishing their eligibility for Federal SSI benefits.

Program Element: Employment Training Program

The department has redirected its county based employment and training (Pennsylvania's Employables Program) efforts to make them cooperative and client driven. To underscore the changes in emphasis and priority, the program has been retitled "New Directions" since it also encompasses the new general assistance/transitionally needy (GA/TN) job training and the aid to families with dependent children (AFDC) job training programs.

The GA/TN Job Training program, authorized by Act 65 of 1987, will provide intensified job training and educational assistance to those individuals having barriers to employment and require support for themselves during training once the 90 days of welfare benefits are exhausted. Stipends equivalent to the individual's cash grant are funded from the GA/TN appropriation and are provided while the individual remains in the training program.

The AFDC Job Training program, authorized by Act 62 of 1987, will provide comprehensive employment, education and training services to welfare clients, who without intervention, are likely to remain on welfare for an extended duration. Program components including assessment, case management, vocational training, literacy, work experience, job readiness, and job development will be provided at a single point of contact (SPOC).

Program Measures:

	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
Average monthly number of persons receiving cash assistance	674,102	646,400	649,300	659,400	666,700	674,000	681,600
Average monthly number of persons receiving State Supplemental Grants	171,858	175,900	181,000	185,500	190,700	195,700	200,800
Households receiving energy cash payments	418,036	420,000	420,000	420,000	368,000	317,000	317,000

The number of household receiving energy payments decreases in 1990-91 because the Energy Conservation and Assistance Fund, which has supplemented the program, will be exhausted and only Federal funds will be available.

PUBLIC WELFARE

Program: Income Maintenance (continued)

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

General Fund			
County Assistance Offices			
\$ 2,346	—to continue current commitment.	\$ 1,954	—to replace nonrecurring Federal funds.
850	—to provide contracted legal assistance to individuals who have been wrongfully denied Social Security disability benefits. This expenditure will result in savings in State cash assistance and medical assistance.	-220	—reduction from increased Federal participation.
693	—to strengthen client intake capability in Southwestern Pennsylvania.	-1,175	—reduction from nonrecurring printing of revised MA Forms.
603	—to provide 350 computer terminals in county offices. This represents 43% of the automative required for implementation of the Client Information System.	120	—to increase bank reimbursement for distributing benefits.
1,832	—to upgrade the space and facilities in 16 county offices.	192	—PRR - Medial Assistance Audit Enhancement — See Program Revision Request following this program for additional information.
895	—to demonstrate modern benefit distribution technology in Berks County. Cash benefits will be distributed through a "all-the-time teller machine" where hospitals can check medical assistance eligibility using credit card technology.	567	—PRR - Health Care Cost Containment - Case Management - See Program Revision Request following this program for additional information.
		\$ 1,438	<i>Appropriation Increase</i>
			New Directions
		\$ 1,500	—to continue current commitment.
			Supplemental Grants to Aged Blind and Disabled
		\$ 1,258	—increase in number of recipients/payments.
		317	—increase in number of recipients/payments resulting from increased disabilities advocacy program efforts.
		\$ 1,575	<i>Appropriation Increase</i>
			Energy Conservation and Assistance Fund
			Low Income Energy Assistance
		\$ -14,600	—reduced amount results from a change in the Low Income Home Energy Assistance Block Grant. LIHEAP funds previously used for weatherization will be available for energy payments.
\$ 7,219	<i>Appropriation Increase</i>		
	Cash Grants		
\$ -4,754	—effect of changes occurring in base personload, state retained collections, payments and recoupments		
13,985	—annualization of FY 87-88 grant increase.		
-134	—initiative to improve child support collections.		
-2,800	—initiative to improve the disability advocacy program and establish SSI eligibility for greater numbers of cash assistance clients.		
\$ 6,297	<i>Appropriation Increase</i>		

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
GENERAL FUND:							
County Assistance Offices	\$ 154,495	\$ 160,500	\$ 167,719	\$ 172,205	\$ 177,371	\$ 182,692	\$ 188,173
County Administration — Statewide	25,012	25,544	26,982	29,349	30,230	31,139	32,075
New Directions	6,040	14,403	15,903	16,381	16,873	17,380	17,903
Cash Grants	572,846	558,500	564,797	579,164	581,642	583,611	585,703
Disaster Assistance	19,000						
Supplemental Grants — Aged, Blind and Disabled	54,645	76,144	77,719	79,468	81,555	83,685	85,858
TOTAL GENERAL FUND	<u>\$ 832,038</u>	<u>\$ 835,091</u>	<u>\$ 853,120</u>	<u>\$ 876,567</u>	<u>\$ 887,671</u>	<u>\$ 898,507</u>	<u>\$ 909,712</u>
LOTTERY FUND:							
Supplemental Grant to the Aged	<u>\$ 17,600</u>						
ENERGY CONSERVATION AND ASSISTANCE FUND:							
Low Income Energy Assistance	<u>\$ 10,000</u>	<u>\$ 45,302</u>	<u>\$ 30,702</u>	<u>\$ 30,702</u>	<u>\$ 15,000</u>		

PUBLIC WELFARE

PROGRAM OBJECTIVE: *To reduce the mental disabilities of individuals and to restore their capacity to function in as independent manner as possible through the provision of an array of services and supportive programs.*

Program: Mental Health

This program provides for an integrated mental health system consisting of a comprehensive community service delivery system, State operated hospitals and mental health research facilities. The community mental health system is administered under the Pennsylvania Mental Health and Mental Retardation (MH/MR) Act of 1966 and the Mental Health Procedures Act (MHPA) of 1976. Fifteen mental hospitals and one restoration (long term care) center evolved over the years into the State mental hospital system. Both the Eastern Pennsylvania Psychiatric Hospital (EPPI) and the Western Psychiatric Institute and Clinic (WPIC) provide research into the causes, treatment and prevention of mental, neurological, and related disorders. Recently WPIC has directed research and training for mental health professionals in teen suicide treatment and prevention.

Program Element: Community Mental Health Services

The MH/MR Act of 1966 requires that county governments provide an array of community based mental health services, including information and referral, unified intake, community consultation and education, case management, short-term inpatient treatment, partial hospitalization, outpatient care, emergency services, specialized rehabilitation training, vocational rehabilitation, and residential arrangements. Services are generally administered by a single county,

county joiners, or through contracts with other provider organizations or agencies. Services, except inpatient and partial hospitalization services, are funded ninety percent with State funds and ten percent with county matching funds. Community residential services consist of residential treatment, inpatient services, crisis and community residential rehabilitation (CRR) services. CRR services are generally designed as small, privately operated residential settings where persons with chronic disorders are assisted in adjusting to community living and eventually to living independently.

Program Element: State Mental Hospitals

Even though the mental hospitals have continued to provide inpatient psychiatric services for patients who require more than short-term inpatient care, the mental hospitals role has changed from being the only available resource for mental health referrals to one of many mental health treatment alternatives. Some State mental hospitals offer specialized treatment programs for those requiring long term care and treatment, children and adolescents, and criminal offenders.

Efforts continue to integrate community programs with the State mental hospitals as a single system providing a continuum of services to persons experiencing mental health problems.

Program Measures:

	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
Persons provided community mental health services(unduplicated)	221,600	223,816	226,054	228,315	230,598	232,904	235,233
State Mental Hospital population at end of fiscal year	7,743	7,704	7,665	7,588	7,512	7,437	7,363
Persons readmitted to State Mental Hospital after discharge:							
within 30 days	332	328	265	234	201	166	128
31-119 days	669	636	606	546	482	414	341
over 120 days	2,611	2,598	2,576	2,575	2,572	2,566	2,558

PUBLIC WELFARE

Program: Mental Health (continued)

The hospital and restoration center populations for the prior, current and upcoming year are:

	Projected Patient Capacity July 1988	Population July 1986	Population July 1987	Projected Population July 1988	Projected Percent of Capacity July 1988
State Mental Hospitals					
Allentown	472	422	455	465	99%
Clarks Summit	512	465	481	490	96%
Danville	640	527	489	500	78%
Eastern State School and Hospital	184	143	168	155	84%
Farview	240	183	198	200	83%
Harrisburg	487	449	469	471	97%
Haverford	441	423	419	440	100%
Mayview	903	695	712	730	81%
Norristown	1,070	966	893	920	86%
Philadelphia	635	575	537	579	91%
Somerset	285	292	257	268	94%
Torrance	529	441	461	461	87%
Warren	589	552	554	576	98%
Wernersville	522	491	530	533	102%
Woodville	657	565	558	558	85%
South Mountain	688	633	562	535	78%
TOTAL	8,854	7,822	7,743	7,881	89%

Total Proposed Expenditures by Hospital and Restoration Center:

	(Dollar Amounts in Thousands)			(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Budget	1986-87 Actual	1987-88 Available	1988-89 Budget
ALLENTOWN						
State Funds	\$ 17,093	\$ 19,596	\$ 19,020	\$ 6,758	\$ 8,307	\$ 8,063
Federal Funds	4,846	4,326	4,748	8,122	7,632	8,376
Augmentations	1,422	1,393	1,455	695	576	602
TOTAL	\$ 23,361	\$ 25,315	\$ 25,223	\$ 15,575	\$ 16,515	\$ 17,041
CLARKS SUMMIT						
State Funds	\$ 16,970	\$ 18,483	\$ 17,940	\$ 15,785	\$ 17,945	\$ 17,418
Federal Funds	5,158	5,521	6,059		36	40
Augmentations	1,455	1,412	1,475	4,728	4,745	4,956
TOTAL	\$ 23,583	\$ 25,416	\$ 25,474	\$ 20,513	\$ 22,726	\$ 22,414
DANVILLE						
State Funds	\$ 18,619	\$ 19,625	\$ 19,048	\$ 17,066	\$ 19,017	\$ 18,458
Federal Funds	8,114	7,945	8,719	5,380	5,113	5,611
Augmentations	1,833	1,802	1,882	1,754	1,723	1,800
TOTAL	\$ 28,566	\$ 29,372	\$ 29,649	\$ 24,200	\$ 25,853	\$ 25,869
EASTERN STATE SCHOOL AND HOSPITAL						
State Funds	\$ 6,758	\$ 8,307	\$ 8,063	\$ 6,758	\$ 8,307	\$ 8,063
Federal Funds	8,122	7,632	8,376	8,122	7,632	8,376
Augmentations	695	576	602	695	576	602
TOTAL	\$ 15,575	\$ 16,515	\$ 17,041	\$ 15,575	\$ 16,515	\$ 17,041
FARVIEW						
State Funds	\$ 15,785	\$ 17,945	\$ 17,418	\$ 15,785	\$ 17,945	\$ 17,418
Federal Funds		36	40		36	40
Augmentations	4,728	4,745	4,956	4,728	4,745	4,956
TOTAL	\$ 20,513	\$ 22,726	\$ 22,414	\$ 20,513	\$ 22,726	\$ 22,414
HARRISBURG						
State Funds	\$ 17,066	\$ 19,017	\$ 18,458	\$ 17,066	\$ 19,017	\$ 18,458
Federal Funds	5,380	5,113	5,611	5,380	5,113	5,611
Augmentations	1,754	1,723	1,800	1,754	1,723	1,800
TOTAL	\$ 24,200	\$ 25,853	\$ 25,869	\$ 24,200	\$ 25,853	\$ 25,869

PUBLIC WELFARE

Program: Mental Health (continued)

Total Proposed Expenditures by Hospital and Restoration Center (continued):

	(Dollar Amounts in Thousands)				(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Budget		1986-87 Actual	1987-88 Available	1988-89 Budget
HAVERFORD				TORRANCE			
State Funds	\$ 20,168	\$ 21,860	\$ 20,732	State Funds	\$ 15,830	\$ 17,258	\$ 16,751
Federal Funds	4,064	4,470	4,906	Federal Funds	7,167	6,996	7,678
Augmentations	1,411	1,360	1,420	Augmentations	1,358	1,335	1,394
TOTAL	\$ 25,643	\$ 27,690	\$ 27,058	TOTAL	\$ 24,355	\$ 25,589	\$ 25,823
MAYVIEW				WARREN			
State Funds	\$ 31,914	\$ 32,286	\$ 31,337	State Funds	\$ 20,041	\$ 21,579	\$ 20,945
Federal Funds	10,517	10,680	11,721	Federal Funds	5,462	5,820	6,387
Augmentations	3,273	3,336	3,484	Augmentations	2,356	2,274	2,375
TOTAL	\$ 45,704	\$ 46,302	\$ 46,542	TOTAL	\$ 27,859	\$ 29,673	\$ 29,707
NORRISTOWN				WERNERSVILLE			
State Funds	\$ 35,462	\$ 43,555	\$ 42,275	State Funds	\$ 13,802	\$ 17,553	\$ 17,037
Federal Funds	11,888	10,062	11,042	Federal Funds	6,739	5,481	6,015
Augmentations	4,028	3,901	4,075	Augmentations	1,717	1,633	1,706
TOTAL	\$ 51,378	\$ 57,518	\$ 57,392	TOTAL	\$ 22,258	\$ 24,667	\$ 24,758
PHILADELPHIA				WOODVILLE			
State Funds	\$ 30,697	\$ 30,057	\$ 29,174	State Funds	\$ 21,011	\$ 22,693	\$ 22,026
Federal Funds	4,675	3,999	4,389	Federal Funds	7,522	7,866	8,632
Augmentations	2,791	2,969	3,101	Augmentations	1,710	1,683	1,758
TOTAL	\$ 38,163	\$ 37,025	\$ 36,664	TOTAL	\$ 30,243	\$ 32,242	\$ 32,416
SOMERSET				SOUTH MOUNTAIN RESTORATION CENTER			
State Funds	\$ 9,413	\$ 10,426	\$ 10,120	State Funds	\$ 9,062	\$ 9,871	\$ 9,583
Federal Funds	3,447	3,661	4,018	Federal Funds	9,378	9,303	10,208
Augmentations	711	678	708	Augmentations	1,440	1,421	1,484
TOTAL	\$ 13,571	\$ 14,765	\$ 14,846	TOTAL	\$ 19,880	\$ 20,595	\$ 21,275

PUBLIC WELFARE

Program: Mental Health (continued)

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

<p>State Mental Hospitals</p> <p>\$ 4,090 —to continue current program.</p> <p>—1,200 —transfer of Norristown patients to ICF/MRs.</p> <p style="padding-left: 20px;">426 —merge of Haverford appropriation.</p> <p>—11,000 —PRR - State Mental Hospital Reimbursement - Cost Containment. See the Program Revision Request following this program for further information.</p> <p>—2,000 —new Federal Institute for Mental Disease source replaces State funds.</p> <hr style="width: 10%; margin-left: 0;"/> <p>\$ -9,684 <i>Appropriation Decrease</i></p> <p>Haverford State Hospital</p> <p>\$ -500 —merged with State Mental Hospitals.</p> <p>Teen Suicide Center</p> <p>\$ 8 —to continue current program.</p> <p>Eastern Pennsylvania Psychiatric Institute</p> <p>\$ 222 —to continue current program.</p> <p>Western Psychiatric Institute and Clinic</p> <p>\$ 285 —to continue current program.</p>	<p>Community Mental Health Services</p> <p>\$ -1,145 —prior year one-time grants.</p> <p>4,154 —to continue current program.</p> <p>1,172 —annualization of family based services initiated in FY 87-88.</p> <p>—2,000 —county carryover reduce State funds requirements.</p> <p>500 —to provide for mental health homeless residences in Philadelphia.</p> <p>1,000 —adult program initiative (case managers, CRRs, involuntary commitments.)</p> <p>2,000 —PRR - Health Care Cost Containment — case management. See the Program Revision Request following this program for further information.</p> <hr style="width: 10%; margin-left: 0;"/> <p>\$ 5,681 <i>Appropriation Increase</i></p>
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Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
GENERAL FUND:							
State Mental Hospitals	\$ 299,691	\$ 329,611	\$ 319,927	\$ 329,525	\$ 339,411	\$ 349,593	\$ 360,081
Haverford State Hospital		500					
Community Mental Health Services	124,800	138,940	144,621	160,997	165,827	170,802	175,926
Teen Suicide Center	250	250	258	266	274	282	290
Eastern Pennsylvania Psychiatric Institute	7,115	7,400	7,622	7,851	8,086	8,329	8,579
Western Psychiatric Institute and Clinic ..	6,848	7,122	7,407	7,629	7,858	8,094	8,337
TOTAL GENERAL FUND	\$ 438,704	\$ 483,823	\$ 479,835	\$ 506,268	\$ 521,456	\$ 537,100	\$ 553,213

Program Revision: State Mental Hospital Reimbursements — Cost Containment

This Program Revision will increase the Commonwealth's ability to capture Federal reimbursements for State expenditures made on behalf of patients in State mental hospitals. There are two major Federal funding streams involved: Medicaid funding for eligible low income recipients, and Medicare funding for elderly patients.

This Program Revision will permit the department to conduct a detailed review of Federal reimbursement principles so that more timely requests for reimbursement can be filed and so that the Commonwealth can be better prepared to make its case should there be a disputed claim. In addition, a new system will be implemented for updating interim rates and maintaining them on a more current basis. This Program Revision will also provide for ongoing training for the accounting staff at the State mental hospitals to keep them apprised of everchanging Federal reimbursement principles.

This Program Revision will not require any additional cost since the department will transfer existing staff to implement this program. It is expected that this effort will capture \$11 million in additional Federal reimbursements in 1988-89, thereby decreasing State funding by the same amount.

In addition to the efforts to improve reimbursement collections, the department has retained an accounting/management firm to review the overall management of the State mental hospitals. The review will be comprehensive and is to include budgeting, contracting and procurement, inventory control and billing and collections processes. In the budgeting and accounting areas, the review has already revealed significant financial management control problems which will be corrected. The lack of effective monitoring of contracted services,

procurement of commodities and available inventory will require the development of a management system to integrate these three processes. Improved management of the billings and collections functions will remove many of the labor intensive aspects thereby reducing current delays in processing billings and notifying payors.

In addition to this comprehensive review, the department is currently implementing a series of needed management improvements, which include modern procedures and better management information. Financial management of the State mental hospitals will be improved by providing facility superintendents with more timely allocation amounts along with a capacity to monitor expenditures. Tentative allocations for 1988-89 will be distributed to each facility immediately after enactment of the General Appropriation Act. Facility superintendents will be expected to manage within their allocations. This increased responsibility will encourage efficient and effective hospital management. Improved training for business managers and accountants will be implemented along with a performance system to improve work skills and job performance. Institutional staff will be provided with systems to identify excessive cost for purchases and to maintain inventory control; staff within the department will also conduct biennial audits to monitor inventory control. These measures will reduce excessive inventory and reduce obsolescence of inventory items. The department will also take a more aggressive approach regarding expenditures which are eligible for Federal reimbursements. A centralized collections system, automated cost reporting and an improved dialogue with Federal officials will reduce the delays between expenditure of State funds and receipt of Federal reimbursement.

Program Revision Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

State Mental Hospitals
 \$ -11,000 —net State funds saving due to increased Federal reimbursement.

Recommended Program Revision Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
	Actual	Available	Budget	Estimated	Estimated	Estimated	Estimated
GENERAL FUND:							
State Mental Hospitals	<u>\$ -11,000</u>				

PUBLIC WELFARE

PROGRAM OBJECTIVE: To provide mentally retarded persons with the individual requisite skills and behavior that will assist them in community and family living.

Program: Mental Retardation

The Department of Public Welfare supports a comprehensive mental retardation (MR) delivery system including State intermediate care facilities and community residential and non-residential programs that are operated by the counties or a network of private service providers funded with Federal, State and local funds. The community mental retardation system was established under the Pennsylvania Mental Health and Mental Retardation (MH/MR) Act of 1966.

Program Element: State Centers for the Mentally Retarded

Nine State centers and four mental retardation units on the State Mental Hospital grounds have been integrated over the years into the State mental retardation system. The primary goal of these State operated facilities is to develop each resident's ability to function more independently to enable them to live in less restricted environments. All facilities are currently certified for Medical Assistance under standards established by the Federal Intermediate Care Facilities for the Mentally Retarded (ICF/MR) program.

Program Element: Private Intermediate Care for the Mentally Retarded (ICF/MRs)

Private ICF/MRs provide intensive habilitative services to mentally

retarded persons. Large facilities are single or multiple buildings on campus-like sites accommodating more than 16 persons; small facilities are located on noncontiguous sites in the community and serve 16 or less persons. Persons served are typically more disabled and require more intensive services than those currently served in community residential MR facilities.

Program Element: Community Mental Retardation Services

The Mental Health and Mental Retardation Act of 1966 provides the statutory basis for the development of community based services to the mentally disabled. Services are provided to the client that enable them to function and live in a manner as close to normal as possible. Non-residential services are available to meet the needs of persons with mental retardation and provide an alternative to residential placement. Early intervention for pre-school age children, family support services necessary for families to maintain the family member in the home, adult day care, prevocational and vocational training services for adults are a few of these services. Community residential facilities provide an opportunity for persons with mental retardation to live in a culturally normative residential setting within the community.

Program Measures:

	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
Persons living in State Centers and Mental retardation units at the end of fiscal year	4,639	4,157	3,957	3,907	3,857	3,807	3,757
Persons moving from State Centers and units to community residential settings during fiscal year	660	500	200	50	50	50	50
Persons living in private ICF/MRs.....	2,410	2,977	3,194	3,194	3,194	3,194	3,194
Potentially eligible persons for MR services	107,000	107,292	107,584	107,870	108,169	108,363	108,577
Persons receiving MR services during fiscal year	45,792	46,233	46,883	46,883	46,883	46,883	46,883
Community residential services:							
Community residential capacity	7,368	7,993	8,258	8,258	8,258	8,258	8,258
Residents at the end of fiscal year ..	7,181	7,961	8,226	8,226	8,226	8,226	8,226
Residents transferred to other settings during fiscal year	250	250	250	250	250	250	250
Additions during fiscal year	1,101	1,030	515	250	250	250	250

Additional Community residential services during the fiscal year indicates in all fiscal years that 250 additions are offset by 250 transfers to other settings. During fiscal year 1987-88, 155 residents were added between July 1 and December 31 with 625 expected to be added by June 30, 1988. Fiscal year 1988-89 expects 265 additional residents above the expected normal 250 per year.

Persons receiving MR Services during fiscal year 1988-89 increases over the previous year due to 200 clients entering from the State Centers and 450 clients on either county waiting lists or expected to graduate from Intermediate Units in 1988.

PUBLIC WELFARE

Program: Mental Retardation (continued)

The State Centers population for the prior, current, and upcoming year are:

	Projected Bed Capacity July 1988	Population July 1986	Population July 1987	Projected Population July 1988	Projected Percent Capacity July 1988
State Centers					
Altoona	138	132	135	135	98%
Ebensburg	532	588	537	510	96%
Embreeville	320	305	288	264	83%
Hamburg	399	414	381	355	89%
Laurelton	299	345	298	239	80%
Pennhurst		179	18		
Polk	899	930	849	771	86%
Selinsgrove	888	921	833	763	86%
Western	480	485	465	440	92%
White Haven	496	533	517	465	94%
TOTAL STATE CENTERS	4,451	4,832	4,321	3,942	89%
Mentally Retarded Units					
Allentown		37			
Clarks Summit	40	39	31	32	80%
Mayview	100	98	90	77	77%
Philadelphia		59	58		
Somerset	80	93	76	55	69%
Torrance	64	79	63	51	80%
Wernersville		41			
TOTAL MENTALLY RETARDED UNITS	284	446	318	215	76%
GRAND TOTAL	4,735	5,278	4,639	4,157	88%

Proposed Expenditures by Center:

	(Dollar Amounts in Thousands)			(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Budget	1986-87 Actual	1987-88 Available	1988-89 Budget
ALTOONA						
State Funds	\$ 2,198	\$ 2,329	\$ 2,292	State Funds	\$ 7,278	\$ 7,137
Federal Funds	3,603	3,985	4,011	Federal Funds	9,764	10,245
Augmentations	205	213	205	Augmentations	596	601
TOTAL	\$ 6,006	\$ 6,527	\$ 6,508	TOTAL	\$ 17,638	\$ 17,983
EMBREEVILLE						
State Funds	\$ 11,025	\$ 10,920	\$ 10,745	State Funds	\$ 9,256	\$ 9,230
Federal Funds	15,990	16,371	16,478	Federal Funds	12,194	12,866
Augmentations	1,221	976	941	Augmentations	778	739
TOTAL	\$ 28,236	\$ 28,267	\$ 28,164	TOTAL	\$ 22,228	\$ 22,835
EBENSBURG						
State Funds	\$ 11,025	\$ 10,920	\$ 10,745	State Funds	\$ 9,256	\$ 9,230
Federal Funds	15,990	16,371	16,478	Federal Funds	12,194	12,866
Augmentations	1,221	976	941	Augmentations	778	739
TOTAL	\$ 28,236	\$ 28,267	\$ 28,164	TOTAL	\$ 22,228	\$ 22,835
HAMBURG						
State Funds	\$ 11,025	\$ 10,920	\$ 10,745	State Funds	\$ 9,256	\$ 9,230
Federal Funds	15,990	16,371	16,478	Federal Funds	12,194	12,866
Augmentations	1,221	976	941	Augmentations	778	739
TOTAL	\$ 28,236	\$ 28,267	\$ 28,164	TOTAL	\$ 22,228	\$ 22,835

PUBLIC WELFARE

Program: Mental Retardation (continued)

Proposed Expenditures by Center:

	(Dollar Amounts in Thousands)				(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Budget		1986-87 Actual	1987-88 Available	1988-89 Budget
LAURELTON							
State Funds	\$ 6,587	\$ 6,527	\$ 6,422				
Federal Funds	9,340	9,432	9,494				
Augmentations	617	550	531				
TOTAL	\$ 16,544	\$ 16,509	\$ 16,447				
PENNHURST							
State Funds	\$ 821	\$ 609					
Federal Funds	7,054	462					
Augmentations	345	28					
TOTAL	\$ 8,220	\$ 1,099					
POLK							
State Funds	\$ 18,774	\$ 18,031	\$ 17,742				
Federal Funds	26,396	26,461	26,634				
Augmentations	2,366	2,235	2,156				
TOTAL	\$ 47,536	\$ 46,727	\$ 46,532				
SELINGSGROVE							
State Funds	\$ 17,011	\$ 16,249	\$ 15,989				
Federal Funds	23,698	24,375	24,534				
Augmentations	2,933	2,119	2,044				
TOTAL	\$ 43,642	\$ 42,743	\$ 42,567				
WESTERN							
State Funds	\$ 9,640	\$ 9,573	\$ 9,420				
Federal Funds	13,314	14,168	14,261				
Augmentations	1,053	1,075	1,037				
TOTAL	\$ 24,007	\$ 24,816	\$ 24,718				
WHITE HAVEN							
State Funds	\$ 10,090	\$ 9,767	\$ 9,610				
Federal Funds	14,325	15,268	15,368				
Augmentations	1,231	1,241	1,197				
TOTAL	\$ 25,646	\$ 26,276	\$ 26,175				
ALLENTOWN MR UNIT							
State Funds	\$ 355						
Federal Funds	665						
Augmentations	67						
TOTAL	\$ 1,087						
CLARK SUMMIT MR UNIT							
State Funds	\$ 550	\$ 584	\$ 575				
Federal Funds	669	843	849				
Augmentations	95	79	76				
TOTAL	\$ 1,314	\$ 1,506	\$ 1,500				
MAYVIEW MR UNIT							
State Funds	\$ 1,208	\$ 1,218	\$ 1,198				
Federal Funds	1,702	1,900	1,912				
Augmentations	249	226	218				
TOTAL	\$ 3,159	\$ 3,344	\$ 3,328				
PHILADELPHIA MR UNIT							
State Funds	\$ 916	\$ 757					
Federal Funds	1,030	1,251					
Augmentations	92	98					
TOTAL	\$ 2,038	\$ 2,106					
SOMERSET MR UNIT							
State Funds	\$ 1,026	\$ 966	\$ 950				
Federal Funds	1,447	1,637	1,648				
Augmentations	170	145	140				
TOTAL	\$ 2,643	\$ 2,748	\$ 2,738				
TORRANCE MR UNIT							
State Funds	\$ 901	\$ 1,016	\$ 1,000				
Federal Funds	1,268	1,448	1,457				
Augmentations	194	168	162				
TOTAL	\$ 2,363	\$ 2,632	\$ 2,619				
WERNERSVILLE MR UNIT							
State Funds	\$ 268						
Federal Funds	684						
Augmentations	89						
TOTAL	\$ 1,041						

PUBLIC WELFARE

Program: Mental Retardation (continued)

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

<p>Monitoring Residential Contracts for Community Living</p> <p>\$ 13 — to continue current commitment.</p> <p>State Centers for the Mentally Retarded</p> <p>\$ 158 — to continue current commitment.</p> <p>\$ -523 — transfer 200 patients to community settings.</p> <p>\$ 1,500 — funding of repair projects.</p> <p>\$ -4,000 — additional Medical Assistance recoupment.</p> <hr/> <p>\$ -2,865 — Appropriation decrease.</p> <p>Community Based Services for Mentally Retarded</p> <p>\$ -225 — Prior year one-time grants.</p> <p>\$ 2,418 — to continue current commitment.</p> <p>\$ -2,850 — State requirements reduced by available county carryover.</p> <p>\$ 2,028 — annualization of prior year PRRs for waiver start-ups, case management, family support, 50 additional county staff for compliance.</p> <p>\$ 1,200 — supported employment for 450 IU 1988 graduates.</p> <p>\$ 274 — initiative for support services for 265 new community residential beds.</p> <p>\$ 66 — initiative for services for Prader-Willi patients.</p> <p>\$ -2,000 — State requirements reduced by additional federal financial participation for case management.</p> <hr/> <p>\$ 911 — Appropriation increase.</p> <p>Elwyn Institute</p> <p>\$ 6 — to continue current commitment.</p>	<p>Community Mentally Retarded Residential Services.</p> <p>\$ -4,300 — State requirements reduced by available county carryover.</p> <p>\$ 4,492 — to continue current commitment.</p> <p>\$ 8,210 — annualization of prior year initiatives.</p> <p>\$ 1,654 — residential services for 265 new community clients.</p> <p>\$ 103 — initiative for Prader-Willi patients.</p> <hr/> <p>\$ 10,159 — Appropriation increase.</p> <p>Philadelphia Association for Retarded Citizens</p> <p>\$ 6 — to continue current commitment.</p> <p>\$ -70 — prior year one-time grant.</p> <hr/> <p>\$ -64 — Appropriation increase.</p> <p>Immediate Care Facilities/Mentally Retarded.</p> <p>\$ -2,400 — changes to hearing and appeal and leap year requirements.</p> <p>\$ 1,334 — to continue current commitment.</p> <p>\$ 4,313 — annualization of beds approved in FY87-88.</p> <hr/> <p>\$ 3,247 — Appropriation increase.</p> <p>Early Intervention</p> <p>\$ 752 — to continue current commitment.</p>
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Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
GENERAL FUND:							
Monitoring Residential Contracts	\$ 86	\$ 103	\$ 116	\$ 120	\$ 124	\$ 127	\$ 129
State Centers for the Mentally Retarded	97,904	94,913	92,048	94,814	97,663	100,598	103,621
Community Based Services for the Mentally Retarded	68,891	78,806	79,717	85,931	88,509	91,164	93,899
Elwyn Institute	200	200	206	212	218	225	232
Community Residential Services for the Mentally Retarded	133,032	151,880	162,039	174,389	179,621	185,009	190,559
Philadelphia Association for Retarded Citizens	208	278	214	220	227	234	241
Intermediate Care Facilities/Mentally Retarded	44,815	54,012	57,259	58,977	60,746	62,568	64,446
Early Intervention	24,000	25,080	25,832	26,607	27,405	28,227	29,074
TOTAL GENERAL FUND	\$ 369,136	\$ 405,272	\$ 417,431	\$ 441,270	\$ 454,513	\$ 468,152	\$ 482,201
LOTTERY FUND:							
Community Mental Retardation — Elderly	\$ 2,200	. . . . .	. . . . .	. . . . .	. . . . .	. . . . .	. . . . .
LOTTERY FUND TOTAL	\$ 2,200	. . . . .	. . . . .	. . . . .	. . . . .	. . . . .	. . . . .

PUBLIC WELFARE

PROGRAM OBJECTIVE: To enhance the social and economic well being of families and individuals through the provision of an array of services and support programs.

Program: Human Services

The department operates a variety of programs designed to provide supportive services to people while they overcome an adverse behavior or circumstance which has affected their lives.

Program Element: Youth Development Services

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 Youth Development Center and Youth Forestry Camp (YDC/YFC) system provides both open and secure residential programs for the treatment of Pennsylvania's most serious juvenile offenders and those with special problems. The purpose of the YDC and YFC system is to bring about positive changes in the juveniles committed to its care by developing skills and attitudes which will enable them to become responsible, productive members of society.

The YDC's and YFC's across the Commonwealth have a total capacity of 629: 291 secure and 338 open residential beds. Specialized treatment services have been developed in both open and secure programs. These services include programs for sex offenders, firesetters, drug and alcohol abusers, emotionally disturbed and mentally retarded youth.

Secure care programs are highly structured and exercise substantial control over individual student behavior. Open residential programs operate in a less structured atmosphere. They offer greater opportunity for individuals to make their own decisions under the guidance of program staff.

Treatment of youth within the YDCs/YFCs is guided by the Master Case Planning System. This system requires the comprehensive diagnosis and assessment of each youth in care, the development of an individualized treatment plan, implementation strategies, periodic reviews and revisions of each plan and the identification of aftercare needs. Individual and group counseling form the core of the treatment process.

The YDCs/YFCs also emphasize programs and activities designed to break the cycle of dependency and prepare youth for their return to the community. Each program provides vocational training and ongoing education in daily living skills. Many YDCs/YFCs also provide actual job training and work experience opportunities, many of which are paid. Youth are encouraged, and in some cases required, to use a portion of their earnings for restitution.

Education is also a major component of the YDC/YFC system. Each program includes both academic and vocational curricula. Educational diagnostic testing precedes all academic placements and is utilized in the development of Individual Education Plans for each youth.

Program Element: Family Support Services

The provision of services to children who are in need of care and protection is the joint responsibility of the Department of Public Welfare and county government. Each county is responsible for developing and administering a program of services designed to treat and prevent child abuse, neglect, and exploitation and to provide services which reduce dependency and delinquency. The county children and youth program includes services to parents and children to enable children to remain in their own homes and communities, temporary placement services for children who cannot live with their own family; adoption services; assistance to provide a permanent legal family for any child who cannot be returned to his own family; and any service or care ordered by the court for children who have been adjudicated dependent or delinquent.

The Office of Fraud and Abuse Investigations and Recovery is the department's primary agency for benefits recovery and welfare fraud investigation. The Office of Fraud and Abuse Investigations and Recovery is also the administrative agency for the Child Support Enforcement Program.

Child Support Enforcement ensures adequate support for dependent children by enforcing the payment of established support orders by responsible absent parents. This activity is accomplished through cooperative agreement with 66 Domestic Relation Sections who perform child support program functions at the local level. Through cooperative efforts, the State and local agencies establish paternity and initiate actions to obtain support for dependent children, locate parents for support, and recover public assistance paid to recipients who have support included as part of their grants. Recovery is obtained through redirection of paid support for Aid to Families with Dependent Children recipient and interception of tax refunds and unemployment compensation benefits for support arrearages.

Special programs have been developed to support the delivery of services by county child welfare agencies. In FY 1987-88, funds were provided for the development of new services in counties to prevent child abuse and provide services to families that prevent child placement. This budget continues that new initiative.

A second special program provides adoptive homes for black children. The One Church One Child Program utilizes churches in the recruitment of prospective adoptive families for black children awaiting adoption.

	July 1988 Projected Capacity	July 1986 Population	July 1987 Population	Projected July 1988 Population	Projected July 1988 % of Capacity
Residential					
Camp No. 2 . . .	49	53	45	49	100%
Camp No. 3 . . .	62	46	68	62	100%
Loysville	82	74	76	82	100%
New Castle . . .	78	109	74	78	100%
Bensalem	67	87	73	67	100%
Total					
Residential Program	338	369	336	338	100%
Secure					
Camp No.2 . . .	23	22	19	23	100%
Loysville	74	56	53	62	84%
New Castle . . .	109	111	115	120	110%
Bensalem	85	106	98	94	110%
Total Secure					
Program	291	295	285	299	97%
TOTAL ALL PROGRAMS	629	664	621	637	101%

Loysville Secure: Includes long-term care unit scheduled to open during Fiscal Year 1987-88.

Program: Human Services (continued)

Program Element: Day Care

Subsidized day care is provided to low-income families who need child day care in order to work or to be trained in marketable job skills. The purpose of this subsidy is to encourage families to be self-supporting and self-sufficient. Revenue to support this program comes from Federal and State funds and parent fees.

Subsidized day care is limited to the purchase of day care services in day care centers, group homes, and family day care homes which are licensed or registered by the Department of Public Welfare. To become licensed or registered, facilities and day care homes must meet health and safety standards developed by the department.

Program Element: Family Planning and Breast Cancer screening

Family planning service meets contraceptive needs or infertility problems through the provision of educational, medical and social services. Persons 16 years of age and over are served at 140 clinics in the State.

Breast cancer screening for low income women is directed toward those at high risk of developing breast cancer. The target group is all new family planning clients, all those 35 years of age and older, and those with a family history of breast cancer.

Program Element: Blindness and Visual Services

Blindness and visual services provide a full range of services to blind and visually handicapped individuals.

The Vocational Rehabilitation Services Program includes the direct provision or purchase of services which assist blind or visually handicapped persons to obtain and/or maintain gainful employment. This program includes the operation of the Business Enterprise Program which establishes, maintains, and supervises small business facilities operated by blind people.

The Social Casework Services Program consists of special activities to assist blind persons to adjust to blindness, to enable them to cope with the activities of daily living, and to allow them to function independently in the least costly manner within their family and community, preventing any need for institutionalization.

Rehabilitation Teaching and Orientation and Mobility Services provides instruction on the adaptive skills needed to function in the home, community, and workplace.

Program Element: Attendant Care

This service, provides attendant care for adults ages 18-59 through a variety of program models. Personal care services are those which a non-disabled person would normally do for themselves; such as dressing and grooming. Service enables recipients to remain in or return to their own homes and remain independent for as long as possible. Persons aged 60 and over receive attendant care through funding provided by the Department of Aging.

Program Element: Legal Services

In 1973, the Pennsylvania Legal Services Center was created as

a private, non-profit corporation to provide civil legal assistance for low income, eligible persons with family, consumer, employment and other problems. Family and domestic cases comprise 44 percent of all clients served. Housing and welfare cases make up 17 percent and 19 percent respectively. Priority is given to cases involving family problems.

Program Element: Human Services Development Fund

The Human Services Development Fund provides counties with a flexible source of funding to be used within the six human services programs for which the counties are responsible: Adult Services, Aging, Children and Youth, Drug and Alcohol, and the Community Mental Health/Mental Retardation Programs. These funds may be used to expand existing services in any or all of the six program areas, for the coordination of services among those programs, and for innovative or generic services.

Program Element: Domestic Violence and Rape Crisis

Domestic violence services are provided through a contract with a statewide coalition which, in turn, subcontracts for services at the local level. The services to victims of domestic violence include: crisis intervention, counseling, victim advocacy, information and referral and temporary shelter for victims and their dependent children. Prevention and education programs are provided by local groups to lessen the risk of domestic violence in the community at large.

Rape crisis programs provide crisis intervention services, counseling, victim advocacy, information and referral and accompaniment through police, medical and judicial systems. Prevention and educational programs are also provided by the local providers to lessen the risk of sexual assault for adults and children in the community at large.

Program Element: Homeless Assistance

The homeless assistance program provides temporary shelter to homeless individuals. It also provides up to one month of rental assistance to those in immediate danger of becoming homeless. Shelter may be provided in large mass shelters or in hotels and motels through a voucher system.

Housing assistance is a cash payment to an individual or family to prevent or end homelessness. Housing assistance can include assistance to prevent homelessness by intervening in cases where an eviction is imminent. In addition to preventing homelessness, housing assistance is available to move people out of temporary shelters into permanent housing.

Specialized residences for the mentally ill homeless are being provided as a demonstration in a small number of counties with concentrations of mentally ill homeless individuals. The program provides housing for mentally ill homeless people for an indefinite period of time, providing protective and supportive services that will enable the client to move to a long-term semi-independent or independent living situation.

PUBLIC WELFARE

Program: Human Services (continued)

Program Measures:

	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
Visually handicapped clients	13,025	12,933	13,317	13,712	14,119	14,435	14,864
Youth in secure facilities	243	299	290	290	290	290	290
Youth in residential programs	318	355	345	338	338	338	338
Family Support Services:							
Children receiving child welfare services							
In home	48,281	47,000	47,500	47,500	47,500	47,000	47,500
In placement out of home	13,171	13,400	13,200	13,000	13,000	13,000	13,000
In placement two years or more	5,461	4,600	4,200	4,000	3,900	3,800	3,700
Agency arranged adoptions	500	680	720	735	750	770	790
Children receiving day care	25,435	26,823	27,895	27,895	27,895	27,895	27,895
Domestic Violence and Rape Crisis							
Domestic violence:							
Clients	29,281	33,000	34,300	34,300	34,300	34,300	34,300
Days of shelter provided	67,292	78,500	81,670	81,670	81,670	81,670	81,670
Rape crisis/sexual assault:							
Clients	11,044	12,000	12,240	12,240	12,240	12,240	12,240
Breast Cancer screening client	56,252	80,400	82,256	82,256	82,256	82,256	82,256
Legal service clients	52,632	51,727	52,671	52,761	52,761	52,761	52,761
Attendant care persons served	759	1,104	1,104	1,104	1,104	1,104	1,104
Homeless Assistance							
Homeless:							
Mentally ill persons in residences	140	250	370	370	370	370	370
Bridge housing persons served	600	2,000	4,000	4,000	4,000	4,000	4,000

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

<p>Day Care Services</p> <p>\$ 2,550 —PRR – Day Care Services: See the Program Revision Request following this subcategory for further information.</p> <p>Attendant Care</p> <p>\$ 667 —to annualize the expansion begun in 1987-88.</p> <p>Homeless</p> <p>\$ 1,000 —for additional services to the mentally ill homeless.</p> <p>465 —to increase services for other homeless populations.</p> <p>\$ 1,465 <i>Appropriation Increase</i></p>	<p>YDC</p> <p>\$ 778 —to fund current commitment plus annualize costs for secure facilities expanded in 1987-88.</p> <p>Domestic Violence</p> <p>\$ 358 —to expand services by 1,300 additional persons.</p> <p>Rape Crisis</p> <p>\$ 119 —to expand services by 240 persons.</p> <p>Child Welfare</p> <p>\$ 9,216 —PRR – Child Welfare: See the Program Revision Request following this subcategory for further information.</p>
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Other appropriations in this subcategory are recommended at the current funding level or received incremental changes.

PUBLIC WELFARE

Program: Human Services (continued)

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
GENERAL FUND:							
Visually Handicapped	\$ 5,368	\$ 5,454	\$ 5,503	\$ 5,668	\$ 5,839	\$ 6,014	\$ 6,195
Youth Development Centers	27,026	30,711	31,489	32,435	33,409	34,413	35,448
Beacon Lodge — Blind	40	75	77	77	77	77	77
Arsenal Center	106	139	112	112	112	112	112
Overbrook School— Blind	150	150	155	155	155	155	155
County Child Welfare	119,988	126,100	135,712	135,712	135,712	135,712	135,712
Day Care Services	24,500	28,235	30,785	31,709	32,666	33,640	34,649
Domestic Violence	2,729	3,576	3,934	3,934	3,934	3,934	3,934
Rape Crisis	895	1,194	1,313	1,313	1,313	1,313	1,313
Breast Cancer Screening	225	402	402	402	402	402	402
Legal Services	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Human Services Development	13,069	13,069	13,069	13,069	13,069	13,069	13,069
Attendant Care	97	4,051	4,774	4,774	4,774	4,774	4,774
Homeless Assistance	7,000	11,335	12,800	13,184	13,580	13,987	14,407
TOTAL GENERAL FUND	\$ 204,075	\$ 226,491	\$ 242,125	\$ 244,544	\$ 247,036	\$ 249,602	\$ 252,247

PUBLIC WELFARE

Program Revision: County Child Welfare

Act 148 of 1978 was established to reimburse counties for the State share of all allowable costs incurred for mandated children and youth services. These services include a wide range of programs that treat and prevent child abuse, neglect, and exploitation as well as programs which reduce dependency and delinquency.

This Program Revision will provide increased funds to counties to increase and upgrade programs for children receiving child welfare

services, and reduce the number of children receiving out of home placements. As shown in the program measures, the increased funding will allow counties to provide services to an additional 3,050 children in 1988-89. Increased family and support services will aid in reducing the number of children in out of home placements by 800 in 1988-89. This increased support will also help reduce the number of children who have been in placement longer than two years.

Program Measures:

	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
Children receiving child welfare services:							
In home							
Current	48,281	47,000	44,450	44,450	44,450	44,450	44,450
Program Revision	.....	.....	47,500	47,500	47,500	47,500	47,500
In placement out of home							
Current	13,171	13,400	13,500	13,500	13,500	13,500	13,500
Program Revision	.....	.....	12,600	12,600	12,600	12,600	12,600
In placement two years or more							
Current	5,461	4,600	4,300	4,300	4,300	4,300	4,300
Program Revision	.....	.....	4,000	4,000	4,000	4,000	4,000

Program Revision Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

County Child Welfare
 \$ 9,612 —to increase funding for county child welfare programs.

Recommended Program Revision Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
GENERAL FUND:							
County Child Welfare	\$ 9,612	\$ 9,612	\$ 9,612	\$ 9,612	\$ 9,612

Program Revision: Day Care Services

This Program Revision will address the increasing need for day care services in the Commonwealth. By 1990 it is anticipated that 85 percent of all mothers with children under the age of six will be employed. This increase in the number of women in the work force will expand the demand for affordable day care services. By providing this additional commitment of resources for day care, vital support services will be provided to the Commonwealth's job training effort. Additional day care slots will allow more single parents and other low income parents to enter the job market or acquire training.

Subsidized day care is provided to eligible low income families,

including those AFDC families who need child day care in order to work or to be trained in marketable job skills. A major focus of the subsidized day care program is to encourage families to be self-supporting and self-sufficient. Services are available to all age groups of children ranging from infant/toddlers to school age children up to twelve years of age.

The increased funding for this program will provide for an additional 1,000 day care slots for children across the Commonwealth. Implementation will allow the continued expansion of needed day care services.

Program Measures:

	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
Children receiving day care							
Current	25,435	26,823	26,823	26,823	26,823	26,823	26,823
Program Revision .....	.....	.....	27,823	27,823	27,823	27,823	27,823

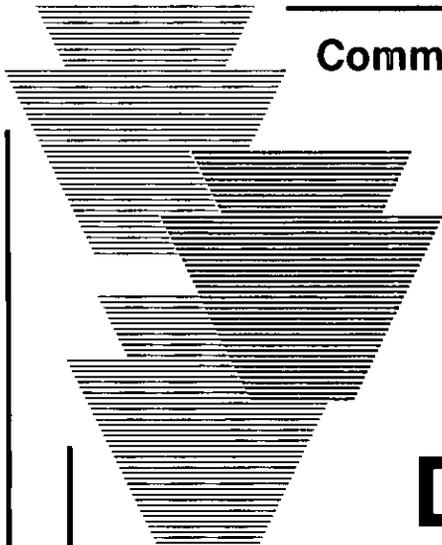
Program Revision Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

Day Care Services
 \$2,550 —for expanded services to 1,000 children on waiting lists.

Recommended Program Revision Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
GENERAL FUND:							
Day Care Services	<u>\$ 2,550</u>	<u>\$ 2,626</u>	<u>\$ 2,705</u>	<u>\$ 2,786</u>	<u>\$ 2,869</u>



Commonwealth of Pennsylvania

Department of Revenue

The Department of Revenue collects all tax levies as well as various fees, fines and other monies due the Commonwealth. The department also supervises the administration and collection of monies for various special funds.

The department prepares the official estimates of the tax yield due the Commonwealth while also analyzing the effect on revenues of proposed changes in either the laws or the tax structure of the Commonwealth.

REVENUE

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Budget
GENERAL FUND			
GENERAL GOVERNMENT:			
General Government Operations	\$ 66,996	\$ 69,400	\$ 72,449
(A) Audit of State Authorities	1	1	1
(A) Cigarette Fines and Penalties	14	14	14
(A) Services to Special Funds	3,448	3,758	3,758
(A) Escheat Sales	390	986	996
(A) EDP and Staff Support	3,391	3,939	4,419
(A) Tax Information	68	68	68
(A) Graphic Arts	1		
Commissions - Inheritance and Realty			
Transfer Tax Collections (EA)	2,000	2,900	3,950
Job Creation Tax Credit Administration	100		
Computer Rentals		1,100	1,328
(A) Special Fund Charges		230	230
Subtotal — State Funds	\$ 69,096	\$ 73,400	\$ 77,727
Subtotal — Augmentations	7,313	8,996	9,486
Total — General Government	\$ 76,409	\$ 82,396	\$ 87,213
GRANTS AND SUBSIDIES:			
Distribution of Public Utility Realty Tax	\$ 84,782	\$ 90,315 ^a	\$ 92,074
STATE FUNDS	\$ 153,878	\$ 163,715	\$ 169,801
AUGMENTATIONS	7,313	8,996	9,486
GENERAL FUND TOTAL	\$ 161,191	\$ 172,711	\$ 179,287
MOTOR LICENSE FUND			
GENERAL GOVERNMENT:			
Collection — Liquid Fuels Tax	\$ 5,105	\$ 6,758	\$ 6,830
Refunding Liquid Fuels Tax (EA)	7,295	7,500	2,375
STATE FUNDS	\$ 12,400	\$ 14,258	\$ 9,205
MOTOR LICENSE FUND	\$ 12,400	\$ 14,258	\$ 9,205

REVENUE

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Budget
LOTTERY FUND			
GENERAL GOVERNMENT:			
General Operations (EA)	\$ 40,612	\$ 39,784	\$ 43,161
(A) License Fees	104	104	104
(A) Telephone Lines	2,265	2,392	2,582
(A) Lotto Numbers Publication	1	.	.
Personal Income Tax for Lottery Prizes (EA)	14,291	14,842	15,679
Payment of Prize Money (EA)	168,356	197,466	208,600
Refunding Lottery Monies (EA)	10	10	.
Subtotal — State Funds	<u>\$ 223,269</u>	<u>\$ 252,102</u>	<u>\$ 267,440</u>
Subtotal — Augmentations	2,370	2,496	2,686
Total — General Government Operations	<u>\$ 225,639</u>	<u>\$ 254,598</u>	<u>\$ 270,126</u>
GRANTS AND SUBSIDIES:			
Property Tax and Rent Assistance for Older Pennsylvanians (EA)	\$ 122,086	\$ 123,681	\$ 123,170
Older Pennsylvanians' Inflation Dividend (EA)	34,690	34,653	33,126
STATE FUNDS	<u>\$ 380,045</u>	<u>\$ 410,436</u>	<u>\$ 423,736</u>
AUGMENTATIONS	2,370	2,496	2,686
LOTTERY FUND TOTAL	<u><u>\$ 382,415</u></u>	<u><u>\$ 412,932</u></u>	<u><u>\$ 426,422</u></u>
RACING FUND			
GENERAL GOVERNMENT:			
Collections — Racing (EA)	\$ 104	\$ 124	\$ 126
RACING FUND TOTAL	<u>\$ 104</u>	<u>\$ 124</u>	<u>\$ 126</u>
DEPARTMENT TOTAL — ALL FUNDS			
GENERAL FUND	\$ 153,878	\$ 163,715	\$ 169,801
SPECIAL FUNDS	392,549	424,818	433,067
AUGMENTATIONS	9,683	11,492	12,172
TOTAL ALL FUNDS	<u><u>\$ 556,110</u></u>	<u><u>\$ 600,025</u></u>	<u><u>\$ 615,040</u></u>

^aIncludes \$2,177,000 recommended supplemental appropriation.

REVENUE

Program Funding Summary:

	(Dollar Amounts in Thousands)						
	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
	Actual	Available	Budget	Estimated	Estimated	Estimated	Estimated
REVENUE COLLECTION AND ADMINISTRATION							
General Fund	\$ 69,096	\$ 73,400	\$ 77,727	\$ 79,310	\$ 81,653	\$ 84,068	\$ 85,225
Special Funds	235,773	266,484	276,771	282,531	288,800	295,217	301,786
Other Funds	9,683	11,492	12,172	12,505	12,848	13,201	13,334
TOTAL	\$ 314,552	\$ 351,376	\$ 366,670	\$ 374,346	\$ 383,301	\$ 392,486	\$ 400,345
COMMUNITY DEVELOPMENT AND PRESERVATION							
General Fund	\$ 84,782	\$ 90,315	\$ 92,074	\$ 94,836	\$ 97,681	\$ 100,611	\$ 103,629
HOMEOWNERS AND RENTERS ASSISTANCE							
Special Funds	\$ 156,776	\$ 158,334	\$ 156,296	\$ 155,389	\$ 154,145	\$ 152,853	\$ 151,284
ALL PROGRAMS							
GENERAL FUND	\$ 153,878	\$ 163,715	\$ 169,801	\$ 174,146	\$ 179,334	\$ 184,679	\$ 188,854
SPECIAL FUNDS	392,549	424,818	433,067	437,920	442,945	448,070	453,070
OTHER FUNDS	9,683	11,492	12,172	12,505	12,848	13,201	13,334
TOTAL	\$ 556,110	\$ 600,025	\$ 615,040	\$ 624,571	\$ 635,127	\$ 645,950	\$ 655,258

REVENUE

PROGRAM OBJECTIVE: To assure the availability of resources for the Commonwealth's programs through the equitable and efficient administration of Pennsylvania's revenue system.

Program: Revenue Collection and Administration

This program administers the Commonwealth's revenue statutes by assessing and collecting various taxes. Major revenue sources for the General Fund include corporation, personal income, inheritance, sales and use, cigarette and beverage and realty transfer taxes. Tax revenue is also collected for the Motor License and Racing Funds and ticket sales for the Lottery Fund are administered.

The department has extensively automated procedures thereby permitting staff to quickly deposit funds and review and make a rapid determination of the tax return's accuracy. This has permitted the department to keep the cost of collection under \$.90 for every \$100 collected.

To insure fairness in tax administration, the department audits and cross checks tax returns to detect fraud and non-filers. In addition, there is extensive delinquent tax collection effort that involves automation as well as traditional tax collection methods.

This program is also responsible for the administration of the State Lottery. Through a network of private retailers, the Commonwealth sells Lottery tickets, the proceeds of which support Older Pennsylvanians programs.

Program Measures:

	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
Revenue collection costs per \$100 of							
General Fund receipts	\$.73	\$.72	\$.72	\$.71	\$.69	\$.67	\$.65
Revenue collection costs per \$100 of							
Motor License Fund receipts	\$.50	\$.66	\$.64	\$.66	\$.69	\$.71	\$.74
Lottery Bureau operating costs as a							
percent of ticket sales	\$2.63%	\$2.61%	\$2.52%	\$2.60%	\$2.68%	\$2.75%	\$2.83%
Collections from delinquent accounts (in							
millions)	\$231.7	\$236.3	\$243.0	\$247.8	\$252.7	\$257.7	\$262.8
Amounts due as a result of audit							
assessments (in millions)	\$120.6	\$100.0	\$102.5	\$105.0	\$105.7	\$110.5	\$113.2
Tax returns processed (in thousands)	6,525	6,685	6,710	6,735	6,760	6,785	6,810
Personal Income	5,043	5,125	5,150	5,175	5,200	5,225	5,250
Sales and Use	1,332	1,400	1,400	1,400	1,400	1,400	1,400
Corporation	150	160	160	160	160	160	160
Average settlement time for corporation							
tax documents (in work days)	270	270	270	270	270	270	270
Average processing time for personal							
income tax refund (in calendar days)	20	28	28	28	28	28	28

The reduced amount due from audit assessments results from "windfall" assessment in 1986-87. The average personal income tax refund processing time is increasing to prevent errors that raised the cost of reviewing and depositing revenue.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

GENERAL FUND:		Commissions—Inheritance and Realty	
General Government		Transfer Tax	
\$ 188	—to expand corporation and sales and use tax audits by 5%.	\$ 1,050	—to annualize 1986 changes in the law.
602	—to computerize delinquent account collections in field offices.		
196	—to purchase optical scanners for rapid and accurate processing of "short form" returns.	\$ 228	Computer Acquisition
300	—to purchase additional cooling equipment required for computer systems.		—to annualize current commitment.
145	—to complete buy-out of old computer.		
1,631	—to continue current program.		
-13	—savings due to press/communications reorganization.		
<hr/>			
\$ 3,049	Appropriation Increase		

REVENUE

Program: Revenue Collection and Administration (continued)

Program Recommendations: (continued)

MOTOR LICENSE FUND:			
	Collections — Liquid Fuel Tax		Lottery Operations
\$ -72	—to continue current program.	\$ 480	—to add 500 on-line game sites.
		3,000	—to expand Lottery advertising.
		-87	—to continue current program.
		-16	—savings due to press/communications reorganization.
		\$ 3,377	<i>Appropriation Increase</i>
	Refunding Liquid Fuels Tax		
\$ -5,125	—to reflect after-the-fact collections stipulated under current legislation.		
	LOTTERY FUND:		
	Personal Income Tax for Prizes		
	Payment of Prize Money		
\$ 11,971	—to pay cost associated with expanding two games.	\$ -10	Refunding Lottery Money
			—Vendor overpayments are adjusted on subsequent deposits.

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
GENERAL FUND:							
General Government Operations	\$ 66,996	\$ 69,400	\$ 72,449	\$ 73,913	\$ 76,134	\$ 78,423	\$ 80,778
Commissions — Inheritance and Realty							
Transfer Tax	2,000	2,900	3,950	4,069	4,191	4,317	4,447
Computer Rentals		1,100	1,328	1,328	1,328	1,328	
Job Creation Tax Credit	100						
TOTAL GENERAL FUND	\$ 69,096	\$ 73,400	\$ 77,727	\$ 79,310	\$ 81,653	\$ 84,068	\$ 85,225
MOTOR LICENSE FUND:							
Collections — Liquid Fuels Tax	\$ 5,105	\$ 6,758	\$ 6,830	\$ 7,172	\$ 7,531	\$ 7,908	\$ 8,303
Refunding Liquid Fuels Tax	7,295	7,500	2,375	2,375	2,375	2,375	2,375
TOTAL MOTOR LICENSE FUND	\$ 12,400	\$ 14,258	\$ 9,205	\$ 9,547	\$ 9,906	\$ 10,283	\$ 10,678
LOTTERY FUND:							
General Operations	\$ 40,612	\$ 39,784	\$ 43,161	\$ 44,456	\$ 45,790	\$ 47,164	\$ 48,579
Personal Income Tax for Prizes	14,291	14,842	15,679	15,966	16,286	16,612	16,944
Payment of Prize Money	168,356	197,466	208,600	212,430	216,679	221,012	225,432
Refunding Lottery Money	10	10					
TOTAL LOTTERY FUND	\$ 223,269	\$ 252,102	\$ 267,440	\$ 272,852	\$ 278,755	\$ 284,788	\$ 290,955
RACING FUND:							
Collections — Racing	\$ 104	\$ 124	\$ 126	\$ 132	\$ 139	\$ 146	\$ 153

REVENUE

PROGRAM OBJECTIVE: To equitably distribute the public utility realty tax to all reporting local taxing authorities.

Program: Community Development and Preservation

A 1968 amendment to the State Constitution exempted public utilities from locally administered property taxes and authorized the collection of a similar, statewide tax. The proceeds of the tax are distributed to each local taxing authority thereby providing local revenue while insuring fair treatment for utilities.

The distribution is based on the ratio between the total tax receipts of a local taxing authority and the total tax receipts of all reporting tax authorities. This ratio is then applied to the total amount of taxes that reporting authorities could have collected had they been able to directly tax public utility realty.

Program Measures:

	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
Taxing authorities receiving funds	3,105	3,094	3,140	3,140	3,140	3,140	3,140

While fewer taxing authorities are filing for their share of the realty tax, increasing property values and millage rates result in increased distributions. The budget and future years data indicate the total number of eligible taxing authorities.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

Distribution of Public Utility Realty Tax
 \$ 1,759 —to continue current program.

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
GENERAL FUND:							
Distribution of Public Utility Realty Tax . . .	\$ 84,782	\$ 90,315	\$ 92,074	\$ 94,836	\$ 97,681	\$ 100,611	\$ 103,629

PROGRAM OBJECTIVE: To increase economic stability by assisting eligible Pennsylvania citizens maintain their home.

Program: Homeowners and Renters Assistance

Property tax and rent rebates allow older Pennsylvanians, surviving spouses over 50 and permanently disabled citizens to lead fuller lives by restoring a portion of their limited income. The assistance declines from a maximum benefit of 100 percent of the tax or \$500 for household incomes under \$5,000. Act 53 of 1985 set the income ceiling for program

eligibility at \$15,000.

In addition the Older Pennsylvanians Inflation Dividend is provided to every household receiving a property tax or rent rebate. This is a flat amount ranging from a minimum of \$20 to a maximum of \$125 based on income eligibility criteria.

Program Measures:

	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
Applications for property tax or rent assistance	488,892	495,000	483,400	468,100	453,000	441,500	431,700
Households provided property tax or rent assistance	478,315	485,000	473,000	458,000	443,000	431,000	421,000

Low inflation which results in small pension increases, coupled with increasing local tax rates, is resulting in higher average payments per household.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

All appropriations reflect current program levels.

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
LOTTERY FUND:							
Property Tax and Rent Assistance for							
Older Pennsylvanians	\$ 122,086	\$ 123,681	\$ 123,170	\$ 123,350	\$ 123,230	\$ 122,978	\$ 122,469
Older Pennsylvanian's Inflation Dividend .	34,690	34,653	33,126	32,039	30,915	29,875	28,815
TOTAL LOTTERY FUND	\$ 156,776	\$ 158,334	\$ 156,296	\$ 155,389	\$ 154,145	\$ 152,853	\$ 151,284



Commonwealth of Pennsylvania

Securities Commission

The Securities Commission oversees the State controlled securities industry to ensure compliance with Commonwealth statutes.

SECURITIES COMMISSION

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Budget
GENERAL FUND			
<i>GENERAL GOVERNMENT:</i>			
General Government Operations	\$ 2,346	\$ 2,529	\$ 2,774
(A) Reimbursement — Crime Commission	<u>10</u>	<u>20</u>	<u>.....</u>
GENERAL FUND TOTAL	<u>\$ 2,356</u>	<u>\$ 2,549</u>	<u>\$ 2,774</u>

SECURITIES

Program Funding Summary:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
SECURITIES INDUSTRY REGULATION							
General Fund	\$ 2,346	\$ 2,529	\$ 2,774	\$ 2,819	\$ 2,905	\$ 2,992	\$ 3,081
Other Funds	10	20	.....	.....	.....	.....	.....
TOTAL	<u>\$ 2,356</u>	<u>\$ 2,549</u>	<u>\$ 2,774</u>	<u>\$ 2,819</u>	<u>\$ 2,905</u>	<u>\$ 2,992</u>	<u>\$ 3,081</u>

SECURITIES COMMISSION

PROGRAM OBJECTIVE: To reduce fraud and to protect public investors involved in securities transactions, as well as to facilitate legitimate capital formation in the State.

Program: Securities Industry Regulation

The primary function of the Pennsylvania Securities Commission is to encourage the financing of legitimate business and industry in the Commonwealth while protecting the investing public from fraudulent and unfair practices in the securities industry.

The commission protects the investing public through the registration and regulation of salesmen and companies dealing in securities, issues orders to persons and corporations attempting to sell

securities without approval, and seeks prosecution of violators of the Pennsylvania Securities Act.

It also works with other state, Federal and independent regulatory agencies and the various stock exchanges to develop uniform filing requirements that alleviate the burden on the securities industry by eliminating duplicative examination and registration requirements involved in complying with various State and Federal filing procedures.

Program Measures:

	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
Formal investigations conducted	286	325	350	375	400	425	450
Dollar amounts of securities cleared for sale (billions)	\$ 2,467	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000
Securities filings received	6,552	6,700	6,800	6,900	7,000	7,100	7,200
Securities filings cleared	5,637	5,700	5,800	5,900	6,000	6,100	6,200
Broker-dealers registered	1,704	2,400	2,800	3,100	3,400	3,700	4,000
Agents registered	57,239	81,000	98,000	115,000	132,000	149,000	166,000
Investment Advisers registered	307	510	640	740	840	940	1,040

The number of agents registered declined from prior year estimates because phase two of the Central Registration Depository which involves automatic registration of Brokers — Dealers nationwide have not yet been implemented. Agreements among participating jurisdictions on policy and procedures need to be resolved.

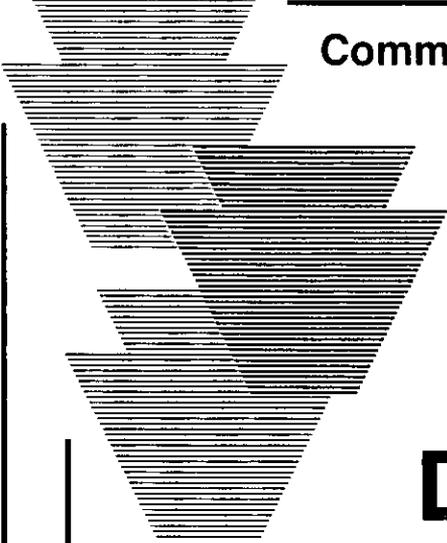
Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

General Government Operations	
\$ 100	—to continue current programs.
208	—to pay for cost of relocation.
37	—to transfer files to microfiche.
-100	—nonrecurring computerization project.
<u>\$ 245</u>	<i>Appropriation Increase</i>

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
GENERAL FUND:							
General Government Operations	<u>\$ 2,346</u>	<u>\$ 2,529</u>	<u>\$ 2,774</u>	<u>\$ 2,819</u>	<u>\$ 2,905</u>	<u>\$ 2,992</u>	<u>\$ 3,081</u>



Commonwealth of Pennsylvania

Department of State

The Department of State compiles, publishes and certifies all election returns; issues all commissions to elected and appointed officials; records and punctuates all laws passed by the General Assembly; administers corporate and selected noncorporate business laws; administers the professional and occupational licensing boards; and regulates solicitation activities, boxing and wrestling matches.

The Department of State is administered by the Secretary of the Commonwealth and includes the State Athletic Commission, the Commission on Charitable Organizations, and 26 professional and occupational licensing boards.

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Budget
GENERAL FUND			
GENERAL GOVERNMENT:			
General Government Operations	\$ 2,644	\$ 2,639 ^c	\$ 2,988
(A) Professional Licensure Augmentation Account ^a			
(A) Registration of Charitable Organizations	247	234	240
(A) Boxing and Wrestling Fees	288	299	280
(R) Professional Licensure Augmentation Account ^b	8,752	9,493	11,798
(A) Auctioneers Licenses	99	95	105
(R) Medical Fees ^b	1,212	1,471	1,644
(R) Osteopathic Fees ^b	238	268	312
(R) Podiatry Fees ^b	107	107	129
Total — General Government Operations	<u>\$ 13,587</u>	<u>\$ 14,606</u>	<u>\$ 17,496</u>
Uniform Commercial Code Computerization		145	
Publishing Constitutional Amendments		60	60
Electoral College			8
Subtotal — State Funds	\$ 2,644	\$ 2,844	\$ 3,056
Subtotal — Augmentations	634	628	625
Subtotal — Restricted Revenue	10,309	11,339	13,883
Total — General Government	<u>\$ 13,587</u>	<u>\$ 14,811</u>	<u>\$ 17,564</u>
GRANTS AND SUBSIDIES:			
Voting of Citizens in Military Service	\$ 8	\$ 8	\$ 8
Voter Registration by Mail	350	350	350
County Election Expenses	175	18	
Total — Grants and Subsidies	<u>\$ 533</u>	<u>\$ 376</u>	<u>\$ 358</u>
STATE FUNDS	\$ 3,177	\$ 3,220	\$ 3,414
AUGMENTATIONS	634	628	625
RESTRICTED REVENUES	10,309	11,339	13,883
GENERAL FUND TOTAL	<u>\$ 14,120</u>	<u>\$ 15,187</u>	<u>\$ 17,922</u>

^a Amounts not shown to avoid double counting: 1986-87 \$575,000; 1987-88 \$550,000; 1988-89 \$720,000.

^b Appropriation from Restricted Revenue Account.

^c Includes recommended supplemental of \$81,000.

Program Funding Summary:

	(Dollar Amounts in Thousands)						
	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
	Actual	Available	Budget	Estimated	Estimated	Estimated	Estimated
CONSUMER PROTECTION							
General Fund	\$ 3,177	\$ 3,220	\$ 3,414	\$ 3,444	\$ 3,535	\$ 3,629	\$ 3,733
Other Funds	10,943	11,967	14,508	15,442	15,890	16,350	16,824
TOTAL	<u>\$ 14,120</u>	<u>\$ 15,187</u>	<u>\$ 17,922</u>	<u>\$ 18,886</u>	<u>\$ 19,425</u>	<u>\$ 19,979</u>	<u>\$ 20,557</u>

PROGRAM OBJECTIVE: To protect the consumer from fraudulent solicitation and unqualified professional and occupational practitioners and establishments.

Program: Consumer Protection

The Department of State administers several program elements within the Consumer Protection program.

Program Element: Protection of the Electoral Process

Public policy is formulated by citizens through electoral participation. Because the electoral process is the basic public policymaking mechanism, it is important to insure that this process conforms to legally defined specifications. Abuse of the electoral process causes decline in voter participation.

Efforts in this program are keyed towards ensuring efficiency, honesty and uniformity in the administration of the Election Code. Some of the more serious problems within the election system have included: burdensome registration and voting procedures; the lack of easily obtainable published information concerning the State's electoral process; instances of unfair and unjust administration of election processes; and a pervading lack of consistency in activities at all levels of election administration.

Other functions in this program fall under the area of commissioning and include commissioning gubernatorial appointees to boards and commissions and preparing commissions for judges, justices of the peace and notaries public. In addition, extraditions are prepared for the Governor and bond issues for the Commonwealth are processed. Finally, a record of all legislation passed by the General Assembly is maintained by docketing the bills and assigning act numbers.

Program Element: Protection of Professional Licensing

The focus of this program element is one of assuring acceptable professional and technical services to the Commonwealth's residents. To accomplish this, twenty-six boards of the Bureau of Professional and Occupational Affairs (BPOA) utilize licensing, enforcement and administrative powers to regulate and service the various professions.

Mechanisms utilized in controlling the quality of practitioners include regulating age, 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.

Effective July 1, 1978, Act 124 created a restricted Professional Licensure Augmentation Account (PLAA) enabling this program to be funded from fees and fines collected by the Bureau of Professional and Occupational Affairs. Thus, the bureau operates entirely out of earmarked funds, considered for budgetary purposes as "Other" funds, rather than from a General Fund appropriation.

After experience with the PLAA concept and the current exposure to the sunset review process, it has been determined that each individual board should take steps to equalize revenues with expenditures over each two year period by adjusting license fees where required. The methodology to accomplish this task is in place and fee adjustment packages are being submitted according to schedule.

Program Element: Regulation of Consumer Products and Promotion of Fair Business Practices

This program element encompasses the activities of the Corporation Bureau, the Bureau on Charitable Organizations and the State Athletic Commission.

The Corporation Bureau is responsible for registering all businesses in the Commonwealth, which currently has an estimated 1,797,400 profit and nonprofit corporations and fictitious name registrations. An important goal is to promote a more favorable atmosphere for commerce to enter Pennsylvania.

The Bureau on Charitable Organizations is responsible for the registration of charitable organizations, professional fund raisers and solicitors, as well as regulation of the actual solicitation and distribution of collected funds. There are currently approximately 7,350 registrations of charitable organizations.

The major objective of the bureau is to increase the awareness and understanding of the Charitable Solicitations Act among Pennsylvania consumers and charitable organizations.

The State Athletic Commission is charged with licensing boxers, wrestlers, and officials, as well as the regulation of boxing and wrestling events. The Athletic Commissioners are attempting to stimulate boxing and wrestling activity in Pennsylvania as a means to increase revenue. Potential promoters are being cultivated and negotiations are under way to bring championship events into the Commonwealth.

Program Measures:

	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
Voting age population (thousands)	9,092	9,125	9,160	9,200	9,200	9,200	9,200
Percent of voting age population actually voting	37%	30%	53%	30%	41%	30%	53%
Voter registration by mail	522,650	500,000	750,000	350,000	500,000	500,000	750,000
Total voter registration transactions	656,100	600,000	850,000	450,000	600,000	600,000	850,000
Professional licenses and renewals issued	390,362	395,000	340,000	395,000	340,000	395,000	340,000
Applicants failing examinations for professional licenses	25,438	25,000	25,000	25,000	25,000	25,000	25,000
Disciplinary actions by boards	181	200	210	250	250	250	250

Program: Consumer Protection (continued)

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

General Government Operations	
\$ 100	—to maintain current program.
-81	—to fund increase in petition filings workload as a result of the 1988 Presidential elections.
94	—to provide the department with an in-house data processing capability.
50	—to initiate the Small Business Paperwork Reduction initiative.
200	—to enhance Corporation Bureau operations.
-14	—savings due to press/communications reorganization.
<hr/>	
\$ 349	<i>Appropriation Increase</i>

In addition this budget recommends the following changes in the Bureau of Professional and Occupation Affairs for the Professional Licensure Augmentation Account (PLAA); as well as the State Board of: Medical Education and Licensure; Osteopathic Examiners and Podiatry Examiners.

Professional Licensure Augmentation Account	
\$ -254	—elimination of one-time fixed assets and contracts for testing services.
1,176	—to maintain current program, includes assimilation of the first year operations enhancement initiative started in 1987-88.
686	—to provide in-house data processing capability.
112	—to implement an automated document/image system to process fees.
112	—installation of new telephone system.
473	—to further expand efforts to enhance operations and thereby protect the citizens of Pennsylvania from unqualified practitioners in all areas of professional licensing.
<hr/>	
\$ 2,305	<i>Appropriation Increase</i>

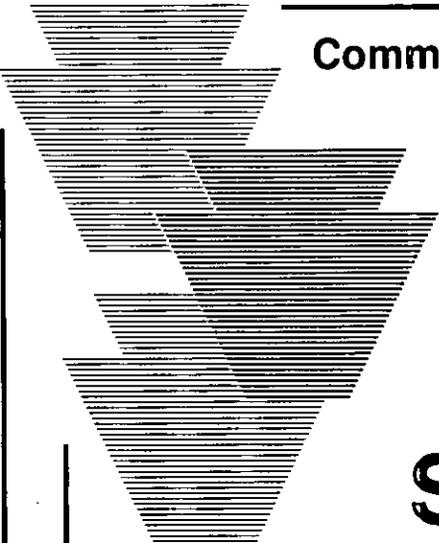
State Board of Medical Education and Licensure:	
\$ 90	—to maintain current program.
61	—to provide department in-house data processing capability.
11	—to implement an automated document/image system to process fees.
11	—installation of new telephone system.
<hr/>	
\$ 173	<i>Appropriation Increase</i>

State Board of Osteopathic Examiners:	
\$ 33	—to maintain current program.
9	—to provide department in-house data processing capability.
1	—to implement an automated document/image system to process fees.
1	—installation of new telephone system.
<hr/>	
\$ 44	<i>Appropriation Increase</i>

State Board of Podiatry Examiners:	
\$ 11	—to maintain current program.
9	—to provide department in-house data processing capability.
1	—to implement an automated document/image system to process fees.
1	—installation of new telephone system.
<hr/>	
\$ 22	<i>Appropriation Increase</i>

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
GENERAL FUND:							
General Government Operations	\$ 2,644	\$ 2,639	\$ 2,988	\$ 3,026	\$ 3,117	\$ 3,211	\$ 3,307
Uniform Commercial Code							
Computerization		145					
Publishing Constitutional Amendments		60	60	60	60	60	60
Electoral College Expenses			8				8
Voting of Citizens in Military Service	8	8	8	8	8	8	8
Voter Registration by Mail	350	350	350	350	350	350	350
County Election Expense	175	18					
<hr/>							
TOTAL GENERAL FUND	\$ 3,177	\$ 3,220	\$ 3,414	\$ 3,444	\$ 3,535	\$ 3,629	\$ 3,733

A stylized graphic of the Commonwealth of Pennsylvania, composed of horizontal lines forming the shape of the state, located in the upper left corner of the page.

Commonwealth of Pennsylvania

State Employees' Retirement System

The State Employees' Retirement System is responsible for administering the State Employees' Retirement Fund; and the supplemental retirement allowances and cost-of-living increases for annuitants.

STATE EMPLOYEES' RETIREMENT

PROGRAM REVISION

Budgeted Amounts Include the Following Program Revisions:

Appropriation	Title	1988-89 State Funds (in thousands)
GENERAL FUND		
Cost of Living Adjustment	Cost of Living Adjustment	\$ 2,950

This Program Revision will provide for the increased cost of the employer contribution to the State Employees' Retirement System resulting from a cost of living increase for annuitants.

STATE EMPLOYEES' RETIREMENT SYSTEM

Summary by Fund and Appropriation

	1986-87 Actual	(Dollar Amounts in Thousands) 1987-88 Available	1988-89 Budget
GENERAL FUND			
<i>GRANTS AND SUBSIDIES:</i>			
National Guard — Employer Contribution	\$ 1,193	\$ 679	\$ 705
Cost of Living Adjustment .....	.....	.....	2,950
GENERAL FUND TOTAL	<u>\$ 1,193</u>	<u>\$ 679</u>	<u>\$ 3,655</u>
OTHER FUNDS			
<i>STATE EMPLOYEES' RETIREMENT FUND:</i>			
Administration	\$ 4,830	\$ 5,723	\$ 5,636
OTHER FUNDS TOTAL	<u>\$ 4,830</u>	<u>\$ 5,723</u>	<u>\$ 5,636</u>
DEPARTMENT TOTAL — ALL FUNDS			
GENERAL FUND	\$ 1,193	\$ 679	\$ 3,655
OTHER FUNDS	<u>4,830</u>	<u>5,723</u>	<u>5,636</u>
TOTAL ALL FUNDS	<u>\$ 6,023</u>	<u>\$ 6,402</u>	<u>\$ 9,291</u>

STATE EMPLOYEES RETIREMENT SYSTEM

Program Funding Summary:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
STATE EMPLOYEES' RETIREMENT							
General Fund	\$ 1,193	\$ 679	\$ 3,655	\$ 6,605	\$ 6,605	\$ 6,605	\$ 6,605
Other Funds	4,830	5,723	5,636	5,805	5,979	6,159	6,343
TOTAL	<u>\$ 6,023</u>	<u>\$ 6,402</u>	<u>\$ 9,291</u>	<u>\$ 12,410</u>	<u>\$ 12,584</u>	<u>\$ 12,764</u>	<u>\$ 12,948</u>

STATE EMPLOYEES' RETIREMENT SYSTEM

PROGRAM OBJECTIVE: To provide an effective administrative system for the operation of the retirement system for State employees.

Program: State Employees' Retirement

The State Employees' Retirement System was established to administer the pension system created in 1924. Contributions by the employees and the employing agencies are made to the State Employees' Retirement Fund which uses those moneys and interest earnings for payment of annuities and disability benefits and for administration of the system. The State Employees' Retirement Fund is shown in the Special Funds Appendix.

The assets of the system are in excess of \$7 billion dollars. The system is funded in accordance with accepted actuarial standards; the funding is reviewed annually by a contracted actuarial firm and an experience review is completed every five years.

The greatest source of current income to the system is earnings from investments. Payments from member employers are the second major source of income; the rate for employers is established annually by the board upon the recommendation of the actuary. Employer contributions differ in accordance with the class of employees for which they are contributing. There is additional cost for employees in safety positions, the Legislature, and the Judiciary. Member contributions are the third source of income. The majority of current members contribute 5 percent of pay to the system. Members hired after July of 1983

contribute 6.25 percent of pay to the system.

Normal retirement from the system is at age 60, age 50 for safety employees and members of the legislature, or at any age with 35 years of service. Retirement before those times is possible after ten years of service but is actuarially reduced to the equivalent of the annuity which would have been payable at superannuation retirement.

Legislation has provided for an early retirement window for the past three years. This window was recently extended to June 30 of 1989. During that time employees with 30 years of service who are age 53 can retire with a full allowance based on service without actuarial reduction. Those at age 50 to 53 with 30 years of service can retire with a .25 percent reduction for each month remaining before age 53 is attained. The system is studying the use of the window and the cost increase to the retirement system resulting from its implementation.

Act 81 of 1987 established the Commonwealth Deferred Compensation program which will allow Commonwealth employees to defer a portion of their salaries to a retirement savings account. The State Employees' Retirement Board will be responsible for its administration. The Deferred Compensation Fund is shown in the special Funds Appendix to this volume.

Program Measures:

	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
Benefit payments processed	11,763	11,700	11,700	11,600	11,600	11,600	11,600
Average processing time for benefit payments (in days)	12	12	12	12	12	12	12
Return on investment (in millions)	\$388.6	\$459.5	\$499.8	\$542.7	\$588.4	\$637.8	\$691.0

The measure showing the return on investments has been modified from previous projections because of the volatility of the investment market.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

GENERAL FUND

- National Guard — Employer Contribution**
- \$ 26 —increase required as determined by the actuary.
- Cost of Living Adjustment**
- \$ 2,950 —PRR — Cost of Living Adjustment. See the Program Revision Request following this program for further information.

In addition this budget recommends the following changes for the appropriation from the State Employees' Retirement Fund for General Government Operations for the State Employees' Retirement System:

STATE EMPLOYEES' RETIREMENT FUND

- General Government Operations**
- \$ -213 —nonrecurring fixed assets.
- 248 —field office program decrease.
- 260 —to continue current program.
- 114 —deferred compensation program administration.
-
- \$ -87 *Appropriation decrease*

STATE EMPLOYEES RETIREMENT SYSTEM

Program: State Employees Retirement (continued)

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
GENERAL FUND:							
National Guard — Employer Contribution	\$ 1,193	\$ 679	\$ 705	\$ 705	\$ 705	\$ 705	\$ 705
Cost of Living Adjustment .....	.....	.....	2,950	5,900	5,900	5,900	5,900
TOTAL GENERAL FUND	<u>\$ 1,193</u>	<u>\$ 679</u>	<u>\$ 3,655</u>	<u>\$ 6,605</u>	<u>\$ 6,605</u>	<u>\$ 6,605</u>	<u>\$ 6,605</u>
STATE EMPLOYEES RETIREMENT FUND:							
General Government Operations	<u>\$ 4,830</u>	<u>\$ 5,723</u>	<u>\$ 5,636</u>	<u>\$ 5,805</u>	<u>\$ 5,979</u>	<u>\$ 6,159</u>	<u>\$ 6,343</u>

STATE EMPLOYEES' RETIREMENT SYSTEM

Program Revision: Cost of Living Adjustment

This Program Revision provides for a cost of living increase for annuitants of the State Employees Retirement System.

In the past decades, the Commonwealth has traditionally looked at inflation and annuitant income at five year intervals to determine if a cost of living adjustment was appropriate. The last increase was in 1984 and prior to that they occurred at five year intervals. Since the last enhancement occurred in 1984, this budget recommends funding for cost of living adjustment beginning in January of 1989 with the first full year of payments in 1989-90. The cost of the increase will be amortised over twenty-years in level dollar amounts.

Inflation since 1984 has been modest. The 1984 to 1987 increase in the CPI totaled only 9.4 percent. This proposed cost of living

adjustment would fund half that increase for the annuitants who retired before July of 1986. The total cost is estimated to be \$11 million annually, about \$5.5 million for the first half year of the program. Some of that cost is borne by independent agencies that are members of the system. It is also borne by special and Federal fund payrolls of State government. The appropriation shown in this Program Revision provides for the General Fund cost of the increase and will be distributed to the General Fund agencies in amounts certified by the Office of the Budget.

This COLA will increase the unfunded liability of the system by \$140 million, increasing it from \$2.457 billion to \$2.597 billion and will increase the annual cost to agencies with employees in the system from \$378 million to about \$389 million.

Program Revision Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

Cost of Living Adjustment

\$ 2,950 —to provide a cost of living adjustment to State annuitants..

Recommended Program Revision Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
	Actual	Available	Budget	Estimated	Estimated	Estimated	Estimated
GENERAL FUND:							
Cost of Living Adjustment	<u>.....</u>	<u>.....</u>	<u>2,950</u>	<u>5,900</u>	<u>5,900</u>	<u>5,900</u>	<u>5,900</u>



Commonwealth of Pennsylvania

State Police

The State Police enforce the law and preserve the peace through detection of crime and apprehension of criminals, patrol of highways, enforcement of the Vehicle Code and enforcement of the Liquor Code.

The State Police receive a General Fund appropriation for criminal law enforcement and a Motor License Fund transfer for traffic patrol activities. In 1988-89, the recommended ratio is 33 percent General Fund and 67 percent Motor License Fund. In addition, the State Police receive augmentations from the Turnpike Commission for turnpike patrol and from the State Stores Fund for liquor control enforcement.

STATE POLICE

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1986-87	1987-88	1988-89
GENERAL FUND	Actual	Available	Budget
GENERAL GOVERNMENT:			
General Government Operations	\$ 66,437	\$ 70,662	\$ 75,585
(F) Drug Enforcement	223	44	.....
(F) Traffic Institute Training	2	.....	.....
(F) Operation C.A.R.E.	180	200	.....
(F) Program Management	19	23	23
(F) Traffic Evaluations	3	33	.....
(F) Highway Line Markings	475	270	200
(F) Speed Enforcement Task Force	129	.....	.....
(F) Instructor Training	10	.....	.....
(F) Traffic Accident Prevention .....	.....	6	.....
(F) Alcohol Safety Education	2	4	.....
(F) Highway Safety Evaluations .....	.....	6	.....
(F) Alcohol Safety Training	10	45	20
(F) Traffic Enforcement	175	242	450
(F) Automated Fingerprint Identification	12	.....	.....
(F) Blood Alcohol Testing Equipment	60	.....	.....
(F) Summer Traffic Enforcement .....	.....	300	.....
(F) Motor Carrier Safety	331	1,059	247
(F) Electronic Fingerprinting .....	.....	28	.....
(F) DUI Enforcement .....	.....	450	.....
(F) Patrol Administration .....	.....	32	35
(A) Turnpike Commission	10,415	10,880	11,200
(A) Criminal History Record Checks	1,711	1,757	1,400
(A) Photo License Centers	44	43	43
(A) Training Fees	226	280	275
(A) Miscellaneous Services	123	125	105
(A) Transfer From Motor License Fund ^a .....	.....	.....	.....
Subtotal — State Funds	\$ 66,437	\$ 70,662	\$ 75,585
Subtotal — Federal Funds	1,631	2,742	975
Subtotal — Augmentations	12,519	13,085	13,023
Total — General Government Operations	\$ 80,587	\$ 86,489	\$ 89,583
Patrol Vehicles .....	.....	\$ 970	\$ 2,344
(A) Automobile Sales	\$ 723	750	710
(A) Transfer From Motor License Fund ^a .....	.....	.....	.....
Total — Patrol Vehicles	\$ 723	\$ 1,720	\$ 3,054

STATE POLICE

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Budget
GENERAL GOVERNMENT: (continued)			
Municipal Police Training	\$ 2,181	\$ 2,314	\$ 2,419
(A) Transfer From Motor License Fund ^a .....	.....	.....	.....
Law Enforcement .....	.....	\$ 562	.....
(F) Administration .....	.....	121	.....
(F) Statewide Enforcement .....	.....	2,421	.....
Total — Law Enforcement .....	.....	<u>\$ 3,104</u>	.....
STATE FUNDS	\$ 68,618	\$ 74,508	\$ 80,348
FEDERAL FUNDS	1,631	5,284	975
AUGMENTATIONS	<u>13,242</u>	<u>13,835</u>	<u>13,733</u>
GENERAL FUND TOTAL	<u>\$ 83,491</u>	<u>\$ 93,627</u>	<u>\$ 95,056</u>
MOTOR LICENSE FUND			
GENERAL GOVERNMENT:			
General Government Operations	\$ 149,704	\$ 152,205	\$ 158,473
Patrol Vehicles .....	.....	6,030	4,759
Officer Uniforms .....	.....	1,675	.....
Municipal Police Training	<u>2,181</u>	<u>2,314</u>	<u>2,420</u>
MOTOR LICENSE FUND TOTAL	<u>\$ 151,885</u>	<u>\$ 162,224</u>	<u>\$ 165,652</u>
OTHER FUNDS			
STATE STORES FUND::			
Liquor Control Enforcement .....	.....	<u>\$ 17,700</u>	<u>\$ 13,261</u>
STATE STORES FUND TOTAL .....	.....	<u>\$ 17,700</u>	<u>\$ 13,261</u>
DEPARTMENT TOTAL — ALL FUNDS			
GENERAL FUND	\$ 68,618	\$ 74,508	\$ 80,348
SPECIAL FUNDS	151,885	162,224	165,652
FEDERAL FUNDS	1,631	5,284	975
AUGMENTATIONS	<u>13,242</u>	<u>13,835</u>	<u>13,733</u>
OTHER FUNDS .....	.....	<u>17,700</u>	<u>13,261</u>
TOTAL ALL FUNDS	<u>\$ 235,376</u>	<u>\$ 273,551</u>	<u>\$ 273,969</u>

^aNot added to total to avoid double counting. See Motor License Fund section of this summary for dollar amounts.

STATE POLICE

Program Funding Summary:

	(Dollar Amounts in Thousands)						
	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
	Actual	Available	Budget	Estimated	Estimated	Estimated	Estimated
PUBLIC PROTECTION AND LAW ENFORCEMENT:							
General Fund	\$ 68,618	\$ 74,508	\$ 80,348	\$ 85,195	\$ 90,261	\$ 92,972	\$ 95,767
Special Funds	151,885	162,224	165,652	171,151	176,920	183,056	189,494
Federal Funds	1,631	5,284	975	966	934	904	951
Other Funds	13,242	31,535	26,994	28,000	29,097	30,240	31,435
TOTAL	\$ 235,376	\$ 273,551	\$ 273,969	\$ 285,312	\$ 297,212	\$ 307,172	\$ 317,647

PROGRAM OBJECTIVE: The State Police enforce the law and preserve the peace through detection of crime and apprehension of criminals, patrol of highways, enforcement of the Vehicle Code and abatement of certain fire hazards.

Program: Public Protection and Law Enforcement

Program Element: Management

This program element provides direction and coordination for all line and staff activities of the State Police, including administrative and overhead systems for the operation of various law enforcement programs. Included in this program are the provision of protection to the Governor and visiting dignitaries, security of the executive residence, and background investigations on State job applicants.

Program Element: Operator Qualifications Control

The Commonwealth's Driver Licensing Program has been developed to insure that persons operating vehicles on the highways of the Commonwealth are physically and mentally qualified to do so in a safe manner. For this reason, it is necessary to examine new driver license applicants and reexamine existing licensed drivers to determine their driving ability, physical and mental qualifications, and knowledge of the rules of safe driving.

The driver licensing program is a combined effort of the State Police and the Department of Transportation.

Program Element: Vehicle Standards Control

The vehicle inspection program within the Commonwealth is currently conducted jointly by the Pennsylvania Department of Transportation and the Pennsylvania State Police. This program was established to provide vehicle safety through periodic inspection of motor vehicles and removal of unsafe vehicles from the Commonwealth's highways. The private sector inspects registered vehicles under the oversight of the State Police and Department of Transportation. The Department of Transportation administers the selling and distribution of inspection stickers while the State Police monitor the program through inspection station visitations.

Program Element: Traffic Supervision

Enforcing the Commonwealth's traffic laws is a major responsibility of the Pennsylvania State Police. The department emphasizes reducing traffic accidents and bringing the motoring public into voluntary compliance with all traffic laws through patrol and enforcement activities. Traffic patrol and enforcement are provided by the State Police in those municipalities where there are no full-time police departments, and on all Interstate highways. Traffic assistance is also provided, upon request, to municipalities with full-time police departments.

The Pennsylvania State Police utilize various patrol and enforcement techniques; however, the very presence of visible police patrols continues to have the greatest impact on reducing traffic accidents. In this regard, the State Police attempt to allocate patrol activities to those areas and locations with high traffic and accident volume.

Program Element: Crime Prevention

Combating crime is not the responsibility of police alone. It requires the active, organized involvement of the public if any significant results are to be realized.

Since many crimes are preventable, the State Police have elicited citizen participation by providing guidance as to: precautions the average individual may take to protect his/her person, family, and property from crime; steps that neighbors may take towards protecting one another from crime; measures which individuals may take to reduce physical danger and property loss should they become a victim of crime; and steps citizens may take to help police solve crimes.

Program Element: Criminal Law Enforcement

State Police activities in this program are geared toward controlling the incidence of crime. Many factors affect the type and volume of crime that occurs within the Commonwealth. Some of the more important factors are density and size of community population, economic conditions, including job availability, cultural conditions, and effective strength of law enforcement agencies.

There are two ways to measure the productivity of the police effort in the criminal justice system. The first is the clearance rate, the percentage of reported crimes for which an arrest is made. The second is the conviction rate, the percentage of convictions resulting from total arrests.

Program Element: Emergency Assistance

The State Police are normally called upon whenever any special situations occur within the Commonwealth. The department has primary police jurisdiction in large areas of the Commonwealth and also provides assistance to a variety of local and State agencies, particularly law enforcement agencies. This department classifies emergency assistance into two separate categories: civil disorder and disturbances, and emergency management.

Civil disorder and disturbances are incidents that are or may become criminal in nature in such categories as labor disorders, strikes, campus-school disorders, youth group disorders, terrorism and hostage situations.

Program Element: Liquor Control Enforcement

Act 14 of 1987 transferred responsibility for liquor control enforcement to the Pennsylvania State Police effective July 1, 1987. Although all liquor laws will be strictly enforced, special enforcement efforts in the near term will be directed to nuisance bars, underage drinking and border patrols. The Bureau of Enforcement has its own legal staff to aid in the prosecutorial effort.

STATE POLICE

Program: Public Protection and Law Enforcement (continued)

Program Measures:

	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
Operator Qualifications Control							
New driver examinations	273,232	260,000	250,000	250,000	250,000	250,000	250,000
Reexamined operators	128,100	120,000	118,000	118,000	118,000	118,000	118,000
Vehicle Standards Control							
Inspection station visitations	17,808	18,000	18,500	18,500	18,500	18,500	18,500
School bus and mass transit vehicle inspections	21,461	21,500	21,500	21,500	21,500	21,500	21,500
Traffic Supervision							
Arrests for moving violations	289,818	300,000	305,000	305,000	305,000	305,000	305,000
State Police arrests for intoxication	4,578	4,800	5,000	5,000	5,000	5,000	5,000
Local police receiving basic training	800	1,425	1,450	1,450	1,450	1,450	1,450
Crime Prevention							
National crime rate (per 100,000 population)	5,479	5,617	5,731	5,845	5,959	6,073	6,187
State crime rate (per 100,000 population)	3,088	3,108	3,127	3,145	3,164	3,182	3,201
Persons arrested by State Police	10,031	9,220	9,180	9,180	9,180	9,180	9,180
Liaison visits to courts, schools, police departments, etc.	6,063	6,096	6,157	6,218	6,281	6,343	6,407
Criminal Law Enforcement							
Crimes against persons investigated by State Police:							
Total	2,709	2,750	2,800	2,800	2,800	2,800	2,800
Percent resulting in arrests	64.5%	62%	60%	60%	60%	60%	60%
Percent of those arrested who are convicted	56.9%	60%	60%	60%	60%	60%	60%
Crimes against property investigated by State Police:							
Total	37,440	37,500	37,500	37,500	37,500	37,500	37,500
Percent resulting in arrests	22.4%	20%	20%	20%	20%	20%	20%
Percent of those arrested who are convicted	84.7%	80%	77%	77%	77%	77%	77%
Emergency Assistance							
Emergency assistance situations requiring State Police response	11	20	25	25	25	25	25
Arrests by State Police stemming from emergency assistance situations	17	35	50	50	50	50	50
Liquor Control Enforcement							
Enforcement Investigations		27,000	27,500	27,500	27,500	27,500	27,500

STATE POLICE

Program: Public Protection and Law Enforcement (continued)

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

GENERAL FUND AND MOTOR LICENSE FUND COMBINED		Municipal Police Training
General Government Operations		
\$ 560	—to increase State Police strength.	\$ 120 —contract to implement new curriculum.
800	—to improve emergency capability by upgrading one helicopter.	65 —upgrade educational equipment.
288	—to improve intoxication testing by acquiring state-of-the-art breathtesting equipment.	26 —to continue current program.
274	—to upgrade the crime laboratory.	
275	—to replace 25 criminal investigation vehicles.	
9,006	—to continue current program.	
-12	—savings from press/communications reorganization.	
\$ 11,191		<i>Appropriation Increase</i>

In addition, this budget recommends continuation of patrol vehicles and liquor control enforcement at the 1987-88 level of activity. The Officers Uniforms in 1987-88 is a nonrecurring project.

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
GENERAL FUND:							
General Government Operations	\$ 66,437	\$ 70,662	\$ 75,585	\$ 80,215	\$ 85,057	\$ 87,612	\$ 90,245
Municipal Police Training	2,181	2,314	2,419	2,492	2,566	2,644	2,722
Patrol Vehicles	.....	970	2,344	2,488	2,638	2,716	2,800
Law Enforcement	.....	562	.....	.....	.....	.....	.....
TOTAL GENERAL FUND	\$ 68,618	\$ 74,508	\$ 80,348	\$ 85,195	\$ 90,261	\$ 92,972	\$ 95,767
SPECIAL FUNDS:							
MOTOR LICENSE FUND							
General Government Operations	\$ 149,704	\$ 152,205	\$ 158,473	\$ 163,737	\$ 169,264	\$ 175,067	\$ 181,160
Municipal Police Training	2,181	2,314	2,420	2,492	2,566	2,644	2,722
Patrol Vehicles	.....	6,030	4,759	4,922	5,090	5,345	5,612
Officer Uniforms	.....	1,675	.....	.....	.....	.....	.....
TOTAL MOTOR LICENSE FUND	\$ 151,885	\$ 162,224	\$ 165,652	\$ 171,151	\$ 176,920	\$ 183,056	\$ 189,494
STATE STORES FUND:							
Liquor Control Enforcement	.....	\$ 17,700	\$ 13,261	\$ 13,924	\$ 14,620	\$ 15,351	\$ 16,119



Commonwealth of Pennsylvania

Tax Equalization Board

The State Tax Equalization Board determines annually the aggregate market value of assessed taxable real property throughout the Commonwealth for use in determining the amount and allocation of Commonwealth subsidies to school districts, for use in determining State support of public libraries, and in determining certain tax limitations.

TAX EQUALIZATION BOARD

Summary by Fund and Appropriation

	1986-87 Actual	(Dollar Amounts in Thousands) 1987-88 Available	1988-89 Budget
GENERAL FUND			
<i>GENERAL GOVERNMENT:</i>			
General Government Operations	\$ 933	\$ 1,015	\$ 1,043
GENERAL FUND TOTAL	<u>\$ 933</u>	<u>\$ 1,015</u>	<u>\$ 1,043</u>

TAX EQUALIZATION BOARD

Program Funding Summary:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
EDUCATION SUPPORT SERVICES:							
General Fund	<u>\$ 933</u>	<u>\$ 1,015</u>	<u>\$ 1,043</u>	<u>\$ 1,074</u>	<u>\$ 1,107</u>	<u>\$ 1,140</u>	<u>\$ 1,174</u>

TAX EQUALIZATION BOARD

PROGRAM OBJECTIVE: To provide an effective administrative system to assess taxable real property value which is the basis for an equitable distribution of tax funds to support education services.

Program: Education Support Services

The State Tax Equalization Board is an independent administrative board created to ensure equitable distribution of tax funds among the State's school districts. The board in accordance with Act 147 of 1947, determines annually the aggregate market value of taxable real property in each of the more than 2,500 municipalities and 501 school districts in the Commonwealth and certifies the market value to the Secretary of Education. The results are used in determining distribution of State subsidies to school districts and local libraries, in lieu of tax payments under Project 70 Land Acquisitions, limitations on real estate taxes in

school districts lying in more than one county, tax limitations in financing community colleges and overall tax limitations for political subdivisions and school districts. The program includes holding of hearings and analysis of real estate values and transactions. Act 267 of 1982 requires the Board to establish annually a common level ratio of assessed value to market value in each county for the prior calendar year.

Act 192 of 1986 requires the board to certify assessors for the valuation of real property for ad valorem taxation purposes.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

General Government Operations		
\$	13	—to continue current program.
	15	—to meet the requirements of the Assessors Certification Act (Act 192 of 1986).
\$	28	<i>Appropriation Increase</i>

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
GENERAL FUND:							
General Government Operations	\$ 933	\$ 1,015	\$ 1,043	\$ 1,074	\$ 1,107	\$ 1,140	\$ 1,174



Commonwealth of Pennsylvania

Department of Transportation

The responsibility of the Department of Transportation is to provide fast, efficient and safe movement of people and goods within the Commonwealth through a balanced transportation system. The department was formed July 1, 1970 by an act of the Legislature combining the former Department of Highways with other transportation-related activities in various departments.

TRANSPORTATION

Summary by Fund and Appropriation

GENERAL FUND	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Budget
GENERAL GOVERNMENT:			
Mass Transportation Operations	\$ 911	\$ 872	910
(F) UMTA — Technical Studies Grants	407	422	427
(F) Capital Assistance	69	95	85
(F) Surface Transportation Assistance	425	425	526
(F) UMTA — Capital Grants	5	20	.....
(F) UMTA — Capital Assistance	794	1,014	.....
(F) UMTA — Capital Improvement Grants	3,627	2,865	2,000
(F) Ridesharing and Planning	4	.....	.....
(A) Aviation Restricted Revenue	31	66	45
(A) Lease Recovery Costs — Ridesharing	94	175	175
(A) User Fees — Ridesharing	49	.....	.....
(A) Governor's Energy Council	90	.....	.....
Goods Movement Operations	228 ^a	263 ^a	588
(F) Title IV Rail Assistance	200	200	100
Comprehensive Rail Study	250	.....	.....
Small Transportation Projects .....	.....	207	.....
Railroad Bridge Inspections	175	175	.....
Vehicle Sales Tax Collections	1,505	1,550	1,612
Welcome Centers .....	.....	711	940
Pennsylvania Coordinate System	100	.....	.....
High Speed Intercity Rail Passenger Commission	500	.....	.....
Subtotal — State Funds	\$ 3,669	\$ 3,778	\$ 4,050
Subtotal — Federal Funds	5,531	5,041	3,138
Subtotal — Augmentations	264	241	220
Total — General Government	\$ 9,464	\$ 9,060	\$ 7,408
GRANTS AND SUBSIDIES:			
Mass Transportation Assistance	\$ 179,586	\$ 210,271	\$ 193,682
(A) Transfer from State Workmens Insurance Fund .....	.....	.....	25,000
Total — Mass Transit Assistance	\$ 179,586	\$ 210,271	\$ 218,682
Rural and Intercity Rail and Bus Transportation	3,783	5,249	4,854
Rail Freight Assistance	3,748	3,784	4,500
(F) Surface Transportation — Operating	3,369	3,400	3,700
(F) Surface Transportation Assistance Capital	3,665	3,500	4,000
(A) Intercity Transportation Projects	189	467	467
Civil Air Patrol	325	375	200
Coast Guard Auxillary	200	100	100
Subtotal — State Funds	\$ 187,642	\$ 219,779	\$ 203,336
Subtotal — Federal Funds	7,034	6,900	7,700
Subtotal — Augmentations	189	467	25,467
Total — Grants and Subsidies	\$ 194,865	\$ 227,146	\$ 236,503
STATE FUNDS	\$ 191,311	\$ 223,557	\$ 207,386
FEDERAL FUNDS	12,565	11,941	10,838
AUGMENTATIONS	453	708	25,687
GENERAL FUND TOTAL	\$ 204,329	\$ 236,206	\$ 243,911

^aActually appropriated as part of Mass Transportation Operations.

TRANSPORTATION

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Budget
MOTOR LICENSE FUND			
GENERAL GOVERNMENT:			
General Government Operations	\$ 20,901	\$ 21,528	\$ 22,544
Refunding Collected Monies (EA)	1,725	1,725	1,725
(A) Mass Transportation	319	350	160
(A) Duplicating Services	59	100	100
(A) Aviation Restricted Revenue	25	55	100
(A) Sale of Equipment	4	.	5
(A) Administrative Hearings	185	200	200
(A) Inspector General	58	100	120
Subtotal — State Funds	\$ 22,626	\$ 23,253	\$ 24,269
Subtotal — Augmentations	650	805	685
Total — General Government Operations	\$ 23,276	\$ 24,058	\$ 24,954
Highway and Safety Improvement	147,485	162,560	183,560
(F) Highway Research, Planning and Construction	432,040	553,740	361,800
(F) Forest Highways .....	.	100	100
(F) Highway Safety Program	197	200	200
(A) Highway Construction Contributions	5,185	5,730	5,730
(A) Aviation Restricted Revenue	31	80	80
(A) Mass Transportation	336	170	170
(A) Photo ID Program .....	.	20	20
(R) ACI Project Expenditures ^a .....	.	.	.
(R) Highway Bridge Projects	139,326	61,400	29,600
(F) Federal Aid — Highway Bridge Projects	63,590	95,000	91,000
(A) Bridge Construction Contributions	424	500	500
(A) Capital Facilities Fund ^b .....	.	.	.
(A) Bridge Reimbursements from Local Governments	4	100	100
Subtotal — State Funds	\$ 147,485	\$ 162,560	\$ 183,560
Subtotal — Federal Funds	495,827	649,040	453,100
Subtotal — Augmentations	5,980	6,600	6,600
Subtotal — Restricted Revenue	139,326	61,400	29,600
Total — Highway and Safety Improvements	\$ 788,618	\$ 879,600	\$ 672,860

^aNot added to the total to avoid double counting; 1986-87 actual is \$55,561,000, 1987-88 available is \$207,571,000 and 1988-89 budget is \$118,548,000.

^bNot added to total to avoid double counting; 1986-87 actual is \$34,020,000, 1987-88 available is \$85,000,000 and 1988-89 budget is \$41,000,000.

TRANSPORTATION

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Budget
GENERAL GOVERNMENT (continued):			
Highway Maintenance	\$ 548,638	\$ 567,609	\$ 582,887
Secondary Roads — Maintenance and Resurfacing (EA) ..	51,362	52,896	53,113
Highway Maintenance — Supplemental	10,947	16,766	14,531
One-Time Maintenance Payment	20,000	.....	.....
Highway Restorations — Highway Transfer	5,000	.....	.....
Salt Storage Buildings	1,500	1,500	1,500
Roadside Rest Areas .....	.....	.....	2,000
Reinvestment — Facilities .....	.....	.....	3,000
Local Bridge Inspection	391	800	800
(F) Highway Research, Planning and Construction	159,598	174,875	175,000
(F) State and Community Highway Safety	72	200	200
(F) Federal Highway Administration	1,458	2,700	500
(F) Federal Emergency Management Agency .....	.....	1,600	300
(F) Local Bridge Inspection .....	.....	3,200	3,200
(A) Highway Maintenance Contributions	3,144	3,500	3,700
(A) Sale of Automobiles	116	150	150
(A) Sale of Equipment	1,070	1,850	1,850
(A) Heavy Hauling-Bonded Roads	889	2,540	2,540
(A) Sale of Signs	37	125	125
(A) Accident Damage Claims	3,262	5,000	5,000
(A) Photo ID Program	9	.....	.....
(A) Litter Fine Receipts	8	50	50
(A) Keep Pennsylvania Beautiful Contributions .....	.....	50	50
(A) Recovered Permit Compliance Cost	1	10	10
(A) Aviation Restricted Revenue	26	25	25
Subtotal — State Funds	\$ 637,838	\$ 639,571	\$ 657,831
Subtotal — Federal Funds	161,128	182,575	179,200
Subtotal — Augmentations	8,562	13,300	13,500
Total — Highway Maintenance	\$ 807,528	\$ 835,446	\$ 850,531
Safety Administration and Licensing	48,416	44,483	48,064
(F) State and Community Highway Safety	1,735	1,830	1,625
Motor Vehicle Insurance Compliance .....	.....	.....	994
(A) Computer Support	71	150	150
(A) Photo ID Program	3,598	3,505	3,482
(A) Motor Vehicle Sales Tax ^a .....	.....	.....	.....
(A) Emission Mechanic Training Courses	9	20	20
(A) Motorcycle Safety Program	771	1,000	1,000
Subtotal — State Funds	\$ 48,416	\$ 44,483	\$ 49,058
Subtotal — Federal Funds	1,735	1,830	1,625
Subtotal — Augmentations	4,449	4,675	4,652
Total — Safety Administration and Licensing	\$ 54,600	\$ 50,988	\$ 55,335

^aNot added to total to avoid double counting; 1986-87 actual is \$1,505,000, 1987-88 available is \$1,550,000 and 1988-89 budget is \$1,612,000.

TRANSPORTATION

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Budget
GENERAL GOVERNMENT (continued):			
(R) Aviation Operations ^a	\$ 6,896	\$ 6,887	\$ 8,744
(F) Airport Development Aid Program	35	94	98
(F) HIA — Industrial Park .....	.....	1	.....
(F) Airport Inspection .....	.....	20	20
(F) Federal Aid — HIA	641	3,023	5,588
(F) Federal Aid — Other State Airports	274	2,830	3,938
(A) HIA Utility Services	331	454	730
(A) Other State Airports Utility Services	105	125	323
(A) Flight Operations	286	340	340
(A) Police Citations — HIA	6	.....	.....
(A) Airport Inspections and Licensing	17	.....	.....
Subtotal — Federal Funds	<u>\$ 950</u>	<u>\$ 5,968</u>	<u>\$ 9,644</u>
Subtotal — Augmentations	745	919	1,393
Subtotal — Restricted Revenue	6,896	6,887	8,744
Total — Aviation Operations	<u>\$ 8,591</u>	<u>\$ 13,774</u>	<u>\$ 19,781</u>
State Funds	\$ 856,365	\$ 869,867	\$ 914,718
Federal Fund	659,640	839,413	643,569
Augmentations	20,386	26,299	26,830
Restricted Revenue	146,222	68,287	38,344
Total — General Government	<u>\$ 1,682,613</u>	<u>\$ 1,803,866</u>	<u>\$ 1,623,461</u>
DEBT SERVICE REQUIREMENTS:			
State Highway and Bridge Authority Rentals	<u>\$ 27,515</u>	<u>\$ 26,200</u>	<u>\$ 24,300</u>
GRANTS AND SUBSIDIES:			
Local Road Maintenance and Construction Payments	\$ 147,158	\$ 151,533	\$ 156,798
Supplemental Local Road Maintenance and Construction Payments	5,000	5,000	5,000
Philadelphia Payment — Franchise Tax (EA)	<u>927</u>	<u>948</u>	<u>946</u>
Total — Local Road Maintenance and Construction Payments	<u>\$ 153,085</u>	<u>\$ 157,481</u>	<u>\$ 162,744</u>
(R) Local Grants for Bridge Projects (EA)	10,350	26,600	30,300
(F) Federal Aid — Local Grants for Bridge Projects	304	700	700
(A) Local Governments	18	150	150
(R) Annual Maintenance Payments — Highway Transfer (EA)	5,570	6,700	7,235
(R) Restoration Projects — Highway Transfer (EA)	9,414	8,551	7,544
(R) Business Airport Grants ^a .....	.....	.....	1,500
(R) Airport Development ^a	\$ 3,500	\$ 4,500	4,500
(R) Runway Rehabilitation ^a	256	500	500
(R) Real Estate Tax Rebate ^a	231	243	238
Subtotal — State Funds	\$ 153,085	\$ 157,481	\$ 162,744
Subtotal — Federal Funds	304	700	700
Subtotal — Augmentations	18	150	150
Subtotal — Restricted Revenue	29,321	47,094	51,817
Total — Grant and Subsidies	<u>\$ 182,728</u>	<u>\$ 205,425</u>	<u>\$ 215,411</u>

^aAppropriation from restricted revenue account.

TRANSPORTATION

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Budget
STATE FUNDS	\$ 1,036,965	\$ 1,053,548	\$ 1,101,762
FEDERAL FUNDS	659,944	840,113	644,269
AUGMENTATIONS	20,404	26,449	26,980
RESTRICTED REVENUES	175,543	115,381	90,161
MOTOR LICENSE FUND TOTAL	<u>\$ 1,892,856</u>	<u>\$ 2,035,491</u>	<u>\$ 1,863,172</u>
LOTTERY FUND			
<i>GENERAL GOVERNMENT:</i>			
Ridership Verification	\$ 100	\$ 100	.....
<i>GRANTS AND SUBSIDIES:</i>			
Older Pennsylvanians Free Transit	\$ 71,415	\$ 69,503	\$ 73,060
Older Pennsylvanians Shared Rides	39,402	44,300	46,075
Demand Response Equipment Grants	2,292	2,300	2,300
Transfer to MLF — Vehicle Registration — Older Pennsylvanians	2,512	2,500	2,600
Total — Grants and Subsidies	<u>\$ 115,621</u>	<u>\$ 118,603</u>	<u>\$ 124,035</u>
LOTTERY FUND TOTAL	<u>\$ 115,721</u>	<u>\$ 118,703</u>	<u>\$ 124,035</u>
OTHER FUNDS			
<i>GENERAL FUND:</i>			
Federal Grants — Railroad Freight Rehabilitation	\$ 1,979	\$ 3,000	5,000
GENERAL FUND TOTAL	<u>\$ 1,979</u>	<u>\$ 3,000</u>	<u>\$ 5,000</u>
<i>MOTOR LICENSE FUND:</i>			
Federal Reimbursements to Political Subdivisions — Highway Safety Program	\$ 2,970	\$ 3,000	\$ 3,500
Federal Reimbursements to Political Subdivisions — TOPICS	752	2,000	2,000
Federal Grants — Airport Development Aid Program	251	1,000	1,000
Federal Reimbursements for Roads Off the State System Costs .....	.....	1,000	1,000
Federal Urban System Funds	15,107	18,000	18,000
Reimbursements to Municipalities — Vehicle Code Fines and Penalties	11,789	12,000	12,200
Federal Reimbursements — Flood Related Costs	609	2,000	750
Reimbursement to Other States — Apportioned Registration Plan	7,251	8,000	8,300
Federal Reimbursements — Bridge Projects	21,427	25,000	26,000
Motorcycle Safety Education	771	1,000	1,000
Equipment Rental Security Deposits	98	.....	100
Payments to Blind/Visually Handicapped .....	.....	90	90
Advance Construction Interstate — FRANS ^a	51,234	131,666	108,406
MOTOR LICENSE FUND TOTAL	<u>\$ 112,259</u>	<u>\$ 204,756</u>	<u>\$ 182,346</u>

^aThe actual, available and budget year numbers reflect amounts available for expenditure. In past budgets amounts reflected issuances.

TRANSPORTATION

(Dollar Amounts in Thousands)

	1986-87 Actual	1987-88 Available	1988-89 Budget
OTHER FUNDS			
<i>HIGHWAY BEAUTIFICATION FUND:</i>			
Control of Junkyards	\$ 63	\$ 231	\$ 69
Control of Outdoor Advertising	335	378	393
HIGHWAY BEAUTIFICATION FUND TOTAL	\$ 398	\$ 609	\$ 462
<i>LIQUID FUELS TAX FUND:</i>			
Payments to Counties	\$ 23,914	\$ 26,713	\$ 27,074
LIQUID FUELS TAX FUND TOTAL	\$ 23,914	\$ 26,713	\$ 27,074
OTHER FUNDS TOTAL	\$ 138,550	\$ 235,078	\$ 214,882
 DEPARTMENT TOTALS — ALL FUNDS			
GENERAL FUNDS	\$ 191,311	\$ 223,557	\$ 207,386
SPECIAL FUNDS	1,152,686	1,172,251	1,225,797
FEDERAL FUND	672,509	852,054	655,107
AUGMENTATIONS	20,857	27,157	52,667
RESTRICTED REVENUE	175,543	115,381	90,161
OTHER FUNDS	138,550	235,078	214,882
TOTAL ALL FUNDS	\$ 2,351,456	\$ 2,625,478	\$ 2,446,000

TRANSPORTATION

Program Funding Summary:

	(Dollar Amounts in Thousands)						
	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
	Actual	Available	Budget	Estimated	Estimated	Estimated	Estimated
TRANSPORTATION SUPPORT SERVICES							
General Fund	\$ 1,339	\$ 1,442	\$ 1,598	\$ 1,437	\$ 1,477	\$ 1,518	\$ 1,560
Special Funds	22,626	23,253	24,269	25,396	26,580	27,823	29,128
Federal Funds	5,531	5,041	3,138	3,138	3,138	3,138	3,138
Other Funds	914	1,046	905	915	925	936	942
TOTAL	\$ 30,410	\$ 30,782	\$ 29,910	\$ 30,886	\$ 32,120	\$ 33,415	\$ 34,768
STATE HIGHWAY AND BRIDGE CONSTRUCTION/RECONSTRUCTION							
General Fund	\$ 100						
Special Funds	175,000	\$ 188,760	\$ 207,860	\$ 148,200	\$ 138,400	\$ 133,000	\$ 116,000
Federal Funds	495,827	649,040	453,100	475,000	409,000	357,000	344,000
Other Funds	200,660	197,275	150,568	112,675	49,918	44,322	45,444
TOTAL	\$ 871,587	\$ 1,035,075	\$ 811,528	\$ 735,875	\$ 597,318	\$ 534,322	\$ 505,444
STATE HIGHWAY AND BRIDGE MAINTENANCE							
General Fund		\$ 711	\$ 940	\$ 865	\$ 891	\$ 918	\$ 946
Special Funds	\$ 632,447	638,771	657,031	653,531	652,531	651,531	651,531
Federal Funds	161,128	179,375	176,000	175,200	175,200	175,200	175,200
Other Funds	9,269	15,390	14,440	14,440	14,440	14,440	14,440
TOTAL	\$ 802,844	\$ 834,247	\$ 848,411	\$ 844,036	\$ 843,062	\$ 842,089	\$ 842,117
LOCAL HIGHWAY AND BRIDGE ASSISTANCE							
Special Funds	\$ 158,476	\$ 158,281	\$ 163,544	\$ 163,325	\$ 164,281	\$ 165,481	\$ 167,161
Federal Funds	304	3,900	3,900	3,700	3,700	3,700	3,700
Other Funds	97,589	132,714	129,503	124,151	123,458	128,253	129,937
TOTAL	\$ 256,369	\$ 294,895	\$ 296,947	\$ 291,176	\$ 291,439	\$ 297,434	\$ 300,798
URBAN MASS TRANSPORTATION							
General Fund	\$ 179,586	\$ 210,271	\$ 193,682	\$ 225,242	\$ 231,999	\$ 238,959	\$ 246,128
Other Funds			25,000				
TOTAL	\$ 179,586	\$ 210,271	\$ 218,682	\$ 225,242	\$ 231,999	\$ 238,959	\$ 246,128

TRANSPORTATION

Program Funding Summary: (continued)

	(Dollar Amounts in Thousands)						
	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
	Actual	Available	Budget	Estimated	Estimated	Estimated	Estimated
RURAL AND INTERCITY RAIL AND BUS TRANSPORTATION							
General Fund	\$ 8,456	\$ 9,208	\$ 9,354	\$ 9,354	\$ 9,354	\$ 9,354	\$ 9,354
Federal Funds	7,034	6,900	7,700	7,700	7,700	7,700	7,700
Other Funds	2,168	3,467	5,467	5,467	5,467	5,467	5,467
TOTAL	\$ 17,658	\$ 19,575	\$ 22,521	$ 22,521	$ 22,521	$ 22,521	$ 22,521
AIR TRANSPORTATION							
General Fund	\$ 325	\$ 375	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200
Federal Funds	950	5,968	9,644	5,460	5,660	5,864	6,075
Other Funds	11,879	14,049	17,875	17,605	16,549	17,025	17,541
TOTAL	\$ 13,154	\$ 20,392	\$ 27,719	\$ 23,265	\$ 22,409	\$ 23,089	\$ 23,816
SAFETY ADMINISTRATION AND LICENSING							
General Fund	\$ 1,505	\$ 1,550	\$ 1,612	\$ 1,661	\$ 1,711	\$ 1,763	\$ 1,815
Special Funds	48,416	44,483	49,058	50,992	53,542	56,219	59,030
Federal Funds	1,735	1,830	1,625	2,000	2,000	2,000	2,000
Other Funds	12,471	13,675	13,952	14,270	14,570	14,870	15,170
TOTAL	\$ 64,127	\$ 61,538	\$ 66,247	\$ 68,923	\$ 71,823	\$ 74,852	\$ 78,015
OLDER PENNSYLVANIANS TRANSIT							
Special Funds	\$ 115,721	\$ 118,703	\$ 124,035	\$ 127,187	\$ 130,845	\$ 134,539	\$ 138,431
ALL PROGRAMS							
GENERAL FUND	\$ 191,311	\$ 223,557	\$ 207,386	\$ 238,759	\$ 245,632	\$ 252,712	\$ 260,003
SPECIAL FUNDS	1,152,686	1,172,251	1,225,797	1,168,631	1,166,179	1,168,593	1,161,281
FEDERAL FUNDS	672,509	852,054	655,107	672,198	606,398	554,602	541,813
OTHER FUNDS	334,950	377,616	357,710	289,523	225,327	225,313	228,941
TOTAL	\$ 2,351,456	\$ 2,625,478	\$ 2,446,000	\$ 2,369,111	\$ 2,243,536	\$ 2,201,220	\$ 2,192,038

TRANSPORTATION

PROGRAM OBJECTIVE: To provide an effective administrative system supporting both non-highway and highway transportation programs.

Program: Transportation Support Services

This program provides for the administrative and overhead services which support the operations of programs necessary for the achievement of Commonwealth and department objectives.

The non-highway related activities provide administrative coordination, planning and support for all urban, rural and intercity mass transportation as well as rail freight transportation. Efficient and effective urban mass transportation is promoted through analysis of local transit operations and procedures, coordination and funding of urban planning and study projects, and review of local operating subsidy and capital grant projects. Activities designed to continue and improve rail and bus service between Pennsylvania's urbanized areas and bus service in rural areas include: preparing and coordinating needs studies; analyzing existing and proposed service levels; and evaluating the overall effectiveness of the program. This budget proposes to split the mass

transportation operations appropriation into two separate operating appropriations; mass transportation operations and goods movement operations. The split is being recommended to enhance the administration of both department programs.

The highway related activities develop basic guidelines for the highway program, while directing and coordinating specific construction, maintenance and safety and licensing activities. Among the various managerial responsibilities, support is provided in legal, budgetary, accounting, personnel, procurement, information systems, and public relations matters. In addition to supervisory functions performed by department employees, the work of the Inspector General's office, the State Transportation Commission and the Advisory Committee are included within this program.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

General Fund:		Motor License Fund:	
Mass Transportation Operations		General Government Operations	
\$ 38	—to continue current program.	\$ 1,069	—to continue current program.
		-53	—savings due to press/communications reorganization.
Goods Movement Operations			
\$ 200	—to provide for a Ports and Waterways study.		
125	—to continue current program.		
<hr/>		<hr/>	
\$ 325	<i>Appropriation Increase</i>	\$ 1,016	<i>Appropriation increase</i>

Coast Guard Auxiliary Board and Refunding Collected Monies are recommended at the current year level while Small Transportation Projects is a 1987-88 nonrecurring project.

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
GENERAL FUND:							
Mass Transportation Operations	\$ 911	\$ 872	\$ 910	\$ 938	\$ 966	\$ 995	\$ 1,025
Goods Movement Operations	228	263	588	399	411	423	435
Coast Guard Auxiliary Board	200	100	100	100	100	100	100
Small Transportation Projects		207					
TOTAL GENERAL FUND	<hr/> \$ 1,339	<hr/> \$ 1,442	<hr/> \$ 1,598	<hr/> \$ 1,437	<hr/> \$ 1,477	<hr/> \$ 1,518	<hr/> \$ 1,560
MOTOR LICENSE FUND:							
General Government Operations	\$ 20,901	\$ 21,528	\$ 22,544	\$ 23,671	\$ 24,855	\$ 26,098	\$ 27,403
Refunding collected monies	1,725	1,725	1,725	1,725	1,725	1,725	1,725
TOTAL MOTOR LICENSE FUND	<hr/> \$ 22,626	<hr/> \$ 23,253	<hr/> \$ 24,269	<hr/> \$ 25,396	<hr/> \$ 26,580	<hr/> \$ 27,823	<hr/> \$ 29,128

TRANSPORTATION

PROGRAM OBJECTIVE: To provide a highway and bridge system capable of meeting the more vital economic and recreational needs of the Commonwealth.

Program: State Highway and Bridge Construction/Reconstruction

This program involves major construction and reconstruction of the interstate highway system, the construction of high priority missing links, and the construction and reconstruction of State bridges.

Activities involve the construction of highways and bridges that contribute to the economic growth of the Commonwealth and the mobility of the State's citizens, while undertaking safety improvements that reduce personal injury and property damage. The scope of this program covers all 67 counties and includes Federal Interstate, Primary, Secondary, Urban, and Appalachia Roads as well as roads on the 100 percent State system. Within the limitations of funding available from Federal Aid, local construction contributions and current State revenues,

Transportation is charged with the responsibility of developing and executing a program that will correct the most critical deficiencies on the State-administered highway system.

This program also involves improvements to those State-owned bridges enumerated in the Highway Bridge Capital Budget Act of 1982-83 and the Bridge Capital Act of 1986. These improvements are funded through increases in annual registration fees for Commonwealth-registered vehicles having a gross weight in excess of 26,000 pounds and an additional six cent per gallon tax on motor fuel used by motor carriers in the operation of their vehicles having a gross weight in excess of 17,000 pounds on highways within the Commonwealth.

Program Measures:

	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
Miles of highway requiring construction or reconstruction	847	867	867	910	930	950	970
Miles of highway constructed or reconstructed	125	145	145	95	90	90	95
Bridges maintained (larger than 8 feet) ..	26,242	26,257	26,272	26,287	26,302	26,317	26,332
Bridges replaced/repaired	188	194	217	229	235	231	240

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

<p>Highway and Safety Improvement \$ 21,000 —to maintain the schedule of having all Interstate gaps open to traffic by 1990. This funding is in combination with Federal Reimbursement Anticipation Notes (FRANS). For 1988-89 this Budget recommends FRANS proceeds in the amount of \$108,406,000. The department's Interstate completion program includes the I-279/579 complex in Pittsburgh, I-78 in Lehigh and Northampton counties and I-676 (Vine Street Expressway) in Philadelphia.</p>	<p>—to provide for other key economic development projects initiated in 1988-89. These include two sections of the Mon-Valley Expressway in Washington County, North Cross Valley Expressway in Luzerne County, reconstruction of Route 12 in Northampton County, and the Davis Street extension in Lackawanna County.</p> <p>—to provide for Interstate restoration projects such as 11.9 miles of Interstate 81 in Schuylkill County, 5 miles of Interstate 76 in Philadelphia County, 10.5 miles of Interstate 79 in Butler County and 23.1 miles of Interstate 80 in Clearfield County.</p>
<p>State Highway and Bridge Authority Rentals \$ -1,900 —to provide for required principal and interest payments.</p>	

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
GENERAL FUND:							
Pennsylvania Coordinate System	\$ 100						
MOTOR LICENSE FUND							
Highway and Safety Improvement	\$ 147,485	\$ 162,560	\$ 183,560	\$ 130,000	\$ 126,000	\$ 126,000	\$ 116,000
State Highway and Bridge Authority Rentals	27,515	26,200	24,300	18,200	12,400	7,000	
TOTAL MOTOR LICENSE FUND	\$ 175,000	\$ 188,760	\$ 207,860	\$ 148,200	\$ 138,400	\$ 133,000	\$ 116,000

TRANSPORTATION

PROGRAM OBJECTIVE: To provide general routine maintenance, betterments and resurfacing necessary to preserve the quality of existing State-administered roads and bridges and to provide prompt winter services to enable safe passage of vehicles.

Program: State Highway and Bridge Maintenance

Pennsylvania, with one of the largest State maintained highway systems in the nation and one which is subjected to severe winters, is faced with significant and challenging maintenance demands.

Work carried out by the department or by contract includes patching, surface treatment, resurfacing, restabilization and minor betterment projects, plus repair of bridges, tunnels, and minor storm damage. The department places a heavy emphasis on durable resurfacing of high-volume primary highways which carry high volumes of truck traffic. The department has labelled these highways the Priority Commercial Network. Snow and ice control services are performed on all State-administered highways as well as on an additional one thousand miles of selected city streets which were assigned to the department by Act 60 of the 1970 Legislative session. Other important maintenance activities, not involved directly with the roadway surface itself, include cleaning, manufacturing, and repairing highway signs, repainting

pavement markings, and repairing or replacing such safety features as traffic signals, guiderails, median barriers and right-of-way fences.

The department issues special permits to truck operators in the cases of weight restrictions or special operating restrictions on certain highways and bridges. By issuing these permits the department is able to facilitate economic growth in the Commonwealth without adversely affecting the structural integrity of the highways and bridges or the safe and convenient passage of traffic.

The truck weight and safety enforcement program is credited with reducing maintenance costs for highways and bridges and increasing the public safety by minimizing the number of dangerously overloaded trucks. High volumes of trucks are weighed using semi-permanent weigh stations incorporating mobile high speed weigh in motion equipment and instrumentation. The program yields greater effectiveness at a fraction of the cost to construct permanent weigh stations.

Program Measures:

	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
Miles of State maintained highways	42,463	42,261	42,095	41,958	41,827	41,709	41,601
Miles of State maintained highways improved:							
Resurfaced	581	436	478	502	498	502	546
Surface treated	6,782	5,644	5,850	5,717	5,650	5,583	5,516
Total	7,363	6,080	6,328	6,219	6,148	6,085	6,062
Truck weight and safety enforcement							
Trucks weighed	409,507	300,000	410,000	415,000	420,000	420,000	420,000
Weight violations	5,736	3,600	5,700	5,800	5,900	6,000	6,000
Trucks inspected	8,141	7,000	7,000	7,000	7,000	7,000	7,000
Safety violations	39,124	37,000	38,000	39,000	39,000	40,000	40,000

The 1986-87 program data for "Total Miles of State Maintained Highways Improved" is higher than data of all other years due to the One-time Maintenance Payment appropriation of \$20 million. Also the 1987-88 data for the "Truck Weight and Safety Enforcement" program measure is lower than in 1986-87 due to the Department of Transportation's implementation of a more comprehensive truck weight and safety program. This comprehensive program requires more detailed inspection per vehicle.

TRANSPORTATION

Program: State Highway and Bridge Maintenance (continued)

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

GENERAL FUND:			
Welcome Centers			Highway Maintenance Supplemental
\$ -	100	—to provide furnishings and accommodations for five Welcome Centers to better promote tourism within the Commonwealth.	\$ -2,235 —to insure that no county receives less of the total highway maintenance budget (combination of highway maintenance and secondary loads—maintenance and resurfacing) than it is receiving in the current year.
	129	—to continue current program.	
\$	229	<i>Appropriation increase</i>	
MOTOR LICENSE FUND:			
Highway Maintenance			Reinvestment — Facilities
\$	15,278	—to continue current program. This funding level will allow the Department of Transportation not only meet but exceed the annual goal of 6,000 miles of roadway improvements.	\$ 3,000 —1988-89 initiative to address the most critical building needs of Transportation's district and county offices.
			Roadside Rest Areas
			\$ 2,000 —1988-89 initiative to renovate existing roadside rest areas. This is being recommended in combination with improvements of the Commonwealth's Welcome Centers.
Secondary Roads—Maintenance and Resurfacing			
\$	217	—to continue current program.	

Salt storage buildings is a 1987-88 nonrecurring project.

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
GENERAL FUND:							
Welcome Centers .....	.....	\$ 711	\$ 940	\$ 865	\$ 891	\$ 918	\$ 946
MOTOR LICENSE FUND:							
Highway Maintenance	\$ 548,638	\$ 567,609	\$ 582,887	\$ 582,887	\$ 582,887	\$ 582,887	\$ 582,887
Highway Maintenance Supplemental	10,947	16,766	14,531	14,531	14,531	14,531	14,531
Secondary Roads — Maintenance and Resurfacing	51,362	52,896	53,113	53,113	53,113	53,113	53,113
Salt Storage Building	1,500	1,500	1,500	.....	.....	.....	.....
Reinvestment — Facilities .....	.....	.....	3,000	1,000	1,000	1,000	1,000
Roadside Rest Areas .....	.....	.....	2,000	2,000	1,000	.....	.....
One-time Maintenance Payment	20,000	.....	.....	.....	.....	.....	.....
TOTAL MOTOR LICENSE FUND.....	\$ 632,447	\$ 638,771	\$ 657,031	\$ 653,531	\$ 652,531	\$ 651,531	\$ 651,531

TRANSPORTATION

PROGRAM OBJECTIVE: To assist local governments in the maintenance and construction of their portion of the total highway and bridge system.

Program: Local Highway and Bridge Assistance

The Commonwealth provides a number of financial programs to assist municipalities in the maintenance and construction of their highway bridge systems.

Nearly twenty percent of Pennsylvania's twelve cent per gallon liquid fuels tax and twenty percent of thirty-five mills of the oil franchise tax are currently made available to local governments for use on their roads as a result of the following legislatively mandated programs. The first one-half cent of the twelve cent gallonage tax is deposited directly into the Liquid Fuels Tax Fund and apportioned to the 67 counties. Of the remaining eleven and one-half cent fuels tax, twenty percent is distributed from the Motor License Fund to 2,572 municipalities. Also included in the distribution to municipalities is twenty percent of 3.5 percent of the 6 percent oil franchise tax. As part of the oil franchise tax legislation, Philadelphia receives a separate payment annually in an amount equal to two percent of the retail sales within the city less increased State allocations to Philadelphia. In addition, in 1980 the General Assembly established an annual appropriation of \$5 million to be returned to local governments for further highway improvements.

Act 32 of 1983 established a local highway turnback program by authorizing the establishment of a separate restricted revenue account within the Motor License Fund. Funding for this program currently consists of three mills of the oil franchise tax. Funds deposited into this account are used for restoration work to upgrade the road to acceptable standards and to provide an annual maintenance payment in the amount

of \$2,500 per mile. The department has the funding mechanism and legal authority to ultimately return approximately 5,800 of 12,000 miles of functionally-local highways to the Commonwealth's municipalities.

In recognition of structural problems with over 28,000 local bridges, the General Assembly authorized improvements to those bridges through the Highway Bridge Capital Act of 1982-83 and the Bridge Capital Act of 1986. As with the State bridges contained in these capital acts, the improvements are funded through an increase in the annual registration fees for Commonwealth registered vehicles having a registered weight in excess of 26,000 pounds and an additional six cent per gallon tax on motor fuel used by motor carriers in the operation of their vehicles having a gross vehicle weight in excess of 17,000 pounds on highways within the Commonwealth.

In 1986 the General Assembly authorized a separate appropriation for local bridge inspection work. The work being performed involves primarily backlog of postings which cannot carry legal loads at operating stress levels. This program is being administered by the department and is intended to assist local governments in meeting the requirements of National Bridge Inspection Standards as mandated by Federal Law. This action will eliminate the potential loss of Federal aid for non-compliance of standards as well as minimizing future tort liability in this area. Given the benefits to be realized by local governments, the General Assembly also authorized that State funds needed to support this program be deducted from their liquid fuels tax allocations.

Program Measures:

	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
Miles of highway locally administered:							
Total	69,263	69,691	70,069	70,446	70,797	71,114	71,447
Percent of all highways in the Commonwealth	62.0%	62.3%	62.5%	62.7%	62.9%	63.0%	63.2%
Miles of local highways improved	1,357	1,307	1,250	1,225	1,200	1,175	1,150
Local bridges:							
Total (Greater than 8 feet)	22,500	22,507	22,514	22,521	22,528	22,535	22,542
Deficient/Obsolete Bridges	6,155	6,699	7,224	7,672	8,059	8,508	8,973
Brought up to standard through State bridge program	32	52	131	88	131	137	150

The data for "Brought up to standard through State Bridge Program" reflects actual and projected contract award schedule.

TRANSPORTATION

Program: Local Highway and Bridge Assistance (continued)

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

	Local Road Maintenance and Construction Payments	
\$ 2,922	—to continue current program.	
2,343	—to provide for the allocation of 1987-88 revenues above the official estimate.	
<u>\$ 5,265</u>		

Philadelphia Payment — Franchise Tax	
\$ -2	—to continue current program.

In addition, Supplemental Local Road Maintenance Payments and Local Bridge appropriations are maintained at the current year levels.

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
MOTOR LICENSE FUND:							
Local Road Maintenance and Construction Payments	\$ 147,158	\$ 151,533	\$ 156,798	\$ 156,582	\$ 157,551	\$ 158,781	\$ 160,489
Supplemental Local Road Maintenance and Construction Payments	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Philadelphia Payment — Franchise Tax ..	927	948	946	943	930	900	872
Highway Restorations — Highway Transfer	5,000						
Local Bridge Inspection	391	800	800	800	800	800	800
TOTAL MOTOR LICENSE FUND	<u>\$ 158,476</u>	<u>\$ 158,281</u>	<u>\$ 163,544</u>	<u>\$ 163,325</u>	<u>\$ 164,281</u>	<u>\$ 165,481</u>	<u>\$ 167,161</u>

TRANSPORTATION

PROGRAM OBJECTIVE: To provide frequent, fast, inexpensive transit services between residential neighborhoods and employment centers at a level sufficient to alleviate prevailing pressures on urban road systems caused by congestion and lack of parking facilities.

Program: Urban Mass Transportation

Act 73 of 1987 which amended the Pennsylvania Urban Mass Transportation Law radically changed the allocation methodology from one that was based primarily on a transit system's operating deficit to a grant formula based on fixed percentages of the total amount appropriated annually by the General Assembly. These percentages take into consideration historical funding, fairbox revenues, and vehicle miles. Under the new formula three classes of transit entities have been established based on the number of vehicles operated during peak hours.

A local or private funding commitment is required in an amount not less than one-third of the total State grant. Each system is required to adopt a specific series of service standards and performance evaluation measures. The Department of Transportation will continue to perform independent financial audits of all transit agencies receiving Commonwealth funding. Act 73 further requires that any financial material presented and prepared for these audits be in accordance with generally accepted accounting principles.

Program Measures:

	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
Urban passengers carried by State-assisted operators: (millions annually) .	355.9	363.9	370.4	375.4	380.5	385.6	390.9
Passengers per vehicle hour	35.9	36.1	38.5	38.9	39.4	39.9	40.4

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

Mass Transportation Assistance
 \$ -16,589 —in addition to the \$193.682 million in General Fund monies, this budget recommends a one-time \$25 million transfer for the program from the State Workers Insurance Fund (SWIF). The augmentation from SWIF in combination with General funds will provide the urban transit authorities with \$218.682 million in 1988-89; a \$8.4 million increase over funds available for the current year.

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
GENERAL FUND:							
Mass Transportation Assistance	<u>\$ 179,586</u>	<u>\$ 210,271</u>	<u>\$ 193,682</u>	<u>\$ 225,242</u>	<u>\$ 231,999</u>	<u>\$ 238,959</u>	<u>\$ 246,128</u>

TRANSPORTATION

PROGRAM OBJECTIVE: To facilitate the development of improved rail passenger and cargo service between major urban areas of the Commonwealth, thereby providing relief for over utilized intercity highway and air systems, and to provide bus service that will increase the mobility of those rural Pennsylvanians who lack access to an automobile.

Program: Rural and Intercity Rail and Bus Transportation

Commonwealth activities involve four separate intercity and/or rural transportation programs: rural and small urban area public transit similar in nature, if not in scope, to SEPTA in Philadelphia and PAT in Pittsburgh; intercity bus service of the nature operated by Greyhound and Trailways; intercity rail passenger service operated by Amtrak; and rail freight service of importance to local shippers on the State's Rail Branchline System.

Act 10 of 1976 provided Transportation with the legislative authorization to provide financial assistance to the Commonwealth's small urban and rural public transportation systems. In 1978 the Federal Government passed similar legislation which made Federal funding available for rural and small urban transit systems. These Federal funds are apportioned to each state based on rural population distribution as determined by the U.S. Census Bureau. The Department of Transportation administers Federal funding apportioned to Pennsylvania.

Intercity rail passenger service in Pennsylvania, as distinguished from local or regional commuter service, is presently provided by the National Railroad Passenger Corporation (Amtrak). The majority of the service is operated as part of Amtrak's National System without financial assistance from the Commonwealth. However, when service frequency

or scheduling on some Amtrak routes has been found to be insufficient to meet Pennsylvania's needs, the department takes advantage of Federal law which directs the corporation to cooperate with a state which makes application for additional service or establishment of a new route. Funds are included in Amtrak's annual budget to finance its share of capital costs and operating deficits incurred to equip and operate such service, as long as matching State funding is available. The current funding ratio for Pennsylvania's sponsored service is 35 percent Amtrak, 65 percent State for established service and 55 percent Amtrak, 45 percent State for the first twelve months of new services.

The vast majority of rail freight projects that have been implemented since 1976 were funded through the Federal Local Rail Service Assistance Program, which provided from 70 to 100 percent Federal share of project costs (depending on the program year and type of project). Since lines that were excluded from the Conrail system ceased to be eligible for additional Federal funding in 1981, only those lines were continued that had a good chance at long-term operation. Those lines are being continued with a combination of State and local funds and have been acquired with Federal, State, and local funds.

Program Measures:

	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
Total State cost per bus passenger							
Rural and small urban	\$1.97	\$2.01	\$2.10	\$2.17	\$2.24	\$2.29	\$2.37
Intercity	\$11.93	\$11.37	\$12.23	\$12.23	\$12.23	\$12.23	\$12.23
Rail Passenger:							
Average fare	\$15.15	\$15.20	\$15.25	\$15.35	\$15.50	\$15.50	\$15.50
State cost per patron on assisted runs	\$5.55	\$5.70	\$5.80	\$5.95	\$5.95	\$5.95	\$5.95
Rail Freight:							
Miles of rail lines							
State assisted	428	430	430	430	430	430	430
State owned	155	155	155	155	155	155	155
Miles of rail lines rehabilitated:							
Federal/local assistance program	25	25	25	25	25	25	25
Accelerated Rail Maintenance Assistance program	222	230	254	254	254	254	254

TRANSPORTATION

Program: Rural and Intercity Rail and Bus Transportation (continued)

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

	Rural and Intercity Rail and Bus Transportation		Rail Freight Assistance
\$ -395	—to continue current program at a reduced funding level given the projected decrease in required State intercity rail subsidy. The amount being recommended includes an additional train between Harrisburg and Philadelphia.	\$ 216 500 <hr/> \$ 716	—to continue current program —to provide further assistance in the preservation of rail freight lines where abandonment or discontinuance of service would cause regional economic disruption. <i>Appropriation Increase</i>

Railroad Bridge Inspections is a 1987-88 nonrecurring project.

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
GENERAL FUND:							
Comprehensive Rail Study	\$ 250	. . . . .	. . . . .	. . . . .	. . . . .	. . . . .	. . . . .
Railroad Bridge Inspections	175	175	. . . . .	. . . . .	. . . . .	. . . . .	. . . . .
Rural and Intercity Rail and Bus Transportation	3,783	5,249	4,854	4,854	4,854	4,854	4,854
Rail Freight Assistance	3,748	3,784	4,500	4,500	4,500	4,500	4,500
High Speed Intercity Rail Passenger Commission	500	. . . . .	. . . . .	. . . . .	. . . . .	. . . . .	. . . . .
TOTAL GENERAL FUND	\$ 8,456	\$ 9,208	\$ 9,354	\$ 9,354	\$ 9,354	\$ 9,354	\$ 9,354

TRANSPORTATION

PROGRAM OBJECTIVE: To promote the development of a system of airport facilities adequate to meet the passenger and cargo needs of the Commonwealth's citizens.

Program: Air Transportation

Aviation plays a major role in the movement of passengers and cargo throughout the Commonwealth. With 838 landing areas, Pennsylvania is fifth nationally in both the number of airports and in landing facilities per square mile. All airline service airports in Pennsylvania are operated by local governments or authorities with the exception of the Harrisburg International Airport which is owned by the Commonwealth. In addition to facilitating the movement of people and goods, air transportation facilities bring substantial economic benefits to the State directly through air transportation or related jobs and indirectly through additional incentives to industry to locate and conduct business in Pennsylvania. The Pennsylvania Transportation Commission's 12 year Aviation Program, combined with the Statewide Aviation Plan, provides basic guidelines for allocation of those resources available to the Commonwealth for aviation activities. These program activities include highway directional sign program to install directional lights to airports; high visibility marker program to mark power lines near runways; and an airport inspection and licensing program.

The department also administers several grant programs which are funded from the Aviation Restricted Revenue. These grant programs include:

- An airport development grant program for public use airports. The amount of the state grant is dependent on the size of the airport and the Federal funding.
- A runway rehabilitation program for public use airports. The Commonwealth provides between 50% and 75% of total project costs.
- A real estate tax rebate program for public use airports funded exclusively from the statewide aviation tax.
- A revolving loan program for further airport development.

Program Measures:

	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
Harrisburg International Airport:							
Passengers handled	1,092,221	1,146,832	1,204,174	1,264,383	1,327,602	1,393,982	1,463,681
Flights handled	170,056	178,559	187,487	196,861	206,704	217,039	227,891
Tons of cargo handled	22,342	23,459	24,632	25,864	27,157	28,515	29,941

Program Recommendations:

This budget recommends the following changes to the appropriations within the Aviation Restricted Revenue Account: (Dollar Amounts in Thousands)

Aviation Operations	
\$ 1,038	—to provide additional improvements to Harrisburg International Airport such as updated snow removal equipment and accelerated maintenance of the industrial park facility.
\$ 450	—to provide initial funding for a Commonwealth-wide Weather Information System. This system will provide up-to-date weather and flight planning information to pilots at 40 locations.
369	—to continue current program.
\$ 1,857	Appropriation Increase

Business Airport Grants	
\$ 1,500	—first year economic development initiative to provide funding for improvements of small privately-owned public-use airports. Airports to be funded are those which will have potential for economic enhancement of their surrounding community.

This budget recommends maintaining Civil Air Patrol at a current commitment level excluding non-recurring projects.

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
GENERAL FUND:							
Civil Air Patrol	<u>\$ 325</u>	<u>\$ 375</u>	<u>\$ 200</u>	<u>\$ 200</u>	<u>\$ 200</u>	<u>\$ 200</u>	<u>\$ 200</u>

TRANSPORTATION

PROGRAM OBJECTIVE: To minimize traffic accidents attributable to driver error and mechanically defective vehicles and to promote highway safety programs.

Program: Safety Administration and Licensing

A primary responsibility of the department, within the Safety Administration and Licensing program, is to process applications and collect fees for all vehicle registrations and operator licenses. Last year, over 110,969 heavy trucks and over eight million motor vehicles were registered and 7,691,269 persons were licensed to operate vehicles within the Commonwealth.

The testing, inspection and revocation aspects of operator and vehicular licensing activities within this program provide many opportunities to enforce safety standards. Another major activity, the accident analysis program, deals entirely with safety by assembling listings of high accident locations which are used to establish priorities for improvements funded through the Highway Safety Projects program. Computer programs have been written to identify those highway locations which have experienced statistically more accidents than similar highways with similar traffic volumes. Another program identifies locations that have had an inordinate number of accidents in which vehicles ran off the road or hit fixed objects. This ranking of nearly 8,000 high-accident locations provides the department with a systematic means of selecting the highest priority locations for highway improvements.

The objective of the driver point system is to discourage licensed drivers from violating traffic laws. Illegal actions by motorists, particularly

drunk driving, constitute a significant percentage of the accidents in which driver error is the principal causal factor. The department is empowered to suspend or revoke the licenses of motor vehicle drivers who have reached the 11 point limit or who have committed certain severe traffic violations.

The safety inspection program for the Commonwealth's 7.8 million motor vehicles is intended to minimize traffic accidents due to mechanical failure. The department licenses inspection stations and trains and licenses vehicle inspectors while maintaining all necessary records. The State Police periodically check inspection stations and the work of mechanics to insure compliance with approved safety standards.

The Commonwealth's emission inspection program currently inspects 3.3 million vehicles annually and is intended to reduce subject vehicle carbon monoxide and hydrocarbon pollutants and improve air quality. The areas affected are the Pittsburgh and Allentown-Bethlehem-Easton metropolitan areas (specific zip codes) and the Philadelphia region consisting of five counties. The department licenses inspection stations, trains and licenses vehicle inspection mechanics and periodically checks inspection stations, records and work of mechanics to assure compliance with approved emission program requirements.

Program Measures:

	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
Vehicles inspected:							
Safety inspection	7,700,000	7,700,000	7,854,770	7,933,318	8,012,651	8,092,777	8,173,705
Emission inspection	3,300,000	3,333,000	3,366,330	3,399,993	3,433,993	3,468,333	3,503,016
Vehicles repaired:							
Safety inspection	2,002,000	2,022,020	2,042,240	2,062,663	2,083,289	2,104,122	2,125,163
Emission inspection	663,000	669,630	676,326	683,090	689,920	696,820	703,788

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

<p>General Fund:</p> <p>Collections-Vehicle Sales Tax</p> <p>\$ 62 —to continue current program.</p> <p>Motor License Fund:</p> <p>Safety Administration and Licensing</p> <p>\$ 2,163 —to continue current program.</p> <p>100 —to update telephone service center.</p> <p>350 —to update renewal application processing equipment.</p> <p>924 —to provide for projected postage rate increase</p> <p>44 —to enhance the Commonwealth's collection and analysis of motor carrier roadside inspection data.</p> <hr/> <p>\$ 3,581 <i>Appropriation Increase</i></p>	<p>Motor Vehicle Insurance Compliance</p> <p>\$ 994 —to provide for the redesign of the Financial Responsibility and Control Data Processing System and staff to implement the Auto Insurance Rate Reduction and Reform Plan. This plan will require financial responsibility to be maintained as a prerequisite to operate a motor vehicle on the highways of the Commonwealth. \$683,000 of the \$994,000 recommended represents one-time computer redesign costs.</p>
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TRANSPORTATION

Program: Safety Administration and Licensing (continued)

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
GENERAL FUND:							
Collections — Vehicle Sales Tax	\$ 1,505	\$ 1,550	\$ 1,612	\$ 1,661	\$ 1,711	\$ 1,763	\$ 1,815
MOTOR LICENSE FUND							
Safety Administration and Licensing	\$ 48,416	\$ 44,483	\$ 48,064	\$ 50,492	\$ 53,042	\$ 55,719	\$ 58,530
Motor Vehicle Insurance Compliance			994	500	500	500	500
TOTAL - MOTOR LICENSE FUND	\$ 48,416	\$ 44,483	\$ 49,058	\$ 50,992	\$ 53,542	\$ 56,219	\$ 59,030

TRANSPORTATION

PROGRAM OBJECTIVE: To provide transportation services to older Pennsylvanians thereby increasing their ability to more fully participate in community life.

Program: Older Pennsylvanians Transit

The Commonwealth's older Pennsylvanians have benefited from State Lottery proceeds since 1973 with the implementation of the Free Transit program. Under this program older Pennsylvanians are eligible for free rides on participating local fixed route operations during off-peak hours on weekdays and all day on weekends and holidays. In July 1980, the free service was extended to commuter lines.

The Shared Ride Program for older Pennsylvanians authorized by Act 101 of 1980 as amended by Act 49 of 1984 permits citizens 65 years of age and older to ride on shared-ride services and pay only 25 cents or 10 percent of the shared-ride fare, whichever is greater. The State Lottery Fund generally reimburses shared-ride transit operators the remaining 90 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 heavy reliance upon public transportation facilities. They further recognize that many retired persons must live within a fixed and limited income and cannot afford to use public transit as often as needed. These programs increase the mobility of the Commonwealth's citizens 65 years of age and older.

Act 49 of 1984 also provides for an annual \$2.3 million executive authorization for demand response equipment grants.

Act 171 of 1982 authorizes the Governor to annually transfer from the Lottery Fund to the Motor License Fund an amount necessary to cover fees lost as a result of reduced registration paid by certain eligible older Pennsylvanians.

Program Measures:

	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
Free transit trips	64,196,000	66,455,000	67,161,000	67,860,000	68,571,000	69,287,000	69,980,000
Trips on State assisted shared ride vehicles	6,614,000	7,327,000	7,775,000	8,164,000	8,572,000	9,001,000	9,451,000
Cost to the Commonwealth per trip:							
Free Transit	\$1.12	\$1.12	\$1.12	\$1.13	\$1.13	\$1.14	\$1.15
On State assisted shared ride vehicles	\$5.96	\$5.98	\$5.89	\$5.89	\$5.89	\$5.89	\$5.89

Cost to the Commonwealth on state assisted shared ride vehicles is projected to remain flat in budget and future years due to the impact of coordination.

Program Recommendations:

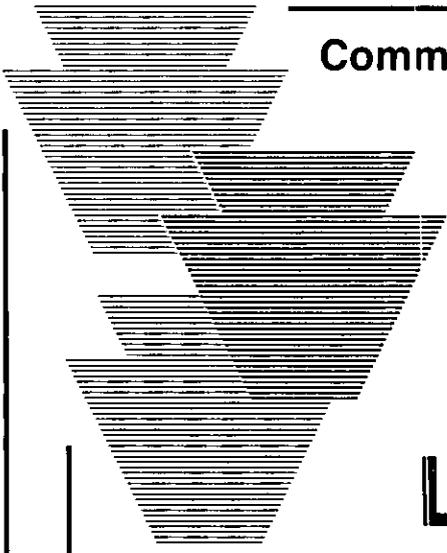
This budget recommends the following changes: (Dollar Amounts in Thousands)

<p>Older Pennsylvanians Free Transit \$ 3,557 —to provide for expected increase in ridership.</p> <p>Older Pennsylvanians Shared Rides \$ 1,775 —to provide for expected increase in ridership.</p>	<p>* Transfer to Motor License Fund — Vehicle Registration — Older Pennsylvanians \$ 100 —to provide for expected increase in eligible applicants.</p>
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In order to enhance the Commonwealth's audit effort this budget recommends that ridership verification be transferred to the Office of the Budget.

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
LOTTERY FUND:							
Ridership Verification	\$ 100	\$ 100					
Older Pennsylvanians Free Transit	71,415	69,503	\$ 73,060	\$ 74,203	\$ 75,456	\$ 76,626	\$ 77,867
Older Pennsylvanians Shared Rides	39,402	44,300	46,075	48,084	50,489	53,013	55,664
Transfer to Motor License Fund — Vehicle Registration — Older Pennsylvanians	2,512	2,500	2,600	2,600	2,600	2,600	2,600
Demand Response Equipment Grants	2,292	2,300	2,300	2,300	2,300	2,300	2,300
TOTAL LOTTERY FUND	\$ 115,721	\$ 118,703	\$ 124,035	\$ 127,187	\$ 130,845	\$ 134,539	\$ 138,431

A stylized graphic of the Commonwealth of Pennsylvania, composed of horizontal lines forming the shape of the state, located in the upper left corner of the page.

Commonwealth of Pennsylvania

Legislature

The General Assembly of Pennsylvania formulates and enacts the public policy of the Commonwealth. Through legislation and resolution, it defines the functions of State Government, provides 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.

Summary by Fund and Appropriation

	1986-87 Actual	(Dollar Amounts in Thousands) 1987-88 Available	1988-89 Budget
GENERAL FUND			
<i>GENERAL GOVERNMENT:</i>			
SENATE:			
Fifty Senators	\$ 3,200	\$ 3,400	\$ 3,300
Employees of Senate President	140	147	147
Employees of Chief Clerk	2,150	2,250	2,600
Salaried Officers and Employees	3,000	3,100	3,875
Chief Clerk and Legislative Journal	150	190	190
Subtotal — Salaries and Postage	\$ 8,640	\$ 9,087	\$ 10,112
<i>Contingent Expenses:</i>			
President	\$ 5	\$ 5	\$ 5
President Pro Tempore	20	20	20
Floor Leader (D)	6	6	6
Floor Leader (R)	6	6	6
Whip (D)	4	4	4
Whip (R)	4	4	4
Chairman of the Caucus (D)	3	3	3
Chairman of the Caucus (R)	3	3	3
Secretary of the Caucus (D)	3	3	3
Secretary of the Caucus (R)	3	3	3
Chairman of the Appropriations Committee (D)	6	6	6
Chairman of the Appropriations Committee (R)	6	6	6
Chairman of the Policy Committee (D)	2	2	2
Chairman of the Policy Committee (R)	2	2	2
Caucus Administrator (D)	2	2	2
Caucus Administrator (R)	2	2	2
Subtotal — Contingent Expenses	\$ 77	\$ 77	\$ 77
<i>Miscellaneous Expenses:</i>			
Incidental Expense	\$ 600	\$ 950	\$ 950
Committee on Appropriations (D)	812	934	934
Committee on Appropriations (R)	812	934	934
Expenses — Senate	600	600	1,250
Legislative Printing and Expenses	5,100	5,435	6,000
Special Leadership Account (D)	3,250	3,498	4,200
Special Leadership Account (R)	3,250	3,498	4,200
Legislative Management Committee (D)	3,190	3,400	3,500
Legislative Management Committee (R)	3,190	3,400	3,500
Subtotal — Miscellaneous Expenses	\$ 20,804	\$ 22,649	\$ 25,468
TOTAL— SENATE	\$ 29,521	\$ 31,813	\$ 35,657
HOUSE OF REPRESENTATIVES:			
Members' Salaries, Speaker's Extra Compensation	\$ 10,995	\$ 12,795	\$ 13,138
House Employees (D)	4,574	5,059	5,565
House Employees (R)	4,699	5,059	5,565
Speakers Office	459	528	581
Bi-Partisan Committee, Chief Clerk, Comptroller	5,150	5,923	6,516
Subtotal — Salaries	\$ 25,877	\$ 29,364	\$ 31,365
<i>Mileage:</i>			
Representatives, Officers and Employees	\$ 554	\$ 554	\$ 554
Subtotal — Mileage	\$ 554	\$ 554	\$ 554
<i>Postage:</i>			
Chief Clerk and Legislative Journal	\$ 425	\$ 425	\$ 425
Subtotal — Postage	\$ 425	\$ 425	\$ 425

LEGISLATURE

(Dollar Amounts in Thousands)

GENERAL FUND

HOUSE OF REPRESENTATIVES: (continued)

Contingent Expenses:

	1986-87 Actual	1987-88 Available	1988-89 Budget
Speaker	20	20	20
Chief Clerk	390	390	390
Floor Leader (D)	6	6	6
Floor Leader (R)	6	6	6
Whip (D)	4	4	4
Whip (R)	4	4	4
Chairman — Caucus (D)	3	3	3
Chairman — Caucus (R)	3	3	3
Secretary — Caucus (D)	3	3	3
Secretary — Caucus (R)	3	3	3
Chairman — Appropriations Committee (D)	6	6	6
Chairman — Appropriations Committee (R)	6	6	6
Chairman — Policy Committee (D)	2	2	2
Chairman — Policy Committee (R)	2	2	2
Caucus Administrator (D)	2	2	2
Caucus Administrator (R)	2	2	2
Administrator for Staff (D)	20	20	20
Administrator for Staff (R)	20	20	20
Comptroller Special Transfer Account	2	2	2
Subtotal — Contingent Expenses	\$ 504	\$ 504	504

Miscellaneous Expenses

Legislative Office for Research Liaison	\$ 354	\$ 371	\$ 390
School for New Members	15	15	15
Incidental Expenses	5,200	5,200	6,300
Committee on Appropriations (D)	812	934	1,028
Committee on Appropriations (R)	812	934	1,028
Expenses — Representatives	2,030	2,030	2,030
Legislative Printing and Expenses	9,700	10,200	11,000
National Legislative Conference — Expenses	225	250	300
Special Leadership Account (D)	3,010	3,721	4,094
Special Leadership Account (R)	3,235	3,721	4,094
Legislative Management Committee (D)	5,633	6,421	7,064
Legislative Management Committee (R)	5,283	6,421	7,064
Commonwealth Emergency Medical System	25	25	35
Member's Home Office Expenses	2,030	2,030	2,030
Subtotal — Miscellaneous Expenses	\$ 38,364	\$ 42,258	\$ 46,472

TOTAL — HOUSE OF REPRESENTATIVES

	<u>\$ 65,724</u>	<u>\$ 73,105</u>	<u>\$ 79,320</u>
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LEGISLATIVE MISCELLANEOUS AND COMMISSIONS:

Legislative Reference Bureau:

Salaries and Expenses	\$ 2,827	\$ 3,184	\$ 3,343
Contingent Expenses	15	15	15
Printing of Pennsylvania Bulletin and Pennsylvania Code	500	455	455
Subtotal — Legislative Reference Bureau	\$ 3,342	\$ 3,654	\$ 3,813

Legislative Budget and Finance Committee

	\$ 1,320	\$ 1,360	\$ 1,415
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Legislative Data Processing Center

	2,040	2,560	3,000
(A) Data Processing Services	35	33
Subtotal — Legislative Data Processing Center	\$ 2,075	\$ 2,593	\$ 3,000

LEGISLATURE

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Budget
GENERAL FUND			
LEGISLATIVE MISCELLANEOUS AND COMMISSIONS:			
(continued)			
Joint State Government Commission	1,445	1,400	1,400
Local Government Commission	387	370	387
Local Government Codes	45	53	49
Joint Legislative Air and Water Pollution Control Committee	212	218	225
Joint House and Senate Flag Purchase	40	40	40
Legislative Audit Advisory Commission	91	20	20
Members — Bicentennial Expenses .....	.....	300	.....
Ethics Commission	536	590	644
Independent Regulatory Review Commission	728	745	798
Capitol Preservation Committee	215	215	215
Capitol Restoration	2,600	2,600	100
Civil War Flags	100	100	.....
Colonial History	60	60	60
Bicentennial — U.S. Constitution	125	175	.....
Health Care Cost Containment Council	2,250	3,222	3,382
Commission on Sentencing	250	285	305
Center For Rural Pennsylvania	700	.....	.....
Subtotal — State Funds	\$ 16,486	\$ 17,967	\$ 15,853
Subtotal — Augmentations	35	33	.....
Subtotal — Legislative Miscellaneous and Commissions	16,521	18,000	15,853
STATE FUNDS	\$ 111,731	\$ 122,885	\$ 130,830
AUGMENTATIONS	35	33	.....
GENERAL FUND TOTAL	\$ 111,766	\$ 122,918	\$ 130,830

LEGISLATURE

Program Funding Summary:

	(Dollar Amounts in Thousands)						
	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
	Actual	Available	Budget	Estimated	Estimated	Estimated	Estimated
LEGISLATURE:							
General Fund	\$ 111,731	\$ 122,885	\$ 130,830	\$ 130,830	\$ 130,830	\$ 130,830	\$ 130,830
Other Funds	35	33	.....	.....	.....	.....	.....
TOTAL	<u>\$ 111,766</u>	<u>\$ 122,918</u>	<u>\$ 130,830</u>				

LEGISLATURE

PROGRAM OBJECTIVE: To formulate and enact the public policy of the Commonwealth; to define the functions of State Government; to provide revenue for the Commonwealth; and to appropriate money for the operation of State agencies and for other purposes.

Program: Legislature

This program provides for the operation of the General Assembly, which consists of a 50 member Senate and a 203 member House of Representatives funded by numerous General Fund appropriations. These appropriations are detailed in the Summary by Fund and Appropriation portion of this presentation.

There is a continued effort on the part of the House and Senate to acquire more adequate professional staff to provide more useful analytical studies for use in debating Commonwealth issues.

Program Recommendations:

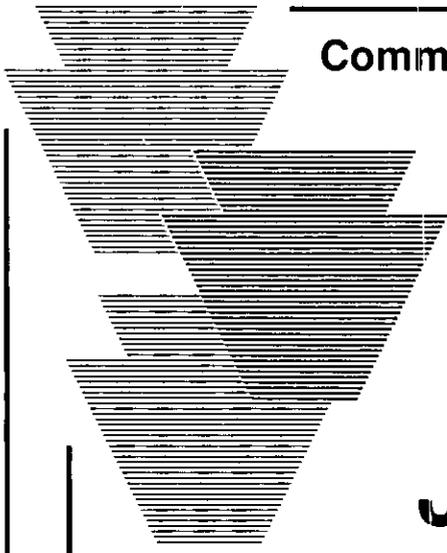
This budget recommends the following changes: (Dollar Amounts in Thousands)

Legislature

\$ 7,945 —to continue current program.

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
	Actual	Available	Budget	Estimated	Estimated	Estimated	Estimated
TOTAL GENERAL FUND	<u>\$ 111,731</u>	<u>\$ 122,885</u>	<u>\$ 130,830</u>				



Commonwealth of Pennsylvania

Judiciary

The objective of the judicial system of the Commonwealth is to provide citizens with prompt and equitable justice under the law.

The court system includes the Supreme Court, Superior Court, Commonwealth Court, Courts of Common Pleas, Community Courts — District Justices, Philadelphia Municipal Court and the Philadelphia Traffic Court.

JUDICIARY

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Budget
GENERAL FUND			
GENERAL GOVERNMENT:			
SUPREME COURT:			
Supreme Court	\$ 4,422	\$ 4,759 ^a	\$ 4,823
(A) Filing Fees	168	165	173
Home Office Expenses	1,300	1,302	1,367
Justice Expenses	130	130	130
Civil Procedural Rules Committee	202	216	227
Criminal Procedural Rules Committee	202	213	226
State Board of Law Examiners	207	148	80
(A) Law Student Fees	707	565	706
Judicial Inquiry and Review Board	451	629	620
Court Administrator	2,807	2,944	3,236
(F) State Judicial Institute		188	
District Justice Education	316	329	342
(A) Registration Fees	49	13	13
Judicial Computer System		2,000	
(F) Computer Consultant		144	
(A) Judicial Computer System			4,000
Computer Plan	250		
Video Proceedings	80		
Total — Supreme Court	<u>\$ 11,291</u>	<u>\$ 13,745</u>	<u>\$ 15,943</u>
SUPERIOR COURT:			
Superior Court	\$ 8,337	\$ 9,115 ^b	\$ 9,440
(A) Filing Fees	239	200	200
Home Office Expenses	2,858	2,764	2,824
Justice Expenses	184	184	184
Total — Superior Court	<u>\$ 11,618</u>	<u>\$ 12,263</u>	<u>\$ 12,648</u>
COMMONWEALTH COURT:			
Commonwealth Court	\$ 4,437	\$ 5,149 ^c	\$ 5,202
(A) Filing Fees	150	150	150
Home Office Expenses	1,376	1,387	1,472
Justice Expenses	88	112	112
Total — Commonwealth Court	<u>\$ 6,051</u>	<u>\$ 6,798</u>	<u>\$ 6,936</u>
COURTS OF COMMON PLEAS:			
Courts of Common Pleas	\$ 26,902	\$ 33,929 ^d	\$ 34,202
Senior Judges	1,787	2,103 ^e	2,292
Judicial Education	400	360	372
Total — Courts of Common Pleas	<u>\$ 29,089</u>	<u>\$ 36,392</u>	<u>\$ 36,866</u>

^aIncludes recommended supplemental appropriation of \$125,000.

^bIncludes recommended supplemental appropriation of \$340,000.

^cIncludes recommended supplemental appropriation of \$135,000.

^dIncludes recommended supplemental appropriation of \$3,073,000.

^eIncludes recommended supplemental appropriation of \$351,000.

JUDICIARY

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Budget
GENERAL GOVERNMENT: (continued)			
COMMUNITY COURTS:			
District Justices	\$ 23,354	\$ 27,503 ^f	\$ 27,898
PHILADELPHIA COURTS:			
Traffic Court	\$ 307	\$ 340 ^g	\$ 351
Municipal Court	2,162	2,535 ^h	2,576
Law Clerks	182	182	40
Total — Philadelphia Courts	\$ 2,651	\$ 3,057	\$ 2,967
Total — General Government	\$ 84,054	\$ 99,758	\$ 103,258
GRANTS AND SUBSIDIES:			
Reimbursement of County Costs:			
County Courts	\$ 25,987	\$ 27,110	\$ 27,181
District Justices	14,400	14,275	14,275
Jurors	1,469	1,469	1,469
Total — Grants and Subsidies	\$ 41,856	\$ 42,854	\$ 42,925
STATE FUNDS	\$ 124,597	\$ 141,187	\$ 140,941
FEDERAL FUNDS		332	
AUGMENTATIONS	1,313	1,093	5,242
GENERAL FUND TOTAL	\$ 125,910	\$ 142,612	\$ 146,183

^fIncludes recommended supplemental appropriation of \$3,238,000.

^gIncludes recommended supplemental appropriation of \$20,000.

^hIncludes recommended supplemental appropriation of \$162,000.

JUDICIARY

Program Funding Summary:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
STATE JUDICIAL SYSTEM							
General Fund	\$ 124,597	\$ 141,187	\$ 140,941	\$ 142,925	\$ 144,946	\$ 147,013	\$ 149,121
Federal Funds .....	.....	332	.....	.....	.....	.....	.....
Augmentations	1,313	1,093	5,242	8,325	11,430	16,545	21,680
TOTAL	<u>\$ 125,910</u>	<u>\$ 142,612</u>	<u>\$ 146,183</u>	<u>\$ 151,250</u>	<u>\$ 156,376</u>	<u>\$ 163,558</u>	<u>\$ 170,801</u>

PROGRAM OBJECTIVE: To provide the citizens of the Commonwealth with prompt and equitable justice.

Program: State Judicial System

The judicial power of the Commonwealth is vested in a Unified Judicial System consisting of the Supreme, Superior, and Commonwealth Courts, Courts of Common Pleas, Philadelphia Municipal Court, Pittsburgh Magistrates Court, Traffic Court of Philadelphia and the District Justices.

At the first level in the court system are the special courts. In counties other than Philadelphia, these courts are presided over by district justices who have jurisdiction over summary criminal cases, landlord-tenant matters and other civil actions where the amount claimed does not exceed \$4,000. They also have jurisdiction to issue warrants, hold arraignments and preliminary hearings in all criminal cases, and to accept guilty pleas under certain circumstances.

Although district justices need not be lawyers, they must complete an educational course and pass a qualifying examination administered by the Minor Judiciary Education Board in order to be certified. They must also participate in one week of continuing education each year.

In Philadelphia, the special courts are the Municipal Court and the Traffic Court. Municipal Court is a court of record whose 22 judges must be lawyers. Its limited jurisdiction is analogous to that of the district justices.

The Philadelphia Traffic Court, composed of six judges, has jurisdiction over all summary offenses under the Motor Vehicle Code and related city ordinances.

The City of Pittsburgh has six police magistrates in addition to the county district justices who may issue arrest warrants and preside at arraignments and preliminary hearings for all criminal offenses occurring

within the city.

The Courts of Common Pleas are the courts of general trial jurisdiction. They have original jurisdiction over all cases which are not exclusively assigned to another court. Appellate jurisdiction extends to appeals from final orders of the lower courts and appeals from certain State and most local government agencies.

There are two levels of appellate courts in Pennsylvania. The first consists of the intermediate appellate courts: the Superior Court with 15 judges and the Commonwealth Court with nine judges. Above these is the Supreme Court which has seven judges and is the Commonwealth's court of last resort.

In general, appeals from the Courts of Common Pleas are taken to one of the two intermediate appellate courts. Commonwealth Court basically has jurisdiction over appeals involving government agencies and officials, as well as many matters involving not-for-profit corporations. It also has original jurisdiction of Election Code matters and cases involving State officials.

Superior Court has jurisdiction over all direct appeals which are not within the specific statutory jurisdiction of another appellate court.

A Statewide Steering Committee on Court Automation is developing long-term plans to automate the record keeping systems of the Pennsylvania Courts. In 1987-88, the General Fund provided \$2.0 million for the initial start-up of the computerized system. Beginning in 1988-89, in accordance with Act 64 of 1987, the system will be funded by those fines, fees and costs collected by any division of the Unified Judicial System which are in excess of the amounts collected in 1986-87.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

Common Pleas—Senior Judges
 \$ 177 —additional senior judge service days.
 12 —to maintain current program.

\$ 189 *Appropriation Increase*

District Justices
 \$ 125 —additional senior judge service days.
 270 —to maintain current program.

\$ 395 *Appropriation Increase*

Philadelphia Traffic Court
 \$ 26 —additional senior judge service days.
 -15 —to maintain current program.

\$ 11 *Appropriation Increase*

Philadelphia Municipal Court
 \$ 147 —additional senior judge service days.
 -106 —to maintain current program.

\$ 41 *Appropriation Increase*

This budget also recommends that all other appropriations be continued at current program levels.

In addition, this budget recommends the following appropriation within the Judicial Computer System Restricted Receipt Account: (Dollar Amounts in Thousands)

Judicial Computer System
 \$ 4,000 —for enhancement of automation.

JUDICIARY

Program: State Judicial System (continued)

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1986-87 Actual	1987-88 Available	1988-89 Budget	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
GENERAL FUND:							
Supreme Court	\$ 4,422	\$ 4,759	\$ 4,823	\$ 4,921	\$ 5,021	\$ 5,123	\$ 5,227
Supreme Court — Home Office Expenses	1,300	1,302	1,367	1,395	1,423	1,452	1,482
Supreme Court Justice Expenses	130	130	130	132	134	137	140
Comprehensive Computer Plan	250						
Civil Procedural Rules Committee	202	216	227	232	235	240	245
Criminal Procedural Rules Committee ..	202	213	226	231	234	239	244
State Board of Law Examiners	207	148	80	81	82	83	85
Judicial Inquiry and Review Board	451	629	620	633	645	659	672
Video Proceedings Cost	80						
Court Administrator	2,807	2,944	3,236	3,301	3,369	3,436	3,506
District Justice Education	316	329	342	349	356	364	371
Judicial Computer System		2,000					
Superior Court	8,337	9,115	9,440	9,631	9,827	10,025	10,228
Superior Court — Home Office Expenses	2,858	2,764	2,824	2,881	2,939	2,999	3,059
Superior Court Justice Expenses	184	184	184	187	191	195	199
Commonwealth Court	4,437	5,149	5,202	5,307	5,414	5,524	5,636
Commonwealth Court — Home Office Expenses	1,376	1,387	1,472	1,502	1,532	1,564	1,595
Commonwealth Court Justice Expenses ..	88	112	112	114	117	120	123
Courts of Common Pleas	26,902	33,929	34,202	34,894	35,600	36,322	37,056
Common Pleas — Senior Judges	1,787	2,103	2,292	2,339	2,386	2,434	2,483
Common Pleas — Judicial Education	400	360	372	380	387	394	403
Community Courts — District Justices ..	23,354	27,503	27,898	28,463	29,040	29,627	30,227
Philadelphia Traffic Court	307	340	351	358	366	373	380
Philadelphia Municipal Court	2,162	2,535	2,576	2,628	2,681	2,735	2,791
Law Clerks	182	182	40	41	42	43	44
Reimbursement of County Court Costs ..	25,987	27,110	27,181	27,181	27,181	27,181	27,181
District Justice Reimbursement	14,400	14,275	14,275	14,275	14,275	14,275	14,275
Juror Cost Reimbursement	1,469	1,469	1,469	1,469	1,469	1,469	1,469
TOTAL GENERAL FUND	\$ 124,597	\$ 141,187	\$ 140,941	\$ 142,925	\$ 144,946	\$ 147,013	\$ 149,121

GENERAL SALARY INCREASE

Program: General Salary Increase

This appropriation is provided to help offset any general salary and employee benefit increases which may be provided to State employees in 1988-89. The amount shown represents the General Fund amount exclusive of Federal and other funds contributions. Distribution will be made to the various agencies based upon the actual cost of any salary and benefit increases which are ultimately granted.

For the State special funds an amount has been included in each appropriation.

Appropriations within this Program:

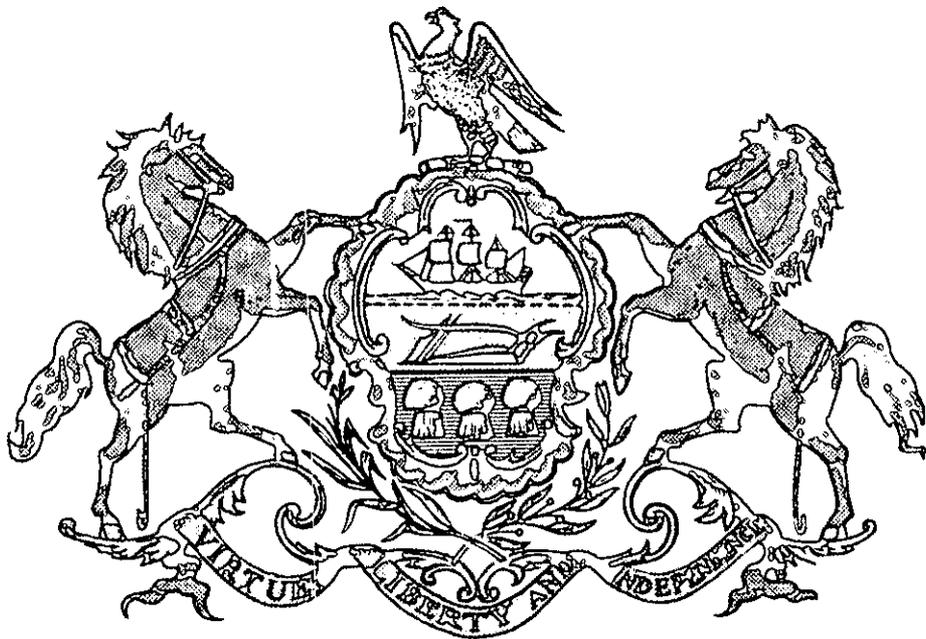
	(Dollar Amounts in Thousands)						
	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
	Actual	Available	Budget	Estimated	Estimated	Estimated	Estimated
GENERAL FUND:							
General Salary Increase.....	<u> </u>	<u> </u>	<u>\$ 44,000</u>	<u>\$ 45,320</u>	<u>\$ 46,680</u>	<u>\$ 48,080</u>	<u>\$ 49,523</u>

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Capital Budget



The stalk of maize which represents plentifulness first appeared on the Coat of Arms of Pennsylvania designed by Caleb Lowmes in 1778. It was omitted in following years until 1832 during which period there had been several versions of the arms.

CAPITAL BUDGET

This section contains the 1988-89 Capital Budget and Five Year Capital Program. The bonded indebtedness required to support the capital programs is projected and, along with currently outstanding debt, is compared to the Constitutional debt limit.

The Public Improvement, Original Furniture and Equipment, Redevelopment Assistance, Flood Control, and Transportation Assistance projects shown will be financed by general obligation bonds, with the exception of the Game Commission projects which are funded from current revenues. The Department of Transportation highway projects will also be financed from current revenues. These projects are grouped into the following categories:

Public Improvement Projects — This category includes all types of new buildings and renovation projects. Also included are nonstructural improvements and the acquisition of land. These projects are designed and constructed through the Department of General Services.

Public Improvements—Furnishings and Equipment — This category provides for the equipping of newly completed public improvement projects, by purchasing original furniture and equipment through the Department of General Services.

Transportation Assistance Projects — These projects include: (a) the purchase of rolling stock and construction or improvement of facilities operated by mass transportation agencies throughout the Commonwealth, and (b) the acquisition, construction, and equipping of rural and intercity common carrier surface transportation systems or any components thereof. These projects are administered through the Department of Transportation.

Redevelopment Assistance Projects — This category provides grants for the acquisition of land and its clearance, and the construction of buildings and other property appurtenances for municipal agencies and authorities for the prevention and elimination of blight. These projects are administered through the Department of Community Affairs.

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 through the Department of Environmental Resources.

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 through the Department of Transportation.

The Capital Budget section consists of the following subsections.

1988-89 New Project Authorizations — This section itemizes and describes the new capital projects recommended for authorization in 1988-89, and their proposed source of funding. The projects are listed by department and capital project category.

Due to the substantial amount of new project authorizations being proposed in the pending 1987-88 Capital Budget bills, no new project authorizations are being recommended for 1988-89 except for the Game Fund Current Revenue Program.

Forecast of Future Projects — This section contains a dollar forecast of new capital projects to be requested during each of the fiscal years 1989-90 through 1992-93. The projections are grouped by department and capital project category.

Estimate of Capital Expenditures — This section provides an estimate of expenditures for capital projects during each of the next five fiscal years. Since design, acquisition and construction of a project is not generally completed during the fiscal year in which the project is initiated, payment of costs incurred usually occurs over several fiscal years. The estimated expenditures determine the amount of bonds which must be issued, or current revenue appropriations required, each fiscal year. The projections are listed by capital project category and subdivided by projects currently authorized, new projects proposed for 1987-88, new projects proposed for 1988-89 and future projects (1989-93).

CAPITAL BUDGET

FORECAST OF DEBT LIMIT AND OUTSTANDING DEBT 1987-88 Through 1992-93

This table includes debt issued under Article 8, Section 7(a)(4) of the Pennsylvania Constitution for projects included in a capital budget, and debt issued by the General State Authority and the State Highway and Bridge Authority.

	(Dollar Amounts in Thousands)					
	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
Average Tax Revenues Previous Five Years	\$ 11,313,537	\$ 12,102,006	\$ 12,679,969	\$ 13,268,811	\$ 13,907,780	\$ 14,591,318
Debt Limit ^a	19,798,690	21,178,511	22,189,946	23,219,420	24,338,615	25,534,807
Outstanding Debt—Beginning of Fiscal Year	3,640,102	3,850,907	3,995,772	3,965,419	3,853,659	3,643,324
Bonds to be Issued	485,000	480,000	354,000	287,000	222,000	213,000
Bonds to be Retired	-274,195	-335,135	-384,353	-398,760	-432,335	-406,740
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Outstanding Debt—End of Fiscal Year	<u>\$ 3,850,907</u>	<u>\$ 3,995,772</u>	<u>\$ 3,965,419</u>	<u>\$ 3,853,659</u>	<u>\$ 3,643,324</u>	<u>\$ 3,449,584</u>
% of Debt to Debt Limit	19.5%	18.9%	17.9%	16.6%	15.0%	13.5%

^a1.75 times the average tax revenues of previous five years.

CAPITAL BUDGET

PROJECTED CAPITAL BUDGET BOND ISSUES AND DEBT OUTSTANDING 1987-88 Through 1992-93

This table shows the projected amount of general obligation bonds to be issued and the level of bonded debt outstanding at the end of each fiscal year for projects included in a capital budget. Outstanding debt includes debt issued by the General State Authority and the State Highway and Bridge Authority. Also included is one issue of the State Public School Building Authority. A projection of all Commonwealth general obligation bonds to be issued and debt outstanding is contained in the Public Debt section of this budget document.

	1987-88	1988-89	(Dollar Amounts in Thousands)		1991-92	1992-93
			1989-90	1990-91		
Projected Bond Issues						
Public Improvements	\$ 135,000	\$ 165,000	\$ 130,000	\$ 130,000	\$ 145,000	\$ 145,000
Highways	87,000	42,000	1,000	.....	.....	.....
Transportation Assistance ...	28,000	70,000	75,000	70,000	55,000	50,000
Original Furniture and Equipment .....	.....	10,000	15,000	10,000	12,000	6,000
Redevelopment Assistance ..	130,000	75,000	60,000	65,000	.....	.....
Advance Construction						
Interstate	105,000	110,000	66,000	.....	.....	.....
Flood Control .....	.....	8,000	7,000	12,000	10,000	12,000
Total	\$ 485,000	\$ 480,000	\$ 354,000	\$ 287,000	\$ 222,000	\$ 213,000
Debt Outstanding Projections^a						
Public Improvements	\$ 1,618,732	\$ 1,651,567	\$ 1,640,719	\$ 1,628,599	\$ 1,628,234	\$ 1,624,484
Highways	1,525,040	1,446,990	1,325,630	1,202,690	1,078,830	955,340
Transportation Assistance ...	261,140	304,095	348,515	387,000	410,425	427,635
Original Furniture and Equipment	26,300	32,000	42,200	47,150	53,900	54,050
Redevelopment Assistance ..	215,220	279,150	324,330	371,510	350,440	329,370
Advance Construction						
Interstate	183,000	254,000	251,000	174,000	71,500	.....
Flood Control	2,860	10,720	17,180	28,290	36,800	46,810
Community Colleges	18,615	17,250	15,845	14,420	13,195	11,895
Total	\$ 3,850,907	\$ 3,995,772	\$ 3,965,419	\$ 3,853,659	\$ 3,643,324	\$ 3,449,584

^aBonds refunded in advance of maturity are excluded. Outstanding refunding bonds are shown on the table of Projected Bond Issues and Debt Outstanding in the Public Debt Section of this budget.

CAPITAL BUDGET

FORECAST OF DEBT SERVICE REQUIREMENTS 1988-89 Through 1992-93

This table includes debt service on debt issued under Article 8, Section 7(a)(4) of the Pennsylvania Constitution for projects included in a capital budget, and debt issued by the General State Authority and the State Highway and Bridge Authority. Debt Service is shown in the year of appropriation and in gross amounts not reduced by interest earnings or other credits applied to debt service payments. Debt service on anticipated issues is also included.

	(Dollar Amounts in Thousands)				
	1988-89	1989-90	1990-91	1991-92	1992-93
GENERAL FUND					
Department of General Services					
General State Authority Rentals	\$ 34,323	\$ 30,367	\$ 23,721	\$ 17,829	\$ 11,660
Department of Education					
General State Authority Rentals	4,201	4,201	4,201	4,201	4,201
Treasury Department					
—Public Improvement Projects	190,627	207,286	214,934	224,951	236,249
—Transportation Assistance Projects	47,609	55,322	58,789	60,984	63,834
—Community College Projects ^a	2,017	2,022	2,027	2,027	2,028
—Original Furniture and Equipment Projects	6,305	7,313	8,271	8,815	9,812
—Redevelopment Assistance Projects	28,422	35,654	42,100	47,813	46,331
—Flood Control Projects	304	1,410	2,355	3,743	4,913
Less: Interest Earnings and Miscellaneous Revenues	-10,309	-9,929	-9,779	-9,265	-9,065
TOTAL—GENERAL FUND^b	\$ 303,499	\$ 333,646	\$ 346,619	\$ 361,098	\$ 369,963
MOTOR LICENSE FUND					
Department of General Services					
General State Authority Rentals	\$ 1,093	\$ 1,091	\$ 1,091	\$ 1,091	\$ 1,091
Department of Transportation					
Highway and Bridge Authority Rentals	25,056	18,869	12,824	7,183	.....
Advance Construction Interstate—Interest Payments ^c	12,796	16,098	14,553	9,007	2,953
Treasury Department					
Capital Debt Fund					
—Highway Projects	165,051	165,066	165,075	164,976	164,850
—Public Improvement Projects	521	1,362	1,362	1,362	1,362
Less: Miscellaneous Revenue	-616	-370	.....	.....	.....
TOTAL—MOTOR LICENSE FUND	\$ 203,901	\$ 202,116	\$ 194,905	\$ 183,619	\$ 170,256
BOATING FUND					
Department of General Services					
General State Authority Rentals	\$ 2	\$ 2	\$ 2	\$ 2	\$ 2
TOTAL—BOATING FUND	\$ 2	\$ 2	\$ 2	\$ 2	\$ 2
FISH FUND					
Department of General Services					
General State Authority Rentals	\$ 63	\$ 63	\$ 63	\$ 63	\$ 63
TOTAL—FISH FUND	\$ 63	\$ 63	\$ 63	\$ 63	\$ 63

CAPITAL BUDGET

FORECAST OF DEBT SERVICE REQUIREMENTS 1988-89 Through 1992-93 (continued)

	(Dollar Amounts in Thousands)				
	1988-89	1989-90	1990-91	1991-92	1992-93
OTHER FUNDS					
Public School Building Authority—					
Community College Projects ^d	\$ 384	\$ 342	\$ 277	. . . . .	. . . . .
Motor License Fund Restricted Receipts					
Aviation—Airport Public Improvement					
Projects	144	1,252	1,422	\$ 1,422	\$ 1,422
Aviation—General State Authority Rentals .	39	39	39	39	39
Highway Bridge Improvement—Highway					
Projects	15,818	19,088	18,648	18,115	17,578
Less: Miscellaneous Earnings	-235	-6	. . . . .	. . . . .	. . . . .
TOTAL—OTHER FUNDS	<u>\$ 16,150</u>	<u>\$ 20,715</u>	<u>\$ 20,386</u>	<u>\$ 19,576</u>	<u>\$ 19,039</u>
TOTAL DEBT SERVICE—ALL FUNDS	<u>\$ 523,615</u>	<u>\$ 556,542</u>	<u>\$ 561,975</u>	<u>\$ 564,358</u>	<u>\$ 559,323</u>

^aFifty percent of this amount is reimbursed by the appropriate colleges.

^bExcludes debt service on Refunding Series bonds.

^cPrincipal payments made from Federal reimbursements.

^dTo be paid by the appropriate college in the form of rentals. Fifty percent of this is reimbursed from the General Fund through grants and subsidies paid by the Department of Education.

CAPITAL BUDGET

CAPITAL FACILITIES FUND FINANCIAL STATEMENT^a

1988-89 Through 1992-93

(Dollar Amounts in Thousands)

	Public Improvement Projects	Transportation Assistance Projects	Highway Projects	Advance Construction Interstate Projects	Original Furniture & Equipment Projects	Redevelopment Assistance Projects	Flood Control Projects	Total
Balance, July 1, 1988	\$ 47,129	\$ 14,572	\$ 4,636	\$ 3,296	\$ 3,652	\$ 30,752	\$ 3,174	\$ 107,211
Bond Issues	165,000	70,000	42,000	110,000	10,000	75,000	8,000	480,000
Miscellaneous Revenue	5,081	523	329	1,085	131	1,748	182	9,079
Estimated Expenditures	-175,643	-82,830	-41,000	-108,406 ^b	-13,220	-89,165	-8,680	-518,944
Balance, July 1, 1989	\$ 41,567	\$ 2,265	\$ 5,965	\$ 5,975	\$ 563	\$ 18,335	\$ 2,676	\$ 77,346
Bond Issues	130,000	75,000	1,000	66,000	15,000	60,000	7,000	354,000
Miscellaneous Revenue	4,529	445	228	761	71	936	173	7,143
Estimated Expenditures	-148,549	-66,040	-6,000	-69,194 ^b	-13,975	-72,956	-7,110	-383,824
Balance, July 1, 1990	\$ 27,547	\$ 11,670	\$ 1,193	\$ 3,542	\$ 1,659	\$ 6,315	\$ 2,739	\$ 54,665
Bond Issues	130,000	70,000	.....	.....	10,000	65,000	12,000	287,000
Miscellaneous Revenue	3,970	753	91	24	89	310	250	5,487
Estimated Expenditures	-144,000	-73,650	.....	-3,293 ^b	-11,000	-71,625	-10,950	-314,518
Balance, July 1, 1991	\$ 17,517	\$ 8,773	\$ 1,284	\$ 273	\$ 748	.....	\$ 4,039	\$ 32,634
Bond Issues	145,000	55,000	.....	.....	12,000	.....	10,000	222,000
Miscellaneous Revenue	3,735	691	95	.....	92	.....	309	4,922
Estimated Expenditures	-144,000	-53,900	.....	.....	-11,000	.....	-9,750	-218,650
Balance, July 1, 1992	\$ 22,252	\$ 10,564	\$ 1,379	\$ 273	\$ 1,840	.....	\$ 4,598	\$ 40,906
Bond Issues	145,000	50,000	.....	.....	6,000	.....	12,000	213,000
Miscellaneous Revenue	4,083	747	102	.....	166	.....	331	5,429
Estimated Expenditures	-144,000	-50,930	.....	.....	-5,200	.....	-12,250	-212,380
Balance, July 1, 1993	\$ 27,335	\$ 10,381	\$ 1,481	\$ 273	\$ 2,806	.....	\$ 4,679	\$ 46,955

^aBonds are issued to meet the cash requirements of each category of projects and to maintain minimum cash balances.

^bExpenditures are net of Federal reimbursements.

CAPITAL BUDGET

ESTIMATED CAPITAL PROJECT EXPENDITURES State Funds 1988-89 Through 1992-93

	(Dollar Amounts in Thousands)				
	1988-89	1989-90	1990-91	1991-92	1992-93
FROM GENERAL OBLIGATION BONDS					
Public Improvement Projects—Buildings and Structures	\$ 175,643	\$ 148,549	\$ 144,000	\$ 144,000	\$ 144,000
Public Improvement Projects—Original Furniture and Equipment	13,220	13,975	11,000	11,000	5,200
Redevelopment Assistance Projects	89,165	72,956	71,625	.....	.....
Flood Control Projects	8,680	7,110	10,950	9,750	12,250
Transportation Assistance Projects	82,830	66,040	73,650	53,900	50,930
Highway Projects—Bridge	41,000	6,000	.....	.....	.....
Highway Projects—Advanced Construction Interstate	108,406	69,194	3,293	.....	.....
Total—Bond Funds	<u>\$ 518,944</u>	<u>\$ 383,824</u>	<u>\$ 314,518</u>	<u>\$ 218,650</u>	<u>\$ 212,380</u>
FROM CURRENT REVENUES					
Public Improvement Projects—Game Fund ..	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000
Highway Projects—Motor License Fund	117,111	82,940	80,388	80,388	74,008
Highway Projects—Motor License Fund Restricted Revenue	27,972	28,728	31,185	28,539	29,106
Total—Current Revenues	<u>\$ 148,083</u>	<u>\$ 114,668</u>	<u>\$ 114,573</u>	<u>\$ 111,927</u>	<u>\$ 106,114</u>
TOTAL—ALL STATE FUNDS	<u><u>\$ 667,027</u></u>	<u><u>\$ 498,492</u></u>	<u><u>\$ 429,091</u></u>	<u><u>\$ 330,577</u></u>	<u><u>\$ 318,494</u></u>

CAPITAL BUDGET

FORECAST OF NEW PROJECT AUTHORIZATIONS FINANCED FROM STATE FUNDS Five Year Forecast by Department

	(Dollar Amounts in Thousands)					Total
	1988-89	1989-90	1990-91	1991-92	1992-93	
Department of Agriculture		\$ 3,850	\$ 975	\$ 1,500	\$ 1,100	\$ 7,425
Department of Corrections		24,300	25,525	26,975	28,425	105,225
Department of Education		41,500	48,975	51,350	54,500	196,325
Emergency Management Agency		225	300	275	275	1,075
Department of Environmental Resources		57,850	13,500	14,275	15,025	100,650
Game Commission	\$ 3,000	3,000	3,000	3,000	3,000	15,000
Department of General Services		5,175	5,450	5,750	6,050	22,425
Historical and Museum Commission		4,475	4,700	4,975	5,225	19,375
Department of Military Affairs		4,125	4,325	4,575	4,825	17,850
Department of Public Welfare		16,750	17,600	18,600	19,575	72,525
State Police		2,100	2,225	2,350	2,475	9,150
Department of Transportation		146,650	146,425	148,375	150,525	591,975
TOTAL	\$ 3,000	\$ 310,000	\$ 273,000	\$ 282,000	\$ 291,000	\$ 1,159,000

CAPITAL BUDGET

RECOMMENDED 1988-89 NEW PROJECT AUTHORIZATIONS STATE FUNDS Summary by Department

(Dollar Amounts in Thousands)

	Bond Funds					Current Revenues		Total All Funds
	Public Improvement Projects	Original Furniture & Equipment	Transportation Assistance Projects	Flood Control Projects	Redevelopment Assistance Projects	Public Improvement Projects	Highway Projects	
Game Commission	\$ 3,000	.....	3,000

CAPITAL BUDGET

GAME COMMISSION

		(Dollar Amounts in Thousands)		
	Base Project Cost	Land Cost	Design & Contin- gencies	Total Project Cost
1988-89 PUBLIC IMPROVEMENT PROJECTS				
Recreation	\$ 3,000	.....	\$ 3,000
TOTAL PROJECTS	<u>.....</u>	<u>\$ 3,000</u>	<u>.....</u>	<u>\$ 3,000</u>
SOURCE OF FUNDS				
Current Revenues				
Game Fund	\$ 3,000	.....	\$ 3,000
TOTAL	<u>.....</u>	<u>\$ 3,000</u>	<u>.....</u>	<u>\$ 3,000</u>

CAPITAL BUDGET

Game Commission 1988-89 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contin- gencies		Total Project Cost
FROM CURRENT REVENUES					
Program: Recreation					
<i>Armstrong and Clarion Counties</i>					
ACQUISITION OF STATE GAME LANDS: This will provide for the acquisition of approximately 5,458 acres of land in Madison and Mahoning Townships in Armstrong County and Madison and Porter Townships in Clarion County, to be used for hunting.	\$ 550	.....		\$ 550
<i>Carbon County</i>					
ACQUISITION OF STATE GAME LANDS: This will provide for the acquisition of approximately 2,600 acres of land in Lehigh and Mauch Chunk Townships to be used for hunting	845	.....		845
<i>Cumberland County</i>					
ACQUISITION OF STATE GAME LANDS: This will provide for the acquisition of approximately 750 acres of land in South Middleton Township to be used for hunting	300	.....		300
<i>Elk County</i>					
ACQUISITION OF STATE GAME LANDS: This will provide for the acquisition of approximately 710 acres of land in Ridgeway Township to be used for hunting	184	.....		184
<i>Fayette County</i>					
ACQUISITION OF STATE GAME LANDS: This will provide for the acquisition of approximately 600 acres of land in Dunbar and North Union Townships to be used for Hunting	180	.....		180
<i>Huntingdon County</i>					
ACQUISITION OF STATE GAME LANDS: This will provide for the acquisition of approximately 825 acres of land in Rothrock Township to be used for hunting	248	.....		248
<i>Luzerne County</i>					
ACQUISITION OF STATE GAME LANDS: This will provide for the acquisition of approximately 600 acres of land in Bear Creek Township to be used for hunting	240	.....		240
<i>Schuylkill County</i>					
ACQUISITION OF STATE GAME LANDS: This will provide for the acquisition of approximately 1,075 acres of land in Mahanoy Township to be used for Hunting	323	.....		323
<i>Somerset County</i>					
ACQUISITION OF STATE GAME LANDS: This will provide for the acquisition of approximately 432 acres of land in Shade Township to be used for hunting	130	.....		130
PROGRAM TOTAL	\$ 3,000	.....		\$ 3,000

CAPITAL BUDGET

SUMMARY OF FORECAST OF FUTURE NEW PROJECT AUTHORIZATIONS STATE FUNDS

	(Dollar Amounts in Thousands)			
	1989-90	1990-91	1991-92	1992-93
Agriculture	\$ 3,850	\$ 975	\$ 1,500	\$ 1,100
Department of Corrections	24,300	25,525	26,975	28,425
Department of Education	41,500	48,975	51,350	54,500
Emergency Management Agency	225	300	275	275
Department of Environmental Resources	57,850	13,500	14,275	15,025
Game Commission	3,000	3,000	3,000	3,000
Department of General Services	5,175	5,450	5,750	6,050
Historical and Museum Commission	4,475	4,700	4,975	5,225
Department of Military Affairs	4,125	4,325	4,575	4,825
Department of Public Welfare	16,750	17,600	18,600	19,575
State Police	2,100	2,225	2,350	2,475
Department of Transportation	146,650	146,425	148,375	150,525
TOTAL	<u>\$ 310,000</u>	<u>\$ 273,000</u>	<u>\$ 282,000</u>	<u>\$ 291,000</u>

CAPITAL BUDGET

Forecast of Future Projects

This section contains estimated authorizations (State funds only) for future capital improvements for the fiscal years 1989-90 through 1992-93. Amounts in this section have been grouped by department and are identified by capital project category.

FROM BOND FUNDS	(Dollar Amounts in Thousands)			
	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
Department of Agriculture				
PUBLIC IMPROVEMENT PROJECTS: Provides for improvements at the Farm Show Complex, Summerdale Laboratory, and the Headquarters Building.	\$ 3,850	\$ 975	\$ 1,500	\$ 1,100
Department of Corrections				
PUBLIC IMPROVEMENT PROJECTS: Provides for construction and renovation of administrative, industrial, educational and housing facilities, and utilities at the State-owned correctional institutions.	24,300	25,525	26,975	28,425
Department of 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, the State-owned schools, and for the State-related universities. Also includes the purchase of original furniture and equipment to furnish such facilities.	41,500	48,975	51,350	54,500
Emergency Management Agency				
PUBLIC IMPROVEMENT PROJECTS: Provides for improvements and renovation of facilities etc. at the State Fire Academy.	225	300	275	275
Department of Environmental Resources				
PUBLIC IMPROVEMENT PROJECTS: Provides for construction and renovation of support, day use, camping facilities, and utility systems at State parks; construction of district offices, central garages, radio communication systems, and rehabilitation of forest roads in State forest districts; and construction of flood protection projects. Also includes purchase of original furniture and equipment to furnish such facilities.	12,850	13,500	14,275	15,025
FLOOD CONTROL PROJECTS: Provides for the State's share of Federal flood control works and improvements; levees, dikes, walls, revetments, dams, lakes, reservoirs, and other works and improvements deemed necessary to prevent floods and to control, preserve, and regulate the flow of rivers and streams.	45,000	.....	.....	.....
Department of General Services				
PUBLIC IMPROVEMENT PROJECTS: Provides for renovation and improvements of State office buildings and facilities. Also includes the purchase of original movable furniture and equipment to furnish such facilities.	5,175	5,450	5,750	6,050
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 historical sites. Also includes the purchase of original furniture and equipment to furnish such facilities.	4,475	4,700	4,975	5,225

CAPITAL BUDGET

Forecast of Future Projects

FROM BOND FUNDS (continued)	1989-90 Estimated	(Dollar Amounts in Thousands)		1992-93 Estimated
	1990-91 Estimated	1991-92 Estimated		1992-93 Estimated
Department of Military Affairs				
PUBLIC IMPROVEMENT PROJECTS: Provides for land acquisition, renovations, additions and replacement facilities at the State armories and veterans' homes. Also includes the purchase of original furniture and equipment to furnish such facilities.				
	\$ 4,125	\$ 4,325	\$ 4,575	\$ 4,825
Department of Public Welfare				
PUBLIC IMPROVEMENT PROJECTS: Provides for construction and renovation of patient buildings, support facilities, and utilities at the State institutions for the mentally ill and mentally retarded, restoration centers, and youth development centers. Also includes the purchase of original furniture and equipment to furnish such facilities.				
	16,750	17,600	18,600	19,575
State Police				
PUBLIC IMPROVEMENT PROJECTS: Provides for renovation, expansion, and construction of troop headquarters/station facilities.				
	2,100	2,225	2,350	2,475
Department of Transportation				
PUBLIC IMPROVEMENT PROJECTS: Provides for construction of and additions to highway maintenance and district office buildings, construction of driver examination facilities, and construction, expansion and renovation of welcome centers.				
	2,650	425	375	525
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.				
	44,000	46,000	48,000	50,000
Total—Public Improvement Program	\$ 118,000	\$ 124,000	\$ 131,000	\$ 138,000
Total—Transportation Assistance Program	44,000	46,000	48,000	50,000
Total—Flood Control Program	45,000	.....	.....	.....
SUBTOTAL—BOND FUNDS	\$ 207,000	\$ 170,000	\$ 179,000	\$ 188,000

CAPITAL BUDGET

Forecast of Future Projects

	(Dollar Amounts in Thousands)			
	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
FROM CURRENT REVENUES				
Game Commission				
PUBLIC IMPROVEMENT PROJECTS: Provides for acquisition of additional State game lands.	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000
Department of Transportation				
HIGHWAY PROJECTS: Provides for the purchase of right-of-way, construction, and reconstruction of highways and bridges on the Commonwealth road system; and major Federally-designated safety projects.	100,000	100,000	100,000	100,000
Total—Public Improvement Program	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000
Total—Highway Program	100,000	100,000	100,000	100,000
SUBTOTAL—CURRENT REVENUES	\$ 103,000	\$ 103,000	\$ 103,000	\$ 103,000
TOTAL—ALL PROGRAMS	\$ 310,000	\$ 273,000	\$ 282,000	\$ 291,000

CAPITAL BUDGET

SUMMARY OF ESTIMATED CAPITAL PROJECT EXPENDITURES STATE FUNDS

Department	(Dollar Amounts in Thousands)				
	1988-89 Estimated	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
Agriculture	\$ 1,426	\$ 1,430	\$ 1,178	\$ 1,154	\$ 2,003
Community Affairs	89,165	72,956	71,625	.....	.....
Corrections	25,224	18,164	20,001	24,164	26,497
Education	93,926	76,091	61,998	49,123	52,201
Emergency Management Agency	1,302	1,292	1,308	1,214	850
Environmental Resources	38,871	40,171	35,665	26,470	26,847
Game Commission	3,000	3,000	3,000	3,000	3,000
General Services	19,703	16,067	23,637	29,191	18,368
Historical and Museum Commission	1,451	1,500	1,586	2,180	3,513
Military Affairs	3,575	3,601	4,118	4,943	4,928
Public Welfare	8,559	7,471	7,658	9,625	14,009
State Police	1,073	1,144	2,099	3,740	3,338
Transportation	379,752	255,605	195,218	175,773	162,940
TOTAL	\$ 667,027	\$ 498,492	\$ 429,091	\$ 330,577	\$ 318,494

CAPITAL BUDGET

Estimate of Capital Expenditures

	(Dollar Amounts in Thousands)				
BOND FUNDS	1988-89 Estimated	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
Department of Agriculture					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures	\$ 1,420	\$ 1,380	\$ 996	\$ 242	\$ 117
Projects in 1987-88 Budget (Pending)					
Buildings and Structures	6	11	95	222	139
Future Projects (1989-93)					
Buildings and Structures		39	87	690	1,747
TOTAL—AGRICULTURE	<u>\$ 1,426</u>	<u>\$ 1,430</u>	<u>\$ 1,178</u>	<u>\$ 1,154</u>	<u>\$ 2,003</u>
Department of Community Affairs					
Redevelopment Assistance Projects					
Projects Currently Authorized					
Acquisition and Construction	\$ 89,165	\$ 72,956	\$ 71,625	.....	.....
TOTAL—COMMUNITY AFFAIRS	<u>\$ 89,165</u>	<u>\$ 72,956</u>	<u>\$ 71,625</u>	<u>.....</u>	<u>.....</u>
Department of Corrections					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures	\$ 24,818	\$ 17,108	\$ 12,351	\$ 2,996	\$ 1,454
Projects in 1987-88 Budget (Pending)					
Buildings and Structures	406	813	6,909	16,256	10,160
Future Projects (1989-93)					
Buildings and Structures		243	741	4,912	14,883
TOTAL—CORRECTIONS	<u>\$ 25,224</u>	<u>\$ 18,164</u>	<u>\$ 20,001</u>	<u>\$ 24,164</u>	<u>\$ 26,497</u>
Department of Education					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures	\$ 84,834	\$ 66,212	\$ 45,221	\$ 10,970	\$ 5,325
Furniture and Equipment	2,958	216	.....	.....	.....
Projects in 1987-88 Budget (Pending)					
Buildings and Structures	615	1,230	10,457	24,604	15,378
Furniture and Equipment	5,519	5,518	.....	.....	.....
Future Projects (1989-93)					
Buildings and Structures		415	1,320	8,549	26,498
Furniture and Equipment		2,500	5,000	5,000	5,000
TOTAL—EDUCATION	<u>\$ 93,926</u>	<u>\$ 76,091</u>	<u>\$ 61,998</u>	<u>\$ 49,123</u>	<u>\$ 52,201</u>

CAPITAL BUDGET

Estimate of Capital Expenditures

BOND FUNDS	(Dollar Amounts in Thousands)				
	1988-89 Estimated	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
Emergency Management Agency					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures	\$ 1,278	\$ 1,242	\$ 896	\$ 217	\$ 106
Projects in 1987-88 Budget (Pending)					
Buildings and Structures	24	48	404	950	594
Future Projects (1989-93)					
Buildings and Structures .....	.....	2	8	47	150
TOTAL—EMERGENCY MANAGEMENT					
	<u>\$ 1,302</u>	<u>\$ 1,292</u>	<u>\$ 1,308</u>	<u>\$ 1,214</u>	<u>\$ 850</u>
Department of Environmental Resources					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures	\$ 29,822	\$ 27,099	\$ 18,825	\$ 4,567	\$ 2,217
Furniture and Equipment	113	5,350	.....	.....	.....
Projects in 1987-88 Budget (Pending)					
Buildings and Structures	176	353	2,998	7,055	4,409
Furniture and Equipment	80	80	.....	.....	.....
Future Projects (1989-93)					
Buildings and Structures .....	.....	129	392	2,598	7,871
Furniture and Equipment .....	.....	50	2,500	2,500	100
Subtotal					
	<u>\$ 30,191</u>	<u>\$ 33,061</u>	<u>\$ 24,715</u>	<u>\$ 16,720</u>	<u>\$ 14,597</u>
Flood Control Projects					
Projects Currently Authorized					
Structures and Improvements	\$ 8,500	\$ 825	\$ 800	.....	\$ 2,500
Projects in 1987-88 Budget (Pending)					
Structures and Improvements	180	410	400	.....	.....
Future Projects (1989-93)					
Structures and Improvements .....	.....	5,875	9,750	\$ 9,750	9,750
Subtotal					
	<u>\$ 8,680</u>	<u>\$ 7,110</u>	<u>\$ 10,950</u>	<u>\$ 9,750</u>	<u>\$ 12,250</u>
TOTAL—ENVIRONMENTAL RESOURCES					
	<u>\$ 38,871</u>	<u>\$ 40,171</u>	<u>\$ 35,665</u>	<u>\$ 26,470</u>	<u>\$ 26,847</u>
Department of General Services					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures	\$ 15,930	\$ 14,901	\$ 10,757	\$ 2,609	\$ 1,267
Furniture and Equipment	3,216	.....	.....	.....	.....
Projects in 1987-88 Budget (Pending)					
Buildings and Structures	557	1,114	9,471	22,285	13,928
Future Projects (1989-93)					
Buildings and Structures .....	.....	52	159	1,047	3,173
Furniture and Equipment .....	.....	.....	3,250	3,250	.....
TOTAL—GENERAL SERVICES					
	<u>\$ 19,703</u>	<u>\$ 16,067</u>	<u>\$ 23,637</u>	<u>\$ 29,191</u>	<u>\$ 18,368</u>

CAPITAL BUDGET

Estimate of Capital Expenditures

BOND FUNDS	(Dollar Amounts in Thousands)				
	1988-89 Estimated	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
Historical and Museum Commission					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures	\$ 1,420	\$ 1,380	\$ 996	\$ 242	\$ 117
Furniture and Equipment	6	.....	.....	.....	.....
Projects in 1987-88 Budget (Pending)					
Buildings and Structures	25	50	428	1,008	630
Future Projects (1989-93)					
Buildings and Structures .....	.....	45	137	905	2,741
Furniture and Equipment .....	.....	25	25	25	25
TOTAL—HISTORICAL AND MUSEUM	\$ 1,451	\$ 1,500	\$ 1,586	\$ 2,180	\$ 3,513
Department of Military Affairs					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures	\$ 3,407	\$ 3,311	\$ 2,391	\$ 580	\$ 281
Furniture and Equipment	3	.....	.....	.....	.....
Projects in 1987-88 Budget (Pending)					
Buildings and Structures	84	168	1,426	3,354	2,097
Furniture and Equipment	81	81	.....	.....	.....
Future Projects (1989-93)					
Buildings and Structures .....	.....	41	126	834	2,525
Furniture and Equipment .....	.....	.....	175	175	25
TOTAL—MILITARY AFFAIRS	\$ 3,575	\$ 3,601	\$ 4,118	\$ 4,943	\$ 4,928
Department of Public Welfare					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures	\$ 7,190	\$ 6,899	\$ 4,980	\$ 1,208	\$ 586
Furniture and Equipment	1,244	105	.....	.....	.....
Projects in 1987-88 Budget (Pending)					
Buildings and Structures	125	249	2,117	4,981	3,113
Future Projects (1989-93)					
Buildings and Structures .....	.....	168	511	3,386	10,260
Furniture and Equipment .....	.....	50	50	50	50
TOTAL—PUBLIC WELFARE	\$ 8,559	\$ 7,471	\$ 7,658	\$ 9,625	\$ 14,009
Department of State Police					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures	\$ 994	\$ 966	\$ 698	\$ 169	\$ 82
Projects in 1987-88 Budget (Pending)					
Buildings and Structures	79	157	1,337	3,145	1,966
Future Projects (1989-93)					
Buildings and Structures .....	.....	21	64	426	1,290
TOTAL—STATE POLICE	\$ 1,073	\$ 1,144	\$ 2,099	\$ 3,740	\$ 3,338

CAPITAL BUDGET

Estimate of Capital Expenditures

	(Dollar Amounts in Thousands)				
BOND FUNDS	1988-89 Estimated	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
Department of Transportation					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures	\$ 2,130	\$ 2,070	\$ 1,494	\$ 362	\$ 176
Projects in 1987-88 Budget (Pending)					
Buildings and Structures	303	606	5,151	12,120	7,575
Future Projects (1989-93)					
Buildings and Structures .....	.....	27	57	464	1,145
Subtotal	<u>\$ 2,433</u>	<u>\$ 2,703</u>	<u>\$ 6,702</u>	<u>\$ 12,946</u>	<u>\$ 8,896</u>
Highway Projects					
Projects Currently Authorized					
Bridge Restoration and Replacement ...	\$ 41,000	\$ 6,000	.....	.....	.....
Advanced Construction Interstate	108,406	69,194	\$ 3,293	.....	.....
Subtotal	<u>\$ 149,406</u>	<u>\$ 75,194</u>	<u>\$ 3,293</u>	.....	.....
Transportation Assistance Projects					
Projects Currently Authorized					
Mass Transit and Branch Rail Lines	\$ 75,000	\$ 33,000	\$ 30,000	.....	.....
Projects in 1987-88 Budget (Pending)					
Mass Transit and Branch Rail Lines	7,830	14,790	21,750	\$ 17,400	\$ 3,480
Future Projects (1989-93)					
Mass Transit and Branch Rail Lines ....	.....	18,250	21,900	36,500	47,450
Subtotal	<u>\$ 82,830</u>	<u>\$ 66,040</u>	<u>\$ 73,650</u>	<u>\$ 53,900</u>	<u>\$ 50,930</u>
TOTAL—TRANSPORTATION	<u>\$ 234,669</u>	<u>\$ 143,937</u>	<u>\$ 83,645</u>	<u>\$ 66,846</u>	<u>\$ 59,826</u>
TOTAL—BOND FUNDS					
Public Improvement Projects					
Buildings and Structures	\$ 175,643	\$ 148,549	\$ 144,000	\$ 144,000	\$ 144,000
Furniture and Equipment	13,220	13,975	11,000	11,000	5,200
Redevelopment Assistance Projects					
Acquisition and Construction	89,165	72,956	71,625	.....	.....
Flood Control Projects					
Structures and Improvements	8,680	7,110	10,950	9,750	12,250
Highway Projects					
Bridge Restoration and Replacement ...	41,000	6,000	.....	.....	.....
Advanced Construction Interstate	108,406	69,194	3,293	.....	.....
Transportation Assistance Projects					
Mass Transit and Branch Rail Lines	82,830	66,040	73,650	53,900	50,930
TOTAL	<u>\$ 518,944</u>	<u>\$ 383,824</u>	<u>\$ 314,518</u>	<u>\$ 218,650</u>	<u>\$ 212,380</u>

CAPITAL BUDGET

Estimate of Capital Expenditures

	(Dollar Amounts in Thousands)				
CURRENT REVENUES	1988-89 Estimated	1989-90 Estimated	1990-91 Estimated	1991-92 Estimated	1992-93 Estimated
Game Commission					
Public Improvement Projects					
Projects Currently Authorized					
Game Fund	\$ 1,500	.....	.....	.....	.....
Projects in 1988-89 Budget					
Game Fund	1,500	\$ 1,500	.....	.....	.....
Future Projects (1989-93)					
Game Fund .....	.....	1,500	\$ 3,000	\$ 3,000	\$ 3,000
TOTAL—GAME—COMMISSION	<u>\$ 3,000</u>	<u>\$ 3,000</u>	<u>\$ 3,000</u>	<u>\$ 3,000</u>	<u>\$ 3,000</u>
Department Transportation					
Highway Projects					
Projects Currently Authorized					
Motor License Fund	\$ 116,446	\$ 75,953	\$ 50,430	\$ 20,430	\$ 4,050
Motor License Fund Restricted Revenue	27,972	28,728	31,185	28,539	29,106
Projects in 1987-88 Budget (Pending)					
Motor License Fund	665	5,987	19,958	19,958	19,958
Future Projects (1989-93)					
Motor License Fund .....	.....	1,000	10,000	40,00	50,000
TOTAL—TRANSPORTATION	<u>\$ 145,083</u>	<u>\$ 111,668</u>	<u>\$ 111,573</u>	<u>\$ 108,927</u>	<u>\$ 103,114</u>
TOTAL—CURRENT REVENUES					
Public Improvement Projects					
Game Fund	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000
Highway Projects					
Motor License Fund	117,111	82,940	80,388	80,388	74,008
Motor License Fund Restricted Revenue	27,972	28,728	31,185	28,539	29,106
TOTAL	<u>\$ 148,083</u>	<u>\$ 114,668</u>	<u>\$ 114,573</u>	<u>\$ 111,927</u>	<u>\$ 106,114</u>
TOTAL—ALL STATE FUNDS	<u>\$ 667,027</u>	<u>\$ 498,492</u>	<u>\$ 429,091</u>	<u>\$ 330,577</u>	<u>\$ 318,494</u>

Sinking Funds And Public Debt



The olive branch, symbolizing peace, appeared on the Coat of Arms of 1778. It was omitted for a time but reappeared in 1875 when a commission was appointed to establish The Official Coat of Arms that continues to be used by the Commonwealth today.

BONDS AUTHORIZED, ISSUED AND OUTSTANDING

The Commonwealth issues general obligation bonds for purposes which cannot be financed from current revenues. Existing programs for which bonds are proposed to be issued in 1988-89 are Land and Water Development, Water Facilities Loans and for Capital Facilities and Highway construction.

The following statement reflects the bonded indebtedness of the Commonwealth as of December 31, 1987. Issues which have been completely redeemed are not included.

(Dollar Amounts in Thousands)

	Total Debt Authorized	Total Bonds Issued	Bonds Redeemed To Date	Bonds Outstanding	Sinking Fund	Net Indebtedness
Capital Facilities	\$ 9,565,275	\$ 5,106,330	\$ 1,724,125 ^b	\$ 3,382,205	\$ 852	\$ 3,381,353
General State Authority	1,165,250	1,165,250	979,583	185,667	36,750	148,917
State Highway and Bridge Authority	580,000	580,000	520,510	59,490	. . . . .	59,490
State Public School Building Authority	8,150	8,150	7,215	935	. . . . .	935
Disaster Relief ^a	192,708	168,000	63,445 ^c	104,555	12	104,543
Economic Revitalization ^a	190,000	73,000	24,165	48,835	102	48,733
Land and Water Development ^a	500,000	477,000	168,700 ^d	308,300	27	308,273
Nursing Home Loan Agency ^a	100,000	69,000	24,330	44,670	148	44,522
Project 70 Land Acquisition ^a	70,000	70,000	63,120	6,880	63	6,817
Vietnam Veterans' Compensation ^a	65,000	62,000	22,215	39,785	9	39,776
Volunteer Companies' Loan ^a	25,000	25,000	7,065	17,935	4	17,931
Water Facilities Loan ^a	300,000	127,000	20,030 ^e	106,970	440	106,530
Refunding Bonds ^a . . . . .	. . . . .	224,118	3,950	220,168	. . . . .	220,168
Matured Loans Unclaimed ^a . . . . .	. . . . .	. . . . .	. . . . .	141	145	(4)
TOTAL	\$12,761,383	\$ 8,154,848	\$ 3,628,453	\$ 4,526,536	\$ 38,552	\$ 4,487,984

^aNot applicable to constitutional debt limit.

^bReflects refunding of \$156,240,000 of outstanding bonds with General Obligation Refunding Bonds.

^cReflects refunding of \$15,780,000 of outstanding bonds with General Obligation Refunding Bonds.

^dReflects refunding of \$15,780,000 of outstanding bonds with General Obligation Refunding Bonds.

^eReflects refunding of \$7,100,000 of outstanding bonds with General Obligation Refunding Bonds.

PUBLIC DEBT

PROJECTED BOND ISSUES AND DEBT OUTSTANDING 1987-88 Through 1992-93

This table shows the projected amount of general obligation bonds of the Commonwealth to be issued and the level of bonded debt outstanding at the end of the fiscal year. Outstanding debt levels are also shown for remaining principal payments on authority debt and for bond programs for which no additional bonds are planned to be issued. A detailed forecast of outstanding capital facilities debt by category of project and the comparison of debt subject to the debt limit is contained in the Capital Budget section of this volume.

	(Dollar Amounts in Thousands)					
	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
Projected Bond Issues						
Capital Facilities						
Public Improvements	\$ 135,000	\$ 165,000	\$ 130,000	\$ 130,000	\$ 145,000	\$ 145,000
Highways	87,000	42,000	1,000	.....	.....	.....
Transportation Assistance	28,000	70,000	75,000	70,000	55,000	50,000
Original Furniture and Equipment .....	.....	10,000	15,000	10,000	12,000	6,000
Redevelopment Assistance	130,000	75,000	60,000	65,000	.....	.....
Flood Control .....	.....	8,000	7,000	12,000	10,000	12,000
Advance Construction Interstate	105,000	110,000	66,000	.....	.....	.....
Total	\$ 485,000	\$ 480,000	\$ 354,000	\$ 287,000	\$ 222,000	\$ 213,000
Special Purpose						
Land and Water Development	\$ 2,000	\$ 2,000	\$ 4,000	\$ 4,000	.....	.....
Nursing Home Loan .....	.....	.....	3,000	3,000	\$ 3,000	\$ 3,000
Water Facilities Loan ^a	27,000	95,000	212,000	142,000	109,000	100,000
Agricultural Easement .....	.....	5,000	10,000	10,000	10,000	10,000
Total	\$ 29,000	\$ 102,000	\$ 229,000	\$ 159,000	\$ 122,000	\$ 113,000
TOTAL	\$ 514,000	\$ 582,000	\$ 583,000	\$ 446,000	\$ 344,000	\$ 326,000
Debt Outstanding Projection						
Capital Facilities	\$ 3,641,565	\$ 3,843,575	\$ 3,862,385	\$ 3,788,965	\$ 3,606,575	\$ 3,428,430
General State Authority ^b	148,917	114,942	83,629	57,754	36,749	21,154
State Highway and Bridge Authority	59,490	36,665	19,135	6,940	.....	.....
State Public School Building Authority	935	590	270	.....	.....	.....
Special Purpose						
Disaster Relief	100,725	94,115	87,225	81,630	75,720	69,480
Economic Revitalization	47,710	39,510	31,580	25,350	19,120	13,245
Land and Water Development	296,910	279,100	262,205	245,145	222,780	199,770
Nursing Home Loan	44,510	40,790	39,880	38,625	37,010	35,020
Project 70 Land Acquisition	6,540	6,175	5,785	5,370	4,920	4,440
Vietnam Veterans' Compensation	37,765	35,415	32,920	30,275	27,465	24,485
Volunteer Companies Loan	17,565	16,245	14,895	13,510	12,090	10,630
Water Facilities Loan	126,095	213,400	412,955	531,910	610,765	675,170
Refunding Bonds ^c	220,168	217,348	214,078	202,388	186,588	167,168
Agricultural Easement .....	.....	5,000	14,750	24,000	32,750	41,000
TOTAL	\$ 4,748,895	\$ 4,942,870	\$ 5,081,692	\$ 5,051,862	\$ 4,872,532	\$ 4,689,992

^aIncludes bonds to be issued for PENNVEST program.

^bReflects the early deposit of funds for bond retirement.

^cPortions of refunding bonds used for early retirement of Capital Facilities debt, Water Facilities Loan debt, Land and Water Development debt and Disaster Relief debt.

PUBLIC DEBT

FORECAST OF DEBT SERVICE ON BONDED DEBT

This table shows the amounts necessary to pay estimated debt service by the Commonwealth on currently outstanding bonded indebtedness and authority rentals and on projected bond issues. Further detail for the Capital Facilities bonds by category of project is contained in the Capital Budget section of this volume.

	(Dollar Amounts in Thousands)				
	1988-89	1989-90	1990-91	1991-92	1992-93
General Fund					
Capital Facilities	\$ 275,284	\$ 309,007	\$ 328,476	\$ 348,333	\$ 363,167
General State Authority Rentals	34,323	30,367	23,721	17,829	11,660
Disaster Relief	12,235	12,095	10,361	10,352	10,338
Economic Revitalization	11,445	10,623	8,430	7,983	7,169
Land and Water Development	37,272	37,821	36,529	36,743	35,985
Nursing Home Loan	6,499	6,441	6,752	7,058	7,362
Project 70 Land Acquisition	764	764	763	770	771
Vietnam Veteran's Compensation	4,560	4,562	4,559	4,561	4,560
Volunteer Companies Loan	2,651	2,579	2,509	2,437	2,366
Water Facilities ^a	18,800	32,729	57,520	72,071	81,266
Refunding Series	17,990	18,266	26,360	29,634	32,121
Agricultural Easement .....	.....	813	2,035	3,219	4,366
Less: Interest and Miscellaneous Revenue	-20,809	-20,196	-18,626	-17,905	-17,655
TOTAL	\$ 401,014	\$ 445,871	\$ 489,389	\$ 523,085	\$ 543,476
Motor License Fund					
Capital Facilities—Highways	\$ 165,051	\$ 165,066	\$ 165,075	\$ 164,976	\$ 164,850
Capital Facilities	521	1,362	1,362	1,362	1,362
General State Authority Rentals	1,093	1,091	1,091	1,091	1,091
State Highway and Bridge Authority Rentals	25,056	18,869	12,824	7,183	.....
Advance Construction Interstate—Interest Payments ^b	12,796	16,098	14,553	9,007	2,953
Less: Miscellaneous Revenue	-616	-370	.....	.....	.....
TOTAL	\$ 203,901	\$ 202,116	\$ 194,905	\$ 183,619	\$ 170,256
Boating Fund					
General State Authority Rentals	\$ 2	\$ 2	\$ 2	\$ 2	\$ 2
Fish Fund					
General State Authority Rentals	\$ 63	\$ 63	\$ 63	\$ 63	\$ 63
Other Funds					
State Public School Building Authority ...	\$ 384	\$ 342	\$ 277	.....	.....
Motor License Fund Restricted Receipts					
Aviation—Capital Facilities	\$ 144	\$ 1,252	\$ 1,422	\$ 1,422	\$ 1,422
Aviation—General State Authority	39	39	39	39	39
Highway Bridge Improvement—Capital Facilities	15,818	19,088	18,648	18,115	17,578
Less: Miscellaneous Revenue	-235	-6	.....	.....	.....
TOTAL	\$ 15,766	\$ 20,373	\$ 20,109	\$ 19,576	\$ 19,039
TOTAL	\$ 621,130	\$ 668,767	\$ 704,745	\$ 726,345	\$ 732,836

^aIncludes bonds for PENNVEST.

^bPrincipal payments made from Federal reimbursements.

PUBLIC DEBT

TERMS OF BONDS ISSUED

The following table reflects the terms of the Commonwealth's general obligation bonds that were issued in the calendar year ending December 31, 1987.

Purpose of Bonds	Bond Date	Interest Rate	First and Last Year of Maturity	Original Amount in Thousands
Capital Facilities — Construction	April 15, 1987	7.03%	1988-07	\$ 25,000
	October 1, 1987	7.65%	1988-07	35,000
Subtotal				\$ 60,000
Capital Facilities — Transportation Assistance	April 15, 1987	7.03%	1988-07	\$ 10,000
Capital Facilities — Bridge	April 15, 1987	7.03%	1988-07	\$ 35,000
	October 1, 1987	7.65%	1988-07	25,000
Subtotal				\$ 60,000
Capital Facilities — Advance Construction Interstate	April 15, 1987	5.83%	1989-90	\$ 43,000
	October 1, 1987	6.77%	1989-92	60,000
Subtotal				\$ 103,000
Capital Facilities — Redevelopment Assistance	October 1, 1987	7.65%	1988-07	\$ 25,000
Land and Water Development	October 1, 1987	7.65%	1988-07	\$ 2,000
Water Facilities Loan	April 15, 1987	7.03%	1988-07	\$ 5,000
	October 1, 1987	7.65%	1988-07	5,000
Subtotal				\$ 10,000
Refunding	April 15, 1987	6.68%	1990-00	\$ 35,415
TOTAL				\$ 305,415

PUBLIC DEBT

ANNUAL DEBT SERVICE ON OUTSTANDING GENERAL OBLIGATION BONDS AND AUTHORITY RENTALS Bonds Issued as of December 31, 1987

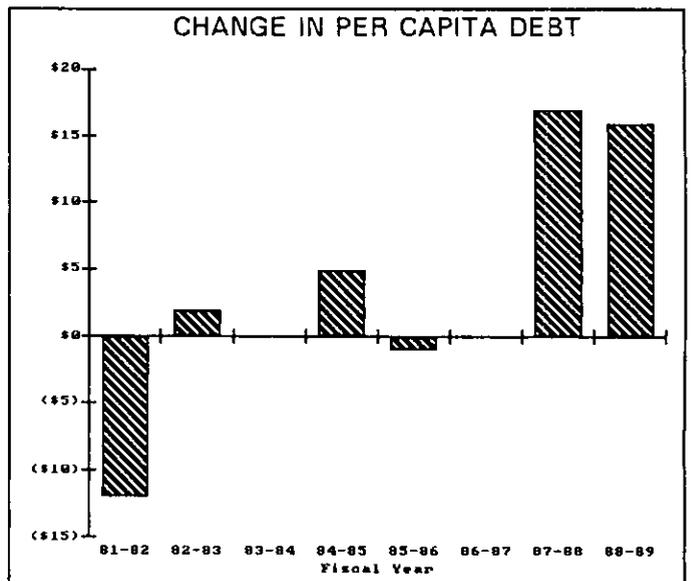
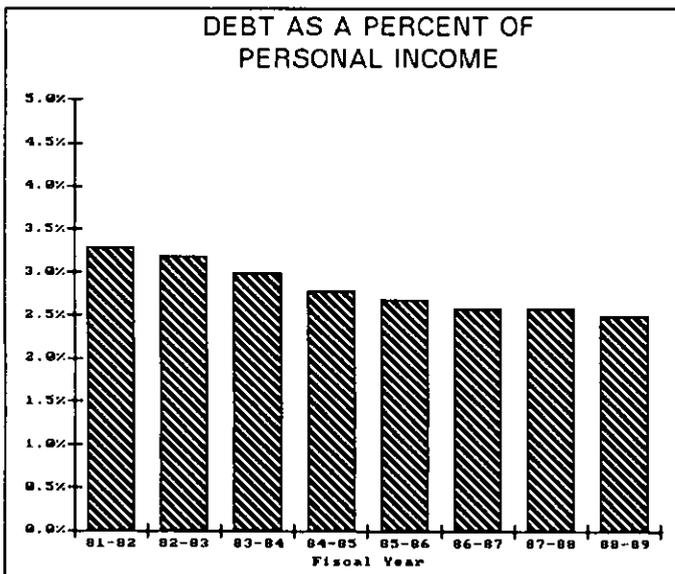
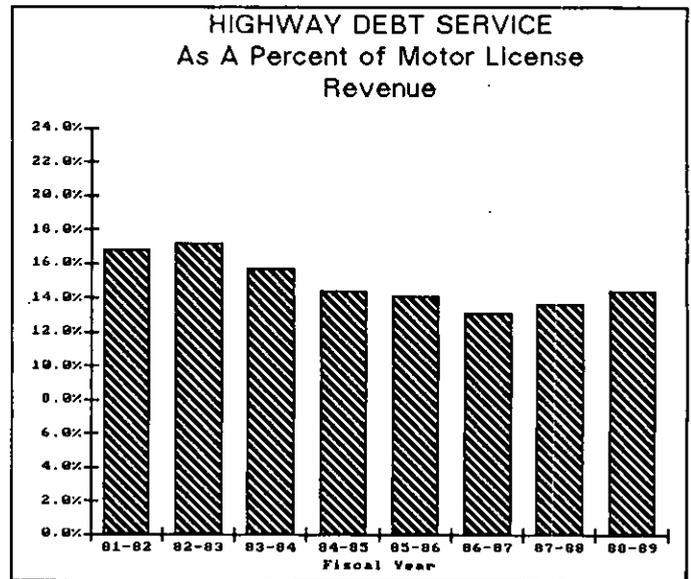
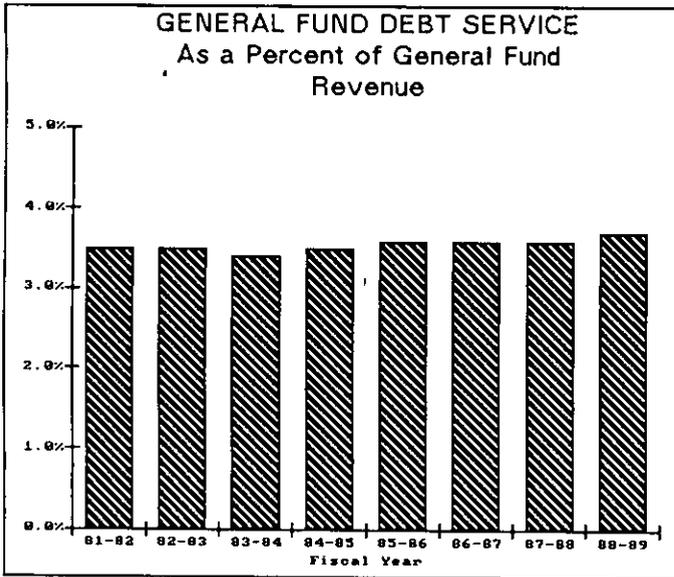
(Dollar Amounts in Thousands)

Fiscal Year	Authority Rentals		Capital Improvements	Public School Building Authority	Transportation	Advanced Construction Interstate	Land and Water	Disaster Relief
	General State Authority ^(a)	State Highway and Bridge Authority						
1987-88	\$43,874	\$26,894	\$241,865	\$385	\$169,952	\$ 5,996	\$37,353	\$12,378
1988-89	39,721	25,056	243,000	384	172,035	46,494	37,271	12,235
1989-90	35,763	18,869	238,889	342	171,879	59,010	37,496	12,095
1990-91	29,116	12,824	224,794	277	171,711	17,430	35,715	10,361
1991-92	23,225	7,183	213,422	..	171,433	16,470	35,529	10,351
1992-93	17,056	..	204,927	..	171,122	15,495	34,810	10,337
1993-94	12,121	..	201,424	..	170,866	..	34,682	10,310
1994-95	3,385	..	193,287	..	170,842	..	34,556	10,292
1995-96	3,314	..	175,325	..	141,697	..	34,474	10,267
1996-97	3,947	..	154,724	..	109,478	..	28,479	10,229
1997-98	..	..	144,049	..	105,220	..	25,742	10,197
1998-99	..	..	129,119	..	102,252	..	21,051	8,861
1999-00	..	..	115,519	..	89,461	..	19,148	7,047
2000-01	..	..	100,698	..	71,197	..	18,086	7,047
2001-02	..	..	83,861	..	50,912	..	12,357	7,071
2002-03	..	..	65,353	..	31,961	..	8,978	7,092
2003-04	..	..	49,151	..	21,429	..	5,070	176
2004-05	..	..	33,972	..	3,733	..	128	125
2005-06	..	..	22,126	..	3,506	..	120	..
2006-07	..	..	13,606	..	3,278	..	112	..
2007-08	..	..	3,120	..	1,300	..	104	..

Fiscal Year	Project 70	Vietnam Veterans' Compensation	Volunteer Companies Loan Fund	Nursing Home Loan Agency	Water Facilities Loan	Economic Revitalization	Refunding Bonds	Total
1987-88	\$761	\$4,565	\$2,720	\$6,563	\$14,889	\$11,964	\$17,990	\$598,149
1988-89	763	4,560	2,650	6,498	14,879	11,445	17,990	634,979
1989-90	764	4,562	2,578	6,441	14,409	10,623	18,265	631,984
1990-91	763	4,559	2,509	6,377	13,926	8,430	26,360	565,149
1991-92	770	4,560	2,436	6,319	13,432	7,983	29,634	542,747
1992-93	770	4,559	2,366	6,270	12,925	7,169	32,120	519,926
1993-94	769	4,562	2,292	6,218	12,404	4,653	30,141	490,443
1994-95	775	4,567	2,220	6,166	11,870	3,974	27,710	469,644
1995-96	779	4,575	2,143	3,848	10,571	1,344	32,056	420,392
1996-97	780	4,574	2,063	3,783	10,091	1,274	28,719	358,139
1997-98	778	4,572	1,114	2,429	9,669	1,202	26,713	331,686
1998-99	783	2,592	1,032	2,355	9,168	1,131	24,797	303,139
1999-00	785	2,602	950	1,105	8,659	971	22,384	268,631
2000-01	..	478	868	1,034	8,149	547	13,660	221,765
2001-02	..	482	789	963	7,639	514	10,007	174,594
2002-03	..	487	440	940	7,176	481	6,370	129,278
2003-04	..	491	..	326	6,201	453	5,830	89,127
2004-05	..	..	..	185	4,040	370	..	42,553
2005-06	..	..	..	175	1,010	..	..	26,937
2006-07	..	..	..	165	946	..	..	18,107
2007-08	..	..	..	..	260	..	..	4,784

^aAs payable by the Commonwealth. Rentals are due in the fiscal year prior to the due date of the authority's bonds.

TRENDS IN DEBT SERVICE AND DEBT RATIOS 1981-82 Through 1988-89



**OUTSTANDING INDEBTEDNESS OF
PENNSYLVANIA AGENCIES AND AUTHORITIES**

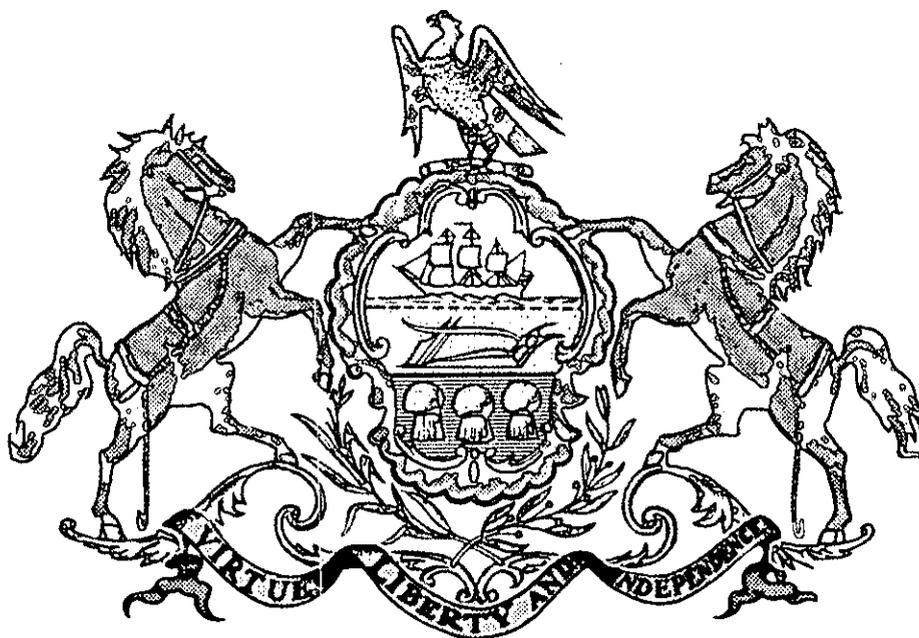
The indebtedness of the following agencies and authorities is not an obligation of the Commonwealth of Pennsylvania but represents the debt of those agencies and authorities created by the Commonwealth for a public purpose. These obligations are not considered as debt under the State Constitution because they meet at least one of the following conditions: 1) the obligations are to be repaid from charges for the use of the capital project financed, as determined by the Auditor General, 2) the obligations are to be repaid from lease rentals and other charges payable by a school district or other local taxing authority or 3) the obligations are to be repaid by agencies or authorities created for the joint benefit of the Commonwealth and one or more other state governments.

As of December 31, 1987
(in thousands)
Bonds

Higher Education Facilities Authority Acquires, constructs, improves and leases (as lessor) college facilities for colleges and universities within the Commonwealth. Debt service on the bonds is paid from rentals collected for the use of the facilities.	\$1,342,526 ^a
State Public School Building Authority Constructs, improves and equips public buildings for local school districts. Debt service on the bonds is paid from rentals collected for the use of the facilities.	234,150
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.	804,380
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	116,055
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 the "moral obligation" of the Commonwealth.	1,686,770
Pennsylvania Higher Education Assistance Agency Makes or guarantees student loans for graduate or 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.	352,000
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	162,250
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 or tunnels, projects for port improvement and development and has constructed and operates a rapid transit system. Debt service on the bonds is paid from tolls, fares, rents and other revenue of the authority.	222,235
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. ....	.....
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. ....	.....
TOTAL	<u>\$ 4,920,366^a</u>

^aReflects outstanding indebtedness for both notes and bonds for Higher Education Facilities Authority.

Other Special Funds



The scroll bearing the words virtue, liberty and independence is the Motto of the Commonwealth.



Commonwealth of Pennsylvania

OTHER SPECIAL FUNDS APPENDIX

This section provides descriptive and financial data for Commonwealth funds which traditionally had been excluded from the Governor's Budget. This information is presented to demonstrate the magnitude and complexity of the Commonwealth's financial structure as well as give some details of the various funds.

OTHER SPECIAL FUNDS

This appendix contains a brief presentation of all active Commonwealth funds not given an expanded treatment in the other sections of the budget. Previously, the funds shown in this section were given occasional analytical review and information concerning these funds was presented on a selected basis to the extent that they had impact on annual budget considerations.

In a limited number of cases expenditures from funds presented in this section are included in other presentations.

Generally, the Commonwealth uses a modified accrual basis of accounting for financial reporting where certain revenues are accrued and expenditures are reflected when disbursed or committed. All financial data shown herein is on a strictly cash basis, which means that the beginning and ending balances are cash plus investments. Receipts include only those items actually received and credited to the funds by the Department of Revenue. Disbursements represent checks drawn by the Treasury Department and do not include commitments, encumbrances or vouchers payable.

Several funds carrying long-term investments show an adjustment to reflect the current market value of those investments as of June 30, 1987.

This format for displaying financial data was chosen for its simplicity and easy adaptability to all funds. As such, the data may not present the best statement of the funds' condition nor accurately describe the operating characteristics of the funds.

One recurring detail on the financial statements requires further explanation. In those funds with complement, the State share of retirement is taken from general revenue of the fund and paid into a restricted account within the fund from which payments are made to the State Employees' Retirement Fund by the Governor's Office. Receipts and disbursements shown as a result of such transactions may not be equal within any given fiscal year.

A more comprehensive explanation of these funds is available in "Report on the Funds of the Commonwealth of Pennsylvania" prepared by the Legislative Budget and Finance Committee. Additional details are also available from the Office of the Budget.

The vast majority of Commonwealth day-to-day activities are financed from the General Fund; however, over time a large number of other funds have been created to more closely relate specific revenue sources to specific programs or to identify particular government programs or activities. These special funds are categorized into six groups to aid in identifying their purpose. These groups are defined below.

Special Revenue Funds — These funds are used to account for revenues from specific taxes or other earmarked revenue sources which by law are designated to finance particular functions or activities.

Internal Service Funds — These funds account for the financing of goods or services provided by one department or agency to other departments or agencies of the Commonwealth, or to other governmental units, on a cost-reimbursement basis.

Bond Funds — Bond Funds are used to account for the receipt and disbursement of bond sale proceeds which normally finance the construction of acquisition or designated fixed assets.

Debt Service Funds — These funds account for the accumulation of resources, principally from transfers from other funds, for the payment of general long-term debt principal and interest.

Trust and Agency Funds — These funds are used to account for assets held by the Commonwealth as trustee or agent for individuals, private organizations and other governmental units.

Enterprise Funds — These funds accommodate the operation of public service programs financed wholly or mostly by user charges, or where the periodic determination of net income is deemed appropriate.

ADMINISTRATION FUND

This fund was created for the administrative costs associated with the Unemployment Compensation Law and the State system of public employment offices (Office of Employment Security). While the fund can receive funds from any source, the majority of revenue results from moneys requisitioned from the Commonwealth's account in the Federal Unemployment Trust Fund.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Estimated
Cash Balance, Beginning	\$ 6,073	\$ 5,722	\$ 5,572
Receipts:			
Federal Unemployment Trust Fund ..	\$ 129,592	\$ 127,500	\$ 129,300
Federal JTPA Funds	639	650	670
Other	18,447	16,500	17,800
Total Receipts	<u>148,678</u>	<u>144,650</u>	<u>147,770</u>
Total Funds Available	\$ 154,751	\$ 150,372	\$ 153,342
Disbursements:			
Executive Offices	\$ 11,009	\$ 11,500	\$ 12,000
Labor and Industry	138,020	133,300	135,692
Total Disbursements	<u>-149,029</u>	<u>-144,800</u>	<u>-147,692</u>
Cash Balance, Ending	<u>\$ 5,722</u>	<u>\$ 5,572</u>	<u>\$ 5,650</u>

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 (Pennsylvania State University). The income derived from the investment of the money in the fund plus appropriations which may be made from time to time by the General Assembly serve as revenue to the fund. Moneys 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.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Estimated
Cash Balance, Beginning	\$ 643	\$ 639	\$ 655
Receipts:			
Interest on Securities	\$ 43	\$ 46	\$ 47
Total Receipts	<u>43</u>	<u>46</u>	<u>47</u>
Total Funds Available	\$ 686	\$ 685	\$ 702
Disbursements:			
Treasury	\$ 47	\$ 30	\$ 30
Total Disbursements	<u>-47</u>	<u>-30</u>	<u>-30</u>
Cash Balance, Ending	<u>\$ 639</u>	<u>\$ 655</u>	<u>\$ 672</u>

ANTHRACITE EMERGENCY 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.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Estimated
Cash Balance, Beginning .....	.....	\$ 50	\$ 18
Receipts:			
Transfer from the General Fund	\$ 50	.....	.....
Operator Payments .....	.....	12	1
Production Fees .....	.....	6	6
Interest .....	.....	.....	.....
Total Receipts	<u>50</u>	<u>18</u>	<u>7</u>
Total Funds Available	\$ 50	\$ 68	\$ 25
Disbursements:			
Environmental Resources .....	.....	\$ 50	\$ 5
Total Disbursements .....	.....	<u>-50</u>	<u>-5</u>
Cash Balance, Ending	<u>\$ 50</u>	<u>\$ 18</u>	<u>\$ 20</u>

CAPITAL DEBT FUND

Annual appropriations by the General Assembly for payment of interest and principal due on general obligation bonds are credited to this fund. Funds in excess of the 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. Transactions in escrow accounts whose use is restricted to the retirement of advance refunded bonds are not included below.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Estimated
Cash Balance, Beginning	\$ 3,422	\$ 5,482	.....
Receipts:			
Transfer from Other Funds	\$ 387,050	\$ 400,998	\$ 458,454
Rentals — Pier 124	2,762	2,762	2,762
Rentals — State-Aided and State-Related Institutions	6,277	5,602	5,452
Interest Subsidy — Higher Education Construction Projects	158	158	158
Sale of State Property	9	.....	.....
Transfer from General Fund — Redevelopment Assistance Sinking Fund	11,000	.....	.....
General Obligation Refunding Bonds	55,540	.....	.....
Accrued Interest on Bonds Sold	1,943	2,716	2,688
Interest on Securities	92	100	100
Total Receipts	<u>464,831</u>	<u>412,336</u>	<u>469,614</u>
Total Funds Available	\$ 468,253	\$ 417,818	\$ 469,614
Disbursements:			
Treasury	\$ 462,771	\$ 417,818	\$ 469,614
Total Disbursements	<u>-462,771</u>	<u>-417,818</u>	<u>-469,614</u>
Cash Balance, Ending	<u>\$ 5,482</u>	<u>.....</u>	<u>.....</u>

CAPITAL FACILITIES FUND

Revenue for this fund comes principally from the sale of general obligation bonds. Such bonded debt may not exceed one and three quarter times the average of the annual tax revenues deposited 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 moneys in the fund is credited to the account in the fund to which such invested or deposited money was originally credited. Moneys in this fund are used to meet the financial costs of capital projects as authorized by capital budget acts.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Estimated
Cash Balance, Beginning	\$ 130,018	\$ 141,422	\$ 111,422
Receipts:			
Sale of Bonds	\$ 307,552	\$ 485,000	\$ 480,000
Interest on Securities	8,185	8,912	6,449
Interest on Grant Funds	382	306	230
Other	3,506	3,811	2,400
Total Receipts	<u>319,625</u>	<u>498,029</u>	<u>489,079</u>
Total Funds Available	\$ 449,643	\$ 639,451	\$ 600,501
Disbursements:			
General Services	\$ 129,544	\$ 142,023	\$ 188,863
Community Affairs	55,522	135,754	89,165
Transportation	84,952	250,252	232,236
Environmental Resources .....	.....	.....	8,680
Treasury	38,203	.....	.....
Total Disbursements	<u>-308,221</u>	<u>-528,029</u>	<u>-518,944</u>
Cash Balance, Ending	<u>\$ 141,422</u>	<u>\$ 111,422</u>	<u>\$ 81,557</u>

CAPITOL RESTORATION TRUST FUND

This fund was created in 1982 to finance the maintenance, restoration, preservation and rehabilitation of artifacts, documents and other historical objects or resources located within and around or associated with the State Capitol Building; and the acquisition of artifacts, documents and other historical objects or resources which contribute to the historical significance of the State Capitol Building. This fund is administered by the Capitol Preservation Committee. Revenue is derived from gifts, donations and legacies of money from individuals, organizations, public or private corporations; and from the sale of commemorative medals and other items of a similar nature which promote the historic preservation and restoration of the State Capitol Building.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Estimated
Cash Balance, Beginning	\$ 103	\$ 125	\$ 90
Receipts:			
Contributions and Sales	\$ 15	5	\$ 5
Other	7	10	5
Total Receipts	<u>22</u>	<u>15</u>	<u>10</u>
Total Funds Available	\$ 125	\$ 140	\$ 100
Disbursements:			
Capitol Preservation Committee ....	.....	\$ 50	\$ 10
Total Disbursements .....	.....	<u>-50</u>	<u>-10</u>
Cash Balance, Ending	<u>\$ 125</u>	<u>\$ 90</u>	<u>\$ 90</u>

CATASTROPHIC LOSS TRUST FUND

The purpose of this fund is to pay medical and rehabilitative expenses in excess of \$100,000 to residents of Pennsylvania injured in a motor vehicle accident as provided by The Motor Vehicle Financial Responsibility Law. The fund is administered by a nine-person administrative board in the Insurance Department. The fund is financed by an annual fee levied on specific classes of motor vehicles registered in Pennsylvania.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Estimated
Cash Balance, Beginning	\$ 58,335	\$ 73,747	\$ 108,747
Receipts:			
Vehicle Fee	\$ 39,847	\$ 65,600	\$ 66,000
Interest	4,433	7,500	7,000
Total Receipts	<u>44,280</u>	<u>73,100</u>	<u>73,000</u>
Total Funds Available	\$ 102,615	\$ 146,847	\$ 181,747
Disbursements:			
Insurance	<u>\$ 28,868</u>	<u>\$ 38,100</u>	<u>\$ 77,363</u>
Total Disbursements	<u>-28,868</u>	<u>-38,100</u>	<u>-77,363</u>
Cash Balance, Ending	<u>\$ 73,747</u>	<u>\$ 108,747</u>	<u>\$ 104,384</u>

COAL AND CLAY MINE SUBSIDENCE INSURANCE FUND _____

This fund was created in 1961 to provide insurance to home owners in mining areas against damages resulting from subsidence. Revenue is derived from premiums paid by policy-holders for subsidence insurance.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Estimated
Cash Balance, Beginning	\$ 6,599	\$ 6,913	\$ 7,610
Receipts:			
Premiums Collected	\$ 1,673	\$ 1,738	\$ 1,894
Interest	419	500	500
Other	45	.....	.....
Total Receipts	<u>2,137</u>	<u>2,238</u>	<u>2,394</u>
Total Funds Available	\$ 8,736	\$ 9,151	\$ 10,004
Disbursements:			
Executive Offices	\$ 49	.....	.....
Environmental Resources	<u>1,774</u>	<u>1,541</u>	<u>1,785</u>
Total Disbursements	<u>-1,823</u>	<u>-1,541</u>	<u>-1,785</u>
Cash Balance, Ending	<u>\$ 6,913</u>	<u>\$ 7,610</u>	<u>\$ 8,219</u>

COAL LANDS IMPROVEMENT FUND

This fund was created in 1965 to finance the restoration of land acquired by the Commonwealth through eminent domain or amicable methods which has been defaced by open pit or strip mining and has been declared a health hazard. Initially the fund was provided a \$1 million appropriation but subsequent revenue is derived from the sale of restored land and interest on investments.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Estimated
Cash Balance, Beginning	\$ 151	\$ 160	\$ 170
Receipts:			
Interest	\$ 9	\$ 10	\$ 10
Total Receipts	<u>9</u>	<u>10</u>	<u>10</u>
Total Funds Available	\$ 160	\$ 170	\$ 180
Disbursements:			
Environmental Resources	<u> </u>	<u> </u>	<u> </u>
Total Disbursements	<u> </u>	<u> </u>	<u> </u>
Cash Balance, Ending	<u>\$ 160</u>	<u>\$ 170</u>	<u>\$ 180</u>

CONRAD WEISER MEMORIAL PARK TRUST FUND

This fund was created to provide for control, management, supervision, restoration and improvement of the Conrad Weiser Memorial Park, Berks County. Source of revenue for the fund is income and interest from the \$20,000 perpetual endowment created by the estate of Colonel Conrad Weiser.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Estimated
Cash Balance, Beginning	\$ 33	\$ 35	\$ 39
Receipts:			
Interest on Securities	2	\$ 4	2
Redemption of Securities .....	.....	.....	.....
Total Receipts	<u>2</u>	<u>4</u>	<u>2</u>
Total Funds Available	\$ 35	\$ 39	\$ 41
Disbursements:			
Historical and Museum Commission .....	.....	.....	\$ 15
Total Disbursements	<u>.....</u>	<u>.....</u>	<u>-15</u>
Cash Balance, Ending	<u>\$ 35</u>	<u>\$ 39</u>	<u>\$ 26</u>

DEFERRED COMPENSATION FUND

On November 6, 1987, Act 81 was signed into law establishing the Commonwealth Deferred Compensation Program. The program will enable Commonwealth employees to defer a portion of their salaries into a retirement savings plan. The act is to take effect in March of 1988. The State Employees' Retirement System is responsible for administration of the Act.

While employees will probably begin contributing to the fund in the 1987-88 fiscal year the financial statement does not include the level of activity in the fund for the current or budget year because the level of that activity has not been estimated.

Statement of Cash Receipts and Disbursements

	1986-87 Actual	(Dollar Amounts in Thousands) 1987-88 Available	1988-89 Estimated
Cash Balance, Beginning	NA
Receipts:			
Employee Contributions	NA	NA
Total Receipts	NA	NA
Total Funds Available	NA	NA
Disbursements:			
State Employees' Retirement System	NA	NA
Total Disbursements	NA	NA
Cash Balance, Ending	NA	NA

DISASTER RELIEF FUND

Act 4 of the 1972 Second Special Legislative Session provided authority for implementation of a \$140 million bond issue for redevelopment of flooded areas within the Commonwealth destroyed by the great storms and flood of September, 1971 and June, 1972. This was amended in October, 1978 to include the flood of July, 1977 and to increase the bond authority by \$50 million to \$190 million. The proceeds from these bonds are paid into the Disaster Relief Fund which is administered by the Department of Community Affairs.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Estimated
Cash Balance, Beginning	\$ 3,185	\$ 2,312	\$ 1,491
Receipts:			
Interest Earned	\$ 249	\$ 179	\$ 120
Total Receipts	<u>249</u>	<u>179</u>	<u>120</u>
Total Funds Available	\$ 3,434	\$ 2,491	\$ 1,611
Disbursements:			
Community Affairs	\$ 1,122	\$ 1,000	\$ 1,500
Total Disbursements	<u>-1,122</u>	<u>-1,000</u>	<u>-1,500</u>
Cash Balance, Ending	<u>\$ 2,312</u>	<u>\$ 1,491</u>	<u>\$ 111</u>

DISASTER RELIEF REDEMPTION FUND

This fund is used for the payment of interest and principal due on bonds issued for the Disaster Relief Fund. Funds in excess of the interest and principal due in any one fiscal period may be used for the purchase and retirement of all or any part of such bonds issued which are still outstanding. The receipts of this fund include repayment of any moneys provided from the Disaster Relief Fund and annual General Fund appropriations sufficient to pay interest and principal due on disaster relief bonds.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Estimated
Cash Balance, Beginning	\$ 11	\$ 12	.....
Receipts:			
Transfer from General Fund	\$ 13,874	\$ 12,366	\$ 12,235
Interest on Securities	<u>1</u>	<u>.....</u>	<u>.....</u>
Total Receipts	<u>13,875</u>	<u>12,366</u>	<u>12,235</u>
Total Funds Available	\$ 13,886	\$ 12,378	\$ 12,235
Disbursements:			
Treasury	\$ 13,874	\$ 12,378	\$ 12,235
Total Disbursements	<u>-13,874</u>	<u>-12,378</u>	<u>-12,235</u>
Cash Balance, Ending	<u>\$ 12</u>	<u>.....</u>	<u>.....</u>

EMERGENCY MEDICAL SERVICES OPERATING FUND

The purpose of this fund is to assist in activities relating to the prevention and reduction of premature death and disability in this Commonwealth; providing for assistance, coordination and support of the development and maintenance of a comprehensive emergency medical services system and for qualifications, eligibility and certification of emergency medical services personnel and funding ambulance services. The fund was created by The Emergency Medical Services Act (Act 45) enacted on July 7, 1985. The source of revenue is a \$10 fine levied on all moving traffic violations. These fines are in addition to other fines imposed at the discretion of the court. This statement includes both the Emergency Medical and Catastrophic Medical and Rehabilitation components of the Act.

Statement of Cash Receipts and Disbursements

	1986-87 Actual	(Dollar Amounts in Thousands) 1987-88 Available	1988-89 Estimated
Cash Balance, Beginning	\$ 3,960	\$ 6,884	\$ 7,168
Receipts:			
Fines	\$ 5,950	\$ 5,949	\$ 5,950
Interest	291	224	224
Total Receipts	<u>6,241</u>	<u>6,173</u>	<u>6,174</u>
Total Funds Available	\$ 10,201	\$ 13,057	\$ 13,342
Disbursements:			
Health	\$ 3,317	\$ 5,889	\$ 5,573
Total Disbursements	<u>-3,317</u>	<u>-5,889</u>	<u>-5,573</u>
Cash Balance, Ending	<u>\$ 6,884</u>	<u>\$ 7,168</u>	<u>\$ 7,769</u>

EMPLOYMENT FUND FOR THE BLIND

This fund, administered by the Department of Public Welfare, was created June 13, 1967, to make loans to blind persons to purchase equipment, stock, merchandise and accessories necessary to put into operation a vending or refreshment stand or other suitable business enterprises in some suitable location to be leased or arranged for by the Department of Public Welfare.

Monies credited to this fund include: (1) repayment of money advanced to blind persons for the purchase of merchandise, equipment, stock and accessories; (2) rental fees paid by blind persons for leasing equipment and accessories purchased, owned, installed and maintained by the Department of Public Welfare; (3) percentage of the profits from vending machines in State buildings wherein a restaurant or cafeteria is operated by the Department of General Services and (4) any grants or contributions from the Federal government.

At no time is the fund to exceed the sum of \$150,000.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Estimated
Cash Balance, Beginning	\$ 346	\$ 272	\$ 123
Receipts:			
Federal Reimbursement — Business Enterprise Program	\$ 100	\$ 101	\$ 100
Vending Stand Equipment Rentals ..	302	310	310
Vending Machine Receipts	185	200	200
Other	34	35	35
Total Receipts	<u>621</u>	<u>646</u>	<u>645</u>
Total Funds Available	\$ 967	\$ 918	\$ 768
Disbursements:			
Public Welfare	\$ 695	\$ 795	\$ 750
Total Disbursements	<u>-695</u>	<u>-795</u>	<u>-750</u>
Cash Balance, Ending	<u>\$ 272</u>	<u>\$ 123</u>	<u>\$ 18</u>

ENERGY DEVELOPMENT FUND

The Energy Development Fund was created by Act 280 of 1982. The fund provides the vehicle to accomplish the purposes of the Pennsylvania Energy Development Authority including the sale of bonds. Activities of the fund include preparation of the energy development plan, payment of initial administrative costs, the making of grants and loans for limited research which will 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.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Estimated
Cash Balance, Beginning	\$ 3,387	\$ 3,638	\$ 3,079
Receipts:			
Transfer from General Fund	\$ 1,300	\$ 1,300	\$ 1,500
Interest	273	291	246
Other	54	150	200
Total Receipts	<u>1,627</u>	<u>1,741</u>	<u>1,946</u>
Total Funds Available	\$ 5,014	\$ 5,379	\$ 5,025
Disbursements:			
Economic Development Partnership Energy Office	\$ 1,376	\$ 2,300	\$ 1,500
Total Disbursements	<u>-1,376</u>	<u>-2,300</u>	<u>-1,500</u>
Cash Balance, Ending	<u>\$ 3,638</u>	<u>\$ 3,079</u>	<u>\$ 3,525</u>

FIRE INSURANCE TAX FUND

The revenue for the Fire Insurance Tax Fund results from the two percent tax paid upon premiums received from foreign (out-of-state) fire insurance companies on business done within the Commonwealth. All money in the fund, except interest, is paid to incorporated local governments in Pennsylvania based on the amount of foreign fire insurance sold in that city, town, township or borough. 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. Interest earned on money in this fund is transferred to the State Insurance Fund.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Estimated
Cash Balance, Beginning	\$ 32,825	\$ 39,207	\$ 41,258
Receipts:			
Foreign Fire Insurance Premiums			
Tax Payable to Municipalities ..	\$ 39,171	\$ 41,222	\$ 43,375
Total Receipts	<u>39,171</u>	<u>41,222</u>	<u>43,375</u>
Total Funds Available	\$ 71,996	\$ 80,429	\$ 84,633
Disbursements:			
Revenue	\$ 32,789	\$ 39,171	\$ 41,222
Total Disbursements	<u>-32,789</u>	<u>-39,171</u>	<u>-41,222</u>
Cash Balance, Ending	<u>\$ 39,207</u>	<u>\$ 41,258</u>	<u>\$ 43,411</u>

HAZARDOUS SITES CLEANUP FUND

This fund was created by Act 58 of 1987 to finance the cleanup and restoration of abandoned hazardous waste sites in the Commonwealth. Revenue will be generated from a portion of the Capital Stock and Franchise Tax, and a new Hazardous Waste Fee. Expenditures will be for cleaning up abandoned hazardous waste sites throughout the Commonwealth and restoring the land to productive use.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Estimated
Cash Balance, Beginning	\$ 4,125
Receipts:			
Capital Stock and Franchise Tax	\$ 11,700	\$ 20,100
Hazardous Waste Fee	5,500
Interest
Total Receipts	11,700	25,600
Total Funds Available	\$ 11,700 ^a	\$ 29,725 ^a
Disbursements:			
Environmental Resources	\$ 7,575	\$ 13,178
Total Disbursements	-7,575	-13,178
Cash Balance, Ending	\$ 4,125	\$ 16,547

^aIn addition, \$15,684,000 in General Fund appropriations for both 1987-88 and 1988-89, are also contained in this budget for cleanup and other program activities.

HIGHER EDUCATION ASSISTANCE FUND

Moneys in this fund are currently used for the following purposes: (1) maintenance of a monetary reserve to be used for all expenses associated with loans guaranteed by the Pennsylvania Higher Education Assistance Agency (PHEAA); (2) provision of scholarships; (3) provision of grants to nonsectarian private postsecondary educational institutions; (4) provision of grants to institutions of higher learning for the purpose of helping the institution secure Federal funds to provide direct financial aid to students; and (5) payment of PHEAA administrative costs. Revenue to this fund is derived from appropriations by the General Assembly of General Fund money, gifts, Federal funds and interest earnings and servicing fees.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Estimated
Cash Balance, Beginning	\$ 130,825	\$ 148,436	\$ 139,561
Receipts:			
Transfer from General Fund	\$ 125,566	\$ 139,473	\$ 156,822
Interest Earning	12,604	12,907	13,499
Federal Revenue	83,705	81,180	80,356
Other	<u>72,567</u>	<u>74,971</u>	<u>77,871</u>
Total Receipts	<u>294,442</u>	<u>308,531</u>	<u>328,548</u>
Total Funds Available	\$ 425,267	\$ 456,967	\$ 468,109
Disbursements:			
Executive Offices	\$ 1,491	\$ 1,461	\$ 1,461
Pennsylvania Higher Education Assistance Agency	<u>275,340</u>	<u>315,945</u>	<u>375,281</u>
Total Disbursements	<u>-276,831</u>	<u>-317,406</u>	<u>-376,742</u>
Cash Balance, Ending	<u>\$ 148,436</u>	<u>\$ 139,561</u>	<u>\$ 91,367</u>

HIGHWAY BEAUTIFICATION FUND

The Highway Beautification Fund was created by Act 5, 1966, Third Special Session. Activities include control of outdoor advertising, control of junkyards and landscaping and scenic development. Although General Fund monies were initially appropriated to establish the fund, highway beautification activities are now supported fully by Federal aid, licenses and fees, fines, penalties and interest.

Each year the Governor issues executive authorizations which establish the amount to be spent by the Department of Transportation in each of the three highway beautification activities.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Estimated
Cash Balance, Beginning	\$ 761	\$ 776	\$ 1,105
Receipts:			
Licenses and Fees	\$ 231	\$ 310	\$ 310
Federal Highway Beautification Funds	131	560	408
Other	50	69	92
Total Receipts	<u>412</u>	<u>939</u>	<u>810</u>
Total Funds Available	\$ 1,173	\$ 1,715	\$ 1,915
Disbursements:			
Transportation	\$ 397	\$ 609	\$ 462
Treasury .....	.....	1	1
Total Disbursements	<u>-397</u>	<u>-610</u>	<u>-463</u>
Cash Balance, Ending	<u>\$ 776</u>	<u>\$ 1,105</u>	<u>\$ 1,452</u>

HISTORICAL PRESERVATION FUND

This fund was created for expenditure by the Historical and Museum Commission for the preservation, care and maintenance of State historical properties, museums and records and for the financing of historical research and publication programs. Money in the fund can also be used to purchase publications and souvenirs of a historical nature for sale at commission administered properties. This fund is made up of moneys arising from the sale of publications of the Pennsylvania Historical and Museum Commission and all moneys received from admission fees or other sales by the commission at the State historical properties and/or museums. Most of the revenue results from admission fees and sale of publications and souvenirs.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Estimated
Cash Balance, Beginning	\$ 642	\$ 331	\$ 281
Receipts:			
Admission Fees	\$ 585	\$ 600	\$ 650
Other	<u>361</u>	<u>600</u>	<u>650</u>
Total Receipts	<u>946</u>	<u>1,200</u>	<u>1,300</u>
Total Funds Available	\$ 1,588	\$ 1,531	\$ 1,581
Disbursements:			
Historical and Museum Commission	<u>\$ 1,257</u>	<u>\$ 1,250</u>	<u>\$ 1,300</u>
Total Disbursements	<u>-1,257</u>	<u>-1,250</u>	<u>-1,300</u>
Cash Balance, Ending	<u>\$ 331</u>	<u>\$ 281</u>	<u>\$ 281</u>

INDUSTRIAL DEVELOPMENT FUND

To this fund are credited General Fund appropriations made by the General Assembly to the Pennsylvania Industrial Development Authority (PIDA). The monies are used to make loans to local industrial development agencies to stimulate economic activity in areas of high unemployment. Repayments of loans, while not credited to this fund, are used by PIDA to make additional loans.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Estimated
Cash Balance, Beginning	\$ 12,030	\$ 5,361	\$ 761
Receipts:			
Transfer from General Fund	\$ 15,000	\$ 12,000	\$ 12,500
Interest on Securities	<u>552</u>	<u>400</u>	<u>200</u>
Total Receipts	<u>15,552</u>	<u>12,400</u>	<u>12,700</u>
Total Funds Available	\$ 27,582	\$ 17,761	\$ 13,461
Disbursements:			
Economic Development Partnership	<u>\$ 22,221</u>	<u>\$ 17,000</u>	<u>\$ 12,500</u>
Total Disbursements	<u>-22,221</u>	<u>-17,000</u>	<u>-12,500</u>
Cash Balance, Ending	<u>\$ 5,361</u>	<u>\$ 761</u>	<u>\$ 961</u>

KELLOGG FOUNDATION FUND

The W. K. Kellogg Foundation has provided the State Library of Pennsylvania with a three year grant to provide job and career information through centers in designated public libraries to the unemployed and underemployed.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Estimated
Cash Balance, Beginning .....	.....	\$ 310	\$ 28
Receipts:			
Income, Kellogg Foundation	\$ 321	\$ 203	\$ 149
Interest Earnings	<u>11</u>	<u>11</u>	<u>1</u>
Total Receipts	<u>332</u>	<u>214</u>	<u>150</u>
Total Funds Available .....	.....	\$ 524	\$ 178
Disbursements:			
Education	<u>\$ 22</u>	<u>\$ 496</u>	<u>\$ 178</u>
Total Disbursements	<u>-22</u>	<u>-496</u>	<u>-178</u>
Cash Balance, Ending	<u>\$ 310</u>	<u>\$ 28</u>	<u>.....</u>

LAND AND WATER DEVELOPMENT FUND

This fund was created in 1968 to finance projects to eliminate land and water scars, air pollution and subsidence due to past coal mining operations, to aid political subdivisions in constructing or improving sewage treatment plants, to develop public outdoor recreation lands and to aid local governments in acquiring land for recreation purposes. In addition, administrative expenses incurred in support of any of these activities may be paid with monies in this fund. Revenue is derived from the sale of Land and Water Development Bonds as approved by the electorate on May 16, 1967. The bond proceeds are not to exceed \$500 million.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Estimated
Cash Balance, Beginning	\$ 6,850	\$ 3,856	\$ 1,426
Receipts:			
Sale of Bonds .....	.....	\$ 2,000	\$ 2,000
Federal Augmentations .....	.....	40	40
Other	492	.....	.....
Total Receipts	<u>492</u>	<u>2,040</u>	<u>2,040</u>
Total Funds Available	\$ 7,342	\$ 5,896	\$ 3,466
Disbursements:			
Executive Offices	\$ 304	\$ 450	\$ 450
Community Affairs	162	20	.....
Historical and Museum Commission .....	.....	.....	.....
Environmental Resources	<u>3,020</u>	<u>4,000</u>	<u>2,500</u>
Total Disbursements	<u>-3,486</u>	<u>-4,470</u>	<u>-2,950</u>
Cash Balance, Ending	<u>\$ 3,856</u>	<u>\$ 1,426</u>	<u>\$ 516</u>

LAND AND WATER DEVELOPMENT SINKING FUND

Moneys in this fund are obtained from annual appropriations by the General Assembly and from interest and dividends on invested balances in this fund and in the Land and Water Development Fund. These moneys are used solely for payment of interest and principal due on outstanding land and water development bonds.

Statement of Cash Receipts and Disbursements

	1986-87 Actual	(Dollar Amounts in Thousands) 1987-88 Available	1988-89 Estimated
Cash Balance, Beginning	\$ 44	\$ 110	.....
Receipts:			
Transfer from General Fund	\$ 37,265	\$ 36,995	\$ 37,018
Interest on Securities	340	243	243
Accrued Interest on Bonds Sold .....	.....	6	11
Total Receipts	<u>37,605</u>	<u>37,244</u>	<u>37,272</u>
Total Funds Available	\$ 37,649	\$ 37,354	\$ 37,272
Disbursements:			
Treasury	\$ 37,539	\$ 37,354	\$ 37,272
Total Disbursements	<u>-37,539</u>	<u>-37,354</u>	<u>-37,272</u>
Cash Balance, Ending	<u>\$ 110</u>	<u>.....</u>	<u>.....</u>

LIQUID FUELS TAX FUND

The Liquid Fuels Tax Fund was created in 1931 by an act of the General Assembly to assist in funding the local roads system. One-half cent per gallon of the tax on gasoline and diesel fuel is deposited into the fund for semi-annual distribution to county governments and payment of registration fees for vehicles operated by mass transportation systems. After payment of fees, remaining funds are allocated to the counties on a road mileage-population formula and must be used for highway purposes. Since the majority of counties have direct jurisdiction over a limited number of roads, a large portion of these funds are further allocated by the counties to their political subdivisions.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Estimated
Cash Balance, Beginning	\$ 2,187	\$ 2,392	\$ 2,435
Receipts:			
Tax on Gasoline	\$ 21,722	\$ 21,897	\$ 22,116
Tax on Diesel Fuel	4,359	4,498	4,817
Total Receipts	<u>26,081</u>	<u>26,395</u>	<u>26,933</u>
Total Funds Available	\$ 28,268	\$ 28,787	\$ 29,368
Disbursements:			
Treasury	\$ 55	224	224
Revenue	25,821	\$ 26,128	\$ 26,631
Total Disbursements	<u>-25,876</u>	<u>-26,352</u>	<u>-26,855</u>
Cash Balance, Ending	<u>\$ 2,392</u>	<u>\$ 2,435</u>	<u>\$ 2,513</u>

LIQUOR LICENSE FUND

This fund serves as a pass-through account for fees for hotel, restaurant and club liquor and/or beer licenses. These fees are returned semi-annually to the municipalities in which the licensees are located. Interest earned on fund deposits is credited to the General Fund.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Estimated
Cash Balance, Beginning	\$ 2,425	\$ 2,405	\$ 2,381
Receipts:			
Liquor License Fees	\$ 5,242	\$ 5,285	\$ 5,250
Beer License Fees	129	130	130
Other	<u>4</u>	<u>1</u>	<u>5</u>
Total Receipts	<u>5,375</u>	<u>5,416</u>	<u>5,385</u>
Total Funds Available	\$ 7,800	\$ 7,821	\$ 7,766
Disbursements:			
Liquor Control Board	\$ 5,395	\$ 5,440	\$ 5,400
Total Disbursements	<u>-5,395</u>	<u>-5,440</u>	<u>-5,400</u>
Cash Balance, Ending	<u>\$ 2,405</u>	<u>\$ 2,381</u>	<u>\$ 2,366</u>

MANUFACTURING FUND

This fund, created in 1915, is a self-sustaining enterprise that provides institutionalized offenders an opportunity for vocational rehabilitation. Receipts are derived from the sale of inmate manufactured goods to government agencies or government-aided organizations.

Expenditures are made for the purchase of raw materials, machinery replacement, inmate wages, and other costs related to the sale and manufacture of their products.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Estimated
Cash Balance, Beginning	\$ 1,198	\$ 2,374	\$ 2,500
Receipts:			
Sale of Manufactured Products	\$ 16,606	\$ 16,376	\$ 16,500
Interest	104	110	116
Other	<u>525</u>	<u>490</u>	<u>470</u>
Total Receipts	<u>17,235</u>	<u>16,976</u>	<u>17,086</u>
Total Funds Available	\$ 18,433	\$ 19,350	\$ 19,586
Disbursements:			
Executive Offices	\$ 247	\$ 450	\$ 400
Corrections	<u>15,812</u>	<u>16,400</u>	<u>16,700</u>
Total Disbursements	<u>-16,059</u>	<u>-16,850</u>	<u>-17,100</u>
Cash Balance, Ending	<u>\$ 2,374</u>	<u>\$ 2,500</u>	<u>\$ 2,486</u>

MEDICAL PROFESSIONAL LIABILITY CATASTROPHE LOSS FUND

This fund was created in 1975 to make available professional liability insurance at a reasonable cost to health care providers and to establish a system through which injured parties can obtain a prompt determination and adjudication of their claims. Revenue is derived by levying an annual surcharge on health care providers.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Estimated
Cash Balance, Beginning	\$ 78,878	\$ 116,361	\$ 133,781
Receipts:			
Surcharges	\$ 170,603	\$ 156,492	\$ 150,512
Interest	6,836	7,618	7,663
Other	320	.....	.....
Total Receipts	<u>177,759</u>	<u>164,110</u>	<u>158,175</u>
Total Funds Available	\$ 256,637	\$ 280,471	\$ 291,956
Disbursements:			
Executive Offices	\$ 140,276	\$ 146,690	\$ 157,289
Total Disbursements	<u>-140,276</u>	<u>-146,690</u>	<u>-157,289</u>
Cash Balance, Ending	<u>\$ 116,361</u>	<u>\$ 133,781</u>	<u>\$ 134,667</u>

MINORITY BUSINESS DEVELOPMENT FUND

This fund was created in 1974 to accommodate the operations of the Pennsylvania Minority Business Development Authority. Receipts come from loan repayments, transfer of General Fund appropriations and interest. The authority also has the power to issue bonds or other obligations which would provide another source of income. To date this has not been done.

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)		
	1986-87 Actual	1987-88 Available	1988-89 Estimated
Cash Balance, Beginning	\$ 5,642	\$ 8,275	\$ 8,514
Receipts:			
Transfer from General Fund	\$ 2,000	\$ 2,000	\$ 2,000
Loan Principal Repayments	847	960	1,156
Loan Interest	339	387	465
Interest on Securities	465	627	641
Other	13	15	20
Total Receipts	<u>\$ 3,664</u>	<u>\$ 3,989</u>	<u>\$ 4,282</u>
Total Funds Available	\$ 9,306	\$ 12,264	\$ 12,796
Disbursements:			
Economic Development Partnership	\$ 1,031	\$ 3,750	\$ 4,825
Total Disbursements	<u>-1,031</u>	<u>-3,750</u>	<u>-4,825</u>
Cash Balance, Ending	<u>\$ 8,275</u>	<u>\$ 8,514</u>	<u>\$ 7,971</u>

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 on July 1, 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 distribution to the various municipal, police, and fire pension funds.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Estimated
Cash Balance, Beginning	\$ 75,961	\$ 91,659	\$ 105,037
Receipts:			
Foreign Casualty Insurance			
Premium Tax	\$ 87,257	\$ 97,000	\$ 106,000
Foreign Fire Insurance Premium Tax	9,485	10,600	11,600
Interest	<u>2,934</u>	<u>3,000</u>	<u>3,340</u>
Total Receipts	99,676	110,600	120,940
Total Funds Available	\$ 175,637	\$ 202,259	\$ 225,977
Disbursements:			
Auditor General	\$ 83,978	\$ 97,222	\$ 110,000
Total Disbursements	<u>-83,978</u>	<u>-97,222</u>	<u>-110,000</u>
Cash Balance, Ending	<u>\$ 91,659</u>	<u>\$ 105,037</u>	<u>\$ 115,977</u>

NON-COAL SURFACE MINING CONSERVATION AND RECLAMATION FUND

This fund was created in 1986 to finance reclamation projects on land scarred by non-coal surface mining. Projects include recontouring, terracing and planting of 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)		
	1986-87 Actual	1987-88 Available	1988-89 Estimated
Cash Balance, Beginning	\$ 505	\$ 771	\$ 771
Receipts:			
License and Fees	\$ 154	\$ 170	\$ 170
Penalties	52	55	55
Interest	41	45	45
Collateral	70	70	70
Forfeiture of Bond	10	10	10
Total Receipts	<u>327</u>	<u>350</u>	<u>350</u>
Total Funds Available	\$ 832	\$ 1,121	\$ 1,121
Disbursements:			
Environmental Resources	\$ 61	\$ 350	\$ 350
Total Disbursements	<u>-61</u>	<u>-350</u>	<u>-350</u>
Cash Balance, Ending	<u>\$ 771</u>	<u>\$ 771</u>	<u>\$ 771</u>

NURSING HOME LOAN DEVELOPMENT FUND

This fund serves as a depository for proceeds from the sale of General Obligation Bonds approved by referendum May 21, 1974. Net proceeds are transferred to the Nursing Home Loan Fund as needed. Interest earnings in this fund and bond proceeds not required for nursing home loans are paid into the Nursing Home Loan Sinking Fund for debt retirement.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Estimated
Cash Balance, Beginning	\$ 12,116	\$ 13,853	\$ 12,353
Receipts:			
Bond Proceeds	\$ 2,957	.....	.....
Total Receipts	<u>\$ 2,957</u>	<u>.....</u>	<u>.....</u>
Total Funds Available	\$ 15,073	\$ 13,853	\$ 12,353
Disbursements:			
Treasury	\$ 1,220	\$ 1,500	\$ 1,000
Total Disbursements	<u>-1,220</u>	<u>-1,500</u>	<u>-1,000</u>
Cash Balance, Ending	<u>\$ 13,853</u>	<u>\$ 12,353</u>	<u>\$ 11,353</u>

NURSING HOME LOAN FUND

Loans to nursing homes for repairs, reconstruction and rehabilitation to meet safety code standards are made from this fund. Loans are made from bond proceeds transferred from the Nursing Home Loan Development Fund. Repayments of loans are transferred from this fund to the General Fund.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Estimated
Cash Balance, Beginning .....	.....	.....	.....
Receipts:			
Transfer from Nursing Home Loan Development Fund	\$ 1,216	\$ 1,500	\$ 1,000
Total Receipts	<u>1,216</u>	<u>1,500</u>	<u>1,000</u>
Total Funds Available	\$ 1,216	\$ 1,500	\$ 1,000
Disbursements:			
Economic Development Partnership	\$ 1,216	\$ 1,500	\$ 1,000
Total Disbursements	<u>-1,216</u>	<u>-1,500</u>	<u>-1,000</u>
Cash Balance, Ending	<u>.....</u>	<u>.....</u>	<u>.....</u>

NURSING HOME LOAN SINKING FUND

Moneys in this fund are used for the redemption of nursing home loan bonds at maturity and all interest payable on such bonds. The moneys used for this purpose are derived from earnings received from investment or deposit of balances in this fund and in the Nursing Home Loan Development Fund. An annual appropriation by the General Assembly necessary for payment of the interest and principal falling due for nursing home loan bonds is also credited to this fund.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Estimated
Cash Balance, Beginning	\$ 525	\$ 173	.....
Receipts:			
Transfer from General Fund	\$ 5,140	\$ 5,450	\$ 5,559
Interest on Securities	886	940	940
Accrued Interest on Bonds Sold	11	.....	.....
Total Receipts	<u>6,037</u>	<u>6,390</u>	<u>6,499</u>
Total Funds Available	\$ 6,562	\$ 6,563	\$ 6,499
Disbursements:			
Treasury	\$ 6,389	\$ 6,563	\$ 6,499
Total Disbursements	<u>-6,389</u>	<u>-6,563</u>	<u>-6,499</u>
Cash Balance, Ending	<u>\$ 173</u>	<u>.....</u>	<u>.....</u>

NUTRITION EDUCATION AND TRAINING FUND

As a result of successful antitrust litigation against the National Broiler Marketing Association, et. al, the Attorney General of the Commonwealth of Pennsylvania, the State Treasurer and the Secretary of Education entered into an agreement with the United States District Court in January 1983 to establish the Nutrition Education and Training Fund to hold the proceeds of the court's award. Funds are distributed to areas of the Commonwealth that the Department of Health has designated as having the greatest need for nutrition education programs. The program ends in 1989.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Estimated
Cash Balance, Beginning	\$ 105	\$ 88	\$ 28
Receipts:			
Revenue	\$ 13	.....	.....
Interest	<u>6</u>	<u>\$ 7</u>	<u>1</u>
Total Receipts	<u>19</u>	<u>7</u>	<u>1</u>
Total Funds Available	\$ 124	\$ 95	29
Disbursements:			
Education	<u>\$ 36</u>	<u>\$ 67</u>	<u>29</u>
Total Disbursements	<u>-36</u>	<u>-67</u>	<u>-29</u>
Cash Balance, Ending	<u>\$ 88</u>	<u>28</u>	<u>.....</u>

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 those 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 Commissions. Those revenues are paid into the Game and Fish Funds.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Estimated
Cash Balance, Beginning	\$ 9,685	\$ 7,415	\$ 1,325
Receipts:			
Rents and Royalties	\$ 3,793	\$ 2,950	\$ 2,950
Interest	525	500	500
Other	342	50	50
Total Receipts	<u>4,660</u>	<u>3,500</u>	<u>3,500</u>
Total Funds Available	\$ 14,345	\$ 10,915	\$ 4,825
Disbursements:			
Executive Offices	\$ 35	\$ 90	.....
Environmental Resources	6,895	9,500	4,000
Total Disbursements	<u>-6,930</u>	<u>-9,590</u>	<u>-4,000</u>
Cash Balance, Ending	<u>\$ 7,415</u>	<u>\$ 1,325</u>	<u>\$ 825</u>

OIL OVERCHARGE FUND

Act 122 of 1986 created the Energy Conservation and Assistance Fund and stipulated that all uncommitted oil overcharge settlements received prior to the act be transferred to this new fund. Only funds committed prior to Act 122 remain in the Oil Overcharge Fund. It is anticipated that all commitments in the Oil Overcharge Fund will be liquidated by June 30, 1988 and residual interest will be transferred.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Estimated
Cash Balance, Beginning	\$ 102,671	\$ 5,286	.....
Receipts:			
Settlements	\$ 36,121	.....	.....
Interest	3,809	150	.....
Total Receipts	<u>\$ 39,930</u>	<u>\$ 150</u>	<u>.....</u>
Total Funds Available	\$ 142,601	\$ 5,436	.....
Disbursements:			
Executive Offices	\$ 1,295	\$ 600	.....
Community Affairs	9	.....	.....
Transfer to Energy Conservation and Assistance Fund	136,011	4,836	.....
Total Disbursements	<u>-137,315</u>	<u>-5,436</u>	<u>.....</u>
Cash Balance, Ending	<u>\$ 5,286</u>	<u>.....</u>	<u>.....</u>

PENNSYLVANIA CAPITAL LOAN FUND

The Pennsylvania Capital Loan Program began in 1982 with funding from the U.S. Appalachian Regional Commission and the U.S. Economic Development Administration to provide low interest loans to businesses for capital development projects. Act 109 of July 1984 created this fund and provided additional funding from the Pennsylvania Economic Revitalization Fund. This fund is also supported by a legislative appropriation.

Loans are used by manufacturing, industrial and export service businesses for the purchase of land, building, machinery, equipment and working capital. County and regional economic development organizations assist the department in packaging and reviewing the loan applications.

Statement of Cash Receipts and Disbursements

	1986-87 Actual	(Dollar Amounts in Thousands) 1987-88 Available	1988-89 Estimated
Cash Balance, Beginning	\$ 8,506	\$ 13,509	\$ 10,579
Receipts:			
Loan Principal	\$ 2,702	\$ 4,262	\$ 5,251
Interest — Loans	773	1,227	1,512
Interest — Securities	646	581	257
Economic Development Administration	23	500	300
Transfer From Pennsylvania Economic Revitalization Fund ..	<u>15,000</u>	<u>8,000</u>	<u>9,000</u>
Total Receipts	<u>19,144</u>	<u>14,570</u>	<u>16,320</u>
Total Funds Available	\$ 27,650	\$ 28,079	\$ 26,899
Disbursements:			
Economic Development Partnership	<u>\$ 14,141</u>	<u>\$ 17,500</u>	<u>\$ 23,000</u>
Total Disbursements	<u>-14,141</u>	<u>-17,500</u>	<u>-23,000</u>
Cash Balance, Ending	<u>\$ 13,509</u>	<u>\$ 10,579</u>	<u>\$ 3,899</u>

PENNSYLVANIA ECONOMIC REVITALIZATION FUND

On June 26, 1984 the Economic Revitalization Fund (PERF) was created by Act 104. The fund provides the vehicle to accomplish economic revitalization efforts through a \$190 million bond issue authorized by the electorate by referendum on April 10, 1984. However, Bond funding was only utilized for the first year of funding. The remaining program costs are supported by \$176,000,000 General Fund appropriations provided by the Legislature in 1984-85, 1985-86 and 1986-87.

This budget proposes another General Fund transfer to fund PERF programs in 1988-89. See the Commitment to Economic Development Program Revision in the Economic Development Partnership budget and the special PERF presentation elsewhere in this budget for details of PERF recommendations.

This statement is presented on a modified accrual, rather than a cash, basis.

Statement of Receipts and Disbursements

	1986-87 Actual	(Dollar Amounts in Thousands) 1987-88 Available	1988-89 Estimated
Balance, Beginning	\$ 26,563	\$ 21,562	\$ 22,676
Receipts:			
Transfer from General Fund	\$ 105,000	\$ 59,000	\$ 32,000
Transfer from Capital Loan Fund	33	.....	.....
Interest	-3,455 ^a	-1,797 ^a	.....^a
Other	1,301	2,242	500
Prior Year Lapses	1,457 ^b	9,832	.....
Total Receipts	<u>\$ 104,336</u>	<u>\$ 69,277</u>	<u>\$ 32,500</u>
Total Fund Available	\$ 130,899	\$ 90,839	\$ 55,176
Disbursements:			
Agriculture	\$ 2,550	.....	\$ 1,000
Community Affairs	21,479	6,000	1,500
Economic Development Partnership	58,712	59,500	48,000
Education	9,252	.....	.....
Environmental Resources	17,344	14,000	.....
Estimated Lapses .....	.....	-11,337	.....
Total Disbursements	<u>-109,337</u>	<u>-68,163</u>	<u>-50,500</u>
Balance, Ending	<u>\$ 21,562</u>	<u>\$ 22,676</u>	<u>\$ 4,676</u>

^aInterest earned less transfer of excess interest to Sinking Fund

^bExcludes lapse due to rescinding of prior year appropriation in 1986-87 budget; this adjustment is treated here as a reduction to expenditures in the prior year.

PENNSYLVANIA ECONOMIC REVITALIZATION SINKING FUND

Annual appropriations from General Fund by the General Assembly are deposited into this fund, and together with interest earned in this fund and interest earned and transferred from the Pennsylvania Economic Revitalization Fund, are used to pay interest and principal payments due on outstanding economic revitalization bonds.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Estimated
Cash Balance, Beginning	\$ 15	\$ 1,088	.....
Receipts:			
Transfer from General Fund	\$ 8,822	\$ 5,293	\$ 7,445
Transfer from Pennsylvania Economic Revitalization Fund ..	4,646	5,565	4,000
Interest on Securities	<u>52</u>	<u>18</u>	.....
Total Receipts	<u>13,520</u>	<u>10,876</u>	<u>11,445</u>
Total Funds Available	\$ 13,535	\$ 11,964	\$ 11,445
Disbursements:			
Treasury	\$ 12,447	\$ 11,964	\$ 11,445
Total Disbursements	<u>-12,447</u>	<u>-11,964</u>	<u>-11,445</u>
Cash Balance, Ending	<u>\$ 1,088</u>	<u>.....</u>	<u>.....</u>

PENNSYLVANIA HISTORICAL AND MUSEUM COMMISSION TRUST FUND

This fund, created under special Act No. 113 (P.L. 185), approved May 21, 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

	1986-87 Actual	(Dollar Amounts in Thousands) 1987-88 Available	1988-89 Estimated
Cash Balance, Beginning	\$ 68	\$ 73	\$ 76
Receipts:			
Interest on Securities	<u>\$ 5</u>	<u>\$ 3</u>	<u>\$ 3</u>
Total Receipts	<u>5</u>	<u>3</u>	<u>3</u>
Total Funds Available	\$ 73	\$ 76	\$ 79
Disbursements:			
Historical and Museum Commission	<u>.....</u>	<u>.....</u>	<u>-25</u>
Total Disbursements	<u>.....</u>	<u>.....</u>	<u>-25</u>
Cash Balance, Ending	<u>\$ 73</u>	<u>\$ 76</u>	<u>\$ 54</u>

PENNSYLVANIA MUNICIPAL RETIREMENT FUND

Act 15 of 1974 created the Pennsylvania Municipal Retirement System and 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 that act provides for payment of retirement allowances to officers, employes, fireman and police of political subdivisions (county, cities, boroughs, and townships of the first and second class).

Any municipality may elect by ordinance to join the system. Revenues are generated from the contributions of the members of the system and investment earnings.

The board established under Act 15 has control over the system's operation. The net investment adjustment shown below is to reflect current market value of long-term investments as of June 30.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Estimated
Cash Balance, Beginning	\$ 160,273	\$ 193,298	\$ 234,646
Receipts:			
Contributions	\$ 23,483	\$ 25,733	\$ 27,020
Other	51	.....	.....
Interest	26,489	14,397	15,553
Net Investment Adjustment .....	.....	16,843	17,015
Total Receipts	<u>50,023</u>	<u>56,973</u>	<u>59,588</u>
Total Funds Available	\$ 210,296	\$ 250,271	\$ 294,234
Disbursements:			
Executive Offices	\$ 45	\$ 1,568	\$ 1,797
Municipal Employes Retirement Board	15,550	14,057	14,342
Net Investment Adjustment	1,401	.....	.....
Treasury	2	.....	.....
Total Disbursements	<u>-16,998</u>	<u>-15,625</u>	<u>-16,139</u>
Cash Balance, Ending	<u>\$ 193,298</u>	<u>\$ 234,646</u>	<u>\$ 278,095</u>

PHARMACEUTICAL ASSISTANCE FUND

(CONTRACT FOR THE ELDERLY)

This fund was created by Act 63 of 1983 in order to provide 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 in the act for program eligibility. Funds not expended in the fiscal year in which they were appropriated shall be available for use in the following fiscal year. For additional information on the program, refer to the Department of Aging program description.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Estimated
Cash Balance, Beginning	\$ 158,847	\$ 122,456	\$ 54,737
Receipts:			
Transfer from Lottery Fund	\$ 100,000	\$ 100,000	\$ 163,000
Interest on Securities	7,188	5,893	2,266
Other	23	.....	.....
Total Receipts	<u>107,211</u>	<u>105,893</u>	<u>165,266</u>
Total Funds Available	\$ 266,058	\$ 228,349	\$ 220,003
Disbursements:			
Aging	\$ 143,578	\$ 173,612	\$ 212,735
Executive Offices	24	.....	.....
Total Disbursements	<u>-143,602</u>	<u>-173,612</u>	<u>-212,735</u>
Cash Balance, Ending	<u>\$ 122,456</u>	<u>\$ 54,737</u>	<u>\$ 7,268</u>

PROJECT 70 LAND ACQUISITION SINKING FUND

Annual appropriations by the General Assembly for payment of interest and principal falling due on Project 70 bonds are credited to this fund. In addition, interest from the investment or deposit of money in the Project 70 Land Acquisition Fund is credited to this fund. Moneys reimbursed to the Commonwealth by political subdivisions for inappropriate use of Project 70 are credited to this fund. Moneys in this fund are used solely to pay interest and principal of Project 70 bonds.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Estimated
Cash Balance, Beginning	\$ 875	\$ 61	.....
Receipts:			
Transfer from General Fund	\$ 1,570	\$ 697	\$ 764
Interest on Securities	<u>37</u>	<u>4</u>	<u>.....</u>
Total Receipts	<u>1,607</u>	<u>701</u>	<u>764</u>
Total Funds Available	\$ 2,482	\$ 762	\$ 764
Disbursements:			
Treasury	\$ 2,421	\$ 762	\$ 764
Total Disbursements	<u>-2,421</u>	<u>-762</u>	<u>-764</u>
Cash Balance, Ending	<u>\$ 61</u>	<u>.....</u>	<u>.....</u>

PURCHASING FUND

Created in 1933, this fund finances the purchase of materials, supplies and equipment by the Department of General Services for use of other departments, boards and commissions. Also salaries for the personnel administering the fund are paid by the fund. Revenue sources are periodic appropriations from the General Fund and reimbursements by other departments, boards and commissions for the materials and supplies provided them.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Estimated
Cash Balance, Beginning	\$ 5,143	\$ 4,344	\$ 3,944
Receipts:			
Reimbursement from other agencies	\$ 48,147	\$ 49,000	\$ 60,000
General Fund Loan	11,200	15,200	9,000
Other	600	600	600
Total Receipts	<u>59,947</u>	<u>64,800</u>	<u>69,600</u>
Total Funds Available	\$ 65,090	\$ 69,144	\$ 73,544
Disbursements:			
Executive Office	\$ 277	\$ 200	\$ 200
General Services*	60,295	64,930	69,930
Advancement Amount	174	70	70
Total Disbursements	<u>-60,746</u>	<u>-65,200</u>	<u>-70,200</u>
Cash Balance, Ending	<u>\$ 4,344</u>	<u>\$ 3,944</u>	<u>\$ 3,344</u>

*Includes repayment of General Fund loan.

REAL ESTATE RECOVERY FUND

This fund was established in 1980 to reimburse aggrieved persons the amount unpaid upon judgements, from competent jurisdiction, 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)		
	1986-87 Actual	1987-88 Available	1988-89 Estimated
Cash Balance, Beginning	\$ 1,150	\$ 1,253	\$ 1,361
Receipts:			
Additional License Fees	\$ 99	\$ 99	\$ 99
Interest	<u>64</u>	<u>69</u>	<u>75</u>
Total Receipts	<u>163</u>	<u>168</u>	<u>174</u>
Total Funds Available	\$ 1,313	\$ 1,421	\$ 1,535
Disbursements:			
State	\$ <u>60</u>	\$ <u>60</u>	\$ <u>100</u>
Total Disbursements	<u>-60</u>	<u>-60</u>	<u>-100</u>
Cash Balance, Ending	<u>\$ 1,253</u>	<u>\$ 1,361</u>	<u>\$ 1,435</u>

REHABILITATION CENTER FUND

This fund was created May 13, 1959, for the operation of the Hiram G. Andrews Rehabilitation Center and is funded from fees for services rendered by the center. Most of these services are rendered to vocational rehabilitation clients.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Estimated
Cash Balance, Beginning	\$ 1,215	\$ 1,557	\$ 1,614
Receipts:			
Clients Fees	\$ 10,766	\$ 11,816	\$ 12,170
Other	821	846	871
Total Receipts	<u>11,587</u>	<u>12,662</u>	<u>13,041</u>
Total Funds Available	\$ 12,802	\$ 14,219	\$ 14,655
Disbursements:			
Executive Offices	\$ 782	\$ 805	\$ 830
Labor and Industry	10,463	11,800	12,500
Total Disbursements	<u>-11,245</u>	<u>-12,605</u>	<u>-13,330</u>
Cash Balance, Ending	<u>\$ 1,557</u>	<u>\$ 1,614</u>	<u>\$ 1,325</u>

REVENUE SHARING TRUST FUND

The Revenue Sharing Trust Fund was composed of monies received under the provisions of the Federal, State and Local Fiscal Assistance Act and interest earned on that money.

The Federal, State and Local Fiscal Assistance Act placed no restrictions upon purposes for which the funds are spent; however, expenditures had to be in accordance with the laws and procedures applicable to expenditures of State revenues, including appropriation, accounting and audit.

Pennsylvania used its revenue sharing funds primarily for assistance to local governments, school districts and individuals.

Federal legislation eliminated Revenue Sharing Funds for state governments beginning with the 1981-82 fiscal year. However, in 1982-83 the Federal Government released a reserve held for contingencies. Certain prior year appropriations to the Department of Environmental Resources are still involved in litigation, and the funds invested remain in the Revenue Sharing Trust Fund and are earning interest.

Act 51-A of 1982 earmarked all such interest earnings for the use of the Department of General Services to pay for moving costs of Commonwealth agencies.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Estimated
Cash Balance, Beginning	\$ 523	\$ 499	\$ 239
Receipts:			
Interest on Securities	\$ 55	\$ 40	\$ 8
Total Receipts	<u>55</u>	<u>40</u>	<u>8</u>
Total Funds Available	\$ 578	\$ 539	\$ 247
Disbursements:			
General Services	\$ 79	\$ 300	\$ 247
Total Disbursements	<u>-79</u>	<u>-300</u>	<u>-247</u>
Cash Balance, Ending	<u>\$ 499</u>	<u>\$ 239</u>	<u>\$</u>

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.

The employer contribution, which is shared equally by the employing school district and the Commonwealth, is determined by the fund's actuary. The Commonwealth contribution is made by an annual appropriation from the General Fund and paid quarterly 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 cash balance shown in the statement includes substantial investment assets. The net investment adjustment item is included to reflect the current market value of long-term investments as of June 30.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Estimated
Cash Balance, Beginning	\$ 8,897,110	\$ 10,620,996	\$ 11,772,897
Receipts:			
Transfer from General Fund —			
Employer Contribution	\$ 434,481	\$ 459,494	\$ 486,956
Transfers from State Retirement			
System	1,621	1,700	2,000
Contribution of School Employees ...	206,564	251,613	270,484
Returned Contributions of School			
Employes	10,729	12,000	14,000
Contributions of School Districts ...	365,419	464,244	499,062
Interest on Securities	962,999	800,000	1,000,000
Other	535	700	800
Net Investment Adjustment	523,993	.....	.....
Total Receipts	<u>2,506,341</u>	<u>1,989,751</u>	<u>2,273,302</u>
Total Funds Available	\$11,403,451	\$12,610,747	\$14,046,199
Disbursements:			
Executive Offices	\$ 564	\$ 600	\$ 700
Treasury	1	10	10
Public School Employees' Retirement			
Board	<u>781,890</u>	<u>837,240</u>	<u>895,846</u>
Total Disbursements	<u>-782,455</u>	<u>-837,850</u>	<u>-896,556</u>
Cash Balance, Ending	<u>\$ 10,620,996</u>	<u>\$ 11,772,897</u>	<u>\$ 13,149,643</u>

SINKING FUND

This one sinking fund existed prior to the practice of having a sinking fund for each separate bond fund. Moneys are held in this fund to cover the possible redemption of Commonwealth notes and bonds which had maturity dates from 1841 through 1871. There has been no activity on these old outstanding obligations, reportedly, since 1929. The redemption value of those obligations is \$141,320.06. Money not needed to pay principal or interest on Commonwealth debt may also be used to suppress insurrection or defend the State in war, in accordance with the Constitution of the Commonwealth of Pennsylvania. Money in this fund may be invested only in United States or Commonwealth bonds. Interest accumulating on moneys remaining in the fund is credited to the State School Fund.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Estimated
Cash Balance, Beginning	\$ 145	\$ 145	\$ 145
Receipts:			
Interest on Securities .....	.....	.....	.....
Total Receipts .....	.....	.....	.....
Total Funds Available	<u>\$ 145</u>	<u>\$ 145</u>	<u>\$ 145</u>
Disbursements:			
Treasury .....	.....	.....	.....
Total Disbursements .....	.....	.....	.....
Cash Balance, Ending	<u>\$ 145</u>	<u>\$ 145</u>	<u>\$ 145</u>

SOCIAL SECURITY CONTRIBUTION FUND

This fund was established to hold both employers' and employees' share of social security deductions of Commonwealth and local government or other instrumentality employees for payment of Social Security benefits under the Federal Insurance Contribution Act (FICA). Withdrawals from the fund are made to the Federal Agency in amounts required to extend the benefits of eligible employees under the Federal old-age and survivors insurance system and for payment of refunds and overpayments made by a political subdivision.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Estimated
Cash Balance, Beginning	\$ 19,975	\$ 16,274	\$ 7,973
Receipts:			
State Employes and Political Subdivision Employes	\$ 641,235	\$ 3,500	\$ 3,000
Public School Employes	167,688	96,100	7,150
Other	<u>2,420</u>	<u>1,000</u>	<u>1,000</u>
Total Receipts	<u>811,343</u>	<u>100,600</u>	<u>11,150</u>
Total Funds Available	\$ 831,318	\$ 116,874	\$ 19,123
Disbursements:			
Labor and Industry	\$ 738,744	\$ 108,901	\$ 17,598
Education	<u>76,300</u>	<u>.....</u>	<u>.....</u>
Total Disbursements	<u>-815,044</u>	<u>-108,901</u>	<u>-17,598</u>
Cash Balance, Ending	<u>\$ 16,274</u>	<u>\$ 7,973</u>	<u>\$ 1,525</u>

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, while loans for existing facilities are restricted to municipalities in fifth through 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)		
	1986-87 Actual	1987-88 Available	1988-89 Estimated
Cash Balance, Beginning	\$ 9,715	\$ 9,330	\$ 5,770
Receipts:			
Interest	\$ 625	\$ 440	\$ 226
Transfer From General Fund .....	.....	.....	.....
Transfer From Energy Assistance and Conservation Fund .....	.....	4,300	.....
Total Receipts	<u>625</u>	<u>4,740</u>	<u>226</u>
Total Funds Available	\$ 10,340	\$ 14,070	\$ 5,996
Disbursements:			
Environmental Resources	\$ 1,010	\$ 8,300	\$ 4,000
Total Disbursements	<u>-1,010</u>	<u>-8,300</u>	<u>-4,000</u>
Cash Balance, Ending	<u>\$ 9,330</u>	<u>\$ 5,770</u>	<u>\$ 1,996</u>

SPECIAL ADMINISTRATION FUND

The purpose of this fund, administered by the Department of Labor and Industry, is to cover those administrative expenses of the Unemployment Compensation Law not properly and validly chargeable to the Administration Fund. The receipts of the fund are generated from interest and penalties collected from claimants and employers under provisions of the Unemployment Compensation Law. All moneys in excess of \$200,000 in the fund at the end of the fiscal year are transferred to the Unemployment Compensation Fund.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Estimated
Cash Balance, Beginning	\$ 200	\$ 200	\$ 200
Receipts:			
Interest and Penalties	\$ -83	\$	\$
Other	<u>201</u>	<u>200</u>	<u>200</u>
Total Receipts	<u>118</u>	<u>200</u>	<u>200</u>
Total Funds Available	\$ 318	\$ 400	\$ 400
Disbursements:			
Labor and Industry	\$ <u>118</u>	\$ <u>200</u>	\$ <u>200</u>
Total Disbursements	<u>-118</u>	<u>-200</u>	<u>-200</u>
Cash Balances, Ending	<u>\$ 200</u>	<u>\$ 200</u>	<u>\$ 200</u>

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 moneys in 1862. These farms were sold for \$17,000 in 1888 and the proceeds were placed in this fund to be invested in bonds of the Commonwealth at 6 percent per annum with the interest serving as an ongoing revenue to this fund.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Estimated
Cash Balance, Beginning	\$ 25	\$ 25	\$ 26
Receipts:			
Miscellaneous	\$ 2	\$ 2	\$ 2
Total Receipts	<u>2</u>	<u>2</u>	<u>2</u>
Total Funds Available	\$ 27	\$ 27	\$ 28
Disbursements:			
Treasury	\$ 2	\$ 1	\$ 1
Total Disbursements	<u>-2</u>	<u>-1</u>	<u>-1</u>
Cash Balance, Ending	<u>\$ 25</u>	<u>\$ 26</u>	<u>\$ 27</u>

STATE EMPLOYES' RETIREMENT FUND

This fund was created in 1924 to accumulate reserves for the payment of pensions to 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 nonstate 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.

Revenue to the fund comes from employe contributions, employer contributions from the Commonwealth and other employers, and income derived from investments of the fund. 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 reserves for the payment of future benefits.

Management of the fund and payment of benefits is overseen by the State Employees' Retirement Board.

The cash balance shown in the statement includes substantial investment assets; the net investment adjustment item is to reflect the carrying value of long term investments as of June 30.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Estimated
Cash Balance, Beginning	\$ 5,883,958	\$ 6,663,068	\$ 7,051,915
Receipts:			
Contributions of Employes	\$ 140,752	\$ 145,700	\$ 150,800
State Share Contribution	379,614	365,200	378,000
Interest on Securities	725,548	426,700	471,000
Other	264	547	555
Net Investment Adjustment	34,297	.....	.....
Total Receipts	<u>1,280,475</u>	<u>938,147</u>	<u>1,000,355</u>
Total Funds Available	\$ 7,164,433	\$ 7,601,215	\$ 8,052,270
Disbursements:			
State Employees Retirement System ..	\$ 501,079	\$ 549,300	\$ 593,300
Treasury	5	.....	.....
Central Services	281	.....	.....
Total Disbursements	<u>-501,365</u>	<u>-549,300</u>	<u>-593,300</u>
Cash Balance, Ending	<u>\$ 6,663,068</u>	<u>\$ 7,051,915</u>	<u>\$ 7,458,970</u>

STATE INSURANCE FUND

Created in 1915, this fund finances expenditures relating to the rebuilding, restoring or replacing of buildings, structures, equipment or other property owned by the Commonwealth which have been damaged or destroyed by fire or other casualty. This includes natural or man made disasters. Revenue is derived from interest earned by the fund, interest received from the Fire Insurance Tax Fund and from reimbursements by insurance companies. If needed, money may also be directly appropriated to this fund. Any amount in the fund in excess of \$3 million on December 31st of each year shall be transferred to the General Fund. This fund satisfies the requirements of the Federal Government for the Disaster Insurance program.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Estimated
Cash Balance, Beginning	\$ 4,743	\$ 11,393	\$ 11,393
Receipts:			
Recovered Damages	8,300	.....	.....
Interest	1,430	1,400	1,400
Total Receipts	9,730	1,400	1,400
Total Funds Available	\$ 14,473	\$ 12,793	\$ 12,793
Disbursements:			
General Services	\$ 3,080	\$ 1,400	\$ 1,400
Total Disbursements	-3,080	-1,400	-1,400
Cash Balance, Ending	\$ 11,393	\$ 11,393	\$ 11,393

STATE RESTAURANT FUND

This fund was created in 1943 to finance the purchase and maintenance of equipment for the operation of the restaurant in the State Capitol as well as any other restaurants in other State Office Buildings. At present, the only restaurant operated within this fund is in the Main Capitol Building and revenue is derived from the profits earned from that operation. During fiscal year 1986-87 the Main Capitol Restaurant was enlarged and relocated into the Capitol Addition.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Estimated
Cash Balance, Beginning	\$ 497	\$ 528	\$ 356
Receipts:			
Revenue from General Operations ..	\$ 3	\$ 3	\$ 3
Other	<u>30</u>	<u>25</u>	<u>25</u>
Total Receipts	<u>33</u>	<u>28</u>	<u>28</u>
Total Funds Available	\$ 530	\$ 556	\$ 384
Disbursements:			
General Services	\$ <u>2</u>	\$ <u>200</u>	\$ <u>5</u>
Total Disbursements	<u>-2</u>	<u>-200</u>	<u>-5</u>
Cash Balance, Ending	<u>\$ 528</u>	<u>\$ 356</u>	<u>\$ 379</u>

STATE SCHOOL FUND

The 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. Recent changes in the escheat law and lack of interest earnings from the Sinking Fund or investment of moneys in the State School Fund have resulted in a low revenue level; this 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 to equalization of educational opportunities, and paying part of the cost of repair or alteration of local public school or State college buildings when they are required to satisfy requirements of the Department of Labor and Industry or another relevant governmental agency.

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)		
	1986-87 Actual	1987-88 Available	1988-89 Estimated
Cash Balance, Beginning	\$ 518	\$ 535	\$ 473
Receipts:			
Sinking Fund: Interest	\$ 9	\$ 8	\$ 8
Treasury: Interest	34	30	29
Total Receipts	<u>43</u>	<u>38</u>	<u>37</u>
Total Funds Available	\$ 561	\$ 573	\$ 510
Disbursements:			
Education	\$ 26	\$ 100	\$ 50
Total Disbursements	<u>-26</u>	<u>-100</u>	<u>-50</u>
Cash Balance, Ending	<u>\$ 535</u>	<u>\$ 473</u>	<u>\$ 460</u>

STATE STORES FUND

The State Stores Fund serves as the general operating fund for the Liquor Control Board. The Pennsylvania State Police receive funds for the enforcement of the Liquor Code Law; the Department of Health receives funds for alcohol abuse programs. To this fund are credited 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 Stores System and enforcement of the Liquor Control Law. Any surplus is transferred to the General Fund.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Estimated
Cash Balance, Beginning	\$ 38,574	\$ 10,443	\$ 18,518
Receipts:			
Fees	\$ 6,159	\$ 6,000	\$ 6,000
Fines and Penalties	1,383	700	700
Sale of Goods	757,972	786,425	788,415
Recovered Losses and Damages	971	650	650
General Fund Loans	66,000	66,000	66,000
Other	12,759	16,800	16,800
Total Receipts	<u>845,244</u>	<u>876,575</u>	<u>878,565</u>
Total Funds Available	\$ 883,818	\$ 887,018	\$ 897,083
Disbursements:			
Treasury .....	.....	.....	.....
Executive Offices	\$ 11,152	\$ 13,500	\$ 13,500
State Police .....	.....	17,700	14,300
Health .....	.....	580	400
Liquor Control Board*	862,223	837,300	845,700
Total Disbursements	<u>-873,375</u>	<u>-868,500</u>	<u>-873,900</u>
Cash Balance, Ending	<u>\$ 10,443</u>	<u>\$ 18,518</u>	<u>\$ 23,183</u>

*Includes repayment of General Fund Loan

STATE TREASURY ARMORY FUND

Created in accordance with Act 126 of 1979 and Act 92 of 1975, this fund receives monies derived from the sale of any armory building, armory site or other real estate. Funds shall be expended solely for the purchase of equipment, furniture and fixtures or for the construction of new armories in the Commonwealth.

Statement of Cash Receipts and Disbursements

	1986-87 Actual	(Dollar Amounts in Thousands) 1987-88 Available	1988-89 Estimated
Cash Balance, Beginning	\$ 202	\$ 268	\$ 34
Receipts:			
Interest	\$ 15	\$ 16	\$ 2
Sale of Armories and/or Land	60	.....	.....
Total Receipts	<u>75</u>	<u>16</u>	<u>2</u>
Total Funds Available	\$ 277	\$ 284	\$ 36
Disbursements:			
Military Affairs	\$ 9	\$ 250	.....
Total Disbursements	<u>-9</u>	<u>-250</u>	<u>.....</u>
Cash Balance, Ending	<u>\$ 268</u>	<u>\$ 34</u>	<u>\$ 36</u>

STATE WORKMEN'S INSURANCE FUND

The State Workmen's Insurance Fund (SWIF) was created by the Act of June 2, 1915, and operates within the Department of Labor and Industry. It is a self-sustaining fund providing workmen's compensation insurance to employers, including those refused policies by private insurance firms. SWIF is subject to underwriting rules, classifications 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.

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)		
	1986-87 Actual	1987-88 Available	1988-89 Estimated
Cash Balance, Beginning	\$ 782,671	\$ 902,011	\$ 1,005,794
Receipts:			
Premiums	\$ 102,050	\$ 115,000	\$ 120,750
Other	123,646	127,355	131,176
Net Investment Adjustment	<u>1,220</u>	<u>1,029</u>	<u>1,124</u>
Total Receipts	<u>226,916</u>	<u>243,384</u>	<u>253,050</u>
Total Funds Available	\$ 1,009,587	\$ 1,145,395	\$ 1,258,844
Disbursements:			
Executive Offices	\$ 439	\$ 452	\$ 465
Labor and Industry	107,137	139,149	180,894
Transfer to Unemployment Compensation Contribution Fund .....	.....	.....	146,000
Transfer to General Fund (Mass Transit) .....	.....	.....	25,000
Transfer to Sunny Day Fund .....	.....	.....	25,000
Transfer to Tax Stabilization Reserve Fund	<u>.....</u>	<u>.....</u>	<u>25,000</u>
Total Disbursements	<u>-107,576</u>	<u>-139,601</u>	<u>-402,359</u>
Cash Balance, Ending	<u>\$ 902,011</u>	<u>\$ 1,005,794</u>	<u>\$ 856,485</u>

SUNNY DAY FUND

The purpose of this fund created by Act 32 of 1985, and administered by the Treasury Department is to provide assistance to the Governor and the Economic Development Partnership in their efforts to attract industrial, manufacturing or research and development enterprises to this Commonwealth. Revenue is provided through an appropriation by the General Assembly for transfer to this fund. Appropriations out of the fund require approval by two thirds of the members of the General Assembly.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Estimated
Cash Balance, Beginning	\$ 25,000	\$ 40,365	\$ 37,796
Receipts:			
Transfer from General Fund	\$ 25,000	\$ 25,000	.....
Transfer from State Workmen's Insurance Fund .....	.....	.....	\$ 25,000
Loan Repayments	35	236	243
Interest on Securities	1,417	3,725	2,149
Interest on Loans	24	118	111
Miscellaneous .....	.....	950	1,140
Total Receipts	<u>26,476</u>	<u>30,029</u>	<u>28,643</u>
Total Funds Available	\$ 51,476	\$ 70,394	\$ 66,439
Disbursements:			
Economic Development Partnership	\$ 11,111	\$ 32,598	\$ 35,000
Total Disbursements	<u>-11,111</u>	<u>-32,598</u>	<u>-35,000</u>
Cash Balance, Ending	<u>\$ 40,365</u>	<u>\$ 37,796</u>	<u>\$ 31,439</u>

SUPPLEMENTAL STATE ASSISTANCE FUND

This fund was created by Act 205 of 1984, the Municipal Pension Plan Funding Standard and Recovery Act, and is administered by the Auditor General. Effective July 1985, the fund includes a portion of the Foreign Casualty Insurance Premium Tax which in prior years was allocated to the State Employees Retirement Fund State Police account. Those revenues will be used for loans to municipalities in danger of default on their pension program. Loans have been available since 1985-86 fiscal year; however, no requests for assistance have been received and therefore no disbursements are anticipated. Beginning in 1988 a program of General Fund aid to distressed municipalities will be provided through this fund.

Statement of Cash Receipts and Disbursements

	1986-87 Actual	(Dollar Amounts in Thousands) 1987-88 Available	1988-89 Estimated
Cash Balance, Beginning	8,713	\$ 16,336	\$ 21,495
Receipts:			
Foreign Casualty Insurance Premium Tax for Loans to Municipalities	\$ 6,908	\$ 4,084	.....
General Fund Transfer .....	.....	.....	\$ 4,175
Interest	715	1,075	690
Total Receipts	<u>7,623</u>	<u>5,159</u>	<u>4,865</u>
Total Funds Available	\$ 16,336	\$ 21,495	\$ 26,360
Disbursements:			
Auditor General .....	.....	.....	-25,753
Total Disbursements	<u>.....</u>	<u>.....</u>	<u>-25,753</u>
Cash Balances, Ending	<u>\$ 16,336</u>	<u>\$ 21,495</u>	<u>\$ 607</u>

SURFACE MINING CONSERVATION AND RECLAMATION FUND

This fund was created in 1945 to finance reclamation projects on land scarred by surface mining. Projects include recontouring, terracing and planting of trees, shrubs and grasses. Revenues are provided by charging surface mining operators for licenses and permits and by fining them for 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

	1986-87 Actual	(Dollar Amounts in Thousands) 1987-88 Available	1988-89 Estimated
Cash Balance, Beginning	\$ 12,162	\$ 13,686	\$ 12,926
Receipts:			
Licenses and Fees	\$ 1,548	\$ 1,450	\$ 1,450
Interest	786	775	800
Forfeiture of Bonds	2,949	1,500	1,500
Trust Account Collateral	99	100	100
Other	111	50	50
Total Receipts	<u>5,493</u>	<u>3,875</u>	<u>3,900</u>
Total Funds Available	\$ 17,655	\$ 17,561	\$ 16,826
Disbursements:			
Treasury	89	135	135
Executive Offices	3,880	4,500	4,500
Environmental Resources			
Total Disbursements	<u>-3,969</u>	<u>-4,635</u>	<u>-4,635</u>
Cash Balance, Ending	<u>\$ 13,686</u>	<u>\$ 12,926</u>	<u>\$ 12,191</u>

TAX NOTE SINKING FUND

Moneys in this fund are used solely for the payment of principal and interest on tax anticipation notes issued for the General Fund or the Motor License Fund. Repayment of tax anticipation notes must be accomplished before the end of the fiscal period in which the notes were issued. Repayment of commercial paper issued in anticipation of tax revenues is made directly from the issuing fund and is not recorded in this fund.

Statement of Cash Receipts and Disbursements

	1986-87 Actual	(Dollar Amounts in Thousands) 1987-88 Available	1988-89 Estimated
	<u> </u>	<u> </u>	<u> </u>
Cash Balance, Beginning .....	.....	.....	.....
Receipts:			
Transfer from General Fund	\$ 244,669	\$ 572,154	\$ 364,088
Total Receipts	<u>244,669</u>	<u>572,154</u>	<u>364,088</u>
Total Funds Available	\$ 244,669	\$ 572,154	\$ 364,088
Disbursements:			
Treasury	\$ 244,669	\$ 572,154	\$ 364,088
Total Disbursements	<u>-244,669</u>	<u>-572,154</u>	<u>-364,088</u>
Cash Balance, Ending	<u> </u>	<u> </u>	<u> </u>

TAX STABILIZATION RESERVE FUND

Created in July of 1985 by Act 32, this fund provides financial assistance to minimize future revenue shortfalls and deficits, and promote greater continuity and predictability in the funding of vital government services. It also minimizes the need to increase taxes to balance the budget of the Commonwealth during periods of economic distress. Revenue is provided through an appropriation by the General Assembly for transfer to this fund. Appropriations out of the fund require approval by two-thirds of the members of the General Assembly.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Estimated
Cash Balance, Beginning	\$ 25,000	\$ 51,481	\$ 79,570
Receipts:			
General Fund Transfer	\$ 25,000	\$ 25,000	.....
State Workmen's Insurance Fund Transfer .....	.....	.....	\$ 25,000
Interest on Securities	1,481	3,089	4,774
Total Receipts	<u>26,481</u>	<u>28,089</u>	<u>29,774</u>
Total Funds Available	\$ 51,481	\$ 79,570	\$ 109,344
Disbursements:			
Total Disbursements .....	.....	.....	.....
Cash Balance, Ending	<u>\$ 51,481</u>	<u>\$ 79,570</u>	<u>\$ 109,344</u>

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)		
	1986-87 Actual	1987-88 Available	1988-89 Estimated
Cash Balance, Beginning .....	.....	.....	.....
Receipts:			
Regular Unemployment Compensation Program	\$ 1,024,808	\$ 1,062,000	\$ 1,096,000
Federal Receipts in Transit ^a	231	.....	.....
Other	68,414	69,000	69,000
Total Receipts	<u>1,093,453</u>	<u>1,131,000</u>	<u>1,165,000</u>
Total Funds Available	\$ 1,093,453	\$ 1,131,000	\$ 1,165,000
Disbursements:			
Labor and Industry	\$ 1,093,453	\$ 1,131,000	\$ 1,165,000
Total Disbursements	<u>-1,093,453</u>	<u>-1,131,000</u>	<u>-1,165,000</u>
Cash Balance, Ending	<u>.....</u>	<u>.....</u>	<u>.....</u>

^aRepresents future receipt of funds from the Federal government for checks issued to individual claimants.

UNEMPLOYMENT COMPENSATION CONTRIBUTION FUND _____

This fund was created to hold moneys collected from employers under the Unemployment Compensation Law and, except for refunds of collections or transfers to the Special Administration Fund, the moneys are transferred to the United States Treasury for credit to the Commonwealth's account in the Federal Unemployment Trust Fund established under Section 904 of the Social Security Act.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Estimated
Cash Balance, Beginning .....	.....	\$ 35	.....
Receipts:			
Contributions of Employers and Employes	\$ 1,451,385	\$ 1,407,000	\$ 1,408,000
Transfer from State Workmen's Insurance Fund .....	.....	.....	146,000
Transfer from Unemployment Compensation Interest Fund ...	.....	.....	49,000
Other	126	125	125
Total Receipts	<u>1,451,511</u>	<u>1,407,125</u>	<u>1,603,125</u>
Total Funds Available	\$ 1,451,511	\$ 1,407,160	\$ 1,603,125
Disbursements:			
Labor and Industry	\$ 1,451,476	\$ 1,407,160	\$ 1,408,125
Repayment of Unemployment Compensation Trust Fund Indebtedness to the Federal Government .....	.....	.....	195,000
Total Disbursements	<u>-1,451,476</u>	<u>-1,407,160</u>	<u>-1,603,125</u>
Cash Balance, Ending	<u>\$ 35</u>	<u>.....</u>	<u>.....</u>

UNEMPLOYMENT COMPENSATION INTEREST FUND

This fund was created to pay the interest due on the Federal Unemployment Compensation Title XII Advances. The receipts in this fund are generated by employers under provisions of the Unemployment Compensation Law as amended in July, 1983. Funds are to be used exclusively for interest payments; however, if funds collected exceed interest payment requirements, such excess funds are to be used for benefit payments.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Estimated
Cash Balance, Beginning	\$ 136,278	\$ 126,937	\$ 87,337
Receipts:			
Employer's Interest Taxes	\$ 40,875	\$ 800	245
Other	<u>7,796</u>	<u>5,700</u>	<u>3,900</u>
Total Receipts	<u>48,671</u>	<u>6,500</u>	<u>4,145</u>
Total Funds Available	\$ 184,949	\$ 133,437	\$ 91,482
Disbursements:			
Labor and Industry	\$ 58,012	\$ 46,100	\$ 31,820
Transfer to Unemployment Compensation Contribution Fund	<u>.....</u>	<u>.....</u>	<u>49,000</u>
Total Disbursements	<u>-58,012</u>	<u>-46,100</u>	<u>-80,820</u>
Cash Balance, Ending	<u>\$ 126,937</u>	<u>\$ 87,337</u>	<u>\$ 10,662</u>

VIETNAM CONFLICT VETERAN'S COMPENSATION FUND

Created in 1968, this fund provides payments to residents of the Commonwealth who were in active service in the Vietnam Theatre of Operations, as defined for the award of the Vietnam Service Medal, or their beneficiaries. The maximum compensation is \$750 except in case of death when it is \$1,000. Salaries and other necessary expenses for the proper administration of the Vietnam Conflict Veteran's Compensation Act are also paid from the fund. Revenue was derived from a bond issue that was approved by the electorate on November 6, 1973. After a final appeal for program participation, this fund will be closed out by the end of 1987-88 by transferring the balance to the Vietnam Conflict Veteran's Compensation Sinking Fund.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Estimated
Cash Balance, Beginning	\$ 484	\$ 495	.....
Receipts:			
Interest	\$ 29	\$ 24	.....
Total Receipts	<u>29</u>	<u>24</u>	.....
Total Funds Available	\$ 513	\$ 519	.....
Disbursements:			
Military Affairs	\$ 18	\$ 200	.....
Total Disbursements	<u>-18</u>	<u>-200</u>	.....
Cash Balance, Ending	<u>\$ 495</u>	<u>\$ 319</u>	.....

VIETNAM CONFLICT VETERANS' COMPENSATION SINKING FUND

Moneys in this fund are used to redeem or pay interest on bonds issued for the Vietnam Conflict Veterans' Compensation Fund. An appropriation from the General Fund provides the revenues of this fund.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Estimated
Cash Balance, Beginning	\$ 8	\$ 9	.....
Receipts:			
Transfer from General Fund	\$ 4,575	\$ 4,556	\$ 4,560
Interest on Securities	<u>1</u>	<u>.....</u>	<u>.....</u>
Total Receipts	<u>4,576</u>	<u>4,556</u>	<u>4,560</u>
Total Funds Available	\$ 4,584	\$ 4,565	\$ 4,560
Disbursements:			
Treasury	\$ 4,575	\$ 4,565	\$ 4,560
Total Disbursements	<u>-4,575</u>	<u>-4,565</u>	<u>-4,560</u>
Cash Balance, Ending	<u>\$ 9</u>	<u>.....</u>	<u>.....</u>

VOCATIONAL REHABILITATION FUND

This fund, administered by the State Board of Vocational Rehabilitation (Department of Labor and Industry), was created to provide vocational rehabilitation services to any person who has a disability (mental or physical) which constitutes a handicap to employment or to achievement of an 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) and interest earned.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Estimated
Cash Balance, Beginning	\$ 249	\$ 1,647	\$ 2,123
Receipts:			
Transfer from General Fund	\$ 13,965	\$ 16,500	\$ 17,800
Federal Vocational Rehabilitation Funds	50,750	57,500	65,100
Other	4,997	4,960	5,830
Total Receipts	<u>69,712</u>	<u>78,960</u>	<u>88,730</u>
Total Funds Available	\$ 69,961	\$ 80,607	\$ 90,853
Disbursements:			
Executive Offices	\$ 2,315	\$ 2,384	\$ 2,456
Labor and Industry	65,999	76,100	86,174
Total Disbursements	<u>-68,314</u>	<u>-78,484</u>	<u>-88,630</u>
Cash Balance, Ending	<u>\$ 1,647</u>	<u>\$ 2,123</u>	<u>\$ 2,223</u>

VOLUNTEER COMPANIES LOAN FUND

On November 4, 1975, a voter referendum authorized a \$10,000,000 bond issue to be used for acquisition and replacement of volunteer fire, ambulance and rescue company equipment and facilities. A second voter referendum in November 1981 authorized an additional \$15,000,000 to be added to the fund. Act 208 of 1976 established a revolving loan fund known as the "Volunteer Companies Loan Fund" administered by the Pennsylvania Emergency Management Agency. Funds amounting to \$10 million were included in the 1985-86 General Fund budget for transfer to the Volunteer Companies Loan Fund. As the low interest loans are repaid by the volunteer companies, the monies are returned to the fund for reuse.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Estimated
Cash Balance, Beginning	\$ 10,447	\$ 9,334	\$ 7,599
Receipts:			
Loan Principal Repayments	\$ 5,619	\$ 5,830	\$ 6,500
Loan Interest	738	750	780
Interest on Securities	657	675	580
Miscellaneous	7	10	10
Total Receipts	<u>7,021</u>	<u>7,265</u>	<u>7,870</u>
Total Funds Available	\$ 17,468	\$ 16,599	\$ 15,469
Disbursements:			
Pennsylvania Emergency Management Agency	\$ 8,134	\$ 9,000	\$ 9,500
Total Disbursements	<u>-8,134</u>	<u>-9,000</u>	<u>-9,500</u>
Cash Balance, Ending	<u>\$ 9,334</u>	<u>\$ 7,599</u>	<u>\$ 5,969</u>

VOLUNTEER COMPANIES LOAN SINKING FUND

Moneys in this fund are used to redeem or pay interest on bonds issued for the Volunteer Companies Loan Fund. An appropriation from the General Fund provides revenues to the fund.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Estimated
Cash Balance, Beginning	\$ 72	\$ 77	.....
Receipts:			
Transfer from General Fund	\$ 2,787	\$ 2,641	\$ 2,651
Interest on Securities	<u>5</u>	<u>2</u>	<u>.....</u>
Total Receipts	<u>2,792</u>	<u>2,643</u>	<u>2,651</u>
Total Funds Available	\$ 2,864	\$ 2,720	\$ 2,651
Disbursements:			
Treasury	\$ 2,787	\$ 2,720	\$ 2,651
Total Disbursements	<u>-2,787</u>	<u>-2,720</u>	<u>-2,651</u>
Cash Balance, Ending	<u>\$ 77</u>	<u>.....</u>	<u>.....</u>

WATER FACILITIES LOAN FUND

This fund was created by Act 167 of 1982 in order to implement the water project loan referendum approved by the electorate on November 3, 1981. That referendum authorized the Commonwealth to incur an indebtedness of \$300 million for use as loans to repair, construct, reconstruct, rehabilitate, extend and improve water supply systems or to repair, reconstruct or rehabilitate flood control facilities, dams and port facilities.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Estimated
Cash Balance, Beginning	\$ 77,636	\$ 76,548	\$ 73,032
Receipts:			
Sale of Bonds	\$ 11,967	\$ 27,000	\$ 95,000
Total Receipts	<u>11,967</u>	<u>27,000</u>	<u>95,000</u>
Total Funds Available	\$ 89,603	\$ 103,548	\$ 168,032
Disbursements:			
Environmental Resources	\$ 13,055	\$ 30,516	\$ 40,000
Total Disbursements	<u>-13,055</u>	<u>-30,516</u>	<u>-40,000</u>
Cash Balance, Ending	<u>\$ 76,548</u>	<u>\$ 73,032</u>	<u>\$ 128,032</u>

WATER FACILITIES LOAN REDEMPTION FUND

Moneys in this fund are obtained from annual appropriations by the General Assembly and from interest and dividends on moneys in the Water Facilities Loan Fund. These moneys are used solely for payment of interest and principal due on outstanding water facilities loan bonds.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Estimated
Cash Balance, Beginning	\$ 1,590	\$ 798	.....
Receipts:			
Transfer from General Fund	\$ 8,305	\$ 9,166	\$ 13,494
Interest on Securities	4,829	4,774	4,774
Accrued Interest on Bonds Sold	<u>66</u>	<u>151</u>	<u>532</u>
Total Receipts	<u>13,200</u>	<u>14,091</u>	<u>18,800</u>
Total Funds Available	\$ 14,790	\$ 14,889	\$ 18,800
Disbursements:			
Treasury	\$ 13,992	\$ 14,889	\$ 18,800
Total Disbursements	<u>-13,992</u>	<u>-14,889</u>	<u>-18,800</u>
Cash Balance, Ending	<u>\$ 798</u>	<u>.....</u>	<u>.....</u>

WILD RESOURCES CONSERVATION FUND

This fund was created by Act 170 of 1982. Revenue is derived primarily from tax rebate check-offs and voluntary contributions. The fund is to be used to collect 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 will 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)		
	1986-87 Actual	1987-88 Available	1988-89 Estimated
Cash Balance, Beginning	\$ 855	\$ 985	\$ 610
Receipts:			
Tax Check-Offs	\$ 610	\$ 275	\$ 375
Interest on Securities	49	60	60
Voluntary Donations	14	15	15
Other	27	.....	.....
Total Receipts	<u>700</u>	<u>350</u>	<u>450</u>
Total Funds Available	\$ 1,555	\$ 1,335	\$ 1,060
Disbursements:			
Environmental Resources	\$ 570	\$ 725	\$ 450
Total Disbursements	<u>-570</u>	<u>-725</u>	<u>-450</u>
Cash Balance, Ending	<u>\$ 985</u>	<u>\$ 610</u>	<u>\$ 610</u>

WORKMEN'S COMPENSATION ADMINISTRATION FUND _____

This fund was created by Act No. 2 of 1976 to finance the expenses of the Department of Labor and Industry in administering the Pennsylvania Workmen's Compensation Act and the Pennsylvania Occupational Disease Act. The fund is supported by annual assessments on insurers and self-insurers under the act. These administrative funds are approved by the Legislature for expenditure through the appropriation process.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Estimated
Cash Balance, Beginning	\$ 8,213	\$ 9,013	\$ 10,356
Receipts:			
Assessments	\$ 11,000	\$ 13,028	\$ 15,224
Other	<u>1,149</u>	<u>1,215</u>	<u>1,269</u>
Total Receipts	<u>12,149</u>	<u>14,243</u>	<u>16,493</u>
Total Funds Available	\$ 20,362	\$ 23,256	\$ 26,849
Disbursements:			
Executive Offices	\$ 826	\$ 887	\$ 933
Labor and Industry	<u>10,523</u>	<u>12,013</u>	<u>14,817</u>
Total Disbursements	<u>-11,349</u>	<u>-12,900</u>	<u>-15,750</u>
Cash Balance, Ending	<u>\$ 9,013</u>	<u>\$ 10,356</u>	<u>\$ 11,099</u>

WORKMEN'S COMPENSATION SECURITY FUND

The purpose of this fund is payment of valid claims for compensation provided by the Workmen's Compensation Law to individuals who are insured by an insolvent stock company. Expenses for administration of the fund are also covered. One percent of the net written premiums by every stock insurance company received for Workmen's Compensation insurance policies written in the Commonwealth during the preceding annual reporting period is credited to the fund. Such payments are required only if the balance (less known liabilities) of the fund is determined to be less than five percent of the loss reserves of all such stock companies for payments of benefits under the Workmen's Compensation Law.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1986-87 Actual	1987-88 Available	1988-89 Estimated
Cash Balance, Beginning	\$ 194,761	\$ 216,439	\$ 239,355
Receipts:			
Premium Contributions	\$ 5,603	.....	\$ 10,000
Interest on Securities	<u>21,118</u>	<u>\$ 27,000</u>	<u>24,000</u>
Total Receipts	<u>26,721</u>	<u>27,000</u>	<u>34,000</u>
Total Funds Available	\$ 221,482	\$ 243,439	\$ 273,355
Disbursements:			
Insurance	\$ 3,173	\$ 4,084	\$ 4,440
Net Investment Adjustment	<u>1,870</u>	.....	.....
Total Disbursements	<u>-5,043</u>	<u>-4,084</u>	<u>-4,440</u>
Cash Balance, Ending	<u>\$ 216,439</u>	<u>\$ 239,355</u>	<u>\$ 268,915</u>

WORKMEN'S COMPENSATION SUPERSEDEAS FUND

The purpose of this fund is to reimburse insurers for payments made by them to claimants under the Workmen's 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)		
	1986-87 Actual	1987-88 Available	1988-89 Estimated
Cash Balance, Beginning	\$ 61	\$ 67	\$ 121
Receipts:			
Assessments	\$ 2,128	\$ 3,724	\$ 4,000
Other	<u>30</u>	<u>30</u>	<u>30</u>
Total Receipts	<u>2,158</u>	<u>3,754</u>	<u>4,030</u>
Total Funds Available	\$ 2,219	\$ 3,821	\$ 4,151
Disbursements:			
Labor and Industry	\$ <u>2,152</u>	\$ <u>3,700</u>	\$ <u>4,100</u>
Total Disbursements	<u>-2,152</u>	<u>-3,700</u>	<u>-4,100</u>
Cash Balance, Ending	<u>\$ 67</u>	<u>\$ 121</u>	<u>\$ 51</u>

