



Commonwealth of Pennsylvania

1996 – 97

GOVERNOR'S EXECUTIVE BUDGET



Tom Ridge
Governor



COMMONWEALTH OF PENNSYLVANIA
OFFICE OF THE GOVERNOR
HARRISBURG

THE GOVERNOR

February 6, 1996

To the People of Pennsylvania:

Pursuant to Article VIII Section 12 of the Constitution of Pennsylvania, and Section 613 of the Administrative Code of 1929 (71 P.S. Section 233), I am transmitting to your representatives in the General Assembly my proposed state budget for fiscal year 1996-1997.

Last year, we set our great Commonwealth on a new course to prepare Pennsylvania for the 21st century. With this year's budget, we forge ahead to prepare this generation and future generations for the challenges that await. We do so in the face of uncertainty from our federal government. But just as our citizens met the challenges of the industrial revolution, Pennsylvanians will meet today's challenges, including the emergence of new technologies, a rapidly expanding global marketplace and the ever-increasing competition for jobs.

Based on conservative revenue forecasts, this budget does what Pennsylvania families must do — it lives within its means. For the first time in over 25 years, since 1970-71, we are proposing a budget with less spending than the year before. This budget discipline has required us to cut government and focus the delivery of state services to those who need it most.

Like my first budget, this proposal recognizes the importance of a vibrant, growing economy. We continue to implement a long-term strategy to create a more competitive tax and regulatory climate that will allow us to retain and create family-sustaining jobs. I propose cutting taxes by over \$60 million, including a proposal to offer our employers a Job Creation Tax Credit to create new economic opportunities for our workers. In addition, this budget makes a critical investment in job training to help our workers best meet the challenges of an increasingly competitive, high-tech world.

We shouldn't just be preparing for the 21st century — we should be living it. My tax-cutting proposal also includes an exemption from the sales and use tax for the purchase of certain computer services. This change will make it less expensive for employers to purchase computer-related technology, helping to spur innovation and growth.

This budget also places the first downpayment on a \$120 million technology initiative for Pennsylvania's classrooms and schools. This initiative will create classrooms for the future in which the computer is as commonplace as the blackboard. Adding technology to our educational infrastructure is critical to meeting our lifetime learning goals.

This budget challenges us to reshape government by embracing the discipline and change that are the surest path to the preservation and enhancement of the quality of life that bonds us together. With great optimism for Pennsylvania's future, I remain

Very truly yours,

Tom Ridge
Governor

FOREWORD

TAX EXPENDITURES

Information in this section provides estimates of indirect expenditures that occur through preferential treatment within the Commonwealth's State tax structure. Preferential treatment provided in State law by exemption, reduction, deduction, limitation, exclusion, tax deferral, discount, commission, credit, or preferential rate produce lower tax revenues than would otherwise be received by the Commonwealth at current tax rates. The estimated tax revenues foregone because of preferential treatment under State tax law are "tax expenditures" described in Section D of this document.

THE COMMONWEALTH PROGRAM PLAN

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

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

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

THE DEPARTMENTAL PRESENTATION

Recommendations for the continuation of current programs at essentially current levels of commitment are shown within departmental program subcategories. Recommendations for major program changes in 1996-97 are identified as departmental Program Revision Requests (PRRs) which provide explanations and justification for the change.

Beyond 1996-97, the projections of financial data, as well as impacts and other program measures, show the future implications of the 1996-97 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 1996-97 level of commitment.

To assist in understanding the individual agency presentations, the following information is provided.

PROGRAM PRESENTATION

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

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

Narrative—Describes program services and activities.

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

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

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

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

SUMMARY BY FUND AND APPROPRIATION

Identifies the State appropriation and those Federal funds 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, Farm Products Show, Fish, Game, Keystone Recreation, Park and Conservation, Lottery, Milk Marketing and Racing funds.

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

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

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

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

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

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

This is particularly true of the 1996-97 Budget which recommends: 1) the restructuring of the Department of Commerce and the Department of Community Affairs into the Department of Economic and Community Development; 2) the streamlining and the consolidation of appropriations/programs within the Department of Health and the Historical and Museum Commission; and, 3) the elimination of various boards, commissions and appropriations. These are all detailed further within the agency presentations.

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

Federal Funds Identification

The most common abbreviations used to identify Federal funds are:

ADA	Americans with Disabilities Act
AFDC	Aid to Families with Dependent Children
ARC	Appalachian Regional Commission
BG	Block Grant
CCDBG	Child Care and Development Block Grant
CSBG	Community Services Block Grant
DCSI	Drug Control and Systems Improvement
DFSC	Safe and Drug Free Schools and Communities Act
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
FTA	Federal Transit Administration
GED	General Education Development
HHS	Health and Human Services
HUD	Department of Housing and Urban Development
JTPA	Job Training Partnership Act
LIHEABG	Low-Income Home Energy Assistance Block Grant
LSCA	Library Services Construction Act
LWCF	Land and Water Conservation Fund
MA	Medical Assistance
MAGLOCLN	Middle Atlantic Great Lakes Organized Crime Law Enforcement Network
MCH	Maternal and Child Health
MCHSBG	Maternal and Child Health Services Block Grant
MH/MR	Mental Health/Mental Retardation Services
MHSBG	Mental Health Services Block Grant
NEA	National Endowment for the Arts
NOAA	National Oceanic and Atmospheric Administration
NPDES	National Pollutant Discharge Elimination System
NSF	National Science Foundation
OEP	Office of Emergency Preparedness
OSM	Office of Surface Mining
PHHSBG	Preventive Health and Health Services Block Grant
SABG	Substance Abuse Block Grant
SCDBG	Small Communities Development Block Grant
SDA	Service Delivery Area
SSA	Social Security Act
SSBG	Social Services Block Grant
SSI	Supplemental Security Income
WIC	Women, Infants and Children Program
YDC	Youth Development Center

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Governor's Executive Budget

STATEMENTS

GENERAL FUND

Five Year Financial Statement

The projections beyond the 1996-97 fiscal year show future implications of the present budgetary policies and recommendations only. Revenue estimates are based upon current and proposed tax rates.

	(Dollar Amounts in Thousands)						
	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
Beginning Balance ^a	\$ 302,175	\$ 428,997	\$ 100,542	.....	.....	.....	.....
Revenues	\$16,224,684	\$16,271,200	\$16,675,050	\$17,030,950	\$17,490,100	\$18,347,300	\$19,039,300
Adjustments ^b	<u>-312,207</u>	<u>-451,995</u>	<u>-580,200</u>	<u>-614,400</u>	<u>-639,100</u>	<u>-664,500</u>	<u>-690,200</u>
Funds Available	\$16,214,652	\$16,248,202	\$16,195,392	\$16,416,550	\$16,851,000	\$17,682,800	\$18,349,100
Expenditures	<u>-15,674,655</u>	<u>-16,129,917</u>	<u>-16,189,937</u>	<u>-16,403,311</u>	<u>-16,707,866</u>	<u>-17,044,742</u>	<u>-17,382,439</u>
Closing Balance	\$ 539,997	\$ 118,285	\$ 5,455	\$ 13,239	\$ 143,134	\$ 638,058	\$ 966,661
Less Transfer to Tax Stabilization Reserve Fund ^c	<u>-111,000</u>	<u>-17,743</u>	<u>-818</u>	<u>-1,986</u>	<u>-21,470</u>	<u>-95,709</u>	<u>-144,999</u>
Ending Balance ^a	<u>\$ 428,997</u>	<u>\$ 100,542</u>	<u>\$ 4,637</u>	<u>\$ 11,253</u>	<u>\$ 121,664</u>	<u>\$ 542,349</u>	<u>\$ 821,662</u>

^a Ending balance not carried forward after 1996-97.

^b Includes net reserve accruals, refunds, lapses and adjustments to beginning balances.

^c This budget assumes that the Transfer to the Tax Stabilization Reserve Fund will be increased from 10 percent to 15 percent of the General Fund closing balance effective with the transfer based on the June 30, 1995 closing balance.

FIVE YEAR FINANCIAL STATEMENTS

Motor License Fund^a

	(Dollar Amounts in Thousands)						
	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
Beginning Balance	\$ 107,471	\$ 119,151	\$ 106,239	\$ 9,695	\$ 10,216	\$ 9,806	\$ 12,121
Receipts	1,583,391	1,581,356	1,550,503	1,563,413	1,573,005	1,581,637	1,589,810
Funds Available	\$ 1,690,862	\$ 1,700,507	\$ 1,656,742	\$ 1,573,108	\$ 1,583,221	\$ 1,591,443	\$ 1,601,931
Less Expenditures	-1,571,711	-1,594,268	-1,647,047	-1,562,892	-1,573,415	-1,579,322	-1,589,110
Ending Balance	<u>\$ 119,151</u>	<u>\$ 106,239</u>	<u>\$ 9,695</u>	<u>\$ 10,216</u>	<u>\$ 9,806</u>	<u>\$ 12,121</u>	<u>\$ 12,821</u>

Banking Department Fund

	(Dollar Amounts in Thousands)						
	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
Beginning Balance	\$ 2,041	\$ 2,313	\$ 2,405	\$ 2,818	\$ 3,298	\$ 3,807	\$ 4,402
Receipts	10,885	10,639	9,600	9,851	10,068	10,346	10,631
Funds Available	\$ 12,926	\$ 12,952	\$ 12,005	\$ 12,669	\$ 13,366	\$ 14,153	\$ 15,033
Less Expenditures	-10,613	-10,547	-9,187	-9,371	-9,559	-9,751	-9,946
Ending Balance	<u>\$ 2,313</u>	<u>\$ 2,405</u>	<u>\$ 2,818</u>	<u>\$ 3,298</u>	<u>\$ 3,807</u>	<u>\$ 4,402</u>	<u>\$ 5,087</u>

Boat Fund

	(Dollar Amounts in Thousands)						
	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
Beginning Balance	\$ 5,915	\$ 7,484	\$ 7,533	\$ 7,616	\$ 7,195	\$ 7,380	\$ 7,046
Receipts	9,145	8,493	8,241	7,862	8,634	8,280	9,061
Funds Available	\$ 15,060	\$ 15,977	\$ 15,774	\$ 15,478	\$ 15,829	\$ 15,660	\$ 16,107
Less Expenditures	-7,576	-8,444	-8,158	-8,283	-8,449	-8,614	-8,782
Ending Balance	<u>\$ 7,484</u>	<u>\$ 7,533</u>	<u>\$ 7,616</u>	<u>\$ 7,195</u>	<u>\$ 7,380</u>	<u>\$ 7,046</u>	<u>\$ 7,325</u>

^a Excludes restricted revenue.

FIVE YEAR FINANCIAL STATEMENTS

Farm Products Show Fund

	(Dollar Amounts in Thousands)						
	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
Beginning Balance	\$ 726	\$ 1,060	\$ 923	\$ 241	\$ 229	\$ 238	\$ 270
Receipts	<u>4,255</u>	<u>4,289</u>	<u>4,432</u>	<u>4,541</u>	<u>4,653</u>	<u>4,769</u>	<u>4,888</u>
Funds Available	\$ 4,981	\$ 5,349	\$ 5,355	\$ 4,782	\$ 4,882	\$ 5,007	\$ 5,158
Less Expenditures	<u>-3,921</u>	<u>-4,426</u>	<u>-5,114</u>	<u>-4,553</u>	<u>-4,644</u>	<u>-4,737</u>	<u>-4,832</u>
Ending Balance	<u>\$ 1,060</u>	<u>\$ 923</u>	<u>\$ 241</u>	<u>\$ 229</u>	<u>\$ 238</u>	<u>\$ 270</u>	<u>\$ 326</u>

Fish Fund

	(Dollar Amounts in Thousands)						
	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
Beginning Balance	\$ 8,785	\$ 8,205	\$ 10,626	\$ 12,461	\$ 14,421	\$ 16,307	\$ 18,318
Receipts	<u>34,710</u>	<u>37,946</u>	<u>36,423</u>	<u>36,937</u>	<u>37,456</u>	<u>38,193</u>	<u>38,536</u>
Funds Available	\$ 43,495	\$ 46,151	\$ 47,049	\$ 49,398	\$ 51,877	\$ 54,500	\$ 56,854
Less Expenditures	<u>-35,290</u>	<u>-35,525</u>	<u>-34,588</u>	<u>-34,977</u>	<u>-35,570</u>	<u>-36,182</u>	<u>-36,571</u>
Ending Balance	<u>\$ 8,205</u>	<u>\$ 10,626</u>	<u>\$ 12,461</u>	<u>\$ 14,421</u>	<u>\$ 16,307</u>	<u>\$ 18,318</u>	<u>\$ 20,283</u>

Game Fund

	(Dollar Amounts in Thousands)						
	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
Beginning Balance	\$ 39,948	\$ 36,565	\$ 30,343	\$ 18,218	\$ 10,628	\$ 2,054	....
Receipts	<u>53,811</u>	<u>52,607</u>	<u>49,023</u>	<u>49,023</u>	<u>49,023</u>	<u>49,023</u>	<u>\$ 49,023</u>
Funds Available	\$ 93,759	\$ 89,172	\$ 79,366	\$ 67,241	\$ 59,651	\$ 51,077	\$ 49,023
Less Expenditures	<u>-57,194</u>	<u>-58,829</u>	<u>-61,148</u>	<u>-56,613</u>	<u>-57,597</u>	<u>-51,077</u>	<u>-49,023</u>
Ending Balance	<u>\$ 36,565</u>	<u>\$ 30,343</u>	<u>\$ 18,218</u>	<u>\$ 10,628</u>	<u>\$ 2,054</u>	<u>....</u>	<u>....</u>

* Transferred to the General Fund

FIVE YEAR FINANCIAL STATEMENTS

Keystone Recreation, Park and Conservation Fund

	(Dollar Amounts in Thousands)						
	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
Beginning Balance	\$	\$ 31,389	\$ 8,339	\$ 27,357	\$ 26,375	\$ 26,348	\$ 27,137
Receipts	\$ 44,065	50,587	59,285	32,542	32,512	33,425	34,971
Funds Available	\$ 44,065	\$ 81,976	\$ 67,624	\$ 59,899	\$ 58,887	\$ 59,773	\$ 62,108
Less Expenditures	-12,676	-73,637	-40,267	-33,524	-32,539	-32,636	-33,635
Ending Balance	\$ 31,389	\$ 8,339	\$ 27,357	\$ 26,375	\$ 26,348	\$ 27,137	\$ 28,473

Lottery Fund

	(Dollar Amounts in Thousands)						
	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
Beginning Balance	\$ 3,613	\$ 7,387	\$ 3,010	\$ 2,904	\$ 2,806	\$ 2,922	\$ 3,141
Add Reserve From Previous Year	86,000	104,000	100,000	125,000	152,000	170,000	183,000
Receipts	865,388	833,570	865,647	872,203	879,449	887,060	895,153
Funds Available	\$ 955,001	\$ 944,957	\$ 968,657	\$ 1,000,107	\$ 1,034,255	\$ 1,059,982	\$ 1,081,294
Less Expenditures	-843,614	-841,947	-840,753	-845,301	-861,333	-873,841	-888,198
Less Reserve for Current Year	-104,000	-100,000	-125,000	-152,000	-170,000	-183,000	-192,000
Ending Balance	\$ 7,387	\$ 3,010	\$ 2,904	\$ 2,806	\$ 2,922	\$ 3,141	\$ 1,096

Milk Marketing Fund

	(Dollar Amounts in Thousands)						
	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
Beginning Balance	\$ 1,175	\$ 1,607	\$ 1,345	\$ 950	\$ 777	\$ 559	\$ 294
Receipts	2,463	2,204	2,079	2,079	2,079	2,079	2,079
Funds Available	\$ 3,638	\$ 3,811	\$ 3,424	\$ 3,029	\$ 2,856	\$ 2,638	\$ 2,373
Less Expenditures	-2,031	-2,466	-2,474	-2,252	-2,297	-2,344	-2,344
Ending Balance	\$ 1,607	\$ 1,345	\$ 950	\$ 777	\$ 559	\$ 294	\$ 29

FIVE YEAR FINANCIAL STATEMENTS

Racing Fund

	(Dollar Amounts in Thousands)						
	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
Beginning Balance	\$ 4,609	\$ 7,687	\$ 7,012	\$ 8,762	\$ 9,171	\$ 9,528	\$ 9,898
Receipts	<u>15,284</u>	<u>14,888</u>	<u>16,829</u>	<u>17,334</u>	<u>17,854</u>	<u>18,390</u>	<u>18,941</u>
Funds Available	\$ 19,893	\$ 22,575	\$ 23,841	\$ 26,096	\$ 27,025	\$ 27,918	\$ 28,839
Less Expenditures	<u>-12,206</u>	<u>-15,563</u>	<u>-15,079</u>	<u>-16,925</u>	<u>-17,497</u>	<u>-18,020</u>	<u>-18,560</u>
Ending Balance	<u>\$ 7,687</u>	<u>\$ 7,012</u>	<u>\$ 8,762</u>	<u>\$ 9,171</u>	<u>\$ 9,528</u>	<u>\$ 9,898</u>	<u>\$ 10,279</u>

Five-Year Department Summary by Fund

	(Dollar Amounts in Thousands)						
	1994-95 ACTUAL	1995-96 AVAILABLE	1996-97 BUDGET	1997-98 ESTIMATED	1998-99 ESTIMATED	1999-00 ESTIMATED	2000-01 ESTIMATED
GOVERNOR'S OFFICE							
General Fund.....	\$ 7,311	\$ 6,719	\$ 6,645	\$ 6,778	\$ 6,914	\$ 7,052	\$ 7,193
EXECUTIVE OFFICES							
General Fund.....	\$ 89,069	\$ 95,498	\$ 92,469	\$ 93,810	\$ 95,100	\$ 96,383	\$ 97,981
Lottery Fund.....	112	117	116	118	120	123	125
Motor License Fund.....	3,845	4,148	4,107	4,189	4,273	4,358	4,446
TOTAL.....	\$ 93,026	\$ 99,763	\$ 96,692	\$ 98,117	\$ 99,493	\$ 100,864	\$ 102,552
LIEUTENANT GOVERNOR'S OFFICE							
General Fund.....	\$ 1,021	\$ 977	\$ 959	\$ 978	\$ 997	\$ 1,017	\$ 1,038
OFFICE OF ATTORNEY GENERAL							
General Fund.....	\$ 53,406	\$ 56,471	\$ 55,907	\$ 57,022	\$ 58,159	\$ 59,319	\$ 60,503
AUDITOR GENERAL							
General Fund.....	\$ 42,089	\$ 45,964	\$ 40,890	\$ 41,674	\$ 42,474	\$ 43,289	\$ 44,121
TREASURY							
General Fund.....	\$ 546,609	\$ 489,662	\$ 608,026	\$ 633,098	\$ 636,920	\$ 654,550	\$ 652,056
Lottery Fund.....	8	150	100	100	100	100	100
Racing Fund.....	2	10	10	10	10	10	10
Motor License Fund.....	187,333	160,280	128,624	125,265	122,534	110,546	92,271
Game Fund.....	0	5	5	5	5	5	5
Fish Fund.....	24	19	6	5	5	5	5
Banking Department Fund.....	0	5	5	5	5	5	5
Milk Marketing Fund.....	0	10	10	10	10	10	10
Farm Products Show Fund.....	0	5	5	5	5	5	5
Boat Fund.....	0	5	5	5	5	5	5
TOTAL.....	\$ 733,976	\$ 650,151	\$ 736,796	\$ 758,508	\$ 759,599	\$ 765,241	\$ 744,472
AGING							
General Fund.....	\$ 13,567	\$ 14,378	\$ 16,079	\$ 16,117	\$ 16,156	\$ 16,195	\$ 16,235
Lottery Fund.....	380,174	383,837	375,468	372,777	381,105	385,466	391,119
TOTAL.....	\$ 393,741	\$ 398,215	\$ 391,547	\$ 388,894	\$ 397,261	\$ 401,661	\$ 407,354
AGRICULTURE							
General Fund.....	\$ 44,895	\$ 46,575	\$ 45,847	\$ 46,347	\$ 46,857	\$ 47,377	\$ 47,907
Racing Fund.....	11,527	15,386	14,774	16,679	17,246	17,764	18,299
Farm Products Show Fund.....	3,221	3,626	4,314	3,753	3,844	3,937	4,032
TOTAL.....	\$ 59,643	\$ 65,587	\$ 64,935	\$ 66,779	\$ 67,947	\$ 69,078	\$ 70,238
BANKING							
Banking Department Fund.....	\$ 10,260	\$ 10,191	\$ 8,868	\$ 9,045	\$ 9,226	\$ 9,411	\$ 9,599
CIVIL SERVICE COMMISSION							
General Fund.....	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1

Five-Year Department Summary by Fund

	(Dollar Amounts in Thousands)						
	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
	ACTUAL	AVAILABLE	BUDGET	ESTIMATED	ESTIMATED	ESTIMATED	ESTIMATED
CONSERVATION AND NATURAL RESOURCES							
General Fund.....	\$ 72,262	\$ 82,779	\$ 79,076	\$ 81,780	\$ 83,302	\$ 84,856	\$ 86,441
Keystone Rec, Park And Conservation Fund.....	4,883	52,398	25,920	21,890	21,153	21,133	21,727
TOTAL.....	\$ 77,145	\$ 135,177	\$ 104,996	\$ 103,670	\$ 104,455	\$ 105,989	\$ 108,168
CORRECTIONS							
General Fund.....	\$ 720,826	\$ 835,667	\$ 916,003	\$ 962,825	\$ 982,081	\$ 1,001,723	\$ 1,021,758
ECONOMIC AND COMMUNITY DEVELOPMENT							
General Fund.....	\$ 227,852	\$ 200,700	\$ 130,048	\$ 173,219	\$ 174,697	\$ 175,535	\$ 176,182
EDUCATION							
General Fund.....	\$ 6,669,735	\$ 6,982,881	\$ 6,953,976	\$ 6,985,209	\$ 7,018,027	\$ 7,011,798	\$ 7,047,243
Motor License Fund.....	1,283	1,498	1,500	1,500	1,500	1,500	1,500
Keystone Rec, Park And Conservation Fund.....	4,692	9,385	7,646	7,256	7,156	7,276	7,563
TOTAL.....	\$ 6,675,710	\$ 6,993,764	\$ 6,963,122	\$ 6,993,965	\$ 7,026,683	\$ 7,020,574	\$ 7,056,306
EMERGENCY MANAGEMENT AGENCY							
General Fund.....	\$ 5,335	\$ 6,251	\$ 6,070	\$ 5,979	\$ 6,097	\$ 6,217	\$ 6,340
ENVIRONMENTAL PROTECTION							
General Fund.....	\$ 164,405	\$ 170,637	\$ 130,765	\$ 132,515	\$ 134,806	\$ 137,231	\$ 139,705
FISH AND BOAT COMMISSION							
General Fund.....	\$ 9	\$ 9	\$ 9	\$ 9	\$ 9	\$ 9	\$ 9
Fish Fund.....	21,877	21,079	21,007	21,427	21,856	22,293	22,739
Boat Fund.....	6,486	6,994	7,670	7,823	7,979	8,139	8,302
Keystone Rec, Park And Conservation Fund.....	401	1,077	138	0	0	0	0
TOTAL.....	\$ 28,773	\$ 29,159	\$ 28,824	\$ 29,259	\$ 29,844	\$ 30,441	\$ 31,050
GAME COMMISSION							
Game Fund.....	\$ 49,001	\$ 52,061	\$ 53,743	\$ 49,208	\$ 50,192	\$ 43,672	\$ 41,618
Keystone Rec, Park And Conservation Fund.....	0	1,478	1	0	0	0	0
TOTAL.....	\$ 49,001	\$ 53,539	\$ 53,744	\$ 49,208	\$ 50,192	\$ 43,672	\$ 41,618
GENERAL SERVICES							
General Fund.....	\$ 79,070	\$ 92,405	\$ 92,015	\$ 92,088	\$ 93,576	\$ 94,721	\$ 96,264
Lottery Fund.....	185	204	220	225	230	235	240
Motor License Fund.....	27,212	27,235	27,253	27,258	27,263	27,268	27,273
Banking Department Fund.....	353	351	314	321	328	335	342
TOTAL.....	\$ 106,820	\$ 120,195	\$ 119,802	\$ 119,892	\$ 121,397	\$ 122,559	\$ 124,119
HEALTH							
General Fund.....	\$ 205,516	\$ 210,269	\$ 197,324	\$ 191,285	\$ 192,176	\$ 193,082	\$ 194,008
HIGHER EDUCATION ASSISTANCE AGENCY							
General Fund.....	\$ 255,041	\$ 282,877	\$ 280,730	\$ 280,730	\$ 280,730	\$ 280,730	\$ 280,730

Five-Year Department Summary by Fund

	(Dollar Amounts in Thousands)						
	1994-95 ACTUAL	1995-96 AVAILABLE	1996-97 BUDGET	1997-98 ESTIMATED	1998-99 ESTIMATED	1999-00 ESTIMATED	2000-01 ESTIMATED
HISTORICAL AND MUSEUM COMMISSION							
General Fund.....	\$ 21,235	\$ 20,622	\$ 19,748	\$ 20,083	\$ 20,424	\$ 20,773	\$ 21,128
Keystone Rec, Park And Conservation Fund.....	2,700	9,299	6,562	4,378	4,230	4,227	4,345
TOTAL.....	\$ 23,935	\$ 29,921	\$ 26,310	\$ 24,461	\$ 24,654	\$ 25,000	\$ 25,473
HOUSING FINANCE AGENCY							
General Fund.....	\$ 22,500	\$ 18,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
INFRASTRUCTURE INVESTMENT AUTHORITY (PENNVEST)							
General Fund.....	\$ 6,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
INSURANCE							
General Fund.....	\$ 13,711	\$ 15,022	\$ 14,672	\$ 14,966	\$ 15,266	\$ 15,572	\$ 15,884
LABOR AND INDUSTRY							
General Fund.....	\$ 81,982	\$ 57,257	\$ 57,910	\$ 57,798	\$ 58,103	\$ 58,453	\$ 58,811
MILITARY AND VETERANS AFFAIRS							
General Fund.....	\$ 60,385	\$ 69,566	\$ 68,482	\$ 73,345	\$ 78,544	\$ 80,525	\$ 82,059
MILK MARKETING BOARD							
General Fund.....	\$ 125	\$ 125	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Milk Marketing Fund.....	1,906	2,331	2,464	2,242	2,287	2,334	2,334
TOTAL.....	\$ 2,031	\$ 2,456	\$ 2,464	\$ 2,242	\$ 2,287	\$ 2,334	\$ 2,334
BOARD OF PROBATION AND PAROLE							
General Fund.....	\$ 53,414	\$ 62,482	\$ 71,359	\$ 72,932	\$ 74,054	\$ 75,199	\$ 76,366
PUBLIC TELEVISION NETWORK							
General Fund.....	\$ 9,132	\$ 9,153	\$ 9,100	\$ 9,157	\$ 9,215	\$ 9,274	\$ 9,334
PUBLIC WELFARE							
General Fund.....	\$ 5,221,379	\$ 5,303,454	\$ 5,240,021	\$ 5,284,179	\$ 5,498,800	\$ 5,774,038	\$ 6,027,415
REVENUE							
General Fund.....	\$ 254,473	\$ 266,804	\$ 275,171	\$ 284,185	\$ 293,526	\$ 303,204	\$ 313,234
Lottery Fund.....	357,002	362,644	347,849	349,443	351,283	353,312	355,563
Racing Fund.....	163	167	295	236	241	246	251
Motor License Fund.....	19,902	21,542	22,011	22,234	22,429	22,628	22,830
TOTAL.....	\$ 631,540	\$ 651,157	\$ 645,326	\$ 656,098	\$ 667,479	\$ 679,390	\$ 691,878
SECURITIES COMMISSION							
General Fund.....	\$ 2,167	\$ 2,223	\$ 2,189	\$ 2,233	\$ 2,278	\$ 2,324	\$ 2,370
STATE							
General Fund.....	\$ 2,674	\$ 3,000	\$ 2,558	\$ 2,580	\$ 2,622	\$ 2,665	\$ 2,729

Five-Year Department Summary by Fund

	(Dollar Amounts in Thousands)						
	1994-95 ACTUAL	1995-96 AVAILABLE	1996-97 BUDGET	1997-98 ESTIMATED	1998-99 ESTIMATED	1999-00 ESTIMATED	2000-01 ESTIMATED
STATE EMPLOYEES' RETIREMENT SYSTEM							
General Fund.....	\$ 560	\$ 543	\$ 543	\$ 543	\$ 543	\$ 543	\$ 543
STATE POLICE							
General Fund.....	\$ 109,602	\$ 122,010	\$ 122,040	\$ 123,054	\$ 125,517	\$ 128,027	\$ 130,588
Motor License Fund.....	228,345	251,950	251,602	255,491	260,601	265,813	271,129
TOTAL.....	\$ 337,947	\$ 373,960	\$ 373,642	\$ 378,545	\$ 386,118	\$ 393,840	\$ 401,717
TRANSPORTATION							
General Fund.....	\$ 273,600	\$ 291,807	\$ 291,171	\$ 291,775	\$ 291,901	\$ 292,029	\$ 292,137
Lottery Fund.....	106,133	112,818	117,000	122,638	128,495	134,605	141,051
Motor License Fund.....	1,103,791	1,142,815	1,211,950	1,126,955	1,134,815	1,147,209	1,169,661
TOTAL.....	\$ 1,483,524	\$ 1,547,440	\$ 1,620,121	\$ 1,541,368	\$ 1,555,211	\$ 1,573,843	\$ 1,602,849
LEGISLATURE							
General Fund.....	\$ 182,984	\$ 185,106	\$ 185,116	\$ 185,080	\$ 185,080	\$ 185,080	\$ 185,080
JUDICIARY							
General Fund.....	\$ 160,713	\$ 172,023	\$ 177,018	\$ 179,937	\$ 182,914	\$ 185,951	\$ 189,046
(Dollar Amounts in Thousands)							
	1994-95 ACTUAL	1995-96 AVAILABLE	1996-97 BUDGET	1997-98 ESTIMATED	1998-99 ESTIMATED	1999-00 ESTIMATED	2000-01 ESTIMATED
COMMONWEALTH TOTALS							
GENERAL FUND.....	\$15,674,655	\$16,219,917	\$16,189,937	\$16,403,311	\$16,707,866	\$17,044,742	\$17,382,439
LOTTERY FUND.....	843,614	859,770	840,753	845,301	861,333	873,841	888,198
RACING FUND.....	11,692	15,563	15,079	16,925	17,497	18,020	18,560
MOTOR LICENSE FUND.....	1,571,711	1,609,468	1,647,047	1,562,892	1,573,415	1,579,322	1,589,110
GAME FUND.....	49,001	52,066	53,748	49,213	50,197	43,677	41,623
FISH FUND.....	21,901	21,098	21,013	21,432	21,861	22,298	22,744
BANKING DEPARTMENT FUND.....	10,613	10,547	9,187	9,371	9,559	9,751	9,946
MILK MARKETING FUND.....	1,906	2,341	2,474	2,252	2,297	2,344	2,344
FARM PRODUCTS SHOW FUND.....	3,221	3,631	4,319	3,758	3,849	3,942	4,037
BOAT FUND.....	6,486	6,999	7,675	7,828	7,984	8,144	8,307
KEYSTONE REC, PARK AND CONSERVATION FUND.....	12,676	73,637	40,267	33,524	32,539	32,636	33,635
GRAND TOTAL.....	\$18,207,476	\$18,875,037	\$18,831,499	\$18,955,807	\$19,288,397	\$19,638,717	\$20,000,943

GENERAL FUND AND SPECIAL FUNDS

Five Year Commonwealth Program Summary

	(Dollar Amounts in Thousands)						
	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
Direction and Supportive Services	\$ 854,265	\$ 894,655	\$ 882,253	\$ 888,888	\$ 896,914	\$ 906,808	\$ 916,358
Protection of Persons and Property	1,809,021	1,985,651	2,077,485	2,138,207	2,177,221	2,221,575	2,261,011
Intellectual Development and Education ...	7,094,357	7,408,559	7,431,778	7,467,617	7,501,722	7,506,978	7,547,618
Health and Human Services	6,171,455	6,250,229	6,181,037	6,225,604	6,459,614	6,748,642	7,014,509
Economic Development	507,503	469,974	388,325	450,201	459,114	460,822	461,623
Transportation and Communication	1,507,426	1,530,028	1,565,065	1,485,578	1,492,603	1,495,692	1,501,309
Recreation and Cultural Enrichment	263,449	335,941	305,556	299,712	301,209	298,200	298,515
GENERAL FUND AND SPECIAL							
FUNDS TOTAL	\$18,207,476	\$18,875,037	\$18,831,499	\$18,955,807	\$19,288,397	\$19,638,717	\$20,000,943

Distribution of the Commonwealth Dollar

GENERAL FUND AND SPECIAL FUNDS

1996-97 Fiscal Year
(Dollar Amounts in Thousands)



Intellectual
Development
and Education

\$7,431,778 39.5%

Health and Human Services \$6,181,037 32.8%

Protection of Persons and Property \$2,077,485 11.0%

Transportation and Communication \$1,565,065 8.3%

Direction and Supportive Services \$882,253 4.7%

TOTAL \$18,831,499

Economic Development \$388,325 2.1%

Recreation and Cultural Enrichment \$305,556 1.6%

GENERAL FUND

Five Year Commonwealth Program Summary

	(Dollar Amounts in Thousands)						
	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
Commonwealth Program							
Direction and Supportive Services.	\$ 539,235	\$ 568,270	\$ 567,361	\$ 572,130	\$ 578,006	\$ 585,555	\$ 592,533
Protection of Persons and Property	1,457,524	1,607,154	1,694,457	1,753,071	1,784,497	1,821,800	1,854,994
Intellectual Development and Education. ...	7,088,642	7,401,146	7,424,215	7,460,208	7,494,368	7,499,502	7,539,892
Health and Human Services	5,584,973	5,654,574	5,591,969	5,633,589	5,853,414	6,131,971	6,385,739
Economic Development	507,503	469,974	388,325	450,201	459,114	460,822	461,623
Transportation and Communication	318,961	330,718	334,679	340,473	343,970	347,656	349,211
Recreation and Cultural Enrichment	177,817	188,081	188,931	193,639	194,497	197,436	198,447
GENERAL FUND TOTAL	\$15,674,655	\$16,219,917	\$16,189,937	\$16,403,311	\$16,707,866	\$17,044,742	\$17,382,439

Distribution of the Commonwealth Dollar

GENERAL FUND

1996-97 Fiscal Year



Intellectual Development
and Education

45.9¢

Health and Human Services

34.5¢

Protection of Persons and Property

10.5¢

Direction and Supportive Services

3.5¢

Economic Development

2.4¢

Transportation and Communication

2.0¢

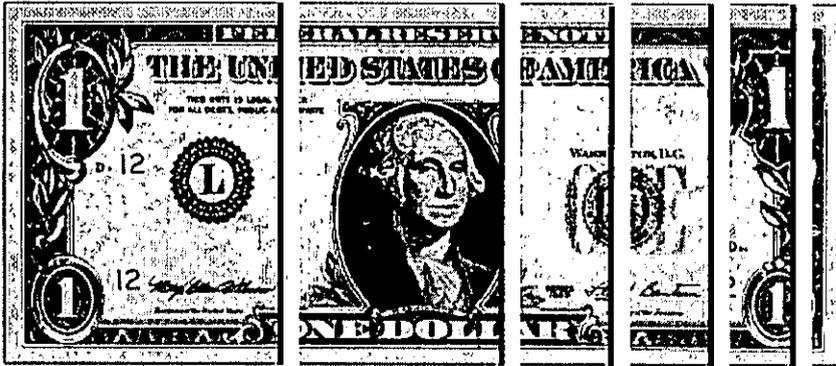
Recreation and Cultural Enrichment

1.2¢

\$1.00

GENERAL FUND

1996-97 Fiscal Year



Income

(Dollar Amounts in Thousands)

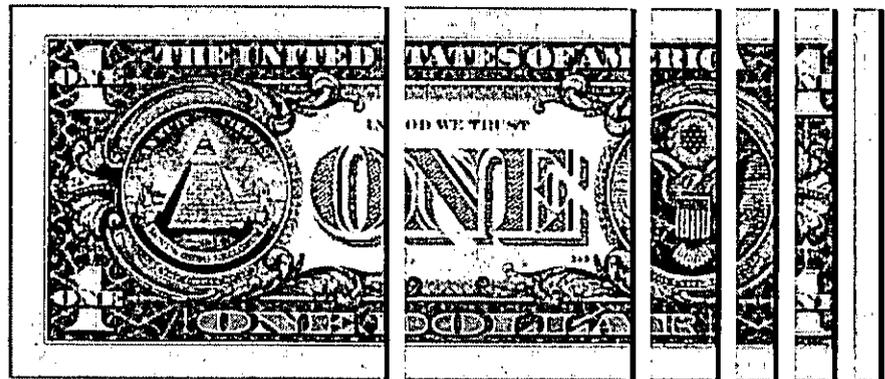
TOTAL INCOME	\$ 16,675,050
Refunds	-520,000
Less Tax Reduction	-60,200
Beginning Balance	100,542
<hr/>	
TOTAL	\$ 16,195,392

Sales \$5,843,500	35.0%
Personal Income \$5,437,900	32.6%
Other Business \$2,293,100	13.8%
Corporate Net Income \$1,576,800	9.5%
Other Revenues \$941,550	5.6%
Inheritance \$582,200	3.5%

Outgo

(Dollar Amounts in Thousands)

TOTAL OUTGO	\$ 16,189,937
Tax Stabilization	
Reserve Fund	818
Ending Surplus	4,637
<hr/>	
TOTAL	\$ 16,195,392



Intellectual Development and Education \$7,424,215	45.9%
Health and Human Services \$5,591,969	34.5%
Protection \$1,694,457	10.5%
Direction \$567,361	3.5%
Other Programs \$523,610	3.2%
Economic Development \$388,325	2.4%

USE OF THE GENERAL FUND DOLLAR

1996-97 Fiscal Year

Grants and Subsidies 74.9¢



General Government 10.7¢

Institutional 10.8¢

Debt Service Requirements 3.6¢

\$1.00

IMPACCT PA AND PRIVATIZATION

The Pennsylvania Improve Management Performance and Cost Control Task force (IMPACCT) Commission was created by House Resolution 2. The IMPACCT Commission consists of a bipartisan group of 17 members from both the public and private sector. Its mission is to study the management of current government operations and the experience of other states in an effort to propose changes which will reduce costs, increase efficiency, increase effectiveness, consolidate like functions, return functions and job creation opportunities to the private sector and eliminate functions.

As of this printing the final report of the commission has not yet been released, however, preliminary recommendations have been provided and, to the extent appropriate, have been included in this Budget. Among the recommendations included are:

- promoting uniformity among pharmaceutical purchasing programs through changes in the Pharmaceutical Program for the Elderly including implementing of cost containment strategies consisting of mandatory generics, a formulary and average wholesale price (AWP) less a discount;
- adoption of national standards for licensing to eliminate duplicate reviews in various health care facilities;
- streamlining the administration of the workers compensation program through use of a comprehensive computer architecture; and,
- the provision of options for community based care as an alternative to admission to a nursing home through the addition of 1,000 additional community based slots.

The preliminary commission recommendations also include proposals for privatization. In addition, certain agencies have proposed privatization initiatives. Among the recommendations included are:

- privatize certain State Health laboratory testing and hazardous waste disposal;
- privatize the operation of two new 50-bed secure Youth Development Center units and one new 64-bed unit; and,
- privatize the food service operations at the Thaddeus Stevens State School of Technology.

Creating Economic Opportunity

Pennsylvania possesses significant resources to advance its economic development and become a national leader and global competitor. We have a skilled and hardworking labor force, technological assets of our businesses, educational and research institutions, and abundant natural resources. Though rich in resources, Pennsylvania still faces increased competition in national and international markets, and businesses must react and adjust to changing industrial and work force needs in order to remain competitive. The Commonwealth can play a key role in assisting businesses to stay competitive by focusing program efforts on improving the business climate, retaining and creating jobs, expanding markets, improving infrastructure, and fostering community growth.

In order to better meet the diverse needs of Pennsylvania businesses, this budget proposes the creation of the Keystone Strategic Fund, a consolidated business assistance resource that will offer loans, loan guarantees, and grants with greater flexibility than current programs. This budget also recommends two new programs to develop and foster partnerships between the Commonwealth and its businesses in an effort to meet business needs, as well as additional funding to implement a regional marketing strategy to improve our tourism industry and to reorganize foreign offices to stimulate export trade and increase our participation in the global economy.

Tax reductions approved as part of last year's budget have improved the Commonwealth's competitive position. To build on this success, this budget recommends additional changes in how we tax or provide incentives to businesses to increase capital investment and generate job growth. Proposed initiatives include a reduction in the Capital Stock and Franchise tax rate, sales and use tax exemptions for computer services used for manufacturing, processing, agricultural and public utility operations, and a job creation tax credit.

In addition, this budget recommends increased funding for customized job training for workplace training, expansion of the network of hub sites delivering interactive industrial training, and pre-vocational training to prepare welfare recipients for jobs. New funding is also recommended to establish pilot regional skills centers, and to initiate demonstration programs that encourage businesses and workers to pursue continuing education outside the workplace.

One of the fundamental building blocks for a prosperous economy is community strength. The restructuring of the Departments of Community Affairs and Commerce into the Department of Economic and Community Development will significantly improve the Commonwealth's ability to comprehensively address community development needs and maximize economic opportunities for all our citizens and businesses. This budget recommends funding to assist communities in the development of comprehensive strategic economic plans, and to aid smaller municipalities develop cooperative, innovative ways to increase their technical and operational capacity and more efficiently provide services. This budget also recommends increased funding to provide housing and redevelopment grants to communities and to stimulate continued private investment in enterprise zones.

Recommended Program Revisions:

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

Program Revision / Department / Appropriation	1996-97	
	General Fund (Dollar Amounts in Thousands)	Federal and Other Funds
REDESIGNING THE FOUNDATION FOR ECONOMIC GROWTH		
ECONOMIC AND COMMUNITY DEVELOPMENT:		
International Trade	\$ 1,134	....
Marketing to Attract Tourists	1,500	....
Customized Job Training	-7,500	....
Business Retention Program	3,000	....
Business Resource Center	2,000	....
Opportunity Fund	5,000	....
Business Quality Partnership	1,000	....
Regional Skills Center	500	....
Individual Learning Accounts	1,000	....
PennCAP	2,000	....
Infrastructure Development	-25,000	....
Transfer to Ben Franklin/IRC Fund	-5,000	....
Community Conservation and Youth Employment	1,700	....
Housing and Redevelopment Assistance	5,800	....
Enterprise Development	1,004	....
Strategic Community Partnerships	1,000	....
Shared Municipal Services	200	....
Transfer to Sunny Day Fund	-15,000	....
Transfer to Capital Loan Fund	-8,000	....
Housing and Redevelopment — Economic Development Setaside	-15,000	....
Air Quality Improvement Loans .....	....	\$ -200
Ben Franklin/IRC .....	....	-5,000
Capital Loans — General Fund .....	....	16,816
Capital Loans — PERF .....	....	-12,500
Capital Loans — Apparel Loan Board .....	....	-2,000
Capital Loan Fund — PENNAG Fund .....	....	-1,500
Machinery and Equipment Loans .....	....	-7,000
Storage Tank Loans .....	....	-616
PIDA Loans and Expenses .....	....	43,000
 Subtotal	 \$ -48,662	 \$ 31,000

This Program Revision improves Pennsylvania's ability to create, attract and retain both jobs and business investment. Substantial changes are made to the business tax structure to encourage job growth and investment. Numerous changes will be made to consolidate loan and grant programs to improve efficiency: the Sunny Day and Machinery and Equipment Loan funds will be eliminated and merged into the Industrial Development Authority; the Economic Development Setaside will be eliminated and replaced with the more flexible Opportunity Fund; and a loan guarantee program will be created to leverage private investment. Funding is provided for two new programs to foster a partnership relationship between the State and its businesses; to restructure the foreign offices to improve operations; and to create tourist marketing partnerships. Funds are provided to create three new worker training programs as well as to increase the Commonwealth's primary workforce development tool, Customized Job Training. Federal funds will be leverage by providing State matching funds through the Community Conservation and Youth Employment program. Funding to revitalize communities is provided through the Enterprise Development and Housing and Redevelopment programs. Community planning assistance will be provided through two new programs, Strategic Community Partnerships and Shared Municipal Services.

Preparing for the Future

Quality education and access to lifetime learning opportunities are important if today's students and workers are to compete in the emerging technical and knowledge-based national and international economies. The Commonwealth must provide opportunities for its citizens to take full advantage of rapidly developing communications technologies so that all citizens can continue to be productive and contributing members of our communities throughout their lives.

This budget proposes to expand the basic education technology infrastructure and capabilities of school districts and public higher education institutions through the development of the Pennsylvania Education Network. The network will be community-based with the potential to facilitate the development of partnerships among educational institutions, cultural and service agencies, and businesses and to provide information technology, job training and lifetime learning opportunities for all Pennsylvanians.

This budget proposes a three-year initiative to assist school districts and public higher education institutions develop and invest in advanced computer and telecommunications technology as part of the Pennsylvania Education Network. School districts would receive first year funding to purchase computers or computer upgrades for classroom use, cabling and network equipment, and to provide training for teachers on how to integrate technology into course curricula. Public higher education institutions would receive first year funding to assess telecommunications capabilities, provide technology testbeds and develop a technology strategic plan. Funding is also recommended to provide additional distance learning grants to poor and rural school districts.

Recommended Program Revisions: _____

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

	1996-97	
	General Fund	Federal and Other Funds
Program Revision / Department / Appropriation	(Dollar Amounts in Thousands)	
IMPROVING EDUCATIONAL TECHNOLOGY INFRASTRUCTURE _____		
EDUCATION:		
Technology Initiative	\$ 33,333	....
Distance Learning	500	....
Higher Education Technology Grants	7,000	....
Subtotal	\$ 40,833	....

This Program Revision provides \$40.8 million and more than \$122 million over the next three years to invest in computer and telecommunications technology to develop a Pennsylvania Education Network. The Program Revision will enable Pennsylvania to become a technological leader and provide its educational system with the fundamental changes required to prepare for the future. The components of the proposal include funds to be directed to eligible school districts to purchase new and/or replacement computers, to install cabling and other equipment needed for eventual connection to the Pennsylvania Education Network and to train teachers to effectively integrate technology into the curricula; funds to expand distance learning programs which allow poor and rural schools to purchase satellite equipment and increase interactive videoconferencing capabilities; and funds to public higher education institutions and community colleges for technology grants to assess telecommunications infrastructure resources across the Commonwealth and develop a strategic plan for implementing the Pennsylvania Education Network.

Enhancing Services and Promoting Self-Sufficiency

The Commonwealth is committed to improving the quality of individual and family life for all Pennsylvanians. Commonwealth programs should provide individuals the incentives to be self-sufficient and should do so in a compassionate, yet realistic manner, which fosters strong families and communities.

This budget proposes several initiatives to enhance the continuum of community-based services for older Pennsylvanians, and to ensure the long-term fiscal stability of Lottery Fund programs. This budget recommends funding to provide additional community-based nursing home services. Funding is also recommended for demonstration projects linking Area Agencies on Aging, primary care geriatric physicians and health care practitioners to provide community-based health education and services. This budget also recommends funding for a long-term care managed care demonstration project to provide community-based and/or short-term nursing home services as well as acute care at a capitated rate for eligible older Pennsylvanians. In addition, this budget proposes to increase income eligibility limits for the pharmaceutical assistance program, require mandatory generic substitution, implement an incentive formulary for single source brand medications and revise the pharmaceutical reimbursement formula.

This budget recommends restructuring the public health care service delivery system. Initiatives are proposed to privatize local health care centers to more appropriately meet community needs and to privatize laboratory testing services. Other initiatives eliminate duplications in licensure programs and consolidate medical services payment programs.

This budget recommends several initiatives to ensure that Medical Assistance services are continued for those most in need, to provide assistance to people making the transition from welfare to work, and to ensure that those who need health care services receive assistance through a system that is fiscally sound. This budget proposes to revise eligibility criteria for the General Assistance Medically Needy Only Program in order to ensure coverage for those who are unable to work. This budget also recommends new funding for mental health and drug and alcohol services for certain individuals no longer eligible for Medical Assistance. In addition, cost containment initiatives are recommended including proposals to enhance health maintenance organization utilization controls, revise eligibility determination "spend down" criteria, require prior authorization of chiropractic and podiatry services, and tighten service limits for home health care and ambulance services.

This budget further proposes to revise Pennsylvania's welfare system to better reflect the value all Pennsylvanians place on work, individual responsibility and family stability. The proposed changes are designed to ensure that those who need public support are able to receive it through a system that encourages independence and self-sufficiency. This budget proposes to strengthen enforcement of unemployability and disability requirements for the General Assistance Program and to eliminate benefits for certain accused and convicted criminals. In addition, increased funding is recommended for job training, child care and other support services for individuals transitioning from welfare to work.

Recommended Program Revisions:

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

Program Revision / Department / Appropriation	1996-97	
	General Fund	Federal and Other Funds
(Dollar Amounts in Thousands)		
ENHANCING SERVICES FOR OLDER PENNSYLVANIANS		
AGING:		
Medical Assistance Support	\$ 1,718
Intergovernmental Transfer-Administration	1,918
Pre-Admission Assessment	148
Intergovernmental Transfer	148
PENNCARE	250
Pharmaceutical Assistance Fund	-20,000
PUBLIC WELFARE:		
Medical Assistance - Statewide	30
Community Based Care - Administration	24
Medical Assistance - Outpatient	\$ -47	....
Medical Assistance	-55
Medical Assistance	4,506
Intergovernmental Transfer	3,399
Subtotal	\$ -47	\$ -7,914

This Program Revision provides State, Federal and Intergovernmental Transfer funds to enhance the continuum of services provided to older Pennsylvanians. The components of the Program Revision include: providing nursing home services to 1,100 additional persons in their homes; implementing a primary care demonstration project and a long-term care managed care demonstration project; expanding income eligibility for the pharmaceutical assistance program (PACE) and implementing three PACE cost containment initiatives - mandatory generic substitution, an incentive formulary and a revised pharmaceutical reimbursement formula. This Program Revision saves \$19.8 million in State funds across two departments.

RESTRUCTURING THE PUBLIC HEALTH CARE DELIVERY SYSTEM

HEALTH:

Quality Assurance	\$ -682	....
Civil Rights Compliance .....	....	\$ -227
State Laboratory	-250	....
State Health Care Centers	-1,000	....
Coal Workers Pneumoconiosis Services	-200	....
Renal Dialysis	-9,500	....
Services for Children with Special Needs	-1,962	....
Adult Cystic Fibrosis	-391	....
Cooley's Anemia	-179	....
Hemophilia	-1,594	....
Sickle Cell	-1,203	....
Special Medical Services	10,664	....
Subtotal	\$ -6,297	\$ -227

This Program Revision begins restructuring the public health care delivery system by modifying the manner in which certain health care related services are provided. The components of the proposal include: privatizing the State health care centers; privatizing laboratory testing services; consolidating and eliminating duplicative licensure requirements in deference to more stringent Federal requirements for Intermediate Care Facilities for the Mentally Retarded and nursing home facilities; and centralizing and streamlining the administration of medical services payment programs and establishing uniform eligibility criteria.

1996-97

Program Revision / Department / Appropriation

Federal
and
Other
Funds

(Dollar Amounts in Thousands)

CONTAINING MEDICAL ASSISTANCE COSTS _____

PUBLIC WELFARE:

Medical Assistance - Outpatient	\$ -82,359	.....
Medical Assistance .....	.....	\$ -19,946
Behavioral Health Services	64,607	.....
Medical Assistance - Inpatient	-97,202	.....
Medical Assistance .....	.....	-123,624
Medical Assistance - Capitation	-92,365	.....
Medical Assistance .....	.....	-13,656
Subtotal	<u>\$ -207,319</u>	<u>\$ -157,226</u>

This Program Revision provides a net State savings of \$207 million by revising the eligibility criteria for the General Assistance Medically Needy Only Program, providing special behavioral health services for persons with mental illness and drug and alcohol addiction, enhancing health maintenance organization eligibility verification, revising the eligibility period for the Medically Needy Only spend-down option, requiring prior authorization for chiropractic and podiatry services, and limiting home health and ambulance services.

PROMOTING INDEPENDENCE AND SELF-SUFFICIENCY _____

PUBLIC WELFARE:

Information Systems	\$ 500	.....
County Administration - Statewide	1,908	.....
New Directions	21,882	.....
Cash Grants	-28,718	.....
Supplemental Grants - Aged, Blind and Disabled	-4,708	.....
Medical Assistance - Outpatient	-4,997	.....
Medical Assistance .....	.....	\$ -16
Medical Assistance - Inpatient	-5,963	.....
Medical Assistance .....	.....	-7,584
Medical Assistance - Capitation	-4,514	.....
Medical Assistance .....	.....	-3,730
Subtotal	<u>\$ -24,610</u>	<u>\$ -11,330</u>

This Program Revision promotes independence and self-sufficiency through revisions to Pennsylvania's welfare system. The components of this Program Revision include strengthening the unemployability and disability requirements for the General Assistance Program, preparing for the impact of Federal welfare reform, increasing job training for welfare recipients, increasing child care and support services for persons transitioning from welfare to work, and eliminating certain accused and convicted criminals from the public assistance caseload.

Protecting our Homes and Communities

Pennsylvania must continue to ensure the public health and safety of its citizens. This budget builds upon the success of last year's unprecedented Special Session on Crime by recommending a number of new program initiatives designed to further protect the health, safety, security and property of our citizens, and to make our communities safer and our citizens more confident in the criminal justice system.

This budget recommends funding to open and operate one new maximum security correctional facility and a medium security facility which was formerly a State mental hospital, and a total of eleven new cell blocks at six existing State correctional institutions. Funding is also provided to establish community work programs for State offenders, and to address drug and alcohol addiction problems of inmates in the State correctional system and of non-violent offenders in county intermediate punishment programs.

In addition, this budget proposes the development and implementation of an integrated criminal justice information system to more efficiently collect, maintain and share information among the Commonwealth's criminal justice agencies. This budget also recommends additional funding to develop and maintain a DNA database to enhance State and local law enforcement criminal investigations and prosecutions, and to establish a centralized statewide juvenile history record information system.

Recommended Program Revisions:

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

	1996-97	
Program Revision / Department / Appropriation	General Fund	Federal and Other Funds
	(Dollar Amounts in Thousands)	
IMPROVING CRIMINAL JUSTICE ENFORCEMENT		
EXECUTIVE OFFICES:		
Juvenile Court Judges Commission	\$ 364	....
Commission on Crime and Delinquency	18	....
Intermediate Punishment Drug and Alcohol Programs	3,000	....
CORRECTIONS:		
State Correctional Institutions	28,195	....
BOARD OF PROBATION AND PAROLE:		
General Government Operations	492	....
STATE POLICE:		
General Government Operations	1,362	....
General Government Operations - Motor Fund .....	....	\$ 870
Subtotal	\$ 33,431	\$ 870

This Program Revision provides funding for increased prison capacity, expanded drug and alcohol treatment for State offenders, increased assistance for counties with intermediate punishment programs to develop drug and alcohol services, criminal justice statewide technology upgrades and development of a DNA database and improved juvenile justice programming. This Program Revision includes \$600,000 in Federal Drug Control and System Improvement funds.



COMMONWEALTH OF PENNSYLVANIA

FEDERAL BLOCK GRANTS

The Federal Omnibus Budget Reconciliation Act of 1981 created nine block grants. The Primary Care Block Grant was subsequently repealed by the Federal Government. The remaining eight were implemented during 1982-83. The Federal Omnibus Budget Reconciliation Act of 1990 created a new block grant called Child Care and Development. In addition, information is provided in this section 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. Federal funds for Anti-Drug Abuse also are summarized to indicate the total effort by the Commonwealth.

The Alcohol, Drug Abuse and Mental Health Administration Reorganization Act of 1992 split the Alcohol, Drug Abuse and Mental Health Services block grant into separate mental health and substance abuse 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 1995-96 estimated block amounts reflect the best current estimate of the amounts available and, therefore, may be different from the amounts appropriated.

The recommended distribution by program for 1996-97 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.

GOVERNOR'S EXECUTIVE BUDGET

SUMMARY OF FEDERAL BLOCK GRANTS

(Dollar Amounts in Thousands)

Department / Appropriation	1994-95 Actual Block	1995-96 Estimated Block	1996-97 Recommended Block
Community Services	\$ 17,251	\$ 17,603	\$ 17,288
Small Communities	65,950	76,110	75,662
Education	15,736	14,832	14,837
Maternal and Child Health	32,397	31,497	26,863
Preventive Health and Health Services	7,480	10,401	10,522
Substance Abuse	53,331	58,233	57,781
Job Training Partnership	194,119	304,510	185,832
Child Care and Development	33,996	35,918	36,072
Low Income Home Energy Assistance	100,383	88,269	53,680
Mental Health Services	12,441	12,588	12,385
Social Services	133,569	226,288	217,973
Anti-Drug Abuse	33,618	39,985	38,418
TOTAL	<u>\$ 700,271</u>	<u>\$ 916,234</u>	<u>\$ 747,313</u>

Community Services

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

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

Federal law requires that 90 percent of the funding be distributed to Community Action Agencies (CAAs). Five percent is allowed for administration and the remaining five percent is utilized for competitive projects. The 90 percent program monies are being granted to existing CAAs for operating costs and low income energy assistance efforts, Pennsylvania 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	1994-95 Actual Block	1995-96 Estimated Block	1996-97 Recommended Block
Economic and Community Development:			
Administration	\$ 829	\$ 903	\$ 588
Community Services	16,422	16,700	16,700
 TOTAL	 \$ 17,251	 \$ 17,603	 \$ 17,288

Small Communities

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

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

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

Department / Appropriation	(Dollar Amounts in Thousands)		
	1994-95 Actual Block	1995-96 Estimated Block	1996-97 Recommended Block
Economic and Community Development:			
Administration	\$ 1,103	\$ 1,110	\$ 662
Small Communities	64,847	75,000	75,000
TOTAL	<u>\$ 65,950</u>	<u>\$ 76,110</u>	<u>\$ 75,662</u>

Education

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

Federal law provides that the Commonwealth must distribute at least 85 percent of the block grant funds to local education agencies. The remaining 15 percent shall be available to the State for targeted assistance of which no more than 25 percent shall be available for State administrative costs.

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

Department / Appropriation	(Dollar Amounts in Thousands)		
	1994-95 Actual Block	1995-96 Estimated Block	1996-97 Recommended Block
Education:			
Administration	\$ 411	\$ 591	\$ 500
Targeted Assistance	2,498 ^a	2,021 ^a	2,034 ^a
Subtotal	<u>\$ 2,909</u>	<u>\$ 2,612</u>	<u>\$ 2,534</u>
School Districts:			
School District Distribution	\$ 12,827	\$ 12,220	\$ 12,303
Subtotal	<u>\$ 12,827</u>	<u>\$ 12,220</u>	<u>\$ 12,303</u>
TOTAL	<u>\$ 15,736</u>	<u>\$ 14,832</u>	<u>\$ 14,837</u>

^a Includes carryover.

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 disabling conditions among children, rehabilitative services for visually impaired and disabled individuals under age 16, and treatment and care for disabled children.

The Omnibus Budget Reconciliation Act of 1981 provides that the Federal Department of Health and Human Services (DHHS) monitors administrative expenses to insure they do not exceed traditional levels. In accordance with DHHS regulations, administrative costs cannot exceed ten percent. The 1995-96 and 1996-97 amounts combine administration and program operations which include staff who provide direct programmatic services.

Department / Appropriation	(Dollar Amounts in Thousands)		
	1994-95 Actual Block	1995-96 Estimated Block	1996-97 Recommended Block
Health:			
Administration	\$ 1,846	.....	.....
Administration and Operations .....	.....	\$ 12,085	\$ 11,851
Program Services	30,551	19,412	15,012
TOTAL	\$ 32,397	\$ 31,497	\$ 26,863

Preventive Health and Health Services

This block grant provides funds 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 by the Omnibus Budget Reconciliation Act of 1981 include emergency medical services, health incentive grants, hypertension control, rodent control, health education/risk reduction, and rape prevention and crisis services. Administration is limited to ten percent. The 1995-96 and 1996-97 amounts combine administration and program operations which include staff who provide direct programmatic services.

The Preventive Health Act Amendments of 1992 also allow funds to be spent on achieving Year 2000 Health Objectives and work toward eliminating disparities between the health status of the general population and that of identifiable subpopulations including geographical, racial, ethnic, gender or other groups.

Department / Appropriation	(Dollar Amounts in Thousands)		
	1994-95 Actual Block	1995-96 Estimated Block	1996-97 Recommended Block
Health:			
Administration	\$ 533	.....	.....
Administration and Operations .....	.....	\$ 1,573	\$ 1,613
Program Services	4,849	6,501	6,959
Tuberculosis Programs	1,068	627	536
Diabetes	670	1,130	844
Subtotal	<u>\$ 7,120</u>	<u>\$ 9,831</u>	<u>\$ 9,952</u>
Public Welfare:			
Rape Crisis Centers	\$ 360	\$ 420	\$ 420
Domestic Violence .....	.....	150	150
Subtotal	<u>\$ 360</u>	<u>\$ 570</u>	<u>\$ 570</u>
TOTAL	<u><u>\$ 7,480</u></u>	<u><u>\$ 10,401</u></u>	<u><u>\$ 10,522</u></u>

Substance Abuse

This block grant provides funds to establish and maintain programs to combat alcohol and drug abuse. These programs include individual substance abuse services, community services, drug and alcohol formula grants, and alcoholism treatment and rehabilitation services. The 1995-96 and 1996-97 amounts combine administration and program operations which includes staff who provide direct programmatic services.

Department / Appropriation	(Dollar Amounts in Thousands)		
	1994-95 Actual Block	1995-96 Estimated Block	1996-97 Recommended Block
Corrections:			
Drug and Alcohol Services	\$ 2,130 ^a	\$ 2,100 ^a	\$ 2,100 ^a
Health:			
SABG Administration and Operations	\$ 1,298	\$ 4,275	\$ 4,275
Drug and Alcohol Services	52,033	53,958	53,506
Subtotal	53,331	58,233	57,781
Public Welfare:			
SABG — Homeless Services	\$ 1,983 ^a	\$ 1,983 ^a	\$ 1,983 ^a
SABG — Program Evaluation	321 ^a	93 ^a	....
Subtotal	\$ 2,304	\$ 2,076	\$ 1,983
TOTAL	\$ 53,331	\$ 58,233	\$ 57,781

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

Job Training Partnership

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

Title II is divided into three categories. Title II-A, Adult Training Programs, requires that 77 percent of its funds pass through to Service Delivery Areas (SDAs) to establish programs to prepare adults for participation in the labor force by increasing their occupational and educational skills. The remainder of the funds under this title are spend as follows: eight percent for educational training programs, five percent for incentive grants, five percent for older workers programs and five percent for administration. Title II-C, Youth Training Programs, requires that 82 percent of its funds pass through the SDAs to improve the long-term employability of youth, enhance the educational, occupational, and citizenship skills of youth, reduce welfare dependency and assist youth in addressing problems that impair their ability to make successful transitions from school to work, apprenticeship, the military, or postsecondary education and training. The remainder of the funds under this title are spent as follows: eight percent for educational training programs, five percent for incentive grants and five percent for administration. Title II-B, Summer Youth Employment and Training Programs, requires that 100 percent of its funds pass through the SDAs to enhance the basic educational skills for youth; to encourage school completion or enrollment in supplementary or alternative school programs; to provide eligible youth the exposure to the world of work; and to enhance the citizenship skills of youth.

Title III, as amended by the Economic Dislocation and Worker Adjustment Assistance (EDWAA) Act of 1988, funds are used to provide rapid response assistance; to deliver, coordinate, and integrate basic readjustment services and support services; to provide retraining services; to provide needs-related payments; and to provide for coordination with the unemployment compensation system. In addition to the EDWAA program, three other Title III programs provide funds for dislocated workers assistance: the Clean Air Employment Transition Assistance Program, the Defense Conversion Adjustment Program and the Defense Diversification Program.

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

Department / Appropriation	(Dollar Amounts in Thousands)		
	1994-95 Actual Block	1995-96 Estimated Block	1996-97 Recommended Block
Executive Offices			
Office of the Budget	\$ 354	\$ 425	\$ 400
Education:			
Linkages	\$ 951	\$ 1,157	\$ 739
Corrections	317	370	258
Educational Training	5,507	5,537	2,956
Subtotal	<u>\$ 6,775</u>	<u>\$ 7,064</u>	<u>\$ 3,953</u>
Labor and Industry:			
Administration	\$ 2,730	\$ 5,777	\$ 6,162
Grants to Service Delivery Areas	61,579	80,640	47,000
Summer Youth	44,107	85,000	44,000
Incentive Grants	5,269	7,080	3,321
Older Workers	3,167	4,901	3,450
Dislocated Workers	69,265	113,077	77,000
Veteran's Employment	873	546	546
Subtotal	<u>\$ 186,990</u>	<u>\$ 297,021</u>	<u>\$ 181,479</u>
Total	<u><u>\$ 194,119</u></u>	<u><u>\$ 304,510</u></u>	<u><u>\$ 185,832</u></u>

Child Care and Development

The Omnibus Budget Reconciliation Act of 1990 created a new block grant which provided funds to the states starting in September 1991. This block grant has no State match requirements. Funds are distributed to states by formula. Seventy-five percent of the grant may be used either to provide child care services directly to families with incomes below 75 percent of the State median income or to increase the availability or quality of child care.

Of the remaining 25 percent, three-fourths has to be spent on programs to provide preschool education or to serve school-age children before and/or after school. Another 20 percent must be spent on quality improvement activities. Pennsylvania could spend the remaining five percent of the funds on either activity. Family Center services provided by the Department of Education will be provided by the Department of Public Welfare beginning in 1996-97.

Department / Appropriation	(Dollar Amounts in Thousands)		
	1994-95 Actual Block	1995-96 Estimated Block	1996-97 Recommended Block
Public Welfare:			
Child Care Block Grant Administration	\$ 2,289	\$ 2,336	\$ 2,266
Child Care Block Grant Family Centers	6,333	6,608	8,425
Child Care Block Grant Services	25,374	26,974	25,381
TOTAL	\$ 33,996	\$ 35,918	\$ 36,072

Low-Income Home Energy Assistance

This block grant provides funds to assist eligible low-income individuals and families to meet the cost of home energy through cash assistance and to alleviate crisis situations. The Department of Public Welfare's energy assistance program receives supplemental funding from the Energy Conservation and Assistance Fund. The fund provided \$351,000 in 1994-95, \$450,000 in 1995-96 and \$600,000 in 1996-97 for the Low-Income Home Energy Assistance Program (LIHEAP). Historically, money has been allocated to supplement weatherization programs but, due to the significant reduction in funding, remaining money will be reserved for core energy assistance.

Department / Appropriation	(Dollar Amounts in Thousands)		
	1994-95 Actual Block	1995-96 Estimated Block	1996-97 Recommended Block
Economic and Community Development:			
Administration	\$ 398	\$ 440	....
Community Services	8,293	8,360	....
Subtotal	<u>\$ 8,691</u>	<u>\$ 8,800</u>	....
Public Welfare:			
Low-Income Home Energy Assistance			
Block Grant—Administration	\$ 8,787	\$ 8,852	\$ 5,658
Low-Income Home Energy Assistance			
Block Grant—Grants	82,905	70,617	48,022
Subtotal	<u>\$ 91,692</u>	<u>\$ 79,469</u>	<u>\$ 53,680</u>
TOTAL	<u><u>\$ 100,383</u></u>	<u><u>\$ 88,269</u></u>	<u><u>\$ 53,680</u></u>

Mental Health Services

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

Department / Appropriation	(Dollar Amounts in Thousands)		
	1994-95 Actual Block	1995-96 Estimated Block	1996-97 Recommended Block
Public Welfare:			
Administration	\$ 99	\$ 114	\$ 93
Mental Health Services	12,342	12,474	12,292
TOTAL	\$ 12,441	\$ 12,588	\$ 12,385

Social Services

Funds are provided to help individuals achieve or maintain self-sufficiency; to prevent, reduce or eliminate dependency; to prevent or remedy abuse and neglect of children and adults; and to prevent or reduce institutional care. Most services are delivered by local entities that receive grants or contract with the department. These Federal allocations serve to augment State appropriations thereby increasing the total level of services provided. Pennsylvania's share of total Federal funds appropriated has been declining due to a decline in the State's proportional share of national population. The Omnibus Reconciliation Act of 1993 included a new grant program to states under the Social Services Block Grant for the establishment of empowerment zones and enterprise communities. Federal funds are being targeted to specific urban or rural areas in proven economic distress. Funds received by the State go directly to eligible communities.

	(Dollar Amounts in Thousands)		
Department / Appropriation	1994-95 Actual Block	1995-96 Estimated Block	1996-97 Recommended Block
Public Welfare:			
General Government Operations	\$ 4,743	\$ 4,743	\$ 4,743
County Assistance Offices	11,649	11,649	8,046
Youth Development Centers	1,355	5,374	1,355
Community Mental Health	18,133	18,133	18,133
Community Mental Retardation	17,124	17,124	17,124
Early Intervention	2,687	2,687	2,687
County Child Welfare	15,449	15,449	15,449
Day Care	37,931	37,931	37,931
Domestic Violence	1,476	1,476	1,476
Rape Crisis	776	776	776
Family Planning	4,708	4,708	4,708
Legal Services	6,183	6,183	6,183
Homeless Assistance	2,673	2,673	2,673
Developmentally Disabled	147	147	147
Attendant Care	8,535	8,535	8,535
Empowerment Zones and Enterprise Communities .....	....	88,700 ^a	88,007 ^a
TOTAL	\$ 133,569	\$ 226,288	\$ 217,973

^a One time grants to be spent over several fiscal years. Amount spent in each fiscal year depends on timing of Federal grant awards.

Anti-Drug Abuse

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

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

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

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

	(Dollar Amounts in Thousands)		
Department / Appropriation	1994-95 Actual Block	1995-96 Estimated Block	1996-97 Recommended Block
 DRUG CONTROL AND SYSTEM IMPROVEMENT FORMULA GRANT PROGRAM (DCSI)			
Executive Offices:			
Juvenile Court Judges Commission			
DCSI—Juvenile Drug & Alcohol Probation Units	\$ 219 ^a	.....	.....
DCSI—Juvenile Disposition Data Collection	206 ^a	\$ 137 ^a	\$ 69 ^a
Subtotal	\$ 425	\$ 137	\$ 69
 <i>Commission on Crime and Delinquency</i>			
DCSI—Administration	\$ 545	\$ 743	\$ 742
DCSI—Program Grants	15,564	19,000	19,000
DCSI—Criminal History Records	10	10	10
DCSI—Elder Abuse Prevention .....	.....	.....	113 ^a
Subtotal	\$ 16,119	\$ 19,753	\$ 19,865
 <i>Drug Policy Council</i>			
DCSI—Administration	\$ 29 ^a	.....	.....
 <i>Aging:</i>			
DCSI—Elder Abuse Education and Prevention .....	.....	\$ 214 ^a	\$ 143 ^a
 Attorney General:			
DCSI—Child Care Dependent Abuse Training	\$ 46 ^a	\$ 68 ^a	.....
DCSI—Drug Transportation Interdiction	48 ^a	.....	.....
DCSI—Combatting Drug Gang Activities	617 ^a	364 ^a	\$ 120 ^a
DCSI—Criminal History Records Audits	450 ^a	394 ^a	172 ^a
DCSI—Task Force Maintenance	700 ^a	.....	.....
DCSI—Monitoring Prescription Abuse .....	.....	233 ^a	155 ^a
DCSI—Medical/Legal Advisory Board .....	.....	.....	30 ^a
DCSI—Child Abuse Investigation .....	.....	.....	18 ^a
Subtotal	1,861	\$ 1,059	\$ 495
 Economic and Community Development:			
DCSI—Regional Police Assistance	\$ 72 ^a	\$ 100 ^a	.....

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

Anti-Drug Abuse (continued)

(Dollar Amounts in Thousands)

Department / Appropriation	1994-95 Actual Block	1995-96 Estimated Block	1996-97 Recommended Block
Corrections:			
DCSI—Correctional Institutions	\$ 509 ^a	.....	.....
DCSI—Women and Children	70 ^a	\$ 550 ^a	\$ 300 ^a
DCSI—County Data Automation	2 ^a	50 ^a	50 ^a
DCSI—Tracking System	69 ^a	283 ^a	300 ^a
DCSI—Enhanced Victim Notification .....	.....	75 ^a	75 ^a
DCSI—Outpatient Treatment of Sexual Offenders ..	.....	150 ^a	100 ^a
DCSI—Drug and Alcohol Units .....	.....	18 ^a	9 ^a
DCSI—Evaluation of Drug and Alcohol Services ....	.....	38 ^a	17 ^a
DCSI—Therapeutic Community-Dallas .....	.....	300 ^a	100 ^a
DCSI—Drug Treatment .....	.....	.....	600 ^a
Subtotal	<u>\$ 650</u>	<u>\$ 1,464</u>	<u>\$ 1,551</u>
Education:			
DCSI—Statewide Juvenile Records Center	\$ 20 ^a	\$ 23 ^a	\$ 3 ^a
Probation and Parole:			
DCSI—State Parole Services	\$ 60 ^a	.....	.....
DCSI—Probation and Parole Training	21 ^a	.....	.....
DCSI—County Audit Probation Automated System	37 ^a	\$ 75 ^a	\$ 58 ^a
DCSI—Community Control Electronic Monitoring ...	171 ^a	.....	.....
DCSI—Parole Officer Distance Learning	23 ^a	27 ^a	.....
DCSI—Safety Equipment for Supervisory .....	.....	.....	.....
Personnel	279 ^a	191 ^a	.....
DCSI—Office of Victim Advocate .....	.....	199 ^a	113 ^a
DCSI—Intensive Supervision Units .....	.....	1,067 ^a	1,686 ^a
DCSI—Assessment Board .....	.....	.....	365 ^a
Subtotal	<u>\$ 591</u>	<u>\$ 1,559</u>	<u>\$ 2,222</u>
Public Welfare:			
DCSI—Transition/Reentry	\$ 256 ^a	\$ 161 ^a	.....
DCSI—Southeast Secure Unit	29 ^a	19 ^a	\$ 8 ^a
DCSI—Alternatives to Institutionalization	188 ^a	.....	.....
DCSI—Juvenile Justice System Enhancements	898 ^a	599 ^a	300 ^a
DCSI—Secure Treatment Facility .....	.....	2,625 ^a	.....
Subtotal	<u>\$ 1,371</u>	<u>\$ 3,404</u>	<u>\$ 308</u>
State Police:			
DCSI—Protection From Abuse	\$	\$ 677 ^a	.....
DCSI—Municipal Police Drug Law Enforcement	203 ^a	.....	.....
DCSI—Crime Lab Upgrade	5 ^a	.....	.....
DCSI—Communications Processor	782 ^a	.....	.....
DCSI—Fingerprint System	425 ^a	425 ^a	.....
DCSI—Fingerprint Store and Forward .....	.....	1,095 ^a	.....
DCSI—Fingerprint Compliance	18 ^a	.....	.....
Subtotal	<u>\$ 1,433</u>	<u>\$ 2,197</u>	<u>.....</u>
TOTAL	<u>\$ 16,119</u>	<u>\$ 19,753</u>	<u>\$ 19,752</u>

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

Anti-Drug Abuse (continued)

Department / Appropriation	(Dollar Amounts in Thousands)		
	1994-95 Actual Block	1995-96 Estimated Block	1996-97 Recommended Block
SAFE AND DRUG FREE SCHOOLS AND COMMUNITIES (DFSC)			
Executive Offices:			
<i>Commission on Crime and Delinquency</i>			
DFSC — Special Programs—Drug Abuse			
Resistance Education (DARE)	\$ 68 ^a	\$ 70 ^a	\$ 70 ^a
DFSC — Community Partnership for			
Safe Children .....	.....	132 ^a	132 ^a
Subtotal	\$ 68	\$ 202	\$ 202
<i>Drug Policy Council</i>			
DFSC—Administration	\$ 138 ^a	.....	.....
Education:			
DFSC—Administration	\$ 890	\$ 1,368	\$ 1,383
DFSC—School Districts	12,073	14,100	13,353
DFSC—Special Programs	3,937	4,164	3,930
DFSC—Special Programs/Dropout Prevention	599	600	.....
Subtotal	\$ 17,499	\$ 20,232	\$ 18,666
Health:			
DFSC—Special Programs/Student Assistance			
Program	\$ 900 ^a	\$ 900 ^a	\$ 900 ^a
Military and Veterans Affairs:			
DFSC—Special Programs/Scotland School for			
Veterans' Children	4 ^a	3 ^a	3 ^a
Public Welfare:			
DFSC—Special Programs/Juvenile Aftercare			
Services	\$ 1,000 ^a	\$ 1,000 ^a	\$ 1,000 ^a
DFSC—Special Programs/Domestic Violence	404 ^a	404 ^a	404 ^a
DFSC—Special Programs/Rape Crisis	113 ^a	113 ^a	113 ^a
Subtotal	\$ 1,517	\$ 1,517	\$ 1,517
TOTAL	\$ 17,499	\$ 20,232	\$ 18,666
GRAND TOTAL ALL PROGRAMS	\$ 33,618	\$ 39,985	\$ 38,418

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

ECONOMIC AND COMMUNITY DEVELOPMENT RESTRUCTURING

The following funding changes are proposed to enhance, streamline and improve the efficiency of economic and community development in the Commonwealth by restructuring certain programs and functions in the Department of Community Affairs:

TRANSFER FROM THE DEPARTMENT OF COMMUNITY AFFAIRS

TO:

Emergency Management Agency:

GENERAL FUND:

Flood Plain Management

FEDERAL FUNDS:

FEMA-Technical Assistance

Executive Offices — Office of Administration:

GENERAL FUND:

Governor's Advisory Commission on Latino Affairs

Executive Offices — Governor:

GENERAL FUND:

Center for Local Government Services

FEDERAL FUNDS:

Operator Outreach

Training Road and Street Maintenance

AUGMENTATIONS (Other Funds):

Training Course Registration

Environmental Training Partnership

DEP Operator Outreach

DEP Recycling Training

Records Management Training

TO:

Economic and Community Development:

GENERAL FUND:

Community Conservation and Youth Employment

Housing and Redevelopment Assistance

Enterprise Development

Planning Assistance

Distressed Communities Assistance

Rural Leadership Training

FEDERAL FUNDS:

Centralia Recovery

DOE — Weatherization Administration

SCDBG — Administration

CSBG — Administration

Community Services Block Grant

Single Point of Contact

Small Communities Block Grant

DOE — Weatherization

Emergency Shelter for the Homeless

AUGMENTATIONS (Other Funds):

Manufactured Housing

SPECIAL FUNDS:

ARC Revolving Loan Fund

Financially Distressed Municipalities Revolving
Aid Fund

Local Government Capital Project Loan Fund

HOME Investment Fund

CAPITAL FACILITIES BOND FUND:

Redevelopment Assistance

The following is a list of programs to be eliminated or privatized as a result of the restructuring of certain programs and functions in the Department of Community Affairs. Actual and available year amounts are shown in this budget as part of the Department of Economic and Community Development.

PRIVATIZED OR ELIMINATED:

GENERAL FUND:

Community Conservation and Employment

Community Revitalization

County and Municipal Assistance

AUGMENTATIONS (Other Funds):

Heritage Affairs Donation

Stockroom Reimbursement

FEDERAL FUNDS:

Refugees and Persons Seeking Asylum

Immigration Reform and Control-Administration

HUD—Training/Assistance

Folk Arts

Folklife Resource Survey

LIHEABG—Administration

LIHEABG—Weatherization Program

DCSI—Regional Police Assistance

PUBLIC INFORMATION AND COMMUNICATIONS

The Commonwealth spends funds on activities to provide government information to the news media and the general public and for other essential communications efforts. Funds are budgeted in over 30 agencies to provide public notification and information to the Commonwealth's public, news media, businesses, legislators and citizens regarding the bidding of contracts, issuance of rules and regulations, announcement of public hearings and the availability of services and financial aid. The amounts shown reflect that beginning in 1995-96 the interagency billings for press services were discontinued. The amounts which are detailed below exclude those items which are strictly educational and materials which are offered for public sale such as the "Game News" and "Pennsylvania Angler."

<u>Department</u>	(Dollar Amounts in Thousands)	
	<u>1995-96</u> Estimate	<u>1996-97</u> Estimate
Governor's Office	\$ 864	\$ 875
Executive Offices	132	88
Lieutenant Governor's Office	63	65
Aging	155	161
Agriculture	211	219
Banking	25	25
Civil Service Commission	70	70
Conservation and Natural Resources	76	84
Corrections	159	165
Economic and Community Development	548	281
Education	250	258
Emergency Management Agency	160	164
Environmental Protection	999	970
Fish and Boat Commission	90	93
Game Commission	261	266
General Services	115	118
Health	185	197
Historical and Museum Commission	94	98
Insurance	156	162
Labor and Industry	351	385
Liquor Control Board	127	133
Military and Veterans Affairs	99	102
Milk Marketing Board	187	189
Board of Probation and Parole	18	20
Public Television Network	13	13
Public Utility Commission	167	174
Public Welfare	276	286
Revenue	172	181
Securities Commission	17	18
State	155	159
State Police	177	186
Transportation	504	543
TOTAL	<u>\$ 6,876</u>	<u>\$ 6,748</u>

The Commonwealth also spends funds in these areas:

- *Lottery sales promotion*—\$18.5 million will be spent on advertising campaigns to promote lottery sales and to disseminate information on the various lottery programs including property tax and rent assistance for older Pennsylvanians during 1995-96. These expenditures are expected to generate approximately \$808 million in lottery ticket sales revenues during 1995-96.
- *Economic development*—A total of \$9.5 million is recommended from the General Fund to promote tourism and economic development. This has contributed to an estimated \$10.5 billion in 1995-96 travel revenues to Pennsylvania and supports the State's aggressive effort to preserve and create jobs.



Governor's Executive Budget

PROGRAM
BUDGET
SUMMARY



COMMONWEALTH OF PENNSYLVANIA

COMMONWEALTH PROGRAM BUDGET

This section summarizes the 1996-97 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 breakout of categories and subcategories (subdivisions of activities) which contribute to the Commonwealth's total effort in that program.

GOVERNOR'S EXECUTIVE BUDGET

Five-Year Summary of Commonwealth Programs

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
Direction and Supportive Services							
General Fund.....	\$ 539,235	\$ 568,270	\$ 567,361	\$ 572,130	\$ 578,006	\$ 585,555	\$ 592,533
Special Funds.....	315,030	326,385	314,892	316,758	318,908	321,253	323,825
Federal Funds.....	6,603	10,270	11,227	7,236	7,236	7,236	7,236
Other Funds.....	327,632	458,697	459,753	464,324	473,598	483,054	492,704
Total Operating.....	\$ 1,188,500	\$ 1,363,622	\$ 1,353,233	\$ 1,360,448	\$ 1,377,748	\$ 1,397,098	\$ 1,416,298
Capital Bond Authorizations.....	\$ 130,276	\$ 0	\$ 219,523	\$ 13,144	\$ 15,773	\$ 18,402	\$ 21,031
Program Total.....	\$ 1,318,776	\$ 1,363,622	\$ 1,572,756	\$ 1,373,592	\$ 1,393,521	\$ 1,415,500	\$ 1,437,329
Protection of Persons and Property							
General Fund.....	\$ 1,457,524	\$ 1,607,154	\$ 1,694,457	\$ 1,753,071	\$ 1,784,497	\$ 1,821,800	\$ 1,854,994
Special Funds.....	351,497	378,497	383,028	385,136	392,724	399,775	406,017
Federal Funds.....	134,429	263,282	161,079	158,610	157,748	157,288	157,288
Other Funds.....	933,488	1,030,802	893,975	948,202	940,262	867,140	857,253
Total Operating.....	\$ 2,876,938	\$ 3,279,735	\$ 3,132,539	\$ 3,245,019	\$ 3,275,231	\$ 3,246,003	\$ 3,275,552
Capital Bond Authorizations.....	\$ 61,651	\$ 147,178	\$ 148,316	\$ 29,914	\$ 35,896	\$ 41,878	\$ 47,862
Program Total.....	\$ 2,938,589	\$ 3,426,913	\$ 3,280,855	\$ 3,274,933	\$ 3,311,127	\$ 3,287,881	\$ 3,323,414
Intellectual Development and Education							
General Fund.....	\$ 7,088,642	\$ 7,401,146	\$ 7,424,215	\$ 7,460,208	\$ 7,494,368	\$ 7,499,502	\$ 7,539,892
Special Funds.....	5,715	7,413	7,563	7,409	7,354	7,476	7,726
Federal Funds.....	747,342	939,310	859,529	859,526	859,526	859,526	859,526
Other Funds.....	411,109	451,325	424,427	424,496	424,566	424,638	424,710
Total Operating.....	\$ 8,252,808	\$ 8,799,194	\$ 8,715,734	\$ 8,751,639	\$ 8,785,814	\$ 8,791,142	\$ 8,831,854
Capital Bond Authorizations.....	\$ 229,824	\$ 0	\$ 12,841	\$ 24,600	\$ 29,520	\$ 34,440	\$ 39,359
Program Total.....	\$ 8,482,632	\$ 8,799,194	\$ 8,728,575	\$ 8,776,239	\$ 8,815,334	\$ 8,825,582	\$ 8,871,213
Health and Human Services							
General Fund.....	\$ 5,584,973	\$ 5,654,574	\$ 5,591,969	\$ 5,633,589	\$ 5,853,414	\$ 6,131,971	\$ 6,385,739
Special Funds.....	586,482	595,655	589,068	592,015	606,200	616,671	628,770
Federal Funds.....	6,248,395	6,834,340	6,645,027	6,595,578	6,825,176	7,058,932	7,309,466
Other Funds.....	694,723	660,742	724,313	729,859	733,223	737,754	742,528
Total Operating.....	\$ 13,114,573	\$ 13,745,311	\$ 13,550,377	\$ 13,551,041	\$ 14,018,013	\$ 14,545,328	\$ 15,066,503
Capital Bond Authorizations.....	\$ 13,281	\$ 11,100	\$ 6,210	\$ 12,565	\$ 15,079	\$ 17,592	\$ 20,105
Program Total.....	\$ 13,127,854	\$ 13,756,411	\$ 13,556,587	\$ 13,563,606	\$ 14,033,092	\$ 14,562,920	\$ 15,086,608
Economic Development							
General Fund.....	\$ 507,503	\$ 469,974	\$ 388,325	\$ 450,201	\$ 459,114	\$ 460,822	\$ 461,623
Special Funds.....	0	0	0	0	0	0	0
Federal Funds.....	346,651	541,149	387,188	393,688	393,688	393,688	393,688
Other Funds.....	742,813	611,535	639,431	550,420	540,768	543,097	548,531
Total Operating.....	\$ 1,596,967	\$ 1,622,658	\$ 1,414,944	\$ 1,394,309	\$ 1,393,570	\$ 1,397,607	\$ 1,403,842
Capital Bond Authorizations.....	\$ 433,766	\$ 0	\$ 991	\$ 70	\$ 84	\$ 98	\$ 112
Program Total.....	\$ 2,030,733	\$ 1,622,658	\$ 1,415,935	\$ 1,394,379	\$ 1,393,654	\$ 1,397,705	\$ 1,403,954

Five-Year Summary of Commonwealth Programs

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
Transportation and Communication							
General Fund.....	\$ 318,961	\$ 330,718	\$ 334,679	\$ 340,473	\$ 343,970	\$ 347,656	\$ 349,211
Special Funds.....	1,188,465	1,199,310	1,230,386	1,145,105	1,148,633	1,148,036	1,152,098
Federal Funds.....	813,998	913,104	862,909	864,411	902,717	884,251	870,813
Other Funds.....	689,599	772,835	775,940	754,160	722,731	736,036	749,121
Total Operating.....	\$ 3,011,023	\$ 3,215,967	\$ 3,203,914	\$ 3,104,149	\$ 3,118,051	\$ 3,115,979	\$ 3,121,243
Capital Bond Authorizations.....	\$ 1,207,980	\$ 0	\$ 75,615	\$ 62,948	\$ 63,537	\$ 64,127	\$ 64,716
Program Total.....	\$ 4,219,003	\$ 3,215,967	\$ 3,279,529	\$ 3,167,097	\$ 3,181,588	\$ 3,180,106	\$ 3,185,959
Recreation and Cultural Enrichment							
General Fund.....	\$ 177,817	\$ 188,081	\$ 188,931	\$ 193,639	\$ 194,497	\$ 197,436	\$ 198,447
Special Funds.....	85,632	147,860	116,625	106,073	106,712	100,764	100,068
Federal Funds.....	22,938	35,171	27,249	27,010	27,047	27,077	27,132
Other Funds.....	44,003	62,900	57,289	52,779	53,489	54,194	54,708
Total Operating.....	\$ 330,390	\$ 434,012	\$ 390,094	\$ 379,501	\$ 381,745	\$ 379,471	\$ 380,355
Capital Bond Authorizations.....	\$ 25,701	\$ 0	\$ 5,384	\$ 16,759	\$ 20,111	\$ 23,463	\$ 26,815
Program Total.....	\$ 356,091	\$ 434,012	\$ 395,478	\$ 396,260	\$ 401,856	\$ 402,934	\$ 407,170
COMMONWEALTH TOTALS							
General Fund.....	\$ 15,674,655	\$ 16,219,917	\$ 16,189,937	\$ 16,403,311	\$ 16,707,866	\$ 17,044,742	\$ 17,382,439
Special Funds.....	2,532,821	2,655,120	2,641,562	2,552,496	2,580,531	2,593,975	2,618,504
Federal Funds.....	8,320,356	9,536,626	8,954,208	8,906,059	9,173,138	9,387,998	9,625,149
Other Funds.....	3,843,367	4,048,836	3,975,128	3,924,240	3,888,637	3,845,913	3,869,555
Total Operating.....	\$ 30,371,199	\$ 32,460,499	\$ 31,760,835	\$ 31,786,106	\$ 32,350,172	\$ 32,872,628	\$ 33,495,647
Capital Bond Authorizations.....	\$ 2,102,479	\$ 158,278	\$ 468,880	\$ 160,000	\$ 180,000	\$ 200,000	\$ 220,000
Program Total.....	\$ 32,473,678	\$ 32,618,777	\$ 32,229,715	\$ 31,946,106	\$ 32,530,172	\$ 33,072,628	\$ 33,715,647

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.

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

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

Contribution by Category and Subcategory

General Fund and Special Funds

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
Administrative And Support Services	\$ 69,284	\$ 76,054	\$ 67,246	\$ 68,437	\$ 69,925	\$ 71,159	\$ 72,711
Executive Direction	66,910	72,450	63,664	64,794	66,220	67,391	68,879
Personnel Selection	1	1	1	1	1	1	1
State Retirement System	560	543	543	543	543	543	543
Legal Services	1,813	3,060	3,038	3,099	3,161	3,224	3,288
Fiscal Management	\$ 467,007	\$ 491,624	\$ 477,066	\$ 482,247	\$ 487,780	\$ 493,573	\$ 499,664
Revenue Collection And Administration	380,558	395,383	385,446	389,442	393,765	398,326	403,159
Disbursement	47,656	56,639	52,414	52,815	53,225	53,642	54,068
Auditing	38,793	39,602	39,206	39,990	40,790	41,605	42,437
Physical Facilities And Commodities Management	\$ 106,820	\$ 120,195	\$ 119,802	\$ 119,892	\$ 121,397	\$ 122,559	\$ 124,119
Facility, Property And Commodity Management	106,820	120,195	119,802	119,892	121,397	122,559	124,119
Legislative Processes	\$ 182,984	\$ 185,106	\$ 185,116	\$ 185,080	\$ 185,080	\$ 185,080	\$ 185,080
Legislature	182,984	185,106	185,116	185,080	185,080	185,080	185,080
Interstate Relations	\$ 788	\$ 826	\$ 780	\$ 780	\$ 780	\$ 780	\$ 780
Interstate Relations	788	826	780	780	780	780	780
Debt Service	\$ 27,382	\$ 20,850	\$ 32,243	\$ 32,452	\$ 31,952	\$ 33,657	\$ 34,004
Debt Service	27,382	20,850	32,243	32,452	31,952	33,657	34,004
PROGRAM TOTAL	<u>\$ 854,265</u>	<u>\$ 894,655</u>	<u>\$ 882,253</u>	<u>\$ 888,888</u>	<u>\$ 896,914</u>	<u>\$ 906,808</u>	<u>\$ 916,358</u>

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

Contribution by Category and Subcategory

General Fund and Special Funds

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
General Administration And Support	\$ 30,956	\$ 29,405	\$ 32,412	\$ 32,883	\$ 33,365	\$ 33,856	\$ 34,356
Criminal & Juvenile Justice Planning	8,321	8,325	12,189	12,256	12,325	12,395	12,466
Environmental Support Services	22,635	21,080	20,223	20,627	21,040	21,461	21,890
Public Protection And Law Enforcement	\$ 472,196	\$ 513,168	\$ 520,706	\$ 523,776	\$ 534,251	\$ 544,932	\$ 555,828
State Police	337,947	373,960	373,642	378,545	386,118	393,840	401,717
Attorney General	53,406	56,471	55,907	57,022	58,159	59,319	60,503
Highway Safety Administration And Licensing	80,843	82,737	91,157	88,209	89,974	91,773	93,608
Control And Reduction Of Crime	\$ 774,240	\$ 898,149	\$ 987,362	\$ 1,035,757	\$ 1,056,135	\$ 1,076,922	\$ 1,098,124
Institutionalization Of Offenders	720,826	835,667	916,003	962,825	982,081	1,001,723	1,021,758
Reintegration Of Adult Offenders	53,414	62,482	71,359	72,932	74,054	75,199	76,366
Juvenile Crime Prevention	\$ 5,465	\$ 4,282	\$ 6,759	\$ 6,886	\$ 6,663	\$ 6,687	\$ 6,710
Reintegration Of Juvenile Delinquents	5,465	4,282	6,759	6,886	6,663	6,687	6,710
Adjudication Of Defendants	\$ 160,713	\$ 172,023	\$ 177,018	\$ 179,937	\$ 182,914	\$ 185,951	\$ 189,046
State Judicial System	160,713	172,023	177,018	179,937	182,914	185,951	189,046
Public Order & Community Safety	\$ 17,945	\$ 20,419	\$ 19,882	\$ 20,067	\$ 20,466	\$ 20,874	\$ 21,290
Emergency Management	4,063	4,957	4,799	4,683	4,775	4,869	4,965
State Military Readiness	13,882	15,462	15,083	15,384	15,691	16,005	16,325
Protection From Natural Hazards & Disasters	\$ 141,770	\$ 149,557	\$ 110,542	\$ 111,888	\$ 113,766	\$ 115,770	\$ 117,815
Environmental Protection And Management	141,770	149,557	110,542	111,888	113,766	115,770	117,815

Protection of Persons and Property (continued)

Contribution by Category and Subcategory

General Fund and Special Funds

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
Consumer Protection	\$ 77,486	\$ 85,199	\$ 82,686	\$ 84,845	\$ 86,626	\$ 88,384	\$ 90,154
Consumer Protection	2,674	3,000	2,558	2,580	2,622	2,665	2,729
Financial Institution Regulation	10,260	10,191	8,868	9,045	9,226	9,411	9,599
Securities Industry Regulation	2,167	2,223	2,189	2,233	2,278	2,324	2,370
Insurance Industry Regulation	13,711	15,022	14,672	14,966	15,266	15,572	15,884
Horse Racing Regulation	11,362	15,218	14,617	16,519	17,083	17,598	18,130
Milk Industry Regulation	2,031	2,456	2,464	2,242	2,287	2,334	2,334
Protection & Development Of Agricultural Industries	35,281	37,089	37,318	37,260	37,864	38,480	39,108
Community And Occupational Safety and Stability	\$ 18,803	\$ 18,305	\$ 18,632	\$ 18,545	\$ 18,876	\$ 19,252	\$ 19,637
Community And Occupational Safety And Stability	17,531	17,011	17,361	17,249	17,554	17,904	18,262
Fire Prevention And Safety	1,272	1,294	1,271	1,296	1,322	1,348	1,375
Prevention And Elimination Of Discriminatory Practices	\$ 8,974	\$ 9,367	\$ 8,782	\$ 8,957	\$ 9,136	\$ 9,319	\$ 9,505
Prevention And Elimination Of Discriminatory Practices	8,974	9,367	8,782	8,957	9,136	9,319	9,505
Debt Service	\$ 100,473	\$ 85,777	\$ 112,704	\$ 114,666	\$ 115,023	\$ 119,628	\$ 118,546
Debt Service	100,473	85,777	112,704	114,666	115,023	119,628	118,546
PROGRAM TOTAL	<u>\$ 1,809,021</u>	<u>\$ 1,985,651</u>	<u>\$ 2,077,485</u>	<u>\$ 2,138,207</u>	<u>\$ 2,177,221</u>	<u>\$ 2,221,575</u>	<u>\$ 2,261,011</u>

Intellectual Development and Education

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

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

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

Contribution by Category and Subcategory

General Fund and Special Funds

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
Educational Support Services	\$ 28,170	\$ 22,113	\$ 20,670	\$ 21,083	\$ 21,505	\$ 21,935	\$ 22,374
Education Support Services	28,170	22,113	20,670	21,083	21,505	21,935	22,374
Basic Education	\$ 5,501,284	\$ 5,790,446	\$ 5,799,426	\$ 5,833,994	\$ 5,870,298	\$ 5,874,712	\$ 5,913,966
Basic Education	5,413,807	5,699,508	5,704,714	5,735,351	5,767,561	5,767,712	5,802,525
Public Utility Realty Payments	87,477	90,938	94,712	98,643	102,737	107,000	111,441
Higher Education	\$ 1,443,555	\$ 1,503,068	\$ 1,469,890	\$ 1,469,736	\$ 1,469,681	\$ 1,462,803	\$ 1,463,053
Higher Education	1,188,514	1,220,191	1,189,160	1,189,006	1,188,951	1,182,073	1,182,323
Financial Assistance To Students	218,764	246,202	245,055	245,055	245,055	245,055	245,055
Financial Assistance To Institutions	36,277	36,675	35,675	35,675	35,675	35,675	35,675
Debt Service	\$ 121,348	\$ 92,932	\$ 141,792	\$ 142,804	\$ 140,238	\$ 147,528	\$ 148,225
Debt Service	121,348	92,932	141,792	142,804	140,238	147,528	148,225
PROGRAM TOTAL	<u>\$ 7,094,357</u>	<u>\$ 7,408,559</u>	<u>\$ 7,431,778</u>	<u>\$ 7,467,617</u>	<u>\$ 7,501,722</u>	<u>\$ 7,506,978</u>	<u>\$ 7,547,618</u>

Health and Human Services

The goals of this program are to ensure that all citizens of the Commonwealth have access to a comprehensive quality medical care system; to provide for income maintenance through cash and military assistance; and to provide a system of services that maximizes the capacity of individuals and families to adjust to society and to minimize socially aberrant behavior.

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

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

Contribution by Category and Subcategory

General Fund and Special Funds

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
Human Services Support	\$ 79,366	\$ 71,377	\$ 65,476	\$ 64,844	\$ 66,149	\$ 67,480	\$ 68,838
Human Services Support	79,366	71,377	65,476	64,844	66,149	67,480	68,838
Social Development Of Individuals	\$ 497,656	\$ 464,202	\$ 579,501	\$ 599,853	\$ 614,611	\$ 629,860	\$ 645,617
Human Services	497,656	464,202	579,501	599,853	614,611	629,860	645,617
Support Of Older Pennsylvanians	\$ 616,847	\$ 635,123	\$ 630,237	\$ 633,222	\$ 647,446	\$ 657,956	\$ 670,095
Community Services For Older Pennsylvanians	176,741	182,215	188,547	195,894	203,261	210,661	218,354
Older Pennsylvanians Transit	122,931	137,908	142,090	147,728	153,585	159,695	166,141
Homeowners And Renters Assistance	100,175	99,000	96,600	96,600	96,600	96,600	96,600
Pharmaceutical Assistance	217,000	216,000	203,000	193,000	194,000	191,000	189,000
Income Maintenance	\$ 1,109,303	\$ 1,027,301	\$ 1,000,413	\$ 929,080	\$ 915,086	\$ 964,818	\$ 1,009,179
Income Maintenance	1,077,475	1,020,429	992,130	920,797	906,803	956,535	1,000,896
Workers Compensation And Assistance	29,129	4,234	4,429	4,429	4,429	4,429	4,429
Military Compensation And Assistance	2,699	2,638	3,854	3,854	3,854	3,854	3,854
Physical Health Treatment	\$ 2,757,696	\$ 2,843,676	\$ 2,610,123	\$ 2,694,893	\$ 2,904,630	\$ 3,107,873	\$ 3,295,249
Medical Assistance	2,495,376	2,568,661	2,350,254	2,436,501	2,640,455	2,841,125	3,026,361
Health Treatment Services	21,319	23,036	15,230	15,253	15,276	15,299	15,323
Health Support Services	22,470	22,954	23,614	24,086	24,568	25,059	25,560
Health Research	9,435	9,274	8,654	8,764	8,876	8,990	9,106
Emergency Food Assistance	13,000	13,280	13,000	13,000	13,000	13,000	13,000
Prevention and Treatment of Drug and Alcohol Abuse	36,431	37,390	37,160	37,160	37,160	37,160	37,160
Preventive Health	115,861	117,615	112,666	106,022	106,296	106,574	106,859
Veterans Homes and School	43,804	51,466	49,545	54,107	58,999	60,666	61,880

Health and Human Services (continued)

Contribution by Category and Subcategory

General Fund and Special Funds

(Dollar Amounts in Thousands)

	<u>1994-95</u> <u>Actual</u>	<u>1995-96</u> <u>Available</u>	<u>1996-97</u> <u>Budget</u>	<u>1997-98</u> <u>Estimated</u>	<u>1998-99</u> <u>Estimated</u>	<u>1999-00</u> <u>Estimated</u>	<u>2000-01</u> <u>Estimated</u>
Mental Health	\$ 423,650	\$ 478,731	\$ 536,416	\$ 542,854	\$ 549,420	\$ 556,118	\$ 562,950
Mental Health	423,650	478,731	536,416	542,854	549,420	556,118	562,950
Mental Retardation	\$ 647,856	\$ 700,054	\$ 716,244	\$ 719,330	\$ 721,362	\$ 722,920	\$ 722,753
Mental Retardation	647,856	700,054	716,244	719,330	721,362	722,920	722,753
Debt Service	\$ 39,081	\$ 29,765	\$ 42,627	\$ 41,528	\$ 40,910	\$ 41,617	\$ 39,828
Debt Service	39,081	29,765	42,627	41,528	40,910	41,617	39,828
PROGRAM TOTAL	<u>\$ 6,171,455</u>	<u>\$ 6,250,229</u>	<u>\$ 6,181,037</u>	<u>\$ 6,225,604</u>	<u>\$ 6,459,614</u>	<u>\$ 6,748,642</u>	<u>\$ 7,014,509</u>

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 efforts of the Department of Economic and Community Development and the Infrastructure Investment Authority (PENNVEST) are devoted to this program. The Executive Offices, Auditor General, the Department of Education, 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)

	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
Economic Development Support Services	\$ 63,385	\$ 41,005	\$ 37,410	\$ 36,781	\$ 37,759	\$ 38,597	\$ 39,244
Economic and Community Development Support Services	63,385	41,005	37,410	36,781	37,759	38,597	39,244
Commonwealth Economic Development	\$ 141,449	\$ 131,004	\$ 62,563	\$ 106,363	\$ 106,863	\$ 106,863	\$ 106,863
Business and Job Development	97,459	91,004	33,313	77,113	77,113	77,113	77,113
Technology Development	37,990	40,000	29,250	29,250	29,750	29,750	29,750
Environmental Infrastructure	6,000						
Economic Development of the Disadvantaged and Disabled	\$ 47,493	\$ 48,365	\$ 46,032	\$ 46,139	\$ 46,248	\$ 46,359	\$ 46,472
Job Training	12,171	12,353	9,912	10,019	10,128	10,239	10,352
Job Training Development	5,967	10,787	10,662	10,662	10,662	10,662	10,662
Vocational Rehabilitation	29,355	25,225	25,458	25,458	25,458	25,458	25,458
Community Development	\$ 114,848	\$ 112,527	\$ 98,643	\$ 101,488	\$ 104,452	\$ 107,539	\$ 110,753
Community Development	29,018	28,691	30,075	30,075	30,075	30,075	30,075
Community Development and Conservation	22,500	18,000	.....	.....	.....	.....	.....
Public Utility Realty Payments	63,330	65,836	68,568	71,413	74,377	77,464	80,678
Local Government Assistance	\$ 3,296	\$ 6,362	\$ 1,684	\$ 1,684	\$ 1,684	\$ 1,684	\$ 1,684
Municipal Administrative Support Capability .....	.....	.....	.....	.....	.....	.....	.....
Municipal Pension Systems	3,296	6,362	1,684	1,684	1,684	1,684	1,684
Debt Service	\$ 137,032	\$ 130,711	\$ 141,993	\$ 157,746	\$ 162,108	\$ 159,780	\$ 156,607
Debt Service	137,032	130,711	141,993	157,746	162,108	159,780	156,607
PROGRAM TOTAL	\$ 507,503	\$ 469,974	\$ 388,325	\$ 450,201	\$ 459,114	\$ 460,822	\$ 461,623

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 and 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)

	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
Transportation Systems And Services	\$ 1,279,750	\$ 1,326,795	\$ 1,386,874	\$ 1,305,431	\$ 1,311,652	\$ 1,322,375	\$ 1,343,100
State Highway and Bridge Construction and Reconstruction	175,180	152,600	146,701	150,000	160,000	155,000	150,000
Local Highway and Bridge Assistance	169,332	172,506	176,989	173,148	174,624	175,650	176,683
Mass Transportation	247,337	255,019	255,070	255,078	255,086	255,094	255,103
Intercity Rail and Bus Transportation	4,375	5,688	5,488	5,488	5,488	5,488	5,488
State Highway and Bridge Maintenance	652,510	693,591	754,559	681,995	676,321	693,847	719,274
Transportation Support Services	31,016	47,391	48,067	39,722	40,133	37,296	36,552
Debt Service	\$ 227,676	\$ 203,233	\$ 178,191	\$ 180,147	\$ 180,951	\$ 173,317	\$ 158,209
Debt Service	227,676	203,233	178,191	180,147	180,951	173,317	158,209
PROGRAM TOTAL	\$ 1,507,426	\$ 1,530,028	\$ 1,565,065	\$ 1,485,578	\$ 1,492,603	\$ 1,495,692	\$ 1,501,309

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

In addition, the Fish and Boat Commission, Game Commission, Public Television Network and Council on the Arts contribute to this Commonwealth category.

Contribution by Category and Subcategory

General Fund and Special Funds

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
Recreation	\$ 154,919	\$ 217,875	\$ 187,564	\$ 182,137	\$ 184,491	\$ 180,102	\$ 180,836
Parks And Forests Management	77,145	135,177	104,996	103,670	104,455	105,989	108,168
Recreational Fishing And Boating	28,773	29,159	28,824	29,259	29,844	30,441	31,050
Wildlife Management	49,001	53,539	53,744	49,208	50,192	43,672	41,618
Cultural Enrichment	\$ 75,990	\$ 88,648	\$ 83,940	\$ 82,005	\$ 82,306	\$ 82,806	\$ 83,474
State Historical Preservation	21,009	25,792	23,310	21,461	21,654	22,000	22,473
Local Museum Assistance	2,926	4,129	3,000	3,000	3,000	3,000	3,000
Development Of Artists And Audiences	9,875	9,975	9,864	9,881	9,899	9,917	9,935
State Library Services	33,048	39,599	38,666	38,506	38,538	38,615	38,732
Public Television Services	9,132	9,153	9,100	9,157	9,215	9,274	9,334
Debt Service	\$ 32,540	\$ 29,418	\$ 34,052	\$ 35,570	\$ 34,412	\$ 35,292	\$ 34,205
Debt Service	32,540	29,418	34,052	35,570	34,412	35,292	34,205
PROGRAM TOTAL	<u>\$ 263,449</u>	<u>\$ 335,941</u>	<u>\$ 305,556</u>	<u>\$ 299,712</u>	<u>\$ 301,209</u>	<u>\$ 298,200</u>	<u>\$ 298,515</u>



Governor's Executive Budget

SUMMARY

BY

FUND



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.

GOVERNOR'S EXECUTIVE BUDGET

GENERAL FUND

Financial Statement

	1994-95 Actual	(Dollar Amounts in Thousands) 1995-96 Available	1996-97 Estimated
Beginning Balance	\$ 302,175	\$ 428,997	\$ 100,542
Adjustment to Beginning Balance .....	.....	8,005	.....
Adjusted Beginning Balance	\$ 302,175	\$ 437,002	\$ 100,542
Revenue:			
Revenue Receipts	\$ 16,224,684	\$ 16,271,200	\$ 16,675,050
Less Refunds Reserve	-460,000	-510,000	-520,000
Less Proposed Tax Reduction .....	.....	.....	-60,200
Total Revenue	\$ 15,764,684	\$ 15,761,200	\$ 16,094,850
Prior Year Lapses	147,793	50,000	.....
Funds Available	\$ 16,214,652	\$ 16,248,202	\$ 16,195,392
Expenditures:			
Appropriations	\$ 15,731,905	\$ 16,165,676	\$ 16,189,937
Supplemental Appropriations .....	.....	54,241	.....
Less Current Year Lapses	-57,250	-90,000	.....
Estimated Expenditures	-15,674,655	-16,129,917	-16,189,937
Closing Balance	\$ 539,997	\$ 118,285	\$ 5,455
Less Transfer to Tax Stabilization Reserve Fund	-111,000	-17,743	-818
Fund Balance	\$ 428,997	\$ 100,542	\$ 4,637

GENERAL FUND

NOTES ON FINANCIAL STATEMENT

(Dollar Amounts in Thousands)

SUPPLEMENTAL APPROPRIATIONS

	1995-96 Estimated
Treasury	
Replacement Checks (EA)	\$ 400
Corrections	
State Correctional Institutions	\$ 17,730
Education	
Authority Rentals and Sinking Fund	\$ 14,844
Payments in Lieu of Taxes	277
School Food Services	1,030
School Employes Social Security	15,321
Woodland Hills Desegregation	1,601
Education Total	\$ 33,073
Health	
General Government Operations	\$ 120
Public Welfare	
Medical Assistance - Inpatient	\$ 60,402
Medical Assistance - Capitation	-17,134
Long-Term Care Facilities	-2,498
Mental Health Services	-35,947
Cash Grants	-4,823
Public Welfare Total	\$
Revenue	
Public Utility Realty Tax Distribution	\$ 1,674
Legislature	
Ethics Commission	\$ 52
Judiciary	
Superior Court	\$ 140
Courts of Common Pleas	776
Senior Judges	116
District Justices	160
Judiciary Total	\$ 1,192
TOTAL	\$ 54,241

PROPOSED FUND TRANSFER CHANGES

Transfer to Tax Stabilization Reserve Fund

This budget assumes that the Transfer to the Tax Stabilization Reserve Fund (commonly called the "Rainy Day" Fund) will be increased from 10 percent to 15 percent of the General Fund closing balance effective with the transfer based on the June 30, 1995 closing balance.

GENERAL FUND

STATE FUNDS BY DEPARTMENT

The following is a summary, by department, of 1994-95 expenditures, the 1995-96 amounts available and the 1996-97 amounts budgeted as presented in the General Fund budget.

	(Dollar Amounts in Thousands)		
	1994-95 Actual	1995-96 Available	1996-97 Budget
Governor's Office	\$ 7,311	\$ 6,719	\$ 6,645
Executive Offices	89,069	95,498	92,469
Lieutenant Governor's Office	1,021	977	959
Office Of Attorney General	53,406	56,471	55,907
Auditor General	42,089	45,964	40,890
Treasury	546,609	489,662	608,026
Aging	13,567	14,378	16,079
Agriculture	44,895	46,575	45,847
Civil Service Commission	1	1	1
Conservation And Natural Resources	72,262	82,779	79,076
Corrections	720,826	835,667	916,003
Economic And Community Development	227,852	200,700	130,048
Education ^a	6,669,735	6,982,881	6,953,976
Emergency Management Agency	5,335	6,251	6,070
Environmental Protection ^b	164,405	170,637	130,765
Fish And Boat Commission	9	9	9
General Services	79,070	92,405	92,015
Health	205,516	210,269	197,324
Higher Education Assistance Agency	255,041	282,877	280,730
Historical And Museum Commission	21,235	20,622	19,748
Housing Finance Agency	22,500	18,000	.....
Infrastructure Investment Authority (PENNVEST)	6,000	.....	.....
Insurance	13,711	15,022	14,672
Labor And Industry	81,982	57,257	57,910
Military And Veterans Affairs	60,385	69,566	68,482
Milk Marketing Board	125	125	.....
Board Of Probation And Parole	53,414	62,482	71,359
Public Television Network	9,132	9,153	9,100
Public Welfare	5,221,379	5,303,454	5,240,021
Revenue ^c	254,473	266,804	275,171
Securities Commission	2,167	2,223	2,189
State	2,674	3,000	2,558
State Employees' Retirement System	560	543	543
State Police	109,602	122,010	122,040
Transportation	273,600	291,807	291,171
Legislature ^d	182,984	185,106	185,116
Judiciary	160,713	172,023	177,018
TOTAL	\$ 15,674,655	\$ 16,219,917	\$ 16,189,937

^a Includes SSHE.

^b Includes Environmental Hearing Board.

^c Excludes refunds.

^d Includes Ethics Commission and Health Care Cost Containment Council.

GENERAL FUND

FEDERAL FUNDS BY DEPARTMENT

The following is a summary of Federal funds, by department, of 1994-95 expenditures, the 1995-96 amounts available and the 1996-97 amounts budgeted as presented in the General Fund budget.

	(Dollar Amounts in Thousands)		
	1994-95 Actual	1995-96 Available	1996-97 Budget
Executive Offices	\$ 27,362	\$ 105,568	\$ 43,265
Office Of Attorney General	7,488	7,332	7,059
Aging	5,562	10,996	13,691
Agriculture	2,975	3,724	3,746
Conservation And Natural Resources	4,968	15,742	10,688
Corrections	3,279	3,684	3,726
Economic And Community Development	117,213	137,141	113,660
Education	754,023	945,745	864,114
Emergency Management Agency	2,509	3,824	3,700
Environmental Protection ^a	72,710	100,031	97,289
General Services	60	....	....
Health	269,695	314,059	326,231
Higher Education Assistance Agency .....	....	1,234	....
Historical And Museum Commission	1,152	2,943	1,245
Infrastructure Investment Authority (PENNVEST) .....	....	58,000	48,500
Labor And Industry	276,731	398,225	283,019
Military And Veterans Affairs	27,407	53,076	24,194
Board Of Probation And Parole	591	1,559	2,222
Public Television Network	34	5	....
Public Utility Commission	876	965	830
Public Welfare	5,850,975	6,367,890	6,166,552
State Police	6,218	9,134	3,391
Transportation	13,203	18,119	17,851
TOTAL	\$ 7,445,031	\$ 8,558,996	\$ 8,034,973

^a Includes Environmental Hearing Board.

GENERAL FUND

AUGMENTATIONS BY DEPARTMENT

The following is a summary of augmentations, by department, of 1994-95 expenditures, the 1995-96 amounts available and the 1996-97 amounts budgeted as presented in the General Fund budget.

	(Dollar Amounts in Thousands)		
	1994-95 Actual	1995-96 Available	1996-97 Budget
Governor's Office	\$ 147	.....	.....
Executive Offices	59,338	\$ 62,299	\$ 67,865
Lieutenant Governor's Office	95	85	85
Office Of Attorney General ^a	8,150	9,346	9,604
Auditor General	7,657	7,900	8,000
Treasury	7,096	106,888	9,186
Aging .....	.....	1,526	5,340
Agriculture	3,452	3,722	2,847
Civil Service Commission	11,555	12,716	12,456
Conservation And Natural Resources	25,600	22,602	26,590
Corrections	479	525	615
Economic And Community Development ^a	10,507	9,027	68,194
Education	10,409	5,579	4,867
Emergency Management Agency	109	112	112
Environmental Protection ^b	18,432	21,145	21,651
General Services	15,307	4,807	4,782
Health	52,577	6,488	5,714
Historical And Museum Commission	854	739	573
Insurance	2,525	2,666	2,717
Labor And Industry	27,801	24,712	24,570
Military And Veterans Affairs	10,912	13,154	13,625
Board Of Probation And Parole	7,488	7,883	8,141
Public Television Network	230	62	30
Public Utility Commission ^a	39,042	39,339	39,389
Public Welfare	355,676	388,968	464,489
Revenue	16,887	32,381	21,318
Securities Commission	2,297	2,301	2,504
State ^a	20,865	24,154	23,048
State Police	23,028	22,317	39,387
Transportation ^a	3,844	7,850	7,063
Judiciary ^a	9,344	15,197	10,927
TOTAL	\$ 751,703	\$ 856,490	\$ 905,689

^a Includes funds appropriated from restricted revenues.
^b Includes Environmental Hearing Board.

General Fund Revenue Summary

Five Year Revenue Projections

	(Dollar Amounts in Thousands)						
	1994-95 Actual	1995-96 Estimated	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
TAX REVENUE							
Corporation Taxes							
Corporate Net Income	\$ 1,905,933	\$ 1,570,500	\$ 1,576,800	\$ 1,553,400	\$ 1,588,300	\$ 1,663,500	\$ 1,786,200
Capital Stock and Franchise	894,032	927,900	981,200	1,032,900	1,087,200	1,141,100	1,204,500
Selective Business:							
Utilities Gross Receipts	683,892	668,200	684,000	720,600	746,200	772,900	800,400
Public Utility Realty	154,031	157,400	166,200	171,000	179,100	186,500	194,100
Insurance Premiums	253,270	259,300	266,700	281,600	292,000	304,900	321,700
Financial Institutions	172,924	174,400	185,000	196,700	202,400	212,500	223,100
Other Business	13,545	10,000	10,000	10,000	10,000	10,000	10,000
Total — Corporation Taxes	\$ 4,077,627	\$ 3,767,700	\$ 3,869,900	\$ 3,966,200	\$ 4,105,200	\$ 4,291,400	\$ 4,540,000
Consumption Taxes							
Sales and Use	\$ 5,526,850	\$ 5,668,300	\$ 5,843,500	\$ 5,922,400	\$ 6,079,600	\$ 6,329,900	\$ 6,500,300
Cigarette	298,587	295,900	282,050	279,150	276,450	273,650	270,850
Malt Beverage	25,517	26,000	26,000	26,000	26,000	26,000	26,000
Liquor	121,187	122,000	125,000	126,300	127,600	128,900	130,200
Total — Consumption Taxes	\$ 5,972,141	\$ 6,112,200	\$ 6,276,550	\$ 6,353,850	\$ 6,509,650	\$ 6,758,450	\$ 6,927,350
Other Taxes							
Personal Income	\$ 5,083,152	\$ 5,267,100	\$ 5,437,900	\$ 5,595,600	\$ 5,734,300	\$ 6,125,100	\$ 6,364,000
Realty Transfer	175,299	181,000	184,400	177,000	177,100	181,900	190,100
Inheritance	576,033	559,200	582,200	606,000	631,000	656,900	683,800
Minor and Repealed	1,401	3,000	3,000	3,000	3,000	3,000	3,000
Total — Other Taxes	\$ 5,835,885	\$ 6,010,300	\$ 6,207,500	\$ 6,381,600	\$ 6,545,400	\$ 6,966,900	\$ 7,240,900
TOTAL TAX REVENUE	\$15,885,653	\$15,890,200	\$16,353,950	\$16,701,650	\$17,160,250	\$18,016,750	\$18,708,250
NONTAX REVENUE							
Liquor Store Profits	\$ 60,000	\$ 42,000	\$ 45,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
Licenses, Fees and Miscellaneous:							
Licenses and Fees	63,796	71,000	84,400	84,400	84,400	84,400	84,400
Miscellaneous	183,532	244,600	168,300	171,500	172,050	172,750	173,250
Fines, Penalties and Interest:							
On Taxes	31,052	22,700	22,700	22,700	22,700	22,700	22,700
Other	651	700	700	700	700	700	700
TOTAL NONTAX REVENUES	\$ 339,031	\$ 381,000	\$ 321,100	\$ 329,300	\$ 329,850	\$ 330,550	\$ 331,050
GENERAL FUND TOTAL	\$16,224,684	\$16,271,200	\$16,675,050	\$17,030,950	\$17,490,100	\$18,347,300	\$19,039,300

General Fund Revenues

Adjustments to Revenue Estimate

On June 30, 1995, the Official Estimate for 1995-96 was certified to be \$16,268,700,000.

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

	(Dollar Amounts in Thousands)		
	1995-96 Official Estimate	Adjustments	1995-96 Revised Estimate
TAX REVENUE			
Corporation Taxes			
Corporate Net Income	\$ 1,515,700	\$ 54,800	\$ 1,570,500
Capital Stock and Franchise	927,900	....	927,900
Selective Business:			
Gross Receipts	685,700	-17,500	668,200
Public Utility Realty	155,800	1,600	157,400
Insurance Premiums	259,300	....	259,300
Financial Institutions	172,100	2,300	174,400
Other	10,000	....	10,000
Total—Corporation Taxes	\$ 3,726,500	\$ 41,200	\$ 3,767,700
Consumption Taxes			
Sales and Use	\$ 5,699,000	\$ -30,700	\$ 5,668,300
Cigarette	292,900	3,000	295,900
Malt Beverage	26,000	....	26,000
Liquor	122,200	-200	122,000
Total—Consumption Taxes	\$ 6,140,100	\$ -27,900	\$ 6,112,200
Other Taxes			
Personal Income Tax	\$ 5,284,900	\$ -17,800	\$ 5,267,100
Realty Transfer	181,000	....	181,000
Inheritance	576,400	-17,200	559,200
Minor and Repealed	3,000	....	3,000
Total—Other Taxes	\$ 6,045,300	\$ -35,000	\$ 6,010,300
TOTAL TAX REVENUE	\$ 15,911,900	\$ -21,700	\$ 15,890,200
NONTAX REVENUE			
Liquor Store Profits	\$ 42,000	....	\$ 42,000
Licenses, Fees and Miscellaneous:			
Licenses and Fees	65,100	\$ 5,900	71,000
Miscellaneous	226,000	18,600	244,600
Fines, Penalties and Interest:			
On Taxes	22,700	....	22,700
Other	1,000	-300	700
TOTAL NONTAX REVENUES	\$ 356,800	\$ 24,200	\$ 381,000
GENERAL FUND TOTAL	\$ 16,268,700	\$ 2,500	\$ 16,271,200

General Fund Revenue Sources

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

Corporate Net Income Tax

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

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

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

Capital Stock and Franchise Taxes

Tax Base: The taxes are levied on the capital stock value of domestic and foreign corporations doing business or having property or capital employed in the State on that portion of the capital stock value apportionable to Pennsylvania under a statutory apportionment formula. The first \$100,000 of capital stock value is exempt and a minimum tax payment of \$300 is required.

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

Proposed Change: The tax rate is to be lowered to 12.5 mills effective January 1, 1996, a reduction of 0.25 mills. The revenue estimates shown in the budget are computed at the current tax rate.

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

Gross Receipts Tax

Tax Base: This tax is levied on the gross receipts from business transacted wholly within Pennsylvania by specified companies owned, operated or leased by corporations, associations or individuals. Beginning in 1993-94, 0.25 mills is transferred to the Alternative Fuels Incentive Grant Fund. The revenue estimate is net of this transfer.

Tax Rates: For all companies except motor transportation companies:	
July 1, 1991 to Current	45 mills plus a 5 mill surtax (electric utilities pay 44 mills).
January 1, 1988 to June 30, 1991	44 mills.
Prior to January 1, 1988	45 mills.

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

General Fund Revenue Sources

Public Utility Realty Tax

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

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

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

Insurance Premiums Tax

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

Tax Rates: The rate is 2 percent of gross premiums plus a retaliatory tax where applicable. Marine insurance companies pay a 5 percent tax on underwriting profits attributable to Pennsylvania in lieu of the gross premiums tax. A tax of 3 percent is imposed on all gross premiums of surplus lines written with an unlicensed insurer.

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

Financial Institutions Taxes

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

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

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

Other Selective Business Taxes

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

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

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

Sales and Use Tax

Tax Base: The tax is levied on the sale at retail, including rental, of tangible personal property and certain services, or upon the use within Pennsylvania of tangible personal property, or taxable services purchased at retail if the tax was not paid at time of purchase. A tax on the occupancy of hotel rooms is imposed as part of the sales and use tax law. The portion of the tax applicable to periodicals is transferred to the Public Transportation Assistance Fund. An additional transfer is made from this tax to the Public Transportation Assistance Fund representing the revenue forgone from the exclusion of certain trucks from the lease tax. The revenue estimate is net of these transfers.

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

Proposed Change: The existing manufacturing, processing, agricultural and public utility exemptions are proposed to be extended to the sale and use of computer services effective July 1, 1996. The revenue estimate shown in the budget is based on current law.

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

General Fund Revenue Sources

Cigarette Tax

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

Tax Rates: The rate is 1.55 cents per cigarette. Prior to August 19, 1991 the rate was 0.9 cents per cigarette. Beginning in 1992-93, two thirty-firsts of receipts are transferred semiannually to the Children's Health Insurance Program (CHIP). Beginning in 1993-94, an additional two thirty-firsts of receipts are transferred semiannually to the Agricultural Conservation Easement Purchase Fund. The revenue estimates are net of these transfers.

Proposed Change: An increase to three thirty-firsts of tax receipts is proposed for transfer to CHIP effective January 1, 1996. The revenue estimate shown in the budget is based on the higher transfer amount.

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

Malt Beverage Tax

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

Tax Rates: The tax rate is two-thirds of a cent ($\frac{2}{3}c$) 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.

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

Liquor Tax

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

Tax Rate: The rate is 18% of the net retail purchase price.

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

Personal Income Tax

Tax Base: The tax is paid by all residents, resident trust and estates on eight separate classes of income: (1) compensation, (2) net profits, (3) interest, (4) dividends, (5) income from the disposition of property, (6) rents and royalties, (7) gambling and lottery winnings, and (8) income from estates and trusts. The tax is also paid by non-resident individuals, estates and trusts on the following income from sources within the Commonwealth: compensation for personal services performed in Pennsylvania unless the taxpayer is a resident of a state with which there is a reciprocal agreement; net profits from activity conducted in Pennsylvania; and income from the rental, ownership or disposition of any real or personal property. A loss in one class of income may not be offset against income in another class, nor may gains or losses be carried back or forward from year to year.

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

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

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

Realty Transfer Tax

Tax Base: The tax is levied on the value of the real estate transferred by a deed, instrument or other writing. Other taxable transfers include long-term leases greater than thirty years, transfers of real estate from industrial development authorities which will not be used primarily for industrial purposes, and "deemed" transfers of real estate because of the acquisition of companies which are in the business of holding or selling real estate. Beginning in July 1994 and thereafter, 15 percent of the State levied Realty Transfer Tax revenues are transferred to the Keystone Recreation, Park and Conservation Fund. The revenue estimates are net of this transfer.

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

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

General Fund Revenue Sources

Inheritance Tax

Tax Base: The Inheritance Tax is imposed on the value of property transferred to beneficiaries of a deceased person and on certain transfers made during the decedent's lifetime. The value of the transfer is established on the date of the decedent's death. The Estate Tax is based on the amount of the Federal estate tax credit for state death taxes on estates situated in Pennsylvania.

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

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

Minor and Repealed Taxes

Minor Taxes Include: Tax on Legal Documents, Act of April 6, 1830, P.L. 272 (Purdon's Title 72 P.S. §3171) and the Spirituous and Vinous Liquors Tax, Acts of December 5, 1933, P.L. 38 (Special Session) and December 22, 1933, P.L. 91 (Special Session) (Purdon's Title 47 P.S. §745), and excess Passenger Car Rental Tax, Act of June 16, 1994, P.L. 279 (Purdon's Title 72 P.S. §8601).

Liquor Store Transfer

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

Licenses, Fees and Miscellaneous Revenue

Licenses and fees include collections by Commonwealth agencies 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. Various fees are proposed to be increased to match costs of services to fee revenues. An estimated \$12 million for these higher fees is included in the revenue estimate shown in the budget.

Miscellaneous revenues includes all other income to be used for general appropriation purposes in the General Fund, except monies which are given to the Commonwealth by individuals, or are provided by law to be deposited in the Judicial Computer System Augmentation Account in accordance with Act 1987-64 (Purdon's Title 42 Pa.C.S.A. §3733). Any fines, fees or costs which are allocated to counties and municipalities are not affected by this act.

Fines, Penalties and Interest

This revenue source includes 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 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)		
	1994-95 Actual	1995-96 Estimate	1996-97 Budget
TAX REVENUE			
Corporate Net Income Tax	\$ 1,905,933	\$ 1,570,500	\$ 1,576,800
Capital Stock and Franchise Taxes			
Capital Stock Taxes — Domestic	\$ 479,638	\$ 497,807	\$ 526,402
Franchise Taxes — Foreign	414,394	430,093	454,798
Subtotal	<u>\$ 894,032</u>	<u>\$ 927,900</u>	<u>\$ 981,200</u>
Gross Receipts Tax			
Electric, Hydroelectric and Water Power	\$ 424,868	\$ 415,118	\$ 424,934
Gas	104,697	102,295	104,714
Motor Transportation	3,289	3,214	3,290
Telephone and Telegraph	147,916	144,523	147,940
Transportation	3,122	3,050	3,122
Subtotal	<u>\$ 683,892</u>	<u>\$ 668,200</u>	<u>\$ 684,000</u>
Public Utility Realty Tax	\$ 154,031	\$ 157,400	\$ 166,200
Insurance Premiums Tax			
Domestic Casualty	\$ 45,019	\$ 46,090	\$ 47,405
Domestic Fire	26,231	26,856	27,622
Domestic Life and Previously Exempted Lines	9,755	9,987	10,272
Excess Insurance Brokers	6,879	7,043	7,244
Foreign Excess Casualty	4,518	4,626	4,758
Foreign Excess Fire	7,780	7,965	8,193
Foreign Life	146,842	150,339	154,629
Marine	149	152	157
Title Insurance	1,235	1,264	1,300
Unauthorized Insurance	4,862	4,978	5,120
Subtotal	<u>\$ 253,270</u>	<u>\$ 259,300</u>	<u>\$ 266,700</u>
Financial Institutions Taxes			
Federal Mutual Thrift Institutions	\$ 479	\$ 479	\$ 528
National Banks	111,014	112,124	118,109
State Banks	11,619	11,735	12,361
State Mutual Thrift Institutions	25,911	25,921	28,572
Trust Companies	23,901	24,141	25,430
Subtotal	<u>\$ 172,924</u>	<u>\$ 174,400</u>	<u>\$ 185,000</u>

General Fund Revenue Detail

	(Dollar Amounts in Thousands)		
	1994-95 Actual	1995-96 Estimate	1996-97 Budget
Other Selective Business Taxes			
Corporate Loans — Domestic	\$ 10,906	\$ 8,003	\$ 8,003
Corporate Loans — Foreign	2,458	1,803	1,803
Miscellaneous Business Taxes	265	194	194
Corporation Taxes — Clearing Accounts Undistributed	-84	.....	.....
Subtotal	<u>\$ 13,545</u>	<u>\$ 10,000</u>	<u>\$ 10,000</u>
Sales and Use Tax			
Motor Vehicle	\$ 790,473	\$ 777,000	\$ 746,300
Non-Motor Vehicle	4,736,377	4,891,300	5,097,200
Subtotal	<u>\$ 5,526,850</u>	<u>\$ 5,668,300</u>	<u>\$ 5,843,500</u>
Cigarette Tax	<u>\$ 298,587</u>	<u>\$ 295,900</u>	<u>\$ 282,050</u>
Malt Beverage Tax	<u>\$ 25,517</u>	<u>\$ 26,000</u>	<u>\$ 26,000</u>
Liquor Tax	<u>\$ 121,187</u>	<u>\$ 122,000</u>	<u>\$ 125,000</u>
Personal Income Tax			
Non-Withholding	\$ 1,025,362	\$ 1,058,300	\$ 1,092,300
Withholding	4,057,790	4,208,800	4,345,600
Subtotal	<u>\$ 5,083,152</u>	<u>\$ 5,267,100</u>	<u>\$ 5,437,900</u>
Realty Transfer Tax	<u>\$ 175,299</u>	<u>\$ 181,000</u>	<u>\$ 184,400</u>
Inheritance Tax			
Nonresident Transfer Inheritance and Estate Tax	\$ 4,105	\$ 3,985	\$ 4,149
Resident Transfer Inheritance and Estate Tax	571,928	555,215	578,051
Subtotal	<u>\$ 576,033</u>	<u>\$ 559,200</u>	<u>\$ 582,200</u>
Minor and Repealed Taxes			
Distilled Spirits	\$ 22	\$ 21	\$ 21
Excess Passenger Car Rental Tax	329	2,001	2,001
Tax on Writs, Wills and Deeds	1,016	947	947
Wines	36	33	33
Unallocated EFT Payments	-2	-2	-2
Subtotal	<u>\$ 1,401</u>	<u>\$ 3,000</u>	<u>\$ 3,000</u>
TOTAL TAX REVENUE	<u><u>\$ 15,885,653</u></u>	<u><u>\$ 15,890,200</u></u>	<u><u>\$ 16,353,950</u></u>

General Fund Revenue Detail

	(Dollar Amounts in Thousands)		
	1994-95 Actual	1995-96 Estimate	1996-97 Budget
NONTAX REVENUES			
Liquor Store Transfer	\$ 60,000	\$ 42,000	\$ 45,000
Licenses, Fees and Miscellaneous			
Governor's Office			
MISCELLANEOUS REVENUE			
Miscellaneous .....	\$ *	.....	.....
Executive Offices			
LICENSES AND FEES			
Attorney Continuing Legal Education	\$ 15	\$ 3	\$ 3
Municipal Indebtedness Fees	116	121	190
MISCELLANEOUS REVENUE			
Crime Victim's Award Restitution	95	75	75
Interest from Federal Government — CMIA - 90	23	65	.....
Refunds of Expenditures Not Credited to Appropriations	355	350	.....
Miscellaneous	1	1	1
Subtotal	<u>\$ 605</u>	<u>\$ 615</u>	<u>\$ 269</u>
Lieutenant Governor's Office			
LICENSES AND FEES			
Board of Pardons Fees	\$ 4	\$ 2	\$ 2
Board of Pardons — Copying Fees	1	.....	.....
Board of Pardons — Filing Fees	6	5	5
Subtotal	<u>\$ 11</u>	<u>\$ 7</u>	<u>\$ 7</u>
Auditor General			
LICENSES AND FEES			
Filing Fees	\$ 7	\$ 10	\$ 10
MISCELLANEOUS REVENUE			
Refunds of Expenditures Not Credited to Appropriations .....	.....	1	1
Subtotal	<u>\$ 7</u>	<u>\$ 11</u>	<u>\$ 11</u>
Attorney General			
MISCELLANEOUS REVENUE			
Assessed Civil Penalties Payments	\$ 94	\$ 120	\$ 125
Miscellaneous	21	20	25
Miscellaneous Interest Offset for Seized/Forfeited Property	-40	-40	-45
Refunds of Expenditures Not Credited to Appropriations	26	.....	.....
Subtotal	<u>\$ 101</u>	<u>\$ 100</u>	<u>\$ 105</u>
Treasury Department			
MISCELLANEOUS REVENUE			
Accrued Interest Purchased	\$ 4	\$ 4	\$ 4
Allocation of Treasury Cost	3,018	3,226	3,387
Clearing Account — Returned PA EFTS	-74	15	15
Depository Adjustments	*	4	3
Interest Cleared to Hodge Trust Fund	-3	-13	-13
Interest on Average Collected Balance—WIC Program	45	47	44
Interest on Deposits	375	390	362
Interest on Deposits — Liquor License Fund	100	104	96
Interest on Securities	70,468	73,441	66,949
Premium and Discount on Tax Notes Sold	3,265	2,384	3,000
Premium on Sale of Securities .....	.....	1	.....
Redeposit of Checks	1,465	1,141	1,359
Refunds of Expenditure Not Credited to Appropriation .....	.....	3	2
Miscellaneous	41	26	27

*Less than \$500.

General Fund Revenue Detail

	(Dollar Amounts in Thousands)		
	1994-95 Actual	1995-96 Estimate	1996-97 Budget
Treasury Department (continued)			
Unclaimed Property — Administration Cost	\$ -3,592	\$ -13,288	\$ -14,000
Unclaimed Property — Claim Payments	-12,655	-5,358	-4,475
Unclaimed Property — Financial Institution Deposits	14,384	15,000	15,750
Unclaimed Property — Other Holder Deposits	36,843	38,346	40,425
Subtotal	<u>\$ 113,684</u>	<u>\$ 115,473</u>	<u>\$ 112,935</u>
Department of Agriculture			
LICENSES AND FEES			
Abattoir Licenses	\$ 12	\$ 12	\$ 12
Approved Inspector's Certificate and Registration Fees	9	9	9
Bakery Licenses	6	.....	.....
Carbonated Beverage Licenses	1	.....	.....
Cold Storage Warehouse Licenses	6	.....	.....
Domestic Animal Dealers Licenses	5	5	5
Eating and Drinking Licenses .....	.....	1,080	1,080
Egg Certification Fees	19	21	19
Egg Opening Licenses	1	*	*
Farm Product Inspection Fees	32	32	32
Garbage Feeders Licenses	*	*	*
Horse Slaughtering Licenses	*	*	*
Ice Cream Licenses	159	160	159
Livestock Branding Fees	6	*	*
Miscellaneous Licenses and Fees	14	15	15
Poultry Technician Licenses	1	1	1
Public Weighmaster's Liquid Fuels Licenses	78	77	76
Public Weighmaster's Solid Fuels Licenses	22	23	23
Registration Fee — Food Establishment	386	228	228
Rendering Plant Licenses	1	1	1
Seed Testing and Certification Fees	68	64	64
Veterinarian Diagnostic Lab Fees	293	300	310
MISCELLANEOUS REVENUE			
Refunds of Expenditures Not Credited to Appropriations	2	3	3
Miscellaneous	600	.....	.....
Subtotal	<u>\$ 1,721</u>	<u>\$ 2,031</u>	<u>\$ 2,037</u>
Banking Department			
MISCELLANEOUS REVENUE			
Miscellaneous .....	\$ *	.....	.....
Civil Service Commission			
MISCELLANEOUS REVENUE			
Miscellaneous	\$ *	\$ 1	\$ 3
Department of Conservation and Natural Resources			
MISCELLANEOUS REVENUE			
Camp Leases	\$ 392	\$ 400	\$ 425
Ground Rents	36	36	40
Housing Rents	23	23	25
Minerals Sales	213	215	225
Refunds of Expenditures Not Credited to Appropriations	67	6	6
Rights-of-Way	369	370	380
Water Leases	22	22	25
Sales Tax — Allegheny County .....	*	.....	.....
Stumpage	*	4	4
Subtotal	<u>\$ 1,122</u>	<u>\$ 1,076</u>	<u>\$ 1,130</u>

*Less than \$500.

General Fund Revenue Detail

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Estimate	1996-97 Budget
Department of Corrections			
MISCELLANEOUS REVENUE			
Antitrust Case Payments	\$ 1	.....	.....
Miscellaneous	4	\$ 3	\$ 3
Refunds of Expenditures Not Credited to Appropriations	168	40	40
Subtotal	<u>\$ 173</u>	<u>\$ 43</u>	<u>\$ 43</u>
Department of Economic and Community Development			
MISCELLANEOUS REVENUE			
Nursing Home Loans — Repayments	\$ 6,293	\$ 50	\$ 50
Miscellaneous	761	763	633
Refunds of Expenditures Not Credited to Appropriations	1,992	2,000	2,350
Repayable Grant Payments .....	....	266	266
Subtotal	<u>\$ 9,046</u>	<u>\$ 3,079</u>	<u>\$ 3,299</u>
Department of Education			
LICENSES AND FEES			
Fees for Licensing Private Schools	\$ 209	\$ 180	\$ 185
PDE—Fees Transcripts/Closed Private Schools	*	*	*
Private Academic School License Fees	11	14	16
Private Driver Training School Fees	61	63	63
Secondary Education Evaluation Fees	60	47	50
Teachers Certification Fees	426	470	500
MISCELLANEOUS REVENUE			
Miscellaneous	64	*	.....
Refunds of Expenditures Not Credited to Appropriations	9	.....	.....
Subtotal	<u>\$ 840</u>	<u>\$ 774</u>	<u>\$ 814</u>
Emergency Management Agency			
MISCELLANEOUS REVENUE			
Miscellaneous .....	.....	\$ 4	\$ 4
Refunds of Expenditures Not Credited to Appropriations	\$ 1	1	1
Subtotal	<u>\$ 1</u>	<u>\$ 5</u>	<u>\$ 5</u>
Department of Environmental Protection			
LICENSES AND FEES			
Anthracite Miners' Examination and Certificate Fees	\$ *	\$ *	\$ *
Bathing Place Licenses	1	1	1
Bituminous Miners' Examination and Certificate Fees	2	2	2
Bituminous Shot Firers' and Machine Runners' Examination and Certificates	*	*	*
Blasters' Examination and Licensing Fees	36	36	36
Dams and Encroachment Fees	116	115	115
Examination and Certificate Fees	2	4	4
Explosive Storage Permit Fees	84	84	84
Hazardous Waste Facility Permit Fees	102	102	102
Hazardous Waste Facility Permit/Application Fees	99	99	99
Hazardous Waste Transporter Licenses Application Fees	73	73	73
Hazardous Waste Treatment Storage or Disposal Fees	122	122	122
Infectious and Chemical Waste Transport Fees	13	13	13
Miscellaneous Licenses & Fees	*	*	*
Municipal Waste Annual Permit Administration Fees	258	258	258
Municipal Waste Permit Application Fees	235	235	235
Registration Fees for Organized Camps	*	*	*
Residual Waste Closure Administration Fees	*	*	*
Residual Waste Permit Administration Fees	209	209	209
Residual Waste Permit Application/Modification Fees	40	59	59
Restaurant Licenses	1,126	1,125	1,125
Sewage and Industrial Waste Permit Fees	348	347	347
Sewage Enforcement — Certificate Renewed Fees	1	1	1
Sewage Enforcement Examination Fees	5	5	5

*Less than \$500.

General Fund Revenue Detail

	(Dollar Amounts in Thousands)		
	1994-95 Actual	1995-96 Estimate	1996-97 Budget
Department of Environmental Protection (continued)			
LICENSES AND FEES (continued)			
Submerged Land Fees	\$ 56	\$ 56	\$ 56
Water Bacteriological Examinations	29	29	29
Water Power and Supply Permit Fees	85	85	85
MISCELLANEOUS REVENUE			
Interest Income	*	494	400
Interest on Loan Payments	2,226	1,000	925
Interest Payments — Mine Subsidence	8	8	8
Payment to Occupy Submerged Lands	155	155	155
Penalty Charges — Delinquent Interest	*	5	3
Recovered Damages	*	*	*
Repayment of Loans — Water Facilities Loans	2,048	5,490	5,772
Royalties for Recovery of Materials — Schuylkill River	89	89	90
Sales Tax Escrow Account	5	11	5
Sewage Treatment and Waterworks Application Fees	68	68	68
Surface Subsidence Assistance Loans — Repayments	30	30	31
Miscellaneous	75	75	75
Refunds of Expenditures Not Credited to Appropriations .....	...	67	67
Residual Waste Permit Application/Modification Fees	71	72	72
Subtotal	<u>\$ 7,817</u>	<u>\$ 10,624</u>	<u>\$ 10,731</u>
Department of General Services			
MISCELLANEOUS REVENUE			
Allocation of Purchasing Fund Property Costs	\$ 6,994	\$ 6,994	\$ 6,994
Allocation of Purchasing Costs — Job 19	1,603	1,603	1,603
Mileage of State Automobiles	583	583	583
Real Estate Services	293	293	293
Refunds of Expenditures Not Credited to Appropriations	12	*	*
Rental of State Property	51	51	51
Sale of Publications	65	159	159
Sale of State Property	187	187	187
Sale of Unserviceable Property	634	850	634
Miscellaneous	583	583	583
Subtotal	<u>\$ 11,005</u>	<u>\$ 11,303</u>	<u>\$ 11,087</u>
Department of Health			
LICENSES AND FEES			
Certificate of Need	\$ 758	\$ 750	\$ 757
Immunization Service Fees	115	103	93
Life Safety Code Inspection Fees	291	279	282
Miscellaneous Licensure Fees	108	104	105
Nursing Home Licenses	353	370	373
Profit Making Hospital Licenses	228	134	229
Registration Fees — Hearing Aid Act	62	62	62
Registration Fees — Drugs Devices and Cosmetics Act	306	298	301
Vital Statistics Fees	2,707	2,815	2,950
MISCELLANEOUS REVENUE			
Miscellaneous	71	70	71
Refunds of Expenditures Not Credited To Appropriations	4	4	4
Subtotal	<u>\$ 5,003</u>	<u>\$ 4,989</u>	<u>\$ 5,227</u>
Historical and Museum Commission			
MISCELLANEOUS REVENUE			
Refunds of Expenditures Not Credited to Appropriations	\$ 14	\$ 2	\$ 2
Miscellaneous .....	*	...	...
Subtotal	<u>\$ 14</u>	<u>\$ 2</u>	<u>\$ 2</u>

*Less than \$500.

General Fund Revenue Detail

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Estimate	1996-97 Budget
Insurance Department			
LICENSES AND FEES			
Agents' and Brokers' Certification Fees	\$ 296	\$ 240	\$ 240
Agents' Licenses	4,854	7,740	7,740
Brokers' Licenses	-28	280	280
Division of Companies Certification — Certificates and Filing Fees ..	646	625	625
Examination Fees and Expenses	1,963	2,200	2,200
Market Conduct Examination	182	150	150
Miscellaneous Fees	5	.....	.....
Miscellaneous Licenses	57	.....	.....
Physical Damage Appraiser Licenses	32	.....	.....
Valuation of Policies Fees	1,082	1,500	1,500
New Applicants	15	445	445
Renewals	2,369	1,950	1,950
MISCELLANEOUS REVENUE			
Miscellaneous	367	300	300
Refunds of Expenditures Not Credited to Appropriations	*	*	*
Subtotal	\$ 11,840	\$ 15,430	\$ 15,430
Department of Labor and Industry			
LICENSES AND FEES			
Approval of Building Plan Fees	\$ 4,210	\$ 3,690	\$ 3,690
Approval of Elevator Plan Fees	282	250	250
Bedding and Upholstery Fees	648	550	550
Boiler Inspection Fees	3,146	2,800	2,800
Elevator Inspection Fees	2,066	1,900	1,900
Employment Agents' Licenses	35	35	35
Employment Agents' Registration Fees	6	6	6
Industrial Homework Permit Fees	*	*	*
Liquefied Petroleum Gas Registration Fees	202	214	214
Projectionists' Examination and License Fees	5	5	5
Stuffed Toys Manufacturers' Registration Fees	45	40	40
MISCELLANEOUS REVENUE			
CETA Audit Settlement	7	6	6
Miscellaneous	12	3	3
Refunds of Expenditures Not Credited to Appropriations	33	25	25
Subtotal	\$ 10,697	\$ 9,524	\$ 9,524
Department of Military and Veterans Affairs			
MISCELLANEOUS REVENUE			
Miscellaneous	\$ 2	\$	\$
Refunds of Expenditures Not Credited to Appropriations	25	8	8
Subtotal	\$ 27	\$ 8	\$ 8
Board of Probation and Parole			
MISCELLANEOUS REVENUE			
Refunds of Expenditures Not Credited to Appropriations	\$ 16	\$ *	\$ *
Public Television Network			
MISCELLANEOUS REVENUE			
Miscellaneous .....	.....	\$ 30	\$ 30
Public Utility Commission			
LICENSES AND FEES			
General Assessment Fees .....	.....	\$ *	\$ *
MISCELLANEOUS REVENUE			
Refunds of Expenditures Not Credited to Appropriations	\$ 2	*	*
Subtotal	\$ 2	\$ *	\$ *

*Less than \$500.

General Fund Revenue Detail

	(Dollar Amounts in Thousands)		
	1994-95 Actual	1995-96 Estimate	1996-97 Budget
Department of Public Welfare			
LICENSES AND FEES			
Private Mental Hospital Licenses	\$ 44	\$ 45	\$ 45
MISCELLANEOUS REVENUE			
Miscellaneous	2	2	7
Refunds of Expenditures Not Credited to Appropriations	252	39	40
Subtotal	<u>\$ 298</u>	<u>\$ 86</u>	<u>\$ 92</u>
Department of Revenue			
LICENSES AND FEES			
Certificate and Copy Fees	\$ 34	\$ 32	\$ 32
Cigarette Permit Fees	880	952	952
Domestic Violence and Rape Crisis Program Fees	1,992	1,910	1,942
Secretary's Writ Collections	*	*	*
Uniform Commercial Fee Act 1992-167	7,617	9,476	9,510
MISCELLANEOUS REVENUE			
Tax Amnesty .....	....	67,000	....
Distribution Due Absentee	235	400	400
District Justice Cost	8,286	7,700	5,546
Donations .....	*	....	....
Exempt Collections Per Act 1992-167	10,606	12,278	10,116
Income Tax Check-offs — Olympics	55	50	50
Voluntary Donations	*	*	*
Miscellaneous	-4	30	30
Refunds of Expenditures Not Credited to Appropriations	12	....	....
Subtotal	<u>\$ 29,713</u>	<u>\$ 99,828</u>	<u>\$ 28,578</u>
Securities Commission			
LICENSES AND FEES			
Associated Persons — Initial	\$ 49	\$ 59	\$ 71
Associated Persons — Renewal	148	163	179
Associated Persons — Transfer	13	15	17
Brokers/Dealers' Registration Fees — Initial	78	82	86
Brokers/Dealers' Registration Fees — Renewal	489	509	534
Costs — Examination, Auditing, Investigation, Prosecution — Except Takeover Costs	2	3	3
Investment Advisors' Filing Fees — Initial	33	40	48
Investment Advisors' Filing Fees — Renewal	152	167	184
Mutual Funds — Initial Filing	636	700	700
Mutual Funds — Oversales of Offering	10	10	10
Mutual Funds — Renewal Filing	4,219	4,200	4,200
Mutual Funds — Unregistered Sales .....	*	....	....
Section 202 (G) Security Exemption Fees	4	4	4
Section 203 (D) Increase in Amount of Filing	216	226	226
Section 203 (D) Initial Filing	359	360	360
Section 203 (I) and 203 (O)(II) Security Exemption Fees	7	10	10
Section 203 (N) Initial Filing	5	5	5
Section 203 (P) Initial Filing	*	1	1
Section 205 — Security Registration and Amendment Fees	159	170	170
Section 206 — Increase in Amount of Filing .....	....	1	1
Section 206 — Qualification Filing — Initial	73	80	80
Securities Agents' Filing Fees — Initial	1,461	1,534	1,687
Securities Agents' Filing Fees — Renewal	4,112	4,400	4,708
Securities Agents' Filing Fees — Transfer	320	283	275
Takeover Disclosure Filing Fee	*	*	*
MISCELLANEOUS REVENUE			
Miscellaneous	\$ 2	\$ 2	\$ 2
Subtotal	<u>\$ 12,547</u>	<u>\$ 13,024</u>	<u>\$ 13,561</u>

*Less than \$500.

General Fund Revenue Detail

	(Dollar Amounts in Thousands)		
	1994-95 Actual	1995-96 Estimate	1996-97 Budget
Department of State			
LICENSES AND FEES			
Commissions and Filing Fees — Bureau of Elections	\$ 323	\$ 335	\$ 345
Commissions and Filing Fees — Corporation Bureau	7,261	8,710	9,145
Commission Fees	62	60	60
Notary Public Commission Fees	915	920	920
MISCELLANEOUS REVENUE			
Refunds of Expenditures Not Credited to Appropriations	3	.....	.....
Subtotal	<u>\$ 8,564</u>	<u>\$ 10,025</u>	<u>\$ 10,470</u>
State Police			
MISCELLANEOUS REVENUE			
Reimbursement for Lost Property	\$ 2	\$ 4	\$ 4
Miscellaneous	282	280	280
Refunds of Expenditures Not Credited to Appropriations	287	200	200
Subtotal	<u>\$ 571</u>	<u>\$ 484</u>	<u>\$ 484</u>
State Tax Equalization Board			
MISCELLANEOUS REVENUE			
Miscellaneous .....	\$ *	.....	.....
Department of Transportation			
MISCELLANEOUS REVENUE			
Interest — Railroad Rehabilitation	\$ -30	.....	.....
Refunds of Expenditures Not Credited to Appropriations	-11	\$ 4	\$ 4
Subtotal	<u>\$ -41</u>	<u>\$ 4</u>	<u>\$ 4</u>
Other			
LICENSES AND FEES			
Proposed Fee Increases .....	.....	.....	\$ 12,000
MISCELLANEOUS REVENUE			
Conscience Money	\$ 3	\$ 2	2
Payments in Lieu of Taxes — SWIF	13,959	8,800	7,800
Transfer from Special Funds	4,609	7,687	7,012
Transfer from Nursing Home Loan Development	3,373	.....	.....
Transfer from Pennsylvania Economic Revitalization Fund .....	.....	535	.....
Subtotal	<u>\$ 21,944</u>	<u>\$ 17,024</u>	<u>\$ 26,814</u>
TOTAL LICENSES, FEES AND MISCELLANEOUS	<u>\$ 247,328</u>	<u>\$ 315,600</u>	<u>\$ 252,700</u>
Fines, Penalties and Interest on Taxes			
Corporation Net Income Tax	\$ 18,074	\$ 13,213	\$ 13,213
Interest on Excise Taxes — Corporations (Department of Revenue)	11,732	8,576	8,576
Penalties on Excise Taxes — Corporations	1,246	911	911
Other Fines and Penalties			
Department of Agriculture			
Amusement Rides and Attractions — Fines	\$	\$ 2	\$ 2
Egg Fines	*	*	*
General Food Fines	8	12	8
Harness Racing Fines and Penalties	35	35	35
Horse Racing Fines and Penalties	39	39	39
Marking Law Fines .....	.....	*	*
Miscellaneous	4	6	6
Department of Conservation and Natural Resources			
Miscellaneous	5	2	2

*Less than \$500.

General Fund Revenue Detail

	(Dollar Amounts in Thousands)		
	1994-95 Actual	1995-96 Estimate	1996-97 Budget
Other Fines and Penalties (continued)			
Department of Environmental Protection			
Blasters' Fines .....	.....	\$ *	\$ *
Miscellaneous Fines	\$ *	5	5
Ethics Commission			
Violations Act 1978-170	4	15	19
Department of General Services			
Traffic Violations	27	27	27
Department of Health			
Non-Compliance Fines and Penalties	28	30	30
Department of Insurance			
Miscellaneous Fines	363	364	365
Department of Labor and Industry			
Minor Labor Law Fines	14	26	26
Miscellaneous Fines	21	29	28
Public Utility Commission			
Violation of Order Fines	98	100	100
Department of Revenue			
Malt Liquor Fines and Penalties	5	6	6
Motor Law Fines Prior to July 1, 1976	*	1	1
Spirituos and Vinous Liquor Fines and Penalties .....	.....	1	1
TOTAL FINES, PENALTIES AND INTEREST	<u>\$ 31,703</u>	<u>\$ 23,400</u>	<u>\$ 23,400</u>
TOTAL NONTAX REVENUE	<u>\$ 339,031</u>	<u>\$ 381,000</u>	<u>\$ 321,100</u>
TOTAL GENERAL FUND REVENUES	<u>\$ 16,224,684</u>	<u>\$ 16,271,200</u>	<u>\$ 16,675,050</u>

*Less than \$500.

General Fund Revenue Summary

Revenue History

	(Dollar Amounts in Thousands)					
	1989-90 Actual	1990-91 Actual	1991-92 Actual	1992-93 Actual	1993-94 Actual	1994-95 Actual
TAX REVENUE						
Corporation Taxes						
Corporate Net Income	\$ 1,081,437	\$ 1,000,583	\$ 1,613,290	\$ 1,456,128	\$ 1,554,112	\$ 1,905,933
Capital Stock and Franchise	571,797	585,007	886,021	875,105	881,128	894,032
Selective Business:						
Gross Receipts Tax	556,447	588,374	660,117	637,999	646,413	683,892
Public Utility Realty	163,447	149,788	202,941	156,269	156,616	154,031
Insurance Premiums	197,648	203,995	243,410	235,855	266,909	253,270
Financial Institutions	286,855	120,242	147,044	141,067	160,931	172,924
Other	8,977	8,290	8,342	21,734	12,591	13,545
Total—Corporation Taxes	\$ 2,866,608	\$ 2,656,279	\$ 3,761,165	\$ 3,524,157	\$ 3,678,700	\$ 4,077,627
Consumption Taxes						
Sales and Use	\$ 4,224,983	\$ 4,197,700	\$ 4,499,734	\$ 4,828,823	\$ 5,124,463	\$ 5,526,850
Cigarette	216,852	213,418	336,245	330,065	307,679	298,587
Malt Beverage	27,541	27,545	26,983	25,812	26,258	25,517
Liquor	112,411	115,328	117,645	122,746	119,985	121,187
Total—Consumption Taxes	\$ 4,581,787	\$ 4,553,991	\$ 4,980,607	\$ 5,307,446	\$ 5,578,385	\$ 5,972,141
Other Taxes						
Personal Income Tax	\$ 3,294,309	\$ 3,363,587	\$ 4,807,421	\$ 4,789,995	\$ 4,872,745	\$ 5,083,152
Realty Transfer	200,799	164,510	171,804	181,749	207,706	175,299
Inheritance	474,694	497,565	537,732	562,880	603,985	576,033
Minor and Repealed	964	942	1,093	1,833	1,320	1,401
Total—Other Taxes	\$ 3,970,766	\$ 4,026,604	\$ 5,518,050	\$ 5,536,457	\$ 5,685,756	\$ 5,835,885
TOTAL TAX REVENUE	\$ 11,419,161	\$ 11,236,874	\$ 14,259,822	\$ 14,368,060	\$ 14,942,841	\$ 15,885,653
NONTAX REVENUE						
Liquor Store Profits	\$ 41,250	\$ 38,000	\$ 41,000	\$ 33,000	\$ 47,000	\$ 60,000
Licenses, Fees and Miscellaneous:						
Licenses and Fees	44,402	46,140	56,200	55,470	65,684	63,796
Miscellaneous	304,008	519,629	139,104	153,495	130,372	183,532
Fines, Penalties and Interest:						
On Taxes	24,624	20,430	19,406	21,624	22,500	31,052
Other	924	1,199	1,265	1,469	2,345	651
TOTAL NONTAX REVENUES	\$ 415,208	\$ 625,398	\$ 256,975	\$ 265,058	\$ 267,901	\$ 339,031
GENERAL FUND TOTAL	\$ 11,834,369	\$ 11,862,272	\$ 14,516,797	\$ 14,633,118	\$ 15,210,742	\$ 16,224,684



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.

GOVERNOR'S EXECUTIVE BUDGET

Motor License Fund

Financial Statement*

	(Dollar Amounts in Thousands)		
	1994-95 Actual	1995-96 Available	1996-97 Estimated
Beginning Balance	\$ 107,471	\$ 119,151	\$ 106,239
Revenue:			
Revenue Estimate	\$ 1,559,623	\$ 1,564,461	\$ 1,549,703
Adjustment to Official Estimate .....	.....	-2,067	.....
Accrued Revenues Unrealized	94,986	94,448	95,248
Less Revenues Accrued Previously	<u>-106,470</u>	<u>-94,986</u>	<u>-94,448</u>
Total Revenue	\$ 1,548,139	\$ 1,561,856	\$ 1,550,503
Prior Year Lapses	<u>35,252</u>	<u>19,500</u>	<u>.....</u>
Funds Available	\$ 1,690,862	\$ 1,700,507	\$ 1,656,742
Expenditures:			
Appropriations	\$ 1,571,711	\$ 1,609,468	\$ 1,647,047
Less Current Year Lapses	<u>.....</u>	<u>-15,200</u>	<u>.....</u>
Estimated Expenditures	<u>-1,571,711</u>	<u>-1,594,268</u>	<u>-1,647,047</u>
Fund Balance	<u>\$ 119,151</u>	<u>\$ 106,239</u>	<u>\$ 9,695</u>

*Excludes restricted revenue

Motor License Fund

Summary by Department

	(Dollar Amounts in Thousands)		
	1994-95 Actual	1995-96 Available	1996-97 Budget
Executive Offices			
General Government			
Office of the Budget—Comptroller Operations	\$ 3,845	\$ 4,148	\$ 4,107
TOTAL STATE FUNDS	<u>\$ 3,845</u>	<u>\$ 4,148</u>	<u>\$ 4,107</u>
Augmentations	\$ 709	\$ 833	\$ 825
DEPARTMENT TOTAL	<u>\$ 4,554</u>	<u>\$ 4,981</u>	<u>\$ 4,932</u>
Treasury Department			
General Government			
Replacement Checks	\$ 269	\$ 240	\$ 300
Refunding Liquid Fuel Tax—Agricultural Use	1,963	3,200	3,200
Administration of Refunding Liquid Fuel Tax	360	346	346
Refunding Liquid Fuel Tax	275	400	400
Refunding Emergency Liquid Fuel Tax .....	.....	1	1
Refunding Liquid Fuel Tax—Political Subdivision Use	1,375	2,100	2,300
Refunding Liquid Fuel Tax—Volunteer Fire Companies, Ambulance Services and Rescue Squads	63	150	300
Refunding Marine Liquid Fuel Tax—Boat Fund	1,991	2,200	2,200
Subtotal	<u>\$ 6,296</u>	<u>\$ 8,637</u>	<u>\$ 9,047</u>
Debt Service Requirements			
Capital Debt—Transportation Projects	\$ 177,462	\$ 150,109	\$ 118,075
General Obligation Debt Service	1,674	1,399	1,367
Advance Construction Interstate—Interest Payments	1,776	.....	.....
Loan and Transfer Agent	125	135	135
Subtotal	<u>\$ 181,037</u>	<u>\$ 151,643</u>	<u>\$ 119,577</u>
TOTAL STATE FUNDS	<u>\$ 187,333</u>	<u>\$ 160,280</u>	<u>\$ 128,624</u>
Restricted Revenue	\$ 79,836	\$ 31,308	\$ 30,596
DEPARTMENT TOTAL	<u>\$ 267,169</u>	<u>\$ 191,588</u>	<u>\$ 159,220</u>
Department of Education			
Grants and Subsidies			
Safe Driving Course	\$ 1,283	\$ 1,498	\$ 1,500
DEPARTMENT TOTAL	<u>\$ 1,283</u>	<u>\$ 1,498</u>	<u>\$ 1,500</u>

Motor License Fund

Summary by Department (continued)

	(Dollar Amounts in Thousands)		
	1994-95 Actual	1995-96 Available	1996-97 Budget
Department of Conservation and Natural Resources			
Restricted Revenue	\$ 2,692	\$ 4,587	\$ 8,106
DEPARTMENT TOTAL	<u>\$ 2,692</u>	<u>\$ 4,587</u>	<u>\$ 8,106</u>
Department of General Services			
Grants and Subsidies			
Tort Claims Payments	\$ 27,000	\$ 27,000	\$ 27,000
Harristown Rental Charges	82	95	93
Harristown Utility and Municipal Charges	130	140	160
DEPARTMENT TOTAL	<u>\$ 27,212</u>	<u>\$ 27,235</u>	<u>\$ 27,253</u>
Department of Revenue			
General Government			
Collection—Liquid Fuels Tax	\$ 8,602	\$ 9,042	\$ 9,511
Refunding Liquid Fuels Tax	11,300	12,500	12,500
TOTAL STATE FUNDS	<u>\$ 19,902</u>	<u>\$ 21,542</u>	<u>\$ 22,011</u>
Augmentations	\$ 140	\$ 127	\$ 127
DEPARTMENT TOTAL	<u>\$ 20,042</u>	<u>\$ 21,669</u>	<u>\$ 22,138</u>
State Police			
General Government			
General Government Operations	\$ 220,749	\$ 238,671	\$ 241,707
Municipal Police Training	3,496	4,014	4,002
Patrol Vehicles	4,100	4,765	5,893
Computer Upgrade .....	.....	4,500	.....
DEPARTMENT TOTAL	<u>\$ 228,345</u>	<u>\$ 251,950</u>	<u>\$ 251,602</u>
Department of Transportation			
General Government			
General Government Operations	\$ 26,882	\$ 27,857	\$ 27,619
Refunding Collected Monies	2,498	2,750	2,750
Relocation of Transportation and Safety Operations .....	.....	14,814	15,720
Highway and Safety Improvement	171,400	145,000	143,301
Metric Conversion	3,780	7,600	3,400
Highway Maintenance	564,617	622,724	621,022
Highway Maintenance—Supplemental	24,596	5,007	5,007
Highway Maintenance Resurfacing .....	.....	.....	61,000
Reinvestment—Facilities	5,984	6,000	8,500
Secondary Roads—Maintenance and Resurfacing	56,305	58,618	57,760
Safety Administration and Licensing	78,397	79,939	88,882
Subtotal	<u>\$ 934,459</u>	<u>\$ 970,309</u>	<u>\$ 1,034,961</u>

Motor License Fund

Summary by Department (continued)

	(Dollar Amounts in Thousands)		
	1994-95 Actual	1995-96 Available	1996-97 Budget
Department of Transportation (continued)			
Grants and Subsidies			
Local Road Maintenance and Construction Payments	\$ 164,332	\$ 167,506	\$ 171,989
Supplemental Local Road Maintenance and Construction Payments	5,000	5,000	5,000
Subtotal	<u>\$ 169,332</u>	<u>\$ 172,506</u>	<u>\$ 176,989</u>
TOTAL STATE FUNDS	<u>\$ 1,103,791</u>	<u>\$ 1,142,815</u>	<u>\$ 1,211,950</u>
Federal Funds	\$ 800,853	\$ 895,085	\$ 845,158
Augmentations	31,423	40,253	39,628
Restricted Revenue	315,577	441,705	440,195
DEPARTMENT TOTAL	<u>\$ 2,251,644</u>	<u>\$ 2,519,858</u>	<u>\$ 2,536,931</u>
Fund Summary			
State Funds—Transportation	\$ 1,103,791	\$ 1,142,815	\$ 1,211,950
State Funds—Other Departments	467,920	466,653	435,097
TOTAL STATE FUNDS	<u>\$ 1,571,711</u>	<u>\$ 1,609,468</u>	<u>\$ 1,647,047</u>
Motor License Fund Total—All Funds			
State Funds	\$ 1,571,711	\$ 1,609,468	\$ 1,647,047
Federal Funds	800,853	895,085	845,158
Augmentations	32,272	41,213	40,580
Restricted Revenue	398,105	477,600	479,199
FUND TOTAL	<u>\$ 2,802,941</u>	<u>\$ 3,023,366</u>	<u>\$ 3,011,984</u>

Motor License Fund

REVENUE SUMMARY

Five Year Revenue Projections

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Estimated	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
Liquid Fuels Taxes	\$ 982,556	\$ 980,494	\$ 973,903	\$ 982,874	\$ 988,862	\$ 994,890	\$ 1,000,959
Motor Licenses and Fees	505,716	497,500	491,200	494,000	497,100	499,700	501,800
Other Motor License Fund Revenues	71,351	84,400	84,600	86,000	86,500	86,500	86,500
TOTAL MOTOR LICENSE FUND REVENUES	\$ 1,559,623	\$ 1,562,394	\$ 1,549,703	\$ 1,562,874	\$ 1,572,462	\$ 1,581,090	\$ 1,589,259
Aviation Restricted Revenues	\$ 18,678	\$ 18,640	\$ 18,640	\$ 18,940	\$ 19,230	\$ 19,430	\$ 19,430
Highway Bridge Improvement Restricted Revenues	\$ 75,410	\$ 72,745	\$ 69,949	\$ 70,975	\$ 71,634	\$ 72,399	\$ 72,969
State Highway Transfer Restricted Revenues	\$ 15,716	\$ 15,827	\$ 15,732	\$ 15,873	\$ 15,968	\$ 16,064	\$ 16,161
Oil Company Franchise Tax Restricted Account Revenues	\$ 287,874	\$ 290,158	\$ 288,420	\$ 291,010	\$ 292,754	\$ 294,510	\$ 296,277

Adjustments to 1995-96 Revenue Estimate

On June 30, 1995, an official estimate for 1995-96 of \$1,564,461,000 was certified. The revised estimate detailed below reflects actual revenue collections through the first six months of the fiscal year and expected collections for the balance of the fiscal year.

(Dollar Amounts in Thousands)

	1995-96 Official Estimate	Adjustments	1995-96 Revised Estimate
Liquid Fuels Taxes	\$ 989,361	\$ -8,867	\$ 980,494
Motor Licenses and Fees	497,200	300	497,500
Other Motor License Fund Revenues	77,900	6,500	84,400
TOTAL	\$ 1,564,461	\$ -2,067	\$ 1,562,394

Motor License Fund

Revenue Sources

Liquid Fuels Taxes			
	Actual	(Dollar Amounts in Thousands)	Estimated
1989-90	\$ 928,189		1995-96..... \$ 980,494
1990-91	926,026		1996-97..... 973,903
1991-92	925,019		1997-98..... 982,874
1992-93	985,955		1998-99..... 988,862
1993-94	954,002		1999-00..... 994,890
1994-95	982,556		2000-01..... 1,000,959

Tax Base and Rates:

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

Fuel Use. The Fuel Use Tax is based on the number of gallons of fuel used in the Commonwealth by dealer-users. It applies to diesel fuel and any fuel not taxed under the Liquid Fuels Tax Act. 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 - Motorbus 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; an oil company franchise tax element based upon 115 mills of the average wholesale price; and a six cent per gallon surtax levied by Act 56 of 1987. The surtax, effective July 1, 1987, is periodically transferred to the restricted Highway Bridge Improvement Account within the Motor License Fund. Credit is given for liquid fuels, fuel use and oil company franchise taxes paid at the pump or directly remitted.

The Motorbus Road Tax is imposed on the amount of motor fuel used by bus companies in their operations on highways within the Commonwealth. The tax includes the liquid fuels tax rate of twelve cents per gallon and an oil company franchise tax element based upon 115 mills of the average wholesale price of motor fuels.

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

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

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

Oil Company Franchise Tax. This tax is an excise tax on 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 115 mills of the average wholesale price of motor fuels used for motor vehicles in the Commonwealth became effective September 1, 1991. Previously, the tax rate was 60 mills of the wholesale price. Three mills of the current tax rate is dedicated to funding for the local highway turnback program, and fifty-five mills of the current tax rate is distributed to various restricted accounts. These dedicated and restricted taxes are not included in the above estimates.

Motor License Fund

Revenue Sources (continued)

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 in-state by one distributor to another when the 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 vehicles' fuel supply tanks (applicable to fuel use tax only) and fuels used for certain agricultural purposes are not taxable.

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

Motor Licenses and Fees

Actual	(Dollar Amounts in Thousands)	Estimated	
1989-90	\$ 455,961	1995-96	\$ 497,500
1990-91	459,321	1996-97	491,200
1991-92	467,094	1997-98	494,000
1992-93	471,953	1998-99	497,100
1993-94	476,426	1999-00	499,700
1994-95	505,716	2000-01	501,800

The Commonwealth receives revenue from the collection of fees levied for the registration and titling of motor vehicles and for the issuance of learners' permits, operators' licenses, certificates of title and transfers of registration.

Other Motor License Fund Revenues

Actual	(Dollar Amounts in Thousands)	Estimated	
1989-90	\$ 99,551	1995-96	\$ 84,400
1990-91	87,793	1996-97	84,600
1991-92	74,580	1997-98	86,000
1992-93	66,670	1998-99	86,500
1993-94	72,305	1999-00	86,500
1994-95	71,351	2000-01	86,500

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 Federal reimbursement of advance construction interstate (ACI) payments financed initially with State funds, and advance construction interstate interest reimbursements and interest earnings.

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

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, state highway turnback programs and the Oil Company Franchise Tax restricted account are not included in the amounts.

	(Dollar Amounts in Thousands)		
	1994-95 Actual	1995-96 Estimated	1996-97 Budget
LIQUID FUELS TAXES			
Liquid Fuels Tax			
Liquid Fuels Tax	\$ 535,485	\$ 535,486	\$ 532,807
Liquid Fuels Tax Interest	87	87	87
Liquid Fuels Tax Penalties	230	230	229
Subtotal	\$ 535,802	\$ 535,803	\$ 533,123
Fuel Use Tax			
Fuel Use Tax	\$ 129,878	\$ 131,826	\$ 130,508
Fuel Use Tax Interest	139	141	140
Fuel Use Tax Penalties	467	474	469
Subtotal	\$ 130,484	\$ 132,441	\$ 131,117
Motor Carriers Road Tax - Motorbus Road Tax			
Motor Carriers Road/Motorbus Road - Fuels Tax	\$ 11,422	\$ 7,786	\$ 7,257
Motor Carriers Road/Motorbus Road - Registration Fees, Special Permit Fees and Fines	5,505	3,753	3,498
Subtotal	\$ 16,927	\$ 11,539	\$ 10,755
Interstate Bus Compact Fuels Tax Penalties & Interest	\$ -2	\$ 2	\$
Oil Company Franchise Tax	\$ 299,345	\$ 300,709	\$ 298,908
TOTAL LIQUID FUELS TAXES	\$ 982,556	\$ 980,494	\$ 973,903
MOTOR LICENSES AND FEES			
Operators' Licenses	\$ 50,952	\$ 51,500	\$ 49,500
Other Fees Collected by Bureau of Motor Vehicles	19,054	18,500	18,000
Registration Fees Received From Other States/IRP	28,970	28,000	27,500
Special Hauling Permit Fees	10,509	9,500	9,200
Vehicle Registration and Titling	396,231	390,000	387,000
TOTAL MOTOR LICENSES AND FEES	\$ 505,716	\$ 497,500	\$ 491,200

Motor License Fund

Revenue Detail (continued)

	(Dollar Amounts in Thousands)		
	1994-95 Actual	1995-96 Estimate	1996-97 Budget
OTHER MOTOR LICENSE FUND REVENUES			
Gross Receipts Tax	\$ 1,059	\$ 1,100	\$ 1,100
Fines and Penalties			
Department of Revenue			
Vehicle Code Fines	\$ 17,192	\$ 25,927	\$ 27,313
Department of Transportation			
Vehicle Code Fines	3,894	5,873	6,187
Subtotal	<u>\$ 21,086</u>	<u>\$ 31,800</u>	<u>\$ 33,500</u>
Miscellaneous Revenues			
Treasury Department			
Interest on Deposits - Cash Advancement Accounts	\$ 48	\$ 64	\$ 62
Interest on Securities	19,492	26,092	25,126
Interest on Securities - Liquid Fuels Tax Fund	483	647	623
Redeposit of Checks	147	197	189
Subtotal	<u>\$ 20,170</u>	<u>\$ 27,000</u>	<u>\$ 26,000</u>
Department of General Services			
Sale of Unserviceable Property	\$ 539	\$ 500	\$ 500
Department of Transportation			
Advance Construction Interstate Interest			
Reimbursement	\$ 5,102	.....	.....
Fees for Reclaiming Abandoned Vehicles	28	\$ 29	\$ 28
Highway Bridge Income	90	92	90
Highway Encroachment Permits	1,397	1,433	1,403
Sale of Abandoned Vehicles	4	4	4
Sale of Bid Proposals and Contract Specifications	644	661	647
Sale of Inspection Stickers	19,843	20,356	19,932
Sale of Maps and Plans	429	440	431
Miscellaneous Revenues	387	397	389
Refunds of Expenditures Not Credited to			
Appropriations or Allocations	573	588	576
Subtotal	<u>\$ 28,497</u>	<u>\$ 24,000</u>	<u>\$ 23,500</u>
TOTAL OTHER MOTOR LICENSE FUND REVENUES	<u>\$ 71,351</u>	<u>\$ 84,400</u>	<u>\$ 84,600</u>
TOTAL MOTOR LICENSE FUND REVENUES	<u>\$ 1,559,623</u>	<u>\$ 1,562,394</u>	<u>\$ 1,549,703</u>

Motor License Fund

Restricted Revenues Not Included in Department Total

Aviation Revenues			
Actual	(Dollar Amounts in Thousands)		Estimated
1989-90	\$ 14,823	1995-96	\$ 18,640
1990-91	17,478	1996-97	18,640
1991-92	17,469	1997-98	18,940
1992-93	17,230	1998-99	19,230
1993-94	19,696	1999-00	19,430
1994-95	18,678	2000-01	19,430

Aviation revenue includes taxes levied on aviation gasoline and jet fuel, and income earned at State-owned airports. Both tax rates are annually adjusted based on the change in the jet fuel price index. In accordance with Act 164 of 1984, the aviation gasoline rate is not to exceed 6.0 cents per gallon nor be less than 3.0 cents per gallon. The jet fuel tax is not to exceed 2.0 cents per gallon nor be less than 1.5 cents per gallon. The tax rate as of January 1, 1996, is 3.5 cents per gallon on aviation gasoline and 1.7 cents per gallon on jet fuel. Airport income consists primarily of rents, concessions, utility refunds and landing fees. Aviation restricted revenues are not included in Motor License Fund revenue totals.

	1994-95 Actual	1995-96 Estimated	1996-97 Budget
AVIATION REVENUES			
Aviation Liquid Fuels Tax	\$ 9,595	\$ 9,340	\$ 9,140
Harrisburg International Airport Industrial Park	490	530	530
Harrisburg International Airport Operations	8,415	8,600	8,800
State Airport Operations	178	170	170
TOTAL AVIATION REVENUES	<u>\$ 18,678</u>	<u>\$ 18,640</u>	<u>\$ 18,640</u>

Highway Bridge Improvement Revenues

Actual	(Dollar Amounts in Thousands)		Estimated
1989-90	\$ 71,106	1995-96	\$ 72,745
1990-91	68,201	1996-97	69,949
1991-92	35,498 ^a	1997-98	70,975
1992-93	38,924 ^a	1998-99	71,634
1993-94	69,781	1999-00	72,399
1994-95	75,410	2000-01	72,969

Highway bridge improvement revenues enacted by Act 56 of 1987 include 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.

	1994-95 Actual	1995-96 Estimated	1996-97 Budget
HIGHWAY BRIDGE IMPROVEMENT REVENUES			
Motor Carrier Surcharge	\$ 56,711	\$ 55,045	\$ 52,749
Registration Fee Portion-			
PA-Based Motor Vehicles	17,308	17,000	17,000
Temporary Permit Fees	1,391	700	200
TOTAL HIGHWAY BRIDGE IMPROVEMENT REVENUES	<u>\$ 75,410</u>	<u>\$ 72,745</u>	<u>\$ 69,949</u>

^a The Motor Carrier Surcharge amounts are net of \$32 million of Axle Tax refunds in 1991-92 and \$30.4 million in 1992-93.

Motor License Fund

Restricted Revenues Not Included in Department Total (continued)

State Highway Transfer Revenues

Actual	(Dollar Amounts in Thousands)	Estimated	
1989-90	\$ 15,061	1995-96	\$ 15,827
1990-91	15,231	1996-97	15,732
1991-92	14,903	1997-98	15,873
1992-93	16,369	1998-99	15,968
1993-94	15,438	1999-00	16,064
1994-95	15,716	2000-01	16,161

State highway transfer restricted revenues are provided by three mills of the Oil Company Franchise Tax. Act 32 of 1983 established a local highway turnback program funded by a restricted revenue account within the Motor License Fund.

Oil Company Franchise Tax Restricted Account Revenues

Actual	(Dollar Amounts in Thousands)	Estimated	
1989-90 .....	.....	1995-96	\$ 290,158
1990-91 .....	.....	1996-97	288,420
1991-92	\$ 176,918	1997-98	291,010
1992-93	288,863	1998-99	292,754
1993-94	280,361	1999-00	294,510
1994-95	287,874	2000-01	296,277

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



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

GOVERNOR'S EXECUTIVE BUDGET

Banking Department Fund

Financial Statement

	(Dollar Amounts in Thousands)		
	1994-95 Actual	1995-96 Available	1996-97 Estimated
Beginning Balance	\$ - 2,041	\$ 2,313	\$ 2,405
Receipts:			
Revenue Estimate	\$ 10,830	\$ 10,586	\$ 9,600
Prior Year Lapses	55	53	....
Total Receipts	<u>10,885</u>	<u>10,639</u>	<u>9,600</u>
Funds Available	\$ 12,926	\$ 12,952	\$ 12,005
Expenditures:			
Appropriated	\$ 10,613	\$ 10,547	\$ 9,187
Estimated Expenditures	<u>-10,613</u>	<u>-10,547</u>	<u>-9,187</u>
Ending Balance	<u>\$ 2,313</u>	<u>\$ 2,405</u>	<u>\$ 2,818</u>

Summary by Department

	(Dollar Amounts in Thousands)		
	1994-95 Actual	1995-96 Estimated	1996-97 Budget
Treasury Department			
General Government			
Replacement Checks .....	....	\$ 5	\$ 5
Banking Department			
General Government			
General Operations	\$ 10,260	\$ 10,191	\$ 8,868
DEPARTMENT TOTAL	<u>\$ 10,260</u>	<u>\$ 10,191</u>	<u>\$ 8,868</u>
Department of General Services			
General Government			
Harristown Rental Charges	\$ 162	\$ 159	\$ 139
Harristown Utility and Municipal Charges	191	192	175
DEPARTMENT TOTAL	<u>\$ 353</u>	<u>\$ 351</u>	<u>\$ 314</u>
FUND TOTAL	<u>\$ 10,613</u>	<u>\$ 10,547</u>	<u>\$ 9,187</u>

Banking Department Fund

REVENUE SUMMARY

(Dollar Amounts in Thousands)

Five Year Revenue Projections

	(Dollar Amounts in Thousands)						
	1994-95 Actual	1995-96 Estimated	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
Licenses and Fees	\$ 10,546	\$ 10,450	\$ 9,354	\$ 9,592	\$ 9,800	\$ 10,072	\$ 10,350
Fines and Penalties	63	55	39	46	48	48	48
Miscellaneous	221	81	207	213	220	226	233
TOTAL BANKING DEPARTMENT FUND RECEIPTS	\$ 10,830	\$ 10,586	\$ 9,600	\$ 9,851	\$ 10,068	\$ 10,346	\$ 10,631

Revenue Sources

Licenses and Fees			
Actual		Estimated	
1989-90	\$ 7,497	1995-96	\$ 10,450
1990-91	8,566	1996-97	9,354
1991-92	9,058	1997-98	9,592
1992-93	10,440	1998-99	9,800
1993-94	12,382	1999-00	10,072
1994-95	10,546	2000-01	10,350

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 assessment 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 paid by pawnbrokers, consumer discount companies, small loan companies, installment sellers, sales finance companies, collector-repossessors, money transmitters and miscellaneous fees including those for branch banks and mergers. Since 1989-90, fees include the impact of Act 90 of 1989, the Mortgage Bankers and Brokers Act.

Fines and Penalties			
Actual		Estimated	
1989-90 .....	.....	1995-96	\$ 55
1990-91 .....	.....	1996-97	39
1991-92	\$ 14	1997-98	46
1992-93	40	1998-99	48
1993-94	101	1999-00	48
1994-95	63	2000-01	48

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

Miscellaneous Revenues			
Actual		Estimated	
1989-90	\$ 427	1995-96	\$ 81
1990-91	389	1996-97	207
1991-92	162	1997-98	213
1992-93	79	1998-99	220
1993-94	79	1999-00	226
1994-95	221	2000-01	233

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)		
	1994-95 Actual	1995-96 Estimate	1996-97 Budget
Licenses and Fees			
Banking—Examinations	\$ 15	....	....
Banking—Overhead Assessments	5	....	....
Banking—Application Fees	116	\$ 64	\$ 77
Banking—Publications	1	1	5
Banking—Foreign Bank Application Fees	4	....	2
Banking—Interstate Application Fees	22	15	....
Banking—Intrastate Application Fees	2	5	25
Savings Associations—Examinations	598	500	475
Savings Associations—Overhead Assessments	121	110	98
Savings Associations—Application Fees	12	8	12
Savings Associations—Interstate Application Fees	5	5	10
Consumer Credit—Examinations	262	180	216
Consumer Credit—Overhead Assessments	286	290	276
Consumer Credit—Pawnbroker Licenses	30	27	24
Consumer Credit—Installment Seller Licenses	851	883	888
Consumer Credit—Consumer Discount Company Licenses	253	245	240
Consumer Credit—Money Transmitter Licenses	38	40	40
Consumer Credit—Sales Finance Licenses	289	338	288
Consumer Credit—Collector-Repossessor Licenses	30	31	28
Consumer Credit—Second Mortgage Licenses	435	448	377
Secondary Mortgage Broker Licenses .....	....	100	105
Examinations—Credit Union	367	305	320
Examinations—Pawnbrokers	13	15	16
Examinations—Second Mortgage	70	55	73
Examinations—First Mortgage	1	5	4
Examinations—Trust Companies	153	73	196
Examinations—Money Transmitters .....	....	3	6
Overhead Assessments—Trust Companies	73	148	159
Total Assessment Charges—Banks	6,111	6,100	5,024
First Mortgage Company—Licenses	338	411	342
Mutual Holding Companies—Reorganization Application Fees	12	30	20
Banking Receiverships	8	....	....
Miscellaneous	25	15	8
TOTAL	\$ 10,546	\$ 10,450	\$ 9,354
Fines and Penalties			
Banking Law—Fines and Penalties	\$ 63	\$ 55	\$ 39
TOTAL	\$ 63	\$ 55	\$ 39
Miscellaneous Revenues			
Interest on Securities	\$ 220	\$ 80	\$ 206
Interest on Deposits	3	1	1
Miscellaneous	-2	....	....
TOTAL	\$ 221	\$ 81	\$ 207
TOTAL REVENUES	\$ 10,830	\$ 10,586	\$ 9,600



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.

GOVERNOR'S EXECUTIVE BUDGET

Boat Fund

Financial Statement

	(Dollar Amounts in Thousands)		
	1994-95 Actual	1995-96 Available	1996-97 Estimated
Beginning Balance	\$ 5,915	\$ 7,484	\$ 7,533
Receipts:			
Revenue Estimate	\$ 8,485	\$ 8,103	\$ 8,241
Prior Year Lapses*	660	390	.....
Total Receipts	9,145	8,493	8,241
Funds Available	\$ 15,060	\$ 15,977	\$ 15,774
Expenditures:			
Appropriated	\$ 7,576	\$ 8,444	\$ 8,158
Estimated Expenditures	-7,576	-8,444	-8,158
Ending Balance	\$ 7,484	\$ 7,533	\$ 7,616

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

Summary by Department

	(Dollar Amounts in Thousands)		
	1994-95 Actual	1995-96 Estimate	1996-97 Budget
Treasury Department			
General Government			
Replacement Checks .....	.....	\$ 5	\$ 5
DEPARTMENT TOTAL .....	.....	\$ 5	\$ 5
Fish and Boat Commission			
General Government			
General Operations	\$ 6,486	\$ 6,994	\$ 7,670
TOTAL STATE FUNDS	\$ 6,486	\$ 6,999	\$ 7,675
Federal Funds	\$ 1,077	\$ 1,430	\$ 468
Other Funds	13	15	15
FUND TOTAL	\$ 7,576	\$ 8,444	\$ 8,158

REVENUE SUMMARY

(Dollar Amounts in Thousands)

Five Year Revenue Projections

	(Dollar Amounts in Thousands)						
	1994-95 Actual	1995-96 Estimated	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
Licenses and Fees	\$ 4,583	\$ 3,943	\$ 4,815	\$ 4,331	\$ 4,958	\$ 4,465	\$ 5,108
Fines and Penalties	133	150	140	140	140	140	140
Miscellaneous	2,679	2,565	2,803	2,936	3,071	3,205	3,338
TOTAL BOAT FUND REVENUES ...	\$ 7,395	\$ 6,658	\$ 7,758	\$ 7,407	\$ 8,169	\$ 7,810	\$ 8,586
Augmentations	\$ 1,090	\$ 1,445	\$ 483	\$ 455	\$ 465	\$ 470	\$ 475
TOTAL BOAT FUND RECEIPTS	\$ 8,485	\$ 8,103	\$ 8,241	\$ 7,862	\$ 8,634	\$ 8,280	\$ 9,061

Revenue Sources

Licenses and Fees

Actual	Estimated
1989-90	\$ 3,943
1990-91	4,815
1991-92	4,331
1992-93	4,958
1993-94	4,465
1994-95	5,108

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

Fines and Penalties

Actual	Estimated
1989-90	\$ 150
1990-91	140
1991-92	140
1992-93	140
1993-94	140
1994-95	140

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

Miscellaneous Revenues

Actual	Estimated
1989-90	\$ 2,565
1990-91	2,803
1991-92	2,936
1992-93	3,071
1993-94	3,205
1994-95	3,338

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

	(Dollar Amounts in Thousands)		
	1994-95 Actual	1995-96 Estimate	1996-97 Budget
Licenses and Fees			
Motor Boat Registration Fees	\$ 4,554	\$ 3,893	\$ 4,774
Boat Mooring Permits—Walnut Creek Access	17	30	28
Boating Safety Curriculum Fees	3	5	3
Boat Capacity Plate Fees	9	15	10
TOTAL	<u>\$ 4,583</u>	<u>\$ 3,943</u>	<u>\$ 4,815</u>
Fines and Penalties			
Motor Boat Fines	\$ 133	\$ 150	\$ 140
TOTAL	<u>\$ 133</u>	<u>\$ 150</u>	<u>\$ 140</u>
Miscellaneous Revenues			
Transfer from Motor License and Liquid Fuels Tax Funds	\$ 2,096	\$ 2,040	\$ 2,200
Miscellaneous	19	20	20
Interest on Securities	362	300	375
Sale of Unserviceable Property .....	....	10	3
Sales Tax Agent Fee PFC Share	47	40	41
Sale of <i>Boat Pennsylvania</i>	19	25	20
North East Marina	136	130	144
TOTAL	<u>\$ 2,679</u>	<u>\$ 2,565</u>	<u>\$ 2,803</u>
TOTAL REVENUES	<u>\$ 7,395</u>	<u>\$ 6,658</u>	<u>\$ 7,758</u>
Augmentations			
Sale of Automobiles	\$ 13	\$ 15	\$ 15
U.S. Coast Guard Grant for Boating Safety	771	695	175
Federal Reimbursement—Coastal Zone Management .....	....	25	....
Sport Fish Restoration	306	514	260
Clean Vessel Act .....	....	196	33
TOTAL	<u>\$ 1,090</u>	<u>\$ 1,445</u>	<u>\$ 483</u>
TOTAL RECEIPTS	<u>\$ 8,485</u>	<u>\$ 8,103</u>	<u>\$ 8,241</u>



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.

GOVERNOR'S EXECUTIVE BUDGET

Farm Products Show Fund

Financial Statement

	(Dollar Amounts in Thousands)		
	1994-95 Actual	1995-96 Available	1996-97 Estimated
Beginning Balance	\$ 726	\$ 1,060	\$ 923
Receipts:			
Revenue Estimate	\$ 3,496	\$ 3,489	\$ 3,632
Transfer from General Fund	700	800	800
Prior Year Lapses	59	....	....
Total Receipts	<u>4,255</u>	<u>4,289</u>	<u>4,432</u>
Funds Available	<u>\$ 4,981</u>	<u>\$ 5,349</u>	<u>\$ 5,355</u>
Expenditures:			
Appropriated	\$ 3,949	\$ 4,426	\$ 5,114
Less Anticipated Lapses	<u>-28</u>	<u>....</u>	<u>....</u>
Estimated Expenditures	<u>-3,921</u>	<u>-4,426</u>	<u>-5,114</u>
Ending Balance	<u>\$ 1,060</u>	<u>\$ 923</u>	<u>\$ 241</u>

Summary by Department

	(Dollar Amounts in Thousands)		
	1994-95 Actual	1995-96 Estimated	1996-97 Budget
Department of Agriculture			
General Government			
General Operations	\$ 3,221	\$ 3,626	\$ 4,314
DEPARTMENT TOTAL	<u>\$ 3,221</u>	<u>\$ 3,626</u>	<u>\$ 4,314</u>
TOTAL STATE FUNDS	<u>\$ 3,221</u>	<u>\$ 3,626</u>	<u>\$ 4,314</u>
Augmentations	\$ 700	\$ 800	\$ 800
FUND TOTAL	<u>\$ 3,921</u>	<u>\$ 4,426</u>	<u>\$ 5,114</u>

Farm Products Show Fund

REVENUE SUMMARY

(Dollar Amounts in Thousands)

Five Year Revenue Projections

	(Dollar Amounts in Thousands)						
	1994-95 Actual	1995-96 Estimated	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
Fees	\$ 278	\$ 280	\$ 280	\$ 280	\$ 280	\$ 280	\$ 280
Miscellaneous	3,218	3,209	3,352	3,461	3,303	3,689	3,808
Total Farm Products Show Fund Revenues	\$ 3,496	\$ 3,489	\$ 3,632	\$ 3,741	\$ 3,583	\$ 3,969	\$ 4,088
Augmentations	\$ 700	\$ 800	\$ 800	\$ 800	\$ 800	\$ 800	\$ 800
TOTAL FARM PRODUCTS SHOW FUND RECEIPTS	\$ 4,196	\$ 4,289	\$ 4,432	\$ 4,541	\$ 4,383	\$ 4,769	\$ 4,888

Revenue Sources

Fees

Actual	Estimated
1989-90	\$ 265
1990-91	267
1991-92	263
1992-93	276
1993-94	274
1994-95	278
1995-96	\$ 280
1996-97	280
1997-98	280
1998-99	280
1999-00	280
2000-01	280

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

Miscellaneous Revenues

Actual	Estimated
1989-90	\$ 3,489
1990-91	2,424
1991-92	2,651
1992-93	2,830
1993-94	2,870
1994-95	3,218
1995-96	\$ 3,209
1996-97	3,352
1997-98	3,461
1998-99	3,303
1999-00	3,689
2000-01	3,808

Miscellaneous revenue is raised through the leasing of the State Farm Show Buildings for exhibitions, conventions or other purposes; collection of service charges, net proceeds and commissions from the sale of exhibits; sale of unserviceable property; collection of interest on securities and deposits; and fees from parking. Included in the 1989-90 revenue are the proceeds from the sale of the Woodville Farm as mandated by Act 64 of 1988.

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)		
	1994-95 Actual	1995-96 Estimated	1996-97 Budget
Licenses and Fees			
Exhibit Fees—Competitive—Farm Show	\$ 20	\$ 22	\$ 22
Exhibit—Commercial	258	258	258
TOTAL	\$ 278	\$ 280	\$ 280
Miscellaneous Revenue			
Concession Revenue	\$ 815	\$ 815	\$ 825
Service Charges	369	369	369
Rentals	1,413	1,413	1,534
Miscellaneous Revenue	120	111	111
Interest on Securities, Deposits, Returned Checks	49	49	49
Parking Fees	408	408	420
Salary Reimbursement—Dairy and Livestock Association ...	39	39	39
Sign Shop Sales	5	5	5
TOTAL	\$ 3,218	\$ 3,209	\$ 3,352
TOTAL REVENUES	\$ 3,496	\$ 3,489	\$ 3,632
Augmentations			
Transfer from General Fund	\$ 700	\$ 800	\$ 800
TOTAL RECEIPTS	\$ 4,196	\$ 4,289	\$ 4,432



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.

GOVERNOR'S EXECUTIVE BUDGET

Fish Fund

Financial Statement

	(Dollar Amounts in Thousands)		
	1994-95 Actual	1995-96 Available	1996-97 Estimated
Beginning Balance	\$ 8,785	\$ 8,205	\$ 10,626
Receipts:			
Miscellaneous	\$ 33,055	\$ 36,721	\$ 36,423
Prior Year Lapses	1,655	1,225	....
Total Receipts	<u>34,710</u>	<u>37,946</u>	<u>36,423</u>
Funds Available	\$ 43,495	\$ 46,151	\$ 47,049
Expenditures:			
Appropriated	\$ 35,290	\$ 35,525	\$ 34,588
Estimated Expenditures	<u>-35,290</u>	<u>-35,525</u>	<u>-34,588</u>
Ending Balance	<u>\$ 8,205</u>	<u>\$ 10,626</u>	<u>\$ 12,461</u>

Summary by Department

	(Dollar Amounts in Thousands)		
	1994-95 Actual	1995-96 Estimated	1996-97 Budget
Treasury Department			
General Government			
Replacement Checks .....	....	\$ 15	\$ 5
Debt Service Requirements			
General Operation Debt Service	\$ 24	\$ 4	\$ 1
DEPARTMENT TOTAL	<u>\$ 24</u>	<u>\$ 19</u>	<u>\$ 6</u>
Fish and Boat Commission			
General Government			
General Operations	\$ 21,877	\$ 21,079	\$ 21,007
TOTAL STATE FUNDS	<u>\$ 21,901</u>	<u>\$ 21,098</u>	<u>\$ 21,013</u>
Federal Funds	\$ 5,731	\$ 5,655	\$ 5,064
Other Funds	7,658	8,772	8,511
FUND TOTAL	<u>\$ 35,290</u>	<u>\$ 35,525</u>	<u>\$ 34,588</u>

REVENUE SUMMARY

(Dollar Amounts in Thousands)

Five Year Revenue Projections

	(Dollar Amounts in Thousands)						
	1994-95 Actual	1995-96 Estimated	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
Licenses and Fees	\$ 17,500	\$ 20,128	\$ 20,848	\$ 21,367	\$ 21,687	\$ 22,224	\$ 22,624
Fines and Penalties	282	310	300	300	300	300	300
Miscellaneous	1,884	1,856	1,700	1,725	1,760	1,785	1,785
Total Fish Fund Revenues	\$ 19,666	\$ 22,294	\$ 22,848	\$ 23,392	\$ 23,747	\$ 24,309	\$ 24,709
Augmentations	\$ 13,389	\$ 14,427	\$ 13,575	\$ 13,545	\$ 13,709	\$ 13,884	\$ 13,827
TOTAL FISH FUND RECEIPTS.....	\$ 33,055	\$ 36,721	\$ 36,423	\$ 36,937	\$ 37,456	\$ 38,193	\$ 38,536

Revenue Sources

Licenses and Fees

Actual	Estimated
1989-90	\$ 20,128
1990-91	20,848
1991-92	21,367
1992-93	21,687
1993-94	22,224
1994-95	22,624
1995-96	\$ 20,128
1996-97	20,848
1997-98	21,367
1998-99	21,687
1999-00	22,224
2000-01	22,624

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

Fines and Penalties

Actual	Estimated
1989-90	\$ 310
1990-91	300
1991-92	300
1992-93	300
1993-94	300
1994-95	282
1995-96	\$ 310
1996-97	300
1997-98	300
1998-99	300
1999-00	300
2000-01	300

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

Miscellaneous Revenues

Actual	Estimated
1989-90	\$ 1,856
1990-91	1,700
1991-92	1,725
1992-93	1,760
1993-94	1,785
1994-95	1,884
1995-96	\$ 1,856
1996-97	1,700
1997-98	1,725
1998-99	1,760
1999-00	1,785
2000-01	1,785

The Commonwealth receives contributions for restocking of streams principally from persons or businesses that pollute, dam or interfere with fish propagation and survival. Monies are received from the Commission publication, *The Pennsylvania Angler*, from the sale of unserviceable 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)		
	1994-95 Actual	1995-96 Estimated	1996-97 Budget
Licenses and Fees			
Resident Fishing Licenses	\$ 11,553	\$ 13,910	\$ 14,508
Resident Senior Fishing Licenses	41	70	76
Nonresident Fishing Licenses	1,661	2,073	2,166
Tourist Fishing Licenses—3 Day .....	....	9	100
Tourist Fishing Licenses—7 Day .....	....	19	205
Tourist Fishing Licenses	290	216	....
Lake Erie Licenses	3	4	4
Commercial Hatchery Licenses	8	9	9
Fishing Lake Licenses	23	24	24
Miscellaneous Permits and Fees	42	32	35
Scientific Collector's Permits	5	6	6
Lifetime Fishing Licenses—Senior Resident	144	227	241
Membership Fees—Pennsylvania League of Angling			
Youth	8	10	8
H.R. Stackhouse Facilities User Fees	2	2	2
Trout/Salmon Stamp	3,720	3,517	3,464
TOTAL	\$ 17,500	\$ 20,128	\$ 20,848
Fines and Penalties			
Fish Law Fines	\$ 282	\$ 310	\$ 300
TOTAL	\$ 282	\$ 310	\$ 300
Miscellaneous Revenue			
Sale of Publications	\$ 17	\$ 25	\$ 18
Sale of Unserviceable Property .....	....	10	5
Miscellaneous Revenue	50	45	45
Interest on Securities and Deposits	576	450	600
Rental of Fish and Boat Commission Property	26	50	35
Income from Sand and Gravel Dredging	412	270	290
In Lieu Payments for Fishways	75	75	25
Sale of <i>Pennsylvania Angler</i>	253	250	253
Van Dyke Shad Station—Reimbursements	79	100	....
Pollution and Stream Disturbance Settlements	376	525	380
Sale of Recreational Fishing Promotional Items	10	20	10
Royalty Payments	9	6	9
Contributions—Land and Water Acquisition	1	30	30
TOTAL	\$ 1,884	\$ 1,856	\$ 1,700
TOTAL REVENUES	\$ 19,666	\$ 22,294	\$ 22,848

Fish Fund

Revenue Detail (continued)

	(Dollar Amounts in Thousands)		
	1994-95 Actual	1995-96 Estimated	1996-97 Budget
Augmentations			
Sale of Automobiles and Other Vehicles	\$ 39	\$ 25	\$ 35
Reimbursement for Services—Boating Fund	7,576	8,439	8,153
Reimbursement for Services—Department of Transportation	42	50	50
Reimbursement for Services—Shad Restoration .....	....	90	250
Reimbursement for Services—DEP/EPA Projects .....	....	124	19
Reimbursement for Services—Wild Resource Conservation Fund .....	....	40	....
Environmental Assessment Damage Recoveries	1	4	4
Federal Reimbursement—Sport Fish Restoration	5,662	5,278	4,756
Federal Reimbursement—Mid-Atlantic Management Council	10	8	8
Federal Reimbursement—Clean Vessel Act .....	....	10	....
Federal Reimbursement—Endangered Species .....	....	13	....
Federal Reimbursement—Surface Mine Regulation .....	....	76	40
Federal Reimbursement—NOAA	59	270	260
TOTAL	\$ 13,389	\$ 14,427	\$ 13,575
TOTAL RECEIPTS	\$ 33,055	\$ 36,721	\$ 36,423



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.

GOVERNOR'S EXECUTIVE BUDGET

Game Fund

Financial Statement

	(Dollar Amounts in Thousands)		
	1994-95 Actual	1995-96 Available	1996-97 Estimated
Beginning Balance	\$ 39,948	\$ 36,565	\$ 30,343
Receipts:			
Revenue Estimate	\$ 51,653	\$ 51,707	\$ 49,023
Prior Year Lapses	2,158	900	....
Total Receipts	53,811	52,607	49,023
Funds Available	\$ 93,759	\$ 89,172	\$ 79,366
Expenditures:			
Appropriated	\$ 57,194	\$ 58,829	\$ 61,148
Estimated Expenditures	-57,194	-58,829	-61,148
Ending Balance	\$ 36,565	\$ 30,343	\$ 18,218

Summary by Department

	(Dollar Amounts in Thousands)		
	1994-95 Actual	1995-96 Estimate	1996-97 Budget
Treasury Department			
General Government			
Replacement Checks .....	....	\$ 5	\$ 5
Game Commission			
General Government			
General Operations	\$ 47,790	\$ 50,261	\$ 53,243
Land Acquisition and Development	1,211	1,800	500
DEPARTMENT TOTAL	\$ 49,001	\$ 52,061	\$ 53,743
TOTAL STATE FUNDS	\$ 49,001	\$ 52,066	\$ 53,748
Federal Funds	\$ 7,764	\$ 6,564	\$ 7,055
Other Funds	429	199	345
FUND TOTAL	\$ 57,194	\$ 58,829	\$ 61,148

Game Fund

REVENUE SUMMARY

(Dollar Amounts in Thousands)

Five Year Revenue Projections

	(Dollar Amounts in Thousands)						
	1994-95 Actual	1995-96 Estimated	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
Licenses and Fees	\$ 25,363	\$ 26,337	\$ 24,777	\$ 24,777	\$ 24,777	\$ 24,777	\$ 24,777
Fines and Penalties	1,323	1,600	1,500	1,500	1,500	1,500	1,500
Miscellaneous	16,774	17,007	15,346	15,346	15,346	15,346	15,346
TOTAL GAME FUND REVENUES ..	\$ 43,460	\$ 44,944	\$ 41,623	\$ 41,623	\$ 41,623	\$ 41,623	\$ 41,623
Augmentations	\$ 8,193	\$ 6,763	\$ 7,400	\$ 7,400	\$ 7,400	\$ 7,400	\$ 7,400
TOTAL GAME FUND RECEIPTS ...	\$ 51,653	\$ 51,707	\$ 49,023	\$ 49,023	\$ 49,023	\$ 49,023	\$ 49,023

Revenue Sources

Licenses and Fees

Actual	Estimated
1989-90	\$ 25,274
1990-91	26,047
1991-92	26,246
1992-93	25,646
1993-94	25,388
1994-95	25,363
1995-96	\$ 26,337
1996-97	24,777
1997-98	24,777
1998-99	24,777
1999-00	24,777
2000-01	24,777

The current fees for licenses became effective September 1985. For resident hunting and resident furtaker licenses, the fees are: ages 17 to 64, \$12.00; over age 65, \$10.00; ages 12 to 16, \$5.00. A resident senior lifetime hunting license is \$50.00. For nonresidents of the Commonwealth, hunting and furtaker licenses are: over age 17, \$80.00; ages 12 to 16, \$40.00. In addition, a license for a nonresident to hunt bear is \$25.00. Archery, muzzleloader and antlerless deer licenses are \$5.00. Nonresidents may also buy a special three-day license to hunt on a regulated shooting ground for \$3.00; a five-day license to hunt small game costs \$15.00.

Fines and Penalties

Actual	Estimated
1989-90	\$ 1,101
1990-91	2,439
1991-92	1,685
1992-93	1,809
1993-94	1,581
1994-95	1,323
1995-96	\$ 1,600
1996-97	1,500
1997-98	1,500
1998-99	1,500
1999-00	1,500
2000-01	1,500

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

Game Fund

Revenue Sources (continued)

Miscellaneous Revenue			
	Actual		Estimated
1989-90	\$ 14,924	1995-96	\$ 17,007
1990-91	13,647	1996-97	15,346
1991-92	14,729	1997-98	15,346
1992-93	16,785	1998-99	15,346
1993-94	16,155	1999-00	15,346
1994-95	16,774	2000-01	15,346

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

Revenue Detail

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

	(Dollar Amounts in Thousands)		
	1994-95 Actual	1995-96 Estimate	1996-97 Budget
Licenses and Fees			
Resident Hunting Licenses	\$ 10,426	\$ 10,975	\$ 10,500
Resident Junior Hunting Licenses	541	540	540
Nonresident Hunting Licenses	5,585	5,800	5,600
Special Game Permits	250	260	225
Special Antlerless Deer Licenses	3,896	4,000	3,280
Special Archery Licenses	1,626	1,700	1,600
Landowner Hunting Licenses	6	7	6
Resident Senior Hunting Licenses	628	630	625
Muzzle-loading Hunting Licenses	386	400	400
Right-of-Way Licenses	360	360	360
Resident Bear Licenses	942	950	940
Nonresident Bear Licenses	44	45	45
Hunting License Issuing Agents' Application Fees	66	65	65
Nonresident Junior Hunting License	99	100	95
Nonresident 5-Day Hunting License	74	74	74
Senior Resident—Lifetime Hunting License	166	165	165
Adult Resident Furtaker License	221	220	211
Junior Resident Furtaker License	12	12	12
Senior Resident Furtaker License	13	13	13
Nonresident Furtaker License	19	18	18
Senior Lifetime Furtaker License	3	3	3
TOTAL	\$ 25,363	\$ 26,337	\$ 24,777
Fines and Penalties			
Game Law Fines	\$ 1,323	\$ 1,600	\$ 1,500
TOTAL	\$ 1,323	\$ 1,600	\$ 1,500

Game Fund

Revenue Detail (continued)

	(Dollar Amounts in Thousands)		
	1994-95 Actual	1995-96 Estimate	1996-97 Budget
Miscellaneous Revenue			
Sports Promotional Publications and Materials	\$ 8	\$ 10	\$ 10
Sale of Coal	361	350	350
Sale of Wood Products	11,608	11,500	10,500
Interest on Deposits	23	20	18
Sale of Skins and Guns	38	35	25
Rental of State Property	10	11	15
Miscellaneous Revenue	169	585	121
Interest on Securities	2,457	2,400	2,300
Gas and Oil Ground Rentals and Royalties	335	330	330
Refund of Expenditures Not Credited to Appropriations	11	5	5
Sale of Nonusable Property	25	20	20
Miscellaneous Revenue License Division	17	16	16
Sale of Game News	687	690	698
Sale of Stone, Sand, Gravel and Limestone	12	10	10
Sale of Grain and Hay	47	25	25
Sale of Maps	22	25	23
Wildlife Management Promotional Revenue	111	175	150
Sale of Wood Products—PR Tracts	604	560	500
Working Together For Wildlife—Non-Game Fund	197	200	200
Waterfowl Management Stamp Sales and Royalties	32	40	30
TOTAL	\$ 16,774	\$ 17,007	\$ 15,346
TOTAL REVENUES	\$ 43,460	\$ 44,944	\$ 41,623
Augmentations			
Sale of Automobiles	\$ 207	\$ 130	\$ 225
Federal Reimbursement—Pittman Robinson Act	7,719	6,259	7,000
Endangered Species Program .....	.....	10	10
Pennsylvania Conservation Corps	143	50	100
Federal Reimbursement—Surface Mine Regulatory Program	45	35	45
Private Donations	74	8	10
Youth Shooting Sports Program	5	6	5
Federal Land and Water .....	.....	260	.....
Streambank Fencing Program .....	.....	5	5
TOTAL	\$ 8,193	\$ 6,763	\$ 7,400
TOTAL RECEIPTS	\$ 51,653	\$ 51,707	\$ 49,023



COMMONWEALTH OF PENNSYLVANIA

KEYSTONE RECREATION, PARK AND CONSERVATION FUND

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

GOVERNOR'S EXECUTIVE BUDGET

Keystone Recreation, Park and Conservation Fund

Financial Statement

	(Dollar Amounts in Thousands)		
	1994-95 Actual	1995-96 Available	1996-97 Estimated
Beginning Balance .....	.....	\$ 31,389	\$ 8,339
Receipts:			
Revenue Estimate	\$ 44,065	\$ 45,523	\$ 59,285
Prior Year Lapses .....	.....	5,064	.....
Total Receipts	44,065	50,587	59,285
Funds Available	\$ 44,065	\$ 81,976	\$ 67,624
Expenditures:			
Appropriated	\$ 12,676	\$ 73,637	\$ 40,267
Estimated Expenditures	-12,676	-73,637	-40,267
Ending Balance	\$ 31,389	\$ 8,339	\$ 27,357

Summary by Department

	(Dollar Amounts in Thousands)		
	1994-95 Actual	1995-96 Available	1996-97 Budget
Department of Conservation and Natural Resources			
General Government			
Park and Forest Facility Rehabilitation—Bond Proceeds	\$ 1,471	\$ 13,227	\$ 3,025
Park and Forest Facility Rehabilitation—Realty Transfer Tax .....	.....	9,502	10,270
Grants and Subsidies			
Grants for Local Recreation—Bond Proceeds .....	.....	12,182	636
Grants for Local Recreation—Realty Transfer Tax .....	.....	7,918	8,559
Grants to Land Trusts—Bond Proceeds .....	.....	2,955	3
Grants to Land Trusts—Realty Transfer Tax .....	.....	3,167	3,423
Grants to Zoos—Bond Proceeds	3,412	3,447	4
DEPARTMENT TOTAL	\$ 4,883	\$ 52,398	\$ 25,920
Department of Education			
Grants and Subsidies			
Local Libraries Rehabilitation and Development—Bond Proceeds ...	\$ 260	\$ 2,203	\$ 214
Local Libraries Rehabilitation and Development—Realty Transfer Tax .....	.....	1,267	1,369
DEPARTMENT TOTAL	\$ 260	\$ 3,470	\$ 1,583

Keystone Recreation, Park and Conservation Fund

Summary by Department (continued)

	(Dollar Amounts in Thousands)		
	1994-95 Actual	1995-96 Available	1996-97 Budget
Historical and Museum Commission			
Grants and Subsidies			
Historic Site Development—Bond Proceeds	\$ 2,700	\$ 5,182	\$ 2,112
Historic Site Development—Realty Transfer Tax .....	.....	4,117	4,450
DEPARTMENT TOTAL	\$ 2,700	\$ 9,299	\$ 6,562
Fish and Boat Commission			
General Government			
Fishing and Boating Access Areas—Bond Proceeds	\$ 401	\$ 1,077	\$ 138
Game Commission			
General Government			
Land Acquisition and Development—Bond Proceeds .....	.....	\$ 1,478	\$ 1
State System of Higher Education			
General Government			
Deferred Maintenance—Realty Transfer Tax	\$ 4,432	\$ 5,915	\$ 6,063
FUND TOTAL	\$ 12,676	\$ 73,637	\$ 40,267

Keystone Recreation, Park and Conservation Fund

Revenue Detail

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

	(Dollar Amounts in Thousands)		
	1994-95 Actual	1995-96 Estimated	1996-97 Budget
Sale of Bonds	\$ 11,862	\$ 11,820	\$ 25,610
Realty Transfer Tax	31,204	31,900	32,500
Miscellaneous	999	1,803	1,175
TOTAL RECEIPTS	\$ 44,065	\$ 45,523	\$ 59,285



COMMONWEALTH OF PENNSYLVANIA

LOTTERY FUND

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

GOVERNOR'S EXECUTIVE BUDGET

Lottery Fund

Financial Statement

	(Dollar Amounts in Thousands)		
	1994-95 Actual	1995-96 Available	1996-97 Estimated
Beginning Balance	\$ 3,613	\$ 7,387	\$ 3,010
Reserve from Previous Year	86,000	104,000	100,000
Total Beginning Balance	\$ 89,613	\$ 111,387	\$ 103,010
Receipts:			
Revenue Estimate	\$ 846,862	\$ 812,985	\$ 865,647
Prior Year Lapses	18,526	20,585	.....
Total Receipts	865,388	833,570	865,647
Funds Available	\$ 955,001	\$ 944,957	\$ 968,657
Expenditures:			
Appropriated	\$ 843,614	\$ 859,770	\$ 840,753
Less Current Year Lapses .....	.....	-17,823	.....
Estimated Expenditures	-843,614	-841,947	-840,753
Reserve for Current Year	-104,000	-100,000	-125,000
Ending Balance	\$ 7,387	\$ 3,010	\$ 2,904

Lottery Fund

Summary by Department

	(Dollar Amounts in Thousands)		
	1994-95 Actual	1995-96 Estimated	1996-97 Budget
Executive Offices			
General Government			
OB—Ridership Verification	\$ 112	\$ 117	\$ 116
Treasury Department			
General Government			
Replacement Checks	\$ 8	\$ 150	\$ 100
Department of Aging			
General Government			
General Government Operations	\$ 3,137	\$ 3,899	\$ 4,029
Grants and Subsidies			
PENNCARE	\$ 158,037	\$ 163,938	\$ 168,439
Pharmaceutical Assistance Fund	217,000	216,000	203,000
Senior Center Improvements	2,000	.....	.....
Subtotal	\$ 377,037	\$ 379,938	\$ 371,439
TOTAL STATE FUNDS	\$ 380,174	\$ 383,837	\$ 375,468
Federal Funds	\$ 59,900	\$ 68,896	\$ 61,490
Augmentations	28	6	6
DEPARTMENT TOTAL	\$ 440,102	\$ 452,739	\$ 436,964
Department of General Services			
General Government			
Harristown Rental Charges	\$ 72	\$ 82	\$ 81
Harristown Utility and Municipal Charges	113	122	139
DEPARTMENT TOTAL	\$ 185	\$ 204	\$ 220
Department of Revenue			
General Government			
General Operations	\$ 56,831	\$ 61,566	\$ 64,025
On-line Commissions	22,707	23,499	22,543
Personal Income Tax for Lottery Prizes	22,460	23,289	23,400
Payment of Prize Money	154,829	155,290	141,281
Subtotal	\$ 256,827	\$ 263,644	\$ 251,249
Grants and Subsidies			
Property Tax and Rent Assistance for Older Pennsylvanians	\$ 100,175	\$ 99,000	\$ 96,600
TOTAL STATE FUNDS	\$ 357,002	\$ 362,644	\$ 347,849
Augmentations	\$ 4,547	\$ 4,611	\$ 4,680
DEPARTMENT TOTAL	\$ 361,549	\$ 367,255	\$ 352,529



Lottery Fund

Summary by Department (continued)

	(Dollar Amounts in Thousands)		
	1994-95 Actual	1995-96 Estimated	1996-97 Budget
Department of Transportation			
Grants and Subsidies			
Older Pennsylvanians Free Transit	\$ 56,100	\$ 56,718	\$ 58,400
Older Pennsylvanians Shared Ride	50,033	56,100	58,600
DEPARTMENT TOTAL	<u>\$ 106,133</u>	<u>\$ 112,818</u>	<u>\$ 117,000</u>
TOTAL STATE FUNDS	<u>\$ 843,614</u>	<u>\$ 859,770</u>	<u>\$ 840,753</u>
Federal Funds	\$ 59,900	\$ 68,896	\$ 61,490
Augmentations	4,575	4,617	4,686
FUND TOTAL	<u>\$ 908,089</u>	<u>\$ 933,283</u>	<u>\$ 906,929</u>

Lottery Fund

REVENUE SUMMARY

(Dollar Amounts in Thousands)

Five Year Revenue Projections

	(Dollar Amounts in Thousands)						
	1994-95 Actual	1995-96 Estimated	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
Collections	\$ 841,404	\$ 808,391	\$ 860,650	\$ 866,094	\$ 872,372	\$ 879,310	\$ 886,969
Capital Stock and Franchise Taxes	347	.....	.....	.....	.....	.....	.....
Miscellaneous Revenue	5,111	4,594	4,997	6,109	7,077	7,750	8,184
TOTAL LOTTERY FUND REVENUES	\$ 846,862	\$ 812,985	\$ 865,647	\$ 872,203	\$ 879,449	\$ 887,060	\$ 895,153

Revenue Sources

Net Lottery Collections

Actual	Estimated
1989-90	1995-96
\$ 843,655	\$ 808,391
1990-91	1996-97
809,825	860,650
1991-92	1997-98
800,309	866,094
1992-93	1998-99
797,097	872,372
1993-94	1999-00
848,265	879,310
1994-95	2000-01
841,404	886,969

Net lottery collections consist of the proceeds from lottery ticket sales less commissions and some prizes. Currently prizes of \$2,500 or less for the on-line games and prizes of \$100 or less for instant games can be paid by the ticket agents. The State Lottery is currently operating seven games. The "Big 4" game introduced in November 1980, the "Lotto" game introduced in April 1982 and revised as "Wild Card Lotto" in February 1988, the "Keystone Jackpot" game introduced in November 1995, the "Cash 5" game introduced in April 1992 and the "Hearts & Diamonds" game introduced in October 1994, all utilize computer sales terminals located across the Commonwealth. The seventh game is the instant game which consists of variations of instant game tickets introduced at routine intervals during the year. Ticket prices are \$1 for "Cash 5" which consists of 1 play to pick 5 of 39 numbers, "Keystone Jackpot" which consists of 1 play to pick 6 of 33 numbers, and one additional keyball number out of 33 numbers, and "Hearts & Diamonds" which consists of 1 play to pick 5 of 26 cards. Wild Card Lotto is priced at 2 games for \$1. "Daily Number" and "Big 4" game ticket prices range from \$.50 to \$5. The "Instant Game" ticket prices range from \$1 to \$5.

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

	(Dollar Amounts in Thousands)						
	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
Ticket Sales	\$ 1,591,772	\$ 1,619,775	\$ 1,640,400	\$ 1,653,600	\$ 1,668,300	\$ 1,684,200	\$ 1,701,400
Commissions	-82,238	-84,202	-85,312	-86,055	-86,876	-87,756	-88,706
Field Paid Prizes	-668,130	-727,182	-694,438	-701,451	-709,052	-717,134	-725,725
NET LOTTERY COLLECTIONS	\$ 841,404	\$ 808,391	\$ 860,650	\$ 866,094	\$ 872,372	\$ 879,310	\$ 886,969

Lottery Fund

Revenue Sources (continued)

Capital Stock and Franchise Tax

Actual		Estimated
1989-90 .....	....	1995-96
1990-91 .....	....	1996-97
1991-92	\$ 12,492	1997-98
1992-93	3,758	1998-99
1993-94	266	1999-00
1994-95	347	2000-01

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

Miscellaneous Revenue

Actual		Estimated
1989-90	\$ 19,837	1995-96
1990-91	12,484	1996-97
1991-92	5,776	1997-98
1992-93	11,637	1998-99
1993-94	2,894	1999-00
1994-95	5,111	2000-01
		\$ 4,594
		4,997
		6,109
		7,077
		7,750
		8,184

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)		
	1994-95 Actual	1995-96 Estimated	1996-97 Budget
Collections	\$ 841,404	\$ 808,391	\$ 860,650
Capital Stock and Franchise Taxes	347	....	....
Miscellaneous	5,111	4,594	4,997
TOTAL LOTTERY FUND REVENUES	\$ 846,862	\$ 812,985	\$ 865,647



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.

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.

GOVERNOR'S EXECUTIVE BUDGET

Milk Marketing Fund

Financial Statement

	(Dollar Amounts in Thousands)		
	1994-95 Actual	1995-96 Available	1996-97 Estimated
Beginning Balance	\$ 1,175	\$ 1,607	\$ 1,345
Receipts:			
Revenue Estimate	\$ 2,266	\$ 2,079	\$ 2,079
Transfer from General Fund	125	125	....
Prior Year Lapses	72	....	....
Total Receipts	<u>2,463</u>	<u>2,204</u>	<u>2,079</u>
Funds Available	\$ 3,638	\$ 3,811	\$ 3,424
Expenditures:			
Appropriated	\$ 2,031	\$ 2,466	\$ 2,474
Estimated Expenditures	<u>-2,031</u>	<u>-2,466</u>	<u>-2,474</u>
Ending Balance	<u>\$ 1,607</u>	<u>\$ 1,345</u>	<u>\$ 950</u>

Summary by Department

	(Dollar Amounts in Thousands)		
	1994-95 Actual	1995-96 Estimated	1996-97 Budget
Treasury Department			
General Government			
Replacement Checks .....	....	\$ 5	\$ 5
Refund Milk Marketing Licenses and Fees .....	....	5	5
DEPARTMENT TOTAL .....	....	<u>\$ 10</u>	<u>\$ 10</u>
Milk Marketing Board			
General Operations	<u>\$ 1,906</u>	<u>\$ 2,331</u>	<u>\$ 2,464</u>
TOTAL STATE FUNDS	<u>\$ 1,906</u>	<u>\$ 2,341</u>	<u>\$ 2,474</u>
Augmentations	\$ 125	\$ 125	....
FUND TOTAL	<u>\$ 2,031</u>	<u>\$ 2,466</u>	<u>\$ 2,474</u>

Milk Marketing Fund

REVENUE SUMMARY

(Dollar Amounts in Thousands)

Five Year Revenue Projections

	(Dollar Amounts in Thousands)						
	1994-95 Actual	1995-96 Estimated	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
Licenses and Fees	\$ 2,047	\$ 2,022	\$ 2,022	\$ 2,022	\$ 2,022	\$ 2,022	\$ 2,022
Fines and Penalties	100	40	40	40	40	40	40
Miscellaneous Revenue	119	17	17	17	17	17	17
Total Milk Marketing Fund Revenues	\$ 2,266	\$ 2,079	\$ 2,079	\$ 2,079	\$ 2,079	\$ 2,079	\$ 2,079
Augmentations	\$ 125	\$ 125	.....	.....	.....	.....	.....
TOTAL MILK MARKETING FUND RECEIPTS	\$ 2,391	\$ 2,204	\$ 2,079	\$ 2,079	\$ 2,079	\$ 2,079	\$ 2,079

Revenue Sources

Licenses and Fees

Actual	Estimated
1989-90	\$ 897
1990-91	1,178
1991-92	1,299
1992-93	2,053
1993-94	2,070
1994-95	2,047
1995-96	\$ 2,022
1996-97	2,022
1997-98	2,022
1998-99	2,022
1999-00	2,022
2000-01	2,022

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

Fines and Penalties

Actual	Estimated
1989-90	\$ 25
1990-91	19
1991-92	61
1992-93	92
1993-94	68
1994-95	100
1995-96	\$ 40
1996-97	40
1997-98	40
1998-99	40
1999-00	40
2000-01	40

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
1989-90	\$ 97
1990-91	95
1991-92	31
1992-93	37
1993-94	61
1994-95	119
1995-96	\$ 17
1996-97	17
1997-98	17
1998-99	17
1999-00	17
2000-01	17

Miscellaneous revenues consist 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)		
	1994-95 Actual	1995-96 Estimated	1996-97 Budget
Licenses and Fees			
Milk Dealers Licenses	\$ 1,425	\$ 1,409	\$ 1,409
Milk Testers Certificate Fees	4	4	4
Milk Weighers Certificate Fees	30	28	28
Milk Tester and Weighers Examination Fees	4	3	3
Milk Haulers Licenses Fees	542	535	535
Milk Sub Dealers Licenses	16	13	13
Service Contract Fees	26	30	30
TOTAL	<u>\$ 2,047</u>	<u>\$ 2,022</u>	<u>\$ 2,022</u>
Fines and Penalties			
Milk Marketing Act Fines	\$ 100	\$ 40	\$ 40
TOTAL	<u>\$ 100</u>	<u>\$ 40</u>	<u>\$ 40</u>
Miscellaneous Revenues			
Interest on Securities	\$ 117	\$ 15	\$ 15
Miscellaneous	2	2	2
TOTAL	<u>\$ 119</u>	<u>\$ 17</u>	<u>\$ 17</u>
TOTAL REVENUES	<u>\$ 2,266</u>	<u>\$ 2,079</u>	<u>\$ 2,079</u>
Augmentations			
Transfer from General Fund	\$ 125	\$ 125	.....
TOTAL RECEIPTS	<u>\$ 2,391</u>	<u>\$ 2,204</u>	<u>\$ 2,079</u>



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. Any remaining balance is transferred to the General Fund in the subsequent fiscal year.

GOVERNOR'S EXECUTIVE BUDGET

Racing Fund

Financial Statement

	(Dollar Amounts in Thousands)		
	1994-95 Actual	1995-96 Available	1996-97 Estimated
Beginning Balance	\$ 4,609	\$ 7,687	\$ 7,012
Receipts:			
Revenue Estimate	\$ 15,154	\$ 14,888	\$ 16,829
Prior Year Lapses	130	.....	.....
Total Receipts	<u>15,284</u>	<u>14,888</u>	<u>16,829</u>
Funds Available	\$ 19,893	\$ 22,575	\$ 23,841
Expenditures:			
Estimated Expenditures	<u>\$ 12,206^a</u>	<u>\$ 15,563</u>	<u>\$ 15,079</u>
Ending Balance	<u>\$ 7,687^b</u>	<u>\$ 7,012</u>	<u>\$ 8,762</u>

^a Reflects an adjustment in process of \$514,000.

^b Reflects an adjustment in process of \$-514,000.

Summary by Department

	(Dollar Amounts in Thousands)		
	1994-95 Actual	1995-96 Estimated	1996-97 Budget
Treasury Department			
General Government			
Replacement Checks	\$ 2	\$ 10	\$ 10
Department of Agriculture			
General Government			
State Racing Commissions	\$ 6,284 ^a	\$ 6,311	\$ 6,165
Equine Toxicology and Research Laboratory	983	1,220	1,440
Payments to Pennsylvania Fairs—Administration	165	168	157
Subtotal	<u>\$ 7,432</u>	<u>\$ 7,699</u>	<u>\$ 7,762</u>
Grants and Subsidies			
Transfer to the General Fund	<u>\$ 4,609</u>	<u>\$ 7,687</u>	<u>\$ 7,012</u>
DEPARTMENT TOTAL	<u>\$ 12,043</u>	<u>\$ 15,396</u>	<u>\$ 14,784</u>
Department of Revenue			
General Government			
Collections—Racing	<u>\$ 163</u>	<u>\$ 167</u>	<u>\$ 295</u>
FUND TOTAL	<u>\$ 12,206</u>	<u>\$ 15,563</u>	<u>\$ 15,079</u>

^a Reflects an adjustment in process of \$514,000.

Racing Fund

REVENUE SUMMARY

(Dollar Amounts in Thousands)

Five Year Revenue Projections

	(Dollar Amounts in Thousands)						
	1994-95 Actual	1995-96 Estimated	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
Tax Revenues	\$ 11,709	\$ 11,739	\$ 13,696	\$ 14,201	\$ 14,721	\$ 15,257	\$ 15,808
Licenses and Fees	462	474	458	458	458	458	458
Miscellaneous Revenue	2,983	2,675	2,675	2,675	2,675	2,675	2,675
TOTAL RACING FUND REVENUES	\$ 15,154	\$ 14,888	\$ 16,829	\$ 17,334	\$ 17,854	\$ 18,390	\$ 18,941

Revenue Sources

Tax Revenues

Actual	Estimated
1989-90	\$ 11,739
1990-91	13,696
1991-92	14,201
1992-93	14,721
1993-94	15,257
1994-95	15,808
1989-90	\$ 5,479
1990-91	6,879
1991-92	6,884
1992-93	5,463
1993-94	8,918
1994-95	11,709
1995-96	11,739
1996-97	13,696
1997-98	14,201
1998-99	14,721
1999-00	15,257
2000-01	15,808

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 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.

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

Licenses and Fees

Actual	Estimated
1989-90	\$ 474
1990-91	458
1991-92	458
1992-93	458
1993-94	458
1994-95	458
1989-90	\$ 503
1990-91	530
1991-92	515
1992-93	419
1993-94	431
1994-95	462
1995-96	474
1996-97	458
1997-98	458
1998-99	458
1999-00	458
2000-01	458

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.

Miscellaneous Revenue

Actual	Estimated
1989-90	\$ 2,675
1990-91	2,675
1991-92	2,675
1992-93	2,675
1993-94	2,675
1994-95	2,675
1989-90	\$ 1,202
1990-91	1,323
1991-92	1,360
1992-93	1,580
1993-94	1,886
1994-95	2,983
1995-96	2,675
1996-97	2,675
1997-98	2,675
1998-99	2,675
1999-00	2,675
2000-01	2,675

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

Racing Fund

Revenue Detail

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

	(Dollar Amounts in Thousands)		
	1994-95 Actual	1995-96 Estimate	1996-97 Budget
Tax Revenue			
State Admission Tax	\$ 158	\$ 153	\$ 160
Wagering Tax	10,578	10,641	12,561
Breakage Tax	973	945	975
TOTAL	<u>\$ 11,709</u>	<u>\$ 11,739</u>	<u>\$ 13,696</u>
Licenses and Fees			
License Fees	\$ 462	\$ 474	\$ 458
TOTAL	<u>\$ 462</u>	<u>\$ 474</u>	<u>\$ 458</u>
Miscellaneous Revenues			
Uncashed Tickets	\$ 2,511	\$ 2,280	\$ 2,280
Interest on Securities	461	390	390
Miscellaneous	1	....	....
Redeposit of Checks	9	....	....
Interest on Deposits	1	5	5
TOTAL	<u>\$ 2,983</u>	<u>\$ 2,675</u>	<u>\$ 2,675</u>
TOTAL REVENUES	<u>\$ 15,154</u>	<u>\$ 14,888</u>	<u>\$ 16,829</u>



Governor's Executive Budget

TAX

EXPENDITURES



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.

GOVERNOR'S EXECUTIVE BUDGET

TAX EXPENDITURE ANALYSIS

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

The Commonwealth's tax structure contains many tax expenditures. Examples include items as diverse as the sales and use tax exemption for firewood to the manufacturing exemption in the capital stock/franchise tax. In general, they are characterized by the fact that they confer special treatment to specific taxpayers, specific activities, or specific goods or services. The expenditures listed in this budget 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 1996-97 Governor's Executive Budget presents this tax expenditure analysis. Commonwealth taxes with annual receipts of at least \$10 million are included in this analysis. A complete list is shown in the Table of Contents. The intended purposes of the current analyses are to:

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

The following enhancements are contained in this budget analysis for expenditures in certain taxes as required by Act 180 of 1992. Enhancements for the remaining tax areas will be phased in over the next two years:

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

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

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

Tax Expenditure Analysis (continued)

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

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

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

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

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

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

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

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

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

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

General Fund Tax Expenditures

CREDIT PROGRAMS

NEIGHBORHOOD ASSISTANCE PROGRAMS

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

Description: A tax credit is available to banks, thrift institutions, title insurance and trust companies, and insurance companies (other than foreign fire/casualty insurance companies), as well as corporations doing business in Pennsylvania and subject to the corporate net income tax and the capital stock/franchise tax that engage in certain assistance programs in impoverished areas or contribute to neighborhood organizations which provide such activities. The credit is allowed for neighborhood assistance, job training or education for individuals, community services, economic development or crime prevention in an impoverished area. The program must be approved by the Secretary of Community Affairs. The amount of the credit available to a taxpayer is up to 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 (maximum of \$175,000 per taxpayer) 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 \$16,750,000 in any 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. Also, \$2,000,000 in credits are allocated annually for the performance of comprehensive service projects effective July 1, 1994.

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	Corporate Net Income Tax						
	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 4.1	\$ 4.1	\$ 4.1	\$ 4.1	\$ 4.1	\$ 4.1	\$ 4.1
	Capital Stock/Franchise Tax						
	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 2.2	\$ 2.2	\$ 2.2	\$ 2.2	\$ 2.2	\$ 2.2	\$ 2.2
	Selective Business Taxes						
	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 2.1	\$ 2.1	\$ 2.1	\$ 2.1	\$ 2.1	\$ 2.1	\$ 2.1

Beneficiaries: Approximately 1,500 companies doing business in Pennsylvania benefit from this expenditure.

General Fund Tax Expenditures

EMPLOYMENT INCENTIVE PAYMENTS

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

Description: Any bank, thrift institution, title insurance and trust company, or insurance company, as well as any corporation or person subject to the corporate net income tax or the personal income tax, employing persons formerly receiving welfare benefits may claim an employment incentive payment as credit against any tax liability in selected taxes. The credit is for a portion of wages paid to a qualifying employee in the first three years of employment. Employment incentive payment credits are available for employees hired up to December 30, 1999.

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	Corporate Taxes						
	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 1.4	\$ 1.4	\$ 1.4	\$ 1.4	\$ 1.4	\$ 1.4	\$ 1.4
	Personal Income Tax						
	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5

Beneficiaries: Approximately 200 corporations and 300 Personal Income Tax filers benefit from this tax expenditure.

HOMEOWNERS' EMERGENCY MORTGAGE ASSISTANCE FUND

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

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

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

Administrative Costs: Nominal

Estimates: There has been no application of credits during F.Y. 1985-86 through F.Y. 1994-95. Limited participation in this program, at best, is expected in the future.

Beneficiaries: NA

General Fund Tax Expenditures

CORPORATION TAXES

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

The costs to administer the various tax expenditures associated with the utility gross receipts, utility realty, insurance premiums and mutual thrift institutions taxes are nominal.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 2.4	\$ 2.5	\$ 2.5	\$ 2.6	\$ 2.7	\$ 2.8	\$ 2.9

CORPORATE NET INCOME TAX

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

The Pennsylvania corporate net income tax is imposed on domestic and foreign corporations for the privilege of doing business, carrying on activities, having capital or property employed or used, or owning property in Pennsylvania. Certain corporations are exempt from the tax.

The tax is based on federal taxable income before net operating loss deduction and special deductions (line 28 of page 1 of Federal IRS Form 1120) modified by additions and subtractions to arrive at Pennsylvania taxable income. Taxes based on income and certain tax items are added back to federal taxable income. The tax rate is 9.99 percent for tax years 1995 and thereafter.

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

DIVIDENDS PAID

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3

Beneficiaries: A minimal number of public utilities benefit from this expenditure.

General Fund Tax Expenditures

NET OPERATING LOSS CARRYFORWARD

Description: Corporations may deduct from current taxable income the net losses from previous years to arrive at the tax liability.

Unused loss carryovers for the years 1988 through 1993, which were suspended by 1991 legislation, are authorized to be claimed in tax years beginning in 1995. The total loss deduction is capped at \$1,000,000 per year per taxpayer beginning in tax year 1996. Loss deductions from tax years 1988 through 1994, in the aggregate, remain capped at \$500,000 a year per taxpayer. Suspended losses may be carried forward as follows: 1988 unused losses can be taken against tax year 1995 profits; 1989 unused losses can be taken against tax year 1995 and 1996 profits; and 1990 through 1993 unused losses can be taken against tax year 1995 through 1997 profits.

Losses for subsequent years will be allowed as follows: 1994 losses can be taken against tax year 1995 profits; 1995 losses can be taken against tax year 1996 and 1997 profits; and 1996 and subsequent losses can be carried forward for up to three tax years.

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 3.6	\$ 70.9	\$ 77.8	\$ 85.7	\$ 78.8	\$ 84.4	\$ 88.0

Beneficiaries: Approximately 23,400 corporations benefit from this expenditure.

DOUBLE-WEIGHTED SALES FACTOR

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

Purpose: A corporation with a higher percentage of property and payroll invested in Pennsylvania (compared to its percentage of sales in Pennsylvania) will have less taxable income apportioned to the Commonwealth when sales are double-weighted. Therefore, those corporations will have a reduced tax burden. This encourages business investment in Pennsylvania in the form of property and employment.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 0.0	\$ 40.7	\$ 36.2	\$ 38.3	\$ 39.6	\$ 41.3	\$ 42.6

Beneficiaries: Approximately 4,500 corporations benefit from this tax expenditure.

General Fund Tax Expenditures

NONPROFIT CORPORATIONS

Description: Nonprofit corporations that do not have the authority to issue stock are exempt from the corporate net income tax. Pennsylvania nonprofit status is not dependent upon federal nonprofit status. The definition of "corporation" precludes taxation of nonprofit corporations that do not have the authority to issue stock. Corporations having authority to issue capital stock and organized under the nonprofit corporation law of a state but not in fact nonprofit are taxable on federal taxable income. The estimates below are based on unrelated business income taxable by the federal government.

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 2.6	\$ 2.4	\$ 2.5	\$ 2.6	\$ 2.8	\$ 2.9	\$ 3.0

Beneficiaries: Approximately 700 nonprofit corporations having unrelated business income and based in Pennsylvania benefit from this expenditure.

PENNSYLVANIA S CORPORATIONS

Description: Corporations that have a valid Pennsylvania S corporation election in effect for the taxable year are exempt from the corporate net income tax. However, Pennsylvania S corporation shareholders must include their distributive share of Pennsylvania S corporation income for Pennsylvania personal income tax purposes. The tax expenditure is the difference between what is paid by the shareholders under the personal income tax and what the corporations would pay under the corporate net income tax.

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 365.9	\$ 300.5	\$ 311.4	\$ 319.5	\$ 333.4	\$ 358.6	\$ 394.0

Beneficiaries: Approximately 75,000 Sub-chapter 'S' corporations doing business in Pennsylvania may benefit from this expenditure.

General Fund Tax Expenditures

COMMERCIAL PRINTERS

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

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

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	Nominal						

Beneficiaries: NA

RESTRICTED PROFESSIONAL COMPANIES (RPCs)

Description: Restricted professional companies (RPCs) are limited liability companies (LLCs) performing restricted professional services. Restricted professional services include chiropractic, dentistry, law, medicine and surgery, optometry, osteopathic medicine surgery, podiatric medicine, public accounting, psychology and veterinary medicine. These new business entities provide a non-corporate form of business enterprise that gives members the protection of limited liability for the neglect of another member. The RPC is taxed as a limited partnership which excludes the RPC from the corporate net income tax. However, an annual fee of \$300 per resident member is assessed, \$25 of which is credited to the Corporation Bureau Restricted Account.

Purpose: This special tax treatment of RPCs is intended to promote the growth of business entities in Pennsylvania.

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: A minimum of 32 restricted professional companies doing business in Pennsylvania benefit from this expenditure.

CAPITAL STOCK/FRANCHISE TAX

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

The capital stock tax is a property tax imposed on every domestic corporation with capital stock, every joint-stock association and limited partnership, and every other company organized or incorporated in Pennsylvania. The franchise tax is a privilege tax imposed on foreign corporations, joint-stock associations, limited partnerships, and other companies doing business and liable for taxation within Pennsylvania or having capital or property employed or used in Pennsylvania. Certain corporations are exempt from these taxes, and some corporations are afforded special treatment.

The capital stock and franchise taxes are based on capital stock value which is defined as half of the sum of the five-year average net income capitalized at the rate of 9.5 percent plus 75 percent of the net worth, less \$100,000. Beginning with the 1992 tax year the tax rate is 12.75 mills, with 0.5 mills designated to the Hazardous Sites Cleanup Fund. The estimates in this analysis include only the 12.25 mills General Fund portion of the tax. Act 22-1991 established a minimum tax of \$300 for tax years beginning in 1991 and thereafter.

Various types of assets are exempt from tax. The valuation of capital stock is not affected by these exemptions, but the exemptions are reflected in apportionment formulas used to compute the percentage of the capital stock value actually subject to tax.

General Fund Tax Expenditures

NONPROFIT CORPORATIONS

Description: Nonprofit corporations without capital stock are exempt from the capital stock/franchise tax. This includes Corporations of the First Class formed under the Corporation Act of April 29, 1974 and corporations organized or created by or under the nonprofit corporation laws of Pennsylvania or any other state which are in fact nonprofit corporations. Nonprofit corporations which issue capital stock must file a report and make tax payments.

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 3.1	\$ 3.3	\$ 3.4	\$ 3.6	\$ 3.8	\$ 4.0	\$ 4.2

Beneficiaries: Approximately 1,639 nonprofit corporations benefit from this expenditure.

FAMILY FARM CORPORATIONS

Description: Family farm corporations are exempt from the capital stock/franchise tax. A family farm corporation is one which devotes at least 75 percent of its assets to agriculture and at least 75 percent of its stock is owned by members of the same family.

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5

Beneficiaries: Approximately 400 family farm corporations benefit from this expenditure.

ASSETS USED IN MANUFACTURING, PROCESSING, AND RESEARCH AND DEVELOPMENT

Description: Corporations (except those which enjoy the right of eminent domain, i.e., utilities) organized for manufacturing, processing, or research or development purposes may claim an exemption for capital stock invested in such activities within Pennsylvania. Pollution control assets are included for these corporations. This exemption is reflected in computing the percentage of the capital stock value actually subject to tax and applies to both single-factor and three-factor apportionment.

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 583.7	\$ 596.4	\$ 608.3	\$ 613.9	\$ 619.5	\$ 630.3	\$ 644.4

Beneficiaries: Approximately 14,800 corporations benefit from this tax expenditure.

General Fund Tax Expenditures

APPORTIONMENT FORMULA OPTIONS

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 35.8	\$ 37.1	\$ 39.2	\$ 41.3	\$ 43.5	\$ 43.5	\$ 45.6

Beneficiaries: Approximately 5,800 corporations benefit from this expenditure.

POLLUTION CONTROL DEVICES

Description: Equipment, machinery, facilities and other tangible property used during the tax year within Pennsylvania for water or air pollution control or abatement devices utilized for the benefit of the general public are exempt from the capital stock/franchise tax. This exemption is reflected as an exclusion from the numerator of the single asset apportionment fraction or the numerator of the property factor when the three-factor apportionment formula is used. However, for manufacturing, processing, or research and development corporations these assets are included as exempt equipment and shown in the expenditure for assets used in manufacturing, processing, and research and development.

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 32.6	\$ 36.5	\$ 40.9	\$ 45.7	\$ 51.2	\$ 57.2	\$ 64.1

Beneficiaries: Approximately 15 corporations benefit from this expenditure.

General Fund Tax Expenditures

DEDUCTION FROM THE FIXED FORMULA

Description: For tax years beginning in 1995 and thereafter, corporations may deduct \$100,000 from the capital stock value which is then subject to apportionment to determine the taxable base. For tax year 1994 this deduction was \$75,000. For the three years prior to 1994 this deduction was \$50,000.

Purpose: This exemption provides a tax-free portion of capital stock value for a corporation which is particularly beneficial to a new business realizing little or no profit during its early years.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 52.0	\$ 53.9	\$ 55.8	\$ 57.8	\$ 59.9	\$ 62.0	\$ 65.1

Beneficiaries: Approximately 135,500 corporations benefit from this expenditure.

HOLDING COMPANIES

Description: Holding companies may elect, in lieu of a standard apportionment formula, a special apportionment formula which computes the taxable portion of capital stock value by taking 10 percent of the total capital stock value. The single-factor apportionment formula was used as the standard apportionment formula in the estimating process. Holding companies are corporations (1) which derive at least 90 percent of their income from stock or securities and the rendering of administrative or management services to subsidiary corporations and (2) whose assets are at least 60 percent comprised of securities or indebtedness of subsidiary corporations.

Purpose: This special treatment is intended to provide tax relief to those holding companies with considerable intangible assets that otherwise are not exempt under the single assets apportionment fraction.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 13.6	\$ 14.5	\$ 15.2	\$ 15.9	\$ 16.7	\$ 17.6	\$ 18.6

Beneficiaries: Approximately 200 corporations benefit from this expenditure.

General Fund Tax Expenditures

REGULATED INVESTMENT COMPANIES

Description: Regulated investment companies are subject to special valuation for capital stock/franchise tax purposes. Their tax is computed by adding the net asset value (multiplied by \$75 and divided by one million) and the apportioned undistributed personal income tax income (multiplied by the personal income tax rate). Undistributed personal income is apportioned to Pennsylvania by a fraction, the numerator of which is all income distributed during the taxable year to resident shareholders and the denominator of which is all income distributed to all shareholders.

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 24.6	\$ 24.2	\$ 27.0	\$ 29.2	\$ 31.1	\$ 33.5	\$ 36.3

Beneficiaries: Approximately 100 companies benefit from this expenditure.

COMMERCIAL PRINTERS

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	Nominal						

Beneficiaries: NA

General Fund Tax Expenditures

RESTRICTED PROFESSIONAL COMPANIES (RPCs)

Description: Restricted professional companies (RPCs) are limited liability companies (LLCs) performing restricted professional services. Restricted professional services include chiropractic, dentistry, law, medicine and surgery, optometry, osteopathic medicine surgery, podiatric medicine, public accounting, psychology and veterinary medicine. These new business entities provide a non-corporate form of business enterprise that gives members the protection of limited liability for the neglect of another member. The RPC is taxed as a limited partnership which excludes the RPC from the capital stock/franchise tax. However, an annual fee of \$300 per resident member is assessed, \$25 of which is credited to the Corporation Bureau Restricted Account.

Purpose: This special tax treatment of RPCs is intended to promote the growth of business entities in Pennsylvania.

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: A minimum of 32 restricted professional companies doing business in Pennsylvania benefit from this expenditure.

UTILITY GROSS RECEIPTS TAX

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

The utilities gross receipts tax is imposed on the following companies conducting business in Pennsylvania: pipeline, conduit, steamboat, canal, slack water navigation, and transportation companies; freight or oil transporters; telephone and telegraph companies; express service, palace car or sleeping car companies; gas companies; and electric light, water power and hydroelectric energy companies. Certain companies are entitled to exemptions.

A tax is levied at 50 mills on gross receipts from passengers, baggage, freight and oil transported within the state; sales of gas by regulated utilities; telephone and telegraph messages transmitted within the state; and at 44 mills on sales of electric energy.

Motor carrier vehicles engaged in carrying passengers or property for hire are not taxed under the provisions of the Tax Reform Code of 1971, but are subject to the motor carriers gross receipts tax imposed by the Act of June 22, 1931. (P.L. 694, No. 255).

LIQUEFIED PETROLEUM GAS

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 0.5	\$ 0.6	\$ 0.5	\$ 0.5	\$ 0.6	\$ 0.6	\$ 0.6

Beneficiaries: The twelve gas companies operating in the Commonwealth could potentially benefit from this expenditure.

General Fund Tax Expenditures

MUNICIPALLY-OWNED PUBLIC UTILITIES

Description: Gross receipts of public utilities owned or operated by a municipality are exempt from tax to the extent the gross receipts are derived from business done inside the limits of the municipality.

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 33.0	\$ 33.8	\$ 34.5	\$ 35.5	\$ 37.2	\$ 38.6	\$ 39.9

Beneficiaries: The 93 municipally owned gas and electric utilities operating in the Commonwealth benefit from this expenditure.

NUCLEAR GENERATING FACILITY DAMAGE

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: Seven electric light companies could potentially benefit from this expenditure.

UTILITY REALTY TAX

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

The public utility realty tax (PURTA) is imposed on public utilities furnishing services under the jurisdiction of the Pennsylvania Public Utility Commission or a regulatory body of another state or the United States.

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

The Commonwealth imposes this tax on public utility realty in lieu of local real estate taxes and distributes revenue to local taxing authorities based on the realty tax equivalent.

General Fund Tax Expenditures

PROPERTY SUBJECT TO LOCAL TAXATION

Description: Property subject to local real estate taxation under any law in effect on April 23, 1968 is excluded from the PURTA base.

Purpose: The Constitution of Pennsylvania was amended April 23, 1968 to provide for state taxation of public utility realty property; however, any law in effect which subjected real property of a public utility to local real estate taxation was left in full force. This exemption prevents the double taxation of such property.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 11.1	\$ 10.9	\$ 11.0	\$ 11.2	\$ 11.2	\$ 11.3	\$ 11.4

Beneficiaries: The 421 public utilities could benefit from this expenditure.

MACHINERY AND EQUIPMENT

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 788.0	\$ 774.7	\$ 785.9	\$ 797.2	\$ 795.4	\$ 803.5	\$ 809.1

Beneficiaries: The 421 public utilities could benefit from this expenditure.

EASEMENTS

Description: Easements or similar interests are excluded from the PURTA base. An easement is an interest in land owned by another entity which entitles the public utility company to limited use related to the provision of utility service.

Purpose: PURTA is intended as a tax on real property, and not as a tax on property such as these rights.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 9.8	\$ 9.7	\$ 9.8	\$ 9.9	\$ 9.9	\$ 10.0	\$ 10.1

Beneficiaries: The 421 public utilities could benefit from this expenditure.

General Fund Tax Expenditures

RAILROAD RIGHTS-OF-WAY

Description: Railroad rights-of-way and superstructures thereon are excluded from the PURTA base. Railroad rights-of-way are limited ownership of land to be used exclusively for the provision of rail transportation service.

Purpose: PURTA is intended as a tax on real property, and not as a tax on property such as these rights. This tax relief may encourage the development of our railroad network which benefits the economy.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 22.8	\$ 22.4	\$ 22.8	\$ 23.1	\$ 23.0	\$ 23.3	\$ 23.4

Beneficiaries: 69 public utilities could benefit from this expenditure.

LINES

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 283.0	\$ 278.2	\$ 282.2	\$ 286.3	\$ 285.6	\$ 288.5	\$ 290.5

Beneficiaries: The 421 public utilities could benefit from this expenditure.

HYDROELECTRIC PROPERTY

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	NA	NA	NA	NA	NA	NA	NA

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

General Fund Tax Expenditures

SEWAGE SERVICES

Description: Public utilities furnishing sewage services are exempt from tax.

Purpose: This provides tax relief to companies that are in the business of sewage treatment and encourages investment in sewage treatment facilities which provide public environmental benefits. It also benefits consumers to the extent the tax relief is reflected in lower utility rates.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 20.1	\$ 19.8	\$ 20.0	\$ 20.3	\$ 20.3	\$ 20.5	\$ 20.6

Beneficiaries: The 90 public utilities that provide sewage services benefit from this expenditure.

MUNICIPALITIES

Description: Municipalities or municipal authorities furnishing public utility services are exempt from tax.

Purpose: The realty used for municipally furnished utility services is public property used for public purposes. Since the Commonwealth imposes this tax in lieu of local real estate taxes, taxing such property would result in the municipal government paying itself a tax.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 12.4	\$ 12.2	\$ 12.3	\$ 12.5	\$ 12.5	\$ 12.6	\$ 12.7

Beneficiaries: The 474 municipal authorities and the 93 municipal public utilities benefit from this expenditure.

INSURANCE PREMIUMS TAX

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

The insurance premiums tax is imposed on domestic and foreign insurance companies which transact business in Pennsylvania. Certain insurance companies are exempt from the tax.

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

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

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

General Fund Tax Expenditures

MUTUAL BENEFICIAL ASSOCIATIONS

Description: Purely mutual beneficial associations, whose funds benefit members, families or heirs are made up entirely of member contributions and accumulated interest, are exempt from the insurance premiums tax. For purpose of this tax expenditure, these associations are treated as life insurance companies.

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 4.9	\$ 4.6	\$ 5.7	\$ 6.3	\$ 6.6	\$ 7.2	\$ 7.6

Beneficiaries: The 89 Mutual Beneficial Associations doing business in Pennsylvania benefit from this expenditure.

NONPROFIT HOSPITAL AND MEDICAL CARE SERVICE ORGANIZATIONS

Description: Companies organized under the "Nonprofit Hospital Plan Act" (Act of June 21, 1937, P.L. 1948, No. 378) and the "Nonprofit Medical, Osteopathic, Dental and Podiatry Service Corporation Act" (Act of June 27, 1939, P.L. 1125, No. 399) are exempt from the insurance premiums tax. Those exempt include, for example, Capital Blue Cross; Hospital Service Association of Northeastern Pennsylvania; Good Vision Plan, Inc., Medical Service Association of Pennsylvania. (Blue Shield), Pennsylvania Dental Service Corp., and Vision Service Plan of Pennsylvania. For purposes of this tax expenditure analysis, health maintenance organizations are not included because they are not considered to be insurance companies subject to the insurance premiums tax, but rather are held to be corporations subject to corporate taxation.

Purpose: These companies 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 Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 174.2	\$ 176.5	\$ 183.4	\$ 188.7	\$ 194.2	\$ 200.1	\$ 205.0

Beneficiaries: The 15 Nonprofit Hospital and Medical Care Service Organizations doing business in Pennsylvania benefit from this expenditure.

General Fund Tax Expenditures

EXTRAORDINARY MEDICAL BENEFIT

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 0.9	\$ 1.0	\$ 1.0	\$ 1.1	\$ 1.2	\$ 1.3	\$ 1.4

Beneficiaries: The 452 Automobile Insurance Companies doing business in Pennsylvania could benefit from this expenditure.

LIFE AND HEALTH INSURANCE GUARANTY ASSOCIATION CREDIT

Description: A tax credit is available to companies that are members of the Life and Health Insurance Guaranty Association. These companies may offset a proportionate part of assessment payments made to the association against the insurance premiums tax. The companies may also raise premium rates to recoup the portion of the assessment that is unrecoverable via the credit.

Purpose: The Life and Health Insurance Guaranty Association protects policyholders and claimants by providing for the payment of benefits and the continuation of coverage under life, health and accident, and annuity policies under certain circumstances. Members are assessed to provide funds to carry out the purpose of the association. This credit provides relief to member companies by allowing them to recoup a portion of their assessment payments in the form of a tax credit. This credit also provides indirect relief to subscribers to the extent that lower premium rates are maintained.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 3.5	\$ 8.0	\$ 9.7	\$ 8.7	\$ 8.4	\$ 8.0	\$ 5.9

Beneficiaries: The 718 Life and Accident and Health Insurance Companies doing business in Pennsylvania could benefit from this expenditure.

General Fund Tax Expenditures

BANK AND TRUST COMPANY SHARES TAX

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

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

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

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

Administrative Costs: NA

MUTUAL THRIFT INSTITUTIONS TAX

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

The mutual thrift institutions tax is imposed on the net income of savings institutions, savings banks without capital stock, savings and loan associations, and building and loan associations conducting business in Pennsylvania.

The tax is based on net income determined in accordance with generally accepted accounting principals with the following major exceptions: income earned from United States obligations or Pennsylvania state and local obligations is excluded; the interest expense associated with tax exempt interest income is disallowed as a deduction; and net operating losses from previous years may be carried forward for a maximum of three years. Taxable net income is apportioned to Pennsylvania by a three-factor formula comprised of payroll, receipts and deposits.

The current tax rate is 11.5 percent.

NET OPERATING LOSS CARRYFORWARD

Description: Thrift institutions may deduct from current taxable income the net losses from previous taxable years. A net loss for a taxable year may be carried over three years and must be carried to the earliest allowable tax year. There is no carryback of losses to prior years.

Purpose: This deduction reduces the tax burden for a period of time after an operating loss period thereby aiding the thrift institution after it has attained economic health as measured by its taxable income.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 3.1	\$ 3.1	\$ 3.4	\$ 3.8	\$ 3.6	\$ 3.8	\$ 3.8

Beneficiaries: The 230 Mutual Thrift Institutions could benefit from this expenditure.

General Fund Tax Expenditures

CREDIT UNIONS

Description: Credit unions are exempt from taxation. The tax expenditure is determined by applying the appropriate mutual thrift institutions tax rate to their net earnings.

Purpose: Credit unions are cooperative associations incorporated to promote thrift and to provide a source of credit for their members. This program provides tax relief to credit unions as well as their members to the extent that it is reflected in higher rates earned on savings and lower rates charged for loans.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 11.2	\$ 12.2	\$ 13.7	\$ 15.4	\$ 17.3	\$ 19.5	\$ 21.9

Beneficiaries: The 898 State and Federal Credit Unions operating in Pennsylvania benefit from this expenditure.

SALES AND USE TAX

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

Administrative Costs: Costs to administer the multiple tax expenditures associated with the sales and use tax can not be separately identified. Tax expenditures are a significant factor associated with the need for more compliance audits and increased complexity of such audits and contribute significantly to the volume of appeals processed.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 12.4	\$ 13.1	\$ 13.5	\$ 13.9	\$ 14.3	\$ 14.7	\$ 15.1

Beneficiaries: Information provided under the sales and use tax "Beneficiaries" heading represent an actual or estimated number and description of Pennsylvania residents, households or businesses benefiting from that specific tax expenditure. An unreported number of non-Pennsylvania entities may also benefit from the tax expenditure.

General Fund Tax Expenditures

GENERAL/PERSONAL EXPENDITURES

FOOD

Description: Food and beverages intended for human consumption purchased from a bakery, pastry shop, donut shop, delicatessen, grocery store, supermarket, farmer's market or convenience store are exempt from taxation. Exceptions are the sale of meals, sandwiches, food from salad bars, hand-dipped or hand-served iced based products including ice cream and yogurt, hot soup, hot pizza and other hot food items, brewed coffee and hot beverages. The exemption does not apply to soft drinks, alcoholic beverages or food purchased from an establishment from which ready to eat food and beverages are sold.

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 1,062.0	\$ 1,120.0	\$ 1,175.0	\$ 1,229.0	\$ 1,288.0	\$ 1,361.0	\$ 1,445.0

Beneficiaries: Virtually all 4.5 million households benefit from this tax expenditure.

PERSONAL HYGIENE PRODUCTS

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 34.8	\$ 35.6	\$ 36.5	\$ 37.4	\$ 38.3	\$ 39.2	\$ 40.1

Beneficiaries: Virtually all 4.5 million households benefit from this tax expenditure.

NEWSPAPERS

Description: The purchase or use of newspapers or publications containing information of general interest and reports of current events which qualify as a "newspaper of general circulation qualified to carry a legal advertisement," not including magazines, is exempt from taxation.

Purpose: The intent of this tax exemption is to encourage the citizenry to be well informed.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 25.3	\$ 26.5	\$ 27.8	\$ 29.1	\$ 30.5	\$ 32.0	\$ 33.5

Beneficiaries: NA

General Fund Tax Expenditures

MAGAZINES

Description: The purchase at retail or use of subscriptions for magazines is exempt from taxation. A "magazine" is a periodical published at regular intervals not exceeding three months and circulated among the general public. The exclusion includes any printed advertising material circulated with the periodical. This tax expenditure became effective July 1, 1994 under Act 48-1994.

Purpose: The purpose of this tax exemption is to encourage the citizenry to be well informed.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 5.0	\$ 5.8	\$ 6.3	\$ 6.7	\$ 7.2	\$ 7.8	\$ 8.3

Beneficiaries: Approximately 570,000 households benefit from this tax expenditure.

CLOTHING AND FOOTWEAR

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 684.2	\$ 709.5	\$ 735.0	\$ 760.7	\$ 790.4	\$ 826.0	\$ 864.0

Beneficiaries: Virtually all 4.5 million households benefit from this tax expenditure.

AMUSEMENT DEVICES

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 22.6	\$ 22.4	\$ 21.7	\$ 21.3	\$ 20.9	\$ 20.5	\$ 20.1

Beneficiaries: Approximately 2 million persons may benefit from this tax expenditure.

General Fund Tax Expenditures

PRESCRIPTION DRUGS AND ORTHOPEDIC EQUIPMENT

Description: The purchase at retail or use of prescription drugs and orthopedic equipment is exempt from taxation. Such equipment includes crutches, wheelchairs, false teeth and dental materials, eyeglasses, artificial limbs and eyes, hearing devices, braces and supports. Also included are devices to alleviate a physical incapacity such as a hospital bed or 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 Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 277.0	\$ 289.4	\$ 302.4	\$ 316.0	\$ 330.2	\$ 345.0	\$ 360.5

Beneficiaries: NA

NON-PRESCRIPTION DRUGS

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 91.3	\$ 95.2	\$ 99.3	\$ 103.6	\$ 108.1	\$ 112.7	\$ 117.6

Beneficiaries: Virtually all 4.5 million households in Pennsylvania benefit from this tax expenditure.

LIQUOR OR MALT BEVERAGE PURCHASED FROM RETAIL DISPENSER

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 115.6	\$ 119.3	\$ 122.5	\$ 125.7	\$ 129.3	\$ 133.8	\$ 138.5

Beneficiaries: Approximately 5.9 million people benefit from this tax expenditure.

General Fund Tax Expenditures

CHARGES FOR RETURNABLE CONTAINERS

Description: Separately stated deposit charges for returnable containers are excluded from the purchase price and are exempt from taxation.

Purpose: Deposit charges usually represent security in the event a container is not returned. For this reason, a true exchange of property is not considered to have occurred.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 8.0	\$ 8.5	\$ 8.9	\$ 9.5	\$ 10.1	\$ 10.6	\$ 11.2

Beneficiaries: Approximately 5.2 million consumers and 372,000 non-residential establishments benefit from this tax expenditure.

WRAPPING AND PACKING SUPPLIES

Description: The purchase or use of wrapping paper, twine, bags, cartons, tape, rope, labels, nonreturnable containers and all other wrapping supplies which are incidental to the delivery of personal property is exempt from taxation. This exclusion applies to retailers only. A separately stated charge for wrapping or packaging is taxable.

Purpose: Exemption of these items prevents double taxation since the cost of wrapping supplies, as a final input of the product, is included in the price charged by the retailer.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: NA

BIBLES, RELIGIOUS PUBLICATIONS, ARTICLES

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 0.8	\$ 0.8	\$ 0.9	\$ 0.9	\$ 0.9	\$ 1.0	\$ 1.0

Beneficiaries: Approximately 375,000 households and a minimum of 20,000 organizations benefit from this tax expenditure.

General Fund Tax Expenditures

CASKETS AND BURIAL VAULTS

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 18.6	\$ 19.8	\$ 21.0	\$ 22.3	\$ 23.7	\$ 25.1	\$ 26.7

Beneficiaries: Approximately 110,000 households benefit from this tax expenditure.

FLAGS

Description: The purchase or use of Pennsylvania and United States flags is exempt from taxation.

Purpose: The exemption of flags may be based on the perception that governmental support of national and state symbols is a worthy public policy objective.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: 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 Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 15.8	\$ 16.3	\$ 16.8	\$ 17.3	\$ 17.8	\$ 18.3	\$ 18.9

Beneficiaries: Approximately 530,000 college students, 501 public school districts and 990 private schools benefit from this tax expenditure.

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 because the tangible nature of the document is incidental to the information being provided.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: NA

FOOD STAMP PURCHASES

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

Purpose: This provision is mandated by Federal law for continued State participation in the federally funded food stamp program.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 3.0	\$ 3.1	\$ 3.2	\$ 3.3	\$ 3.4	\$ 3.6	\$ 3.7

Beneficiaries: Approximately 420,000 households benefit from this tax expenditure.

GRATUITIES

Description: Any amount paid, in excess of charges and tax, for service relating to the purchase of food or beverages or hotel or motel accommodations is an exempt gratuity.

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 36.9	\$ 38.4	\$ 39.9	\$ 41.5	\$ 43.2	\$ 44.9	\$ 46.7

Beneficiaries: Approximately 3.8 million households benefit from this tax expenditure.

General Fund Tax Expenditures

FUELS AND UTILITIES

RESIDENTIAL FUEL

Description: As defined by law, "tangible personal property" specifies taxable items. Specifically omitted from this definition are steam, natural, manufactured and bottled gas, and fuel oil when purchased directly by the user solely for his residential use. Court decisions have expanded this exemption to include purchases for residential use, through an agent, where there is no commercial interest.

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 Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 159.4	\$ 164.3	\$ 173.4	\$ 185.6	\$ 193.2	\$ 195.3	\$ 200.9

Beneficiaries: Approximately 3.6 million households benefit from this tax expenditure.

COAL

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 144.8	\$ 141.8	\$ 138.8	\$ 135.9	\$ 133.0	\$ 130.2	\$ 127.5

Beneficiaries: Approximately 240,000 households and 15,000 non-residential establishments benefit from this tax expenditure.

FIREWOOD

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.6

Beneficiaries: Approximately 300,000 households, which use firewood as their primary heat source, benefit from this tax expenditure. Also, there are over 1 million households with usable fireplaces which may benefit from this tax expenditure.

General Fund Tax Expenditures

RESIDENTIAL UTILITIES

Description: As defined by law, "tangible personal property" specifies taxable items. Specifically omitted from this definition are electricity and basic local telephone or telegraph service when purchased directly by the user solely for his residential use and charges for coin-operated telephone calls. Court decisions have expanded the electricity exemption to include purchases for residential use, through an agent, where there is no commercial interest.

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	Electric:						
	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 251.1	\$ 270.4	\$ 287.2	\$ 298.4	\$ 307.4	\$ 319.1	\$ 333.8
	Telephone:						
	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 96.6	\$ 100.8	\$ 103.1	\$ 105.1	\$ 108.0	\$ 112.1	\$ 117.3

Beneficiaries: Approximately 4.5 million households (electricity) and 4.4 million households (telephone) benefit from this tax expenditure.

WATER

Description: The purchase at retail or use of water or ice is exempt from taxation.

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 85.9	\$ 89.8	\$ 92.1	\$ 94.1	\$ 97.0	\$ 100.8	\$ 105.5

Beneficiaries: Approximately 3.9 million households and about 230,000 businesses benefit from this tax expenditure.

General Fund Tax Expenditures

GASOLINE AND MOTOR FUELS

Description: The purchase or use of gasoline and other motor fuels, taxed under the Liquid Fuels 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 Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 387.2	\$ 388.6	\$ 390.1	\$ 391.6	\$ 393.1	\$ 394.6	\$ 396.1

Beneficiaries: Approximately 4.3 million households and owners of more than a million heavy trucks, buses, etc., benefit from this tax expenditure.

MOTOR VEHICLES / VESSELS

COMMON CARRIERS

Description: Vehicles purchased by a public utility, engaged in business as a common carrier, to be used in rendering utility services are exempt from taxation. Also, because of the provisions of the Federal Aviation Act, effective January 1, 1995, contract carriers are considered to be common carriers. Household goods carriers and private carriers remain taxable.

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 64.6	\$ 130.4	\$ 136.6	\$ 143.2	\$ 150.1	\$ 157.3	\$ 164.8

Beneficiaries: Approximately 3,800 common carriers benefit from this tax expenditure.

COMMERCIAL VESSELS (Construction)

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 0.7	\$ 0.7	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.5

Beneficiaries: NA

General Fund Tax Expenditures

COMMERCIAL VESSELS (Repair)

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 0.8	\$ 0.8	\$ 0.7	\$ 0.7	\$ 0.7	\$ 0.6	\$ 0.6

Beneficiaries: Approximately 12 establishments may benefit from this tax expenditure.

COMMERCIAL VESSELS (Equipment, Maintenance)

Description: The purchase or use of fuel, supplies, equipment, ships' or sea stores and cleaning or maintenance supplies is exempt from taxation. This exemption applies to vessels of fifty tons or more designed for commercial use.

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: NA

MOTOR VEHICLES (Out-of-State Purchasers)

Description: The purchase or use of a motor vehicle by a non-resident, to be used outside Pennsylvania, which is registered in another state within twenty days of delivery is exempt from taxation. Delivery must be taken outside of Pennsylvania.

Purpose: The exemption protects the participation of Pennsylvania car dealers in the out-of-state market while preventing potential abuses of such an exemption by Pennsylvania residents.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: NA

General Fund Tax Expenditures

SCHOOL BUSES

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

Purpose: The costs of transporting school children are directly borne by school districts and indirectly by State government through subsidy programs. This exemption, while limiting state sales and use tax revenues, also decreases state educational subsidy costs.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 15.0	\$ 15.9	\$ 16.8	\$ 17.8	\$ 18.9	\$ 20.0	\$ 21.2

Beneficiaries: Approximately 900 private contractors and 501 school districts benefit from this tax expenditure.

ZERO EMISSION VEHICLES

Description: The net purchase price of electric, hybrid electric and zero emission vehicles is exempt from taxation. Net purchase price is the difference between the purchase price of such vehicle and the average retail price of a comparable combustion engine vehicle. The purchase of power units for such vehicles is also exempt. These exemptions expire December 31, 1999.

Purpose: This provision is intended to promote the use of reduced-pollution transportation.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	NA	NA	NA	NA	NA	NA	--

Beneficiaries: A minimal number of consumers may benefit from this tax expenditure.

REAL ESTATE

REAL ESTATE

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

Purpose: Generally, construction and repairs are nontaxable because they do not directly involve the sale or use of tangible personal property

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 653.2	\$ 692.4	\$ 719.4	\$ 731.6	\$ 753.5	\$ 785.1	\$ 807.1

Beneficiaries: Approximately 1.4 million households and owners of 85,000 non-residential buildings benefit from this tax expenditure.

General Fund Tax Expenditures

PRODUCTION EXPENDITURES

MANUFACTURING EXEMPTION (Manufacture and Processing) _____

Description: By law, "sale at retail" does not include, and therefore exempts, rendering services or the purchase or use of machinery, equipment and parts and supplies including utilities used directly or consumed in the manufacture and processing of personal property or remanufacture of certain motor vehicle parts. This exemption does not apply to motor vehicles, maintenance facilities, managerial or other nonoperational activities or materials, supplies or equipment used relative to real estate or obtaining disinfecting or pest control services, building maintenance and cleaning services or certain computer services.

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 734.7	\$ 784.1	\$ 818.5	\$ 848.2	\$ 479.4	\$ 917.0	\$ 960.2

Beneficiaries: Approximately 29,000 manufacturers and an unknown number of processors and remanufacturers benefit from this tax expenditure.

MANUFACTURING EXEMPTION (Agriculture) _____

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

Purpose: Exemption of agricultural equipment and supplies prevents the 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 Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 103.9	\$ 105.2	\$ 106.5	\$ 107.8	\$ 109.1	\$ 110.5	\$ 111.8

Beneficiaries: Approximately 52,000 farm operators benefit from this tax expenditure.

General Fund Tax Expenditures

MANUFACTURING EXEMPTION (Public Utility) _____

Description: By law, "sale at retail" does not include, and therefore exempts, 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 nonoperational activities or materials, supplies or equipment used relative to real estate or obtaining disinfecting or pest control services, building maintenance and cleaning services or certain computer services.

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: Approximately 2,000 public utilities benefit from this tax expenditure.

MANUFACTURING EXEMPTION (Foundations for Machinery and Equipment) _____

Description: Foundations for machinery and equipment used directly in manufacturing, farming, dairying, agriculture, horticulture, floriculture, aquaculture, processing or producing and delivering or rendering a public utility service are exempt from taxation. Included, for a public utility, are sand, gravel, crushed rock, concrete or similar material used as bedding or surrounding pipe used directly to render sewer or water service.

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 1.8	\$ 1.9	\$ 2.0	\$ 2.1	\$ 2.2	\$ 2.3	\$ 2.4

Beneficiaries: Approximately 83,000 entities benefit from this tax expenditure.

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 derived from total receipts collected from the machines rather than from the price of individual items sold.

Purpose: This provision eases reporting and administrative burdens on the vendor and reduces audit efforts required by the Department of Revenue.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.4	\$ 0.4	\$ 0.4

Beneficiaries: Approximately 4.2 million people benefit from this tax expenditure.

HOTEL-PERMANENT RESIDENT

Description: An exemption is provided, under the hotel occupancy tax, for a person occupying or having the right to occupy a room in a hotel, inn, tourist home, lodging house, rooming house, summer camp, apartment hotel, resort lodging or cabin for 30 consecutive days or more. This exemption does not extend to prepared meals or other taxable items.

Purpose: Residency of this length is felt to approximate permanent dwelling rental, which is non-taxable as a basic necessity of life.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.4

Beneficiaries: Approximately 4,400 persons benefit from this tax expenditure.

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. Nearly all tax returns are due 20 days after the end of a collection period.

Purpose: This provision is intended to defray the vendor's cost of collecting and remitting the sales and use tax.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 46.9	\$ 47.2	\$ 48.6	\$ 49.3	\$ 50.6	\$ 52.7	\$ 54.1

Beneficiaries: Approximately 260,000 vendors benefit from this tax expenditure.

General Fund Tax Expenditures

OUT-OF-STATE CREDIT

Description: A credit is allowed for the purchase of personal property or taxable services for use outside Pennsylvania equal to the sales tax paid in the applicable state. The state must grant substantially similar tax relief as provided by Pennsylvania.

Purpose: Allowing a credit for tax paid in another state prevents double taxation.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: NA

TRADE-IN VALUE

Description: A deduction is allowed against the gross purchase price for the value of personal property actually taken in trade or exchange. The trade-in property does not have to be of like kind to the purchased property. The reduction in purchase price is considered to be the value of the trade-in.

Purpose: Usually, tangible personal property taken as a trade-in is resold. Therefore, it is treated as a sale for resale.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 233.5	\$ 238.2	\$ 242.4	\$ 251.5	\$ 263.1	\$ 273.9	\$ 285.7

Beneficiaries: Approximately 75 purchasers of aircraft, 127,000 purchasers of computers, 7,500 purchasers of boats and 630,000 purchasers of cars and trucks annually benefit from this tax expenditure.

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 Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 39.4	\$ 42.4	\$ 45.5	\$ 48.7	\$ 52.2	\$ 56.0	\$ 60.2

Beneficiaries: NA

General Fund Tax Expenditures

TEMPORARY USAGE

Description: Property purchased outside Pennsylvania by a nonresident and temporarily used in Pennsylvania for seven days or less or any length of time by a tourist or vacationer is exempt from taxation. If the property is consumed in the State it becomes taxable.

Purpose: Providing an exemption for temporary usage of taxable property in Pennsylvania does not discourage entry into the State by vacationers, tourists or others who attend or are involved in specific short term events or activities.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: NA

HORSES

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 1.5	\$ 1.4	\$ 1.4	\$ 1.4	\$ 1.4	\$ 1.4	\$ 1.4

Beneficiaries: Approximately 1,300 Standardbred horse purchasers and an unknown number of purchasers of other types of horses benefit from this tax expenditure.

YOUTH SPORTS PROGRAMS

Description: The purchase of food and beverages from nonprofit associations which support sports programs for participants aged 18 or younger or for persons with physical or mental handicap regardless of age and which operate at fixed locations on public property is exempt from taxation.

Purpose: The exemption of these items encourages such organizations to support programs which provide activities beneficial to young people and the handicapped.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: NA

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 Millions)

<i>Estimates:</i>	Charitable Organizations:						
	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 119.4	\$ 119.1	\$ 118.2	\$ 117.6	\$ 116.9	\$ 114.3	\$ 111.0
	Volunteer Fireman's Organizations:						
	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 4.2	\$ 4.3	\$ 4.4	\$ 4.5	\$ 4.6	\$ 4.7	\$ 4.8
	Nonprofit Educational Institutions:						
	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 80.8	\$ 86.5	\$ 92.7	\$ 99.2	\$ 106.2	\$ 113.8	\$ 121.9
	Religious Organizations:						
	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 5.9	\$ 6.1	\$ 6.3	\$ 6.5	\$ 6.7	\$ 6.8	\$ 6.9

Beneficiaries: Approximately 26,000 organizations benefit from this tax expenditure.

EXEMPT GOVERNMENTAL UNITS

Description: The sale of personal property or services to or for use by the Federal government, the Commonwealth, or its instrumentalities or political subdivisions is exempt from taxation. Based on the criteria adopted to define tax expenditures, Federal transactions are not included in this study. Commonwealth transactions are also excluded because revenues would offset expenditures with no net effect. The estimates, therefore, represent the tax on local government expenditures.

Purpose: This exemption is an indirect means of assistance to local governments and may reduce the taxes levied by these entities.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 56.8	\$ 59.5	\$ 62.1	\$ 65.1	\$ 68.8	\$ 73.3	\$ 78.0

Beneficiaries: Approximately 3,200 governmental units benefit from this tax expenditure.

General Fund Tax Expenditures

SUBSTITUTED TAX BASE

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: NA

OUT-OF-STATE PURCHASES

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: 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 Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: NA

General Fund Tax Expenditures

FISH FEED

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	Nominal						

Beneficiaries: Approximately 180 fish nurseries and an unknown number of other entities benefit from this tax expenditure.

TOURIST PROMOTION AGENCIES

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 0.9	\$ 1.0	\$ 1.0	\$ 1.1	\$ 1.1	\$ 1.2	\$ 1.3

Beneficiaries: All 51 tourist promotion agencies benefit from this tax expenditure.

TROUT

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	Nominal						

Beneficiaries: Less than 140 entities benefit from this tax expenditure.

General Fund Tax Expenditures

CONSTRUCTION OF MEMORIALS

Description: The purchase or use of materials used in the construction or erection of objects commemorating or memorializing historical events is exempt from taxation. These objects must be purchased by not-for-profit organizations and erected on publicly owned property.

Purpose: This exemption has been provided because these memorials are presumably erected for public benefit and gratification.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1

Beneficiaries: NA

STORAGE

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

Purpose: Commercial storage services may be considered to be an integral part of the production and distribution of tangible personal property.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 14.6	\$ 15.3	\$ 16.0	\$ 16.7	\$ 17.5	\$ 18.3	\$ 19.1

Beneficiaries: NA

PUBLIC TRANSPORTATION (Local)

Description: Expenditures for public transportation fares are not taxable.

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 27.2	\$ 27.9	\$ 28.6	\$ 29.3	\$ 30.0	\$ 30.8	\$ 31.5

Beneficiaries: Approximately 2.9 million people benefit from this tax expenditure.

General Fund Tax Expenditures

DISCOUNT COUPONS

Description: The purchase of computer services to keypunch, count, sort, tabulate, or otherwise prepare for payment, price reduction offers such as discount coupons, cents-off coupons and rebate offers are exempt from taxation.

Purpose: This provision reduces the cost of giving discounts and rebates that may reduce the purchase price to the ultimate consumer.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: NA

General Fund Tax Expenditures

SERVICES

Description: Expenditures for services are not taxable under the sales and use tax except when specifically taxed by law.

Purpose: Because the primary basis for the sales and use tax is tangible personal property, the majority of services are not taxed unless they are related to taxable property. Legislation adopted in 1991 imposed the tax on charges for selected business services.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
LODGING							
Trailer parks and camps.....	\$ 7.1	\$ 7.2	\$ 7.4	\$ 7.6	\$ 7.8	\$ 8.0	\$ 8.2
PERSONAL SERVICES							
Cleaning, storage & repair of clothing & shoes ⁽¹⁾	\$ 7.3	\$ 7.6	\$ 8.0	\$ 8.4	\$ 8.8	\$ 9.2	\$ 9.7
Dry-cleaning ⁽¹⁾	14.7	14.7	14.8	14.9	15.0	15.1	15.2
Barber and beauty shops.....	40.1	41.3	42.6	44.0	45.4	46.9	48.4
Funeral parlors and crematories.....	36.5	39.0	41.7	44.5	47.5	50.7	54.1
All other personal services.....	19.8	21.0	22.3	23.6	25.0	26.5	28.1
BUSINESS SERVICES							
Advertising (local).....	\$ 308.2	\$ 326.4	\$ 345.6	\$ 366.0	\$ 387.6	\$ 410.5	\$ 434.7
Interior office building cleaning.....	19.9	20.9	21.9	23.0	24.2	25.4	26.7
Management, consulting & public relations.....	319.0	352.5	389.5	430.4	475.6	525.5	580.7
Research.....	93.3	105.4	119.1	134.6	152.1	171.9	194.2
Detective agencies.....	40.9	43.4	46.0	48.8	51.7	54.8	58.1
AUTOMOTIVE SERVICES							
Automobile parking.....	\$ 13.8	\$ 14.2	\$ 14.7	\$ 15.2	\$ 15.7	\$ 16.2	\$ 16.7
RECREATION SERVICES							
Commercial sports admissions.....	\$ 91.7	\$ 97.9	\$ 104.6	\$ 111.7	\$ 119.3	\$ 127.4	\$ 136.1
Entertainers.....	11.6	12.2	12.8	13.5	14.2	15.0	15.8
Memberships.....	9.7	9.8	9.9	10.0	10.2	10.4	10.6
Other admissions.....	74.9	82.6	91.1	100.5	110.9	122.3	134.9
HEALTH SERVICES							
Health, except hospitals, physicians and dentists.....	\$ 596.0	\$ 671.7	\$ 757.0	\$ 853.1	\$ 961.4	\$ 1,083.5	\$ 1,221.1
Hospitals.....	776.4	857.1	953.1	1,033.2	1,111.7	1,196.2	1,287.1
Physician office services.....	589.8	636.4	686.7	740.9	799.4	862.6	930.7
Dental office services.....	133.1	140.4	148.1	156.2	164.8	173.9	183.5
PROFESSIONAL SERVICES							
Legal.....	\$ 417.4	\$ 447.9	\$ 480.6	\$ 515.7	\$ 553.3	\$ 593.7	\$ 637.0
Engineering.....	417.2	444.7	474.1	505.4	538.8	574.4	612.3
Surveying, architectural.....	56.9	60.7	64.7	69.0	73.6	78.5	83.7
Accounting, auditing and bookkeeping services.....	132.1	140.0	148.4	157.3	166.7	176.7	187.3
MISCELLANEOUS SERVICES							
Basic television.....	\$ 31.6	\$ 33.5	\$ 35.5	\$ 37.6	\$ 39.9	\$ 42.3	\$ 44.8
Learned professions.....	NA	NA	NA	NA	NA	NA	NA
Electrical, plumbing, heating & air conditioning service fees.....	NA	NA	NA	NA	NA	NA	NA
Veterinary fees.....	20.3	20.8	21.3	21.8	22.3	22.9	23.6
Stockbroker fees.....	NA	NA	NA	NA	NA	NA	NA
Real estate agent fees.....	NA	NA	NA	NA	NA	NA	NA
Financial institution fees.....	184.2	196.4	209.4	223.2	237.9	253.6	270.3
Pilots fees.....	NA	NA	NA	NA	NA	NA	NA
OTHER SERVICES							
Other.....	\$ 342.1	\$ 358.5	\$ 375.7	\$ 393.7	\$ 412.6	\$ 432.4	\$ 453.2

⁽¹⁾ These services are specifically exempt by Statute.

Beneficiaries: Virtually all 4.5 million households benefit from one or more of these service tax expenditures.

General Fund Tax Expenditures

CIGARETTE TAX

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

The cigarette tax is an excise tax, based on a rate of 1.55 cents per cigarette, levied on the sale or possession of cigarettes in Pennsylvania. Only one sale of cigarettes whether individual cigarettes, packages, cartons or cases is taxable. Beginning July 1, 1992 two thirty-firsts of cigarette tax receipts is transferred into the Children's Health Fund, and beginning July 1, 1993 an additional two thirty-firsts is transferred into the Agricultural Conservation Easement Purchase Fund. The analyses below reflect only the General Fund portion of the tax expenditures.

STATE VETERANS HOMES

Description: Sales to retail dealers located in State Veterans Homes for resale to residents in such homes are exempt. (Federal Veterans Hospitals are exempt under federal law).

Purpose: It is perceived to be good public policy to reduce taxes for veterans who have served their country and are now residing in a veterans home or hospital.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	Nominal						

UNSTAMPED CIGARETTES (200 AND UNDER)

Description: Vacationers or tourists crossing state lines with one carton or less of unstamped cigarettes are not required to pay tax on those cigarettes. The carton (200 cigarettes) can not be resold and must be for personal use only.

Purpose: Persons crossing state lines with one carton or less of cigarettes are presumed to possess such cigarettes for personal use rather than intentionally avoiding payment of the cigarette tax. This expenditure helps to relieve administration and enforcement burdens as well as promote tourism.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	NA	NA	NA	NA	NA	NA	NA

COMMISSIONS ON SALES OF STAMPS

Description: Cigarette stamping agents are permitted a commission of three percent of the value of all cigarette tax stamps purchased from the Department of Revenue or its authorized agents to be affixed to cigarettes for sale within the Commonwealth. The commission does not apply to purchases of stamps by a cigarette stamping agent in amounts of less than one hundred dollars (\$100).

Purpose: This commission is paid to the cigarette stamping agent as compensation for services and expenses incurred while acting as an agent of the Commonwealth in affixing tax stamps.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 9.3	\$ 9.1	\$ 9.0	\$ 8.9	\$ 8.8	\$ 8.7	\$ 8.6

General Fund Tax Expenditures

MALT BEVERAGE TAX

Authorization: Article XX of the Tax Reform Code of 1971, Act of March 4, 1971 (P.L. 6., No. 2), as amended.

The malt beverage tax is levied on malt and brewed beverages manufactured, sold and used in Pennsylvania, or manufactured outside of Pennsylvania but sold for importation and use in Pennsylvania. The tax is borne by the consumer, but manufacturers, distributors and importers remit the tax to the Commonwealth.

EMERGENCY TAX CREDIT

Description: The Emergency Tax Credit provides manufacturers of malt or brewed beverages, whose annual production of malt or brewed beverages does not exceed 300,000 barrels, a maximum annual credit of \$200,000 for capital improvement expenditures. This tax credit cannot exceed the amount of qualifying capital expenditures made during the emergency tax credit period (items of plant, equipment and machinery intended for use in the manufacture and sale of malt or brewed beverages within the Commonwealth). Under current law, the effective tax credit period is to December 31, 1998.

Purpose: This credit grants a limited tax subsidy for capital improvements made by small brewers. Due to the financial pressures facing these brewers, this provision could help lower the risk of business failure and subsequent loss of employment opportunities.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 0.5	\$ 0.4	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2

LIQUOR TAX

Enabling legislation is the Liquor Code, Act of June 29, 1987 (P.L. 32, No. 14) and the Emergency Liquor Sales Tax Act, Act of June 9, 1936 (Special Session, P.L. 13). The liquor tax is imposed on all liquor sold by the Pennsylvania Liquor Control Board. The tax is assessed, since 1968, at the rate of 18% of the net price paid by the consumer.

The liquor tax contains no tax expenditures as defined for this tax expenditure analysis.

General Fund Tax Expenditures

PERSONAL INCOME TAX

Authorization: The Act of August 31, 1971, (P.L. 362, No. 93) added Article III of the Tax Reform Code of 1971, (P.L. No. 2), as amended.

EXCLUSIONS FROM INCOME

RETIREMENT INCOME

Description: Payments commonly recognized as old age or retirement benefits paid to persons retired from service after reaching a specific age or after a stated period of service are exempt from taxation.

Purpose: The exemption limits the impact of the tax on retired persons. It also prevents taxation of previously taxed employee contributions to retirement plans.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$1,054.8	\$1,135.8	\$1,223.0	\$1,316.9	\$1,418.1	\$1,526.9	\$1,644.2

RETIREMENT CONTRIBUTIONS BY EMPLOYERS

Description: Payments made by employers for programs covering employee retirement and employer social security contributions are exempt from taxation.

Purpose: This provision lessens the burden of the tax upon Pennsylvania wage-earners and maintains fairness, since the employee often does not have the right to possess the funds in the retirement plan except for retirement or separation from the company after a set number of years of service.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 430.8	\$ 445.1	\$ 461.1	\$ 479.1	\$ 499.6	\$ 522.2	\$ 546.3

EMPLOYEE BENEFIT PROGRAM EMPLOYER CONTRIBUTIONS

Description: Payments made by employers or labor unions for programs covering hospitalization, sickness, disability or death, supplemental unemployment benefits, group life insurance, and strike benefits are exempt from taxation.

Purpose: This provision lessens the burden of the tax upon Pennsylvania wage-earners, along with maintaining fairness, since these payments are not usually based on actual use by each wage-earner.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 552.8	\$ 571.2	\$ 591.7	\$ 614.8	\$ 641.2	\$ 670.2	\$ 701.1

General Fund Tax Expenditures

LIFE INSURANCE PROCEEDS

Description: Amounts paid to beneficiaries or the estate of a decedent by reason of the death of the decedent are exempt from tax.

Purpose: Life insurance proceeds are not considered compensation for services rendered. Also, premiums are often paid with after-tax dollars.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 45.4	\$ 48.0	\$ 50.8	\$ 53.8	\$ 56.9	\$ 60.2	\$ 63.7

SICKNESS OR DISABILITY PROCEEDS

Description: Payments, other than regular wages or salary, received for periods of sickness or disability are excluded from compensation.

Purpose: These payments are excluded because they do not take the place of an employees' regular wages or salary. Sick pay in the form of regular wages or salary, however, is taxable.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	NA	NA	NA	NA	NA	NA	NA

UNEMPLOYMENT AND SUPPLEMENTAL UNEMPLOYMENT COMPENSATION

Description: Amounts received as unemployment compensation or supplemental unemployment compensation are excluded from taxable income.

Purpose: This exemption assists unemployed persons in providing the basic necessities of life.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 45.0	\$ 44.1	\$ 46.4	\$ 47.6	\$ 47.8	\$ 47.9	\$ 48.0

WORKER'S COMPENSATION

Description: Disability, retirement or other payments arising under workmen's compensation acts, occupational disease acts, and similar legislation are exempt from taxation.

Purpose: These benefits are not related to services rendered and are intended to provide income or subsistence during periods of disability when the taxpayer was injured on the job and also to pay workers' medical bills for injuries sustained on the job. These benefits more closely resemble insurance payments, which are not taxable.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 74.6	\$ 79.4	\$ 84.5	\$ 90.0	\$ 95.8	\$ 101.9	\$ 108.5

General Fund Tax Expenditures

STRIKE BENEFITS

Description: Amounts received designated as strike benefits are exempt from tax.

Purpose: These benefits are not considered compensation for services rendered and are thus excluded from tax.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	NA	NA	NA	NA	NA	NA	NA

PUBLIC ASSISTANCE

Description: Public Assistance payments from governmental entities are excluded from taxable income.

Purpose: This provision limits the impact of the tax on the poor and increases the effectiveness of state payments under this program.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 22.3	\$ 20.7	\$ 20.1	\$ 20.0	\$ 20.0	\$ 20.0	\$ 20.0

SALE OF A PRINCIPAL RESIDENCE (AGE 55 AND OVER)

Description: Up to \$100,000 of the gain from a sale of a principal residence is excludable from income. The taxpayer must be at least age 55 and meet certain other criteria. The exclusion may be used once in a taxpayer's lifetime.

Purpose: This provision limits the impact of the tax on older Pennsylvanian's who are subject to a substantial liability on the profit from the sale of their home.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 17.1	\$ 17.7	\$ 18.3	\$ 18.8	\$ 19.3	\$ 20.0	\$ 20.9

COMPENSATION FOR MILITARY SERVICE

Description: Compensation for military service by a Pennsylvania resident in a combat zone is excludable from tax. Income received for military service outside the Commonwealth (whether or not it is in a combat zone) while on active duty as a member of the armed forces is excludable from compensation.

Purpose: This provision reduces tax on members of the armed forces while on active duty in service of the country.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 52.4	\$ 52.5	\$ 52.7	\$ 52.9	\$ 52.9	\$ 53.1	\$ 53.2

General Fund Tax Expenditures

SCHOLARSHIPS, GRANTS, FELLOWSHIPS, AND STIPENDS

Description: Scholarships, grants, fellowships, and stipends awarded on the basis of need or academic achievement for the purpose of encouraging or allowing the recipient to further his educational development are not taxable. Fellowships and stipends are taxable if they are awarded as compensation for past, present, or future services.

Purpose: Awards made on the basis of detached generosity are considered to be gifts and are not taxable as income.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 27.7	\$ 30.7	\$ 34.1	\$ 37.8	\$ 41.9	\$ 46.5	\$ 51.6

PENNSYLVANIA LOTTERY WINNINGS

Description: Prizes of the Pennsylvania Lottery are exempt from tax. The estimates below reflect all expected payments to Lottery winners within the appropriate fiscal year.

Purpose: This provision provides incentive for playing the Pennsylvania Lottery. A separate section of the statute provides for a transfer from the Lottery Fund to the General Fund based on the present value of prizes won in that fiscal year.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 23.0	\$ 23.4	\$ 23.5	\$ 23.7	\$ 23.9	\$ 24.0	\$ 24.0

DEPENDENT CARE FACILITIES

Description: The fair market value of employer provided dependent care facilities is exempt from tax.

Purpose: This exemption provides assistance to working parents whose employer provides day care facilities as a benefit of employment.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	Nominal						

General Fund Tax Expenditures

REIMBURSEMENTS FOR ACTUAL EXPENSES

Description: Payments by an employer to an employee to reimburse actual expenses incurred by the employee in the conduct of the employer's business are excludable from compensation.

Purpose: This provision insures that employees incurring business expenses, for which they are later reimbursed in the actual amount of the expenses, are not taxed on the reimbursements. Such expenses and reimbursements are treated as if the employer had made the expenditure directly.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	NA	NA	NA	NA	NA	NA	NA

UNREIMBURSED EXPENSES

Description: Unreimbursed expenditures made by employees are excludable from compensation if they are necessary to enable the taxpayer to perform properly the duties of employment, reasonable in amount, directly related to the taxpayer's occupation, and customary in the taxpayer's occupation.

Purpose: This provision enhances the fairness of the tax for those employees who incur expenses for the benefit of the employer, in order to properly perform a job, or to retain a rate of compensation.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 43.6	\$ 45.3	\$ 47.1	\$ 48.9	\$ 50.8	\$ 52.8	\$ 54.8

BUSINESS INCOME DEDUCTIONS

Description: Ordinary and reasonable expenses necessary to operate a business or profession may be deducted from the gross receipts of that business or profession.

Purpose: Businesses and professions are taxed on "net" profits; therefore, expenses necessary to produce the income may be deducted before tax is computed.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<i>Depreciation:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
		\$ 56.2	\$ 59.3	\$ 64.8	\$ 68.0	\$ 71.0	\$ 73.1	\$ 76.3
	<i>Other:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
		\$ 443.5	\$ 468.0	\$ 511.2	\$ 536.7	\$ 560.3	\$ 576.9	\$ 602.5

General Fund Tax Expenditures

FOSTER CARE

Description: Payments received by foster parents are explicitly excluded from the definition of compensation.

Purpose: This exemption provides an incentive for families to bear the burden of caring for foster children.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	NA	NA	NA	NA	NA	NA	NA

CREDITS

SPECIAL POVERTY PROVISIONS (TAX FORGIVENESS)

Description: Special tax forgiveness provisions allow eligible claimants to reduce their tax liability depending upon the amount of their eligibility income. A taxpayer with no dependents and with eligibility income of \$7,200 or less will qualify for some amount of forgiveness. The eligibility income limits increase by \$3,000 for each dependent.

Purpose: This provision provides tax relief for taxpayers with low incomes.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 90.5	\$ 86.3	\$ 83.1	\$ 80.0	\$ 76.4	\$ 73.0	\$ 69.5

OUT-OF-STATE CREDIT

Description: Pennsylvania residents who have income which is subject to both Pennsylvania personal income tax and the income or wage tax of another state (excluding compensation earned in states with reciprocal agreements) or country may claim all or a portion of the tax paid to the other state or country as a credit against the personal income tax.

Purpose: This provision prevents the double taxation of income earned by a Pennsylvania resident in another state or country.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 65.5	\$ 70.4	\$ 73.1	\$ 76.6	\$ 80.0	\$ 84.8	\$ 89.4

General Fund Tax Expenditures

ESTIMATED TAXES

ESTIMATED TAXES FOR FARMERS

Description: Individuals having an estimated gross income from farming which is at least two-thirds of their total gross income may file an estimated tax declaration any time on or before January 15 of the succeeding year. If such an individual files a final return and pays the entire tax due by March 1, the return may be considered the declaration due on or before January 15. The estimates measure the interest lost due to delayed estimated payments.

Purpose: This provision provides assistance to farmers by allowing more liberal estimated payment rules, enhancing the farmers' cash flow.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3

ESTIMATED PAYMENTS FOR SMALL AMOUNTS

Description: Individuals with income of \$2,500 or less not subject to withholding are not required to pay estimated taxes. Individuals whose estimated tax is \$100 or less for a tax year may file a declaration and pay any estimated tax due by January 15 of the succeeding year. The estimates measure the interest lost due to delayed estimated payments.

Purpose: These provisions reduce paperwork for taxpayers with small amounts of income not subject to withholding.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	Nominal						

General Fund Tax Expenditures

REALTY TRANSFER TAX

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

The realty transfer tax is a documentary stamp tax on the value of any interest in real estate transferred by deed. The tax is imposed at the rate of 1 percent of the value of the real estate transferred. Each party to a document is jointly and severally liable for the tax imposed, unless the party is an excluded party or the document evidences an excludable transaction. The excluded status of a party does not relieve the other parties to a transaction from the entire tax due. The amounts below represent the General Fund portion of the realty transfer tax expenditures only and do not include expenditures for the portion transferred to the Keystone Recreation, Park and Conservation Fund pursuant to Act 50-1993.

TRANSFERS TO GOVERNMENTAL UNITS

Description: A transfer to the Commonwealth, the Federal Government, and their agencies, political subdivisions or instrumentalities by gift, dedication, condemnation or in lieu of condemnation is exempt from taxation.

Purpose: This exemption provides tax relief to the grantor of property to a governmental entity. Without an exemption, the grantor would be required to pay the tax. The exemption may encourage donation of property to a governmental entity.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.5	\$ 0.5	\$ 0.6	\$ 0.6

PARTITION OF REALTY BY COTENANTS

Description: A partition of realty, passed by testate or intestate succession and held by cotenants, into two or more distinctive portions with each party taking shares equal to their undivided interest is an excluded transaction.

Purpose: Tax relief is given to the heirs to assist in the equitable settlement of the estate. Heirs to realty do not always want joint ownership in the realty willed to them as cotenants. This exemption enables the parties to partition the realty into two or more distinct portions with each party taking shares equal to their undivided interest without incurring tax.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	Nominal						

General Fund Tax Expenditures

TRANSFERS AMONG FAMILY MEMBERS

Description: Transfers between husband and wife, parent and child or the spouse of such child, siblings and or the spouse of a sibling, and a grandparent and grandchild or the spouse of such a grandchild are exempt from taxation.

Purpose: This exemption reduces the tax burden upon families by exempting transfers to lineal descendants.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 26.2	\$ 26.7	\$ 27.4	\$ 26.8	\$ 27.2	\$ 29.8	\$ 34.0

TRANSFERS TO SHAREHOLDERS OR PARTNERS

Description: A transfer from a corporation or association to its shareholder or member, where the grantee owns stock or holds an interest in the same proportion as his interest in the real estate being conveyed is an excluded transaction. The stock or interest must be held by the grantee for more than two years.

Purpose: This exemption recognizes that the grantee has an ownership interest in the realty conveyed to him in the same proportion as stock owned in the corporation or interest in the association.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4

TRANSFERS TO OR FROM A NON-PROFIT INDUSTRIAL DEVELOPMENT AGENCY

Description: A transfer to a non-profit industrial development agency or authority is an excluded transaction. A transfer from a non-profit industrial development agency or authority to a grantee purchasing directly from it is an excluded transaction if (1) the grantee uses such real estate for the primary purpose of manufacturing, fabricating, compounding, processing, publishing, research and development, transportation, energy conversion, energy production, pollution control, warehousing or agriculture and (2) the authority has full ownership interest in the real estate transferred.

Purpose: These exemptions encourage transfers of realty to non-profit organizations for industrial development and from non-profit organizations for use in various activities which may contribute to economic development in the Commonwealth.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 1.2	\$ 1.0	\$ 1.1	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.1

General Fund Tax Expenditures

TRANSFERS BETWEEN RELIGIOUS ORGANIZATIONS

Description: A transfer between religious organizations or persons holding title for a religious organization, with both parties possessing tax exempt status under the Internal Revenue Code, is an excluded transaction. The real estate can not have been used by such transferor for commercial purposes.

Purpose: This exemption provides tax relief to religious organizations which are perceived to provide social benefits.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 0.9	\$ 0.8	\$ 0.8	\$ 0.7	\$ 0.7	\$ 0.8	\$ 0.8

TRANSFERS TO A CONSERVANCY

Description: A transfer to a conservancy which possesses a tax-exempt status pursuant to the Internal Revenue Code and which has as its primary purpose preservation of land for historic, recreational, scenic, agricultural or open space opportunities is an excluded transaction.

Purpose: This exemption encourages the preservation of realty with historic, recreational, scenic, and agricultural value.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	Nominal						

REAL ESTATE DEVOTED TO AGRICULTURE

Description: A transfer of real estate devoted to the business of agriculture to a family farm corporation or family farm partnership by a member of the same family is an excluded transaction. The family must own at least seventy-five percent of each class of stock in a family farm corporation.

Purpose: This exemption provides tax relief for the establishment or expansion of the family farm corporation or family farm partnership thereby recognizing the importance of the family-owned farm.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	NA	NA	NA	NA	NA	NA	NA

General Fund Tax Expenditures

OWNERSHIP INTEREST IN REAL ESTATE COMPANY OR FAMILY FARM

Description: A transfer between members of the same family of an ownership interest in a real estate company, family farm corporation or family farm partnership is an excluded transaction.

Purpose: A transfer of ownership interest between members of the same family is not considered a change in ownership of the business. This exemption encourages the preservation of family farm corporations, family farm partnerships, and family-owned real estate businesses by allowing transfers of ownership interests between members of the same family not to count toward the corporation becoming an acquired company.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	NA	NA	NA	NA	NA	NA	NA

TRANSFERS OF REALTY VALUED AT \$100 OR LESS

Description: A transaction where the tax due is one dollar (\$1.00) or less is an excluded transaction.

Purpose: The administrative costs of collecting the revenue from a transfer of realty valued at \$100 or less are thought to be greater than the revenue.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	Nominal						

PRODUCTION OR EXTRACTION OF COAL, OIL, NATURAL GAS, OR MINERALS

Description: Leases for the production or extraction of coal, oil, natural gas or minerals and assignments thereof are excluded transactions.

Purpose: This exemption gives tax relief to the mining and extracting industries to produce and extract coal, oil, natural gas, and minerals at a lower cost.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	NA	NA	NA	NA	NA	NA	NA

PUBLIC UTILITY EASEMENTS

Description: A transfer of an easement to a person furnishing public utility service is an excluded transaction if the easement is used in, or useful for, furnishing public utility services.

Purpose: Public utility easements are numerous and the majority of them are conveyed for a small consideration. The administrative costs of collecting the revenue from an easement to a provider of public utility services are thought to be greater than the revenue.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	Nominal						

General Fund Tax Expenditures

STANDING TIMBER OR CROPS

Description: Standing timber and crops are not deemed to actually pass with the conveyance of realty when the instrument provides for severance and removal within an immediate ascertainable date.

Purpose: Timber and crops are personal property in this instance, the transfer of which is not subject to realty transfer tax.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	NA	NA	NA	NA	NA	NA	NA

INHERITANCE TAX

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

FAMILY RELATED EXEMPTIONS AND EXCLUSIONS

PREFERENTIAL RATE FOR TRANSFERS TO LINEAL DESCENDANTS AND SPOUSES

Description: Assets transferred to lineal descendants defined as all children of the natural parents and their descendants whether or not they have been adopted by others, adopted descendants and their descendants and step descendants are taxed at a 6% rate rather than the 15% rate for assets transferred to all other heirs.

Purpose: This provision lowers the tax burden on immediate family members of the decedent.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 429.4	\$ 457.1	\$ 476.0	\$ 495.5	\$ 515.9	\$ 537.1	\$ 559.1

TRANSFERS OF PROPERTY TO SPOUSE

Description: Property passing to a spouse of a decedent is exempt from inheritance tax.

Purpose: This provision prevents an undue tax burden upon a surviving spouse. It allows spouses to maintain homes and other assets without inheritance tax.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 565.4	\$ 590.8	\$ 617.4	\$ 645.2	\$ 674.1	\$ 704.4	\$ 736.1

General Fund Tax Expenditures

LIFE INSURANCE PROCEEDS

Description: Life insurance proceeds, whether or not payable to the estate of the decedent, are exempt from inheritance tax.

Purpose: This provision lessens the tax burden on the insurance beneficiaries of the decedent, who are likely to be family members. A common reason for purchasing life insurance is to assist with the payment of death taxes.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 141.9	\$ 151.5	\$ 161.7	\$ 172.6	\$ 184.2	\$ 196.6	\$ 209.8

FEDERAL WAR RISK INSURANCE AND NATIONAL SERVICE LIFE INSURANCE PROCEEDS

Description: Proceeds of Federal War Risk Insurance, National Service Life Insurance, or other similar governmental insurance are exempt from inheritance tax.

Purpose: This provision lessens the tax burden on beneficiaries of U.S. military personnel and dependents who receive increased insurance when stationed in an area where military conflict is possible.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	NA	NA	NA	NA	NA	NA	NA

FAMILY EXEMPTION

Description: A \$2,000 family exemption from inheritance tax is permitted for the decedent's surviving children or parents living in the decedent's household at the time of death.

Purpose: This provision helps limit the impact of the tax on the poor and those with smaller taxable estates to whom this flat exemption is proportionately more meaningful.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 1.2	\$ 1.2	\$ 1.2	\$ 1.2	\$ 1.2	\$ 1.2	\$ 1.2

General Fund Tax Expenditures

PERSONAL EXCLUSIONS AND DEDUCTIONS

EMPLOYMENT BENEFITS

Description: Employment benefits that the decedent did not have the right to possess, enjoy, assign or anticipate before death are exempt from inheritance tax. Exempt benefits include pension, stock-bonus, profit-sharing, Keoghs, Individual Retirement Accounts and other retirement plans. If the decedent did have the right to possess, enjoy, assign or anticipate the benefits, they are exempt from Pennsylvania inheritance tax only to the same extent they are exempt from the federal estate tax.

Purpose: This provision limits inheritance tax on employment benefits to which the decedent did not have full rights. An individual is presumed to have full rights to these employment benefits after age 59½ -- the age at which someone may utilize at least a portion of these funds without penalty under the Internal Revenue Code.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 22.6	\$ 23.8	\$ 25.1	\$ 26.4	\$ 27.8	\$ 29.3	\$ 30.9

ESTATE ADMINISTRATION EXPENSES

Description: Expenses for attorney fees, funeral and burial expenses, tombstones and gravemarkers, and other expenses incurred in administering the estate are deductible from the taxable estate.

Purpose: This provision allows for the deduction of reasonable and necessary expenses associated with managing the estate.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 60.0	\$ 62.7	\$ 65.5	\$ 68.4	\$ 71.5	\$ 74.7	\$ 78.1

DEBTS AND LIABILITIES OF THE DECEDENT

Description: A deduction from the gross estate is allowed for debts and liabilities of the decedent.

Purpose: This provision increases the fairness of the tax by insuring that property is included in the taxable estate based on its net value. For example, a mortgage is deducted from the value of real property to properly value the decedent's interest in that property.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 20.8	\$ 21.7	\$ 22.7	\$ 23.7	\$ 24.8	\$ 25.9	\$ 27.0

General Fund Tax Expenditures

SOCIAL SECURITY DEATH PAYMENTS

Description: The lump-sum social security death benefit is exempt from inheritance Tax.

Purpose: This provision helps limit the impact of the tax on the poor. If taxable, the Social Security death benefit could comprise the majority of assets for many small taxable estates.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0

RAILROAD RETIREMENT BURIAL BENEFITS

Description: The lump-sum railroad retirement burial benefit is exempt from Inheritance Tax.

Purpose: This provision helps limit the impact of the tax on the poor. If taxable, the Railroad Retirement burial benefit could comprise the majority of assets for many small taxable estates.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	Nominal						

ADVANCEMENTS

Description: Transfers made as an advancement of or on account of an intestate share or in satisfaction or partial satisfaction of a gift by will are exempt unless the gift was made within a year of death and gifts to the transferee exceeded \$3,000 during that calendar year.

Purpose: Gifts, as long as they are not made within one year of the date of death, are exempt from Inheritance Tax. This provision provides that these advancements be treated as gifts.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	NA	NA	NA	NA	NA	NA	NA

General Fund Tax Expenditures

PROPERTY SUBJECT TO POWER OF APPOINTMENT

Description: Property left to a trust by the decedent (grantor) subject to a power of appointment (by a grantee), whether or not exercised and notwithstanding any blending of such property with property of the grantee, is exempt from Inheritance Tax in the estate of the grantee.

Purpose: Pennsylvania taxes the transfer of these assets subject to a power of appointment at the time the interest is created (when the grantor dies). The grantee may have a life interest in the estate with any remainder passing to some other person. This provision prevents taxation when the property is subsequently distributed upon the death of the grantee, having already been taxed in the estate of the grantor.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	NA	NA	NA	NA	NA	NA	NA

NOMINAL OWNERSHIP OF PROPERTY

Description: Property held in the name of a decedent who held no beneficial interest in the property is exempt from inheritance tax.

Purpose: This provision prevents property in which the decedent had no real interest from being included in the taxable estate.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	NA	NA	NA	NA	NA	NA	NA

BUSINESS RELATED EXCLUSIONS AND DEDUCTIONS

PREFERENTIAL VALUATION OF FARMLAND

Description: Farmland which was devoted to agricultural use for the three years preceding the death of the decedent and is not less than ten contiguous acres or has an anticipated yearly gross income derived from agricultural use of \$2,000 or more, is valued based on its current use rather than its highest use.

Purpose: This provision helps to protect family farms. Much land currently devoted to agricultural use would be more valuable if it were developed. This provision values the farmland as if it were to remain farmland.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	NA	NA	NA	NA	NA	NA	NA

General Fund Tax Expenditures

SMALL BUSINESS INTEREST TRANSFER EXTENDED PAYMENT SCHEDULE

Description: The Inheritance Tax due on the transfer of a qualified small business interest may be paid in 20 consecutive quarterly installments beginning nine months after the decedent's death. Each installment payment bears interest of 9% per annum.

Purpose: This provision helps protect small business upon the death of the owner from a sudden tax burden. Payments are spread out over time so that asset sales can be avoided.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	NA	NA	NA	NA	NA	NA	NA

OTHER EXCLUSIONS

TRANSFERS TO GOVERNMENTS

Description: Intervivos transfers and bequests to governments are exempt from Inheritance Tax.

Purpose: This exemption is an indirect means of assistance to local governments and may reduce the taxes levied by these entities.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.5	\$ 0.5

TRANSFERS TO CHARITABLE AND FRATERNAL ORGANIZATIONS

Description: Intervivos transfers and bequests to charitable and fraternal organizations are exempt from Inheritance Tax.

Purpose: Charitable and fraternal organizations provide public services which are believed to benefit the citizenry. This exemption represents an indirect means of assistance to these entities and may increase the money available for charitable purposes.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 59.7	\$ 62.3	\$ 65.1	\$ 68.1	\$ 71.1	\$ 74.3	\$ 77.7

Motor License Fund Tax Expenditures

LIQUID FUELS TAX

Authorization: Act of May 21, 1931 (P.L. 149, No. 105). The current rate is 12 cents per gallon. All revenues are deposited in the Motor License Fund with a 0.5 cent restricted portion of the tax later distributed to local jurisdictions. The following estimates reflect the full tax rate imposed.

FUEL USE TAX

Authorization: The Fuel Use Tax Act of January 14, 1952 (P.L. 1965, No. 550). The tax is an excise tax imposed on all dealer-users of fuel within Pennsylvania except those fuels subject to the liquid fuels tax. Examples of taxable products are diesel, liquefied petroleum gases and kerosene. The current rate is 12 cents per gallon deposited in the Motor License Fund with a 0.5 cent restricted portion of the tax later distributed to local jurisdictions. The estimates reflect the full tax rate imposed.

OIL COMPANY FRANCHISE TAX

Authorization: Chapter 95 of Title 75 of the Pennsylvania Consolidated Statutes. This tax is imposed on oil companies for the privilege of doing business, exercising a corporate franchise, employing capital, owning or leasing property, maintaining an office, or having employees in Pennsylvania. The tax is calculated at 115 mills of the average wholesale price of petroleum products which may not be less than \$.90 nor more than \$1.25 per gallon. A restricted revenue portion of 3 mills is deposited into the State Highway Transfer Restoration Restricted Account and 55 mills is distributed to various other restricted accounts. The following estimates reflect the full tax rate imposed.

POLITICAL SUBDIVISIONS

Description: Fuels purchased by political subdivisions of the Commonwealth are exempt from the tax.

Purpose: This exemption is an indirect means of assistance to local governments and may reduce the taxes levied by these entities.

(Dollar Amounts in Millions)

<i>Estimates:</i>	Motor Gasoline:						
	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 5.3	\$ 5.3	\$ 5.3	\$ 5.3	\$ 5.3	\$ 5.3	\$ 5.3
	Jet Fuel & Aviation Gasoline:						
	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal
	Fuel Use:						
	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 3.0	\$ 3.1	\$ 3.0	\$ 3.1	\$ 3.1	\$ 3.1	\$ 3.2
	Oil Company Franchise:						
	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 7.6	\$ 7.7	\$ 7.6	\$ 7.7	\$ 7.7	\$ 7.8	\$ 7.8

Motor License Fund Tax Expenditures

VOLUNTEER EMERGENCY VEHICLES

Description: Fuels purchased by a volunteer fire company, volunteer ambulance service or volunteer rescue squad used solely in official vehicles are exempt from the tax.

Purpose: Volunteer emergency organizations provide public services which are perceived to benefit the citizenry. This exemption permits these services to be rendered at a reduced cost.

(Dollar Amounts in Millions)

<i>Estimates:</i>	Motor Gasoline:						
	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0
	Jet Fuel & Aviation Gasoline:						
	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal
	Fuel Use:						
	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 1.1	\$ 1.1	\$ 1.1	\$ 1.1	\$ 1.1	\$ 1.1	\$ 1.1
	Oil Company Franchise:						
	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 1.9	\$ 1.9	\$ 1.9	\$ 1.9	\$ 1.9	\$ 1.9	\$ 1.9

NONPROFIT NONPUBLIC SCHOOLS

Description: Fuels purchased by any nonprofit nonpublic school in which a Commonwealth resident may legally fulfill compulsory school attendance requirements are granted an exemption from the tax.

Purpose: Since state government indirectly subsidizes transporting public school children, this exemption provides similar treatment to nonprofit nonpublic schools.

(Dollar Amounts in Millions)

<i>Estimates:</i>	Motor Gasoline:						
	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal
	Jet Fuel & Aviation Gasoline:						
	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal
	Fuel Use:						
	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal
	Oil Company Franchise:						
	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

Motor License Fund Tax Expenditures

SECOND CLASS COUNTY PORT AUTHORITIES

Description: Purchases of fuels by second class county port authorities are exempt from the tax.

Purpose: This exemption is an indirect means of assistance to local governments and may reduce the taxes levied by these entities.

(Dollar Amounts in Millions)

<i>Estimates:</i>	Motor Gasoline:						
	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal
	Jet Fuel & Aviation Gasoline:						
	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal
	Fuel Use:						
	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal
	Oil Company Franchise:						
	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

ELECTRIC COOPERATIVES

Description: Fuel purchases for vehicles operated by electric cooperatives are exempt from the tax.

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	Motor Gasoline:						
	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal
	Jet Fuel & Aviation Gasoline:						
	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal
	Fuel Use:						
	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1
	Oil Company Franchise:						
	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1

Motor License Fund Tax Expenditures

AGRICULTURAL USE

Description: The Liquid Fuels Tax Act grants a full refund of tax paid for agricultural use relating to the actual production of farm products. Fuel used in farm machinery or equipment engaged in the production or harvesting of agricultural products are exempt from taxation under the Fuel Use Tax Act.

Purpose: This exemption helps to provide agricultural products at a reduced price to the consumer.

(Dollar Amounts in Millions)

<i>Estimates:</i>	Motor Gasoline:						
	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 1.8	\$ 1.8	\$ 1.8	\$ 1.8	\$ 1.8	\$ 1.8	\$ 1.8
	Jet Fuel & Aviation Gasoline:						
	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal
	Fuel Use:						
	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0

DISCOUNT

Description: A distributor is permitted a variable percentage discount based on gross tax due provided the liquid fuels tax return and payment due are timely filed. A dealer-user is permitted a 2% discount based on gross tax due provided the fuel use tax report and payment due are timely filed. Returns and payments are due on or before the next to the last business day of each month for the preceding month's sales.

Purpose: This discount is intended to defray the cost of preparing and remitting the liquid fuels tax and fuel use tax reports and payments.

(Dollar Amounts in Millions)

<i>Estimates:</i>	Motor Gasoline:						
	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 4.9	\$ 4.9	\$ 4.9	\$ 4.9	\$ 4.9	\$ 4.9	\$ 4.9
	Jet Fuel & Aviation Gasoline:						
	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal
	Fuel Use:						
	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 2.6	\$ 2.6	\$ 2.6	\$ 2.6	\$ 2.7	\$ 2.7	\$ 2.7

Motor License Fund Tax Expenditures

FOREIGN DIPLOMATS

Description: Fuels purchased by foreign diplomats whose country has entered into a treaty with the United States are exempt from payment of the tax.

Purpose: The Commonwealth grants this exemption administratively at the request of the Federal government.

(Dollar Amounts in Millions)

<i>Estimates:</i>	Motor Gasoline:						
	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal
	Jet Fuel & Aviation Gasoline:						
	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal
	Fuel Use:						
	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal
	Oil Company Franchise:						
	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

MOTOR CARRIERS ROAD TAX

Authorization: The motor carriers road tax was enacted by the Act of June 19, 1964 (P.L. 7, No. 1) and provisions requiring identification markers were transferred to the Vehicle Code by the Act of June 18, 1980 (P.L. 229, No. 68). The Act of July 13, 1987 (P.L. 303, No. 56) repealed the motor carriers road tax and reenacted it as Chapter 96 of Title 75 of the Pennsylvania Consolidated Statutes. The motor carriers road tax is levied at the rate per gallon of the Pennsylvania liquid fuels tax and oil franchise tax currently in effect. An additional tax of 6 cents per gallon is collected through the motor carriers road tax and subsequently deposited in the Restricted Highway Bridge Improvement Account within the Motor License Fund. Beginning January 1, 1996, Pennsylvania will implement the provisions of the International Fuel Tax Agreement (IFTA). Under IFTA, fuel consumed in "qualified motor vehicles" is subject to taxation at current rates. A qualified motor vehicle is a motor vehicle, other than a recreational vehicle, which is used, designed or maintained for transportation of persons or property and which has two axles and a registered gross weight exceeding 26,000 pounds, three axles or more regardless of weight or used in combination when the registered gross weight exceeds 26,000 pounds. IFTA provisions do not distinguish taxable use by vehicle types, only by weight and axle configuration. Therefore, Act 75 of 1995 repeals the Motorbus Road Tax effective January 1, 1996. The following estimates reflect the full tax rate imposed.

Motor License Fund Tax Expenditures

POLITICAL SUBDIVISIONS

Description: Vehicles operated by political subdivisions are exempt from the requirements of the motor carriers road tax.

Purpose: This exemption is an indirect means of assistance to local governments and may reduce the taxes levied by these entities.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 8.5	\$ 8.5	\$ 8.5	\$ 8.6	\$ 8.6	\$ 8.6	\$ 8.7

FARM VEHICLES

Description: Qualified motor vehicles bearing a Pennsylvania farm truck registration operating under restricted use and farm vehicles exempt from registration are exempt from the motor carriers road tax.

Purpose: This exemption assists the farmer to provide agricultural products at a reduced price to the consumer.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 6.5	\$ 6.4	\$ 6.3	\$ 6.3	\$ 6.2	\$ 6.1	\$ 6.1

VOLUNTEER EMERGENCY VEHICLES

Description: Fire, rescue and ambulance vehicles operated by volunteers and select others are exempt from the requirements of the Motor Carriers Road Tax Act.

Purpose: Volunteer emergency organizations provide public services which are perceived to benefit the citizenry. This exemption permits these services to be rendered at a reduced cost.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 4.0	\$ 4.0	\$ 4.0	\$ 4.1	\$ 4.1	\$ 4.2	\$ 4.2

BUSES

Description: Every bus company operating motorbuses which meet the definition of a qualified motor vehicle is entitled to a credit or refund equal to the 6¢ per gallon surtax on all fuel consumed in operations in the Commonwealth.

Purpose: Historically, buses have been exempted from the surtax.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 0.7	\$ 0.7	\$ 0.7	\$ 0.7	\$ 0.7	\$ 0.7	\$ 0.7

Motor License Fund Tax Expenditures

SPECIAL MOBILE EQUIPMENT

Description: Vehicles not designed or used primarily for the transportation of persons or property which only incidentally operate or move over a highway, such as ditch digging apparatus, well-boring apparatus, earth moving and road construction machinery, are exempt from the requirements of the Motor Carriers Road Tax Act.

Purpose: Exemption is granted to these vehicles because of their specialized off-highway use.

(Dollar Amounts in Millions)

Estimates:	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1

IMPLEMENTS OF HUSBANDRY

Description: A vehicle designed or adapted to be used exclusively for agricultural operations is exempt from the motor carriers road tax.

Purpose: This exemption assists the farmer to provide agricultural products at a reduced price to the consumer.

(Dollar Amounts in Millions)

Estimates:	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	Nominal						

CHURCHES

Description: Qualified motor vehicles operated by churches, exempt under Section 1901 of Title 75, are exempt from the motor carriers road tax relative to in-state travel.

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

(Dollar Amounts in Millions)

Estimates:	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4

Motor License Fund Tax Expenditures

ELECTRIC COOPERATIVES

Description: Qualified motor vehicles operated by electric cooperatives are exempt from the motor carriers road tax.

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	Nominal						

VEHICLES NEEDING EMERGENCY REPAIRS

Description: A qualified motor vehicle needing emergency repairs, which was granted authorization from the Pennsylvania State Police to enter this Commonwealth, is exempt from the requirements of the Motor Carriers Road Tax Act.

Purpose: This exemption was granted due to the temporary emergency nature of the vehicle entering Pennsylvania for needed repairs.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	Nominal						

VEHICLES SECURING REPAIRS OR RECONDITIONING

Description: Exemption from the motor carriers road tax is provided for unladen or towed motor vehicles or unladen trailers entering Pennsylvania solely for the purpose of securing repairs or reconditioning.

Purpose: This exemption was granted so as to not discourage vehicle owners from obtaining repairs or reconditioning of a vehicle from a Pennsylvania business.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	Nominal						

Motor License Fund Tax Expenditures

SCHOOL BUS

Description: Buses designed to carry 11 or more passengers used for the transportation of preprimary, primary or secondary school students to or from public, private or parochial schools or events related to such schools or school-related activities are exempt from the motor carriers road tax.

Purpose: Since state government indirectly subsidizes transporting school children, this exemption decreases state educational subsidy costs.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 3.1	\$ 3.1	\$ 3.1	\$ 3.1	\$ 3.2	\$ 3.2	\$ 3.2

Motor License Fund Tax Expenditures

MOTOR VEHICLE CODE

Authorization: The Motor Vehicle Code, contained in Title 75 of the Act of June 17, 1976 (P.L. 162, No. 81), became effective July 1, 1977. This amended the Act of April 29, 1959 (P.L. 58, No. 32) known as "The Vehicle Code." Contained in the Motor Vehicle Code are provisions for the titling, registration and licensing of vehicles, operation of vehicles, vehicle characteristics and the administration and enforcement of the code.

VEHICLE REGISTRATIONS

Description: Specific entities that request the authority to operate are granted a full or partial exemption from the registration fee. Not shown below are exempt categories with unknown numbers of vehicles which include, for example, mobile/modular homes, military vehicles and maintenance vehicles.

Purpose: This exemption provides relief to the organizations or individuals cited below. Many of those cited are dependent upon charitable contributions or augmented incomes. This exemption is also an indirect means of assistance to local governments and may reduce the taxes levied by these entities.

(Dollar Amounts in Millions)

Estimates:	Disabled/Severely Disabled Veterans:						
	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1
	Charitable Organizations:						
	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.6
	Former Prisoners of War:						
	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal
	Farm Trucks:						
	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 2.5	\$ 2.5	\$ 2.5	\$ 2.5	\$ 2.5	\$ 2.5	\$ 2.5
	Emergency Vehicles:						
	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 1.1	\$ 1.1	\$ 1.1	\$ 1.1	\$ 1.1	\$ 1.1	\$ 1.1
	Fire Department Vehicles:						
	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 3.0	\$ 3.0	\$ 3.0	\$ 3.1	\$ 3.1	\$ 3.1	\$ 3.1
	Political Subdivisions:						
	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 8.0	\$ 8.1	\$ 8.2	\$ 8.2	\$ 8.3	\$ 8.4	\$ 8.4
	Older Pennsylvanians:						
	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 2.1	\$ 2.1	\$ 2.1	\$ 2.1	\$ 2.1	\$ 2.1	\$ 2.1

Motor License Fund Tax Expenditures

CARNIVAL TRUCKS/TRUCK TRACTORS

Description: Owners who document with the Department of Transportation that the truck or tractor is used exclusively for the purpose of transporting circus or carnival personnel, equipment, or machinery are granted a reduced registration fee.

Purpose: This provides partial registration fee relief for those vehicles being used only between April 1 and September 30.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	Nominal						

CERTIFICATES OF TITLE

Description: Ownership of a particular vehicle is recorded by the issuance of a Certificate of Title for which a fee is charged. Specific entities exempt from this title fee are political subdivisions, totally disabled veterans, emergency vehicles and foreign nationals.

Purpose: This exemption provides relief to the organizations or individuals cited above. The General Assembly has provided exemption for these entities due to their perceived special status.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.2	\$ 0.2	\$ 0.2

INSPECTION STICKERS

Description: All vehicles registered in Pennsylvania are required to have periodic safety inspections to insure their roadworthiness. A certificate of inspection is issued for a fee to show the vehicle meets specified safety standards. The Commonwealth administratively grants an exemption from the certificate fee to vehicles operated by political subdivisions.

Purpose: This exemption is an indirect means of assistance to local governments and may reduce the taxes levied by these entities.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3

Motor License Fund Tax Expenditures

BRIDGE PERMITS

Description: Bridges built on state owned rights-of-way need periodic maintenance and construction work. Permits are issued, for a fee, by the state to perform such work. The Commonwealth administratively grants an exemption from the permit fee to political subdivisions who are performing work for the state.

Purpose: This exemption is an indirect means of assistance to local governments and may reduce the taxes levied by these entities.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	Nominal						

HAULING PERMITS

Description: Permits, for which a fee is charged, are issued to firms who wish to haul loads that exceed the maximum size or weight specifications for a vehicle. The Commonwealth administratively grants an exemption from the permit fee to political subdivisions.

Purpose: This exemption is an indirect means of assistance to local governments and may reduce the taxes levied by these entities.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	Nominal						

POLICE ACCIDENT REPORTS

Description: Traffic accident reports are generated as a result of any accident where there is bodily injury or death or if one or more vehicles must be towed from the scene. A fee is charged to obtain a copy of the police accident report. The Commonwealth administratively grants an exemption for paying an accident report fee to political subdivisions.

Purpose: This exemption provides local prosecuting officials an aid in law enforcement.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	Nominal						

Racing Fund Tax Expenditures

The Racing Fund, a special revenue fund, is comprised of monies received from taxes, licenses and fees and miscellaneous revenues collected by the State Harness Racing Commission and the State Horse Racing Commission derived from the regulation of harness and horse racing. Prior to December 30, 1983, thoroughbred racing tax revenues consisted of wagering, breakage and admissions taxes and harness racing tax revenues consisted of wagering and admissions taxes as assessed by the Race Horse Industry Reform Act (Act 135 of December 17, 1981). The Harness Racing Fund and the Horse Racing Fund were combined into the Racing Fund by Act 93 of 1983. Act 93 also amended portions of the Race Horse Industry Reform Act relating to taxation.

WAGERING TAX

Authorization: Act of May 16, 1986 (P.L. 205, No. 63).

NEW CORPORATIONS

Description: Racing Corporations licensed after May 16, 1986 are subject to a reduced wagering tax rate, 1% rather than the normal 1.5% rate, for a period of four years.

Purpose: This provision may have been perceived as an incentive to promote the formation of new racing corporations.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	NA	NA	NA	NA	NA	NA	NA

ADMISSIONS TAX

Authorization: Department of Revenue letter ruling with concurrence of counsel for Racing Commission.

DARK DAY SIMULCASTS

Description: The minimum admissions tax, currently 5% of 50 cents, is waived at events where no admission charge is levied and where simulcasts of races from other facilities are featured rather than live races.

Purpose: This provision may have been perceived as a way to promote simulcast attendance at Commonwealth racing facilities.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	Nominal						

Special Fund Tax Expenditures

UNEMPLOYMENT COMPENSATION INSURANCE TAX

Administrative Costs: The costs of administering the tax expenditure associated with the Unemployment Compensation Insurance Tax are nominal.

LIMITATION OF THE TAXABLE WAGE BASE

Authorization: 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 employee during a calendar year by an employer. Prior to 1984 the limitation on taxable remuneration had been \$7,000. All state governments are required by the federal government to tax at least the first \$7,000 of subject wages. Many states, including Pennsylvania, have chosen to keep their bases close to the federal minimum. The estimate represents the cost of this limitation as measured by the difference between contributions based on taxable wages and contributions based on total wages. In 1988, legislation was enacted which provides for a "trigger" mechanism to regulate employer and employee contributions. The trigger mechanism would change tax rates in response to a change in the taxable wage base. The methodology used for this estimate does not incorporate the changes which the trigger mechanism would require. Projected tax rates were used to estimate contributions based on currently taxable wages. The same tax rates were used to estimate contributions based on total wages paid by contributory employers.

Purpose: The limitation on taxable wages limits growth in employer tax liabilities that would otherwise occur as wages rise.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 3,612.1	\$ 3,570.7	\$ 3,397.6	\$ 3,452.0	\$ 3,632.0	\$ 3,832.0	\$ 4,044.0

Beneficiaries: Pennsylvania's unemployment compensation tax system is legislatively designed to generate a sufficient amount of revenue to meet annual benefit payments and maintain an adequate reserve in the state's Unemployment Compensation Trust Fund. Since the tax rates are a function of taxable wages, an increase in the amount of taxable wages to total wages would result in a decrease in the assigned tax rates (trigger mechanism). Ultimately, this would maintain revenues at a level comparable to the current tax structure. This situation, however, involves special treatment for some employers compared to others based upon the level of wages paid to the employees. This special treatment (tax expenditure) would be different for every contributory employer in each major industry division and would have to be calculated on an individual employer basis. In general, under the current system, an employer with higher wage employees benefits by paying on a small portion of total wages. If the taxable wage base were total wages paid to employees, the employer with higher employee wages would have to pay a greater amount in taxes, even though the rate would be reduced significantly.

As of the first quarter of 1995 there were 233,163 contributory employers to the Unemployment Compensation Fund. The following is a breakdown of these employers according to major industry division:

Agriculture, Forestry and Fisheries	5,001	Wholesale Trade	22,414
Mining	867	Retail Trade	49,437
Construction	27,552	F.I.R.E.	15,642
Manufacturing	16,233	Services	86,897
Transportation and Public Utilities	8,372	Local Government	748

Special Fund Tax Expenditures

PUBLIC TRANSPORTATION ASSISTANCE FUND

Authorization: Article XXIII of the Tax Reform Code of 1971.

The Public Transportation Assistance Fund provides for the capital, asset maintenance and certain other transportation needs of the Commonwealth's public transit entities.

Fund revenues are derived from a portion of the public utility realty tax; a motor vehicle lease tax; a motor vehicle rental fee; a fee on the sale of new tires; 0.44% of total sales and use tax receipts in lieu of the repealed periodicals tax; and 0.09 % of total sales and use tax receipts in lieu of the repealed lease tax on class four and above motor carriers. Certain entities and transactions are exempt from these taxes and fees.

The utility realty tax expenditures for this fund parallel the PURTA General Fund Tax expenditures since, by statute, the provisions of Article XI-A of the Tax Reform Code of 1971 apply to the 12 mills levy accruing to the Public Transportation Assistance Fund. With the exception of the new tire fee, the remaining tax expenditures parallel applicable expenditures in the sales and use tax, again due to statutory provisions. The law limits new tire fee expenditures to exempt governmental units.

UTILITY REALTY TAX

Every entity required to pay the tax imposed under Article XI-A of the Tax Reform Code of 1971 must also remit an additional 12 mills upon each dollar of the state taxable value of its utility realty at the end of the calendar year. The authorization, explanation and administrative costs of this tax are given in the General Fund Tax Expenditure section.

PROPERTY SUBJECT TO LOCAL TAXATION

Description: Property subject to local real estate taxation under any law in effect on April 23, 1968 is excluded from the PURTA base.

Purpose: The Constitution of Pennsylvania was amended April 23, 1968 to provide for state taxation of public utility realty property; however, any law in effect which subjected real property of a public utility to local real estate taxation was left in full force. This exemption prevents the double taxation of such property.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 4.4	\$ 4.4	\$ 4.4	\$ 4.5	\$ 4.5	\$ 4.5	\$ 4.5

Beneficiaries: 421 public utilities could potentially benefit from this expenditure.

Special Fund Tax Expenditures

MACHINERY AND EQUIPMENT

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 315.2	\$ 309.9	\$ 314.3	\$ 318.9	\$ 318.2	\$ 321.4	\$ 323.6

Beneficiaries: 421 public utilities could potentially benefit from this expenditure.

EASEMENTS

Description: Easements or similar interests are excluded from the PURTA base. An easement is an interest in land owned by another entity which entitles the public utility company to limited use related to the provision of utility service.

Purpose: PURTA is intended as a tax on real property, and not as a tax on property such as these rights.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 3.9	\$ 3.9	\$ 3.9	\$ 4.0	\$ 4.0	\$ 4.0	\$ 4.0

Beneficiaries: 421 public utilities could potentially benefit from this expenditure.

RAILROAD RIGHTS-OF-WAY

Description: Railroad rights-of-way and superstructures thereon are excluded from the PURTA base. Railroad rights-of-way are limited ownership of land to be used exclusively for the provision of rail transportation service.

Purpose: PURTA is intended as a tax on real property, and not as a tax on property such as these rights. This tax relief encourages the development of an extensive railroad network that is beneficial to the economy.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 9.1	\$ 9.0	\$ 9.1	\$ 9.2	\$ 9.2	\$ 9.3	\$ 9.4

Beneficiaries: 69 public utilities could potentially benefit from this expenditure.

Special Fund Tax Expenditures

LINES

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 113.2	\$ 111.3	\$ 112.9	\$ 114.5	\$ 114.3	\$ 115.4	\$ 116.2

Beneficiaries: 421 public utilities could potentially benefit from this expenditure.

HYDROELECTRIC PROPERTY

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: No known facilities are currently operating or expected to be on-line in the near future.

SEWAGE SERVICES

Description: Public utilities furnishing sewage services are exempt from tax.

Purpose: This provides tax relief to companies that are in the business of sewage treatment and encourages investment in sewage treatment facilities which provide public environmental benefits. It also benefits consumers to the extent the tax relief is reflected in lower utility rates.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 8.0	\$ 7.9	\$ 8.0	\$ 8.1	\$ 8.1	\$ 8.2	\$ 8.3

Beneficiaries: 90 public utilities could potentially benefit from this expenditure.

Special Fund Tax Expenditures

MUNICIPALITIES

Description: Municipalities or municipal authorities furnishing public utility services are exempt from tax.

Purpose: The realty used for municipally-furnished utility services is public property used for public purposes. Moreover, taxing such property would result in the municipal government paying itself a tax.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 5.0	\$ 4.9	\$ 4.9	\$ 5.0	\$ 5.0	\$ 5.0	\$ 5.1

Beneficiaries: 474 municipal authorities and 93 municipal public utilities could potentially benefit from this expenditure.

MOTOR VEHICLE LEASE TAX AND MOTOR VEHICLE RENTAL FEE

The Commonwealth levies a 3% tax on the total lease price charged for each lease of a motor vehicle subject to tax under Article II of the Tax Reform Code of 1971.

A fee of \$2 per day or portion of a day is imposed on each rental of a motor vehicle subject to tax under Article II of the Tax Reform Code of 1971.

COMMON CARRIERS

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	Motor Vehicle Leases:						
	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	NA	NA	NA	NA	NA	NA	NA
<i>Estimates:</i>	Motor Vehicle Rentals:						
	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	NA	NA	NA	NA	NA	NA	NA

Special Fund Tax Expenditures

SCHOOL BUSES

Description: The lease or rental of school buses is exempt from taxation. These buses must be used exclusively for the transportation of children for school purposes. The provision is extended to persons who have contracts with school districts to transport children. For the purposes of this analysis, the majority of these contracts are assumed to be leases.

Purpose: The costs of transporting school children are directly borne by school districts and indirectly by State government through subsidy programs. This exemption, while limiting state Public Transportation Assistance Fund revenues, decreases state educational subsidy costs.

(Dollar Amounts in Millions)

<i>Estimates:</i>	Motor Vehicle Leases:						
	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 2.7	\$ 2.9	\$ 3.1	\$ 3.4	\$ 3.7	\$ 3.9	\$ 4.3
	Motor Vehicle Rentals:						
	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 0.5	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.7	\$ 0.8	\$ 0.8

MOTOR CARRIERS (CLASS 4 AND ABOVE)

Description: Motor carriers in vehicle classes 4 and above are exempt from the motor vehicle lease tax.

Purpose: This exemption benefits those entities engaged in commercial leasing. Presumably, many of these vehicles are operated as common carriers which are normally treated as a utility service.

(Dollar Amounts in Millions)

<i>Estimates:</i>	Motor Vehicle Leases:						
	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	NA	NA	NA	NA	NA	NA	NA

Special Fund Tax Expenditures

EXEMPT ORGANIZATIONS

Description: The lease or rental of personal property to or for use by any (1) charitable organization, (2) volunteer fireman's organization, (3) nonprofit educational institution or (4) religious organization is exempt from taxation. Transactions unrelated to the trade or business of such organizations are taxable.

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	Motor Vehicle Leases:						
	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	NA	NA	NA	NA	NA	NA	NA
	Motor Vehicle Rentals:						
	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	NA	NA	NA	NA	NA	NA	NA

EXEMPT GOVERNMENTAL UNITS

Description: The lease or rental of personal property to or for use by the Federal government, the Commonwealth, or its instrumentalities or political subdivisions is exempt from taxation. Based on the criteria adopted to define tax expenditures, Federal transactions are not included in this study. Commonwealth transactions are also excluded because revenues would offset expenditures with no net effect. The estimates, therefore, represent local government tax expenditures.

Purpose: This exemption is an indirect means of assistance to local governments and may reduce the taxes levied by these entities.

(Dollar Amounts in Millions)

<i>Estimates:</i>	Motor Vehicle Leases:						
	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5
	Motor Vehicle Rentals:						
	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	\$ 0.3	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4

Beneficiaries: 2,584 municipalities could potentially benefit from this expenditure.

Special Fund Tax Expenditures

TIRE FEE

The Commonwealth imposes a \$1 fee per tire on each sale of new tires intended for highway use.

EXEMPT GOVERNMENTAL UNITS

Description: The sale of new tires to or for use by the Federal government, the commonwealth, or its instrumentalities or political subdivisions is exempt from taxation. Based on the criteria adopted to define tax expenditures, Federal transactions are not included in this study. Commonwealth transactions are also excluded because revenues would offset expenditures with no net effect. The estimates, therefore, represent only local government tax expenditures.

Purpose: This exemption is an indirect means of assistance to local governments and may reduce the taxes levied by these entities.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>
	Nominal						

Beneficiaries: 2,584 municipalities could potentially benefit from this expenditure.



Governor's Executive Budget

DEPARTMENT
PRESENTATIONS

1000

1000

1000

1000



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 EXECUTIVE BUDGET

GOVERNOR'S OFFICE

Summary by Fund and Appropriation

	1994-95 Actual	(Dollar Amounts in Thousands) 1995-96 Available	1996-97 Budget
GENERAL FUND			
GENERAL GOVERNMENT:			
Governor's Office	\$ 7,311 ^a	\$ 6,712	\$ 6,645
(A) Reimbursement for Services	147	....	....
Portrait of Former Governor .....	....	7	....
GENERAL FUND TOTAL	\$ 7,458	\$ 6,719	\$ 6,645

^a Actually appropriated as \$8,606,000 for Governor's Office plus \$705,000 in reimbursements from agencies.

GOVERNOR'S OFFICE

Program Funding Summary:

	(Dollar Amounts in Thousands)						
	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
EXECUTIVE DIRECTION							
GENERAL FUND.....	\$ 7,311	\$ 6,719	\$ 6,645	\$ 6,778	\$ 6,914	\$ 7,052	\$ 7,193
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	147	0	0	0	0	0	0
SUBCATEGORY TOTAL.....	\$ 7,458	\$ 6,719	\$ 6,645	\$ 6,778	\$ 6,914	\$ 7,052	\$ 7,193
ALL PROGRAMS:							
GENERAL FUND.....	\$ 7,311	\$ 6,719	\$ 6,645	\$ 6,778	\$ 6,914	\$ 7,052	\$ 7,193
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	147	0	0	0	0	0	0
DEPARTMENT TOTAL.....	\$ 7,458	\$ 6,719	\$ 6,645	\$ 6,778	\$ 6,914	\$ 7,052	\$ 7,193

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.

This program also includes funding for staff to assist with the 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.

Program Recommendations:

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

- \$ -67 **Governor's Office**
—to continue current program with a 1% reduction in spending.

- \$ -7 **Portrait of Former Governor**
—nonrecurring appropriation.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
GENERAL FUND:							
Governor's Office	\$ 7,311	\$ 6,712	\$ 6,645	\$ 6,778	\$ 6,914	\$ 7,052	\$ 7,193
Portrait of Former Governor .....	....	7	....	....	....	....	....
TOTAL GENERAL FUND	\$ 7,311	\$ 6,719	\$ 6,645	\$ 6,778	\$ 6,914	\$ 7,052	\$ 7,193



COMMONWEALTH OF PENNSYLVANIA

EXECUTIVE OFFICES

To assist the Governor in the administration of State Government, the Office of Administration performs the duties of a central management agency and coordinates the Commonwealth's Integrated Central System. The Office of the Budget performs the duties of a central financial management agency, prepares the annual Governor's Budget and Five Year Financial Plan based upon the Governor's priorities and analysis of program effectiveness, and provides comptroller services for the maintenance and management of all agency accounts in the Commonwealth. The Office of Welfare Fraud investigates and recovers funds disbursed as a result of fraud or overpayment of benefits. The Human Relations Commission, the African-American Affairs Commission and the Latino Affairs Commission promote equal opportunities for all people in employment, housing, public accommodations and education. The Council on the Arts provides for encouragement and development of the arts in Pennsylvania. The Commission on Crime and Delinquency provides the planning and technical assistance for the improvement of the criminal justice system as well as financial assistance to relieve the financial hardship of individuals who have been victimized by criminal acts. The Public Employee Retirement Commission monitors public employe retirement plans to assure their actuarial viability. The Office of General Counsel provides legal counsel in matters affecting the operation of State agencies. The Juvenile Court Judges Commission provides technical and financial assistance to the juvenile probation staffs of the county courts. The Medical Professional Liability Catastrophe Loss Fund makes claim payments in certain medical malpractice cases. The Inspector General investigates suspected improper use of State resources. The Rural Development Council works to promote rural development in Pennsylvania. The Center for Local Government Services serves as a direct link between the Commonwealth and local government entities.

GOVERNOR'S EXECUTIVE BUDGET

EXECUTIVE OFFICES

PROGRAM REVISION

Budgeted Amounts Include the Following Program Revision:

Title	Appropriation	1996-97 State Funds (in thousands)
Improving Criminal Justice Enforcement		
	Juvenile Court Judges Commission	\$ 364
	Commission on Crime and Delinquency	18
	Intermediate Punishment Drug and Alcohol Programs	3,000
<p>This Program Revision provides funding for a juvenile history record information system, criminal justice systemwide technology upgrades, and increased assistance for counties with intermediate punishment programs to develop drug and alcohol services. Please see the Department of Corrections for further details on the Program Revision.</p>		
	Department Total	<hr/> \$ 3,382 <hr/>

EXECUTIVE OFFICES

Summary by Fund and Appropriation

	1994-95 Actual	(Dollar Amounts in Thousands) 1995-96 Available	1996-97 Budget
GENERAL FUND			
GENERAL GOVERNMENT:			
Governor's Action Center	\$ 263	....	....
Rural Development Council	58 ^a	\$ 69 ^a	\$ 69
(F) Rural Development	110	130	130
Total — Rural Development Council	\$ 168	\$ 199	\$ 199
Office of Administration	\$ 6,435	\$ 6,938	\$ 6,869
(F) Information Infrastructure .....	....	300	288
(F) Electronic Records Management	47	32	....
(F) HealthNet — Commerce .....	....	380	....
(F) KIOSK — Health Department .....	....	10	....
(F) KIOSK Project	125	125	....
(A) Classification and Pay	2,136	2,182	2,216
(A) State Employees Assistance Program	866	943	1,041
(A) CMIC/Data Communications	17,309	16,538	15,719
(A) CMIC/Data Communications — Special Projects	297	325	550
(A) Bureau of Management Services	1,094	1,235	1,223
(A) Directives Management	251	253	261
(A) Bureau of Automated Technology Management	1,319	1,424	1,759
(A) Division of State Employment	53	53	54
(A) Temporary Employment Pool	3,304	4,077	5,125
(A) AIDS Education .....	....	363	370
(A) Miscellaneous Projects	10	30	30
Subtotal — State Funds	\$ 6,435	\$ 6,938	\$ 6,869
Subtotal — Federal Funds	172	847	288
Subtotal — Augmentations	26,639	27,423	28,348
Total — Office of Administration	\$ 33,246	\$ 35,208	\$ 35,505
Medicare Part B Penalties	\$ 489	\$ 480	\$ 480
Radio System Development	370	370	400
Inspector General	1,774	1,919	2,136
(A) Support for PennDOT Satellite Office	1,313	1,301	....
(A) Special Fund Investigations .....	....	....	1,000
Total — Inspector General	\$ 3,087	\$ 3,220	\$ 3,136
Office of the Budget	\$ 25,827	\$ 27,321	\$ 27,047
(F) JTPA — Program Accountability	354	425	400
(F) Medical Assistance Inpatient Hospital Audits .....	....	3,703	3,703
(A) Commonwealth Payroll Operations	6,616	6,651	6,892
(A) Support for PLCB Comptroller Operations	5,959	6,697	7,140
(A) Support for Comptroller Services	17,735	18,813	19,026
(A) State Match for MA Inpatient Hospital Audits .....	....	....	4,555
Subtotal — State Funds	\$ 25,827	\$ 27,321	\$ 27,047
Subtotal — Federal Funds	354	4,128	4,103
Subtotal — Augmentations	30,310	32,161	37,613
Total — Office of the Budget	\$ 56,491	\$ 63,610	\$ 68,763
Transportation & Safety Building Fire and Relocation	\$ 3,662	....	....
Audit Payments to HHS .....	....	\$ 8,005	....
Audit of the Auditor General .....	....	....	\$ 130

^a Actually appropriated to the Department of Agriculture.

EXECUTIVE OFFICES

Summary by Fund and Appropriation

	1994-95 Actual	(Dollar Amounts in Thousands) 1995-96 Available	1996-97 Budget
GENERAL FUND			
GENERAL GOVERNMENT: (continued)			
Center for Local Government Services	\$ 2,890 ^a	\$ 2,314 ^a	\$ 1,818
(F) Operator Outreach	10	35	35
(F) Training Road and Street Maintenance	138	370	271
(A) Training Course Registration	209	450	50
(A) Environmental Protection Operator Outreach	253	213	213
(A) Environmental Training Partnership	261	201	201
(A) Environmental Protection Recycling Training	82	160	160
(A) Records Management Training .....	....	5	5
Subtotal — State Funds	\$ 2,890	\$ 2,314	\$ 1,818
Subtotal — Federal Funds	148	405	306
Subtotal — Augmentations	805	1,029	629
Total — Center for Local Government Services	\$ 3,843	\$ 3,748	\$ 2,753
Office of Welfare Fraud	\$ 10,537	\$ 12,500	\$ 12,311
(F) Food Stamp — Program Accountability	3,401	2,900	4,000
(F) Child Support Enforcement	534	....	....
(F) Maintenance Assistance — Program Accountability	1,200	1,380	1,500
(F) Medical Assistance — Program Accountability	457	480	900
(A) Special Augmentations	50	....	....
Subtotal — State Funds	\$ 10,537	\$ 12,500	\$ 12,311
Subtotal — Federal Funds	5,592	4,760	6,400
Subtotal — Augmentations	50	....	....
Total — Office of Welfare Fraud	\$ 16,179	\$ 17,260	\$ 18,711
Human Relations Commission	\$ 8,474 ^b	\$ 8,439	\$ 8,204
(F) EEOC — Special Project Grant	1,234	1,500	1,500
(F) HUD — Special Project Grant	262	805	1,000
Subtotal — State Funds	\$ 8,474	\$ 8,439	\$ 8,204
Subtotal — Federal Funds	1,496	2,305	2,500
Total — Human Relations Commission	\$ 9,970	\$ 10,744	\$ 10,704
Latino Affairs Commission	\$ 154	\$ 212	\$ 209
Council on the Arts	\$ 875 ^c	\$ 875	\$ 864
(F) NEA — Grants to the Arts — Administration	75	100	100
Total — Council on the Arts	\$ 950	\$ 975	\$ 964
Commission for Women	\$ 346 ^d	\$ 346	....
(A) Special Projects	9	16	....
Total — Commission for Women	\$ 355	\$ 362	....
Distinguished Daughters	\$ 4	....	....
Juvenile Court Judges Commission	695	\$ 804	\$ 1,246
(F) DCSI — Juvenile Disposition Data Collection	206	137	69
Total — Juvenile Court Judges Commission	\$ 901	\$ 941	\$ 1,315
Public Employee Retirement Commission	\$ 557	\$ 573	\$ 577

^a Actually appropriated to the Department of Community Affairs.

^b Excludes \$9,000 for discontinued interagency billing.

^c Excludes \$9,000 for discontinued interagency billing.

^d Excludes \$4,000 for discontinued interagency billing.

EXECUTIVE OFFICES

Summary by Fund and Appropriation

GENERAL FUND

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget
GENERAL GOVERNMENT: (continued)			
Commission on Crime and Delinquency	\$ 3,046^a	\$ 2,994	\$ 3,358
(F) Plan for Juvenile Justice	195	230	265
(F) DCSI — Administration	545	743	742
(F) DCSI — Program Grants	15,564	19,000	19,000
(F) DCSI — Criminal History Records	10	10	10
(F) Homicides and Assaults in Convenience Stores .....	....	40	....
(F) Juvenile Justice — Title V	27	50	50
(F) National Criminal History Improvement Program .....	....	4,017	1,500
(F) Crime Victims Payments	1,358	1,189	1,734
(F) Statistical Analysis Center	21	75	60
(F) Violence Against Women .....	....	475	4,000
(F) Violence Against Women—Administration .....	....	25	25
(F) Juvenile Justice State Challenge Grants .....	....	400	600
(F) DFSC — Drug Abuse Resistance Education (DARE) Programs ...	68	70	70
(F) Community Partnership for Safe Children .....	....	132	....
(F) DCSI — Care Dependent Older Person Abuse Prevention .....	....	....	113
(A) Deputy Sheriff's Education and Training	169	270	202
(A) Special Projects	19	....	73
Subtotal — State Funds	\$ 3,046	\$ 2,994	\$ 3,358
Subtotal — Federal Funds	17,788	26,456	28,169
Subtotal — Augmentations	188	270	275
Total — Commission on Crime and Delinquency	\$ 21,022	\$ 29,720	\$ 31,802
Office of General Counsel	\$ 1,813	\$ 3,060	\$ 3,038
Health Care Arbitration Panels	706	....	....
MILRITE Council	350	....	....
African American Affairs Commission .....	....	370	369
(A) Special Augmentation .....	....	99	....
Total — African American Affairs Commission .....	....	\$ 469	\$ 369
Drug Policy Council	39	....	....
(F) DCSI — Administration	29	....	....
(F) DFSC — Administration	138	....	....
(A) Special Projects	20	....	....
Subtotal — State Funds	\$ 39	....	....
Subtotal — Federal Funds	167	....	....
Subtotal — Augmentations	20	....	....
Total — Drug Policy Council	\$ 226	....	....
Subtotal — State Funds	\$ 69,364	\$ 77,589	\$ 69,125
Subtotal — Federal Funds	26,108	39,268	42,065
Subtotal — Augmentations	59,334	62,299	67,865
Total — General Government	\$ 154,806	\$ 179,156	\$ 179,055
GRANTS AND SUBSIDIES:			
Grants to the Arts	\$ 9,000	\$ 9,100	\$ 9,000
(F) NEA — Grants	1,035	1,300	1,200
Total — Grants to the Arts	\$ 10,035	\$ 10,400	\$ 10,200
Improvement of Juvenile Probation Services	\$ 4,770	\$ 3,478	\$ 5,513
(F) DCSI — Juvenile Drug and Alcohol Probation Units	219	....	....
(F) Juvenile Probation Emergency Assistance Services .....	....	65,000	....
Total — Improvement of Juvenile Probation Services	\$ 4,989	\$ 68,478	\$ 5,513

^a Includes \$638,000 appropriated to Crime Victims Compensation Board.

EXECUTIVE OFFICES

Summary by Fund and Appropriation

GENERAL FUND

	1994-95 Actual	(Dollar Amounts in Thousands) 1995-96 Available		1996-97 Budget
GRANTS AND SUBSIDIES:				
Intermediate Punishment Program	\$ 5,275 ^a	\$ 5,331	\$	5,331
Intermediate Punishment — Drug and Alcohol Programs .....	....	....		3,000
Community Crime Prevention .....	....	....		500
Labor Management Committees	660	....		....
(A) Special Augmentation	4	....		....
Total — Labor Management Committees	\$ 664	....		....
Subtotal — State Funds	\$ 19,705	\$ 17,909	\$	23,344
Subtotal — Federal Funds	1,254	66,300		1,200
Subtotal — Augmentations	4	....		....
Total — Grants and Subsidies	\$ 20,963	\$ 84,209	\$	24,544
STATE FUNDS	\$ 89,069	\$ 95,498	\$	92,469
FEDERAL FUNDS	27,362	105,568		43,265
AUGMENTATIONS	59,338	62,299		67,865
GENERAL FUND TOTAL	\$ 175,769	\$ 263,365	\$	203,599

LOTTERY FUND

GENERAL GOVERNMENT:

Ridership Verification	\$ 112	\$ 117		\$ 116
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MOTOR LICENSE FUND

GENERAL GOVERNMENT:

Office of the Budget	\$ 3,845	\$ 4,148		\$ 4,107
(A) Reimbursement for Comptroller Services	709	833		825
MOTOR LICENSE FUND TOTAL	\$ 4,554	\$ 4,981	\$	4,932

OTHER FUNDS

GENERAL FUND:

Constables Education and Training	\$ 103	\$ 1,500		\$ 1,500
Crime Victim Payments	2,745	3,448		2,860
Victim/Witness Services	2,844	3,100		3,312
Health Care Arbitration Panels	41	....		....
Federal Juvenile Justice and Delinquency Prevention	1,811	2,600		2,323
Federal Crime Victims Assistance	2,676	2,900		3,000
Federal Juvenile Justice — Title V	96	1,000		1,000
GENERAL FUND TOTAL	\$ 10,316	\$ 14,548	\$	13,995

MEDICAL PROFESSIONAL LIABILITY CATASTROPHE LOSS FUND:

General Government Operations	\$ 17,771	\$ 20,330		\$ 24,512
Payment of Claims	172,345	281,000		291,076
MEDICAL PROFESSIONAL LIABILITY CATASTROPHE LOSS FUND TOTAL	\$ 190,116	\$ 301,330	\$	315,588

OTHER FUNDS TOTAL	\$ 200,432	\$ 315,878		\$ 329,583
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^a Actually appropriated to Board of Probation and Parole.

EXECUTIVE OFFICES

Summary by Fund and Appropriation

	1994-95	(Dollar Amounts in Thousands)	1996-97
	Actual	1995-96 Available	Budget
DEPARTMENT TOTAL — ALL FUNDS			
GENERAL FUND	\$ 89,069	\$ 95,498	\$ 92,469
SPECIAL FUNDS	3,957	4,265	4,223
FEDERAL FUNDS	27,362	105,568	43,265
AUGMENTATIONS	60,047	63,132	68,690
OTHER FUNDS	200,432	315,878	329,583
TOTAL ALL FUNDS	\$ 380,867	\$ 584,341	\$ 538,230

EXECUTIVE OFFICES

Program Funding Summary:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
EXECUTIVE DIRECTION							
GENERAL FUND.....	\$ 54,621	\$ 60,489	\$ 51,837	\$ 52,731	\$ 53,916	\$ 54,841	\$ 56,077
SPECIAL FUNDS.....	3,957	4,265	4,223	4,307	4,393	4,481	4,571
FEDERAL FUNDS.....	6,543	10,270	11,227	7,236	7,236	7,236	7,236
OTHER FUNDS.....	250,007	364,077	384,003	387,025	394,753	402,636	410,678
SUBCATEGORY TOTAL.....	\$ 315,128	\$ 439,101	\$ 451,290	\$ 451,299	\$ 460,298	\$ 469,194	\$ 478,562
CRIMINAL AND JUVENILE JUSTICE PLANNING							
GENERAL FUND.....	\$ 8,321	\$ 8,325	\$ 12,189	\$ 12,256	\$ 12,325	\$ 12,395	\$ 12,466
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	17,788	26,456	28,169	26,669	26,669	26,669	26,669
OTHER FUNDS.....	10,463	14,818	14,270	14,428	14,590	14,756	14,925
SUBCATEGORY TOTAL.....	\$ 36,572	\$ 49,599	\$ 54,628	\$ 53,353	\$ 53,584	\$ 53,820	\$ 54,060
PREVENTION AND ELIMINATION OF DISCRIMINATORY PRACTICES							
GENERAL FUND.....	\$ 8,974	\$ 9,367	\$ 8,782	\$ 8,957	\$ 9,136	\$ 9,319	\$ 9,505
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	1,496	2,305	2,500	2,500	2,500	2,500	2,500
OTHER FUNDS.....	9	115	0	0	0	0	0
SUBCATEGORY TOTAL.....	\$ 10,479	\$ 11,787	\$ 11,282	\$ 11,457	\$ 11,636	\$ 11,819	\$ 12,005
DEVELOPMENT OF ARTISTS AND AUDIENCES							
GENERAL FUND.....	\$ 9,875	\$ 9,975	\$ 9,864	\$ 9,881	\$ 9,899	\$ 9,917	\$ 9,935
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	1,110	1,400	1,300	1,300	1,300	1,300	1,300
OTHER FUNDS.....	0	0	0	0	0	0	0
SUBCATEGORY TOTAL.....	\$ 10,985	\$ 11,375	\$ 11,164	\$ 11,181	\$ 11,199	\$ 11,217	\$ 11,235
LEGAL SERVICES							
GENERAL FUND.....	\$ 1,813	\$ 3,060	\$ 3,038	\$ 3,099	\$ 3,161	\$ 3,224	\$ 3,288
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
SUBCATEGORY TOTAL.....	\$ 1,813	\$ 3,060	\$ 3,038	\$ 3,099	\$ 3,161	\$ 3,224	\$ 3,288
REINTEGRATION OF JUVENILE DELINQUENTS							
GENERAL FUND.....	\$ 5,465	\$ 4,282	\$ 6,759	\$ 6,886	\$ 6,663	\$ 6,687	\$ 6,710
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	425	65,137	69	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
SUBCATEGORY TOTAL.....	\$ 5,890	\$ 69,419	\$ 6,828	\$ 6,886	\$ 6,663	\$ 6,687	\$ 6,710

EXECUTIVE OFFICES

Program Funding Summary:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
ALL PROGRAMS:							
GENERAL FUND.....	\$ 89,069	\$ 95,498	\$ 92,469	\$ 93,810	\$ 95,100	\$ 96,383	\$ 97,981
SPECIAL FUNDS.....	3,957	4,265	4,223	4,307	4,393	4,481	4,571
FEDERAL FUNDS.....	27,362	105,568	43,265	37,705	37,705	37,705	37,705
OTHER FUNDS.....	260,479	379,010	398,273	401,453	409,343	417,392	425,603
DEPARTMENT TOTAL.....	\$ 380,867	\$ 584,341	\$ 538,230	\$ 537,275	\$ 546,541	\$ 555,961	\$ 565,860

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, maintaining and monitoring the substantive programs of the Commonwealth.

The Rural Development Council is responsible for the development and implementation of plans which integrate private expertise and Federal, State and local government efforts for the promotion of rural development in Pennsylvania. Activities are: assessing Pennsylvania's rural development needs; identifying the State's various available resources; and compiling and analyzing data to produce insights into rural development.

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. The Office of Administration also conducts management studies on State programs to improve their operation, administration and organization.

The Office of Administration provides a State Employee Assistance Program (SEAP) to educate and promote early intervention for alcohol, drug, emotional and other personal problems which adversely affect employee performance through an established referral, evaluation and treatment process.

Also, the Office of Administration administers the AIDS Education Program which provides and coordinates basic, advanced and specialized AIDS education to all Commonwealth employees.

The Office of Administration provides direction in areas related to Workers Compensation to improve the program's operation and supports the Administration's plans for collective bargaining and implementing the results.

In addition, the Office of Administration maintains the Central Management Information Center (CMIC) which is the data processing service center for all Commonwealth central administrative systems as well as providing specialized management information system support for requesting agencies. The center manages and maintains the Commonwealth's payroll, personnel, accounting and retirement systems for all agencies under the Governor's jurisdiction.

In addition to functioning as a service bureau, CMIC is responsible for the Integrated Central System (ICS) projects which are designed to move the Commonwealth's administrative systems, both manual and automated, into real-time information resources for all Commonwealth managers. These projects greatly expedite various processes and ultimately affect administrative action by capturing data at its point of origin, electronically transmitting the information through approval channels to the central computer system, and validating the integrated system for access and manipulation by all authorized users. Beginning in 1986, the various Commonwealth processes were brought on-line, starting with the accounting functions and part of the purchasing module. In 1991-92, the ICS Personnel/Payroll module came on-line.

The Bureau of Automated Technology Management 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.

Both the Data and Voice networks are under the authority of the

Office of Administration and provide centralized communication services to a Commonwealth agencies.

The Office of the Budget assists the Governor in formulating fiscal policies and procedures, and in preparing the Commonwealth Budget for delivery to the General Assembly. The office also prepares fiscal notes and reviews proposed regulations as mandated by Act 149 of 1978.

In addition, the Office of the Budget provides accounting, auditing and financial advisory and supportive services to all Commonwealth agencies and is responsible for maintenance of the ICS accounting system.

The Center for Local Government Services serves as a direct link between the Commonwealth and local governments. The center provides services to local government entities which include: providing, coordinating and monitoring of training; municipal technical assistance; compliance with the Local Government Unit Debt Act; and making available pertinent municipal publications. The Center coordinates the training programs for approximately 23,000 municipal officials and employees annually.

The Public Employee Retirement 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.

The Health Care Services Malpractice Act established the Medical Professional Liability Catastrophe Loss Fund to provide a source of funds to pay for judgments, awards or settlements in medical malpractice claims which exceed the basic limits of coverage provided by the professional liability insurance policy. The act mandates this basic coverage to be \$200,000 per occurrence for individuals and hospitals, and \$600,000 per annual aggregate for individuals and \$1 million for hospitals. Funding is provided by levying an annual surcharge on all health care providers. In addition, the Fund has full responsibility to defend and/or settle any claim filed more than four years after the tort or breach of contract occurred which is not otherwise barred by the statute of limitations. A Statement of Cash Receipts and Disbursements for the fund is included in the Special Funds Appendix. The fund expenditures are also reflected as other funds in the Executive Offices Summary by Fund and Appropriation.

Program Element: Fraud Detection and Prevention

The Office of Inspector General was established as an executive agency by Executive Order 1987-7. Its purpose is to: detect, deter, prevent and eradicate fraud and waste of State resources, and misconduct by State employees; keep the Governor fully informed of problems and deficiencies in executive agencies; and help ensure that executive agencies operate efficiently, with integrity, and in accordance with applicable laws and regulations. The Office of Inspector General is designed to maintain public confidence, integrity, and efficiency in State Government.

Effective July 1, 1994, the Office of Welfare Fraud Investigations and Recovery Management was established within the Office of Inspector General. The office is responsible for conducting investigations into suspected welfare fraud and abuse as well as performing collection activities for welfare programs administered by the Department of Public Welfare. The collection activities involve the recovery of benefits provided due to clerical errors, omissions or inaccurate information supplied by applicants, and, in the case of medical assistance, charges for services exceeding allowable amounts. In addition, the Office of Welfare Fraud recovers the costs of benefits provided to recipients who are eligible for Supplemental Security Income, tort recoveries, employment compensation, workers' compensation, veterans' benefits, etc.

EXECUTIVE OFFICES

Program: Executive Direction (continued)

Program Recommendations:

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

<p>GENERAL FUND Office of Administration \$ -69 —to continue current program with a 1% reduction in spending.</p> <p>Radio System Development \$ 30 —to continue current project.</p> <p>Inspector General \$ 217 —to continue current program.</p> <p>Office of the Budget \$ -274 —to continue current program with a 1% reduction in spending.</p> <p>Audit of the Auditor General \$ 130 —to provide for an audit of the Office of the Auditor General.</p> <p>Audit Payments to HHS \$ -8,005 —nonrecurring appropriation.</p>	<p>\$ -496</p> <p>\$ -189</p> <p>\$ 4</p> <p>\$ -41</p> <p>\$ -1</p>	<p>Center for Local Government Services —This budget recommends transfer of this function from the Department of Community Affairs and restructuring to provide improved services to local governments.</p> <p>Office of Welfare Fraud —to continue current program.</p> <p>Public Employee Retirement Commission —to continue current program.</p> <p>MOTOR LICENSE FUND Office of the Budget —to continue current program with a 1% reduction in spending.</p> <p>LOTTERY FUND Ridership Verification —to continue current program with a 1% reduction in spending.</p>
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All other appropriations are recommended at the current year levels.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
GENERAL FUND:							
Governor's Action Center	\$ 263	.....	.....	.....	.....	.....	.....
Rural Development Council	58	\$ 69	\$ 69	\$ 70	\$ 71	\$ 72	\$ 73
Office of Administration	6,435	6,938	6,869	7,006	7,146	7,289	7,435
Medicare Part B Penalties	489	480	480	480	480	480	480
Radio System Development	370	370	400	408	416	424	432
Inspector General	1,774	1,919	2,136	2,179	2,223	2,267	2,312
Office of the Budget	25,827	27,321	27,047	27,588	28,140	28,703	29,277
Transportation & Safety Building Fire and Relocation	3,662	.....	.....	.....	.....	.....	.....
Audit of the Auditor General .....	.....	.....	130	.....	140	.....	150
Audit Payments to HHS .....	.....	8,005	.....	.....	.....	.....	.....
Center for Local Government Services	2,890	2,314	1,818	1,854	1,891	1,929	1,968
Office of Welfare Fraud	10,537	12,500	12,311	12,557	12,808	13,064	13,325
MILRITE Council	350	.....	.....	.....	.....	.....	.....
Public Employee Retirement Commission	557	573	577	589	601	613	625
Distinguished Daughters	4	.....	.....	.....	.....	.....	.....
Drug Policy Council	39	.....	.....	.....	.....	.....	.....
Labor Management Committee	660	.....	.....	.....	.....	.....	.....
Health Care Arbitration Panels	706	.....	.....	.....	.....	.....	.....
TOTAL GENERAL FUND	\$ 54,621	\$ 60,489	\$ 51,837	\$ 52,731	\$ 53,916	\$ 54,841	\$ 56,077

EXECUTIVE OFFICES

Program: Executive Direction (continued)

Appropriations within this Program: (continued)

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
MOTOR LICENSE FUND:							
Office of the Budget	\$ 3,845	\$ 4,148	\$ 4,107	\$ 4,189	\$ 4,273	\$ 4,258	\$ 4,446
MOTOR LICENSE FUND:							
Office of the Budget — Ridership							
Verification	\$ 112	\$ 117	\$ 116	\$ 118	\$ 120	\$ 123	\$ 125

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. The General Counsel has the responsibility to appoint deputy general counsel, the chief counsel and assistant counsel in each agency and to supervise, coordinate and administer legal services throughout the Executive Branch.

There are several areas of responsibility for the Office of General Counsel. The major responsibility is to provide general legal advice to the Governor, his staff and the Cabinet. This includes rendering legal advice and representation concerning matters and issues arising in connection with the operation of agencies under the Governor's jurisdiction. The office and agency chief counsel review and approve for form and legality all Commonwealth deeds, leases, contracts, rules and regulations. The Office of General Counsel provides advice to the Governor on pending legislative matters and issues and reviews for constitutionality and legality all legislation presented to the Governor for approval.

The Office of General Counsel also is responsible for initiating appropriate actions or defending the Commonwealth when the Attorney General delegates or declines to initiate appropriate proceedings. It also has the authority to intervene in any action by or against an agency under the Governor's jurisdiction whenever the Governor requests. The General Counsel administers the operations of the Juvenile Court Judges Commission and provides the legal representation for the Pennsylvania Public Television Network.

In addition, the General Counsel serves as a member of the Board of Commissioners on Uniform State Laws, the Pennsylvania Emergency Management Agency, the Joint Committee on Documents, the Board of Property, the Local Government Records Committee, the Medical Advisory Board, the Board of Finance and Revenue, and the Civil Disorder Commission.

Program Recommendations:

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

Office of General Counsel
 \$ -22 —to continue current program.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
GENERAL FUND:							
Office of General Counsel	\$ 1,813	\$ 3,060	\$ 3,038	\$ 3,099	\$ 3,161	\$ 3,224	\$ 3,288

EXECUTIVE OFFICES

PROGRAM OBJECTIVE: To insure equal opportunities and participation for all individuals regardless of race, color, creed, handicap or disability, ancestry, national origin, familial status, age or sex in all areas of employment, housing, credit, commercial property, public accommodations and education.

Program: Prevention and Elimination of Discriminatory Practices

The Human Relations Commission is responsible for identifying, preventing and eliminating illegal discriminatory practices as defined by the Pennsylvania Human Relations Act and the Pennsylvania Fair Educational Opportunities Act. The two principal methods utilized by the commission to secure compliance with the law are processing complaints of discrimination which might result in legal proceedings being initiated, and providing technical assistance to organizations, businesses, governmental bodies and individuals to promote voluntary compliance. Processing formal complaints continues to be the major activity of the commission.

Substantial resources are also devoted to providing technical assistance to anyone who requests guidance in avoiding illegal discriminatory acts. The commission coordinates the State's response to racial and ethnic tensions, and trains law enforcement officials and local government and community leaders on appropriate responses. The commission is also involved with major outreach programs to provide information to community leaders and public officials regarding the Pennsylvania Human Relations Act and its procedures.

The commission, in conjunction with the Pennsylvania Department of Education, is working with several urban school districts to improve the educational achievement of minority and disadvantaged students.

Federal funds are received for investigating complaints which are

dual filed with the commission and with the Equal Employment Opportunity Commission or the U.S. Department of Housing and Urban Development.

The commission's efforts to identify and remedy systemic discrimination continues. This approach addresses major problems of discrimination against whole classes of employees. In addition, litigation remains a significant feature of the commission's workload.

Act 187 of 1992 amended the Pennsylvania Fair Educational Opportunities Act to add protection for people with disabilities and to strengthen enforcement procedures and remedies.

The African American Affairs Commission functions as the Commonwealth's advocate for the African American community. The commission advises the Governor and legislative caucuses on policies, procedures, legislation and regulations which impact upon the African American community.

The Latino Affairs Commission functions as an advocate for the Latino community. The commission advises the Governor on policies, procedures and legislation that impact upon the Latino community. The commission also assists Latino individuals in making the most of their talents and capabilities, as well as working with local Latino communities in developing strategies and programs which enhance their social and economic status.

Program Measures:	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
Human Relations Commission:							
Formal complaint investigation:							
Complaints pending at beginning of year	7,664	7,697	8,397	10,229	11,129	12,029	12,929
New complaints filed	5,046	5,600	5,900	5,900	5,900	5,900	5,900
Complaints closed	5,013	4,900	5,000	5,000	5,000	5,000	5,000
Complaints pending at end of year	7,697	8,397	10,229	11,129	12,029	12,929	13,829
Informal complaints received	36,819	36,000	30,000	30,000	30,000	30,000	30,000

The measure complaints pending at beginning of year is lower than previously reported due to use of automated technology to keep track of cases.

The number of new complaints filed is lower than projected in last year's budget due to improved counseling of potential complainants aimed at reducing meritless complaints.

Informal complaints increase compared to previous projections due to increased awareness of the help available from the commission.

EXECUTIVE OFFICES

Program: Prevention and Elimination of Discriminatory Practices (continued)

Program Recommendations:

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

<p>Human Relations Commission \$ -235 —to continue current program.</p> <p>Commission for Women \$ -346 —this budget recommends elimination of this program.</p>	<p>African American Affairs Commission \$ -1 —to continue current program.</p> <p>Latino Affairs Commission \$ -3 —to continue current program. Program transferred from Department of Community Affairs (now the Department of Economic and Community Development.)</p>
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Appropriations within this Program:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
GENERAL FUND:							
Human Relations Commission	\$ 8,474	\$ 8,439	\$ 8,204	\$ 8,368	\$ 8,535	\$ 8,706	\$ 8,880
Commission for Women	346	346	....	....	....	....	....
African American Affairs Commission .....	....	370	369	376	384	392	400
Latino Affairs Commission	154	212	209	213	217	221	225
TOTAL GENERAL FUND	\$ 8,974	\$ 9,367	\$ 8,782	\$ 8,957	\$ 9,136	\$ 9,319	\$ 9,505

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 geographically, culturally and ethnically diverse and range from small community organizations that engender and support local arts programs to world-renowned orchestras, museums, dance companies, theatres and festivals.

The council process depends upon 17 advisory panels, each chaired by a council member and composed of nine to ten 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 in policy and procedures.

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 that are beyond the capacity of a single arts institution, and staff services and technical assistance to arts and community 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 or 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 encourages minority, traditional and ethnic artists and ensembles to participate to a greater extent in the Arts in Pennsylvania. Fellowships are awarded to provide support or creative work of individual artists.

Program Measures:	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
Attendance at supported events (thousands)	35,000	37,000	38,000	38,000	38,000	38,000	38,000
Artists participating in projects	112,000	115,000	120,000	120,000	120,000	120,000	120,000
Site visits and consultations	7,000	8,000	8,000	8,000	8,000	8,000	8,000
Grant applications reviewed	3,000	3,500	3,700	4,000	4,000	4,000	4,000
Awards made	1,600	1,650	1,650	1,650	1,650	1,650	1,650
Information services (circulation)	50,000	50,000	50,000	50,000	50,000	50,000	50,000

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

\$ -11	Council on the Arts —to continue current program.	\$ -100	Grants to the Arts —nonrecurring project.
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Appropriations within this Program:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
GENERAL FUND:							
Council on the Arts	\$ 875	\$ 875	\$ 864	\$ 881	\$ 899	\$ 917	\$ 935
Grants to the Arts	9,000	9,100	9,000	9,000	9,000	9,000	9,000
TOTAL GENERAL FUND	\$ 9,875	\$ 9,975	\$ 9,864	\$ 9,881	\$ 9,899	\$ 9,917	\$ 9,935

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) assists the criminal justice system by providing Statewide criminal statistical and analytical services, by fostering interagency coordination and cooperation, by rendering training and technical assistance, and by granting funds to support system improvements. Appointed task forces, advisory groups and planning committees, encompassing commission and 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 commission fosters the development of criminal justice policy by conducting research on timely criminal justice issues, and has established a link to Pennsylvania's academic community through the formation of a research advisory committee composed of leading criminal justice researchers. Integral to its role in criminal justice coordination and analysis of legislative issues, PCCD has formed a multi-agency correctional population projection committee which provides policymakers with accurate projections of the Commonwealth's correctional population and conducts policy impact analysis. In the area of criminal history record information, PCCD coordinates a multidisciplinary committee which researches and analyzes criminal history data quality as the basis for developing and implementing system improvements.

The Commission is the designated State agency to administer the Federal Violence Against Women Act of 1994. The program provides funding to Pennsylvania to develop a coordinated and integrated approach to improving the criminal justice system's response to violence against women.

Under the guidance of its gubernatorially appointed Juvenile Advisory Committee, PCCD occupies a central role in the interaction between the Department of Public Welfare, the Juvenile Court Judges' Commission and other agencies in the development and implementation of policy and programming relative to juvenile justice. PCCD is the State's focal point for promoting local efforts to implement risk-focused, community mobilization programming directed toward preventing delinquent behavior among youths. The commission also administers the Federal Juvenile Justice and Delinquency Prevention Act formula grant program.

The commission provides training and technical assistance to county prison boards and local officials under Act 193 of 1990, the County Intermediate Punishment Act. This act provided counties with opportunities to develop various intermediate punishment programs for nonviolent offenders. These programs seek to alleviate overcrowding in the county prisons.

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.

Through the use of Federal Drug Control and System Improvement (DCSI) formula grant funds administered by PCCD, State and local units of government receive seed monies for projects to improve the justice system. Major priorities for new local projects include juvenile justice initiatives; community-based criminal justice initiatives; training; child abuse prosecution and comprehensive victim services; pre-trial services; and new and expanded automation efforts.

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 160 hour basic training school began in 1985 and continuing education began in 1987; both continue to train deputy sheriffs at regular intervals. Similarly, under Act 102 of 1992, PCCD provides basic and continuing education for constables. The 80 hour basic and 40 hour annual continuing education training is supported through a surcharge on constable services.

PCCD provides Statewide training and technical assistance for law enforcement personnel to implement community-based crime reduction strategies; coordinates Statewide efforts promoting law enforcement's involvement in policing practices; sponsors an annual program to recognize citizen contributions to local crime reduction projects; and administers a Statewide crime prevention review group. PCCD also provides training to law enforcement agencies to implement the nationally recognized Drug Abuse Resistance Education (D.A.R.E.) program through its certified state D.A.R.E. Training Center.

Act 27 of the Special Session #1 of 1995 amended the Administrative Code to create the Bureau of Victim Services within PCCD. The act transferred the duties and responsibilities of the Crime Victims Compensation Board to the new bureau. The Crime Victims Compensation Program was created by Act 139 of 1976 to ameliorate the financial burden faced by victims of crime.

Payments to victims are made for medical expenses, counseling, loss of earnings and cash loss of benefits. In the event of death, funeral expenses and loss of support may be compensated to those who qualify. The maximum award is \$35,000 including \$20,000 for loss of support and \$15,000 for loss of earnings.

The Crime Victims Compensation Program is the payor of last resort for crime victims' losses and the board is required to verify all aspects of each claim prior to payment.

Payments to victims are disbursed from a restricted revenue account which receives its funding from two sources. One source is Act 96 of 1984 which allows collections of costs assessed against certain offenders who are convicted. The other source is the Federal Victims of Crime Act of 1984 which allocates Federal reimbursements to states based on a formula of prior year payments to victims. The restricted revenue account is listed as other funds in the Executive Offices Summary by Fund and Appropriation.

EXECUTIVE OFFICES

Program: Criminal and Juvenile Justice Planning and Coordination (continued)

Program Measures:	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
Policy officers attending crime prevention practitioners' course and inservice instructors' development workshop	292	200	200	200	200	200	200
Counties receiving technical assistance and grants for crime victims services	67	67	67	67	67	67	67
Local jurisdictions implementing risk-focused juvenile delinquency prevention programs		8	8	16	24	30	30
Law enforcement officers certified as drug education and law enforcement program instructors	112	100	100	100	100	100	100
Deputy Sheriffs certified through completion of basic/waiver training	181	175	175	175	175	175	175
Crime Victims Compensation:							
New claims referred and reviewed for eligibility/acceptance	3,075	3,106	3,137	3,168	3,200	3,232	3,264
New claims accepted	1,997	2,017	2,037	2,057	2,078	2,099	2,120
Claims paid	2,378	2,402	2,426	2,450	2,475	2,500	2,525
Claims denied/closed without payment	572	577	582	587	592	597	602
Reopened claims	411	416	421	426	431	436	441

New claims accepted represents approximately two-thirds of all claims submitted. The claims not accepted are those returned to claimants for such reasons as incomplete information or failure to meet guidelines. Reopened claims is a measure to account for claims previously settled and paid which are subsequently reopened for additional losses directly related to the original crime.

The number of claims denied/closed without payment is higher than previously projected due to higher frequency of incidents of failure to supply information to the board, contributory misconduct, drug-related crime incidents, not meeting the minimum loss requirement and failure to cooperate with law enforcement agencies.

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

<p>\$ 308 —to continue current program.</p> <p>18 —PRR —Improving Criminal Justice Enforcement - to provide for criminal justice systemwide technology upgrades. Please see the Department of Corrections for further information on the Program Revision Request</p> <p>38 —Initiative - Technical Assistance in the Investigation of Crimes Against the Care Dependent Elderly - to provide training for law enforcement, human service agencies, and prosecutors in the investigation and prosecution of crimes against the elderly.</p> <hr/> <p>\$ 364 <i>Appropriation Increase</i></p>	<p>Commission on Crime and Delinquency</p> <p>\$ 500 —Initiative - Community Crime Prevention Grant - to provide funding for communities to implement locally based strategies to prevent crime through risk assessment, and planning and program implementation by community coalitions.</p> <p>\$ 3,000 —PRR—Improving Criminal Justice Enforcement - to provide for grants to counties for intermediate punishment drug and alcohol programs. Please see the Department of Corrections for further information on the Program Revision Request.</p>
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The Intermediate Punishment Program appropriation is recommended at the current year funding level.

EXECUTIVE OFFICES

Program: Criminal and Juvenile Justice Planning and Coordination (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
GENERAL FUND:							
Commission on Crime and Delinquency ...	\$ 3,046	\$ 2,994	\$ 3,358	\$ 3,425	\$ 3,494	\$ 3,564	\$ 3,635
Intermediate Punishment Program	5,275	5,331	5,331	5,331	5,331	5,331	5,331
Intermediate Punishment Drug and Alcohol Programs .....	.....	.....	3,000	3,000	3,000	3,000	3,000
Community Crime Prevention Grants .....	.....	.....	500	500	500	500	500
TOTAL GENERAL FUND	\$ 8,321	\$ 8,325	\$ 12,189	\$ 12,256	\$ 12,325	\$ 12,395	\$ 12,466

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 improved performance by juvenile courts and their staff.

The provision of Statewide juvenile justice training, education, research, statistical information, and the development and enhancement of specialized intensive probation and aftercare services for juveniles who have committed drug and/or drug related offenses have significantly improved the quality of service within the Commonwealth's juvenile justice system.

Sixty-six of the Commonwealth's sixty-seven counties participate in the commission's grant-in-aid program and have adopted the commission's required Juvenile Court Standards, participated in commission sponsored training programs and complied with all commission statistical reporting requirements. The grant-in-aid program is the only source of State funding for juvenile probation services and supports the commission's major programs including training, education and specialized projects such as the provision of liability insurance and financial support for necessary equipment and software to enable counties to participate in the commission's juvenile probation management information system.

The commission annually sponsors from 25 to 30 state-of-the-art training programs or juvenile justice practitioners. In addition to the provision of training, the commission, in conjunction with Shippensburg University and Mercyhurst College, provides the support to enable probation officers to receive Master of Science Degrees in the Administration of Justice. By June 1996, 295 probation officers will have graduated from this program since its inception in 1982. The support for these programs will continue into 1996-97.

The commission's Drug and Alcohol Initiative will continue to be a priority during 1996-97. Fifty-nine of the Commonwealth's counties are using urinalysis drug testing techniques on those juveniles who are known or suspected drug users. Juveniles referred to the court are tested for one or more of the following drugs: THC, cocaine, barbiturates, amphetamines, opiates, PCP, benzodiazepines and alcohol. As of December 31, 1994, over 300,000 drug tests were conducted on juveniles since the program began in January 1990. Outcome information regarding each youth tested during this period has been collected by the commission and entered into its drug testing data base.

During 1995-96, the commission plans to participate in a research project to analyze this information. An important objective of this project will be to determine if drug testing is effective in reducing total recidivism and drug use recidivism.

Since June 1993, the Pennsylvania Commission on Crime and Delinquency in cooperation with the Juvenile Court Judges' Commission and the Department of Education has awarded grants to forty-one counties to implement school-based probation programs. These programs

place probation officers in schools in an effort to help at-risk youth successfully function in the school environment, and to provide school staff with help in dealing with this difficult population. The Juvenile Court Judges' Commission will continue to coordinate the training and research activities in support of this initiative.

Juvenile delinquency placements increased from 3,533 in 1993 to 4,155 (17.6%) in 1994; correspondingly the delinquency placement rate increased from 11% to 11.69% of all dispositions. Juvenile arrests for violent crimes (murder, forcible rape, robbery and aggravated assault) increased from 5,781 in 1993 to 6,270 (8.4%) in 1994 while arrests for drug offenses increased by more than 45% from 3,588 in 1993 to 5,234 in 1994. Consequently, the demand for delinquency placements will continue. The commission will continue to support the development of placement alternatives such as intensive probation, school-based probation, electronic monitoring and in-home detention.

During 1994-95 and 1995-96, the commission provided technical assistance to the Governor's Office and the General Assembly regarding juvenile justice legislation considered during the Special Session on Crime. That session produced the following acts of Special Session No. 1 of 1995:

- Act 1 defines all those persons who are allowed access to the files and records of the court pertaining to juvenile matters.
- Act 6 provides that records and files, as well as fingerprints and photographs, concerning a child shall be kept separate from those of adults. The court must collect and submit juvenile history record information to the central repository within 90 days of an adjudication of delinquency. In addition, all arresting authorities must send copies of photographs and fingerprints of adjudicated dangerous juveniles to the State Police within 48 hours after the conviction of the juvenile.
- Act 7 provides that records and files concerning a juvenile delinquent shall be expunged upon certain conditions.
- Act 9 provides that the Philadelphia Municipal Court shall have jurisdiction of those summary offenses involving a delinquent act.
- Act 11 allows juvenile proceedings to be open to the public if the defendant was 14 years or older at the time of a violent offense.
- Act 13 provides that if the delinquent child has been ordered to pay restitution, the court shall retain jurisdiction until full restitution has been made. Any unpaid amounts upon the child attaining the age of 21 shall remain collectible under Section 9728. In addition, prior dispositions may be entered into evidence if the child is involved in a subsequent juvenile hearing, or in a criminal proceeding in adult court, only if the child was adjudicated delinquent in the prior proceedings.
- Act 17 amends Titles 18 (Crimes) and 42 (Judiciary) of the Pennsylvania Consolidated Statutes to include provisions for the possession of firearms by minors and establishment of a selected Statewide juvenile offender registry.

EXECUTIVE OFFICES

Program: Reintegration of Juvenile Delinquents (continued)

Program Measures:	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
Commitments as a percent of referrals	11.69%	11.75%	12.00%	12.00%	12.00%	12.00%	12.00%
Children referred to court	35,531	36,241	36,966	37,705	38,459	39,229	40,013
Children arrested for violent crime	6,270	6,395	6,523	6,653	6,786	6,922	7,061
Juvenile justice personnel trained by category:							
Formal	1,800	1,800	1,800	1,800	1,800	1,800	1,800
Informal	300	300	300	300	300	300	300
Full time equivalent juvenile probation officer positions	947	965	985	1,004	1,025	1,045	1,066

Full-time equivalent juvenile probation officer positions is a new measure which indicates the total number of person hours available for supervising juveniles.

Program Recommendations:

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

<p>\$ 68</p> <p>10</p> <p>364</p> <hr/> <p>\$ 442</p>	<p>Juvenile Court Judges Commission</p> <p>—Juvenile Disposition Data Collection. Increased State Match required for DCSI Subgrant—3rd year.</p> <p>—to continue current program.</p> <p>—PRR — Improving Criminal Justice Enforcement. This Program Revision establishes a Statewide central repository of fingerprints, photographs and juvenile history record information. Please see the Department of Corrections for further information on the Program Revision Request.</p> <p><i>Appropriation Increase</i></p>	<p>\$ 2,035</p>	<p>Improvement of Juvenile Probation Services</p> <p>—Restoration of State funding to replace discontinued Federal reimbursement for emergency assistance services to juvenile delinquents.</p>
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Appropriations within this Program:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
GENERAL FUND:							
Juvenile Court Judges Commission	\$ 695	\$ 804	\$ 1,246	\$ 1,373	\$ 1,150	\$ 1,174	\$ 1,197
Improvement of Juvenile Probation Services	4,770	3,478	5,513	5,513	5,513	5,513	5,513
TOTAL GENERAL FUND	\$ 5,465	\$ 4,282	\$ 6,759	\$ 6,886	\$ 6,663	\$ 6,687	\$ 6,710



COMMONWEALTH OF PENNSYLVANIA

LIEUTENANT GOVERNOR

The Lieutenant Governor serves as President of the Senate and Chairman of the Board of Pardons. In case of the death, conviction or impeachment, failure to qualify or resignation of the Governor, the Lieutenant Governor will become Governor for the remainder of the term. In case of the disability of the Governor, the powers, duties and emoluments of the office will transfer to the Lieutenant Governor until the disability is removed.

GOVERNOR'S EXECUTIVE BUDGET

LIEUTENANT GOVERNOR

Summary by Fund and Appropriation

	1994-95 Actual	(Dollar Amounts in Thousands) 1995-96 Available	1996-97 Budget
<u>GENERAL FUND</u>			
<i>GENERAL GOVERNMENT:</i>			
Lieutenant Governor's Office	\$ 776	\$ 698	\$ 691
(A) Recycling Fund	95	85	85
Portrait — Former Lieutenant Governor .....	....	7	....
Board of Pardons	245	272	268
GENERAL FUND TOTAL	\$ 1,116	\$ 1,062	\$ 1,044

LIEUTENANT GOVERNOR

Program Funding Summary:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
EXECUTIVE DIRECTION							
GENERAL FUND.....	\$ 1,021	\$ 977	\$ 959	\$ 978	\$ 997	\$ 1,017	\$ 1,038
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	95	85	85	87	89	91	93
SUBCATEGORY TOTAL.....	\$ 1,116	\$ 1,062	\$ 1,044	\$ 1,065	\$ 1,086	\$ 1,108	\$ 1,131
ALL PROGRAMS:							
GENERAL FUND.....	\$ 1,021	\$ 977	\$ 959	\$ 978	\$ 997	\$ 1,017	\$ 1,038
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	95	85	85	87	89	91	93
DEPARTMENT TOTAL.....	\$ 1,116	\$ 1,062	\$ 1,044	\$ 1,065	\$ 1,086	\$ 1,108	\$ 1,131

LIEUTENANT GOVERNOR

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

Program: Executive Direction

This program provides for the execution of duties relating to the Office of the Lieutenant Governor. These duties, as prescribed by the Constitution, include presiding over the Senate, assuming the Office of the Governor for the remainder of the Governor's term if necessary as a result of the death, conviction or impeachment, failure to qualify or resignation of the Governor and serving as Chairman of the Pennsylvania Board of Pardons which reviews applications for reprieve, commutation of sentences and pardons.

In addition, the Lieutenant Governor serves, by appointment of the

Governor, as Chairman of the Governor's Executive Council on Recycling Development and Waste Reduction and head of the Commonwealth's efforts on information technology and implementing recommendations to re-engineer State Government. The Lieutenant Governor also serves as Chairman of the Pennsylvania Heritage Affairs Commission.

The Lieutenant Governor also serves, by appointment, as Chairman of the Pennsylvania Emergency Management Council in which the Lieutenant Governor has direct responsibility for coordinating relief information and assistance.

Program Recommendations:

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

<p>Lieutenant Governor's Office</p> <p>\$ -7 —to continue current program with a 1% reduction in spending.</p> <p>Portrait — Former Lieutenant Governor</p> <p>\$ -7 —nonrecurring item.</p>	<p>Board of Pardons</p> <p>\$ -4 —to continue current program.</p>
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Appropriations within this Program:

(Dollar Amounts in Thousands)

		1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
GENERAL FUND:								
Lieutenant Governor's Office	\$	776	\$ 698	\$ 691	\$ 705	\$ 719	\$ 733	\$ 748
Portrait — Former Lieutenant Governor ...		....	7	....	....	....	....	....
Board of Pardons		245	272	268	273	278	284	290
TOTAL GENERAL FUND	\$	1,021	\$ 977	\$ 959	\$ 978	\$ 997	\$ 1,017	\$ 1,038



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 Statewide and multi-county investigating grand juries and a Medicaid Fraud Control Section.

To represent the Commonwealth and all Commonwealth agencies and upon request the Auditor General, State Treasurer and Public Utility Commission in any action brought by or against the Commonwealth or its agencies; to furnish upon request legal advice to the Governor or the head of any Commonwealth agency.

To review for form and legality all proposed rules and regulations for Commonwealth agencies.

To review for form and legality all Commonwealth deeds, leases and contracts to be executed by Commonwealth agencies.

To collect, by suit or otherwise, all debts, taxes and accounts due the Commonwealth which shall be referred to and placed with the Attorney General.

To administer the provisions relating to consumer protection as well as appoint the Advisory Committee.

To represent the Commonwealth and its citizens in any action brought for violation of the Antitrust Laws of the United States and the Commonwealth.

The Attorney General, in addition, serves as a member of the Board of Pardons, the Joint Committee on Documents, the Hazardous Substances Transportation Board, the Board of Finance and Revenue, the Pennsylvania Commission on Crime and Delinquency, the Civil Disorder Commission and the Municipal Police Officers Education and Training Commission.

GOVERNOR'S EXECUTIVE BUDGET

ATTORNEY GENERAL

Summary by Fund and Appropriation

	1994-95 Actual	(Dollar Amounts in Thousands) 1995-96 Available	1996-97 Budget
GENERAL FUND			
GENERAL GOVERNMENT:			
General Government Operations	\$ 30,437^a	\$ 31,790^b	\$ 31,472
(F) MAGLOCLEN	2,798	3,053	3,306
(F) Medicaid Fraud	2,829	3,220	3,258
(F) DCSI — Child Care Dependent Abuse Training	46	68	.....
(A) Legal Fees Reimbursement	537	285	294
(A) Collections — Legal	3	101	104
(A) Department Services	1,952	2,529	2,392
(A) Consumer Protection	3	15	15
(A) Investigative Cost Reimbursement	96	66	68
(A) Seized/Forfeited Property — State Court Awarded	216	228	236
(A) Public Protection Law Enforcement	1,500	1,413	1,181
(A) Environmental Crimes Investigative Costs	14	64	15
(A) Low Level Radioactive Waste Investigations .....	.....	258	198
Subtotal — Federal Funds	\$ 5,673	\$ 6,341	\$ 6,564
Subtotal — Augmentations	4,321	4,959	4,503
Total — General Government Operations	\$ 40,431	\$ 43,090	\$ 42,539
(R) Office of the Consumer Advocate	\$ 3,803	\$ 3,837	\$ 3,951
Drug Law Enforcement	16,500	17,738	17,560
(F) DCSI — Drug Transportation Interdiction	48	.....	.....
(F) DCSI — Combatting Drug Gang Activities	617	364	120
(F) DCSI — Criminal History Records Audits	450	394	172
(F) DCSI — Monitoring Prescription Abuse .....	.....	233	155
(F) DCSI — Comprehensive Medical/Legal Advisory Board .....	.....	.....	30
(F) DCSI — Child Abuse Investigations .....	.....	.....	18
(A) Recovery of Narcotics Investigation Overtime Costs	26	25	25
(A) Seized/Forfeited Property — State Court Awarded .....	.....	.....	525
(A) Seized/Forfeited Property — Federal Court Awarded .....	.....	525	600
Subtotal — Federal Funds	\$ 1,115	\$ 991	\$ 495
Subtotal — Augmentations	26	550	1,150
Total — Drug Law Enforcement	\$ 17,641	\$ 19,279	\$ 19,205
Local Drug Task Forces	\$ 6,319	\$ 6,793	\$ 6,725
(F) DCSI — Task Force Maintenance	700	.....	.....
Total — Local Drug Task Forces	\$ 7,019	\$ 6,793	\$ 6,725
Subtotal — State Funds	\$ 53,256	\$ 56,321	\$ 55,757
Subtotal — Federal Funds	7,488	7,332	7,059
Subtotal — Augmentations	4,347	5,509	5,653
Subtotal — Restricted Revenues	3,803	3,837	3,951
Total — General Government	\$ 68,894	\$ 72,999	\$ 72,420

^a Actually appropriated as \$28,798,000 General Government Operations, \$1,639,000 Hazardous Waste Prosecutions.

^b Actually appropriated as \$30,059,000 General Government Operations, \$30,059,000 Hazardous Waste Prosecutions.

ATTORNEY GENERAL

Summary by Fund and Appropriation

	1994-95 Actual	(Dollar Amounts in Thousands) 1995-96 Available	1996-97 Budget
<u>GENERAL FUND</u>			
<i>GRANTS AND SUBSIDIES:</i>			
County Trial Reimbursement	\$ 150	\$ 150	\$ 150
STATE FUNDS	\$ 53,406	\$ 56,471	\$ 55,907
FEDERAL FUNDS	7,488	7,332	7,059
AUGMENTATIONS	4,347	5,509	5,653
RESTRICTED REVENUE	3,803	3,837	3,951
GENERAL FUND TOTAL	<u>\$ 69,044</u>	<u>\$ 73,149</u>	<u>\$ 72,570</u>
 <u>OTHER FUNDS</u>			
<i>GENERAL FUND:</i>			
Seized/Forfeited Property — State Court Awarded	\$ 1,264 ^a	\$ 1,243 ^a	\$ 1,255 ^a
Seized/Forfeited Property — Federal Court Awarded	242	829	1,395
Seized/Forfeited Property — PSP-OAG Agreement	856	1,100	1,100
OAG Investigative Funds — Outside Sources .....	.....	3,618	3,799
Public Protection Law Enforcement	259 ^b	300 ^b	1,168 ^b
Coroner's Education Board	17	20	15
OTHER FUNDS TOTAL	<u>\$ 2,638</u>	<u>\$ 7,110</u>	<u>\$ 8,732</u>
 DEPARTMENT TOTAL — ALL FUNDS			
GENERAL FUNDS	\$ 53,406	\$ 56,471	\$ 55,907
FEDERAL FUNDS	7,488	7,332	7,059
AUGMENTATIONS	4,347	5,509	5,653
RESTRICTED REVENUE	3,803	3,837	3,951
OTHER FUNDS	2,638	7,110	8,732
TOTAL — ALL FUNDS	<u>\$ 71,682</u>	<u>\$ 80,259</u>	<u>\$ 81,302</u>

^a Amounts not included to avoid double counting: 1994-95 Actual is \$216,000; 1995-96 Available is \$228,000; 1996-97 Budget is \$761,000.

^b Amounts not included to avoid double counting: 1994-95 Actual is \$150,000; 1995-96 Available is \$1,413,000; 1996-97 Budget is \$1,181,000.

ATTORNEY GENERAL

Program Funding Summary:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
PUBLIC PROTECTION AND LAW ENFORCEMENT							
GENERAL FUND.....	\$ 53,406	\$ 56,471	\$ 55,907	\$ 57,022	\$ 58,159	\$ 59,319	\$ 60,503
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	7,488	7,332	7,059	7,059	7,059	7,059	7,059
OTHER FUNDS.....	10,788	16,456	18,336	18,703	19,077	19,457	19,846
SUBCATEGORY TOTAL.....	\$ 71,682	\$ 80,259	\$ 81,302	\$ 82,784	\$ 84,295	\$ 85,835	\$ 87,408
ALL PROGRAMS:							
GENERAL FUND.....	\$ 53,406	\$ 56,471	\$ 55,907	\$ 57,022	\$ 58,159	\$ 59,319	\$ 60,503
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	7,488	7,332	7,059	7,059	7,059	7,059	7,059
OTHER FUNDS.....	10,788	16,456	18,336	18,703	19,077	19,457	19,846
DEPARTMENT TOTAL.....	\$ 71,682	\$ 80,259	\$ 81,302	\$ 82,784	\$ 84,295	\$ 85,835	\$ 87,408

ATTORNEY GENERAL

PROGRAM OBJECTIVE: To enforce the criminal laws of the Commonwealth to protect the interests of Pennsylvania citizens in areas of consumer protection, antitrust enforcement, operation of charitable trusts and organizations, and civil rights; and to provide legal services to Commonwealth agencies.

Program: Public Protection and Law Enforcement

The Attorney General as the chief law enforcement officer of the Commonwealth is charged with the responsibility for the investigation and prosecution of organized crime and public corruption. The agency investigates and prosecutes criminal activity in accordance with Sections 205 and 206 of the Commonwealth Attorneys Act, and utilizes Statewide investigative grand juries as appropriate. The Attorney General's Office works with the State Police to curtail drug abuse in the Commonwealth by immobilizing illegal drug traffickers. Last year, over 4,011 drug traffickers were arrested, of whom 389 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. Act 166 of 1994 established a Section of Insurance Fraud to prosecute and investigate insurance fraud within the Attorney General's Office.

This program also provides legal services for governmental agencies of the Commonwealth, as required by Section 204 of the Commonwealth Attorneys Act. Specifically, the Attorney General's Office represents the Commonwealth in any action brought by or against the Commonwealth or its agencies, particularly tort claims.

Program Measures:	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
Cases presented to the Statewide							
Investigating Grand Jury	50	80	80	80	80	80	80
Drug law arrests	4,011	4,200	4,200	4,200	4,200	4,200	4,200
Major drug traffickers arrested	389	400	400	400	400	400	400
Consumer complaints concerning business practices investigated and mediated	30,000	31,500	31,500	31,500	31,500	31,500	31,500
Dollar value of recoupment to consumers regarding business practices (in thousands)	\$4,600	\$4,600	\$4,600	\$4,600	\$4,600	\$4,600	\$4,600
Rate cases argued by Consumer Advocate	39	34	N/A	N/A	N/A	N/A	N/A
Other cases argued by the Consumer Advocate	309	300	N/A	N/A	N/A	N/A	N/A
Antitrust and oil overcharge cases:							
Settlements with or without court action	14	12	12	12	12	12	12
Dollars paid or agree to be paid to the Commonwealth or directly to its citizens (in thousands)	\$3,408	\$59,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000

Fewer drug arrests were made in 1994-95 than projected in last year's budget due to a concentrated effort to conduct complex investigations. The program measure assumes this policy will be continued in the available and planning years.

There were more settlements with or without court action than projected in last year's budget due to unanticipated insurance industry litigation case settlements.

Antitrust dollars to be paid to the Commonwealth or its citizens were higher than expected in 1995-96 due to the recovery of \$56 million in a hospital merger case.

ATTORNEY GENERAL

Program: Public Protection and Law Enforcement (continued)

Program Recommendations:

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

\$	-318	General Government Operations —to continue current program with a 1% reduction.
\$	-178	Drug Law Enforcement —to continue current program with a 1% reduction.
\$	-68	Local Drug Task Forces —to continue current program with a 1% reduction.

This budget also recommends the following change to the Office of Consumer Advocate from its restricted revenue account in the General Fund.

\$	114	Office of the Consumer Advocate —to continue current program.
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County Trial Reimbursement is recommended at the current year funding level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
GENERAL FUND:							
General Government Operations	\$ 30,437	\$ 31,790	\$ 31,472	\$ 32,101	\$ 32,743	\$ 33,398	\$ 34,066
Drug Law Enforcement	16,500	17,738	17,560	17,911	18,269	18,634	19,007
Local Drug Task Forces	6,319	6,793	6,725	6,860	6,997	7,137	7,280
County Trial Reimbursement	150	150	150	150	150	150	150
TOTAL GENERAL FUND	\$ 53,406	\$ 56,471	\$ 55,907	\$ 57,022	\$ 58,159	\$ 59,319	\$ 60,503



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 insure that all money due the Commonwealth was reported and transmitted properly.

GOVERNOR'S EXECUTIVE BUDGET

AUDITOR GENERAL

Summary by Fund and Appropriation

	1994-95 Actual	(Dollar Amounts in Thousands) 1995-96 Available	1996-97 Budget
GENERAL FUND:			
GENERAL GOVERNMENT:			
Auditor General's Office	\$ 37,130	\$ 38,130	\$ 37,749
(A) Reimbursement Auditing Services	7,354	7,900	8,000
(A) Sale of Automobiles	297	....	....
Transition — Governor	175	....	....
Security and Other Expenses — Outgoing Governor	100	....	....
Subtotal — State Funds	\$ 37,405	\$ 38,130	\$ 37,749
Subtotal — Augmentations	7,651	7,900	8,000
Total — Auditor General's Office	\$ 45,056	\$ 46,030	\$ 45,749
Board of Claims	\$ 1,388	\$ 1,472	\$ 1,457
(A) Sale of Automobiles	6	....	....
Subtotal — State Funds	\$ 1,388	\$ 1,472	\$ 1,457
Subtotal — Augmentations	6	....	....
Total — Board of Claims	\$ 1,394	\$ 1,472	\$ 1,457
Subtotal — State Funds	\$ 38,793	\$ 39,602	\$ 39,206
Subtotal — Augmentations	7,657	7,900	8,000
Total — General Government	\$ 46,450	\$ 47,502	\$ 47,206
GRANTS AND SUBSIDIES:			
Municipal Pension System State Aid	\$ 3,296	\$ 6,362	\$ 1,684
Total — Grants and Subsidies	\$ 3,296	\$ 6,362	\$ 1,684
STATE FUNDS	\$ 42,089	\$ 45,964	\$ 40,890
AUGMENTATIONS	7,657	7,900	8,000
GENERAL FUND TOTAL	\$ 49,746	\$ 53,864	\$ 48,890
OTHER FUNDS			
MUNICIPAL PENSION AID FUNDS:			
Municipal Pension Aid	\$ 133,870	\$ 131,754	\$ 130,100
SUPPLEMENTAL STATE ASSISTANCE FUND:			
Supplemental State Assistance	\$ 3,296	\$ 6,362	\$ 1,684
OTHER FUNDS TOTAL	\$ 137,166	\$ 138,116	\$ 131,784
DEPARTMENT TOTAL — ALL FUNDS			
GENERAL FUND	\$ 42,089	\$ 45,964	\$ 40,890
AUGMENTATIONS	7,657	7,900	8,000
OTHER FUNDS	137,166	138,116	131,784
TOTAL ALL FUNDS	\$ 186,912	\$ 191,980	\$ 180,674

AUDITOR GENERAL

Program Funding Summary:

	(Dollar Amounts in Thousands)						
	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
AUDITING							
GENERAL FUND.....	\$ 38,793	\$ 39,602	\$ 39,206	\$ 39,990	\$ 40,790	\$ 41,605	\$ 42,437
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	7,657	7,900	8,000	8,160	8,323	8,489	8,659
SUBCATEGORY TOTAL.....	\$ 46,450	\$ 47,502	\$ 47,206	\$ 48,150	\$ 49,113	\$ 50,094	\$ 51,096
MUNICIPAL PENSION SYSTEMS							
GENERAL FUND.....	\$ 3,296	\$ 6,362	\$ 1,684	\$ 1,684	\$ 1,684	\$ 1,684	\$ 1,684
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	137,166	138,116	131,784	134,386	137,040	139,747	142,508
SUBCATEGORY TOTAL.....	\$ 140,462	\$ 144,478	\$ 133,468	\$ 136,070	\$ 138,724	\$ 141,431	\$ 144,192
ALL PROGRAMS:							
GENERAL FUND.....	\$ 42,089	\$ 45,964	\$ 40,890	\$ 41,674	\$ 42,474	\$ 43,289	\$ 44,121
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	144,823	146,016	139,784	142,546	145,363	148,236	151,167
DEPARTMENT TOTAL.....	\$ 186,912	\$ 191,980	\$ 180,674	\$ 184,220	\$ 187,837	\$ 191,525	\$ 195,288

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 or 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)

Auditor General's Office
 \$ -381 —to continue current program with a 1% reduction in spending.

Board of Claims
 \$ -15 —to continue current program with a 1% reduction in spending.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
GENERAL FUND:							
Auditor General's Office	\$ 37,130	\$ 38,130	\$ 37,749	\$ 38,504	\$ 39,274	\$ 40,059	\$ 40,860
Transition — Governor	175	.....	.....	.....	.....	.....	.....
Security and Other Expenses —							
Outgoing Governor	100	.....	.....	.....	.....	.....	.....
Board of Claims	1,388	1,472	1,457	1,486	1,516	1,546	1,577
TOTAL GENERAL FUND	\$ 38,793	\$ 39,602	\$ 39,206	\$ 39,990	\$ 40,790	\$ 41,605	\$ 42,437

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 Commission (PERC) every two years, and establishes criteria for determination of actuarial soundness and the amount of State financed support that will be provided.

The Auditor General is responsible for audits of municipal pension funds for nonuniformed employees where municipalities choose to allocate State aid to those funds. The municipal pension plans for nonuniformed employees total approximately 1,300. In July of 1985, the Auditor General

became responsible for administration of the Supplemental State Assistance Account which from July 1985 to December 1988 contained portions of the proceeds of the Foreign Casualty Premium Tax previously paid to the State Employees' Retirement Board. After December 1988, funding is from a General Fund appropriation which cannot exceed \$35 million annually. The initial funding was immediately available for loans to municipalities in imminent danger of defaulting on the obligations of their pension plans.

In December 1988, the Auditor General also became responsible for disbursement of Supplemental State Assistance to distressed municipal pension systems based on certified State assistance amounts provided by PERC.

Program Recommendations:

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

Municipal Pension System State Aid
 \$ -4,678 —to provide the amount certified by the Public Employee Retirement Commission for a recovery program for financially distressed municipal pension systems.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
GENERAL FUND:							
Municipal Pension System State Aid	\$ 3,296	\$ 6,362	\$ 1,684	\$ 1,684	\$ 1,684	\$ 1,684	\$ 1,684



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.

GOVERNOR'S EXECUTIVE BUDGET

TREASURY

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1994-95 Actual	1995-96 Available	1996-97 Budget
GENERAL FUND			
State Treasurer's Office	\$ 17,803	\$ 18,349	\$ 18,165
(A) Expenses — Unemployment Compensation	2,190	5,788	8,086
(A) Fees — Federal Savings Bonds	31	.....	.....
(A) Photocopy Services	7	.....	.....
(A) Unclaimed Property Administration Costs	3,592	.....	.....
(A) Unclaimed Property Reference Fees	8	.....	.....
(A) Sale of Automobiles	5	.....	.....
(A) Administrative Fees	128	.....	.....
Equipment Purchases	886	.....	.....
Subtotal — State Funds	\$ 18,689	\$ 18,349	\$ 18,165
Subtotal — Augmentations	5,961	5,788	8,086
Total — State Treasurer's Office	<u>\$ 24,650</u>	<u>\$ 24,137</u>	<u>\$ 26,251</u>
Board of Finance and Revenue	\$ 1,519	\$ 1,565	\$ 1,549
Council of State Governments	158	166	171
Great Lakes Commission	62	70	85
National Conference of State Legislatures	174	180	180
Education Commission of the States	80	83	83
Advisory Commission on Intergovernmental Relations	9	10	.....
National Governor's Association	131	132	136
Coalition of Northeast Governors	68	70	71
Northeast — Midwest Institute	58	63	.....
Governmental Accounting Standards Board	40	44	44
State and Local Legal Center	8	8	10
Publishing Monthly Statements	60	60	60
Replacement Checks (EA)	425	825	450
Subtotal — State Funds	\$ 21,481	\$ 21,625	\$ 21,004
Subtotal — Augmentations	5,961	5,788	8,086
Total — General Government	<u>\$ 27,442</u>	<u>\$ 27,413</u>	<u>\$ 29,090</u>
DEBT SERVICE REQUIREMENTS:			
Loan and Transfer Agent	\$ 197	\$ 225	\$ 225
Tax Note Expenses	119	170	170
General Obligation Debt Service	504,596	441,174	564,159
(A) Rentals and Building Fees	1,135	1,100	1,100
(A) Transfer from PIDA Escrow .....	.....	100,000	.....
Commercial Paper Costs (EA) .....	.....	1,000	1,000
Interest on Tax Anticipation Notes (EA)	19,841	25,000	21,000
Subtotal — State Funds	\$ 524,753	\$ 467,569	\$ 586,554
Subtotal — Augmentations	1,135	101,100	1,100
Total — Debt Service Requirements	<u>\$ 525,888</u>	<u>\$ 568,669</u>	<u>\$ 587,654</u>
GRANTS AND SUBSIDIES:			
Law Enforcement Officers Death Benefits	\$ 375	\$ 468	\$ 468
Total — Grants and Subsidies	<u>\$ 375</u>	<u>\$ 468</u>	<u>\$ 468</u>
STATE FUNDS	\$ 546,609	\$ 489,662	\$ 608,026
AUGMENTATIONS	7,096	106,888	9,186
GENERAL FUND TOTAL	<u><u>\$ 553,705</u></u>	<u><u>\$ 596,550</u></u>	<u><u>\$ 617,212</u></u>

^a Includes recommended supplemental of \$400,000.

TREASURY

Summary by Fund and Appropriation

	1994-95 Actual	(Dollar Amounts in Thousands) 1995-96 Available	1996-97 Budget
MOTOR LICENSE FUND			
<i>GENERAL GOVERNMENT:</i>			
Replacement Checks	\$ 269	\$ 240	\$ 300
Refunding Liquid Fuels Tax — Agricultural	1,963	3,200	3,200
Refunding Liquid Fuels Tax — State Share	275	400	400
Refunding Emergency Liquid Fuels Tax .....	....	1	1
Refunding Liquid Fuels Tax — Political Subdivision	1,375	2,100	2,300
Administration of Refunding Liquid Fuels Tax	360	346	346
Refunding Liquid Fuels Tax — Volunteer Services	63	150	300
Refunding Marine Liquid Fuels Tax — Boat Fund	1,991	2,200	2,200
Total — General Government	\$ 6,296	\$ 8,637	\$ 9,047
<i>DEBT SERVICE REQUIREMENTS:</i>			
Capital Debt — Transportation Projects	\$ 177,462	\$ 150,109	\$ 118,075
General Obligation Debt Service	1,674	1,399	1,367
Advance Construction Interstate — Interest	1,776	....	....
Loan and Transfer Agent	125	135	135
(R) Aviation Debt Service	1,246	1,245	1,378
(R) Capital Bridge Debt	30,590	30,063	29,218
(R) Advance Construction Interstate — Principal	48,000	....	....
Subtotal — State Funds	\$ 181,037	\$ 151,643	\$ 119,577
Subtotal — Restricted Revenue	79,836	31,308	30,596
Total — Debt Service	\$ 260,873	\$ 182,951	\$ 150,173
Subtotal — State	\$ 187,333	\$ 160,280	\$ 128,624
Subtotal — Restricted Revenue	79,836	31,308	30,596
MOTOR LICENSE FUND TOTAL	\$ 267,169	\$ 191,588	\$ 159,220
BANKING DEPARTMENT FUND			
<i>GENERAL GOVERNMENT:</i>			
Replacement Checks (EA) .....	....	\$ 5	\$ 5
BOAT FUND			
<i>GENERAL GOVERNMENT:</i>			
Replacement Checks (EA) .....	....	\$ 5	\$ 5
BOAT FUND TOTAL .....	....	\$ 5	\$ 5

TREASURY

Summary by Fund and Appropriation

	1994-95 Actual	(Dollar Amounts in Thousands) 1995-96 Available	1996-97 Budget
FARM PRODUCTS SHOW FUND			
<i>GENERAL GOVERNMENT:</i>			
Replacement Checks (EA) .....	....	\$ 5	\$ 5
FISH FUND			
<i>GENERAL GOVERNMENT:</i>			
Replacement Checks (EA) .....	....	\$ 15	\$ 5
<i>DEBT SERVICE REQUIREMENTS:</i>			
General Obligation Debt Service	\$ 24	\$ 4	\$ 1
FISH FUND TOTAL	\$ 24	\$ 19	\$ 6
GAME FUND			
<i>GENERAL GOVERNMENT:</i>			
Replacement Checks (EA) .....	....	\$ 5	\$ 5
LOTTERY FUND			
<i>GENERAL GOVERNMENT:</i>			
Replacement Checks (EA)	\$ 8	\$ 150	\$ 100
MILK MARKETING FUND			
<i>GENERAL GOVERNMENT:</i>			
Replacement Checks (EA) .....	....	\$ 5	\$ 5
Refund Milk Marketing Licenses and Fees (EA) .....	....	5	5
MILK MARKETING FUND TOTAL .....	....	\$ 10	\$ 10
RACING FUND			
<i>GENERAL GOVERNMENT:</i>			
Replacement Checks (EA)	\$ 2	\$ 10	\$ 10
OTHER FUNDS			
<i>ECONOMIC REVITALIZATION FUND:</i>			
Replacement Checks (EA)	\$ 95	....	\$ 5
<i>TUITION PAYMENT FUND:</i>			
Administration Tuition Payment Fund	\$ 400	\$ 415	\$ 435
DEPARTMENTAL TOTAL—ALL FUNDS			
GENERAL FUND	\$ 546,609	\$ 489,662	\$ 608,026
SPECIAL FUNDS	187,367	160,489	128,770
AUGMENTATIONS	7,096	106,888	9,186
RESTRICTED REVENUE	79,836	31,308	30,596
OTHER FUNDS	495	415	440
TOTAL ALL FUNDS	\$ 821,403	\$ 788,762	\$ 777,018

TREASURY

Program Funding Summary:

	(Dollar Amounts in Thousands)						
	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
DISBURSEMENT							
GENERAL FUND.....	\$ 21,008	\$ 21,207	\$ 20,632	\$ 21,026	\$ 21,429	\$ 21,839	\$ 22,258
SPECIAL FUNDS.....	6,306	8,842	9,192	9,199	9,206	9,213	9,220
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	6,456	6,203	8,526	8,697	8,871	9,048	9,229
SUBCATEGORY TOTAL.....	\$ 33,770	\$ 36,252	\$ 38,350	\$ 38,922	\$ 39,506	\$ 40,100	\$ 40,707
INTERSTATE RELATIONS							
GENERAL FUND.....	\$ 788	\$ 826	\$ 780	\$ 780	\$ 780	\$ 780	\$ 780
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
SUBCATEGORY TOTAL.....	\$ 788	\$ 826	\$ 780	\$ 780	\$ 780	\$ 780	\$ 780
DEBT SERVICE							
GENERAL FUND.....	\$ 524,813	\$ 467,629	\$ 586,614	\$ 611,292	\$ 614,711	\$ 631,931	\$ 629,018
SPECIAL FUNDS.....	181,061	151,647	119,578	116,211	113,473	101,478	83,196
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	80,971	132,408	31,696	32,441	32,613	31,500	29,298
SUBCATEGORY TOTAL.....	\$ 786,845	\$ 751,684	\$ 737,888	\$ 759,944	\$ 760,797	\$ 764,909	\$ 741,512
ALL PROGRAMS:							
GENERAL FUND.....	\$ 546,609	\$ 489,662	\$ 608,026	\$ 633,098	\$ 636,920	\$ 654,550	\$ 652,056
SPECIAL FUNDS.....	187,367	160,489	128,770	125,410	122,679	110,691	92,416
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	87,427	138,611	40,222	41,138	41,484	40,548	38,527
DEPARTMENT TOTAL.....	\$ 821,403	\$ 788,762	\$ 777,018	\$ 799,646	\$ 801,083	\$ 805,789	\$ 782,999

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, as amended by Act 161 of 1994, the Treasury is required to pay \$51,335 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. This current payment includes benefit increases with inflation.

Treasury administers the Tuition Account Program that provides for the advance purchase of tuition credits for students who will attend institutions of higher education. The program enables individuals to lock in a price today to pay for tomorrow's tuition, an attractive option for many families because of the spiraling costs of higher education.

The State Treasurer is responsible for the administration and enforcement of the Commonwealth's abandoned and unclaimed property laws. Tangible and intangible property that has remained unclaimed for seven or more years is reported and remitted to the Treasury by holders in possession of the property. The Commonwealth maintains perpetual custody of the property until it is claimed by the rightful owner. Revenues generated cover the costs of paying claims as well as the administrative costs of the program.

Program Measures:	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
Disbursements issued	10,323,934	10,300,000	10,275,000	N/A	N/A	N/A	N/A
Persons receiving cash assistance, monthly average	665,653	620,000	600,000	600,000	600,000	600,000	600,000
Interest earned on investments:							
General Fund (in thousands)	\$ 70,943	\$ 73,935	\$ 67,407	N/A	N/A	N/A	N/A
Motor License Fund (in thousands)	20,023	26,803	25,811	N/A	N/A	N/A	N/A
TOTAL	\$ 90,966	\$ 100,738	\$ 93,218	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 \$ -184 —to continue current program with a 1% reduction.</p> <p>Board of Finance and Revenue \$ -16 —to continue current program with a 1% reduction.</p> <p>Replacement Checks \$ -375 —to continue current program.</p> <p>MOTOR LICENSE FUND Replacement Checks \$ 60 —to continue current program.</p>	<p>Refunding Liquid Fuels Tax — Political Subdivisions \$ 200 —to continue current program.</p> <p>Refunding Liquid Fuels Tax — Volunteer Services \$ 150 —to continue current program.</p> <p>LOTTERY FUND Replacement Checks \$ -50 —to continue current program.</p> <p>FISH FUND Replacement Checks \$ -10 —to continue current program.</p>
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TREASURY

Program: Disbursement (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
GENERAL FUND:							
State Treasurer's Office	\$ 17,803	\$ 18,349	\$ 18,165	\$ 18,528	\$ 18,899	\$ 19,277	\$ 19,663
Equipment Purchase	886	.....	.....	.....	.....	.....	.....
Board of Finance and Revenue	1,519	1,565	1,549	1,580	1,162	1,644	1,677
Replacement Checks	425	825	450	450	450	450	450
Law Enforcement Officers Death Benefits	375	468	468	468	468	468	468
TOTAL GENERAL FUND	\$ 21,008	\$ 21,207	\$ 20,632	\$ 21,026	\$ 20,979	\$ 21,839	\$ 22,258
MOTOR LICENSE FUND:							
Replacement Checks	\$ 269	\$ 240	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300
Refunding Liquid Fuels Tax-Agricultural Use	1,963	3,200	3,200	3,200	3,200	3,200	3,200
Refunding Liquid Fuels Tax-State Share ..	275	400	400	400	400	400	400
Refunding Liquid Fuels Tax-Political Subdivisions	1,375	2,100	2,300	2,300	2,300	2,300	2,300
Administration of Refunding Liquid Fuels Tax	360	346	346	353	360	367	374
Refunding Liquid Fuels Tax-Volunteer Services	63	150	300	300	300	300	300
Refunding Marine Liquid Fuels Tax-Boat Fund	1,991	2,200	2,200	2,200	2,200	2,200	2,200
Refunding Emergency Liquid Fuels Tax ..	.....	1	1	1	1	1	1
TOTAL MOTOR LICENSE FUND	\$ 6,296	\$ 8,637	\$ 9,047	\$ 9,054	\$ 9,061	\$ 9,068	\$ 9,075
BANKING DEPARTMENT FUND:							
Replacement Checks .....	.....	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5
BOAT 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 .....	.....	\$ 15	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5
GAME FUND:							
Replacement Checks .....	.....	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5
LOTTERY FUND:							
Replacement Checks	\$ 8	\$ 150	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100
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
RACING FUND:							
Replacement Checks	\$ 2	\$ 10	\$ 10	\$ 10	\$ 10	\$ 10	\$ 10

PROGRAM OBJECTIVE: To promote interstate cooperation and progress through participation in various associations and organizations both regionally and nationally.

Program: Interstate Relations

Pennsylvania helps promote interstate progress and cooperation through participation in various organizations, associations and commissions with other states and other units of government. As a member of the Council of State Governments, Education Commission of the States, National Conference of State Legislatures, Coalition of Northeast Governors, Northeast-Midwest Institute, Advisory Commission on Intergovernmental Relations and the National Governors Association, Pennsylvania helps coordinate ideas on programs, interstate progress, budgets, Federal-State relations, education, labor, research, governmental techniques and general information concerning the states 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)

Various Associations and Commissions
 \$ -46 —net decrease for membership costs in eight multistate organizations.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
GENERAL FUND:							
Council of State Governments	\$ 158	\$ 166	\$ 171	\$ 171	\$ 171	\$ 171	\$ 171
Great Lakes Commission	62	70	85	85	85	85	85
National Conference of State Legislatures	174	180	180	180	180	180	180
Education Commission of the States	80	83	83	83	83	83	83
Advisory Commission on Intergovernmental Relations	9	10	.....	.....	.....	.....	.....
National Governors Association	131	132	136	136	136	136	136
Coalition of Northwest Governors	68	70	71	71	71	71	71
Northeast — Midwest Institute	58	63	.....	.....	.....	.....	.....
Governmental Accounting Standards Board	40	44	44	44	44	44	44
State and Local Legal Center	8	8	10	10	10	10	10
TOTAL GENERAL FUND	\$ 788	\$ 826	\$ 780	\$ 780	\$ 780	\$ 780	\$ 780

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; providing low-cost loans for water supply and sewage treatment

improvements; loans to volunteer fire companies; and a wide variety of construction and renovation projects including hospitals, higher education facilities, State parks, flood control, correctional institutions and various public buildings. Bond issues also provide funds to bring nursing homes up to the standards of the State Life Safety Code.

The Commonwealth has saved substantial amounts of debt service interest payments through the issuance of refunding bonds to retire debt incurred in prior years when interest rates were considerably higher. The Commonwealth continues to monitor its debt for additional refunding opportunities and expects to achieve further interest savings from additional refunding of bonds.

Program Recommendations:

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

<p>General Fund \$ 118,985 —the net effect on principal and interest requirements and other costs relating to the General Fund debt service.</p> <p>Motor License Fund \$ -32,066 —for reduced principal and interest requirements and other costs relating to Motor License Fund debt service.</p>	<p>Fish Fund \$ -3 —for reduced principal and interest requirements and other costs relating to Fish Fund debt service.</p>
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Appropriations within this Program:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
GENERAL FUND:							
Publishing Monthly Statements	\$ 60	\$ 60	\$ 60	\$ 60	\$ 60	\$ 60	\$ 60
Loan and Transfer Agents	197	225	225	225	225	225	225
Tax Note Expenses	119	170	170	170	170	170	170
General Obligation Debt Service	504,596	441,174	564,159	588,837	592,256	609,476	606,563
Commercial Paper Cost .....	.....	1,000	1,000	1,000	1,000	1,000	1,000
Interest on Tax Anticipation Notes	19,841	25,000	21,000	21,000	21,000	21,000	21,000
TOTAL GENERAL FUND	\$ 524,813	\$ 467,629	\$ 586,614	\$ 611,292	\$ 614,711	\$ 631,931	\$ 629,018
MOTOR LICENSE FUND:							
Capital Debt — Transportation Projects	\$ 177,462	\$ 150,109	\$ 118,075	\$ 113,802	\$ 110,913	\$ 98,535	\$ 80,253
General Obligation Debt Service	1,674	1,399	1,367	2,274	2,425	2,808	2,808
Advance Construction Interstate — Interest	1,776	.....	.....	.....	.....	.....	.....
Loan and Transfer Agent	125	135	135	135	135	135	135
TOTAL MOTOR LICENSE FUND	\$ 181,037	\$ 151,643	\$ 119,577	\$ 116,211	\$ 113,473	\$ 101,478	\$ 83,196
FISH FUND:							
General Obligation Debt Service	\$ 24	\$ 4	\$ 1	.....	.....	.....	.....



COMMONWEALTH OF PENNSYLVANIA

DEPARTMENT OF AGING

The Department of Aging consolidates services for older Pennsylvanians and provides a single point of contact through which these older Pennsylvanians can address their concerns to State government. The Secretary of Aging serves as a cabinet-level contact and is routinely advised of citizens' concerns through a network including area agency advisory boards, regional councils and the Pennsylvania Council on Aging.

Statewide services are provided through the local Area Agencies on Aging. Services include nutrition, employment, transportation, domiciliary care, protection, long-term care assessment and both basic and intensive in-home services. Additionally, the Department of Aging manages the pharmaceutical assistance program for older Pennsylvanians.

GOVERNOR'S EXECUTIVE BUDGET

PROGRAM REVISION
Budgeted Amounts Include the Following Program Revision:

Title	Appropriation	1996-97 State Funds (in thousands)
LOTTERY FUND		
Enhancing Services for Older Pennsylvanians		
	PENNCARE	\$ 250
	Pharmaceutical Assistance Fund	-20,000
<p>This Program Revision provides State, Federal and Intergovernmental Transfer funds to enhance the continuum of services provided to older Pennsylvanians. The components of the Program Revision include providing nursing home services to 1,100 additional persons in their homes, implementing a primary care demonstration project, expanding income eligibility for the pharmaceutical assistance program (PACE) and implementing three PACE cost containment initiatives — mandatory generic substitution, an incentive formulary and a revised pharmaceutical reimbursement formula. This Program Revision saves \$19.8 million across two departments.</p>		
	Department Total	\$ -19,750

Summary by Fund and Appropriation

	1994-95 Actual	(Dollar Amounts in Thousands) 1995-96 Available	1996-97 Budget
GENERAL FUND			
GENERAL GOVERNMENT:			
Medical Assistance Support	\$ 276 ^a	\$ 273 ^b	\$ 1,889
(F) Medical Assistance Support	235	1,700	3,798
(A) Intergovernmental Transfer — Administration .....	.....	1,395	1,918
Total — General Government	<u>\$ 511</u>	<u>\$ 3,368</u>	<u>\$ 7,605</u>
GRANTS & SUBSIDIES:			
Family Caregiver	\$ 9,071	\$ 9,596	\$ 9,596
(F) DCSI — Elder Abuse Education and Prevention .....	.....	214	143
Total — Family Caregiver	<u>\$ 9,071</u>	<u>\$ 9,810</u>	<u>\$ 9,739</u>
Pre-Admission Assessment	\$ 4,220 ^c	\$ 4,509 ^d	\$ 4,594
(F) Pre-Admission Assessment	5,327	9,082	9,750
(A) Intergovernmental Transfer .....	.....	131	3,422
Total — Pre-Admission Assessment	<u>\$ 9,547</u>	<u>\$ 13,722</u>	<u>\$ 17,766</u>
Subtotal — State Funds	\$ 13,291	\$ 14,105	\$ 14,190
Subtotal — Federal Funds	5,327	9,296	9,893
Subtotal — Augmentations .....	.....	131	3,422
Total — Grants and Subsidies	<u>\$ 18,618</u>	<u>\$ 23,532</u>	<u>\$ 27,505</u>
STATE FUNDS	\$ 13,567	\$ 14,378	\$ 16,079
FEDERAL FUNDS	5,562	10,996	13,691
AUGMENTATIONS .....	.....	1,526	5,340
GENERAL FUND TOTAL	<u>\$ 19,129</u>	<u>\$ 26,900</u>	<u>\$ 35,110</u>
LOTTERY FUND			
GENERAL GOVERNMENT:			
General Government Operations	\$ 3,137	\$ 3,899	\$ 4,029
(F) Programs for the Aging — Title III — Administration	1,766	1,817	1,817
(F) Programs for the Aging — Title V — Administration	164	173	173
(A) Day Care Licensure	6	6	6
Total — General Government	<u>\$ 5,073</u>	<u>\$ 5,895</u>	<u>\$ 6,025</u>
GRANTS AND SUBSIDIES:			
PENNCARE	\$ 158,037	\$ 163,938	\$ 168,439
(F) Programs for the Aging — Title III	45,159	45,000	45,000
(F) Programs for the Aging — Nutrition	8,500	8,500	8,500
(F) Programs for the Aging — Title V — Employment	4,311	4,500	4,500
(F) Programs for the Aging — Title VII — Elder Rights Protection .....	.....	1,500	1,500
(F) LIHEAP Cooling Program .....	.....	7,406	.....
(A) Nursing Home Services — Ombudsman	22	.....	.....
Total — PENNCARE	<u>\$ 216,029</u>	<u>\$ 230,844</u>	<u>\$ 227,939</u>

^a Actually appropriated as part of the \$4,427,000 Pre-Admission Assessment and \$593,822,000 Long Term Care appropriations in the Department of Public Welfare.

^b Actually appropriated as part of the \$4,729,000 Pre-Admission Assessment and \$651,047,000 Long Term Care appropriations in the Department of Public Welfare.

^c Actually appropriated as part of the \$4,427,000 Pre-Admission Assessment appropriation in the Department of Public Welfare.

^d Actually appropriated as part of the \$4,729,000 Pre-Admission Assessment appropriation in the Department of Public Welfare.

Summary by Fund and Appropriation

	1994-95 Actual	(Dollar Amounts in Thousands) 1995-96 Available	1996-97 Budget
LOTTERY FUND (continued)			
<i>Grants and Subsidies: (continued)</i>			
Senior Center Improvements	\$ 2,000	....	....
Pharmaceutical Assistance Fund	217,000	\$ 216,000	\$ 203,000
Subtotal — State Funds	\$ 377,037	\$ 379,938	\$ 371,439
Subtotal — Federal Funds	57,970	66,906	59,500
Subtotal — Augmentations	22	....	....
Total — Grants and Subsidies	\$ 435,029	\$ 446,844	\$ 430,939
STATE FUNDS	\$ 380,174	\$ 383,837	\$ 375,468
FEDERAL FUNDS	59,900	68,896	61,490
AUGMENTATIONS	28	6	6
LOTTERY FUND TOTAL	\$ 440,102	\$ 452,739	\$ 436,964
OTHER FUNDS			
PHARMACEUTICAL ASSISTANCE FUND:			
Contracted Services (EA) .....	.....^a	.....^a	.....^a
Administration of PACE (EA) .....	.....^b	.....^b	.....^b
Comptroller Operations (EA) .....	.....^c	.....^c	.....^c
Pharmaceutical Assistance Fund Total .....	.....^d	.....^d	.....^d
DEPARTMENT TOTAL — ALL FUNDS			
GENERAL FUND	\$ 13,567	\$ 14,378	\$ 16,079
SPECIAL FUNDS	380,174	383,837	375,468
FEDERAL FUNDS	65,462	79,892	75,181
AUGMENTATIONS	28	1,532	5,346
TOTAL ALL FUNDS	\$ 459,231	\$ 479,639	\$ 472,074

^a Not added to the total to avoid double counting: 1994-95 Actual is \$215,900,000, 1995-96 Available is \$216,987,000, and 1996-97 Budget is \$198,583,000.

^b Not added to the total to avoid double counting: 1994-95 Actual is \$681,000, 1995-96 Available is \$783,000, and 1996-97 Budget is \$801,000.

^c Not added to the total to avoid double counting: 1994-95 Actual is \$390,000, 1995-96 Available is \$390,000, and 1996-97 Budget is \$390,000.

^d Not added to the total to avoid double counting: 1994-95 Actual is \$216,971,000, 1995-96 Available is \$218,160,000, and 1996-97 Budget is \$199,774,000.

Program Funding Summary:

	(Dollar Amounts in Thousands)						
	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
COMMUNITY SERVICES FOR OLDER PENNSYLVANIANS							
GENERAL FUND.....	\$ 13,567	\$ 14,378	\$ 16,079	\$ 16,117	\$ 16,156	\$ 16,195	\$ 16,235
SPECIAL FUNDS.....	163,174	167,837	172,468	179,777	187,105	194,466	202,119
FEDERAL FUNDS.....	65,462	79,892	75,181	75,700	75,700	75,700	75,700
OTHER FUNDS.....	28	1,532	5,346	5,348	5,348	5,348	5,348
SUBCATEGORY TOTAL.....	\$ 242,231	\$ 263,639	\$ 269,074	\$ 276,942	\$ 284,309	\$ 291,709	\$ 299,402
PHARMACEUTICAL ASSISTANCE							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	217,000	216,000	203,000	193,000	194,000	191,000	189,000
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
SUBCATEGORY TOTAL.....	\$ 217,000	\$ 216,000	\$ 203,000	\$ 193,000	\$ 194,000	\$ 191,000	\$ 189,000
ALL PROGRAMS:							
GENERAL FUND.....	\$ 13,567	\$ 14,378	\$ 16,079	\$ 16,117	\$ 16,156	\$ 16,195	\$ 16,235
SPECIAL FUNDS.....	380,174	383,837	375,468	372,777	381,105	385,466	391,119
FEDERAL FUNDS.....	65,462	79,892	75,181	75,700	75,700	75,700	75,700
OTHER FUNDS.....	28	1,532	5,346	5,348	5,348	5,348	5,348
DEPARTMENT TOTAL.....	\$ 459,231	\$ 479,639	\$ 472,074	\$ 469,942	\$ 478,309	\$ 482,709	\$ 488,402

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 in-home and community-based services addressing the varied needs of older Pennsylvanians. These programs enrich the lives of older Pennsylvanians and enable frail older Pennsylvanians to delay or avoid institutionalization. The 52 Area Agencies on Aging, serving all 67 counties, provide aging services at the local level.

Many older Pennsylvanians require only minimal outside support to function independently 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 lunch time, provide older Pennsylvanians a hot, nutritionally balanced meal. Transportation services arranged by the agencies allow older Pennsylvanians to visit the doctor, shop or attend senior center events. 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 home.

A nursing home pre-admission screening program helps older Pennsylvanians and their families determine the least restrictive environment needed and helps secure intensive in-home services tailored to their needs.

A variety of personal support services are available for the growing population of frail older Pennsylvanians. The most common service is home delivered meals for people unable to prepare adequate meals for themselves or participate in group dining at senior centers. Personal care and related services assist functionally limited persons with key activities of daily living such as eating, dressing and personal hygiene either in their own homes or in adult daily living centers. Home support services provide for performance of labor intensive unskilled or semiskilled maintenance, cleaning tasks or routine household chores. Protective services are provided to older Pennsylvanians who are at imminent risk of abuse, neglect, exploitation or abandonment. Services are designed to provide the least restrictive alternative to meet the client's need.

The Department of Aging assists families who maintain frail relatives in their home through the Family Caregiver Program. Working through the AAAs, the program provides benefits counseling and, depending on income, financial assistance including supplies, services and home adaptations and devices.

Program Measures:	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
Pennsylvanians 60 years and older	2,427,700	2,425,500	2,418,700	2,412,000	2,405,300	2,391,900	2,400,700
Pennsylvanians 85 years and older	210,800	214,000	219,700	228,500	237,400	246,300	261,073
Persons receiving assistance:							
Congregate meals	140,564	140,564	140,564	140,564	140,564	140,564	140,564
Transportation (complete round trips)	91,282	91,282	91,282	91,282	91,282	91,282	91,282
Intensive community long-term care	5,292	5,292	5,292	5,292	5,292	5,292	5,292
Attendant care services	2,093	2,093	2,093	2,093	2,093	2,093	2,093
Home delivered meals	43,816	43,816	43,816	43,816	43,816	43,816	43,816
Home support services	15,535	15,535	15,535	15,535	15,535	15,535	15,535
Personal care services	26,597	26,597	26,597	26,597	26,597	26,597	26,597
Protective services	6,196	6,196	6,196	6,196	6,196	6,196	6,196
Units of services delivered:							
Employment services (unsubsidized job placements)	2,130	2,000	2,000	2,000	2,000	2,000	2,000
Volunteer services (volunteer hours)	5,192,520	5,192,520	5,192,520	5,192,520	5,192,520	5,192,520	5,192,520
Home support services (client hours)	554,574	554,574	554,574	554,574	554,574	554,574	554,574
Personal care services (client hours)	3,516,825	3,516,825	3,516,825	3,516,825	3,516,825	3,516,825	3,516,825
Families receiving caregiver support	6,027	6,300	6,300	6,300	6,300	6,300	6,300
Pre-Admission Assessment:							
Initial Assessments	49,918	49,146	84,961	84,304	84,304	84,304	84,304
Referrals to nursing homes	34,675	36,322	62,791	62,305	62,305	62,305	62,305
Referrals for community services	12,243	12,824	22,170	21,999	21,999	21,999	21,999

The number of persons receiving assistance for attendant care services is less than the measure in last year's budget because the AAAs are able to package services with personal care services.

The actual and projected decline in protective services as compared to the measure in last year's budget is because more intensive services were provided to older Pennsylvanians who need protection from abuse, neglect, exploitation or abandonment.

The pre-admission assessment measure is transferred from the Department of Public Welfare. The change in the measures compared to those shown in last years budget is due to the inclusion of assessments for the Federal Medicaid Home and Community-Based Waiver program.

Program: Community Services for Older Pennsylvanians (continued)

Program Recommendation:

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

GENERAL FUND:		LOTTERY FUND:	
Medical Assistance Support		General Government Operations	
\$	81	\$	-300
	—to provide community-based care administrative costs. Program transferred from Department of Public Welfare.		105
			325
	1,535 —to replace Intergovernmental Transfer funds previously used for care management. Program transferred from Department of Public Welfare.	\$	130
			<i>Appropriation Increase</i>
\$	1,616		
	<i>Appropriation Increase</i>		
Pre-Admission Assessment		PENNCARE	
\$	85	\$	4,251
	—increase in number of assessments. Program transferred from Department of Public Welfare.		250
			—to continue current program.
			—PRR — Enhancing Services for Older Pennsylvanians. This Program Revision establishes a primary care demonstration project to provide community-based health education and services. See the Program Revision following this subcategory for further information.
\$	85	\$	4,501
	<i>Appropriation Increase</i>		<i>Appropriation Increase</i>

The Family Caregiver appropriation is recommended at current year amounts.

In addition, this budget proposes an Enhancing Services for Older Pennsylvanians Program Revision Request. This Program Revision provides \$4.5 million in Intergovernmental Transfer funds to expand the availability of community-based alternatives to nursing home care. See the Program Revision following this subcategory for further information.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
GENERAL FUND:							
Medical Assistance Support	\$ 276	\$ 273	\$ 1,889	\$ 1,927	\$ 1,966	\$ 2,005	\$ 2,045
Family Caregiver	9,071	9,596	9,596	9,596	9,596	9,596	9,596
Pre-Admission Assessment	4,220	4,509	4,594	4,594	4,594	4,594	4,594
TOTAL GENERAL FUND	\$ 13,567	\$ 14,378	\$ 16,079	\$ 16,117	\$ 16,156	\$ 16,195	\$ 16,235
LOTTERY FUND:							
General Government Operations	\$ 3,137	\$ 3,899	\$ 4,029	\$ 4,110	\$ 4,192	\$ 4,276	\$ 4,362
PENNCARE	158,037	163,938	168,439	175,667	182,913	190,190	197,757
Senior Center Improvements	2,000	.....	.....	.....	.....	.....	.....
TOTAL LOTTERY FUND	\$ 163,174	\$ 167,837	\$ 172,468	\$ 179,777	\$ 187,105	\$ 194,466	\$ 202,119

Program Revision: Enhancing Services for Older Pennsylvanians

Older Pennsylvanians comprise a significant and growing portion of the State's total population, increasing from approximately 13 percent in 1980 to an estimated 16 percent in 1995. The Commonwealth has responded to this change in demographics by providing a continuum of appropriate services to address the needs of older Pennsylvanians, ranging from recreational activities to institutional care. This Program Revision proposes to enhance these services by expanding the availability of community-based care, implementing demonstration projects designed to improve the quality and availability of health care for older Pennsylvanians and revising the pharmaceutical assistance program.

Expansion of Community-Based Alternatives to Nursing Home Care

The fastest growing segment of Pennsylvania's elderly population is persons age 85 and older. These individuals are more likely to be frail and experience medical conditions which make it difficult to care for themselves without assistance, thereby increasing the need for professional assistance or support from families and friends. In response to this situation, the Commonwealth currently provides community-based alternatives which enable older Pennsylvanians to receive services in their own homes as opposed to a nursing home. These services provide assistance with activities of daily living as well as nursing services while incorporating the informal supports available through family and friends. This Program Revision proposes to increase the number of Federal Medicaid Home and Community-Based Waiver slots by 1,000, for a total of 2,000 slots in 1996-97. This Program Revision provides a total of \$9.5 million (\$4.5 million Intergovernmental Transfer funds, \$5 million Federal funds) for the waiver expansion. As a result of this initiative, approximately 1,100 additional older Pennsylvanians who are in need of nursing home care will receive services in the community.

Exploring Health Care Delivery Options

This Program Revision proposes to fund two new demonstration initiatives designed to improve the quality and availability of health care for older Pennsylvanians. The first initiative will establish three demonstration sites focused on linking Area Agencies on Aging, primary care geriatric physicians and health care practitioners to provide community-based preventive health education and services. Preventive and primary health services and education will be provided directly in senior centers and other community settings, improving availability and accessibility to health care. In addition, health promotion activities will be conducted, common medical symptoms will be screened and preventive health services such as immunizations will be provided. Third-party payors, particularly Medicare, will be billed for these services, as appropriate. This initiative provides \$250,000 in Lottery Funds the first year, which will increase to approximately \$1 million in the third year as the number of demonstration sites increase.

The second initiative will establish a demonstration project to provide a comprehensive package of acute and long-term care services under a full-risk capitated model which will contain costs while ensuring that a managed care entity coordinates all care received by participating individuals. The project will serve frail elderly recipients who meet the criteria for nursing home placement and are also dually eligible for Medicare and Medicaid. Medicare and Medicaid resources will be combined to finance the service package through a capitated rate as opposed to fee-for-service. Providers will fund the administrative start-up and development costs using private resources. The project will establish three demonstration sites which will use both community-based and short-term nursing home services to provide care to approximately 75 eligible recipients. This initiative provides approximately \$2.4 million (\$1 million Intergovernmental Transfer funds, \$1.4 million Federal funds) for this long-term care managed care demonstration project.

Revisions to the Pharmaceutical Assistance Contract for the Elderly

The Lottery Fund currently supports an array of programs and services for older Pennsylvanians. The largest health care program

funded by the Lottery is the Pharmaceutical Assistance Contract for the Elderly (PACE) Program, which provides pharmaceutical benefits for eligible older Pennsylvanians. This Program Revision proposes to increase the eligibility for the PACE Program and to implement initiatives designed to make PACE a more prudent payor.

Currently, PACE provides services to single persons with annual incomes up to \$13,000 and married couples with annual incomes up to \$16,200. PACE cardholders with incomes approaching the upper limit may become ineligible for services due to Social Security cost-of-living adjustments which increase their annual income above the program limits. To prevent the disqualification of current cardholders and to enable other older Pennsylvanians, who were previously not eligible, to receive benefits, this Program Revision increases the PACE annual income limits for both single and married persons by \$1,000 (from \$13,000 to \$14,000 for singles and \$16,200 to \$17,200 for couples). The increased income eligibility criteria will be effective July 1, 1996 and is expected to provide services to an additional 25,700 persons. This Program Revision provides approximately \$20.2 million in Lottery Funds for the expanded enrollment.

To pay for the cost of expanding income eligibility and to implement appropriate measures designed to enhance the long term fiscal stability of the PACE Program, this Program Revision proposes several cost containment initiatives. Currently, PACE requires generic substitution unless the physician indicates "brand medically necessary" on the prescription. This Program Revision will implement mandatory generic substitution, requiring enrollees to accept the lower priced, therapeutically-equivalent generic medication if a multi-source brand medication is prescribed. Effective July 1, 1996, mandatory generic substitution will generate approximately \$5.4 million in savings to the Lottery Fund and increase generic utilization by 5.5 percent, from 36.5 percent to 42 percent.

A related second initiative will introduce an incentive formulary for single source brand medications into the PACE Program. An incentive formulary is one that allows cardholders the option to pay the difference between the PACE reimbursement level and the cost of a higher priced drug. The incentive formulary proposed by this Program Revision will, within predetermined therapeutic groupings of brand medications, establish a "bench" price for the group, which is based on the lowest priced drug in the group. The "bench" price will then become the amount PACE will reimburse for any medication within the group. Enrollees refusing to accept the lower priced medication will be required to pay the difference between the higher priced medication and the "bench" price, in addition to the co-payment. The implementation of the incentive formulary, effective October 1, 1996, will generate approximately \$15.4 million in savings to the Lottery Fund in 1996-97. Under both mandatory generics and the incentive formulary, an extensive medical exceptions process will be available if valid medical reasons are presented to PACE by the physician.

The third PACE initiative will revise the pharmaceutical reimbursement formula by reducing the ingredient costs by 10 percent and increasing the dispensing fee by \$.50. Currently, PACE reimburses pharmacies either their usual and customary charge or the drug ingredient cost plus a \$2.75 dispensing fee, whichever is lower. The drug ingredient cost is currently determined by the published Average Wholesale Price (AWP). In order to align the PACE Program with other third-party payors, including the Medical Assistance Program, this Program Revision proposes to discount the AWP by 10 percent. In addition, the dispensing fee will be increased by \$.50, from \$2.75 to \$3.25. The implementation of these pharmaceutical reimbursement changes, effective July 1, 1996, will generate approximately \$19.5 million in savings to the Lottery Fund in 1996-97.

Program: Enhancing Services for Older Pennsylvanians (continued)

Program Measures:	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
Persons receiving community-based waiver alternatives to nursing home care							
Current .....	....	740	1,110	1,110	1,110	1,110	1,110
Program Revision .....	....	....	2,220	2,220	2,220	2,220	2,220
Persons enrolled in the PACE Program							
Current	313,333	293,100	274,200	256,800	240,600	225,400	211,100
Program Revision .....	....	....	299,900	285,400	267,400	250,500	234,600

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

	GENERAL FUND:					
	Public Welfare			\$ -20,000		Pharmaceutical Assistance Fund
\$ -47	Medical Assistance — Outpatient					—net savings from increasing program income eligibility and implementing mandatory generics, an incentive formulary and a revised pharmaceutical reimbursement formula which includes increasing the dispensing fee.
	—savings generated through the long-term care managed care demonstration project.					
	LOTTERY FUND:					
	Aging			\$ -19,797		<i>Program Revision Total</i>
\$ 250	PENCARE					
	—to provide for a primary care demonstration project.					

In addition, this Program Revision recommends \$4.5 million in Intergovernmental Transfer funds and \$5 million in Federal Medicaid funds to provide 1,000 community-based waiver slots as alternatives to nursing home care and \$1 million in Intergovernmental Transfer funds and \$1.4 million in Federal Medicaid funds to implement a long-term care managed care demonstration project.

Recommended Program Revision Costs by Appropriation:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
GENERAL FUND							
Medical Assistance — Outpatient	\$ -47	\$ -94	\$ -94	\$ -94	\$ -94
LOTTERY FUND							
PENCARE	\$ 250	\$ 750	\$ 1,000	\$ 1,000	\$ 1,000
Pharmaceutical Assistance Fund	-20,000	-22,000	-21,000	-20,000	-19,000
TOTAL ALL FUNDS	<u>\$ -19,797</u>	<u>\$ -21,344</u>	<u>\$ -20,094</u>	<u>\$ -19,094</u>	<u>\$ -18,094</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

The pharmaceutical assistance program provides limited pharmaceutical assistance to qualified 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 copayment of \$6 is made by eligible participants. The copayment may be increased as authorized by the law which allows 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 at or below \$13,000 for single persons and \$16,200 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 either annually or biannually, depending upon income level, to ensure eligibility compliance, is used to acquire prescription medications through local pharmacies.

Participating pharmacies are reimbursed for the price of drugs plus a dispensing fee. The act places limits upon the quantities of drugs that may be dispensed per prescription claim and restricts payment for a few selected drug products by only reimbursing pharmacies for package sizes greater than the smallest package size available. Pharmacies are required to stock and dispense A-rated generic drugs included in the Federal Drug Administration "Orange Book" except in the following circumstances:

an A-rated generic is deemed by the Department of Aging to have too narrow a therapeutic index for safe and effective dosing; the usual and customary charge for the brand drug is equal to or less than the least expensive generic; or the prescriber has handwritten "brand necessary" or "brand medically necessary" on the prescription. If a claimant chooses not to accept the generic, they are liable for the \$6.00 copayment and 70 percent of the average wholesale price of the brand name drug. In addition, the act prohibits payment for cosmetic drugs and for less than effective drugs without certification by the physician.

The Department of Aging is responsible for insuring compliance with the PACE program requirements. In addition to careful review of eligibility, including income verification by matching with Pennsylvania income tax returns, the department audits providers to detect and deter fraud and has established both a prospective and a retrospective drug utilization review system to monitor and correct misutilization of drug therapies.

A prudent pharmaceutical purchasing program ensures that the PACE program receives a discount from drug manufacturers. PACE will pay for drug products from manufacturers who have agreed to pay a rebate of 15 percent for brand drugs and 11 percent for generic drugs purchased through the program. In addition, participating manufacturers agreed to pay an excessive pharmaceutical price inflation discount equivalent to the difference between the quarterly average manufacturers price charged for a drug and the average quarterly price charged for that drug one year earlier inflated by the Producer Price Index for pharmaceuticals.

Program Measures:	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
Older Pennsylvanians enrolled (average)	313,333	293,100	299,900	285,400	267,400	250,500	234,600
Total prescriptions per year	9,017,724	8,901,447	9,296,900	8,847,400	8,289,400	7,765,500	7,272,600
Average PACE cost per prescription	\$26.60	\$27.16	\$28.51	\$29.98	\$31.53	\$33.15	\$34.86

The total prescriptions per year has increased compared to the 1995-96 budget because the average number of pharmaceutical claims per person is higher than originally anticipated.

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

<p>Pharmaceutical Assistance Fund</p> <p>\$ 7,000 — to continue current program within current income guidelines.</p> <p>-20,000 — PRR — Enhancing Services for Older Pennsylvanians. This Program Revision will increase income eligibility for the Pharmaceutical Assistance Contract for the Elderly Program and implement</p>	<p>mandatory generics, an incentive formulary and a revised pharmaceutical reimbursement formula. See the Program Revision following the Community Services for Older Pennsylvanians subcategory for further information.</p>
<p>\$ -13,000 <i>Appropriation Decrease</i></p>	

Appropriations within this Program: (Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
LOTTERY FUND:							
Pharmaceutical Assistance Fund	\$ 217,000	\$ 216,000	\$ 203,000	\$ 193,000	\$ 194,000	\$ 191,000	\$ 189,000



COMMONWEALTH OF PENNSYLVANIA

DEPARTMENT OF AGRICULTURE

The Department of Agriculture carries out activities to ensure wholesome and quality agricultural products for consumers; expand existing and develop new domestic and foreign markets for Pennsylvania's agricultural products; develop and encourage proper farming and conservation practices; prevent, control and eradicate diseases among livestock, poultry and plants; regulate conduct of horse racing; and improve the quality of life in rural Pennsylvania.

GOVERNOR'S EXECUTIVE BUDGET

AGRICULTURE

Summary by Fund and Appropriation

	1994-95	(Dollar Amounts in Thousands)	
	Actual	1995-96	1996-97
		Available	Budget
GENERAL FUND			
General Government Operations	\$ 20,758^a	\$ 22,462	\$ 22,234
(F) Diagnostic Laboratory Services	25	30	27
(F) Poultry Grading Service	93	116	116
(F) Medicated Feed Mill Inspection	13	16	16
(F) Donated Foods	150	150	200
(F) Plant Pest Detection System	29	40	15
(F) Household Commodity Program	1,629	2,000	2,000
(F) Pesticide Control	616	630	630
(F) Farmers' Market Food Coupons	420	742	742
(A) Feed and Fertilizer	494	557	505
(A) Lime Inspection	29	32	33
(A) Soil Conditioner	24	23	22
(A) Milk Plant Inspections	25	27	25
(A) Mailing List Production	6	.....	.....
(A) Animal Industry Service .....	.....	34	28
(A) Special Conferences and Projects	7	10	10
(A) Administrative Services	550	551	570
(A) Pesticide Regulation	1,171	1,288	1,220
(A) Training Rides and Attractions	10	6	.....
(A) Chesapeake Bay Project	66	108	50
(A) WIC — Reimbursement	940	940	.....
(A) Dog Law Administration Support .....	.....	.....	246
(A) Food Site Inspection	76	95	86
Subtotal — Federal Funds	<u>\$ 2,975</u>	<u>\$ 3,724</u>	<u>\$ 3,746</u>
Subtotal — Augmentations	<u>3,398</u>	<u>3,671</u>	<u>2,795</u>
Total — General Government Operations	<u>\$ 27,131</u>	<u>\$ 29,857</u>	<u>\$ 28,775</u>
Dairy Management and Profitability	217	.....	.....
Farm Safety and Occupational Health	318	.....	.....
Agricultural Conservation Easement Administration	183	247	244
(A) Reimbursement from PennDOT	54	51	52
Agricultural Research	1,680	1,900	2,000
Agricultural Promotion and Education	344	367	500
Subtotal — State Funds	<u>\$ 23,500</u>	<u>\$ 24,976</u>	<u>\$ 24,978</u>
Subtotal — Federal Funds	<u>2,975</u>	<u>3,724</u>	<u>3,746</u>
Subtotal — Augmentations	<u>3,452</u>	<u>3,722</u>	<u>2,847</u>
Total — General Government	<u>\$ 29,927</u>	<u>\$ 32,422</u>	<u>\$ 31,571</u>
GRANTS AND SUBSIDIES:			
Animal Health Commission	\$ 3,504	\$ 3,000	\$ 3,000
Animal Indemnities	10	50	50
Transfer to State Farm Products Show Fund	700	800	800
Livestock Show	152	152	152
Open Dairy Show	90	90	90
Junior Dairy Show	36	36	36
4-H Club Shows	41	41	41
Payments to Pennsylvania Fairs	3,699	3,700	3,700
State Food Purchase	13,000	13,280	13,000
Product Promotion and Marketing	100	350	.....

^a Includes \$45,000 appropriated as part of the General Government Operations appropriation in the Department of Environmental Protection, \$160,000 appropriated as part of the Environmental Program Management in the Department of Environmental Protection, \$1,320,000 appropriated as part of the Environmental Protection Operations in the Department of Environmental Protection, and excludes \$24,000 for discontinued interagency billing.

AGRICULTURE

Summary by Fund and Appropriation

	1994-95 Actual	(Dollar Amounts in Thousands) 1995-96 Available	1996-97 Budget
GENERAL FUND (continued)			
<i>GRANTS AND SUBSIDIES: (continued)</i>			
Future Farmers	\$ 40	\$ 50	....
Organic Food Programs	23	50	....
Total — Grants and Subsidies	\$ 21,395	\$ 21,599	\$ 20,869
STATE FUNDS	\$ 44,895	\$ 46,575	\$ 45,847
FEDERAL FUNDS	2,975	3,724	3,746
AUGMENTATIONS	3,452	3,722	2,847
GENERAL FUND TOTAL	\$ 51,322	\$ 54,021	\$ 52,440
 FARM PRODUCTS SHOW FUND			
<i>GENERAL GOVERNMENT:</i>			
General Operations	\$ 3,221	\$ 3,626	\$ 4,314
(A) Transfer from General Fund .....	....^a	....^a	....^a
 RACING FUND			
<i>GENERAL GOVERNMENT:</i>			
State Racing Commissions	\$ 5,770	\$ 6,311	\$ 6,165
Equine Toxicology and Research Laboratory	983	1,220	1,440
Payments to Pennsylvania Fairs — Administration	165	168	157
Total — General Government	\$ 6,918	\$ 7,699	\$ 7,762
<i>GRANTS AND SUBSIDIES:</i>			
Transfer To General Fund	\$ 4,609	\$ 7,687	\$ 7,012
RACING FUND TOTAL	\$ 11,527	\$ 15,386	\$ 14,774
 OTHER FUNDS			
<i>GENERAL FUND:</i>			
Agriculture Farm Operations	\$ 619	\$ 20	\$ 20
Recovery on Lost Commodities	2	29	29
Dog Law Administration	3,280	3,717	3,426
Farm Loan Program	203	216	216
Pesticide Regulation	1,305	2,039	1,961
Poultry Inspection	20	10	8
Public Weightmasters	9	20	20
Plant Pest Management	126	326	299
GENERAL FUND TOTAL	\$ 5,564	\$ 6,377	\$ 5,979

^a Not added to the total to avoid double counting: 1993-94 Actual is \$700,000, 1994-95 Available is \$800,000 and 1995-96 Budget is \$0.

AGRICULTURE

Summary by Fund and Appropriation

	1994-95 Actual	(Dollar Amounts in Thousands) 1995-96 Available	1996-97 Budget
AGRICULTURAL CONSERVATION EASEMENT PURCHASE FUND:			
Purchase of County Easements	\$ 24,379	\$ 21,000	\$ 31,000
RACING FUND:			
Sire Stakes Fund	\$ 3,911	\$ 3,812	\$ 3,865
Breeders' Fund	3,996	4,048	5,019
RACING FUND TOTAL	\$ 7,907	\$ 7,860	\$ 8,884
OTHER FUNDS TOTAL	\$ 37,850	\$ 35,237	\$ 45,863
DEPARTMENTAL TOTAL — ALL FUNDS			
GENERAL FUND	\$ 44,895	\$ 46,575	\$ 45,847
SPECIAL FUNDS	14,748	19,012	19,088
FEDERAL FUNDS	2,975	3,724	3,746
AUGMENTATIONS	3,452	3,722	2,847
OTHER FUNDS	37,850	35,237	45,863
TOTAL ALL FUNDS	\$ 103,920	\$ 108,270	\$ 117,391

AGRICULTURE

Program Funding Summary:

	(Dollar Amounts in Thousands)						
	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
EMERGENCY FOOD ASSISTANCE							
GENERAL FUND.....	\$ 13,000	\$ 13,280	\$ 13,000	\$ 13,000	\$ 13,000	\$ 13,000	\$ 13,000
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	2,049	2,742	2,742	2,742	2,742	2,742	2,742
OTHER FUNDS.....	76	95	332	339	346	353	360
SUBCATEGORY TOTAL.....	\$ 15,125	\$ 16,117	\$ 16,074	\$ 16,081	\$ 16,088	\$ 16,095	\$ 16,102
PROTECTION AND DEVELOPMENT OF AGRICULTURAL INDUSTRIES							
GENERAL FUND.....	\$ 31,895	\$ 33,295	\$ 32,847	\$ 33,347	\$ 33,857	\$ 34,377	\$ 34,907
SPECIAL FUNDS.....	3,386	3,794	4,471	3,913	4,007	4,103	4,201
FEDERAL FUNDS.....	926	982	1,004	1,004	1,004	1,004	1,004
OTHER FUNDS.....	33,319	31,004	39,494	39,658	39,826	39,997	40,172
SUBCATEGORY TOTAL.....	\$ 69,526	\$ 69,075	\$ 77,816	\$ 77,922	\$ 78,694	\$ 79,481	\$ 80,284
HORSE RACING REGULATION							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	11,362	15,218	14,617	16,519	17,083	17,598	18,130
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	7,907	7,860	8,884	8,884	8,884	8,884	8,884
SUBCATEGORY TOTAL.....	\$ 19,269	\$ 23,078	\$ 23,501	\$ 25,403	\$ 25,967	\$ 26,482	\$ 27,014
ALL PROGRAMS:							
GENERAL FUND.....	\$ 44,895	\$ 46,575	\$ 45,847	\$ 46,347	\$ 46,857	\$ 47,377	\$ 47,907
SPECIAL FUNDS.....	14,748	19,012	19,088	20,432	21,090	21,701	22,331
FEDERAL FUNDS.....	2,975	3,724	3,746	3,746	3,746	3,746	3,746
OTHER FUNDS.....	41,302	38,959	48,710	48,881	49,056	49,234	49,416
DEPARTMENT TOTAL.....	\$ 103,920	\$ 108,270	\$ 117,391	\$ 119,406	\$ 120,749	\$ 122,058	\$ 123,400

Program: Protection and Development of Agricultural Industries (continued)

Also included in this element are activities which regulate and maintain uniform standards of legal weights and measures of Commonwealth products. The Weights and Measures Division of the Bureau of Ride and Measurement Standards performed 36,062 inspections in 1994-95 and expects an increase to 39,662 in 1995-96. The Amusement Ride Division completed 456 inspections in 1994-95 and expects an increase to 518 in 1995-96.

To protect the consumer and assure the availability of quality agriculture products, the department regulates the sale of feed, fertilizer, lime and seeds by requiring certain label information and by sampling and analyzing products in its Harrisburg laboratories. During 1994-95, 1,200 agribusinesses were inspected and nearly 4,264 feed, fertilizer and lime samples were analyzed.

The department inspects all ornamental nurseries and greenhouses periodically to determine the presence of new plant pests. The field staff is supported by laboratories staffed by scientists to insure correct diagnosis of the pest and to quarantine and/or prescribe proper treatment. During 1994-95, more than 1,796 dealer and 3,236 nursery and greenhouse inspections were conducted, involving more than 30,900 acres and over 16,380,000 square feet under glass of plant material; 19.2 million vegetable

transplants from out-of-state sources were also inspected to insure they were pest free; and 444 inspections were conducted for the issuance of 3,159 certificates for the exportation of plant material. The department also inspected 1,927 apiaries involving 7,633 colonies of bees in 1994 for disease problems.

The Pesticide Control Law provides for the regulation of the use, handling, storage and transportation of pesticides. The department fulfills its statutory responsibilities by requiring registration of all pesticide products, testing and licensing of all persons who use pesticides to insure minimum competency levels, and periodically inspecting those who use, store or transport pesticides. Complaints about misuse are also investigated by the department. During 1994-95, 800 pesticide dealers and 4,025 pesticide application businesses were licensed, 35,000 pesticide applicators certified, 2,173 service technicians registered, more than 10,550 pesticide products registered, 1,188 inspections and investigations conducted, and 110 samples analyzed. This program attempts to provide for the optimum use of pesticides while minimizing their adverse effects on human life and the environment.

Pesticide expenditures are reflected in this program as Other Funds.

Program Measures:	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
Agribusiness Development							
Dollar volume of food and agricultural exports (millions)	\$500	\$520	\$540	\$560	\$580	\$600	\$620
Trade leads generated	1,300	1,300	1,300	1,300	1,300	1,300	1,300
Additional farm acreage preserved under perpetual easements	16,868	14,000	14,000	14,000	13,500	13,000	13,000
Animal Health							
Animals examined to determine disease (thousands)	396	507	522	525	527	530	532
Animals quarantined (thousands)	89	40	25	5	.....	.....	.....
Animals destroyed	13	30	10	10	10	10	10
Consumable Agricultural Products							
Incidence of food products showing major discrepancies	66,000	65,000	67,500	67,500	66,000	66,000	66,000
Dollar value of:							
Products removed from the market (thousands)	\$3,500	\$4,000	\$4,000	\$4,000	\$3,500	\$3,500	\$3,500
Consumer commodities inspected (thousands)	\$60,000	\$60,500	\$60,500	\$60,500	\$60,000	\$60,000	\$60,000

Farm acreage preserved under perpetual easements was greater than projected in last year's budget due to an unanticipated delay in closing purchases from the prior year.

In last year's budget the program measure for animals examined reflected the number of tests performed. The measure now more accurately reflects the total number of animals on which the tests were performed.

The number of quarantined or destroyed animals was less than projected in last year's budget due to a decline in disease outbreaks.

AGRICULTURE

Program: Protection and Development of Agricultural Industries (continued)

Program Recommendations:

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

	GENERAL FUND		
	General Government Operations		Agricultural Conservation Easement Administration
\$ -956	—nonrecurring projects.	\$ -3	—to continue current program.
728	—to continue current program.		
<u>\$ -228</u>	<i>Appropriation Decrease</i>		
	Agriculture, Promotion, Education, and Exports	\$ 100	Agricultural Research
\$ 133	—to continue current program.		—to continue current program.

This budget reflects the transfer of the amusement ride inspection program to the Department of Labor and Industry, and all funding sources have been adjusted accordingly.

All other General Fund appropriations are recommended to be continued at current levels or discontinued because they are nonrecurring projects.

	FARM PRODUCTS SHOW FUND		RACING FUND
	General Operations		Payments to Pennsylvania Fairs - Administration
\$ -305	—nonrecurring projects.	\$ -11	—to continue current program.
343	—to continue current program.		
650	—security system.		
<u>\$ 688</u>	<i>Appropriation Increase</i>		

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
GENERAL FUND:							
General Government Operations	\$ 20,758	\$ 22,462	\$ 22,234	\$ 22,679	\$ 23,133	\$ 23,596	\$ 24,068
Dairy Management and Profitability	217	.....	.....	.....	.....	.....	.....
Farm Safety and Occupational Health	318	.....	.....	.....	.....	.....	.....
Agricultural Conservation Easement Administration	183	247	244	249	254	259	264
Agricultural Research	1,680	1,900	2,000	2,040	2,081	2,123	2,165
Agricultural Promotion, Education, and Exports	344	367	500	510	520	530	541
Animal Health Commission	3,504	3,000	3,000	3,000	3,000	3,000	3,000
Animal Indemnities	10	50	50	50	50	50	50
Transfer to State Farm Products Show Fund	700	800	800	800	800	800	800
Livestock Show	152	152	152	152	152	152	152
Open Dairy Show	90	90	90	90	90	90	90
Junior Dairy Show	36	36	36	36	36	36	36
4-H Club Shows	41	41	41	41	41	41	41
Payments to Pennsylvania Fairs	3,699	3,700	3,700	3,700	3,700	3,700	3,700
Product Promotion and Marketing	100	350	.....	.....	.....	.....	.....
Future Farmers	40	50	.....	.....	.....	.....	.....
Organic Food Programs	23	50	.....	.....	.....	.....	.....
TOTAL GENERAL FUND	<u>\$ 31,895</u>	<u>\$ 33,295</u>	<u>\$ 32,847</u>	<u>\$ 33,347</u>	<u>\$ 33,857</u>	<u>\$ 34,377</u>	<u>\$ 34,907</u>

AGRICULTURE

Program: Protection and Development of Agricultural Industries (continued)

Appropriations within this Program: (continued)

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
FARM PRODUCTS SHOW FUND:							
General Operations	\$ 3,221	\$ 3,626	\$ 4,314	\$ 3,753	\$ 3,844	\$ 3,937	\$ 4,032
RACING FUND:							
Payments to Pennsylvania Fairs —							
Administration	\$ 165	\$ 168	\$ 157	\$ 160	\$ 163	\$ 166	\$ 169

PROGRAM OBJECTIVE: To prevent consumer fraud in the racing industry.

Program: Horse Racing Regulation

Activities in this program area include the development and implementation of rules, regulations and procedures to insure the public and harness and horse owners of honest and safe competitive parimutuel harness and horse racing.

Horse racing in Pennsylvania is governed by Act 93 of 1983. This act merged the State Harness Racing Fund and the State Horse Racing Fund into the Racing Fund, adjusted the tax schedule and revised the distribution of funds in order to assist the racing industry by increasing the funds retained by the tracks.

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.

The Equine Toxicology and Research Laboratory tests for the presence of foreign substances in the blood and urine of race horses following all races to ensure that no foreign substances have been administered prior to a race.

Program Measures:	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
Investigations to insure compliance with established rules and regulations:							
Harness	245	300	300	300	300	300	300
Horse	1,485	1,600	1,600	1,600	1,600	1,600	1,600
Participant licenses issued:							
Harness	3,900	4,500	4,100	4,100	4,100	4,100	4,100
Horse	5,994	6,500	6,500	6,500	6,500	6,500	6,500
Licenses suspended for noncompliance of rules and regulations:							
Harness	395	400	400	400	400	400	400
Horse	422	450	450	450	450	450	450
Racing days approved:							
Harness	373	370	370	370	370	370	370
Horse	436	480	480	480	480	480	480

Horse and Harness Racing investigations and license activities are based on actual number of race days which were less than projected for 1994-95 in last year's budget.

Horse racing days were less than projected in last year's budget for 1994-95 due to fewer horses participating.

Program Recommendations:	This budget recommends the following changes: (Dollar Amounts in Thousands)	
<p>RACING FUND</p> <p>State Racing Commission</p> <p>\$ -146 —nonrecurring projects.</p> <p>Equine Toxicology and Research Laboratory</p> <p>\$ -97 —nonrecurring projects.</p> <p>135 —to continue current program.</p> <p>182 —lab equipment.</p> <hr/> <p>\$ 220 <i>Executive Authorization Increase</i></p>	<p>\$ -675</p>	<p>Transfer to the General Fund</p> <p>—funds available for transfer. Law requires June 30th ending surplus to be transferred to the General Fund.</p>

AGRICULTURE

Program: Horse Racing Regulation (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
RACING FUND:							
State Racing Commissions	\$ 5,770	\$ 6,311	\$ 6,165	\$ 6,288	\$ 6,414	\$ 6,542	\$ 6,673
Equine Toxicology and Research							
Laboratory	983	1,220	1,440	1,469	1,498	1,528	1,559
Transfer to the General Fund	4,609	7,687	7,012	8,762	9,171	9,528	9,898
TOTAL STATE RACING FUND	\$ 11,362	\$ 15,218	\$ 14,617	\$ 16,519	\$ 17,083	\$ 17,598	\$ 18,130

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 State Food Purchase Program provides grants to counties or a designated lead agency to purchase food to be provided to the needy. Grants are allocated to counties based on unemployment, food stamp recipients not on public assistance and medical assistance recipients and households with earned income receiving assistance. Administrative costs of this program are funded from the grants with a seven 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 Emergency Food Assistance

Program (EFAP) which involves distribution of U.S. Department of Agriculture surplus food to the needy in Pennsylvania who meet certain eligibility criteria.

The traditional program distributes commodities among the states based on daily census and allocates commodities within the State based on the same criteria. The EFAP 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.

Program Measures:	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
Dollar value of commodities distributed (thousands)	\$37,000	\$36,000	\$36,000	\$36,000	\$36,000	\$36,000	36,000
Persons receiving donated or surplus foods (thousands):							
Traditional program	1,000	1,000	1,000	1,000	1,000	1,000	1,000
EFAP	3,000	3,000	3,000	3,000	3,000	3,000	3,000
State Food Purchase Program	3,000	3,000	3,000	3,000	3,000	3,000	3,000

The number of participants in the EFAP program was higher than projected in last year's budget due to an increased demand for services and greater program awareness.

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

\$ -280 **State Food Purchase**
 —nonrecurring projects.

	(Dollar Amounts in Thousands)						
	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
GENERAL FUND:							
State Food Purchase	\$ 13,000	\$ 13,280	\$ 13,000	\$ 13,000	\$ 13,000	\$ 13,000	\$ 13,000



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.

GOVERNOR'S EXECUTIVE BUDGET

Program Funding Summary:

	(Dollar Amounts in Thousands)						
	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
REGULATION OF FINANCIAL INSTITUTIONS							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
SPECIAL FUNDS.....	10,260	10,191	8,868	9,045	9,226	9,411	9,599
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
SUBCATEGORY TOTAL.....	\$ 10,260	\$ 10,191	\$ 8,868	\$ 9,045	\$ 9,226	\$ 9,411	\$ 9,599
ALL PROGRAMS:							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
SPECIAL FUNDS.....	10,260	10,191	8,868	9,045	9,226	9,411	9,599
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
DEPARTMENT TOTAL.....	\$ 10,260	\$ 10,191	\$ 8,868	\$ 9,045	\$ 9,226	\$ 9,411	\$ 9,599

PROGRAM OBJECTIVE: To insure the maintenance of an economically sound and competitive system of State-chartered financial institutions.

Program: Financial Institution Regulation

This program involves supervision, regulation and examination of the records, accounts and policies of State-chartered banking institutions, savings associations, credit unions and state-licensed sales finance companies, installment sellers, money transmitters, consumer discount companies, collector-repossessors, pawnbrokers and first or second mortgage bankers and brokers. Other activities included in this program area are examinations of business development credit corporations and special investigations where necessary.

As of June 30, 1995, there were 190 banks under the department's supervision: 51 commercial banks, 60 banks and trust companies, 49 savings banks, one private bank, 24 trust companies or representative offices and five foreign banks which maintained branches in Pennsylvania. There were 70 savings associations and 103 credit unions chartered and supervised by the Department of Banking. Also operating in the Commonwealth were 119 one-bank holding companies and 28 multibank holding companies. The 7,136 entities licensed by the Department of Banking at the end of June 1995 consisted primarily of 3,333 installment sellers, 1,075 first mortgage bankers and brokers, 1,181 second mortgage companies, 750 sales finance companies and 586 consumer discount companies. The balance of the licenses were issued to pawnbrokers, money transmitters and collector-repossessors.

Recent legislative enactments have impacted the Department of Banking's program responsibilities. A new program is being developed as a result of the passage of the Credit Services Act (Act 150 of 1992) which requires unlicensed consumer loan brokers to register with the department. In order to provide a licensing framework for independent contractor brokers and to establish a measure of consumer protection, a new category of licensure known as a "broker's agent" has been

established through an amendment to the Secondary Mortgage Loan Act (Act 15 of 1995). A recent amendment to the Pawnbrokers Licensing Act (Act 167 of 1994) requires the department to hold public hearings on all applications for pawnbroker licenses. The Consumer Discount Company Act was amended (Act 144 of 1994) to permit consumer discount company offices in other states, to authorize maintenance of records in other states, and to change the frequency of required departmental examinations from annually to once every two years.

Act 39 of 1995 amended the Banking Code of 1965 to remove the last geographic restrictions on the operations of commercial banks through the authorization of full interstate banking, merging and reciprocal de nova interstate branching. Under the legislation, there is a reduction in departmental duties and responsibilities with regard to acquisition of banks in other states by Pennsylvania bank holding companies. However, responsibility with regard to interstate branching and merging transactions is increased as is regulatory and supervisory responsibilities regarding interstate banks. The Act 39 amendments bring Pennsylvania's banking laws into line with the Federal Riegle-Neal Interstate Banking and Branching Act of 1994, which encourages nationwide interstate banking.

A recent Federal statute requires all states to have a licensing framework for check cashing agents in place by 1997. Legislation to require the licensing and supervision of these entities by the Department of Banking is currently being considered by the General Assembly.

Act 52 of 1994 amended the Administrative Code to require that fees, assessments and penalties paid into the Banking Department Fund be appropriated by the General Assembly beginning with the 1995-96 fiscal year.

Program Measures:	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
Supervision of State-chartered:							
Banks	190	186	182	178	174	170	166
Savings and loan associations	70	63	57	51	46	41	37
Credit Unions	103	101	102	101	99	97	95
Consumer credit agencies and branches							
licensed	3,803	3,800	3,800	3,800	3,800	3,800	3,800
Installment sellers licensed	3,333	3,300	3,300	3,300	3,300	3,300	3,300

The changes in the program measures for both the number of State-chartered banks and savings and loan associations is attributed to merger and consolidation activity within the financial industry.

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

	General Operations	
\$ -561	—nonrecurring costs.	
-850	—to streamline the financial institutions examination function. Recommended by the IMPACCT Commission.	
88	—to continue current program.	
\$ -1,323	Appropriation Decrease	



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.

GOVERNOR'S EXECUTIVE BUDGET

CIVIL SERVICE COMMISSION

Summary by Fund and Appropriation

	1994-95 Actual	(Dollar Amounts in Thousands) 1995-96 Available	1996-97 Budget
GENERAL FUND			
GENERAL GOVERNMENT:			
General Government Operations	\$ 1	\$ 1	\$ 1
(A) Fees from Agencies	10,809	11,944	11,669
(A) Special Merit System Services	746	772	787
STATE FUNDS	\$ 1	\$ 1	\$ 1
AUGMENTATIONS	11,555	12,716	12,456
GENERAL FUND TOTAL	\$ 11,556	\$ 12,717	\$ 12,457

CIVIL SERVICE COMMISSION

Program Funding Summary:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
PERSONNEL SELECTION							
GENERAL FUND.....	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	1
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	11,555	12,716	12,456	12,705	12,959	13,218	13,483
SUBCATEGORY TOTAL.....	\$ 11,556	\$ 12,717	\$ 12,457	\$ 12,706	\$ 12,960	\$ 13,219	\$ 13,484
ALL PROGRAMS:							
GENERAL FUND.....	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	1
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	11,555	12,716	12,456	12,705	12,959	13,218	13,483
DEPARTMENT TOTAL.....	\$ 11,556	\$ 12,717	\$ 12,457	\$ 12,706	\$ 12,960	\$ 13,219	\$ 13,484

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 employe selection procedures and the Federal Uniform Guidelines on Employee Selection Procedures. This includes job analysis and implementation of a program to identify and correct adverse impacts of exams on protected groups.

Goals of the commission include: 1) identification and elimination of adverse impact; 2) development of more valid examinations; 3) identification and elimination of 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:	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
Total eligibles on lists	241,954	250,000	250,000	250,000	250,000	250,000	250,000
Persons scheduled for exams	153,663	175,000	175,000	175,000	175,000	175,000	175,000
Appeal requests received and processed	559	600	600	600	600	600	600
Certifications audited	5,601	5,500	5,500	5,500	5,500	5,500	5,500
People with disabilities provided employment information	2,049	2,000	2,000	2,000	2,000	2,000	2,000

The measure for people with disabilities provided employment information now counts the number of persons assisted as part of a group presentation. Previously only those provided information individually were counted.

The certifications audited measure consists of audits performed by individuals and also includes estimated audits to be performed by computer program.

Program Recommendations:

This budget recommends the following changes in augmentations received from agency billings: (Dollar Amounts in Thousands)

General Government Operations
\$ -260 —to continue current program.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
GENERAL FUND:							
General Government Operations	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1



COMMONWEALTH OF PENNSYLVANIA

DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES

The Department of Conservation and Natural Resources was created by Act 18 of 1995. Programs of the department previously existed in the Department of Environmental Resources and the Department of Community Affairs.

The Department of Conservation and Natural Resources is responsible for managing the State's natural resources, including the protection and management of the State's parks and forests.

The department also provides financial assistance to municipalities in acquiring and rehabilitating parks, open space and community center buildings.

GOVERNOR'S EXECUTIVE BUDGET

CONSERVATION AND NATURAL RESOURCES

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
GENERAL FUND	1994-95 Actual	1995-96 Available	1996-97 Budget
GENERAL GOVERNMENT:			
General Government Operations	\$ 11,827^a	\$ 12,564	\$ 11,429
(F) Surface Mining Control and Reclamation	62	272	272
(F) Topographic and Geologic Survey Grants	40	275	275
(F) Bituminous Coal Resources	100	225	225
(F) Allegheny Wild and Scenic River	45	50	....
(F) Intermodal Surface Transportation Act .....	....	3,500	3,500
(F) Land and Water Conservation Fund	519	780	750
(F) LWCF — Administration	24 ^b	25	....
(F) Defense Department Environmental Restoration .....	....	300	....
(A) Payment for Department Services	10	50	50
(A) Water Well Drillers	58	60	60
(A) Environmental Education Fund .....	....	160	....
Subtotal — Federal Funds	\$ 790	\$ 5,427	\$ 5,022
Subtotal — Augmentations	68	270	110
Total — General Government Operations	<u>\$ 12,685</u>	<u>\$ 18,261</u>	<u>\$ 16,561</u>
State Parks Operations	42,971^c	46,653	46,141
(F) Heritage Preservation	476	1,100	....
(F) Pollution Prevention .....	....	50	....
(F) Recreational Trails	155	500	500
(A) PCC Programs — Parks	500	1,200	1,243
(A) Reimbursement — Sewer System	66	65	67
(A) Reimbursement — Kings Gap Use	60	....	26
(A) State Parks User Fees	9,950	8,229	9,789
(A) Prior Year Revenue — Parks	625	300	311
(A) Donations .....	....	....	....
Subtotal — Federal Funds	\$ 631	\$ 1,650	\$ 500
Subtotal — Augmentations	11,201	9,794	11,436
Total — State Parks Operations	<u>\$ 54,803</u>	<u>\$ 58,097</u>	<u>\$ 58,077</u>
State Forests Operations	11,820^c	15,361	13,923
(F) Forest Fire Protection and Control	294	315	315
(F) Forestry Incentives and Agriculture Conservation	132	257	258
(F) Forest Management and Processing	355	1,018	1,018
(F) Cooperative Forest Insect and Disease Control	500	350	250
(F) Endangered Species Recovery .....	....	30	30
(F) Tree Planting	1,669	3,500	100
(A) Reimbursement for Services	349	200	200
(A) Sale of Forest Products	202	185	347
(A) Reimbursement — Forest Fires	411	80	83
(A) Sale of Vehicles — Forests	28	80	83
(A) Timber Sales	12,388	11,015	13,203
(A) PCC Programs — Forests	179	150	300
(A) Reimbursement — Gypsy Moth and Other Insect Control	683	683	683
(A) Wood Energy	29	....	....
Subtotal — Federal Funds	\$ 2,950	\$ 5,470	\$ 1,971
Subtotal — Augmentations	14,269	12,393	14,899
Total — State Forests Operations	<u>\$ 29,039</u>	<u>\$ 33,224</u>	<u>\$ 30,793</u>

^a Actually appropriated as \$7,487,000 from Parks and Forests Operations and \$4,340,000 from General Government Operations appropriations to the Department of Environmental Resources.

^b Transferred from the Department of Community Affairs (now the Department of Economic and Community Development).

^c Actually appropriated as part of the \$62,278,000 Parks and Forests Operations appropriation to the Department of Environmental Resources.

CONSERVATION AND NATURAL RESOURCES

Summary by Fund and Appropriation

	1994-95 Actual	(Dollar Amounts in Thousands) 1995-96 Available	1996-97 Budget
GENERAL FUND			
<i>GENERAL GOVERNMENT: (continued)</i>			
Gypsy Moth and Other Insect Control	\$ 2,388	\$ 3,421	\$ 1,949
(F) Forest Insect and Disease Control	597	3,195	3,195
(A) Reimbursement from Counties	62	145	145
Total — Gypsy Moth and Other Insect Control	\$ 3,047	\$ 6,761	\$ 5,289
Subtotal — State Funds	\$ 69,006	\$ 77,999	\$ 73,442
Subtotal — Federal Funds	4,968	15,742	10,688
Subtotal — Augmentations	25,600	22,602	26,590
Total — General Government	\$ 99,574	\$ 116,343	\$ 110,720
GRANTS AND SUBSIDIES:			
Heritage Parks	\$ 2,000 *	\$ 2,270 *	\$ 2,750 *
Annual Fixed Charges — Flood Lands	34	42	42
Annual Fixed Charges — Project 70	14	18	42
Annual Fixed Charges — Forest Lands	1,208	2,450	2,450
Annual Fixed Charges — Park Lands .....	....	....	350
Subtotal — State Funds	\$ 3,256	\$ 4,780	\$ 5,634
STATE FUNDS	\$ 72,262	\$ 82,779	\$ 79,076
FEDERAL FUNDS	4,968	15,742	10,688
AUGMENTATIONS	25,600	22,602	26,590
GENERAL FUND TOTAL	\$ 102,830	\$ 121,123	\$ 116,354
KEYSTONE RECREATION, PARK AND CONSERVATION FUND:			
<i>GRANTS AND SUBSIDIES:</i>			
Park and Forest Facility Rehabilitation—Bond Proceeds	\$ 1,471	\$ 13,227	\$ 3,025
Park and Forest Facility Rehabilitation—Realty Transfer Tax .....	....	9,502	10,270
Grants for Local Recreation—Bond Proceeds .....	....	12,182	636
Grants for Local Recreation—Realty Transfer Tax .....	....	7,918	8,559
Grants to Land Trusts—Bond Proceeds .....	....	2,955	3
Grants to Land Trusts—Realty Transfer Tax .....	....	3,167	3,423
Grants to Zoos—Bond Proceeds	3,412	3,447	4
KEYSTONE RECREATION, PARK AND CONSERVATION FUND TOTAL	\$ 4,883	\$ 52,398	\$ 25,920
OTHER FUNDS			
<i>GENERAL FUND:</i>			
Snowmobile Regulation	\$ 596	\$ 914	\$ 945
Forest Regeneration .....	....	1,250	1,250
GENERAL FUND TOTAL	\$ 596	\$ 2,164	\$ 2,195
<i>ENVIRONMENTAL EDUCATION FUND:</i>			
General Operations (EA) .....	....	\$ 147	\$ 147

* Transferred from the Department of Community Affairs (now the Department of Economic and Community Development).

CONSERVATION AND NATURAL RESOURCES

Summary by Fund and Appropriation

	1994-95 Actual	(Dollar Amounts in Thousands) 1995-96 Available	1996-97 Budget
OTHER FUNDS			
<i>GENERAL FUND: (continued)</i>			
<i>MOTOR LICENSE FUND:</i>			
Forestry Bridges — Excise Tax (R)	\$ 2,692	\$ 4,587	\$ 8,106
<i>OIL AND GAS LEASE FUND:</i>			
General Operations	\$ 5,019	\$ 11,000	\$ 3,496
<i>WILD RESOURCE CONSERVATION FUND:</i>			
General Operations (EA)	\$ 921	\$ 1,284	\$ 1,998
OTHER FUNDS TOTAL	\$ 9,228	\$ 19,182	\$ 15,942
 DEPARTMENT TOTAL — ALL FUNDS			
GENERAL FUND	\$ 72,262	\$ 82,779	\$ 79,076
FEDERAL FUNDS	4,968	15,742	10,688
AUGMENTATIONS	25,600	22,602	26,590
RESTRICTED REVENUES	2,692	4,587	8,106
SPECIAL FUNDS	4,883	52,398	25,920
OTHER FUNDS	6,536	14,595	7,836
TOTAL ALL FUNDS	\$ 116,941	\$ 192,703	\$ 158,216

CONSERVATION AND NATURAL RESOURCES

Program Funding Summary:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
PARKS AND FORESTS MANAGEMENT							
GENERAL FUND.....	\$ 72,262	\$ 82,779	\$ 79,076	\$ 81,780	\$ 83,302	\$ 84,856	\$ 86,441
SPECIAL FUNDS.....	4,883	52,398	25,920	21,890	21,153	21,133	21,727
FEDERAL FUNDS.....	4,968	15,742	10,688	10,688	10,688	10,688	10,688
OTHER FUNDS.....	34,828	41,784	42,532	38,041	38,744	39,459	40,190
SUBCATEGORY TOTAL.....	\$ 116,941	\$ 192,703	\$ 158,216	\$ 152,399	\$ 153,887	\$ 156,136	\$ 159,046
ALL PROGRAMS:							
GENERAL FUND.....	\$ 72,262	\$ 82,779	\$ 79,076	\$ 81,780	\$ 83,302	\$ 84,856	\$ 86,441
SPECIAL FUNDS.....	4,883	52,398	25,920	21,890	21,153	21,133	21,727
FEDERAL FUNDS.....	4,968	15,742	10,688	10,688	10,688	10,688	10,688
OTHER FUNDS.....	34,828	41,784	42,532	38,041	38,744	39,459	40,190
DEPARTMENT TOTAL.....	\$ 116,941	\$ 192,703	\$ 158,216	\$ 152,399	\$ 153,887	\$ 156,136	\$ 159,046

CONSERVATION AND NATURAL RESOURCES

PROGRAM OBJECTIVE: *To protect and manage outdoor recreation facilities and open space areas, to provide, or assist in, effective management of forest lands, to reduce plant loss and damage caused by insects, disease and forest fires, and to provide data on geology, energy resources, groundwater and topography within the Commonwealth.*

Program: Parks and Forests Management

Program Element: Management of Recreation Facilities and Areas

The system of State parks consists of 116 parks in 61 counties. Over 249,000 acres of land and 33,000 acres of water are within these parks. They attract more than 37 million visitors each year and provide picnicking, swimming, hiking, bicycling, horseback riding, cross-country skiing, camping, boating, fishing and hunting opportunities for citizens and guests of the Commonwealth. In addition to managing these facilities, this program element also maintains and restores the State parks and adds new facilities where needed. User fees and concession charges are used to support the maintenance and operation of the park system. The Keystone Recreation, Park and Conservation Fund provides bond and real-estate transfer tax revenues for rehabilitation, repairs and upgrade of facilities and land acquisition for State park and forest lands.

Program Element: Management of Forest Resources

This Program Element is responsible for the management of two million acres of State forest lands. These forest lands offer many social and recreational opportunities. Hiking, camping, hunting, fishing, cross-country skiing, canoeing and snowmobiling are examples of the diverse activities in State forests. Properly managed, forests yield economic benefits such as the promotion of tourism. 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 complex of insects damaging the forests of Pennsylvania includes not only gypsy moth, but five native defoliating insects as well. In 1994, these insects combined defoliated 1,835,786 acres. Since only a small portion of the defoliated acres was a result of gypsy moths, acres of suppression were less. It is expected that in future years, as the amount of gypsy moth increases throughout the State, the number of acres treated will again rise. The cyclic nature of insects is responsible for the fluctuations in acres defoliated and treated. It is very difficult to predict

these levels due to the sudden outbreaks of one species of damaging insect or another.

The other major threat to the Commonwealth's forests is fire. Through aggressive prevention and extinction activities, the size of the average forest fire has been held to about five acres.

This program element also maintains the Pennsylvania Natural Diversity Inventory. This computerized data base contains location information for rare, unique and unusual features of the Commonwealth. It provides information for State and Federal regulatory agencies and for State, regional and local government planning.

Program Element: Topographic and Geologic Services

This program element gathers, analyzes, interprets and disseminates information about the surface and subsurface geology, mineral and fossil energy resources, groundwater, and digital and analog topography of all areas of the Commonwealth. These surveys are used, for example, to locate hazards such as sinkholes and areas prone to landslide, to catalog coal extraction, oil and gas drilling operations, and to provide data for activities where knowledge of the Commonwealth's topography and geology is needed.

Program Element: Local Recreation & Conservation Programs

The department administers Community, Land Trust, Rivers Conservation and Rail-to-Trails Grants from the Keystone Recreation, Park and Conservation Fund. Grants and technical assistance are provided to communities and non-profit organizations for the planning, acquisition, and development of park, recreation and conservation areas and facilities.

The Heritage Parks Program is an economic development and conservation partnerships initiative that enables regions of the Commonwealth to comprehensively plan, enhance, manage and market significant natural, cultural, recreational and scenic resources for heritage tourism.

Program Measures:	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
Management of Recreation Facilities and Areas							
State park attendance in visitor days (in thousands)	36,704	37,150	37,150	37,150	37,150	37,150	37,150
Major maintenance or restoration projects completed	142	142	142	142	142	142	142

State park attendance in visitor days decreased from last year's budget estimates due to weather.

CONSERVATION AND NATURAL RESOURCES

Program: Parks and Forests Management (continued)

Program Measures: (continue)	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
Management of Forest Resources							
Forest fires	1,051	1,000	1,000	1,000	1,000	1,000	1,000
Acres of private timber land affected by professional assistance	83,642	95,000	95,000	95,000	95,000	95,000	95,000
Acres receiving insect suppression	36,379	75,000	210,000	290,000	310,000	330,000	350,000

The decrease from last year's budget in the program measure for the number of acres receiving insect suppression treatment reflects less acreage being infested by the gypsy moth; this increases in the future as the cycle of infestations reverses.

Recreational and Conservation Programs

Key 93 Grants	177	350	350	275	275	275	275
Heritage Park Grants	35	35	35	35	35	35	35

Program Recommendations:

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

<p>General Government Operations</p> <p>\$ -1,135 —to continue current programs.</p> <p>State Parks Operations</p> <p>\$ 240 —Initiative – Expansion of Environmental Education Programs. To expand environmental education programs at State Parks.</p> <p>-752 —to continue current programs.</p> <hr style="width: 10%; margin-left: 0;"/> <p>\$ -512 <i>Appropriation Decrease</i></p> <p>State Forests Operations</p> <p>\$ -1,438 —to continue current program.</p> <p>Gypsy Moth and Other Insect Control</p> <p>\$ -1,472 —to continue current program.</p>	<p>Heritage Parks</p> <p>\$ 750 —Initiative – Promotion of Community Conservation Partnerships. To encourage and expand current community conservation partnerships in an effort to conserve natural and historic resources, promote outdoor recreation, enhance tourism and create community development opportunities.</p> <p>-270 —nonrecurring item.</p> <hr style="width: 10%; margin-left: 0;"/> <p>\$ 480 <i>Appropriation Increase</i></p> <p>Annual Fixed Charges—Project 70</p> <p>\$ 24 —to continue current program.</p> <p>Annual Fixed Charges—Park Lands</p> <p>\$ 350 —to begin annual fixed charges - Park Lands.</p>
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All other appropriations are recommended at the 1995-96 program levels.

Recommended from the State Parks user fees restricted receipts account, is \$285,000 for the privatization of the State Parks reservation system and \$150,000 for the development of the publications partnerships.

This budget also recommends \$213,000 in funding from the timber sales restricted receipts account for the implementation of a timber and biological resources inventory.

Funding of \$300,000 is recommended in the Wild Resource Conservation Fund for the ecological inventory on State Forests.

In addition, some augmentations from the User Fees Restricted Account may be used to augment capital projects in State Parks.

CONSERVATION AND NATURAL RESOURCES

Program: Parks and Forests Management (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
GENERAL FUND:							
General Government Operations	\$ 11,827	\$ 12,564	\$ 11,429	\$ 11,658	\$ 11,891	\$ 12,129	\$ 12,372
State Parks Operations	42,971	46,653	46,141	47,279	48,224	49,189	50,172
State Forests Operations	11,820	15,361	13,923	14,201	14,485	14,775	15,071
Gypsy Moth and Other Insect Control	2,388	3,421	1,949	3,008	3,068	3,129	3,192
Heritage Parks	2,000	2,270	2,750	2,750	2,750	2,750	2,750
Annual Fixed Charges — Forest Lands	1,208	2,450	2,450	2,450	2,450	2,450	2,450
Annual Fixed Charges — Flood Lands	34	42	42	42	42	42	42
Annual Fixed Charges — Project 70	14	18	42	42	42	42	42
Annual Fixed Charges — Park Lands .....	....	....	350	350	350	350	350
TOTAL GENERAL FUND	\$ 72,262	\$ 82,779	\$ 79,076	\$ 81,780	\$ 83,302	\$ 84,856	\$ 86,441
KEYSTONE RECREATION, PARK AND CONSERVATION FUND:							
Parks and Forests Facility Rehabilitation ..	\$ 1,471	\$ 13,227	\$ 3,025	....	....	....	....
Parks and Forests Facility Rehabilitation — Realty Transfer Tax .....	....	9,502	10,270	\$ 10,103	\$ 9,763	\$ 9,754	\$ 10,028
Grants for Local Recreation .....	....	12,182	636	....	....	....	....
Grants for Local Recreation — Transfer Tax .....	....	7,918	8,559	8,419	8,136	8,128	8,356
Grants to Land Trusts — Bond Proceeds ..	....	2,955	3	....	....	....	....
Grants to Land Trusts — Realty Transfer Tax .....	....	3,167	3,423	3,368	3,254	3,251	3,343
Grants to Zoos — Bond Proceeds	3,412	3,447	4	....	....	....	....
TOTAL KEYSTONE RECREATION, PARK AND CONSERVATION FUND	\$ 4,883	\$ 52,398	\$ 25,920	\$ 21,890	\$ 21,153	\$ 21,133	\$ 21,727



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.

GOVERNOR'S EXECUTIVE BUDGET

CORRECTIONS

Summary by Fund and Appropriation

	1994-95 Actual	(Dollar Amounts in Thousands) 1995-96 Available	1996-97 Budget
<u>GENERAL FUND</u>			
INSTITUTIONAL:			
State Correctional Institutions	\$ 720,826 ^a	\$ 835,667 ^b	\$ 916,003
(F) SABG — Alcohol and Drug Services	2,130	2,100	2,100
(F) DCSI — Correctional Institutions	509	.....	.....
(F) DCSI — Women and Children	70	550	300
(F) DCSI — County Data Automation	2	50	50
(F) DCSI — Tracking System	69	283	300
(F) DCSI — Victim Notification .....	.....	75	75
(F) DCSI — Sexual Offender .....	.....	150	100
(F) DCSI — Drug and Alcohol Units .....	.....	18	9
(F) DCSI — Drug and Alcohol Evaluations .....	.....	38	17
(F) DCSI — Therapeutic Community .....	.....	300	100
(F) DCSI — Drug Treatment .....	.....	.....	600
(F) Federal Inmates	12	60	25
(F) Library Services	6	50	50
(F) Nursing Trainers .....	.....	10	.....
(F) Effective Communications	10	.....	.....
(F) Winter Storm Disaster Aid	471	.....	.....
(A) Institutional Reimbursements	45	25	80
(A) Community Service Centers	434	500	535
STATE FUNDS	\$ 720,826	\$ 835,667	\$ 916,003
FEDERAL FUNDS	3,279	3,684	3,726
AUGMENTATIONS	479	525	615
GENERAL FUND TOTAL	\$ 724,584	\$ 839,876	\$ 920,344
 <u>OTHER FUNDS</u>			
LOCAL CRIMINAL JUSTICE FUND:			
Local Criminal Justice Grants	\$ 51,968	\$ 15,000	\$ 10,000
MANUFACTURING FUND:			
General Operations	\$ 30,438	\$ 32,897	\$ 31,509
 DEPARTMENT TOTAL — ALL FUNDS			
GENERAL FUND	\$ 720,826	\$ 835,667	\$ 916,003
FEDERAL FUNDS	3,279	3,684	3,726
AUGMENTATIONS	479	525	615
OTHER FUNDS	82,406	47,897	41,509
TOTAL ALL FUNDS	\$ 806,990	\$ 887,773	\$ 961,853

^a Excludes \$19,000 for discontinued interagency billing.

^b Includes recommended supplemental appropriation of \$17,730,000.

CORRECTIONS

Program Funding Summary:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
INSTITUTIONALIZATION OF OFFENDERS							
GENERAL FUND.....	\$ 720,826	\$ 835,667	\$ 916,003	\$ 962,825	\$ 982,081	\$ 1,001,723	\$ 1,021,758
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	3,279	3,684	3,726	3,726	3,726	3,726	3,726
OTHER FUNDS.....	82,885	48,422	42,124	42,767	33,423	34,092	34,774
SUBCATEGORY TOTAL.....	\$ 806,990	\$ 887,773	\$ 961,853	\$ 1,009,318	\$ 1,019,230	\$ 1,039,541	\$ 1,060,258
ALL PROGRAMS:							
GENERAL FUND.....	\$ 720,826	\$ 835,667	\$ 916,003	\$ 962,825	\$ 982,081	\$ 1,001,723	\$ 1,021,758
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	3,279	3,684	3,726	3,726	3,726	3,726	3,726
OTHER FUNDS.....	82,885	48,422	42,124	42,767	33,423	34,092	34,774
DEPARTMENT TOTAL.....	\$ 806,990	\$ 887,773	\$ 961,853	\$ 1,009,318	\$ 1,019,230	\$ 1,039,541	\$ 1,060,258

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 for the institutionalization of offenders includes 22 correctional institutions, 15 community corrections centers and a motivational boot camp. During 1995-96, the following increases in institutional capacity occurred: 1) the continued opening of five new prisons which have a capacity of approximately 5,000 inmates, 2) continued opening of the Cambridge Springs institution for women, 3) expansion of the Quehanna Boot Camp by 70 inmates, 4) conversion of the Farview State Hospital to prison space which will provide an additional 500 bed capacity when renovations are completed and 5) opening a new institution at Houtzdale in Clearfield County with a capacity of 1,000 inmates. There were 32,410 inmates housed in the State system at the end of December, 1995 with a cell capacity of 20,970.

The State's prison expansion program is continuing in 1996-97 with the opening of two new cell blocks at Mahanoy, Greene, Albion, Houtzdale, and Somerset, for a total capacity increase of 1,280, the conversion of Somerset State Hospital into a 1,000 bed prison (SCI Laurel Highlands), opening a new prison at Chester with a capacity of 656 beds, and opening a new 148 bed cell block at Dallas.

In addition to providing the basic necessities of life, programs are available which enable inmates to leave prison better prepared to adjust to life in the community. These include educational services, vocational training, drug and alcohol therapy and counseling.

Educational programs provided by the Department of Education offer

inmates the opportunity to obtain high school diplomas or adult basic educational skills. Postsecondary education, in cooperation with nearby colleges, enables students to earn associate's or bachelors 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 correction 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. In 1991, the Department of Corrections began establishing community centers for technical parole violators. These centers provide an option short of reincarceration for addressing minor parole violations. These centers are expected to have a bed capacity of 270.

A community work program for incarcerated offenders is recommended in this budget. These programs keep offenders occupied and engaged in productive activities, thereby increasing public safety and reducing the costs of incarceration to the public.

Program Measures:	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
Inmates (December)	28,302	32,410	32,270	32,909	33,628	34,221	34,973
Prison Capacity (December)	19,995	20,970	24,264	27,532	27,732	28,332	28,332
Inmates in excess of capacity	8,307	11,440	8,006	5,377	5,896	5,889	6,641
Inmates receiving high school diplomas (GED)	958	1,005	1,125	1,200	1,275	1,300	1,325
Inmates involved in work programs	19,472	20,800	22,500	23,500	24,000	24,500	25,000
Inmates receiving educational training	7,290	7,648	8,100	8,400	8,600	8,700	8,800
Inmates receiving drug and alcohol treatment	9,000	9,520	10,200	11,400	11,600	11,800	12,000

The program measure for number of inmates is higher than estimated in last year's budget. Current estimates are based on data released in November 1995 by the Correctional Population Projection Committee.

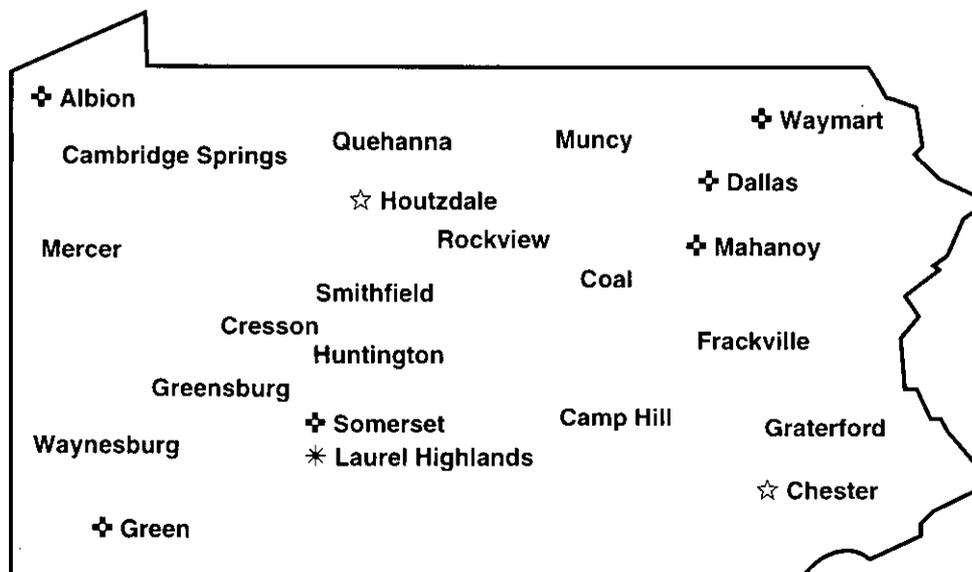
Beginning in 1996-97, there will be an increase in the prison capacity and a decrease in the number of inmates in excess of capacity. This is due to the anticipated completion of a number of expansion projects.

CORRECTIONS

Program: Institutionalization of Offenders (continued)

Population and Capacity				
Institutions	Population Dec. 1995	Estimated Population Dec. 1996	Capacity Dec. 1995	Estimated Capacity Dec. 1996
Albion	1,733	1,505	964	964
Cambridge Springs	522	569	569	569
Camp Hill	2,759	2,645	1,645	1,711
Chester .....	.....	.....	.....	.....
Coal Township	1,566	1,483	964	964
Cresson	1,250	1,062	936	936
Dallas	1,916	1,840	1,247	1,247
Frackville	1,031	953	708	708
Graterford	3,498	3,085	2,249	2,629
Greene	1,398	1,380	832	1,076
Greensburg	963	835	566	566
Houtzdale .....	.....	1,482	.....	964
Huntingdon	2,107	1,934	1,428	1,488
Laurel Highlands .....	.....	480	.....	500
Mahanoy	1,735	1,505	964	964
Mercer	1,023	974	974	974
Muncy	883	899	655	655
Pittsburgh	1,459	1,603	969	1,599
Quehanna Motivation Camp	134	145	158	158
Retreat	875	802	458	458
Rockview	2,140	1,875	1,245	1,245
Smithfield	1,221	995	652	652
Somerset	1,721	1,505	964	964
Waymart	1,161	1,355	947	1,347
Waynesburg	432	391	387	387
Community Service Centers	454	515	489	539
Group Homes	415	439	.....	.....
Federal Prisons	14	14	.....	.....
TOTAL	32,410	32,270	20,970	24,264

Additional Correctional Cells



☆ New Institutions Opening in 1996 and 1997.

+ Expansion of Existing Institutions in 1996 and 1997.

* Conversion of State Mental Hospital to State Correctional Institution.

CORRECTIONS

Program: Institutionalization of Offenders (continued)

Expenditures by Institution: (Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget		1994-95 Actual	1995-96 Available	1996-97 Budget
Albion				Graterford			
State Funds	\$ 33,894	\$ 41,887	\$ 46,624	State Funds	\$ 73,766	\$ 79,274	\$ 81,557
Federal Funds ....	.....	11	100	Federal Funds ...	475	300	300
Augmentations ...	.....	.....	.....	Augmentations ...	.....	.....	.....
TOTAL	\$ 33,894	\$ 41,898	\$ 46,724	TOTAL	\$ 74,241	\$ 79,574	\$ 81,857
Cambridge Springs				Greene			
State Funds	\$ 12,426	\$ 14,423	\$ 15,399	State Funds	\$ 37,464	\$ 45,468	\$ 50,249
Federal Funds	101	400	416	Federal Funds ...	.....	11	.....
Augmentations ...	.....	.....	.....	Augmentations ...	.....	.....	.....
TOTAL	\$ 12,527	\$ 14,823	\$ 15,815	TOTAL	\$ 37,464	\$ 45,479	\$ 50,249
Camp Hill				Greensburg			
State Funds	\$ 57,895	\$ 62,396	\$ 64,396	State Funds	\$ 22,431	\$ 24,549	\$ 25,040
Federal Funds	110	110	110	Federal Funds ...	195	115	115
Augmentations ...	.....	.....	.....	Augmentations ...	.....	.....	.....
TOTAL	\$ 58,005	\$ 62,506	\$ 64,506	TOTAL	\$ 22,626	\$ 24,664	\$ 25,155
Chester				Houtzdale			
State Funds .....	.....	\$ 60	\$ 7,430	State Funds	\$ 78	\$ 15,140	\$ 27,513
Federal Funds ....	.....	.....	.....	Federal Funds ...	.....	.....	11
Augmentations ...	.....	.....	.....	Augmentations ...	.....	.....	.....
TOTAL .....	.....	\$ 60	\$ 7,430	TOTAL	\$ 78	\$ 15,140	\$ 27,524
Coal Township				Huntingdon			
State Funds	\$ 33,887	\$ 42,501	\$ 45,057	State Funds	\$ 37,488	\$ 40,913	\$ 42,173
Federal Funds ....	.....	11	.....	Federal Funds ...	48	58	58
Augmentations ...	.....	.....	.....	Augmentations ...	.....	.....	.....
TOTAL	\$ 33,887	\$ 42,512	\$ 45,057	TOTAL	\$ 37,536	\$ 40,971	\$ 42,231
Cresson				Laurel Highlands			
State Funds	\$ 25,746	\$ 27,823	\$ 28,626	State Funds .....	.....	\$ 100	\$ 14,962
Federal Funds	100	100	100	Federal Funds ...	.....	.....	.....
Augmentations ...	.....	.....	.....	Augmentations ...	.....	.....	.....
TOTAL	\$ 25,846	\$ 27,923	\$ 28,726	TOTAL .....	.....	\$ 100	\$ 14,962
Dallas				Mahanoy			
State Funds	\$ 39,488	\$ 42,419	\$ 43,777	State Funds	\$ 32,339	\$ 42,041	\$ 46,748
Federal Funds	80	91	280	Federal Funds ...	.....	11	.....
Augmentations ...	.....	.....	.....	Augmentations ...	.....	.....	.....
TOTAL	\$ 39,568	\$ 42,510	\$ 44,057	TOTAL	\$ 32,339	\$ 42,052	\$ 46,748
Frackville				Mercer			
State Funds	\$ 21,467	\$ 23,527	\$ 24,372	State Funds	\$ 21,398	\$ 23,527	\$ 24,218
Federal Funds	50	50	50	Federal Funds ...	112	117	117
Augmentations ...	.....	.....	.....	Augmentations ...	.....	.....	.....
TOTAL	\$ 21,517	\$ 23,577	\$ 24,422	TOTAL	\$ 21,510	\$ 23,644	\$ 24,335

CORRECTIONS

Program: Institutionalization of Offenders (continued)

Expenditures by Institution: (Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget		1994-95 Actual	1995-96 Available	1996-97 Budget
Muncy				Somerset			
State Funds	\$ 24,652	\$ 27,618	\$ 28,578	State Funds	\$ 33,326	\$ 41,887	\$ 46,662
Federal Funds	297	418	425	Federal Funds ...	....	11	100
Augmentations ...	....	....	....	Augmentations ...	....	....	....
TOTAL	\$ 24,949	\$ 28,036	\$ 29,003	TOTAL	\$ 33,326	\$ 41,898	\$ 46,762
Pittsburgh				Waymart			
State Funds	\$ 50,481	\$ 54,213	\$ 55,619	State Funds	\$ 23,967	\$ 26,851	\$ 29,607
Federal Funds	239	137	137	Federal Funds ...	407	417	400
Augmentations ...	....	....	....	Augmentations ...	3	....	....
TOTAL	\$ 50,720	\$ 54,350	\$ 55,756	TOTAL	\$ 24,377	\$ 27,268	\$ 30,007
Quehanna				Waynesburg			
State Funds	\$ 4,406	\$ 5,217	\$ 5,959	State Funds	\$ 10,138	\$ 12,070	\$ 13,590
Federal Funds	559	50	50	Federal Funds ...	25	....	....
Augmentations ...	....	....	....	Augmentations ...	....	....	....
TOTAL	\$ 4,965	\$ 5,267	\$ 6,009	TOTAL	\$ 10,163	\$ 12,070	\$ 13,590
Retreat				Community Corrections			
State Funds	\$ 19,361	\$ 23,322	\$ 24,095	State Funds	\$ 20,408	\$ 24,400	\$ 27,027
Federal Funds	122	90	90	Federal Funds ...	101	100	100
Augmentations ...	....	....	....	Augmentations ...	426	500	535
TOTAL	\$ 19,483	\$ 23,412	\$ 24,185	TOTAL	\$ 20,935	\$ 25,000	\$ 27,662
Rockview				Training Academy			
State Funds	\$ 39,354	\$ 43,575	\$ 44,517	State Funds	\$ 3,037	\$ 3,600	\$ 3,815
Federal Funds	105	105	105	Federal Funds ...	....	....	....
Augmentations ...	41	25	80	Augmentations ...	....	....	....
TOTAL	\$ 39,500	\$ 43,705	\$ 44,702	TOTAL	\$ 3,037	\$ 3,600	\$ 3,815
Smithfield				Central Office			
State Funds	\$ 23,474	\$ 27,086	\$ 28,205	State Funds	\$ 18,455	\$ 19,780	\$ 20,188
Federal Funds ...	....	....	....	Federal Funds ...	153	971	662
Augmentations ...	....	....	....	Augmentations ...	9	....	....
TOTAL	\$ 23,474	\$ 27,086	\$ 28,205	TOTAL	\$ 18,617	\$ 20,751	\$ 20,850

CORRECTIONS

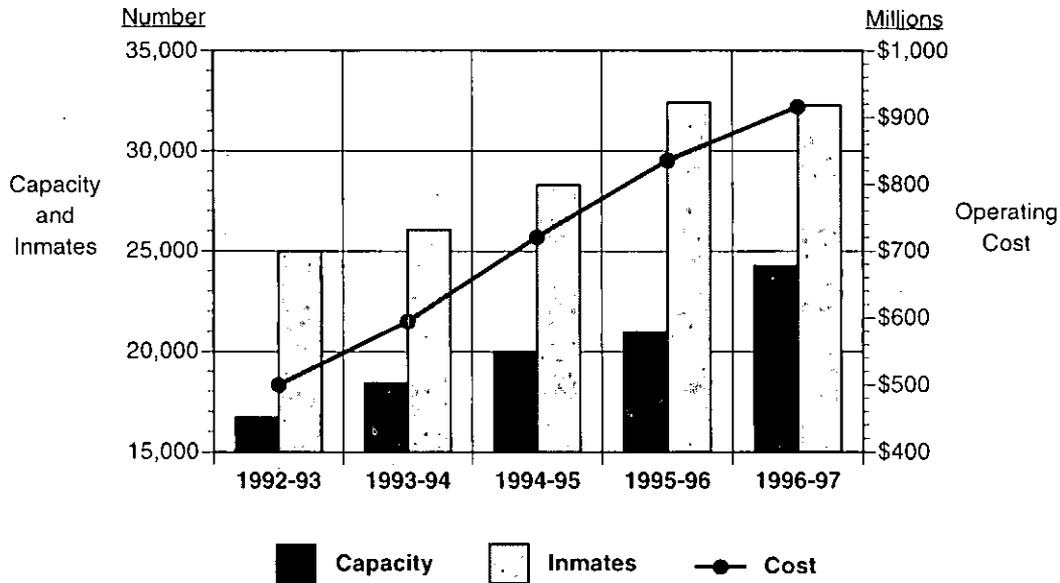
Program: Institutionalization of Offenders (continued)

Program Recommendations:

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

State Corrections Institutions			
\$ 24,909	—PRR – Improving Criminal Justice Enforcement. To provide for the opening of SCI Chester, the conversion of Somerset State Hospital to SCI Laurel Highlands and the opening of 11 new cell blocks at existing institutions. See the Program Revision following this program for further information.	\$ 200	—PRR – Improving Criminal Justice Enforcement. To provide for therapeutic communities at SCI Camp Hill and the Quehanna Boot Camp. Approximately \$600,000 in Federal funds will also be available. See the Program Revision following this program for further information.
1,800	—PRR – Improving Criminal Justice Enforcement. To provide for community work programs for offenders. See the Program Revision following this program for further information.	37,331	—to provide for the full year operational cost of housing units opened during 1995-96 including the cost of hiring personnel to provide security for the new housing units.
1,286	—PRR – Improving Criminal Justice Enforcement. To provide for criminal justice systemwide technology upgrades. See the Program Revision following this program for further information.	14,810	—to continue current program including funding as required to augment capital projects.
		<u>\$ 80,336</u>	<i>Appropriation Increase</i>

State Correctional Institutions Cell Capacity, Inmate Population and Operating Costs



Appropriations within this Program:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
GENERAL FUND:							
State Correctional Institutions	\$ 720,826	\$ 835,667	\$ 916,003	\$ 962,825	\$ 982,081	\$ 1,001,723	\$ 1,021,758

Program Revision: Improving Criminal Justice Enforcement

A comprehensive and cooperative approach to battle crime is essential to restore the safety and security of our neighborhoods. This approach should include crime prevention, enforcement, incarceration and parole at the State, county and local levels. The overriding consideration or goal in the punishment, incarceration and parole of offenders must be preserving the safety of the public. In order to achieve this goal, progress must be made across all components of the criminal justice system, both at the State and local levels. This Program Revision provides funding for: increased prison capacity, expanded drug and alcohol treatment for State offenders, increased assistance to counties with intermediate punishment programs to develop drug and alcohol services, criminal justice systemwide technology upgrades, the development of a DNA database and improved programming of juvenile justice databases and records.

Increased Institutional Corrections Capacity

The offender population is expected to exceed 34,000 in 1995-96. Currently, the State Correctional Institutions (SCI) are operating at 154 percent of capacity. This Program Revision provides \$7.4 million for the opening of SCI Chester, a new maximum security State correctional institution in Chester County which will house a total of 1,096 offenders. Two new cell blocks each will open at SCIs Albion, Greene, Houtzdale, Mahanoy and Somerset, and one at SCI Dallas at a total cost of \$2.5 million. These will be able to house a total of 2,448 offenders. In addition, the Department of Corrections will assume the operation of the Somerset State Hospital at a cost of \$15.0 million, which will provide space for approximately 1,000 more offenders.

In addition, \$1.8 million is provided for community work programs for offenders. These programs keep offenders occupied and engaged in productive activities, thereby increasing public safety and provide benefits that reduce the costs of incarceration to the public.

Expanding Drug and Alcohol Treatment for State Offenders

National studies indicate that 80 percent of state prisoners have a drug or alcohol abuse problem. Moreover, many crimes are drug related. Left untreated, the drug and alcohol problem may result in additional criminal activity after release from prison. For these reasons, treatment can be a very effective way to reduce criminal behavior. This Program Revision provides State funds and Federal Drug Control and System Improvement funds to address addiction problems of inmates in the State correctional system.

The Commonwealth currently operates six therapeutic communities within correctional institutions which provide intensive drug and alcohol treatment to 341 offenders. These programs use a highly regimented daily schedule to reach recovery solutions. This Program Revision provides \$200,000 in State funds and \$600,000 in Federal Drug Control and System Improvement funds to create two additional therapeutic communities, at Quehanna Boot Camp and SCI Camp Hill, which together would serve an additional 100 inmates. The focus of these units will be technical parole violators who are non-violent offenders.

Increased Aid to Counties for Intermediate Punishment Drug and Alcohol Treatment

This Program Revision expands the Commonwealth's commitment to support the work of counties in developing and operating alternatives to incarceration, referred to as intermediate punishment programs. In addition to the basic aid which counties receive for operating intermediate punishment programs, an additional \$3 million has been provided for drug and alcohol treatment services for non-violent offenders. Currently, county jails hold over 19,500 offenders and are nearly 50 percent over capacity. This program is intended to help alleviate overcrowding in county jails and reduce subsequent criminal activity by providing drug and alcohol services to offenders.

Development of DNA Database

This Program Revision provides \$952,000 in State funds for a new criminal justice laboratory on the grounds of the Greensburg State Police Laboratory that will maintain a DNA database. The database system will be linked nationally to the Federal Bureau of Investigation and used in conjunction with police criminal investigations and prosecutions.

Integrated Criminal Justice System

Responsibility for criminal justice activities in the Commonwealth spans multiple organizations. Each of these organizations is involved in a particular function on the criminal justice continuum, from the investigation of a criminal act to arrest, adjudication and imprisonment through post-release supervision and community reintegration. While interaction occurs among these organizations on a regular basis, their information technology has developed in a highly isolated manner with no coordinated development of systems, applications or databases. As a result, there is considerable redundancy in the information and systems that are maintained by criminal justice agencies, with little capability for sharing information.

This Program Revision proposes the development and implementation of an Integrated Criminal Justice System (ICJS). The intent of the ICJS is to shift the Commonwealth away from the traditional approach where criminal justice agencies individually maintain their own separate information systems to a unified approach where the information requirements and inter-relationships of all criminal justice organizations are evaluated from an overall systems perspective. A total investment of \$3 million will be targeted to the ICJS in 1996-97, building upon the Criminal Justice Strategic Vision and Action Plan that will be completed by the end of 1995-96. This plan will include a complete inventory of information technology requirements and analysis of work flow for all criminal justice organizations within the Commonwealth. A plan for the long-term implementation of the ICJS will be established.

Juvenile History Record Information System

This Program Revision provides \$364,000 in State funds to establish a Statewide central repository of fingerprints, photographs and juvenile history record information. Special Session legislation requires that the State Police determine whether a potential firearms purchaser is an adjudicated delinquent. This information will prevent the sale of firearms to these ineligible individuals.

Program Measures:	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
Increased Capacity in State Correctional Institutions							
Program Revision .....	....	....	4,544	4,544	4,544	4,544	4,544
Beds in Therapeutic Drug Communities							
Current	341	341	341	341	341	341	341
Program Revision .....	....	....	441	441	441	441	441

CORRECTIONS

Program: Improving Criminal Justice Enforcement (continued)

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

	GENERAL FUND		
	EXECUTIVE OFFICES		
	Intermediate Punishment Drug and Alcohol Programs	\$ 492	BOARD OF PROBATION AND PAROLE
\$ 3,000	—to provide for grants to counties for intermediate punishment drug and alcohol programs.		General Government Operations
			—to provide for criminal justice systemwide technology upgrades.
	Juvenile Court Judges Commission	\$ 1,362	STATE POLICE
\$ 364	—to provide for a Juvenile History Record Information System.		General Government Operations
			—to provide for criminal justice systemwide technology upgrades, and the development of a DNA database.
	Commission on Crime and Delinquency		
\$ 18	—to provide for criminal justice systemwide technology upgrades.		
	CORRECTIONS	\$ 870	MOTOR LICENSE FUND:
	State Correctional Institutions		STATE POLICE
\$ 28,195	—to provide for increased prison capacity, expanded drug and alcohol treatment for State offenders, community work programs for offenders and criminal justice systemwide technology upgrades.	\$ 34,301	General Government Operations
			—to provide for criminal justice systemwide technology upgrades.
			<i>Program Revision Total</i>

In addition, this Program Revision includes \$600,000 in Federal Drug Control and System Improvement funds for the creation of two therapeutic communities.

Recommended Program Revision Costs by Appropriation:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
Executive Offices							
Juvenile Court Judges Commission	\$ 364	\$ 404	\$ 162	\$ 166	\$ 169
Commission on Crime and Delinquency	18	....	....	....	....
Intermediate Punishment Drug and Alcohol Programs	3,000	3,000	3,000	3,000	3,000
Corrections							
State Correctional Institutions	28,195	56,109	57,423	58,760	59,919
Board of Probation and Parole							
General Government Operations	492	....	....	....	....
State Police							
General Government Operations	1,362	83	85	86	88
GENERAL FUND TOTAL	<u>\$ 33,431</u>	<u>\$ 59,596</u>	<u>\$ 60,670</u>	<u>\$ 62,012</u>	<u>\$ 63,176</u>
MOTOR LICENSE FUND:							
State Police							
General Government Operations	\$ 870	....	....	....	....
MOTOR LICENSE FUND TOTAL	<u>\$ 870</u>	....	....	....	....



COMMONWEALTH OF PENNSYLVANIA

DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT

The Department of Economic and Community Development administers programs which recognize that community development and economic development are linked. This includes expanding and providing for more efficient delivery of local services; coordinating community and economic development resources to restore and maintain the vitality of our communities; advancing the economic well-being of communities through the maximization of community and economic development resources; and promoting housing and community revitalization in conjunction with economic development activities.

This departmental presentation merges the Department of Community Affairs and the Department of Commerce into the Department of Economic and Community Development.

GOVERNOR'S EXECUTIVE BUDGET

ECONOMIC AND COMMUNITY DEVELOPMENT

PROGRAM REVISION

Budgeted Amounts Include the Following Program Revision:

Title	Appropriation	1996-97 State Funds (in thousands)
Redesigning the Foundation for Economic Growth		
	International Trade	\$ 1,134
	Marketing to Attract Tourists	1,500
	Customized Job Training	-7,500
	Business Retention Program	3,000
	Business Resource Center	2,000
	Opportunity Fund	5,000
	Business Quality Partnership	1,000
	Regional Skills Centers	500
	Individual Learning Accounts	1,000
	PennCAP	2,000
	Infrastructure Development	-25,000
	Transfer to Ben Franklin/IRC Fund	-5,000
	Community Conservation and Youth Employment	1,700
	Housing and Redevelopment Assistance	5,800
	Enterprise Development	1,004
	Strategic Community Partnerships	1,000
	Shared Municipal Services	200
	Transfer to Sunny Day Fund	-15,000
	Transfer to Capital Loan Fund	-8,000
	Housing and Redevelopment — Economic Development Setaside	-15,000

This Program Revision improves Pennsylvania's ability to create, attract and retain both jobs and business investment. Substantial changes are made to the business tax structure to encourage job growth and investment. Numerous changes will be made to consolidate loan and grant programs to improve efficiency: the Sunny Day and Machinery and Equipment Loan funds will be eliminated and merged into the Industrial Development Fund; the Economic Development Setaside will be eliminated and replaced with the more flexible Opportunity Fund; and a loan guarantee program will be created to leverage private investment. Funding is provided to create two new programs to foster a partnership relationship between the State and its businesses; to restructure the foreign offices to improve operations; and to create tourist marketing partnerships. Funds are provided to create three new worker training programs as well as to increase the Commonwealth's primary work force development tool, Customized Job Training. Federal funds will be leveraged by providing State matching funds through the Community Conservation and Youth Employment program. Funding to revitalize communities is provided through the Enterprise Development and Housing and Redevelopment programs. Finally, community planning assistance will be provided through two new programs: Strategic Community Partnerships and Shared Municipal Services.

Department Total	\$ -48,662
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ECONOMIC AND COMMUNITY DEVELOPMENT

Summary by Fund and Appropriation

	1994-95 Actual	(Dollar Amounts in Thousands) 1995-96 Available	1996-97 Budget
GENERAL FUND			
GENERAL GOVERNMENT:			
General Government Operations	\$ 45,813^a	\$ 14,797^b	\$ 10,574
(F) DOE — Weatherization Administration .....	.....	704	529
(F) SCDBG — Administration	1,103	1,110	662
(F) CSBG — Administration	829	903	588
(F) Refugees and Persons Seeking Asylum — Administration	356	1,399	.....
(F) Immigration Reform and Control — Administration	285	.....	.....
(F) HUD — Training / Assistance	140	55	.....
(F) Folk Arts	18	51	.....
(F) Folklife Resource Survey	117	66	.....
(F) LIHEABG — Administration	398	440	.....
(F) DCSI — Regional Police Assistance	72	100	.....
(F) ARC — Technical Assistance	239	450	450
(F) Community Planning Assistance .....	.....	145	10
(A) Heritage Affairs Donations	55	54	.....
(A) Stockroom Reimbursement	13	18	.....
(A) DGS: Surplus Property SWPA	250	.....	.....
(A) Manufactured Housing	438	664	555
(A) Minority Business Development Authority	954	447	429
(A) Nursing Home Loan Fund	54	.....	.....
(A) Copy Center Services	225	280	240
(A) Pennsylvania Industrial Development Authority	1,035	1,113	1,575
(A) Pennsylvania Economic Development Financing Authority	186	233	241
(A) Recycling Fund Reimbursement	127	100	100
(A) Capital Loan Fund	113	121	.....
(A) Recycling Incentive Development	2,993	4,000	4,000
(A) Storage Tank Loan Fund	26	27	.....
(A) Sunny Day Fund	104	100	.....
(A) Air Quality Improvement Fund	26	30	.....
(A) Hazardous Sites Assessment	601	499	.....
(A) Small Business Ombudsman .....	.....	127	131
(A) Environmental Protection Grant .....	.....	85	.....
(A) Court Case .....	.....	10	.....
(A) Industrial Community Action Program .....	.....	5	.....
(A) Industrial Sites Cleanup .....	.....	100	90
(A) PA Energy Development Authority .....	.....	68	.....
(R) Small Business Advocate — Utilities	781 ^c	946 ^c	833 ^c
Subtotal — Federal Funds	\$ 3,557	\$ 5,423	\$ 2,239
Subtotal — Augmentations	7,200	8,081	7,361
Subtotal — Restricted Revenues	781	946	833
Subtotal — General Government Operations	\$ 57,351	\$ 29,247	\$ 21,007
Computer Acquisition .....	.....	898	1,100
International Trade .....	.....	2,863	4,452
Export Opportunities .....	.....	50	.....
Marketing to Attract Tourists	6,000	7,100	7,909
Marketing to Attract Business .....	.....	1,385	1,385
Marketing to Attract Film Business .....	.....	250	253
Subtotal — State Funds	\$ 51,813	\$ 27,343	\$ 25,673
Subtotal — Federal Funds	3,557	5,423	2,239
Subtotal — Augmentations	7,200	8,081	7,361
Subtotal — Restricted Revenues	781	946	833
Total — General Government	\$ 63,351	\$ 41,793	\$ 36,106

^a Actually appropriated as \$30,558,000 as part of the General Government Operations appropriation in the Department of Community Affairs and \$15,255,000 as part of the General Government Operations appropriation in the Department of Commerce but excludes \$67,000 for discontinued interagency billing.

^b Actually appropriated as \$7,364,000 as part of the General Government Operations appropriation in the Department of Community Affairs and \$7,433,000 as part of the General Government Operations appropriation in the Department of Commerce.

^c Appropriation from restricted revenue account.

ECONOMIC AND COMMUNITY DEVELOPMENT

Summary by Fund and Appropriation

GENERAL FUND	(Dollar Amounts in Thousands)		
	1994-95 Actual	1995-96 Available	1996-97 Budget
GRANTS AND SUBSIDIES:			
Industrial Development Assistance	\$ 1,000	\$ 1,100	\$ 1,100
Site Development	660	....	....
Local Development District Grants	1,492	2,055	2,055
Small Business Development Centers	1,965	2,200	2,200
Appalachian Regional Commission	230	242	242
Community Facilities	996	1,500	....
Customized Job Training	7,755 ^a	9,000	1,500
(F) Job Link - Customized Job Training	798	1,500	1,500
(A) Securitization Proceeds .....	....	....	15,000
Transfer to Economic Revitalization Fund	41,742	....	....
Ben Franklin Partnership	25,000	....	....
Industrial Resource Centers	7,290	....	....
Tourist Promotion Assistance	7,400	8,140	8,140
PENNPORTS	11,121	10,681	11,293
Economic Development Financing Authority	250	....	....
Defense Conversion	35	53	....
Hardwoods Research and Promotion	385	490	490
Music Theater Festival	100	....	....
Horticultural Exposition	250	250	....
Business Retention Program .....	....	....	3,000
Business Resource Center .....	....	....	2,000
Transfer to PA Industrial Development Authority .....	....	....	....
(A) Securitization Proceeds .....	....	....	15,000
PennCAP .....	....	....	2,000
Opportunity Fund .....	....	....	5,000
(A) Securitization Proceeds .....	....	....	15,000
Business Quality Partnership .....	....	....	1,000
Regional Skills Center .....	....	....	500
Individual Learning Accounts .....	....	....	1,000
Engineering Research Center	400	....	....
Center for Light Microscope Imaging	400	....	....
Biotech Research	1,500	1,500	....
Powdered Metallurgy Research	200	....	....
Super Computer Center	1,200	1,500	....
Infrastructure Development .....	....	26,200	1,200
(A) Securitization Proceeds .....	....	....	15,000
Transfer to Ben Franklin/IRC Fund .....	....	36,000	29,250
(F) Job Link - Ben Franklin/Industrial Resource Centers	150	150	150
Community Conservation and Employment .....	....	2,464 ^b	....
Community Conservation and Youth Employment	2,736 ^b	....	1,700
(F) Community Service Block Grant	16,422	16,700	16,700
(F) Single Point of Contact	1,680	1,746	1,746
(F) Refugees and Persons Seeking Asylum	3,112	9,300	....
Community Revitalization .....	....	3,600 ^b	....
County and Municipal Assistance .....	....	2,056 ^b	....
Housing and Redevelopment Assistance	18,000 ^b	12,000 ^b	17,800
(F) Small Communities Block Grant	64,847	75,000	75,000
(F) DOE - Weatherization	13,676	13,962	11,325
(F) Emergency Shelter for the Homeless	2,432	3,000	3,000
(F) LIHEABG - Weatherization Program	8,293	8,360	....
(F) Centralia Recovery	2,000	2,000	2,000
(F) Lead Based Paint Hazard Reduction	246	....	....
(A) Return of Unused Project Monies	2,238	....	....
Enterprise Development	6,996 ^b	6,996 ^b	8,000
(A) Return of Unused Project Monies	288	....	....
Distressed Communities Assistance	600 ^b	1,200 ^b	1,200
Rural Leadership Training	200 ^b	200 ^b	200
Planning Assistance	275 ^b	375 ^b	175
Circuit Riders	211 ^b	....	....

^a Actually appropriated to the Department of Education.

^b Actually appropriated to the Department of Community Affairs.

ECONOMIC AND COMMUNITY DEVELOPMENT

Summary by Fund and Appropriation

	1994-95 Actual	(Dollar Amounts in Thousands) 1995-96 Available	1996-97 Budget
GENERAL FUND			
<i>GRANTS AND SUBSIDIES: (continued)</i>			
Regional Councils	\$ 200 ^a	....	....
Strategic Community Partnerships .....	....	....	\$ 1,000
Shared Municipal Services .....	....	....	200
Transfer to Sunny Day Fund	25,000	\$ 15,000	....
Transfer to Minority Business Development Fund	7,150	2,130	2,130
Welcome America	1,000	1,150	....
Southeast Science Center	2,000	1,000	....
Employe Ownership Assistance .....	....	250	....
Community Economic Recovery .....	....	525	....
Transfer to Capital Loan Fund .....	....	8,000	....
Housing and Redevelopment — Economic Development Setaside ..	....	15,000	....
FAY-Penn Economic Development .....	....	500	....
PA Energy Development Authority	300	....	....
Subtotal — State Funds	\$ 176,039	\$ 173,357	\$ 104,375
Subtotal — Federal Funds	113,656	131,718	111,421
Subtotal — Augmentations	2,526	....	60,000
Total — Grants and Subsidies	\$ 292,221	\$ 305,075	\$ 275,796
STATE FUNDS	\$ 227,852	\$ 200,700	\$ 130,048
FEDERAL FUNDS	117,213	137,141	113,660
AUGMENTATIONS	9,726	8,081	67,361
RESTRICTED REVENUES	781	946	833
GENERAL FUND TOTAL	\$ 355,572	\$ 346,868	\$ 311,902
OTHER FUNDS			
<i>GENERAL FUND:</i>			
ARC Revolving Loan Fund	\$ 1	\$ 650	\$ 100
Industrial Sites Environmental Assessment Fund .....	....	2,000	2,000
GENERAL FUND TOTAL	\$ 1	\$ 2,650	\$ 2,100
<i>AIR QUALITY IMPROVEMENT FUND:</i>			
General Operations	\$ 30	\$ 20	....
Air Quality Improvement Loans	1,354	2,000	....
AIR QUALITY IMPROVEMENT FUND TOTAL	\$ 1,384	\$ 2,020	....
<i>BEN FRANKLIN / IRC PARTNERSHIP FUND:</i>			
Ben Franklin Partnership	\$ 26,162	....	....
Ben Franklin/IRC .....	....	\$ 36,000	\$ 29,300
(F) EPA — Environmental Technology .....	....	1,000	....
(F) School-to-Work .....	....	600	600
(A) Water Resources .....	....	143	....
Industrial Resource Centers	\$ 6,756	....	....
(A) Recycling Research Grants	1,350	2,000	2,000*
Electronic Manufacturing Network	30	....	....
Agility Manufacturing	500	....	....
BEN FRANKLIN / IRC PARTNERSHIP FUND TOTAL	\$ 34,798	\$ 39,743	\$ 31,900
<i>CAPITAL LOAN FUND:</i>			
Capital Loans — General Fund	\$ 349	\$ 700	\$ 16,816
Capital Loans — PERF	10,251	12,500	....
Capital Loans — Apparel Loan Board	2,183	2,000	....
Capital Loan Fund — PENNAG Fund	944	1,500	....
Capital Loans — EDA	650	1,000	1,000
Transfer to Economic Revitalization Fund	15,000	....	....
Capital Loans — EDA Defense Conversion	5,000	2,000	2,000
CAPITAL LOAN FUND TOTAL	\$ 34,377	\$ 19,700	\$ 19,816

^a Actually appropriated to the Department of Community Affairs.

ECONOMIC AND COMMUNITY DEVELOPMENT

Summary by Fund and Appropriation

OTHER FUNDS (continued)	1994-95 Actual	(Dollar Amounts in Thousands) 1995-96 Available	1996-97 Budget
ECONOMIC REVITALIZATION FUND			
GRANTS AND SUBSIDIES:			
PennAg	\$ 980	....	....
Business Infrastructure Development	12,500	....	....
Employe Ownership — Technical Assistance	245	....	....
Beaver Valley Revitalization	250	....	....
Mon Valley Revitalization	1,000	....	....
Shenango Valley Revitalization	250	....	....
Community Economic Recovery	980	....	....
Transfer to General Fund — Agriculture	535	....	....
Alle-Kiski Valley Revitalization	250	....	....
Machinery and Equipment Loan Fund	7,000	....	....
Butler Revitalization	250	....	....
Lawrence Revitalization	250	....	....
Industrial Communities Site Development and Action	12,715	....	....
Housing and Redevelopment—Economic Development Setaside	21,500	....	....
ECONOMIC REVITALIZATION FUND TOTAL	\$ 58,705	....	....
FINANCIALLY DISTRESSED MUNICIPALITIES			
REVOLVING AID FUND:			
Distressed Communities Assistance	\$ 2,376	\$ 3,000	\$ 3,000
HOME INVESTMENT FUND:			
HOME Investment Partnership	\$ 7,440	\$ 10,000	\$ 15,000
INDUSTRIAL DEVELOPMENT AUTHORITY FUND:			
PA Industrial Development Authority	\$ 83,040	\$ 868	\$ 43,000
INDUSTRIAL SITES CLEANUP FUND:			
Industrial Sites Cleanup — Administration .....	....	\$ 100	....
Industrial Sites Cleanup — Projects .....	....	4,900	....
INDUSTRIAL SITES CLEANUP FUND TOTAL .....	....	\$ 5,000	....
LOCAL GOVERNMENT CAPITAL PROJECT LOAN FUND:			
Local Government Capital Project Loans	\$ 1,430	\$ 1,654	\$ 573
MACHINERY AND EQUIPMENT LOAN FUND:			
General Operations	\$ 199	\$ 144	....
Machinery and Equipment Loans	11,337	16,000	....
MACHINERY AND EQUIPMENT LOAN FUND TOTAL	\$ 11,536	\$ 16,144	....
MINORITY BUSINESS DEVELOPMENT FUND:			
General Operations	\$ 2,590	\$ 2,260	\$ 2,000
Minority Business Development Loans	1,062	5,200	2,000
Venture Capital Fund	2,100	....	....
MINORITY BUSINESS DEVELOPMENT FUND TOTAL	\$ 5,752	\$ 7,460	\$ 4,000
STORAGE TANK LOAN FUND:			
General Operations	\$ 27	\$ 28	....
Storage Tank Loans	879	616	....
STORAGE TANK LOAN FUND TOTAL	\$ 906	\$ 644	....

ECONOMIC AND COMMUNITY DEVELOPMENT

Summary by Fund and Appropriation

	1994-95 Actual	(Dollar Amounts in Thousands) 1995-96 Available	1996-97 Budget
OTHER FUNDS (continued)			
SUNNY DAY FUND:			
National Westminster Bancorp, Inc. — Grants	\$ 1,150	....	....
National Westminster Bancorp, Inc. — Loans	10,000	....	....
J&L Specialty Steel, Inc.	2,500	....	....
BRW Steel	13,000	....	....
Cephalon, Inc.	10,000	....	....
C-Cor Electronics, Inc.	4,500	....	....
Buffalo Molded Plastics, Inc.	5,000	....	....
Starbucks Coffee Company, Inc.	6,250	....	....
Mascotech Sintered Components, Inc.	2,500	....	....
AEP Industries	3,300	....	....
Tate Access Floor, Inc.	2,750	....	....
Brodart Company	2,000	....	....
Worldclass Steel, Inc.	11,800	....	....
Crown, Cork and Seal Co.	4,250	....	....
R.R. Donnelley and Sons	2,000	....	....
Metro Machine of Pennsylvania	5,000	....	....
Berg Electronics .....	....	\$ 7,000	....
Bush Industries .....	....	2,000	....
SONY Electronics, Inc. ....	....	3,000	....
Lockheed Martin Corporation .....	....	15,000	....
Genesis Health Ventures .....	....	1,500	....
SUNNY DAY FUND TOTAL	\$ 86,000	\$ 28,500	....
WORKMEN'S COMPENSATION ADMINISTRATION FUND:			
(R) Small Business Advocate — Workers' Compensation	\$ 57	\$ 265	\$ 180
WORKMEN'S COMPENSATION ADMINISTRATION FUND TOTAL	\$ 57	\$ 265	\$ 180
OTHER FUNDS TOTAL	\$ 327,802	\$ 137,648	\$ 119,569
 DEPARTMENT TOTAL — ALL FUNDS			
GENERAL FUND	\$ 227,852	\$ 200,700	\$ 130,048
FEDERAL FUNDS	117,213	137,141	113,660
AUGMENTATIONS	9,726	8,081	67,361
RESTRICTED REVENUES	781	946	833
OTHER FUNDS	327,802	137,648	119,569
TOTAL ALL FUNDS	\$ 683,374	\$ 484,516	\$ 431,471

ECONOMIC AND COMMUNITY DEVELOPMENT

Program Funding Summary:

	(Dollar Amounts in Thousands)						
	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
ECONOMIC AND COMMUNITY DEVELOPMENT SUPPORT							
GENERAL FUND.....	\$ 63,385	\$ 41,005	\$ 37,410	\$ 36,781	\$ 37,759	\$ 38,597	\$ 39,244
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	2,171	3,312	2,239	2,239	2,239	2,239	2,239
OTHER FUNDS.....	11,213	9,238	8,374	8,540	8,708	8,879	9,053
SUBCATEGORY TOTAL.....	\$ 76,769	\$ 53,555	\$ 48,023	\$ 47,560	\$ 48,706	\$ 49,715	\$ 50,536
BUSINESS AND JOB DEVELOPMENT							
GENERAL FUND.....	\$ 97,459	\$ 91,004	\$ 33,313	\$ 77,113	\$ 77,113	\$ 77,113	\$ 77,113
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	798	1,500	1,500	1,500	1,500	1,500	1,500
OTHER FUNDS.....	278,470	82,336	128,816	68,816	68,816	68,816	68,816
SUBCATEGORY TOTAL.....	\$ 376,727	\$ 174,840	\$ 163,629	\$ 147,429	\$ 147,429	\$ 147,429	\$ 147,429
TECHNOLOGY DEVELOPMENT							
GENERAL FUND.....	\$ 37,990	\$ 40,000	\$ 29,250	\$ 29,250	\$ 29,750	\$ 29,750	\$ 29,750
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	150	150	150	150	150	150	150
OTHER FUNDS.....	34,798	39,743	31,900	31,900	32,400	32,400	32,400
SUBCATEGORY TOTAL.....	\$ 72,938	\$ 79,893	\$ 61,300	\$ 61,300	\$ 62,300	\$ 62,300	\$ 62,300
COMMUNITY DEVELOPMENT							
GENERAL FUND.....	\$ 29,018	\$ 28,691	\$ 30,075	\$ 30,075	\$ 30,075	\$ 30,075	\$ 30,075
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	114,094	132,179	109,771	109,771	109,771	109,771	109,771
OTHER FUNDS.....	13,828	15,358	18,673	18,100	18,100	18,100	18,100
SUBCATEGORY TOTAL.....	\$ 156,940	\$ 176,228	\$ 158,519	\$ 157,946	\$ 157,946	\$ 157,946	\$ 157,946
ALL PROGRAMS:							
GENERAL FUND.....	\$ 227,852	\$ 200,700	\$ 130,048	\$ 173,219	\$ 174,697	\$ 175,535	\$ 176,182
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	117,213	137,141	113,660	113,660	113,660	113,660	113,660
OTHER FUNDS.....	338,309	146,675	187,763	127,356	128,024	128,195	128,369
DEPARTMENT TOTAL.....	\$ 683,374	\$ 484,516	\$ 431,471	\$ 414,235	\$ 416,381	\$ 417,390	\$ 418,211

ECONOMIC AND COMMUNITY DEVELOPMENT

PROGRAM OBJECTIVE: To utilize State economic development resources in a cohesive and cost-effective manner in order to assist in the job creation and retention process within the Commonwealth.

Program: Economic and Community Development Support Services

This program works in partnership with hundreds of local, community and regional service providers to deliver resources to businesses, communities and individuals who are in need of assistance. Because of the complexity of the delivery system, the department plays a key role in ensuring that the system is effective and efficient. This ensures that Pennsylvania's businesses and communities provide the opportunity for all of the Commonwealth's people to achieve a high economic quality of life.

A key function is the Governor's Action Team. The Action Team reacts immediately to major problems and opportunities related to economic development including major business locations, relocations, expansions or dislocations which require administration-wide, multi-departmental involvement.

Marketing and local planning assistance efforts further supplement the day to day operations of the Department of Economic and Community Development. 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 and work. Toward these ends, the

department 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 and domestic investments in Pennsylvania, and to expand the markets for products of Pennsylvania firms overseas. A primary means available to assist export trade is to provide small businesses with support in overcoming the many legal, financial and logistical problems inherent in doing business internationally. Domestically the marketing program targets key industries—those in which Pennsylvania has exhibited a particular competitive advantage.

The tourism marketing component involves the Tourist Promotion Assistance (TPA) grant program, which assists county and regional tourist promotion agencies in Pennsylvania by providing grants as matching assistance for advertising and promotion expenses. A key element of tourism marketing is the proper meshing of the Commonwealth's tourism program with the TPAs' efforts.

Local business development efforts aid in arranging financing packages and in local marketing and promotion activities, while providing direct managerial and technical assistance to small businesses.

Program Measures:	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
Traveler expenditures (in millions)	\$10,060	\$10,462	\$10,986	\$11,645	\$12,460	\$13,332	\$14,265
Tourist Promotion Assistance:							
Public/private funds leveraged (in thousands)	\$31,376	\$32,945	\$32,921	\$36,668	\$38,501	\$40,426	\$42,447
Designated distressed communities assisted	36	36	36	36	36	36	36
Feasibility studies funded	NA	NA	NA	NA	NA	NA	NA

Program Recommendations:

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

GENERAL FUND			
General Government Operations		International Trade	
\$	-7,761	\$	-40
	3,538		98
			397
\$	-4,223		1,134
	<i>Appropriation Decrease</i>		
	Computer Acquisition		
\$	202		
	—Initiative—Technology Enhancements. To develop systems and acquire technology to link the computer capabilities of regional offices.		
		\$	1,589
			<i>Appropriation Increase</i>

ECONOMIC AND COMMUNITY DEVELOPMENT

Program: Economic and Community Development Support Services (continued)

Program Recommendations: (continued)

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

\$	3	<p>Marketing to Attract Film Business —to continue current program.</p>	\$	-691 1,500	<p>Marketing to Attract Tourists —nonrecurring projects. —PRR—Redesigning the Foundation for Economic Growth. To implement a regional marketing strategy designed to improve tourism. See the Program Revision following the Business and Job Development Program for more information.</p>	
				\$	809	<i>Appropriation Increase</i>

Other General Fund appropriations are recommended at current year funding levels or discontinued because they are nonrecurring projects.

Rural Leadership Training is recommended at the current year funding level. Program transferred from the Department of Community Affairs.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
GENERAL FUND:							
General Government Operations	\$ 45,813	\$ 14,797	\$ 10,574	\$ 10,785	\$ 11,001	\$ 11,221	\$ 11,445
Computer Acquisition .....	.....	898	1,100	.....	.....	.....	.....
International Trade .....	.....	2,863	4,452	4,521	5,089	5,508	5,729
Export Opportunities .....	.....	50	.....	.....	.....	.....	.....
Marketing to Attract Tourists	6,000	7,100	7,909	8,067	8,228	8,393	8,561
Marketing to Attract Business .....	.....	1,385	1,385	1,413	1,441	1,470	1,499
Marketing to Attract Film Business .....	.....	250	253	258	263	268	273
Appalachian Regional Commission	230	242	242	242	242	242	242
Industrial Development Assistance	1,000	1,100	1,100	1,100	1,100	1,100	1,100
Tourist Promotion Assistance	7,400	8,140	8,140	8,140	8,140	8,140	8,140
Local Development District Grants	1,492	2,055	2,055	2,055	2,055	2,055	2,055
Welcome America	1,000	1,150	.....	.....	.....	.....	.....
Horticultural Exposition	250	250	.....	.....	.....	.....	.....
Community Economic Recovery .....	.....	525	.....	.....	.....	.....	.....
Rural Leadership Training	200	200	200	200	200	200	200
TOTAL GENERAL FUND	\$ 63,385	\$ 41,005	\$ 37,410	\$ 36,781	\$ 37,759	\$ 38,597	\$ 39,244

ECONOMIC AND COMMUNITY DEVELOPMENT

PROGRAM OBJECTIVE: *To ensure that capital for the creation, location, retention and expansion of private business is available at each step of the business life cycle for all types and sizes of business, and to make possible lower capital costs as an attraction for businesses to invest or re-invest in Pennsylvania.*

Program: Business and Job Development

The department has a broad array of programs available to create the best possible climate for business development.

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, areas of high unemployment and enterprise zones. A qualified business may receive up to \$2 million at interest rates ranging from three percent to six percent, depending upon the unemployment rate in the county where the project is located. Under Act 22 of 1991, PIDA had been partially funded via dedicated tax revenue in the form of \$70 million per calendar year from the Corporate Net Income Tax. This funding expired June 30, 1994 as part of that year's recapitalization of PIDA. An important component of PIDA added in 1992 is job retention. PIDA now funds projects which retain jobs in addition to job creating projects. Companies seeking job retention funding must demonstrate that they are or are seeking to become quality firms and have quality jobs.

This budget proposes that the current Machinery and Equipment Loan Fund (MELF) and Sunny Day Fund be merged into the Industrial Development Fund (PIDA). Securitization of Sunny Day Fund loans will provide an additional \$60,000,000 of which portions will be dedicated to Infrastructure Development, the Industrial Development Fund, and the Opportunity Fund. These funds will provide for site development and opportunities to attract and retain businesses to Pennsylvania.

The Infrastructure Development program provides grants and loans to develop and improve business sites. Funding may be provided for specific infrastructure improvements necessary to complement planned industrial investment by private companies, to restore blighted land to productive use and to develop the restored land once a developer is found to restore the land to productive use, or for developing local infrastructure at present and future business sites.

The Pennsylvania Capital Loan Fund (PCLF) makes low-interest loans to small businesses, manufacturers, industrial firms, agricultural processors and mining operations 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, feasibility assessments, the purchase and upgrading of machinery and equipment and for working capital.

For 1996-97, this budget proposes the merger of the Air Quality Improvement Fund, the Storage Tank Loan Fund and the Recycling Incentive Development Account into the Pennsylvania Capital Loan Fund.

The Economic Development Setaside makes loans or grants to

industrial, manufacturing or research and development enterprises which are located in distressed communities. The funds can be used for land and building acquisition, building construction and renovation, site preparation and infrastructure. Funding for this program is eliminated from this budget. It is to be replaced by the Opportunity Fund.

Additional efforts to retain businesses in the Commonwealth will be made through the Business Retention Program, Business Resource Center and the Opportunity Fund.

Program Element: Job Training

The Customized Job Training Program supports new and existing firms in Pennsylvania by specifically training Pennsylvanians for new jobs or upgrading existing employees skills to accommodate new technologies. Customized Job Training plays an important role in creating and fostering an environment suitable to economic growth. A portion of the funds generated by the securitization of Sunny Day Fund loans will provide for enhancement of this program.

Additional efforts to enhance job training and education benefiting the Commonwealth's citizens will be made with the implementation of the following programs: Business Quality Partnership, Regional Skills Centers, Individual Learning Accounts.

Program Element: Minority Business

The Pennsylvania Minority Business Development Authority (PMBDA) offers low-interest loans to minority-owned businesses for fixed asset financing, working capital and other financing needs. These efforts can be particularly crucial given the difficulty minority entrepreneurs have in securing adequate funding, especially working capital.

Program Element: Pennsylvania Economic Development Financing Authority (PEDFA)

The Pennsylvania Economic Development Financing Authority (PEDFA) pools taxable and tax-exempt financing with the ability to finance economic development projects. PEDFA can finance land, buildings, machinery and equipment. Applications must be submitted through an industrial development authority.

Program Element: Ports Development

The department also provides for the development of the Philadelphia, Erie and Pittsburgh ports. PENNPORTS is the agency that focuses on the economic enhancement of all three ports under one umbrella agency, including the recently created Philadelphia Regional Port Authority and Pittsburgh Port Commission. These funds are used to aid in the development of these ports, which not only generate port and shipping related jobs, but also assist Pennsylvania firms in exporting their products.

Program Measures:	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
Jobs created/retained:	48,905	45,000	45,000	45,000	45,000	45,000	45,000
Public/private funds leveraged (in thousands):	\$1,198,330	\$1,100,000	\$1,100,000	\$1,100,000	\$1,100,000	\$1,100,000	\$1,100,000
Businesses assisted	452	450	450	450	450	450	450
Projects/communities assisted in distressed areas	435	435	435	435	435	435	435

Jobs created/retained and public/private funds leveraged increased over last year's budget projections due to increases in Pennsylvania Industrial Development Authority and Housing and Redevelopment — Economic Development Setaside funding.

ECONOMIC AND COMMUNITY DEVELOPMENT

Program: Business and Job Development (continued)

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

	GENERAL FUND		
	Customized Job Training	\$ 3,000	Business Retention Program
\$ -7,500	—PRR — Redesigning the Foundation for Economic Growth. To assist businesses upgrade the skills of new and existing workers. A total of \$16.5 million in State funds and funds generated from the securitization of Sunny Day Fund loans will be provided for this program. See the Program Revision following this program for more information.		—PRR — Redesigning the Foundation for Economic Growth. To improve efforts to assist and retain Pennsylvania businesses. See the Program Revision following this program for more information.
		\$ 2,000	Business Resource Center
	Infrastructure Development		—PRR — Redesigning the Foundation for Economic Growth. To improve efforts to attract businesses to Pennsylvania. See the Program Revision following this program for more information.
\$ -25,000	—PRR — Redesigning the Foundation for Economic Growth. To provide grants for site development. A total of \$16.2 million in State funds and funds generated from the securitization of Sunny Day Fund loans will be provided for this program. See the Program Revision following this program for more information.	NA	Transfer to PA Industrial Development Authority
			—PRR — Redesigning the Foundation for Economic Growth. A total of \$15 million in State funds and funds generated from the securitization of Sunny Day Fund loans will be provided for this program. See the Program Revision following this program for more information.
	Housing and Redevelopment—Economic Development Setaside		PennCAP
\$ -15,000	—PRR — Redesigning the Foundation for Economic Growth. Savings generated through program consolidation. See the Program Revision following this program for more information.	\$ 2,000	—PRR — Redesigning the Foundation for Economic Growth. To provide loan guarantees to leverage private investment. See the Program Revision following this program for more information.
	Transfer to Capital Loan Fund		Opportunity Fund
\$ -8,000	—PRR — Redesigning the Foundation for Economic Growth. Savings generated through program consolidation. See the Program Revision following this program for more information.	\$ 5,000	—PRR — Redesigning the Foundation for Economic Growth. To retain and attract businesses to Pennsylvania. A total of \$20 million in State funds and funds generated from the securitization of Sunny Day Fund loans will be provided for this program. See the Program Revision following this program for more information.
	Employe Ownership—Technical Assistance		Business Quality Partnership
\$ -250	—nonrecurring projects.		—PRR — Redesigning the Foundation for Economic Growth. To expand the existing network of distance learning providers to enable businesses to train workers at remote locations. See the Program Revision following this program for more information.
	Community Facilities	\$ 1,000	
\$ -1,500	—nonrecurring projects.		
	PENNPORTS		Regional Skills Center
\$ 500	—Initiative — Capital Improvements to Port of Erie. To enhance the Port of Erie's shipbuilding ability.	\$ 500	—PRR — Redesigning the Foundation for Economic Growth. To consolidate job training programs. See the Program Revision following this program for more information.
112	—to continue current program.		
\$ 612	<i>Appropriation Increase</i>		
	Defense Conversion		
\$ -53	—nonrecurring projects.		
	Transfer to Sunny Day Fund		
\$ -15,000	—PRR — Redesigning the Foundation for Economic Growth. Savings generated through program consolidation. See the Program Revision following this program for more information.		

ECONOMIC AND COMMUNITY DEVELOPMENT

Program: Business and Job Development (continued)

Program Recommendations: (continued)

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

<p>\$ 1,000</p> <p>Individual Learning Accounts</p> <p>—PRR— Redesigning the Foundation for Economic Growth. To encourage businesses and workers to pursue educational opportunities outside of the workplace. See the Program Revision following this program for more information.</p>	<p>\$ -500</p> <p>FAY-Penn Economic Development</p> <p>—nonrecurring projects.</p>
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All other appropriations are recommended at the current year funding level.

Securitization of Sunny Day Loans will provide \$60,000,000 for expenditure in 1996-97 for industrial development and job training programs. \$15,000,000 of those funds will augment the Customized Job Training program to provide additional training needed by industries, \$15,000,000 will augment the agency Industrial Development Fund transfer account and become a transfer to the Industrial Development Fund, \$15,000,000 will augment the new Opportunity Fund appropriation and \$15,000,000 will augment the Infrastructure Development program to enhance economic development efforts across the Commonwealth.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
GENERAL FUND:							
Customized Job Training	\$ 7,755	\$ 9,000	\$ 1,500	\$ 16,500	\$ 16,500	\$ 16,500	\$ 16,500
Infrastructure Development .....	.....	26,200	1,200	.....	.....	.....	.....
Housing and Redevelopment— Economic Development Setaside .....	.....	15,000	.....	.....	.....	.....	.....
Transfer to Capital Loan Fund .....	.....	8,000	.....	.....	.....	.....	.....
Hardwoods Research and Promotion	385	490	490	490	490	490	490
Employe Ownership—Technical Assistance .....	.....	250	.....	.....	.....	.....	.....
Community Facilities	996	1,500	.....	.....	.....	.....	.....
Transfer to Economic Revitalization Fund .	41,742	.....	.....	.....	.....	.....	.....
PENNPORTS	11,121	10,681	11,293	11,293	11,293	11,293	11,293
Transfer to Minority Business Development Fund	7,150	2,130	2,130	2,130	2,130	2,130	2,130
Music Theatre Festival	100	.....	.....	.....	.....	.....	.....
Economic Development Financing Authority	250	.....	.....	.....	.....	.....	.....
Defense Conversion	35	53	.....	.....	.....	.....	.....
Transfer to Sunny Day Fund	25,000	15,000	.....	.....	.....	.....	.....
Site Development	660	.....	.....	.....	.....	.....	.....
Small Business Development Centers	1,965	2,200	2,200	2,200	2,200	2,200	2,200
PA Energy Development Authority	300	.....	.....	.....	.....	.....	.....
Business Retention Program .....	.....	.....	3,000	3,000	3,000	3,000	3,000
Business Resource Center .....	.....	.....	2,000	2,000	2,000	2,000	2,000
Transfer to PA Industrial Development Authority .....	.....	.....	.....	15,000	15,000	15,000	15,000
PennCAP .....	.....	.....	2,000	2,000	2,000	2,000	2,000
Opportunity Fund .....	.....	.....	5,000	20,000	20,000	20,000	20,000
Business Quality Partnership .....	.....	.....	1,000	1,000	1,000	1,000	1,000
Regional Skills Centers .....	.....	.....	500	500	500	500	500
Individual Learning Accounts .....	.....	.....	1,000	1,000	1,000	1,000	1,000
FAY — Penn Economic Development .....	.....	500	.....	.....	.....	.....	.....
TOTAL GENERAL FUND	\$ 97,459	\$ 91,004	\$ 33,313	\$ 77,113	\$ 77,113	\$ 77,113	\$ 77,113

ECONOMIC AND COMMUNITY DEVELOPMENT

Program Revision: Redesigning the Foundation for Economic Growth

Pennsylvania's economic success is determined by the business climate we create through our tax policies and regulations, as well as through our efforts to assist and facilitate business growth. Without significant change in the way we direct and apply our economic development efforts, Pennsylvania cannot expect to realize its full economic potential. This Program Revision outlines a multi-faceted plan to realign economic development programs and policies to foster growth and restore prosperity to Pennsylvania and its workers. Pennsylvania clearly has a vested interest in creating and maintaining a strong economy. The health of our communities as well as the prosperity of our citizens depends on our ability to offer growth opportunities to employers.

Redesigning Pennsylvania's Economic Development Efforts

We must make dramatic changes in Pennsylvania's current economic development efforts if we are to improve the State's employment opportunities. This message is underscored by the competitive realities of the modern marketplace, as reflected in comparative measures of economic performance which show the Commonwealth lagging and underperforming national averages. If Pennsylvania hopes to regain its status as an economic power, it is imperative that we become more responsive to the needs of companies that create new job opportunities.

Enterprises that need assistance should have access to well-focused programs that can deliver services and provide the capital necessary to be competitive. This Program Revision initiates a plan to create a single, consolidated business assistance program called the Keystone Strategic Fund. Under this plan, the department's current array of grant and loan programs will be restructured to eliminate duplication and to gain operational efficiency. Over the next three fiscal years, 14 separate financing programs will be combined into three core offerings of loans, loan guarantees and grants. This new program will provide greater flexibility to better meet the diverse needs of Pennsylvania businesses. The following specific changes are proposed for 1996-97:

- The Pennsylvania Industrial Development Authority (PIDA) will be restructured to offer loans for land, buildings, infrastructure, machinery and equipment. The Machinery and Equipment Loan Fund (MELF) and Sunny Day Fund programs will be terminated and the fund balances transferred to PIDA. PIDA will receive \$15 million in augmenting revenues to meet the heavy demand for program funds.
- The Pennsylvania Capital Loan Fund (PCLF) will continue its direct loan programs for small businesses. A number of smaller loan programs such as the Air Quality Improvement Fund, Storage Tank Loan Fund and Recycling Incentive Development account will be merged in the PCLF. This consolidation will improve operational efficiency and eliminate customer confusion.
- \$2 million will be provided to expand PennCAP, a loan guarantee program currently operated through the Pennsylvania Economic Development Financing Authority (PEDFA). This loan guarantee program is expected to leverage approximately \$7 million from private sources.
- A total of \$20 million in State funds and augmenting revenues will be provided to create the Opportunity Fund, a flexible program that will provide grants to companies as an incentive to locate or remain in the Commonwealth. This new program will replace the Economic Development Setaside program.
- The Infrastructure Development Program will continue in its current form. This program will receive a total of \$16.2 million in State funds and augmenting revenues to provide grants and loans to businesses for infrastructure improvements on site locations within Pennsylvania.
- The Pennsylvania Minority Business Development Fund will continue in its current form. The department plans to utilize a portion of the program's resources to develop a loan guarantee program for minority businesses.

- The Industrial Sites Cleanup Fund will continue in its current form.

In Fiscal Year 1997-98 the department will reduce the seven remaining programs into the three core components of the Keystone Strategic Fund.

In addition to making programs more responsive to customers, Pennsylvania must also stand ready as a partner with the business community. This Program Revision creates two new programs to develop this critical partnership bond between the Commonwealth and its businesses.

Businesses typically engage in an extensive search process when considering an investment to expand or relocate a facility. Currently, companies' requests for information about such critical concerns as the State's business climate or its technological infrastructure are handled on an ad hoc basis without coordination. In order to compete effectively with other states in the competition to attract employers, Pennsylvania must develop an ability to provide comprehensive, accurate data to these companies in a timely fashion. This Program Revision recommends \$2 million to develop and operate the Business Resource Center. This Center will make use of the latest technology to put information at the fingertips of those who need it to make decisions about investing and creating jobs in Pennsylvania. The Center will provide support to the Governor's Action Team and to local economic development professionals who are working with interested businesses. In addition, it will provide information directly to businesses.

Retaining existing businesses is critical to improving Pennsylvania's job growth. Many of these businesses struggle with day-to-day problems without knowledge or consideration of assistance available from the Commonwealth. The loss to businesses in terms of lost sales and wasted resources is enormous and may result in decisions to relocate or expand operations elsewhere. This Program Revision provides \$3 million to create the Pennsylvania Business Retention Program, a partnership among the state, local service providers and business volunteers to call on 2,000 Pennsylvania companies each year. These visits will be designed to identify and seek resolution of problems businesses experience as they operate in the Commonwealth. This program will enhance Pennsylvania's ability to identify and resolve problems in their early stages, when they are most easily addressed. The Pennsylvania Business Retention Program will be linked to the electronic data capabilities of the Business Resource Center to respond efficiently to business needs and concerns.

Pennsylvania's ability to reverse a trend of job loss, particularly in manufacturing industries, depends in part on our ability to increase participation in the global economy. This is especially true given the intense competition in traditional domestic markets. This Program Revision provides \$1.1 million to restructure the department's foreign office operations into a series of hub sites in each of the major trading regions of the world — the Asia-Pacific region, the Americas, Europe and Africa, and the Middle East. The hub offices will coordinate a series of satellite offices and contractors located in their regions. This network will enable Pennsylvania to provide its companies with a gateway to every major world market in the most efficient manner possible.

Pennsylvania's ability to grow also depends on our ability to maximize our participation in existing markets. Core industries such as manufacturing will remain important, but it is imperative that we investigate and develop alternatives. Tourism, the State's number two industry in large part due to our natural abundance and rich heritage, represents our most promising opportunity for domestic growth. This Program Revision recommends \$1.5 million to encourage regional cooperation in marketing. A Regional Marketing Partnerships Demonstration Program will be established to support multi-county regional marketing campaigns. Local participants will provide a two-to-one match and agree to link their regional effort to a planned State tourism campaign.

ECONOMIC AND COMMUNITY DEVELOPMENT

Program Revision: Redesigning the Foundation for Economic Growth (continued)

Providing Additional Tax Relief

Substantial tax relief approved as part of last year's budget made major strides toward improving the Commonwealth's competitive position. However, since the remaining tax structure still puts Pennsylvania companies at a disadvantage, more needs to be done in order to sustain the positive momentum. This Program Revision recommends a number of changes to the way we tax or provide incentives to businesses to increase capital investment and generate job growth.

The Capital Stock and Franchise taxes are levied on the capital stock value of domestic and foreign corporations conducting business in the Commonwealth. Pennsylvania is one of only 15 states to impose these taxes, which essentially tax the value of company assets, in addition to a separate Corporate Net Income tax. The Capital Stock and Franchise taxes are especially burdensome for startup and struggling companies that show little or no profit. To successfully attract and retain businesses that provide jobs for our workers and invest in our communities, the high cost of doing business in Pennsylvania must be reduced. This Program Revision recommends a 0.25 mill reduction of the Capital Stock and franchise tax rate to 12.5 mills effective January 1, 1996. This reduction will enhance the ability of companies to reinvest funds to build or diversify their business.

Pennsylvania's Sales and Use tax is imposed on the retail sale, consumption, rental or use of most tangible personal property and many services. However, goods or services used directly by businesses in their operations involving manufacturing, processing, agriculture or public utility services are exempt from these taxes. This exemption allows consumers to avoid paying Sales and Use taxes twice, once when the producer purchases a raw material or service and again when the consumer buys the end product. Such exemptions keep Pennsylvania goods and services more affordable and Pennsylvania businesses competitive. This Program Revision recommends granting an exemption from the Sales and Use tax for the purchase of computer services used for manufacturing, processing, agricultural or public utility operations. This change will enable Pennsylvania's providers of computer services to compete on equal footing with out-of-state firms not required to pay Pennsylvania taxes. It will also make it less expensive for all businesses to purchase computer-related technological improvements for their operations, helping to spur innovation and growth. This change will become effective July 1, 1996.

Pennsylvania's economic development strategy must promote job creation. This is especially important in an era of rapid corporate downsizing. This budget recommends the implementation of an annual \$30 million job creation tax credit program designed to make it less expensive for Pennsylvania businesses to hire workers. Qualified companies will be able to claim a \$1,000 tax credit against the State Corporate Net Income tax, Capital Stock and Franchise tax, or the Personal Income Tax (for Subchapter S corporations, partnerships and sole proprietorships) for each new job they create. This Program Revision allocates a total of \$15 million for this program in 1996-97. The job creation tax credit will become available July 1, 1996.

Investing in Human Capital

A quality work force is the most critical ingredient for business success. All businesses, from fast-growing, high technology companies to traditional manufacturing plants, require highly trained, competent workers to prosper and grow. This Program Revision provides the department with additional resources to help Pennsylvania's working men and women meet the challenges of the modern workplace.

The department's work force development programs are designed to contribute to lifelong learning by providing support for on-the-job basic and advanced skill training. Customized Job Training, the Commonwealth's primary work force development tool, provides job training funds to firms locating a new facility in the Commonwealth or

expanding existing operations. This Program Revision provides a total of \$16.5 million in State funds and augmenting revenues to enable businesses to train additional workers. In addition, the department will make the program more flexible by relaxing restrictions on the use of local education agents. This change will give businesses more freedom in the selection of training providers.

The proposed implementation of Federal work force development block grants holds tremendous opportunities and challenges for the Commonwealth. Capitalizing on this opportunity to directly link training programs to job opportunities will require the Commonwealth to make changes to existing training programs. This Program Revision provides \$500,000 to pilot the development of Regional Skills Centers, which will serve as "supermarkets" for training and education programs. This pilot program will put Pennsylvania a step ahead in the development of a seamless job training strategy.

In order for Pennsylvania to be a leader in work force development, it must become a leader in the application of advanced technology for training. Pennsylvania's work readiness strategies must anticipate the day when state of the art training is available on demand from the nearest personal computer. To prepare the Commonwealth for the future, this Program Revision provides \$1 million to create the Pennsylvania Business Quality Partnership. This program will expand the Consortium for Supplier Training, a network of interactive hub sites designed to deliver interactive training by the best industrial trainers in the nation. The current network will be expanded to enable companies and workers throughout the State to learn cutting edge techniques at remote locations.

Work force training should not stop at the end of the workday. Workers need to be encouraged to continue their education outside of the workplace to increase their understanding of valuable basic skills. This Program Revision provides \$1 million in seed money to test the creation of Individual Learning Accounts (ILAs), which resemble Individual Retirement Accounts for training funds. When the program is fully operational, ILAs will be funded through worker and employer contributions to provide training funds for a wide range of uses, including remedial education and total quality management training.

The development of basic skills is especially important for unemployed citizens. The Progressive Readiness for Employment Program (PREP) is a cooperative effort with the Department of Public Welfare to provide pre-vocational training to welfare recipients attempting to enter the job market. This Program Revision provides \$1.7 million to match Federal funds available to continue this successful program, which will help Pennsylvania adapt to Federal welfare reform.

Building Strong Communities

One of the fundamental building blocks for a prosperous economy is community strength. We cannot ignore shuttered buildings lining city blocks or vacant, neglected storefronts in downtown commercial districts if we expect to create an environment where businesses and citizens thrive. It is critical that we have the ability to improve neighborhoods and foster business and community growth at the grass roots level.

Economic and community development have operated in Pennsylvania with virtually no organizational or policy synergy. However, the importance of community development will be elevated with the merger of the Department of Community Affairs and the newly renamed Department of Economic and Community Development. A single department will comprehensively address the wide range of community development needs, from offering financial assistance to local entrepreneurs to guiding the development of low-income housing.

This Program Revision continues Pennsylvania's plan to integrate community and economic development. It provides \$1 million to launch the Strategic Community Partnership Program, a two-phase program to encourage community growth and renewal. The program's first phase

ECONOMIC AND COMMUNITY DEVELOPMENT

Program Revision: Redesigning the Foundation for Economic Growth (continued)

will offer support to communities completing or upgrading their strategic plans in an effort to capitalize on economic opportunities and prepare for future growth. In the second phase of the program, the department will certify communities as "World Class". This certification will indicate that communities have developed and are implementing comprehensive strategies and that they have taken steps to be job and business friendly. This Program Revision also provides \$200,000 to create the Shared Municipal Services Program, an effort to assist municipalities develop creative and innovative approaches for shared service delivery. Shared Municipal Services will provide small, local governments with a framework to meet and discuss common problems and to identify cooperative solutions. This program will also provide small grants to enable local governments to increase their technical and operational capacity.

In addition to planning needs, communities need assistance to complete costly "bricks and mortar" projects critical to their revitalization efforts. This Program Revision provides a \$5.8 million increase to the Housing and Redevelopment Program, which provides grants to communities to improve blighted neighborhoods and to upgrade downtown commercial districts. The Enterprise Development Program, which provides grants for locally-planned projects to stimulate private investment in State designated Enterprise Zones, will be increased by \$1 million. These funds will enable the department to provide assistance to additional struggling communities.

Program Measures:	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
Keystone Strategic Fund							
Value of Loans (millions)							
Current	\$200	\$200	\$200	\$200	\$200	\$200	\$200
Program Revision .....	....	....	\$120	\$105	\$105	\$105	\$105
Business Resource Center							
Information Inquiries Processed							
Current	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Program Revision .....	....	....	3,000	3,000	3,000	3,000	3,000
Business Retention Program							
Businesses Visited							
Current .....	....	....	....	....	....	....	....
Program Revision .....	....	....	2,000	2,000	2,000	2,000	2,000
International Trade							
Value of Exports Generated (millions)							
Current	\$75	\$75	\$75	\$75	\$75	\$75	\$75
Program Revision .....	....	....	\$150	\$150	\$150	\$150	\$150
Jobs Created							
Current	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Program Revision .....	....	....	2,000	2,000	2,000	2,000	2,000
Customized Job Training							
Firms Implementing Learning Strategies							
Current	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Program Revision .....	....	....	35,000	35,000	35,000	35,000	35,000
Regional Skills Centers							
Employees in Training Programs (thousands)							
Current	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Program Revision .....	....	....	1,250	1,250	1,250	1,250	1,250
Business Quality Partnership							
Companies Enrolling in Training							
Current	100	100	100	100	100	100	100
Program Revision .....	....	....	200	200	200	200	200
Individual Learning Accounts							
Employees in Training Programs Outside the Workplace (thousands)							
Current	250	250	250	250	250	250	250
Program Revision .....	....	....	275	275	275	275	275

ECONOMIC AND COMMUNITY DEVELOPMENT

Program Revision: Redesigning the Foundation for Economic Growth (continued)

Program Measures: (continued)	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
Community Conservation and Youth							
Employment							
Persons Placed in Jobs							
Current
Program Revision	630	630	630	630	630
Strategic Community Partnerships							
World Class Communities Certified							
Current
Program Revision	3	4	5	8	10
Shared Municipal Services							
Local Governments Assisted							
Current
Program Revision	20	20	20	20	20
Enterprise Development							
Value of Basic Grants (thousands)							
Current	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500
Program Revision	\$1,750	\$1,750	\$1,750	\$1,750	\$1,750
Value of Competitive Grants (thousands)							
Current	\$5,496	\$5,496	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Program Revision	\$5,246	\$5,246	\$5,246	\$5,246	\$5,246

Program Revision Recommendations:

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

<p>\$ 2,000</p> <p>\$ 5,000</p> <p>\$ -25,000</p> <p>\$ -15,000</p> <p>\$ -8,000</p> <p>\$ -15,000</p> <p>\$ 2,000</p>	<p>PennCAP —to provide loan guarantees for economic development initiatives.</p> <p>Opportunity Fund —to retain and attract businesses. This program will also receive \$15 million in augmenting revenues for a total of \$20 million.</p> <p>Infrastructure Development —to provide grants for site development. This program will also receive \$15 million in augmenting revenues for a total of \$16.2 million.</p> <p>Transfer to Sunny Day —savings generated through program consolidation.</p> <p>Transfer to Capital Loan Fund —savings generated through program consolidation.</p> <p>Housing and Redevelopment - Economic Development Setaside —savings generated through program consolidation.</p> <p>Business Resource Center —to improve efforts to attract businesses to Pennsylvania.</p>	<p>\$ 3,000</p> <p>\$ 1,134</p> <p>\$ 1,500</p> <p>\$ -7,500</p> <p>\$ 500</p> <p>\$ 1,000</p> <p>\$ 1,000</p>	<p>Business Retention Program —to improve efforts to assist and retain Pennsylvania Businesses.</p> <p>International Trade —to expand and reorganize foreign office operations.</p> <p>Marketing to Attract Tourists —to implement a regional marketing strategy designed to improve tourism.</p> <p>Customized Job Training —to assist businesses to upgrade the skills of new and existing workers. This program will also receive \$15 million in augmenting revenues for a total of \$16.5 million.</p> <p>Regional Skills Centers —to consolidate job training programs.</p> <p>Business Quality Partnership —to expand the existing network of distance learning providers to enable businesses to train workers at remote locations.</p> <p>Individual Learning Accounts —to encourage businesses and workers to pursue educational opportunities outside of the workplace.</p>
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ECONOMIC AND COMMUNITY DEVELOPMENT

Program Revision: Redesigning the Foundation for Economic Growth (continued)

Program Revision Recommendations: (continued)

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

\$ -5,000	Transfer to Ben Franklin/IRC Fund —savings generated through program consolidation.	\$ 200	Shared Municipal Services —to assist communities improve operational efficiency.
\$ 1,700	Community Conservation and Youth Employment —to leverage Federal funds available to provide pre-vocational training to welfare recipients attempting to enter the job market.	\$ 5,800	Housing and Redevelopment —to provide additional community revitalization grants.
\$ 1,000	Strategic Community Partnership —to encourage communities to complete, upgrade and implement comprehensive plans.	\$ 1,004	Enterprise Development —to provide additional financial assistance to struggling Enterprise Zone communities.
		\$ -48,662	<i>Program Revision Total</i>

Recommended Program Revision Costs by Appropriation:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
GENERAL FUND:							
PennCAP	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000
Opportunity Fund	5,000	20,000	20,000	20,000	20,000
Infrastructure Development	-25,000	....	....	....	....
Transfer to Sunny Day Fund	-15,000	....	....	....	....
Transfer to Capital Loan Fund	-8,000	....	....	....	....
Housing and Redevelopment — Economic Development Setaside	-15,000	....	....	....	....
Business Resource Center	2,000	2,000	2,000	2,000	2,000
Business Retention Program	3,000	3,000	3,000	3,000	3,000
International Trade	1,134	1,157	1,180	1,203	1,227
Marketing to Attract Tourists	1,500	1,500	1,500	1,500	1,500
Customized Job Training	-7,500	15,000	15,000	15,000	15,000
Regional Skills Centers	500	500	500	500	500
Business Quality Partnership	1,000	1,000	1,000	1,000	1,000
Individual Learning Accounts	1,000	1,000	1,000	1,000	1,000
Transfer to Ben Franklin/IRC Fund	-5,000	-5,000	-4,500	-4,500	-4,500
Community Conservation and Youth Employment	1,700	1,700	1,700	1,700	1,700
Strategic Community Partnership	1,000	1,000	1,000	1,000	1,000
Shared Municipal Services	200	200	200	200	200
Housing and Redevelopment	5,800	5,800	5,800	5,800	5,800
Enterprise Development	1,004	1,004	1,004	1,004	1,004
TOTAL GENERAL FUND	\$ -48,662	\$ 51,861	\$ 52,384	\$ 52,407	\$ 52,431

ECONOMIC AND COMMUNITY DEVELOPMENT

PROGRAM OBJECTIVE: To promote the use of advanced technology in order to help Pennsylvania industries compete successfully in the national and international market places; to encourage research and development of new products and processes that will foster the start-up of new business within the Commonwealth; and to fund research centers that will provide an incentive for indigenous business formation, as well as serving to attract investment in Pennsylvania.

Program: Technology Development

Recognizing the instrumental role that technology development 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/Industrial Resource Centers Partnership (BF/IRC) program is the Commonwealth's major technology development program. The program promotes advanced technology in an effort to make traditional industries more competitive in the marketplace and to assist new small businesses on the leading edge of technological innovation. The program supports a wide range of initiatives and programs to help create new advanced technology companies, to improve the competitive ability of existing firms and to develop a technologically skilled workforce for Pennsylvania.

The IRC portion is designed to improve the competitive ability of Pennsylvania's traditional and emerging manufacturing firms by helping them to understand and implement modern manufacturing techniques and technologies. While the Ben Franklin Partnership helps companies develop new technologies, the IRCs work with existing small and medium size manufacturers to quickly adopt existing technologies and techniques that do not require substantial research. The centers are operated as nonprofit corporations and given significant direction from a board comprised of a majority of private sector representatives. In 1993, legislation was enacted combining the previously separate Ben Franklin Partnership and IRC programs under a single board.

Program Measures:	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
Jobs created/retained:	1,628	1,700	1,700	1,700	1,700	1,700	1,700
Public/private funds leveraged (in thousands):	\$132,300	\$134,000	\$135,000	\$135,000	\$135,000	\$135,000	\$135,000
Businesses assisted	1,244	1,250	1,250	1,250	1,250	1,250	1,250

The increases in the program measures for public/private funds leveraged and the number of businesses assisted over those shown in last year's budget is due to improved data collection as well as receipt of Federal funds.

Program Recommendations:

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

\$ -5,000	Transfer to Ben Franklin/IRC Fund —PRR — Redesigning the Foundation for Economic Growth. Savings generated through program consolidation. See the Program Revision following the Business and Job Development Program for more information.	\$ -1,500	Super Computer Center —nonrecurring project.
-1,750	—nonrecurring projects.	\$ -1,500	Biotech Research —nonrecurring project.
\$ -6,750	Appropriation Decrease	\$ -1,000	Southeast Science Center —nonrecurring project.

ECONOMIC AND COMMUNITY DEVELOPMENT

Program: Technology Development (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
GENERAL FUND:							
Ben Franklin Partnership	\$ 25,000	.....	.....	.....	.....	.....	.....
Transfer to Ben Franklin/IRC Fund .....	.....	\$ 36,000	\$ 29,250	\$ 29,250	\$ 29,750	\$ 29,750	\$ 29,750
Industrial Resource Centers	7,290	.....	.....	.....	.....	.....	.....
Engineering Research Center	400	.....	.....	.....	.....	.....	.....
Super Computer Center	1,200	1,500	.....	.....	.....	.....	.....
Center for Light Microscope Imaging	400	.....	.....	.....	.....	.....	.....
Biotech Research	1,500	1,500	.....	.....	.....	.....	.....
Powdered Metallurgy Research	200	.....	.....	.....	.....	.....	.....
Southeast Science Center	2,000	1,000	.....	.....	.....	.....	.....
TOTAL GENERAL FUND	\$ 37,990	\$ 40,000	\$ 29,250	\$ 29,250	\$ 29,750	\$ 29,750	\$ 29,750

ECONOMIC AND COMMUNITY DEVELOPMENT

PROGRAM OBJECTIVE: To enhance the total environment of Pennsylvania's communities through improvements in the areas of housing, community development, job training and human services.

Program: Community Development

Program Element: Housing and Redevelopment

Housing and Redevelopment provides grants to communities, redevelopment authorities and nonprofit organizations to improve blighted neighborhoods through redevelopment, and to provide low and moderate income housing through rehabilitation. Within this program, Downtown Assistance and Preservation funds help revitalize central business districts in aging communities.

The weatherization component of the element provides funds to weatherize existing housing through furnace retrofits as well as the installation of insulation, storm doors and windows in homes of persons who meet income eligibility standards developed by the Federal Government. Weatherization is funded from U.S. Department of Energy weatherization funds.

The National Affordable Housing Act of 1990 provides funding to expand the supply of affordable housing for low-income families. A variety of options is available to meet this objective: incentives to develop and support rental housing and home ownership through acquisition, construction or rehabilitation; funding to finance relocation of displaced persons; rental assistance; and rehabilitation of substandard housing. Act 172 of 1992 established a separate special fund entitled the HOME Investment Trust Fund, as required by the U.S. Department of Housing and Urban Development (HUD), to administer these funds.

Program Element: Community Development

The Federal Small Communities Block Grant (SCBG) provides assistance in expanding low and moderate income housing opportunities, enhancing economic development and job opportunities for low and

moderate income individuals, correcting public facilities such as water and sewer systems, and improving public facilities that affect public health and safety.

The State funded Enterprise Zone Program provides grants for locally planned innovative projects which can stimulate private investment and create jobs in State-designated enterprise zones. These efforts are also supported by use of Enterprise Zone Tax Credits through the Neighborhood Assistance Act.

Planning Assistance funds help communities develop strategies and plans for economic development, growth management and environmental protection.

This budget includes funds for two new programs: Shared Municipal Services targeted to assist communities in improving operational efficiencies. This program will replace the former Circuit Riders and Regional Councils appropriations. The other new program is Strategic Community Partnerships, which will encourage communities in the preparation of comprehensive plans.

Program Element: Job Training and Human Services

The Community Conservation and Youth Employment Program provides General Fund monies to municipalities, community action agencies and nonprofit sponsors for the development of employment opportunity and conservation activities.

The Community Services Block Grant (CSBG) provides funds for community-based programs that offer health, nutrition, housing and employment related services to improve the standard of living of low-income persons.

Program Measures:	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
Housing and Redevelopment:							
Rehabilitation of existing units with							
State funds	5,955	5,000	5,000	5,000	5,000	5,000	5,000
Homes weatherized	9,260	9,260	9,260	9,260	9,260	9,260	9,260
Community Development:							
Small Communities Block Grant:							
Jobs created and/or retained	100	100	100	100	100	100	100
Housing units rehabilitated	1,900	1,900	1,900	1,900	1,900	1,900	1,900
Job Training and Human Services:							
Persons participating:							
Community conservation and youth							
employment	6,306	....	3,900	3,900	3,900	3,900	3,900
Community Service Block Grant	431,444	431,944	431,944	431,944	431,944	431,944	431,944
Employment related services and							
training projects	1,835	....	1,140	1,140	1,140	1,140	1,140
Job Placement Program:							
Persons placed	1,027	....	630	630	630	630	630

No program measures are shown in 1995-96 for certain measures since funds were not appropriated for the Community Conservation and Youth Employment Program.

ECONOMIC AND COMMUNITY DEVELOPMENT

Program: Community Development (continued)

Program Recommendations:

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

	GENERAL FUND:					
	Planning Assistance	\$	1,004			Enterprise Development
\$ -200	—nonrecurring projects. Program transferred from the Department of Community Affairs.					—PRR — Redesigning the Foundation for Economic Growth. To provide additional financial assistance to struggling Enterprise Zone communities. Program transferred from the Department of Community Affairs. See the Program Revision following the Business and Job Development Program for more information.
	Community Conservation and Youth Employment	\$	1,700			
	—PRR — Redesigning the Foundation for Economic Growth. To leverage Federal funds available to provide pre-vocational training to welfare recipients attempting to enter the job market. Program transferred from the Department of Community Affairs. See the Program Revision following the Business and Job Development Program for more information.			\$ 200		Shared Municipal Services
						—PRR — Redesigning the Foundation for Economic Growth. To assist communities improve operational efficiency. See the Program Revision following the Business and Job Development Program for more information.
\$ -2,056	County and Municipal Assistance				\$ 1,000	Strategic Community Partnership
	—nonrecurring projects.					—PRR — Redesigning the Foundation for Economic Growth. To encourage communities to complete, upgrade, and implement comprehensive plans. See the Program Revision following the Business and Job Development Program for more information.
\$ -2,464	Community Conservation and Employment					
	—nonrecurring projects.					
\$ -3,600	Community Revitalization					
	—nonrecurring projects.					
\$ 5,800	Housing and Redevelopment Assistance					
	—PRR — Redesigning the Foundation for Economic Growth. To provide additional community revitalization grants. Program transferred from the Department of Community Affairs. See the Program Revision following the Business and Job Development Program for more information.					

Distressed Communities Assistance is recommended at the current year funding level. Program transferred from the Department of Community Affairs.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
GENERAL FUND:							
Planning Assistance	\$ 275	\$ 375	\$ 175	\$ 175	\$ 175	\$ 175	\$ 175
Community Conservation and Youth Employment	2,736	....	1,700	1,700	1,700	1,700	1,700
County and Municipal Assistance .....	....	2,056	....	....	....	....	....
Community Conservation and Employment .....	....	2,464	....	....	....	....	....
Community Revitalization .....	....	3,600	....	....	....	....	....
Housing and Redevelopment Assistance	18,000	12,000	17,800	17,800	17,800	17,800	17,800
Enterprise Development	6,996	6,996	8,000	8,000	8,000	8,000	8,000
Distressed Communities Assistance	600	1,200	1,200	1,200	1,200	1,200	1,200
Regional Councils	200	....	....	....	....	....	....
Circuit Riders	211	....	....	....	....	....	....
Shared Municipal Services .....	....	....	200	200	200	200	200
Strategic Community Partnership .....	....	....	1,000	1,000	1,000	1,000	1,000
TOTAL GENERAL FUND	\$ 29,018	\$ 28,691	\$ 30,075	\$ 30,075	\$ 30,075	\$ 30,075	\$ 30,075



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 or her fullest potential as a contributing member of society.

The department conducts programs to assist the local school districts in improving educational and administrative techniques, curricula and guidance services, and provides consultant and data collection services on higher education. The bulk of the department's budget consists of subsidies for basic and higher education.

GOVERNOR'S EXECUTIVE BUDGET

EDUCATION

Summary by Fund and Appropriation

GENERAL FUND	(Dollar Amounts in Thousands)		
	1994-95 Actual	1995-96 Available	1996-97 Budget
GENERAL GOVERNMENT:			
General Government Operations	\$ 28,170 ^a	\$ 22,113 ^b	\$ 20,670
(F) Adult Basic Education — Administration	1,035	1,400	1,400
(F) Education of Exceptional Children	4,217	5,500	6,000
(F) ECIA Chapter (I) Administration	3,263	5,200	5,200
(F) State Approving Agency (VA)	722	800	800
(F) Food and Nutrition Service	2,850	4,777	3,247
(F) Migrant Education — Administration	198	380	380
(F) Emergency Immigrant Education	2	4	6
(F) Civil Rights Technical Assistance	581	700	.....
(F) Vocational Education — Administration	3,087	4,240	4,240
(F) Math and Science Teacher Training	598	1,162	870
(F) Byrd Scholarships	819	1,250	1,646
(F) Project Learning Tree	4	6	5
(F) Children with Severe Disabilities	28	99	.....
(F) Head Start Collaboration Project	33	115	200
(F) JTPA — Linkage	951	1,157	739
(F) ECIBG — Administration	411	591	500
(F) Homeless Assistance	1,230	1,210	1,285
(F) Homeless Assistance — Administration	22	65	.....
(F) Preschool Grant	399	762	830
(F) DFSC — Administration	890	1,368	1,383
(F) DFSC — Special Programs	3,937	4,164	3,930
(F) Migrant Even Start	139	107	.....
(F) Innovation in Education	282	421	454
(F) Education Research — Individuals with Disabilities	.....	144	144
(F) National Workplace Literacy	.....	500	.....
(F) State Literacy Resource Centers	367	450	.....
(F) School Health Education Programs	367	627	540
(F) Environmental Education Workshops	.....	15	10
(F) School-to-Work Opportunities	736	8,500	14,625
(F) State Post-Secondary Review Entity	258	1,760	.....
(F) Christa McAuliffe Fellowship Program	40	46	50
(F) Appalachian Regional Education Program	61	300	300
(F) Learn and Serve America — School Based	797	1,200	985
(F) Goals 2000	3,351	16,000	16,410
(F) State and Community Highway Safety	668	805	830
(F) Medical Assistance — Nurses' Aide Program	177	187	197
(F) Breath Analysis Device Inspection and Inventory	.....	100	.....
(F) Enhanced High School Driver Education	17	25	.....
(A) EDP Services	72	73	73
(A) Environmental Education	146	150	150
(A) PennSERVE	100	.....	.....
(A) Approved Private Schools	101	89	90
(A) National Center for Educational Statistics	28	15	25
(A) Model Day Care	200	.....	.....
(A) Reimbursement from Department of Banking	127	123	125
(A) Early Intervention	859	877	903
(A) Teenage Parenting	200	394	394
(A) Nurses' Aide Training	163	186	197
(A) Department of Health — Children's Cabinet	500	.....	.....
(A) EPSDT — Administration	350	700	350
(A) Teacher of the Year	2	4	.....
(A) State Boards of Education	3	7	.....

^a Includes \$1,366,000 actually appropriated as General Government Operations to the State Tax Equalization Board and excludes \$77,000 for discontinued interagency billing.

^b Includes \$1,466,000 actually appropriated as General Government Operations to the State Tax Equalization Board.

EDUCATION

Summary by Fund and Appropriation

	1994-95 Actual	(Dollar Amounts in Thousands) 1995-96 Available	1996-97 Budget
GENERAL FUND			
<i>GENERAL GOVERNMENT: (continued)</i>			
General Government Operations (continued)			
(A) National Governors' Association	\$ 1	\$ 2	.....
(A) NCES Data Coordination Grant	25	25	.....
Subtotal — State Funds	\$ 28,170	\$ 22,113	\$ 20,670
Subtotal — Federal Funds	32,537	66,137	67,206
Subtotal — Augmentations	2,877	2,645	2,307
Total — General Government Operations	\$ 63,584	\$ 90,895	\$ 90,183
PA Assessment	\$ 4,068	\$ 4,250	\$ 4,250
(F) PA Assessment Through Themes .....	.....	275	500
State Library	3,305	3,777	3,777
(F) LSCA I	1,091	1,420	1,420
(F) Nuclear Regulatory Commission Documents Support	11	12	9
(A) Penalties and Reimbursements	13	13	14
(A) LEXIS .....	.....	.....	1
(A) Photocopy Service	20	25	26
(A) Keystone Fund .....	.....	38	39
Subtotal — State Funds	\$ 3,305	\$ 3,777	\$ 3,777
Subtotal — Federal Funds	1,102	1,432	1,429
Subtotal — Augmentations	33	76	80
Total — State Library	\$ 4,440	\$ 5,285	\$ 5,286
Subtotal — State Funds	\$ 35,543	\$ 30,140	\$ 28,697
Subtotal — Federal Funds	33,639	67,844	69,135
Subtotal — Augmentations	2,910	2,721	2,387
Total — General Government	\$ 72,092	\$ 100,705	\$ 100,219
INSTITUTIONAL:			
Youth Development Centers — Education	\$ 7,846	\$ 8,541	\$ 10,954
(F) Correction Education/Juvenile Institutions	8	100	.....
(F) DCSI — Statewide Juvenile Records Center	20	23	3
Total — Youth Development Centers — Education	\$ 7,874	\$ 8,664	\$ 10,957
Correctional Institutions — Education	\$ 11,149	\$ 12,755	\$ 14,144
(F) Correctional Education	1,069	1,767	1,700
(F) JTPA — Correctional Education	317	370	258
(F) Correctional Education Community Involvement	121	230	.....
(A) JTPA — Matching Funds	298	573	233
Total — Correctional Institutions — Education	\$ 12,954	\$ 15,695	\$ 16,335
Scranton State School for the Deaf	\$ 4,596	\$ 4,729	\$ 4,800
(F) ESEA — Education for the Disabled	57	85	85
(F) School Milk Lunch	30	40	40
(F) Life Long Learning .....	.....	11	11
(F) Adult Basic Education .....	.....	10	10
(A) Cafeteria	55	50	50
(A) Tuition Recovery	732	790	817
Total — Scranton State School for the Deaf	\$ 5,470	\$ 5,715	\$ 5,813

EDUCATION

Summary by Fund and Appropriation

GENERAL FUND	1994-95 Actual	(Dollar Amounts in Thousands) 1995-96 Available	1996-97 Budget
<i>INSTITUTIONAL: (continued)</i>			
Thaddeus Stevens State School of Technology	\$ 5,075	\$ 5,398	\$ 5,342
(F) Vocational Education	72	350	100
(F) Planning Grant .....	.....	350	100
(A) Tuition and Fees	746	815	750
Total — Thaddeus Stevens State School	\$ 5,893	\$ 6,913	\$ 6,292
Subtotal — State Funds	\$ 28,666	\$ 31,423	\$ 35,240
Subtotal — Federal Funds	1,694	3,336	2,307
Subtotal — Augmentations	1,831	2,228	1,850
Total — Institutional	\$ 32,191	\$ 36,987	\$ 39,397
<i>GRANTS AND SUBSIDIES:</i>			
<i>Support of Public Schools</i>			
Instructional Support Teams	\$ 11,052	\$ 10,500	\$ 10,500
Basic Education Funding	3,214,153 ^a	3,357,259	3,357,259
Technology Initiative .....	.....	.....	33,333
Educational Opportunity Program .....	.....	42,810	.....
Distressed School District Assistance	5,451	.....	.....
Woodland Hills Desegregation	2,479	1,601 ^b	.....
For the Improvement of Teaching	1,448	1,448	.....
(F) Math and Science Teacher Training — Local	12,132	17,217	10,952
Adult Literacy	7,681	8,525	8,758
(F) Adult Basic Education — Local	11,495	13,657	12,500
Vocational Education	44,045	39,928	36,928
(F) Vocational Education Act — Local	48,428	53,547	50,000
Authority Rentals and Sinking Fund Requirements	182,000	194,844 ^c	201,000
Pupil Transportation	301,807	313,588	332,472
Nonpublic Pupil Transportation	29,760	37,808	38,215
Special Education	589,871	591,434	592,034
Early Intervention	64,101	70,170	72,189
(F) Education for Disabled Children	1,122	1,326	1,094
Homebound Instruction	690	574	.....
Tuition for Orphans and Children Placed in Private Homes	33,772	33,075	33,662
Payments in Lieu of Taxes	180	457 ^d	.....
Education of Migrant Laborers' Children	216	222	.....
(A) Migrant Education	630	630	.....
Education of the Disadvantaged	965	1,000	.....
PA Charter Schools for the Deaf and Blind	19,875	20,670	21,290
Special Education — Approved Private Schools	49,073	52,505	54,080
Higher Education of Blind or Deaf Students	50	52	52
Intermediate Units	11,000	11,000	5,500
School Food Services	14,692	16,390 ^e	16,878
School Employees' Social Security	272,984	301,621 ^f	314,750
(A) School Employees' Social Security	5,038	.....	.....
School Employees' Retirement	444,059	466,060	445,015
Private Residential Rehabilitative Institutions	500	500	.....

*227
630 not periodic*

^a Includes \$3,090,303,000 appropriated for Basic Education Funding and \$123,850,000 appropriated for Foundation Funding for Equity.

^b Recommended supplemental appropriation of \$1,601,000.

^c Includes recommended supplemental appropriation of \$14,844,000.

^d Includes recommended supplemental appropriation of \$277,000.

^e Includes recommended supplemental appropriation of \$1,030,000.

^f Includes recommended supplemental appropriation of \$15,321,000.

EDUCATION

Summary by Fund and Appropriation

	1994-95 Actual	(Dollar Amounts in Thousands) 1995-96 Available	1996-97 Budget
GENERAL FUND			
<i>GRANTS AND SUBSIDIES: (continued)</i>			
<i>Support of Public Schools (continued)</i>			
School District Demonstration Projects .....	....	\$ 275	....
Education of Indigent Children	\$ 100	103	....
<i>(F) ECIBG — School Districts</i>	<i>12,827</i>	<i>12,220</i>	<i>\$ 12,303</i>
<i>(F) ECIBG — Targeted Assistance/Effective Schools</i>	<i>2,498</i>	<i>2,021</i>	<i>2,034</i>
<i>(F) ECIA — Title I — Local</i>	<i>307,771</i>	<i>358,548</i>	<i>329,564</i>
<i>(F) Individuals with Disabilities Education — Local</i>	<i>87,447</i>	<i>100,000</i>	<i>110,000</i>
<i>(F) Food and Nutrition — Local</i>	<i>215,133</i>	<i>292,250</i>	<i>245,000</i>
<i>(F) DFSC — School Districts</i>	<i>12,073</i>	<i>14,100</i>	<i>13,353</i>
Subtotal — State Funds	\$ 5,302,004	\$ 5,574,419	\$ 5,574,137
Subtotal — Federal Funds	710,926	864,886	786,800
Subtotal — Augmentations	5,668	630	630
Total — Support of Public Schools	\$ 6,018,598	\$ 6,439,935	\$ 6,361,567
<i>Other Grants and Subsidies:</i>			
Dropout Prevention	\$ 1,088	\$ 1,089	\$ 1,089
<i>(F) DFSC — Special Program — Dropout Prevention</i>	<i>599</i>	<i>600</i>	<i>....</i>
Services to Nonpublic Schools	58,256	60,586	60,586
Textbooks and Instructional Materials for Nonpublic Schools	17,831	18,544	18,544
Teen Pregnancy and Parenthood	1,256	1,271	1,496
<i>(F) Teenage Parenting Education</i>	<i>1,245</i>	<i>1,917</i>	<i>2,392</i>
<i>(F) Maternal and Child Health Services</i>	<i>413</i>	<i>1,625</i>	<i>524</i>
Comprehensive Reading	300	300	300
Improvement of Library Services	23,781	26,370	27,424
Library Services for Visually Impaired and Disabled	2,202	2,312	2,312
Library Access	3,000	3,150	3,150
School Library Catalog	400	420	420
Distance Learning	538	1,000	1,500
Ethnic Heritage	100	100	....
Governor's Schools for Excellence	1,042	1,266	1,266
JTPA — Matching Funds	5,672	5,528	3,857
<i>(F) JTPA — Educational Training</i>	<i>5,507</i>	<i>5,537</i>	<i>2,956</i>
Keystone State Games	200	220	....
Medical Library and Museum	100	100	....
School-to-Work Opportunities	500	500	500
Technical Institute — Pittsburgh School District	1,800	....	....
Charter School Planning Grants .....	....	1,000	1,000
Safe Schools .....	....	500	1,000
Alternative Schools .....	....	3,917	4,500
DARE Program .....	....	3,075	....
Drug Education and Law Enforcement .....	....	....	3,100
Learn and Serve .....	....	....	100
Subtotal — State Funds	\$ 118,066	\$ 131,248	\$ 132,144
Subtotal — Federal Funds	7,764	9,679	5,872
Subtotal — Augmentations .....	....	....	....
Total — Other Grants and Subsidies	\$ 125,830	\$ 140,927	\$ 138,016

EDUCATION

Summary by Fund and Appropriation

GENERAL FUND

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget
<i>GRANTS AND SUBSIDIES: (continued)</i>			
<i>Higher Education — Other Grants and Subsidies:</i>			
Community Colleges	\$ 147,649	\$ 152,999	\$ 152,149
Higher Education for the Disadvantaged	7,600	7,828	7,828
Rural Initiatives	350	350	350
Higher Education Challenge Grants .....	....	....	....
Higher Education Technology Grants .....	....	....	7,000
Higher Education Equipment	2,000	2,570	....
Osteopathic College in NW Pennsylvania .....	....	300	....
Subtotal — Higher Education — Other Grants and Subsidies	\$ 157,599	\$ 164,047	\$ 167,327
<i>State System of Higher Education:</i>			
State Universities	\$ 386,319	\$ 396,890	\$ 396,890
Recruitment of the Disadvantaged	321	321	321
McKeever Center	200	300	200
Affirmative Action	1,076	1,076	1,076
Subtotal — State System of Higher Education	\$ 387,916	\$ 398,587	\$ 398,487
<i>State-Related Universities:</i>			
<i>The Pennsylvania State University:</i>			
Educational and General	\$ 207,760	\$ 214,690	\$ 214,690
Medical Programs	4,425	4,425	4,425
Children's Hospital	4,659	4,659	4,659
Agricultural Research	18,300	18,300	18,666
Agricultural Extension Services	19,787	19,787	20,183
Recruitment of the Disadvantaged	321	321	321
Central Pennsylvania Psychiatric Institute	1,568	1,568	1,568
Pennsylvania College of Technology	10,729	11,295	11,295
Pennsylvania College of Technology — Debt Service	1,592	1,592	1,592
Subtotal — The Pennsylvania State University	\$ 269,141	\$ 276,637	\$ 277,399
<i>University of Pittsburgh:</i>			
Educational and General	\$ 127,706	\$ 130,935	\$ 130,935
Medical Programs	6,239	6,239	6,239
Dental Clinics	1,030	1,030	1,030
Recruitment of the Disadvantaged	321	321	321
Western Psychiatric Institute	7,693	7,693	7,693
Western Teen Suicide Center	497	497	497
Graduate School of Public Health	250	250	250
Rural Education Outreach	300	300	300
Subtotal — University of Pittsburgh	\$ 144,036	\$ 147,265	\$ 147,265
<i>Temple University:</i>			
Educational and General	\$ 134,605	\$ 137,387	\$ 137,387
Medical Programs	8,305	8,305	8,305
Dental Clinics	1,030	1,030	1,030
Recruitment of the Disadvantaged	321	321	321
Maxillofacial Prosthodontics	125	125	125
Subtotal — Temple University	\$ 144,386	\$ 147,168	\$ 147,168
<i>Lincoln University:</i>			
Educational and General	\$ 9,575	\$ 9,663	\$ 9,663
Recruitment of the Disadvantaged	321	321	321
International Affairs Institute	289	289	289
Subtotal — Lincoln University	\$ 10,185	\$ 10,273	\$ 10,273

^a Actually appropriated as \$31,758,000 which has been distributed based on enrollment as follows: State System of Higher Education State Universities appropriation \$14,234,000; the Pennsylvania State University Educational and General appropriation \$9,160,000 and the Pennsylvania College of Technology appropriation \$767,000; the University of Pittsburgh Educational and General appropriation \$4,195,000; the Temple University Educational and General appropriation \$3,266,000; and the Lincoln University Educational and General appropriation \$136,000.

^b Actually appropriated as \$24,161,000 which has been distributed based on enrollment as follows: State System of Higher Education State Universities appropriation \$10,571,000; the Pennsylvania State University Educational and General appropriation \$6,925,000 and the Pennsylvania College of Technology appropriation \$566,000; the University of Pittsburgh Educational and General appropriation \$3,229,000; the Temple University Educational and General appropriation \$2,782,000; and the Lincoln University Educational and General appropriation \$88,000.

EDUCATION

Summary by Fund and Appropriation

	1994-95 Actual	(Dollar Amounts in Thousands) 1995-96 Available	1996-97 Budget
GENERAL FUND			
<i>GRANTS AND SUBSIDIES: (continued)</i>			
<i>Non-State-Related Universities and Colleges:</i>			
Drexel University	\$ 5,446	\$ 5,446	\$ 2,723
<i>Medical College of PA and Hahnemann University:</i>			
Medical Programs	8,142	8,142	4,071
Allied Health Programs	1,798	1,798	899
Recruitment of the Disadvantaged	321	321	161
Subtotal — Medical College of PA and Hahnemann University	\$ 10,261 ^a	\$ 10,261	\$ 5,131
<i>Thomas Jefferson University:</i>			
Doctor of Medicine Instruction	\$ 5,869	\$ 5,869	\$ 2,935
Operations and Maintenance	4,113	4,113	2,057
Subtotal — Thomas Jefferson University	\$ 9,982	\$ 9,982	\$ 4,992
<i>University of Pennsylvania:</i>			
Instruction	\$ 15,489	\$ 9,489	....
Dental Clinics	994	994	\$ 497
Medical Programs	4,280	4,280	2,140
School of Veterinary Medicine	7,456	10,420	....
New Bolton Animal Center	4,154	7,118	....
Food and Animal Clinics	1,968	1,968	....
Center for Animal Health and Productivity	1,201	1,201	....
Veterinary Activities .....	....	....	15,098
Subtotal — University of Pennsylvania	\$ 35,542	\$ 35,470	\$ 17,735
Pennsylvania College of Podiatric Medicine	\$ 1,275	\$ 1,275	\$ 638
Pennsylvania College of Optometry	1,548	1,548	774
Philadelphia University of the Arts	1,493	1,043	522
Philadelphia College of Osteopathic Medicine	5,222	5,222	2,611
Subtotal — Non-State-Related Universities and Colleges	\$ 70,769	\$ 70,247	\$ 35,126
Total — Higher Education Grants and Subsidies	\$ 1,184,032	\$ 1,214,224	\$ 1,183,045
<i>Non-State-Related Institutions:</i>			
<i>Berean:</i>			
Maintenance	\$ 1,054	\$ 1,054	\$ 527
Rental Payments	95	98	49
Subtotal — Berean	\$ 1,149	\$ 1,152	\$ 576
Johnson Technical Institute	\$ 202	\$ 202	\$ 101
Williamson Free School of Mechanical Trades	73	73	36
Subtotal — Non-State-Related Institutions	\$ 1,424	\$ 1,427	\$ 713
Total — Higher Education Grants and Subsidies and Non-State-Related Institutions	\$ 1,185,456	\$ 1,215,651	\$ 1,183,758
Subtotal — State Funds	\$ 6,605,526	\$ 6,921,318	\$ 6,890,039
Subtotal — Federal Funds	718,690	874,565	792,672
Subtotal — Augmentations	5,668	630	630
Total — Grants and Subsidies	\$ 7,329,884	\$ 7,796,513	\$ 7,683,341

^a Actually appropriated as \$4,852,000 for Hahnemann Medical Programs, \$321,000 for Hahnemann Disadvantaged Students, \$886,000 for Hahnemann Allied Health Programs, \$3,290,000 for the Medical College of Pennsylvania Medical Programs and \$912,000 for the Medical College of Pennsylvania Allied Health Programs.

EDUCATION

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
GENERAL FUND	1994-95 Actual	1995-96 Available	1996-97 Budget
STATE FUNDS	\$ 6,669,735	\$ 6,982,881	\$ 6,953,976
FEDERAL FUNDS	754,023	945,745	864,114
AUGMENTATIONS	10,409	5,579	4,867
GENERAL FUND TOTAL	\$ 7,434,167	\$ 7,934,205	\$ 7,822,957
MOTOR LICENSE FUND			
<i>GRANTS AND SUBSIDIES:</i>			
Safe Driving Course	\$ 1,283	\$ 1,498	\$ 1,500
MOTOR LICENSE FUND TOTAL	\$ 1,283	\$ 1,498	\$ 1,500
KEYSTONE RECREATION, PARK AND CONSERVATION FUND			
<i>GRANTS AND SUBSIDIES:</i>			
Local Libraries Rehabilitation and Development	\$ 260	\$ 3,470	\$ 1,583
State System of Higher Education — Deferred Maintenance	4,432	5,915	6,063
KEYSTONE RECREATION, PARK AND CONSERVATION FUND TOTAL	\$ 4,692	\$ 9,385	\$ 7,646
OTHER FUNDS			
<i>GENERAL FUND:</i>			
Library Services — Extension, Development and Improvement	\$ 3,105	\$ 8,256	\$ 8,256
Pennsylvania State University — Land Grant Aid .....	....	50	....
Emergency Immigrant Assistance	277	291	350
Surety Bond Proceeds	30	30	30
Homeless Adult Assistance	248	450	....
Temporary Special Aid	208	4,089	....
Severely Handicapped Program	33	300	300
Private Licensed Schools	460	539	562
Medical Assistance Reimbursements	7,025	5,500	12,000
Education of the Disabled Part D	213	417	430
Education of the Disabled Part C .....	....	315	....
PANET — Local Education Agencies .....	....	20	25
Approved Private School Audit Resolution	2,636	1,563	....
Total — General Fund	\$ 14,235	\$ 21,820	\$ 21,953
<i>SCHOOL EMPLOYES RETIREMENT FUND:</i>			
Administration	\$ 23,091	\$ 24,406	\$ 24,631
OTHER FUNDS TOTAL	\$ 37,326	\$ 46,226	\$ 46,584
DEPARTMENT TOTAL — ALL FUNDS			
GENERAL FUND	\$ 6,669,735	\$ 6,982,881	\$ 6,953,976
SPECIAL FUNDS	5,975	10,883	9,146
FEDERAL FUNDS	754,023	945,745	864,114
AUGMENTATIONS	10,409	5,579	4,867
OTHER FUNDS	37,326	46,226	46,584
TOTAL ALL FUNDS	\$ 7,477,468	\$ 7,991,314	\$ 7,878,687

EDUCATION

Program Funding Summary:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
EDUCATION SUPPORT SERVICES							
GENERAL FUND.....	\$ 28,170	\$ 22,113	\$ 20,670	\$ 21,083	\$ 21,505	\$ 21,935	\$ 22,374
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	32,537	66,137	67,206	67,206	67,206	67,206	67,206
OTHER FUNDS.....	25,968	27,051	26,938	26,985	27,032	27,081	27,130
SUBCATEGORY TOTAL.....	\$ 86,675	\$ 115,301	\$ 114,814	\$ 115,274	\$ 115,743	\$ 116,222	\$ 116,710
BASIC EDUCATION							
GENERAL FUND.....	\$ 5,412,524	\$ 5,698,010	\$ 5,703,214	\$ 5,733,851	\$ 5,766,061	\$ 5,766,212	\$ 5,801,025
SPECIAL FUNDS.....	1,283	1,498	1,500	1,500	1,500	1,500	1,500
FEDERAL FUNDS.....	714,805	871,939	792,323	792,320	792,320	792,320	792,320
OTHER FUNDS.....	17,883	15,557	15,427	15,449	15,472	15,495	15,518
SUBCATEGORY TOTAL.....	\$ 6,146,495	\$ 6,587,004	\$ 6,512,464	\$ 6,543,120	\$ 6,575,353	\$ 6,575,527	\$ 6,610,363
JOB TRAINING							
GENERAL FUND.....	\$ 12,171	\$ 12,353	\$ 9,912	\$ 10,019	\$ 10,128	\$ 10,239	\$ 10,352
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	5,579	6,237	3,156	3,156	3,156	3,156	3,156
OTHER FUNDS.....	746	815	750	765	780	796	812
SUBCATEGORY TOTAL.....	\$ 18,496	\$ 19,405	\$ 13,818	\$ 13,940	\$ 14,064	\$ 14,191	\$ 14,320
LIBRARY SERVICES							
GENERAL FUND.....	\$ 32,788	\$ 36,129	\$ 37,083	\$ 37,159	\$ 37,236	\$ 37,315	\$ 37,395
SPECIAL FUNDS.....	260	3,470	1,583	1,347	1,302	1,300	1,337
FEDERAL FUNDS.....	1,102	1,432	1,429	1,429	1,429	1,429	1,429
OTHER FUNDS.....	3,138	8,332	8,336	8,338	8,340	8,342	8,344
SUBCATEGORY TOTAL.....	\$ 37,288	\$ 49,363	\$ 48,431	\$ 48,273	\$ 48,307	\$ 48,386	\$ 48,505
HIGHER EDUCATION							
GENERAL FUND.....	\$ 1,184,082	\$ 1,214,276	\$ 1,183,097	\$ 1,183,097	\$ 1,183,097	\$ 1,176,097	\$ 1,176,097
SPECIAL FUNDS.....	4,432	5,915	6,063	5,909	5,854	5,976	6,226
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	0	50	0	0	0	0	0
SUBCATEGORY TOTAL.....	\$ 1,188,514	\$ 1,220,241	\$ 1,189,160	\$ 1,189,006	\$ 1,188,951	\$ 1,182,073	\$ 1,182,323
ALL PROGRAMS:							
GENERAL FUND.....	\$ 6,669,735	\$ 6,982,881	\$ 6,953,976	\$ 6,985,209	\$ 7,018,027	\$ 7,011,798	\$ 7,047,243
SPECIAL FUNDS.....	5,975	10,883	9,146	8,756	8,656	8,776	9,063
FEDERAL FUNDS.....	754,023	945,745	864,114	864,111	864,111	864,111	864,111
OTHER FUNDS.....	47,735	51,805	51,451	51,537	51,624	51,714	51,804
DEPARTMENT TOTAL.....	\$ 7,477,468	\$ 7,991,314	\$ 7,878,687	\$ 7,909,613	\$ 7,942,418	\$ 7,936,399	\$ 7,972,221

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 services provided.

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 employees and counseling and information services for active employees. The system currently provides benefits to over 115,000 annuitants.

This budget recommends the elimination of the State Tax Equalization Board and transfer of its functions to the Department of Education. These functions include determination of the aggregate market value of assessed taxable real property throughout the Commonwealth for use in calculating the amount and allocation of Commonwealth subsidies to school districts and public libraries.

Program Recommendations:

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

		General Government Operations
\$	-602	—to continue current program.
	-841	—this budget recommends the elimination of the Tax Equalization Board and transfer of its functions and duties to the Department of Education.
\$	-1,443	<i>Appropriation Decrease</i>

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
GENERAL FUND:							
General Government Operations	\$ 28,170	\$ 22,113	\$ 20,670	\$ 21,083	\$ 21,505	\$ 21,935	\$ 22,374

EDUCATION

Program: Basic Education (continued)

Program Measures:	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
Basic Education							
Public school enrollments (K-12)	1,764,946	1,801,970	1,833,110	1,855,150	1,869,250	1,879,610	1,887,070
Total expenditures per average daily membership	\$6,850	\$7,200	\$7,500	\$7,900	\$8,300	\$8,700	\$9,200
High school graduation rates	84.5	84.9	85.0	85.0	85.0	85.0	85.0
Graduates enrolling in business, technical or college programs	71,450	74,770	79,040	83,090	86,430	88,990	91,650
Vocational education enrollments	103,788	106,871	113,283	124,611	155,279	155,279	155,279
Vocational education students placed in jobs	15,904	15,776	16,722	18,394	20,233	20,233	20,233
Students taking PA Assessment	520,355	603,027	690,331	700,000	700,000	700,000	700,000
Dropout prevention program enrollments	36,084	36,000	36,000	36,000	36,000	36,000	36,000
Students served by teen parenting programs	4,482	4,750	5,000	5,000	5,000	5,000	5,000
Total General Educational Development (GED) diplomas							
Enrollment in adult basic education	17,941	18,000	18,000	18,000	18,000	18,000	18,000
Adult education volunteers trained	60,000	60,000	60,000	60,000	60,000	60,000	60,000
Adult education students receiving adjunct services	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Adult education students receiving adjunct services	38,000	38,000	38,000	38,000	38,000	38,000	38,000
Basic Education—Nonpublic Schools							
Nonpublic school enrollment	336,093	335,810	335,130	333,030	330,890	328,180	325,140
Basic Education—Adjudicated Youth and Incarcerated Adults							
Youth Development Centers							
Total youth served	1,236	1,350	1,450	1,550	1,550	1,550	1,550
Corrections Education							
Enrollments in institutional programs	8,000	6,700	6,700	6,700	6,700	6,700	6,700
Classes presented	500	500	500	500	500	500	500
General Educational Development diplomas (GEDs) issued	1,160	1,200	1,200	1,200	1,200	1,200	1,200

Vocational education enrollments are expected to increase over the next five years as a result of the change in the curriculum guidelines. The enrollment numbers are lower than reflected in last year's budget, which were overestimated.

The number of vocational education students placed in jobs is expected to increase as vocational education enrollments increase as a result of curriculum guidelines which de-emphasize the general education track.

The number of students taking PA Assessment is expected to increase as the result of regulations expanding testing to all students in grades 5, 8 and 11.

Dropout prevention program enrollments is revised upward from last year's budget due to expansion of the program's targeted student population.

The number of students served by teen parenting programs is revised downward from last year's budget due to implementation of a new data reporting system that eliminated duplicate counting.

The number of adult education volunteers trained is revised upward from last year's budget due to changes in tabulating total volunteers trained.

The total youth served in youth detention centers is revised downward from last year's budget as the average term of incarceration has increased.

Enrollments in institutional programs decreases in 1995-96 since Pell Grants are no longer available to provide postsecondary education programs for incarcerated adults as of July 1, 1995.

EDUCATION

Program: Basic Education (continued)

Program Measures: (continued)	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
Special Education							
Pupils with disabilities enrolled in programs	202,264	200,000	195,000	193,000	191,000	189,000	187,000
Pupils enrolled in programs for the gifted	81,590	81,590	81,590	81,590	81,590	81,590	81,590
Scranton School for the Deaf enrollments	110	110	110	110	110	110	110
Students in approved vocational education programs	18,056	18,300	18,500	18,700	18,900	18,900	18,900
Students in approved vocational education programs completing program	3,131	3,180	3,200	3,250	3,250	3,250	3,250

Program Recommendations:	This budget recommends the following changes: (Dollar Amounts in Thousands)
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\$ 71	GENERAL FUND Scranton State School for the Deaf —to continue current program.	\$ -1,448	For the Improvement of Teaching —this budget recommends elimination of this program.
\$ 1,951	Youth Development Centers—Education —Initiative — Educational Programs at New Youth Development Center Secure Units. To provide educational programs at three new secure YDC units scheduled to open during 1996-97.	\$ 233	Adult Literacy —Initiative — Expansion of Adult Literacy Programs. To expand educational services available for uneducated and under-educated adults in the Commonwealth.
462	—to continue current program.		
\$ 2,413	<i>Appropriation Increase</i>	\$ -3,000	Vocational Education —to continue current program.
\$ 1,603	Corrections—Education —Initiative — Educational Programs at New State Correctional Institutions. To provide educational programs at three new State Correctional Institutions at Chester, Somerset and Waymart scheduled to open in 1996-97 and the maximum security facility for juvenile offenders at Houtzdale.	\$ 6,156	Authority Rentals and Sinking Fund —to continue current program.
-214	—to continue current program.	\$ 18,884	Pupil Transportation —to continue current program.
\$ 1,389	<i>Appropriation Increase</i>	\$ 407	Nonpublic Pupil Transportation —to continue current program.
		\$ 600	Special Education —to continue current program.
\$ 33,333	Technology Initiative —PRR — Improving Educational Technology Infrastructure. This Program Revision will provide eligible school districts with the resources to purchase computers for classroom use, automated technology equipment needed for connection to the Pennsylvania Education Network, and training of teachers to integrate technology into the curriculum. See Program Revision following this subcategory for further information.	\$ 2,019	Early Intervention —Initiative — Expansion of Early Intervention Services. To provide services to an additional 520 children, ages 3-5.
		\$ -574	Homebound Instruction —this budget recommends elimination of this program.
\$ -42,810	Educational Opportunity Program —funding not included for 1996-97.	\$ 587	Tuition for Orphans and Children in Private Homes —to continue current program.
\$ -1,601	Woodland Hills Desegregation —nonrecurring costs.	\$ -457	Payments in Lieu of Taxes —this budget recommends elimination of this program.

EDUCATION

Program: Basic Education (continued)

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

	GENERAL FUND (continued)				
	Education of the Disadvantaged	\$	-100		Ethnic Heritage
\$	-1,000				—nonrecurring projects.
	—this budget recommends elimination of this program.				
	PA Charter Schools for Deaf and Blind	\$	620		Keystone State Games
\$	620				—this budget recommends elimination of a State appropriation for this program.
	—to continue current program.				
	Special Education—Approved Private Schools	\$	1,575		Safe Schools
\$	1,575				—Initiative — Expansion of Safe Schools Programs. To expand Safe Schools programs which develop local community partnerships to address youth violence.
	—to continue current program.				
	Intermediate Units	\$	-5,500		Alternative Schools
\$	-5,500				—Initiative — Expansion of Alternative Schools Program. To expand Alternative Schools programs implemented by local education agencies which remove disruptive students from regular school programs in order to provide specialized services with the goal of returning them to regular school programs.
	—reduction in direct State support.				
	School Food Services	\$	488		
\$	488				
	—to continue current program.				
	School Employes' Social Security	\$	13,129		
\$	13,129				
	—to continue current program.				
	School Employes' Retirement	\$	-21,045		
\$	-21,045				
	—to continue current program.				
	Private Residential Rehabilitative Institutions	\$	-500		DARE Program
\$	-500				—program replaced by Drug Education and Law Enforcement.
	—this budget recommends elimination of this program.				
	School District Demonstration Projects	\$	-275		Drug Education and Law Enforcement
\$	-275				—new program which replaces the DARE Program.
	—nonrecurring projects.				
	Education of Indigent Children	\$	-103		Learn and Serve
\$	-103				—Initiative — Learn and Serve Program Match. To provide State match for the Federal Learn and Serve Program.
	—this budget recommends elimination of this program.				
	Teen Pregnancy and Parenting	\$	225		MOTOR LICENSE FUND
\$	225				Safe Driving Program
	—Initiative — Expansion of Pregnant and Parenting Teen Programs. To provide support for pregnant and parenting teen programs and expand the Education Leading to Employment Career Training (ELECT) programs.				—to continue current program.
	Distance Learning	\$	500		
\$	500				
	—PRR — Improving Educational Technology Infrastructure. This Program Revision expands distance learning programs so schools can purchase satellite equipment, increase interactive videoconferencing capabilities and establish Internet connections. See Program Revision following this subcategory for further information.				

This budget proposes the transfer of the Scotland School for Veterans' Children to the Department of Military and Veterans Affairs, and the Community-Based Family Centers to the Department of Public Welfare. All funding sources have been adjusted accordingly.

All other appropriations are recommended at the current year funding level.

EDUCATION

Program: Basic Education (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
GENERAL FUND:							
PA Assessment	\$ 4,068	\$ 4,250	\$ 4,250	\$ 4,250	\$ 4,250	\$ 4,250	\$ 4,250
Scranton State School for the Deaf	4,596	4,729	4,800	4,896	4,994	5,094	5,196
Youth Development Centers — Education	7,846	8,541	10,954	11,151	11,374	11,602	11,833
Corrections — Education	11,149	12,755	14,144	14,097	14,379	14,666	14,960
Instructional Support Teams	11,052	10,500	10,500	10,500	10,500	10,500	10,500
Basic Education Funding	3,214,153	3,357,259	3,357,259	3,357,259	3,357,259	3,357,259	3,357,259
Technology Initiative .....	.....	.....	33,333	33,333	33,334	.....	.....
Educational Opportunity Program .....	.....	42,810	.....	.....	.....	.....	.....
Distressed School District Assistance	5,451	.....	.....	.....	.....	.....	.....
Woodland Hills Desegregation	2,479	1,601	.....	.....	.....	.....	.....
For the Improvement of Teaching	1,448	1,448	.....	.....	.....	.....	.....
Adult Literacy	7,681	8,525	8,758	8,758	8,758	8,758	8,758
Vocational Education	44,045	39,928	36,928	36,928	36,928	36,928	36,928
Authority Rentals and Sinking Fund	182,000	194,844	201,000	201,000	201,000	201,000	201,000
Pupil Transportation	301,807	313,588	332,472	332,472	332,472	332,472	332,472
Nonpublic Pupil Transportation	29,760	37,808	38,215	38,215	38,215	38,215	38,215
Special Education	589,871	591,434	592,034	592,034	592,034	592,034	592,034
Early Intervention	64,101	70,170	72,189	72,189	72,189	72,189	72,189
Homebound Instruction	690	574	.....	.....	.....	.....	.....
Tuition for Orphans and Children Placed in Private Homes	33,772	33,075	33,662	33,662	33,662	33,662	33,662
Payments in Lieu of Taxes	180	457	.....	.....	.....	.....	.....
Education of Migrants' Children	216	222	222	222	222	222	222
Education of Disadvantaged	965	1,000	.....	.....	.....	.....	.....
PA Charter Schools for Deaf and Blind	19,875	20,670	21,290	21,290	21,290	21,290	21,290
Special Education — Approved Private Schools	49,073	52,505	54,080	54,080	54,080	54,080	54,080
Intermediate Units	11,000	11,000	5,500	5,500	5,500	5,500	5,500
School Food Services	14,692	16,390	16,878	16,878	16,878	16,878	16,878
School Employees' Social Security	272,984	301,621	314,750	327,340	340,434	354,051	368,213
School Employees' Retirement	444,059	466,060	445,015	462,816	481,328	500,581	520,605
Private Residential Rehabilitative Institutions	500	500	.....	.....	.....	.....	.....
School District Demonstration Projects .....	.....	275	.....	.....	.....	.....	.....
Education of Indigent Children	100	103	.....	.....	.....	.....	.....
Dropout Prevention	1,088	1,089	1,089	1,089	1,089	1,089	1,089
Services to Nonpublic Schools	58,256	60,586	60,586	60,586	60,586	60,586	60,586
Textbooks and Materials for Nonpublic Schools	17,831	18,544	18,544	18,544	18,544	18,544	18,544
Teen Pregnancy and Parenting	1,256	1,271	1,496	1,496	1,496	1,496	1,496
Comprehensive Reading	300	300	300	300	300	300	300
Distance Learning	538	1,000	1,500	1,500	1,500	1,500	1,500
Ethnic Heritage	100	100	.....	.....	.....	.....	.....
Governor's Schools of Excellence	1,042	1,266	1,266	1,266	1,266	1,266	1,266
Keystone State Games	200	220	.....	.....	.....	.....	.....
School-to-Work Opportunities	500	500	500	500	500	500	500
Technical Institute — Pittsburgh School District	1,800	.....	.....	.....	.....	.....	.....
Charter School Planning Grants .....	.....	1,000	1,000	1,000	1,000	1,000	1,000
Safe Schools .....	.....	500	1,000	1,000	1,000	1,000	1,000
Alternative Schools .....	.....	3,917	4,500	4,500	4,500	4,500	4,500
DARE Program .....	.....	3,075	.....	.....	.....	.....	.....
Drug Education and Law Enforcement .....	.....	.....	3,100	3,100	3,100	3,100	3,100
Learn and Serve .....	.....	.....	100	100	100	100	100
TOTAL GENERAL FUND	\$ 5,412,524	\$ 5,698,010	\$ 5,703,214	\$ 5,733,851	\$ 5,766,061	\$ 5,766,212	\$ 5,801,025

EDUCATION

Program: Basic Education (continued)

Appropriations within this Program: (continued)

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
MOTOR LICENSE FUND:							
Safe Driving Program	\$ 1,283	\$ 1,498	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500
TOTAL MOTOR LICENSE FUND	<u>\$ 1,283</u>	<u>\$ 1,498</u>	<u>\$ 1,500</u>	<u>\$ 1,500</u>	<u>\$ 1,500</u>	<u>\$ 1,500</u>	<u>\$ 1,500</u>

Program Revision: Improving Educational Technology Infrastructure

As Pennsylvania approaches the 21st century, we must ensure that the Commonwealth is prepared to respond successfully to the challenges and opportunities that it brings. Our educational system must be equipped to prepare our children to meet these challenges. This Program Revision provides \$121 million over a three-year period for school districts and public higher education institutions including community colleges to develop and invest in advanced computer and telecommunications technology for the purpose of creating the Pennsylvania Education Network (PEN). The goal of the PEN initiative is to transform the education model in Pennsylvania from one limited by traditional institutional and geographic boundaries to a "classroom of the future" where students are provided with virtually unlimited access to information and expertise in nearly limitless subject areas. This network will be community-based and will provide information technology opportunities for all Pennsylvanians. The PEN will also facilitate job training activities to better prepare Pennsylvania's work force for the jobs of tomorrow. Through this effort, our citizens will be positioned to compete in the global economy of the 21st century; a world that will be increasingly dependent upon and driven by information technology.

Basic Education

The first component of the Program Revision targets \$100 million over a three-year period to improve the basic technology infrastructure and capabilities of public K-12 schools. In the first year of the initiative, \$33.3 million will be available for eligible school districts to invest in the acquisition of new, or replacement of obsolete, personal computers for use in classrooms; to purchase cabling and equipment needed to install local area networks and wide area networks to position schools for eventual connection to the PEN; and, to train teachers to effectively integrate technology into course curricula.

Distance Learning

The second component of the Program Revision expands the Distance Learning program which directs funding to poor and rural school

districts to purchase satellite technology and increase interactive videoconferencing capabilities. The additional \$500,000 recommended in this proposal will increase the number of school districts receiving Distance Learning grants from 25 to 40.

Higher Education

In addition, this Program Revision directs \$21 million over three years to the State System of Higher Education (SSHE); the State-related universities: The Pennsylvania State University (including the Pennsylvania College of Technology), the University of Pittsburgh, Temple University, and Lincoln University; and the community colleges, for the planning, design and implementation of the higher education components of the PEN. The PEN will provide the Statewide infrastructure to link all public K-12 schools, intermediate units, community colleges, public universities and public libraries throughout the Commonwealth into a comprehensive, high-capacity network to support the exchange of voice, video and data communications. First year funding will concentrate on three areas: (1) assessing current telecommunications infrastructure resources in Pennsylvania; (2) establishing technology testbeds for the purpose of evaluating how competing telecommunications technologies can be integrated into a complementary network; and, (3) the development of a strategic action plan for building the PEN. Second and third year funding will be devoted to building the infrastructure and connecting all participating sites. While the funding for this initiative will go directly to support services or acquisitions at public institutions, private institutions, local community entities and businesses will be encouraged to participate and will have the opportunity to link and add their resources to this system.

This Program Revision will enable Pennsylvania to become a technological leader and provide its educational system with the fundamental changes required to prepare for the future.

Program Measures:	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
Public higher education institutions and community colleges eligible for Pennsylvania Education Network funding							
Program Revision	33	33	33	....	....
Teachers eligible to receive technology training							
Program Revision	72,100	72,100	72,100	....	....
School districts receiving Distance Learning Grants							
Current	25	25	25	25	25	25
Program Revision	40	40	40	40	40

EDUCATION

Program: Improving Educational Technology Infrastructure (continued)

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

\$ 33,333	Technology Initiative —to improve the technology infrastructure of the local educational agencies.	\$ 7,000	Higher Education Technology Grants —to assess telecommunications resources at community colleges, State System of Higher Education institutions and State-related institutions, provide technology testbeds for evaluation purposes and develop a technology strategic plan.
\$ 500	Distance Learning —to expand the Distance Learning Program.	\$ 40,833	<i>Program Revision Total</i>

Recommended Program Revision Costs by Appropriation:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
GENERAL FUND:							
Technology Initiative	\$ 33,333	\$ 33,333	\$ 33,334	....	....
Distance Learning	500	500	500	\$ 500	\$ 500
Higher Education Technology Grants	7,000	7,000	7,000	....	....
TOTAL GENERAL FUND	\$ 40,833	\$ 40,833	\$ 40,834	\$ 500	\$ 500

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 and programs offered through the Thaddeus Stevens State School of Technology, 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 and C of the act are earmarked for involvement of the education community in providing school to work programs, literacy and lifelong learning and programs to train women for nontraditional employment. Matching funds are provided from State, Federal and local

sources. Up to 20 percent of the education funds can be used for coordination and linkage activities between educational institutions and entities responsible for local administration of employment and training services.

Thaddeus Stevens State School of Technology provides postsecondary vocational training to indigent youths at State expense. Berean Training and Industrial School offers one and two year postsecondary trade and technical training. Johnson Technical Institute and Williamson Free School of Mechanical Trades provide secondary three-year technical programs.

Program Measures:	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
Providers offering job training plans	128	32	32	32	32	32	32
Trainees enrolled in job training programs	26,963	12,937	13,600	13,600	13,600	13,600	13,600
Trainees completing instruction	14,033	5,176	5,440	5,440	5,550	5,550	5,550
Trainees placed in jobs	9,003	1,328	1,360	1,360	1,360	1,360	1,360
Stevens enrollments	456	450	450	450	450	450	450
Berean enrollments	273	275	275	300	350	400	400
Johnson enrollments	339	268	339	340	345	348	350
Williamson enrollments	243	254	254	254	254	254	254

Those measures concerning job training plans and job trainees reflect decreases after 1994-95 due to the transfer of the Customized Job Training program to the Department of Commerce (now the Department of Economic and Community Development), effective July 1, 1995.

Johnson enrollments are expected to decline in 1995-96 because of economic conditions in the area and declining enrollment in the area high schools. Enhanced recruitment efforts are expected to increase enrollment in 1996-97.

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

\$ -1,671	JTPA—Matching Funds —to continue current program.	\$ -714	Non-State-Related Institutions —reduction in State support.
\$ -56	Thaddeus Stevens State School of Technology —to continue current program.		

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
GENERAL FUND:							
JTPA—Matching Funds	\$ 5,672	\$ 5,528	\$ 3,857	\$ 3,857	\$ 3,857	\$ 3,857	\$ 3,857
Thaddeus Stevens State School of Technology	5,075	5,398	5,342	5,449	5,558	5,669	5,782
Non-State-Related Institutions	1,424	1,427	713	713	713	713	713
TOTAL GENERAL FUND	\$ 12,171	\$ 12,353	\$ 9,912	\$ 10,019	\$ 10,128	\$ 10,239	\$ 10,352

PROGRAM OBJECTIVE: *To provide and improve library services to citizens of the Commonwealth, special libraries, and government agencies and employes.*

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, Improvement of Library Services, Library Services for Visually Impaired and Disabled, Library ACCESS, the School Library Catalog and Distance Learning.

The State Library is the agency of the Commonwealth charged with developing, improving and coordinating library services and systems in the State. It provides Statewide leadership in the development of libraries as essential contributors to the cultural and economic well being of Pennsylvania communities.

The State Library, located in Harrisburg, is a major resource library serving the State Government, as well as libraries and residents of the Commonwealth. It includes an extensive general and legal reference collection, comprehensive collections of Pennsylvania newspapers and Pennsylvania State and U.S. Government publications; computer search services to provide reference and research assistance to State Government personnel from more than 300 databases; and a computer-based catalog, to give users more rapid access to information about the collection. Since 1990, the library has provided dial-access to the catalog for State agency offices and other libraries. In 1993, the catalog became available on the Internet.

The Library Development function provides leadership and advisory services to public, academic and special libraries; coordinates a Statewide system of public libraries; administers a program of State-aid to public libraries and promotes sharing of library resources through a variety of cooperative programs affecting libraries Statewide.

The appropriation for Improvement of Library Services encourages local libraries to meet the information, education and recreation needs of the Commonwealth. These funds assist in supporting 28 district libraries by making their resources and services available to all residents of their respective areas on behalf of the Commonwealth. In addition, they support four regional resource center libraries which are designated by State law to acquire research collections and make them available to all residents.

Library Services for Visually Impaired and Disabled provides operating funds to Pennsylvania's regional libraries for direct mail services to Pennsylvania residents who are blind and physically disabled and cannot utilize regular print materials. Seventy percent of the users of this program are elderly persons who are often homebound and isolated with no other access to the world of books. The service is provided through contracts with the Carnegie Library of Pittsburgh and the Free Library of Philadelphia.

The Library ACCESS program 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 access to books, journals and other information held by any participating school, public college or university library. The program's objective is to increase access to educational materials and to automate the time consuming management functions of Pennsylvania school libraries. The program improves the curriculum across the Commonwealth by providing access to information.

Program Measures:	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
Percentage of State population served by State-aided libraries	98%	98%	98%	98%	98%	98%	98%
Items lent (in thousands)	60,985	63,400	65,600	67,600	69,600	71,700	73,000
Titles in State Library collection listed in machine readable catalog data base	792,377	827,000	842,000	857,000	872,000	887,000	902,000
Patron queries handled by State Library staff	96,340	99,700	102,700	105,200	107,900	110,600	113,300
Items loaned under the Statewide Library ACCESS Program	10,300	10,800	11,300	12,000	12,700	13,500	14,000
Citizens served by ACCESS Pennsylvania database	525,000	575,000	630,000	695,000	722,000	775,000	820,000

EDUCATION

Program: Library Services (continued)

Program Recommendations:

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

	GENERAL FUND:	
	Improvement of Library Services	KEYSTONE RECREATION, PARK AND CONSERVATION FUND:
\$ 1,054	—to continue current program.	Local Libraries Rehabilitation and Development
		—to continue current program.
\$ -100	Medical Library and Museum	
	—nonrecurring project.	\$ -1,887

All other appropriations are recommended at the current year funding level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
GENERAL FUND:							
State Library	\$ 3,305	\$ 3,777	\$ 3,777	\$ 3,853	\$ 3,930	\$ 4,009	\$ 4,089
Improvement of Library Services	23,781	26,370	27,424	27,424	27,424	27,424	27,424
Library Services for Visually Impaired and Disabled	2,202	2,312	2,312	2,312	2,312	2,312	2,312
Library Access	3,000	3,150	3,150	3,150	3,150	3,150	3,150
School Library Catalog	400	420	420	420	420	420	420
Medical Library and Museum	100	100	.....	.....	.....	.....	.....
TOTAL GENERAL FUND	\$ 32,788	\$ 36,129	\$ 37,083	\$ 37,159	\$ 37,236	\$ 37,315	\$ 37,395
KEYSTONE RECREATION, PARK AND CONSERVATION FUND:							
Local Libraries Rehabilitation and Development	\$ 260	\$ 3,470	\$ 1,583	\$ 1,347	\$ 1,302	\$ 1,300	\$ 1,337
TOTAL KEYSTONE FUND	\$ 260	\$ 3,470	\$ 1,583	\$ 1,347	\$ 1,302	\$ 1,300	\$ 1,337

EDUCATION

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 237 degree granting institutions which include the State System of Higher Education, the four State-related universities, the community colleges, and the Commonwealth's independent colleges, universities and specialized degree granting institutions.

Funding for these institutions is through direct grant appropriations and, for most of the independent sector, through the Institutional Assistance Grants and student support programs of the Higher Education Assistance Agency.

Table 1
Full-Time Equivalent Enrollments at State-Supported Institutions of Higher Education, Actual and Projected

Institutional Category	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
State System of Higher Education	86,749	86,799	87,301	87,857	88,316	88,581	88,788
Community Colleges	71,447	71,931	73,191	74,681	76,145	77,872	79,466
State-related Universities	120,727	122,863	123,346	123,592	123,633	123,707	123,852
State-Aided	32,798	32,533	32,472	32,370	32,346	32,364	32,392
TOTAL	311,721	314,126	316,310	318,500	320,440	322,524	324,498

Program Element: State System of Higher Education

Funding for the 14 universities of the State System of Higher Education is distributed through the Chancellor's office to the individual universities in accordance with a formula 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 and all of them in teacher education. Most offer the master's degree level in some of their programs.

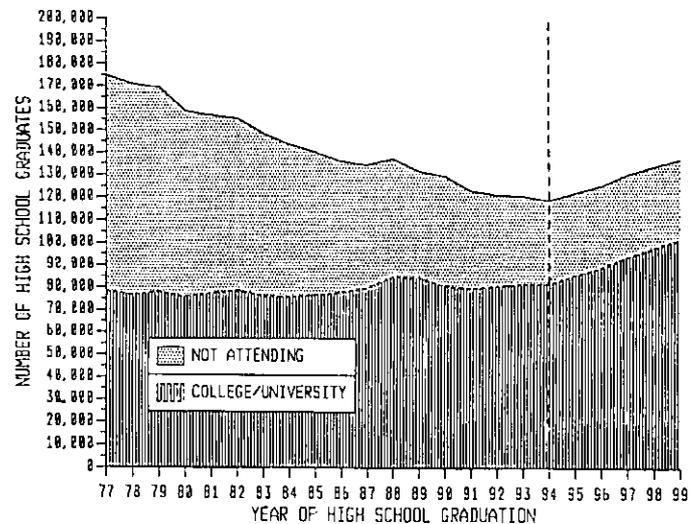
Program Element: Community Colleges

Funding for the community colleges is shared by sponsoring counties or school districts, the students through tuition payments, and the Commonwealth. Commonwealth appropriations are based on a formula which considers the number of students enrolled, the number of students in each of several technical programs for which additional stipends are paid to recognize the high cost of those programs and the capital costs of the 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. They also offer non-credit programs such as public safety to improve personal and professional skills.

Program Element: State-related Universities

Funding for the four State-related universities — The Pennsylvania State University, the University of Pittsburgh, Temple University and Lincoln University — provides basic support for the educational program. The first three of these Commonwealth universities are major research universities; they provide programs to the doctoral level in the arts and sciences and professional schools in the medical and legal fields.

Figure 1
High School Postgraduate Activity 1977 to 1994
With Projections From 1995 Through 1999



EDUCATION

Program: Higher Education (continued)

Program Element: Enrollment and Degree Programs

Full-time equivalent enrollment in State-supported institutions is expected to increase by slightly less than three percent a year over the next five years but that trend differs markedly from one sector to another. 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 the participation rates of the traditional college age population and an increase in attendance of older students and part-time students.

There has been some concern about the number of Pennsylvania high school graduates who choose not to attend a postsecondary institution. In 1994, of 118,640 high school graduates, 82,037 or 69

percent, had planned to attend a degree-granting postsecondary institution. This is a substantial improvement over 1985 when only 51 percent of high school graduates planned to attend college. Figure 1 shows that the number of graduates attending postsecondary education has improved steadily over the past 10 years.

The Pennsylvania Association of Colleges and Universities, 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
State-Supported Institutions FTE Enrollments by Subject Area

Subject Area	Number and Percent of Total	1994-95 Actual	1995-96 Projected	1996-97 Projected	1997-98 Projected	1998-99 Projected	1999-00 Projected	2000-01 Projected	Percent Change
Agricultural and Natural Resources	#	4,675	4,901	4,986	5,013	5,036	5,039	5,048	7.98
	%	1.51	1.55	1.57	1.56	1.58	1.56	1.55	
Arts and Letters	#	50,587	51,395	51,785	52,482	53,112	53,760	54,415	7.57
	%	16.23	16.36	16.37	16.48	16.57	16.67	16.77	
Business, Management, Data Processing	#	46,284	46,023	46,297	46,594	46,832	47,142	47,427	2.47
	%	14.85	14.65	14.64	14.63	14.61	14.62	14.62	
Communications and Related Technologies	#	8,201	8,318	8,407	8,485	8,543	8,599	8,630	5.23
	%	2.63	2.65	2.66	2.66	2.67	2.67	2.66	
Computer and Information Sciences	#	5,962	6,143	6,193	6,271	6,354	6,414	6,472	8.55
	%	1.91	1.96	1.96	1.97	1.98	1.99	1.99	
Education	#	39,506	39,495	39,674	39,878	40,072	40,221	40,371	2.19
	%	12.67	12.57	12.54	12.52	12.51	12.47	12.44	
Engineering, Architecture and Environmental Design	#	17,939	17,779	17,670	17,599	17,564	17,553	17,557	-2.13
	%	5.75	5.66	5.59	5.53	5.48	5.44	5.41	
Engineering and Related Technologies	#	7,577	7,623	7,697	7,883	8,019	8,229	8,371	10.48
	%	2.43	2.43	2.43	2.48	2.50	2.55	2.58	
Health Professions, Health Sciences and Biological Sciences	#	47,104	47,815	48,309	48,705	48,973	49,259	49,515	5.12
	%	15.11	15.22	15.27	15.29	15.28	15.27	15.26	
Home Economics, Human Services and Public Affairs	#	19,230	19,368	19,531	19,639	19,767	19,911	20,039	4.21
	%	6.17	6.17	6.17	6.17	6.17	6.17	6.18	
Industrial, Repair, Construction and Transport Technologies	#	2,877	2,966	3,121	3,182	3,296	3,463	3,621	25.86
	%	0.92	0.94	0.99	1.00	1.03	1.07	1.12	
Law	#	4,084	4,100	4,109	4,091	4,105	4,116	4,128	1.08
	%	1.31	1.31	1.30	1.28	1.28	1.28	1.27	
Physical Sciences, Mathematics and Related Technologies	#	14,016	14,174	14,226	14,270	14,289	14,294	14,313	2.12
	%	4.50	4.51	4.50	4.48	4.46	4.43	4.41	
Social Sciences, Psychology, Area Studies and Foreign Languages	#	33,301	33,476	33,590	33,655	33,698	33,724	33,775	1.42
	%	10.68	10.66	10.62	10.57	10.52	10.46	10.41	
Multi-Interdisciplinary Studies/Military Sciences	#	10,378	10,550	10,715	10,753	10,780	10,800	10,816	4.22
	%	3.33	3.36	3.39	3.38	3.36	3.35	3.33	
TOTAL	#	311,721	314,126	316,310	318,500	320,440	322,524	324,498	4.10
	%	100.00	100.00	100.00	100.00	100.00	100.00	100.00	

EDUCATION

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 1994-95 through 2000-01. It reflects the increased choices of job-oriented disciplines with good employment rates such as engineering technology and industrial technologies, but also reflects a slower growth in the engineering and physical science/mathematics enrollments than in the past.

A review of fields in which degrees are awarded shows the greatest number of four-year degrees are in Business (including Marketing),

Education, Engineering (with emphasis on Electrical and Mechanical Engineering), Health Sciences (including Medicine and Nursing), the Social Sciences (including Political Science and Economics), and the Arts and Letters programs.

The publicly funded institutions in Pennsylvania graduate over 70,000 students annually with degrees ranging from the two-year associate degree to doctoral and professional degrees. Pennsylvania degree graduates from both the public and private sector total over 100,000 annually.

Table 3
Higher Education Degrees Awarded by State-Supported
Institutions of Higher Education,
Actual and Projected

Institutional Category	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
State System of Higher Education	18,279	18,083	18,196	18,287	18,397	18,461	18,506
Community Colleges	11,786	11,933	12,155	12,340	12,569	12,772	12,962
State-related Universities	32,826	32,528	32,719	33,097	33,330	33,885	34,273
State-Aided	10,492	10,680	10,628	10,532	10,502	10,493	10,504
TOTAL	73,383	73,224	73,698	74,256	74,798	75,611	76,245

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 has ended, the budget continues the initiative it began. Funding is included to continue to help with the cost of recruiting and retaining minority students. Funds for the enhancement of Lincoln are continued as part of its educational and general appropriation. Funds are provided for an affirmative action program at the State System of Higher Education.

Program Element: Research

An essential ingredient for a healthy economy and the creation of new jobs in any region is the existence of vigorous research universities. Regions with the most dynamic economies are those where research and development investments have been heavy. The research university not only provides new ideas, technologies and products to industry, but also educates and motivates graduates to turn those ideas, technologies and products into industry and jobs.

While the University of Pittsburgh and Temple University are also major research universities, the Pennsylvania State University (Penn State) is the primary recipient of direct research funds designated by the Commonwealth to support research in agriculture, engineering, biological and physical sciences, earth and mineral sciences, health and human

services and 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 include liaison with the national accrediting agencies, the State Board of Education and other governing boards, policy review and development based on comprehensive planning and research and implementation of the higher education master plan and the Commonwealth of Pennsylvania plan for equal education opportunity. The agency also provides certificates to those seeking teaching certification in Pennsylvania.

EDUCATION

Program: Higher Education (continued)

Program Measures:	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
Office of Civil Rights reviews of institutional plans	33	33	33	33	33	33	33
Teacher certifications	40,600	42,100	43,600	45,150	46,900	48,400	50,150
Tests administered for certification	59,973	60,400	60,850	61,000	61,000	62,100	62,500
Programs evaluated	279	362	257	235	420	280	365
Minority enrollments at public institutions	48,110	48,200	48,300	48,400	48,500	48,500	48,000
Students served by Act 101 programs	14,050	14,000	14,000	14,000	14,000	13,500	13,500

Program Recommendations:	This budget recommends the following changes: (Dollar Amounts in Thousands)
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GENERAL FUND:			
\$	-850	Community Colleges —nonrecurring projects.	
			Osteopathic College in Northwest Pennsylvania —nonrecurring project.
			\$ -300
\$	7,000	Higher Education Technology Grants —PRR — Improving Educational Technology Infrastructure. This Program Revision provides funds to public higher education institutions and community colleges for technology grants to assess telecommunications infrastructure resources across the Commonwealth, establish technology testbeds, and develop a strategic plan for buildup of the Pennsylvania Education Network. See Program Revision following the Basic Education subcategory for further information.	\$ -100
			State System of Higher Education —nonrecurring project.
			\$ 762
			The Pennsylvania State University —to continue current program.
			\$ -35,121
			State-Aided Colleges and Universities —reduction in State support.
\$	-2,570	Higher Education Equipment —nonrecurring projects.	\$ 148
			KEYSTONE RECREATION, PARK AND CONSERVATION FUND: State System of Higher Education — Deferred Maintenance —to continue current program.

All other appropriations are recommended at the current year funding levels.

Appropriations within this Program:	(Dollar Amounts in Thousands)						
	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
GENERAL FUND:							
Higher Education of the Blind or Deaf	\$ 50	\$ 52	\$ 52	\$ 52	\$ 52	\$ 52	\$ 52
Community Colleges	147,649	152,999	152,149	152,149	152,149	152,149	152,149
Higher Education for the Disadvantaged ..	7,600	7,828	7,828	7,828	7,828	7,828	7,828
Rural Initiatives	350	350	350	350	350	350	350
Higher Education Technology Grants .....	.....	.....	7,000	7,000	7,000	.....	.....
Higher Education Equipment	2,000	2,570	.....	.....	.....	.....	.....
Osteopathic College in NW Pennsylvania ..	.....	300	.....	.....	.....	.....	.....
State System of Higher Education (SSHE)	387,916	398,587	398,487	398,487	398,487	398,487	398,487
The Pennsylvania State University	269,141	276,637	277,399	277,399	277,399	277,399	277,399
University of Pittsburgh	144,036	147,265	147,265	147,265	147,265	147,265	147,265
Temple University	144,386	147,168	147,168	147,168	147,168	147,168	147,168
Lincoln University	10,185	10,273	10,273	10,273	10,273	10,273	10,273
State-Aided Colleges and Universities	70,769	70,247	35,126	35,126	35,126	35,126	35,126
TOTAL GENERAL FUND	\$ 1,184,082	\$ 1,214,276	\$ 1,183,097	\$ 1,183,097	\$ 1,183,097	\$ 1,176,097	\$ 1,176,097

EDUCATION

Appropriations within this Program: (continued)

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
KEYSTONE RECREATION, PARK AND CONSERVATION FUND:							
State System of Higher Education –							
Deferred Maintenance	\$ 4,432	\$ 5,915	\$ 6,063	\$ 5,909	\$ 5,854	\$ 5,976	\$ 6,226
TOTAL KEYSTONE FUND	\$ 4,432	\$ 5,915	\$ 6,063	\$ 5,909	\$ 5,854	\$ 5,976	\$ 6,226



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 in the event of natural and man-made disasters and under enemy attack. The agency also provides loans to volunteer fire, ambulance and rescue companies, and coordinates State fire services.

GOVERNOR'S EXECUTIVE BUDGET

EMERGENCY MANAGEMENT AGENCY

Summary by Fund and Appropriation

	1994-95 Actual	(Dollar Amounts in Thousands) 1995-96 Available	1996-97 Budget
GENERAL FUND:			
GENERAL GOVERNMENT:			
General Government Operations	\$ 3,920 ^a	\$ 4,797 ^b	\$ 4,739
(F) Civil Preparedness	2,046	3,142	2,885
(F) Flash Flood Project — Warning System	125	115	105
(F) Hazardous Materials Planning and Training	245	387	350
(F) Chemical Preparedness	3	100	100
(F) Winter Storm Disaster Aid	30	.....	.....
(A) Nuclear Facility	84	85	85
Total — General Government Operations	\$ 6,453	\$ 8,626	\$ 8,264
State Fire Commissioner's Office	\$ 1,262	\$ 1,284	\$ 1,261
(F) Fire Prevention .....	.....	20	200
(A) Ronald McDonald Reimbursement	25	25	.....
(A) Arson Fines .....	.....	2	2
(A) Fire Academy Fees .....	.....	.....	25
Total — State Fire Commissioner's Office	\$ 1,287	\$ 1,331	\$ 1,488
Subtotal — State Funds	\$ 5,182	\$ 6,081	\$ 6,000
Subtotal — Federal Funds	2,449	3,764	3,640
Subtotal — Augmentations	109	112	112
Total — General Government	\$ 7,740	\$ 9,957	\$ 9,752
GRANTS AND SUBSIDIES:			
Firefighters' Memorial Flag	\$ 10	\$ 10	\$ 10
Civil Air Patrol	100	100	.....
Flood Plain Management	43 ^c	60 ^c	60
(F) FEMA Technical Assistance	60	60	60
Total — Grants and Subsidies	\$ 213	\$ 230	\$ 130
STATE FUNDS	\$ 5,335	\$ 6,251	\$ 6,070
FEDERAL FUNDS	2,509	3,824	3,700
AUGMENTATIONS	109	112	112
GENERAL FUND TOTAL	\$ 7,953	\$ 10,187	\$ 9,882
OTHER FUNDS:			
GENERAL FUND:			
Emergency Management and Disaster Assistance	\$ 52,841	\$ 4,000	\$ 4,000
Radiological Emergency Response Planning	486	500	500
Radiation Emergency Response Fund	508	500	500
Radiation Transportation Emergency Response Fund	1	182	170
GENERAL FUND TOTAL	\$ 53,836	\$ 5,182	\$ 5,170
HAZARDOUS MATERIAL RESPONSE FUND:			
General Operations	\$ 81	\$ 131	\$ 146
Hazardous Materials Response Team	97	131	146
Grants to Counties .....	.....	921	1,025
Public and Facilities Owners Education	70	131	146
HAZARDOUS MATERIAL RESPONSE FUND TOTAL	\$ 248	\$ 1,314	\$ 1,463

^a Includes \$109,000 actually appropriated as part of General Government Operations in the Department of Community Affairs and excludes discontinued interagency billing, \$6,000.

^b Includes \$164,000 actually appropriated as part of General Government Operations in the Department of Community Affairs.

^c Actually appropriated to the Department of Community Affairs.

EMERGENCY MANAGEMENT AGENCY

Summary by Fund and Appropriation

	1994-95 Actual	(Dollar Amounts in Thousands) 1995-96 Available	1996-97 Budget
OTHER FUNDS:			
<i>VOLUNTEER COMPANIES LOAN FUND:</i>			
Volunteer Company Loans	\$ 13,907	\$ 13,500	\$ 13,500
OTHER FUNDS TOTAL	\$ 67,991	\$ 19,996	\$ 20,133
DEPARTMENT TOTAL — ALL FUNDS			
GENERAL FUNDS	\$ 5,335	\$ 6,251	\$ 6,070
FEDERAL FUNDS	2,509	3,824	3,700
AUGMENTATIONS	109	112	112
OTHER FUNDS	67,991	19,996	20,133
TOTAL — ALL FUNDS	\$ 75,944	\$ 30,183	\$ 30,015

EMERGENCY MANAGEMENT AGENCY

Program Funding Summary:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
EMERGENCY MANAGEMENT							
GENERAL FUND.....	\$ 4,063	\$ 4,957	\$ 4,799	\$ 4,683	\$ 4,775	\$ 4,869	\$ 4,965
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	2,509	3,804	3,500	3,500	3,500	3,500	3,500
OTHER FUNDS.....	54,168	6,581	6,718	6,750	6,782	6,814	6,847
SUBCATEGORY TOTAL.....	\$ 60,740	\$ 15,342	\$ 15,017	\$ 14,933	\$ 15,057	\$ 15,183	\$ 15,312
FIRE PREVENTION AND SAFETY							
GENERAL FUND.....	\$ 1,272	\$ 1,294	\$ 1,271	\$ 1,296	\$ 1,322	\$ 1,348	\$ 1,375
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	20	200	200	200	200	200
OTHER FUNDS.....	13,932	13,527	13,527	13,528	13,529	13,530	13,531
SUBCATEGORY TOTAL.....	\$ 15,204	\$ 14,841	\$ 14,998	\$ 15,024	\$ 15,051	\$ 15,078	\$ 15,106
ALL PROGRAMS:							
GENERAL FUND.....	\$ 5,335	\$ 6,251	\$ 6,070	\$ 5,979	\$ 6,097	\$ 6,217	\$ 6,340
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	2,509	3,824	3,700	3,700	3,700	3,700	3,700
OTHER FUNDS.....	68,100	20,108	20,245	20,278	20,311	20,344	20,378
DEPARTMENT TOTAL.....	\$ 75,944	\$ 30,183	\$ 30,015	\$ 29,957	\$ 30,108	\$ 30,261	\$ 30,418

EMERGENCY MANAGEMENT AGENCY

PROGRAM OBJECTIVE: To develop and maintain a Statewide emergency force capable of immediate and effective action in the event of natural, technological or other man-made disasters and rapid organizational expansion to assure civil preparedness for war or resource based emergencies.

Program: Emergency Management

This program provides essential functions and during periods of emergency, coordinates State, county and local activities associated with emergency services and coordinates Pennsylvania's national preparedness operations with those of other states and the Federal government.

The Pennsylvania Emergency Management Agency (PEMA) has developed a basic organization designed on the National Governors' Association model of comprehensive emergency management. A multiagency training program is designed to develop and maintain a Statewide emergency force composed of State, county and local units jointly capable of: 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 rapid organizational expansion required for civil preparedness in the event of war or other resource based emergencies.

Expanding agency missions include the following programs: prison/ community safety, 911 program implementation, Statewide chemical and nuclear power safety and disaster assistance program responsibility.

The Commonwealth's civil preparedness and response capability in the event of emergencies is provided through the maintenance of a Statewide hazard assessment, planning, warning, training and education, communications, hazardous materials transportation system, 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: a statement of accomplishments; required financial needs; hazard vulnerability; and goals indicating projected activity. The Federal Emergency Management Agency (FEMA) requires annual review and update of emergency operations plans, programs and periodic exercises.

Requirements of the Environmental Protection Agency under the Federal Superfund Amendments and Reauthorization Act (SARA Title III) and the Federal Clean Air Act amendments involve upgrading chemical emergency preparedness facility plans. Responsibilities for preparedness involve state and county governments and chemical manufacturers.

Act 165 of 1990 imposed additional requirements on State and local governments relating to planning and training activities in connection with SARA Title III. Encompassed within the overall Act 165 planning and training activities are those associated with the Federal Hazardous Materials Transportation Uniform Safety Act (HMTUSA).

Another area included in this program 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 a relatively low cost, thereby reducing recovery costs to the local, State and Federal Governments.

The Federal and State laws mandate conduct of exercise programs. The FEMA requirement calls for a four-year rotation of natural, technological and national security exercises at the State, county and local (over 50,000 population) level annually.

Program Measures:	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
Emergency plans development	3,430	3,052	3,052	3,052	3,052	3,052	3,052
Emergency management training recipients	5,075	5,800	5,800	5,800	5,800	5,800	5,800
Emergency management grants	244	246	246	246	246	246	246
Emergency exercise participants	244,639	210,000	210,000	210,000	210,000	210,000	210,000
Responses to Statewide emergency incidents	2,571	2,971	2,971	2,971	2,971	2,971	2,971
Federal disaster funds disbursed	\$50,387,588	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000

EMERGENCY MANAGEMENT AGENCY

Program: Emergency Management (continued)

Program Recommendations:

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

<p>General Government Operations</p> <p>\$ -265 —nonrecurring projects.</p> <p>207 —Initiative — Development of an Urban Search and Rescue (US&R) Task Force. To purchase equipment needed to support an Urban Search and Rescue Task Force which rescues victims from confined spaces of collapsed structures.</p> <p>\$ -58 <i>Appropriation Decrease</i></p>	<p>Civil Air Patrol</p> <p>\$ -100 —nonrecurring projects.</p>
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Flood Plain Management is recommended to be continued at the current year level. This budget proposes the transfer of this program from the Department of Community Affairs.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
GENERAL FUND:							
General Government Operations	\$ 3,920	\$ 4,797	\$ 4,739	\$ 4,623	\$ 4,715	\$ 4,809	\$ 4,905
Civil Air Patrol	100	100	.....	.....	.....	.....	.....
Flood Plain Management	43	60	60	60	60	60	60
TOTAL GENERAL FUND	\$ 4,063	\$ 4,957	\$ 4,799	\$ 4,683	\$ 4,775	\$ 4,869	\$ 4,965

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

The program provides operating funds for the Fire Commissioner to coordinate and organize State level fire safety functions; for the administration and operation of the Volunteer Loan Assistance Program which provides low-interest loans to fire, ambulance and rescue companies; and for the administration and operation of the State Fire Academy which provides training classes to paid as well as volunteer personnel.

The State Fire Commissioner is responsible for coordinating Federal, State and private fire safety funds; assisting State agencies in the development of plans related to fire safety; reviewing existing or proposed rules and regulations affecting the safety of Commonwealth citizens; and providing a cost-effective fire-loss management system for the Commonwealth.

Through contacts with government agencies, the business community, consumers and the fire service, the Fire Commissioner's Office renders technical assistance, collects, reviews and disseminates pertinent information about fire death data and fire prevention and control techniques, and conducts Statewide fire safety educational programs for the entire fire community.

The State Fire Academy at Lewistown is the catalyst for fire training delivery. The academy provides advanced professional development for fire service officers, command personnel, instructors and other specialists engaged in fire prevention and suppression activities; makes available a Firefighter Certification Program based on nationally accepted

professional standards; acts as the educational hub for all other fire and emergency services training in Pennsylvania; and serves the Commonwealth's fire community as the designated resident Commonwealth government center for hazardous chemical and radioactive material training, providing training for both first responders and certified county hazardous materials response teams. Fire Academy personnel work closely with the community colleges for local level course development, community college and county fire school instructor certification and delivery of local level fire training courses to over 70,000 students a year.

Another area of assistance to the fire fighting, ambulance and rescue community is the Volunteer Company Loan Assistance Program. The purpose of the program is to improve the capabilities of volunteer fire companies, ambulance services and rescue squads through the provision of low-interest loans for 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 two percent per annum. In 1990 the Legislature expanded this program by \$25 million and in 1992 increased the loan limits to \$200,000 for a maximum of 15 years. Loans of \$15,000 or less are limited to five years and loans up to \$99,000 to a period of 10 years. Funding for the loan program is reflected in the financial statement for this fund included in the special funds appendix section of this budget.

Program Measures:	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
Local fire training graduates.....	65,855	67,000	68,000	69,000	70,000	70,000	70,000
Fire school resident graduates.....	2,223	2,400	2,600	2,600	2,600	2,600	2,600
Volunteer loans granted (in thousands).....	\$13,941	\$13,515	\$13,515	\$13,515	\$13,515	\$13,505	\$13,505

The decrease in the dollar amount of loans granted compared to last year's budget is due to a decrease in the average loan amount for each project.

Program Recommendations:

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

\$	-53	State Fire Commissioner's Office
		—nonrecurring projects.
	30	—to continue current program.
\$	-23	Appropriation Decrease

Firefighters Memorial Flag is recommended at the current year level.

EMERGENCY MANAGEMENT AGENCY

Program: Fire Prevention and Safety (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
GENERAL FUND:							
State Fire Commissioner's Office	\$ 1,262	\$ 1,284	\$ 1,261	\$ 1,286	\$ 1,312	\$ 1,338	\$ 1,365
Firefighters Memorial Flag	10	10	10	10	10	10	10
TOTAL GENERAL FUND	\$ 1,272	\$ 1,294	\$ 1,271	\$ 1,296	\$ 1,322	\$ 1,348	\$ 1,375



COMMONWEALTH OF PENNSYLVANIA

DEPARTMENT OF ENVIRONMENTAL PROTECTION

The Department of Environmental Protection was created by Act 18 of 1995. Programs of this department previously existed in the Department of Environmental Resources.

The Department of Environmental Protection is responsible for enforcing laws and regulations to prevent environmental pollution and degradation and act as a trustee to guarantee the rights of all Pennsylvanians, including future generations, to a clean environment.

The department's presentation includes the Citizens Advisory Council, the Environmental Hearing Board, the Environmental Quality Board, the State Board for Certification of Sewage Enforcement Officers and the State Board for Certification of Sewage Treatment and Waterworks Operators.

GOVERNOR'S EXECUTIVE BUDGET

ENVIRONMENTAL PROTECTION

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1994-95 Actual	1995-96 Available	1996-97 Budget
GENERAL FUND			
GENERAL GOVERNMENT:			
General Government Operations	\$ 21,440 ^a	\$ 19,820	\$ 18,899
(F) Surface Mine Conservation	513	1,301	720
(F) Surface Mine Control and Reclamation	552	1,100	1,100
(A) Reimbursement — Laboratory Services	3,243	3,838	4,344
(A) Reimbursement — EDP Services	3,601	3,740	3,740
(A) PENNVEST — Reimbursement for Services	33	....	....
(A) Department Services	26	125	125
(A) Clean Air Fund	50	50	50
(A) Clean Water Fund	57	57	57
(A) Solid Waste Abatement Fund	115	115	115
(A) Reimbursement — Capital Facilities Fund	70	....	....
Subtotal — Federal Funds	\$ 1,065	\$ 2,401	\$ 1,820
Subtotal — Augmentations	7,195	7,925	8,431
Total — General Government Operations	\$ 29,700	\$ 30,146	\$ 29,150
Environmental Hearing Board	1,195	1,260	1,324
(A) Reimbursement for Services	10	20	20
Total — Environmental Hearing Board	\$ 1,205	\$ 1,280	\$ 1,344
Chesapeake Bay Agricultural Source Abatement	2,986	3,099	3,090
(F) Chesapeake Bay Pollution Abatement	2,511	4,000	4,434
Total — Chesapeake Bay Preservation	\$ 5,497	\$ 7,099	\$ 7,524
Environmental Program Management	30,284 ^b	30,999	30,900
(F) Coastal Zone Management	1,334	1,923	1,978
(F) Construction Management — Administration	194	929	273
(F) Bituminous Demonstration Project	19	20	....
(F) Safe Drinking Water Act — Management	1,758	1,856	1,950
(F) Water Pollution Control Grants — Management	1,576	1,642	1,674
(F) Air Pollution Control Grants — Management	2,474	2,800	2,700
(F) Upper Delaware National Scenic River	4	....	....
(F) Surface Mine Conservation	3,997	3,712	4,013
(F) Bond Forfeiture	77	75	....
(F) Delaware Estuary Management Conference	132	322	....
(F) Hydroelectric Power Conservation Fund	23	37	51
(F) Wetland Protection Fund	283	400	200
(F) Emergency Disaster Relief	67	80	80
(F) ARC — Abandoned Mine Restoration Research	17	18	....
(F) Abandoned Mine Reclamation	30,220	39,885	39,921
(F) Training and Education of Underground Coal Miners	587	685	720

^a Includes \$20,659 appropriated as part of the General Government Operations appropriation in the Department of Environmental Resources, \$877,000 appropriated as part of the General Government Operations appropriations in the Department of Community Affairs; excludes \$45,000 for the transfer of the food inspection program to the Department of Agriculture, and excludes \$51,000 for discontinued interagency billing.

^b Includes \$28,572 appropriated as part of the Environmental Program Management appropriation in the Department of Environmental Resources and \$1,939,000 for the transfer of the Governor's Energy Council from the Executive Offices; excludes \$160,000 for the transfer of the food inspection program to the Department of Agriculture, and excludes \$67,000 for discontinued interagency billing.

ENVIRONMENTAL PROTECTION

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1994-95 Actual	1995-96 Available	1996-97 Budget
GENERAL FUND			
GENERAL GOVERNMENT: (continued)			
(F) Office of Surface Mining — Deep Mine Safety	\$ 61	\$ 200	.....
(F) Radiation Regulation and Monitoring	110	315	\$ 130
(F) Diagnostic X-Ray Equipment Testing	120	300	280
(F) Water Quality Outreach Training	65	110	104
(F) Water Quality Management Planning Grants	832	1,086	1,101
(F) Small Operators Assistance	1,192	2,000	2,000
(F) Clean Lakes Program	154	793	75
(F) Non-Point Source Pollution	357	400	.....
(F) Wellhead Protection Fund	66	300	200
(F) Indoor Radon Abatement	577	600	550
(F) Non-Point Source Implementation	2,719	4,968	4,791
(F) State Legalization Impact	16	.....	.....
(F) Pollution Prevention	97	473	200
(F) OSM Title V Mine Reclamation	180	200	.....
(F) Babcock/Wilcox Decommission .....	.....	17	.....
(F) Energy Extension Services	21 ^a	.....	.....
(F) State Energy Conservation Plan	313 ^a	1,001	750
(F) Institutional Conservation	55 ^a	375	.....
(F) Heating Oil and Propane Availability Study	12 ^a	20	.....
(F) National Energy Awards	139 ^a	510	.....
(F) Heavy Duty Vehicle Program	90 ^a	125	150
(F) Greenhouse Gas Emissions Mitigation	32 ^a	125	.....
(F) National Industrial Competitiveness .....	.....^a	450	450
(F) National AFV Teleconference	1 ^a	250	.....
(F) Energy Policy Act Initiatives .....	.....	350	.....
(F) Alternative Fuels .....	.....^a	175	3,600
(F) Sustainable Technology Energy .....	.....	187	.....
(F) Climate Wise .....	.....	90	.....
(A) Payments — Department Services .....	.....	20	20
(A) Vehicle Sales	6	10	10
(A) Clean Air Fund	973	1,152	1,152
(A) Clean Water Fund	988	734	734
(A) Reimbursement from Water Pollution Control Revolving Fund .....	.....	299	299
(A) Safe Drinking Water Account	42	62	62
(A) Solid Waste Abatement	1,102	1,026	1,026
(A) Reimbursement — Well Plugging	82	95	95
(A) Reimbursement — PENNVEST	668	129	129
(A) Energy Conservation — Special Projects	474 ^a	645	645
(A) Reimbursement — Department Services	194	.....	.....
Subtotal — Federal Funds	\$ 49,971	\$ 69,804	\$ 67,941
Subtotal — Augmentations	4,529	4,172	4,172
Total — Environmental Program Management	\$ 84,784	\$ 104,975	\$ 103,013
Office of Pollution Protection and Compliance Assistance .....	.....	.....	\$ 375

^a Transferred from Energy Office — Executive Offices.

ENVIRONMENTAL PROTECTION

Summary by Fund and Appropriation

GENERAL FUND	1994-95 Actual	(Dollar Amounts in Thousands) 1995-96 Available	1996-97 Budget
GENERAL GOVERNMENT: (continued)			
Environmental Protection Operations	\$ 55,939^a	\$ 59,500	\$ 60,102
(F) Water Pollution Control Grants	2,186	3,000	2,351
(F) EPA — Planning Grant — Administration	5,981	6,400	6,400
(F) Air Pollution Control Grants	3,119	2,900	3,200
(F) Surface Mine Control and Reclamation	5,010	7,288	6,940
(F) Construction Management Assistance Grants	837	910	338
(F) Safe Water Drinking Act	1,248	1,169	1,615
(F) Stormwater Permitting Initiative	782	1,159	1,250
(F) Oil Pollution Spills Removal	....	1,000	1,000
(A) Clean Air Fund	560	2,415	2,415
(A) Clean Water Fund	1,290	1,923	1,923
(A) Vehicle Sale	24	40	40
(A) Reimbursement from Water Pollution Control Revolving Fund	....	669	669
(A) Safe Drinking Water Account	....	282	282
(A) Solid Waste Abatement	3,150	2,146	2,146
(A) Reimbursement — Well Plugging	120	387	387
(A) Reimbursement — PENNVEST	1,215	269	269
(A) Reimbursement — Department Services	55	45	45
(A) PADOT ISTEA Program	133	202	202
Subtotal — Federal Funds	\$ 19,163	\$ 23,826	\$ 23,094
Subtotal — Augmentations	6,547	8,378	8,378
Total — Environmental Protection Operations	\$ 81,649	\$ 91,704	\$ 91,574
Abandoned Surface Mine Reclamation	....	2,000	....
Black Fly Control and Research	2,671	2,751	2,545
(A) County Contributions	....	650	650
Total — Black Fly Control and Research	\$ 2,671	\$ 3,401	\$ 3,195
Subtotal — State Funds	\$ 114,515	\$ 119,429	\$ 117,235
Subtotal — Federal Funds	72,710	100,031	97,289
Subtotal — Augmentations	18,281	21,145	21,651
Total — General Government	\$ 205,506	\$ 240,605	\$ 236,175
GRANTS AND SUBSIDIES:			
Low-Level Radioactive Waste Control	\$ 1,600	\$ 1,546	\$ 1,258
Flood Control Projects	555	300	400
Storm Water Management	586	595	595
Sewage Facilities Planning Grants	2,757	2,000	1,500
Sewage Facilities Enforcement Grants	2,500	2,500	3,100
Sewage Treatment Plant Operations Grants	36,500	38,400	....
Delaware River Master	80	81	81
Ohio River Basin Commission	10	11	12
Susquehanna River Basin Commission	340	360	380
Interstate Commission on the Potomac River	33	35	37
Delaware River Basin Commission	884	978	978
Ohio River Valley Water Sanitation Commission	125	139	144
Chesapeake Bay Commission	235	265	265
Local Soil and Water District Assistance	2,225	2,225	3,000
(A) Local Soil and Water District Assistance	151	....	....
Nutrient Management Fund	750	750	750
Interstate Mining Commission	17	17	20
Appalachian States Waste Compact	117	96	96

^a Excludes \$1,320,000 for transfer of food inspection program to Department of Agriculture.

ENVIRONMENTAL PROTECTION

Summary by Fund and Appropriation

	1994-95 Actual	(Dollar Amounts in Thousands) 1995-96 Available	1996-97 Budget
GENERAL FUND			
<i>GRANTS AND SUBSIDIES: (continued)</i>			
Center for Hazardous Materials Research	\$ 300	....	....
Cresson Correctional Institution Utilities .....	....	....	\$ 214
Slippery Rock Utilities .....	....	....	200
Small Water System Regionalization	276	\$ 560	500
Municipal Authority Assistance .....	....	350	....
Subtotal — State Funds	\$ 49,890	\$ 51,208	\$ 13,530
Subtotal — Augmentations	151	....	....
STATE FUNDS	\$ 164,405	\$ 170,637	\$ 130,765
FEDERAL FUNDS	72,710	100,031	97,289
AUGMENTATIONS	18,432	21,145	21,651
GENERAL FUND TOTAL	\$ 255,547	\$ 291,813	\$ 249,705
OTHER FUNDS			
<i>GENERAL FUND:</i>			
Safe Drinking Water Account	\$ 883	\$ 2,250	\$ 890
Radiation Protection Fund	3,557	4,184	3,859
Clean Water Fund	6,101	11,070	5,321
Solid Waste Abatement Fund	5,604	9,940	3,200
Well Plugging Account	525	1,033	400
Abandoned Well Plugging	24	217	30
Orphan Well Plugging	197	627	200
Alternative Fuels Incentive Grants	198	3,500	5,397
Industrial Land Recycling .....	....	....	300
GENERAL FUND TOTAL	\$ 17,089	\$ 32,821	\$ 19,597
<i>ACID MINE DRAINAGE ABATEMENT AND TREATMENT FUND:</i>			
General Operations (EA) .....	....	\$ 3,046	\$ 3,124
<i>CLEAN AIR FUND:</i>			
General Operations (EA)	\$ 15,012	\$ 22,665	\$ 22,531
<i>COAL AND CLAY MINE SUBSIDENCE INSURANCE FUND:</i>			
General Operations (EA)	\$ 1,328	\$ 1,402	\$ 1,423
Payment of Claims (EA)	2,000	2,000	2,000
COAL AND CLAY MINE SUBSIDENCE INSURANCE FUND TOTAL	\$ 3,328	\$ 3,402	\$ 3,423
<i>ENERGY CONSERVATION AND ASSISTANCE FUND:</i>			
Energy Conservation	\$ 24	\$ 150 ^a	\$ 200
<i>ENVIRONMENTAL EDUCATION FUND:</i>			
General Operations (EA)	\$ 1,046	\$ 747	\$ 457

^a Does not reflect impact of pending legislation.

ENVIRONMENTAL PROTECTION

Summary by Fund and Appropriation

OTHER FUNDS	(Dollar Amounts in Thousands)		
	1994-95 Actual	1995-96 Available	1996-97 Budget
HAZARDOUS SITES CLEANUP FUND:			
General Operations (EA)	\$ 14,347	\$ 15,092	\$ 14,881
Hazardous Sites Cleanup (EA)	39,535	62,000	33,000
Recycling Grants (EA) .....	....	500	500
Host Municipality Grants (EA)	164	158	200
Transfer to Industrial Sites Cleanup (EA) .....	....	15,000	....
Federal Superfund Contributions	63	250	250
Transfer to Industrial Sites Environmental Assessment Fund .....	....	2,000	2,000
HAZARDOUS SITES CLEANUP FUND TOTAL	\$ 54,109	\$ 95,000	\$ 50,831
LOW-LEVEL WASTE FUND:			
General Operations (EA)	\$ 2,047	\$ 2,229	\$ 1,398
NON-COAL SURFACE MINING CONSERVATION AND RECLAMATION FUND:			
General Operations (EA)	\$ 68	\$ 1,228	\$ 1,270
NUTRIENT MANAGEMENT FUND:			
State Conservation Commission	\$ 50	\$ 1,155	\$ 1,000
RECYCLING FUND:			
Recycling Coordinator Reimbursement (EA)	\$ 1,024	\$ 1,200	\$ 1,200
Reimbursement for Municipal Inspection (EA)	244	300	300
Reimbursement for Host Municipality Permit Applications Review (EA) ...	30	50	50
Administration of Recycling Program (EA)	668	914	714
County Planning Grants (EA)	688	1,500	1,000
Municipal Planning Grants (EA)	17,210	15,000	15,000
Municipal Recycling Performance Program (EA)	13,332	25,800	15,500
Public Education/Technical Assistance (EA)	2,310	9,200	6,850
Waste Tire Reuse (EA) .....	....	....	1,000
RECYCLING FUND TOTAL	\$ 35,506	\$ 53,964	\$ 41,614
REGIONAL FACILITY SITING FUND:			
General Operations (EA)	\$ 7,439	\$ 4,975	\$ 979
REMINING ENVIRONMENTAL ENHANCEMENT FUND:			
Remining and Reclamation Incentives (EA) .....	....	\$ 500	\$ 1,000
REMINING FINANCIAL ASSURANCE FUND:			
Remining Financial Assurance (EA) .....	....	\$ 1,000	\$ 1,000
STORAGE TANK FUND:			
General Operations (EA)	\$ 5,582	\$ 7,310	\$ 5,964
Federal Grant — UST	195	222	210
Federal Grant — LUST	3,117	3,000	3,200
Transfer to Storage Tank Loan Program .....	....^a	....^a	....^a
STORAGE TANK FUND TOTAL	\$ 8,894	\$ 10,532	\$ 9,374
SURFACE MINING CONSERVATION AND RECLAMATION FUND:			
General Operations (EA)	\$ 1,256	\$ 1,731	\$ 1,927
OTHER FUNDS TOTAL	\$ 145,868	\$ 235,145	\$ 159,725

^a Although authorized by legislation, no activity is anticipated during this year.

ENVIRONMENTAL PROTECTION

Summary by Fund and Appropriation

	1994-95 Actual	(Dollar Amounts in Thousands) 1995-96 Available	1996-97 Budget
<u>OTHER FUNDS</u>			
DEPARTMENT TOTAL — ALL FUNDS			
GENERAL FUND	\$ 164,405	\$ 170,637	\$ 130,765
FEDERAL FUNDS	72,710	100,031	97,289
AUGMENTATIONS	18,432	21,145	21,651
OTHER FUNDS	145,868	235,145	159,725
TOTAL ALL FUNDS	\$ 401,415	\$ 526,958	\$ 409,430

ENVIRONMENTAL PROTECTION

Program Funding Summary:

(Dollar Amounts in Thousands)							
	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
ENVIRONMENTAL SUPPORT SERVICES							
GENERAL FUND.....	\$ 22,635	\$ 21,080	\$ 20,223	\$ 20,627	\$ 21,040	\$ 21,461	\$ 21,890
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	1,065	2,401	1,820	1,820	1,820	1,820	1,820
OTHER FUNDS.....	7,205	7,945	8,451	8,620	8,792	8,967	9,145
SUBCATEGORY TOTAL.....	\$ 30,905	\$ 31,426	\$ 30,494	\$ 31,067	\$ 31,652	\$ 32,248	\$ 32,855
ENVIRONMENTAL PROTECTION AND MANAGEMENT							
GENERAL FUND.....	\$ 141,770	\$ 149,557	\$ 110,542	\$ 111,888	\$ 113,766	\$ 115,770	\$ 117,815
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	71,645	97,630	95,469	95,469	95,469	95,469	95,469
OTHER FUNDS.....	157,095	248,345	172,925	165,375	160,855	160,944	139,253
SUBCATEGORY TOTAL.....	\$ 370,510	\$ 495,532	\$ 378,936	\$ 372,732	\$ 370,090	\$ 372,183	\$ 352,537
ALL PROGRAMS:							
GENERAL FUND.....	\$ 164,405	\$ 170,637	\$ 130,765	\$ 132,515	\$ 134,806	\$ 137,231	\$ 139,705
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	72,710	100,031	97,289	97,289	97,289	97,289	97,289
OTHER FUNDS.....	164,300	256,290	181,376	173,995	169,647	169,911	148,398
DEPARTMENT TOTAL.....	\$ 401,415	\$ 526,958	\$ 409,430	\$ 403,799	\$ 401,742	\$ 404,431	\$ 385,392

ENVIRONMENTAL PROTECTION

PROGRAM OBJECTIVE: To provide administrative and technical support for the Commonwealth's environmental protection programs.

Program: Environmental Support Services

This program provides the administrative and technical systems which direct and support the department's programs. Included are the executive and administrative offices, the Office of Chief Counsel, information and data processing systems, the Citizens Advisory Council, the Environmental Quality Board and the Bureau of Laboratories. The Bureau of Laboratories provides analytical data which determines and identifies pollution levels in samples from any part of the environment. Samples

from streams and lakes, solid wastes, drinking water, industrial wastes and fish are analyzed for toxic chemicals. Milk, food, water and air are examined for radiation; water from supply systems, beaches and sewage treatment plants for bacteria; and water from homeowners for potability.

The Environmental Hearing Board was separated from the Department of Environmental Resources by Act 94 of 1988. It is included here for presentation purposes.

Program Measures:	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
Technical Support Services							
Inorganic analyses	862,521	890,000	890,000	890,000	890,000	890,000	890,000
Organic samples	6,303	5,800	5,800	5,800	5,800	5,800	5,800
Bacteriological analyses	23,771	25,000	25,000	25,000	25,000	25,000	25,000
Radiological samples	2,516	2,700	2,700	2,700	2,700	2,700	2,700

The program measures for the different types of analyses and samples increase as additional tests are required.

Program Recommendations:	This budget recommends the following changes: (Dollar Amounts in Thousands)
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General Government Operations
 \$ -921 —to continue current program.

Environmental Hearing Board
 \$ 64 —to continue current program.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
GENERAL FUND:							
General Government Operations	\$ 21,440	\$ 19,820	\$ 18,899	\$ 19,277	\$ 19,663	\$ 20,056	\$ 20,457
Environmental Hearing Board	1,195	1,260	1,324	1,350	1,377	1,405	1,433
TOTAL GENERAL FUND	\$ 22,635	\$ 21,080	\$ 20,223	\$ 20,627	\$ 21,040	\$ 21,461	\$ 21,890

ENVIRONMENTAL PROTECTION

PROGRAM OBJECTIVE: To protect and improve the quality of the air, water and environment for the health and safety of the citizens of the Commonwealth, to protect the people from dangerous or unnecessary radiation from natural and man-made sources, including occupational and medical exposure and to manage water and mineral resources in a way which insures against their undue destruction and depletion while allowing economic benefits from their use.

Program: Environmental Protection and Management

This program encompasses the major program elements 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 Protection in order to improve air quality as mandated by the Federal Clean Air Act. 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 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 renewed operating permits. These inspections assure that the facility has been constructed and operated as designed. In addition, on-site inspections are made to investigate complaints and to provide assistance during emergencies. The department uses compliance agreements and abatement orders to correct violations of air emission standards.

Also part of this element is the program controlling the removal of asbestos from public buildings. As required by Federal regulations, the department reviews plans for the management of asbestos in schools and regulates companies doing removal work, and oversees the safe disposal of the asbestos.

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 is 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 delegated Federal program under the Clean Water Act, has increased the responsibilities of the Commonwealth to permit and monitor

beyond the requirements of State law including requirements for permitting stormwater discharges and combined sewer overflows. The program also reviews plans for facilities and assists local governments in accommodating growth and development. The storage tank program for regulating both underground and above ground tanks is also part of this element. The department registers these storage tanks, and trains and certifies those companies and individuals who install and inspect tanks.

Program Element: Water Supply and Community Health

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 2,400 community water supplies in the Commonwealth serving 10 million residents and 8,700 non-community water systems generally serving restaurants, industries, schools and motels which must comply with standards. The department also provides some consultative services and inspections for the 700,000 domestic water supplies in Pennsylvania. Regulatory activities involve permitting and compliance, contaminant investigation and control, public education, and consultative services and inspections.

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

Of the 9 million tons of municipal solid waste generated annually in prior years in Pennsylvania, 95 percent was dumped in landfills, four percent was incinerated and only one percent was recycled. Act 101 of 1988, the Municipal Waste Planning, Recycling and Waste Reduction Act, addressed these problems. Counties have adopted waste management plans. Municipalities have implemented recycling programs. Communities in which landfills or waste-to-energy facilities are located have an active role in permitting and inspecting landfills and facilities to assure that these are being operated in a proper manner. In addition, the host community receives money from a tipping fee to use in any way it wishes. 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. The goal of these efforts is to recycle 25 percent of Pennsylvania's municipal waste by 1998.

Act 93 of 1988 requires the regulation and control of the disposal of infectious (hospital) wastes. To do this, a manifest system tracks waste from generation until disposal. In addition, a system of inspections assures proper handling of infectious waste. Overall management is guided by revised regulations and a Statewide plan to address present and future needs for incineration and disposal.

Residual waste is non-hazardous materials from industrial, mining, commercial and other similar operations. Over 58 million tons are generated each year. A comprehensive set of new regulations for residual waste disposal sites was implemented in July 1992. These regulations

ENVIRONMENTAL PROTECTION

Program: Environmental Protection and Management (continued)

require residual waste facilities to be permitted or re-permitted. Many have chosen to close, requiring the department to approve closure plans and to inspect them to assure that closures are done in an environmentally sound manner. This program encourages proper disposal and waste reduction, pollution prevention and beneficial use of waste materials to conserve resources and protect the environment.

Program Element: Hazardous Waste

Act 108 of 1988, the Hazardous Sites Cleanup Act, established a State program to cleanup hazardous waste sites not covered by the Federal Superfund Program. 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 is ongoing and actual cleanup has begun with funding coming from several possible sources. First, the department tries to identify the parties responsible for the situation and actively pursues legal actions to recover cleanup costs. Second, for those sites which are dangerous enough to qualify for the Federal Superfund Program, Federal funds are used. The department attempts 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 Capital Stock/Franchise Tax Surcharge generates over \$30 million per year. Another \$2.5 million is generated from a hazardous waste fee system. 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, treatment, 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 600,000 tons of hazardous waste, of which 550,000 tons are transported from the generating facility for disposal elsewhere.

Of major importance to economic development is the availability of hazardous waste storage, treatment and disposal facilities in the Commonwealth. Incentives are provided to communities which agree to host new commercial hazardous waste facilities. This is important not only to the health and safety of citizens, but also to the economic health of the Commonwealth.

Program Element: Land Recycling Program

The Land Recycling Program is designed to promote partnerships among local businesses, government, financial institutions, the Department of Environmental Protection and local communities to restore contaminated sites to safe and productive uses. Three statutes were passed in 1995 to make contaminated sites safe, return sites to productive use and preserve farmland and greenspace. Collectively, these statutes are referred to as the Land Recycling Program, and are comprised of: Act 2, the Land Recycling and Environmental Remediation Standards Act; Act 3, the Economic Development Agency, Fiduciary and Lender Environmental Liability Act; and Act 4, the Industrial Sites Environmental Assessment Act. Cleanup standards under Act 2 fall into three broad categories: Background, Statewide Health, and Site-Specific. A Cleanup Standards Science Advisory Board has been established to assist the department in publicizing science-based standards and cleanup regulations. This program element is expected to provide economic and environmental benefits for the reuse of old industrial sites.

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 Bureau of Deep Mine Safety conducts 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 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.

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: Radiation Protection

This element utilizes several means to protect citizens from exposure to dangerous levels of radiation. One is the regulation, licensing and inspection of radiation source users. This involves registration of radiation producing equipment, licensing of users of radioactive materials and inspection of facilities to assure compliance with regulations.

The department also monitors the environment for radiation. This is done primarily in the vicinity of major users of radioactive materials, such as nuclear power plants. Ambient air is sampled continuously while milk produced on local farms and surface waters are sampled monthly and vegetation, fish and silt samples are collected at least annually. 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 department certifies radon testing and mitigation firms to protect the public from inaccurate test results and ineffective construction or remedial techniques.

Another protection activity is the routine inspection and oversight of nuclear power generating facilities in the Commonwealth. These are: Beaver Valley Power Station, Limerick Generating Station, Peach Bottom Atomic Power Station, Susquehanna Steam Electric Station and Three Mile Island Nuclear Station. An agreement with the U.S. Nuclear Regulatory Commission (NRC) allows State nuclear engineers to review and evaluate plant design and operations, participate in any NRC hearings and participate in routine NRC inspections.

The program also 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.

ENVIRONMENTAL PROTECTION

Program: Environmental Protection and Management (continued)

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 Low-Level Radioactive Waste Disposal Act (Act 12 of 1988) establishes the criteria for the selection of a site, operation of a facility and transportation of wastes to the site.

Program Element: Management of Dams, Waterway and Wetlands

One objective of this element is to insure that the construction, operation and maintenance of dams meet standards in order to minimize the possibility of a dam failure. The Dam Safety and Encroachments Act (Act 325 of 1979) authorizes the department's regulation of dams and reservoirs to protect life, property and the environment. This involves the review of plans and specifications which accompany an application for a dam permit, the field inspection of construction of new dams, and inspection of existing dams to determine their general condition. There are approximately 3,200 dams under active permits in the Commonwealth. In addition, the department also regulates the construction and maintenance of any obstructions, encroachments and changes to the course and current of streams, as well as the related flood plains.

The protection of wetlands, the important natural resources vital to the environment, is also in this element. These areas maintain and improve water quality, sustain stream flow and provide habitat for many types of flora and fauna. It is the goal of this element to prevent the loss and degradation of the Commonwealth's wetlands.

Program Element: Flood Protection

To minimize the dangers of flood water, this element involves the construction of dams, levees, flood walls, channels and culverts by the Commonwealth. The program which provides financial assistance to communities sponsoring flood protection projects to be constructed by the Federal Government is also administered here. Stream improvement projects are also a responsibility. This activity is concerned with the maintenance and repair of existing streambeds and flood control projects.

Program Element: Land and Water Conservation

Associated with the above element, the Storm Water Management Program administers Act 157 of 1978 which requires county and municipal governments to develop and implement plans to control storm water runoff, to control erosion and sedimentation, and to protect groundwater recharge areas. This element, along with the Flood Plain Management

Program, addresses the threat to rivers 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.

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 nonpoint sources of water pollution, especially to the Chesapeake Bay.

Program Element: Energy Efficiency and Conservation

Increased energy efficiency, development and conservation opportunities are key elements in enhancing Pennsylvania's economic growth. The Pennsylvania Energy Office (PEO) has been charged with the responsibility of ensuring that these goals are met.

The PEO provides a variety of energy assistance to the citizens of the Commonwealth such as collecting, analyzing and disseminating data and information on energy supply, demand, consumption and prices. The PEO develops energy policies to foster conservation and efficiency improvements, energy development and a cleaner environment.

Act 122 of 1986 established the Energy Conservation and Assistance Fund (ECAAF) as a repository for all oil overcharge settlements. The act, as amended in 1987, provides a framework for determining allowable expenditures from the fund in accordance with the requirements of the terms and conditions of oil overcharge settlement agreements.

The Pennsylvania Supplemental Low-Income Energy Assistance Program offers energy assistance to low-income Pennsylvanians. The act states that at least 75 percent of the total appropriations are to be spent for this type of supplemental program. The Pennsylvania Energy Office uses the remaining 25 percent of the funds to supplement the Federal energy programs and other energy conservation and development projects which it undertakes.

Act 166 of 1992 provided for an alternative fuels grant program to be funded by a portion of the Utilities Gross Receipts Tax. The grants to school districts, municipal authorities, political subdivisions and other nonprofit entities are to fund 60 percent of the expenses incurred to retrofit vehicles to operate using alternative fuels or the additional costs incurred in purchasing vehicles manufactured specifically to operate on fuels other than gasoline. In addition, grants are to fund 60 percent of the cost to install equipment necessary to refuel the modified vehicles. In 1993-94, \$3.501 million was deposited to this account and the first grants will be awarded during 1995-96.

In addition, the Alternative Fuel Turnpike task force (a joint-venture between private and public entities) was created to build the infrastructure which will permit alternative fuel vehicles to refuel at designated turnpike rest stations along the length of the highway. As the first alternative fuel highway in the nation, it will provide the model for, and be the first link in, a National Security Highway System.

Program Measures:

	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
Air Pollution Control							
Air emission operating permits in effect	6,511	7,100	7,400	7,700	8,000	8,300	8,500
Air emission inspections performed	13,448	14,000	14,000	14,000	14,000	14,000	14,000
Water Quality Management							
Sewage and industrial waste discharge inspections	5,688	5,000	5,000	5,000	5,000	5,000	5,000
Permits issued for water pollution control facilities	1,100	1,400	1,200	1,200	1,200	1,200	1,200
Enforcement actions	348	300	300	300	300	300	300

The program measure showing sewage and industrial discharge inspections reflects a higher number in 1994-95 than estimated in last year's budget due to more than anticipated inspections.

The increase from last year's budget in the number of enforcement actions reflects the increased inspections. More violations were uncovered which resulted in more enforcement actions.

ENVIRONMENTAL PROTECTION

Program: Environmental Protection and Management (continued)

Program Measures: (continued)	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
Water Supply and Community Health							
Annual permits issued—seasonal farm labor camps	260	.....	.....	.....	.....	.....	.....
Residents of areas in Black Fly Suppression Program	3,100,000	3,100,000	4,000,000	4,100,000	4,100,000	4,100,000	4,100,000
Inspections of public drinking water supplies	1,800	1,850	1,850	1,850	1,850	1,850	1,850
Seasonal farm labor camps transferred to the Department of Agriculture 7/1/95. Number of residents in spraying areas increased as additional areas are being sprayed.							
Municipal and Residual Waste							
Municipal and residual waste facilities permitted	700	700	600	500	500	500	500
Percent of municipal waste disposal by methods other than landfills	40%	44%	47%	50%	51%	51%	51%
The program measure showing the number of municipal and residual waste facilities permitted decreased from last year's budget as revised policy requires fewer permits to cover the same activities.							
Hazardous Waste							
Sites assessed for possible hazardous waste contamination	20	20	20	20	20	20	20
Completions of remedial or response actions on hazardous waste sites	20	17	17	17	17	17	17
Hazardous waste inspections performed	1,344	1,250	1,250	1,250	1,250	1,250	1,250
Hazardous waste sites permitted and licensed under Act 108	155	145	145	145	145	145	145
The program measure for hazardous waste sites permitted and licensed under Act 108 represents hazardous waste facilities permitted and transporters licensed.							
Regulation Mining							
Mine permit actions:							
Coal	1,884	1,700	1,700	1,680	1,650	1,630	1,600
Non-coal	313	400	400	400	400	400	400
Inspections:							
Complete coal inspections	11,314	11,200	11,100	11,000	11,000	11,000	11,000
Partial coal inspections	19,033	19,000	18,900	18,800	18,700	18,600	18,500
Non-coal inspections	3,270	3,300	3,300	3,300	3,300	3,300	3,300
Oil and gas field inspections	8,723	9,586	9,000	9,000	9,000	9,000	9,000
Mining compliance orders issued	1,931	1,500	1,100	1,100	1,100	1,100	1,100
Mine substance insurance policies in effect	39,699	40,000	40,500	41,000	41,500	42,000	42,500
Employees trained in mine safety	7,500	7,500	7,500	7,500	7,500	7,500	7,500
Abandoned mine sites designated as potential safety problems	1,556	1,516	1,476	1,436	1,393	1,356	1,316
The program measure for coal and non-coal mine permit actions are demand driven and may vary from year to year.							
The program measure showing oil and gas field inspections has been increased from last year's budget because of rising drilling and related activities requiring inspection.							
Radiation Protection							
Radiation user inspections performed	2,400	2,400	2,400	2,400	2,700	2,700	2,700
Users brought into compliance through inspections	750	400	400	400	400	400	400
Nuclear plant off-site samples	3,342	3,172	3,003	3,003	3,003	3,003	3,003
Cubic feet of low-level radioactive waste generated in Pennsylvania	118,619	50,000	50,000	50,000	50,000	50,000	50,000
The cubic feet of low-level radioactive waste generated in Pennsylvania has increased from last year's budget estimate. This reflects the decommissioning of a nuclear generating facility which created additional low-level radioactive waste.							

ENVIRONMENTAL PROTECTION

Program: Environmental Protection and Management (continued)

Program Measures: (continued)	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
Management of Dams, Waterways and Wetlands							
Stormwater construction permits issued	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Dam inspections	1,377	1,377	1,377	1,377	1,377	1,377	1,377

The number of stormwater construction permits issued has been reduced from last year's budget to reflect more recent estimates of permits issued.

The program measure showing dam inspections has been decreased from last year's budget to reflect lower estimates of construction activities.

Energy Efficiency and Conservation

Alternative Fuels Incentive Grant

Program:

Refueling stations	38	20	22	20	19	18
Vehicle conversions/new alternative fuel vehicles	400	204	200	198	196	201

The program measures for the Alternative Fuels Incentive Grant Program have increased from last year's budget to reflect most recent estimates of program implementation.

Program Recommendations:

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

<p>Environmental Program Management —to continue current programs.</p> <p>Office of Pollution Protection and Compliance Assistance —Initiative — to establish the Office of Pollution Protection and Compliance Assistance which will create outreach information on pollution prevention and "green" technology, as well as provide technical assistance. Also provides Statewide cross-program assistance to those individuals, businesses and local governments, that must comply with State and Federal environmental requirements.</p> <p>Environmental Protection Operations —to continue current programs.</p> <p>Chesapeake Bay Agricultural Source Abatement —to continue current program.</p> <p>Black Fly Control and Research —to continue current program.</p> <p>Abandoned Surface Mine Reclamation —this budget recommends elimination of the program.</p> <p>Low-Level Radioactive Waste Control —to continue current program.</p> <p>Flood Control Projects —to continue current program.</p>	<p>Sewage Facilities Planning Grants —reduction in grant backlog.</p> <p>Sewage Facilities Enforcement Grants —to continue current program.</p> <p>Sewage Treatment Plant Operations Grants —this budget recommends the elimination of this program.</p> <p>Ohio River Basin Commission —to continue current level of participation.</p> <p>Susquehanna River Basin Commission —to continue current level of participation.</p> <p>Interstate Commission on the Potomac River —to continue current level of participation.</p> <p>Ohio River Valley Sanitation Commission —to continue current level of participation.</p> <p>Local Soil and Water District Assistance —Initiative — increased State Reimbursement to Conservation Districts to offset the costs of district staff working on State programs.</p> <p>Interstate Mining Commission —to continue current program.</p> <p>Cresson Correctional Institution Utilities —contribution to local utility expansion.</p> <p>Slippery Rock Utilities —contribution to local utility expansion.</p>
<p>\$ -99</p> <p>\$ 375</p> <p>\$ 602</p> <p>\$ -9</p> <p>\$ -206</p> <p>\$ -2,000</p> <p>\$ -288</p> <p>\$ 100</p>	<p>\$ -500</p> <p>\$ 600</p> <p>\$ -38,400</p> <p>\$ 1</p> <p>\$ 20</p> <p>\$ 2</p> <p>\$ 5</p> <p>\$ 775</p> <p>\$ 3</p> <p>\$ 214</p> <p>\$ 200</p>

ENVIRONMENTAL PROTECTION

Program: Environmental Protection and Management (continued)

Program Recommendations: (continued)

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

\$ -60 **Small Water System Regionalization**
—nonrecurring item.

\$ -350 **Municipal Authority Assistance**
—nonrecurring project.

Also recommended in this budget is \$1,000,000 in funding from the Recycling Fund to develop new and/or expanded markets for waste tires.

All other appropriations in this program are recommended at current year funding levels.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
GENERAL FUND:							
Environmental Program Management	\$ 30,284	\$ 30,999	\$ 30,900	\$ 31,518	\$ 32,148	\$ 32,791	\$ 33,447
Office of Pollution Protection and Compliance Assistance .....	.....	.....	375	615	627	640	653
Environmental Protection Operations	55,939	59,500	60,102	61,304	62,530	63,781	65,057
Chesapeake Bay Agricultural Source Abatement	2,986	3,099	3,090	3,152	3,215	3,279	3,345
Black Fly Control and Research	2,671	2,751	2,545	2,596	2,648	2,701	2,755
Abandoned Surface Mine Reclamation .....	.....	2,000	.....	.....	.....	.....	.....
Low-Level Radioactive Waste Control	1,600	1,546	1,258	845	740	720	700
Flood Control Projects	555	300	400	400	400	400	400
Storm Water Management	586	595	595	595	595	595	595
Sewage Facilities Planning Grants	2,757	2,000	1,500	1,500	1,500	1,500	1,500
Sewage Facilities Enforcement Grants	2,500	2,500	3,100	3,100	3,100	3,100	3,100
Sewage Treatment Plant Operations Grants	36,500	38,400	.....	.....	.....	.....	.....
Delaware River Master	80	81	81	81	81	81	81
Ohio River Basin Commission	10	11	12	12	12	12	12
Susquehanna River Basin Commission	340	360	380	380	380	380	380
Interstate Commission on the Potomac River	33	35	37	37	37	37	37
Delaware River Basin Commission	884	978	978	978	978	978	978
Ohio River Valley Water Sanitation Commission	125	139	144	144	144	144	144
Chesapeake Bay Commission	235	265	265	265	265	265	265
Local Soil and Water District Assistance	2,225	2,225	3,000	3,000	3,000	3,000	3,000
Nutrient Management Fund	750	750	750	750	750	750	750
Interstate Mining Commission	17	17	20	20	20	20	20
Appalachian States Waste Compact	117	96	96	96	96	96	96
Center for Hazardous Materials Research	300	.....	.....	.....	.....	.....	.....
Cresson Correctional Institution Utilities .....	.....	.....	214	.....	.....	.....	.....
Slippery Rock Utilities .....	.....	.....	200	.....	.....	.....	.....
Small Water System Regionalization	276	560	500	500	500	500	500
Municipal Authority Assistance .....	.....	350	.....	.....	.....	.....	.....
TOTAL GENERAL FUND	\$ 141,770	\$ 149,557	\$ 110,542	\$ 111,888	\$ 113,766	\$ 115,770	\$ 117,815



COMMONWEALTH OF PENNSYLVANIA

FISH AND BOAT COMMISSION

The Fish and Boat Commission administers and enforces the fishing and boating laws of the Commonwealth and provides for the protection and propagation of aquatic life.

GOVERNOR'S EXECUTIVE BUDGET

FISH AND BOAT COMMISSION

Summary by Fund and Appropriation

	1994-95 Actual	(Dollar Amounts in Thousands) 1995-96 Available	1996-97 Budget
GENERAL FUND			
<i>GRANTS AND SUBSIDIES:</i>			
Atlantic States Marine Fisheries Commission	\$ 9	\$ 9	\$ 9
BOAT FUND			
<i>GENERAL GOVERNMENT:</i>			
General Operations (EA)	\$ 6,486	\$ 6,994	\$ 7,670
(F) U.S. Coast Guard Grant — Boating Safety	771	695	175
(F) Sport Fish Restoration	306	514	260
(F) Clean Vessels .....	....	196	33
(F) Coastal Zone Management .....	....	25	....
(A) Sale of Vehicles	13	15	15
STATE FUNDS	\$ 6,486	\$ 6,994	\$ 7,670
FEDERAL FUNDS	1,077	1,430	468
AUGMENTATIONS	13	15	15
BOAT FUND TOTAL	\$ 7,576	\$ 8,439	\$ 8,153
FISH FUND			
<i>GENERAL GOVERNMENT:</i>			
General Operations (EA)	\$ 21,877	\$ 21,079	\$ 21,007
(F) Sport Fish Restoration	5,662	5,278	4,756
(F) Clean Vessels .....	....	10	....
(F) Mid-Atlantic Management Council	10	8	8
(F) Endangered Species .....	....	13	....
(F) Surface Mine Regulation .....	....	76	40
(F) NOAA	59	270	260
(A) Sale of Vehicles	39	25	35
(A) Reimbursement for Services — Boat Fund .....	....	....	....
(A) Reimbursement—DEP/EPA Projects .....	....	124	19
(A) Reimbursement for Services — PennDOT	42	50	50
(A) Environmental Assessment Damage Recoveries	1	4	4
(A) Reimbursement—Wild Resource Conservation Fund .....	....	40	....
(A) Reimbursement—Shad Restoration .....	....	90	250
STATE FUNDS	\$ 21,877	\$ 21,079	\$ 21,007
FEDERAL FUNDS	5,731	5,655	5,064
AUGMENTATIONS	82	333	358
FISH FUND TOTAL	\$ 27,690	\$ 27,067	\$ 26,429
KEYSTONE RECREATION, PARK AND CONSERVATION FUND			
<i>GENERAL GOVERNMENT:</i>			
Fishing and Boating Access Areas	\$ 401	\$ 1,077	\$ 138
DEPARTMENT TOTAL — ALL FUNDS			
GENERAL FUND	\$ 9	\$ 9	\$ 9
SPECIAL FUNDS	28,764	29,150	28,815
FEDERAL FUNDS	6,808	7,085	5,532
AUGMENTATIONS	95	348	373
TOTAL ALL FUNDS	\$ 35,676	\$ 36,592	\$ 34,729

^a Not added to avoid double counting: 1994-95 Actual is \$7,576,000, 1995-96 Available is \$8,439,000, and 1996-97 Budget is \$8,153,000.

FISH AND BOAT COMMISSION

Program Funding Summary:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
RECREATIONAL FISHING AND BOATING							
GENERAL FUND.....	\$ 9	\$ 9	\$ 9	\$ 9	\$ 9	\$ 9	\$ 9
SPECIAL FUNDS.....	28,764	29,150	28,815	29,250	29,835	30,432	31,041
FEDERAL FUNDS.....	6,808	7,085	5,532	5,368	5,400	5,430	5,460
OTHER FUNDS.....	95	348	373	354	330	315	65
SUBCATEGORY TOTAL.....	\$ 35,676	\$ 36,592	\$ 34,729	\$ 34,981	\$ 35,574	\$ 36,186	\$ 36,575
ALL PROGRAMS:							
GENERAL FUND.....	\$ 9	\$ 9	\$ 9	\$ 9	\$ 9	\$ 9	\$ 9
SPECIAL FUNDS.....	28,764	29,150	28,815	29,250	29,835	30,432	31,041
FEDERAL FUNDS.....	6,808	7,085	5,532	5,368	5,400	5,430	5,460
OTHER FUNDS.....	95	348	373	354	330	315	65
DEPARTMENT TOTAL.....	\$ 35,676	\$ 36,592	\$ 34,729	\$ 34,981	\$ 35,574	\$ 36,186	\$ 36,575

FISH AND BOAT COMMISSION

PROGRAM OBJECTIVE: To conserve aquatic resources including fish and wildlife populations, to provide recreational opportunities for fishing and boating on Commonwealth waters, and to promote safe recreational use of these aquatic resources.

Program: Recreational Fishing and Boating

The Fish and Boat Commission is responsible for the enforcement of the fishing and boating laws and regulations, registration of boats, the State boating and water safety education programs, and the management and promotion of recreational boating. The Boating Advisory Board, a group of knowledgeable boaters appointed by the Governor, advises the commission on boating matters.

In addition to recreational boating, the commission is responsible for recreational fishing in the Commonwealth. This includes fish propagation,

stocking, fisheries environmental services, the cooperative nurseries program, research and fish management. The commission also provides for the development, improvement and maintenance of facilities for lake and access areas. As water quality is a major factor in aquatic recreation, the commission responds to the need for environmental safeguards and closely monitors the water quality of many streams, lakes and rivers in the Commonwealth.

Program Measures:	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
Fishing licenses sold	1,078,543	1,023,840	1,009,250	1,034,250	1,049,955	1,076,120	1,095,420
Pounds of fish stocked in Commonwealth streams and lakes	2,790,000	2,650,000	2,650,000	2,650,000	2,650,000	2,650,000	2,650,000
Boats registered	329,000	334,000	340,000	345,000	350,000	355,000	360,000

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

BOAT FUND		KEYSTONE RECREATION, PARK AND CONSERVATION FUND	
General Government Operations		General Government Operations	
\$ -362	—nonrecurring items.	\$ -939	—to complete current program.
1,038	—to continue current program.		
<u>\$ 676</u>	<i>Executive Authorization Increase</i>		
FISH FUND			
General Government Operations			
\$ -38	—nonrecurring items.		
-34	—to continue current program.		
<u>\$ -72</u>	<i>Executive Authorization Decrease</i>		

The Atlantic States Marine Fisheries Commission appropriation is continued at the current level of participation.

Appropriations within this Program:	(Dollar Amounts in Thousands)						
	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
GENERAL FUND:							
Atlantic States Marine Fisheries Commission	\$ 9	\$ 9	\$ 9	\$ 9	\$ 9	\$ 9	\$ 9
BOAT FUND:							
General Operations	\$ 6,486	\$ 6,994	\$ 7,670	\$ 7,823	\$ 7,979	\$ 8,139	\$ 8,302
FISH FUND:							
General Operations	\$ 21,877	\$ 21,079	\$ 21,007	\$ 21,427	\$ 21,856	\$ 22,293	\$ 22,739
KEYSTONE RECREATION, PARK AND CONSERVATION FUND:							
General Operations	\$ 401	\$ 1,077	\$ 138	....	....	....	....



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.

GOVERNOR'S EXECUTIVE BUDGET

GAME COMMISSION

Summary by Fund and Appropriation

	1994-95 Actual	(Dollar Amounts in Thousands) 1995-96 Available	1996-97 Budget
<u>GAME FUND</u>			
GENERAL GOVERNMENT:			
General Operations	\$ 47,790	\$ 50,261	\$ 53,243
(F) Pittman-Robinson Act Reimbursements	7,582	6,000	7,000
(F) Endangered Species .....	.....	10	10
(F) Surface Mine Regulatory Program	45	35	45
(A) Sale of Vehicles	207	130	225
(A) Pennsylvania Conservation Corps	143	50	100
(A) Donations	74	8	10
(A) Youth Shooting Sports	5	6	5
(A) Stream Bank Fencing .....	.....	5	5
Subtotal — Federal Funds	\$ 7,627	\$ 6,045	\$ 7,055
Subtotal — Augmentations	429	199	345
Total — General Government Operations	\$ 55,846	\$ 56,505	\$ 60,643
Land Acquisition and Development	1,211	1,800	500
(F) Pittman-Robinson Act Reimbursements	137	259	.....
(F) Federal Land and Water Development Fund .....	.....	260	.....
(A) Donations — Land Acquisition .....	.....	.....	.....
Total — Land Acquisition and Development	\$ 1,348	\$ 2,319	\$ 500
STATE FUNDS	\$ 49,001	\$ 52,061	\$ 53,743
FEDERAL FUNDS	7,764	6,564	7,055
AUGMENTATIONS	429	199	345
GAME FUND TOTAL	\$ 57,194	\$ 58,824	\$ 61,143
 <u>KEYSTONE RECREATION, PARK AND CONSERVATION FUND</u>			
GENERAL GOVERNMENT:			
Land Acquisition and Development .....	.....	\$ 1,478	\$ 1
 DEPARTMENT TOTAL — ALL FUNDS			
STATE FUNDS	\$ 49,001	\$ 53,539	\$ 53,744
FEDERAL FUNDS	7,764	6,564	7,055
AUGMENTATIONS	429	199	345
TOTAL ALL FUNDS	\$ 57,194	\$ 60,302	\$ 61,144

GAME COMMISSION

Program Funding Summary:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
WILDLIFE MANAGEMENT							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	49,001	53,539	53,744	49,208	50,192	43,672	41,618
FEDERAL FUNDS.....	7,764	6,564	7,055	7,055	7,055	7,055	7,055
OTHER FUNDS.....	429	199	345	345	345	345	345
SUBCATEGORY TOTAL.....	\$ 57,194	\$ 60,302	\$ 61,144	\$ 56,608	\$ 57,592	\$ 51,072	\$ 49,018
ALL PROGRAMS:							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	49,001	53,539	53,744	49,208	50,192	43,672	41,618
FEDERAL FUNDS.....	7,764	6,564	7,055	7,055	7,055	7,055	7,055
OTHER FUNDS.....	429	199	345	345	345	345	345
DEPARTMENT TOTAL.....	\$ 57,194	\$ 60,302	\$ 61,144	\$ 56,608	\$ 57,592	\$ 51,072	\$ 49,018

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	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
Hunting licenses sold	1,116,832	1,120,000	1,120,000	1,120,000	1,120,000	1,120,000	1,120,000
Deer taken	395,081	390,000	400,000	400,000	400,000	400,000	400,000
Arrests for violation of game laws	10,857	10,500	10,500	10,500	10,500	10,500	10,500

Program Recommendations:

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

	General Government Operations		Land Acquisition and Development
\$ 5,000	—Initiative — Completion of the Microwave System. To complete the microwave radio system upgrade for the northwest and southwest regions of the State.	\$ 500	—to acquire additional land.
		-1,800	—nonrecurring land purchases.
		\$ -1,300	<i>Executive Authorization Decrease</i>
-1,379	—nonrecurring projects.		
-639	—to continue current program.		
\$ 2,982	<i>Executive Authorization Increase</i>		

Land acquisitions funded by the Keystone Recreation, Park and Conservation Fund will continue until the amount allotted by law is completely committed.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
GAME FUND:							
General Operations	\$ 47,790	\$ 50,261	\$ 53,243	\$ 49,208	\$ 50,192	\$ 43,672	\$ 41,618
Land Acquisition and Development	1,211	1,800	500	....	....	....	....
TOTAL GAME FUND	\$ 49,001	\$ 52,061	\$ 53,743	\$ 49,208	\$ 50,192	\$ 43,672	\$ 41,618
KEYSTONE RECREATION, PARK AND CONSERVATION FUND:							
Land Acquisition and Development .....	....	\$ 1,478	\$ 1	....	....	....	....
TOTAL GAME FUND .....	....	\$ 1,478	\$ 1	....	....	....	....



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.

GOVERNOR'S EXECUTIVE BUDGET

GENERAL SERVICES

Summary by Fund and Appropriation

	1994-95 Actual	(Dollar Amounts in Thousands) 1995-96 Available	1996-97 Budget
GENERAL FUND			
GENERAL GOVERNMENT:			
General Government Operations	\$ 43,001 ^a	\$ 53,626	\$ 53,464
(A) Employees Group Life Insurance	60	60	60
(A) Federal Surplus Property	1,161	1,308	1,350
(A) State Buildings Use	2,065	1,787	1,800
(A) Sound Equipment	42	25	25
(A) Employee Liability Self Insurance Program	74	92	68
(A) Newsroom Services	12	12	12
(A) Computer Services	5	100	100
(A) Plans Forfeiture	71	10	10
(A) Media Center Reimbursements	693	825	825
(A) GSA Fiscal Function	48	42	42
(A) Recycling Program	192	372	400
(A) Services Provided Other Agencies	179	154	68
(A) Capital Facilities Administration	10,688	....	....
(F) Winter Storm Disaster Aid	60	....	....
Total — General Government Operations	\$ 58,351	\$ 58,413	\$ 58,224
Capitol Police Operations	5,462	6,034	6,568
(A) Capitol Police Services	17	20	22
Utility Costs	13,350	11,495	12,666
Harristown Rental Charges	6,571	6,558	6,581
Harristown Utility and Municipal Charges	8,669	8,962	9,605
Printing the Pennsylvania Manual	185	....	185
Americans with Disabilities Act Facilities Improvements .....	....	3,000	....
Asbestos Response	450	450	450
Excess Insurance Coverage	601	1,649	1,865
Subtotal — State Funds	\$ 78,289	\$ 91,774	\$ 91,384
Subtotal — Federal Funds	60	....	....
Subtotal — Augmentations	15,307	4,807	4,782
Total — General Government	\$ 93,656	\$ 96,581	\$ 96,166
GRANTS AND SUBSIDIES:			
Capitol Fire Protection	\$ 531	\$ 631	\$ 631
Federal Surplus Pilot Project — SW Pennsylvania	250	....	....
Total — Grants and Subsidies	\$ 781	\$ 631	\$ 631
STATE FUNDS	\$ 79,070	\$ 92,405	\$ 92,015
FEDERAL FUNDS	60	....	....
AUGMENTATIONS	15,307	4,807	4,782
GENERAL FUND TOTAL	\$ 94,437	\$ 97,212	\$ 96,797

^a Excludes \$71,000 for discontinued interagency billing.

GENERAL SERVICES

Summary by Fund and Appropriation

	1994-95 Actual	(Dollar Amounts in Thousands) 1995-96 Available	1996-97 Budget
<u>MOTOR LICENSE FUND</u>			
<i>GENERAL GOVERNMENT:</i>			
Harristown Rental Charges	\$ 82	\$ 95	\$ 93
Harristown Utility and Municipal Charges	130	140	160
Total General Government	\$ 212	\$ 235	\$ 253
 <i>GRANTS AND SUBSIDIES:</i>			
Tort Claim Payments	\$ 27,000	\$ 27,000	\$ 27,000
MOTOR LICENSE FUND TOTAL	\$ 27,212	\$ 27,235	\$ 27,253
 <u>BANKING DEPARTMENT FUND</u>			
<i>GENERAL GOVERNMENT:</i>			
Harristown Rental Charges	\$ 162	\$ 159	\$ 139
Harristown Utility and Municipal Charges	191	192	175
BANKING DEPARTMENT FUND TOTAL	\$ 353	\$ 351	\$ 314
 <u>LOTTERY FUND</u>			
<i>GENERAL GOVERNMENT:</i>			
Harristown Rental Charges	\$ 72	\$ 82	\$ 81
Harristown Utility and Municipal Charges	113	122	139
LOTTERY FUND TOTAL	\$ 185	\$ 204	\$ 220
 <u>OTHER FUNDS</u>			
<i>REVENUE SHARING TRUST FUND:</i>			
Moving and Relocation Expenses	\$ 20	\$ 20	.....
OTHER FUNDS TOTAL	\$ 20	\$ 20	.....
 DEPARTMENT TOTAL — ALL FUNDS			
GENERAL FUND	\$ 79,070	\$ 92,405	\$ 92,015
SPECIAL FUNDS	27,750	27,790	27,787
FEDERAL FUNDS	60	.....	.....
AUGMENTATIONS	15,307	4,807	4,782
OTHER FUNDS	20	20	.....
TOTAL ALL FUNDS	\$ 122,207	\$ 125,022	\$ 124,584

GENERAL SERVICES

Program Funding Summary:

	(Dollar Amounts in Thousands)						
	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
FACILITY, PROPERTY AND COMMODITY MANAGEMENT							
GENERAL FUND.....	\$ 79,070	\$ 92,405	\$ 92,015	\$ 92,088	\$ 93,576	\$ 94,721	\$ 96,264
SPECIAL FUNDS.....	27,750	27,790	27,787	27,804	27,821	27,838	27,855
FEDERAL FUNDS.....	60	0	0	0	0	0	0
OTHER FUNDS.....	15,327	4,827	4,782	4,877	4,974	5,071	5,171
SUBCATEGORY TOTAL.....	\$ 122,207	\$ 125,022	\$ 124,584	\$ 124,769	\$ 126,371	\$ 127,630	\$ 129,290
ALL PROGRAMS:							
GENERAL FUND.....	\$ 79,070	\$ 92,405	\$ 92,015	\$ 92,088	\$ 93,576	\$ 94,721	\$ 96,264
SPECIAL FUNDS.....	27,750	27,790	27,787	27,804	27,821	27,838	27,855
FEDERAL FUNDS.....	60	0	0	0	0	0	0
OTHER FUNDS.....	15,327	4,827	4,782	4,877	4,974	5,071	5,171
DEPARTMENT TOTAL.....	\$ 122,207	\$ 125,022	\$ 124,584	\$ 124,769	\$ 126,371	\$ 127,630	\$ 129,290

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 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.

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 as amended reaffirmed the Commonwealth's

use of sovereign immunity as a defense against tort claims, but established criteria for limited amounts of liability in nine specific areas: vehicle liability; medical professional liability; personal property; Commonwealth real estate; potholes and other dangerous conditions; care, custody and control of domestic animals; liquor store sales; National Guard activities; and toxoids and vaccines. Claims in the prelitigation stage are investigated by the department, while the Office of Attorney General defends those claims in litigation.

The assessment of the asbestos danger in Commonwealth-owned buildings is continuing. The hazard potential for areas where asbestos is present will be calculated and abatement costs estimated.

This program also provides funding to purchase catastrophic property insurance on Commonwealth-owned buildings.

Program Measures:	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
Value of Federal surplus property (in thousands):							
Available June 30	\$6,958	\$6,500	\$6,500	\$6,500	\$6,500	\$6,500	\$6,500
Distributed	\$12,177	\$13,000	\$14,000	\$15,000	\$15,000	\$15,000	\$15,000
Capital facilities projects in design and/or construction	638	642	648	648	648	648	648
Value (in thousands)	\$1,618,000	\$1,680,000	\$1,680,000	\$1,680,000	\$1,680,000	\$1,680,000	\$1,680,000
Tort claims filed	9,881	9,387	9,762	10,153	10,407	10,667	10,934
Tort claims closed (includes settlements, judgements and denials)	8,174	7,765	7,998	8,238	8,485	8,740	9,002
Tort claims pending	12,395	14,017	15,781	17,696	19,617	21,544	23,475
Amount of claims pending (in thousands)	\$264,456	\$275,034	\$299,787	\$320,772	\$343,227	\$367,252	\$392,960

The fluctuations in the program measure shown for the value of Federal surplus property from those shown in last year's budget is due to changes in the actual availability of Federal property for donation.

The number of tort claims filed and closed was higher than expected due to the latest data available.

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

GENERAL FUND		Utility Costs	
General Government Operations		\$ 1,171	—to continue current program.
\$ -164	—to continue current program.		
-783	—nonrecurring projects.		
785	—Media Services Equipment. To provide appropriate technology for improved productivity and enhanced operations.	\$ 23	Harristown Rental Charges
			—to continue current program.
\$ -162	<i>Appropriation Decrease</i>	\$ 643	Harristown Utility and Municipal Charges
			—to continue current program.
\$ 534	Capitol Police Operations		
	—to continue current program.		

GENERAL SERVICES

Program: Facility, Property and Commodity Management (continued)

Program Recommendations: (continued)

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

	GENERAL FUND (continued)		LOTTERY FUND
	Printing the Pennsylvania Manual		Harristown Rental Charges
\$ 185	—biennial printing costs.	\$ -1	—to provide prorata share of charges.
	Americans With Disabilities Facilities Improvements		Harristown Utility and Municipal Charges
\$ -3,000	—nonrecurring projects.	\$ 17	—to provide prorata share of charges.
	Excess Insurance Coverage		MOTOR LICENSE FUND
\$ 216	—to continue current program.	\$ -2	Harristown Rental Charges
			—to provide prorata share of charges.
	BANKING DEPARTMENT FUND		Harristown Utility and Municipal Charges
\$ -20	Harristown Rental Charges	\$ 20	—to provide prorata share of charges.
	—to provide prorata share of charges.		
	Harristown Utility and Municipal Charges		
\$ -17	—to provide prorata share of charges.		

All other appropriations are recommended at the current year funding levels.

Appropriations within this Program:

(Dollar Amounts in Thousands)

		1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
GENERAL FUND:								
General Government Operations	\$	43,001	\$ 53,626	\$ 53,464	\$ 54,533	\$ 55,624	\$ 56,736	\$ 57,871
Capitol Police Operations		5,462	6,034	6,568	6,699	6,833	6,970	7,109
Utility Costs		13,350	11,495	12,666	11,649	11,649	11,649	11,649
Harristown Rental Charges		6,571	6,558	6,581	6,581	6,581	6,581	6,581
Harristown Utility and Municipal Charges ..		8,669	8,962	9,605	9,605	9,605	9,605	9,605
Printing the Pennsylvania Manual		185	....	185	....	185	....	185
Americans with Disabilities Facilities Improvements .....		....	3,000	....	....	....	....	....
Excess Insurance Coverage		601	1,649	1,865	1,940	2,018	2,099	2,183
Capitol Fire Protection		531	631	631	631	631	631	631
Asbestos Response Program		450	450	450	450	450	450	450
Federal Surplus Pilot Project— Southwest Pennsylvania		250	....	....	....	....	....	....
TOTAL GENERAL FUND	\$	79,070	\$ 92,405	\$ 92,015	\$ 92,088	\$ 93,576	\$ 94,721	\$ 96,264
BANKING DEPARTMENT FUND:								
Harristown Rental Charges	\$	162	\$ 159	\$ 139	\$ 142	\$ 145	\$ 148	\$ 151
Harristown Utility and Municipal Charges ..		191	192	175	179	183	187	191
TOTAL BANKING DEPARTMENT FUND	\$	353	\$ 351	\$ 314	\$ 321	\$ 328	\$ 335	\$ 342

GENERAL SERVICES

Program: Facility, Property and Commodity Management (continued)

Appropriations within this Program: (continued)

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
LOTTERY FUND:							
Harristown Rental Charges	\$ 72	\$ 82	\$ 81	\$ 83	\$ 85	\$ 87	\$ 89
Harristown Utility and Municipal Charges .	113	122	139	142	145	148	151
TOTAL STATE LOTTERY FUND	\$ 185	\$ 204	\$ 220	\$ 225	\$ 230	\$ 235	\$ 240
MOTOR LICENSE FUND:							
Harristown Rental Charges	\$ 82	\$ 95	\$ 93	\$ 95	\$ 97	\$ 99	\$ 101
Harristown Utility and Municipal Charges .	130	140	160	163	166	169	172
Tort Claim Payments	27,000	27,000	27,000	27,000	27,000	27,000	27,000
TOTAL MOTOR LICENSE FUND	\$ 27,212	\$ 27,235	\$ 27,253	\$ 27,258	\$ 27,263	\$ 27,268	\$ 27,273



COMMONWEALTH OF PENNSYLVANIA

DEPARTMENT OF HEALTH

The Department of Health is responsible for planning and coordinating health resources in 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, including the Advisory Health Board, the Drug, Device and Cosmetic Board, the Advisory Committee for Clinical Laboratories, the Health Policy Board, the Hearing Aid Advisory Council, and the Advisory Council on Drug and Alcohol Abuse.

GOVERNOR'S EXECUTIVE BUDGET

Summary by Fund and Appropriation

GENERAL FUND	(Dollar Amounts in Thousands)		
	1994-95 Actual	1995-96 Available	1996-97 Budget
GENERAL GOVERNMENT:			
General Government Operations	\$ 12,313 ^a	\$ 12,415 ^b	\$ 13,511
(F) WIC Administration and Operation .....	.....	8,661	8,212
(F) Categorical Grant Administration .....	.....	1,046	1,245
(F) SSA (XVI) D & A Referral/Monitoring	60	403	.....
(F) Health Assessment	386	497	481
(F) PHHSBG Administration and Operations	533	1,573	1,613
(F) SABG — Administration and Operations	1,298	4,275	4,275
(F) MCHSBG — Administration and Operations	1,846	12,085	11,851
(F) Traffic Safety Data	135	.....	.....
(F) Rural Trauma Care .....	.....	400	.....
(F) State Trauma Care Centers .....	.....	250	.....
(F) Pediatric Prehospital Emergency Care	188	300	300
(F) Black Lung Clinic	507	677	650
(F) Early Childhood Immunization Program	51	100	.....
(F) Center for Disease Control Conferences .....	.....	80	63
(A) Data Center Services	3,314	3,350	2,764
(A) Departmental Services	46	69	30
(A) Early Childhood Immunization-Bulk Purchase .....	.....	40	.....
Subtotal — Federal Funds	\$ 5,004	\$ 30,347	\$ 28,690
Subtotal — Augmentations	3,360	3,459	2,794
Total — General Government Operations	\$ 20,677	\$ 46,221	\$ 44,995
Organ Donation	220	140	140
Renal Dialysis Management	428	1,091	1,125
Transfer to Organ Donation Awareness Trust Fund .....	.....	300	.....
Diabetes Programs	445	457	461
(F) PHHSBG — Diabetes	670	1,130	844
(F) Diabetes Control	221	275	280
Subtotal — Federal Funds	\$ 891	\$ 1,405	\$ 1,124
Total — Diabetes Programs	\$ 1,336	\$ 1,862	\$ 1,585
TMI — Health Studies	200	.....	.....
Quality Assurance	7,307 ^c	7,389 ^d	7,400
(F) Medicare — Health Service Agency Certification	5,667	6,025	4,791
(F) Medicaid Certification	4,498	5,516	5,010
(F) Civil Rights Compliance	54	220	.....
(A) Publication Fees	15	10	10
Subtotal — Federal Funds	\$ 10,219	\$ 11,761	\$ 9,801
Subtotal — Augmentations	15	10	10
Total — Quality Assurance	\$ 17,541	\$ 19,160	\$ 17,211
Vital Statistics	5,366	5,710	5,487
(F) Cooperative Health Statistics	906	2,671	2,442
(F) Drake Health Registry	22	.....	.....
(A) Reimbursement for Microfilming	56	60	60
Subtotal — Federal Funds	\$ 928	\$ 2,671	\$ 2,442
Subtotal — Augmentations	56	60	60
Total — Vital Statistics	\$ 6,350	\$ 8,441	\$ 7,989

^a Actually appropriated as \$12,181,000 for General Government Operations and \$201,000 Health Facility Hearing Board under Executive Offices. Excludes \$69,000 for discontinued interagency billing.

^b Includes recommended supplemental appropriation of \$120,000.

^c Actually appropriated as \$5,986,000 Quality Assurance, \$627,000 as part of County Administration — Statewide, \$37,000 as part of the Mental Health Services and \$657,000 as part of the Intermediate Care Facilities — Mentally Retarded appropriations in the Department of Public Welfare.

^d Actually appropriated as \$5,914,000 Quality Assurance, \$705,000 as part of County Administration — Statewide, \$46,000 as part of the Mental Health Services, \$143,000 as part of the Long-Term Care Facilities and \$581,000 as part of the Intermediate Care Facilities — Mentally Retarded appropriations in the Department of Public Welfare.

Summary by Fund and Appropriation

GENERAL FUND	1994-95 Actual	(Dollar Amounts in Thousands) 1995-96 Available	1996-97 Budget
GENERAL GOVERNMENT: (continued)			
State Laboratory	\$ 2,850	\$ 3,150	\$ 2,703
(F) Training Network for State Labs	10	.....	.....
(F) Clinical Laboratory Improvement	891	800 ^a	800
(F) Epidemiology & Laboratory Surveillance and Response .....	.....	250	250
(A) Blood Lead Testing	11	10	10
(A) Blood Lead Specimen Testing	44	43	43
(A) Erythrocyte Protoporphyrin Testing	8	9	9
(A) Reproduction and Search Fees	1	.....	1
(A) Alcohol Proficiency Testing	64	64	63
(A) Drug Abuse Proficiency	104	104	104
(A) Licensure for Clinical Laboratories	376	375	375
(A) Low Volume Proficiency Testing	26	18	18
(A) Training Course Fees .....	.....	1	1
Subtotal — Federal Funds	\$ 901	\$ 1,050	\$ 1,050
Subtotal — Augmentations	634	624	624
Total — State Laboratory	\$ 4,385	\$ 4,824	\$ 4,377
Primary Health Care Practitioner	5,199	5,568	4,990
(F) Loan Repayment Program	179	324	237
(F) Community & Migrant Health	151	212	262
(A) Robert Wood Johnson Foundation Grant	292	248	273
Subtotal — Federal Funds	\$ 330	\$ 536	\$ 499
Subtotal — Augmentations	292	248	273
Total — Primary Health Care Practitioner	\$ 5,821	\$ 6,352	\$ 5,762
State Health Care Centers	15,413	16,336	15,332
(F) Indochinese Refugees	48	60	60
(F) Disease Control Immunization	4,195	6,013	13,674
(F) Chronic Disease Prevention & Control	84	144	160
(F) PHHSBG — Block Program Services	4,849	6,501	6,959
(F) Medical Assistance — SHCC	2	2	2
(F) Refugee Health Program .....	.....	263 ^b	.....
(A) Early Periodic Screening, Diagnosis, Treatment	8	23	23
(A) Medical Assistance — SHCC	1	2	2
(A) Departmental Services	12	21	21
Subtotal — Federal Funds	\$ 9,178	\$ 12,983	\$ 20,855
Subtotal — Augmentations	21	46	46
Total — State Health Care Centers	\$ 24,612	\$ 29,365	\$ 36,233
Cancer Programs	4,758	4,777	4,777
(F) Data-Based Intervention Research	12	50	.....
(F) Breast & Cervical Cancer Program	624	2,497	3,807
(F) Tobacco Control	60	355	355
Subtotal — Federal Funds	\$ 696	\$ 2,902	\$ 4,162
Total — Cancer Programs	\$ 5,454	\$ 7,679	\$ 8,939
Occupational Disease Study	66	.....	.....
Vietnam Veterans Health Initiative Commission	185	168	.....
AIDS Programs	6,985	7,400	7,592
(F) AIDS Health Education	4,449	6,724	6,724
(F) HIV Care	3,141	8,575	15,175
(F) Housing Opportunities for People with AIDS	1,049	2,000	2,000
Subtotal — Federal Funds	\$ 8,639	\$ 17,299	\$ 23,899
Total — AIDS Programs	\$ 15,624	\$ 24,699	\$ 31,491

^a Includes recommended supplemental appropriation of \$200,000.

^b Includes recommended supplemental appropriation of \$263,000.

Summary by Fund and Appropriation

	1994-95 Actual	(Dollar Amounts in Thousands) 1995-96 Available	1996-97 Budget
GENERAL FUND			
GENERAL GOVERNMENT: (continued)			
VD Screening and Treatment	\$ 869	\$ 1,131	\$ 1,114
(F) VD Survey and Follow-up	1,753	2,174	2,174
(A) Pfizer Grant	9	....	....
Subtotal — Federal Funds	\$ 1,753	\$ 2,174	\$ 2,174
Subtotal — Augmentations	9	....	....
Total — VD Screening and Treatment	\$ 2,631	\$ 3,305	\$ 3,288
Subtotal — State Funds	\$ 62,604	\$ 66,032	\$ 64,632
Subtotal — Federal Funds	38,539	83,128	94,696
Subtotal — Augmentations	4,387	4,447	3,807
Total — General Government	\$ 105,530	\$ 153,607	\$ 163,135
GRANTS AND SUBSIDIES:			
Arthritis and Lupus Research	\$ 233	\$ 233	....
Regional Cancer Institutes	1,100	1,100	\$ 1,100
School District Health Services	38,377	38,452	38,214
Local Health Departments	26,500	26,966	27,268
Local Health — Environmental	7,365	7,434	7,309
WIC — State Supplement	6,884	5,884	3,000
(F) Women, Infants and Children (WIC)	137,386	144,188	151,500
Total — WIC — State Supplement	\$ 144,270	\$ 150,072	\$ 154,500
Maternal and Child Health	1,770	1,918	2,000
(F) MCH Lead Poisoning Prevention and Abatement	1,583	3,186	3,822
(F) MCHSBG — Program Services	30,551	19,412	15,012
(F) Genetics .....	....	....	50
(F) Child Lead Poison / Environmental Lead Assessment	260	323	323
(F) Newborn Screening .....	....	301	400
(F) MCH Outreach .....	....	91	46
(A) Environmental Assessments	185	684	684
Subtotal — Federal Funds	\$ 32,394	\$ 23,313	\$ 19,653
Subtotal — Augmentations	185	684	684
Total — Maternal and Child Health	\$ 34,349	\$ 25,915	\$ 22,337
Assistance to Drug and Alcohol Programs	36,431	37,390	37,160
(F) SABG — Drug and Alcohol Services	52,033	53,958	53,506
(F) Drug and Alcohol Data Collection System	134	161	....
(F) Substance Abuse Program Support Service Grants	6,829	6,397	4,500
(F) Substance Abuse Special Project Grants	1	1,050	643
(F) DFSC — Special Programs for Student Assistance	900	900	900
(A) State Stores Fund Transfer	1,066	1,357	1,223
(A) Nonhospital Residential Treatment	46,939	....	....
Subtotal — Federal Funds	\$ 59,897	\$ 62,466	\$ 59,549
Subtotal — Augmentations	48,005	1,357	1,223
Total — Assistance to Drug and Alcohol Programs	\$ 144,333	\$ 101,213	\$ 97,932
Epilepsy Support Services	150	30	....
Screening and Treatment — TB	1,469	1,663	1,014
(F) Tuberculosis Control Program	411	337	197
(F) PHHSBG — Tuberculosis	1,068	627	536
Subtotal — Federal Funds	\$ 1,479	\$ 964	\$ 733
Total — Screening and Treatment — TB	\$ 2,948	\$ 2,627	\$ 1,747

Summary by Fund and Appropriation

GENERAL FUND	(Dollar Amounts in Thousands)		
	1994-95 Actual	1995-96 Available	1996-97 Budget
GRANTS AND SUBSIDIES: (continued)			
Special Medical Services	\$ 16,695 ^a	\$ 16,604 ^b	\$ 10,664
(F) Sickle Cell Anemia .....	.....	.....	100
Total — Special Medical Services	\$ 16,695	\$ 16,604	\$ 10,764
Health Care Services NW	200	.....	.....
Regional Poison Control Centers	1,000	1,000	1,000
Trauma Programs Coordination	150	150	.....
Tourette Syndrome	100	100	.....
Black Lung Clinic—Washington County	50	.....	.....
Emergency Care & Research	100	100	.....
Bio-Technology Foundation .....	.....	1,250	.....
Fox Chase Institute for Cancer Research	860	860	860
The Wistar Institute — Research: Operation and Maintenance	387	237	237
The Wistar Institute — Research: AIDS Research	102	102	102
Central Penn Oncology Group	293	143	143
Cardiovascular Studies — University of Pennsylvania	132	132	132
Cardiovascular Studies — St. Francis Hospital	132	132	132
St. Christopher's Hospital	791	791	791
St. Christopher's Hospital: Disabled Children's Clinic	141	166	166
Lancaster — Cleft Palate Clinic	56	56	56
Pittsburgh — Cleft Palate Clinic	56	56	56
Tay Sachs Disease — Jefferson Medical College	56	56	56
Burn Foundation	562	462	462
Rehabilitation Institute of Pittsburgh	770	770	770
Subtotal — State Funds	\$ 142,912	\$ 144,237	\$ 132,692
Subtotal — Federal Funds	231,156	230,931	231,535
Subtotal — Augmentations	48,190	2,041	1,907
Total — Grants and Subsidies	\$ 422,258	\$ 377,209	\$ 366,134
STATE FUNDS	\$ 205,516	\$ 210,269	\$ 197,324
FEDERAL FUNDS	269,695	314,059	326,231
AUGMENTATIONS	52,577	6,488	5,714
GENERAL FUND TOTAL	\$ 527,788	\$ 530,816	\$ 529,269
OTHER FUNDS			
EMERGENCY MEDICAL SERVICES OPERATING FUND:			
Emergency Medical Services	\$ 9,571	\$ 7,000	\$ 8,800
Catastrophic Medical and Rehabilitation	5,780	5,000	4,000
Subtotal — Emergency Medical Services Operating Fund	\$ 15,351	\$ 12,000	\$ 12,800
ORGAN DONATION AWARENESS TRUST FUND:			
Organ Donation Trust Fund Operations .....	.....	\$ 261	\$ 256
OTHER FUNDS TOTAL	\$ 15,351	\$ 12,261	\$ 13,056
DEPARTMENT TOTAL — ALL FUNDS			
GENERAL FUND	\$ 205,516	\$ 210,269	\$ 197,324
FEDERAL FUNDS	269,695	314,059	326,231
AUGMENTATIONS	52,577	6,488	5,714
OTHER FUNDS	15,351	12,261	13,056
TOTAL ALL FUNDS	\$ 543,139	\$ 543,077	\$ 542,325

^a Actually appropriated as: Renal Dialysis \$11,377,000; Adult Cystic Fibrosis \$391,000; Cooley's Anemia \$198,000; Hemophilia \$1,594,000; Services for Children With Special Needs \$1,733,000; Sickle Cell \$1,202,000; and Coal Workers Pneumoconiosis Services \$200,000.

^b Actually appropriated as: Renal Dialysis \$10,505,000; Adult Cystic Fibrosis \$448,000; Cooley's Anemia \$198,000; Hemophilia \$2,088,000; Services for Children With Special Needs \$1,962,000; Sickle Cell \$1,203,000; and Coal Workers Pneumoconiosis Services \$200,000.

Program Funding Summary:

	(Dollar Amounts in Thousands)						
	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
HEALTH SUPPORT SERVICES							
GENERAL FUND.....	\$ 22,470	\$ 22,954	\$ 23,614	\$ 24,086	\$ 24,568	\$ 25,059	\$ 25,560
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	16,124	43,158	39,541	39,541	39,541	39,541	39,541
OTHER FUNDS.....	4,009	4,093	3,428	3,441	3,454	3,467	3,480
SUBCATEGORY TOTAL.....	\$ 42,603	\$ 70,205	\$ 66,583	\$ 67,068	\$ 67,563	\$ 68,067	\$ 68,581
HEALTH RESEARCH							
GENERAL FUND.....	\$ 9,435	\$ 9,274	\$ 8,654	\$ 8,764	\$ 8,876	\$ 8,990	\$ 9,106
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	1,819	4,076	3,566	3,566	3,566	3,566	3,566
OTHER FUNDS.....	56	60	60	61	62	63	64
SUBCATEGORY TOTAL.....	\$ 11,310	\$ 13,410	\$ 12,280	\$ 12,391	\$ 12,504	\$ 12,619	\$ 12,736
PREVENTIVE HEALTH							
GENERAL FUND.....	\$ 115,861	\$ 117,615	\$ 112,666	\$ 106,022	\$ 106,296	\$ 106,574	\$ 106,859
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	191,855	204,359	223,475	223,475	223,475	223,475	223,475
OTHER FUNDS.....	507	978	1,003	1,008	1,014	1,020	1,026
SUBCATEGORY TOTAL.....	\$ 308,223	\$ 322,952	\$ 337,144	\$ 330,505	\$ 330,785	\$ 331,069	\$ 331,360
HEALTH TREATMENT SERVICES							
GENERAL FUND.....	\$ 21,319	\$ 23,036	\$ 15,230	\$ 15,253	\$ 15,276	\$ 15,299	\$ 15,323
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	100	100	100	100	100
OTHER FUNDS.....	15,351	12,261	13,056	13,061	13,066	13,071	13,076
SUBCATEGORY TOTAL.....	\$ 36,670	\$ 35,297	\$ 28,386	\$ 28,414	\$ 28,442	\$ 28,470	\$ 28,499
DRUG AND ALCOHOL ABUSE PREVENTION AND TREATMENT							
GENERAL FUND.....	\$ 36,431	\$ 37,390	\$ 37,160	\$ 37,160	\$ 37,160	\$ 37,160	\$ 37,160
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	59,897	62,466	59,549	59,549	59,549	59,549	59,549
OTHER FUNDS.....	48,005	1,357	1,223	1,223	1,223	1,223	1,223
SUBCATEGORY TOTAL.....	\$ 144,333	\$ 101,213	\$ 97,932	\$ 97,932	\$ 97,932	\$ 97,932	\$ 97,932
ALL PROGRAMS:							
GENERAL FUND.....	\$ 205,516	\$ 210,269	\$ 197,324	\$ 191,285	\$ 192,176	\$ 193,082	\$ 194,008
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	269,695	314,059	326,231	326,231	326,231	326,231	326,231
OTHER FUNDS.....	67,928	18,749	18,770	18,794	18,819	18,844	18,869
DEPARTMENT TOTAL.....	\$ 543,139	\$ 543,077	\$ 542,325	\$ 536,310	\$ 537,226	\$ 538,157	\$ 539,108

PROGRAM OBJECTIVE: *To provide effective administration and support systems through which the substantive programs of the health delivery system and the department can be achieved.*

Program: Health Support Services

Health Support Services provides for the administration and technical systems which support disease prevention and treatment. The success or failure of these supportive efforts can only be indirectly reflected by the effectiveness of the activities they support. Also included in this program are Quality Assurance activities. The department operates the Public Health Laboratory which maintains a state of readiness to support the investigation of disease outbreaks or threats to the public health.

The State Center for Health Statistics and Research 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 3,500 requests for services each year. The data center conducts an annual survey of all hospitals, nursing homes and ambulatory surgery centers in Pennsylvania to acquire information on health resources and health services availability, utilization, staffing and patient characteristics.

The Department of Health administers diverse research projects and studies related to the etiology, distribution and trends of major diseases. The department provides epidemiologic assessment of health problems that include environmental occupational hazards, health risk behaviors and life styles of the general public or selected populations. The department also provides professional consultation and technical support for other agencies, county health departments and local municipalities.

The Quality Assurance Program conducts surveys of hospitals, nursing homes, home health agencies, primary care providers, ambulatory surgical facilities 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 State licensure. The department requests from the health care facility a plan for correction of deficiencies noted in the survey. Facilities unable or unwilling to correct deficiencies according to a plan agreeable to the department are subject to various penalties.

Certification for Federal Medicare purposes and required surveys of home health agencies will continue. Surveys will be conducted at no less than fifteen percent coverage of hospices; outpatient/physical,

speech, and occupational therapy providers; comprehensive outpatient rehabilitation facilities; and rural health clinics. Of these, initial surveys will be given highest priority along with any complaints which pose an immediate or serious threat to patient health and safety.

The Bureau of Health Care Financing is responsible for consumer protection for health care provided through managed care plans, including health maintenance organizations (HMOs), preferred provider organizations (PPOs) and point of service (POS) products. It licenses new plans, ensures availability and accessibility of health services in plan "service areas" and monitors quality of care through periodic inspections and external quality reviews. The bureau also establishes rules for consumer grievances and hears appeals from dissatisfied members; reviews and approves provider contracts and reimbursement methods; establishes rules and monitors delegation of essential managed care functions; develops policies and guidelines for licensure and regulation of new developments in managed care such as physician-hospital organizations (PHOs), integrated delivery systems, and medical service organizations; and collects and analyzes managed care data to identify trends. It licenses and oversees capitated dental plans (dental HMOs), traditional PPOs, nonprofit medical-surgical, vision, and dental plans (including Pennsylvania Blue Shield), and coordinated care organizations (CCOs) under the Workers' Compensation Act. Finally, it monitors, researches and develops policy for general health financing and reimbursement issues, health cost-containment initiatives and health reform proposals.

The State Laboratory has performed approximately 130,000 tests each year for diseases including HIV, rabies, hypothyroidism, blood lead, phenylketonuria, tuberculosis, and maple syrup urine disease. The State Laboratory supports disease prevention through the provision of investigatory, diagnostic and confirmatory testing for both infectious and non-infectious diseases. It establishes and monitors the performance standards for 6,000 clinical and physician office laboratories in the Commonwealth. Additionally, the State Laboratory implements the Federal requirement that clinical laboratories be certified under provisions of the Clinical Laboratory Act of 1967, as amended.

Program Measures:	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
Health care facilities in Pennsylvania with required surveys completed:							
Hospitals (biennially)	40%	40%	40%	40%	40%	40%	40%
Skilled and intermediate care nursing homes	100%	100%	100%	100%	100%	100%	100%
Intermediate care facilities/MR	100%	100%	100%	100%	100%	100%	100%
Home health agencies	100%	100%	100%	100%	100%	100%	100%
Psychiatric hospitals	100%	100%	100%	100%	100%	100%	100%

The decline in hospital surveys from last year's budget is due to reduced Federal requirements.

The increase in psychiatric hospital surveys and home health agency surveys from last year's budget is due to reduced Federal survey requirements which increased the capability to conduct surveys in this category.

Program: Health Support Services (continued)

Program Recommendations:

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

	General Government Operations		State Laboratory
\$ 566	—to continue current program.		—to continue current program.
650	—to replace revenue losses due to more efficient computer operations.	\$ -128	—discontinuation of free training programs for private laboratories.
-120	—nonrecurring costs.	-69	
<u>\$ 1,096</u>	<i>Appropriation Increase</i>	-250	—PRR — Restructuring the Public Health Care Delivery System. This Program Revision privatizes health related laboratory testing services. See the Program Revision following the Health Treatment Services subcategory for further information.
	Quality Assurance		
\$ 700	—to continue current program.		
-7	—nonrecurring costs.		
-682	—PRR — Restructuring the Public Health Care Delivery System. This Program Revision begins restructuring the health care delivery system by modifying the manner in which health care related services are provided in both the private and public sectors. This includes consolidating and eliminating duplicative licensure requirements in deference to more stringent Federal requirements for Intermediate Care Facilities (ICF/MR) and nursing homes. See the Program Revision following the Health Treatment Services subcategory for further information.	<u>\$ -447</u>	<i>Appropriation Decrease</i>
<u>\$ 11</u>	<i>Appropriation Increase</i>		

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
GENERAL FUND:							
General Government Operations	\$ 12,313	\$ 12,415	\$ 13,511	\$ 13,781	\$ 14,057	\$ 14,338	\$ 14,625
Quality Assurance	7,307	7,389	7,400	7,548	7,699	7,853	8,010
State Laboratory	2,850	3,150	2,703	2,757	2,812	2,868	2,925
TOTAL GENERAL FUND	<u>\$ 22,470</u>	<u>\$ 22,954</u>	<u>\$ 23,614</u>	<u>\$ 24,086</u>	<u>\$ 24,568</u>	<u>\$ 25,059</u>	<u>\$ 25,560</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 Division of Vital Records is the repository of over 28.9 million records of births, deaths, fetal deaths, marriages, and divorces which occur in the Commonwealth. Through automation of this operation, all Pennsylvania birth records from 1923 to the present are available through the Department's computer at all branch offices. The computer system

assists in the detection of fraudulent record usage and reports of missing children. Through recently completed projects, hard copy birth and death records were captured on microfilm for preservation and retrieval resulting in an anticipated reduction in leased space.

Program Measures:	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
Vital events (births, deaths, fetal deaths, marriages and divorces):							
Registered and processed	404,600	402,700	401,600	401,000	399,400	398,300	396,700
Percent registered and processed within 30 days	50%	52%	58%	58%	58%	58%	58%
Applications for certified copies of birth and death records:							
Filed	625,000	630,000	635,000	640,000	645,000	650,000	655,000

The increase in applications is due to birth certificates needed for drivers' permits and proof of citizenship for travel and employment.

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

\$ -233	Arthritis and Lupus Research —nonrecurring projects.	\$ -168	Vietnam Veterans Health Initiative Commission —nonrecurring project.
\$ -129	Vital Statistics —reduced registrar payments.	\$ 4	Diabetes Programs —to continue current program.
\$ -94	—to continue current program.		
\$ -223	<i>Appropriation Decrease</i>		

All other appropriations are included at current year funding levels.

Program: Health Research: (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
GENERAL FUND:							
Arthritis and Lupus Research	\$ 233	\$ 233	....	....	....	....	....
TMI — Health Studies	200	....	....	....	....	....	....
Vital Statistics	5,366	5,710	\$ 5,487	\$ 5,597	\$ 5,709	\$ 5,823	\$ 5,939
Vietnam Veterans Health Initiative							
Commission	185	168	....	....	....	....	....
Diabetes Programs	445	457	461	461	461	461	461
Regional Cancer Institutes	1,100	1,100	1,100	1,100	1,100	1,100	1,100
Fox Chase Institute for Cancer							
Research	860	860	860	860	860	860	860
The Wistar Institute — Research:							
Operation and Maintenance	387	237	237	237	237	237	237
The Wistar Institute — Research:							
AIDS Research	102	102	102	102	102	102	102
Cardiovascular Studies — University of ...							
Pennsylvania	132	132	132	132	132	132	132
Cardiovascular Studies — St. Francis							
Hospital	132	132	132	132	132	132	132
Central Penn Oncology Group	293	143	143	143	143	143	143
TOTAL GENERAL FUND	\$ 9,435	\$ 9,274	\$ 8,654	\$ 8,764	\$ 8,876	\$ 8,990	\$ 9,106

Program: Preventive Health: (continued)

six counties and three municipalities are served by local health departments receiving grants from the department. The District Offices and State Health Care Centers also provide health maintenance services.

The department provides clinical services for the diagnosis and treatment of sexually transmitted disease. These services are provided to insure that patients with a suspected disease have access to diagnostic and treatment services and 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 and infection. This consists of bacteriological studies, periodic x-ray examinations and physician and nursing evaluations.

The department has created a Tobacco Control Program which has responsibility for the development, coordination and administration of a Statewide program. This program initiates efforts to address the health affects of tobacco by collecting and analyzing baseline data related to existing smoking prevention and intervention projects; designing and implementing primary prevention and intervention programs; conducting Statewide public awareness/information programs; developing professional educational programs; and developing and maintaining a central clearinghouse of current information. This program has the responsibility for implementing the Clean Indoor Air Law. Regulations, enforcement and complaint procedures have been developed and implemented. An educational program has been developed and training

for district, county and municipal staff involved in the local education/enforcement process is provided.

The department has also created an Injury Prevention Program to study the incidence of injury within the Commonwealth and to recommend interventions to eliminate risk factors associated with injury. This also funds county and local health departments to implement injury control programs. Pennsylvania SafeKIDS coalition is supported to raise public awareness regarding childhood injuries, to educate parents and caregivers to provide for safer environments for children, and to provide educational programs on fire safety, poisoning and drowning.

The Disease Control Immunization Program conducts disease surveillance, monitors and enforces school immunization law, assesses child immunization status and provides technical assistance to health and education agencies. The program also uses Federal funds to purchase a wide variety of vaccines to immunize uninsured and needy residents, most of whom are children. This action helps to prevent widespread occurrences of vaccine-preventable illnesses.

The Primary Health Care Practitioner Program promotes the recruitment and retention of primary health care professionals in underserved rural and urban areas of the Commonwealth. Program elements include needs assessment, incentives to increase the number of primary care providers, recruitment and retention activities and stimulus to develop primary care capacity in underserved communities.

Program Measures:	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
Women and children's programs:							
Percent low birth weight live births	7.4%	7.5%	7.5%	7.6%	7.6%	7.6%	7.5%
Average persons participating in women, infants and children programs each month	275,466	280,086	282,000	282,000	282,000	282,000	282,000
Other communicable disease programs:							
HIV tests at publicly funded sites	39,500	42,000	42,000	44,500	47,000	49,500	52,000
Percent of persons screened found to have gonorrhea	0.8%	0.7%	0.6%	0.6%	0.6%	0.6%	0.6%
Communicable disease incidences reported:							
Gonorrhea	13,156	13,000	13,000	12,000	11,500	11,500	11,500
Infectious syphilis	401	400	400	400	400	400	350
AIDS	2,760	3,550	3,550	4,088	4,698	5,488	6,585
Primary care physicians receiving loan forgiveness	41	81	121	160	160	160	160
Cancer abstracts received	105,000	105,000	115,000	135,000	140,000	145,000	150,000

During 1994-95, fewer HIV tests were conducted at publicly funded sites than originally estimated in last year's budget document.

The increased incidence of gonorrhea over last year's budget estimate is due to late reporting of prior year cases.

Reported cases of syphilis have decreased from last year's budget document due to successful preventive health outreach efforts.

The number of AIDS cases reported decreased from last year's budget document due to early reporting deadlines.

The primary care physicians receiving loan forgiveness reflects a decrease in the 1994-95 year due to fewer candidates entering the program than originally anticipated. Future estimates are based on an anticipated 40 candidates per year to a maximum of 160 over a four year period.

Program: Preventive Health: (continued)

Program Recommendations:

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

<p>\$ -246</p> <p>-1,000</p> <p>242</p> <hr/> <p>\$ -1,004</p> <p>\$ 192</p> <p>\$ 422</p> <p>-1,000</p> <hr/> <p>\$ -578</p> <p>\$ -238</p>	<p>State Health Care Centers</p> <p>—to continue current program.</p> <p>—PRR — Restructuring the Public Health Care Delivery System. This Program Revision privatizes the local health care system. See the Program Revision following the Health Treatment Services subcategory for further information.</p> <p>—Initiative – Transfer of Public Bathing Law Activities. To implement the provisions of the Public Bathing Law activities transferred from the Department of Environmental Protection to the Department of Health.</p> <p><i>Appropriation Decrease</i></p> <p>AIDS Programs</p> <p>—to continue current program</p> <p>Primary Health Care Practitioner</p> <p>—to continue current program.</p> <p>—to reflect enhanced management control.</p> <p><i>Appropriation Decrease</i></p> <p>School District Health Services</p> <p>—decreased average daily membership costs.</p>	<p>\$ 302</p> <p>\$ -125</p> <p>\$ -2,884</p> <p>\$ 82</p> <p>\$ -30</p> <p>\$ -649</p> <p>\$ -17</p>	<p>Local Health Departments</p> <p>—to continue current program.</p> <p>Local Health Departments—Environmental</p> <p>—decreased demand based on local population estimates.</p> <p>WIC—State Supplement</p> <p>—increased Federal funding.</p> <p>Maternal and Child Health</p> <p>—to continue current program.</p> <p>Epilepsy Support Services</p> <p>—nonrecurring projects.</p> <p>Screening and Treatment—TB</p> <p>—nonrecurring projects.</p> <p>VD Screening and Treatment</p> <p>—decreased clinician costs.</p>
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All other appropriations are included at the current year level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
GENERAL FUND:							
State Health Care Centers	\$ 15,413	\$ 16,336	\$ 15,332	\$ 8,588	\$ 8,760	\$ 8,934	\$ 9,113
AIDS Programs	6,985	7,400	7,592	7,592	7,592	7,592	7,592
Cancer Programs	4,758	4,777	4,777	4,777	4,777	4,777	4,777
Primary Health Care Practitioner	5,199	5,568	4,990	5,090	5,192	5,296	5,402
School District Health Services	38,377	38,452	38,214	38,214	38,214	38,214	38,214
Local Health Departments	26,500	26,966	27,268	27,268	27,268	27,268	27,268
Local Health—Environmental	7,365	7,434	7,309	7,309	7,309	7,309	7,309
WIC—State Supplement	6,884	5,884	3,000	3,000	3,000	3,000	3,000
Maternal and Child Health	1,770	1,918	2,000	2,000	2,000	2,000	2,000
Occupational Disease Study	66	.....	.....	.....	.....	.....	.....
Epilepsy Support Services	150	30	.....	.....	.....	.....	.....
Screening and Treatment—TB	1,469	1,663	1,014	1,014	1,014	1,014	1,014
VD Screening and Treatment	869	1,131	1,114	1,114	1,114	1,114	1,114
Tay Sachs Disease—Jefferson Medical College	56	56	56	56	56	56	56
TOTAL GENERAL FUND	\$ 115,861	\$ 117,615	\$ 112,666	\$ 106,022	\$ 106,296	\$ 106,574	\$ 106,859

Program: Health Treatment Services (continued)

Program Measures:	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
Inpatient Services							
Persons receiving inpatient hospital care from department programs	130	130	130	116	102	88	88
Outpatient Services							
Children and adults receiving outpatient treatment through department supported programs:							
Hemophilia	1,168	1,168	968	768	568	368	368
Phenylketonuria	660	641	700	720	740	760	770
Renal disease	11,631	12,531	13,431	14,331	15,231	16,131	16,750
Cooley's Anemia	60	60	60	60	60	60	60
Sickle Cell Anemia	1,740	1,820	1,900	1,980	2,060	2,135	2,205
Spina Bifida	1,615	1,615	1,315	1,015	715	415	415
Home ventilators	131	131	133	135	137	139	141
Chronic respiratory disease	7,100	7,100	7,500	7,500	7,500	7,500	7,500
Children's rehabilitative services	7,724	7,724	6,724	5,724	4,724	3,724	3,724

The number of persons receiving inpatient hospital care and the number of persons receiving outpatient care for Renal Disease, Cooley's Anemia and Home Ventilators changed from last year's budget document due to receipt of actual information and enhanced data collection methods.

The number of persons receiving outpatient care for Children's Rehabilitative Services decreases from last year's budget document due to increased Medical Assistance, Children's Health Insurance Plan and third party coverage participation as well as enhanced data collection methods.

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

<p>\$ -1,575</p> <p>\$ -4,365</p> <p>\$ -5,940</p>	<p>Special Medical Services —improved third party payment and patient eligibility identification.</p> <p>—PRR — Restructuring the Public Health Care Delivery System. This Program Revision consolidates the medical services payment programs and establishes uniform eligibility criteria. This entails the consolidation of the following appropriations: Renal Dialysis, Adult Cystic Fibrosis, Cooley's Anemia, Hemophilia, Services for Children and Special Needs, Sickle Cell, and Coal Workers Pneumoconiosis Services. See the Program Revision following this subcategory for further information.</p> <p><i>Appropriation Decrease</i></p>	<p>\$ 34</p> <p>\$ -300</p> <p>\$ -150</p> <p>\$ -100</p> <p>\$ -100</p> <p>\$ -1,250</p>	<p>Renal Dialysis Management —to continue current program.</p> <p>Transfer to Organ Donation Awareness Trust Fund —nonrecurring projects.</p> <p>Trauma Programs Coordination —nonrecurring projects.</p> <p>Tourette Syndrome —nonrecurring projects.</p> <p>Emergency Care and Research —nonrecurring projects.</p> <p>Bio-Technology Foundation —nonrecurring projects.</p>
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All other appropriations are recommended at the current year funding level.

Program: Health Treatment Services (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
GENERAL FUND:							
Renal Dialysis Management	\$ 428	\$ 1,091	\$ 1,125	\$ 1,148	\$ 1,171	\$ 1,194	\$ 1,218
Transfer to Organ Donation Awareness Trust Fund .....	.....	300	.....	.....	.....	.....	.....
Organ Donation	220	140	140	140	140	140	140
Special Medical Services	16,695	16,604	10,664	10,664	10,664	10,664	10,664
Health Care Services—NW	200	.....	.....	.....	.....	.....	.....
Regional Poison Control Centers	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Trauma Programs Coordination	150	150	.....	.....	.....	.....	.....
Tourette Syndrome	100	100	.....	.....	.....	.....	.....
Black Lung Clinic — Washington County ..	50	.....	.....	.....	.....	.....	.....
Emergency Care & Research	100	100	.....	.....	.....	.....	.....
Bio-Technology Foundation .....	.....	1,250	.....	.....	.....	.....	.....
St. Christopher's Hospital	791	791	791	791	791	791	791
St. Christopher's Hospital — Disabled Children's Clinic	141	166	166	166	166	166	166
Burn Foundation	562	462	462	462	462	462	462
Rehabilitation Institute of Pittsburgh	770	770	770	770	770	770	770
Lancaster — Cleft Palate Clinic	56	56	56	56	56	56	56
Pittsburgh — Cleft Palate Clinic	56	56	56	56	56	56	56
TOTAL GENERAL FUND	\$ 21,319	\$ 23,036	\$ 15,230	\$ 15,253	\$ 15,276	\$ 15,299	\$ 15,323

Program Revision: Restructuring the Public Health Care Delivery System

The delivery and management of health care services is facing critical scrutiny in both the public and private sectors. Limited resources should be utilized in innovative ways to better meet the vital health care needs of our diverse population. This Program Revision begins restructuring the public health care delivery system by modifying the manner in which certain health care related services are provided.

Privatizing Local Health Departments

In an effort to more appropriately meet the individual needs of communities across Pennsylvania, this Program Revision proposes that the administration of the Commonwealth-operated local health care service system be placed under control of the local communities. The Commonwealth will contract with local providers, on a district-wide basis, for health care services deemed necessary for particular communities. These services will be provided in a more comprehensive and cost effective manner. The Commonwealth will continue to provide certain public health care services through district staff for those areas of the State unserved by a local health care provider.

Privatizing Laboratory Testing Services

Pennsylvania currently contracts for 85% of its health related laboratory testing with private vendors, including most of the high volume laboratory tests such as cervical cancer and newborn screenings. Maintaining laboratory services for only 15% of testing services is neither

efficient nor cost effective. This Program Revision will expand the privatization of laboratory testing services to low volume tests which are provided on a non-routine basis. Under this proposal, the Commonwealth will continue the laboratory testing services needed for quality assurance responsibilities.

Consolidation of Licensure Programs

Pennsylvania currently conducts duplicative licensure and certification activities for certain health related facilities. This proposal eliminates the State requirements for the redundant activities and defers to the more stringent Federal requirements for certification of Intermediate Care Facilities for the Mentally Retarded (ICF/MR) facilities and for the licensure of nursing home facilities.

Centralization of Medical Services Payment Programs

The final component of this Program Revision proposes to centralize and streamline the seven State medical payment programs administered by the Commonwealth into a Medical Services Management Program. Under the proposal, the Department of Health will consolidate the administration of these medical payment programs and establish uniform eligibility criteria.

Through the modifications proposed in this Program Revision, the Commonwealth will be better able to meet the health care needs of its citizens.

Program Measures:	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
Private local health care providers							
Program Revision .....	....	....	60	60	60	60	60
Percent of health related laboratory testing services provided by private vendors							
Current	85%	85%	85%	85%	85%	85%	85%
Program Revision .....	....	....	100%	100%	100%	100%	100%

Program Revision Recommendations:

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

\$ -1,000	State Health Care Centers —to privatize the local health care centers.	\$ -200	Coal Workers Pneumoconiosis Services —to consolidate the medical services payment programs and establish uniform eligibility criteria.
\$ -250	State Laboratory —to privatize laboratory testing services.		
\$ -682	Quality Assurance —to consolidate the licensure of Intermediate Care Facilities for the Mentally Retarded (ICF/MR) facilities and the civil rights unit of the licensure of nursing homes.	\$ -9,500	Renal Dialysis —to consolidate the medical services payment programs and establish uniform eligibility criteria.
\$ 10,664	Special Medical Services —to centralize and streamline the administration of medical services payment programs and establish uniform eligibility criteria.	\$ -1,962	Services for Children with Special Needs —to consolidate the medical services payment programs and establish uniform eligibility criteria.

Program Revision: Restructuring the Public Health Care Delivery System (continued)

Program Revision Recommendations: (continued)

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

\$	-391	Adult Cystic Fibrosis —to consolidate the medical services payment programs and establish uniform eligibility criteria.	\$	-1,594	Hemophilia —to consolidate the medical services payment programs and establish uniform eligibility criteria.
\$	-179	Cooley's Anemia —to consolidate the medical services payment programs and establish uniform eligibility criteria.	\$	-1,203	Sickle Cell —to consolidate the medical services payment programs and establish uniform eligibility criteria.
			\$	-6,297	<i>Program Revision Total</i>

Recommended Program Revision Costs by Appropriation:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
GENERAL FUND:							
State Health Care Centers	\$ -1,000	\$ -8,058	\$ -8,219	\$ -8,384	\$ -8,552
State Laboratory	-250	-255	-260	-265	-271
Quality Assurance	-682	-696	-710	-724	-739
Special Medical Services	10,664	10,664	10,664	10,664	10,664
Coal Workers Pneumoconiosis Services	-200	-200	-200	-200	-200
Renal Dialysis	-9,500	-9,500	-9,500	-9,500	-9,500
Services for Children with Special Needs	-1,962	-1,962	-1,962	-1,962	-1,962
Adult Cystic Fibrosis	-391	-391	-391	-391	-391
Cooley's Anemia	-179	-179	-179	-179	-179
Hemophilia	-1,594	-1,594	-1,594	-1,594	-1,594
Sickle Cell	-1,203	-1,203	-1,203	-1,203	-1,203
TOTAL GENERAL FUND	\$ -6,297	\$ -13,374	\$ -13,554	\$ -13,738	\$ -13,927

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 of their respective geographic areas. The department approves these plans and formulates a Statewide program based on those findings.

The prevention program provides current information on the effects of drugs and alcohol and assists individuals in developing or improving skills that will enable them to choose a lifestyle free of substance abuse. This is done through educational sessions, workshops, media presentations and an information clearinghouse operated by the department. Primary emphasis has been given to youth and a special curriculum is now used in all school districts to address 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 Student Assistance Program (SAP) provides school personnel with the knowledge and skills needed to identify students using alcohol or drugs.

Students are referred to professional evaluators and, if needed, receive treatment services. Special services are designed to divert certain criminal offenders into rehabilitation programs.

Treatment services are funded in hospitals, prisons, shelters, residential units, and outpatient programs. Treatment often consists of short-term detoxification followed by a longer term rehabilitation. Most inpatient services are rendered in a nonhospital setting. Outpatient services may follow discharge from a residential program, however, many persons receive their initial treatment in an outpatient setting. Typically, admissions to treatment are approximately 50 percent drug related and 50 percent alcohol related. Males represent 71 percent of all treatment admissions. After alcohol, the second most predominant drug abuse problem is cocaine use. Multiple drug use is also a problem.

Drug and alcohol education and training programs are provided for substance abuse and human services professionals. Issues such as prevention, intervention and treatment are addressed through a variety of educational initiatives.

Program Measures:	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
Prevention Services:							
School personnel trained by Student Assistance Program	11,100	11,100	11,156	11,211	11,322	11,433	11,544
School districts participating in Student Assistance Program	501	501	501	501	501	501	501
Students referred for assistance by Student Assistance Program	14,774	14,774	14,848	14,921	15,069	15,217	15,364
Treatment Services:							
Residential programs licensed/approved	250	250	253	255	258	260	260
Outpatient programs licensed/approved	500	500	490	494	499	504	508
Patients enrolled in treatment:							
Male	50,000	50,000	51,255	51,510	52,020	52,530	53,000
Female	21,000	21,000	21,527	21,634	21,848	22,062	22,276
Admissions with primary diagnosis:							
Drug abuse	35,548	35,548	35,610	35,963	36,315	36,668	36,680
Alcohol abuse	35,709	35,709	35,887	35,066	36,423	36,780	37,137
Percent of admissions completing treatment	38.0%	38.0%	39.0%	40.0%	41.0%	42.0%	43.0%

The percent of admissions completing treatment is increasing compared to last year's budget based on the most recent data available.

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

\$ -230 Assistance to Drug and Alcohol Programs
—nonrecurring projects.



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.

GOVERNOR'S EXECUTIVE BUDGET

HIGHER EDUCATION ASSISTANCE AGENCY

Summary by Fund and Appropriation

	1994-95 Actual	(Dollar Amounts in Thousands) 1995-96 Available	1996-97 Budget
<u>GENERAL FUND</u>			
<i>GRANTS AND SUBSIDIES:</i>			
Grants to Students	\$ 206,300	\$ 233,091	\$ 233,091
(F) Byrd Scholarships .....	.....	1,234	.....
Matching Payments for Student Aid Funds	6,341	6,736	6,736
Institutional Assistance Grants	35,077	35,675	35,675
Equal Opportunity Professional Education	750	750	750
Loan Forgiveness	5,010	5,010	4,214
Agricultural Loan Forgiveness	63	315	264
Information Technology	1,200	.....	.....
Child Care Loan Forgiveness	300	300	.....
TAP Advertising .....	.....	1,000	.....
Subtotal — State Funds	\$ 255,041	\$ 282,877	\$ 280,730
Subtotal — Federal Funds .....	.....	1,234	.....
GENERAL FUND TOTAL	\$ 255,041	\$ 284,111	\$ 280,730
 <u>OTHER FUNDS</u>			
<i>HIGHER EDUCATION ASSISTANCE FUND:</i>			
Education Loan Programs	\$ 283,076	\$ 273,021	\$ 294,243
Contract Servicing	64,070	72,900	74,795
Paul Douglas Teacher Scholarship	515	.....	.....
Christa McAuliffe Scholarship	86	42	.....
Robert Byrd Scholarship	830	1,247	1,247
State Student Incentive Grant	3,196	2,800	1,400
Transfers and Interest Augmenting State Appropriations	1,848	2,109	2,390
Supplemental Loan Account	178	60	60
Administration Augmentations	1,881	1,800	1,800
Primary Health Care	309	318	327
Other Funds	10,134	10,700	4,700
OTHER FUNDS TOTAL	\$ 366,123	\$ 364,997	\$ 380,962
 DEPARTMENT TOTAL — ALL FUNDS			
GENERAL FUND	\$ 255,041	\$ 282,877	\$ 280,730
FEDERAL FUNDS .....	.....	1,234	.....
OTHER FUNDS	366,123	364,997	380,962
TOTAL ALL FUNDS	\$ 621,164	\$ 649,108	\$ 661,692

HIGHER EDUCATION ASSISTANCE AGENCY

Program Funding Summary:

	(Dollar Amounts in Thousands)						
	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
FINANCIAL ASSISTANCE TO STUDENTS							
GENERAL FUND.....	\$ 218,764	\$ 246,202	\$ 245,055	\$ 245,055	\$ 245,055	\$ 245,055	\$ 245,055
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	1,234	0	0	0	0	0
OTHER FUNDS.....	366,123	364,997	380,962	380,962	380,962	380,962	380,962
SUBCATEGORY TOTAL.....	\$ 584,887	\$ 612,433	\$ 626,017	\$ 626,017	\$ 626,017	\$ 626,017	\$ 626,017
FINANCIAL AID TO INSTITUTIONS							
GENERAL FUND.....	\$ 36,277	\$ 36,675	\$ 35,675	\$ 35,675	\$ 35,675	\$ 35,675	\$ 35,675
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
SUBCATEGORY TOTAL.....	\$ 36,277	\$ 36,675	\$ 35,675	\$ 35,675	\$ 35,675	\$ 35,675	\$ 35,675
ALL PROGRAMS:							
GENERAL FUND.....	\$ 255,041	\$ 282,877	\$ 280,730	\$ 280,730	\$ 280,730	\$ 280,730	\$ 280,730
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	1,234	0	0	0	0	0
OTHER FUNDS.....	366,123	364,997	380,962	380,962	380,962	380,962	380,962
DEPARTMENT TOTAL.....	\$ 621,164	\$ 649,108	\$ 661,692	\$ 661,692	\$ 661,692	\$ 661,692	\$ 661,692

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 awards and guaranteed student loans. Funds for the various financial assistance programs flow through the Higher Education Assistance Fund. The Higher Education Assistance Fund is shown in the Special Funds Appendix

Direct grants to students are funded by an annual appropriation from the General Fund and interest earnings from the deposit of that appropriation in the PHEAA Fund and Federal State Student Incentive Grant funds. The PHEAA Board annually determines by regulation the distribution of funds to applicants on criteria including family income, family size and the cost of the institution the student will be attending.

The objective of the program is to reduce financial barriers and thereby provide access to higher education for all Commonwealth residents and, within the limits of the resources available, help to provide freedom of choice between public colleges and universities and private universities, colleges and postsecondary schools.

The Federal Family Education Loan Program, formerly 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 Matching Funds Program provides funds to match Federal and other funds for Perkins Loans, Match Grants and Work-Study awards which students earn through several on-campus and off-campus job opportunities and for activities related to the professional development of financial aid personnel. The On-Campus Jobs Program generally provides employment in campus services; off-campus jobs place students in career and course of study related work in local communities.

The Equal Opportunity Professional Education Program provides grants to minority graduates of Lincoln and Cheyney Universities to enter graduate programs of the Commonwealth Universities.

The Loan Forgiveness Programs provide loan forgiveness to graduating students who agree to teach in underserved urban and rural areas. The loans can be forgiven in amounts up to \$2,500 each year for four years to a maximum of \$10,000.

The Agricultural Loan Forgiveness Program provides loan forgiveness for graduates with Agriculture degrees who work on family-owned farms and for veterinarians whose practices include the treatment of farm animals.

Program Measures:	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
Grants to Students:							
Applications for grants	360,518	373,360	373,360	373,360	373,360	373,360	373,360
Applications for grants needs tested	235,649	253,030	268,410	268,410	268,410	268,410	268,410
Applicants enrolled eligible for grants	136,398	144,410	144,410	144,410	144,410	144,410	144,410
Percent of needs tested applicants qualifying	64.4%	63.7%	63.7%	63.7%	63.7%	63.7%	63.7%
Grants as percent of educational costs	13.8%	13.6%	13.6%	13.6%	13.6%	13.6%	13.6%
College Work Study:							
Students assisted by Federal college based student aid and State/private funds	87,988	83,434	83,434	83,434	83,434	83,434	83,434
Student work study earnings (in millions)	\$7.943	\$8.183	\$8.183	\$8.183	\$8.183	\$8.183	\$8.183
Student Loans:							
Guaranteed loans	633,005	58,569	659,009	737,297	817,921	307,768	1,059,611

Under Work Study, PHEAA now reflects only actual Perkins Loan awards received rather than anticipated awards.

The measure work-study jobs made available by off-campus employers included within the 1995-96 budget has been combined within the measure students assisted by Federal college based student aid and State/private funds.

The measure guaranteed loans is expected to increase in 1996-97 and thereafter because of the estimated effects of increased students, increased tuition costs, and because the number of students obtaining loans through the Federal direct loan program is not expected to rise above current participation levels.

HIGHER EDUCATION ASSISTANCE AGENCY

Program: Financial Assistance to Students (continued)

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

<p>\$ -796 Loan Forgiveness —to provide for renewal applicants only.</p> <p>\$ -300 Child Care Loan Forgiveness —this budget recommends elimination of this program.</p>	<p>\$ -51 Agricultural Loan Forgiveness —to provide for renewal applicants only.</p>
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All other appropriations are recommended at the current year funding level.

Appropriations within this Program: (Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
GENERAL FUND:							
Grants to Students	\$ 206,300	\$ 233,091	\$ 233,091	\$ 233,091	\$ 233,091	\$ 233,091	\$ 233,091
Matching Payments for Student Aid							
Funds	6,341	6,736	6,736	6,736	6,736	6,736	6,736
Equal Opportunity Professional Education	750	750	750	750	750	750	750
Loan Forgiveness	5,010	5,010	4,214	4,214	4,214	4,214	4,214
Agricultural Loan Forgiveness	63	315	264	264	264	264	264
Child Care Loan Forgiveness	300	300	.....	.....	.....	.....	.....
TOTAL GENERAL FUND	\$ 218,764	\$ 246,202	\$ 245,055	\$ 245,055	\$ 245,055	\$ 245,055	\$ 245,055

HIGHER EDUCATION ASSISTANCE AGENCY

PROGRAM OBJECTIVE: To assist independent post-secondary institutions to maintain enrollments and stabilize their educational costs thereby promoting access to institutions in all sectors for Pennsylvania students.

Program: Financial Aid to Institutions

The Institutional Assistance Grants Program, which began in 1974, provides grants to assist independent post-secondary institutions which are nonprofit, nondenominational and nonrecipients of direct State appropriations.

The appropriated funds provide equal per capita grants to the schools based on the number of student grant recipients enrolled during the academic year.

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:	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
Eligible grant recipients enrolled at eligible independent institutions	36,838	37,476	37,476	37,476	37,476	37,476	37,476
Per capita grant	\$958	\$958	\$958	\$958	\$958	\$958	\$958
Eligible institutions	86	86	86	86	86	86	86

Program Recommendations:	This budget recommends the following changes: (Dollar Amounts in Thousands)
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\$ -1,000 TAP Advertising
—nonrecurring project.

	(Dollar Amounts in Thousands)						
	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
GENERAL FUND:							
Institutional Assistance Grants	\$ 35,077	\$ 35,675	\$ 35,675	\$ 35,675	\$ 35,675	\$ 35,675	\$ 35,675
Information Technology	1,200	.....	.....	.....	.....	.....	.....
TAP Advertising .....	.....	1,000	.....	.....	.....	.....	.....
TOTAL GENERAL FUND	\$ 36,277	\$ 36,675	\$ 35,675	\$ 35,675	\$ 35,675	\$ 35,675	\$ 35,675



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, archeological and museum research, administration of public records, museum exhibition and interpretation, and historic site development.

GOVERNOR'S EXECUTIVE BUDGET

HISTORICAL AND MUSEUM COMMISSION

Summary by Fund and Appropriation

	1994-95 Actual	(Dollar Amounts in Thousands) 1995-96 Available	1996-97 Budget
GENERAL FUND			
GENERAL GOVERNMENT:			
General Government Operations	\$ 17,292 ^a	\$ 15,549	\$ 15,354
(F) Historic Preservation	968	1,300	1,100
(F) Railroad Museum Improvement .....	....	1,332	....
(F) Surface Mining Study	33	45	....
(F) State Records Center	37	12	....
(F) Environmental Review	90	100	100
(F) Exhibits Flagship Niagara	23	....	....
(F) Turnpike Preservation Review .....	....	45	....
(F) Surface Mining Review .....	....	45	45
(F) Winter of 94—PEMA	1	....	....
(F) Intermodal Surface Transportation Safety Act .....	....	64	....
(A) Lackawanna Heritage Authority	39	....	....
(A) Turnpike Commission	1	....	45
(A) Hope Lodge	189	30	30
(A) Historic Preservation Fund	620	674	410
(A) Land Records	5	....	....
(A) Rental of Historic Sites and Properties .....	....	....	50
(A) Commission on Crime and Delinquency .....	....	35	38
Records and Management Information .....	....	....	450
Maintenance Program	917	944	944
Subtotal — State Funds	\$ 18,209	\$ 16,493	\$ 16,748
Subtotal — Federal Funds	1,152	2,943	1,245
Subtotal — Augmentations	854	739	573
Total — General Government	\$ 20,215	\$ 20,175	\$ 18,566
GRANTS AND SUBSIDIES:			
Museum Assistance Block Grant	\$ 2,926 ^b	\$ 3,934 ^c	\$ 3,000
Federal Match—Strasburg Railroad .....	....	195	....
Humanities Council	100	....	....
Total — Grants and Subsidies	\$ 3,026	\$ 4,129	\$ 3,000
STATE FUNDS	\$ 21,235	\$ 20,622	\$ 19,748
FEDERAL FUNDS	1,152	2,943	1,245
AUGMENTATIONS	854	739	573
GENERAL FUND TOTAL	\$ 23,241	\$ 24,304	\$ 21,566
KEYSTONE RECREATION, PARK AND CONSERVATION FUND			
GRANTS AND SUBSIDIES:			
Historic Site Development	\$ 2,700	\$ 9,299	\$ 6,562

^a Excludes \$29,000 for discontinued interagency billing.

^b Actually appropriated as \$950,000 for Museum Assistance, \$176,000 for University of Pennsylvania Museum, \$176,000 for Carnegie Museum, \$176,000 for Carnegie Science Center, \$531,000 for Franklin Institute, \$325,000 for Academy of Natural Sciences, \$176,000 for Museum of Philadelphia Civic Center, \$249,000 for Afro-American Historical and Cultural Museum, \$32,000 for Everhart Museum, and \$135,000 for Mercer Museum.

^c Actually appropriated as \$1,800,000 for Museum Assistance, \$181,000 for University of Pennsylvania Museum, \$181,000 for Carnegie Museum, \$181,000 for Carnegie Science Center, \$547,000 for Franklin Institute, \$335,000 for Academy of Natural Sciences, \$181,000 for Museum of Philadelphia Civic Center, \$256,000 for Afro-American Historical and Cultural Museum, \$33,000 for Everhart Museum, \$139,000 for Mercer Museum and \$100,000 for the Museum of Scientific Discovery.

HISTORICAL AND MUSEUM COMMISSION

Summary by Fund and Appropriation

	1994-95 Actual	(Dollar Amounts in Thousands) 1995-96 Available	1996-97 Budget
<u>OTHER FUNDS</u>			
<i>GENERAL FUND:</i>			
Preservation of Historic Sites and Properties	\$ 185	\$ 200	\$ 150
Hope Lodge Fund	30	30	....
<i>CONRAD WEISER MEMORIAL PARK TRUST FUND:</i>			
Conrad Weiser Memorial Trust Fund .....	....	\$ 36	....
<i>HISTORIC PRESERVATION FUND:</i>			
Historic Preservation Fund	\$ 4,214	\$ 4,800	\$ 4,950
OTHER FUNDS TOTAL	\$ 4,429	\$ 5,066	\$ 5,100
 DEPARTMENT TOTAL — ALL FUNDS			
GENERAL FUNDS	\$ 21,235	\$ 20,622	\$ 19,748
SPECIAL FUNDS	2,700	9,299	6,562
FEDERAL FUNDS	1,152	2,943	1,245
AUGMENTATIONS	854	739	573
OTHER FUNDS	4,429	5,066	5,100
TOTAL ALL FUNDS	\$ 30,370	\$ 38,669	\$ 33,228

HISTORICAL & MUSEUM COMMISSION

Program Funding Summary:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
STATE HISTORIC PRESERVATION							
GENERAL FUND.....	\$ 18,309	\$ 16,493	\$ 16,748	\$ 17,083	\$ 17,424	\$ 17,773	18,128
SPECIAL FUNDS.....	2,700	9,299	6,562	4,378	4,230	4,227	4,345
FEDERAL FUNDS.....	1,152	2,943	1,245	1,170	1,175	1,175	1,200
OTHER FUNDS.....	5,283	5,805	5,673	5,670	5,698	5,700	5,730
SUBCATEGORY TOTAL.....	\$ 27,444	\$ 34,540	\$ 30,228	\$ 28,301	\$ 28,527	\$ 28,875	\$ 29,403
MUSEUM DEVELOPMENT AND OPERATION							
GENERAL FUND.....	\$ 2,926	\$ 4,129	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	3,000
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
SUBCATEGORY TOTAL.....	\$ 2,926	\$ 4,129	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000
ALL PROGRAMS:							
GENERAL FUND.....	\$ 21,235	\$ 20,622	\$ 19,748	\$ 20,083	\$ 20,424	\$ 20,773	21,128
SPECIAL FUNDS.....	2,700	9,299	6,562	4,378	4,230	4,227	4,345
FEDERAL FUNDS.....	1,152	2,943	1,245	1,170	1,175	1,175	1,200
OTHER FUNDS.....	5,283	5,805	5,673	5,670	5,698	5,700	5,730
DEPARTMENT TOTAL.....	\$ 30,370	\$ 38,669	\$ 33,228	\$ 31,301	\$ 31,527	\$ 31,875	\$ 32,403

HISTORICAL AND MUSEUM COMMISSION

PROGRAM OBJECTIVE: To manage and safeguard Pennsylvania's historic resources through a comprehensive history and museum program to educate and to interpret, research and preserve all areas of Pennsylvania history.

Program: State Historic Preservation

The State Historical Preservation Program administered by the Historical and Museum Commission is comprised of four major elements. These elements include: Executive Direction and Administration; Pennsylvania State and Local Records; Historic Site and Museum Operations; and Historic Preservation.

Program Element: Executive Direction and Administration

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

Program Element: State and Local Records

This element is supported by the State Archives, the Land Office, the Computer Output Microfilm Program and the State Records Center. The State Archives is responsible for: 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; and accessing of records, manuscripts and materials deemed appropriate for placement in the State Archives. The commission's archival program also provides information, microfilm, photographs and other materials, and makes available finding aids and guides for researchers and the general public. The Land Office maintains and preserves the records of the first titles acquired by the proprietaries and the Commonwealth to all the lands within Pennsylvania's boundaries, the conveyances and purchasers of the land; papers relating to the surveys of the State boundary lines; and maps and other papers pertaining to the colonial history of Pennsylvania.

The State Archives, the Computer Output Microfilm Program and the State Records Center offers Pennsylvania and its political subdivisions

opportunities for solving the serious problem of managing paper and electronic records. Planning efforts have already been initiated in cooperation with the Office of Administration to insure that short and long-range strategies are developed for records management that will see Pennsylvania into the 21st century.

Program Element: Historic Site and Museum Operations

This element supports the operation of twenty-eight (28) historic sites and museums throughout the Commonwealth including the State Museum of Pennsylvania. This program provides educational, collections and exhibition programs for interpreting Pennsylvania history cooperative initiatives with associate organizations on educational and public events and programs presenting rural and urban life along with lectures and seminars, curatorial methods and ethnic studies to bring history to the public. This program element provides a variety of support services including architectural and design activities in support of a preservation maintenance program; administration of the Keystone Recreation, Park and Conservation Fund program for commission properties; collections management and conservation; marketing, and other historic site and museum activities and services. The State Museum administers the Mobile Museum Program which brings Pennsylvania history to the people.

Program Element: Historic Preservation

This element is responsible for the identification, protection and enhancement of buildings, structures and districts of historic and architectural significance within the Commonwealth. It provides for the infusion of Federal funds from the Department of the Interior to: enhance the economic base of many communities in Pennsylvania; provide a survey and National Register nomination program; maintain an information network providing direction and assistance to local preservation organizations; administer an archaeological program to improve policies and procedures and provide direction to the professional and advocational community; and preserve and protect endangered historic public and private buildings, structures and landmarks through a nonprofit Statewide revolving fund.

Program Measures:	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
State and Local Records							
Pages of archives and historical manuscripts (in thousands)	145,887	150,000	155,000	160,000	170,000	175,000	180,000
Service request responses History, Archives and Land Records	77,674	79,000	80,000	81,000	81,000	82,000	82,000
Historic Site and Museum Operations							
Annual visits to commission historical sites and museums (in thousands)	1,532	1,600	1,700	1,800	1,900	2,000	2,100
Historic markers	1,668	1,700	1,715	1,730	1,750	1,775	1,800
Historic Preservation							
Evaluations for the National Register of Historic Properties	311	315	320	325	330	340	350
Historic properties reviewed for tax credit	141	140	150	150	150	150	150

HISTORICAL AND MUSEUM COMMISSION

Program: State Historic Preservation (continued)

Program Measures (continued)	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
<i>Professional History and Museum Support Services</i>							
Objects maintained and conserved (in thousands)	1,305	1,305	1,305	1,300	1,300	1,300	1,300
Commission buildings undergoing improvement	141	150	150	150	175	175	180

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

\$ -195	General Government Operations —to continue current program
\$ 450	Records and Information Management —to provide direct support for the Records and Information Management program.

Appropriations within this Program: (Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
GENERAL FUND:							
General Government Operations	\$ 17,292	\$ 15,549	\$ 15,354	\$ 15,661	\$ 15,974	\$ 16,293	\$ 16,619
Records and Management Information .....	.....	.....	450	459	468	478	487
Maintenance Program	917	944	944	963	982	1,002	1,022
Humanities Council	100	.....	.....	.....	.....	.....	.....
TOTAL GENERAL FUND	\$ 18,309	\$ 16,493	\$ 16,748	\$ 17,083	\$ 17,424	\$ 17,773	\$ 18,128

HISTORICAL AND MUSEUM COMMISSION

PROGRAM OBJECTIVE: To assure provision of representative artifacts, specimens of history, art and science for all citizens through the support of museums within the Commonwealth.

Program: Museum Assistance

This program is comprised of three major components; the Museum Assistance Program, Museum Assistance General Operating Support and the Keystone Recreation, Park, and Conservation Fund. The three programs provide 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 Grants, the largest of the financial award categories, require the successful grantee to provide dollar-for-dollar matching funds. All other categories are non-matching, but grantees are encouraged to provide in-kind support where possible.

The Museum Assistance General Operating Program provides support to qualified history and cultural related institutions in the Commonwealth. Organizations which currently receive funding from the commission through this program include: the University of Pennsylvania Museum, Carnegie Museum of Natural History, Carnegie Science Center, Franklin Institute Science Museum, Academy of Natural Sciences, Museum of the Philadelphia Civic Center, Afro-American Historical and Cultural Museum, Everhart Museum and the Mercer Museum. Financial assistance to these institutions supports a portion of their general operating budget.

The Keystone Recreation, Park and Conservation Fund grant program is a competitive grants process created by Act 1993-50. Funding is available to Pennsylvania non-profit organizations and public agencies that operate a publicly accessible historic property listed in, or eligible for the National Register of Historic Places, or that operates a contributing historic property in a National Register historic district. Grants are awarded on a 50-50 matching basis and support projects in the areas of redevelopment, preservation, and rehabilitation, restoration and other related projects.

Program Measures:	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
Museum assistance competitive grants awarded	134	154	175	175	180	180	180
Museum assistance general operating support grants	42	42	45	45	47	48	48

Funding level does not always affect program measure data because grant funding and the number of grants are not necessarily proportionate.

Program Recommendations:

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

<p>Museum Assistance \$ -934 -this budget recommends consolidating numerous grants into a single block grant appropriation.</p>	<p>Federal Match — Strasburg Railroad \$ -195 —nonrecurring projects.</p>
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HISTORICAL AND MUSEUM COMMISSION

Program: Museum Assistance (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
GENERAL FUND:							
Museum Assistance	\$ 2,926	\$ 3,934	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000
Federal Match — Strasburg Railroad .....	....	195	....	....	....	....	....
TOTAL GENERAL FUND	\$ 2,926	\$ 4,129	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000



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.

GOVERNOR'S EXECUTIVE BUDGET

HOUSING FINANCE AGENCY

Summary by Fund and Appropriation

	1994-95 Actual	(Dollar Amounts in Thousands) 1995-96 Available	1996-97 Budget
<u>GENERAL FUND</u>			
<i>GRANTS AND SUBSIDIES:</i>			
Homeowners Emergency Mortgage Assistance	\$ 18,500	\$ 18,000	....
PennHOMES	4,000	....	....
GENERAL FUND TOTAL	<u>\$ 22,500</u>	<u>\$ 18,000</u>	<u>....</u>
DEPARTMENT TOTAL — ALL FUNDS			
GENERAL FUND	<u>\$ 22,500</u>	<u>\$ 18,000</u>	<u>....</u>

HOUSING FINANCE AGENCY

Program Funding Summary:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
COMMUNITY DEVELOPMENT AND CONSERVATION							
GENERAL FUND.....	\$ 22,500	\$ 18,000	\$ 0	\$ 0	\$ 0	\$ 0	0
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
SUBCATEGORY TOTAL.....	\$ 22,500	\$ 18,000	\$ 0	\$ 0	\$ 0	\$ 0	0
ALL PROGRAMS:							
GENERAL FUND.....	\$ 22,500	\$ 18,000	\$ 0	\$ 0	\$ 0	\$ 0	0
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
DEPARTMENT TOTAL.....	\$ 22,500	\$ 18,000	\$ 0	\$ 0	\$ 0	\$ 0	0

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 programs to increase and protect the supply of decent, safe and affordable multi-family rental and single family homeownership housing. These programs are financed with proceeds from the sale of securities to private investors. The PHFA also operates the Homeowners Emergency Mortgage Assistance Program (HEMAP), a program to protect distressed homeowners from foreclosure. This program was supported by an annual General Fund appropriation.

The Single Family Homeownership Program is the PHFA home buyer assistance program, which offers below market rate mortgage loans to first time buyers of single family houses. Loans are available in all counties of the Commonwealth. Funds to operate the program come from the sale of mortgage revenue bonds. In 1994-95, \$260 million in tax-exempt bonds were sold to provide approximately 4,817 mortgages to first time home buyers throughout Pennsylvania.

Since inception, PHFA has financed 6,301 rental units for the homeless and other low-income people. PHFA's funds are combined with a wide variety of public and private sources to make the low-income projects feasible.

The Homeowners Emergency Mortgage Assistance Program (HEMAP) was established by Act 91 of 1983, and was designed to protect citizens who, through no fault of their own, are in danger of losing their homes to foreclosure. In accomplishing this mandate, the program achieves the added benefit of preventing homelessness. Eligible applicants receive assistance in an amount sufficient to bring mortgage payments current and may also receive continuing assistance for up to 36 months. HEMAP payments are loans upon which repayment begins and interest starts to accrue when the recipient is financially able to pay.

Act 91 originally had a three year life, with an expiration date of December 23, 1986. The program has been extended twice, first through December 23, 1989 under provisions of Act 189 of 1986 and subsequently through December 23, 1992 by Act 79 of 1989. Act 182 of 1992 extended the program permanently.

Since its creation in 1972, PHFA has committed financing to 36,472 apartment units and 52,346 single family homes through the sale of over \$4 billion of tax-exempt and taxable bonds. It has channeled over \$152 million of General Fund monies into the HEMAP Program to save more than 19,500 homes from foreclosure. General Fund monies are not included for HEMAP beginning in 1996-97. Rather, the HEMAP Program will place greater emphasis on the collection and use of repayments on outstanding loans to maintain the current program.

Program Measures:	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
Persons eligible for HEMAP loans	1,751	1,950	626	626	626	626	626
Approved mortgage assistance loans	1,932	1,950	....	....	....	....	....
Dollar value of assistance loans recorded (in thousands)	\$19,859	\$20,073	\$13,300	\$13,300	\$13,300	\$13,300	\$13,300
Average mortgage assistance loan	\$10,279	\$10,294	\$10,294	\$10,294	\$10,294	\$10,294	\$10,294
Mortgage assistance loans qualifying for repayment	3,546	3,500	3,500	3,500	3,500	3,500	3,500
Outstanding principal balance of mortgage assistance loans qualifying for repayment (in thousands)	\$23,281	\$36,029	\$36,029	\$36,029	\$36,029	\$36,029	\$36,029

The decrease in the program measures shown above from those in last year's budget is due to the elimination of General Fund support for this program beginning in 1996-97.

The decrease could be avoided with a more aggressive effort in collecting repayments.

HOUSING FINANCE AGENCY

Program: Community Development and Conservation (continued)

Program Recommendations:

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

GENERAL FUND:
Homeowners Emergency Mortgage Assistance
 \$ -18,000 —nonrecurring projects.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
GENERAL FUND:							
Homeowners Emergency Mortgage Assistance	\$ 18,500	\$ 18,000	....	....	....	....	....
PennHOMES	4,000	....	....	....	....	....	....
TOTAL GENERAL FUND	\$ 22,500	\$ 18,000	....	....	....	....	....



COMMONWEALTH OF PENNSYLVANIA

INFRASTRUCTURE INVESTMENT AUTHORITY

The Pennsylvania Infrastructure Investment Authority administers the PENNVEST program authorized in Act 16 of 1988. This program provides financial assistance, in the form of loans and grants, to municipal authorities and private owners for improving community drinking water supply systems, sewage treatment facilities, and stormwater control systems.

GOVERNOR'S EXECUTIVE BUDGET

INFRASTRUCTURE INVESTMENT AUTHORITY

Summary by Fund and Appropriation

	1994-95 Actual	(Dollar Amounts in Thousands) 1995-96 Available	1996-97 Budget
GENERAL FUND			
<i>GRANTS AND SUBSIDIES:</i>			
PENNVEST	\$ 6,000 ^a	.....	.....
(F) Sewage Projects Revolving Loan Fund .....	.....	\$ 58,000 ^b	\$ 48,500 ^b
GENERAL FUND TOTAL	\$ 6,000^a	\$ 58,000	\$ 48,500
 PENNVEST FUNDS			
PENNVEST Operations (EA)	\$ 3,086	\$ 3,050	\$ 2,669
Grants — Other Revenue Sources (EA)	3,900	5,000	3,500
(R) Revenue Bond Loan Pool (EA)	4	50	10
(R) Revolving Loans	40,010	28,000	25,000
Subtotal — Executive Authorization	\$ 47,000	\$ 36,100	\$ 31,179
PENNVEST Water Pollution Control Revolving Fund	11,171	8,500	8,850
Additional Sewage Projects Revolving Loans (EA) .....	.....	15,000	10,000
(F) Sewage Projects Revolving Loan Fund	43,311	56,500	47,750
(F) On-Lot Sewage Disposal Systems .....	.....	1,500	750
PENNVEST Revolving Fund	10,862	55,300	85,200
PENNVEST Nonrevolving Equity Fund .....	.....	.....	.....
PENNVEST FUNDS TOTAL	\$ 112,344	\$ 172,900	\$ 183,729
 DEPARTMENT TOTAL — ALL FUNDS			
GENERAL FUND	\$ 6,000	.....	.....
FEDERAL FUNDS	43,311	\$ 58,000	\$ 48,500
RESTRICTED REVENUES	40,014	28,050	25,010
OTHER FUNDS	29,019	86,850	110,219
TOTAL — ALL FUNDS	\$ 118,344	\$ 172,900	\$ 183,729

^a General Fund appropriations are transferred to the PENNVEST Fund. These appropriations are deposited into the PENNVEST Fund with other sources of revenue such as investments.

^b Federal Fund appropriations from the General Fund are transferred to the PENNVEST Water Pollution Control Revolving Fund and, therefore, are excluded from the totals to avoid duplication and provide a more accurate representation of the use of Federal funds.

INFRASTRUCTURE INVESTMENT AUTHORITY

Program Funding Summary:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
PENNVEST							
GENERAL FUND.....	\$ 6,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	58,000	48,500	55,000	55,000	55,000	55,000
OTHER FUNDS.....	112,344	172,900	183,729	150,222	134,901	131,957	132,014
SUBCATEGORY TOTAL.....	\$ 118,344	\$ 230,900	\$ 232,229	\$ 205,222	\$ 189,901	\$ 186,957	\$ 187,014
ALL PROGRAMS:							
GENERAL FUND.....	\$ 6,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	58,000	48,500	55,000	55,000	55,000	55,000
OTHER FUNDS.....	112,344	172,900	183,729	150,222	134,901	131,957	132,014
DEPARTMENT TOTAL.....	\$ 118,344	\$ 230,900	\$ 232,229	\$ 205,222	\$ 189,901	\$ 186,957	\$ 187,014

INFRASTRUCTURE INVESTMENT AUTHORITY

PROGRAM OBJECTIVE: *To promote public health and a clean environment and to further economic development in the Commonwealth by providing a financing program, technical assistance and administrative support for community drinking water systems, municipal sewage treatment facilities and stormwater control projects.*

Program: PENNVEST

The PENNVEST Program authorized in Act 16 of 1988 provides an investment pool of capital to rebuild and expand community drinking water systems and municipal sewage treatment facilities in the Commonwealth. These systems and facilities are essential for the protection of public health and the promotion of economic development. Many systems and facilities need to be repaired, upgraded or expanded to meet environmental standards and economic development goals. In addition, Act 5 of 1992 established a program to fund stormwater control projects. Funding these needed improvements has often proved difficult especially for small communities.

Initial funding for the PENNVEST Fund comes from several sources: the \$300 million bond issue approved by voter referendum, the balance of approved Water Facilities Loan Fund bonds, Federal seed money for a sewage treatment facilities revolving loan fund, and some available Capital Facilities bonds. In addition, Act 5 of 1992 authorized a \$350 million bond issue, which was approved by referendum, to provide additional funding for the program. In 1990-91 the PENNVEST Revenue Bond Pool Program began providing additional funding. Added to this are interest earnings on the fund's cash flow, and interest and principal payments made on loans.

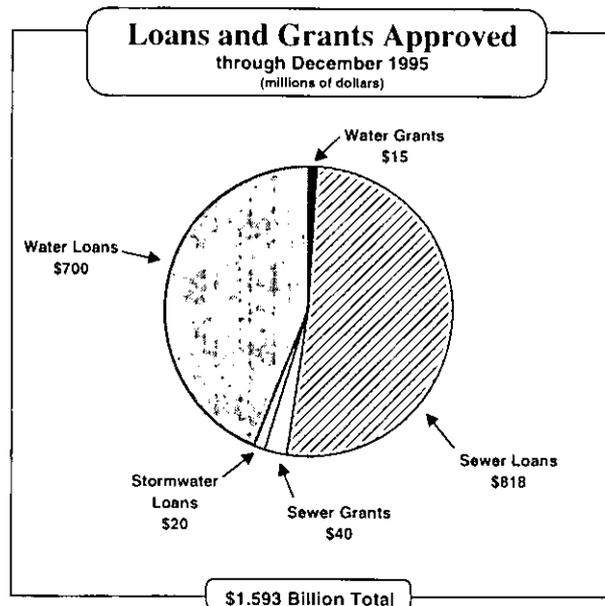
PENNVEST funds are used for loans and grants to municipalities, municipal authorities and private firms to improve water, sewage and stormwater systems they own. Loans are also available to individual homeowners to upgrade their on-lot septic systems. Also, the Pennsylvania Infrastructure Investment Authority, supported by the Department of Environmental Protection, helps owners apply for funding, provides assistance in planning and designing funded projects, and, if necessary, reviews the applicant operations to improve efficiency.

To facilitate fund management and accounting, several separate funds have been established. The PENNVEST Fund serves as the repository of appropriated General Fund monies, interest and investment income, and loan repayments. In addition to loans and grants, administrative costs are paid from this fund. The Water Pollution Control Revolving Fund combines the Federal seed money and the Commonwealth's required matching funds to create a revolving loan fund for sewage treatment facilities construction. The PENNVEST Revolving Fund and the PENNVEST Non-Revolving Equity Fund receive the proceeds from the sale of bonds mentioned above. The PENNVEST Revenue Bond Pool is supported by loan interest and principal repayments from loans and disburses the proceeds from the sale of PENNVEST Revenue Bonds.

Program Measures:

PENNVEST projects implemented	93	109	109	109	109	109	109
PENNVEST awards (in millions):							
Loans	\$ 172	\$ 120	\$ 120	\$ 120	\$ 120	\$ 120	\$ 120
Grants	4	3	2	2	2	2	2
Total	<u>\$ 176</u>	<u>\$ 123</u>	<u>\$ 122</u>	$ 122	$ 122	$ 122	$ 122

The program measures showing the number of projects implemented has been revised to reflect the most recent estimates and the implementation of the on-lot septic loan program. The amounts awarded change from last year's budget to show revised estimates of future loan activity.



INFRASTRUCTURE INVESTMENT AUTHORITY

Program: PENNVEST (continued)

Program Recommendations:

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

Grant disbursements totalling \$3.5 million and administrative costs are to be funded from existing non-General Fund sources.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
GENERAL FUND:							
PENNVEST	\$ 6,000	....	....	....	....	....	....



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.

GOVERNOR'S EXECUTIVE BUDGET

INSURANCE

Summary by Fund and Appropriation

	1994-95 Actual	(Dollar Amounts in Thousands) 1995-96 Available	1996-97 Budget
GENERAL FUND			
GENERAL GOVERNMENT:			
General Government Operations	\$ 13,641 *	\$ 14,910	\$ 14,590
(A) Companies in Liquidation	1,340	1,545	1,842
(A) Pennsylvania Bulletin and Code Regulations	178	193	....
(A) Duplicating and Mailing Services	34	20	20
(A) Workers' Compensation Security Services	275	266	238
(A) Reimbursements — Examination Travel	503	500	500
(A) Reimbursements — Market Conduct Travel	130	50	50
(A) Underground Storage Tank Indemnification Fund Expense	65	50	40
(A) Reimbursement — Children's Health Insurance Fund .....	....	33	24
(A) Reimbursement — Catastrophic Loss Benefits Continuation Fund .....	....	9	3
Children's Health Insurance Management Team	70	112	82
STATE FUNDS	\$ 13,711	\$ 15,022	\$ 14,672
AUGMENTATIONS	2,525	2,666	2,717
GENERAL FUND TOTAL	\$ 16,236	\$ 17,688	\$ 17,389
OTHER FUNDS			
GENERAL FUND:			
Children's Health Fund	\$ 28,259	\$ 32,353	\$ 32,484
Single Licensing Conversion	186	114	....
GENERAL FUND TOTAL	\$ 28,445	\$ 32,467	\$ 32,484
CATASTROPHIC LOSS BENEFITS CONTINUATION FUND:			
Administration	\$ 1,324	\$ 1,223	\$ 1,196
Claims	26,000	14,000	13,000
Envirotest Settlement .....	....	25,334	15,271
Loan Repayment	6,792	....	....
CATASTROPHIC LOSS BENEFITS CONTINUATION FUND TOTAL	\$ 34,116	\$ 40,557	\$ 29,467
UNDERGROUND STORAGE TANK INDEMNIFICATION FUND:			
Administration	\$ 6,839	\$ 3,996	\$ 2,736
Claims	60,000	81,000	12,580
Loan Repayment	334	....	....
UNDERGROUND STORAGE TANK INDEMNIFICATION FUND TOTAL	\$ 67,173	\$ 84,996	\$ 15,316
OTHER FUNDS TOTAL	\$ 129,734	\$ 158,020	\$ 77,267
DEPARTMENT TOTAL — ALL FUNDS			
GENERAL FUND	\$ 13,711	\$ 15,022	\$ 14,672
AUGMENTATIONS	2,525	2,666	2,717
OTHER FUNDS	129,734	158,020	77,267
TOTAL ALL FUNDS	\$ 145,970	\$ 175,708	\$ 94,656

* Excludes \$15,000 for discontinued interagency billing.

INSURANCE

Program Funding Summary:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
INSURANCE INDUSTRY REGULATION							
GENERAL FUND.....	\$ 13,711	\$ 15,022	\$ 14,672	\$ 14,966	\$ 15,266	\$ 15,572	\$ 15,884
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	132,259	160,686	79,984	110,548	109,203	67,878	68,974
SUBCATEGORY TOTAL.....	\$ 145,970	\$ 175,708	\$ 94,656	\$ 125,514	\$ 124,469	\$ 83,450	\$ 84,858
ALL PROGRAMS:							
GENERAL FUND.....	\$ 13,711	\$ 15,022	\$ 14,672	\$ 14,966	\$ 15,266	\$ 15,572	\$ 15,884
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	132,259	160,686	79,984	110,548	109,203	67,878	68,974
DEPARTMENT TOTAL.....	\$ 145,970	\$ 175,708	\$ 94,656	\$ 125,514	\$ 124,469	\$ 83,450	\$ 84,858

PROGRAM OBJECTIVE: To serve Pennsylvania's insurance consumers through fair and efficient regulation of the insurance industry.

Program: Insurance Industry Regulation

The Insurance Department's responsibilities are to protect insurance companies by providing adequate safeguards; to ensure that products are available at an affordable price; and to provide a fair regulatory climate that will encourage insurance companies to conduct business in the Commonwealth.

The Insurance Department regulates all aspects of the insurance industry in Pennsylvania. It supervises the operation of 1,500 insurance companies; authorizes the admission of new insurers to the State; tests and licenses insurance agents, brokers and bondsmen; reviews and pre-approves over 90,000 rate and policy form filings each year; conducts adjudicatory hearings; and handles nearly 300,000 consumer inquiries annually.

The financial condition of insurers licensed to transact business in Pennsylvania is monitored and regulated through the department's examination and financial analysis functions. Because of the concern regarding the number of financially troubled insurers and national attention focused on the quality of state regulation and insurer solvency, the department has committed additional resources to improvements in solvency regulation. An automated solvency surveillance system designed to permit earlier identification of potentially troubled insurers has been implemented and resources continue to be focused on improving the effectiveness of regulatory actions taken to require insurers to correct problems before they lead to insolvency. These actions, together with statutory reforms, brought Pennsylvania into compliance with minimum standards for state regulation of insurer solvency developed by the National Association of Insurance Commissioners, and led to that

organization affirming, in December 1994, the department's five-year accreditation.

The Insurance Department's four regional offices provide the public with insurance information, education and complaint resolution services. The department also conducts field investigations of insurance law violations and undertakes on-site market conduct examinations of insurance company operations.

The Insurance Commissioner by law serves as Statutory Liquidator/Receiver for Pennsylvania domestic insurers found to be insolvent by the Commonwealth Court and for unlicensed insurance entities.

The department also manages several special programs. The Children's Health Insurance Program (CHIP), established through the passage of Act 113 of 1992, makes available to working parents a comprehensive, low-cost health insurance plan for eligible children. The coverage is funded from a portion of cigarette tax receipts as well as from payments by participating working families in accordance with a sliding fee scale.

The Catastrophic Loss Benefits Continuation Fund, funded through certain motor vehicle violation surcharge fees, provides benefits to Pennsylvanians who were catastrophically injured in motor vehicle accidents prior to January 1, 1990, and incurred medical expenses in excess of \$100,000 up to a lifetime aggregate of \$1 million.

The Underground Storage Tank Indemnification Fund, established pursuant to the passage of the Storage Tank and Spill Prevention Act of July 6, 1989, provides claims payments to owners and operators of underground storage tanks. The program is funded through a fee schedule based on the type of product stored in the underground storage tank.

Program Measures:	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
Consumer savings from departmental intervention in insurance claim disputes (in thousands)	\$4,534	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Companies in liquidation	28	29	20	15	8	5	5
Rate filings reviewed	19,778	19,000	19,000	19,000	19,000	19,000	19,000
Administrative hearings held	368	300	200	200	200	200	200
Policy/form filings reviewed	70,929	70,000	70,000	70,000	70,000	70,000	70,000
Companies examined	70	90	90	90	90	90	90
Continuing care providers regulated	102	102	102	102	102	102	102

The increase in the number of companies in liquidation from those shown in the prior budget is due to the addition of new companies for liquidation and the discharge of fewer than anticipated companies in 1994-95 as the result of the length of time needed to resolve legal issues regarding asset disposition.

The increase in the number of rate filings reviewed from the prior budget is due to the increase in accident and health rate filings due to new regulations being implemented for long-term care.

The decrease in the number of administrative hearings held in 1994-95 from those shown in the prior budget is the result of a temporary decrease in the number of filled hearing examiner positions. The decrease in the other years is due to the change in the interpretation of statutes which is estimated to reduce the number of Act 78 (auto insurance) hearings held.

The number of companies examined was lower than projected in last year's budget because of the effect of the change in the examination cycle from every four to five years, and because the examination of large, complex insurers require increased numbers of examiners on each company examination.

INSURANCE

Program: Insurance Industry Regulation (continued)

Program Measures: (continued)	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
Enforcement investigations completed	335	300	300	300	300	300	300
Insurer market conduct examinations completed	41	60	60	60	60	60	60

The number of enforcement investigations completed increased from the prior budget as more individual agent reviews were performed as a result of findings of improper sales and marketing activities in the life insurance industry.

Insurer market conduct examinations conducted decreased from the prior budget due to staff being diverted from normal exams to focus on the investigation of the sales and marketing practices of the life insurance industry.

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

<p>General Government Operations \$ -320 —to continue current program.</p>	<p>Children's Health Insurance Management Team \$ -30 —to continue current program.</p>
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In addition, the agency is pursuing the acquisition of essential information technology, to improve agency productivity and to enhance operations and efficiency, through voluntary insurance industry donations. The Administrative Code (71 P.S. 193) allows administrative departments to accept donations of money to conduct the work of such departments. The Insurance Department is currently awaiting a formal approval to proceed with this option.

Funding for the Children's Health Insurance Program (CHIP) is being enhanced. Currently two cents of the thirty-one cent per pack cigarette tax is used to support CHIP. This budget proposes to increase the cigarette tax contribution to three cents. The increased tax contribution will help to maintain health insurance benefits to approximately 50,000 children.

Appropriations within this Program: (Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
GENERAL FUND:							
General Government Operations	\$ 13,656	\$ 14,910	\$ 14,590	\$ 14,882	\$ 15,180	\$ 15,484	\$ 15,794
Children's Health Insurance Management Team	70	112	82	84	86	88	90
TOTAL GENERAL FUND	\$ 13,726	\$ 15,022	\$ 14,672	\$ 14,966	\$ 15,266	\$ 15,572	\$ 15,884



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.

GOVERNOR'S EXECUTIVE BUDGET

LABOR AND INDUSTRY

Summary by Fund and Appropriation

	1994-95 Actual	(Dollar Amounts in Thousands) 1995-96 Available	1996-97 Budget
GENERAL FUND			
GENERAL GOVERNMENT:			
General Government Operations	\$ 8,107 ^a	\$ 7,426	\$ 7,535
(F) Disability Determination	52,437	57,747	60,695
(F) JTPA — Administration	2,730	5,777	6,162
(F) Community Service and Corps	8,611	12,300	10,000
(F) National Occupational Information Coordinating Committee	285	307	302
(A) Federal Indirect Cost Reimbursements	1,200	1,760	1,760
Total — General Government Operations	\$ 73,370	\$ 85,317	\$ 86,454
Occupational and Industrial Safety	\$ 8,457 ^b	\$ 8,445 ^c	\$ 8,710
(F) Asbestos Certification	150	150	150
(A) Federal Indirect Cost Reimbursements	1,200	1,700	1,700
Right-to-Know	967	1,140	1,116
PENNSERVE	759	....	....
Literacy Corps Pilot Project	546	....	....
Pennsylvania Conservation Corps .....	....	6,000	6,000
(F) Urban Youth Corps .....	....	250	....
(F) Preservation Training .....	....	57	....
Subtotal — State Funds	\$ 18,836	\$ 23,011	\$ 23,361
Subtotal — Federal Funds	64,213	76,588	77,309
Subtotal — Augmentations	2,400	3,460	3,460
Total — General Government	\$ 85,449	\$ 103,059	\$ 104,130
GRANTS AND SUBSIDIES:			
Transfer to State Workers' Insurance Fund	\$ 24,104	....	....
Occupational Disease Payments	4,515	\$ 3,770	\$ 3,997
Transfer to Vocational Rehabilitation Fund	27,547	23,206	23,559
Supported Employment	899	899	899
Physical Rehabilitation Center .....	....	200	....
Centers for Independent Living	909	920	1,000
Workers' Compensation Payments	510	464	432
Dislocated Workers	2,500	2,625	2,500
Job Centers	2,162	2,162	2,162
(F) Joint Jobs Initiative	28,258	30,393	30,393
(F) JTPA — Dislocated Workers	69,265	113,077	77,000
(F) JTPA — Incentive Grants	5,269	7,080	3,321
(F) JTPA — Grants to Service Delivery Areas	61,579	80,640	47,000
(F) JTPA — Summer Youth	44,107	85,000	44,000
(F) JTPA — Older Workers	3,167	4,901	3,450
(F) JTPA — Veterans' Employment	873	546	546
(A) Joint Jobs Initiative	25,401	21,252	21,110
Total — Job Centers	\$ 240,081	\$ 345,051	\$ 228,982
Subtotal — State Funds	\$ 63,146	\$ 34,246	\$ 34,549
Subtotal — Federal Funds	212,518	321,637	205,710
Subtotal — Augmentations	25,401	21,252	21,110
Total — Grants and Subsidies	\$ 301,065	\$ 377,135	\$ 261,369
STATE FUNDS	\$ 81,982	\$ 57,257	\$ 57,910
FEDERAL FUNDS	276,731	398,225	283,019
AUGMENTATIONS	27,801	24,712	24,570
GENERAL FUND TOTAL	\$ 386,514	\$ 480,194	\$ 365,499

^a Excludes discontinued interagency billing, \$46,000.

^b Includes \$128,000 appropriated as part of General Government Operations in the Department of Agriculture.

^c Includes \$113,000 appropriated as part of General Government Operations in the Department of Agriculture.

LABOR AND INDUSTRY

Summary by Fund and Appropriation

	1994-95 Actual	(Dollar Amounts in Thousands) 1995-96 Available	1996-97 Budget
<u>OTHER FUNDS</u>			
GENERAL FUND:			
Asbestos Occupations Accreditation and Certification	\$ 815	\$ 928	\$ 999
ADMINISTRATION FUND:			
Administration of Unemployment	\$ 217,825	\$ 177,500	\$ 174,100
ECONOMIC REVITALIZATION FUND:			
Pennsylvania Conservation Corps	\$ 6,000	.....	.....
HAZARDOUS MATERIAL RESPONSE FUND:			
Hazardous Materials Response Administration	\$ 100	\$ 315	\$ 110
REHABILITATION CENTER FUND:			
Operation of Rehabilitation Center	\$ 14,291	\$ 16,185	\$ 16,994
VOCATIONAL REHABILITATION FUND:			
Administration of Vocational Rehabilitation*	\$ 108,556	\$ 110,012	\$ 97,301
WORKMEN'S COMPENSATION ADMINISTRATION FUND:			
Administration of Workers' Compensation	\$ 36,664	\$ 42,643	\$ 42,688
OTHER FUNDS TOTAL	\$ 384,251	\$ 347,583	\$ 332,192
DEPARTMENT TOTAL — ALL FUNDS			
GENERAL FUND	\$ 81,982	\$ 57,257	\$ 57,910
FEDERAL FUNDS	276,731	398,225	283,019
AUGMENTATIONS	27,801	24,712	24,570
OTHER FUNDS	384,251	347,583	332,192
TOTAL ALL FUNDS	\$ 770,765	\$ 827,777	\$ 697,691

* Excludes transfer from General Fund.

LABOR & INDUSTRY

Program Funding Summary:

	(Dollar Amounts in Thousands)						
	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
COMMUNITY AND OCCUPATIONAL SAFETY AND STABILITY							
GENERAL FUND.....	\$ 17,531	\$ 17,011	\$ 17,361	\$ 17,249	\$ 17,554	\$ 17,904	18,262
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	435	707	452	452	452	452	452
OTHER FUNDS.....	3,315	4,703	4,569	4,660	4,753	4,848	4,944
SUBCATEGORY TOTAL.....	\$ 21,281	\$ 22,421	\$ 22,382	\$ 22,361	\$ 22,759	\$ 23,204	23,658
JOB TRAINING DEVELOPMENT							
GENERAL FUND.....	\$ 5,967	\$ 10,787	\$ 10,662	\$ 10,662	\$ 10,662	\$ 10,662	10,662
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	223,859	339,771	221,872	221,872	221,872	221,872	221,872
OTHER FUNDS.....	31,401	21,252	21,110	21,110	21,110	21,110	21,110
SUBCATEGORY TOTAL.....	\$ 261,227	\$ 371,810	\$ 253,644	\$ 253,644	\$ 253,644	\$ 253,644	253,644
WORKERS COMPENSATION AND ASSISTANCE							
GENERAL FUND.....	\$ 29,129	\$ 4,234	\$ 4,429	\$ 4,429	\$ 4,429	\$ 4,429	4,429
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	52,437	57,747	60,695	60,695	60,695	60,695	60,695
OTHER FUNDS.....	254,489	220,143	216,788	221,124	225,547	230,058	234,659
SUBCATEGORY TOTAL.....	\$ 336,055	\$ 282,124	\$ 281,912	\$ 286,248	\$ 290,671	\$ 295,182	299,783
VOCATIONAL REHABILITATION							
GENERAL FUND.....	\$ 29,355	\$ 25,225	\$ 25,458	\$ 25,458	\$ 25,458	\$ 25,458	25,458
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	122,847	126,197	114,295	116,581	118,913	121,292	123,718
SUBCATEGORY TOTAL.....	\$ 152,202	\$ 151,422	\$ 139,753	\$ 142,039	\$ 144,371	\$ 146,750	149,176
ALL PROGRAMS:							
GENERAL FUND.....	\$ 81,982	\$ 57,257	\$ 57,910	\$ 57,798	\$ 58,103	\$ 58,453	58,811
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	276,731	398,225	283,019	283,019	283,019	283,019	283,019
OTHER FUNDS.....	412,052	372,295	356,762	363,475	370,323	377,308	384,431
DEPARTMENT TOTAL.....	\$ 770,765	\$ 827,777	\$ 697,691	\$ 704,292	\$ 711,445	\$ 718,780	726,261

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, protect the rights of Pennsylvania workers, 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 conducted by the Prevailing Wage Division. Monitoring of the Minimum Wage and Wage Payment and Collection laws is the responsibility of the Bureau of Labor Standards. The Bureau of Labor Standards also protects workers rights by ensuring compliance with the Child Labor, Seasonal Farm Labor, Industrial Homework, Personnel File, Equal Pay and Medical Pay laws. The Bureau of Labor Standards informs employes and employers about the laws, conducts investigations and resolves disputes.

Labor relations stability is promoted through the provision of mediation services to the public and private sectors. Under the Public Employe Relations Act, parties to a contract in the public sector must notify the department if no agreement has been reached after contract negotiations have commenced. In the private sector, dispute notices must be filed with the department based on the National Labor Relations Act. Mediation services are mandatory in the public sector and voluntary in the private sector. Each year over 1,000 cases are mediated by the department.

The Pennsylvania Labor Relations Board enforces and implements the provisions of the Commonwealth's laws relating to private and public sector collective bargaining, including the Pennsylvania Labor Relations Act, the Public Employe Relations Act, Act 88 of 1992 and Act 111 of 1968, providing collective bargaining and arbitration rights to police and fire employes. The board determines collective bargaining representatives, prevents and discourages unfair practices and in the public sector, contributes to the resolution of bargaining disputes by the issuance of arbitration panels and the appointment of fact finders.

The Office of Labor-Management Cooperation will promote labor-

management cooperation through support of and coordination with the area labor-management committees throughout Pennsylvania. The Pennsylvania Bureau of Mediation will provide technical assistance as facilitator for cooperative programs. In addition to promoting labor-management cooperation, the Office will also recognize and award existing successful labor-management cooperation efforts in the Commonwealth. The Office will also provide support and technical assistance to the "Governor's Committee on Economic Growth Through Labor-Management Cooperation." The goal of the Governor's Office of Labor-Management Cooperation is to change the traditionally adversarial relationship between labor and management in Pennsylvania business and industry and provide an environment for increased economic competitiveness and success.

The Fire and Panic, Building Energy Conservation, Elevator, Bedding and Upholstery, Stuffed Toy, Employment Agency, LP Gas, Boiler, and Asbestos Occupations Accreditation and Certification laws are all administered by the Bureau of Occupational and Industrial Safety. This budget recommends that the amusement ride inspection program be transferred from the Department of Agriculture to the Bureau in 1996-97. The bureau enforces the acts through promulgation of regulations, conducting field inspections, licensing and certifying, and investigating complaints. The department is also responsible to insure that buildings are accessible and usable by persons with disabilities under the State's Universal Accessibility Act.

The Worker and Community Right-to-Know Act requires all employers doing business in Pennsylvania to provide certain information about hazardous chemicals found in their workplace and to make that information available to emergency response organizations and the public. The department enforces worker right-to-know provisions for public employes and those in the mining industry.

The Office for the Deaf and Hearing Impaired responds to requests for information and referral, promotes access for people who are deaf, and provides public education about hearing loss and deafness.

Program Measures:	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
Minimum wage violations cited	2,635	2,650	2,650	2,650	2,650	2,650	2,650
Child labor law violations	2,573	2,575	2,575	2,575	2,575	2,575	2,575
Right-to-know—education/outreach programs	40	40	40	40	40	40	40
Nonpayment of wage violations	1,017	1,020	1,020	1,020	1,020	1,020	1,020
Mediated causes involving work stoppages:							
Public bargaining units	4.6%	6.5%	5.0%	5.0%	5.0%	5.0%	5.0%
Private bargaining units	12.8%	25.0%	10.0%	10.0%	10.0%	10.0%	10.0%

The number of minimum wage law violations was lower while the number of child labor violations was higher than projected in last year's budget primarily due to a return to historical levels.

The percent of cases involving work stoppages was different than estimated in last year's budget because the timing of work stoppages is difficult to predict. The percentages for private and public work stoppages are expected to return to historical levels in subsequent years.

LABOR AND INDUSTRY

Program: Community and Occupational Safety and Stability (continued)

Program Measures: (continued)	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
Unfair labor practice cases concluded	560	570	560	560	560	560	560
Union representation cases concluded	270	285	270	270	270	270	270
Total inspections performed	115,613	120,000	120,000	120,000	120,000	120,000	120,000
Building approvals issued	13,463	12,000	12,000	12,000	12,000	12,000	12,000
New buildings certified	5,411	5,700	5,700	5,700	5,700	5,700	5,700
Renovations of existing buildings certified	3,633	4,000	4,000	4,000	4,000	4,000	4,000

The projections for new buildings and renovations of existing buildings certified are different than projected in last year's budget. The number of building certificates is dependent on many economic variables especially construction interest rates.

Program Recommendations:

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

	General Government Operations		Occupational and Industrial Safety (continued)
\$ 38	—to continue current program.		
45	—Initiative — Prevailing Wage Survey. To conduct a Statewide survey of wages to be used as the basis for establishing wage rates throughout the State.	59	—Initiative — Automation of Chief Counsel's Office. To improve the assignment and management of cases, support internal communications, and eliminate retention of unneeded paper documents.
26	—Initiative — Automation of Chief Counsel's Office. To improve the assignment and management of cases, support internal communications, and eliminate retention of unneeded paper document.	\$ 265	<i>Appropriation Increase</i>
<hr/>			
\$ 109	<i>Appropriation Increase</i>	\$ -33	Right-To-Know
		9	—to continue current program.
			—Initiative — Automation of Chief Counsel's Office. To improve the assignment and management of cases, support internal communications, and eliminate retention of unneeded paper documents.
		<hr/>	
\$ -144	Occupational and Industrial Safety	\$ -24	<i>Appropriation Decrease</i>
	—to continue current program. Includes the amusement ride inspection program transferred from the Department of Agriculture.		
350	—Initiative — To provide automation technology for inspectors, auditors, and agents to improve the recording, transmitting, and processing of data.		

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
GENERAL FUND:							
General Government Operations	\$ 8,107	\$ 7,426	\$ 7,535	\$ 7,653	\$ 7,765	\$ 7,920	\$ 8,078
Occupational and Industrial Safety	8,457	8,445	8,710	8,467	8,637	8,809	8,985
Right-to-Know	967	1,140	1,116	1,129	1,152	1,175	1,199
TOTAL GENERAL FUND	\$ 17,531	\$ 17,011	\$ 17,361	\$ 17,249	\$ 17,554	\$ 17,904	\$ 18,262

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 range of employment and training services through the Job Center Network, the Bureau of Employment Services and Training, the Dislocated Worker Unit, the Youth, Education and Service Unit, and the Pennsylvania Conservation Corps.

Job Centers are a Statewide network of 89 one-stop locations providing coordinated and comprehensive services to individuals seeking jobs and job-related services and to employers seeking qualified job applicants. In addition to the services available through programs administered by the Department of Labor and Industry; employment, training and support resources of other Federal, State, local and community-based organizations are provided through the Job Center Network.

Under the Federal Job Training Partnership Act (JTPA) program, state and local governments work in cooperation with the private sector to establish employment and training programs. JTPA primarily serves economically disadvantaged adults and youth. Types of training programs, eligibility requirements and distribution formulas for these programs are established by Federal law. Services provided include on-the-job training, vocational-technical skills training, job search assistance, job counseling and skills 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 education agencies, organized labor, vocational rehabilitation agencies, public assistance agencies, public employment services, and economic development organizations.

The Commonwealth also uses JTPA discretionary funding for special programs to serve veterans, welfare recipients, at-risk youth and pregnant and parenting youth. State funds are also provided for pregnant and parenting teenagers as part of the Single Point of Contact (SPOC) program.

The Department of Labor and Industry is the lead agency in administering interagency efforts associated with employment and training programs. The Joint Jobs Initiative is designed to target resources of the Departments of Labor and Industry, Public Welfare and Education. This initiative is designed to improve job training and employment service programs for welfare recipients. The SPOC program provides comprehensive employment and training services to AFDC recipients with multiple barriers to employment. Services provided by the Departments of Labor and Industry, Public Welfare and Education are co-located in county assistance offices. Funding for this program is provided by each of the three agencies involved.

The Department of Labor and Industry also administers the Economic Dislocation and Worker Adjustment Assistance Act (EDWAAA) through its Dislocated Worker Unit. As required by the Federal law, 60 percent of the Federal funds received are distributed to the SDAs to assist dislocated workers. The balance of funds are used to support rapid response efforts, special programs and administration at the State level. EDWAAA funds are used to support training and retraining and for support services and needs-related payments. In addition to the Federal EDWAAA funds, State funds are used to provide needs-based payments and retraining services to dislocated workers.

The department's Rapid Response Program is operated by the Dislocated Worker Unit in conjunction with the Department of Community and Economic Development. When Community and Economic Development is unable to keep a business in Pennsylvania or forestall the layoff of 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 in finding reemployment. The Rapid Response Team provides a variety of State and local resources, coordinated through local Job Centers, to assist dislocated workers and to help them to become reemployed. The department also promotes labor-management cooperation by encouraging the formation of labor-management committees at the plant to coordinate the mix of available services.

Program Measures:	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
Job Training Partnership Program:							
Enrollments	82,000	82,000	82,000	82,000	82,000	82,000	82,000
Placements	14,200	14,200	14,200	14,200	14,200	14,200	14,200
Welfare recipients served	32,579	32,905	32,234	33,565	33,902	34,241	34,583
Joint Jobs Initiative:							
Welfare recipients who completed training	3,884	3,884	3,884	3,884	3,884	3,884	3,884
Welfare recipients placed	1,908	1,908	1,908	1,908	1,908	1,908	1,908
Average hourly wage	\$6.58	\$6.68	\$6.81	\$6.94	\$7.07	\$7.21	\$7.35
Individuals placed through Job Service	93,227	85,000	85,000	85,000	85,000	85,000	85,000
Individuals enrolled in on-the-job training	2,724	2,724	2,724	2,724	2,724	2,724	2,724
Dislocated workers:							
Dislocated workers placed	5,168	5,168	5,168	5,168	5,168	5,168	5,168
Average hourly wage	\$9.11	\$9.20	\$9.29	\$9.38	\$9.47	\$9.56	\$9.65

The number of welfare recipients placed and the number of individuals placed through the Job Service are greater than projected in last year's budget primarily due to improved service delivery and an improved job market.

LABOR AND INDUSTRY

Program: Job Training Development (continued)

Program Recommendations:

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

\$ -125 **Dislocated Workers**
 —nonrecurring projects.

All other programs are recommended to be continued at the current year levels.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
GENERAL FUND:							
PENNSERVE	\$ 759	....	....	....	....	....	....
Literacy Corps Pilot Program	546	....	....	....	....	....	....
Pennsylvania Conservation Corps .....	....	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000
Dislocated Workers	2,500	2,625	2,500	2,500	2,500	2,500	2,500
Job Centers	2,162	2,162	2,162	2,162	2,162	2,162	2,162
TOTAL GENERAL FUND	\$ 5,967	\$ 10,787	\$ 10,662	\$ 10,662	\$ 10,662	\$ 10,662	\$ 10,662
ECONOMIC REVITALIZATION FUND:							
Pennsylvania Conservation Corps	\$ 6,000	....	....	....	....	....	....

LABOR AND INDUSTRY

PROGRAM OBJECTIVE: *To further economic development in the Commonwealth by stabilizing the incomes of employes who become unemployed.*

Program: Workers' Compensation and Assistance

This program is designed to provide income and medical services security to citizens of the Commonwealth who contract certain occupational diseases or sustain work related injuries and those who become unemployed.

On July 2, 1993, Act 44 of 1993 was signed amending the Workers' Compensation Act of 1915. The act has helped employers reduce costs and preserve jobs for Pennsylvania workers. The amended law places a cap on most medical costs related to work injuries; provides an opportunity for competitive ratemaking among workers' compensation insurers, enables small business owners, farmers and local governments to pool their liabilities and be self-insured; establishes a Self-Insurance Guaranty

Fund; requires insurance companies and self-insured employers to provide accident and illness prevention services to employers; provides for managed care, tougher controls on fraud; and elimination of disincentives in the benefit structure to encourage a timely return to work; and provides the Insurance Commissioner with the authority to reject excessive rate increases.

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:	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
Claimants qualifying for occupational disease payments out of Commonwealth funds	2,235	2,088	1,968	1,796	1,646	1,496	1,346
New claimants eligible for workers' compensation payments	77,314	76,000	75,000	74,000	73,000	72,000	71,000
Total petitions assigned	67,429	69,000	70,000	70,500	71,000	71,000	71,000
Judges' decisions	61,638	63,000	65,000	67,000	68,000	69,000	70,000
Average time in days—Case filed/ concluded	356	325	280	270	265	260	260
New claims for unemployment compensation	605,308	590,000	595,000	595,000	595,000	595,000	595,000

The number of claimants eligible for workers' compensation payments is less than projected in last year's budget due to a reduction in work injuries.

The number of judges' decisions was greater than expected in the 1995-96 budget primarily due to increased resources directed to the settlement process in Labor and Industry.

The average time in days between cases filed/concluded was higher than estimated in last year's budget due to an emphasis on reducing cases opened over two years ago.

New claims for unemployment compensation were less than projected in last year's budget due to changes in the economy.

Program Recommendations:

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

\$ 227	Occupational Disease Payments —to continue current program.		
\$ -32	Workers' Compensation Payments —to continue current program. These payments are for a special class of recipients who became eligible before March 1968, and not for new claimants shown in the program measure above whose payments are made from the State Workers' Insurance Fund and by private insurance companies.	\$ -2,505 2,550	In addition, this budget recommends the following changes for administration of the Workers' Compensation Program through the Workmens' Compensation Administration Fund.
		\$ 45	Administration of Workers' Compensation —nonrecurring projects. —to provide information technology for improved productivity and enhanced operations.
			<i>Appropriation Increase</i>

LABOR AND INDUSTRY

Program: Workers' Compensation and Assistance (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
GENERAL FUND:							
Transfer to the State Workmen's Insurance Fund	\$ 24,104	.....	.....	.....	.....	.....	.....
Occupational Disease Payments	4,515	\$ 3,770	\$ 3,997	\$ 3,997	\$ 3,997	\$ 3,997	\$ 3,997
Workers' Compensation Payments	510	464	432	432	432	432	432
TOTAL GENERAL FUND	\$ 29,129	\$ 4,234	\$ 4,429	\$ 4,429	\$ 4,429	\$ 4,429	\$ 4,429

LABOR AND INDUSTRY

PROGRAM OBJECTIVE: To enable eligible persons with disabilities to obtain competitive 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 physical or mental impairments that present a substantial impediment to employment.

The Federal Rehabilitation Act of 1973, as amended through 1992, established eligibility criteria for vocational rehabilitation services. Services are provided to individuals who can benefit from and who need services to prepare for, enter, or retain employment. Primary emphasis is placed on serving individuals with the most severe disabilities. These individuals generally require more extensive and varied services over an extended period of time.

To address the needs of individuals who do not meet Federal eligibility criteria, State funds are provided for the Centers for Independent Living

(CILs). CILs are non-residential centers which provide information and referral services, peer counseling, independent living skills training and other services to Pennsylvanians with disabilities.

The Supported Employment Program improves employment opportunities for those previously considered to have disabilities so severe that they could not benefit from the traditional vocational rehabilitation program. Supported employment combines job placement in the community with job training at the job site. Full-time training and support services are provided.

This program also includes the Hiram G. Andrews Center in Johnstown. The Center is funded from fees for services rendered. The Center provides a wide array of vocational rehabilitation and job training services.

Program Measures:	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
Caseload:							
Carry-over from previous years	42,101	42,138	42,175	42,213	42,251	42,289	43,327
New referrals	23,137	23,368	23,602	23,720	23,839	23,958	24,078
Total caseload	65,238	65,506	65,777	65,933	66,090	66,247	67,405
Cases closed:							
Ineligible	6,727	6,794	6,862	6,897	6,931	6,966	7,000
Rehabilitated	7,677	7,765	7,831	7,870	7,910	7,949	7,989
Competitive	6,868	6,937	7,006	7,041	7,076	7,112	7,147
Noncompetitive	809	817	825	829	834	838	842
Nonrehabilitated	8,696	8,783	8,871	8,915	8,960	9,005	9,050
Total cases closed	30,777	31,096	31,395	31,552	31,711	31,870	32,028
Cases carried over	42,138	42,175	42,213	42,251	42,251	42,327	43,366
Severely disabled rehabilitated	6,509	6,574	6,640	6,673	6,706	6,740	6,774
Economic/client earnings information:							
Average weekly earnings for clients closed as competitively employed	\$255	\$257	\$260	\$261	\$263	\$264	\$265
Total weekly earnings for clients closed as competitively employees (in thousands)	\$1,751	\$1,786	\$1,822	\$1,840	\$1,859	\$1,877	\$1,896
Average taxes paid by a competitively employed client	\$3.447	\$3.481	\$3.516	\$3.534	\$3.551	\$3.569	\$3.587
Total taxes paid by competitively employed clients (in thousands)	\$23,673	\$24,149	\$24,635	\$24,882	\$25,131	\$25,383	\$25,638

Claimants ineligible, claimants non-rehabilitated, and severely disabled cases rehabilitated increase from previous year's budget because in March of 1994 the Federal Rehabilitation Services Administration instituted selection rules favoring claimants with most severe disabilities rather than those most easily rehabilitated.

LABOR AND INDUSTRY

Program: Vocational Rehabilitation (continued)

Program Recommendations:

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

	Transfer to Vocational Rehabilitation Fund		Physical Rehabilitation Center
\$ 353	—to continue current program.	\$ -200	—nonrecurring projects.
\$ 80	Centers for Independent Living		
	—to continue current program.		

Supported Employment is recommended to be continued at the current level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
GENERAL FUND:							
Transfer to Vocational Rehabilitation Fund	\$ 27,547	\$ 23,206	\$ 23,559	\$ 23,559	\$ 23,559	\$ 23,599	\$ 23,559
Supported Employment	899	899	899	899	899	899	899
Centers for Independent Living	909	920	1,000	1,000	1,000	1,000	1,000
Physical Rehabilitation Center .....	....	200	....	....	....	....	....
TOTAL GENERAL FUND.....	\$ 29,355	\$ 25,225	\$ 25,458	\$ 25,458	\$ 25,458	\$ 25,458	\$ 25,458



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."

GOVERNOR'S EXECUTIVE BUDGET

LIQUOR CONTROL BOARD

Summary by Fund and Appropriation

	1994-95 Actual	(Dollar Amounts in Thousands) 1995-96 Available	1996-97 Budget
<u>OTHER FUNDS</u>			
<i>STATE STORES FUND:</i>			
General Operations (EA)	\$ 198,214	\$ 208,013	\$ 210,405
(F) Highway Safety — Responsible Alcohol Management Training	109	68	.....
(F) Highway Safety — Youth Alcohol Awareness	109	173	.....
(A) Sale of Vehicles	47	.....	.....
Comptroller Operations (EA)	6,689	6,727	7,140
Transfer of Profits to General Fund (EA)	60,000	42,000	45,000
OTHER FUNDS TOTAL	\$ 265,168	\$ 256,981	\$ 262,545

LIQUOR CONTROL BOARD

Program Funding Summary:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
LIQUOR CONTROL							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	265,168	256,981	262,545	271,896	276,334	280,861	285,479
SUBCATEGORY TOTAL.....	\$ 265,168	\$ 256,981	\$ 262,545	\$ 271,896	\$ 276,334	\$ 280,861	\$ 285,479
ALL PROGRAMS:							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	265,168	256,981	262,545	271,896	276,334	280,861	285,479
DEPARTMENT TOTAL.....	\$ 265,168	\$ 256,981	\$ 262,545	\$ 271,896	\$ 276,334	\$ 280,861	\$ 285,479

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 670 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 a Bureau of Consumer Relations were created within the Liquor Control Board.

Program Measures:	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
Pennsylvania State Liquor Stores	668	670	675	680	685	690	690
Gross Sales (includes taxes) (in thousands)	\$847,400	\$857,567	\$871,717	\$886,100	\$900,721	\$915,583	\$930,690
Licenses and permits issued (all types)	71,772	72,000	72,000	72,000	72,000	72,000	72,000

Program Recommendations:	This budget recommends the following changes: (Dollar Amounts in Thousands)
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\$ 2,392 **General Operations**
—to continue current program.

\$ 413 **Comptroller Operations**
—to continue current program.

\$ 3,000 **Transfer of Profits to General Fund**
—increase in amount available for transfer to General Fund. This increases the amount of revenue transfer to the General Fund from \$42 million to \$45 million.



COMMONWEALTH OF PENNSYLVANIA

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

The Department of Military and Veterans Affairs provides organized combat-ready units, both Army and Air National Guard, for call to Federal duty in the event of national emergency and to State duty in time of disaster or civil disorder. Their duties are to protect the lives and property of the people of Pennsylvania and preserve peace, order and public safety. The Bureau of Veterans Affairs administers the laws that provide for the well-being of Pennsylvania veterans and their dependents.

The Department of Military and Veterans Affairs consists of the Adjutant General, the State Armory Board, the State Veterans' Commission, the Soldiers and Sailors Home at Erie, the veterans home at Hollidaysburg, the Southeastern Veterans Home at Spring City, the Northeastern Home at Scranton, and the Scotland School for Veterans Children near Chambersburg.

GOVERNOR'S EXECUTIVE BUDGET

MILITARY AND VETERANS AFFAIRS

Summary by Fund and Appropriation

	1994-95 Actual	(Dollar Amounts in Thousands) 1995-96 Available	1996-97 Budget
GENERAL FUND			
GENERAL GOVERNMENT:			
General Government Operations	\$ 13,303 *	\$ 14,358	\$ 14,217
(F) Facilities Maintenance	3,768	8,000	8,400
(F) Employee Support	886	1,321	1,498
(F) Telecommunications Expansion	618	600	670
(F) Federal Construction Grants	14,358	31,145	....
(A) Rental of Armories and Other Facilities	135	122	122
(A) Lt. Governor's Residence	29	20	20
American Battle Monuments	4	79	4
Armory Maintenance and Repair	493	700	700
Drug Interdiction	35	62	62
Base Realignment and Closure .....	....	100	100
50th Anniversary of WWII .....	....	38	....
Pottstown Vietnam Living Memorial .....	....	25	....
Korean War Veterans Memorial .....	....	100	....
Subtotal — State Funds	\$ 13,835	\$ 15,462	\$ 15,083
Subtotal — Federal Funds	19,630	41,066	10,568
Subtotal — Augmentations	164	142	142
Total — General Government	\$ 33,629	\$ 56,670	\$ 25,793
INSTITUTIONAL:			
Erie Soldiers and Sailors Home	\$ 4,883	\$ 5,406	\$ 5,408
(F) Operations and Maintenance	1,288	1,884	1,491
(F) Medical Reimbursement	89	47	139
(A) Aid and Attendance Payments	302	333	333
(A) Residents Fees	1,472	1,515	1,515
Total — Erie Soldiers and Sailors Home	\$ 8,034	\$ 9,185	\$ 8,886
Holidaysburg Veterans Home	\$ 17,288	\$ 18,620	\$ 18,109
(F) Operations and Maintenance	4,028	4,809	5,093
(F) Medical Reimbursement	48	95	137
(A) Aid and Attendance Payments	1,525	1,699	1,721
(A) Residents Fees	3,838	4,304	4,280
(A) Rental Receipts	22	10	12
Total — Holidaysburg Veterans Home	\$ 26,749	\$ 29,537	\$ 29,352
Southeastern Veterans Home	\$ 8,008	\$ 12,000	\$ 10,542
(F) Operations and Maintenance	862	2,645	2,809
(A) Aid and Attendance Payments	98	701	861
(A) Residents Fees	575	982	1,136
Total — Southeastern Veterans Home	\$ 9,543	\$ 16,328	\$ 15,348
Northeastern Veterans Home	\$ 6,860	\$ 8,675	\$ 7,573
(F) Operations and Maintenance	877	1,857	3,291
(F) Medical Reimbursement .....	....	20	13
(A) Aid and Attendance Payments	481	762	797
(A) Residents Fees	694	813	1,011
Total — Northeastern Veterans Home	\$ 8,912	\$ 12,127	\$ 12,685

* Excludes \$23,000 for discontinued interagency billing.

MILITARY AND VETERANS AFFAIRS

Summary by Fund and Appropriation

	1994-95 Actual	(Dollar Amounts in Thousands) 1995-96 Available	1996-97 Budget
GENERAL FUND			
<i>INSTITUTIONAL: (continued)</i>			
Southwestern Veterans Home .....	.....	.....	\$ 1,254
Total — Southwestern Veterans Home .....	.....	.....	\$ 1,254
Scotland School for Veterans Children	\$ 6,765 ^a	\$ 6,765 ^a	\$ 6,659
(F) ESEA Education for the Disadvantaged	286 ^a	300 ^a	300
(F) School Milk Lunch	275 ^a	300 ^a	300
(F) Drug Free Schools and Communities - Scotland	4 ^a	3 ^a	3
(F) Goals 2000 — Scotland	20 ^a	50 ^a	50
(A) Scotland School Cafeteria	72 ^a	187 ^a	80
(A) Tuition Recovery	1,669 ^a	1,706 ^a	1,737
Total — Scotland School for Veterans Children	\$ 9,091	\$ 9,311	\$ 9,129
Subtotal — State Funds	\$ 43,804	\$ 51,466	\$ 49,545
Subtotal — Federal Funds	7,777	12,010	13,626
Subtotal — Augmentations	10,748	13,012	13,483
Total — Institutional	\$ 62,329	\$ 76,488	\$ 76,654
GRANTS AND SUBSIDIES:			
Education of Veterans Children	\$ 125	\$ 125	\$ 125
Education — National Guard	665	600	2,000
Veterans Assistance	1,416	1,416	1,266
Blind Veterans Pension	150	159	150
Paralyzed Veterans Pension	338	328	308
National Guard Pension	5	10	5
Women in Military Memorial	47	.....	.....
Total — Grants and Subsidies	\$ 2,746	\$ 2,638	\$ 3,854
STATE FUNDS	\$ 60,385	\$ 69,566	\$ 68,482
FEDERAL FUNDS	27,407	53,076	24,194
AUGMENTATIONS	10,912	13,154	13,625
GENERAL FUND TOTAL	\$ 98,704	\$ 135,796	\$ 106,301

^a Actually appropriated to the Department of Education.

MILITARY AND VETERANS AFFAIRS

Program Funding Summary:

	(Dollar Amounts in Thousands)						
	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
STATE MILITARY READINESS							
GENERAL FUND.....	\$ 13,882	\$ 15,462	\$ 15,083	\$ 15,384	\$ 15,691	\$ 16,005	\$ 16,325
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	19,630	41,066	10,568	10,568	10,568	10,568	10,568
OTHER FUNDS.....	164	142	142	144	146	149	152
SUBCATEGORY TOTAL.....	\$ 33,676	\$ 56,670	\$ 25,793	\$ 26,096	\$ 26,405	\$ 26,722	\$ 27,045
VETERANS HOMES AND SCHOOL							
GENERAL FUND.....	\$ 43,804	\$ 51,466	\$ 49,545	\$ 54,107	\$ 58,999	\$ 60,666	\$ 61,880
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	7,777	12,010	13,626	13,626	13,626	13,626	13,626
OTHER FUNDS.....	10,748	13,012	13,483	13,716	13,954	14,198	14,445
SUBCATEGORY TOTAL.....	\$ 62,329	\$ 76,488	\$ 76,654	\$ 81,449	\$ 86,579	\$ 88,490	\$ 89,951
COMPENSATION AND ASSISTANCE							
GENERAL FUND.....	\$ 2,699	\$ 2,638	\$ 3,854	\$ 3,854	\$ 3,854	\$ 3,854	\$ 3,854
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
SUBCATEGORY TOTAL.....	\$ 2,699	\$ 2,638	\$ 3,854	\$ 3,854	\$ 3,854	\$ 3,854	\$ 3,854
ALL PROGRAMS:							
GENERAL FUND.....	\$ 60,385	\$ 69,566	\$ 68,482	\$ 73,345	\$ 78,544	\$ 80,525	\$ 82,059
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	27,407	53,076	24,194	24,194	24,194	24,194	24,194
OTHER FUNDS.....	10,912	13,154	13,625	13,860	14,100	14,347	14,597
DEPARTMENT TOTAL.....	\$ 98,704	\$ 135,796	\$ 106,301	\$ 111,399	\$ 116,838	\$ 119,066	\$ 120,850

MILITARY AND VETERANS AFFAIRS

PROGRAM OBJECTIVE: To achieve and maintain a readiness capability in units of the Pennsylvania National Guard for quick and effective response to State or Federal mobilization.

Program: State Military Readiness

This program provides the administrative, logistical and training support necessary for the Pennsylvania National Guard to maintain requisite readiness capability to serve during emergencies. Such emergencies may result in full or partial mobilization of the Pennsylvania National Guard for State service in the Commonwealth or Federal service anywhere in the world. Costs for military equipment and supplies and training, such as monthly training assemblies and 15 days annual training, are funded 100 percent by the Federal Government. The 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:	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
Armories	104	104	104	104	104	104	104
Pennsylvania National Guard personnel	21,957	21,894	21,890	21,890	21,890	21,890	21,890
Percentage of authorized strength level	98%	98%	98%	98%	98%	98%	98%

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

<p>General Government Operations \$ 28 —for automated technology improvements. -169 —to maintain current program. \$ -141 <i>Appropriation Decrease</i></p>	<p>American Battle Monuments \$ -75 —nonrecurring renovations on a monument to Pennsylvania veterans in France.</p>	<p>50th Anniversary of WWII \$ -38 —nonrecurring project.</p> <p>Pottstown Vietnam Living Memorial \$ -25 —nonrecurring project.</p> <p>Korean War Veterans Memorial \$ -100 —nonrecurring project.</p>
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All other appropriations are recommended at the current year level.

Appropriations within this Program: (Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
GENERAL FUND:							
General Government Operations	\$ 13,303	\$ 14,358	\$ 14,217	\$ 14,501	\$ 14,791	\$ 15,087	\$ 15,389
American Battle Monuments	4	79	4	4	4	4	4
Armory Maintenance and Repair	493	700	700	714	728	743	758
Drug Interdiction	35	62	62	63	64	65	66
50th Anniversary of WWII .....	....	38	....	....	....	....	....
Base Realignment and Closure .....	....	100	100	102	104	106	108
Women in Military Memorial	47	....	....	....	....	....	....
Pottstown Vietnam Living Memorial .....	....	25	....	....	....	....	....
Korean War Veterans Memorial .....	....	100	....	....	....	....	....
TOTAL GENERAL FUND	\$ 13,882	\$ 15,462	\$ 15,083	\$ 15,384	\$ 15,691	\$ 16,005	\$ 16,325

MILITARY AND VETERANS AFFAIRS

PROGRAM OBJECTIVE: To provide nursing and domiciliary care for veterans and a school to educate veterans' children.

Program: Veterans Homes and School

The Department of Military and Veterans Affairs provides skilled nursing and domiciliary care for veterans who are disabled, indigent or in need of care. There are four veterans homes currently providing such care: the Soldiers and Sailors Home in Erie, the Veterans Home at Hollidaysburg, the Southeastern Pennsylvania Veterans Center and the Northeastern Veterans Center. The program receives assistance from the Federal Government at levels of \$15.11 per patient day for domiciliary care, \$35.37 per patient day for nursing home care, and an average of \$8.00 per day or aid-in-attendance given directly to the patient. In addition, residents pay a maintenance fee to help offset the cost of services.

A site for the fifth veterans home has been selected on the grounds of the U.S. Department of Veterans Affairs Highland Drive facility in

Pittsburgh. Ground-breaking for the new 236-bed Southwestern Veterans Center was in the spring of 1995. Projected completion of construction is the spring of 1997.

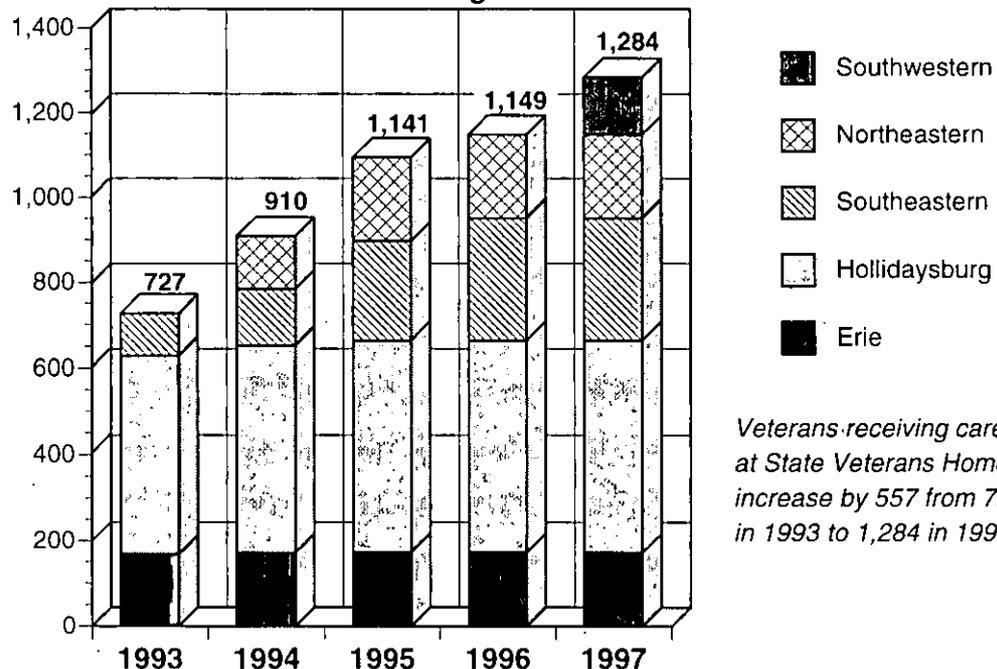
Also, legislation was enacted that provides 19.5 acres of land for the sixth veterans home. The Delaware Valley Veterans Center will be located within Benjamin Rush State Park, Philadelphia.

This budget recommends the transfer of Scotland School for Veterans Children from the Department of Education to the Department of Military and Veterans Affairs. The school provides a student centered elementary and secondary curriculum for individual needs including college preparatory classes and vocational offerings. The objective of the transfer is to maintain a quality education program at a lower cost.

Program Measures:

	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
Beds available (December):							
Erie	175	175	175	175	175	175	175
Hollidaysburg	514	514	514	514	514	514	514
Southeastern	176	304	304	304	304	304	304
Northeastern	196	200	200	200	200	200	200
Southwestern .....	....	....	....	150	236	236	236
Population (December):							
Erie	172	174	174	174	174	174	174
Hollidaysburg	480	490	490	490	490	490	490
Southeastern	132	234	288	288	288	288	288
Northeastern	125	197	197	197	197	197	197
Southwestern .....	....	....	....	135	230	230	230

State Veterans Home Veterans Receiving Care



Veterans receiving care at State Veterans Homes increase by 557 from 727 in 1993 to 1,284 in 1997.

MILITARY AND VETERANS AFFAIRS

Program: Veterans Homes and School (continued)

State Veterans Homes and School—Expenditures by Institution

(Dollar Amounts in Thousands)

	1994-95	1995-96	1996-97		1994-95	1995-96	1996-97
	Actual	Available	Budget		Actual	Available	Budget
Erie Soldiers and Sailors Home				Southeastern Veterans Home			
State Funds	\$ 4,883	\$ 5,406	\$ 5,408	State Funds	\$ 8,008	\$ 12,000	\$ 10,542
Federal Funds	1,377	1,931	1,630	Federal Funds	862	2,645	2,809
Augmentations	1,774	1,848	1,848	Augmentations	673	1,683	1,997
TOTAL	\$ 8,034	\$ 9,185	\$ 8,886	TOTAL	\$ 9,543	\$ 16,328	\$ 15,348
Hollidaysburg Veterans Home				Northeastern Veterans Home			
State Funds	\$ 17,288	\$ 18,620	\$ 18,109	State Funds	\$ 6,860	\$ 8,675	\$ 7,573
Federal Funds	4,076	4,904	5,230	Federal Funds	877	1,877	3,304
Augmentations	5,385	6,013	6,013	Augmentations	1,175	1,575	1,808
TOTAL	\$ 26,749	\$ 29,537	\$ 29,352	TOTAL	\$ 8,912	\$ 12,127	\$ 12,685
Southwestern Veterans Home				Scotland School for Veterans Children			
State Funds .....	.....	.....	\$ 1,254	State Funds	\$ 6,765	\$ 6,765	\$ 6,659
Federal Funds .....	.....	.....	.....	Federal Funds	585	653	653
Augmentations .....	.....	.....	.....	Augmentations	1,741	1,893	1,817
TOTAL .....	.....	.....	\$ 1,254	TOTAL	\$ 9,091	\$ 9,311	\$ 9,129

Institution:	Projected Dec. 1996 Capacity	Population Dec. 1994	Population Dec. 1995	Projected Population Dec. 1996	Projected Percent of Capacity
Erie Soldiers and Sailors Home	175	172	174	174	99%
Hollidaysburg Veterans Home	514	480	490	490	95%
Southeastern Veterans Home	304	132	234	288	95%
Northeastern Veterans Home	200	125	197	197	98%
Southwestern Veterans Home .....	.....	.....	.....	.....	.....
Scotland School for Veterans Children ..	400	338	340	350	88%

Program Recommendations:

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

<p>Erie Soldiers and Sailors Homes</p> <p>\$ 105 —for patient care equipment.</p> <p>96 —to improve patient record keeping by upgrading computer equipment.</p> <p>—199 —nonrecurring costs.</p> <hr/> <p>\$ 2 <i>Appropriation Increase</i></p> <p>Hollidaysburg Veterans Home</p> <p>\$ 97 —for patient care equipment.</p> <p>55 —to improve patient record keeping by upgrading computer equipment.</p> <p>—663 —nonrecurring costs.</p> <hr/> <p>\$ —511 <i>Appropriation Decrease</i></p> <p>Southeastern Veterans Home</p> <p>\$ 73 —for patient care equipment.</p> <p>103 —to improve patient record keeping by upgrading computer equipment.</p> <p>—1,634 —nonrecurring costs.</p> <hr/> <p>\$ —1,458 <i>Appropriation Decrease</i></p>	<p>Northeastern Veterans Home</p> <p>\$ 34 —for patient care equipment.</p> <p>145 —to improve patient record keeping by upgrading computer equipment.</p> <p>—1,281 —nonrecurring costs.</p> <hr/> <p>\$ —1,102 <i>Appropriation Decrease</i></p> <p>Southwestern Veterans Home</p> <p>\$ 1,054 —Initiative—Veterans Home Expansion. For the opening of a new 236 bed facility.</p> <p>200 —to improve patient record keeping by installing computer equipment.</p> <hr/> <p>\$ 1,254 <i>Appropriation Increase</i></p> <p>Scotland School for Veterans Children</p> <p>\$ —106 —to maintain current program. This program is being transferred from the Department of Education.</p>
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MILITARY AND VETERANS AFFAIRS

Program: Veterans Homes and School (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
GENERAL FUND:							
Erie Soldiers and Sailors Home	\$ 4,883	\$ 5,406	\$ 5,408	\$ 5,516	\$ 5,626	\$ 5,739	\$ 5,854
Holidaysburg Veterans Home	17,288	18,620	18,109	18,471	18,840	19,217	19,601
Southeastern Veterans Home	8,008	12,000	10,542	11,742	11,976	12,215	12,460
Northeastern Veterans Home	6,860	8,675	7,573	7,724	7,878	8,036	8,197
Southwestern Veterans Home .....	.....	.....	1,254	3,862	7,751	8,392	8,560
Scotland School for Veterans Children	6,765	6,765	6,659	6,792	6,928	7,067	7,208
TOTAL GENERAL FUND	\$ 43,804	\$ 51,466	\$ 49,545	\$ 54,107	\$ 58,999	\$ 60,666	\$ 61,880

MILITARY AND VETERANS AFFAIRS

PROGRAM OBJECTIVE: To provide advisory and financial assistance to eligible Pennsylvania veterans, National Guardsmen and their dependents.

Program: Compensation and Assistance

The Department of Military and Veterans Affairs administers several activities within this program.

Program Element: Veterans Assistance

Temporary financial assistance is provided for eligible veterans, their spouses and dependent children who are in need of financial assistance. Financial assistance is authorized for food, fuel, shelter and clothing and is limited to a period not exceeding three months.

Program Element: Blind Veterans Pension

Pensions of \$100 per month are provided for those Pennsylvania veterans who incurred functional blindness while performing active military service.

Program Element: National Guard Pensions

This program is responsible for the payment of a pension to guardsmen, widows and dependent family members. A National Guardsman who is injured, otherwise disabled or dies as a result of injuries or other disability received or contracted while performing duty in active service of the Commonwealth, or in the performance of other State military duty, is eligible. Current law provides for a monthly pension for dependents up to a maximum of \$300 per month for a period of ten years. In the case of children of a deceased member, the pension is paid until the child reaches 18 years of age. 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 were killed or died while on State active duty.

Program Element: Education of Children of Deceased and Disabled Veterans

Educational gratuities are provided for children of honorably discharged veterans who have been certified as having wartime service-connected disabilities rated as total and permanent or children of veterans who have died of war service-connected disabilities. Under current law, \$500 per semester is available for eligible students attending post secondary institutions within the Commonwealth.

Program Element: Education — National Guard

Tuition grants are provided 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 is 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 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:	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
Veterans in Pennsylvania	1,394,000	1,383,300	1,372,300	1,361,300	1,350,300	1,339,300	1,328,300
Recipients of veterans emergency assistance	9,076	8,896	8,730	8,600	8,500	8,400	8,300
Recipients of blind veterans pensions	125	120	120	120	120	120	120
Students receiving financial aid	125	125	125	125	125	125	125
National Guard personnel receiving educational financial aid	1,600	1,600	1,900	2,200	2,800	2,800	2,800
Participants in paralyzed veterans programs	253	245	240	240	235	230	225

The number of veterans receiving emergency assistance has declined compared to last year's estimates because of a favorable economy which results in fewer veterans encountering unemployment and needing cash assistance.

It is anticipated that the number of National Guard personnel receiving educational financial aid will increase because of an expanded full-time student assistance program recommended for 1996-97.

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

\$ 1,400 **Education — National Guard**
 —Initiative — Education — National Guard. To expand educational assistance in order to improve retention and recruiting within the Pennsylvania National Guard.

The budget recommends continuation of all other programs at current funding levels based upon participation by eligible persons.

MILITARY AND VETERANS AFFAIRS

Program: Compensation and Assistance (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
GENERAL FUND:							
Education of Veterans Children	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125
Education — National Guard	665	600	2,000	2,000	2,000	2,000	2,000
Veterans Assistance	1,416	1,416	1,266	1,266	1,266	1,266	1,266
Blind Veterans Pensions	150	159	150	150	150	150	150
Paralyzed Veterans Pension	338	328	308	308	308	308	308
National Guard Pensions	5	10	5	5	5	5	5
TOTAL GENERAL FUND	\$ 2,699	\$ 2,638	\$ 3,854	\$ 3,854	\$ 3,854	\$ 3,854	\$ 3,854



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.

GOVERNOR'S EXECUTIVE BUDGET

MILK MARKETING BOARD

Summary by Fund and Appropriation

	1994-95 Actual	(Dollar Amounts in Thousands) 1995-96 Available	1996-97 Budget
GENERAL FUND			
<i>GRANTS AND SUBSIDIES:</i>			
Transfer to Milk Marketing Fund	\$ 125	\$ 125	....
GENERAL FUND TOTAL	<u>\$ 125</u>	<u>\$ 125</u>	<u>....</u>
 MILK MARKETING FUND			
<i>GENERAL GOVERNMENT:</i>			
General Operations	\$ 1,906	\$ 2,331	\$ 2,464
(A) Transfer from General Fund .....	....	....	....
MILK MARKETING FUND TOTAL	<u>\$ 1,906</u>	<u>\$ 2,331</u>	<u>\$ 2,464</u>
 DEPARTMENT TOTAL — ALL FUNDS			
GENERAL FUND	\$ 125	\$ 125	....
SPECIAL FUNDS	1,906	2,331	\$ 2,464
TOTAL ALL FUNDS	<u>\$ 2,031</u>	<u>\$ 2,456</u>	<u>\$ 2,464</u>

^a Not added to the total to avoid double counting: 1994-95 Actual is \$125,000; 1995-96 Available is \$125,000; and 1996-97 Budget is \$-0-

MILK MARKETING BOARD

Program Funding Summary:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
MILK INDUSTRY REGULATION							
GENERAL FUND.....	\$ 125	\$ 125	\$ 0	\$ 0	\$ 0	\$ 0	0
SPECIAL FUNDS.....	1,906	2,331	2,464	2,242	2,287	2,334	2,334
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
SUBCATEGORY TOTAL.....	\$ 2,031	\$ 2,456	\$ 2,464	\$ 2,242	\$ 2,287	\$ 2,334	\$ 2,334
ALL PROGRAMS:							
GENERAL FUND.....	\$ 125	\$ 125	\$ 0	\$ 0	\$ 0	\$ 0	0
SPECIAL FUNDS.....	1,906	2,331	2,464	2,242	2,287	2,334	2,334
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
DEPARTMENT TOTAL.....	\$ 2,031	\$ 2,456	\$ 2,464	\$ 2,242	\$ 2,287	\$ 2,334	\$ 2,334

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. 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 Milk Producer's Security Act and board regulations.

The board's major function continues to be 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, D.C., that must be paid to producers.

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:	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
Supply of fluid milk compared to demand for fluid milk	126%	126%	126%	126%	126%	126%	126%
Licenses and permits issued	3,000	3,000	3,000	3,000	3,000	3,000	3,000

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

MILK MARKETING FUND:	
General Operations	
\$ -303	—nonrecurring projects.
136	—to continue current program.
300	—automation technology.
<u>\$ 133</u>	<i>Appropriation Increase</i>

Appropriations within this Program: (Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
GENERAL FUND:							
Transfer to Milk Marketing Fund	\$ 125	\$ 125	.....	.....	.....	.....	.....
MILK MARKETING FUND:							
General Operations	\$ 1,906	\$ 2,331	\$ 2,464	\$ 2,242	\$ 2,287	\$ 2,334	\$ 2,334



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 to detect those who cannot adjust to the community. State probation services and presentence investigations are also provided upon request from the courts.

GOVERNOR'S EXECUTIVE BUDGET

BOARD OF PROBATION AND PAROLE

PROGRAM REVISION

Budgeted Amounts Include the Following Program Revision:

Title	Appropriation	1996-97 State Funds (in thousands)
Improving Criminal Justice Enforcement		
	General Government Operations	\$ 492
This Program Revision provides funding for criminal justice, statewide technology upgrades. Please see the Department of Corrections for further details on this Program Revision.		
	Department Total	\$ 492

PROBATION AND PAROLE

Summary by Fund and Appropriation

	1994-95 Actual	(Dollar Amounts in Thousands) 1995-96 Available	1996-97 Budget
GENERAL FUND			
GENERAL GOVERNMENT:			
General Government Operations	\$ 37,104 ^a	\$ 46,176 ^b	\$ 54,352
(F) DCSI — Intensive Supervision Units .....	.....	1,067	1,686
(F) DCSI — Office of Victim Advocate .....	.....	199	113
(F) DCSI — State Parole Services	60	.....	.....
(F) DCSI — Community Control Electronic Monitoring	171	.....	.....
(F) DCSI — Parole Officer Distance Learning	23	27	.....
(F) DCSI — Assessment Board .....	.....	.....	365
(F) DCSI — Safety Equipment for Supervisory Personnel	279	191	.....
(F) DCSI — County Audit Probation Automated System	37	75	58
(F) DCSI — Probation and Parole Training	21	.....	.....
(A) Parole Supervision Fees	419	901	706
Drug Offenders Work Program	229	165	171
Subtotal — State Funds	\$ 37,333	\$ 46,341	\$ 54,523
Subtotal — Federal Funds	591	1,559	2,222
Subtotal — Augmentations	419	901	706
Total — General Government	<u>\$ 38,343</u>	<u>\$ 48,801</u>	<u>\$ 57,451</u>
GRANTS AND SUBSIDIES:			
Improvement of Adult Probation Services	\$ 16,081	\$ 16,141	\$ 16,836
(A) Parole Supervision Fees	7,069	6,982	7,435
Total — Grants and Subsidies	<u>\$ 23,150</u>	<u>\$ 23,123</u>	<u>\$ 24,271</u>
STATE FUNDS	\$ 53,414	\$ 62,482	\$ 71,359
FEDERAL FUNDS	591	1,559	2,222
AUGMENTATIONS	7,488	7,883	8,141
GENERAL FUND TOTAL	<u>\$ 61,493</u>	<u>\$ 71,924</u>	<u>\$ 81,722</u>

^a Includes \$2,761,000 appropriated separately for Intensive Parole Supervision and excludes \$17,000 for discontinued interagency billing.

^b Includes \$3,389,000 appropriated separately for Intensive Parole Supervision.

PROBATION & PAROLE BOARD

Program Funding Summary:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
REINTEGRATION OF THE ADULT OFFENDER							
GENERAL FUND.....	\$ 53,414	\$ 62,482	\$ 71,359	\$ 72,932	\$ 74,054	\$ 75,199	\$ 76,366
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	591	1,559	2,222	1,322	460	0	0
OTHER FUNDS.....	7,488	7,883	8,141	8,155	8,169	8,184	8,199
SUBCATEGORY TOTAL.....	\$ 61,493	\$ 71,924	\$ 81,722	\$ 82,409	\$ 82,683	\$ 83,383	\$ 84,565
ALL PROGRAMS:							
GENERAL FUND.....	\$ 53,414	\$ 62,482	\$ 71,359	\$ 72,932	\$ 74,054	\$ 75,199	\$ 76,366
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	591	1,559	2,222	1,322	460	0	0
OTHER FUNDS.....	7,488	7,883	8,141	8,155	8,169	8,184	8,199
DEPARTMENT TOTAL.....	\$ 61,493	\$ 71,924	\$ 81,722	\$ 82,409	\$ 82,683	\$ 83,383	\$ 84,565

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 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 is more accountable to the public.

In addition to operating the State parole program, the board has the responsibility of administering a grant-in-aid program to support county adult probation personnel and services. The grant-in-aid program provides funds to any county which adds probation staff for pre-sentence investigations and for improved probation supervision and program. Act 134 of 1986, which amended the Probation and Parole Act, provides that counties shall be reimbursed for up to eighty percent (80%) of the personnel costs incurred to administer these additional services and programs, provided that sufficient funds are appropriated.

Act 35 of 1991 mandates that a monthly supervision fee be paid by all offenders under State supervision unless a waiver is granted. In addition, Act 35 requires that the sentencing judge of the Court of Common Pleas impose upon county offenders as a condition of supervision, a monthly supervision fee of at least twenty-five dollars unless reduced, waived or deferred.

Act 8 of Special Session I of 1995 created the Office of Victim Advocate within the Board to represent the interests of crime victims before the Board or the Department of Corrections.

Program Measures:	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
Probationers and parolees in caseload:							
County	100,675	109,581	113,811	118,042	122,272	126,502	130,732
State	26,017	25,632	26,500	28,488	29,912	31,407	32,978
Annual addition to caseload population	10,914	11,195	11,647	11,863	12,076	12,179	12,282
Investigative reports completed	16,059	16,047	16,757	17,619	18,314	19,038	19,790
Annual caseload additions likely to return							
to prison	3,929	4,030	4,193	4,271	4,348	4,384	4,422
and as a percentage of annual							
additions to caseload	36	36	36	36	36	36	36
Average cases per parole agent	119	98	77	83	87	92	96

The data for the measures annual addition to caseload and annual caseload additions likely to return to prison have increased from data shown in the 1994-95 budget. This is due to the methodology used by Probation and Parole to estimate these caseloads. The methodology uses a linear regression projection based on actual caseload growth for the prior two years. The estimated return rate is the actual recidivism rate for a three year follow-up of 1987 cohort releases. The return rate is multiplied by the estimated number of new additions to the caseload.

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		Drug Offenders Work Program	
\$ 492	—PRR — Improving Criminal Justice Enforcement. To provide for criminal justice systemwide technology upgrades in the Board of Probation and Parole. Please see the Department of Corrections for further details on the Program Revision.	\$ 6	—to continue current program.
297	—Initiative — Public Safety Based Program Enhancement. To provide for enhanced administrative support of parole agents, institutional parole personnel and intensive supervision units.	\$ 695	Improvement of Adult Probation Services —for grants to counties for professional county personnel salary costs. A charge of \$25 per month offsets the costs of administering this program for employed offenders on State and county parole supervision. Estimated fee collection for 1996-97 is \$7,435,000. This amount will augment State funds of \$16,836,000 and provide \$24,271,000 or 77 percent reimbursement to the counties.
199	—Initiative — Increased Support for Intensive Supervision. To provide additional operating support for intensive supervision units.		
122	—Initiative — Megan's Law Assessment Board. To establish the assessment board created under Megan's Law to evaluate and classify certain offenders as "sexually violent predators" and prepare a report to the courts. In addition \$365,000 in Federal funds will be available to support this initiative.		
7,066	—to continue current program.		
<u>\$ 8,176</u>	<i>Appropriation Increase</i>		

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
GENERAL FUND:							
General Government Operations	\$ 37,104	\$ 46,176	\$ 54,352	\$ 55,922	\$ 57,041	\$ 58,182	\$ 59,345
Drug Offenders Work Program	229	165	171	174	177	181	185
Improvement of Adult Probation Services ..	16,081	16,141	16,836	16,836	16,836	16,836	16,836
TOTAL GENERAL FUND	<u>\$ 53,414</u>	<u>\$ 62,482</u>	<u>\$ 71,359</u>	<u>\$ 72,932</u>	<u>\$ 74,054</u>	<u>\$ 75,199</u>	<u>\$ 76,366</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 and two affiliated stations including the recording, storage and delivery of programs and the interconnection of the stations for Statewide program production and exchange. The network also administers a program of grants to support station operations, instructional television services, program production and program acquisition.

GOVERNOR'S EXECUTIVE BUDGET

PUBLIC TELEVISION NETWORK

Summary by Fund and Appropriation

	1994-95 Actual	(Dollar Amounts in Thousands) 1995-96 Available	1996-97 Budget
<u>GENERAL FUND</u>			
<i>GENERAL GOVERNMENT:</i>			
General Government Operations	\$ 2,859	\$ 2,880	\$ 2,827
(F) National Energy Awards Program	34	5	.....
(A) Special Projects	230	62	30
Total — General Government	<u>\$ 3,123</u>	<u>\$ 2,947</u>	<u>\$ 2,857</u>
 <i>GRANTS AND SUBSIDIES:</i>			
Public Television Station Grants	\$ 6,273	\$ 6,273	\$ 6,273
Total — Grants and Subsidies	<u>\$ 6,273</u>	<u>\$ 6,273</u>	<u>\$ 6,273</u>
STATE FUNDS	\$ 9,132	\$ 9,153	\$ 9,100
FEDERAL FUNDS	34	5	.....
AUGMENTATIONS	230	62	30
GENERAL FUND TOTAL	<u>\$ 9,396</u>	<u>\$ 9,220</u>	<u>\$ 9,130</u>

PUBLIC TELEVISION NETWORK

Program Funding Summary:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
PUBLIC TELEVISION SERVICES							
GENERAL FUND.....	\$ 9,132	\$ 9,153	\$ 9,100	\$ 9,157	\$ 9,215	\$ 9,274	\$ 9,334
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	34	5	0	0	0	0	0
OTHER FUNDS.....	230	62	30	31	32	33	34
SUBCATEGORY TOTAL.....	\$ 9,396	\$ 9,220	\$ 9,130	\$ 9,188	\$ 9,247	\$ 9,307	\$ 9,368
ALL PROGRAMS:							
GENERAL FUND.....	\$ 9,132	\$ 9,153	\$ 9,100	\$ 9,157	\$ 9,215	\$ 9,274	\$ 9,334
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	34	5	0	0	0	0	0
OTHER FUNDS.....	230	62	30	31	32	33	34
DEPARTMENT TOTAL.....	\$ 9,396	\$ 9,220	\$ 9,130	\$ 9,188	\$ 9,247	\$ 9,307	\$ 9,368

PUBLIC TELEVISION NETWORK

PROGRAM OBJECTIVE: To provide for the development and support of Pennsylvania's network of noncommercial public television stations.

Program: Public Television Services

The Pennsylvania Public Television Network links seven independent noncommercial television stations in Pennsylvania to create a system in which stations provide programming to the people of Pennsylvania through independent and group efforts. The stations are located in Bethlehem, Erie, Philadelphia, Pittsburgh, Pittston, University Park and Harrisburg. In addition, the commission also funds second public television stations in Philadelphia and Pittsburgh which provide different program service for their viewers.

Funding for the operations of the noncommercial television stations in Pennsylvania comes from several sources; 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 Intermediate Units, 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. These instructional series are curriculum-based and utilize such network services as Pennsylvania Learning-on-Line.

Program Measures:	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
Households watching public television at least once a week	3,100,000	3,200,000	3,250,000	3,350,000	3,350,000	3,400,000	3,400,000
Contributing memberships	320,000	325,000	330,000	335,000	340,000	340,000	340,000
Average on-air hours per week	1,073	1,073	1,073	1,073	1,073	1,073	1,073

The measure for the number of on-air hours per week is a new measure beginning with this budget presentation.

Program Recommendations:	This budget recommends the following changes: (Dollar Amounts in Thousands)
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General Government Operations
 \$ -53 —to continue current program.

The Public Television Station Grants appropriation is recommended at the current year funding level.

Appropriations within this Program:	(Dollar Amounts in Thousands)						
	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
GENERAL FUND:							
General Government Operations	\$ 2,859	\$ 2,880	\$ 2,827	\$ 2,884	\$ 2,942	\$ 3,001	\$ 3,061
Public Television Station Grants	6,273	6,273	6,273	6,273	6,273	6,273	6,273
TOTAL GENERAL FUND	\$ 9,132	\$ 9,153	\$ 9,100	\$ 9,157	\$ 9,215	\$ 9,274	\$ 9,334



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.

GOVERNOR'S EXECUTIVE BUDGET

PUBLIC UTILITY COMMISSION

Summary by Fund and Appropriation

	1994-95 Actual	(Dollar Amounts in Thousands) 1995-96 Available	1996-97 Budget
GENERAL FUND			
GENERAL GOVERNMENT:			
(R) General Government Operations ^a	\$ 37,032	\$ 37,439	\$ 37,439
(R) First Class City Taxicab Regulation ^b	2,010	1,900	1,950
(F) Natural Gas Pipeline Safety	185	190	225
(F) Motor Carrier Safety	691	775	605
RESTRICTED REVENUES	\$ 39,042	\$ 39,339	\$ 39,389
FEDERAL FUNDS	876	965	830
GENERAL FUND TOTAL	\$ 39,918	\$ 40,304	\$ 40,219

^a Appropriation from a restricted revenue account.

^b Executive Authorization from a restricted revenue account.

PUBLIC UTILITY COMMISSION

Program Funding Summary:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
REGULATION OF PUBLIC UTILITIES							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	876	965	830	830	830	830	830
OTHER FUNDS.....	39,042	39,339	39,389	40,177	40,981	41,801	42,637
SUBCATEGORY TOTAL.....	\$ 39,918	\$ 40,304	\$ 40,219	\$ 41,007	\$ 41,811	\$ 42,631	\$ 43,467
ALL PROGRAMS:							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	876	965	830	830	830	830	830
OTHER FUNDS.....	39,042	39,339	39,389	40,177	40,981	41,801	42,637
DEPARTMENT TOTAL.....	\$ 39,918	\$ 40,304	\$ 40,219	\$ 41,007	\$ 41,811	\$ 42,631	\$ 43,467

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 18 of approximately 5,000 utilities regulated are electric, the rate increases requested by the electric utilities have historically been much greater than those of all other utilities combined.

Federal Law (P.L. 103-305) effective January 1, 1995, pre-empts State regulation of trucking rates and routes. The PUC's jurisdiction on motor carrier regulation has now been essentially limited to safety authority, insurance coverage, and transportation of household goods and passengers.

In addition to its primary duty of ensuring that adequate service at reasonable rates is available to the public, the commission is required or empowered to:

- prescribe rates for certain types of common carrier by motor vehicle type and to establish accounting and service requirements for them;
- regulate the formation, merger and consolidation of public utilities;
- determine whether a public utility should be permitted to discontinue service to the public other than for non-payment for service rendered;
- regulate the crossing of public highways by the facilities of public utilities;
- inspect the properties, test the equipment and examine the books and other records of utilities;
- prescribe systems of accounting for public utilities;
- determine whether the issuance of utility stocks and long-term debt by public utilities is necessary or proper for the present and probable future capital needs of the utilities;
- inquire into the reasonableness, from the point of view of the public interest, of contracts between public utilities and municipalities, and of contracts for services between public utilities and their affiliates;
- assess all its expenses on utilities in accordance with Act 33 of 1972; and,
- conduct management efficiency investigations and construction cost audits.

Program Measures:	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
Utilities regulated:							
Fixed utilities:							
Electric	18	18	18	18	18	18	18
Other	725	709	709	709	709	709	709
Transportation	4,743	5,200	5,250	5,300	5,400	5,400	5,400
Rate requests received:							
Fixed utilities:							
Electric	1	....	....	....	....	....	2
Other	53	59	59	60	60	60	61
Transportation	177	100	75	60	60	50	50
Rate cases completed:							
Fixed utilities:							
Electric	2	1	....	....	....	....	....
Other	49	53	56	55	55	55	56
Transportation	177	100	75	60	60	50	50
Rate increase requested (in millions):							
Fixed utilities:							
Electric	\$261	....	....	....	....	....	\$500
Other	\$106	\$100	\$110	\$105	\$105	\$110	\$110
Transportation	\$10	\$5	\$3	\$3	\$3	\$3	\$3
Rate increases allowed (in millions):							
Fixed utilities:							
Electric	\$59	\$65	....	....	....	....	\$200
Other	\$49	\$50	\$55	\$50	\$50	\$50	\$55
Transportation	\$10	\$5	\$3	\$3	\$3	\$3	\$3

PUBLIC UTILITY COMMISSION

Program: Regulation of Public Utilities (continued)

Program Measures: (continued)	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
Audits conducted:							
Fixed utilities:							
Financial	27	10	15	15	15	15	15
Energy fuel	75	70	69	69	69	69	69
Management	11	11	11	11	11	11	11
Transportation .....	....	N/A	N/A	N/A	N/A	N/A	N/A
Enforcement/investigations:							
Fixed utilities	1,533	1,700	1,700	1,700	1,700	1,700	1,700
Transportation:							
Rail safety	50,366	50,000	50,000	50,000	50,000	50,000	50,000
Motor safety	24,821	30,000	30,000	30,000	30,000	30,000	30,000
Consumer services:							
Fixed utilities:							
Complaints received, investigated and resolved	30,240	30,000	30,000	30,000	30,000	30,000	30,000

The measures for the number and dollar value of rate requests are lower than projected in last year's budget. These measures fluctuate because rate requests reflect decisions of the utilities.

Transportation rate requests, rate increases allowed and audits conducted for 1994-95 and 1995-96 are all lower than projected in last year's budget due to the Federal deregulation of trucking rates, effective January 1, 1995, and Federal preemption of transportation audits.

The number of financial audits conducted increased from that projected in last year's budget due to the increased need for small water company audits.

Gas safety enforcements and investigations have been added to the totals for fixed utility enforcements and investigations. Enforcements and investigations are lower than projected in last year's budget based on the most recent actual data.

Program Recommendations:

This budget recommends the following from restricted accounts:
(Dollar Amounts in Thousands)

First Class City Taxicab Regulation
\$ 50 —to continue current program.

General Government Operations is recommended at the current year funding level.



COMMONWEALTH OF PENNSYLVANIA

DEPARTMENT OF PUBLIC WELFARE

The Department of Public Welfare provides financial assistance and medical services to persons who are economically dependent through public assistance grants and medical assistance payments; provides care, treatment and rehabilitation to persons with social, mental and physical disabilities; and engages in activities, including education and research, which serve to prevent or reduce economic, social, mental and physical disabilities.

Services are provided directly and indirectly through programs of standard setting, regulation, supervision, licensing, subsidies and purchase of services.

The actual delivery of welfare services is executed through regional and county offices, county assistance offices and various types of institutions.

GOVERNOR'S EXECUTIVE BUDGET

PUBLIC WELFARE

PROGRAM REVISION

Budgeted Amounts Include the Following Program Revision:

Title	Appropriation	1996-97 State Funds (in thousands)
Enhancing Services for Older Pennsylvanians		
	Medical Assistance — Outpatient	\$ -47
<p>This Program Revision provides State savings through the implementation of a long-term care managed care demonstration project. Please see the Department of Aging for further details on this Program Revision.</p>		
Containing Medical Assistance Costs		
	Medical Assistance — Outpatient	\$ -82,359
	Behavioral Health Services	64,607
	Medical Assistance — Inpatient	-97,202
	Medical Assistance — Capitation	-92,365
	Subtotal	\$ -207,319
<p>This Program Revision provides a net State savings of \$207 million by revising the eligibility criteria for the General Assistance — Medically Needy Only program, providing special behavioral health services for persons with mental illness and drug and alcohol addiction, enhancing health maintenance organization eligibility verification, revising the eligibility period for the Medically Needy Only spend-down option, requiring prior authorization for chiropractic and podiatry services, and limiting home health and ambulance services.</p>		
Promoting Independence and Self-Sufficiency		
	Information Systems	\$ 500
	County Administration — Statewide	1,908
	New Directions	21,882
	Cash Grants	-28,718
	Medical Assistance — Outpatient	-4,997
	Medical Assistance — Inpatient	-5,963
	Medical Assistance — Capitation	-4,514
	Supplemental Grants — Aged, Blind and Disabled	-4,708
	Subtotal	\$ -24,610
<p>This Program Revision promotes independence and self-sufficiency through revisions to Pennsylvania's welfare system. The components of this Program Revision include strengthening the enforcement of unemployability/disability requirements for the General Assistance Program, preparing for the impact of Federal welfare reform, increasing job training for welfare recipients, increasing child care and support services for persons transitioning from welfare to work, and eliminating certain accused and convicted criminals from the public assistance caseload.</p>		
	Department Total	\$ -231,976

PUBLIC WELFARE

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1994-95 Actual	1995-96 Available	1996-97 Budget
GENERAL FUND			
GENERAL GOVERNMENT:			
General Government Operations	\$ 39,685 ^a	\$ 37,543	\$ 37,599
(F) Child Welfare Services	2,072	2,070	2,070
(F) Lead Based Paint Abatement	79	177	174
(F) Child Welfare Training & Certification	2,700	2,700	9,298
(F) Child Care and Development Block Grant — Administration ...	2,289	2,336	2,266
(F) Rehabilitation Services Facilities	442	439	439
(F) Medical Assistance — Administration	13,953	16,031	16,510
(F) Maintenance Assistance — Administration	5,928	6,459	6,092
(F) Food Stamp — Administration	3,439	3,542	3,586
(F) Developmental Disabilities Support	3,707	4,090	4,090
(F) Refugees & Persons Seeking Asylum — Administration	850	939	995
(F) ESEA (1) — Education of Children with Disabilities — Administration (EA)	467	559	....
(F) Homeless Mentally Ill — Administration	34	50	59
(F) Education for Children with Disabilities — Administration	505	705	....
(F) Child Abuse Prevention Challenge Grant	175	175	933
(F) MHSBG — Administration	99	114	93
(F) SSBG — Administration	4,743	4,743	4,743
(F) MH Data Collection Systems	198	96	....
(F) SSBG — Empowerment Zones and Enterprise Communities .....	....	88,700	88,007
(F) Emergency Assistance — Juvenile Probation .....	....	65,000	....
(A) Institutional Collections	823	870	749
(A) Training Reimbursement	515	578	267
(A) Child Abuse Reviews	921	950	1,550
(A) Miscellaneous Reimbursements	86	93	93
Subtotal — Federal Funds	\$ 41,680	\$ 198,925	\$ 139,355
Subtotal — Augmentations	2,345	2,491	2,659
Total — General Government Operations	\$ 83,710	\$ 238,959	\$ 179,613
Information Systems	29,833 ^b	26,873 ^c	25,879
(F) Maintenance Assistance	3,804	5,640	5,019
(F) Medical Assistance	14,026	15,815	15,071
(F) Food Stamp Program	6,705	7,178	7,123
(F) Child Support Enforcement	726	766	780
(F) Rehabilitation Services	34	33	37
(A) Intergovernmental Transfer — Technology	375	....	....
Total — Information Systems	\$ 55,503	\$ 56,305	\$ 53,909
County Administration — Statewide	35,294 ^d	38,184 ^e	36,572
(F) Maintenance Assistance	3,842	4,704	4,961
(F) Medical Assistance	19,070	27,146	31,759
(F) Food Stamp — Statewide	4,375	5,378	3,492
(F) SABG — Program Evaluation	321	93	....
(A) Fee for Material from Outside Vendors	90	....	90
(A) Intergovernmental Transfer .....	....	373	....
(A) Food Stamp Retained Collections	661	750	765
(A) Community Based Care — Administration .....	....	....	24
Total — County Administration — Statewide	\$ 63,653	\$ 76,628	\$ 77,663

^a Excludes \$49,000 for discontinued interagency billings.

^b Actually appropriated as \$28,476,000 for the Information Systems and \$1,357,000 as part of the County Assistance Offices appropriations.

^c Actually appropriated as \$25,516,000 for the Information Systems and \$1,357,000 as part of the County Assistance Offices appropriations.

^d Actually appropriated as \$35,921,000 but excludes \$627,000 transferred to the Department of Health.

^e Actually appropriated as \$38,889,000 but excludes \$705,000 transferred to the Department of Health.

PUBLIC WELFARE

Summary by Fund and Appropriation

GENERAL FUND	1994-95 Actual	(Dollar Amounts in Thousands) 1995-96 Available	1996-97 Budget
GENERAL GOVERNMENT: (continued)			
County Assistance Offices	\$ 212,255^a	\$ 230,367^b	\$ 234,460
(F) Maintenance Assistance	45,771	48,628	46,795
(F) Medical Assistance	45,192	47,553	53,319
(F) Food Stamp Program	53,676	57,252	60,846
(F) SSBG	11,649	11,649	8,046
(F) LIHEABG — Administration	8,787	8,852	5,658
Total — County Assistance Offices	\$ 377,330	\$ 404,301	\$ 409,124
Program Accountability	9,848	6,961	1,998
(F) Food Stamp Program	3,577	4,123	4,200
(F) Maintenance Assistance	1,407	1,492	1,500
(F) Child Support Enforcement	99,093	128,519	81,104
(F) Medical Assistance	1,012	1,459	1,784
(A) Title IV-D Incentive Collections	205	767	457
(A) Restitutions & Overpayments .....	.....	890	890
(A) Food Stamp Collections	166	166	166
(A) State Retained Support Collections .....	.....	1,451	1,702
Total — Program Accountability	\$ 115,308	\$ 145,828	\$ 93,801
New Directions	32,513	33,199	55,247
(F) Maintenance Assistance	42,008	42,731	41,535
(F) Food Stamps — Employment Training	19,082	12,264	12,350
(A) SPOC Health Insurance Program	3	6	6
Total — New Directions	\$ 93,606	\$ 88,200	\$ 109,138
Services for the Visually Impaired	7,146	7,219	5,832
(F) Rehabilitation Services — Basic Support	9,196	9,764	9,389
(F) Vocational Rehabilitation — Social Security Disability Beneficiaries	231	815	1,815
(F) Independent Living—Visually Impaired Elderly .....	.....	113	150
(A) Supported Employment	115	268	268
Total — Services for the Visually Impaired	\$ 16,688	\$ 18,179	\$ 17,454
Subtotal — State Funds	\$ 366,574	\$ 380,346	\$ 397,587
Subtotal — Federal Funds	435,264	640,892	536,088
Subtotal — Augmentations	3,960	7,162	7,027
Total — General Government	\$ 805,798	\$ 1,028,400	\$ 940,702
INSTITUTIONS:			
Youth Development Institutions and Forestry Camps	\$ 52,650	\$ 58,008	\$ 70,476
(F) Food Nutrition Service	750	750	.....
(F) Food Nutrition Service (EA) .....	.....	.....	750
(F) YDC — Emergency Assistance .....	.....	4,000	.....
(F) SSBG — Basic Institutional Program	1,355	5,374	1,355
(F) DFSC — Special Programs — Juvenile Aftercare Services	1,000	1,000	1,000
(F) DCSI — Transition/Reentry	256	161	.....
(F) DCSI — Southeast Secure Unit	29	19	8
(F) DCSI — Juvenile Justice System Expansion	898	599	300
(F) DCSI — Secure Treatment Facility .....	.....	2,625	.....
(A) Cafeteria Reimbursements	4	6	5
(A) Institutional Reimbursements	6	7	7
(A) School Lunch Program	49	57	58
Total — Youth Development Institutions	\$ 56,997	\$ 72,606	\$ 73,959

^a Actually appropriated as \$213,612,000 but excludes \$1,357,000 transferred to the Information Systems appropriation.

^b Actually appropriated as \$231,724,000 but excludes \$1,357,000 transferred to the Information Systems appropriation.

PUBLIC WELFARE

Summary by Fund and Appropriation

GENERAL FUND	(Dollar Amounts in Thousands)		
	1994-95 Actual	1995-96 Available	1996-97 Budget
INSTITUTIONS: (continued)			
State General Hospitals	\$ 1	\$ 1	\$ 1
(F) Medicare Services	71	1,000	1,000
(F) Medical Assistance	3	500	500
(A) Institutional Collections	26	725	725
Total — State General Hospitals	<u>\$ 101</u>	<u>\$ 2,226</u>	<u>\$ 2,226</u>
Mental Health Services	423,650^a	478,731^b	536,416
(F) Medical Assistance — Mental Health	386,362	341,715	264,264
(F) Medicare Services — State Mental Hospitals	25,600	45,179	24,458
(F) Food Nutrition Service — State Mental Hospitals	111	126	....
(F) Food Nutrition Service — State Mental Hospitals (EA) .....	....	....	109
(F) Homeless Mentally Ill	1,007	1,008	1,008
(F) MHSBG — Community Mental Health Services	12,342	12,474	12,292
(F) SSBG — Community Mental Health Services	18,133	18,133	18,133
(F) Child and Adolescent Services System Grant	295	150	....
(F) Child and Adolescent Services System Grant (EA) .....	....	....	150
(F) Community Support Project MH	979	1,421	75
(F) ACCESS Cooperative Agreement	2,013	2,000	2,000
(F) Child MH Services .....	....	2,000	....
(F) Library Services & Construction	9	....	....
(F) Child Managed Care .....	....	....	475
(F) Information Access Grant .....	....	62	....
(A) Cafeteria Reimbursements	40	39	39
(A) Institutional Collections	19,320	18,410	19,392
(A) Miscellaneous Institutional Reimbursements	90	283	26
(A) Intergovernmental Transfer	8,000	8,000	8,000
(A) Robert Wood Johnson Grant	148	....	....
(A) Community Treatment Teams	1,172	308	....
Total — Mental Health Services	<u>\$ 899,271</u>	<u>\$ 930,039</u>	<u>\$ 886,837</u>
State Centers for the Mentally Retarded	122,582	136,336	137,055
(F) Medical Assistance — State Centers	167,179	160,558	157,693
(F) Medicare Services — State Centers	864	1,009	1,078
(A) Institutional Collections	14,231	12,408	12,999
(A) Institutional Reimbursements	140	16	24
Total — State Centers for the Mentally Retarded	<u>\$ 304,996</u>	<u>\$ 310,327</u>	<u>\$ 308,849</u>
Subtotal — State Funds	\$ 598,883	\$ 673,076	\$ 743,948
Subtotal — Federal Funds	619,256	601,863	486,648
Subtotal — Augmentations	43,226	40,259	41,275
Total — Institutions	<u>\$ 1,261,365</u>	<u>\$ 1,315,198</u>	<u>\$ 1,271,871</u>
GRANTS AND SUBSIDIES:			
Cash Grants	\$ 674,822	\$ 588,448^c	\$ 546,426
(F) Maintenance Assistance	573,843	569,653	519,817
(F) LIHEABG Grants	82,905	70,617	48,022
Total — Cash Grants	<u>\$ 1,331,570</u>	<u>\$ 1,228,718</u>	<u>\$ 1,114,265</u>
Medical Assistance — Outpatient	722,422	788,004	622,085
(F) Medical Assistance	809,597	871,546	872,323
(F) Disease Control Immunization (EA) .....	....	200	200
Total — Outpatient	<u>\$ 1,532,019</u>	<u>\$ 1,659,750</u>	<u>\$ 1,494,608</u>
Expanded Medical Services for Women	3,000	4,060	4,060

^a Actually appropriated as \$423,687,000 but excludes \$37,000 transferred to the Department of Health.

^b Actually appropriated as \$514,724,000 but excludes \$46,000 transferred to the Department of Health and reflects a recommended appropriation reduction of \$35,947,000.

^c Reflects a recommended appropriation reduction of \$4,823,000.

PUBLIC WELFARE

Summary by Fund and Appropriation

	1994-95 Actual	(Dollar Amounts in Thousands) 1995-96 Available	1996-97 Budget
GENERAL FUND			
<i>GRANTS AND SUBSIDIES: (continued)</i>			
Behavioral Health Services .....	....	....	\$ 64,607
Medical Assistance — Inpatient	\$ 551,811	\$ 441,613 ^a	307,747
(F) Medical Assistance	963,957	920,374	728,077
Total — Inpatient	\$ 1,515,768	\$ 1,361,987	\$ 1,035,824
Acute Care Hospital	200	404	....
Medical Assistance — Capitation	602,328	661,031 ^b	591,252
(F) Medical Assistance	413,702	523,304	602,134
Total — Capitation	\$ 1,016,030	\$ 1,184,335	\$ 1,193,386
Long-Term Care Facilities	593,753 ^c	648,353 ^d	737,220
(F) Medical Assistance	1,094,225	1,266,639	1,489,215
(A) Intergovernmental Transfers	286,843	315,901	388,454
Total — Long-Term Care Facilities	\$ 1,974,821	\$ 2,230,893	\$ 2,614,889
Supplemental Grants — Aged, Blind and Disabled	122,591	130,231	119,425
(A) Intergovernmental Transfers	20,914	24,913	26,985
Total — Supplemental Grants	\$ 143,505	\$ 155,144	\$ 146,410
Medical Assistance — Transportation	17,852	18,555	18,560
(F) Medical Assistance	14,129	14,987	16,545
Total — Transportation	\$ 31,981	\$ 33,542	\$ 35,105
AIDS — Special Pharmaceutical Services	4,009	6,640	4,722
Intermediate Care Facilities — Mentally Retarded	102,398 ^e	110,839 ^f	102,227
(F) Medical Assistance	126,399	130,635	130,563
Total — Intermediate Care Facilities—Mentally Retarded ...	\$ 228,797	\$ 241,474	\$ 232,790
Community Mental Retardation Services	386,578	413,501	432,562
(F) Medical Assistance	152,792	174,800	212,518
(F) SSBG — Community MR Services	17,124	17,124	17,124
Total — Community Mental Health Services	\$ 556,494	\$ 605,425	\$ 662,204
Emergency Mental Retardation Services .....	....	1,000	....
Pennhurst Dispersal	2,764	2,819	2,819
Early Intervention	33,233	35,088	41,581
(F) SSBG — Early Intervention	2,687	2,687	2,687
(F) Medical Assistance	3,244	6,776	7,363
(F) Education for Children with Disabilities	9,690	11,334	....
(F) Special Evaluation Studies	80	50	....
Total — Early Intervention	\$ 48,934	\$ 55,935	\$ 51,631

^a Includes recommended supplemental appropriation of \$60,402,000.

^b Reflects a recommended appropriation reduction of \$17,134,000.

^c Actually appropriated as \$593,822,000 but excludes \$69,000 transferred to the Department of Aging.

^d Actually appropriated as \$651,047,000 but reflects a recommended appropriation reduction of \$2,498,000 and excludes \$53,000 transferred to the Department of Aging and \$143,000 transferred to the Department of Health.

^e Actually appropriated as \$103,055,000 but excludes \$657,000 transferred to the Department of Health.

^f Actually appropriated as \$111,420,000 but excludes \$581,000 transferred to the Department of Health.

PUBLIC WELFARE

Summary by Fund and Appropriation

GENERAL FUND	(Dollar Amounts in Thousands)		
	1994-95 Actual	1995-96 Available	1996-97 Budget
<i>GRANTS AND SUBSIDIES: (continued)</i>			
Mental Retardation Services — Lansdowne	\$ 201	\$ 371	\$
County Child Welfare	309,561	264,808	\$ 363,126
(F) Child Welfare Services	15,665	16,653	17,225
(F) Maintenance Assistance	235,000	211,195	228,778
(F) Medical Assistance	4,000	4,000	2,000
(F) Medically Fragile Child Support	108	108	125
(F) Emergency Assistance — Child Welfare	145,000	168,546	105,264
(F) SSBG — Child Welfare	15,449	15,449	15,449
(F) At-Risk Family	50	60	60
(F) Crisis Nursery Grant	197	197	200
(F) DCSE — Alternatives to Institutionalization — Child Welfare ...	188	. . . .	. . . .
Total — County Child Welfare	<u>\$ 725,218</u>	<u>\$ 681,016</u>	<u>\$ 732,227</u>
Community Based Family Centers	4,041 *	4,041 *	4,041
(F) CCDBG — Family Centers	6,333	6,608	8,425
(F) Family Preservation — Family Centers	1,200	1,300	1,200
(F) Maternal and Child Health Services Block Grant — Family Centers	160	160	. . . .
Total — Community Based Family Centers	<u>\$ 11,734</u>	<u>\$ 12,109</u>	<u>\$ 13,666</u>
Day Care Services	37,085	42,827	46,781
(F) CCDBG — Day Care	25,374	26,974	25,381
(F) Dependent Care Planning	615	615	605
(F) Child Development Scholarships	100	100	100
(F) SSBG — Day Care	37,931	37,931	37,931
(F) At-Risk Child Care	12,502	12,485	12,485
Total — Day Care Services	<u>\$ 113,607</u>	<u>\$ 120,932</u>	<u>\$ 123,283</u>
Low Income Summer Programs	125	. . . .	. . . .
Domestic Violence	7,892	8,100	8,300
(F) Family Violence and Prevention Services	686	1,004	1,019
(F) SSBG — Domestic Violence	1,476	1,476	1,476
(F) PHHSBG — Domestic Violence .....	. . . .	150	150
(F) DFSC — Special Programs — Domestic Violence	404	404	404
(A) Marriage Law Fees	733	733	733
Total — Domestic Violence	<u>\$ 11,191</u>	<u>\$ 11,867</u>	<u>\$ 12,082</u>
Rape Crisis	3,337	3,404	3,500
(F) PHHSBG — Rape Crisis	360	420	420
(F) SSBG — Rape Crisis	776	776	776
(F) DFSC — Special Programs — Rape Crisis	113	113	113
Total — Rape Crisis	<u>\$ 4,586</u>	<u>\$ 4,713</u>	<u>\$ 4,809</u>
Breast Cancer Screening	850	867	867
(F) SSBG — Family Planning	4,708	4,708	4,708
Total — Breast Cancer Screening	<u>\$ 5,558</u>	<u>\$ 5,575</u>	<u>\$ 5,575</u>
Legal Services .....	. . . .	2,000	2,000
(F) SSBG — Legal Services	6,183	6,183	6,183
Total — Legal Services	<u>\$ 6,183</u>	<u>\$ 8,183</u>	<u>\$ 8,183</u>
Human Services Development Fund	34,000	34,000	34,000
(F) Immigration Reform and Control	222	. . . .	. . . .
Total — Human Services Development Fund	<u>\$ 34,222</u>	<u>\$ 34,000</u>	<u>\$ 34,000</u>

* Actually appropriated as Community-Based Family Centers in the Department of Education.

PUBLIC WELFARE

Summary by Fund and Appropriation

	1994-95 Actual	(Dollar Amounts in Thousands) 1995-96 Available		1996-97 Budget
GENERAL FUND				
<i>GRANTS AND SUBSIDIES: (continued)</i>				
Homeless Assistance	\$ 16,320	\$ 16,646	\$	16,881
(F) SSBG — Shelters	2,673	2,673		2,673
(F) SABG — Homeless Services	1,983	1,983		1,983
Total — Homeless Assistance	\$ 20,976	\$ 21,302	\$	21,537
Emergency Homeless Shelters	5,000	....		....
Attendant Care	13,381	14,241		15,942
(F) SSBG — Attendant Care	8,535	8,535		8,535
(F) Medical Assistance — Attendant Care	235	8,108		8,185
(A) Attendant Care — Parking Fines .....	....	....		15
Total — Attendant Care	\$ 22,151	\$ 30,884	\$	32,677
Association for Retarded Citizens	100	100		....
Services for Developmentally Disabled	5,632	7,755		7,755
(F) Medical Assistance	3,708	5,348		5,228
(F) SSBG — Developmentally Disabled	147	147		147
Total — Services for Developmentally Disabled	\$ 9,487	\$ 13,250	\$	13,130
Arsenal Family and Children's Center	212	162		....
Beacon Lodge	124	124		....
Support Services for Children	200	....		....
Residence for the Blind	100	....		....
Subtotal — State Funds	\$ 4,255,922	\$ 4,250,032	\$	4,098,486
Subtotal — Federal Funds	4,796,455	5,125,135		5,143,816
Subtotal — Augmentations	308,490	341,547		416,187
Total — Grants and Subsidies	\$ 9,360,867	\$ 9,716,714	\$	9,658,489
STATE FUNDS	\$ 5,221,379	\$ 5,303,454		\$ 5,240,021
FEDERAL FUNDS	5,850,975	6,367,890		6,166,552
AUGMENTATIONS	355,676	388,968		464,489
GENERAL FUND TOTAL	\$ 11,428,030	\$ 12,060,312	\$	11,871,062
OTHER FUNDS				
CHILDRENS TRUST FUND				
Childrens Programs	\$ 2,017	\$ 2,565	\$	2,000
EMPLOYMENT FUND FOR THE BLIND				
Operations	\$ 942	\$ 880	\$	805
ENERGY CONSERVATION AND ASSISTANCE				
Low Income Energy Assistance	\$ 351	\$ 450	\$	600
OTHER FUNDS TOTAL	\$ 3,310	\$ 3,895	\$	3,405

PUBLIC WELFARE

Summary by Fund and Appropriation

	1994-95	(Dollar Amounts in Thousands)	1996-97
	Actual	1995-96 Available	Budget
<u>GENERAL FUND</u>			
DEPARTMENT TOTAL — ALL FUNDS			
GENERAL FUND	\$ 5,221,379	\$ 5,303,454	\$ 5,240,021
FEDERAL FUNDS	5,850,975	6,367,890	6,166,552
OTHER FUNDS	3,310	3,895	3,405
AUGMENTATIONS	355,676	388,968	464,489
TOTAL ALL FUNDS	\$ 11,431,340	\$ 12,064,207	\$ 11,874,467

PUBLIC WELFARE

Program Funding Summary:

	(Dollar Amounts in Thousands)						
	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
HUMAN SERVICES SUPPORT							
GENERAL FUND.....	\$ 79,366	\$ 71,377	\$ 65,476	\$ 64,844	\$ 66,149	\$ 67,480	\$ 68,838
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	172,064	363,950	255,973	167,966	167,966	167,966	167,966
OTHER FUNDS.....	3,091	5,765	5,874	5,927	5,981	6,037	6,094
SUBCATEGORY TOTAL.....	\$ 254,521	\$ 441,092	\$ 327,323	\$ 238,737	\$ 240,096	\$ 241,483	\$ 242,898
MEDICAL ASSISTANCE							
GENERAL FUND.....	\$ 2,495,376	\$ 2,568,661	\$ 2,350,254	\$ 2,436,501	\$ 2,640,455	\$ 2,841,125	\$ 3,026,361
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	3,295,684	3,598,550	3,709,994	3,728,309	3,958,845	4,193,756	4,445,664
OTHER FUNDS.....	286,869	316,626	389,179	390,971	389,837	389,730	389,614
SUBCATEGORY TOTAL.....	\$ 6,077,929	\$ 6,483,837	\$ 6,449,427	\$ 6,555,781	\$ 6,989,137	\$ 7,424,611	\$ 7,861,639
INCOME MAINTENANCE							
GENERAL FUND.....	\$ 1,077,475	\$ 1,020,429	\$ 992,130	\$ 920,797	\$ 906,803	\$ 956,535	\$ 1,000,896
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	910,521	906,520	836,600	836,598	836,598	836,598	836,598
OTHER FUNDS.....	22,019	26,492	27,870	27,884	27,902	27,920	27,938
SUBCATEGORY TOTAL.....	\$ 2,010,015	\$ 1,953,441	\$ 1,856,600	\$ 1,785,279	\$ 1,771,303	\$ 1,821,053	\$ 1,865,432
MENTAL HEALTH							
GENERAL FUND.....	\$ 423,650	\$ 478,731	\$ 536,416	\$ 542,854	\$ 549,420	\$ 556,118	\$ 562,950
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	446,851	424,268	322,964	322,964	322,964	322,964	322,964
OTHER FUNDS.....	28,770	27,040	27,457	27,457	27,457	27,457	27,457
SUBCATEGORY TOTAL.....	\$ 899,271	\$ 930,039	\$ 886,837	\$ 893,275	\$ 899,841	\$ 906,539	\$ 913,371
MENTAL RETARDATION							
GENERAL FUND.....	\$ 647,856	\$ 700,054	\$ 716,244	\$ 719,330	\$ 721,362	\$ 722,920	\$ 722,753
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	480,059	504,973	529,026	550,162	549,374	548,219	546,845
OTHER FUNDS.....	14,371	12,424	13,023	12,107	11,839	11,615	11,549
SUBCATEGORY TOTAL.....	\$ 1,142,286	\$ 1,217,451	\$ 1,258,293	\$ 1,281,599	\$ 1,282,575	\$ 1,282,754	\$ 1,281,147
HUMAN SERVICES							
GENERAL FUND.....	\$ 497,656	\$ 464,202	\$ 579,501	\$ 599,853	\$ 614,611	\$ 629,860	\$ 645,617
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	545,796	569,629	511,995	510,585	510,435	510,435	510,435
OTHER FUNDS.....	3,866	4,516	3,891	3,892	3,893	3,894	3,895
SUBCATEGORY TOTAL.....	\$ 1,047,318	\$ 1,038,347	\$ 1,095,387	\$ 1,114,330	\$ 1,128,939	\$ 1,144,189	\$ 1,159,947

PUBLIC WELFARE

Program Funding Summary:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
ALL PROGRAMS:							
GENERAL FUND.....	\$ 5,221,379	\$ 5,303,454	\$ 5,240,021	\$ 5,284,179	\$ 5,498,800	\$ 5,774,038	\$ 6,027,415
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	5,850,975	6,367,890	6,166,552	6,116,584	6,346,182	6,579,938	6,830,472
OTHER FUNDS.....	358,986	392,863	467,294	468,238	466,909	466,653	466,547
DEPARTMENT TOTAL.....	\$ 11,431,340	\$ 12,064,207	\$ 11,873,867	\$ 11,869,001	\$ 12,311,891	\$ 12,820,629	\$ 13,324,434

PUBLIC WELFARE

PROGRAM OBJECTIVE: To provide effective administrative and support systems through which the substantive programs of the department can be operated.

Program: Human Services Support

Human services support provides the administrative and support systems for the operation of health, social and economic development programs, and directs the development and implementation of human services policies for these programs.

The network of services provides direction and overhead support for Youth Development Centers, State Centers for the Mentally Retarded and Mental Health Services. Human services support operations provide overall policy, planning, direction and information system support for a comprehensive human services system and for individuals striving to attain and maintain a minimally acceptable level of living.

This program ensures the quality of services for 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 administrative costs in relation to service costs.

Program Recommendations:

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

	General Government Operations		Information Systems (continued)
\$ 1,009	—to continue current program.	509	—to reflect maintenance contracts for new equipment.
-1,200	—to reflect nonrecurring cost.	132	—to provide for new development software.
41	—to implement additional child abuse preservation controls.	-2,107	—to reflect changes in the Master Lease program.
-555	—to reflect streamlining of administrative functions.	1,000	—to replace nonrecurring Federal funds.
150	—to pay counties for "Guardianship Services."	500	—PRR — Promoting Independence and Self-Sufficiency. This Program Revision implements the benefits elimination for certain accused and convicted criminals. See Program Revision following the Income Maintenance subcategory for additional information.
-386	—Initiative — Records and Information Management. To reflect elimination of direct billing for the records and information management program.		
997	—Initiative — Restructuring Early Intervention. To provide administrative services for 1,608 additional children.		
		\$ -994	<i>Appropriation Decrease</i>
\$ 56	<i>Appropriation Increase</i>		
	Information Systems		Program Accountability
\$ 108	—to continue current program.	\$ -347	—to continue current program.
-225	—to reflect streamlining of administrative functions.	-4,616	—decrease in PA Child Support Enforcement System (PACES) projects.
-911	—to reflect a decrease in contracted programming support.	\$ -4,963	<i>Appropriation Decrease</i>

Appropriations within this Program:

(Dollar Amounts in Thousands)

		1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
GENERAL FUND:								
General Government Operations	\$	39,685	\$ 37,543	\$ 37,599	\$ 37,919	\$ 38,685	\$ 39,467	\$ 40,264
Information Systems		29,833	26,873	25,879	25,887	26,405	26,933	27,472
Program Accountability		9,848	6,961	1,998	1,038	1,059	1,080	1,102
TOTAL GENERAL FUND	\$	79,366	\$ 71,377	\$ 65,476	\$ 64,844	\$ 66,149	\$ 67,480	\$ 68,838

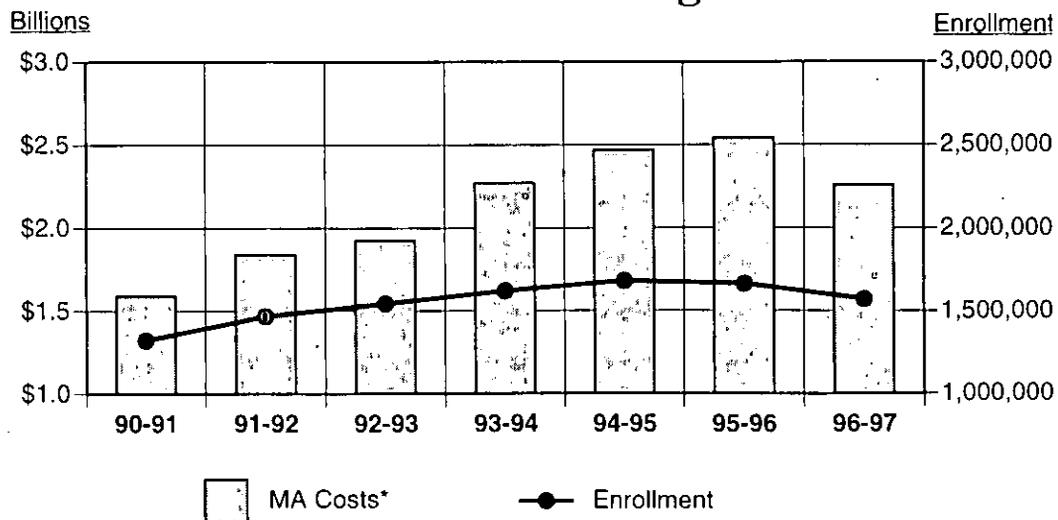
PROGRAM OBJECTIVE: To support a health care delivery system that provides comprehensive health care services in appropriate settings for the eligible populations.

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 or General Assistance programs. Medically needy persons are individuals who do not receive cash assistance grants but spend a significant portion of their income for medical expenses.

Medical Assistance Program



* General Fund and Lottery Fund for Outpatient, Inpatient, Capitation & Long-Term Care.

Program Element: Outpatient Services

Outpatient services include the majority of preventative services available 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 treatment, pharmaceutical services, ambulance transportation, home health care, medical supplies and 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, dental care, medical supplies and equipment and prosthetic devices. Additional service restrictions, comparable to private insurance, apply to adult general assistance recipients with an exception process.

In the Outpatient component of the Medical Assistance Program, providers of service are primarily reimbursed on a fee for service basis according to the Medical Assistance Fee Schedule.

Program Element: Inpatient Services

Inpatient hospital services include care for Medical Assistance patients in acute care, rehabilitation and private psychiatric hospitals.

The Inpatient Medical Assistance Program provides eligible recipients coverage on a 24 hour basis for room, board and professional services. A recipient is only eligible for admission under Medical Assistance upon the recommendation of a physician, dentist or podiatrist. Hospital care solely for cosmetic procedures, as well as diagnostic or therapeutic procedures solely for experimental, research or educational purposes, are not covered by Medical Assistance.

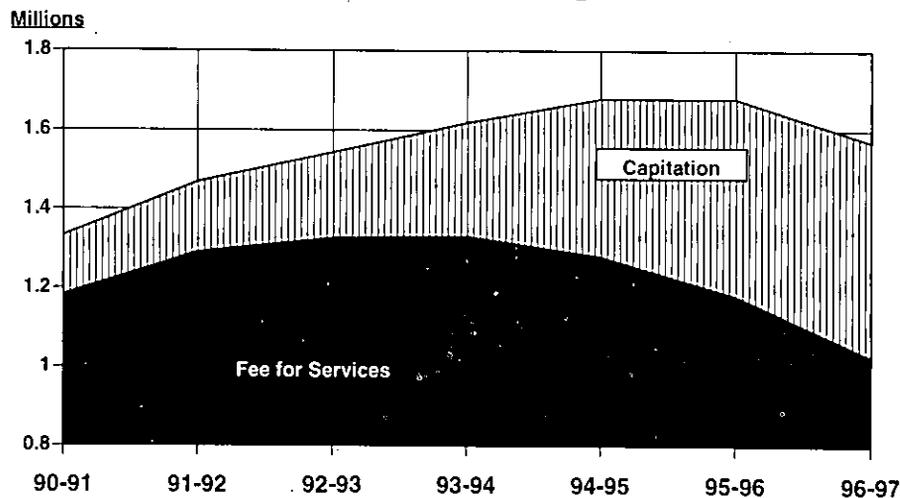
The department uses a prospective payment system (PPS) to reimburse general hospitals. Acute care general hospitals are paid a predetermined amount per discharge based on the patient's diagnosis, the procedures performed and the patient's age, sex and discharge status. The Diagnosis Related Groups (DRG) system is used to classify the various diagnoses according to the amount of resources the hospitals customarily use for treatment. The department's payment for compensable inpatient hospital services under the DRG payment system is the product of the hospital specific average cost per case multiplied by the relative value of the DRG assigned to the admission. The DRG system also accounts for certain cases that cannot fall into the predetermined reimbursement schedule. These "outlier" costs are reimbursed on an exceptional cost basis in the prospective payment to the hospital. When professional care is provided to a Medical Assistance recipient, the department separately reimburses the physician, dentist, podiatrist or midwife who provided direct care services to the recipient and is under salary or contract with the hospital. These services are reimbursed in accordance with the fees established under the Medical Assistance Fee Schedule through the Medical Assistance Outpatient appropriation.

Psychiatric services, both in special wings of acute care hospitals and private psychiatric facilities, are paid through a prospective payment system.

Rehabilitation hospitals are excluded from the prospective payment system. The methods of treatment and associated lengths of stay for services in these settings have a wide range of variation based on the prescribed treatment program and the patient's response to treatment. Accordingly, a DRG system cannot be used for reimbursement and payment continues to be made on retrospective cost, subject to limitations.

Program: Medical Assistance (continued)

Medical Assistance – People Enrolled



Program Element: Capitation

Alternative health care delivery systems for Medical Assistance recipients have been developed under Health Maintenance Organizations (HMOs) and a Health Insuring Organization (HIO). These are two mechanisms for providing services utilizing a fixed rate per recipient enrolled.

HMOs emphasize outpatient preventive health services as a means of controlling costs. HMOs are paid a fixed or predetermined premium for each client. The department currently contracts with nine HMOs to provide services to recipients in Allegheny, Armstrong, Beaver, Berks, Blair, Bucks, Butler, Chester, Delaware, Lehigh, Lancaster, Montgomery, Philadelphia, Washington and Westmoreland counties. For recipients in Dauphin county, the department contracts with a community health center for prepaid health care.

The department contracts with a Health Insuring Organization (HIO) 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 HealthPASS (Philadelphia Accessible Services System) and has approximately 72,000 Medical Assistance recipients participating in the program.

Both HMOs 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 can make a profit.

Program Element: Medical Assistance Transportation Program

The Medical Assistance Transportation Program provides funding to county governments for Medical Assistance recipients who need assistance traveling to and from a health care service provider or a health care facility.

County governments can provide this service directly, contract with an independent transportation agency or pay agencies which provide transportation as part of a whole human services system.

Sixty-six counties have elected to provide transportation directly. The department selected a provider from a competitive bidding process for the remaining county.

Program Element: Long-Term Care Facilities

Nursing facility services are provided to persons eligible for Medical Assistance through the Long-Term Care Program. Nursing facilities certified to participate in the Medical Assistance Program provide care in accordance with established standards.

Nursing facility care involves daily medical treatment and rehabilitation services prescribed by a licensed physician. The services are provided by or under the supervision of licensed professional, nursing personnel or other professional health personnel. The prospective payment system for nursing facility services is based on the resources required to meet individual care requirements. Residents at each facility are classified based on Resource Utilization Groups, Version III (RUG-III), which reflect both clinical variables and rehabilitation needs. The classifications are then ranked according to the resources utilized to provide care and a case mix factor is developed for each facility that reflects average resource requirements. Nursing facilities are placed into peer groups reflecting facility bed size and Metropolitan Statistical Areas. In each peer group a median price is developed for the individual cost components. The net operating portion of the per diem rates is broken into resident care, other resident and administrative cost components. The resident care cost component is adjusted to reflect the individual facility's case mix.

Capital costs not related to resident care are added to the net operating rate. Facility capital costs reflect the fair market rental rate based on appraisals of each facility.

Program Element: Special Pharmaceutical Benefits Program

The Special Pharmaceutical Benefits Program (SPBP) pays for a limited number of drugs for low and moderate income persons with HIV disease/AIDS and for Clozapine drug therapy for persons residing in the community who suffer from schizophrenia. People with a gross annual income of less than \$30,000 for an individual or \$30,000 plus \$2,480 for each additional family member benefit from this program.

Program Element: Expanded Medical Services for Women

The Expanded Medical Services for Women Program provides a range of medical and counseling services to women. Services include counseling, pregnancy tests, pap smears, contraceptives, family planning, prenatal care referrals, adoption referrals, sexually-transmitted disease tests and laboratory services and services providing alternatives to abortion. Follow-up of positive test results is done to insure that women are notified of needed medical treatment. Services are usually provided in conjunction with breast cancer screening.

PUBLIC WELFARE

Program: Medical Assistance (continued)

Program Measures:	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
Persons participating in Medical Assistance (monthly average)	1,679,920	1,662,166	1,564,882	1,583,886	1,640,038	1,701,751	1,770,565
Outpatient							
Outpatient services:							
Physicians	14,354,881	13,038,852	11,461,316	11,273,111	11,696,922	12,293,924	13,019,860
Dentists	1,963,278	1,783,288	1,567,533	1,541,793	1,599,756	1,681,406	1,780,691
Total clinic	7,203,831	6,543,397	6,242,510	6,223,334	6,461,265	6,778,724	7,184,217
Home health	1,437,478	1,308,216	824,573	798,141	832,188	877,365	933,140
Prescriptions filled	16,998,172	15,439,811	13,571,790	13,348,928	13,850,779	14,557,712	15,417,322
Inpatient							
Recipients served:							
General hospitals	229,644	208,994	183,354	180,343	187,123	196,674	208,287
Rehabilitation hospitals	11,292	10,257	9,016	8,868	9,201	9,671	10,242
Private psychiatric hospitals	32,992	29,967	26,342	25,909	26,883	28,255	29,924
Average admissions per recipient:							
General hospitals	1.32	1.32	1.32	1.32	1.32	1.32	1.32
Rehabilitation hospitals	1.30	1.30	1.30	1.30	1.30	1.30	1.30
Private psychiatric hospitals	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Average cost per case/admission:							
General hospitals	\$3,207	\$3,356	\$3,734	\$3,880	\$4,031	\$4,188	\$4,352
Rehabilitation hospitals	\$6,147	\$6,218	\$6,254	\$6,498	\$6,750	\$7,014	\$7,288
Private psychiatric hospitals	\$5,863	\$6,016	\$5,992	\$6,225	\$6,468	\$6,720	\$6,982
Capitation							
Medical Assistance recipients served:							
(monthly average)							
Fee for service delivery	1,261,008	1,148,315	1,014,578	1,001,786	1,041,878	1,096,081	1,161,330
Capitation programs	418,912	513,851	550,304	582,100	598,160	605,670	609,235
Average HMO program population	348,298	442,696	482,764	515,196	531,282	538,819	542,411
Average HIO program population	70,614	71,155	67,540	66,904	66,878	66,851	66,824
Percent of total eligibles enrolled	24.94%	30.91%	35.17%	36.75%	36.47%	35.59%	34.41%
Transportation Program							
One-way trips (in thousands)	4,664	4,804	4,948	4,948	4,948	4,948	4,948
Long-Term Care Facilities							
Recipients receiving institutional long-term care (monthly average)	73,969	75,187	76,094	77,616	79,169	80,752	82,366
Drug and Alcohol Treatment							
People treated under Act 152	10,712	11,000	4,200	4,200	4,200	4,200	4,200
Behavioral Health Services							
People treated .....	....	....	18,800	18,800	18,800	18,800	18,800

The physicians and total clinics services measures reflects an increase over the 1995-96 budget due to a legal settlement that required the State to make co-payments at the Federal rate for services rendered for Medicare clients.

The rehabilitation hospitals average cost per admission measure decreased from the 1995-96 budget because the average cost per day component decreased.

Capitation enrollment reflects active recruitment of Medical Assistance clients by the HMO providers.

PUBLIC WELFARE

Program: Medical Assistance (continued)

Program Recommendations:

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

	GENERAL FUND:		
	Medical Assistance — Outpatient		AIDS Special Pharmaceutical Services
\$ -556	—to reflect utilization changes.	\$ -1,918	—to reflect expected program level.
-11,370	—to reflect caseload changes.		
25,811	—to provide average drug cost increase of 10.04%.	\$ -8,807	Medical Assistance — Inpatient
1,401	—to provide increased cost of Medicare Part B premiums and utilization.	-9,624	—to reflect utilization changes.
216	—to reflect changes in operating and contract costs.	-4,400	—to reflect caseload changes.
-14,509	—to reflect common business practice in payment of invoices.	-15,631	—nonrecurring cost of North Philadelphia Health Systems.
546	—to replace carryover and other nonrecurring Federal funds.	-12,166	—to reflect annualization of the hospital rate agreement.
-1,382	—to reflect Federal and administrative mandates.	-12,166	—to reflect common business practice in payment of invoices.
-44,141	—revision of Federal financial participation from 53.27% to 57%.	1,228	—to provide for increased medical education and credit adjustments.
-8,369	—to reflect nonrecurring costs associated with Pennsylvania Medical Society litigation.	2,237	—to provide for increased premiums and utilization of Medicare Part A.
-16,906	—to reflect nonrecurring Disproportionate Share hospital payments.	3,433	—to provide for miscellaneous administrative adjustments.
-17,544	—to annualize prior cost containment PRRs.	-309	—to reflect reductions in contracting costs.
8,287	—net cost of insurance premiums for qualified clients offset by Outpatient savings.	-54,637	—revision of Federal financial participation from 53.27% to 57%.
-82,359	—PRR — Containing Medical Assistance Costs. This Program Revision revises the eligibility criteria for the General Assistance Medically Needy Only Program and enhances utilization controls. See the Program Revision following this subcategory for additional information.	65,987	—to replace nonrecurring Federal revenue.
-4,997	—PRR — Promoting Independence and Self-Sufficiency. This Program Revision strengthens the unemployability and disability requirements for the General Assistance Program. See the Program Revision following the Income Maintenance subcategory for additional information.	-10,616	—to reflect savings from purchase of insurance coverage for eligible clients.
-47	—PRR — Enhancing Services for Older Pennsylvanians. This Program Revision establishes a long-term care managed care demonstration project which reduces outpatient costs as a result of capitated payments. See the Program Revision following the Community Services for Older Pennsylvanians subcategory in the Department of Aging for additional information.	-4,657	—to reflect annualization of prior year cost containment initiatives.
		17,261	—to provide additional disproportionate share payments as reflected in the Hospital Association rate agreement.
		-97,202	—PRR — Containing Medical Assistance Costs. This Program Revision revises the eligibility criteria for the General Assistance Medically Needy Only Program and enhances utilization controls. See the Program Revision following this subcategory for additional information.
			—PRR — Promoting Independence and Self-Sufficiency. This Program Revision strengthens the unemployability and disability requirements for the General Assistance Program. See the Program Revision following the Income Maintenance subcategory for additional information.
		\$ -133,866	<i>Appropriation Decrease</i>
		\$ -404	Acute Care Hospital — First Class Cities
			—nonrecurring project.
		\$ 89,510	Medical Assistance — Capitation
\$ -165,919	<i>Appropriation Decrease</i>	-18,331	—increase of 16.5% in HMO utilization.
		1,820	—to reflect an HMO rate decrease of 3.2%.
\$ 64,607	Behavioral Health Services	-4,863	—increase of 1.4% in HIO utilization.
	—PRR — Containing Medical Assistance Costs. This Program Revision provides special behavioral health services for persons with mental illness and drug and alcohol addiction. See the Program Revision following this subcategory for additional information.	-43,783	—to reflect an HIO rate decrease of 3.8%.
		2,606	—revision of Federal participation rate from 53.27% to 57%.
		-1,071	—contract costs for HealthChoices implementation.
		1,212	—nonrecurring costs.
			—to continue current program.

7-14-21

PUBLIC WELFARE

Program: Medical Assistance (continued)

Program Recommendations: (continued)

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

	Medical Assistance — Capitation (continued)			Medical Assistance — Long-Term Care
\$ -92,365	—PRR — Containing Medical Assistance Costs. This Program Revision revises the eligibility criteria for the General Assistance Medically Needy Only Program and enhances utilization controls. See the Program Revision following this subcategory for additional information.	\$	11,427	—to provide for increased caseload and utilization.
			61,622	—to provide for an average daily cost increase of 7.15%
			-70,857	—revision of Federal participation rate from 53.27% to 57%.
			-809	—nonrecurring contract costs.
-4,514	—PRR — Promoting Independence and Self-Sufficiency. This Program Revision strengthens the unemployability and disability requirements for the General Assistance Program. See the Program Revision following the Income Maintenance subcategory for additional information.		48,353	—for final cost settlements under the cost reimbursement system.
			30,151	—to replace carryover of prior year funds.
			-1,024	—miscellaneous changes in mandatory Federal services, participation and eligibility.
			19,461	—nonrecurring program support from the Intergovernmental Transfer.
			-9,485	—to annualize prior year PRR.
\$ -69,779	<i>Appropriation Decrease</i>		28	—to continue current program.
			\$ 88,867	<i>Appropriation Increase</i>
			\$ 5	Medical Assistance — Transportation
				—provides for change in usage

In addition, this budget proposes an Enhancing Services for Older Pennsylvanians Program Revision Request. This Program Revision provides \$4.5 million in Intergovernmental Transfer funds to expand the availability of community-based alternatives to nursing home care and \$1 million in Intergovernmental Transfer funds to implement a long-term care managed care demonstration project. See the Program Revision following the Community Services for Older Pennsylvanians subcategory in the Department of Aging for further information.

This budget reflects the transfer of the Pre-Admission Assessment program to the Department of Aging, and all funding sources have been adjusted accordingly.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
GENERAL FUND:							
Medical Assistance—Outpatient	\$ 722,422	\$ 788,004	\$ 622,085	\$ 636,701	\$ 702,078	\$ 755,449	\$ 812,579
Behavioral Health Services .....	.....	.....	64,607	78,007	78,007	78,007	78,007
Expanded Medical Services for Women ...	3,000	4,060	4,060	4,060	4,060	4,060	4,060
AIDS Special Pharmaceutical Services	4,009	6,640	4,722	4,722	4,722	4,722	4,722
Medical Assistance — Inpatient	551,811	441,613	307,747	341,646	357,139	381,531	409,404
Acute Care Hospital — First Class City	200	404	.....	.....	.....	.....	.....
Medical Assistance — Capitation	602,328	661,031	591,252	630,668	668,521	698,014	723,865
Medical Assistance — Long-Term Care	593,753	648,353	737,220	722,136	807,367	900,781	975,163
Medical Assistance — Transportation	17,852	18,555	18,560	18,560	18,560	18,560	18,560
State General Hospitals	1	1	1	1	1	1	1
TOTAL GENERAL FUND	\$ 2,495,376	\$ 2,568,661	\$ 2,350,254	\$ 2,436,501	\$ 2,640,455	\$ 2,841,125	\$ 3,026,361

PUBLIC WELFARE

Program Revision: Containing Medical Assistance Costs (continued)

Program Measures:	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
Persons eligible for Medical Assistance (monthly average)							
Current	1,679,920	1,662,166	1,691,488	1,743,622	1,804,479	1,871,362	1,945,941
Program Revision .....	....	....	1,571,623	1,608,830	1,664,982	1,726,694	1,795,508
Chiropractic services provided							
Current	404,559	379,763	366,738	372,826	389,240	410,656	435,988
Program Revision .....	....	....	252,842	261,503	274,083	290,585	310,381
Podiatrist services provided							
Current	348,791	389,387	387,622	393,595	404,082	416,947	431,918
Program Revision .....	....	....	298,372	295,258	304,875	316,812	331,064
Home health services provided							
Current	1,437,478	1,305,693	1,249,017	1,259,738	1,307,215	1,372,558	1,451,476
Program Revision .....	....	....	824,573	798,141	832,188	877,365	933,140
Ambulance services provided							
Current	352,107	427,915	426,082	433,045	445,084	459,839	476,977
Program Revision .....	....	....	368,872	369,890	380,647	393,851	409,475
Persons receiving special mental health services							
Program Revision .....	....	....	10,000	10,000	10,000	10,000	10,000
Persons receiving special drug and alcohol services							
Program Revision .....	....	....	8,800	8,800	8,800	8,800	8,800

Program Revision Recommendations:

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

<p>Medical Assistance — Outpatient \$ -82,359 —savings generated through the following initiatives: revised eligibility for General Assistance Medically Needy Only benefits (\$-74.655 million); and improved utilization controls (\$-7.704 million).</p> <p>Behavioral Health Services \$ 64,607 —to provide mental health and drug and alcohol services to high risk persons no longer eligible for Medical Assistance.</p>	<p>Medical Assistance — Inpatient \$ -97,202 —savings generated through the following initiatives: revised eligibility for General Assistance Medically Needy Only benefits (\$-95.683 million); and improved utilization controls (\$-1.519 million).</p> <p>Medical Assistance — Capitation \$ -92,365 —savings generated through the following initiatives: revised eligibility for General Assistance Medically Needy Only benefits (\$-78.615 million); and improved utilization controls (\$-13.75 million).</p>
<p><u>\$ -207,319</u> <i>Program Revision Total</i></p>	

Recommended Program Revision Costs by Appropriation:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
GENERAL FUND:							
Medical Assistance — Outpatient	\$ -82,359	\$ -89,096	\$ -91,585	\$ -94,008	\$ -96,534
Behavioral Health Services	64,607	78,007	78,007	78,007	78,007
Medical Assistance — Inpatient	-97,202	-107,960	-112,782	-117,821	-123,087
Medical Assistance — Capitation	-92,365	-101,384	-102,251	-103,125	-104,009
TOTAL GENERAL FUND	\$ -207,319	\$ -220,433	\$ -228,611	\$ -236,947	\$ -245,623

PUBLIC WELFARE

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 a decent and healthful standard of living for themselves and their dependents and to provide assistance in a manner that promotes self-respect, rehabilitation and self-dependency.

Program Element: Income Assistance

The County Assistance Office (CAO) 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. In 1995-96, CAO staff is beginning to individualize services to meet specific client needs in order to reduce the requirement for long-term benefits. When this case management phase is complete, 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 Medical Assistance claims payments and most Cash Grants payments are generated through the central office using automated systems.

GA recipients are individuals or married couples with no dependent children but with disabilities that prevent employment. Recipients of a State Blind Pension are persons who meet age, vision and personal resource requirements specified in the Public Welfare Code.

The Low Income Home Energy Assistance Program (LIHEAP) assists eligible households by offsetting the burden of high energy costs and intervening in energy crisis situations. The eligibility standard of 110 percent of the Federal poverty level includes every household member's income. Cash payments are made to energy suppliers for persons responsible for paying heating costs or directly to those households where home heating is included in the rent. Crisis payments may cover heating costs as well as emergency repairs to heating systems.

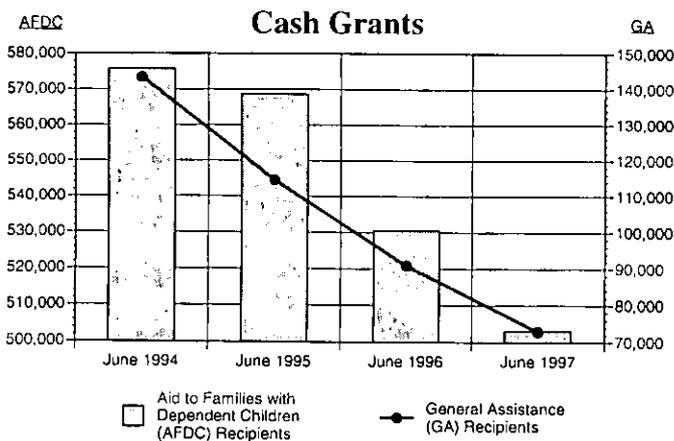
The Supplemental Security Income (SSI) Program provides aged, blind, and disabled persons with a monthly payment based on nationally uniform eligibility standards. Presently, the basic monthly rate for individuals is \$470.00 and \$705.00 for couples. Pennsylvania contributes a supplemental grant of \$27.40 for an individual and \$43.70 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 and personal care homes. The department administers a Disability Advocacy Program (DAP) to assist mentally and physically disabled individuals in establishing their eligibility for Federal SSI benefits. For SSI residents of personal care homes, the minimum personal care allowance is \$60 a month.

Program Element: Employment and Training Program

The purpose of the New Directions Program is to assist clients to obtain full-time permanent employment and to improve vocational and basic skills needed to qualify for employment.

The department is reorganizing its employment and training efforts to better respond to individual client needs and target resources to clients who have barriers to employment such as lack of education, training or work experience. Job-ready clients are referred directly to the Job Service for placement assistance. Job Service staff are located in major county assistance offices to facilitate the process. Those clients who need additional preparation for employment are matched by county assistance office staff with education, training and work experience opportunities. In addition, the department will be providing short-term placement programs as well as increasing the availability of support services for clients seeking employment.

The department supports an inter-departmental program to provide specialized education and training services to clients under the Single Point of Contact (SPOC) program. SPOC coordinates the resources of the Department of Public Welfare, the Job Service and the Job Training Partnership Act Work Program to provide assessment, education, training, support and placement services to participants from a range of target groups. SPOC provides employment activities mandated by the Family Support Act of 1988.



Cash assistance is provided to persons determined by the staff in county assistance offices to be eligible under the traditional Federal Aid to Families with Dependent Children (AFDC) Program, the State General Assistance (GA) Program and the State Blind Pension (SBP) Program. AFDC provides cash support for dependent children who cannot be supported properly due to the absence, incapacity, unemployment or death of a parent or parents. In Pennsylvania, the AFDC payments in 1995-96 are funded by 53 percent Federal and 47 percent State dollars. GA and SBP on the other hand are entirely State funded programs. Most

PUBLIC WELFARE

Program: Income Maintenance (continued)

Program Measures:	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
Persons receiving cash assistance, monthly average	684,566	622,770	577,211	510,540	497,989	510,455	520,804
Persons receiving State Supplemental Grants, monthly average	258,719	271,330	275,025	287,454	315,094	345,244	378,143
Households receiving energy cash payments	330,500	254,100	172,500	.....	.....	.....	.....

The persons receiving cash assistance in 1995-96 differs from the amount shown in the 1995-96 budget due to full implementation of the elimination of transitionally needy clients.

The program measure households receiving energy cash payments reflects the reduction in Federal funds.

Program Recommendations:

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

GENERAL FUND:		Cash Grants																																																																																																																																																											
<table border="0"> <tr> <td style="width: 10%;">County Assistance Offices</td> <td></td> <td style="width: 10%; text-align: right;">\$</td> <td style="width: 10%;"></td> </tr> <tr> <td>\$ 4,086</td> <td>—to continue current program.</td> <td style="text-align: right;">1,800</td> <td>—to reflect changes in caseload and average benefits.</td> </tr> <tr> <td>-652</td> <td>—revision of Federal financial participation rate.</td> <td style="text-align: right;">-5,552</td> <td>—to reflect increased collections.</td> </tr> <tr> <td>659</td> <td>—to annualize prior year PRRs.</td> <td style="text-align: right;">-9,122</td> <td>—revision of Federal financial participation rate.</td> </tr> <tr> <td style="border-top: 1px solid black;">\$ 4,093</td> <td><i>Appropriation Increase</i></td> <td style="text-align: right; border-top: 1px solid black;">-2,608</td> <td>—to annualize the 1995-96 Expansion of the Disability Advocacy Program Initiative.</td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;">-1,209</td> <td>—effect of ongoing Disability Advocacy Program.</td> </tr> <tr> <td>County Administration — Statewide</td> <td></td> <td style="text-align: right;">-3,008</td> <td>—effect of ongoing front-end investigations.</td> </tr> <tr> <td>\$ -1,878</td> <td>—to continue current program.</td> <td style="text-align: right;">3,043</td> <td>—increase in other program costs.</td> </tr> <tr> <td>-377</td> <td>—nonrecurring contracts.</td> <td style="text-align: right;">3,352</td> <td>—to reflect reduction in Act 49 of 1994 savings.</td> </tr> <tr> <td>1,273</td> <td>—to annualize prior year PRRs.</td> <td style="text-align: right;">-28,718</td> <td>—PRR — Promoting Independence and Self-Sufficiency. 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1,908	—PRR — Promoting Independence and Self-Sufficiency. This Program Revision provides for the implementation of the revised eligibility criteria for the General Assistance Program and the elimination of benefits for certain accused and convicted criminals. See the Program Revision following this subcategory for additional information.																																																																																																																																																												
\$ -1,612	<i>Appropriation Decrease</i>	\$ -42,022	<i>Appropriation Decrease</i>																																																																																																																																																										
New Directions			Supplemental Grants — Aged, Blind, Disabled																																																																																																																																																										
\$ 296	—to continue current program.		—to provide for increased caseload and average benefits.																																																																																																																																																										
-130	—to annualize 1995-96 Strengthening Individual and Family Independence PRR.	\$ 5,932	—Federal administrative fee increase.																																																																																																																																																										
21,882	—PRR — Promoting Independence and Self-Sufficiency. This Program Revision provides increased funding for job training services which emphasize immediate attachment of welfare clients to the workforce. See the Program Revision following this subcategory for additional information.	2,120	—annualize 1995-96 Initiative to Reduce Supplemental Security Income State Supplement.																																																																																																																																																										
		-8,299	—annualize 1995-96 Disability Advocacy Program Expansion Initiative.																																																																																																																																																										
		220	—increase in Intergovernmental Transfer.																																																																																																																																																										
\$ 22,048	<i>Appropriation Increase</i>	-6,071																																																																																																																																																											
		\$																																																																																																																																																											
		1,800	—to reflect changes in caseload and average benefits.																																																																																																																																																										
		-5,552	—to reflect increased collections.																																																																																																																																																										
		-9,122	—revision of Federal financial participation rate.																																																																																																																																																										
		-2,608	—to annualize the 1995-96 Expansion of the Disability Advocacy Program Initiative.																																																																																																																																																										
		-1,209	—effect of ongoing Disability Advocacy Program.																																																																																																																																																										
		-3,008	—effect of ongoing front-end investigations.																																																																																																																																																										
		3,043	—increase in other program costs.																																																																																																																																																										
		3,352	—to reflect reduction in Act 49 of 1994 savings.																																																																																																																																																										
		-28,718	—PRR — Promoting Independence and Self-Sufficiency. This Program Revision strengthens the eligibility criteria for the General Assistance Program, anticipates the impact of Federal welfare reform, increases child care and support services and eliminates benefits for certain accused and convicted criminals. See the Program Revision following this subcategory for additional information.																																																																																																																																																										
		\$ -42,022	<i>Appropriation Decrease</i>																																																																																																																																																										
			Supplemental Grants — Aged, Blind, Disabled																																																																																																																																																										
		\$ 5,932	—to provide for increased caseload and average benefits.																																																																																																																																																										
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		-8,299	—annualize 1995-96 Initiative to Reduce Supplemental Security Income State Supplement.																																																																																																																																																										
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		-6,071	—increase in Intergovernmental Transfer.																																																																																																																																																										

PUBLIC WELFARE

Program: Income Maintenance (continued)

Program Recommendations: (continued)

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

Supplemental Grants — Aged, Blind,
Disabled (continued)
\$ -4,708 —PRR —Promoting Independence and Self-
Sufficiency. This Program Revision
anticipates the impact of Federal welfare
reform on program eligibility and child
support requirements. See the Program
Revision following this subcategory for
additional information.
\$ -10,806 *Appropriation Decrease*

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
GENERAL FUND:							
County Assistance Offices	\$ 212,255	\$ 230,367	\$ 234,460	\$ 239,149	\$ 243,932	\$ 248,811	\$ 253,787
County Administration — Statewide	35,294	38,184	36,572	37,461	38,210	38,974	39,754
New Directions	32,513	33,199	55,247	51,429	49,483	58,402	64,410
Cash Grants	674,822	588,448	546,426	466,761	434,563	453,788	468,992
Supplemental Grants — Aged, Blind and Disabled	122,591	130,231	119,425	125,997	140,615	156,560	173,953
TOTAL GENERAL FUND	\$ 1,077,475	\$ 1,020,429	\$ 992,130	\$ 920,797	\$ 906,803	\$ 956,535	\$ 1,000,896

Program Revision: Promoting Independence and Self-Sufficiency

Public assistance programs should provide individuals and families with incentives to be independent and self-sufficient. Public assistance is intended to be a safety net for those who find themselves in need, with the expectation that individuals and families who are capable will become self-sufficient after public resources have assisted them through a crisis. Although this holds true for many recipients, others have grown accustomed to public welfare as a way of life. This Program Revision proposes to revise Pennsylvania's welfare system to better reflect the value all Pennsylvanians place on work, individual responsibility and family stability. It provides support to those willing to work toward a better way of life and offers those individuals and families willing to help themselves a real chance to succeed.

This Program Revision proposes several reforms to the welfare system:

- Strengthen enforcement of the unemployability/disability requirements for General Assistance Program eligibility.
- Prepare for the impact of Federal welfare reform.
- Increase job training for welfare recipients.
- Increase day care and support services.
- Eliminate certain accused and convicted criminals from the caseload.

Strengthening Unemployability/Disability Requirements for General Assistance Eligibility

This Program Revision proposes to strengthen enforcement of the unemployability/disability requirements for the General Assistance Program. Currently, a person may be determined unemployable, and therefore eligible for public assistance, by having a medical practitioner of choice complete a form attesting to the person's "incapacitation". Individuals may be determined unemployable due to an illness such as hypertension, diabetes, depression or substance abuse. However, thousands of Pennsylvanians hold full-time jobs yet have similar illnesses. As a result, the current process allows persons who might otherwise be gainfully employed, albeit with some limitations, to be exempted from employment requirements and expectations due to such diagnoses. This Program Revision proposes to strengthen the unemployability and disability determination procedures for General Assistance in the following manner:

- Develop an employment assessment instrument to ensure that the assessment by a practitioner leads to an appropriate conclusion concerning employability.
- Require a second opinion in cases where there is reasonable doubt regarding the initial opinion.
- Require periodic reassessment of a client's condition.
- Reassess the practice of considering persons who take "health sustaining" medication to be Chronically Needy.

This proposal will save approximately \$40.5 million while continuing to provide assistance to those persons who cannot fully support themselves through employment due to a medically-certified disability.

Impact of Anticipated Federal Welfare Reform

Federal welfare reform legislation is expected to result in major changes to the existing Aid to Families with Dependent Children (AFDC) cash benefit program, including the establishment of time limits for receipt of benefits and minimum work requirements for the continuation of eligibility. These Federal changes are expected to be phased-in over several years and to impact caseloads.

In anticipation of Federal welfare reform, this Program Revision proposes to limit eligibility for certain children, teen parents and non-citizens, and to repeal the \$50 pass-through requirement for child support payments. These changes will reduce State funding requirements by approximately \$15.8 million in 1996-97.

Transitioning from Welfare to Work

To assist individuals transitioning from welfare to work as a result of General Assistance eligibility changes and anticipated Federal welfare reform, this Program Revision provides increased funding for job training, child care and other support services. Specifically, \$21.9 million in additional State funds is recommended for "immediate attachment to the work force" activities, with emphasis placed on job preparation, job readiness and job placement functions. This effort will expedite the placement of approximately 30,000 relatively job-ready Public Assistance recipients.

Often, the availability of adequate child care is the single most important factor in allowing a person to leave welfare and begin employment. This Program Revision recommends \$51.8 million in additional State funds to provide quality child care for approximately 14,600 families and other support services for individuals transitioning from welfare to work. It is anticipated that \$41.4 million of this amount will be offset by savings generated from new case closures and partial grant reductions resulting in a net State fund requirement of \$10.4 million.

Eliminate Benefits for Certain Accused and Convicted Criminals

This Program Revision proposes to deny benefits to persons convicted of a crime who have not satisfied the penalty imposed by law, including payment of fines, costs and restitution, as well as incarceration, and to persons who fail to appear as a defendant at a criminal court proceeding when issued a summons. These restrictions will be implemented Statewide, for a net savings of \$602,000 in 1996-97 and \$10.8 million in 1997-98.

The changes proposed in this Program Revision are designed to assure that those who need public support are able to receive it through a system that encourages independence and self-sufficiency.

PUBLIC WELFARE

Program Revision: Promoting Independence and Self-Sufficiency (continued)

Program Measures:	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
General Assistance recipients (monthly average)							
Current	114,448	90,890	88,030	86,900	86,900	86,900	86,900
Program Revision .....	....	....	72,923	49,831	49,683	49,683	49,683
Aid to Families with Dependent Children recipients (monthly average)							
Current	568,619	530,520	522,540	517,000	517,000	517,000	517,000
Program Revision .....	....	....	503,068	459,549	447,146	459,612	469,961
Supplemental Grant recipients (monthly average)							
Current	258,719	271,330	283,970	303,970	331,610	361,760	394,650
Program Revision .....	....	....	275,025	287,454	315,094	345,244	378,143
Additional persons receiving job training services							
Program Revision .....	....	....	29,853	23,820	20,245	29,586	35,175
Additional persons receiving child care services							
Program Revision .....	....	....	14,601	24,707	21,931	20,877	19,352

Program Revision Recommendations:

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

<p>\$ 500</p> <p>Information Systems —to implement the elimination of benefits for certain accused and convicted criminals.</p>	<p>\$ -4,997</p>	<p>Medical Assistance — Outpatient —savings generated by strengthening the eligibility criteria for General Assistance.</p>
<p>\$ 1,908</p> <p>County Administration — Statewide —to provide for the implementation of the following initiatives: strengthening the eligibility criteria for General Assistance (\$1.1 million); and eliminating benefits for certain accused and convicted criminals (\$808,000).</p>	<p>\$ -5,963</p>	<p>Medical Assistance — Inpatient —savings generated by strengthening the eligibility criteria for General Assistance.</p>
<p>\$ 21,882</p> <p>New Directions —to provide additional job training services.</p>	<p>\$ -4,514</p>	<p>Medical Assistance — Capitation —savings generated by strengthening the eligibility criteria for General Assistance.</p>
<p>\$ -28,718</p> <p>Cash Grants —net savings generated by the following initiatives: increased child care and other support services (\$10.369 million); anticipated Federal welfare reform (\$-11.068 million); strengthening the eligibility criteria for General Assistance (\$-26.109 million); and, elimination of benefits for certain accused and convicted criminals (\$-1.91 million).</p>	<p>\$ -4,708</p>	<p>Supplemental Grants —savings generated from anticipated Federal welfare reform.</p>
	<p>\$ -24,610</p>	<p><i>Program Revision Total</i></p>

PUBLIC WELFARE

Program Revision: Promoting Independence and Self-Sufficiency (continued)

Recommended Program Revision Costs by Appropriation:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
GENERAL FUND:							
Information Systems	\$ 500	....	....	....	....
County Administration — Statewide	1,908	\$ 2,104	\$ 2,146	\$ 2,189	\$ 2,233
New Directions	21,882	17,397	14,770	22,995	28,295
Cash Grants	-28,718	-105,533	-142,135	-127,312	-116,510
Medical Assistance — Outpatient	-4,997	-17,874	-18,764	-19,099	-19,449
Medical Assistance — Inpatient	-5,963	-26,009	-27,646	-26,252	-26,252
Medical Assistance — Capitation	-4,514	-10,595	-10,864	-11,158	-11,464
Supplemental Grants	-4,708	-8,693	-8,693	-8,693	-8,693
TOTAL GENERAL FUND	\$ -24,610	\$ -149,203	\$ -191,186	\$ -167,330	\$ -151,840

PUBLIC WELFARE

PROGRAM OBJECTIVE: To maximize the individual's capacity for independent living through the provision of an array of service and support programs.

Program: Mental Health

This program provides for an integrated mental health system consisting of comprehensive mental health services and State operated hospitals. Community mental health services are administered under the Pennsylvania Mental Health and Mental Retardation (MH/MR) Act of 1966 and the Mental Health Procedures Act (MHPA) of 1976. There will be ten mental hospitals and one restoration (long-term care) center in the State mental hospital system as of July 1, 1996.

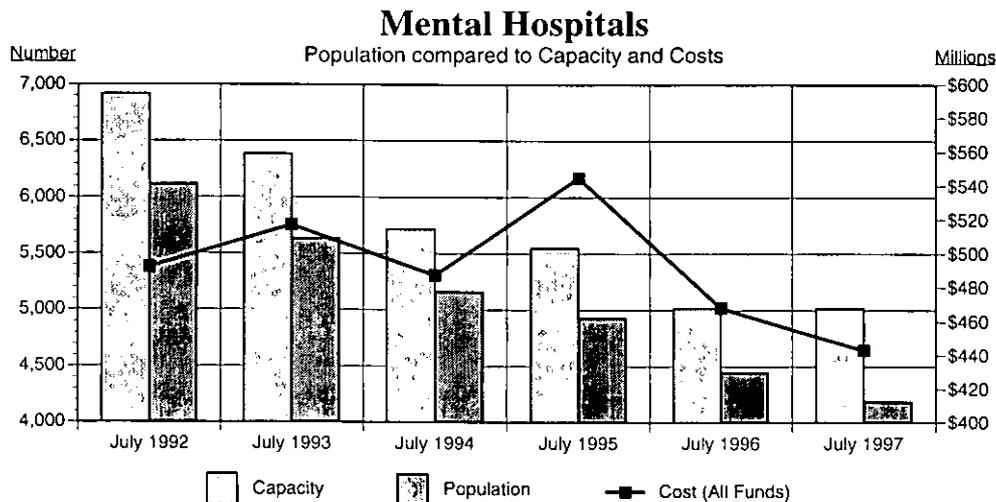
Program Element: Community Mental Health Services

The MH/MR Act of 1966 requires county governments to provide an array of community-based mental health services, including unified intake, community consultation and education, case management, inpatient treatment, partial hospitalization, outpatient care, emergency services, aftercare and specialized rehabilitation services. These services have been expanded through the addition of intensive case management, family based mental health, housing support services, crisis intervention and community residential services. Services are generally administered

by a single county, county joiners or through contracts with private, non-profit organizations or agencies. Services, with some exceptions, are funded with State funds and county matching funds. Community residential services consist of residential treatment, inpatient services, crisis services and community residential rehabilitation (CRR) services. Community services are targeted to adults with serious mental illness and children/adolescents with or at risk of serious emotional disturbance.

Program Element: State Mental Hospitals

State mental hospitals provide long-term inpatient care for individuals who require intensive inpatient treatment or individuals who have no available alternatives. Additionally, they provide specialized inpatient care for adolescents, criminal offenders and elderly (long-term) populations. Three State mental facilities are scheduled to close by June 30, 1996. Efforts continue to transfer patients and funds to community mental health programs, providing a less restrictive level of care, through the Community Hospital Integration Projects Program (CHIPPs).



July 1994 reflects extraordinary retroactive Federal reimbursements for facilities serving a disproportionate share of low income people. July 1995 includes funding for Community Hospital Integration Projects (CHIPPs) which this budget proposes be transferred from State mental hospitals to the community programs in July 1996.

Program Measures:	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
Persons provided mental health services (unduplicated)	205,364	205,364	205,364	205,364	205,364	205,364	205,364
State mental hospital population at end of fiscal year	4,934	4,448	4,188	4,188	4,188	4,188	4,188
Percentage of adults readmitted to State mental hospitals within one year of last discharge	20%	19%	18%	17%	16%	15%	14%

PUBLIC WELFARE

Program: Mental Health (continued)

Program Measures: (continued)	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
Persons served in community residential mental health facilities	6,907	6,907	7,167	7,167	7,167	7,167	7,167
Persons receiving intensive case management	12,816	13,564	13,824	13,824	13,824	13,824	13,824
Persons receiving family based mental health services	2,601	2,651	2,751	2,751	2,751	2,751	2,751

The persons readmitted to State mental hospitals measure has been changed from the presentation in the 1995-96 budget to more adequately measure the success of aftercare performance of community mental health programs and the ability to close State mental hospitals.

The number of persons served in community residential mental health facilities increased compared to the 1995-96 budget due to greater expansion of supported living programs.

The number of persons receiving family based mental health services increased compared to the 1995-96 budget as the result of continued expansion of community mental health services.

Hospital and Restoration Center Populations for the Prior, Current and Upcoming Year:

State Mental Hospitals	Projected Capacity July 1996	Population July 1994	Population July 1995	Projected Population July 1996	Projected Percent of Capacity July 1996
Allentown	415	408	398	410	98.80%
Clarks Summit	495	422	403	410	82.83%
Danville	356	391	350	320	89.89%
Eastern State School and Hospital .....	....	115	106	....	....
Farview .....	....	132	143	....	....
Harrisburg	392	375	364	360	91.84%
Haverford	300	332	314	292	97.33%
Mayview	698	643	623	622	89.11%
Norristown	616	607	596	598	97.08%
Somerset .....	....	234	231	....	....
Torrance	516	322	299	396	76.74%
Warren	402	373	320	305	75.87%
Wernersville	398	433	432	375	94.22%
South Mountain	430	375	355	360	83.72%
TOTAL	5,018	5,162	4,934	4,448	88.64%

Total Proposed Expenditures by Hospital, Restoration Center and Community Programs:

(Amounts in Thousands)			(Amounts in Thousands)				
	1994-95 Actual	1995-96 Available	1996-97 Budget		1994-95 Actual	1995-96 Available	1996-97 Budget
ALLENTOWN				DANVILLE			
State Funds	\$ 16,079	\$ 19,246	\$ 24,396	State Funds	\$ 16,279	\$ 16,395	\$ 22,600
Federal Funds ...	15,457	11,957	7,451	Federal Funds ...	14,286	11,164	6,810
Augmentations ..	2,271	2,367	2,519	Augmentations ..	1,966	2,110	2,167
TOTAL	\$ 33,807	\$ 33,570	\$ 34,366	TOTAL	\$ 32,531	\$ 29,669	\$ 31,577
CLARKS SUMMIT				EASTERN STATE SCHOOL AND HOSPITAL			
State Funds	\$ 16,022	\$ 18,291	\$ 25,179	State Funds	\$ 11,303	\$ 11,673	....
Federal Funds ...	16,182	12,195	7,601	Federal Funds ...	9,136	5,697	....
Augmentations ..	2,478	2,517	2,702	Augmentations ..	837	681	....
TOTAL	\$ 34,682	\$ 33,003	\$ 35,482	TOTAL	\$ 21,276	\$ 18,051	....

PUBLIC WELFARE

Program: Mental Health (continued)

(Amounts in Thousands)				(Amounts in Thousands)			
	1994-95 Actual	1995-96 Available	1996-97 Budget		1994-95 Actual	1995-96 Available	1996-97 Budget
FARVIEW				SOUTH MOUNTAIN RESTORATION CENTER			
State Funds	\$ 18,164	\$ 19,032	....	State Funds	\$ 12,049	\$ 12,205	\$ 15,566
Federal Funds ...	....	....	....	Federal Funds ...	10,017	7,434	4,200
Augmentations ..	642	31	....	Augmentations ..	2,224	2,883	3,926
TOTAL	\$ 18,806	\$ 19,063	....	TOTAL	\$ 24,290	\$ 22,522	\$ 23,692
HARRISBURG				TORRANCE			
State Funds	\$ 18,583	\$ 18,637	\$ 25,214	State Funds	\$ 16,901	\$ 16,822	\$ 31,428
Federal Funds ...	17,806	12,076	7,606	Federal Funds ...	14,688	10,894	9,052
Augmentations ..	1,934	1,884	2,434	Augmentations ..	2,087	2,345	2,563
TOTAL	\$ 38,323	\$ 32,597	\$ 35,254	TOTAL	\$ 33,676	\$ 30,061	\$ 43,043
HVERFORD				WARREN			
State Funds	\$ 16,588	\$ 16,940	\$ 22,766	State Funds	\$ 20,882	\$ 20,918	\$ 25,802
Federal Funds ...	14,694	10,692	6,539	Federal Funds ...	19,474	13,751	8,073
Augmentations ..	1,860	1,814	1,640	Augmentations ..	2,147	1,836	1,957
TOTAL	\$ 33,142	\$ 29,446	\$ 30,945	TOTAL	\$ 42,503	\$ 36,505	\$ 35,832
MAYVIEW				WERNERSVILLE			
State Funds	\$ 53,503	\$ 38,595	\$ 51,364	State Funds	\$ 16,111	\$ 17,778	\$ 23,781
Federal Funds ...	48,363	24,711	15,155	Federal Funds ...	14,847	11,501	6,574
Augmentations ..	2,842	2,836	2,741	Augmentations ..	2,389	2,237	2,475
TOTAL	\$ 104,708	\$ 66,142	\$ 69,260	TOTAL	\$ 33,347	\$ 31,516	\$ 32,830
NORRISTOWN				COMMUNITY PROGRAMS			
State Funds	\$ 38,291	\$ 39,689	\$ 53,790	State Funds	\$ 142,804	\$ 199,914	\$ 214,530
Federal Funds ...	32,273	23,379	14,991	Federal Funds ...	210,878	261,728	228,912
Augmentations ..	3,532	2,546	2,333	Augmentations ..	148	....	....
TOTAL	\$ 74,096	\$ 65,614	\$ 71,114	TOTAL	\$ 353,830	\$ 461,642	\$ 443,442
SOMERSET							
State Funds	\$ 10,091	\$ 12,596	....			
Federal Funds ...	8,749	7,088	....			
Augmentations ..	1,413	952	....			
TOTAL	\$ 20,253	\$ 20,636	....			

PUBLIC WELFARE

Program: Mental Health (continued)

Program Recommendations:

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

Mental Health Services	
\$ -63,287	—to reflect institutional right-sizing.
8,023	—to continue community mental health services.
70,246	—to replace nonrecurring Federal funds.
35,947	—to replace nonrecurring Federal disproportionate share funds.
1,080	—to annualize the 1995-96 expansion of community mental health services initiative.
5,676	—to annualize the 1995-96 community hospital integration projects.
\$ 57,685	<i>Appropriation Increase</i>

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
GENERAL FUND:							
Mental Health Services	\$ 423,650	\$ 478,731	\$ 536,416	\$ 542,854	\$ 549,420	\$ 556,118	\$ 562,950

PUBLIC WELFARE

PROGRAM OBJECTIVE: To maximize the individual's capacity for more independent living through the provision of an array of service, training and support programs.

Program: Mental Retardation

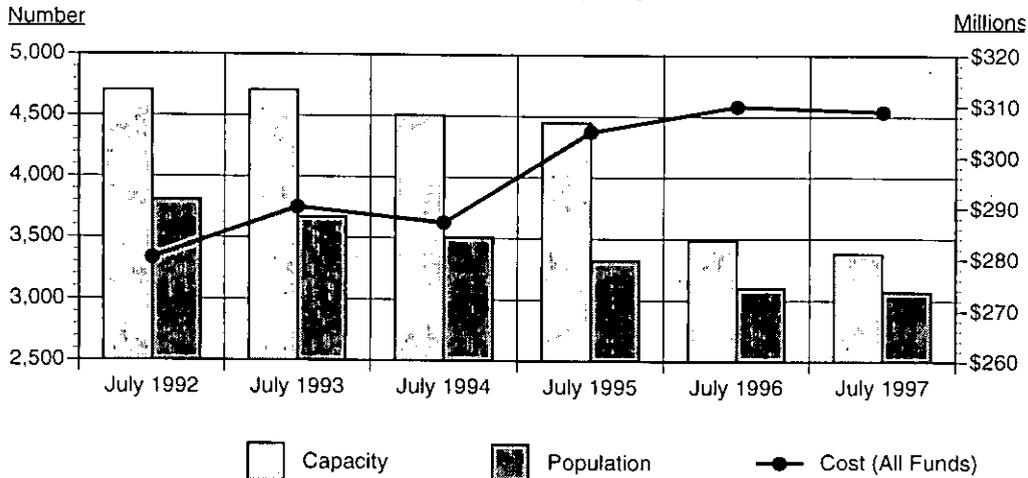
The Department of Public Welfare supports a comprehensive array of mental retardation services including State and privately operated intermediate care facilities and community residential and non-residential programs which are either administered or operated by the counties. In addition to State and Federal funding, local funding is provided for community programs as authorized by the Mental Health and Mental Retardation Act of 1966.

Program Element: State Centers for the Mentally Retarded

As of July 1, 1996, the Commonwealth will provide services through nine State centers and two mental retardation units. The primary goal is to develop each resident's ability to function more independently thus enabling them to live in less restrictive environments. All facilities are currently certified for Medical Assistance under standards established by the Health Care Financing Administration.

State Centers for the Mentally Retarded

Population compared to Capacity and Costs



Program Element: Private Intermediate Care Facilities for the Mentally Retarded (ICF/MR)

Private ICF/MRs provide intensive rehabilitative services to persons with mental retardation. Large facilities are single or multiple buildings on campus-like sites accommodating more than 8 persons; small facilities are located in the community and serve 8 or less persons.

Program Element: Community Mental Retardation Service

The Mental Health and Mental Retardation Act of 1966 provides the statutory basis for the development of community-based services for people with mental retardation. Community residential facilities provide an opportunity for persons with mental retardation to live in a community

environment. Some services are eligible for Federal funds under the Medicaid Home and Community Based Waiver Program. Non-residential services are available to meet the needs of persons with mental retardation and provide an alternative to residential placement.

Program Element: Early Intervention

The Department of Public Welfare administers the Early Intervention Program for children from birth to age two, inclusive. Services include health care, skill development and social services. These services are intended to minimize developmental delay and the need for special education, to enhance potential for independent living, and to assist families in meeting their children's special needs.

Program Measures:

	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
Persons receiving MR services during fiscal year	66,917	67,350	67,350	67,350	67,350	67,350	67,350
Persons receiving community non-residential services:							
Early Intervention	12,220	13,040	15,776	15,776	15,776	15,776	15,776
Adult day services	19,683	19,616	19,616	19,616	19,616	19,616	19,616
Family support services	18,279	18,279	18,279	18,279	18,279	18,279	18,279

PUBLIC WELFARE

Program: Mental Retardation (continued)

Program Measures: (continued)	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
Persons receiving residential services (at end of fiscal year):							
Residents of community residential facilities (CRF)	9,958	10,303	10,471	10,471	10,471	10,471	10,471
Residents in private ICF/MRs	3,385	3,329	3,292	3,292	3,292	3,292	3,292
Residents in State centers and MR units	3,335	3,100	3,005	2,975	2,945	2,915	2,885
Residents transferred to more independent settings during fiscal year from:							
Community residential facilities	240	240	240	240	240	240	240
State centers and MR units	161	216	30	30	30	30	30

The early intervention program measure has been revised to reflect the unduplicated number of children as reported by the Early Intervention Reporting System.

Persons receiving MR services measure has increased to reflect a more accurate method of counting.

The number of residents transferred from community residential facilities to more independent facilities has been adjusted based on recent trends.

State Centers Population for the Prior, Current and Upcoming Year:

	Projected Bed Capacity July 1996	Population July 1994	Population July 1995	Projected Population July 1996	Projected Percent Capacity July 1996
State Centers					
Altoona	138	129	138	138	100.0%
Ebensburg	465	457	442	436	93.8%
Embreeville	125	171	133	55	44.0%
Hamburg	350	333	324	318	90.9%
Laurelton	234	205	197	193	82.5%
Polk	740	719	705	695	93.9%
Selinsgrove	721	677	671	663	92.0%
Western	180	262	195	137	76.1%
White Haven	410	381	368	362	88.3%
TOTAL STATE CENTERS	3,363	3,334	3,173	2,997	89.1%
Units for Mentally Retarded					
Mayview	72	71	67	65	90.3%
Somerset .....	....	55	53	....	....
Torrance	45	44	42	38	84.4%
TOTAL UNITS FOR MENTALLY RETARDED	117	170	162	103	88.0%
GRAND TOTAL	3,480	3,504	3,335	3,100	89.1%

PUBLIC WELFARE

Program: Mental Retardation (continued)

Proposed Expenditures by Center:

	(Amounts in Thousands)			(AMOUNTS IN THOUSANDS)		
	1994-95 Actual	1995-96 Available	1996-97 Budget	1994-95 Actual	1995-96 Available	1996-97 Budget
ALTOONA						
State Funds	\$ 3,018	\$ 3,656	\$ 3,675			
Federal Funds ...	4,833	4,548	4,469			
Augmentations ..	362	363	381			
TOTAL	\$ 8,213	\$ 8,567	\$ 8,525			
EBENSBURG						
State Funds	\$ 15,891	\$ 17,694	\$ 17,787			
Federal Funds ...	21,307	20,999	20,636			
Augmentations ..	1,707	1,656	1,735			
TOTAL	\$ 38,905	\$ 40,349	\$ 40,158			
EMBREEVILLE						
State Funds	\$ 8,837	\$ 7,902	\$ 7,944			
Federal Funds ...	10,305	9,303	9,142			
Augmentations ..	566	435	456			
TOTAL	\$ 19,708	\$ 17,640	\$ 17,542			
HAMBURG						
State Funds	\$ 11,564	\$ 13,314	\$ 13,384			
Federal Funds ...	16,401	15,790	15,517			
Augmentations ..	1,447	1,212	1,270			
TOTAL	\$ 29,412	\$ 30,316	\$ 30,171			
LAURELTON						
State Funds	\$ 8,401	\$ 9,302	\$ 9,351			
Federal Funds ...	11,067	10,846	10,659			
Augmentations ..	780	645	676			
TOTAL	\$ 20,248	\$ 20,793	\$ 20,686			
POLK						
State Funds	\$ 23,250	\$ 26,660	\$ 26,801			
Federal Funds ...	32,535	31,591	31,044			
Augmentations ..	2,929	2,687	2,816			
TOTAL	\$ 58,714	\$ 60,938	\$ 60,661			
SELINSGROVE						
State Funds	\$ 22,271	\$ 25,524	\$ 25,659			
Federal Funds ...	31,498	30,496	29,969			
Augmentations ..	2,845	2,419	2,536			
TOTAL	\$ 56,614	\$ 58,439	\$ 58,164			
WESTERN						
State Funds	\$ 12,117	\$ 11,037	\$ 11,095			
Federal Funds ...	14,736	13,082	12,855			
Augmentations ..	1,222	833	873			
TOTAL	\$ 28,075	\$ 24,952	\$ 24,823			
WHITE HAVEN						
State Funds	\$ 13,453	\$ 15,911	\$ 15,995			
Federal Funds ...	19,973	19,092	18,762			
Augmentations ..	1,887	1,627	1,705			
TOTAL	\$ 35,313	\$ 36,630	\$ 36,462			
MAYVIEW MR UNIT						
State Funds	\$ 1,554	\$ 1,674	\$ 1,683			
Federal Funds ...	1,840	1,850	1,818			
Augmentations ..	235	217	227			
TOTAL	\$ 3,629	\$ 3,741	\$ 3,728			
SOMERSET MR UNIT						
State Funds	\$ 1,170	\$ 2,349	\$ 2,361			
Federal Funds ...	1,830	2,399	2,357			
Augmentations ..	217	155	162			
TOTAL	\$ 3,217	\$ 4,903	\$ 4,880			
TORRANCE MR UNIT						
State Funds	\$ 1,056	\$ 1,313	\$ 1,320			
Federal Funds ...	1,718	1,569	1,543			
Augmentations ..	174	175	186			
TOTAL	\$ 2,948	\$ 3,057	\$ 3,049			

The budget year distribution is based on the available year and does not reflect adjustments for right-sizing.

PUBLIC WELFARE

Program: Mental Retardation (continued)

Program Recommendations:

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

\$	2,487	State Centers for the Mentally Retarded —to continue current program.	\$	-371	MR Residential Services — Lansdowne —nonrecurring project.
	2,000	—to replace one-time Federal funds.			
	-1,980	—planned 1996-97 institutional right-sizing.			
	1,200	—to replace nonrecurring indirect costs.	\$	-1,000	Emergency MR Services —nonrecurring project.
	-4,234	—to reflect census reduction at Western and Embreeville Centers and the closure of the Somerset MR unit.			
	1,246	—to increase nonrecurring maintenance projects.	\$	-100	Association for Retarded Citizens —nonrecurring project.
	<u>719</u>	<i>Appropriation Increase</i>	\$	-4,829	Intermediate Care Facilities — Mentally Retarded —to reflect Federal funding and other program changes.
				-1,142	—to reflect savings associated with conversions to the community mental retardation program.
\$	1,139	Community Mental Retardation Services —to increase targeted services.		-2,220	—to reflect cost savings in the waiver program.
	4,191	—to annualize prior year's expansion.		-421	—Initiative — Expansion of Community Mental Retardation Services. To provide community placements for 103 State center residents and 22 persons remaining in nursing homes. Funds are also included to convert two ICF/MR units to Medicaid waiver services.
	2,182	—to reflect community placement of patients from the Somerset MR unit.	\$	-8,612	<i>Appropriation Decrease</i>
	1,746	—to provide for conversions from ICF/MR.			
	1,002	—to replace nonrecurring carry-over.	\$	-150	Early Intervention —to continue current program.
	1,190	—to reflect Federal funding changes and other program changes.		1,157	—annualization of prior year's expansion.
	1,384	—Initiative — Right-sizing of the State Mental Retardation Centers. To provide community placements for 65 persons currently residing in State mental retardation centers.		5,486	—Initiative — Restructuring Early Intervention. To provide services to an additional 1,608 children, to ensure equitable distribution of resources across counties and to provide basic services to all eligible children while controlling costs and eliminating cumbersome Federal requirements and restrictions.
	6,227	—Initiative — Expansion of Community Mental Retardation Services. To provide community placements for 103 State center residents and 22 persons residing in nursing homes and to provide specialized services to 174 persons remaining in nursing homes. Funds are also included to convert two ICF/MR units into Medicaid waiver services.	\$		
	<u>19,061</u>	<i>Appropriation Increase</i>	\$	6,493	<i>Appropriation Increase</i>

Pennhurst Dispersal is recommended at the current year level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

		1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
GENERAL FUND:								
State Centers for the Mentally Retarded ...	\$	122,582	\$ 136,336	\$ 137,055	\$ 132,280	\$ 130,380	\$ 130,346	\$ 130,179
Community Mental Retardation Services ..		386,578	413,501	432,562	440,461	444,393	445,985	445,985
Pennhurst Dispersal		2,764	2,819	2,819	2,819	2,819	2,819	2,819
MR Residential Services—Lansdowne		201	371	.....	.....	.....	.....	.....
Emergency MR Services .....		.....	1,000	.....	.....	.....	.....	.....
Association for Retarded Citizens		100	100	.....	.....	.....	.....	.....
Intermediate Care Facilities/Mentally Retarded		102,398	110,839	102,227	102,189	102,189	102,189	102,189
Early Intervention		33,233	35,088	41,581	41,581	41,581	41,581	41,581
TOTAL GENERAL FUND	\$	647,856	\$ 700,054	\$ 716,244	\$ 719,330	\$ 721,362	\$ 722,920	\$ 722,753

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 Service

Pennsylvania's juvenile justice system is designed to minimize institutionalization while recognizing that confinement in a treatment environment is necessary for certain juveniles who pose a threat to themselves or others. The Youth Development Center and Youth Forestry Camp (YDC/YFC) system provides both open and secure residential programs for the treatment of Pennsylvania's serious juvenile offenders and those with special problems. The purpose of the YDC/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 YDCs/ YFCs have a total capacity of 759: 495 secure and 264 open residential beds. The secure care capacity includes a 30 bed drug and alcohol unit on the grounds of Danville State Hospital. 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.

Facility	Projected July 1996 Capacity	July 1994 Population	July 1995 Population	Projected July 1996 Population	Projected July 1996 % of Capacity
Open:					
YFC - Hickory Run	49	48	50	49	100%
YFC - Trough Creek	62	66	65	68	110%
Loysville	88	85	122	118	134%
New Castle	65	83	73	73	112%
Total Open Program	264	282	310	308	117%
Secure:					
Loysville	222*	167	243	243*	109%
New Castle	153	158	220	220	144%
Bensalem	120	120	115	120	100%
Total Secure Program ..	495	445	578	583	118%
TOTAL ALL PROGRAMS	759*	727	888	891	117%

*Includes 14 new beds scheduled to open in the spring of 1996

The department plans to open two 50 bed secure units and a 64 bed secure unit during 1996-97. These beds are not included in the above chart.

Treatment of youth within the YDCs/YFCs is guided by the Master Case Planning System. This system requires comprehensive diagnosis and assessment of each youth in care, development of an individualized

treatment plan, implementation strategies, periodic reviews and revisions of each plan, and identification of aftercare needs. Individual and group counseling form the core of the treatment process.

The YDCs/YFCs emphasize programs and activities designed to break the cycle of dependency and prepare youth for 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 where youth may be paid. Youth are encouraged and, in some cases, required to use a portion of their earnings for restitution.

Education is a major component of the YDC/YFC system. Each program includes both academic and vocational curricula. Educational diagnostic testing precedes all academic placements and is utilized in the development of Individual Education Plans (IEPs) for each youth.

Program Element: Family Support Service

Providing services to children who are in need of care and protection is the joint responsibility of the Department of Public Welfare and county government. Each county is responsible for developing and administering a program of services designed to treat and prevent child abuse, neglect and exploitation and to provide services 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.

Special programs have been developed to support the delivery of services by county child welfare agencies. One program provides equalized access to adoption services for all eligible children through a Statewide adoption network. This includes services to children who are in foster placement and cannot be returned to their natural parents.

Community based family centers were established in conjunction with the Department of Education to provide coordinated services to children and their families in a neighborhood setting. The program has been transferred from the Department of Education.

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.

Parents can receive subsidized child day care from various child care facilities including licensed centers, group homes, registered family day care homes and minimally certified facilities. All child care facilities must meet health and safety standards developed by the department. To receive subsidized funding for nonlicensed care, a provider must register with the Local Management Agency (LMA) that administers the subsidized funds in the provider's area.

Local Management Agencies operate Statewide. The objectives of the LMA program are to increase parent choice for child care service, serve more children with the same amount of funding, allow more licensed/registered providers to participate in the State subsidized system, eliminate sole source contracts for day care services and allow the Commonwealth to purchase services at the prevailing local rate.

PUBLIC WELFARE

Program: Human Services (continued)

Program Measures:	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
Services for the Visually Impaired							
Persons who are blind or visually impaired	10,851	12,000	12,000	12,000	12,000	12,000	12,000
Persons who are blind or visually impaired placed in employment	341	375	400	410	410	410	410
Youth Development Centers							
YDC—youth served	1,960	2,039	2,139	2,139	2,139	2,139	2,139
YDC—occupancy rates	118%	118%	115%	115%	110%	110%	110%
YDC—youth in work experience	448	448	448	448	448	448	448
Family Support Services							
Children receiving child welfare services at home	140,650	160,500	174,200	175,000	178,000	180,000	182,000
Out-of-home placement in:							
Community residential programs	16,747	18,551	19,306	19,600	19,900	20,500	20,900
Institutional care programs	5,596	5,645	5,831	5,900	6,100	6,200	6,300
Agency arranged adoptions	775	950	1,650	825	825	800	800
Children waiting for adoption	1,300	1,200	500	500	500	500	500
Children receiving day care	49,501	54,009	54,009	54,009	54,009	54,009	54,009
Percent of child abuse reports substantiated	35%	35%	35%	35%	35%	35%	35%
Domestic Violence and Rape Crisis							
Domestic violence persons served	54,172	55,000	55,000	55,000	55,000	55,000	55,000
Rape crisis/sexual assault persons served ..	13,898	14,000	14,000	14,000	14,000	14,000	14,000
Breast cancer screening clients	106,250	108,376	108,400	108,400	108,400	108,400	108,400
Legal service clients	33,859	28,024	28,000	28,000	28,000	28,000	28,000
Attendant care persons served	2,004	2,248	2,419	2,419	2,419	2,419	2,419
Persons with developmental disabilities served in nursing facilities	986	1,046	1,106	1,166	1,226	1,286	1,286
Persons with developmental disabilities served in the community	107	137	167	167	167	167	167
Homeless Assistance							
Homeless:							
Persons served in shelters	34,138	26,991	27,820	27,820	27,820	27,820	27,820
Persons served by bridge housing	15,595	10,459	10,499	10,499	10,499	10,499	10,499
Persons receiving housing assistance	33,267	31,412	31,530	31,530	31,530	31,530	31,530
Persons receiving case management	28,794	18,371	18,392	18,392	18,392	18,392	18,392
Families receiving permanent housing	570	570	589	589	589	589	589

The YDC youth served and the occupancy rates have increased above estimates shown in last year's budget because of the unanticipated influx of youth committed to the system by the courts.

The measure for breast cancer screening clients is based on available State and Federal funds. The estimate is based on an \$8.00 per screen reimbursement rate.

The increase in legal services clients in 1994-95 reflects a large number of cases carried forward from 1993-94.

The 1994-95 numbers for Homeless Assistance reflect the inclusion of a one-time \$5 million Emergency Shelters appropriation.

Homeless assistance persons served in shelters has increased from the estimate shown in last year's budget due to additional Federal Emergency Assistance funds.

Homeless assistance persons served by bridge housing has increased from the estimate shown in last year's budget because the measure now includes services formerly supported by PENNFREE funds.

PUBLIC WELFARE

Program: Human Services (continued)

Program Recommendations:	This budget recommends the following changes: (Dollar Amounts in Thousands)
<p>Services for the Visually Impaired</p> <p>\$ 74 —to continue current program.</p> <p>-1,000 —use of one-time Federal Social Security reimbursement funds.</p> <p>-461 —reduction in client service contracts.</p> <hr style="width: 100%;"/> <p>\$ -1,387 <i>Appropriation Decrease</i></p> <p>Youth Development Centers</p> <p>\$ 366 —to continue current program.</p> <p>4,441 —to replace nonrecurring Federal funds.</p> <p>-944 —to reflect nonrecurring personnel and maintenance costs.</p> <p>372 —to annualize the Allentown Secure Treatment facility.</p> <p>350 —to upgrade the sewage treatment plant at YFC—Trough Creek.</p> <p>2,236 —to provide for litigated personnel issues.</p> <p>5,647 —to fund two new 50 bed and one 64 bed secure treatment units.</p> <hr style="width: 100%;"/> <p>\$ 12,468 <i>Appropriation Increase</i></p> <p>Beacon Lodge Camp</p> <p>\$ -124 —nonrecurring project.</p> <p>County Child Welfare</p> <p>\$ 51,031 —to provide for needs-based budget as mandated by Act 30 of 1991.</p> <p>-17,711 —to reflect YDC-YFC and Castille placement payment adjustments.</p> <p>13,220 —to provide for Castille settlement placements.</p> <p>-4,410 —to reflect special needs grants not included in needs-based.</p> <p>-105 —to annualize the 1995-96 Adoption and Foster Care Analysis and Reporting System initiative.</p> <p>-1,750 —to annualize the 1995-96 Child Welfare Reform initiative now reflected in the needs base.</p> <p>47,268 —to reflect change in Federal emergency assistance support.</p> <p>11,300 —to reflect elimination of Federal emergency assistance support for delinquency.</p> <p>-1,135 —to reflect change in Federal reimbursement for administrative support.</p> <p>610 —Initiative — Expansion of Statewide Adoption Network. To complete adoptions for 700 children currently receiving foster care services.</p> <hr style="width: 100%;"/> <p>\$ 98,318 <i>Appropriation Increase</i></p>	<p>Day Care Services</p> <p>\$ 5,000 —to annualize prior year PRR.</p> <p>-1,046 —reduction in contracts.</p> <hr style="width: 100%;"/> <p>\$ 3,954 <i>Appropriation Increase</i></p> <p>Arsenal Family and Children's Center</p> <p>\$ -162 —nonrecurring project.</p> <p>Domestic Violence</p> <p>\$ -50 —nonrecurring project.</p> <p>250 —Initiative — Expansion of Domestic Violence Services. To expand services to victims of domestic violence.</p> <hr style="width: 100%;"/> <p>\$ 200 <i>Appropriation Increase</i></p> <p>Rape Crisis</p> <p>\$ 96 —Initiative — Expansion of Rape Crisis Services. To expand services to victims of sexual assault.</p> <p>Homeless Assistance</p> <p>\$ 235 —Initiative — Homeless Assistance Program. To expand the homeless assistance program Statewide, covering 13 counties and providing services to approximately 1,100 persons.</p> <p>Attendant Care</p> <p>\$ 801 —to annualize the Medicaid waiver program to reduce attendant care waiting list.</p> <p>-100 —nonrecurring contract.</p> <p>1,000 —Initiative — Reduction of Attendant Care Waiting List. To provide attendant care services to an additional 171 persons.</p> <hr style="width: 100%;"/> <p>\$ 1,701 <i>Appropriation Increase</i></p>

All other appropriations are recommended at the current year funding level including Community Based Family Centers which is recommended to be transferred from the Department of Education.

PUBLIC WELFARE

Program: Human Services (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
GENERAL FUND:							
Services for the Visually Impaired	\$ 7,146	\$ 7,219	\$ 5,832	\$ 6,969	\$ 7,108	\$ 7,250	\$ 7,395
Youth Development Institutions	52,650	58,008	70,476	76,304	77,830	79,387	80,975
Beacon Lodge Camp—Blind Services	124	124	....	....	....	....	....
Residence for the Blind	100	....	....	....	....	....	....
Low Income Summer Programs	125	....	....	....	....	....	....
Support Services for Children	200	....	....	....	....	....	....
County Child Welfare	309,561	264,808	363,126	375,167	388,260	401,810	415,834
Community Based Family Centers	4,041	4,041	4,041	4,041	4,041	4,041	4,041
Day Care Services	37,085	42,827	46,781	46,781	46,781	46,781	46,781
Arsenal Family and Children's Center	212	162	....	....	....	....	....
Domestic Violence	7,892	8,100	8,300	8,550	8,550	8,550	8,550
Rape Crisis	3,337	3,404	3,500	3,596	3,596	3,596	3,596
Breast Cancer Screening	850	867	867	867	867	867	867
Legal Services .....	....	2,000	2,000	2,000	2,000	2,000	2,000
Human Services Development Fund	34,000	34,000	34,000	34,000	34,000	34,000	34,000
Emergency Homeless Shelters	5,000	....	....	....	....	....	....
Homeless Assistance	16,320	16,646	16,881	16,881	16,881	16,881	16,881
Services to the Developmentally Disabled	5,632	7,755	7,755	7,755	7,755	7,755	7,755
Attendant Care	13,381	14,241	15,942	16,942	16,942	16,942	16,942
TOTAL GENERAL FUND	\$ 497,656	\$ 464,202	\$ 579,501	\$ 599,853	\$ 614,611	\$ 629,860	\$ 645,617



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 the first and second class county sales tax and various special funds.

The department prepares the official estimates of the tax yield due the Commonwealth and analyzes the effect on revenues of proposed changes in either the laws or the tax structure of the Commonwealth.

The department also administers the State Lottery and the Lottery funded Property Tax and Rent Rebate Program.

GOVERNOR'S EXECUTIVE BUDGET

REVENUE

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
GENERAL FUND	1994-95 Actual	1995-96 Available	1996-97 Budget
GENERAL GOVERNMENT:			
General Government Operations	\$ 96,610 ^a	\$ 103,120	\$ 106,936
(A) Cigarette Fines and Penalties	16	15	15
(A) Cigarette Tax Enforcement	588	560	577
(A) Services to Special Funds	6,220	6,177	6,256
(A) EDP and Staff Support	4,368	4,694	5,590
(A) Tax Information	139	135	135
(A) Local Sales Tax	5,006	10,605	7,936
(A) Small Games of Chance	249	240	240
(A) Graphic Arts Cost	3	.....	.....
(A) Tax Amnesty .....	.....	9,656	361
(A) International Fuel Tax Agreement Costs .....	.....	.....	208
Total — General Government Operations	<u>\$ 113,199</u>	<u>\$ 135,202</u>	<u>\$ 128,254</u>
Commissions — Inheritance and Realty Taxes (EA)	5,358	5,212	4,955
Computer Acquisitions	1,698	1,698	.....
(A) Special Fund Charges	298	299	.....
Subtotal — State Funds	<u>\$ 103,666</u>	<u>\$ 110,030</u>	<u>\$ 111,891</u>
Subtotal — Augmentations	<u>16,887</u>	<u>32,381</u>	<u>21,318</u>
Total — General Government	<u>\$ 120,553</u>	<u>\$ 142,411</u>	<u>\$ 133,209</u>
GRANTS AND SUBSIDIES:			
Distribution of Public Utility Realty Tax	\$ 150,807	\$ 156,774 ^b	\$ 163,280
STATE FUNDS	\$ 254,473	\$ 266,804	\$ 275,171
AUGMENTATIONS	16,887	32,381	21,318
GENERAL FUND TOTAL	<u>\$ 271,360</u>	<u>\$ 299,185</u>	<u>\$ 296,489</u>
MOTOR LICENSE FUND			
GENERAL GOVERNMENT:			
Collections — Liquid Fuels Tax	\$ 8,602	\$ 9,042	\$ 9,511
(A) Fuel Tax Enforcement	80	50	50
(A) International Fuel Tax Agreement	60	77	77
Refunding Liquid Fuels Tax (EA)	11,300	12,500	12,500
STATE FUNDS	\$ 19,902	\$ 21,542	\$ 22,011
AUGMENTATIONS	140	127	127
MOTOR LICENSE FUND TOTAL	<u>\$ 20,042</u>	<u>\$ 21,669</u>	<u>\$ 22,138</u>
LOTTERY FUND			
GENERAL GOVERNMENT:			
General Operations (EA)	\$ 56,831	\$ 61,566	\$ 64,025
(A) License Fees	123	124	15
(A) Telephone Lines	4,422	4,486	4,665
(A) Lottery Numbers Publication .....	.....	1	.....
(A) Sale of Automobiles	2	.....	.....
Total — General Operations	<u>\$ 61,378</u>	<u>\$ 66,177</u>	<u>\$ 68,705</u>
On-Line Vendor Commissions (EA)	22,707	23,499	22,543
Personal Income Tax for Lottery Prizes (EA)	22,460	23,289	23,400
Payment of Prize Money (EA)	154,829	155,290	141,281
Subtotal — State Funds	<u>\$ 256,827</u>	<u>\$ 263,644</u>	<u>\$ 251,249</u>
Subtotal — Augmentations	<u>4,547</u>	<u>4,611</u>	<u>4,680</u>
Total — General Government	<u>\$ 261,374</u>	<u>\$ 268,255</u>	<u>\$ 255,929</u>

^a Excludes \$18,000 for discontinued interagency billing.

^b Includes recommended supplemental of \$1,674,000.

REVENUE

Program Funding Summary:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
REVENUE COLLECTION AND ADMINISTRATION							
GENERAL FUND.....	\$ 103,666	\$ 110,030	\$ 111,891	\$ 114,129	\$ 116,412	\$ 118,740	\$ 121,115
SPECIAL FUNDS.....	276,892	285,353	273,555	275,313	277,353	279,586	282,044
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	21,574	37,119	26,125	26,681	27,215	27,759	28,314
SUBCATEGORY TOTAL.....	\$ 402,132	\$ 432,502	\$ 411,571	\$ 416,123	\$ 420,980	\$ 426,085	\$ 431,473
HOMEOWNERS AND RENTERS ASSISTANCE							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	100,175	99,000	96,600	96,600	96,600	96,600	96,600
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
SUBCATEGORY TOTAL.....	\$ 100,175	\$ 99,000	\$ 96,600	\$ 96,600	\$ 96,600	\$ 96,600	\$ 96,600
COMMUNITY DEVELOPMENT AND PRESERVATION							
GENERAL FUND.....	\$ 150,807	\$ 156,774	\$ 163,280	\$ 170,056	\$ 177,114	\$ 184,464	\$ 192,119
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
SUBCATEGORY TOTAL.....	\$ 150,807	\$ 156,774	\$ 163,280	\$ 170,056	\$ 177,114	\$ 184,464	\$ 192,119
ALL PROGRAMS:							
GENERAL FUND.....	\$ 254,473	\$ 266,804	\$ 275,171	\$ 284,185	\$ 293,526	\$ 303,204	\$ 313,234
SPECIAL FUNDS.....	377,067	384,353	370,155	371,913	373,953	376,186	378,644
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	21,574	37,119	26,125	26,681	27,215	27,759	28,314
DEPARTMENT TOTAL.....	\$ 653,114	\$ 688,276	\$ 671,451	\$ 682,779	\$ 694,694	\$ 707,149	\$ 720,192

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 from the first and second class county sales tax and for the Motor License and Racing Funds.

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.

During 1995-96, the department is administering its first Tax Amnesty Program. The Tax Amnesty Program was in effect from October 13, 1995, through January 17, 1996. Total amnesty collections were estimated to be \$117 million. As of January 26, 1996, collections totalled \$85 million. Additional receipts will be posted as processing is completed.

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 programs for older Pennsylvanians.

Program Measures:	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
Lottery Bureau operating costs as a percent of ticket sales	3.19%	3.36%	3.40%	3.25%	3.00%	3.00%	3.00%
Collections from delinquent accounts (in millions)	\$527	\$644	\$551	\$565	\$579	\$593	\$608
Amounts due as a result of audit assessments (in millions)	\$199	\$210	\$215	\$220	\$226	\$232	\$238
Tax returns processed (in thousands):							
Personal Income	5,559	5,564	5,569	5,574	5,579	5,584	5,589
Corporation	248	215	250	260	260	260	260
Average settlement time for corporation tax documents (in months) .....	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Oldest unsettled corporation tax report on hand (in months)	9	12	11	10	9	9	9

The growth in collections from delinquent accounts in 1995-96 and the decline in future year amounts from that reported in the prior budget reflects the impact of the Tax Amnesty Program.

The decrease in the number of corporation tax returns processed in 1994-95 is the result of production being less than anticipated. In 1995-96, the Tax Amnesty Program will cause a temporary reduction in corporation tax settlements.

The increase in the age of the oldest unsettled corporation tax return in 1994-95 is the result of production being less than anticipated. In 1995-96, the Tax Amnesty Program will cause a temporary increase in the age of unsettled reports.

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

	GENERAL FUND:			
	General Government Operations			Commissions—Inheritance and Realty Transfer Tax Collections
\$	-5,246		\$	-257
	1,585			—computed cost based on tax estimates.
	415			
	6,462		\$	-30
	600			208
				291
			\$	469
				<i>Appropriation Increase</i>
\$	3,816	<i>Appropriation Increase</i>		

REVENUE

Program: Revenue Collection and Administration (continued)

Program Recommendations: (continued)

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

	LOTTERY FUND:		
	General Operations	\$ 111	Personal Income Tax for Lottery Prizes
\$ -3,075	—nonrecurring costs.		—to continue current program based on
2,200	—to purchase an additional 400 instant ticket vending machines.		Lottery sales estimates.
300	—to maintain additional instant ticket vending machines.	\$ -14,009	Payment of Prize Money
1,500	—to increase lottery ticket sales.		—to continue current program based on
85	—to replace the voice response telephone system to provide winning lottery numbers.		Lottery sales estimates and greater number of prizes being paid in the field rather than centrally by the Department of Revenue.
1,449	—to continue current program.		
<u>\$ 2,459</u>	<i>Appropriation Increase</i>	\$ 96	RACING FUND:
		32	Collections — Racing
\$ -956	On-Line Vendor Commissions	\$ 128	—nonrecurring costs.
	—to continue current program based on Lottery sales estimates.		—to continue current program.
			<i>Appropriation Increase</i>

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
GENERAL FUND:							
General Government Operations	\$ 96,610	\$ 103,120	\$ 106,936	\$ 109,075	\$ 111,257	\$ 113,482	\$ 115,752
Commissions — Inheritance and Realty							
Transfer Tax Collections	5,358	5,212	4,955	5,054	5,155	5,258	5,363
Computer Acquisition	1,698	1,698	.....	.....	.....	.....	.....
TOTAL GENERAL FUND	<u>\$ 103,666</u>	<u>\$ 110,030</u>	<u>\$ 111,891</u>	<u>\$ 114,129</u>	<u>\$ 116,412</u>	<u>\$ 118,740</u>	<u>\$ 121,115</u>
MOTOR LICENSE FUND:							
Collections — Liquid Fuels Tax	\$ 8,602	\$ 9,042	\$ 9,511	\$ 9,734	\$ 9,929	\$ 10,128	\$ 10,330
Refunding Liquid Fuels Tax	11,300	12,500	12,500	12,500	12,500	12,500	12,500
TOTAL MOTOR LICENSE FUND	<u>\$ 19,902</u>	<u>\$ 21,542</u>	<u>\$ 22,011</u>	<u>\$ 22,234</u>	<u>\$ 22,429</u>	<u>\$ 22,628</u>	<u>\$ 22,830</u>
LOTTERY FUND:							
General Operations	\$ 56,831	\$ 61,566	\$ 64,025	\$ 65,306	\$ 66,612	\$ 67,944	\$ 69,303
On-Line Vendor Commissions	22,707	23,499	22,543	22,628	22,741	22,875	23,030
Personal Income Tax for Lottery Prizes	22,460	23,289	23,400	23,597	23,816	24,051	24,305
Payment of Prize Money	154,829	155,290	141,281	141,312	141,514	141,842	142,325
TOTAL LOTTERY FUND	<u>\$ 256,827</u>	<u>\$ 263,644</u>	<u>\$ 251,249</u>	<u>\$ 252,843</u>	<u>\$ 254,683</u>	<u>\$ 256,712</u>	<u>\$ 258,963</u>
RACING FUND:							
Collections — Racing	\$ 163	\$ 167	\$ 295	\$ 236	\$ 241	\$ 246	\$ 251

REVENUE

PROGRAM OBJECTIVE: To increase economic stability by assisting eligible Pennsylvania citizens maintain their homes.

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.

Program Measures:	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
Households provided property tax or rent assistance	376,347	362,263	358,190	356,177	354,174	352,184	350,204

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

Property Tax and Rent Assistance for Older Pennsylvanians
 \$ -2,400 —to continue current program.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
GENERAL FUND:							
Property Tax and Rent Assistance for Older Pennsylvanians	\$ 100,175	\$ 99,000	\$ 96,600	\$ 96,600	\$ 96,600	\$ 96,600	\$ 96,600

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:	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
Taxing authorities receiving funds	3,070	3,040	3,040	3,040	3,040	3,040	3,040

The number of taxing authorities receiving funds decreased in 1995-96 from the prior budget as a total of 24 taxing authorities failed to participate and a number of taxing authorities filed reports but had no tax receipts.

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

\$ 6,506 **Public Utility Realty Tax Distribution**
—increased cost based on projected tax increases.

Appropriations within this Program:	(Dollar Amounts in Thousands)						
	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
GENERAL FUND:							
Public Utility Realty Tax Distribution	\$ 150,807	\$ 156,774	\$ 163,280	\$ 170,056	\$ 177,114	\$ 184,464	\$ 192,119



COMMONWEALTH OF PENNSYLVANIA

SECURITIES COMMISSION

The Securities Commission oversees the State controlled securities industry to ensure compliance with Commonwealth statutes.

GOVERNOR'S EXECUTIVE BUDGET

SECURITIES COMMISSION

Summary by Fund and Appropriation

	1994-95 Actual	(Dollar Amounts in Thousands) 1995-96 Available	1996-97 Budget
<u>GENERAL FUND</u>			
<i>GENERAL GOVERNMENT:</i>			
General Government Operations	\$ 2,167	\$ 2,223	\$ 2,189
(A) Consumer Protection	2,297	2,301	2,504
STATE FUNDS	\$ 2,167	\$ 2,223	\$ 2,189
AUGMENTATIONS	2,297	2,301	2,504
GENERAL FUND TOTAL	\$ 4,464	\$ 4,524	\$ 4,693

SECURITIES COMMISSION

Program Funding Summary:

	(Dollar Amounts in Thousands)						
	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
SECURITIES INDUSTRY REGULATION							
GENERAL FUND.....	\$ 2,167	\$ 2,223	\$ 2,189	\$ 2,233	\$ 2,278	\$ 2,324	2,370
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	2,297	2,301	2,504	2,554	2,605	2,657	2,710
SUBCATEGORY TOTAL.....	\$ 4,464	\$ 4,524	\$ 4,693	\$ 4,787	\$ 4,883	\$ 4,981	5,080
ALL PROGRAMS:							
GENERAL FUND.....	\$ 2,167	\$ 2,223	\$ 2,189	\$ 2,233	\$ 2,278	\$ 2,324	2,370
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	2,297	2,301	2,504	2,554	2,605	2,657	2,710
DEPARTMENT TOTAL.....	\$ 4,464	\$ 4,524	\$ 4,693	\$ 4,787	\$ 4,883	\$ 4,981	5,080

SECURITIES COMMISSION

PROGRAM OBJECTIVE: To reduce fraud and to protect public investors involved in securities transactions as well as to facilitate legitimate capital formation in the State.

Program: Securities Industry Regulation

The primary function of the Pennsylvania Securities Commission is to encourage the financing of legitimate business and industry in the Commonwealth while protecting the investing public from fraudulent and unfair practices in the securities industry.

The commission protects the investing public through the registration and regulation of salespersons and companies dealing in securities, 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. The commission is increasing their use of automated technology to monitor the offering and sale of securities via electronic means. Act 4 of 1993 and Act 126 of 1994 provided for additional fees to support compliance and enforcement activities as well as ongoing operations of the commission.

Program Measures:	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
Formal investigations conducted	205	260	270	290	310	320	340
Dollar amounts of securities cleared for sale (billions)	\$27,831	\$28,000	\$28,000	\$28,000	\$28,000	\$28,000	\$28,000
Securities filings received	4,338	4,400	4,400	4,400	4,400	4,400	4,400
Securities filings cleared	3,904	4,000	4,000	4,000	4,000	4,000	4,000
Broker-dealers registered	2,059	2,120	2,184	2,250	2,317	2,387	2,459
Agents registered	89,901	92,598	95,376	98,237	101,184	104,220	107,346
Investment advisers registered	826	909	1,000	1,100	1,210	1,330	1,463
Associated persons registered	3,328	3,694	4,100	4,551	5,062	5,619	6,237

The decrease in the number of formal investigations conducted from that estimated in the prior budget is due to the need to devote more staff time and resources to a number of large investigations.

The decrease in the program measures for dollar amounts of securities filings received and cleared for sale from estimates in last year's budget is due to the fluctuation in the amount of mutual funds registered in any year by investment companies.

Program Recommendations:

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

\$ -34 **General Government Operations**
 —to continue current program.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
GENERAL FUND:							
General Government Operations	\$ 2,167	\$ 2,223	\$ 2,189	\$ 2,233	\$ 2,278	\$ 2,324	\$ 2,370



COMMONWEALTH OF PENNSYLVANIA

DEPARTMENT OF STATE

The Department of State compiles, publishes and certifies all election ballots and returns; monitors campaign expense reports; issues all commissions to elected and appointed officials; records all laws passed by the General Assembly and proclamations issued by the Governor; administers corporate and selected noncorporate business laws; administers the professional and occupational licensing boards; and regulates solicitation activities, boxing and wrestling matches.

The Department of State is administered by the Secretary of the Commonwealth and includes the State Athletic Commission, the Bureau of Charitable Organizations, the Bureau of Commissions, Elections and Legislation, the Corporation Bureau and 27 professional and occupational licensing boards.

GOVERNOR'S EXECUTIVE BUDGET

Summary by Fund and Appropriation

	1994-95 Actual	(Dollar Amounts in Thousands) 1995-96 Available	1996-97 Budget
GENERAL FUND			
GENERAL GOVERNMENT:			
General Government Operations	\$ 1,273 ^a	\$ 1,332	\$ 1,379
(A) Professional Licensure Augmentation Account .....	..... ^b	..... ^b	..... ^b
(A) Registration of Charitable Organizations	963	900	950
(R) Professional Licensure Augmentation Account ^c	14,519	15,223	15,654
(R) Medical Fees ^c	2,196	2,348	2,756
(R) Osteopathic Fees ^c	444	482	410
(R) Podiatry Fees ^c	139	149	138
(R) State Athletic Commission	191	213	227
(R) Athletic Commission Augmentation Account .....	..... ^d	..... ^d	..... ^d
(R) Corporation Bureau ^e .....	..... ^f	..... ^f	..... ^f
(R) Corporation Bureau (EA)	2,413	4,839	2,913
Voter Registration	500	800	691
Total — General Government Operations	<u>\$ 22,638</u>	<u>\$ 26,286</u>	<u>\$ 25,118</u>
Publishing Constitutional Amendments (EA)	\$ 263	\$ 460	\$ 60
Electoral College .....	.....	.....	8
Subtotal — State Funds	\$ 2,036	\$ 2,592	\$ 2,138
Subtotal — Augmentations	963	900	950
Subtotal — Restricted Revenue	19,902	23,254	22,098
Total — General Government	<u>\$ 22,901</u>	<u>\$ 26,746</u>	<u>\$ 25,186</u>
GRANTS AND SUBSIDIES:			
Voting of Citizens in Military Service	\$ 8	\$ 8	\$ 20
Voter Registration by Mail	400	400	400
County Election Expenses	230	.....	.....
Total — Grants and Subsidies	<u>\$ 638</u>	<u>\$ 408</u>	<u>\$ 420</u>
STATE FUNDS	\$ 2,674	\$ 3,000	\$ 2,558
AUGMENTATIONS	963	900	950
RESTRICTED REVENUES	19,902	23,254	22,098
GENERAL FUND TOTAL	<u><u>\$ 23,539</u></u>	<u><u>\$ 27,154</u></u>	<u><u>\$ 25,606</u></u>
OTHER FUNDS			
REAL ESTATE RECOVERY FUND:			
Real Estate Recovery Payments	\$ 250	\$ 250	\$ 250
OTHER FUNDS TOTAL	<u><u>\$ 250</u></u>	<u><u>\$ 250</u></u>	<u><u>\$ 250</u></u>
DEPARTMENT TOTAL — ALL FUNDS			
GENERAL FUND	\$ 2,674	\$ 3,000	\$ 2,558
AUGMENTATIONS	963	900	950
RESTRICTED REVENUES	19,902	23,254	22,098
OTHER FUNDS	250	250	250
TOTAL ALL FUNDS	<u><u>\$ 23,789</u></u>	<u><u>\$ 27,404</u></u>	<u><u>\$ 25,856</u></u>

^a Excludes \$19,000 for discontinued interagency billing.

^b Amounts not shown to avoid double counting: 1994-95 Actual is \$1,712,000; 1995-96 Available is \$1,987,000; 1996-97 Budget is \$2,066,000.

^c Appropriation from restricted revenue accounts.

^d Amounts not shown to avoid double counting: 1994-95 Actual is \$45,000; 1995-96 Available is \$27,000; 1996-97 Budget is \$28,000.

^e Act 198 of 1990 authorized establishment of a restricted account for the Corporation Bureau from which the Governor may executive authorize funds.

^f Amounts not shown to avoid double counting: 1994-95 Actual is \$577,000; 1995-96 Available is \$560,000; 1996-97 Budget is \$582,000.

Program Funding Summary:

	(Dollar Amounts in Thousands)						
	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
CONSUMER PROTECTION							
GENERAL FUND.....	\$ 2,674	\$ 3,000	\$ 2,558	\$ 2,580	\$ 2,622	\$ 2,665	\$ 2,729
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	21,115	24,404	23,298	23,759	24,228	24,709	25,198
SUBCATEGORY TOTAL.....	\$ 23,789	\$ 27,404	\$ 25,856	\$ 26,339	\$ 26,850	\$ 27,374	\$ 27,927
ALL PROGRAMS:							
GENERAL FUND.....	\$ 2,674	\$ 3,000	\$ 2,558	\$ 2,580	\$ 2,622	\$ 2,665	\$ 2,729
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	21,115	24,404	23,298	23,759	24,228	24,709	25,198
DEPARTMENT TOTAL.....	\$ 23,789	\$ 27,404	\$ 25,856	\$ 26,339	\$ 26,850	\$ 27,374	\$ 27,927

PROGRAM OBJECTIVE: *To protect the consumer from fraudulent solicitation and unqualified professional and occupational practitioners and establishments.*

Program: Consumer Protection

The Department of State administers several program elements within the Consumer Protection Program.

Program Element: Protection of the Electoral Process

This program is directed towards insuring efficiency, honesty and uniformity in the administration of the Election Code. Nomination petitions for Statewide and legislative offices are reviewed for compliance with statutory standards and are processed for inclusion on the ballot. Campaign expense reports are filed and reviewed as required by the Election Code. The public is also provided the opportunity to review the reports. The department tabulates, publishes and disseminates statistics for both voter registration and all elections; it also serves as the repository of the maps and descriptions of the Commonwealth's 9,500 election precincts.

The National Voter Registration Act was signed into law on May 20, 1993. This Federal law mandated that the states implement a variety of voter registration reforms by January 1, 1995, including integrating voter registration into driver's license applications, offering agency based registration as well as mail-in registration, and revised criteria for removal from voter rolls. Act 25 of 1995, the Pennsylvania Voter Registration Act, puts the Commonwealth in compliance with the Federal mandate.

Other functions in this program include commissioning gubernatorial appointees to boards and commissions, and preparing commissions for judges, justices of the peace and notaries public as well as enforcement of the Notary Public Law. In addition, extraditions are prepared for the Governor and bond issues for the Commonwealth are processed. Finally, a record of all legislation passed by the General Assembly is maintained by docketing the bills and assigning act numbers.

Program Element: Protection of Professional Licensing

The focus of this program element is on assuring acceptable professional and technical services to the Commonwealth's residents. To accomplish this, twenty-seven boards of the Bureau of Professional and Occupational Affairs (BPOA) utilize licensing, enforcement and administrative powers to regulate and service the various professions.

Mechanisms utilized in controlling the quality of practitioners include regulating education, experience and degree of technical expertise demonstrated through applications and subsequent written examination and/or demonstrated practical ability. Requirements for continuing education also serve as a means of meeting the constantly changing developments in the various professions and occupations.

Act 124 of 1978 created a restricted Professional Licensure Augmentation Account (PLAA) enabling this program to be funded from

fees and fines collected by the Bureau of Professional and Occupational Affairs. Thus, the bureau operates entirely out of restricted funds, considered for budgetary purposes as "Other" funds, rather than from a General Fund appropriation.

After experience with the PLAA concept and the current exposure to the sunset review process, it has been determined that each individual board must take steps to equalize revenues with expenditures over each two-year period by adjusting license fees where required. The methodology to accomplish this task is in place and fee adjustment packages are being submitted 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 both profit and nonprofit businesses incorporation filings and submission of Uniform Commercial Code (UCC) filings. There are approximately 1 million corporate entities in the database and the bureau processes approximately 30,000 new corporations annually. It also registers approximately 30,000 trademarks and fictitious names as well as 90,000 UCC filings annually. The department's primary goals regarding the Corporation Bureau are to make the registration process as efficient as possible and to enhance public access in order to promote a more favorable business climate within the Commonwealth.

Act 198 of 1990 made the Corporation Bureau a restricted account with funding levels to be executively authorized by the Governor.

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 9,000 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 monitors and regulates all professional and amateur boxing and kickboxing, amateur wrestling contests, and the licensing of all persons who participate in these events. There are eleven categories of licenses issued by the Athletic Commission. These categories include announcer, boxer, judge, manager, matchmaker, physician, promoter (including those promoting professional wrestling), referee, second, timekeeper and trainer.

Program Measures:	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
Voter registration transactions	920,000	1,200,000	1,400,000	1,000,000	1,200,000	1,200,000	1,200,000
Professional licenses and renewals issued ...	448,127	400,000	400,000	400,000	400,000	400,000	400,000
Disciplinary actions by boards	553	700	700	700	700	700	700
Case files closed	3,318	3,800	3,800	3,800	3,800	3,800	3,800
Case files opened	4,087	3,600	3,600	3,600	3,600	3,600	3,600
Uniform Commercial Code financing statement filings and information requests fulfilled	175,500	185,000	191,000	197,000	203,000	209,000	209,000

Program: Consumer Protection (continued)

Program Measures: (continued)	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
Reviews of fictitious names, business corporations, trademark applications	164,000	172,200	183,000	188,500	194,200	200,000	200,000

The change in the program measures for professional licenses and renewals issued, case files opened and case files closed from those projected in the prior year's budget are due to the carryover of cases from 1993-94 to 1994-95 because of the June 16, 1994 fire in the Transportation and Safety Building.

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

\$ -10	General Government Operations						
-54	—nonrecurring projects.			\$ -400			Publishing Constitutional Amendments
111	—to continue current program.						—nonrecurring projects.
	—to provide information technology for improved productivity and enhanced operations.			\$ 8			Electoral College
\$ 47	<i>Appropriation Increase</i>			\$ 12			—to cover costs in Presidential Election year.
							Voting of Citizens in Military Service
\$ -109	Voter Registration						—to continue current program in Presidential election year.
	—nonrecurring projects.						

Voter Registration By Mail is recommended at the current year funding level.

In addition this budget recommends the following changes in the Bureau of Professional and Occupational Affairs for the Professional Licensure Augmentation Account (PLAA) as well as for the State Boards of Medical Education and Licensure, Osteopathic Examiners, Podiatry Examiners, the Athletic Commission Augmentation Account and the Corporation Bureau.

	Professional Licensure Augmentation Account						State Board of Osteopathic Examiners
\$ -656	—nonrecurring projects.			\$ -2			—nonrecurring projects.
1,087	—to continue current program.			-70			—to continue current program.
\$ 431	<i>Appropriation Increase</i>			\$ -72			<i>Appropriation Decrease</i>
							State Board of Podiatry
	Athletic Commission Augmentation Account			\$ -9			—to continue current program.
\$ 14	—to continue current program.						Corporation Bureau
				\$ -2,092			—nonrecurring projects.
	State Board of Medical Education and Licensure			166			—to continue current program.
\$ -19	—nonrecurring projects.			\$ -1,926			<i>Appropriation Decrease</i>
427	—to continue current program.						
\$ 408	<i>Appropriation Increase</i>						

Recommendation assumes that fees for all boards will be sufficient to fund the recommended expenditure level.

Program: Consumer Protection (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
GENERAL FUND:							
General Government Operations	\$ 1,273	\$ 1,332	\$ 1,379	\$ 1,407	\$ 1,435	\$ 1,464	\$ 1,493
Voter Registration	500	800	691	705	719	733	748
Publishing Constitutional Amendments	263	460	60	60	60	60	60
Electoral College Expenses .....	.....	.....	8	.....	.....	.....	8
Voting of Citizens in Military Service	8	8	20	8	8	8	20
Voter Registration by Mail	400	400	400	400	400	400	400
County Election Expenses	230	.....	.....	.....	.....	.....	.....
TOTAL GENERAL FUND	\$ 2,674	\$ 3,000	\$ 2,558	\$ 2,580	\$ 2,622	\$ 2,665	\$ 2,729



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.

GOVERNOR'S EXECUTIVE BUDGET

STATE EMPLOYEES' RETIREMENT SYSTEM

Summary by Fund and Appropriation

	1994-95 Actual	(Dollar Amounts in Thousands) 1995-96 Available	1996-97 Budget
<u>GENERAL FUND</u>			
<i>GRANTS AND SUBSIDIES:</i>			
National Guard — Employer Contribution	\$ 560	\$ 543	\$ 543
GENERAL FUND TOTAL	<u>\$ 560</u>	<u>\$ 543</u>	<u>\$ 543</u>
 <u>OTHER FUNDS</u>			
<i>STATE EMPLOYEES' RETIREMENT FUND:</i>			
Administration	\$ 14,814	\$ 15,850	\$ 15,776
OTHER FUNDS TOTAL	<u>\$ 14,814</u>	<u>\$ 15,850</u>	<u>\$ 15,776</u>
 DEPARTMENT TOTAL — ALL FUNDS			
GENERAL FUND	\$ 560	\$ 543	\$ 543
OTHER FUNDS	14,814	15,850	15,776
TOTAL ALL FUNDS	<u>\$ 15,374</u>	<u>\$ 16,393</u>	<u>\$ 16,319</u>

STATE EMPLOYEES' RETIREMENT SYSTEM

Program Funding Summary:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
STATE EMPLOYEES' RETIREMENT							
GENERAL FUND..... \$	560	543	543	543	543	543	543
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	14,814	15,850	15,776	16,092	16,414	16,742	17,077
SUBCATEGORY TOTAL..... \$	15,374	16,393	16,319	16,635	16,957	17,285	17,620
ALL PROGRAMS:							
GENERAL FUND..... \$	560	543	543	543	543	543	543
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	14,814	15,850	15,776	16,092	16,414	16,742	17,077
DEPARTMENT TOTAL..... \$	15,374	16,393	16,319	16,635	16,957	17,285	17,620

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 \$14 billion dollars. The system is funded in accordance with accepted actuarial standards; the funding is reviewed annually by a contracted actuarial firm and an experience review is completed every five years.

The greatest source of current income to the system is earnings from investments. Payments from member employers are the second major source of income. The contribution rate for employers is established annually by the board upon the recommendation of the actuary. Employer contributions differ in accordance with the class of employees for which they are contributing. There is additional cost for employees in safety positions, the Legislature and the Judiciary. Member contributions are the third source of income. Current members contribute five percent of pay to the system.

Normal retirement from the system is at age 60, age 50 for safety employees and members of the legislature or at any age with 35 years of service. Retirement before those times is possible after ten years of service but is actuarially reduced to the equivalent of the annuity which would have been payable at superannuation retirement.

In the recent past several pieces of legislation were enacted to make early retirement more attractive. Under legislation which will expire on June 30, 1997 employees with 30 years of service can retire with a full pension based on service regardless of age. In addition, employees who were 55 years of age prior to January 31, 1992 with ten or more years of service were provided with the opportunity to retire between February 1, 1991 and December 31, 1991 and receive an additional 10 percent service credit.

Act 81 of 1987 established the Commonwealth Deferred Compensation Program which allows Commonwealth employees to defer a portion of their salaries to a retirement savings account. The State Employees' Retirement Board is responsible for its administration. The Deferred Compensation Fund is shown in the Special Funds Appendix to this volume.

Program Measures:	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
Benefit payments processed	7,600	7,000	7,000	7,000	7,000	7,000	7,000
Average processing time for benefit payments (in days)	12	12	12	12	12	12	12
Return on investment (in millions)	\$2,186	\$1,903	\$1,394	\$1,492	\$1,596	\$1,709	\$1,827

The decline in benefits payments processed measure for 1995-96 compared to that number in last year's budget is due to a revised estimate of individuals opting to retire in 1995-96.

The increase in the return on investment measure in 1994-95 compared to that number in last year's budget reflects exceptionally strong investment performance in excess of long-term assumptions.

Program Recommendations:

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

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
 \$ -74 —to continue current program.

The other appropriation in this program is recommended at the current year funding level.

STATE EMPLOYEES' RETIREMENT SYSTEM

Program: State Employees' Retirement (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
GENERAL FUND:							
National Guard—Employer Contribution ...	\$ 560	\$ 543	\$ 543	\$ 543	\$ 543	\$ 543	\$ 543
STATE EMPLOYEES' RETIREMENT FUND:							
General Government Operations	\$ 14,814	\$ 15,850	\$ 15,776	\$ 16,092	\$ 16,414	\$ 16,742	\$ 17,077



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 1996-97, the recommended ratio is 32 percent General Fund and 68 percent Motor License Fund. In addition, the State Police receive augmentations from the Turnpike Commission for turnpike patrol and from the State Stores Fund for liquor control enforcement.

GOVERNOR'S EXECUTIVE BUDGET

Summary by Fund and Appropriation

GENERAL FUND

(Dollar Amounts In Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget
GENERAL GOVERNMENT:			
General Government Operations	\$103,451 ^a	\$111,523	\$114,696
Firearms Ownership .....	....	1,200	....
Computer Upgrade .....	....	2,100	....
(F) DCSI — Protection From Abuse .....	....	677	....
(F) DCSI — Crime Lab Upgrade	5	....	....
(F) DCSI — Communications Processor	782	....	....
(F) DCSI — Fingerprint System	425	425	....
(F) DCSI — Fingerprint Compliance	18	....	....
(F) Nationwide Traffic Safety	6	....	....
(F) Drug Enforcement	125	150	150
(F) Incident Based Reporting	116	....	....
(F) Criminal History Data	26	....	....
(F) Program Management	20	25	20
(F) Alcohol Program Management	27	30	....
(F) Motor Carrier Safety	1,482	1,500	1,500
(F) DUI Enforcement	666	400	....
(F) Patrol Administration	31	35	....
(F) Safety Education	25	25	10
(F) Interstate Highway Enforcement	245	250	200
(F) Emergency Communications	5	17	1
(F) Occupant Protection	600	....	....
(F) Criminal History Records	60	41	....
(F) Intoxicated and Underage Drinking	181	200	....
(F) Highway Incident Management .....	....	....	10
(F) Sobriety Test Training	29	30	....
(F) Traffic Accident Reconstruction	3	....	....
(F) Multi DUI Offenders	80	....	....
(F) SNA-NET Software	58	....	....
(F) Construction Zone Patrols	1,000	1,680	1,500
(F) Criminal Record Improvement .....	....	2,539	....
(F) Corridor Safety .....	....	15	....
(A) Turnpike Commission	17,997	17,400	18,200
(A) Reimbursement for Local Law Enforcement .....	....	....	16,053
(A) Criminal History Record Checks	3,110	3,200	3,200
(A) Training Fees	31	37	37
(A) Miscellaneous Services	721	680	680
(A) Criminal History Fees — DPW .....	....	....	133
(A) Transfer From Motor License Fund .....	.... ^b	.... ^b	.... ^b
Subtotal — State Funds	\$ 103,451	\$ 114,823	\$ 114,696
Subtotal — Federal Funds	6,015	8,039	3,391
Subtotal — Augmentations	21,859	21,317	38,303
Total — General Government Operations	\$ 131,325	\$ 144,179	\$ 156,390
Patrol Vehicles	1,930	2,243	2,773
(A) Automobile Sales	1,169	1,000	1,084
(A) Transfer From Motor License Fund .....	.... ^b	.... ^b	.... ^b
Total — Patrol Vehicles	\$ 3,099	\$ 3,243	\$ 3,857
Municipal Police Training	3,496	4,014	4,002
(A) Transfer From Motor License Fund .....	.... ^b	.... ^b	.... ^b
Automated Fingerprint Identification System	725	930	569
(F) DCSI — AFIS Store and Forward .....	....	1,095	....
Total — Automated Fingerprint Identification System	\$ 725	\$ 2,025	\$ 569
Subtotal — State Funds	\$ 109,602	\$ 122,010	\$ 122,040
Subtotal — Federal Funds	6,015	9,134	3,391
Subtotal — Augmentations	23,028	22,317	39,387
Total — General Government	\$ 138,645	\$ 153,461	\$ 164,818

^a Excludes \$16,000 for discontinued interagency billing.

^b Not added to the total to avoid double counting. See Motor License Fund section of this summary for dollar amounts.

STATE POLICE

Summary by Fund and Appropriation

	1994-95 Actual	(Dollar Amounts in Thousands) 1995-96 Available	1996-97 Budget
<u>GENERAL FUND</u>			
<i>GRANTS AND SUBSIDIES:</i>			
(F) DCSI — Municipal Police Drug Law Enforcement	\$ 203	.....	.....
STATE FUNDS	\$ 109,602	\$ 122,010	\$ 122,040
FEDERAL FUNDS	6,218	9,134	3,391
AUGMENTATIONS	23,028	22,317	39,387
GENERAL FUND TOTAL	\$ 138,848	\$ 153,461	\$ 164,818
<u>MOTOR LICENSE FUND</u>			
<i>GENERAL GOVERNMENT:</i>			
General Government Operations	\$ 220,749	\$ 238,671	\$ 241,707
Computer Upgrade .....	.....	4,500	.....
Patrol Vehicles	4,100	4,765	5,893
Municipal Police Training	3,496	4,014	4,002
MOTOR LICENSE FUND TOTAL	\$ 228,345	\$ 251,950	\$ 251,602
<u>OTHER FUNDS</u>			
<i>GENERAL FUND:</i>			
Seized/Forfeited Property — Federal Court Awarded	\$ 869	\$ 300	\$ 300
State Drug Act Forfeiture Funds — Attorney General	1,009	200	200
State Criminal Enforcement Forfeiture Funds	23	25	10
Crime Lab User Fees .....	.....	.....	120
DNA Detection Fund .....	.....	5	5
<i>STATE STORES FUND:</i>			
Liquor Control Enforcement	14,255	15,302	15,668
OTHER FUNDS TOTAL	\$ 16,156	\$ 15,832	\$ 16,303
DEPARTMENT TOTAL — ALL FUNDS			
GENERAL FUND	\$ 109,602	\$ 122,010	\$ 122,040
SPECIAL FUNDS	228,345	251,950	251,602
FEDERAL FUNDS	6,218	9,134	3,391
AUGMENTATIONS	23,028	22,317	39,387
OTHER FUNDS	16,156	15,832	16,303
TOTAL ALL FUNDS	\$ 383,349	\$ 421,243	\$ 432,723

STATE POLICE

Program Funding Summary:

	(Dollar Amounts in Thousands)						
	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
PUBLIC PROTECTION AND LAW ENFORCEMENT							
GENERAL FUND.....	\$ 109,602	\$ 122,010	\$ 122,040	\$ 123,054	\$ 125,517	\$ 128,027	\$ 130,588
SPECIAL FUNDS.....	228,345	251,950	251,602	255,491	260,601	265,813	271,129
FEDERAL FUNDS.....	6,218	9,134	3,391	3,391	3,391	3,391	3,391
OTHER FUNDS.....	39,184	38,149	55,690	72,613	74,064	75,545	77,055
SUBCATEGORY TOTAL.....	\$ 383,349	\$ 421,243	\$ 432,723	\$ 454,549	\$ 463,573	\$ 472,776	\$ 482,163
ALL PROGRAMS:							
GENERAL FUND.....	\$ 109,602	\$ 122,010	\$ 122,040	\$ 123,054	\$ 125,517	\$ 128,027	\$ 130,588
SPECIAL FUNDS.....	228,345	251,950	251,602	255,491	260,601	265,813	271,129
FEDERAL FUNDS.....	6,218	9,134	3,391	3,391	3,391	3,391	3,391
OTHER FUNDS.....	39,184	38,149	55,690	72,613	74,064	75,545	77,055
DEPARTMENT TOTAL.....	\$ 383,349	\$ 421,243	\$ 432,723	\$ 454,549	\$ 463,573	\$ 472,776	\$ 482,163

PROGRAM OBJECTIVE: The State Police enforce the law and preserve the peace through detection of crime and apprehension of criminals, patrol of highways, and enforcement of the vehicle and liquor codes.

Program: Public Protection and Law Enforcement

Program Element: Management

This program element provides direction and coordination for all line and staff activities of the State Police, including administrative and overhead systems for the operation of various law enforcement programs. Included in this program are protection for the Governor and visiting dignitaries, security of the executive residence and background investigations on State job applicants.

Program Element: Vehicle Standards Control

The vehicle inspection program within the Commonwealth is currently conducted jointly by the Department of Transportation and the State Police. This program was established to provide vehicle safety through periodic inspection of motor vehicles and removal of unsafe vehicles from the Commonwealth's highways. State Police monitor the program through inspection station visitations and examine vehicles involved in fatal accidents for which vehicle failure was listed as a cause.

Program Element: Traffic Supervision

Enforcing the Commonwealth's traffic laws is a major responsibility of the State Police. The department emphasizes reducing traffic accidents and bringing the motoring public into voluntary compliance with all traffic laws through patrol and enforcement activities. Traffic patrol and enforcement are provided by the State Police in those municipalities where there are no full-time police departments and on all Interstate highways. Traffic assistance is also provided, upon request, to municipalities with full-time police departments.

The State Police utilize various patrol and enforcement techniques; however, the very presence of visible police patrols continues to have the greatest impact on reducing traffic accidents. In this regard, the State Police attempt to allocate patrol activities to those areas and locations with high traffic and accident volume. Supplemental patrolling is provided in construction zones for the safety of motorists and construction workers.

Program Element: Crime Prevention

Combating crime is not the responsibility of police alone. It requires the active, organized involvement of the public if any significant results are to be realized.

Since many crimes are preventable, the State Police have elicited citizen participation by providing guidance on: precautions 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 emergency situation occurs within the Commonwealth. The department has primary police jurisdiction in large areas of the Commonwealth and also provides assistance to a variety of local and State agencies, particularly law enforcement agencies. A special emergency response team has been trained and equipped to assist with high-risk and emergency situations. The department classifies emergency assistance into two separate categories: civil disorder and disturbances, and emergency management.

Civil disorder and disturbances are incidents that are or may become criminal in nature in such categories as prison disturbances, labor disorders, strikes, campus-school disorders, youth group disorders, terrorism and hostage situations. Emergency management deals with prevention, mitigation and response to natural and/or man-made hazards to prevent loss of life and property, economic loss and disruption of normal living conditions.

Program Element: Liquor Control Enforcement

This program enforces the Pennsylvania Liquor Code and related Crimes Code Statutes. Operations include covert and overt investigations, assisting municipal police agencies, conducting routine license investigations, performing establishment audits and border patrols.

Program Measures:	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
Vehicle Standards Control							
Inspection station visitations	17,580	17,500	17,500	17,500	17,500	17,500	17,500
School bus and mass transit vehicle inspections	24,151	23,500	23,500	23,500	23,500	23,500	23,500

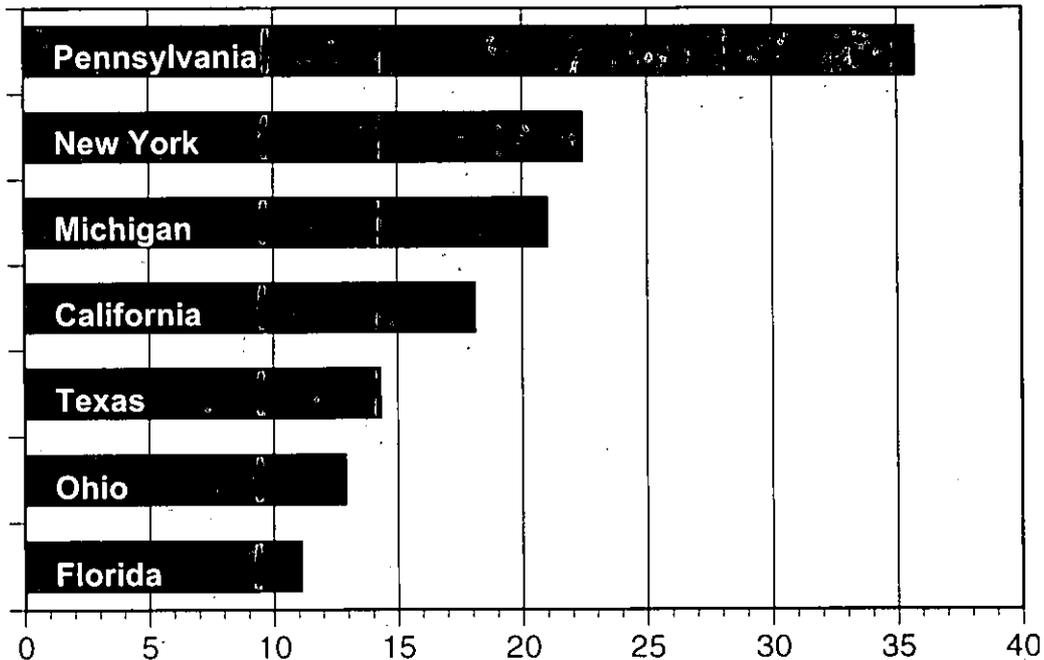
STATE POLICE

Program: Public Protection and Law Enforcement (continued)

Program Measures: (continued)	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
Traffic Supervision							
Accidents per 1,000 miles of highway in Pennsylvania	1,146	1,148	1,149	1,150	1,150	1,150	1,150
Accidents per 1,000 miles of highway patrolled by State Police	561	558	560	561	563	565	566
Traffic citations issued	478,971	460,000	460,000	460,000	460,000	460,000	460,000
Crime Prevention							
Crimes per 100,000 population in State Police jurisdiction areas:							
Against persons	102	104	106	108	110	112	112
Against property	1,125	1,100	1,110	1,120	1,130	1,140	1,150
Criminal Law Enforcement							
Crimes against persons:							
Persons arrested	2,320	2,330	2,340	2,350	2,360	2,370	2,370
Clearance rate	63%	63%	63%	63%	63%	63%	63%
Percent of those arrested who are convicted	59%	59%	59%	59%	59%	59%	59%
Crimes against property:							
Persons arrested	8,414	8,500	8,550	8,600	8,650	8,700	8,750
Clearance rate	22%	22%	22%	22%	22%	22%	22%
Percent of those arrested who are convicted	80%	80%	80%	80%	80%	80%	80%
Liquor Control Enforcement							
Enforcement investigations	35,017	36,000	36,000	36,000	36,000	36,000	36,000

State Police

Per 100,000 Population



Full-time law enforcement officers as of October 1994.

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:			
\$ 1,280	General Government Operations	\$ 1,658	Patrol Vehicles
	—PRR — Improving Criminal Justice Enforcement. To provide for criminal justice systemwide technology upgrades at the State Police. Please see the Department of Corrections for further information on the Program Revision.		—to replace approximately 500 patrol vehicles.
952	—PRR — Improving Criminal Justice Enforcement. To provide funding for the development of a DNA database. Please see the Department of Corrections for further information on the Program Revision.	\$ -24	Municipal Police Training
1,648	—Initiative — Fuel Tank Replacement. To provide for the excavation, disposal and replacement of fuel storage tanks at State Police facilities.	\$ -361	—to continue current program.
1,563	—for equipment to improve criminal investigations and law enforcement activities.	\$ 255	Automated Fingerprint Identification System
766	—to continue current program.	287	—nonrecurring purchase of additional computer capacity.
\$ 6,209	<i>Appropriation Increase</i>	-176	Liquor Control Enforcement
		\$ 366	—to replace high mileage vehicles.
			—equipment purchases.
			—to continue current program.
			<i>Appropriation Increase</i>

In addition, a requirement to reimburse State Police for providing law enforcement services to localities which do not provide local police protection to their residents is being proposed for implementation on January 1, 1997.

All other appropriations are nonrecurring.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
GENERAL FUND:							
General Government Operations	\$ 103,451	\$ 111,523	\$ 114,696	\$ 115,564	\$ 117,876	\$ 120,233	\$ 122,638
Computer Upgrade .....	.....	2,100	.....	.....	.....	.....	.....
Firearms Ownership .....	.....	1,200	.....	.....	.....	.....	.....
Patrol Vehicles	1,930	2,243	2,773	2,828	2,885	2,943	3,002
Municipal Police Training	3,496	4,014	4,002	4,082	4,164	4,247	4,332
Automated Fingerprint Identification System	725	930	569	580	592	604	616
TOTAL GENERAL FUND	\$ 109,602	\$ 122,010	\$ 122,040	\$ 123,054	\$ 125,517	\$ 128,027	\$ 130,588
MOTOR LICENSE FUND:							
General Government Operations	\$ 220,749	\$ 238,671	\$ 241,707	\$ 245,398	\$ 250,306	\$ 255,312	\$ 260,418
Computer Upgrade .....	.....	4,500	.....	.....	.....	.....	.....
Patrol Vehicles	4,100	4,765	5,893	6,011	6,131	6,254	6,379
Municipal Police Training	3,496	4,014	4,002	4,082	4,164	4,247	4,332
TOTAL MOTOR LICENSE FUND	\$ 228,345	\$ 251,950	\$ 251,602	\$ 255,491	\$ 260,601	\$ 265,813	\$ 271,129
STATE STORES FUND:							
Liquor Control Enforcement	\$ 14,255	\$ 15,302	\$ 15,668	\$ 15,981	\$ 16,301	\$ 16,627	\$ 16,960



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.

GOVERNOR'S EXECUTIVE BUDGET

TRANSPORTATION

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1994-95 Actual	1995-96 Available	1996-97 Budget
GENERAL FUND:			
GENERAL GOVERNMENT:			
Transit and Rail Freight Operations	\$ 1,536	\$ 1,645	\$ 1,717
(F) FTA — Technical Studies Grants	2,792	2,776	2,686
(F) Capital Assistance	82	85	91
(F) Surface Transportation Assistance	547	802	818
(F) FTA — Capital Improvement Grants	3,679	3,700	3,700
(F) Title IV Rail Assistance	26	56	56
(R) Project Management Oversight — PTAF (EA)	192	1,000	1,000
(A) Local Contribution — Rail Freight	24	30	30
(A) PTAF — Oversight .....	.....^a	.....^a	.....^a
(A) PTAF — Technical Assistance .....	.....^b	.....^b	.....^b
Comprehensive Rail Freight Study	100	100	92
Rail Safety Inspection	346	356	407
Vehicle Sales Tax Collections	1,706	1,706	1,757
Welcome Centers	1,008	1,242	1,270
Voter Registration	740	1,092	518
Relocation of Transportation and Safety Operations .....	.....	225	169
Subtotal — State Funds	\$ 5,436	\$ 6,366	\$ 5,930
Subtotal — Federal Funds	7,126	7,419	7,351
Subtotal — Augmentations	24	30	30
Subtotal — Restricted Revenue	192	1,000	1,000
Total — General Government	\$ 12,778	\$ 14,815	\$ 14,311
GRANTS AND SUBSIDIES:			
Mass Transportation Assistance	\$ 246,991 ^c	\$ 254,663	\$ 254,663
Fixed Route Transit	16,798	25,090	25,090
Intercity Rail and Bus Transportation	1,888 ^d	1,888	1,888
(F) Surface Transportation — Operating	4,631	6,200	6,500
(F) Surface Transportation Assistance Capital	946	4,000	4,000
(F) Maglev Feasibility Study	500	500	.....
(R) Technical Assistance — PTAF (EA)	1,153	3,512	3,533
(R) Community Transportation Equipment Grants — PTAF (EA)	2,468	3,108	2,300
Rail Freight Assistance	2,487	3,600	3,600
(A) Rail Freight — Reimbursement	7	200	200
Airport Rehabilitation .....	.....	200	.....
Subtotal — State Funds	\$ 268,164	\$ 285,441	\$ 285,241
Subtotal — Federal Funds	6,077	10,700	10,500
Subtotal — Augmentations	7	200	200
Subtotal — Restricted Revenue	3,621	6,620	5,833
Total — Grants and Subsidies	\$ 277,869	\$ 302,961	\$ 301,774
STATE FUNDS	\$ 273,600	\$ 291,807	\$ 291,171
FEDERAL FUNDS	13,203	18,119	17,851
AUGMENTATIONS	31	230	230
RESTRICTED REVENUES	3,813	7,620	6,833
GENERAL FUND TOTAL	\$ 290,647	\$ 317,776	\$ 316,085

^a Not added to the total to avoid double counting: 1994-95 Actual is -0-; 1995-96 Available is \$7,000 and 1996-97 Budget is \$7,000.

^b Not added to the total to avoid double counting: 1994-95 Actual is -0-; 1995-96 Available is \$74,000 and 1996-97 Budget is -0-.

^c Actually appropriated as Mass Transportation Assistance \$244,674,000 and \$2,317,000 as part of the Rural and Intercity Rail and Bus Transportation appropriation.

^d Actually appropriated as part of Rural and Intercity Rail and Bus Transportation.

TRANSPORTATION

Summary by Fund and Appropriation

	1994-95 Actual	(Dollar Amounts in Thousands) 1995-96 Available		1996-97 Budget
MOTOR LICENSE FUND:				
GENERAL GOVERNMENT:				
General Government Operations	\$ 26,882	\$ 27,857	\$	27,619
Refunding Collected Monies (EA)	2,498	2,750		2,750
Relocation of Transportation and Safety Operations .....	.....	14,814		15,720
(F) Reimbursement — General Government	15	.....		.....
(A) Mass Transportation	101	119		116
(A) Duplicating Services	93	140		130
(A) Aviation Restricted Revenue	106	110		124
(A) Administrative Hearings	24	30		29
Subtotal — State Funds	\$ 29,380	\$ 45,421	\$	46,089
Subtotal — Federal Funds	15	.....		.....
Subtotal — Augmentations	324	399		399
Total — General Government Operations	\$ 29,719	\$ 45,820	\$	46,488
Highway and Safety Improvement	\$ 171,400	\$ 145,000	\$	143,301
Metric Conversion	3,780	7,600		3,400
(F) Highway Research, Planning and Construction	591,023	622,161		615,552
(F) Highway Safety Program	90	100		100
(A) Highway Construction Contributions	7,523	6,942		5,977
(R) Highway Capital Projects — Excise Tax (EA)	47,746	50,013		50,739
(R) Highway Bridge Projects (EA)	4,853	62,000		71,000
(R) Bridges — Excise Tax (EA)	34,013	50,696		41,302
(F) Federal Aid — Highway Bridge Projects	90,416	100,000		90,000
(A) Bridge Construction Contributions	1,371	4,000		5,000
(A) Capital Facilities Fund — Bridges .....	.....^a	.....^a		.....^a
(A) Bridge Reimbursement from Local Governments	7	500		500
Subtotal — State Funds	\$ 175,180	\$ 152,600	\$	146,701
Subtotal — Federal Funds	681,529	722,261		705,652
Subtotal — Augmentations	8,901	11,442		11,477
Subtotal — Restricted Revenue	86,612	162,709		163,041
Total — Highway and Safety Improvements	\$ 952,222	\$ 1,049,012	\$	1,026,871

^a Not added to the total to avoid double counting: 1994-95 Actual is \$24,637,000; 1995-96 Available is -0- and 1996-97 Budget is -0-.

TRANSPORTATION

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1994-95 Actual	1995-96 Available	1996-97 Budget
MOTOR LICENSE FUND: (continued)			
<i>GENERAL GOVERNMENT (continued):</i>			
Highway Maintenance	\$ 564,617 ^a	\$ 622,724 ^b	\$ 621,022
Secondary Roads — Maintenance and Resurfacing (EA)	56,305	58,618	57,760
Highway Maintenance — Supplemental	24,596	5,007	5,007
Highway Maintenance Resurfacing .....	....	....	61,000
Reinvestment — Facilities	5,984	6,000	8,500
(F) Highway Research, Planning and Construction	108,291	150,500	132,000
(F) State and Community Highway Safety	1,455	2,500	2,500
(F) Federal Reimbursement — OEP	4,230	....	....
(F) Federal Reimbursement — FHWA .....	....	345	....
(F) Local Bridge Inspection	863	2,325	....
(R) Highway Maintenance — Excise Tax (EA)	117,958	123,567	125,352
(A) Highway Maintenance Contributions	5,787	8,006	8,206
(A) Sale of Automobiles	116	150	150
(A) Sale of Gas, Oil and Antifreeze	1,621	1,800	1,900
(A) Sale of Equipment	797	2,000	2,000
(A) Heavy Hauling-Bonded Roads	429	500	500
(A) Sale of Signs	123	200	200
(A) Accident Damage Claims	2,913	3,500	3,500
(A) Litter Fine Receipts	24	9	9
(A) Recovered Permit Compliance Cost	20	35	35
(A) Reimbursement — Maintenance of Drivers Exam Sites .....	.... ^c	.... ^c	.... ^c
Subtotal — State Funds	\$ 651,502	\$ 692,349	\$ 753,289
Subtotal — Federal Funds	114,839	155,670	134,500
Subtotal — Augmentations	11,830	16,200	16,500
Subtotal — Restricted Revenue	117,958	123,567	125,352
Total — Highway Maintenance	\$ 896,129	\$ 987,786	\$ 1,029,641
Safety Administration and Licensing	\$ 78,397	\$ 79,939	\$ 88,882
(F) State and Community Highway Safety	58	100	100
(A) Administrative Support	84	100	100
(A) Computer Support	181	160	164
(A) Photo ID Program	8,803	9,780	9,900
(A) Vehicle Sales Tax Collections .....	.... ^d	.... ^d	.... ^d
(A) Emission Mechanic Training Courses .....	....	10	10
(A) Video Sales Reimbursement .....	....	10	10
(A) Reimbursement — Organ Donor Fund .....	....	300	70
(A) Reimbursement — Voter Registration .....	.... ^e	.... ^e	.... ^e
Subtotal — State Funds	\$ 78,397	\$ 79,939	\$ 88,882
Subtotal — Federal Funds	58	100	100
Subtotal — Augmentations	9,068	10,360	10,254
Total — Safety Administration and Licensing	\$ 87,523	\$ 90,399	\$ 99,236

^a Actually appropriated as Highway Maintenance \$564,192,000 and Local Bridge Inspection \$425,000.

^b Actually appropriated as Highway Maintenance \$621,949,000 and Local Bridge Inspection \$775,000.

^c Not added to the total to avoid double counting: 1994-95 Actual is \$423,000, 1995-96 Available and 1996-97 Budget are \$500,000.

^d Not added to the total to avoid double counting: 1994-95 Actual and 1995-96 Available are \$1,706,000. 1996-97 Budget is \$1,757,000.

^e Not added to the total to avoid double counting: 1994-95 Actual is -0-; 1995-96 Available is \$133,000 and 1996-97 Budget is -0-.

TRANSPORTATION

Summary by Fund and Appropriation

	1994-95 Actual	(Dollar Amounts in Thousands) 1995-96 Available	1996-97 Budget
MOTOR LICENSE FUND: (continued)			
GENERAL GOVERNMENT (continued):			
(R) Aviation Operations ^a	\$ 10,781	\$ 11,833	\$ 12,234
(F) Airport Development Aid Program	60	10	17
(F) Airport Inspection	21	301	262
(F) Federal Aid — HIA	930	10,252	1,359
(F) Federal Aid — Other State Airports	1,500	2,891	968
(F) Environmental Remediation — HIA	579	1,200	.....
(F) Environmental Remediation — Industrial Park	547	600	.....
(A) HIA Utility Services	102	87	93
(A) Other State Airports Utility Services	19	27	27
(A) Flight Operations	257	284	305
(A) Police Citations — HIA	10	4	4
(A) Airport Inspections and Licensing	67	15	3
(A) Airport Improvement Program — Other State Airports	220	299	54
(A) Industrial Park Reimbursements	124	125	130
(A) Improvement Program — HIA	214	711	82
(A) General Fund Reimbursement	17	.....	.....
(A) Airport Operations Reimbursement	210	.....	.....
(A) Reimbursements — Other State Airports	30	.....	.....
Subtotal — Federal Funds	\$ 3,637	\$ 15,254	\$ 2,606
Subtotal — Augmentations	1,270	1,552	698
Subtotal — Restricted Revenue	10,781	11,833	12,234
Total — Aviation Operations	\$ 15,688	\$ 28,639	\$ 15,538
Subtotal — State Funds	\$ 934,459	\$ 970,309	\$ 1,034,961
Subtotal — Federal Funds	800,078	893,285	842,858
Subtotal — Augmentations	31,393	39,953	39,328
Subtotal — Restricted Revenue	215,351	298,109	300,627
Total — General Government	\$ 1,981,281	\$ 2,201,656	\$ 2,217,774
GRANTS AND SUBSIDIES:			
Local Road Maintenance and Construction Payments	\$ 164,332	\$ 167,506	\$ 171,989
Supplemental Local Road Maintenance and Construction Payments	5,000	5,000	5,000
(R) Local Road Payments — Excise Tax (EA)	33,703	35,312	35,819
(R) Local Grants For Bridge Projects (EA)	690	36,000	32,000
(R) County Bridges — Excise Tax (EA)	967	5,444	9,296
(F) Federal Aid-Local Grants for Bridge Projects	717	1,500	1,500
(F) Federal Aid-County Bridges	58	300	800
(A) Local Governments	30	300	300
(R) Toll Roads — Excise Tax (EA)	42,166	41,490	39,677
(R) Annual Maintenance Payments — Highway Transfer (EA)	9,421	10,013	10,180
(R) Restoration Projects — Highway Transfer (EA)	6,419	8,587	5,846
(R) Airport Development ^a	6,500 ^b	6,500 ^b	6,500

^a Appropriation from restricted revenue account.

^b Actually appropriated as Business Airport Grants \$2,000,000, Airport Development \$4,000,000 and Runway Rehabilitation \$500,000.

TRANSPORTATION

Summary by Fund and Appropriation

	1994-95 Actual	(Dollar Amounts in Thousands) 1995-96 Available	1996-97 Budget
MOTOR LICENSE FUND: (continued)			
<i>GRANTS AND SUBSIDIES: (continued)</i>			
(R) Real Estate Tax Rebate ^a	\$ 360	\$ 250	\$ 250
Subtotal — State Funds	\$ 169,332	\$ 172,506	\$ 176,989
Subtotal — Federal Funds	775	1,800	2,300
Subtotal — Augmentations	30	300	300
Subtotal — Restricted Revenue	100,226	143,596	139,568
 Total — Grants and Subsidies	 \$ 270,363	 \$ 318,202	 \$ 319,157
STATE FUNDS	\$ 1,103,791	\$ 1,142,815	\$ 1,211,950
FEDERAL FUNDS	800,853	895,085	845,158
AUGMENTATIONS	31,423	40,253	39,628
RESTRICTED REVENUES	315,577	441,705	440,195
 MOTOR LICENSE FUND TOTAL	 \$ 2,251,644	 \$ 2,519,858	 \$ 2,536,931
 LOTTERY FUND			
<i>GRANTS AND SUBSIDIES:</i>			
Older Pennsylvanians Free Transit (EA)	\$ 56,100	\$ 56,718	\$ 58,400
Older Pennsylvanians Shared Rides (EA)	50,033	56,100	58,600
Total — Grants and Subsidies	\$ 106,133	\$ 112,818	\$ 117,000
 LOTTERY FUND TOTAL	 \$ 106,133	 \$ 112,818	 \$ 117,000
 OTHER FUNDS			
<i>GENERAL FUND:</i>			
Federal Grants-Railroad Freight Rehabilitation	\$ 1,320	\$ 750	\$ 1,000
Emission Inspection Settlement .....	.....	25,333	44,230
GENERAL FUND TOTAL	\$ 1,320	\$ 26,083	\$ 45,230
 <i>MOTOR LICENSE FUND:</i>			
Federal Reimbursements — Highway Safety Program	\$ 6,813	\$ 5,250	\$ 6,000
Reimbursements to Municipalities — Vehicle Code Fines and Penalties	13,042	16,000	18,000
Federal Reimbursements — Flood Related Costs	3,786	500	1,000
Reimbursements to Other States — Apportioned Registration Plan ..	24,349	24,000	25,000
Federal Reimbursements — Bridge Projects	36,442	28,900	23,000
Motorcycle Safety Education	2,897	2,200	2,500
Equipment Rental Security Deposits .....	.....	100	100
Payments to Blind/Visually Handicapped	1,296	1,600	1,600
Federal Reimbursements — Political Subdivisions	24,186	20,000	22,000
License and Registration Pickups	9	15	20
 MOTOR LICENSE FUND TOTAL	 \$ 112,820	 \$ 98,565	 \$ 99,220

^a Appropriated from restricted revenue account.

TRANSPORTATION

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
OTHER FUNDS (continued)	1994-95 Actual	1995-96 Available	1996-97 Budget
HIGHWAY BEAUTIFICATION FUND:			
Control of Junkyards (EA)	\$ 13	\$ 25	\$ 25
Control of Outdoor Advertising (EA)	581	1,100	1,100
HIGHWAY BEAUTIFICATION FUND TOTAL	\$ 594	\$ 1,125	\$ 1,125
MOTOR VEHICLE TRANSACTION RECOVERY FUND:			
Reimbursement to Transportation	\$ 18	76	\$ 53
MOTOR VEHICLE TRANSACTION RECOVERY FUND TOTAL	\$ 18	\$ 76	\$ 53
LIQUID FUELS TAX FUND:			
Payments to Counties	\$ 28,180	\$ 28,461	\$ 28,746
LIQUID FUELS TAX FUND TOTAL	\$ 28,180	\$ 28,461	\$ 28,746
PUBLIC TRANSACTION ASSISTANCE FUND:			
Transfer to General Fund (EA) .....	..... a	..... a	..... a
Mass Transit Grants (EA)	\$ 150,085	\$ 157,434	\$ 163,517
Rural and Intercity Transit Grants (EA)	4,711	4,707	4,924
PUBLIC TRANSACTION ASSISTANCE FUND TOTAL	\$ 154,796	\$ 162,141	\$ 168,441
OTHER FUNDS TOTAL	\$ 297,728	\$ 316,451	\$ 342,815
DEPARTMENT TOTAL — ALL FUNDS			
GENERAL FUND	\$ 273,600	\$ 291,807	\$ 291,171
SPECIAL FUNDS	1,209,924	1,255,633	1,328,950
FEDERAL FUNDS	814,056	913,204	863,009
AUGMENTATIONS	31,454	40,483	39,858
RESTRICTED REVENUE	319,390	449,325	447,028
OTHER FUNDS	297,728	316,451	342,815
TOTAL ALL FUNDS	\$ 2,946,152	\$ 3,266,903	\$ 3,312,831

^a Not added to the total to avoid double counting: 1994-95 Actual is \$4,699,000; 1995-96 Available is \$4,712,000 and 1996-97 Budget is \$4,733,000.

TRANSPORTATION

Program Funding Summary:

	(Dollar Amounts in Thousands)						
	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
TRANSPORTATION SUPPORT SERVICES							
GENERAL FUND.....	\$ 1,636	\$ 1,970	\$ 1,978	\$ 1,900	\$ 1,933	\$ 1,968	\$ 1,979
SPECIAL FUNDS.....	29,380	45,421	46,089	37,822	38,200	35,328	34,573
FEDERAL FUNDS.....	7,141	7,419	7,351	7,351	7,351	7,351	7,351
OTHER FUNDS.....	516	1,399	1,399	1,407	1,416	1,425	1,434
SUBCATEGORY TOTAL.....	\$ 38,673	\$ 56,209	\$ 56,817	\$ 48,480	\$ 48,900	\$ 46,072	\$ 45,337
STATE HIGHWAY AND BRIDGE CONSTRUCTION/RECONSTRUCTION							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	175,180	152,600	146,701	150,000	160,000	155,000	150,000
FEDERAL FUNDS.....	681,529	722,261	705,652	707,454	745,760	727,294	713,856
OTHER FUNDS.....	111,073	171,320	180,018	171,515	133,400	136,081	139,873
SUBCATEGORY TOTAL.....	\$ 967,782	\$ 1,046,181	\$ 1,032,371	\$ 1,028,969	\$ 1,039,160	\$ 1,018,375	\$ 1,003,729
STATE HIGHWAY AND BRIDGE MAINTENANCE							
GENERAL FUND.....	\$ 1,008	\$ 1,242	\$ 1,270	\$ 1,295	\$ 1,321	\$ 1,347	\$ 1,374
SPECIAL FUNDS.....	651,502	692,349	753,289	680,700	675,000	692,500	717,900
FEDERAL FUNDS.....	113,976	153,345	134,500	134,500	134,500	134,500	134,500
OTHER FUNDS.....	168,883	192,663	185,854	179,585	180,881	182,190	183,511
SUBCATEGORY TOTAL.....	\$ 935,369	\$ 1,039,599	\$ 1,074,913	\$ 996,080	\$ 991,702	\$ 1,010,537	\$ 1,037,285
LOCAL HIGHWAY AND BRIDGE ASSISTANCE							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	169,332	172,506	176,989	173,148	174,624	175,650	176,683
FEDERAL FUNDS.....	1,638	4,125	2,300	2,000	2,000	2,000	2,000
OTHER FUNDS.....	153,080	189,017	185,187	175,995	176,492	181,979	187,457
SUBCATEGORY TOTAL.....	\$ 324,050	\$ 365,648	\$ 364,476	\$ 351,143	\$ 353,116	\$ 359,629	\$ 366,140
MASS TRANSPORTATION							
GENERAL FUND.....	\$ 247,337	\$ 255,019	\$ 255,070	\$ 255,078	\$ 255,086	\$ 255,094	\$ 255,103
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	150,085	157,434	163,517	166,794	171,230	175,881	180,282
SUBCATEGORY TOTAL.....	\$ 397,422	\$ 412,453	\$ 418,587	\$ 421,872	\$ 426,316	\$ 430,975	\$ 435,385
INTERCITY RAIL AND BUS TRANSPORTATION							
GENERAL FUND.....	\$ 4,375	\$ 5,488	\$ 5,488	\$ 5,488	\$ 5,488	\$ 5,488	\$ 5,488
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	6,077	10,700	10,500	10,500	10,500	10,500	10,500
OTHER FUNDS.....	7,215	9,199	9,687	7,596	7,607	7,618	7,629
SUBCATEGORY TOTAL.....	\$ 17,667	\$ 25,387	\$ 25,675	\$ 23,584	\$ 23,595	\$ 23,606	\$ 23,617

TRANSPORTATION

Program Funding Summary:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
AIR TRANSPORTATION							
GENERAL FUND.....	\$ 0	\$ 200	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	3,637	15,254	2,606	2,606	2,606	2,606	2,606
OTHER FUNDS.....	18,911	20,135	19,682	19,927	20,192	20,462	20,737
SUBCATEGORY TOTAL.....	\$ 22,548	\$ 35,589	\$ 22,288	\$ 22,533	\$ 22,798	\$ 23,068	\$ 23,343
SAFETY ADMINISTRATION AND LICENSING							
GENERAL FUND.....	\$ 2,446	\$ 2,798	\$ 2,275	\$ 2,924	\$ 2,983	\$ 3,042	\$ 3,103
SPECIAL FUNDS.....	78,397	79,939	88,882	85,285	86,991	88,731	90,505
FEDERAL FUNDS.....	58	100	100	100	100	100	100
OTHER FUNDS.....	36,341	61,984	82,057	83,838	82,653	41,472	42,702
SUBCATEGORY TOTAL.....	\$ 117,242	\$ 144,821	\$ 173,314	\$ 172,147	\$ 172,727	\$ 133,345	\$ 136,410
OLDER PENNSYLVANIANS TRANSIT							
GENERAL FUND.....	\$ 16,798	\$ 25,090	\$ 25,090	\$ 25,090	\$ 25,090	\$ 25,090	\$ 25,090
SPECIAL FUNDS.....	106,133	112,818	117,000	122,638	128,495	134,605	141,051
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	2,468	3,108	2,300	2,300	2,300	2,300	2,300
SUBCATEGORY TOTAL.....	\$ 125,399	\$ 141,016	\$ 144,390	\$ 150,028	\$ 155,885	\$ 161,995	\$ 168,441
ALL PROGRAMS:							
GENERAL FUND.....	\$ 273,600	\$ 291,807	\$ 291,171	\$ 291,775	\$ 291,901	\$ 292,029	\$ 292,137
SPECIAL FUNDS.....	1,209,924	1,255,633	1,328,950	1,249,593	1,263,310	1,281,814	1,310,712
FEDERAL FUNDS.....	814,056	913,204	863,009	864,511	902,817	884,351	870,913
OTHER FUNDS.....	648,572	806,259	829,701	808,957	776,171	749,408	765,925
DEPARTMENT TOTAL.....	\$ 2,946,152	\$ 3,266,903	\$ 3,312,831	\$ 3,214,836	\$ 3,234,199	\$ 3,207,602	\$ 3,239,687

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 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, rail freight transportation and oversight responsibility of the Public Transportation Assistance Fund created by Act 26 of 1991. 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.

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 Transportation Advisory Committee are included within this program.

Program Recommendations:

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

<p>GENERAL FUND: Transit and Rail Freight Operations \$ 72 —to continue current program.</p> <p>Comprehensive Rail Freight Study \$ -8 —to complete a two-year study.</p> <p>Relocation of Transportation and Safety Operations \$ -56 —to relocate operations during the reconstruction of the Transportation and Safety Building.</p>	<p>MOTOR LICENSE FUND: General Government Operations \$ -238 —to continue current program.</p> <p>Relocation of Transportation and Safety Operations \$ 906 —to relocate operations during the reconstruction of the Transportation and Safety Building.</p>
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Refunding Collected Monies is recommended at the current year level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
GENERAL FUND:							
Transit and Rail Freight Operations	\$ 1,536	\$ 1,645	\$ 1,717	\$ 1,751	\$ 1,786	\$ 1,822	\$ 1,858
Comprehensive Rail Freight Study	100	100	92	....	....	....	....
Relocation of Transportation and Safety Operations .....	....	225	169	149	147	146	121
TOTAL GENERAL FUND	\$ 1,636	\$ 1,970	\$ 1,978	\$ 1,900	\$ 1,933	\$ 1,968	\$ 1,979
MOTOR LICENSE FUND:							
General Government Operations	\$ 26,882	\$ 27,857	\$ 27,619	\$ 28,171	\$ 28,734	\$ 29,309	\$ 29,895
Refunding Collected Monies	2,498	2,750	2,750	2,750	2,750	2,750	2,750
Relocation of Transportation and Safety Operations .....	....	14,814	15,720	6,901	6,716	3,269	1,928
TOTAL MOTOR LICENSE FUND	\$ 29,380	\$ 45,421	\$ 46,089	\$ 37,822	\$ 38,200	\$ 35,328	\$ 34,573

TRANSPORTATION

PROGRAM OBJECTIVE: To provide a highway and bridge system capable of meeting the economic and recreational needs of the Commonwealth.

Program: State Highway and Bridge Construction/Reconstruction

This program involves major construction work on the Commonwealth's Interstate Highway System, on other priority State highways and on State bridges.

Activities involve the construction or reconstruction of highways and bridges that contribute to the economic growth of the Commonwealth and the mobility of the State's citizens. The scope of this program includes Interstate and major primary roads, as well as those State roads that are not part of the Federal aid system. Within the funding available from Federal aid, local construction contributions and current State revenues, the Department of Transportation is charged with the responsibility of developing and executing a program that will correct the most critical deficiencies on the State-administered highway system including projects to enhance safety and mobility.

This program also involves improvements to those State-owned bridges enumerated in the Highway Bridge Capital Budget Act of 1982 and subsequent amendments. These improvements are funded through annual registration fees for Commonwealth-registered vehicles having a gross weight in excess of 26,000 pounds and a six-cent per gallon tax on motor fuel used by motor carriers in the operation of their commercial vehicles on highways within the Commonwealth.

Act 26 of 1991 provides additional State highway and bridge construction/reconstruction funds through a 55 mill Oil Company Franchise Tax of which 17 percent is specifically dedicated to highway capital projects and 13 percent to bridges.

Program Measures:	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
Miles of construction on new right-of-way	26	13	17	34	23	33	22
Miles of Interstate reconstruction	153	138	64	53	83	82	80
Miles of non-Interstate reconstruction	55	26	58	40	45	45	40
Intersections improved to increase safety and capacity	143	185	185	205	205	205	205
Bridges maintained (larger than 8 feet)	25,870	25,875	25,880	25,885	25,890	25,895	25,900
Bridges replaced/repaired	331	365	335	330	310	305	305

New and reconstructed miles and intersections improved to increase safety and capacity measures are project specific and are subject to fluctuations as a result of factors such as changes in scheduling, completions and priorities on a year to year basis.

The bridges replaced/repaired measure is higher than in last year's budget due to an increased emphasis on bridge repairs.

Program Recommendations:

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

Highway and Safety Improvement
 \$ -1,699 —to continue current program. This funding is in combination with Act 26 of 1991 revenues for 1996-97 of \$50.739 million (17 percent of 55 mills) for highway construction/reconstruction. With the completion of the Commonwealth's Interstate Highway System in 1991, new construction has shifted to highway projects that will spur economic development. Key projects in 1996-97 include continuing construction of the Lackawanna Valley Industrial Highway in Lackawanna County, relocation of the Meyersdale Bypass (US 219) in Somerset County, 4 lane relocation of the Park Road corridor (US 222) in Berks County, 4 lane relocation of US 15 from Sebring to Blass Mountain in Tioga County, widening of US 15 from Buttonwood to

Sebring in Lycoming County, restoration of Roosevelt Boulevard from 9th St. to Tyson in Philadelphia County, reconstruction of PA 581 in Cumberland County, resurfacing of US 219 from South Fork to US 22 in Cambria County, widening of PA 36 from US 220 to PA 867 in Blair County, reconstruction of US 30 from I-83 to PA 24 in York County.

Another priority is the reconstruction of the Interstate Highway System. During 1996-97 key projects in this area will include 4.7 miles of I-90 from Cherry St. to Jordon Rd. in Erie County, 2.6 miles of I-79 in Washington County, 4.0 miles of I-79 in Greene County, 2 miles of I-79 from the Parkway (I-279) to PA 60 in Allegheny County, resurfacing of 1 mile of I-95 in Bucks County.

TRANSPORTATION

Program: State Highway and Bridge Construction/Reconstruction (continued)

Program Recommendations: (continued)

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

- Metric Conversion**
\$ -4,200 —to continue current program.
- Bridge Restricted Revenue**
—Major bridge projects started or underway during 1996-97 include the Conneaut Swamp Bridge in Crawford County, the Anderson Creek Bridge in Clearfield, the Penns Creek Bridge in Union County, the Nescopeck Creek Bridge in Luzerne County, the Treichlers Bridge in Lehigh County, the PA 29 Bridge in Montgomery County, the Leaman Place Bridge in Lancaster County, the Bedford Borough Bridge in Bedford County, the Graff Bridge in Armstrong County, the Warrington Avenue Bridge in Allegheny County and the Cheat River Bridge in Fayette County.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
GENERAL FUND:							
Highway and Safety Improvement	\$ 171,400	\$ 145,000	\$ 143,301	\$ 150,000	\$ 160,000	\$ 155,000	\$ 150,000
Metric Conversion	3,780	7,600	3,400	.....	.....	.....	.....
TOTAL GENERAL FUND	\$ 175,180	\$ 152,600	\$ 146,701	\$ 150,000	\$ 160,000	\$ 155,000	\$ 150,000

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, the majority of which serve interstate and regional commerce, intermodal transportation facilities and major population centers. Snow and ice control services are performed on all State-administered highways. Safety improvements such as skid resistant pavement applications, left turn lanes, intersection sight improvements, shoulder improvements, guiderail updates and curve banking adjustments are incorporated into other routine maintenance and betterment work. Other important maintenance activities, not involved directly with the roadway surface itself, include pipe replacement, ditch cleaning, manufacturing and repairing highway signs, repainting pavement markings, shoulder cutting/gradings 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 case 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 Motor Carrier Safety Enforcement Program is credited with reducing maintenance costs for highways and bridges and increasing the public safety by minimizing the number of dangerously overloaded trucks. The department continues to provide state-of-the-art training and equipment technology to maximize enforcement efficiency. At the same time, delays to motor carriers have been minimized through the use of weigh-in-motion technology.

The accident analysis program uses computer programs to identify those highway locations which have experienced statistically more accidents than similar roads with similar traffic volumes. Another program identifies locations that have had an inordinate number of accidents in which vehicles ran off the road or hit fixed objects. These programs allow for the ranking of high-accident locations and provide a systematic means of selecting the highest priority sites for maintenance and reconstruction.

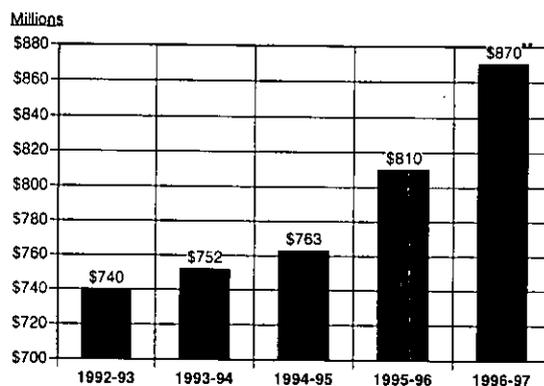
Act 26 of 1991 provides additional State highway and bridge maintenance funds through a 55 mill Oil Company Franchise Tax of which 42 percent is specifically dedicated for highway maintenance.

Program Measures:

Miles of State maintained highways	40,486	40,414	40,312	40,293	40,161	40,098	40,029
Miles of State maintained highways improved:							
Structural restoration	170	162	175	150	125	100	100
Maintenance resurfacing	1,511	1,536	1,434	1,598	1,096	1,111	1,091
Surface repairs	4,804	4,575	4,171	3,752	3,669	3,609	3,609
Total	6,485	6,273	5,780	5,500	4,890	4,820	4,800
Truck weight and safety enforcement:							
Trucks weighed	495,000	468,000	468,000	468,000	468,000	468,000	468,000
Weight violations	5,118	4,800	4,800	4,800	4,800	4,800	4,800
Trucks inspected	16,906	16,800	16,800	16,800	16,800	16,800	16,800
Safety violations	36,590	34,000	34,000	34,000	34,000	34,000	34,000

The miles of State maintained highways improved has been restated to provide more specificity regarding the type of surface improvement made.

State Highway and Bridge Maintenance*



* Includes Restricted Excise Funds

** Includes Highway Maintenance Resurfacing Incentive

TRANSPORTATION

Program: State Highway and Bridge Maintenance (continued)

Program Recommendations:

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

	GENERAL FUND:					
	Welcome Centers		\$	2,500		Reinvestment Facilities
\$	74	—to open new Welcome Centers in Pike and Adams County.				—to continue current program.
	-46	—to continue current program.			\$	Highway Maintenance Resurfacing
				61,000		—Initiative — Highway Maintenance Resurfacing. To provide funding for the resurfacing of approximately 610 additional miles of State roadways. This initiative increases the focus of the Commonwealth on the maintenance and improvement of the existing system of State roads.
\$	28	<i>Appropriation Increase</i>				
		MOTOR LICENSE FUND:				
\$	-1,702	Highway Maintenance				
		—to continue current program.				
\$	-858	Secondary Roads—Maintenance and Resurfacing				
		—to continue current program.				

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
GENERAL FUND:							
Welcome Centers.....	\$ 1,008	\$ 1,242	\$ 1,270	\$ 1,295	\$ 1,321	\$ 1,347	\$ 1,374
MOTOR LICENSE FUND:							
Highway Maintenance	\$ 564,617	\$ 622,724	\$ 621,022	\$ 598,621	\$ 585,372	\$ 616,720	\$ 645,067
Secondary Roads — Maintenance and Resurfacing	56,305	58,618	57,760	58,279	58,628	58,980	59,333
Highway Maintenance Supplemental	24,596	5,007	5,007	17,800	25,000	10,800	7,500
Highway Maintenance Resurfacing .....	.....	.....	61,000	.....	.....	.....	.....
Reinvestment — Facilities	5,984	6,000	8,500	6,000	6,000	6,000	6,000
TOTAL MOTOR LICENSE FUND	\$ 651,502	\$ 692,349	\$ 753,289	\$ 680,700	\$ 675,000	\$ 692,500	\$ 717,900

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 programs to assist municipalities in the maintenance and construction of their highway and bridge systems.

Legislatively mandated programs earmark a portion of Pennsylvania's liquid fuels tax and oil franchise tax for local governments to use on their roads. 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 (a) 35 mills of the first 60 mill portion of the oil franchise tax and (b) 12 percent of the 55 mill portion of the oil franchise tax as provided by Act 26 of 1991. 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 functionally local roads to acceptable standards and to provide annual maintenance payments in the amount of \$2,500 per mile. Since inception of the program in 1983

more than 4,000 miles of these roads have been returned to the Commonwealth's municipalities.

The General Assembly authorized improvements to local bridges through the Highway Bridge Capital Act of 1982 and subsequent amendments. As with the State bridges contained in these capital acts, the improvements are funded through annual registration fees for Commonwealth registered vehicles having a registered weight in excess of 26,000 pounds and a six cent per gallon tax on motor fuel used by motor carriers in the operation of their commercial vehicles on highways within the Commonwealth.

A local bridge inspection program is being administered by the department to assist local governments in meeting the requirements of National Bridge Inspection Standards as mandated by Federal Law. This action prevents the potential loss of Federal aid for 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 allocation.

Act 26 of 1991 also provides additional local bridge assistance funds through one percent of the 55 mill Oil Company Franchise Tax.

Program Measures:	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
Miles of highway locally administered:							
Total	72,402	72,762	73,156	73,543	73,934	74,315	74,686
Percent of all highways in the Commonwealth	64.1%	64.3%	64.5%	64.6%	64.8%	65.0%	65.1%
Miles of local highways improved	1,491	1,700	1,700	1,700	1,700	1,700	1,700
Local bridges:							
Total (greater than 20 feet)	6,364	6,370	6,375	6,380	6,385	6,390	6,395
Brought up to standard through State Bridge Program	51	65	90	80	65	65	65

The miles of local highways improved is lower than projected in last year's budget for 1994-95 due to a higher actual cost per mile than anticipated.

The local bridges brought up to standard through State Bridge Program has been restated from last year's budget to reflect actual number of bridges expected to be completed by local governments.

Program Recommendations:	This budget recommends the following changes: (Dollar Amounts in Thousands)
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	Local Road Maintenance and Construction Payments	
\$ 4,483	—to continue program based on current year estimated revenue collections.	

Supplemental Local Road Maintenance and Construction Payments is recommended at the current year level.

This budget recommends that Local Bridge Inspection be merged with Highway Maintenance.

TRANSPORTATION

Program: Local Highway and Bridge Assistance (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
MOTOR LICENSE FUND:							
Local Road Maintenance and Construction Payments	\$ 164,332	\$ 167,506	\$ 171,989	\$ 168,148	\$ 169,624	\$ 170,650	\$ 171,683
Supplemental Local Road Maintenance and Construction Payments	5,000	5,000	5,000	5,000	5,000	5,000	5,000
TOTAL MOTOR LICENSE FUND	\$ 169,332	\$ 172,506	\$ 176,989	\$ 173,148	\$ 174,624	\$ 175,650	\$ 176,683

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 and to provide transit service that will increase the mobility of rural Pennsylvanians.

Program: Mass Transportation

Act 26 of 1991 made numerous revisions to the Pennsylvania Urban Mass Transportation Law including the establishment of the Public Transportation Assistance Fund. This fund provides a dedicated source of revenue to the Commonwealth's transit providers and can be used for capital replacement and asset maintenance. The new source of transit revenue is in addition to the mass transit assistance program funded out of the General Fund. The General Fund program is based on fixed percentages of the total amount appropriated annually by the General Assembly. These percentages take into consideration historical funding, farebox revenues and vehicle miles. Under this formula three classes of urban transit entities have been established based on the number of vehicles operated during peak hours. A local or private funding commitment is required in an amount not less than one-third of the total

State grant. Each system is required to adopt a specific series of service standards and performance evaluation measures. The Commonwealth, along with Federal and local governments, provides grants to the State's twenty-one urban transit systems.

Until 1995-96, small urban and rural transit entities had been funded under the authority of Act 10 of 1976. Current State authorizing legislation for mass transportation assistance, Act 26 of 1991, provides for a fourth class of transit entity to include rural and small urban transit entities once mass transportation assistance has reached a "trigger" amount. Beginning with the 1995-96 fiscal year, rural and small urban entities are funded from the Mass Transportation Assistance Appropriation since the trigger amount was exceeded.

Program Measures:	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
Passengers carried by State-assisted operators (millions annually)	303.6	313.9	317.0	320.2	323.4	326.6	329.9
Passengers per vehicle hour	30.9	31.4	31.6	31.7	31.9	32.1	32.2
Percentage share of average income of mass transit trips:							
From passenger	42.2%	42.4%	43.7%	44.2%	44.9%	45.5%	46.2%
From Commonwealth	41.7%	40.5%	38.1%	37.1%	35.9%	34.9%	33.9%
From Federal Government	6.0%	5.2%	5.2%	5.1%	5.0%	4.9%	4.7%
From local government	10.1%	11.9%	13.0%	13.6%	14.2%	14.7%	15.2%

For comparability, all program measures for all years have been restated to include rural and small urban transit entities.

Program Recommendations:

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

GENERAL FUND:
Rail Safety Inspection
 \$ 51 —to continue current program and expand the program to other mandated areas such as inclined planes.

The Mass Transportation Assistance appropriation is recommended at the current year level.

Appropriations within this Program:	(Dollar Amounts in Thousands)						
	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
GENERAL FUND:							
Rail Safety Inspection	\$ 346	\$ 356	\$ 407	\$ 415	\$ 423	\$ 431	\$ 440
Mass Transportation Assistance	246,991	254,663	254,663	254,663	254,663	254,663	254,663
TOTAL GENERAL FUND	\$ 247,337	\$ 255,019	\$ 255,070	\$ 255,078	\$ 255,086	\$ 255,094	\$ 255,103

TRANSPORTATION

PROGRAM OBJECTIVE: *To facilitate the development of improved rail passenger, cargo service and intercity bus service between major urban areas of the Commonwealth, thereby providing relief for over utilized intercity highway and air systems.*

Program: Intercity Rail and Bus Transportation

Commonwealth activities involve three separate intercity transportation programs: 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.

The Commonwealth's intercity bus program supports systems where without operating assistance essential service would be terminated. It is estimated that about 300,000 passengers will utilize Commonwealth subsidized intercity bus services in 1996-97. As private operators propose termination of such services, the Department of Transportation will continue to evaluate the economic and social impacts of service termination and the merits of public subsidy. Federal funds are also available to support intercity bus operations and supplement the existing State-sponsored program.

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. Because service frequency has been insufficient to meet Pennsylvania's needs, the department has contracted with Amtrak to provide additional service to supplement Amtrak's national system schedule. This supplemental service is provided on the Philadelphia/Harrisburg corridor.

The Commonwealth's rail freight network provides a competitive cost advantage for business and industry that depend upon cost effective transportation of bulk commodities.

In reaction to the pending abandonments of former Penn Central, Erie/Lackawanna and Lehigh Valley rail lines, Pennsylvania became actively involved in a rail freight assistance program in the late 1970's. With financial assistance from the Federal Railroad Administration, the

Department of Transportation purchased 155 miles of track that was not retained in the Conrail system. Additional lines were saved from abandonment through acquisition by the private sector or local government with financial assistance from the Federal Government. While the Federal Government initially provided operating subsidies for lines that were not included in the Conrail System, the Federal operating subsidy program was terminated after 1981.

The Commonwealth continues to own 103 miles of rail line that serve 45 industries. The Commonwealth funds one-half of the operating deficit, with the non-State share usually coming from the affected shippers. Additional assistance is provided in the form of program maintenance grants for which the State provides 80 percent of the project funding.

Another component of the Commonwealth's rail freight program is assistance for accelerated maintenance and capital projects on non-State-owned lines. The Accelerated Maintenance Program was established in 1982 in response to a substantial, expedited abandonment program undertaken by Conrail in accordance with provisions of the Northeast Rail Service Act (NERSA) of 1981. NERSA allowed Conrail to rid itself of unprofitable lines in an unappealable procedure, as one of a number of ways for the Conrail system to achieve profitability. Under this Commonwealth program, funding is provided for basic track rehabilitation and other infrastructure improvements.

The State share for the larger capital projects comes from bond funds and generally represents 50 percent of the total project cost. Accelerated maintenance projects are funded from current revenues through the Rail Freight Assistance appropriation. Transportation generally provides 80 percent of the funding for accelerated maintenance projects.

Previously, small urban and rural transit entities were administered under this program. Effective with the 1995-96 fiscal year, this program became the responsibility of the Mass Transportation Program.

Program Measures:	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
Intercity Bus:							
Passengers handled	283,175	300,000	301,500	303,000	304,515	306,000	307,530
Subsidy per bus mile	\$0.63	\$0.68	\$0.70	\$0.70	\$0.70	\$0.70	\$0.70
Intercity Rail:							
Passengers handled	88,992	147,132	147,132	147,132	147,132	147,132	147,132
Subsidy per passenger mile	\$0.24	\$0.26	\$0.26	\$0.26	\$0.26	\$0.27	\$0.28
Rail Freight:							
Miles of rail lines:							
State assisted	300	350	350	350	350	350	350
State owned	103	103	103	103	103	103	103
Miles of rail lines rehabilitated:							
Federal/local assistance program	40	20	....	....	....	....	....
Assistance Program	197	170	170	170	170	170	170

Intercity rail measures starting with 1994-95 have been restated to reflect an increase in the Commonwealth's support for additional train trips.

The measures for rail miles of freight rail lines, State assisted and Accelerated Rail Maintenance Program are higher than in last year's budget due to a planned increase in the number of projects.

For miles of rail lines rehabilitated, Federal/local assistance program, no Federal funding is anticipated for 1996-97 and subsequent years.

TRANSPORTATION

Program: Intercity Rail and Bus Transportation (continued)

Program Recommendations:

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

Intercity Rail and Bus Transportation and Rail Freight Assistance are recommended at the current year level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
GENERAL FUND:							
Intercity Rail and Bus Transportation	\$ 1,888	\$ 1,888	\$ 1,888	\$ 1,888	\$ 1,888	\$ 1,888	\$ 1,888
Rail Freight Assistance	2,487	3,600	3,600	3,600	3,600	3,600	3,600
TOTAL GENERAL FUND	\$ 4,375	\$ 5,488	\$ 5,488	\$ 5,488	\$ 5,488	\$ 5,488	\$ 5,488

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 over 835 landing areas, Pennsylvania is fourth 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 department provides programs to improve the safety and effectiveness of the Commonwealth's aviation network. These program activities include the highway directional sign program; the program to place high visibility markers on power lines near runways; maintenance

of 42 aviation weather information systems throughout the State; and an airport inspection and licensing program.

The department also administers grant programs which are funded from the Aviation Restricted Revenue Account. These grant programs include:

- An airport development grant program for public use airports based on the site and economic viability of the project. The program also provides business airport grants and runway rehabilitation grants where the Commonwealth provides between 50% and 75% of total project costs.
- A real estate tax rebate program for public airports which is funded exclusively from the Statewide aviation fuel tax.

Program Measures:	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
Harrisburg International Airport (HIA):							
Passengers handled	1,391,712	1,420,000	1,448,000	1,477,000	1,506,000	1,537,000	1,567,000
Flights handled	85,202	86,900	88,600	90,400	92,200	94,100	96,000
Tons of cargo handled	37,696	39,900	42,400	44,900	47,600	50,400	53,500
Airports receiving State grants:							
Airport development grants	66	61	75	77	78	78	79

The passengers and flights handled at HIA are lower than anticipated versus data shown in last year's budget due to a decrease in demand.

The tons of cargo handled data is higher than reflected in last year's budget document due to higher than expected demand.

For comparability, the Airport development grants measure has been restated to include all Airport grants for runway rehabilitation, airport development and business airports which were separate grants in past years.

Program Recommendations:

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

This budget recommends that Runway Rehabilitation and Business Airport Grants be merged with Airport Development.

This budget recommends the Airport Development Grants program at the \$6.5 million level. This amount is appropriated from the Aviation Restricted Revenue Account.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
Airport Rehabilitation	\$ 200	....	....	....	....	....

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 9.2 million vehicles were registered under Pennsylvania's annual renewal cycle. This total included over 173,000 heavy vehicles that were registered at greater than 17,000 pounds and nearly 104,000 trailers registered at greater than 10,000 pounds. In 1994-95, 8 million operator licenses were in effect. Actual processing of driver licenses occurs over a multi-year period under the Commonwealth's four-year renewal cycle.

The testing, inspection and revocation aspects of operator and vehicular licensing activities within this program provide many opportunities to enforce safety standards. Perhaps the most basic of these is the operator license. The driver testing program is designed to screen out applicants with insufficient driving knowledge or skills as well as to identify those with mental or physical disabilities. Prior to January 1993, the State Police performed examinations with the Department of Transportation issuing the licenses and maintaining records. In January 1993, the driver examination function was transferred from the State Police to the Department of Transportation and added to the department's existing responsibilities for issuing licenses and maintaining records. In compliance with the Federal Commercial Motor Vehicle Safety Act of 1986, commercial and bus operators receive a specialized written and driving test.

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 9.2 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.

Under the requirements of the Federal Clean Air Act, the Commonwealth began a vehicle emission inspection program in 1984 to reduce carbon monoxide and hydrocarbon pollutants. This air quality program covered selected portions of the Pittsburgh and Allentown-Bethlehem metropolitan areas as well as the five county Philadelphia region. Under the Clean Air Act Amendments of 1990, the Commonwealth was given until January 1, 1995 to expand the emission inspection program to 14 additional counties. In November of 1994, the State Legislature passed Act 95 which discontinued further development or implementation of the centralized plan and instead required the Department of Transportation to notify the Federal Environmental Protection Agency that the Commonwealth was developing an alternative plan. On February 27, 1995, the Governor announced that he was indefinitely suspending the implementation of the enhanced emission inspection plan until the Environmental Protection Agency has issued final regulations. The department licenses inspection stations, train and vehicle inspection mechanics, and periodically checks inspection stations, records and work of mechanics to assure compliance with approved emission program requirements.

Program Measures:	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
Vehicles inspected:							
Safety inspections	8,790,000	8,877,000	8,966,000	9,056,000	9,146,000	9,238,000	9,330,000
Emission inspections	3,160,000	3,200,000	3,232,000	3,264,000	3,297,000	3,330,000	3,330,000
Registrations:							
New	1,579,000	1,594,000	1,609,000	1,625,000	1,641,000	1,657,000	1,659,000
Renewed	7,647,000	7,723,000	7,800,000	7,878,000	7,956,000	8,036,000	8,116,000
Licensed drivers:							
New	241,000	235,000	235,000	235,000	235,000	235,000	235,000
Renewed	2,021,000	1,950,000	2,250,000	1,970,000	1,910,000	1,960,000	2,260,000
New commercial drivers licensed	19,000	17,500	17,500	17,500	17,500	17,500	17,500
Photo identification cards issued							
(non-driver photo)	95,856	95,000	95,000	95,000	95,000	95,000	95,000

The licensed drivers measures are higher than projected in last year's budget for 1994-95 since the processing of some licenses was deferred because of the June 1994 fire at the Transportation and Safety Building.

The photo identification cards issued measure is higher than in last year's budget due to increased number and accessibility of photo license centers as well as an increase in demand.

TRANSPORTATION

Program: Safety Administration and Licensing (continued)

Program Recommendations:

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

	GENERAL FUND:		MOTOR LICENSE FUND:
\$ 51	Vehicle Sales Tax Collections —to continue current program.	\$ 3,674	Safety Administration and Licensing —to continue current program.
\$ -574	Voter Registration —to continue current program.	4,116	—one-time payment for improvement of photo license/drivers exam sites.
		1,153	—Initiative — Privatizing Telephone Information Services. To contract for a privately operated automated telephone information service to respond to consumer inquiries concerning the licensing and registration of drivers and motor vehicles.
		\$ 8,943	<i>Appropriation Increase</i>

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
GENERAL FUND:							
Vehicle Sales Tax Collections	\$ 1,706	\$ 1,706	\$ 1,757	\$ 1,792	\$ 1,828	\$ 1,865	\$ 1,902
Voter Registration	740	1,092	518	1,132	1,155	1,177	1,201
TOTAL GENERAL FUND	\$ 2,446	\$ 2,798	\$ 2,275	\$ 2,924	\$ 2,983	\$ 3,042	\$ 3,103
MOTOR LICENSE FUND:							
Safety Administration and Licensing	\$ 78,397	\$ 79,939	\$ 88,882	\$ 85,285	\$ 86,991	\$ 88,731	\$ 90,505

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 rail lines.

The Shared Ride Program for older Pennsylvanians authorized by Act 101 of 1980, as amended by Act 36 of 1991, permits citizens 65 years of age or older to ride on shared-ride services and pay only 15

percent of the fare. The State Lottery Fund reimburses shared ride transit operators the remaining 85 percent of the shared ride fare.

The Free Transit and Shared Ride Programs authorized by Act 101 of 1980 and Act 36 of 1991 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. This program increases the mobility of the Commonwealth's citizens 65 years of age and older.

Program Measures:	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
Free transit trips	54,665,693	55,677,000	58,280,000	59,445,000	60,634,000	61,847,000	63,084,000
Trips on State assisted shared ride vehicles	6,630,670	6,945,000	7,150,000	7,293,000	7,439,000	7,588,000	7,740,000
Cost to the Commonwealth per trip:							
Free Transit	\$1.38	\$1.42	\$1.43	\$1.43	\$1.43	\$1.43	\$1.43
State assisted shared ride vehicles	\$7.28	\$8.08	\$8.20	\$8.57	\$8.96	\$9.36	\$9.78

The free transit and trips on State assisted shared ride vehicles measures are lower than in the prior year's budget based on projections reflecting actual ridership.

The cost to the Commonwealth per trip for free transit includes Fixed Route Transit and Older Pennsylvanians Free Transit funding.

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

<p>LOTTERY FUND: Older Pennsylvanians Free Transit \$ 1,682 —to continue current program.</p>	<p>Older Pennsylvanians Shared Rides \$ 2,500 —to continue current program.</p>
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Fixed Route Transit is recommended at the current year level.

Appropriations within this Program: (Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
GENERAL FUND:							
Fixed Route Transit	\$ 16,798	\$ 25,090	\$ 25,090	\$ 25,090	\$ 25,090	\$ 25,090	\$ 25,090
LOTTERY FUND:							
Older Pennsylvanians Free Transit	\$ 56,100	\$ 56,718	\$ 58,400	\$ 60,137	\$ 61,842	\$ 63,581	\$ 65,354
Older Pennsylvanians Shared Rides	50,033	56,100	58,600	62,501	66,653	71,024	75,697
TOTAL LOTTERY FUND	\$ 106,133	\$ 112,818	\$ 117,000	\$ 122,638	\$ 128,495	\$ 134,605	\$ 141,051



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 the State Government, provides for revenue for the Commonwealth and appropriates money for the operation of State agencies and other purposes.

The General Assembly is composed of two bodies—the Senate and the House of Representatives. Its sessions begin on the first Tuesday of each year unless otherwise convened by the proclamation of the Governor.

GOVERNOR'S EXECUTIVE BUDGET

Summary by Fund and Appropriation

GENERAL FUND	1994-95 Actual	(Dollar Amounts in Thousands) 1995-96 Available	1996-97 Budget
GENERAL GOVERNMENT:			
SENATE:			
Fifty Senators	\$ 3,550	\$ 3,550	\$ 3,550
Employees of Senate President	248	257	257
Employees of Chief Clerk	4,600	4,600	4,600
Salaried Officers and Employees	5,550	5,550	5,550
Chief Clerk and Legislative Journal	1,590	1,590	1,590
Subtotal — Salaries and Postage	\$ 15,538	\$ 15,547	\$ 15,547
Contingent Expenses:			
President	\$ 5	\$ 5	\$ 5
President Pro Tempore	20	20	20
Floor Leader (D)	7	7	7
Floor Leader (R)	7	7	7
Whip (D)	6	6	6
Whip (R)	6	6	6
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	\$ 83	\$ 83	\$ 83
Miscellaneous Expenses:			
Incidental Expense	\$ 1,250	\$ 1,250	\$ 1,250
Committee on Appropriations (D)	2,139	2,264	2,264
Committee on Appropriations (R)	2,139	2,264	2,264
Expenses — Senate	575	575	575
Legislative Printing and Expenses	4,218	6,331	6,331
Leadership Operations (D)	6,978	7,322	7,322
Leadership Operations (R)	6,978	7,322	7,322
Legislative Management Committee (D)	4,620	4,882	4,882
Legislative Management Committee (R)	4,620	4,882	4,882
Senate Computer Services	4,398	.....	.....
Computer Services (D) .....	.....	2,388	2,388
Computer Services (R) .....	.....	2,388	2,388
Chamber Communications	200	50	50
Impeachment Expenses	250	.....	.....
Subtotal — Miscellaneous Expenses	\$ 38,365	\$ 41,918	\$ 41,918
TOTAL — SENATE	\$ 53,986	\$ 57,548	\$ 57,548
HOUSE OF REPRESENTATIVES:			
Members' Salaries, Speaker's Extra Compensation	\$ 13,627	\$ 13,627	\$ 13,627
House Employees (D)	7,526	7,880	7,880

Summary by Fund and Appropriation

GENERAL FUND	1994-95 Actual	(Dollar Amounts In Thousands) 1995-96 Available	1996-97 Budget
<i>GENERAL GOVERNMENT: (continued)</i>			
HOUSE OF REPRESENTATIVES: (continued)			
House Employes (R)	\$ 7,526	\$ 7,880	\$ 7,880
Speaker's Office	678	710	710
Bi-Partisan Committee, Chief Clerk, Comptroller	7,213	9,213	9,213
Subtotal — Salaries	\$ 36,570	\$ 39,310	\$ 39,310
Mileage:			
Representatives, Officers and Employes	\$ 548	\$ 548	\$ 548
Subtotal — Mileage	\$ 548	\$ 548	\$ 548
Postage:			
Chief Clerk and Legislative Journal	\$ 969	\$ 969	\$ 969
Subtotal — Postage	\$ 969	\$ 969	\$ 969
Contingent Expenses:			
Speaker	\$ 20	\$ 20	\$ 20
Chief Clerk	532	580	580
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
Subtotal — Contingent Expenses	\$ 644	\$ 692	\$ 692
Miscellaneous Expenses:			
Legislative Office for Research Liaison	\$ 445	\$ 458	\$ 458
School for New Members	15	.....	.....
Incidental Expenses	5,925	5,925	5,925
Committee on Appropriations (D)	1,405	1,471	1,471
Committee on Appropriations (R)	1,405	1,471	1,471
Expenses — Representatives	1,909	1,909	1,909
Legislative Printing and Expenses	11,500	11,500	11,500
National Legislative Conference — Expenses	190	190	190
Special Leadership Account (D)	7,635	7,994	7,994
Special Leadership Account (R)	7,635	7,994	7,994

Summary by Fund and Appropriation

	1994-95 Actual	(Dollar Amounts in Thousands) 1995-96 Available	1996-97 Budget
GENERAL FUND			
<i>HOUSE OF REPRESENTATIVES: (continued)</i>			
Legislative Management Committee (D)	\$ 9,553	\$ 10,002	\$ 10,002
Legislative Management Committee (R)	9,553	10,002	10,002
Commonwealth Emergency Medical System	34	34	34
Member's Home Office Expenses	1,928	1,928	1,928
Subtotal — Miscellaneous Expenses	\$ 59,132	\$ 60,878	\$ 60,878
TOTAL — HOUSE OF REPRESENTATIVES	\$ 97,863	\$ 102,397	\$ 102,397
 LEGISLATIVE MISCELLANEOUS AND COMMISSIONS:			
Legislative Reference Bureau:			
Salaries and Expenses	\$ 4,873	\$ 5,117	\$ 5,117
Contingent Expenses	15	15	15
Printing of Pennsylvania Bulletin and Pennsylvania Code	611	611	611
Subtotal — Legislative Reference Bureau	\$ 5,499	\$ 5,743	\$ 5,743
Legislative Budget and Finance Committee	2,135	2,020	2,020
Legislative Data Processing Center	2,900	2,900	2,900
Joint State Government Commission	1,712	1,712	1,712
Local Government Commission	644	672	672
National Conference of State Legislatures Convention .....	....	200	200
Local Government Codes	57	55	55
Joint Legislative Air and Water Pollution Control Committee	284	305	305
House Flag Purchase	24	24	24
Senate Flag Purchase	24	24	24
Capital Preservation Projects	10,445	....	....
Legislative Audit Advisory Commission	140	140	140
Ethics Commission	1,035	1,087*	1,035
Ethics Commission — Comptroller .....	....	....	62
Independent Regulatory Review Commission	1,235	1,289	1,289
Capitol Preservation Committee	202	220	220
Capitol Restoration	100	4,086	4,086
Colonial History	137	187	187
Commission on Sentencing	575	610	610
Health Care Cost Containment Council	3,062	2,962	2,962
Center for Rural Pennsylvania	925	925	925
Subtotal — State Funds	\$ 25,636	\$ 19,418	\$ 19,428
TOTAL — LEGISLATIVE MISCELLANEOUS AND COMMISSIONS	\$ 31,135	\$ 25,161	\$ 25,171
STATE FUNDS	\$ 182,984	\$ 185,106	\$ 185,116
GENERAL FUND TOTAL	\$ 182,984	\$ 185,106	\$ 185,116

* Includes recommended supplemental of \$52,000.

LEGISLATURE

Program Funding Summary:

	(Dollar Amounts in Thousands)						
	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
LEGISLATURE							
GENERAL FUND.....	\$ 182,984	\$ 185,106	\$ 185,116	\$ 185,080	\$ 185,080	\$ 185,080	\$ 185,080
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
SUBCATEGORY TOTAL.....	\$ 182,984	\$ 185,106	\$ 185,116	\$ 185,080	\$ 185,080	\$ 185,080	\$ 185,080
ALL PROGRAMS:							
GENERAL FUND.....	\$ 182,984	\$ 185,106	\$ 185,116	\$ 185,080	\$ 185,080	\$ 185,080	\$ 185,080
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
DEPARTMENT TOTAL.....	\$ 182,984	\$ 185,106	\$ 185,116	\$ 185,080	\$ 185,080	\$ 185,080	\$ 185,080

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)

\$ 10 Legislature
—to continue current program.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
TOTAL GENERAL FUND	\$ 182,984	\$ 185,106	\$ 185,116	\$ 185,080	\$ 185,080	\$ 185,080	\$ 185,080



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 and Community Courts including District Justices, Philadelphia Municipal Court and Philadelphia Traffic Court.

GOVERNOR'S EXECUTIVE BUDGET

JUDICIARY

Summary by Fund and Appropriation

	1994-95 Actual	(Dollar Amounts in Thousands) 1995-96 Available	1996-97 Budget
GENERAL FUND			
GENERAL GOVERNMENT:			
SUPREME COURT:			
Supreme Court	\$ 8,093	\$ 8,861	\$ 8,812
(A) Filing Fees	440	431	431
Justice Expenses	180	180	180
Office of Legal Systems	425	1,800	250
Civil Procedural Rules Committee	309	314	322
Criminal Procedural Rules Committee	300	314	329
Judicial Conduct Board	825	863	849
Court of Judicial Discipline	384	405	346
Domestic Relations Committee	139	144	147
Court Administrator	4,277	4,408	4,627
(A) Law Student Fees .....	.....	1,300	.....
(A) Miscellaneous	2	3	3
(R) Judicial Computer System	8,347	13,000	10,000
Subtotal — State Funds	\$ 14,932	\$ 17,289	\$ 15,862
Subtotal — Augmentations	442	1,734	434
Subtotal — Restricted Revenue	8,347	13,000	10,000
Total — Supreme Court	\$ 23,721	\$ 32,023	\$ 26,296
SUPERIOR COURT:			
Superior Court	\$ 14,658	\$ 16,265 ^a	\$ 17,174
(A) Filing Fees	277	250	270
Justice Expenses	237	237	237
Subtotal — State Funds	\$ 14,895	\$ 16,502	\$ 17,411
Subtotal — Augmentations	277	250	270
Total — Superior Court	\$ 15,172	\$ 16,752	\$ 17,681
COMMONWEALTH COURT:			
Commonwealth Court	\$ 9,793	\$ 10,606	\$ 11,158
(A) Filing Fees	242	200	200
Justice Expenses	143	143	143
Subtotal — State Funds	\$ 9,936	\$ 10,749	\$ 11,301
Subtotal — Augmentations	242	200	200
Total — Commonwealth Court	\$ 10,178	\$ 10,949	\$ 11,501
COURTS OF COMMON PLEAS:			
Courts of Common Pleas	\$ 44,145	\$ 47,365 ^b	\$ 49,642
Senior Judges	2,839	3,070 ^c	3,216
Judicial Education	435	456	458
Total — Courts of Common Pleas	\$ 47,419	\$ 50,891	\$ 53,316

^a Includes recommended supplemental appropriation of \$140,000.

^b Includes recommended supplemental appropriation of \$776,000.

^c Includes recommended supplemental appropriation of \$116,000.

JUDICIARY

Summary by Fund and Appropriation

	1994-95 Actual	(Dollar Amounts in Thousands) 1995-96 Available	1996-97 Budget
<u>GENERAL FUND</u>			
<i>GENERAL GOVERNMENT: (continued)</i>			
COMMUNITY COURTS:			
District Justices	\$ 38,461	\$ 40,083 [*]	\$ 42,328
District Justice Education	447	479	485
(A) Registration Fees	36	13	23
Subtotal — State Funds	\$ 38,908	\$ 40,562	\$ 42,813
Subtotal — Augmentations	36	13	23
Total — Community Courts	\$ 38,944	\$ 40,575	\$ 42,836
PHILADELPHIA COURTS:			
Traffic Court	\$ 507	\$ 532	\$ 559
Municipal Court	3,352	3,519	3,777
Law Clerks	39	39	39
Domestic Violence	185	200	200
Total — Philadelphia Courts	\$ 4,083	\$ 4,290	\$ 4,575
Pittsburgh Magistrate Court .....	.....	1,200	1,200
GENERAL GOVERNMENT TOTALS:			
Total — State Funds	\$ 130,173	\$ 141,483	\$ 146,478
Total — Augmentations	997	2,197	927
Total — Restricted Revenue	8,347	13,000	10,000
Total — General Government	\$ 139,517	\$ 156,680	\$ 157,405
GRANTS AND SUBSIDIES:			
Reimbursement of County Costs:			
County Courts	\$ 29,071	\$ 29,071	\$ 29,071
Jurors	1,469	1,469	1,469
Total — Grants and Subsidies	\$ 30,540	\$ 30,540	\$ 30,540
STATE FUNDS	\$ 160,713	\$ 172,023	\$ 177,018
AUGMENTATIONS	997	2,197	927
RESTRICTED REVENUE	8,347	13,000	10,000
GENERAL FUND TOTAL	\$ 170,057	\$ 187,220	\$ 187,945

^{*} Includes recommended supplemental appropriation of \$160,000.

JUDICIARY

Program Funding Summary:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
STATE JUDICIAL SYSTEM							
GENERAL FUND.....	\$ 160,713	\$ 172,023	\$ 177,018	\$ 179,937	\$ 182,914	\$ 185,951	\$ 189,046
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	9,344	15,197	10,927	11,145	11,368	11,595	11,826
SUBCATEGORY TOTAL.....	\$ 170,057	\$ 187,220	\$ 187,945	\$ 191,082	\$ 194,282	\$ 197,546	\$ 200,872
ALL PROGRAMS:							
GENERAL FUND.....	\$ 160,713	\$ 172,023	\$ 177,018	\$ 179,937	\$ 182,914	\$ 185,951	\$ 189,046
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	9,344	15,197	10,927	11,145	11,368	11,595	11,826
DEPARTMENT TOTAL.....	\$ 170,057	\$ 187,220	\$ 187,945	\$ 191,082	\$ 194,282	\$ 197,546	\$ 200,872

JUDICIARY

Program: State Judicial System (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
GENERAL FUND:							
Supreme Court	\$ 8,093	\$ 8,861	\$ 8,812	\$ 8,988	\$ 9,168	\$ 9,351	\$ 9,538
Supreme Court Justice Expenses	180	180	180	180	180	180	180
Office of Legal Systems	425	1,800	250	255	260	265	270
Civil Procedural Rules Committee	309	314	322	328	335	342	349
Criminal Procedural Rules Committee	300	314	329	336	343	350	357
Judicial Conduct Board	825	863	849	866	883	901	919
Court of Judicial Discipline	384	405	346	353	360	367	374
Domestic Relations Committee	139	144	147	150	153	156	159
Court Administrator	4,277	4,408	4,627	4,720	4,814	4,910	5,008
Superior Court	14,658	16,265	17,174	17,517	17,867	18,224	18,588
Superior Court Justice Expenses	237	237	237	237	237	237	237
Commonwealth Court	9,793	10,606	11,158	11,381	11,609	11,841	12,078
Commonwealth Court Justice Expenses ..	143	143	143	143	143	143	143
Courts of Common Pleas	44,145	47,365	49,642	50,635	51,648	52,681	53,735
Common Pleas—Senior Judges	2,839	3,070	3,216	3,280	3,346	3,413	3,481
Common Pleas—Judicial Education	435	456	458	467	476	486	496
District Justices	38,461	40,083	42,328	43,175	44,039	44,920	45,818
District Justice Education	447	479	485	495	505	515	525
Philadelphia Traffic Court	507	532	559	570	581	593	605
Philadelphia Municipal Court	3,352	3,519	3,777	3,853	3,930	4,009	4,089
Law Clerks	39	39	39	40	41	42	43
Domestic Violence	185	200	200	204	208	212	216
Pittsburgh Magistrate Court .....	.....	1,200	1,200	1,224	1,248	1,273	1,298
Reimbursement of County Court Costs	29,071	29,071	29,071	29,071	29,071	29,071	29,071
Juror Cost Reimbursement	1,469	1,469	1,469	1,469	1,469	1,469	1,469
TOTAL GENERAL FUND	\$ 160,713	\$ 172,023	\$ 177,018	\$ 179,937	\$ 182,914	\$ 185,951	\$ 189,046



Governor's Executive Budget

CAPITAL
BUDGET

CAPITAL BUDGET

This section contains the 1996-97 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, Site Development and Transportation Assistance Projects shown will be financed by general obligation bonds. The Fish and Boat Commission and Game Commission projects and the Department of Transportation highway projects are 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. The majority of these projects are designed and constructed through the Department of General Services. However, the Keystone Recreation, Park and Conservation Projects will be administered by the Department of Conservation and Natural Resources.

Public Improvement—Original Furniture and Equipment Projects — This category provides for the equipping of newly completed public improvement projects by purchasing original movable furniture and equipment through the Department of General Services.

Transportation Assistance Projects — These projects include: (a) the purchase of rolling stock and construction or improvement of facilities operated by mass transportation agencies throughout the Commonwealth; and, (b) the acquisition, construction and equipping of rural and intercity common carrier surface transportation systems or any components thereof. These projects are administered through the Department of Transportation.

Redevelopment Assistance Projects — This category provides grants for the acquisition of land and the construction of buildings and other property appurtenances for municipal agencies and authorities for economic development and the prevention and elimination of blight.

Site Development Projects — This category provides grants for the acquisition, construction,

improvement, expansion, extension, repair or rehabilitation of all or part of any facility or system, whether publicly or privately owned, for the collection, treatment or disposal of wastewater, including industrial waste, or for the supply, treatment, storage or distribution of drinking water. These projects are administered through the Pennsylvania Infrastructure Investment Authority.

Flood Control Projects — This category provides the State's share of Federal flood control works and improvements to prevent floods and to preserve, control and regulate the flow of rivers and streams in the Commonwealth. These projects are administered through the Department of Environmental Protection.

Highway Projects — This category includes the design, purchase of rights-of-way, construction, reconstruction and other improvements to highways and bridges on the State highway system. These projects are designed and constructed through the Department of Transportation.

The Capital Budget section consists of the following subsections.

1996-97 New Project Authorizations — This Section itemizes and describes the new capital projects recommended for authorization in 1996-97 and their proposed source of funding. The projects are listed by department and capital project category.

Forecast of Future Projects — This section contains a dollar forecast of new capital projects to be requested during each of the fiscal years 1997-98 through 2000-01. The projections are grouped by department and capital project category.

Estimate of Capital Expenditures — This section provides an estimate of expenditures for capital projects during each of the next five fiscal years. Since design, acquisition and construction of a project are not generally completed during the fiscal year in which the project is initiated, 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 1996-97 and future projects (1997-01).

CAPITAL BUDGET

FORECAST OF DEBT LIMIT AND OUTSTANDING DEBT 1995-96 THROUGH 2000-01

This table includes debt subject to the constitutional debt limit and debt issued under Article 8, Section 7(a)(4) of the Pennsylvania Constitution for projects included in a capital budget. Debt issued under voter approved referendums and for disaster relief is not included.

	(Dollar Amounts in Thousands)					
	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
Average Tax Revenues Previous Five Years ...	\$ 17,664,552	\$ 18,892,870	\$ 19,525,497	\$ 20,106,189	\$ 20,612,781	\$ 21,101,349
Debt Limit ¹	30,912,966	33,062,523	34,169,620	35,185,831	36,072,366	36,927,361
Debt Subject to Constitutional Debt Limit:						
Outstanding Debt-Beginning of Fiscal Year ²	\$ 3,936,124	\$ 3,896,466	\$ 3,998,627	\$ 4,059,152	\$ 4,054,645	\$ 4,028,267
Debt to be Issued	322,500	392,000	347,500	289,000	272,000	316,000
Debt to be Retired ³	<u>-362,158</u>	<u>-289,839</u>	<u>-286,975</u>	<u>-293,507</u>	<u>-298,378</u>	<u>-268,906</u>
Outstanding Debt — End of Fiscal Year	<u>\$ 3,896,466</u>	<u>\$ 3,998,627</u>	<u>\$ 4,059,152</u>	<u>\$ 4,054,645</u>	<u>\$ 4,028,267</u>	<u>\$ 4,075,361</u>
Ratio of Outstanding Debt to Debt Limit	12.6%	12.1%	11.9%	11.5%	11.2%	11.0%

¹ 1.75 times the average tax revenues of previous five fiscal years.

² 1995-96 amount excludes sinking fund balances.

³ Net of interest accreting on capital appreciation bonds during fiscal year.

CAPITAL BUDGET

PROJECTED CAPITAL BUDGET DEBT ISSUES AND DEBT OUTSTANDING 1995-96 THROUGH 2000-01

This table shows the projected amount of general obligation bonds and bond anticipation notes to be issued and the level of debt outstanding at the end of each fiscal year for projects included in a capital budget. A projection of all Commonwealth general obligation debt to be issued and debt outstanding is contained in the Public Debt section of the budget document.

	(Dollar Amounts in Thousands)					
	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
Projected Capital Budget Debt Issues						
Buildings and Structures	\$ 170,000	\$ 170,000	\$ 190,000	\$ 170,000	\$ 190,000	\$ 240,000
Flood Control	3,500	13,000	11,000	15,000	1,000	....
Furnishings and Equipment	6,000	19,000	25,000	31,000	11,000	6,000
Redevelopment Assistance	60,000	90,000	51,500	3,000	....	....
Transportation Assistance	83,000	100,000	70,000	70,000	70,000	70,000
TOTAL	\$ 322,500	\$ 392,000	\$ 347,500	\$ 289,000	\$ 272,000	\$ 316,000
Capital Budget Debt Outstanding Projections						
Bridges ¹	\$ 241,284	\$ 241,779	\$ 241,089	\$ 240,709	\$ 241,651	\$ 243,758
Buildings and Structures	1,279,185	1,335,975	1,407,385	1,461,380	1,531,810	1,650,165
Community Colleges	7,495	5,840	4,090	2,630	1,080	255
Flood Control	14,220	26,565	36,230	49,320	47,640	44,885
Furnishings and Equipment	34,675	48,470	67,255	89,395	88,345	81,540
Highways	605,916	517,711	428,700	337,826	255,029	187,204
Redevelopment Assistance	266,810	335,905	361,495	339,275	315,885	295,240
Refunding Bonds ²	796,916	778,807	781,043	780,260	770,337	772,394
Site Development	64,100	57,140	50,115	43,025	38,865	35,830
Transportation Assistance	585,865	650,435	681,750	710,825	737,625	764,090
TOTAL	\$ 3,896,466	\$ 3,998,627	\$ 4,059,152	\$ 4,054,645	\$ 4,028,267	\$ 4,075,361

¹ Includes bonds issued to refund bridge project bonds.

² Bonds issued to refund Capital Budget bonds (except for bridge projects) and to refinance General State Authority rentals.

CAPITAL BUDGET

FORECAST OF DEBT SERVICE REQUIREMENTS 1996-97 Through 2000-01

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. 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. Debt service on all general obligation bonds is shown in the Public Debt section.

(Dollar Amounts in Thousands)

	1996-97	1997-98	1998-99	1999-00	2000-01
GENERAL FUND					
Treasury Department					
Building and Structure Projects	\$ 183,888	\$ 191,545	\$ 191,980	\$ 198,433	\$ 204,518
Community College Projects ¹	2,036	2,029	1,638	1,637	876
Flood Control Projects	1,618	2,880	3,976	5,212	5,185
Furnishings and Equipment Projects	7,255	9,006	12,606	16,588	17,173
Redevelopment Assistance Projects	37,572	45,273	45,036	41,899	37,888
Refunding ²	105,616	102,346	101,174	109,878	106,183
Site Development Projects	10,979	10,601	10,217	6,829	5,468
Transportation Assistance Projects	69,703	75,534	78,982	82,538	84,033
Less: Augmentations, Interest Earnings and Miscellaneous Revenues	-6,188	-7,438	-7,877	-8,260	-8,260
TOTAL — GENERAL FUND	\$ 412,479	\$ 431,776	\$ 437,732	\$ 454,754	\$ 453,064
MOTOR LICENSE FUND					
Treasury Department					
Highway Projects	\$ 118,075	\$ 113,802	\$ 110,913	\$ 98,535	\$ 80,253
Building and Structure Projects ²	1,367	2,274	2,425	2,808	2,808
TOTAL — MOTOR LICENSE FUND	\$ 119,442	\$ 116,076	\$ 113,338	\$ 101,343	\$ 83,061
FISH FUND					
Treasury Department					
Building and Structure Projects ²	\$ 1	....	....	....	....
TOTAL — FISH FUND	\$ 1	....	....	....	....
OTHER FUNDS					
Motor License Fund Restricted Receipts					
Aviation — Airport Building and Structure Projects ²	\$ 1,378	\$ 1,646	\$ 1,935	\$ 1,935	\$ 1,935
Highway Bridge Improvement Projects ²	29,218	29,695	29,578	28,465	26,263
TOTAL — OTHER FUNDS	\$ 30,596	\$ 31,341	\$ 31,513	\$ 30,400	\$ 28,198
TOTAL DEBT SERVICE — ALL FUNDS	\$ 562,518	\$ 579,193	\$ 582,583	\$ 586,497	\$ 564,323

¹ Fifty percent of this amount is reimbursed by the appropriate colleges.

² Includes debt service on bonds to refund Capital Budget bonds and/or to refinance General State Authority rentals.

CAPITAL BUDGET

CAPITAL FACILITIES FUND FINANCIAL STATEMENT¹ 1996-97 Through 2000-01

(Dollar Amounts in Thousands)

	Building and Structure Projects	Transportation Assistance Projects	Furnishings & Equipment Projects	Redevelopment Assistance Projects	Flood Control Projects	Total
Balance, July 1, 1996	\$ 61,773	\$ 39,782	\$ 646	\$ 4,091	\$ 816	\$ 107,108
Bond Issues	170,000	100,000	19,000	90,000	13,000	392,000
Miscellaneous Revenue	2,869	1,754	111	249	95	5,078
Estimated Expenditures	<u>-174,386</u>	<u>-104,696</u>	<u>-17,417</u>	<u>-89,117</u>	<u>-11,912</u>	<u>-397,528</u>
Balance, July 1, 1997	\$ 60,256	\$ 36,840	\$ 2,340	\$ 5,223	\$ 1,999	\$ 106,658
Bond Issues	190,000	70,000	25,000	51,500	11,000	347,500
Miscellaneous Revenue	2,983	1,505	79	22	98	4,687
Estimated Expenditures	<u>-190,599</u>	<u>-76,748</u>	<u>-25,769</u>	<u>-56,288</u>	<u>-11,048</u>	<u>-360,452</u>
Balance, July 1, 1998	\$ 62,640	\$ 31,597	\$ 1,650	\$ 457	\$ 2,049	\$ 98,393
Bond Issues	170,000	70,000	31,000	3,000	15,000	289,000
Miscellaneous Revenue	3,015	1,392	108	3	77	4,595
Estimated Expenditures	<u>-172,348</u>	<u>-73,748</u>	<u>-30,493</u>	<u>-3,390</u>	<u>-15,509</u>	<u>-295,488</u>
Balance, July 1, 1999	\$ 63,307	\$ 29,241	\$ 2,265	\$ 70	\$ 1,617	\$ 96,500
Bond Issues	190,000	70,000	11,000	....	1,000	272,000
Miscellaneous Revenue	3,064	1,555	80	4	3	4,706
Estimated Expenditures	<u>-192,037</u>	<u>-68,148</u>	<u>-11,659</u>	<u>....</u>	<u>-2,555</u>	<u>-274,399</u>
Balance, July 1, 2000	\$ 64,334	\$ 32,648	\$ 1,686	\$ 74	\$ 65	\$ 98,807
Bond Issues	240,000	70,000	6,000	....	....	316,000
Miscellaneous Revenue	2,745	1,655	62	4	3	4,469
Estimated Expenditures	<u>-249,436</u>	<u>-69,549</u>	<u>-6,451</u>	<u>....</u>	<u>....</u>	<u>-325,436</u>
Balance, July 1, 2001	\$ 57,643	\$ 34,754	\$ 1,297	\$ 78	\$ 68	\$ 93,840

¹ Bonds are issued to meet the cash requirements of each category of projects and to maintain cash balances.

CAPITAL BUDGET

ESTIMATED CAPITAL EXPENDITURES State Funds 1996-97 Through 2000-01

(Dollar Amounts in Thousands)

FROM GENERAL OBLIGATION BONDS	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
Capital Facilities Fund					
Public Improvement Projects					
Buildings and Structures	\$ 171,836	\$ 189,649	\$ 171,498	\$ 191,087	\$ 248,236
Original Furniture and Equipment	17,132	25,644	30,338	11,604	6,421
Redevelopment Assistance Projects	87,767	56,030	3,375	.....	.....
Flood Control Projects	11,717	10,993	15,434	2,550	.....
Transportation Assistance Projects	103,196	76,398	73,398	67,798	69,199
Subtotal - Capital Facilities Fund	<u>\$ 391,648</u>	<u>\$ 358,714</u>	<u>\$ 294,043</u>	<u>\$ 273,039</u>	<u>\$ 323,856</u>
Keystone Recreation, Park and Conservation Bond Fund					
Acquisition, Improvement and Restoration Projects	\$ 2,015	\$ 2,205	\$ 315	.....	.....
Subtotal - Keystone Recreation, Park and Conservation Fund	<u>\$ 2,015</u>	<u>\$ 2,205</u>	<u>\$ 315</u>	<u>.....</u>	<u>.....</u>
Total — General Obligation Bonds	<u>\$ 393,663</u>	<u>\$ 360,919</u>	<u>\$ 294,358</u>	<u>\$ 273,039</u>	<u>\$ 323,856</u>
FROM CURRENT REVENUES					
Public Improvement Projects — Game Fund	\$ 2,000	\$ 6,000	\$ 3,000	\$ 3,000	\$ 3,000
Acquisition, Improvement and Restoration Projects — Keystone Recreation, Park and Conservation Fund	5,300	2,600	2,600	2,600	2,600
Highway Projects — Motor License Fund	193,030	211,852	213,447	225,322	237,645
Total — Current Revenues	<u>\$ 200,330</u>	<u>\$ 220,452</u>	<u>\$ 219,047</u>	<u>\$ 230,922</u>	<u>\$ 243,245</u>
TOTAL — ALL STATE FUNDS	<u>\$ 593,993</u>	<u>\$ 581,371</u>	<u>\$ 513,405</u>	<u>\$ 503,961</u>	<u>\$ 567,101</u>

CAPITAL BUDGET

FORECAST OF NEW PROJECT AUTHORIZATIONS FINANCED FROM STATE FUNDS Five Year Forecast by Department

(Dollar Amounts in Thousands)

	1996-97	1997-98	1998-99	1999-00	2000-01	Total
Department of Agriculture	\$ 1,981	\$ 140	\$ 168	\$ 196	\$ 224	\$ 2,709
Department of Conservation and Natural Resources	6,872	11,790	13,628	15,466	17,304	65,060
Department of Corrections	136,012	23,422	28,106	32,790	37,475	257,805
Department of Education	12,841	24,600	29,520	34,440	39,359	140,760
Department of Environmental Protection	6,764	2,283	2,739	3,196	3,653	18,635
Fish and Boat Commission .....	.....	.....	.....	.....	.....	.....
Game Commission	5,000	3,000	3,000	3,000	3,000	17,000
Department of General Services	219,523	13,144	15,773	18,402	21,031	287,873
Historical and Museum Commission	1,112	7,569	9,083	10,597	12,111	40,472
Department of Military and Veterans Affairs	1,093	2,442	2,931	3,419	3,907	13,792
Department of Public Welfare	5,117	11,344	13,613	15,882	18,151	64,107
State Police	4,550	2,918	3,502	4,085	4,669	19,724
Department of Transportation	142,995	142,948	143,537	144,127	144,716	718,323
TOTAL	<u>\$ 543,860</u>	<u>\$ 245,600</u>	<u>\$ 265,600</u>	<u>\$ 285,600</u>	<u>\$ 305,600</u>	<u>\$ 1,646,260</u>

CAPITAL BUDGET

RECOMMENDED 1996-97 NEW PROJECT AUTHORIZATIONS STATE FUNDS Summary by Department

(Dollar Amounts in Thousands)

	Capital Facilities Bond Funds				Keystone Recreation, Park and Conservation Bond Fund
	Public Improvement Projects	Original Furniture & Equipment	Transportation Assistance Projects	Flood Control	Public Improvement Projects
Department of Agriculture	\$ 1,177	\$ 804	....	....	....
Department of Conservation and Natural Resources	1,048	74	....	....	\$ 3,150
Department of Corrections	136,012	....	....	....	....
Department of Education	9,495	3,346	....	....	....
Department of Environmental Protection	6,414	....	....	\$ 350	....
Fish and Boat Commission .....	....	....	....	....	....
Game Commission .....	....	....	....	....	....
Department of General Services	219,523	....	....	....	....
Historical and Museum Commission	750	362	....	....	....
Department of Military and Veterans Affairs .....	....	1,093	....	....	....
Department of Public Welfare	3,924	1,193	....	....	....
State Police	4,452	98	....	....	....
Department of Transportation	23,627	....	\$ 51,988	....	....
TOTAL	\$ 406,422	\$ 6,970	\$ 51,988	\$ 350	\$ 3,150

Current Revenues

	Highway Projects	Keystone Recreation, Park and Conservation Projects	Game Commission Projects	Fish and Boat Commission Projects	All Funds
Department of Agriculture	\$ 1,981
Department of Conservation and Natural Resources	\$ 2,600	....	....	6,872
Department of Corrections	136,012
Department of Education	12,841
Department of Environmental Protection	6,764
Fish and Boat Commission
Game Commission	\$ 5,000	....	5,000
Department of General Services	219,523
Historical and Museum Commission	1,112
Department of Military and Veterans Affairs	1,093
Department of Public Welfare	5,117
State Police	4,550
Department of Transportation	\$ 67,380	....	....	....	142,995
TOTAL	\$ 67,380	\$ 2,600	\$ 5,000	....	\$ 543,860

CAPITAL BUDGET

DEPARTMENT OF AGRICULTURE

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
1996-97 PUBLIC IMPROVEMENT PROJECTS				
Protection and Development of Agricultural Industries	\$ 1,785	....	\$ 196	\$ 1,981
TOTAL PROJECTS	<u>\$ 1,785</u>	<u>....</u>	<u>\$ 196</u>	<u>\$ 1,981</u>

SOURCE OF FUNDS

General Obligation Bond Issues

Capital Facilities Fund — Buildings and Structures	\$ 981	....	\$ 196	\$ 1,177
Capital Facilities Fund — Furniture and Equipment	804	....	....	804
TOTAL	<u>\$ 1,785</u>	<u>....</u>	<u>\$ 196</u>	<u>\$ 1,981</u>

CAPITAL BUDGET

Department of Agriculture 1996-97 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
FROM CAPITAL FACILITIES BOND FUNDS				
PUBLIC IMPROVEMENT PROJECTS				
Program: Protection and Development of Agricultural Industries				
Department of Agriculture Headquarters				
CONSTRUCTION OF A HEADHOUSE AND GREENHOUSE ADDITION: This project provides for the construction of a headhouse and greenhouse addition. This project will also provide for the renovation of the existing greenhouse and construct a new headhouse/storage facility along with a covered walkway to connect all structures				
	\$ 327	....	\$ 65	\$ 392
Agriculture Laboratory				
ORIGINAL FURNITURE AND EQUIPMENT FOR PROJECT NO. 700-32, AGRICULTURE LABORATORY: This provides for movable furnishings and essential equipment for the conduct of laboratory procedures.				
	804	....	....	804
Farm Show Complex				
ASBESTOS ABATEMENT - LARGE ARENA: This project provides for the removal of the deactivated heating system piping and ducting which contain asbestos materials and/or encapsulation of asbestos containing materials				
	654	....	131	785
PROGRAM TOTAL	\$ 1,785	....	\$ 196	\$ 1,981

CAPITAL BUDGET

DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
1996-97 PUBLIC IMPROVEMENT PROJECTS				
Parks and Forests Management	\$ 7,456	....	\$ 66	\$ 7,522
TOTAL PROJECTS	<u>\$ 7,456</u>	<u>....</u>	<u>\$ 66</u>	<u>\$ 7,522</u>
SOURCE OF FUNDS				
General Obligation Bond Issues				
Capital Facilities Fund — Buildings and Structures	\$ 982	....	\$ 66	\$ 1,048
Capital Facilities Fund — Furniture and Equipment	74	....	....	74
Keystone Recreation, Park and Conservation Fund — Acquisition, Improvements and Restoration	<u>3,150</u>	<u>....</u>	<u>....</u>	<u>3,150</u>
Subtotal General Obligation Bond Issues	<u>\$ 4,206</u>	<u>....</u>	<u>\$ 66</u>	<u>\$ 4,272</u>
Current Revenues				
Keystone Recreation, Park and Conservation Fund — Acquisition, Improvements and Restoration	\$ 2,600	....	....	\$ 2,600
Federal Funds	<u>\$ 650</u>	<u>....</u>	<u>....</u>	<u>\$ 650</u>
TOTAL	<u>\$ 7,456</u>	<u>....</u>	<u>\$ 66</u>	<u>\$ 7,522</u>

CAPITAL BUDGET

Department of Conservation and Natural Resources 1996-97 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
FROM CAPITAL FACILITIES BOND FUNDS				
PUBLIC IMPROVEMENT PROJECTS				
Program: Parks and Forests Management				
Presque Isle State Park				
BEACH NOURISHMENT AND STABILIZATION:				
This project provides the State share (50%) of the cost of replenishing the sand on the lake side shore.....	State Fed.	\$ 650 650	..... .....	\$ 650 650
Pymatuning State Park				
ORIGINAL FURNITURE AND EQUIPMENT FOR PROJECT NO. DGS 103-4, TO REHABILITATE LINESVILLE BOAT LIVERY:				
This project provides movable furniture and equipment to maintain the boat storage facilities.		54	..... .....	54
Shawnee State Park				
ADDITIONAL FUNDS FOR PROJECT NO. DGS 155-11, REPLACEMENT OF TWO BRIDGES ON MAIN PARK ROAD:				
This project provides additional funds to complete the construction of two bridges connecting the north and south sides of the park		332	..... \$ 66	398
Sinnamahoning State Park				
ORIGINAL FURNITURE AND EQUIPMENT FOR PROJECT NO. DGS 104-4, RECONSTRUCTION OF THE SPILLWAY AND CONTROL TOWER OF THE GEORGE B. STEVENSON DAM:				
This project provides original furniture and equipment to maintain the spillway and controls		20	..... .....	20
Total State Funds	\$	1,056	..... .....	\$ 1,122
Total Federal Funds		650	..... .....	650
PROGRAM TOTAL	\$	1,706	..... \$ 66	\$ 1,772

CAPITAL BUDGET

Department of Conservation and Natural Resources 1996-97 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
FROM KEYSTONE RECREATION, PARK AND CONSERVATION BOND FUNDS				
PUBLIC IMPROVEMENT PROJECTS				
Program: Parks and Forests Management				
Bald Eagle State Park				
RENOVATION OF SEWAGE TREATMENT PLANT AND COLLECTION SYSTEM:				
This project provides for the renovation or replacement of all mechanical equipment in the treatment plant and lift station and replacement of all deteriorating concrete.				
	\$ 600	....	....	\$ 600
Forest District 12				
REHABILITATE 30 MILES OF PINE CREEK TRAIL:				
This project provides for the upgrade of the old railroad grade including surface, drainage and bridge repairs				
	1,250	....	....	1,250
Gifford Pinchot State Park				
RENOVATION OF SEWAGE TREATMENT PLANT AND COLLECTION SYSTEM:				
This project provides for the renovation or replacement of mechanical equipment in the treatment plant and lift station and replacement of deteriorating concrete. This project will also reconstruct or replace the collection system				
	800	....	....	800
Worlds End State Park				
CONSTRUCT NEW SEWAGE TREATMENT PLANT AND COLLECTION SYSTEM:				
This project provides for the construction of a new sewage treatment plant and collection system and replace holding tanks and subsurface systems				
	500	....	....	500
PROGRAM TOTAL	\$ 3,150	....	....	\$ 3,150

CAPITAL BUDGET

Department of Conservation and Natural Resources 1996-97 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
FROM KEYSTONE RECREATION, PARK AND CONSERVATION CURRENT REVENUES				
PUBLIC IMPROVEMENT PROJECTS				
Program: Parks and Forests Management				
Forest District 12				
REHABILITATE COLTON POINT ROAD:				
This project provides for the reconstruction of seven miles of bituminous road surface and drainage	\$ 1,200			\$ 1,200
Kings Gap Environmental Education Center				
REHABILITATE MANSION MECHANICAL AND ELECTRICAL SYSTEMS:				
This project provides for the replacement of interior plumbing and upgrade electrical and heating systems to meet local code requirements	700			700
Ryerson Station State Park				
REHABILITATE SWIMMING POOL:				
This project provides for the replacement of the water circulation system, filtration/chlorination system and concrete replacement	700			700
PROGRAM TOTAL	\$ 2,600			\$ 2,600

CAPITAL BUDGET

DEPARTMENT OF CORRECTIONS

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
1996-97 PUBLIC IMPROVEMENT PROJECTS				
Institutionalization of Offenders	\$ 115,780	\$ 1,000	\$ 19,232	\$ 136,012
TOTAL PROJECTS	<u>\$ 115,780</u>	<u>\$ 1,000</u>	<u>\$ 19,232</u>	<u>\$ 136,012</u>
SOURCE OF FUNDS				
General Obligation Bond Issues				
Capital Facilities Fund – Buildings and Structures	\$ 115,780	\$ 1,000	\$ 19,232	\$ 136,012
TOTAL	<u>\$ 115,780</u>	<u>\$ 1,000</u>	<u>\$ 19,232</u>	<u>\$ 136,012</u>

CAPITAL BUDGET

Department of Corrections 1996-97 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
FROM CAPITAL FACILITIES BOND FUNDS				
PUBLIC IMPROVEMENT PROJECTS				
Program: Institutionalization of Offenders				
Correctional Facility at Coal Township - Northumberland County				
EXPANDED CAPACITY FOR INMATE HOUSING:				
This project provides for the addition of three modular units for use as inmate housing. This will increase capacity by 690 beds				
	\$ 23,000	....	\$ 4,600	\$ 27,600
State Correctional Institution at Dallas				
RECONSTRUCTION OF BOILERS, SUPPORTING STRUCTURES, CONTROLS AND ASSOCIATED FUELS HANDLING EQUIPMENT:				
This project provides for the reconstruction of three boilers; the installation of new controls; the reconstruction of support structures and associated coal handling equipment				
	4,700	....	940	5,640
Western Pennsylvania				
CONSTRUCTION OF A PROTOTYPICAL 1,000 CELL MEDIUM SECURITY CORRECTIONAL FACILITY:				
This project provides for the construction of a new correctional facility of at least 560,000 sq. ft. based upon the prototypical design and utilizing modular construction. The project will include all the facilities necessary for the operation of a self-contained institution				
	78,480	\$ 1,000	11,772	91,252
State Correctional Institution at Greensburg				
UPGRADE ELECTRIC UTILITY SYSTEM:				
This project provides for an increase in transformer and distribution system capacity.				
	2,000	....	400	2,400
State Correctional Institution at Mercer				
EXPANSION OF CORE UTILITIES AND FACILITIES:				
This project provides for the expansion of kitchen/dining, administration and program facilities along with utilities including water, sewer and electric services. This will permit an increase in the population of 281 inmates.				
	5,000	....	1,000	6,000
State Correctional Institution at Pittsburgh				
REHABILITATION OF BOILER/POWER PLANT:				
This project provides for the rehabilitation of boiler plant components including combustion control system, stokers on boilers Nos.4 and 5, emergency generator, ash removal system and building components				
	2,600	....	520	3,120
PROGRAM TOTAL	\$ 115,780	\$ 1,000	\$ 19,232	\$ 136,012

CAPITAL BUDGET

DEPARTMENT OF EDUCATION

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
1996-97 PUBLIC IMPROVEMENT PROJECTS				
Higher Education – State System of Higher Education	\$ 867	....	....	\$ 867
Higher Education – State-related Universities	10,391	....	\$ 1,583	11,974
TOTAL PROJECTS	<u>\$ 11,258</u>	<u>....</u>	<u>\$ 1,583</u>	<u>\$ 12,841</u>

SOURCE OF FUNDS

General Obligation Bond Issues

Capital Facilities Fund – Buildings and Structures	\$ 7,912	....	\$ 1,583	\$ 9,495
Capital Facilities Fund – Furniture and Equipment	3,346	....	....	3,346
TOTAL	<u>\$ 11,258</u>	<u>....</u>	<u>\$ 1,583</u>	<u>\$ 12,841</u>

CAPITAL BUDGET

Department of Education 1996-97 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
FROM CAPITAL FACILITIES BOND FUNDS				
PUBLIC IMPROVEMENT PROJECTS				
Program: Higher Education — State System of Higher Education				
Edinboro University				
ORIGINAL FURNITURE AND EQUIPMENT FOR PROJECT NO. 406-47, RENOVATION OF LOVELAND HALL: This project provides for the purchase of movable furnishings and equipment so that the renovation project can become operational	\$ 30	....	....	\$ 30
Indiana University				
ORIGINAL FURNITURE AND EQUIPMENT FOR PROJECT NO. 407-64, RENOVATION OF CLARK HALL: This project provides for the purchase of movable furniture and equipment so that the renovation project can become operational	333	....	....	333
ORIGINAL FURNITURE AND EQUIPMENT FOR PROJECT NO. 407-65, RENOVATION OF UHLER HALL: This project provides for the purchase of movable furniture and equipment so that the renovation project can become operational	504	....	....	504
PROGRAM TOTAL	<u>\$ 867</u>	<u>....</u>	<u>....</u>	<u>\$ 867</u>
Program: Higher Education — State-Related Universities				
Lincoln University				
CONSTRUCTION OF A STORM WATER MANAGEMENT SYSTEM: This project provides for the construction of a storm water drainage system which will prevent hydraulic overloading of the sewer system. The project will include the construction of a network of piping and a detention basin to divert water from high run-off areas	\$ 903	....	\$ 181	\$ 1,084
The Pennsylvania State University				
ORIGINAL FURNITURE AND EQUIPMENT FOR PROJECT NO. 800-233, CONSTRUCTION OF A LIBRARY AT THE HARRISBURG CAMPUS: This project provides for the purchase of movable furniture and equipment so that the construction project can become operational	1,650	....	....	1,650
ORIGINAL FURNITURE AND EQUIPMENT FOR PROJECT NO. 800-238, CONSTRUCTION OF A BIOMEDICAL TECHNOLOGY CENTER AT THE FAYETTE CAMPUS: This project provides for the purchase of movable furniture and equipment so that the construction project can become operational	477	....	....	477
ORIGINAL FURNITURE AND EQUIPMENT FOR PROJECT NO. 800-244, RENOVATION OF THE ANIMAL DIAGNOSTICS LABORATORY AT THE UNIVERSITY PARK CAMPUS: This project provides for the purchase of movable furniture and equipment so that the renovation project can become operational	237	....	....	237

CAPITAL BUDGET

Department of Education 1996-97 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
FROM CAPITAL FACILITIES BOND FUNDS				
PUBLIC IMPROVEMENT PROJECTS				
Program: Higher Education — State-Related Universities (continued)				
University of Pittsburgh				
ADDITIONAL FUNDS FOR FURNITURE AND EQUIPMENT FOR PROJECT NO. 1103-53, CONSTRUCTION OF AN ADMINISTRATION/CLASSROOM BUILDING AT THE JOHNSTOWN CAMPUS:				
This project provides for the purchase of movable furniture and equipment so that the construction project can become operational				
	\$ 66	....	....	\$ 66
ADDITIONAL FUNDS FOR FURNITURE AND EQUIPMENT FOR PROJECT NO. 1103-54, CONSTRUCTION OF A NEW SCIENCE CENTER AT THE TITUSVILLE CAMPUS:				
This project provides for the purchase of movable furniture and equipment so that the construction project can become operational				
	49	....	....	49
Temple University				
INSTALLATION OF AN ELECTRONIC ACCESS/INTRUSION DETECTION SYSTEM AT MAIN CAMPUS:				
This project provides for the installation of a supervised electronic access and intrusion detection system. The system will operate on 627 doors and will include card access, video surveillance and automatic locking system.				
	7,009	....	1,402	8,411
PROGRAM TOTAL	\$ 10,391	....	\$ 1,583	\$ 11,974

CAPITAL BUDGET

DEPARTMENT OF ENVIRONMENTAL PROTECTION

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
1996-97 PUBLIC IMPROVEMENT PROJECTS				
Environmental Protection and Management	\$ 5,345	....	\$ 1,069	\$ 6,414
1996-97 FLOOD CONTROL PROJECTS				
Environmental Protection and Management	\$ 2,800	....	....	\$ 2,800
TOTAL PROJECTS	\$ 8,145	....	\$ 1,069	\$ 9,214
 SOURCE OF FUNDS				
General Obligation Bond Issues				
Capital Facilities Fund — Flood Control	\$ 350	....	....	\$ 350
Capital Facilities Fund — Buildings and Structures	5,345	....	\$ 1,069	6,414
Subtotal General Obligation Bond Issues	\$ 5,695	....	\$ 1,069	\$ 6,764
Federal Funds	\$ 2,100	....	....	\$ 2,100
Local Funds	350	....	....	350
TOTAL	\$ 8,145	....	\$ 1,069	\$ 9,214

CAPITAL BUDGET

Department of Environmental Protection 1996-97 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
PUBLIC IMPROVEMENT PROJECTS				
Program: Environmental Protection and Management				
Bethel Park Borough — Allegheny County				
ADDITIONAL FUNDS FOR PROJECT NO. 184-20, FLOOD PROTECTION:				
This project provides additional funding to construct culverts and a debris basin along an unnamed tributary to Grassers Run. The upstream boundary of the project is at Church Road and the down stream limit is at Bethel Church Road. This additional funding will increase the total investment in this project to \$2.48 million				
	\$ 900	....	\$ 180	\$ 1,080
Borough of Dunbar — Fayette County				
ADDITIONAL FUNDS FOR PROJECT NO. 180-23, CHANNEL IMPROVEMENTS ALONG DUNBAR CREEK AND GIST RUN:				
This project provides additional funding to complete construction of reinforced concrete retaining walls, installation of relief culverts and excavation to widen and deepen the channel. This additional funding will increase the investment in this project to \$753,000				
	330	....	66	396
City of Johnstown — Cambria County				
REHABILITATE CHANNEL FOR SOLOMON RUN:				
This project provides for the rehabilitation of the concrete lining of the channel for Solomon Run. This project includes concrete repairs to areas of the channel which have eroded prematurely due to acidic flows				
	545	....	109	654
Rayne Township — Armstrong County				
RECONSTRUCTION OF VALVES AND SEALS AT THE ERNEST DEEP MINE COMPLEX:				
This project provides for the reconstruction of valves at the draw-down seal and five seals at the Carl White Treatment plant in Indiana County				
	545	....	109	654
Shaler Township — Allegheny County				
ADDITIONAL FUNDS FOR PROJECT NO. 184-18, FLOOD PROTECTION ALONG PINE CREEK:				
This project provides for additional funding to complete the construction of 2,100 feet of levee along the east bank, flood plain excavation along the west bank and a reinforced concrete retaining wall. This additional funding will increase the total investment in this project to \$1.9 million				
	300	....	60	360
City of Titusville — Crawford County				
CONSTRUCTION OF RETENTION DAM ON CHURCH RUN:				
This project provides for the construction of a retention dam upstream from Titusville so that the flow in Church Run can be regulated				
	2,725	....	545	3,270
PROGRAM TOTAL	\$ 5,345	....	\$ 1,069	\$ 6,414

CAPITAL BUDGET

Department of Environmental Protection 1996-97 Projects

(Dollar Amounts in Thousands)

		Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
FROM CAPITAL FACILITIES BOND FUNDS					
FLOOD CONTROL PROJECTS					
Program: Environmental Protection and Management					
Turtle Creek Basin - Allegheny County					
ADDITIONAL FUNDS FOR THE TURTLE CREEK FLOOD CONTROL PROJECT IN ALLEGHENY COUNTY:					
This project provides for continued construction of concrete and riprap lining, steel sheet pilings and debris basins from Trafford Borough to the Monogahela River					
	State	\$ 350	....	....	\$ 350
	Fed.	2,100	....	....	2,100
	Local	350	....	....	350
Total State Funds		\$ 350	....	....	\$ 350
Total Federal Funds		2,100	....	....	2,100
Total Local Funds		350	....	....	350
PROGRAM TOTAL		\$ 2,800	....	....	\$ 2,800

CAPITAL BUDGET

FISH AND BOAT COMMISSION

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
1996-97 PUBLIC IMPROVEMENT PROJECTS				
Recreational Fishing and Boating	\$ 200	....	....	\$ 200
TOTAL PROJECTS	<u>\$ 200</u>	<u>....</u>	<u>....</u>	<u>\$ 200</u>

SOURCE OF FUNDS

Federal Funds	\$ 150	....	....	\$ 150
Local Funds	50	....	....	50
TOTAL	<u>\$ 200</u>	<u>....</u>	<u>....</u>	<u>\$ 200</u>

CAPITAL BUDGET

Fish and Boat Commission 1996-97 Projects

(Dollar Amounts in Thousands)

FROM CURRENT REVENUES

PUBLIC IMPROVEMENT PROJECTS

Program: Recreational Fishing and Boating

Beaver County

DEVELOPMENT OF A BOATING ACCESS AREA IN THE BOROUGH OF MONACA:

This project provides for the development of a 3.5 acre tract as a boat access area to the Ohio River within Monaca Borough. The project includes a parking area, launch ramps, courtesy docks and associated facilities.

		Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
Fed.	\$	150	....	....	\$ 150
Local		50	....	....	50
PROGRAM TOTAL	\$	200	....	....	\$ 200

CAPITAL BUDGET

GAME COMMISSION

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
1996-97 PUBLIC IMPROVEMENT PROJECTS				
Wild Life Management	\$ 5,000	....	....	\$ 5,000
TOTAL PROJECTS	<u>\$ 5,000</u>	<u>....</u>	<u>....</u>	<u>\$ 5,000</u>
SOURCE OF FUNDS				
Current Revenues				
Game Fund	\$ 5,000	....	....	\$ 5,000
TOTAL	<u>\$ 5,000</u>	<u>....</u>	<u>....</u>	<u>\$ 5,000</u>

CAPITAL BUDGET

Game Commission 1996-97 Projects

(Dollar Amounts in Thousands)

FROM CURRENT REVENUES

Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
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PUBLIC IMPROVEMENT PROJECTS

Program: Wild Life Management

UPGRADE FM RADIO SYSTEM FOR ALL WESTERN REGIONS:

This project provides for the construction of towers, service shelters and antennae installations. The project also provides for the acquisition of microwave equipment, base stations, consoles and all other equipment necessary to achieve a fully operational communications system. The operation of this system must be fully compatible with the future 800 MHz Statewide communications system

\$ 5,000	\$ 5,000
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PROGRAM TOTAL

\$ 5,000	\$ 5,000
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CAPITAL BUDGET

DEPARTMENT OF GENERAL SERVICES

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
1996-97 PUBLIC IMPROVEMENT PROJECTS				
Management and Operation of Facilities	\$ 182,936	....	\$ 36,587	\$ 219,523
TOTAL PROJECTS	<u>\$ 182,936</u>	<u>....</u>	<u>\$ 36,587</u>	<u>\$ 219,523</u>
SOURCE OF FUNDS				
General Obligation Bond Issues				
Capital Facilities Fund – Buildings and Structures	\$ 182,936	....	\$ 36,587	\$ 219,523
TOTAL	<u>\$ 182,936</u>	<u>....</u>	<u>\$ 36,587</u>	<u>\$ 219,523</u>

CAPITAL BUDGET

Department of General Services 1996-97 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
FROM CAPITAL FACILITIES BOND FUNDS				
PUBLIC IMPROVEMENT PROJECTS				
Program: Management and Operation of Facilities				
State Capitol Complex				
UPGRADE CHILLERS AND HUMIDIFICATION SYSTEMS FOR THE STATE MUSEUM AND ARCHIVES BUILDING: This project provides for a complete overhaul of the air conditioning, heating and humidification systems and controls				
	\$ 600	....	\$ 120	\$ 720
ADDITIONAL FUNDS FOR PROJECT NO. 948-37, EXPANSION OF CENTRAL AIR CONDITIONING SYSTEM TO MAIN CAPITOL BUILDING: This project provides additional funding to make the appropriate connections, remove the current chiller system and provide heating and cooling coils within the ducting system. This additional funding will bring the total investment for this project to \$19.5 million.				
	10,000	....	2,000	12,000
ADDITIONAL FUNDS FOR PROJECT NO. 948-9, RENOVATION OF THE FINANCE BUILDING: This project provides for additional funding to continue the renovation activity by including upgrades to all windows, exterior improvements and connection to the central chiller plant. This additional funding will bring the total investment for this project to \$15.6 million.				
	4,336	....	867	5,203
DEMOLITION OF THE TRANSPORTATION AND SAFETY BUILDING AND PLAZA AREA, AND CONSTRUCTION OF TWO NEW OFFICE TOWERS WITH UNDERGROUND PARKING: This project provides for the abatement of all hazardous materials; demolition of the currently existing Transportation and Safety Building including underground floors and plaza area; the construction of two office towers of approximately 620,000 sq.ft. and 110,000 sq.ft.; construction of new lobby and elevator tower to serve both office buildings; construction of new underground parking sufficient for 500 cars; and, construction of a new plaza level.				
	168,000	....	33,600	201,600
PROGRAM TOTAL	\$ 182,936	....	\$ 36,587	\$ 219,523

CAPITAL BUDGET

HISTORICAL AND MUSEUM COMMISSION

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
1996-97 PUBLIC IMPROVEMENT PROJECTS				
State Historic Preservation	\$ 987	....	\$ 125	\$ 1,112
TOTAL PROJECTS	<u>\$ 987</u>	<u>....</u>	<u>\$ 125</u>	<u>\$ 1,112</u>

SOURCE OF FUNDS

General Obligation Bond Issues				
Capital Facilities Fund — Buildings and Structures	\$ 625	....	\$ 125	\$ 750
Capital Facilities Fund — Furniture and Equipment	362	....	....	362
TOTAL	<u>\$ 987</u>	<u>....</u>	<u>\$ 125</u>	<u>\$ 1,112</u>

CAPITAL BUDGET

Historical and Museum Commission 1996-97 Projects

(Dollar Amounts in Thousands)

FROM CURRENT REVENUES	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
PUBLIC IMPROVEMENT PROJECTS				
Program: State Historic Preservation				
Niagara Maritime Museum				
CONSTRUCTION OF FIXED EXHIBITS:				
This project provides for the construction of permanent exhibits for the orientation and history of the United States Brig Niagara, and the maritime history of the Lake Erie region. The exhibits will include panels graphics, dioramas, audio-visual and interactive computer stations				
	\$ 625	....	\$ 125	\$ 750
Railroad Museum of Pennsylvania				
ORIGINAL FURNITURE AND EQUIPMENT FOR PROJECT NO. DGS 980-3, CONSTRUCTION OF LOCOMOTIVE SHED:				
This project provides for the purchase of movable furniture and equipment so that the construction project can become operational				
	220	....	....	220
Somerset Historical Center				
ORIGINAL FURNITURE AND EQUIPMENT FOR PROJECT NO. DGS 990-2, EXPANSION OF THE VISITOR CENTER:				
This project provides for the purchase of furniture and equipment so that the construction project can become operational.				
	142	....	....	142
PROGRAM TOTAL.....	\$ 987	....	\$ 125	\$ 1,112

CAPITAL BUDGET

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
1996-97 PUBLIC IMPROVEMENT PROJECTS				
Veterans Homes	\$ 2,455	....	....	\$ 2,455
TOTAL PROJECTS	<u>\$ 2,455</u>	<u>....</u>	<u>....</u>	<u>\$ 2,455</u>
SOURCE OF FUNDS				
General Obligation Bond Issues				
Capital Facilities Fund – Furniture and Equipment	\$ 1,093	....	....	\$ 1,093
Federal Funds	\$ 1,362	....	....	\$ 1,362
TOTAL	<u>\$ 2,455</u>	<u>....</u>	<u>....</u>	<u>\$ 2,455</u>

CAPITAL BUDGET

Department of Military and Veterans Affairs 1996-97 Projects

(Dollar Amounts in Thousands)

FROM CAPITAL FACILITIES BOND FUNDS

PUBLIC IMPROVEMENT PROJECTS

Program: Veterans Homes

Southwestern Veterans Home - Allegheny County

ORIGINAL FURNITURE AND EQUIPMENT FOR PROJECT NO. 967-50, CONSTRUCTION OF THE SOUTHWESTERN VETERANS HOME:

This project provides for the purchase of movable furniture and equipment so that the construction project can become operational ...

		Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
State	\$	1,093	....	....	\$ 1,093
Fed.		1,362	....	....	1,362
Total State Funds	\$	1,093	....	....	\$ 1,093
Total Federal Funds		1,362	....	....	1,362
PROGRAM TOTAL	\$	2,455	....	....	\$ 2,455

CAPITAL BUDGET

DEPARTMENT OF PUBLIC WELFARE

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
1996-97 PUBLIC IMPROVEMENT PROJECTS				
Human Services	\$ 1,193	....	....	\$ 1,193
Mental Health	3,270	....	\$ 654	3,924
TOTAL PROJECTS	<u>\$ 4,463</u>	<u>....</u>	<u>\$ 654</u>	<u>\$ 5,117</u>

SOURCE OF FUNDS

General Obligation Bond Issues

Capital Facilities Fund - Buildings and Structures	\$ 3,270	....	\$ 654	\$ 3,924
Capital Facilities Fund - Furniture and Equipment	1,193	....	....	1,193
TOTAL	<u>\$ 4,463</u>	<u>....</u>	<u>\$ 654</u>	<u>\$ 5,117</u>

CAPITAL BUDGET

Department of Public Welfare 1996-97 Projects

(Dollar Amounts in Thousands)

FROM CAPITAL FACILITIES BOND FUNDS

PUBLIC IMPROVEMENT PROJECTS

Program: Human Services

Youth Detention Facility at Cresson

ORIGINAL FURNITURE AND EQUIPMENT FOR PROJECT NO. 587-9, CONSTRUCTION OF A MAXIMUM SECURITY YOUTH DETENTION CENTER FOR WESTERN PENNSYLVANIA:

This project provides for the purchase of movable furniture and equipment so that the construction project can become operational

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
	\$ 267	....	....	\$ 267

Youth Detention Facility at Danville

ORIGINAL FURNITURE AND EQUIPMENT FOR PROJECT NO. 503-17, CONSTRUCTION OF A MAXIMUM SECURITY YOUTH DEVELOPMENT CENTER FOR CENTRAL PENNSYLVANIA:

This project provides for the purchase of movable furniture and equipment so that the construction project can become operational

	463	463
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Youth Detention Facility at South Mountain

ORIGINAL FURNITURE AND EQUIPMENT FOR PROJECT NO. 557-13, CONSTRUCTION OF A MAXIMUM SECURITY YOUTH DETENTION CENTER FOR EASTERN PENNSYLVANIA:

This project provides for the purchase of movable furniture and equipment so that the construction project can become operational

	463	463
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PROGRAM TOTAL	\$ 1,193	\$ 1,193
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Program: Mental Health

Norristown State Hospital

RECONSTRUCTION AND/OR REPLACEMENT OF BOILER PLANT:

This project provides for the reconstruction or replacement of boilers in order to meet prevailing emissions requirements. This project will also include upgrades to the steam distribution system

	\$ 3,270	\$ 654	\$ 3,924
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PROGRAM TOTAL	\$ 3,270	\$ 654	\$ 3,924
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CAPITAL BUDGET

STATE POLICE

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
1996-97 PUBLIC IMPROVEMENT PROJECTS				
Public Protection and Law Enforcement	\$ 3,808	....	\$ 742	\$ 4,550
TOTAL PROJECTS	<u>\$ 3,808</u>	<u>....</u>	<u>\$ 742</u>	<u>\$ 4,550</u>

SOURCE OF FUNDS

General Obligation Bond Issues

Capital Facilities Fund – Buildings and Structures	\$ 3,710	....	\$ 742	\$ 4,452
Capital Facilities Fund — Furniture and Equipment	98	....	....	98
TOTAL	<u>\$ 3,808</u>	<u>....</u>	<u>\$ 742</u>	<u>\$ 4,550</u>

CAPITAL BUDGET

State Police 1996-97 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
FROM CAPITAL FACILITIES BOND FUNDS				
PUBLIC IMPROVEMENT PROJECTS				
Program: Public Protection and Law Enforcement				
Deoxyribonucleic Acid (DNA) Laboratory - Westmoreland County				
CONSTRUCTION OF A NEW DNA LABORATORY:				
This project provides for the construction of a 6,000 sq. ft. modular building for the purpose of collection, analysis and storage of DNA samples in response to the DNA Detection of Sexual and Violent Offenders Act of 1995				
	\$ 650	.....	\$ 130	\$ 780
ORIGINAL FURNITURE AND EQUIPMENT FOR THE PROJECT TO CONSTRUCT A NEW DNA LABORATORY:				
This project provides for the purchase of movable furniture and equipment so that the construction project can become operational				
	98	.....	.....	98
Hollidaysburg Troop Headquarters - Blair County				
ADDITIONAL FUNDS FOR PROJECT NO. DGS 201-3, RENOVAE AND EXPAND HEADQUARTERS BUILDING:				
This project will provide the additional funds necessary for the completion of the project. Work which remains involves plumbing, heating and electrical systems renovation as well as interior and exterior finishing. This additional funding will bring the total investment for this project to \$3.6 million				
	2,233	.....	447	2,680
Trevoise Station - Bucks County				
CONSTRUCT NEW TREVOISE STATION:				
This project provides for the construction of a new 6,000 sq. ft. building to house all State Police functions. This project replaces Project No. DGS 227-2, to renovate and expand the existing building which was authorized in Act 118 of 1986				
	827	.....	165	992
PROGRAM TOTAL	<u>\$ 3,808</u>	<u>.....</u>	<u>\$ 742</u>	<u>\$ 4,550</u>

CAPITAL BUDGET

DEPARTMENT OF TRANSPORTATION

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
1996-97 PUBLIC IMPROVEMENT PROJECTS				
Highway Safety	\$ 2,759	\$ 120	\$ 544	\$ 3,423
Air Transportation	20,204	.....	.....	20,204
Subtotal	\$ 22,963	\$ 120	\$ 544	\$ 23,627
1996-97 TRANSPORTATION ASSISTANCE PROJECTS				
Air Transportation	\$ 4,121	.....	.....	\$ 4,121
Urban Mass Transportation	288,367	.....	.....	288,367
Rural and Intercity Rail	3,210	.....	.....	3,210
Subtotal	\$ 295,698	.....	.....	\$ 295,698
1996-97 HIGHWAY PROJECTS				
Highway and Safety Improvement	\$ 539,180	\$ 5,050	\$ 57,427	\$ 601,657
TOTAL PROJECTS	\$ 857,841	\$ 5,170	\$ 57,971	\$ 920,982
SOURCE OF FUNDS				
General Obligation Bond Issues				
Capital Facilities Fund – Buildings and Structures	\$ 22,963	\$ 120	\$ 544	\$ 23,627
Capital Facilities Fund – Transportation Assistance Projects	51,988	.....	.....	51,988
Subtotal General Obligation Bonds	\$ 74,951	\$ 120	\$ 544	\$ 75,615
Current Revenues				
Motor License Fund	\$ 60,310	\$ 628	\$ 6,442	\$ 67,380
Federal Funds				
	\$ 709,413	\$ 4,292	\$ 50,775	\$ 764,480
Local Funds				
	\$ 13,167	\$ 130	\$ 210	\$ 13,507
TOTAL	\$ 857,841	\$ 5,170	\$ 57,971	\$ 920,982

CAPITAL BUDGET

Department of Transportation 1996-97 Projects

(Dollar Amounts in Thousands)

FROM CAPITAL FACILITIES BOND FUNDS

PUBLIC IMPROVEMENT PROJECTS

Program: Highway Safety

Erie County Welcome Center

ADDITIONAL FUNDS FOR THE ERIE COUNTY

WELCOME CENTER:

This project provides for additional funds to construct the Erie County Welcome Center along I-90 which was initially authorized in Act 113 of 1988. This additional funding will increase the total investment in this project to \$5.7 million

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
This project provides for additional funds to construct the Erie County Welcome Center along I-90 which was initially authorized in Act 113 of 1988. This additional funding will increase the total investment in this project to \$5.7 million	\$ 2,759	\$ 120	\$ 544	\$ 3,423
PROGRAM TOTAL	\$ 2,759	\$ 120	\$ 544	\$ 3,423

Program: Air Transportation

Harrisburg International Airport

RECONSTRUCTION OF RUNWAY 13-31:

This project provides for improvements to the surface of runway 13-31 consisting of replacement of the concrete surface along a 6,000 ft. section of the runway

	\$ 11,268	\$ 11,268
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DEICING FACILITY:

This project provides for the construction of a centralized deicing facility which will meet Federal Aviation Administration advisories. The facility will accommodate three jet aircraft and two commuter/general aviation aircraft and will be fitted with drains and pumps to move used fluid to a holding tank. This project will also modify the hold pad at runway 13 for secondary deicing

	8,936	8,936
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PROGRAM TOTAL	\$ 20,204	\$ 20,204
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CAPITAL BUDGET

Department of Transportation 1996-97 Projects

(Dollar Amounts in Thousands)

		Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
FROM CAPITAL FACILITIES BOND FUNDS					
TRANSPORTATION ASSISTANCE PROJECTS					
Program: Air Transportation					
Connellsville Airport — Fayette County					
REHABILITATION OF RUNWAY, TAXIWAY AND RUNWAY LIGHTING:					
This project provides for upgrades to the main runway surface, taxiway surface and improvement of the runway lighting system	State	\$ 35	....	....	\$ 35
	Fed.	619	....	....	619
	Local	35	....	....	35
Westmoreland County Airport — Latrobe					
UPGRADE TERMINAL, EXPAND COMMERCIAL SERVICE WING AND EXPAND PARKING AREA:					
This project provides for the modernization of the main terminal building and the expansion of the commercial air services wing and parking	State	1,800	....	....	1,800
	Fed.	1,230	....	....	1,230
	Local	402	....	....	402
TOTAL STATE FUNDS		\$ 1,835	....	....	\$ 1,835
TOTAL FEDERAL FUNDS		1,849	....	....	1,849
TOTAL LOCAL FUNDS		437	....	....	437
PROGRAM TOTAL		\$ 4,121	....	....	\$ 4,121
Program: Urban Mass Transportation					
Beaver County Transit Authority					
PURCHASE OF EXPANSION BUSES:					
This project provides for the purchase of up to six expansion buses to serve the airport corridor on Route 60	State	\$ 167	....	....	\$ 167
	Fed.	800	....	....	800
	Local	33	....	....	33
Berks Area Reading Transportation Authority					
CONTINUATION OF CONSTRUCTION OF INTERMODAL FACILITY:					
This project provides for the continued design, engineering and construction of phase 2 of the downtown Reading Intermodal Transportation Center	State	367	....	....	367
	Fed.	1,760	....	....	1,760
	Local	73	....	....	73
Capitol Area Transit					
WEST SHORE TRANSFER CENTER:					
This project provides for the construction of a transfer facility in Cumberland County	State	133	....	....	133
	Fed.	640	....	....	640
	Local	27	....	....	27
Erie Metropolitan Transit Authority					
CONSTRUCTION OF A PARK AND RIDE LOT:					
This project provides for the construction of a park and ride lot in Northwest Erie	State	167	....	....	167
	Fed.	800	....	....	800
	Local	33	....	....	33

CAPITAL BUDGET

Department of Transportation 1996-97 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
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FROM CAPITAL FACILITIES BOND FUNDS

TRANSPORTATION ASSISTANCE PROJECTS (continued)

Program: Urban Mass Transportation (continued)

Erie Metropolitan Transit Authority (continued)

PURCHASE OF REPLACEMENT BUSES AND RELATED EQUIPMENT:

This project provides for the purchase of six buses, rehabilitation of current facilities and acquisition of shop equipment.	State	\$ 285	....	....	\$ 285
	Fed.	1,368	....	....	1,368
	Local	57	....	....	57

Southeastern Pennsylvania Transportation Authority

CONTINUED RECONSTRUCTION OF THE FRANKFORD ELEVATED, 1995 SECTION 3 PROGRAM:

This project provides for the continued reconstruction of the Frankford Elevated Line. Specifically, this funding provides for continued deck replacement between Somerset and Church stations; engineering and construction of the Allegheny, Erie-Torresdale, Somerset, York-Dauphin and Tioga stations; for the engineering of the Berks, Huntingdon and Church stations; and, for the initial funding of the Automatic Train Control at the Huntingdon station and Bridge-Pratt Terminal

	State	8,333	....	....	8,333
	Fed.	40,000	....	....	40,000
	Local	1,667	....	....	1,667

BUS PURCHASE AND MAINTENANCE FACILITY REHABILITATION, 1995 SECTION 9 PROGRAM:

This project provides for the purchase of 160 new accessible advanced design buses, the rehabilitation of the Midvale maintenance facility, storage tank removal and event recording systems

	State	9,521	....	....	9,521
	Fed.	45,702	....	....	45,702
	Local	1,904	....	....	1,904

TRANSIT/RAIL ROLLING STOCK AND FACILITIES IMPROVEMENTS, 1995 SECTION 3 PROGRAM:

This project provides for the continued infrastructure improvements at the Market-Frankford station. Also includes utility fleet renewal, acquisition of replacement commuter rail cars and locomotives and rehabilitation of the Frazer Rail Maintenance facility

	State	5,468	....	....	5,468
	Fed.	26,248	....	....	26,248
	Local	1,094	....	....	1,094

REHABILITATION OF THE CHESTER COUNTY TRANSPORTATION CENTER:

This project provides for major improvements to the Chester County Transportation Center station, bus loop and transfer facilities

	State	1,250	....	....	1,250
	Fed.	6,000	....	....	6,000
	Local	250	....	....	250

REPLACEMENT BUS PURCHASE, FACILITIES AND RELATED EQUIPMENT, 1995 SECTION 3 PROGRAM:

This project provides for the purchase of 48 accessible advanced design buses, maintenance facility upgrades and parts, tools and other equipment

	State	1,250	....	....	1,250
	Fed.	6,000	....	....	6,000
	Local	250	....	....	250

CAPITAL BUDGET

Department of Transportation 1996-97 Projects

(Dollar Amounts in Thousands)

		Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
FROM CAPITAL FACILITIES BOND FUNDS					
TRANSPORTATION ASSISTANCE PROJECTS (continued)					
Program: Urban Mass Transportation (continued)					
Southeastern Pennsylvania Transportation Authority (continued)					
DEVELOPMENT OF RAIL TRACTION POWER DISTRIBUTION:					
This project provides for the development of a	State	\$ 146	....	....	\$ 146
prototype circuit breaker cubicle as part of the	Fed.	700	....	....	700
complete traction power distribution network	Local	29	....	....	29
FRANKFORD TRANSPORTATION CENTER:					
This project provides for	State	4,097	....	....	4,097
the design, engineering and	Fed.	19,668	....	....	19,668
construction of the Frankford Center.	Local	820	....	....	820
ACQUISITION OF SUBWAY CARS AND INFRASTRUCTURE IMPROVEMENTS, 1995 FEDERAL HIGHWAY ADMINISTRATION FLEXIBLE PROJECTS:					
This project provides for the	State	16,708	....	....	16,708
acquisition of subway/elevated rolling stock,	Fed.	80,200	....	....	80,200
improvements to Cassatt Ave. Bridge and Historic	Local	3,342	....	....	3,342
Train Station renovations					
Shenango Valley Shuttle Service					
CONSTRUCTION OF NEW TRANSIT CENTER AND PARK AND RIDE FACILITY:					
This project provides for the	State	100	....	....	100
construction of a new 10,000 sq. ft. Transit	Fed.	480	....	....	480
Center and Park-N-Ride terminal along Rt. 62	Local	20	....	....	20
Red Rose Transportation Authority					
CONSTRUCTION OF RAIL STATION ALONG AMTRAK LINE:					
This project provides for the design and construction	State	68	....	....	68
of a rail station located in eastern Lancaster	Fed.	328	....	....	328
County, west of Leaman Place Junction at	Local	14	....	....	14
Pequea Lane, along the Philadelphia to Harrisburg					
Amtrak Line					
TOTAL STATE FUNDS		\$ 48,060	....	....	\$ 48,060
TOTAL FEDERAL FUNDS		230,694	....	....	230,694
TOTAL LOCAL FUNDS		9,613	....	....	9,613
PROGRAM TOTAL		<u>\$ 288,367</u>	<u>....</u>	<u>....</u>	<u>\$ 288,367</u>

Program: Rural and Intercity Rail

Bucks County

BRISTOL INDUSTRIAL TERMINAL RAILWAY EXTENSION:

This project provides for the construction of a	State	\$ 125	....	....	\$ 125
2,250 foot extension on the North side of the	Local	125	....	....	125
Bristol Industrial Park					

CAPITAL BUDGET

Department of Transportation 1996-97 Projects

(Dollar Amounts in Thousands)

		Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
FROM CAPITAL FACILITIES BOND FUNDS					
TRANSPORTATION ASSISTANCE PROJECTS (continued)					
Program: Rural and Intercity Rail (continued)					
Butler County					
BUFFALO & PITTSBURGH RAILROAD NEW TRACKAGE:					
This project provides for the construction of 1,030 feet of rail side track and 4 new turnouts. This new trackage is located from the track exiting the engine house to the interchange track					
State	\$	200	....	....	\$ 200
Local		200	....	....	200
Erie and Crawford Counties					
NORTHWESTERN PENNSYLVANIA RAILROAD UPGRADE RAIL LINE TO CLASS II:					
This project provides for the upgrade of this rail line to the higher speed Federal Railway Administration Class II condition					
State		250	....	....	250
Local		100	....	....	100
Fayette County					
FAY-PENN TRANSPORTATION COMPANY REHABILITATE 21.6 MILES OF #140 AND #131 RAIL LINE:					
This project provides for the rehabilitation of rail line from the Fair Chance Business Park in Fayette Co. to Mt. Pleasant in Westmoreland Co					
State		750	....	....	750
Local		250	....	....	250
Northumberland, Montour and Columbia Counties					
SEDA-COG JOINT RAIL AUTHORITY STABILIZE TRACK FOR THE NORTH SHORE RAILROAD:					
This project provides for track stabilization to maintain class II service					
State		375	....	....	375
Local		125	....	....	125
Westmoreland County					
WESTMORELAND COUNTY INDUSTRIAL DEVELOPMENT CORPORATION RAIL SPUR CONSTRUCTION:					
This project provides for the construction of a spur from the site of the proposed Sony Glass Plant in East Huntingdon Township					
State		163	....	....	163
Local		163	....	....	163
York County					
MARYLAND AND PENNSYLVANIA RAILROAD REHABILITATION OF RAIL AND TURNOUTS IN POORHOUSE YARD:					
This project provides for the rehabilitation of Poorhouse Yard rail, switches, ties and surfacing					
State		230	....	....	230
Local		154	....	....	154
TOTAL STATE FUNDS	\$	2,093	....	....	\$ 2,093
TOTAL LOCAL FUNDS		1,117	....	....	1,117
PROGRAM TOTAL	\$	3,210	....	....	\$ 3,210

CAPITAL BUDGET

Department of Transportation 1996-97 Projects

(Dollar Amounts in Thousands)

FROM CURRENT REVENUES		Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
HIGHWAY PROJECTS					
Program: Highway and Safety Improvement					
ALLEGHENY COUNTY, I-279	State	\$ 70	....	\$ 25	\$ 95
Mechanically Stabilized Earth Wall - Jacks Run	Fed.	630	....	225	855
Wall Rehabilitation	Total	700	....	250	950
ALLEGHENY COUNTY, I-376	State	447	\$ 3	50	500
PA 130 to I-76	Fed.	4,023	27	450	4,500
Pavement rehabilitation and safety improvements	Total	4,470	30	500	5,000
ALLEGHENY COUNTY, I-276	State	1,163	7	130	1,300
Milepost 6 north to I-79	Fed.	10,467	63	1,170	11,700
Pavement rehabilitation and safety improvements	Total	11,630	70	1,300	13,000
BUCKS COUNTY, I-95	State	1,700	10	190	1,900
Philadelphia County to New Jersey State Line	Fed.	15,300	90	1,710	17,100
Pavement rehabilitation and safety improvements	Total	17,000	100	1,900	19,000
CAMBRIA COUNTY, US 219	State	1,312	....	80	1,392
Scalp Avenue to Davisville	Fed.	5,248	....	320	5,568
Pavement restoration	Total	6,560	....	400	6,960
CARBON COUNTY, I-80	State	179	1	20	200
Harmony Lake to Monroe Country	Fed.	1,611	9	180	1,800
Pavement rehabilitation and safety improvements	Total	1,790	10	200	2,000
CENTRE COUNTY, I-80	State	2,953	17	330	3,300
Clearfield County to Clinton County	Fed.	26,577	153	2,970	29,700
Pavement rehabilitation and safety improvements	Total	29,530	170	3,300	33,000
CENTRE COUNTY, PA 504	State	240	60	100	400
Philipsburg Borough and Rush Township -	Fed.	960	240	400	1,600
Cold Stream Run Bridge to Airport 2 lane reconstruction	Total	1,200	300	500	2,000
CENTRE COUNTY, I-80	State	1,500	....	60	1,560
Exit 24 - Marion Township	Fed.	13,500	....	540	14,040
Interchange Reconstruction	Total	15,000	....	600	15,600
CENTRE COUNTY, I-80	State	1,100	....	60	1,160
Exit 23 - Boggs Township	Fed.	9,900	....	540	10,440
Interchange Reconstruction	Total	11,000	....	600	11,600
CLEARFIELD COUNTY, US 219	State	138	30	20	188
S.R. 219 and S.R. 4019- South of Dubois	Fed.	552	120	80	752
Add two way left turn lane	Total	690	150	100	940
CLEARFIELD COUNTY, I-80	State	3,670	20	410	4,100
Jefferson County to Centre County	Fed.	33,030	180	3,690	36,900
Pavement rehabilitation and safety improvements	Total	36,700	200	4,100	41,000
CLINTON COUNTY, I-80	State	2,148	12	240	2,400
Centre County to Union County	Fed.	19,332	108	2,160	21,600
Pavement rehabilitation and safety improvements	Total	21,480	120	2,400	24,000
COLUMBIA COUNTY, PA 54	State	120	6	24	150
Junction PA 54/61 and PA 42, Village of Centralia	Fed.	480	24	96	600
Restoration, 2.0 miles	Total	600	30	120	750

CAPITAL BUDGET

Department of Transportation 1996-97 Projects

(Dollar Amounts in Thousands)

FROM CURRENT REVENUES		Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
HIGHWAY PROJECTS (CONTINUED)					
Program: Highway and Safety Improvement (continued)					
COLUMBIA COUNTY, PA 487	State	\$ 180	\$ 20	\$ 100	\$ 300
Knoebels Access Road, Franklin Township	Fed.	720	80	.....	800
Intersection and access improvements	Total	900	100	100	1,100
DAUPHIN COUNTY, I-283	State	179	1	20	200
PA 441 to I-76	Fed.	1,611	9	180	1,800
Pavement rehabilitation and safety improvements	Total	1,790	10	200	2,000
DAUPHIN COUNTY, PA-283	State	6,500	2	460	6,962
I-283 to PA-341	Fed.	26,000	8	1,840	27,848
Pavement rehabilitation and safety improvements	Total	32,500	10	2,300	34,810
DELAWARE COUNTY, US 30	State	600	.....	.....	600
Ithan Avenue (Villanova University)	Fed.	2,400	520	.....	2,920
Pedestrian Tunnel and turn lanes	Other	2,000	130	210	2,340
	Total	5,000	650	210	5,860
ERIE COUNTY, I-79	State	1,700	10	190	1,900
Crawford County to Lake Erie	Fed.	15,300	90	1,710	17,100
Pavement rehabilitation and safety improvements	Total	17,000	100	1,900	19,000
ERIE COUNTY, US 19 to Bush Industrial Road	State	400	120	100	620
Summit Township, Construct new roadway	Fed.	1,600	480	400	2,480
and intersection improvements, 1.0 miles	Total	2,000	600	500	3,100
ERIE COUNTY, SR 3006	State	44	10	10	64
From Bridge to Erie Street	Fed.	176	40	40	256
Add turn lanes, 2 miles	Total	220	50	50	320
FULTON COUNTY, I-70	State	607	.....	30	637
Warfordsburg to Deneen Gap	Fed.	5,463	.....	270	5,733
Patching and resurfacing	Total	6,070	.....	300	6,370
JEFFERSON COUNTY, I-80	State	447	3	50	500
Milepost 91 to Clearfield County	Fed.	4,023	27	450	4,500
Pavement rehabilitation and safety improvements	Total	4,470	30	500	5,000
LACKAWANNA COUNTY, I-81	State	.....	.....	80	80
Scranton and Wilkes Barre Highways	Fed.	.....	.....	350	350
Intelligent Transportation Systems Study	Total	.....	.....	430	430
LACKAWANNA COUNTY, I-81	State	2,416	14	270	2,700
Luzerne County to Susquehanna County	Fed.	21,744	126	2,430	24,300
Pavement rehabilitation and safety improvements	Total	24,160	140	2,700	27,000
LACKAWANNA COUNTY, I-380	State	895	5	100	1,000
I-84 to Monroe County	Fed.	8,055	45	900	9,000
Pavement rehabilitation and safety improvements	Total	8,950	50	1,000	10,000
LACKAWANNA COUNTY, I-84	State	1,074	6	120	1,200
I-81 to Wayne County	Fed.	9,666	54	1,080	10,800
Pavement rehabilitation and safety improvements	Total	10,740	60	1,200	12,000
LEBANON COUNTY, I-81	State	1,342	8	150	1,500
I-78 to Schuylkill County	Fed.	12,078	72	1,350	13,500
Pavement rehabilitation and safety improvements	Total	13,420	80	1,500	15,000

CAPITAL BUDGET

Department of Transportation 1996-97 Projects

(Dollar Amounts in Thousands)

FROM CURRENT REVENUES

HIGHWAY PROJECTS (CONTINUED)

Program: Highway and Safety Improvement (continued)

		Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
LEBANON COUNTY, US 322	State	\$ 410	\$ 28	\$ 18	\$ 456
PA 934/PA 241 to PA 419	Fed.	1,640	112	74	1,826
Intersection improvement	Total	2,050	140	92	2,282
LUZERNE COUNTY, I-80	State	90	1	10	101
White Haven to Carbon County	Fed.	810	9	90	909
Pavement rehabilitation and safety improvements	Total	900	10	100	1,010
LUZERNE COUNTY, I-81	State	1,074	6	120	1,200
Schuylkill County to I-80	Fed.	9,666	54	1,080	10,800
Pavement rehabilitation and safety improvements	Total	10,740	60	1,200	12,000
LUZERNE COUNTY, I-81	State	1,253	7	140	1,400
PA 29 to Lackawanna County	Fed.	11,277	63	1,260	12,600
Pavement rehabilitation and safety improvements	Total	12,530	70	1,400	14,000
MERCER COUNTY, I-79	State	2,327	13	260	2,600
Lawrence County to Crawford County	Fed.	20,943	117	2,340	23,400
Pavement rehabilitation and safety improvements	Total	23,270	130	2,600	26,000
MONROE COUNTY, I-80	State	89	1	10	100
Carbon County to PA 115	Fed.	801	9	90	900
Pavement rehabilitation and safety improvements	Total	890	10	100	1,000
MONTOUR COUNTY, I-80	State	984	6	110	1,100
Northumberland County to Columbia County	Fed.	8,856	54	990	9,900
Pavement rehabilitation and safety improvements	Total	9,840	60	1,100	11,000
NORTHAMPTON COUNTY, I-78	State	268	2	30	300
Lehigh County to PA 412	Fed.	2,412	18	270	2,700
Pavement rehabilitation and safety improvements	Total	2,680	20	300	3,000
NORTHUMBERLAND COUNTY, I-80	State	89	1	10	100
PA 254 to Montour County	Fed.	801	9	90	900
Pavement rehabilitation and safety improvements	Total	890	10	100	1,000
PHILADELPHIA COUNTY, I-95	State	1,790	10	200	2,000
Delaware County to Bucks County	Fed.	16,110	90	1,800	18,000
Pavement rehabilitation and safety improvements	Total	17,900	100	2,000	20,000
PHILADELPHIA COUNTY, I-76	State	895	5	100	1,000
Route 1 to I-95	Fed.	8,055	45	900	9,000
Pavement rehabilitation and safety improvements	Total	8,950	50	1,000	10,000
SCHUYLKILL COUNTY, I-81	State	1,790	10	200	2,000
PA 25 to PA 54	Fed.	16,110	90	1,800	18,000
Pavement rehabilitation and safety improvements	Total	17,900	100	2,000	20,000
SCHUYLKILL COUNTY, I-81	State	716	4	80	800
PA 901 Interchange	Fed.	6,444	36	720	7,200
Reconstruct	Total	7,160	40	800	8,000
SCHUYLKILL COUNTY, I-81	State	1,432	8	160	1,600
SR 4007, Gordon Road	Fed.	12,888	72	1,440	14,400
New Interchange	Total	14,320	80	1,600	16,000

CAPITAL BUDGET

Department of Transportation 1996-97 Projects

(Dollar Amounts in Thousands)

		Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
FROM CURRENT REVENUES					
HIGHWAY PROJECTS (CONTINUED)					
Program: Highway and Safety Improvement (continued)					
SOMERSET COUNTY, US 219	State	\$ 1,640	....	\$ 100	\$ 1,740
Davidsville to US 30 Interchange	Fed.	6,560	....	400	6,960
Pavement restoration	Total	8,200	....	500	8,700
SUSQUEHANNA COUNTY, I-81	State	2,327	\$ 13	260	2,600
Lackawanna County to New York State line	Fed.	20,943	117	2,340	23,400
Pavement rehabilitation and safety improvements	Total	23,270	130	2,600	26,000
UNION COUNTY, US 15	State	1,600	100	200	1,900
Snyder/Union County line to T-365	Fed.	6,400	400	800	7,600
Reconstruction and safety improvements	Total	8,000	500	1,000	9,500
WASHINGTON COUNTY, I-79	State	....	....	75	75
Washington County to Erie County	Fed.	....	....	300	300
Intelligent Transportation Systems Study	Total	....	....	375	375
WASHINGTON COUNTY, I-79	State	2,237	13	250	2,500
Greene County to milepost 48	Fed.	20,133	117	2,250	22,500
Pavement rehabilitation and safety improvements	Total	22,370	130	2,500	25,000
WASHINGTON COUNTY, I-70	State	537	3	60	600
PA 481 to Westmoreland County	Fed.	4,833	27	540	5,400
Pavement rehabilitation and safety improvements	Total	5,370	30	600	6,000
WAYNE COUNTY, I-84	State	537	3	60	600
Lackawanna County to Pike County	Fed.	4,833	27	540	5,400
Pavement rehabilitation and safety improvements	Total	5,370	30	600	6,000
WESTMORELAND COUNTY, I-70	State	1,521	9	170	1,700
Washington County to I-76	Fed.	13,689	81	1,530	15,300
Pavement rehabilitation and safety improvements	Total	15,210	90	1,700	17,000
YORK COUNTY, I-83	State	3,580	20	400	4,000
US 30 to Maryland State Line	Fed.	32,220	180	3,600	36,000
Pavement rehabilitation and safety improvements	Total	35,800	200	4,000	40,000
Total State Funds		\$ 60,310	\$ 628	\$ 6,442	\$ 67,380
Total Federal Funds		476,870	4,292	50,775	531,937
Total Other Funds		2,000	130	210	2,340
PROGRAM TOTAL		\$ 539,180	\$ 5,050	\$ 57,427	\$ 601,657

CAPITAL BUDGET

SUMMARY OF FORECAST OF FUTURE NEW PROJECT AUTHORIZATIONS STATE FUNDS

(Dollar Amounts in Thousands)

	<u>1997-98</u>	<u>1998-99</u>	<u>1999-2000</u>	<u>2000-01</u>
Department of Agriculture	\$ 140	\$ 168	\$ 196	\$ 224
Department of Conservation and Natural Resources	11,790	13,628	15,466	17,304
Department of Corrections	23,422	28,106	32,790	37,475
Department of Education	24,600	29,520	34,440	39,359
Department of Environmental Protection	2,283	2,739	3,196	3,653
Game Commission	3,000	3,000	3,000	3,000
Department of General Services	13,144	15,773	18,402	21,031
Historical and Museum Commission	7,569	9,083	10,597	12,111
Department of Military and Veterans Affairs	2,442	2,931	3,419	3,907
Department of Public Welfare	11,344	13,613	15,882	18,151
State Police	2,918	3,502	4,085	4,669
Department of Transportation	142,948	143,537	144,127	144,716
TOTAL	<u>\$ 245,600</u>	<u>\$ 265,600</u>	<u>\$ 285,600</u>	<u>\$ 305,600</u>

CAPITAL BUDGET

Forecast of Future Projects

This section contains estimated authorizations (State funds only) for future Capital Budgets for 1997-98 through 2000-01. Amounts in this section have been grouped by department and are identified by capital project category.

FROM CAPITAL FACILITIES BOND FUNDS	(Dollar Amounts in Thousands)			
	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
Department of Agriculture				
PUBLIC IMPROVEMENT PROJECTS: Provides for improvements at the Farm Show Complex and the Summerdale Laboratory				
	\$ 140	\$ 168	\$ 196	\$ 224
Department of Conservation and Natural Resources				
PUBLIC IMPROVEMENT PROJECTS: Provides for construction and renovation of support, day use, camping facilities and utility systems at the State Parks; construction of district offices, central garages, radio communications systems and rehabilitation of forest roads in State Forest districts. Also includes the purchase of original furniture and equipment for such projects				
	9,190	11,028	12,866	14,704
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. Also includes the purchase of original furniture and equipment to furnish such facilities				
	23,422	28,106	32,790	37,475
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				
	24,600	29,520	34,440	39,359
Department of Environmental Protection				
PUBLIC IMPROVEMENT PROJECTS: Provides for construction and improvement projects to protect the environment and the health and safety of citizens using State lands and waterways. These projects include flood protection construction				
	2,283	2,739	3,196	3,653
Department of General Services				
PUBLIC IMPROVEMENT PROJECTS: Provides for renovation and improvements of State office buildings and facilities				
	13,144	15,773	18,402	21,031

CAPITAL BUDGET

Forecast of Future Projects

(Dollar Amounts in Thousands)

FROM CAPITAL FACILITIES BOND FUNDS (continued)

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

	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
	\$ 7,569	\$ 9,083	\$ 10,597	\$ 12,111

Department of Military and Veterans Affairs

PUBLIC IMPROVEMENT PROJECTS: Provides for land acquisition, renovations, additions and replacement at the State armories and veterans' homes. Also includes the purchase of original furniture and equipment to furnish such facilities

	2,442	2,931	3,419	3,907
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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

	11,344	13,613	15,882	18,151
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State Police

PUBLIC IMPROVEMENT PROJECTS: Provides for renovation, expansion and construction of troop headquarters/station facilities and driver examination facilities

	2,918	3,502	4,085	4,669
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Department of Transportation

PUBLIC IMPROVEMENT PROJECTS: Provides for construction of and additions to highway maintenance and district office buildings, driver examination facilities, welcome centers and State-owned airport facilities

	2,948	3,537	4,127	4,716
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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

	60,000	60,000	60,000	60,000
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CAPITAL FACILITIES BOND FUNDS

Total — Public Improvement Program	\$ 100,000	\$ 120,000	\$ 140,000	\$ 160,000
Total — Transportation Assistance Program	60,000	60,000	60,000	60,000
SUBTOTAL— CAPITAL FACILITIES BOND FUNDS	\$ 160,000	\$ 180,000	\$ 200,000	\$ 220,000

CAPITAL BUDGET

Forecast of Future Projects

(Dollar Amounts in Thousands)

	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
FROM CURRENT REVENUES				
Game Commission				
PUBLIC IMPROVEMENT PROJECTS — GAME FUND:				
Provides for acquisition of additional State game lands	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000
Department of Conservation and Natural Resources				
PUBLIC IMPROVEMENT PROJECTS — KEYSTONE RECREATION, PARK AND CONSERVATION FUND: Provides for the rehabilitation, repair and development of State park and forest facilities which are critical for visitor safety, environmental protection or essential for facility operation. Also these projects provide for the acquisition of recreation and natural areas which face imminent loss or damage				
	2,600	2,600	2,600	2,600
Department of Transportation				
HIGHWAY PROJECTS — MOTOR LICENSE FUND: Provides for the purchase of right-of-way, construction, and reconstruction of highways and bridges on the Commonwealth road system and major Federally-designated safety projects				
	80,000	80,000	80,000	80,000
CURRENT REVENUES				
Total — Public Improvement Program	\$ 5,600	\$ 5,600	\$ 5,600	\$ 5,600
Total — Highway Program	80,000	80,000	80,000	80,000
SUBTOTAL — CURRENT REVENUES	\$ 85,600	\$ 85,600	\$ 85,600	\$ 85,600
TOTAL — ALL PROGRAMS	\$ 245,600	\$ 265,600	\$ 285,600	\$ 305,600

CAPITAL BUDGET

SUMMARY OF ESTIMATED CAPITAL PROJECT EXPENDITURES STATE FUNDS

(Dollar Amounts in Thousands)

	1996-97	1997-98	1998-99	1999-00	2000-01
	<u>Estimated</u>	<u>Estimated</u>	<u>Estimated</u>	<u>Estimated</u>	<u>Estimated</u>
Department					
Agriculture	\$ 1,086	\$ 760	\$ 225	\$ 354	\$ 561
Conservation and Natural Resources	10,320	12,376	8,812	8,505	9,711
Corrections	45,638	36,276	36,593	48,977	71,735
Economic and Community Development	92,336	56,503	3,437	41	19
Education	90,878	101,987	82,415	52,710	36,146
Emergency Management Agency	233	690	459	300	137
Environmental Protection	16,982	19,615	25,989	7,366	5,057
Game Commission	2,000	6,000	3,000	3,000	3,000
General Services	18,817	32,753	41,933	64,508	100,731
Historical and Museum Commission	3,991	6,097	6,968	5,242	6,148
Military and Veterans Affairs	4,594	2,848	1,565	1,525	1,792
Public Welfare	8,310	11,194	8,156	8,260	9,975
State Police	389	1,450	1,595	2,318	3,639
Transportation	298,419	292,822	292,258	300,865	318,450
TOTAL	\$ 593,993	\$ 581,371	\$ 513,405	\$ 503,971	\$ 567,101

CAPITAL BUDGET

Estimate of Capital Expenditures

CAPITAL FACILITIES BOND FUNDS	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
Department of Agriculture					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures	\$ 873	\$ 50	\$ 33	\$ 22	\$ 10
Projects in 1996-97 Budget					
Buildings and Structures	12	106	177	294	471
Furniture and Equipment	201	603	....	....	....
Future Projects (1997-01)					
Buildings and Structures .....	....	1	15	38	80
TOTAL — AGRICULTURE	<u>\$ 1,086</u>	<u>\$ 760</u>	<u>\$ 225</u>	<u>\$ 354</u>	<u>\$ 561</u>
Department of Conservation and Natural Resources					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures	\$ 2,626	\$ 7,238	\$ 4,803	\$ 3,142	\$ 1,436
Furniture and Equipment	351	91	....	....	....
Projects in 1996-97 Budget					
Buildings and Structures	10	94	157	262	419
Furniture and Equipment	18	56	....	....	....
Future Projects (1997-01)					
Buildings and Structures .....	....	92	937	2,501	5,256
TOTAL — CONSERVATION AND NATURAL RESOURCES	<u>\$ 3,005</u>	<u>\$ 7,571</u>	<u>\$ 5,897</u>	<u>\$ 5,905</u>	<u>\$ 7,111</u>
Department of Corrections					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures	\$ 44,278	\$ 23,151	\$ 13,152	\$ 8,603	\$ 3,932
Furniture and Equipment .....	....	650	650	....	....
Projects in 1996-97 Budget					
Buildings and Structures	1,360	12,241	20,402	34,003	54,405
Future Projects (1997-01)					
Buildings and Structures .....	....	234	2,389	6,371	13,398
TOTAL — CORRECTIONS	<u>\$ 45,638</u>	<u>\$ 36,276</u>	<u>\$ 36,593</u>	<u>\$ 48,977</u>	<u>\$ 71,735</u>

CAPITAL BUDGET

Estimate of Capital Expenditures

CAPITAL FACILITIES BOND FUNDS	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
Department of Economic and Community Development					
Projects Currently Authorized					
Buildings and Structures	\$ 4,568	\$ 473	\$ 62	\$ 41	\$ 19
Furniture and Equipment	1	....	....	....	....
Subtotal	<u>\$ 4,569</u>	<u>\$ 473</u>	<u>\$ 62</u>	<u>\$ 41</u>	<u>\$ 19</u>
Redevelopment Assistance Projects					
Projects Currently Authorized					
Acquisition and Construction	\$ 87,767	\$ 56,030	\$ 3,375	....	....
Subtotal	<u>\$ 87,767</u>	<u>\$ 56,030</u>	<u>\$ 3,375</u>	<u>....</u>	<u>....</u>
TOTAL — ECONOMIC AND COMMUNITY DEVELOPMENT	<u><u>\$ 92,336</u></u>	<u><u>\$ 56,503</u></u>	<u><u>\$ 3,437</u></u>	<u><u>\$ 41</u></u>	<u><u>\$ 19</u></u>
Department of Education					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures	\$ 78,153	\$ 82,130	\$ 57,329	\$ 34,147	\$ 15,606
Furniture and Equipment	11,793	16,246	21,153	9,498	2,670
Projects in 1996-97 Budget					
Buildings and Structures	95	855	1,424	2,374	3,798
Furniture and Equipment	837	2,510	....	....	....
Future Projects (1997-01)					
Buildings and Structures .....	....	246	2,509	6,691	14,072
TOTAL — EDUCATION	<u><u>\$ 90,878</u></u>	<u><u>\$ 101,987</u></u>	<u><u>\$ 82,415</u></u>	<u><u>\$ 52,710</u></u>	<u><u>\$ 36,146</u></u>
Emergency Management Agency					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures	\$ 233	\$ 690	\$ 459	\$ 300	\$ 137
TOTAL — EMERGENCY MANAGEMENT	<u><u>\$ 233</u></u>	<u><u>\$ 690</u></u>	<u><u>\$ 459</u></u>	<u><u>\$ 300</u></u>	<u><u>\$ 137</u></u>

CAPITAL BUDGET

Estimate of Capital Expenditures

CAPITAL FACILITIES BOND FUNDS	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
Department of Environmental Protection					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures	\$ 5,201	\$ 6,222	\$ 3,961	\$ 2,591	\$ 1,184
Projects in 1996-97 Budget					
Buildings and Structures	64	577	962	1,604	2,566
Future Projects (1997-01)					
Buildings and Structures .....	....	23	232	621	1,307
Furniture and Equipment .....	....	1,800	5,400	....	....
Subtotal	\$ 5,265	\$ 8,622	\$ 10,555	\$ 4,816	\$ 5,057
Flood Control Projects					
Currently Authorized					
Buildings and Structures	\$ 11,627	\$ 10,777	\$ 15,390	\$ 2,550	....
Projects in 1996-97 Budget					
Buildings and Structures	90	216	44	....	....
Subtotal	\$ 11,717	\$ 10,993	\$ 15,434	\$ 2,550	....
TOTAL — ENVIRONMENTAL PROTECTION	\$ 16,982	\$ 19,615	\$ 25,989	\$ 7,366	\$ 5,057
Department of General Services					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures	\$ 15,107	\$ 12,365	\$ 7,664	\$ 5,013	\$ 2,291
Furniture and Equipment	1,515	500	....	1,038	3,113
Projects in 1996-97 Budget					
Buildings and Structures	2,195	19,757	32,928	54,881	87,809
Future Projects (1997-01)					
Buildings and Structures .....	....	131	1,341	3,576	7,518
TOTAL — GENERAL SERVICES	\$ 18,817	\$ 32,753	\$ 41,933	\$ 64,508	\$ 100,731
Historical and Museum Commission					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures	\$ 3,125	\$ 4,475	\$ 2,948	\$ 1,928	\$ 881
Furniture and Equipment	767	256	....	....	....
Projects in 1996-97 Budget					
Buildings and Structures	8	68	113	188	300
Furniture and Equipment	91	272	....	....	....
Future Projects (1997-01)					
Buildings and Structures .....	....	76	772	2,058	4,329
Furniture and Equipment .....	....	950	3,135	1,068	638
TOTAL — HISTORICAL AND MUSEUM	\$ 3,991	\$ 6,097	\$ 6,968	\$ 5,242	\$ 6,148

CAPITAL BUDGET

Estimate of Capital Expenditures

CAPITAL FACILITIES BOND FUNDS	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
Department of Military and Veterans Affairs					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures	\$ 4,247	\$ 1,979	\$ 1,316	\$ 861	\$ 394
Furniture and Equipment	74	25	....	....	....
Projects in 1996-97 Budget					
Furniture and Equipment	273	820	....	....	....
Future Projects (1997-01)					
Buildings and Structures .....	....	24	249	664	1,398
TOTAL — MILITARY AND VETERANS AFFAIRS	\$ 4,594	\$ 2,848	\$ 1,565	\$ 1,525	\$ 1,792
Department of Public Welfare					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures	\$ 7,085	\$ 9,937	\$ 6,410	\$ 4,193	\$ 1,916
Furniture and Equipment	589	194	....	....	....
Projects in 1996-97 Budget					
Buildings and Structures	39	353	589	981	1,570
Furniture and Equipment	597	597	....	....	....
Future Projects (1997-01)					
Buildings and Structures .....	....	113	1,157	3,086	6,489
TOTAL — PUBLIC WELFARE	\$ 8,310	\$ 11,194	\$ 8,156	\$ 8,260	\$ 9,975
State Police					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures	\$ 319	\$ 946	\$ 629	\$ 411	\$ 188
Projects in 1996-97 Budget					
Buildings and Structures	45	401	668	1,113	1,781
Furniture and Equipment	25	74	....	....	....
Future Projects (1997-01)					
Buildings and Structures .....	....	29	298	794	1,670
TOTAL — STATE POLICE	\$ 389	\$ 1,450	\$ 1,595	\$ 2,318	\$ 3,639
Department of Transportation					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures	\$ 1,957	\$ 2,417	\$ 1,569	\$ 1,027	\$ 469
Projects in 1996-97 Budget					
Buildings and Structures	236	2,126	3,544	5,907	9,451
Future Projects (1997-01)					
Buildings and Structures .....	....	29	300	801	1,686
Subtotal	\$ 2,193	\$ 4,572	\$ 5,413	\$ 7,735	\$ 11,606

CAPITAL BUDGET

Estimate of Capital Expenditures

CAPITAL FACILITIES BOND FUNDS	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
Department of Transportation (continued)					
Transportation Assistance Projects					
Projects Currently Authorized					
Mass Transit, Rail and Air	\$ 85,000	\$ 45,000	\$ 30,000	\$ 15,000	\$ 10,000
Projects in 1996-97 Budget					
Mass Transit, Rail and Air	18,196	10,398	10,398	7,798	5,199
Future Projects (1997-01)					
Mass Transit, Rail and Air .....	.....	21,000	33,000	45,000	54,000
Subtotal	<u>\$ 103,196</u>	<u>\$ 76,398</u>	<u>\$ 73,398</u>	<u>\$ 67,798</u>	<u>\$ 69,199</u>
TOTAL — TRANSPORTATION	<u>\$ 105,389</u>	<u>\$ 80,970</u>	<u>\$ 78,811</u>	<u>\$ 75,533</u>	<u>\$ 80,805</u>
TOTAL — CAPITAL FACILITIES BOND FUNDS					
Public Improvement Projects					
Buildings and Structures	\$ 171,836	\$ 189,649	\$ 171,498	\$ 191,087	\$ 248,236
Furniture and Equipment	17,132	25,644	30,338	11,604	6,421
Redevelopment Assistance Projects					
Acquisition and Construction	87,767	56,030	3,375	.....	.....
Flood Control Projects					
Structures and Improvements	11,717	10,993	15,434	2,550	.....
Transportation Assistance Projects					
Mass Transit, Rail and Air	103,196	76,398	73,398	67,798	69,199
TOTAL	<u>\$ 391,648</u>	<u>\$ 358,714</u>	<u>\$ 294,043</u>	<u>\$ 273,039</u>	<u>\$ 323,856</u>
KEYSTONE RECREATION, PARK AND CONSERVATION BOND FUNDS					
Department of Conservation and Natural Resources					
Keystone Recreation, Park and Conservation Projects					
Projects Currently Authorized	\$ 1,385	.....	.....	.....	.....
Projects in 1996-97 Budget	630	\$ 2,205	\$ 315	.....	.....
TOTAL — CONSERVATION AND NATURAL RESOURCES	<u>\$ 2,015</u>	<u>\$ 2,205</u>	<u>\$ 315</u>	<u>.....</u>	<u>.....</u>

CAPITAL BUDGET

Estimate of Capital Expenditures

CURRENT REVENUES	<u>1996-97</u> <u>Estimated</u>	<u>1997-98</u> <u>Estimated</u>	<u>1998-99</u> <u>Estimated</u>	<u>1999-00</u> <u>Estimated</u>	<u>2000-01</u> <u>Estimated</u>
Game Commission					
Public Improvement Projects					
Projects in 1996-97 Budget					
Game Fund.....	\$ 2,000	\$ 3,000	....	....	....
Future Projects (1997-01)					
Game Fund.....	....	3,000	\$ 3,000	\$ 3,000	\$ 3,000
TOTAL — GAME COMMISSION	<u>\$ 2,000</u>	<u>\$ 6,000</u>	<u>\$ 3,000</u>	<u>\$ 3,000</u>	<u>\$ 3,000</u>
Department of Conservation and Natural Resources					
Improvements and Restoration					
Projects Currently Authorized					
Keystone Recreation, Park and Conservation Fund					
	\$ 3,480	....	....	....	....
Projects in 1996-97 Budget					
Keystone Recreation, Park and Conservation Fund					
	1,820	\$ 780	....	....	....
Future Projects (1997-01)					
Keystone Recreation, Park and Conservation Fund					
	....	1,820	\$ 2,600	\$ 2,600	\$ 2,600
TOTAL — CONSERVATION AND NATURAL RESOURCES	<u>\$ 5,300</u>	<u>\$ 2,600</u>	<u>\$ 2,600</u>	<u>\$ 2,600</u>	<u>\$ 2,600</u>
Department of Transportation					
Highway and Bridge Projects					
Projects Currently Authorized					
Motor License Fund	\$ 186,292	\$ 176,900	\$ 146,495	\$ 146,594	\$ 147,645
Projects in 1996-97 Budget					
Motor License Fund	6,738	26,952	26,952	6,738	....
Future Projects (1997-01)					
Motor License Fund .....	....	8,000	40,000	72,000	90,000
TOTAL — TRANSPORTATION	<u>\$ 193,030</u>	<u>\$ 211,852</u>	<u>\$ 213,447</u>	<u>\$ 225,332</u>	<u>\$ 237,645</u>
TOTAL — CURRENT REVENUES					
Public Improvement Projects					
Game Fund.....	\$ 2,000	\$ 6,000	\$ 3,000	\$ 3,000	\$ 3,000
Acquisition, Improvement and Restoration Projects					
Keystone Recreation, Park and Conservation Fund					
	5,300	2,600	2,600	2,600	2,600
Highway and Bridge Projects					
Motor License Fund	193,030	211,852	213,447	225,332	237,645
TOTAL — CURRENT REVENUES ...	<u>\$ 200,330</u>	<u>\$ 220,452</u>	<u>\$ 219,047</u>	<u>\$ 230,932</u>	<u>\$ 243,245</u>
TOTAL — ALL STATE FUNDS	<u>\$ 593,993</u>	<u>\$ 581,371</u>	<u>\$ 513,405</u>	<u>\$ 503,971</u>	<u>\$ 567,101</u>



Governor's Executive Budget

SINKING FUNDS
AND
PUBLIC DEBT

PUBLIC DEBT

DEBT AUTHORIZED, ISSUED AND OUTSTANDING

The Commonwealth issues general obligation debt for purposes which cannot be financed from current revenues. Existing programs for which debt is proposed to be incurred in 1996-97 are Volunteer Companies Loans; PENNVEST; Agricultural Conservation Easement; Economic Revitalization; Local Criminal Justice; Keystone Recreation, Park and Conservation; and Capital Budget projects.

The following statement reflects the debt of the Commonwealth as of December 31, 1995. Issues which have been completely redeemed are not included.

(Dollar Amounts in Thousands)

	Total Debt Authorized	Total Debt Issued	Debt Outstanding ¹	Sinking Fund	Net Indebtedness ¹
Debt Subject to Constitutional Limit					
Capital Budget	\$ 24,703,332	\$ 8,185,830	\$ 2,826,700	\$ 1,235	\$ 2,825,465
Refunding Bonds .....	.....	1,363,052	1,025,787	.....	1,025,787
General State Authority	1,165,250	1,165,250	.....²	.....	.....
Subtotal	<u>\$ 25,868,582</u>	<u>\$ 10,714,132</u>	<u>\$ 3,852,487</u>	<u>\$ 1,235</u>	<u>\$ 3,851,252</u>
Debt Not Subject to Constitutional Limit					
Disaster Relief	\$ 192,708	\$ 170,800	\$ 43,845	\$ 23	\$ 48,822
Economic Revitalization	190,000	176,000	84,560	9	84,551
Land and Water Development	500,000	499,700	97,380	13	97,367
Nursing Home Loan Agency	100,000	69,000	9,920	1	9,919
Project 70 Land Acquisition	70,000	70,000	3,380	.....	3,380
Vietnam Veterans' Compensation	65,000	62,000	12,305	1	12,304
Volunteer Companies Loan	50,000	40,000	20,455	1	20,454
Water Facilities—1981 Referendum	300,000	276,000	139,700	47	139,653
PENNVEST—1988 & 1992 Referenda	650,000	326,500	265,575	166	265,409
Agricultural Conservation Easement	100,000	81,000	71,985	.....	71,985
Local Criminal Justice	200,000	175,000	166,630	1	166,629
Keystone Recreation, Park and Conservation	50,000	12,000	11,750	.....	11,750
Refunding Bonds .....	.....	248,754	197,131	.....	197,131
Matured Loans Unclaimed .....	.....	.....	141	145	-4
Subtotal	<u>\$ 2,467,708</u>	<u>\$ 2,206,754</u>	<u>\$ 1,124,757</u>	<u>\$ 407</u>	<u>\$ 1,124,350</u>
TOTAL	<u><u>\$ 28,336,290</u></u>	<u><u>\$ 12,920,886</u></u>	<u><u>\$ 4,977,244</u></u>	<u><u>\$ 1,642</u></u>	<u><u>\$ 4,975,602</u></u>

¹ Total of debt issued plus accreted interest on capital appreciation bonds less debt redeemed or refunded.

² Funds sufficient to pay, when due, the debt service on all outstanding bonds of the General State Authority have been deposited by the Commonwealth with an escrow agent for the GSA bonds. A refunding bond issue was the escrow funding source.

PUBLIC DEBT

PROJECTED DEBT ISSUES AND DEBT OUTSTANDING 1995-96 Through 2000-01

This table shows the projected amount of general obligation bonds and bond anticipation notes of the Commonwealth to be issued and the level of debt outstanding at the end of the fiscal year. Outstanding debt amounts are also shown 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)					
	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
Projected Debt Issues						
Capital Budget						
Buildings and Structures	\$ 170,000	\$ 170,000	\$ 190,000	\$ 170,000	\$ 190,000	\$ 240,000
Flood Control	3,500	13,000	11,000	15,000	1,000	.....
Furnishings and Equipment	6,000	19,000	25,000	31,000	11,000	6,000
Redevelopment Assistance	60,000	90,000	51,500	3,000	.....	.....
Transportation Assistance	83,000	100,000	70,000	70,000	70,000	70,000
Total	\$ 322,500	\$ 392,000	\$ 347,500	\$ 289,000	\$ 272,000	\$ 316,000
Special Purpose						
Agricultural Conservation Easement .....	.....	\$ 10,000	\$ 9,000	.....	.....	.....
Economic Revitalization	\$ 4,000	12,000	.....	.....	.....	.....
Keystone Recreation, Park & Conservation	12,000	26,000	.....	.....	.....	.....
Local Criminal Justice	19,000	6,000	6,000	.....	.....	.....
PENNVEST—1988 & 1992 Referenda	73,000	81,000	74,500	\$ 60,000	\$ 60,000	.....
Volunteer Companies Loan	3,000	2,000	3,000	2,000	.....	.....
Water Facilities Loan—1981 Referendum	23,500	14,000	.....	.....	.....	.....
Total	\$ 134,500	\$ 151,000	\$ 92,500	\$ 62,000	\$ 60,000	.....
TOTAL	\$ 457,000	\$ 543,000	\$ 440,000	\$ 351,000	\$ 332,000	\$ 316,000
Debt Outstanding Projection						
Capital Budget and Refunding Bonds ¹	\$ 3,896,466	\$ 3,998,627	\$ 4,059,152	\$ 4,054,645	\$ 4,028,267	\$ 4,075,361
Special Purpose						
Agricultural Conservation Easement	\$ 71,735	\$ 78,670	\$ 84,015	\$ 79,805	\$ 75,485	\$ 71,040
Disaster Relief	42,240	37,260	32,025	26,520	20,865	14,905
Economic Revitalization	83,810	91,345	86,190	80,940	75,580	70,110
Keystone Recreation, Park & Conservation	23,670	48,725	46,460	44,175	41,865	39,535
Land and Water Development	85,940	71,020	57,885	45,795	33,255	21,110
Local Criminal Justice	182,915	182,330	181,155	173,370	165,260	156,805
Nursing Home Loan	9,920	6,985	5,230	3,405	2,720	2,035
PENNVEST—1988 & 1992 Referenda	290,015	356,345	411,975	449,030	483,945	456,705
Project 70 Land Acquisition	2,790	2,160	1,490	770	.....	.....
Refunding Bonds ¹	183,965	177,079	178,975	185,430	186,395	185,339
Vietnam Veterans Compensation	10,715	8,695	6,540	4,235	1,770	1,365
Volunteer Companies Loan	22,790	22,455	23,865	24,105	22,215	20,305
Water Facilities Loan—1981 Referendum	145,560	152,245	144,065	136,285	128,290	120,160
TOTAL	\$ 5,052,531	\$ 5,233,941	\$ 5,319,022	\$ 5,308,510	\$ 5,265,912	\$ 5,234,775

¹ Refunding Bonds used to refinance other general obligation bonds and lease rental payments to the General State Authority.

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 Capital Budget bonds by category of project is contained in the Capital Budget section.

(Dollar Amounts in Thousands)

	1996-97	1997-98	1998-99	1999-00	2000-01
General Fund					
Capital Budget ¹	\$ 415,921	\$ 435,293	\$ 441,249	\$ 458,271	\$ 456,581
Agricultural Conservation Easement	7,133	8,050	8,750	8,642	8,538
Disaster Relief	7,002	6,981	6,961	6,821	6,833
Economic Revitalization	9,772	10,643	10,440	10,244	10,039
Land and Water Development	19,163	16,541	14,791	14,600	13,659
Local Criminal Justice	16,660	17,213	17,681	17,608	17,536
Keystone Recreation, Park and Conservation	2,586	4,815	4,720	4,627	4,528
Nursing Home Loan	3,515	2,175	2,114	879	822
PENNVEST — 1988 & 1992 Referenda	31,240	38,590	45,127	49,032	52,072
Project 70 Land Acquisition	780	778	784	786	.....
Refunding Bonds	34,463	31,681	24,214	22,648	23,166
Vietnam Veterans Compensation	2,578	2,582	2,592	2,602	478
Volunteer Companies Loan	3,658	2,888	3,072	3,147	3,031
Water Facilities Loan — 1981 Referendum	15,445	16,425	15,559	15,348	15,040
Less: Augmentations, Interest and Miscellaneous Revenue	-5,757	-5,818	-5,798	-5,779	-5,760
TOTAL	<u>\$ 564,159</u>	<u>\$ 588,837</u>	<u>\$ 592,256</u>	<u>\$ 609,476</u>	<u>\$ 606,563</u>
Motor License Fund					
Capital Budget — Highways	\$ 118,075	\$ 113,802	\$ 110,913	\$ 98,535	\$ 80,253
Capital Budget ¹	1,367	2,274	2,425	2,808	2,808
TOTAL	<u>\$ 119,442</u>	<u>\$ 116,076</u>	<u>\$ 113,338</u>	<u>\$ 101,343</u>	<u>\$ 83,061</u>
Fish Fund					
Capital Budget ¹	\$ 1	.....	.....	.....	.....
Motor License Fund Restricted Receipts					
Aviation—Capital Budget ¹	\$ 1,378	\$ 1,646	\$ 1,935	\$ 1,935	\$ 1,935
Highway Bridge Improvement — Capital Budget ¹	29,218	29,695	29,578	28,465	26,263
TOTAL	<u>\$ 30,596</u>	<u>\$ 31,341</u>	<u>\$ 31,513</u>	<u>\$ 30,400</u>	<u>\$ 28,198</u>
TOTAL	<u>\$ 714,198</u>	<u>\$ 736,254</u>	<u>\$ 737,107</u>	<u>\$ 741,219</u>	<u>\$ 717,822</u>

¹Includes bonds issued to refund Capital Budget bonds and/or to refinance General State authority rentals.

PUBLIC DEBT

TERMS OF BONDS ISSUED

The following reflects the terms of the Commonwealth's general obligation bonds that were issued in the calendar year ending December 31, 1995.

Purpose of Bonds	Bond Date	Interest Rate	First and Last Year of Maturity	Original Amount in Thousands
Capital Budget — Buildings and Structures	May 1, 1995	5.6%	1996 — 15	\$ 130,000
	November 15, 1995	5.1%	1996 — 15	100,000
Subtotal				<u>\$ 230,000</u>
Capital Budget — Furnishings and Equipment	May 1, 1995	5.3%	1996 — 05	\$ 1,000
	November 15, 1995	5.2%	1996 — 05	2,000
Subtotal				<u>\$ 3,000</u>
Capital Budget — Transportation Assistance	May 1, 1995	5.6%	1996 — 15	\$ 30,000
	November 15, 1995	5.1%	1996 — 15	23,000
Subtotal				<u>\$ 53,000</u>
Keystone Parks & Recreation	May 1, 1995	5.6%	1996 — 15	\$ 3,000
Local Criminal Justice	May 1, 1995	5.6%	1996 — 15	\$ 10,000
PENNVEST — 1988 & 1992 Referenda	May 1, 1995	5.6%	1996 — 15	\$ 3,000
	November 15, 1995	5.1%	1996 — 15	41,000
Subtotal				<u>\$ 44,000</u>
PA Economic Revitalization	November 15, 1995	5.1%	1996 — 15	\$ 2,000
Water Facilities Loans — 1981				
Referendum	May 1, 1995	5.6%	1996 — 15	\$ 2,000
	November 15, 1995	5.1%	1996 — 15	11,500
Subtotal				<u>\$ 13,500</u>
TOTAL				<u><u>\$ 358,500</u></u>

ANNUAL DEBT SERVICE ON OUTSTANDING GENERAL OBLIGATION BONDS Bonds Issued as of December 31, 1995

(Dollar Amounts in Thousands)

Fiscal Year	Capital Budget (Non-highway) ¹	Capital Budget (Highway) ²	Land and Water	Disaster Relief	Vietnam Veterans Comp.	Project 70	Volunteer Companies Loan	Keystone Parks & Recreation
1995-96	\$ 399,785	\$ 180,170	\$ 25,011	\$ 7,185	\$ 2,575	\$ 779	\$ 3,402	\$ 1,051
1996-97	393,614	147,291	19,163	7,001	2,578	780	3,329	1,048
1997-98	375,339	143,494	16,541	6,981	2,581	778	2,356	1,049
1998-99	348,242	140,489	14,791	6,961	2,592	783	2,267	1,049
1999-00	338,081	126,999	14,600	6,820	2,601	785	2,188	1,053
2000-01	311,859	106,514	13,659	6,833	478	....	2,098	1,050
2001-02	287,332	85,337	8,070	6,869	482	....	2,028	1,050
2002-03	263,105	64,666	4,741	6,903	487	....	1,659	1,054
2003-04	244,322	53,670	1,335	....	491	....	1,217	1,051
2004-05	223,328	36,627	1,326	....	....	....	1,210	1,055
2005-06	207,134	36,723	1,320	....	....	....	1,211	1,052
2006-07	188,170	33,547	1,357	....	....	....	1,199	1,052
2007-08	173,891	31,029	1,348	....	....	....	1,195	1,053
2008-09	162,760	26,869	1,342	....	....	....	1,193	1,057
2009-10	144,069	21,620	1,327	....	....	....	1,180	1,057
2010-11	130,276	19,776	1,320	....	....	....	1,179	1,054
2011-12	121,200	17,222	1,248	....	....	....	1,170	1,052
2012-13	94,988	9,388	1,083	....	....	....	1,159	1,052
2013-14	62,371	2,012	317	....	....	....	816	1,053
2014-15	39,336	....	....	....	....	....	....	1,050
2015-16	6,304	....	....	....	....	....	....	....

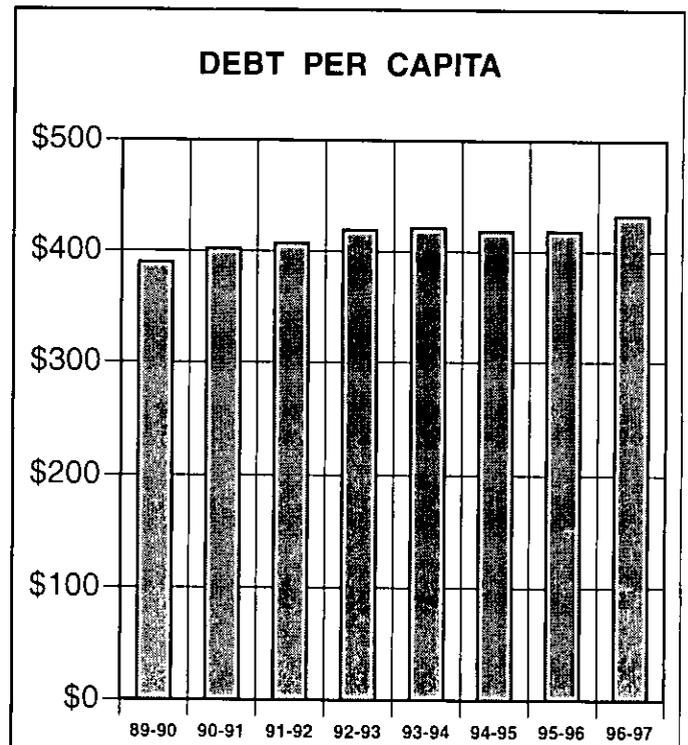
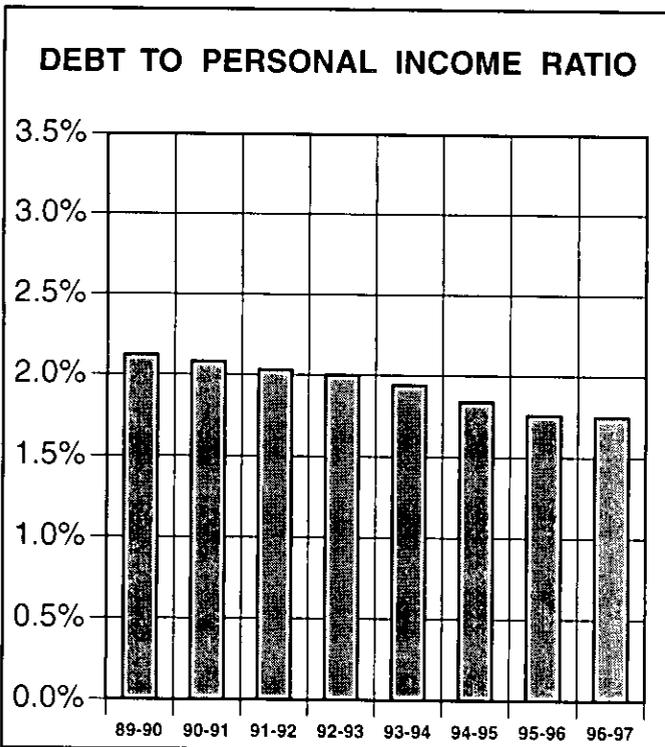
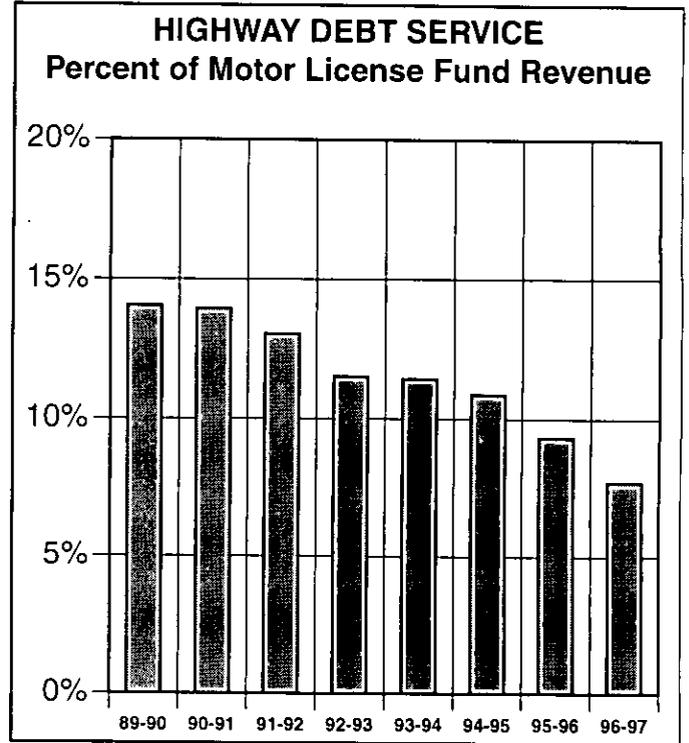
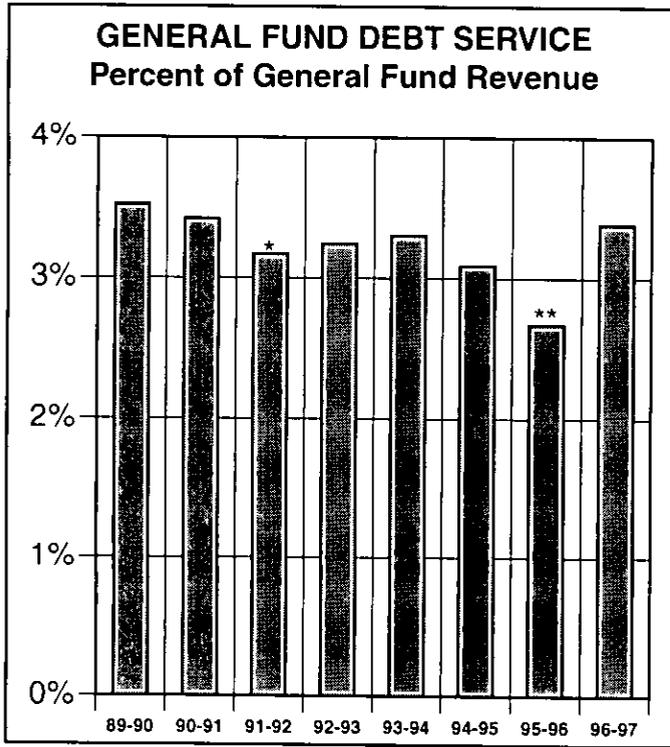
Fiscal Year	Nursing Home Loan Agency	Agricultural Easement Purchase	Water Facilities Loans-1981 Referendum	PENNVEST 1988 & 1992 Referenda	Economic Revitalization	Local Criminal Justice	Refunding Bonds (Non-Capital)	Total
1995-96	\$ 3,566	\$ 7,054	\$ 16,577	\$ 24,370	\$ 10,210	\$ 14,658	\$ 28,438	\$ 724,831
1996-97	3,514	7,007	14,260	27,298	9,419	14,665	34,463	685,430
1997-98	2,175	6,943	14,049	26,752	9,254	14,671	31,680	654,643
1998-99	2,114	6,886	13,243	26,344	9,086	14,680	24,213	613,740
1999-00	879	6,825	13,092	24,750	8,925	14,686	22,648	584,932
2000-01	822	6,770	12,846	23,235	8,755	14,693	23,165	532,777
2001-02	764	6,701	12,689	23,034	8,575	14,701	21,675	479,307
2002-03	755	6,387	12,269	22,391	7,649	14,703	21,635	428,404
2003-04	195	6,339	11,608	22,165	7,517	14,715	21,126	385,751
2004-05	185	6,279	11,512	21,971	7,379	14,714	13,096	338,682
2005-06	175	6,227	11,414	21,784	7,247	14,711	7,446	316,444
2006-07	165	6,416	11,618	21,980	7,849	14,694	5,164	293,211
2007-08	....	6,335	11,118	21,730	7,659	14,687	4,242	274,287
2008-09	....	6,252	11,015	21,495	7,463	14,670	3,291	257,407
2009-10	....	6,167	10,886	21,186	7,274	14,663	1,476	230,905
2010-11	....	6,084	10,808	20,989	7,072	14,653	....	213,211
2011-12	....	5,756	10,381	20,309	6,120	14,639	....	199,097
2012-13	....	5,062	9,182	18,725	2,285	14,622	....	157,546
2013-14	....	2,655	3,987	9,400	497	8,830	....	91,938
2014-15	....	703	793	2,463	108	5,059	....	49,512
2015-16	....	....	589	2,101	103	....	....	9,097

¹ Debt service on bonds issued to refund Capital Budget Bonds and refinance General State Authority rentals is included.

² Debt service on bonds issued for Highway and Bridge programs and to refund these bonds.

Trends in Debt Service and Debt Ratios

1989-90 through 1996-97



* Temporary drop due to bond refinancings.

** Temporary drop due to \$100 million transfer from PIDA escrow fund.



Governor's Executive Budget

OTHER
SPECIAL FUNDS



COMMONWEALTH OF PENNSYLVANIA

OTHER SPECIAL FUNDS

APPENDIX

This section provides brief descriptive and financial data for Commonwealth funds not given an expanded treatment in other sections of the Governor's Budget. This information is presented to demonstrate the magnitude and complexity of the Commonwealth's financial structure as well as give some details of the various funds.

GOVERNOR'S EXECUTIVE BUDGET

OTHER SPECIAL FUNDS

This appendix contains a brief presentation of all active Commonwealth funds not given an expanded treatment in the other sections of the budget.

In a limited number of cases expenditures from funds presented in this section are included in other presentations.

Generally, the Commonwealth uses a modified accrual basis of accounting for financial reporting where certain revenues are accrued and expenditures are reflected when disbursed or committed. Unless otherwise noted in the fund description, all financial data shown herein is on a 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, 1995.

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 Executive Offices. Receipts and disbursements shown as a result of such transactions may not be equal within any given fiscal year.

The vast majority of Commonwealth day-to-day activities are financed from the General Fund; however, over time a large number of other funds have been created to more closely relate specific revenue sources to specific programs or to identify particular government programs or activities. These special funds are categorized into six groups to aid in identifying their purpose. These groups are defined below.

Special Revenue Funds — These funds are used to account for revenues from specific taxes or other earmarked revenue sources which by law are designated to finance particular functions or activities.

Internal Service Funds — These funds account for the financing of goods or services provided by one department or agency to other departments or agencies of the Commonwealth, or to other governmental units, on a cost-reimbursement basis.

Bond Funds — Bond Funds are used to account for the receipt and disbursement of bond sale proceeds which normally finance the construction or acquisition of designated fixed assets.

Debt Service Funds — These funds account for the accumulation of resources, principally from transfers from other funds, for the payment of general long-term debt principal and interest.

Trust and Agency Funds — These funds are used to account for assets held by the Commonwealth as trustee or agent for individuals, private organizations and other government units.

Enterprise Funds — These funds accommodate the operation of public service programs financed wholly or mostly by user charges, or where the periodic determination of net income is deemed appropriate.

Acid Mine Drainage Abatement and Treatment Fund

This fund was created in 1992 to receive money authorized by Title IV of the Federal Surface Mining Control and Reclamation Act. This fund receives up to ten percent of the Commonwealth's Federal Title IV grant for abandoned mine reclamation. Funds are used for acid mine drainage abatement and treatment.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1994-95 Actual	1995-96 Available	1996-97 Estimated
Cash Balance, Beginning	\$ 5,921	\$ 8,411	\$ 8,060
Receipts:			
Federal Funds	\$ 2,116	\$ 2,306	\$ 2,513
Interest	374	389	405
Total Receipts	<u>2,490</u>	<u>2,695</u>	<u>2,918</u>
Total Funds Available	\$ 8,411	\$ 11,106	\$ 10,978
Disbursements:			
Environmental Protection .....	....	\$ 3,046	\$ 3,124
Total Disbursements	<u>....</u>	<u>-3,046</u>	<u>-3,124</u>
Cash Balance, Ending	<u>\$ 8,411</u>	<u>\$ 8,060</u>	<u>\$ 7,854</u>

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)		
	1994-95 Actual	1995-96 Available	1996-97 Estimated
Cash Balance, Beginning	\$ 5,013	\$ 3,381	\$ 2,215
Receipts:			
Federal Unemployment Trust Fund	\$ 201,637	\$ 160,523	\$ 158,000
Other Federal Funds	9,706	9,711	9,500
Other	14,809	14,800	14,000
Total Receipts	<u>226,152</u>	<u>185,034</u>	<u>181,500</u>
Total Funds Available	\$ 231,165	\$ 188,415	\$ 183,715
Disbursements:			
Executive Offices	\$ 8,516	\$ 8,700	\$ 8,500
Labor and Industry	219,268	177,500	174,100
Total Disbursements	<u>-227,784</u>	<u>-186,200</u>	<u>-182,600</u>
Cash Balance, Ending	<u>\$ 3,381</u>	<u>\$ 2,215</u>	<u>\$ 1,115</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. Monies in this fund can be disbursed only for use by the officially designated land grant college (Pennsylvania State University) for the benefit of Agriculture and Mechanical Arts. The net investment adjustment shown below is to reflect market value of long term investments as of June 30.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1994-95 Actual	1995-96 Available	1996-97 Estimated
Cash Balance, Beginning	\$ 636	\$ 638	\$ 641
Receipts:			
Interest on Securities	\$ 40	\$ 41	\$ 41
Net Investment Adjustment			
Total Receipts	40	41	41
Total Funds Available	\$ 676	\$ 679	\$ 682
Disbursements:			
Treasury	\$ 38	\$ 38	\$ 38
Total Disbursements	-38	-38	-38
Cash Balance, Ending	\$ 638	\$ 641	\$ 644

Agricultural Conservation Easement Purchase Fund

This fund was created by Act 64 of 1988 to implement the referendum approved by the electorate November 8, 1988. That referendum authorized the Commonwealth to incur indebtedness of \$100 million to be used for the purchases of agricultural conservation easements. Act 23 of 1992 increased the annual ceiling on easement purchases from bond sales from \$20 to \$25 million. Act 22 of 1991 provided that two thirty-firsts of the cigarette tax be transferred twice a year into the fund.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1994-95 Actual	1995-96 Available	1996-97 Estimated
Cash Balance, Beginning	\$ 3,081	\$ 3,394	\$ 4,578
Receipts:			
Sale of Bonds	\$ 7,922	\$	\$ 10,000
Interest on Securities	416	100	100
Transfer of Cigarette Tax	22,250	21,900	21,700
Other	566	184	. . . .
Total Receipts	31,154	22,184	31,800
Total Funds Available	\$ 34,235	\$ 25,578	\$ 36,378
Disbursements:			
Treasury	\$ 9	\$	\$ 7
Agriculture	30,832	21,000	31,000
Total Disbursements	-30,841	-21,000	-31,007
Cash Balance, Ending	\$ 3,394	\$ 4,578	\$ 5,371

Agricultural Conservation Easement Purchase Sinking Fund

Payment of interest and principal due on outstanding agricultural conservation easement purchase bonds is made from this fund. Revenues of this fund come from annual appropriations by the General Assembly and from a portion of the interest earned in the Agricultural Conservation Easement Purchase Fund.

Statement of Cash Receipts and Disbursements:

	1994-95 Actual	(Dollar Amounts in Thousands) 1995-96 Available	1996-97 Estimated
Cash Balance, Beginning	\$ 1	....	....
Receipts:			
Transfer from General Fund	\$ 6,600	\$ 7,054	\$ 7,133
Accrued Interest on Bonds Sold	39	....	....
Total Receipts	6,639	7,054	7,133
Total Funds Available	\$ 6,640	\$ 7,054	\$ 7,133
Disbursements:			
Treasury	\$ 6,640	\$ 7,054	\$ 7,133
Total Disbursements	-6,640	-7,054	-7,133
Cash Balance, Ending .....	....	....	....

Air Quality Improvement Fund

This fund was created by Act 95 of 1992, which authorized the Governor to provide funding via a transfer of up to \$3 million from the Hazardous Sites Cleanup Fund. Funds are used to provide loans to Pennsylvania small businesses to reduce or prevent air pollution through the purchase and installation of air pollution control equipment and facilities, the purchase of equipment to make operational changes and the modification of production practices. The act also provides that the Air Quality Improvement Fund shall repay the Hazardous Sites Cleanup Fund over a ten year period from loan repayments, with the first such repayment to be made after the fifth year. This budget combines this fund with the Pennsylvania Capital Loan Fund.

Statement of Cash Receipts and Disbursements:

	1994-95 Actual	(Dollar Amounts in Thousands) 1995-96 Available	1996-97 Estimated
Cash Balance, Beginning	\$ 3	\$ 2,279	....
Receipts:			
Transfer from Hazardous Sites Cleanup Fund	\$ 3,000	....	....
Interest	90	\$ 2	....
Loan Repayments	60	380	....
Miscellaneous	13	2	....
Total Receipts	3,163	384	....
Total Funds Available	\$ 3,166	\$ 2,663	....
Disbursements:			
Economic and Community Development	\$ 887	\$ 2,113	....
Total Disbursements	-887	-2,113	....
Cash Balance, Ending	\$ 2,279	\$ 550	....

Anthracite Emergency Bond Fund

This Fund was created by Act 171 of 1986 to provide loans for anthracite underground mine operators who cannot obtain necessary bonding or whose bonding has been cancelled due to insolvency or bankruptcy of the original bonding company. Revenues are provided by appropriation from the General Fund, a fee for each ton of coal estimated by certain mine operations and payments made by operators in lieu of a bond. Act 173 of 1992 extended the program to anthracite surface mine operators.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1994-95 Actual	1995-96 Available	1996-97 Estimated
Cash Balance, Beginning	\$ 255	\$ 269	\$ 289
Receipts:			
Transfer from General Fund .....	.....	.....	.....
Operator Payments	\$ 2	\$ 5	\$ 5
Production Fees .....	.....	5	5
Interest	14	15	15
Total Receipts	<u>16</u>	<u>25</u>	<u>25</u>
Total Funds Available	<u>\$ 271</u>	<u>\$ 294</u>	<u>\$ 314</u>
Disbursements:			
Environmental Protection	\$ 2	\$ 5	\$ 5
Total Disbursements	<u>-2</u>	<u>-5</u>	<u>-5</u>
Cash Balance, Ending	<u>\$ 269</u>	<u>\$ 289</u>	<u>\$ 309</u>

Automobile Theft Prevention Trust Fund

The Automobile Theft Prevention Trust Fund was created by Act 171 of 1994. The purpose of the fund is to finance programs in the Commonwealth to prevent, combat and reduce automobile theft and to improve and support automobile theft prosecutions. The source of funds is assessments on the insurance companies that conduct business in the Commonwealth.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1994-95 Actual	1995-96 Available	1996-97 Estimated
Cash Balance, Beginning
Receipts:			
Assessments	\$ 4,040	\$ 4,260
Total Receipts	<u>.....</u>	<u>4,040</u>	<u>4,260</u>
Total Funds Available	<u>.....</u>	<u>\$ 4,040</u>	<u>\$ 4,260</u>
Disbursements:			
Automobile Theft Prevention Authority	\$ 4,040	\$ 4,260
Total Disbursements	<u>.....</u>	<u>-4,040</u>	<u>-4,260</u>
Cash Balance, Ending	<u>.....</u>	<u>.....</u>	<u>.....</u>

Ben Franklin / IRC Partnership Fund

This fund was created by Act 64 of 1993 for the receipt and disbursement of all appropriations and other funds made available to the Ben Franklin Partnership and the Industrial Resource Centers (IRC), with the further provision that funds appropriated by the General Assembly for each respective program will be used solely for that program. In addition, any other moneys, including Federal funds, which are earmarked for a specific program or purpose must be allocated to that program or purpose.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Estimated
Cash Balance, Beginning .....	.....	\$ 5,245	\$ 3,732
Receipts:			
Transfer from General Fund	\$ 32,290	\$ 36,000	\$ 29,250
Miscellaneous	1,303	2,000	2,000
Interest on Securities	220	230	235
Total Receipts	<u>33,813</u>	<u>38,230</u>	<u>31,485</u>
Total Funds Available	\$ 33,813	\$ 43,475	\$ 35,217
Disbursements:			
Economic and Community Development	\$ 28,568	\$ 39,743	\$ 31,900
Total Disbursements	<u>-28,568</u>	<u>-39,743</u>	<u>-31,900</u>
Cash Balance, Ending	\$ 5,245	\$ 3,732	\$ 3,317

Capital Debt Fund

Principal and interest payments on bonds issued for purposes of capital budget projects are paid from this fund. Annual appropriations by the General Assembly for payment of interest and principal due on general obligation bonds are the primary source of revenue. Funds in the 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.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Estimated
Cash Balance, Beginning	\$ 26,792	.....	.....
Receipts:			
Transfer from Other Funds	\$ 646,110	\$ 577,118	\$ 563,618
Rentals- State-Aided and State-Related Institutions	2,159	2,159	2,159
Interest Subsidy - Higher Education Construction Projects	158	158	158
Refunding Bond Maturing Escrow Funds	397,067	204,626	95,130
Accrued Interest on Bonds Sold	1,628	503	.....
Interest on Securities	909	24	25
Sale of State Property	8,756	.....	.....
Total Receipts	<u>1,056,787</u>	<u>784,588</u>	<u>661,090</u>
Total Funds Available	\$ 1,083,579	\$ 784,588	\$ 661,090
Disbursements:			
Treasury	\$ 1,083,579	\$ 784,588	\$ 661,090
Total Disbursements	<u>-1,083,579</u>	<u>-784,588</u>	<u>-661,090</u>
Cash Balance, Ending .....	.....	.....	.....

Capital Facilities Fund

Monies in this fund are used to meet the financial costs of capital projects as authorized by the capital budget acts. Revenue for this fund comes principally from the sale of general obligation debt and interest earnings. Debt issued for this fund is subject to a debt limit equal to one and three quarter times the average of 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 monies in the fund is credited to the account in the fund to which such invested or deposited money was originally credited. Project money that remained after the refunding of the General State Authority was deposited in this fund. This money is used for the maintenance and repair of General State Authority projects.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Estimated
Cash Balance, Beginning	\$ 183,588	\$ 172,309	\$ 107,335
Receipts:			
Sale of Bonds	\$ 370,858	\$ 319,275	\$ 388,080
Interest on Securities	6,029	8,508	5,078
Interest on Grant Funds			
Redevelopment Assistance Projects	456	64	....
Other	153,407	56,500	....
Total Receipts	<u>530,750</u>	<u>384,347</u>	<u>393,158</u>
Total Funds Available	\$ 714,338	\$ 556,656	\$ 500,493
Disbursements:			
Economic and Community Development	\$ 34,359	\$ 96,172	\$ 88,217
Environmental Protection	273	3,339	11,782
General Services	211,449	222,895	190,139
Transportation	142,322	100,415	103,696
Other	153,626	26,500	....
Total Disbursements	<u>-542,029</u>	<u>-449,321</u>	<u>-393,834</u>
Cash Balance, Ending	<u>\$ 172,309</u>	<u>\$ 107,335</u>	<u>\$ 106,659</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)

	1994-95 Actual	1995-96 Available	1996-97 Estimated
Cash Balance, Beginning	\$ 174	\$ 166	\$ 164
Receipts:			
Contributions and Sales	\$ 13	\$ 15	\$ 18
Other	9	8	8
Total Receipts	<u>22</u>	<u>23</u>	<u>26</u>
Total Funds Available	\$ 196	\$ 189	\$ 190
Disbursements:			
Capitol Preservation Committee	\$ 30	\$ 25	\$ 30
Total Disbursements	<u>-30</u>	<u>-25</u>	<u>-30</u>
Cash Balance, Ending	<u>\$ 166</u>	<u>\$ 164</u>	<u>\$ 160</u>

Catastrophic Loss Benefits Continuation Fund

This Fund was established by Act 24 of 1989 to replace the Catastrophic Loss Trust Fund. The purpose of the Continuation Fund is to pay all medical claims owed by the Catastrophic Loss Trust Fund. Monies in the former Catastrophic Loss Trust Fund were transferred to this fund effective July 1, 1989. Additional revenue is obtained from a surcharge on certain motor vehicle moving violations.

Act 70 of 1990 permits the Continuation Fund to borrow from the Workers' Compensation Security Fund. A final loan repayment of \$6,792,244 is included in disbursements for the 1994-95 fiscal year.

Act 72 of 1995 authorizes the transfer of funds from this fund to a restricted receipt account for the purpose of paying settlements and court orders arising from legal action related to contracts with Envirotest, Inc. Act 72 prohibits the transfer of funds for Envirotest, Inc. settlements if such transfers would jeopardize timely payment and processing of catastrophic loss benefits.

No obligation or expense of, or claim against, this fund constitutes a debt of the Commonwealth or a charge against the General Fund or the Motor License Fund.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Estimated
Cash Balance, Beginning	\$ 22,956	\$ 39,677	\$ 35,620
Receipts:			
Moving Violation Surcharge	\$ 39,842	\$ 34,000	\$ 34,000
Interest	1,681	2,500	2,500
Miscellaneous	12	10	10
Total Receipts	<u>41,535</u>	<u>36,510</u>	<u>36,510</u>
Total Funds Available	\$ 64,491	\$ 76,187	\$ 72,130
Disbursements:			
Executive Offices	\$ 11	\$ 10	\$ 10
Insurance	24,803 ^a	40,557 ^b	29,467 ^c
Total Disbursements	<u>24,814</u>	<u>40,567</u>	<u>29,477</u>
Cash Balance, Ending	<u>\$ 39,677</u>	<u>\$ 35,620</u>	<u>\$ 42,653</u>

^a Includes \$6,792,000 in loan repayments to the Workers Compensation Security Fund.

^b Includes \$25,334,000 Envirotest, Inc. Settlement Payment.

^c Includes \$15,271,000 Envirotest, Inc. Settlement Payment.

Children's Trust Fund

Act 151 of 1988 created the Children's Trust Fund. Revenue is generated by a \$10 fee on marriage licenses and divorce applications. Expenditures are for community-based children's programs and services for child abuse and neglect prevention.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Estimated
Cash Balance, Beginning	\$ 3,765	\$ 3,340	\$ 2,125
Receipts:			
Marriage/Divorce Surcharge	\$ 1,268	\$ 1,225	\$ 1,225
Miscellaneous Revenue	172	125	125
Total Receipts	<u>1,440</u>	<u>1,350</u>	<u>1,350</u>
Total Funds Available	\$ 5,205	\$ 4,690	\$ 3,475
Disbursements:			
Public Welfare	\$ 1,865	\$ 2,565	\$ 2,000
Total Disbursements	<u>-1,865</u>	<u>-2,565</u>	<u>-2,000</u>
Cash Balance, Ending	<u>\$ 3,340</u>	<u>\$ 2,125</u>	<u>\$ 1,475</u>

Clean Air Fund

This fund was created to meet the provisions of Act 787 of 1959, as amended by Act 95 of 1992, to finance the attainment of air quality standards, the administration of the rules and regulations promulgated under these acts, the reduction of interstate air pollution transport and a program to assist businesses in meeting emission standards. Fines, civil penalties and fees from air pollution emitters, as well as appropriations from the General Assembly, Federal or local governments, and interest earnings are deposited in this fund.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Estimated
Cash Balance, Beginning	\$ 18,483	\$ 19,045	\$ 15,057
Receipts:			
Fines and Penalties	\$ 2,736	\$ 1,855	\$ 1,900
Fees	8,943	16,182	16,421
Interest	1,163	640	459
Other	368	....	....
Total Receipts	13,210	18,677	18,780
Total Funds Available	\$ 31,693	\$ 37,722	\$ 33,837
Disbursements:			
Executive Offices	\$ 334	\$	\$
Environmental Protection	12,314	22,665	22,531
Total Disbursements	-12,648	-22,665	-22,531
Cash Balance, Ending	\$ 19,045	\$ 15,057	\$ 11,306

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. The net investment adjustment shown below reflects carrying value of long-term investments as of June 30.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Estimated
Cash Balance, Beginning	\$ 14,900	\$ 16,200	\$ 17,090
Receipts:			
Premiums Collected	\$ 3,144	\$ 3,427	\$ 3,735
Interest	815	864	916
Other	45	1	1
Net Investment Adjustment	-8	....	....
Total Receipts	3,996	4,292	4,652
Total Funds Available	\$ 18,896	\$ 20,492	\$ 21,742
Disbursements:			
Executive Offices	\$ 44	\$	\$
Environmental Protection	2,652	3,402	3,423
Total Disbursements	-2,696	-3,402	-3,423
Cash Balance, Ending	\$ 16,200	\$ 17,090	\$ 18,319

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)

	1994-95 Actual	1995-96 Available	1996-97 Estimated
Cash Balance, Beginning	\$ 289	\$ 423	\$ 443
Receipts:			
Sale of Land	\$ 118	.....	.....
Interest	16	20	20
Total Receipts	134	20	20
Total Funds Available	\$ 423	\$ 443	\$ 463
Disbursements:			
Environmental Protection .....	.....	.....	.....
Total Disbursements .....	.....	.....	.....
Cash Balance, Ending	\$ 423	\$ 443	\$ 463

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)

	1994-95 Actual	1995-96 Available	1996-97 Estimated
Cash Balance, Beginning	\$ 53	\$ 56	\$ 22
Receipts:			
Interest on Securities	\$ 3	\$ 2	\$ 1
Total Receipts	3	2	1
Total Funds Available	\$ 56	\$ 58	\$ 23
Disbursements:			
Historical and Museum Commission .....	.....	\$ 36	.....
Total Disbursements .....	.....	-36	.....
Cash Balance, Ending	\$ 56	\$ 22	\$ 23

Deferred Compensation Fund

On November 6, 1987, Act 81 was signed into law establishing the Commonwealth Deferred Compensation Program. The program enables Commonwealth employees to defer a portion of their salaries into a retirement savings plan. The State Employees' Retirement System is responsible for administration of the act.

Contributions to the fund began in 1988. The disbursements shown under the Executive Offices are employee contribution funds transferred to one of the investment plan options. Those funds, together with the interest they earn, are available to employees upon retirement. Funds in this program, including interest, are expected to total \$302 million in 1996-9796. The number of employees and the level of their contributions is expected to increase over the next several years.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Estimated
Cash Balance, Beginning	\$ 237	\$ 388	\$ 408
Receipts:			
Employee Contributions	\$ 66,207	\$ 69,405	\$ 74,944
Interest	3	21	25
Total Receipts	66,210	69,426	74,969
Total Funds Available	\$ 66,447	\$ 69,814	\$ 75,377
Disbursements:			
Executive Offices	\$ 47,038	\$ 52,374	\$ 56,563
State Employees' Retirement System	19,021	17,032	18,383
Total Disbursements	-66,059	-69,406	-74,946
Cash Balance, Ending	\$ 388	\$ 408	\$ 431

Deferred Compensation Fund — Short-Term Portfolio

On November 6, 1987, Act 81 was signed into law establishing the Commonwealth Deferred Compensation Program. The program enables Commonwealth employees to defer a portion of their salaries into a retirement savings plan.

Available for the employees' investment selection is the Treasury Short-Term Money Market Account. In order to maintain the identity of the investments and deferred compensation contributions, the Deferred Compensation Fund — Short-Term Portfolio was established.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Estimated
Cash Balance, Beginning	\$ 9,366	\$ 10,613	\$ 11,147
Receipts:			
Transfers from Deferred Compensation Fund	\$ 706	\$ 5,407	\$ 6,209
Interest	541	650	700
Total Receipts	1,247	6,057	6,909
Total Funds Available	\$ 10,613	\$ 16,670	\$ 18,056
Disbursements:			
State Employees' Retirement System .....	.....	\$ 5,523	\$ 6,109
Total Disbursements .....	.....	-5,523	-6,109
Cash Balance, Ending	\$ 10,613	\$ 11,147	\$ 11,947

Disaster Relief Fund

Act 4 of the 1972 First Special Legislative Session, as amended 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 was administered by the Department of Economic and Community Development. All redevelopment activity in this program was completed during July 1991. Fund receipts are transferred to the Disaster Relief Redemption Fund.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Estimated
Cash Balance, Beginning	\$ 168	....	....
Receipts:			
Interest on Securities	\$ 11	....	....
Interest on Grant Bank Account	664	....	....
Total Receipts	675	....	....
Total Funds Available	\$ 843	....	....
Disbursements:			
Treasury	\$ 843	....	....
Economic and Community Development .....	....	....	....
Total Disbursements	-843	....	....
Cash Balance, Ending .....	....	....	....

Disaster Relief Redemption Fund

Payment of interest and principal due on bonds issued for the Disaster Relief Fund are made from this fund. Funds in excess of the interest and principal due in any one fiscal period may be used for retirement of all or any part of such bonds issued which are still outstanding. The receipts of this fund include annual General Fund appropriations sufficient to pay interest and principal due on the disaster relief bonds and repayment of monies provided from the Disaster Relief Fund.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Estimated
Cash Balance, Beginning .....	....	\$ 1	....
Receipts:			
Transfer from General Fund	\$ 7,927	\$ 7,146	\$ 7,001
Transfer from Disaster Relief Fund	842	....	....
Interest on Securities	65	38	....
Total Receipts	8,834	7,184	7,001
Total Funds Available	\$ 8,834	\$ 7,185	\$ 7,001
Disbursements:			
Treasury	\$ 8,833	\$ 7,185	\$ 7,001
Total Disbursements	-8,833	-7,185	-7,001
Cash Balance, Ending	\$ 1	....	....

Emergency Medical Services Operating Fund

The purpose of this fund is to assist in activities relating to the prevention and reduction of premature death and disability in the Commonwealth; provide assistance, coordination and support of the development and maintenance of the comprehensive emergency medical services system; determine qualifications, eligibility and certification of emergency medical services personnel; and fund ambulance services. The fund was created by The Emergency Medical Services Act (Act 45) enacted on July 7, 1985. Act 121 of 1988 added a \$25 fee on persons admitted to programs for Accelerated Rehabilitation Disposition (ARD) related to driving under the influence of drugs and/or alcohol.

In addition to the fees imposed by Act 121, revenue is derived from a \$10 fine levied on all moving traffic violations. These fines are in addition to other fines imposed at the discretion of the court. This statement includes both the Emergency Medical and Catastrophic Medical and Rehabilitation components of the act.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1994-95 Actual	1995-96 Available	1996-97 Estimated
Cash Balance, Beginning	\$ 11,481	\$ 9,133	\$ 7,831
Receipts:			
Fines	\$ 12,004	\$ 12,004	\$ 12,004
Interest	592	592	592
Total Receipts	12,596	12,596	12,596
Total Funds Available	\$ 24,077	\$ 21,729	\$ 20,427
Disbursements:			
Health	\$ 14,944	\$ 13,898	\$ 13,898
Total Disbursements	-14,944	-13,898	-13,898
Cash Balance, Ending	\$ 9,133	\$ 7,831	\$ 6,529

Employment Fund for the Blind

This fund, administered by the Department of Public Welfare, was created June 13, 1967 to make loans to persons who are blind to purchase equipment, stock, merchandise and accessories necessary to put into operation vending or refreshment stands or other suitable business enterprises in suitable locations to be used or arranged for by the Department of Public Welfare.

Monies credited to this fund include: (1) repayment of money advanced to persons who are blind for the purchase of merchandise, equipment, stock and accessories; (2) rental fees paid by persons who are blind for leasing equipment and accessories purchased, owned, installed and maintained by the Department of Public Welfare; (3) a percentage of the profits from vending machines in State buildings where a restaurant or cafeteria is operated by the Department of General Services; and (4) any grants or contributions from the Federal Government.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Estimated
Cash Balance, Beginning	\$ 1,740	\$ 2,210	\$ 2,295
Receipts:			
Federal Reimbursement - Business			
Enterprise Program	\$ 279	\$ 250	\$ 250
Vending Stand Equipment Rentals	240	185	150
Vending Machine Receipts	369	500	500
Interest	106	30	30
Other	218	5	5
Total Receipts	1,212	970	935
Total Funds Available	\$ 2,952	\$ 3,180	\$ 3,230
Disbursements:			
Treasury .....	.....	\$ 5	\$ 5
Public Welfare	742	880	805
Total Disbursements	-742	-885	-810
Cash Balance, Ending	\$ 2,210	\$ 2,295	\$ 2,420

Energy Conservation and Assistance Fund

This fund was created by Act 122 of 1986 to receive all oil overcharge settlements including the uncommitted balance of settlements received prior to the Act. Appropriations are made from the fund for supplemental low-income weatherization and home energy assistance programs, and energy conservation activities.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Estimated
Cash Balance, Beginning	\$ 9,382	\$ 4,713	\$ 3,444
Receipts:			
Revenue Estimate	\$ 513	\$ 1,331	\$ 200
Other	53	....	....
Total Receipts	566	1,331	200
Total Funds Available	\$ 9,948	\$ 6,044	\$ 3,644
Disbursements:			
Executive Offices	\$ 3,823	....	....
Environmental Protection .....	....	\$ 2,150 *	\$ 200
Public Welfare	1,412	450	600
Total Disbursements	-5,235	-2,600	-800
Cash Balance, Ending	\$ 4,713	\$ 3,444	\$ 2,844

* Includes \$2,000,000 recommended supplemental appropriation.

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. The fund is supported by an appropriation from the General Fund as well as from interest earnings. The fund will terminate on June 30, 1996.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Estimated
Cash Balance, Beginning	\$ 1,983	\$ 1,686	....
Receipts:			
Transfer from General Fund	\$ 300	....	....
Interest	102	....	....
Other .....	....	\$ 80	....
Total Receipts	402	80	....
Total Funds Available	\$ 2,385	\$ 1,766	....
Disbursements:			
Economic and Community Development .....	....	\$ 1,766	....
Environmental Protection	\$ 699	....	....
Total Disbursements	-699	-1,766	....
Cash Balance, Ending	\$ 1,686	....	....

Environmental Education Fund

This fund was authorized by Act 24 of 1993 to provide environmental education programs and to provide grants to schools and other organizations. Funding is from the transfer of 5 percent of fines and penalties deposited in the special funds and restricted revenue accounts which are administered by the Department of Environmental Protection. Act 18 of 1995 requires that not less than 25 percent of the annual receipts of this fund shall be provided to the Department of Conservation and Natural Resources.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Estimated
Cash Balance, Beginning	\$ 599	\$ 705	\$ 404
Receipts:			
Transfers from Other Funds	\$ 647	\$ 553	\$ 570
Interest	49	40	40
Other	4	....	....
Total Receipts	<u>700</u>	<u>593</u>	<u>610</u>
Total Funds Available	\$ 1,299	\$ 1,298	\$ 1,014
Disbursements:			
Executive Offices	\$ 4	....	....
Conservation and Natural Resources .....	....	\$ 147	\$ 147
Environmental Protection	590	747	457
Total Disbursements	<u>-594</u>	<u>-894</u>	<u>-604</u>
Cash Balance, Ending	<u>\$ 705</u>	<u>\$ 404</u>	<u>\$ 410</u>

Financially Distressed Municipalities Revolving Aid Fund

This fund was created by Act 157 of 1988 to make loans and grants to assist municipalities that are declared financially distressed. Initial funding was provided through the transfer of all unused funds remaining from a 1986-87 General Fund appropriation for Distressed Community Emergency Aid. In addition, Act 157 stipulated that all repayments on loans made from the fund should be redeposited into the fund and used to make additional loans and grants to distressed municipalities. As part of the restructuring of the Department of Community Affairs, the General Fund Distressed Communities Assistance appropriation to the Department of Economic and Community Development is transferred to the fund.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Estimated
Cash Balance, Beginning	\$ 3,308	\$ 3,970	\$ 3,320
Receipts:			
Transfer from General Fund	\$ 600	\$ 1,200	\$ 1,200
Loan Repayments	1,541	1,000	1,000
Interest	183	150	150
Total Receipts	<u>2,324</u>	<u>2,350</u>	<u>2,350</u>
Total Funds Available	\$ 5,632	\$ 6,320	\$ 5,670
Disbursements:			
Economic and Community Development	\$ 1,662	\$ 3,000	\$ 3,000
Total Disbursements	<u>-1,662</u>	<u>-3,000</u>	<u>-3,000</u>
Cash Balance, Ending	<u>\$ 3,970</u>	<u>\$ 3,320</u>	<u>\$ 2,670</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. The funds are distributed based on the population and market value of real estate of each municipality. In addition, the distribution formula provides for differential payment for paid and volunteer firefighters. The amount to be distributed based on paid firefighters is transferred to the Municipal Pension Aid Fund for payment. This money must be paid by the local governmental organization into the relief, pension or retirement fund of the recognized fire fighting organization serving the city, town, township or borough.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Estimated
Cash Balance, Beginning	\$ 51,949	\$ 54,608	\$ 49,848
Receipts:			
Tax Payable to Municipalities	\$ 54,510	\$ 54,510	\$ 55,000
Other	2	.....	.....
Total Receipts	54,512	54,510	55,000
Total Funds Available	\$ 106,461	\$ 109,118	\$ 104,848
Disbursements:			
Auditor General	\$ 51,853	\$ 59,270	\$ 55,000
Total Disbursements	-51,853	-59,270	-55,000
Cash Balance, Ending	\$ 54,608	\$ 49,848	\$ 49,848

Hazardous Material Response Fund

This fund was created by Act 165 of 1990 to carry out Pennsylvania's responsibilities under Title III of the Federal Superfund Amendments and Reauthorization Act (SARA Title III). Revenue is generated from toxic chemical registration fees and toxic chemical release form fees. Expenditures are for training programs for hazardous material response teams, public education programs, grants to counties for SARA Title III activities and administration of the program including data collection and management.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Estimated
Cash Balance, Beginning	\$ 1,126	\$ 1,496	\$ 1,223
Receipts:			
Toxic Release Inventory Registration Fee	\$ 17	.....	.....
Toxic Chemical Release Form Fee	1,109	\$ 1,100	\$ 1,100
Chemical Inventory Fee	313	220	220
Interest on Securities	57	30	30
Total Receipts	1,496	1,350	1,350
Total Funds Available	\$ 2,622	\$ 2,846	\$ 2,573
Disbursements:			
Emergency Management Agency	\$ 961	\$ 1,315	\$ 1,463
Labor and Industry	165	308	110
Total Disbursements	-1,126	-1,623	-1,573
Cash Balance, Ending	\$ 1,496	\$ 1,223	\$ 1,000

Hazardous Sites Cleanup Fund

This fund was created by Act 58 of 1987 to finance the cleanup and restoration of abandoned hazardous waste sites in the Commonwealth. Revenue is generated from a portion of the Capital Stock and Franchise Tax and a Hazardous Waste Fee as well as money received from parties determined responsible for site contamination. Expenditures are for cleaning up abandoned hazardous waste sites throughout the Commonwealth and restoring the land to productive use. Act 95 of 1992 authorized a transfer of up to \$3 million to the Air Quality Improvement Fund to capitalize a loan program to small businesses. This amount is to be repaid between the 1997-98 and the 2002-03 fiscal years.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Estimated
Cash Balance, Beginning	\$ 101,553	\$ 115,801	\$ 68,951
Receipts:			
Capital Stock and Franchise Tax	\$ 41,745	\$ 37,800	\$ 40,300
Hazardous Waste Fee	3,057	3,150	3,308
Cost Recovery	1,201	2,000	2,000
Interest	5,160	5,200	5,000
Federal Funds	92	.....	.....
Other	1,174	.....	.....
Total Receipts	52,429	48,150	50,608
Total Funds Available	\$ 153,982	\$ 163,951	\$ 119,559
Disbursements:			
Executive Offices	\$ 829	.....	.....
Economic and Community Development	3,000 ^a	.....	.....
Environmental Protection	34,352	\$ 95,000	\$ 50,831
Total Disbursements	-38,181	-95,000	-50,831
Cash Balance, Ending	\$ 115,801	\$ 68,951	\$ 68,728

^a Loan to provide capitalization of Air Quality Improvement Fund. Includes transfer from 1993-94 Executive Authorization.

Higher Education Assistance Fund

Moneys in this fund are currently used primarily for the following purposes: (1) maintenance of a monetary reserve to be used for all expenses associated with loans guaranteed by the Pennsylvania Higher Education Assistance Agency (PHEAA); (2) provision of grants to students; (3) provision of grants to nonsectarian private postsecondary educational institutions; (4) provision of grants to institutions of higher learning for the purpose of helping the institution secure Federal funds to provide direct financial aid to students; (5) provision of funds to institutions for College Work Study Programs; (6) operation of the Informational Technology Education Program and Math and Science Programs; (7) provision for minority students entering graduate professional schools under the Equal Opportunity Professional Education Program; (8) provision for loan forgiveness; and (9) payment of PHEAA administrative costs. Revenue to this fund is derived from appropriations by the General Assembly of General Fund money, gifts, Federal funds interest earnings and servicing fees.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1994-95 Actual	1995-96 Available	1996-97 Estimated
Cash Balance, Beginning	\$ 201,384	\$ 195,385	\$ 176,502
Receipts:			
Transfer from General Fund	\$ 256,023	\$ 282,877	\$ 327,501
Investment Earnings	10,077	12,574	13,271
Federal Revenue	183,202	177,398	191,390
Other	180,409	185,469	186,760
Total Receipts	<u>629,711</u>	<u>658,318</u>	<u>718,922</u>
Total Funds Available	\$ 831,095	\$ 853,703	\$ 895,424
Disbursements:			
Treasury	\$ 14	\$	\$
Executive Offices	2,312	2,427	2,548
Net Investment Adjustment	2,139	. . . .	. . . .
PHEAA	631,245	674,774	725,750
Total Disbursements	<u>-635,710</u>	<u>-677,201</u>	<u>-728,298</u>
Cash Balance, Ending	<u>\$ 195,385</u>	<u>\$ 176,502</u>	<u>\$ 167,126</u>

Highway Beautification Fund

The Highway Beautification Fund was created by Act 5 of 1966, Third Special Session. Activities include control of outdoor advertising and control of junkyards. Although General Fund monies were initially appropriated to establish the fund, highway beautification activities are now supported by licenses, fees, fines, penalties, Federal Highway Administration grants and interest. Each year the Governor issues executive authorizations which establish the amount to be spent by the Department of Transportation in each of the highway beautification activities.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1994-95 Actual	1995-96 Available	1996-97 Estimated
Cash Balance, Beginning	\$ 385	\$ 604	\$ 584
Receipts:			
Federal Grants	\$ 444	\$ 800	\$ 800
Licenses and Fees	310	297	300
Other	26	9	42
Total Receipts	<u>780</u>	<u>1,106</u>	<u>1,142</u>
Total Funds Available	\$ 1,165	\$ 1,710	\$ 1,726
Disbursements:			
Treasury	\$	\$ 1	\$ 1
Transportation	561	1,125	1,125
Total Disbursements	<u>-561</u>	<u>-1,126</u>	<u>-1,126</u>
Cash Balance, Ending	<u>\$ 604</u>	<u>\$ 584</u>	<u>\$ 600</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.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Estimated
Cash Balance, Beginning	\$ 851	\$ 1,425	\$ 1,055
Receipts:			
Admission Fees	\$ 879	\$ 1,000	\$ 1,000
Interest	70	.....	.....
Other	3,921	3,430	3,550
Total Receipts	4,870	4,430	4,550
Total Funds Available	\$ 5,721	\$ 5,855	\$ 5,605
Disbursements:			
Executive Offices	\$ 82	\$	\$
Historical and Museum Commission	4,214	4,800	4,950
Total Disbursements	-4,296	-4,800	-4,950
Cash Balance, Ending	\$ 1,425	\$ 1,055	\$ 655

Home Investment Trust Fund

This fund was established by Act 172 of 1992 in order to administer Pennsylvania's program under the National Affordable Housing Act of 1990. Funding is provided by the Federal Department of Housing and Urban Development on an annual basis. Expenditures are for development and support of affordable rental housing and home ownership through the acquisition, new construction, reconstruction or rehabilitation of housing. As part of the restructuring of the Department of Community Affairs, this fund is to be transferred to the Department of Economic and Community Development.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Estimated
Cash Balance, Beginning	\$ 15	\$ 11	.....
Receipts:			
Federal Revenue	\$ 1,085	\$ 16,145	\$ 14,895
Principal and Interest	49	55	55
Miscellaneous	64	50	50
Total Receipts	\$ 1,198	\$ 16,250	\$ 15,000
Total Funds Available	\$ 1,213	\$ 16,261	\$ 15,000
Disbursements:			
Executive Offices	\$ 22	\$	\$
Economic and Community Development	1,180	16,261	15,000
Total Disbursements	-1,202	-16,261	-15,000
Cash Balance, Ending	\$ 11	.....	.....

Industrial Development Fund

Previously, appropriations made by the General Assembly to the Pennsylvania Industrial Development Authority (PIDA) were credited to this fund. Effective January 1, 1992, these appropriations were replaced by an annual \$70 million transfer (\$17.5 million per quarter) of Corporate Income tax revenues as provided by Act 22 of 1991. This transfer ended at the close of the 1993-94 fiscal year as part of the PIDA recapitalization. The 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, represent the primary source of revenue to PIDA and are used by PIDA to make additional loans. This budget combines the Sunny Day Fund and the Machinery and Equipment Loan Fund with the Industrial Development Fund.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Estimated
Cash Balance, Beginning	\$ 81,330	\$ 863	....
Receipts:			
General Fund Transfer .....	....	....	\$ 15,000
Interest on Securities	\$ 2,564	\$ 5	1,000
Miscellaneous	9	....	....
Transfer from Machinery and Equipment Loan Fund .....	....	....	2,178
Transfer from Sunny Day Fund .....	....	....	30,195
Total Receipts	2,573	5	48,373
Total Funds Available	\$ 83,903	\$ 868	\$ 48,373
Disbursements:			
Economic and Community Development	\$ 83,040	\$ 868	\$ 43,000
Total Disbursements	-83,040	-868	-43,000
Cash Balance, Ending	\$ 863	....	\$ 5,373

Insurance Fraud Prevention Trust Fund

The Insurance Fraud Prevention Trust Fund was created by Act 166 of 1994. The purpose of the fund is to finance activities in the Commonwealth to prevent, combat and reduce insurance fraud, and to improve and support insurance fraud law enforcement, prosecutions and prevention. The source of funds is assessments on the insurance companies that conduct business in the Commonwealth of Pennsylvania.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Estimated
Cash Balance, Beginning
Receipts:			
Assessments	\$ 8,050	\$ 8,150
Total Receipts	8,050	8,150
Total Funds Available	\$ 8,050	\$ 8,150
Disbursements:			
Insurance Fraud Prevention Authority	\$ 8,050	\$ 8,150
Total Disbursements	-8,050	-8,150
Cash Balance, Ending

Insurance Liquidation Fund

The Insurance Department is responsible for administering the liquidation of insolvent domestic insurance carriers pursuant to orders of Commonwealth Court under Article V of the Insurance Department Act. This fund is utilized to permit the Treasury Department to invest the assets of insolvent insurance carriers.

These assets are utilized to pay claims and expenses incurred in the administration of domestic insurance carrier insolvencies.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Estimated
Cash Balance, Beginning	\$ 184,796	\$ 199,448	\$ 212,448
Receipts:			
Carrier Assets	\$ 52,123	\$ 30,000	\$ 20,000
Interest	8,942	8,000	8,000
Total Receipts	61,065	38,000	28,000
Total Funds Available	\$ 245,861	\$ 237,448	\$ 240,448
Disbursements:			
Insurance	\$ 43,300	\$ 25,000	\$ 25,000
Net Investment Adjustment	3,113	.....	.....
Total Disbursements	-46,413	-25,000	-25,000
Cash Balance, Ending	\$ 199,448	\$ 212,448	\$ 215,448

Keystone Recreation, Park and Conservation Sinking Fund

Monies in this fund are used to redeem or pay interest on bonds issued for the Keystone Recreation, Park and Conservation Fund. An appropriation from the General Fund provides revenues to the fund.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Estimated
Cash Balance, Beginning .....	.....	\$ 10	.....
Receipts:			
Transfer from General Fund	\$ 239	\$ 1,041	\$ 2,586
Interest	1	1	.....
Accrued Interest on Bonds Sold	54	.....	.....
Total Receipts	294	1,042	2,586
Total Funds Available	\$ 294	\$ 1,052	\$ 2,586
Disbursements:			
Treasury	\$ 284	\$ 1,052	\$ 2,586
Total Disbursements	-284	-1,052	-2,586
Cash Balance, Ending	\$ 10	.....	.....

Land and Water Development Fund

This fund was created in 1968 to finance projects to eliminate land and water scars, air pollution and subsidence due to past coal mining operations, to aid political subdivisions in constructing or improving sewage treatment plants, to develop public outdoor recreation lands and to aid local governments in acquiring land for recreation purposes. In addition, administrative expenses incurred in support in any of these activities may be paid with monies in this fund. 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)		
	1994-95 Actual	1995-96 Available	1996-97 Estimated
Cash Balance, Beginning	\$ 5,052	\$ 3,789	\$ 2,810
Receipts:			
Sale of Bonds	\$ -257	....	....
Federal Augmentations	30	20	20
Other	1	1	1
Total Receipts	<u>-226</u>	<u>21</u>	<u>21</u>
Total Funds Available	\$ 4,826	\$ 3,810	\$ 2,831
Disbursements:			
Environmental Protection	\$ 1,037	\$ 1,000	\$ 500
Total Disbursements	<u>-1,037</u>	<u>-1,000</u>	<u>-500</u>
Cash Balance, Ending	<u>\$ 3,789</u>	<u>\$ 2,810</u>	<u>\$ 2,331</u>

* Includes transfer to capitalize the Remaining Financial Assurance Fund

Land and Water Development Sinking Fund

Payment of interest and principal due on outstanding land and water development bonds is made from this fund. Annual appropriations by the General Assembly and interest on invested balances in this fund and in the Land and Water Development Fund provide the revenues to the fund.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1994-95 Actual	1995-96 Available	1996-97 Estimated
Cash Balance, Beginning	\$ 1	....	....
Receipts:			
Transfer from General Fund	\$ 27,219	\$ 24,793	\$ 18,963
Transfer from Land & Water Development Fund	257	....	....
Interest on Securities	231	218	200
Total Receipts	<u>27,707</u>	<u>25,011</u>	<u>19,163</u>
Total Funds Available	\$ 27,708	\$ 25,011	\$ 19,163
Disbursements:			
Treasury	\$ 27,708	\$ 25,011	\$ 19,163
Total Disbursements	<u>-27,708</u>	<u>-25,011</u>	<u>-19,163</u>
Cash Balance, Ending	<u>....</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 gasoline and diesel fuel taxes is deposited into the fund for semi-annual distribution to county governments and to pay registration fees for vehicles operated by mass transportation systems. After payment of fees, remaining funds are allocated to the counties on a three-year average refund to total refund formula and must be used for highway purposes. Since the majority of counties have direct jurisdiction over a limited number of roads, a large portion of these funds are further allocated by the counties to their political subdivisions.

Statement of Cash Receipts and Disbursements:

	1994-95 Actual	(Dollar Amounts in Thousands) 1995-96 Available	1996-97 Estimated
Cash Balance, Beginning	\$ 3,705	\$ 2,628	\$ 2,581
Receipts:			
Tax on Gasoline	\$ 23,617	\$ 23,700	\$ 24,900
Tax on Diesel Fuel	5,653	5,800	6,100
Total Receipts	29,270	29,500	31,000
Total Funds Available	\$ 32,975	\$ 32,128	\$ 33,581
Disbursements:			
Treasury	\$ 105	\$ 110	\$ 110
Revenue	30,242	29,437	30,774
Total Disbursements	-30,347	-29,547	-30,884
Cash Balance, Ending	\$ 2,628	\$ 2,581	\$ 2,697

Liquor License Fund

This fund serves as a pass-through account for fees for hotel, restaurant and club liquor and/or beer licenses. These fees are returned semi-annually to the municipalities in which the licenses are located. Interest earned on fund deposits is credited to the General Fund.

Statement of Cash Receipts and Disbursements:

	1994-95 Actual	(Dollar Amounts in Thousands) 1995-96 Available	1996-97 Estimated
Cash Balance, Beginning	\$ 2,903	\$ 2,474	\$ 1,989
Receipts:			
Liquor License Fees	\$ 4,767	\$ 4,800	\$ 4,800
Beer License Fees	117	117	117
Other	13	13	13
Total Receipts	4,897	4,930	4,930
Total Funds Available	\$ 7,800	\$ 7,404	\$ 6,919
Disbursements:			
Treasury	\$ 1	\$ 15	\$ 15
Liquor Control Board	5,325	5,400	5,400
Total Disbursements	-5,326	-5,415	-5,415
Cash Balance, Ending	\$ 2,474	\$ 1,989	\$ 1,504

Local Criminal Justice Fund

This fund was created by Act 71 of 1990 to provide \$200 million for grants to counties for the repair, expansion, construction, rehabilitation and improvement of local correctional facilities or multicounty regional prison facilities or the purchase of electronic monitoring equipment for alternative sentencing programs.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1994-95 Actual	1995-96 Available	1996-97 Estimated
Cash Balance, Beginning	\$ 5,177	\$ 16,170	\$ 14,530
Receipts:			
Sale of Bonds	\$ 56,411	\$ 19,000	\$ 6,000
Interest	900	97	.....
Total Receipts	<u>57,311</u>	<u>19,097</u>	<u>6,000</u>
Total Funds Available	\$ 62,488	\$ 35,267	\$ 20,530
Disbursements:			
Treasury	\$ 76	.....	.....
Corrections	46,242	20,737	10,000
Total Disbursements	<u>-46,318</u>	<u>-20,737</u>	<u>-10,000</u>
Cash Balance, Ending	<u>\$ 16,170</u>	<u>\$ 14,530</u>	<u>\$ 10,530</u>

Local Criminal Justice Sinking Fund

Payment of interest and principal due on outstanding local criminal justice bonds is made from this fund. Annual appropriations by the General Assembly and interest on invested balances in this fund provide the revenues to this fund.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1994-95 Actual	1995-96 Available	1996-97 Estimated
Cash Balance, Beginning	\$ 10	\$ 1	.....
Receipts:			
Transfer from General Fund	\$ 10,845	\$ 14,657	\$ 14,904
Accrued Interest on Bonds Sold	264	.....	.....
Interest on Securities	3	.....	.....
Total Receipts	<u>11,112</u>	<u>14,657</u>	<u>14,904</u>
Total Funds Available	\$ 11,122	\$ 14,658	\$ 14,904
Disbursements:			
Treasury	\$ 11,121	\$ 14,658	\$ 14,904
Total Disbursements	<u>-11,121</u>	<u>-14,658</u>	<u>-14,904</u>
Cash Balance, Ending	<u>\$ 1</u>	<u>.....</u>	<u>.....</u>

Local Government Capital Project Loan Fund

This fund was created by Act 210 of 1990 to assist municipal governments in acquiring equipment and facilities by providing low-interest loans to those governments which find conventional loan costs to be prohibitive. Loans are provided at a rate of two percent for periods not to exceed ten years. Revenues received from loan repayment and interest accrual will be returned to the fund on a revolving basis. Act 59 of 1994 extends the program through June 30, 1997.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1994-95 Actual	1995-96 Available	1996-97 Estimated
Cash Balance, Beginning	\$ 1,772	\$ 1,677	\$ 1,271
Receipts:			
Transfer from General Fund	\$ 750	.....	.....
Loan Repayments	139	\$ 262	\$ 262
Other .....	.....	876	.....
Interest	107	110	110
Total Receipts	<u>996</u>	<u>1,248</u>	<u>372</u>
Total Funds Available	\$ 2,768	\$ 2,925	\$ 1,643
Disbursements:			
Economic and Community Development	\$ 1,091	\$ 1,654	\$ 573
Total Disbursements	<u>-1,091</u>	<u>-1,654</u>	<u>-573</u>
Cash Balance, Ending	<u>\$ 1,677</u>	<u>\$ 1,271</u>	<u>\$ 1,070</u>

Low-Level Waste Fund

This fund was created by Act 12 of 1988 to finance the selection, licensing, regulation and long-term care of a low-level radioactive waste disposal facility. Revenue is derived from fees for licenses and permits to generate, store and transport waste, surcharges on the disposal of waste, and fines and penalties for violating the provisions of the Low-Level Radioactive Waste Disposal Act.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1994-95 Actual	1995-96 Available	1996-97 Estimated
Cash Balance, Beginning	\$ 703	\$ 1,760	\$ 1,087
Receipts:			
Transfer from General Fund	\$ 2,450	\$ 1,546	\$ 1,258
Fines and Penalties* .....	.....	.....	.....
Licenses and Fees* .....	.....	.....	.....
Surcharges* .....	.....	.....	.....
Interest	31	10	9
Other	24	.....	.....
Total Receipts	<u>2,505</u>	<u>1,556</u>	<u>1,267</u>
Total Funds Available	\$ 3,208	\$ 3,316	\$ 2,354
Disbursements:			
Executive Offices	\$ 24	.....	.....
Environmental Protection	1,424	\$ 2,229	\$ 1,398
Total Disbursements	<u>-1,448</u>	<u>-2,229</u>	<u>-1,398</u>
Cash Balance, Ending	<u>\$ 1,760</u>	<u>\$ 1,087</u>	<u>\$ 956</u>

* These revenues will not be received until the Commonwealth's low-level disposal site becomes operational.

Machinery and Equipment Loan Fund

This fund was established by Act 120 of 1988 to provide low-interest machinery and equipment financing for Pennsylvania businesses in order to facilitate their growth, competitiveness and value-added capacity.

The fund was initially capitalized by an appropriation from the Pennsylvania Economic Revitalization Fund (PERF) and continued to be funded through PERF as well as from loan repayments and interest earnings.

This budget combines the Machinery and Equipment Loan Fund with the Industrial Development Fund.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1994-95 Actual	1995-96 Available	1996-97 Estimated
Cash Balance, Beginning	\$ 4,166	\$ 10,588	....
Receipts:			
Transfer from PA Economic Revitalization Fund	\$ 7,000	....	....
Loan Repayments	7,899	\$ 7,464	
Miscellaneous	108	70	
Interest on Securities	359	200	....
Total Receipts	<u>15,366</u>	<u>7,734</u>	....
Total Funds Available	\$ 19,532	\$ 18,322	....
Disbursements:			
Economic and Community Development	\$ 8,944	\$ 16,144	....
Total Disbursements	<u>-8,944</u>	<u>-16,144</u>	....
Cash Balance, Ending	<u>\$ 10,588</u>	<u>\$ 2,178</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)		
	1994-95 Actual	1995-96 Available	1996-97 Estimated
Cash Balance, Beginning	\$ 3,713	\$ 1,157	\$ 103
Receipts:			
Sale of Products	\$ 27,623	\$ 31,903	\$ 33,704
Interest	95	100	100
Other	608	400	400
Total Receipts	<u>28,326</u>	<u>32,403</u>	<u>34,204</u>
Total Funds Available	\$ 32,039	\$ 33,560	\$ 34,307
Disbursements:			
Executive Offices	\$ 543	\$ 560	\$ 580
Corrections	30,339	32,897	31,509
Total Disbursements	<u>-30,882</u>	<u>-33,457</u>	<u>-32,089</u>
Cash Balance, Ending	<u>\$ 1,157</u>	<u>\$ 103</u>	<u>\$ 2,218</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)		
	1994-95 Actual	1995-96 Available	1996-97 Estimated
Cash Balance, Beginning	\$ 107,614	\$ 103,540	\$ 175,072
Receipts:			
Surcharges	\$ 180,234	\$ 368,212	\$ 316,761
Interest on Investments	5,475	4,650	6,284
Other	140	.....	.....
Total Receipts	<u>185,849</u>	<u>372,862</u>	<u>323,045</u>
Total Funds Available	\$ 293,463	\$ 476,402	\$ 498,117
Disbursements:			
Executive Offices	\$ 189,923	\$ 301,330	\$ 315,588
Total Disbursements	<u>-189,923</u>	<u>-301,330</u>	<u>-315,588</u>
Cash Balance, Ending	<u>\$ 103,540</u>	<u>\$ 175,072</u>	<u>\$ 182,529</u>

Minority Business Development Fund

This fund was created in 1974 to accommodate the operation 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)		
	1994-95 Actual	1995-96 Available	1996-97 Estimated
Cash Balance, Beginning	\$ 2,563	\$ 6,902	\$ 3,925
Receipts:			
Transfer from General Fund	\$ 7,150	\$ 2,130	\$ 2,130
Interest on Securities	332	240	240
Other	14	113	113
Loan Principal and Interest Repayments	2,081	2,000	2,000
Total Receipts	<u>9,577</u>	<u>4,483</u>	<u>4,483</u>
Total Funds Available	\$ 12,140	\$ 11,385	\$ 8,408
Disbursements:			
Economic and Community Development	\$ 5,238	\$ 7,460	\$ 4,000
Total Disbursements	<u>-5,238</u>	<u>-7,460</u>	<u>-4,000</u>
Cash Balance, Ending	<u>\$ 6,902</u>	<u>\$ 3,925</u>	<u>\$ 4,408</u>

Motor Vehicle Transaction Recovery Fund

This fund was created by Act 83 of 1990 to provide protection from dealers or other agents who fail to forward fees and taxes pertaining to an application for titling or registration of a vehicle to the Department of Transportation. Revenues to the fund consist of assessments (or reassessments should the balance of the fund fall below \$500,000) on every applicant for motor vehicle dealer registration plates or for the authority to act as agent of the department with respect to vehicle titling and registration.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Estimated
Cash Balance, Beginning	\$ 1,034	\$ 1,276	\$ 1,370
Receipts:			
Dealer/Agent Assessment	\$ 199	\$ 136	\$ 110
Interest	62	34	40
Total Receipts	261	170	150
Total Funds Available	\$ 1,295	\$ 1,446	\$ 1,520
Disbursements:			
Transportation	\$ 19	\$ 76	\$ 53
Total Disbursements	-19	-76	-53
Cash Balance, Ending	\$ 1,276	\$ 1,370	\$ 1,467

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 1985, this fund receives a portion of the revenues from the Foreign Casualty Insurance Premium Tax and the Foreign Fire Insurance Premium Tax. These revenues and earnings are for distribution to municipalities for various municipal, police and fire pension funds.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Estimated
Cash Balance, Beginning	\$ 102,179	\$ 119,765	\$ 110,638
Receipts:			
Foreign Casualty Insurance Premium Tax	\$ 137,752	\$ 107,638	\$ 117,000
Foreign Fire Insurance Premium Tax	11,712	12,155	12,500
Interest	1,992	2,834	2,400
Total Receipts	151,456	122,627	131,900
Total Funds Available	\$ 253,635	\$ 242,392	\$ 242,538
Disbursements:			
Auditor General	\$ 133,870	\$ 131,754	\$ 130,100
Total Disbursements	-133,870 ^a	-131,754 ^b	-130,100 ^c
Cash Balance, Ending	\$ 119,765	\$ 110,638	\$ 112,438

^a Includes post-retirement payment of \$6,447,426.

^b Includes post-retirement payment of \$6,136,172.

^c Includes post-retirement payment of \$6,100,000.

Non-Coal Surface Mining Conservation and Reclamation Fund

This fund was created by Act 219 of 1984 to finance reclamation projects on land scarred by non-coal surface mining. Projects include recontouring, terracing and planting trees, shrubs and grasses. Revenues are provided by charging non-coal surface mining operators for licenses and permits and by fining them for failing to apply for the licenses and permits as well as by forfeiture of collateral bonds, cash or securities for failure to comply with an approved reclamation plan.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Estimated
Cash Balance, Beginning	\$ 4,252	\$ 4,847	\$ 4,400
Receipts:			
Licenses and Fees	\$ 171	\$ 203	\$ 211
Penalties	32	93	90
Interest	238	240	240
Collateral	75	100	100
Payment in Lieu of Bonds	41	55	55
Forfeiture of Bond	85	90	90
Other .....	....	....	....
Total Receipts	<u>642</u>	<u>781</u>	<u>786</u>
Total Funds Available	\$ 4,894	\$ 5,628	\$ 5,186
Disbursements:			
Environmental Protection	\$ 47	\$ 1,228	\$ 1,270
Total Disbursements	<u>-47</u>	<u>-1,228</u>	<u>-1,270</u>
Cash Balance, Ending	<u>\$ 4,847</u>	<u>\$ 4,400</u>	<u>\$ 3,916</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 earning in this fund and bond proceeds not required for nursing home loans are paid into the Nursing Home Loan Sinking Fund for debt retirement. No additional loans are to be approved and the balance of the funds are to be transferred to the Nursing Home Loan Sinking Fund.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Estimated
Cash Balance, Beginning	\$ 4,279	\$ 132	....
Receipts:			
Miscellaneous .....	....	....	....
Total Receipts	<u>....</u>	<u>....</u>	<u>....</u>
Total Funds Available	\$ 4,279	\$ 132	....
Disbursements:			
Treasury	\$ 4,147	\$ 132	....
Total Disbursements	<u>-4,147</u>	<u>-132</u>	<u>....</u>
Cash Balance, Ending	<u>\$ 132</u>	<u>....</u>	<u>....</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 deposited into the General Fund. In 1994-95 most existing loans were sold. A majority of the proceeds were appropriated for transfer to the Pennsylvania Housing Finance Agency.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Estimated
Cash Balance, Beginning .....	....	....	....
Receipts:			
Transfer from Nursing Home Loan Development Fund	\$ 416	\$ 132	....
Total Receipts	416	132	....
Total Funds Available	\$ 416	\$ 132	....
Disbursements:			
Economic and Community Development	\$ 416	\$ 132	....
Total Disbursements	-416	-132	....
Cash Balance, Ending .....	....	....	....

Nursing Home Loan Sinking Fund

Maturing principal on nursing home loan bonds and all interest payable on such bonds is paid from this fund. An annual appropriation by the General Assembly and annual earnings received from investment of balances in this fund and in the Nursing Home Loan Development Fund provide income to the fund.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Estimated
Cash Balance, Beginning .....	....	\$ 20	....
Receipts:			
Transfer from General Fund	\$ 5,492	\$ 3,500	\$ 3,514
Transfer from Nursing Home Loan Development Fund	357	....	....
Interest on Securities	215	46	....
Total Receipts	6,064	3,546	3,514
Total Funds Available	\$ 6,064	\$ 3,566	\$ 3,514
Disbursements:			
Treasury	6,044	3,566	3,514
Total Disbursements	-6,044	-3,566	-3,514
Cash Balance, Ending	\$ 20	....	....

Nutrient Management Fund

This fund was created under the authority of Act 6 of 1993 to fund loans and grants for the implementation of nutrient management plans by agricultural operations. Revenue comes from Commonwealth and Federal appropriations, interest, loan repayments and gifts.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Estimated
Cash Balance, Beginning .....	.....	\$ 735	\$ 359
Receipts:			
Transfer from General Fund	\$ 735	\$ 765	\$ 750
Interest .....	.....	14	6
Total Receipts	735	779	756
Total Funds Available	\$ 735	\$ 1,514	\$ 1,115
Disbursements:			
Environmental Protection .....	.....	\$ 1,155	\$ 1,000
Total Disbursements .....	.....	-1,155	-1,000
Cash Balance, Ending	\$ 735	\$ 359	\$ 115

Oil and Gas Lease Fund

Created in 1955, this fund is used to finance conservation, recreation, dams or flood control projects or to match any Federal grants made for these purposes. Revenues are derived from rents and royalties from oil and gas leases of Commonwealth owned land with the exception of rents and royalties from land owned by either the Pennsylvania Game or Fish and Boat Commissions. Those revenues are paid into the Game and Fish Funds.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Estimated
Cash Balance, Beginning	\$ 9,476	\$ 7,631	\$ 194
Receipts:			
Rents and Royalties	\$ 2,776	\$ 3,143	\$ 3,200
Interest	443	400	400
Other	36	20	20
Total Receipts	3,255	3,563	3,620
Total Funds Available	\$ 12,731	\$ 11,194	\$ 3,814
Disbursements:			
Executive Offices	\$ 18	.....	.....
Conservation and Natural Resources	5,082	\$ 11,000	\$ 3,496
Total Disbursements	-5,100	-11,000	-3,496
Cash Balance, Ending	\$ 7,631	\$ 194	\$ 318

Organ Donation Awareness Trust Fund

The fund was established by Act 102 of 1994 and derives revenue from private contributions, voluntary deductions from State Individual Income Tax Returns from the years 1997 through 2000, and a voluntary \$1 add-on to the fee for an original or renewal driver's license or State identification card.

After the payment of initial departmental operating costs associated with the fund and in support of the Organ Donation Advisory Committee, any remaining funds are spent as prescribed by the act: 10% for hospital and medical expenses, funeral expenses and incidental expenses incurred by the donor or the donor's family in conjunction with making a vital organ donation; 50% for grants to certified organ procurement organizations for the development and implementation of organ donation awareness programs; 15% in cooperation with certified organ procurement organizations for the "project-make-a-choice program"; and 25% for the implementation of organ donation awareness programs in secondary schools.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1994-95 Actual	1995-96 Available	1996-97 Estimated
Cash Balance, Beginning .....	....	\$ 14	....
Receipts:			
Transfer from General Fund .....	....	\$ 300	....
Driver's License Applicants	\$ 14	240	\$ 240
Private Donations .....	....	3	3
State Income Tax Contributor .....	....	....	....
Interest on Securities .....	....	4	13
Total Receipts	<u>14</u>	<u>547</u>	<u>256</u>
Total Funds Available	\$ 14	\$ 561	\$ 256
Disbursements:			
Health .....	....	\$ 261	\$ 256
Transportation .....	....	300	....
Total Disbursements .....	....	<u>-561</u>	<u>-256</u>
Cash Balance, Ending	<u>\$ 14</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 (ARC) and the U.S. Economic Development Administration (EDA) to provide low-interest loans to businesses for capital development projects. Act 109 of 1984 created this fund and provided additional funding from the Pennsylvania Economic Revitalization Fund.

Loans are used by manufacturing, industrial and export service businesses for the purchase of land, buildings, machinery, equipment and working capital. County and regional economic development organizations assist the department in packaging and reviewing the loan applications. In 1994-95 \$15 million in surplus funds was transferred to the Pennsylvania Economic Revitalization Fund (PERF) to support economic development programs.

This budget combines the Machinery and Equipment Loan Fund with the Capital Loan Fund.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Estimated
Cash Balance, Beginning	\$ 35,008	\$ 21,688	\$ 11,258
Receipts:			
Transfer from PERF	\$ 664	.....	.....
Transfer from General Fund .....	.....	\$ 8,000	.....
Transfer from Air Quality Improvement Fund .....	.....	.....	\$ 550
Transfer from Storage Tank Loan Fund .....	.....	.....	592
Fees .....	.....	.....	750
Loan Principal and Interest Repayments	9,273	9,100	9,839
Interest on Securities	1,896	1,170	1,040
Miscellaneous	324	2,000	1,615
Total Receipts	<u>12,157</u>	<u>20,270</u>	<u>14,386</u>
Total Funds Available	\$ 47,165	\$ 41,958	\$ 25,644
Disbursements:			
Economic and Community Development	\$ 25,477	\$ 30,700	\$ 19,816
Total Disbursements	<u>-25,477</u>	<u>-30,700</u>	<u>-19,816</u>
Cash Balance, Ending	<u>\$ 21,688</u>	<u>\$ 11,258</u>	<u>\$ 5,828</u>

Pennsylvania Economic Revitalization Fund

The Pennsylvania Economic Revitalization Fund (PERF) was created by Act 104 of 1984 as a three-year \$190 million program financed through a bond issue authorized by the electorate. The fund was formally established in the 1988-89 budget as an economic development fund. The fund was eliminated in 1995-96; final project activity will be completed in 1995-96.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1994-95 Actual	1995-96 Available	1996-97 Estimated
Cash Balance, Beginning	\$ 9,002	\$ 16,272	....
Receipts:			
Transfer from General Fund	\$ 87,242	....	....
Transfer from Pennsylvania Capital Loan Fund	13,000	\$ 2,000	....
Other	2,867	3,547	....
Total Receipts:	<u>103,109</u>	<u>5,547</u>	....
Total Funds Available	<u>\$ 112,111</u>	<u>\$ 21,819</u>	....
Disbursements:			
Executive Office	\$ 20	....	....
Treasury	8	....	....
Agriculture	664	....	....
Economic And Community Development	88,117	\$ 20,677	....
Labor and Industry	7,030	1,142	....
Total Disbursements:	<u>-95,839</u>	<u>-21,819</u>	....
Cash Balance, Ending	<u>\$ 16,272</u>	....	....

Pennsylvania Economic Revitalization Sinking Fund

Payment of interest and principal due on outstanding economic revitalization bonds is made from this fund. Annual appropriations by the General Assembly together with interest earned in this fund and interest earned in and transferred from the Pennsylvania Economic Revitalization Fund provide revenues to the fund.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1994-95 Actual	1995-96 Available	1996-97 Estimated
Cash Balance, Beginning	\$ 129	\$ 323	....
Receipts:			
Transfer from General Fund	\$ 12,806	\$ 9,274	\$ 9,772
Transfer from Pennsylvania Economic Revitalization Fund	448	600	....
Accrued Interest on Securities .....	....	8	....
Interest on Securities	2	5	....
Total Receipts	<u>13,256</u>	<u>9,887</u>	<u>9,772</u>
Total Funds Available	<u>\$ 13,385</u>	<u>\$ 10,210</u>	<u>\$ 9,772</u>
Disbursements:			
Treasury	\$ 13,062	\$ 10,210	\$ 9,772
Total Disbursements	<u>-13,062</u>	<u>-10,210</u>	<u>-9,772</u>
Cash Balance, Ending	<u>\$ 323</u>	....	....

Pennsylvania Historical and Museum Commission Trust Fund

This fund was created by Act 113 of 1931 and is administered by the Governor, Auditor General, State Treasurer and the Pennsylvania Historical and Museum Commission. The interest received from investment of the \$33,000 perpetual endowment to this fund in bonds of the Commonwealth or any of its political subdivisions is credited to the fund. Interest earned on investments is used for the restoration, maintenance and improvement of the Cornwall Charcoal Furnace, Cornwall Borough, Lebanon County.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1994-95 Actual	1995-96 Available	1996-97 Estimated
Cash Balance, Beginning	\$ 112	\$ 107	\$ 69
Receipts:			
Interest	\$ 6	\$ 12	\$ 3
Total Receipts	<u>6</u>	<u>12</u>	<u>3</u>
Total Funds Available	\$ 118	\$ 119	\$ 72
Disbursements:			
Historical and Museum Commission	\$ 11	\$ 50	....
Total Disbursements	<u>-11</u>	<u>-50</u>	<u>....</u>
Cash Balance, Ending	<u>\$ 107</u>	<u>\$ 69</u>	<u>\$ 72</u>

Pennsylvania Municipal Retirement Fund

Act 15 of 1974 created the Pennsylvania Municipal Retirement System which replaced the "Municipal Employees Retirement Law" and the "Municipal Police Retirement Law" and combined all employees covered under both into a State-related municipal system.

The fund established under that act provides for payment of retirement allowances to officers, employees, firemen 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 carrying value of long-term investments as of June 30.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1994-95 Actual	1995-96 Available	1996-97 Estimated
Cash Balance, Beginning	\$ 425,068	\$ 498,943	\$ 571,512
Receipts:			
Contributions	\$ 28,319	\$ 29,682	\$ 31,166
Net Investment Adjustment	43,650	49,668	38,434
Interest	24,540	17,206	18,066
Total Receipts	<u>96,509</u>	<u>96,556</u>	<u>87,666</u>
Total Funds Available	\$ 521,577	\$ 595,499	\$ 659,178
Disbursements:			
Executive Offices	\$ 47	\$ 3,230	\$ 3,391
Municipal Retirement Board	22,587	20,757	21,794
Total Disbursements	<u>-22,634</u>	<u>-23,987</u>	<u>-25,185</u>
Cash Balance, Ending	<u>\$ 498,943</u>	<u>\$ 571,512</u>	<u>\$ 633,993</u>

Pennsylvania Veterans Memorial Trust Fund

Act 60 of 1988 established this fund to be administered by the Pennsylvania Veterans Memorial Commission whose purpose it is to erect on the grounds of Fort Indiantown Gap a monument to Pennsylvania Veterans who served in armed conflicts in which the United States was a participant. Funds are solicited from public and private sources.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Estimated
Cash Balance, Beginning	\$ 157	\$ 168	\$ 217
Receipts:			
Public/Private Donations	\$ 3	\$ 100	\$ 18
Interest	8	9	8
Total Receipts	<u>11</u>	<u>109</u>	<u>26</u>
Total Funds Available	\$ 168	\$ 277	\$ 243
Disbursements:			
Military and Veterans Affairs .....	....	\$ 60	\$ 200
Total Disbursements	<u>....</u>	<u>-60</u>	<u>-200</u>
Cash Balance, Ending	<u>\$ 168</u>	<u>\$ 217</u>	<u>\$ 43</u>

PENNVEST Bond Authorization Fund

This fund created under the authority of Act 16 of 1988, receives the proceeds from the sale of bonds authorized by general referendum, transferred from the Water Facilities Loan Fund or from the Capital Facilities Fund for site development. Expenditures are for transfers of funds to the PENNVEST Water Pollution Control Revolving Fund, the PENNVEST Revolving Fund or the PENNVEST Non-Revolving Equity Fund.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Estimated
Cash Balance, Beginning	\$ 58,043	\$ 43,433	\$ 45,864
Receipts:			
Referendum Bonds	\$ 2,962	\$ 70,000	\$ 81,000
Water Facilities Bonds	3,065	21,500	14,000
Interest	2,628	2,000	2,000
Total Receipts	<u>8,655</u>	<u>93,500</u>	<u>97,000</u>
Total Funds Available	\$ 66,698	\$ 136,933	\$ 142,864
Disbursements:			
Treasury	\$ 79	\$ 100	\$ 100
Infrastructure Investment Authority:			
PENNVEST Fund	2,460	2,000	2,000
PENNVEST Water Pollution Control Revolving Fund	11,270	10,300	9,600
PENNVEST Revolving Fund	9,456	78,669	98,268
PENNVEST Non-Revolving Equity Fund ..	....	....	....
Total Disbursements	<u>-23,265</u>	<u>-91,069</u>	<u>-109,968</u>
Cash Balance, Ending	<u>\$ 43,433</u>	<u>\$ 45,864</u>	<u>\$ 32,896</u>

PENNVEST Fund

This fund was created under the authority of Act 16 of 1988 to receive funds from sources other than the sale of general obligation bonds. These sources include appropriations from the General Fund, payments of revolving loans, interest received from revolving and non-revolving loans, investment income, and the sale of assets. In addition to grants and loans for water and sewer projects, these funds can be used for administrative costs.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1994-95 Actual	1995-96 Available	1996-97 Estimated
Cash Balance, Beginning	\$ 35,320	\$ 24,613	\$ 17,063
Receipts:			
Transfer from General Fund	\$ 6,000	.....	.....
Revolving Loan Payments	27,106	\$ 26,500	28,500
Bond Authorization Fund	2,460	2,000	2,000
Interest	819	.....	.....
Other	292	54	54
Total Receipts	<u>36,677</u>	<u>28,554</u>	<u>30,554</u>
Total Funds Available	\$ 71,997	\$ 53,167	\$ 47,617
Disbursements:			
Executive Offices	\$ 54	\$ 54	\$ 54
Infrastructure Investment Authority:			
Loans and Grants	4,622	5,000	3,500
Administration	3,066	3,050	2,669
Revenue Bond Transfer	39,642	28,000	25,000
Total Disbursements	<u>-47,384</u>	<u>-36,104</u>	<u>-31,223</u>
Cash Balance, Ending	<u>\$ 24,613</u>	<u>\$ 17,063</u>	<u>\$ 16,394</u>

PENNVEST Non-Revolving Equity Fund

This fund created under the authority of Act 16 of 1988, receives moneys transferred from the PENNVEST Bond Authorization Fund. These funds are used for non-revolving loans authorized by the act. These non-revolving loans can be made to public or private entities for drinking water supply or sewer projects. Repayments of loans and interest are deposited in the PENNVEST Redemption Fund.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1994-95 Actual	1995-96 Available	1996-97 Estimated
Cash Balance, Beginning	\$ 4	\$ 4	\$ 4
Receipts:			
Bond Authorization Fund .....	.....	.....	.....
Total Receipts	<u>.....</u>	<u>.....</u>	<u>.....</u>
Total Funds Available	\$ 4	\$ 4	\$ 4
Disbursements:			
Infrastructure Investment Authority:			
Drinking Water Projects .....	.....	.....	.....
Sewer Projects .....	.....	.....	.....
Total Disbursements	<u>.....</u>	<u>.....</u>	<u>.....</u>
Cash Balance, Ending	<u>\$ 4</u>	<u>\$ 4</u>	<u>\$ 4</u>

PENNVEST Redemption Fund

This fund, created under the authority of Act 16 of 1988, receives repayments of non-revolving loans and investment interest along with annual appropriations by the General Assembly which are used to retire general obligation bonds issued for PENNVEST.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1994-95 Actual	1995-96 Available	1996-97 Estimated
Cash Balance, Beginning	\$ 31	\$ 1	....
Receipts:			
Transfer from General Fund	\$ 20,880	\$ 21,866	\$ 25,610
Interest on Securities	5	7	4
Accrued Interest on Bonds Sold	10	165	....
Non-Revolving Loan Repayments	2,351	2,331	2,311
Total Receipts	23,246	24,369	27,925
Total Funds Available	\$ 23,277	\$ 24,370	\$ 27,925
Disbursements:			
Treasury	\$ 23,276	\$ 24,370	\$ 27,925
Total Disbursements	-23,276	-24,370	-27,925
Cash Balance, Ending	\$ 1	....	....

PENNVEST Revolving Fund

This fund, created under the authority of Act 16 of 1988, receives moneys transferred from the PENNVEST Bond Authorization Fund. Funds are used for revolving loans which can be made to public or private entities for drinking water supply or sewer projects. Repayments of loans and interest are deposited in the PENNVEST fund.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1994-95 Actual	1995-96 Available	1996-97 Estimated
Cash Balance, Beginning	\$ 16	\$ 17	\$ 23,388
Receipts:			
PENNVEST Bond Authorization Fund	\$ 9,456	\$ 78,669	\$ 98,268
Interest	1	2	4
Total Receipts	9,457	78,671	98,272
Total Funds Available	\$ 9,473	\$ 78,688	\$ 121,660
Disbursements:			
Infrastructure Investment Authority:			
Drinking Water Projects	\$ 5,907	\$ 35,945	\$ 55,380
Sewer Projects	813	3,871	5,964
Storm Water Projects	2,736	15,484	23,856
Total Disbursements	-9,456	-55,300	-85,200
Cash Balance, Ending	\$ 17	\$ 23,388	\$ 36,460

PENNVEST Water Pollution Control Revolving Fund

This fund was created under the authority of Act 16 of 1988 for funds received from the Federal Government to establish a revolving loan program for sewer projects. Required matching State funds are transferred from the PENNVEST Bond Authorization Fund.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Estimated
Cash Balance, Beginning	\$ 6,708	\$ 17,636	\$ 30,157
Receipts:			
Bond Authorization Fund	\$ 11,270	\$ 10,300	\$ 9,600
Federal Funds	57,058	58,000	48,500
Interest and Principal Payments	9,422	16,621	18,847
Investment Income	586	600	600
Total Receipts	78,336	85,521	77,547
Total Funds Available	\$ 85,044	\$ 103,157	\$ 107,704
Disbursements:			
Infrastructure Investment Authority	\$ 67,408	\$ 73,000	\$ 58,500
Total Disbursements	-67,408	-73,000	-58,500
Cash Balance, Ending	\$ 17,636	\$ 30,157	\$ 49,204

Pharmaceutical Assistance Fund (Contract for the Elderly)

This fund provides a limited pharmaceutical assistance program for older Pennsylvanians who are 65 years of age or over and whose annual income does not exceed the maximum specified for program eligibility. Funds not expended in the fiscal year in which they are appropriated are available for use in the following fiscal year. For additional information on the program refer to the Department of Aging program description.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Estimated
Cash Balance, Beginning	\$ 10,311	\$ 1,298	\$ 2,221
Receipts:			
Transfer from Lottery Fund	\$ 200,000	\$ 233,000 ^a	\$ 203,000
Interest on Securities	777	660	600
Other	32	34	34
Total Receipts	200,809	233,694	203,634
Total Funds Available	\$ 211,120	\$ 234,992	\$ 205,855
Disbursements:			
Executive Offices	\$ 33	\$ 34	\$ 34
Treasury		5	5
Aging	209,789	232,732	199,774
Total Disbursements	-209,822	-232,771	-199,813
Cash Balance, Ending	\$ 1,298	\$ 2,221	\$ 6,042

^a Includes 1994-95 Lottery Fund supplemental appropriation of \$17,000,000 transferred after June 30, 1995.

Philadelphia Regional Port Authority Fund

This authority was created by Act 50 of 1989 to acquire and operate the port facilities of the former Philadelphia Port Corporation. This fund handles payroll of the authority via transfer of funds by the authority from its private bank accounts. The authority is authorized to issue bonds to finance port improvements and may pledge its revenues to pay off such bonds.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Estimated
Cash Balance, Beginning	\$ 357	\$ 522	\$ 462
Receipts:			
Transfer from Philadelphia Regional Port Authority	\$ 3,717	\$ 3,500	\$ 3,500
Interest on Securities	24	30	29
Other	281	260	260
Total Receipts	4,022	3,790	3,789
Total Funds Available	\$ 4,379	\$ 4,312	\$ 4,251
Disbursements:			
Executive Offices	\$ 270	\$ 250	\$ 250
Philadelphia Regional Port Operations	3,587	3,600	3,600
Total Disbursements	-3,857	-3,850	-3,850
Cash Balance, Ending	\$ 522	\$ 462	\$ 401

Port of Pittsburgh Commission Fund

The Port of Pittsburgh Commission was created by Act 133 of 1992 to promote and encourage capital investment in port facilities and port-related projects within the port district encompassing Allegheny, Armstrong, Beaver, Butler, Clarion, Fayette, Greene, Lawrence, Washington and Westmoreland counties.

Grants to the commission to support its operations, and previously to Allegheny County for port-related improvements, are deposited into this fund, along with interest earnings from deposited funds. The commission also has the authority to issue bonds to finance port improvements and may pledge its revenues to pay off such bonds.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Estimated
Cash Balance, Beginning	\$ 408	\$ 236	\$ 251
Receipts:			
Transfer from General Fund	\$ 220	\$ 600	\$ 600
Other	9	9	9
Interest	17	15	15
Total Receipts	246	624	624
Total Funds Available	\$ 654	\$ 860	\$ 875
Disbursements:			
Executive Offices	\$ 7	\$ 9	\$ 9
Port of Pittsburgh Commission	411	600	600
Total Disbursements	-418	-609	-609
Cash Balance, Ending	\$ 236	\$ 251	\$ 266

Project 70 Land Acquisition Sinking Fund

Payment of interest and principal on Project 70 bonds is made from this fund. Annual appropriations by the General Assembly for payment of interest and principal on Project 70 bonds together with monies reimbursed to the Commonwealth by political subdivisions for inappropriate use of Project 70 funds are credited to this fund.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1994-95 Actual	1995-96 Available	1996-97 Estimated
Cash Balance, Beginning	\$ 1	\$ 1	.....
Receipts:			
Transfer from General Fund	\$ 773	\$ 778	\$ 780
Interest on Securities	2	.....	.....
Total Receipts	<u>775</u>	<u>778</u>	<u>780</u>
Total Funds Available	\$ 776	\$ 779	\$ 780
Disbursements:			
Treasury	\$ 775	\$ 779	\$ 780
Total Disbursements	<u>-775</u>	<u>-779</u>	<u>-780</u>
Cash Balance, Ending	\$ 1	.....	.....

Public Transportation Assistance Fund

This fund was established by Act 26 of 1991 to help provide for the capital, asset maintenance and certain other transportation needs of the Commonwealth's transit entities. Revenue is derived from a fee on the sale of new tires, a percent of the total sales and use tax receipts, a motor vehicle lease tax, a motor vehicle rental fee and an additional utility realty tax.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1994-95 Actual	1995-96 Available	1996-97 Estimated
Cash Balance, Beginning	\$ 3,030	\$ 8,433	\$ 8,438
Receipts:			
Utility Realty Tax	\$ 61,621	\$ 62,300	\$ 62,700
Other Taxes and Fees	102,763	104,058	109,974
Interest	914	500	500
Total Receipts	<u>165,298</u>	<u>166,858</u>	<u>173,174</u>
Total Funds Available	\$ 168,328	\$ 175,291	\$ 181,612
Disbursements:			
Transportation:			
Administration	\$ 1,000	\$ 1,000	\$ 1,000
Grants	158,895	165,853	172,174
Total Disbursements	<u>-159,895</u>	<u>-166,853</u>	<u>-173,174</u>
Cash Balance, Ending	\$ 8,433	\$ 8,438	\$ 8,438

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)		
	1994-95 Actual	1995-96 Available	1996-97 Estimated
Cash Balance, Beginning	\$ 22,303	\$ 11,851	\$ 9,512
Receipts:			
Reimbursements to General Services	\$ 32,545	\$ 34,747	\$ 37,730
Reimbursements to Executive Offices	45,829	45,909	46,000
Other	980	735	600
Total Receipts	<u>79,354</u>	<u>81,391</u>	<u>84,330</u>
Total Funds Available	\$ 101,657	\$ 93,242	\$ 93,842
Disbursements:			
Executive Offices	\$ 45,909	\$ 46,000	\$ 46,000
General Services	43,897	37,730	36,580
Total Disbursements	<u>-89,806</u>	<u>-83,730</u>	<u>-82,580</u>
Cash Balance, Ending	<u>\$ 11,851</u>	<u>\$ 9,512</u>	<u>\$ 11,262</u>

Real Estate Recovery Fund

This fund was established in 1980 to reimburse aggrieved persons any amounts unpaid from final judgements against any person licensed by the Real Estate Commission. Revenue is derived from additional fees paid by licensees, with interest on investments being retained by the fund.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1994-95 Actual	1995-96 Available	1996-97 Estimated
Cash Balance, Beginning	\$ 1,538	\$ 1,246	\$ 1,113
Receipts:			
Additional License Fees	\$ 47	\$ 47	\$ 47
Interest	70	70	70
Total Receipts	<u>117</u>	<u>117</u>	<u>117</u>
Total Funds Available	\$ 1,655	\$ 1,363	\$ 1,230
Disbursements:			
State	\$ 409	\$ 250	\$ 250
Total Disbursements	<u>-409</u>	<u>-250</u>	<u>-250</u>
Cash Balance, Ending	<u>\$ 1,246</u>	<u>\$ 1,113</u>	<u>\$ 980</u>

Recycling Fund

This fund was created by Act 101 of 1988 to finance the planning, processing, resource recovery and recycling of solid waste. Revenue is generated by a fee on all waste disposed of in landfills or processed by resource recovery facilities. Expenditures are for recycling and planning grants, market and waste minimization studies, and public information and education activities throughout the Commonwealth.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Estimated
Cash Balance, Beginning	\$ 66,924	\$ 90,027	\$ 76,322
Receipts:			
Recycling Fees	\$ 34,866	\$ 35,912	\$ 30,000
Fines and Penalties	5	3	3
Interest	3,998	4,000	3,900
Transfer from Solid Waste	3,000	....	....
Environmental Technology Loan			
Repayments and Interest	344	344	344
Total Receipts	<u>42,213</u>	<u>40,259</u>	<u>34,247</u>
Total Funds Available	\$ 109,137	\$ 130,286	\$ 110,569
Disbursements:			
Environmental Protection	\$ 19,110	\$ 53,964	\$ 42,614
Total Disbursements	<u>-19,110</u>	<u>-53,964</u>	<u>-42,614</u>
Cash Balance, Ending	<u>\$ 90,027</u>	<u>\$ 76,322</u>	<u>\$ 67,955</u>

Refund of Axle Tax Fund

The Refund of Axle Tax Fund was established as an escrow account to facilitate the receipt of tax refunds plus interest and the disbursement of axle tax refunds, legal fees and other litigation expenses. This was the result of a conditional Commonwealth Court order issued on May 8, 1992.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Estimated
Cash Balance, Beginning	\$ 15,612	\$ 8,241	....
Receipts:			
Interest	\$ 562	\$ 240	\$
Other	1,861	....	....
Total Receipts	<u>2,423</u>	<u>240</u>	<u>....</u>
Total Funds Available	\$ 18,035	\$ 8,481	....
Disbursements:			
Treasury	\$ 19	....	....
Transportation	9,775	8,481	....
Total Disbursements	<u>-9,794</u>	<u>-8,481</u>	<u>....</u>
Cash Balance, Ending	<u>\$ 8,241</u>	<u>....</u>	<u>....</u>

Regional Facility Siting Fund

This fund was created by Act 107 of 1990 to provide for establishing a low-level radioactive waste disposal facility in Pennsylvania. The act requires certain generators of low-level radioactive waste, primarily nuclear power generating facilities, to make advance payments of disposal fees which will fund the initial costs of designing and constructing the new disposal facility.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Estimated
Cash Balance, Beginning	\$ 16,490	\$ 6,889	\$ 2,094
Receipts:			
Interest	\$ 621	\$ 180	\$ 42
Other	4	.....	.....
Total Receipts	<u>625</u>	<u>180</u>	<u>42</u>
Total Funds Available	\$ 17,115	\$ 7,069	\$ 2,136
Disbursements:			
Executive Offices	\$ 3	.....	.....
Environmental Protection	10,223	\$ 4,975	\$ 979
Total Disbursements	<u>-10,226</u>	<u>-4,975</u>	<u>-979</u>
Cash Balance, Ending	<u>\$ 6,889</u>	<u>\$ 2,094</u>	<u>\$ 1,157</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. The Department of Labor and Industry is pursuing diversification and privatization of services offered at the center. These plans include training enhancement for clients of the center and economic development opportunities for the Johnstown region.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Estimated
Cash Balance, Beginning	\$ 5,903	\$ 7,893	\$ 3,889
Receipts:			
Client Fees	\$ 15,170	\$ 11,052	\$ 12,130
Interest	444	444	444
Other	1,181	1,234	1,223
Total Receipts	<u>16,795</u>	<u>12,730</u>	<u>13,797</u>
Total Funds Available	\$ 22,698	\$ 20,623	\$ 17,686
Disbursements:			
Executive Offices	\$ 523	\$ 549	\$ 576
Labor and Industry	14,282	16,185	16,994
Total Disbursements	<u>-14,805</u>	<u>-16,734</u>	<u>-17,570</u>
Cash Balance, Ending	<u>\$ 7,893</u>	<u>\$ 3,889</u>	<u>\$ 116</u>

Remining Environmental Enhancement Fund

Act 173 of 1992 authorized this fund to operate an incentive program to encourage remining and reclamation, including the designation of areas suitable for reclamation by remining, and to assist operators applying for a remining permit. The transfer of up to \$1 million is authorized from a combination of the Surface Mining Conservation and Reclamation Fund, the Clean Water Fund, the Coal Refuse Disposal Fund, and the Bituminous Mine Subsidence and Land Conservation Fund.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Estimated
Cash Balance, Beginning	\$ 525
Receipts:			
Transfers from Other Funds	\$ 1,000	\$ 1,000
Interest	25	51
Total Receipts	1,025	1,051
Total Funds Available	\$ 1,025	\$ 1,576
Disbursements:			
Environmental Protection	\$ 500	\$ 1,000
Total Disbursements	-500	-1,000
Cash Balance, Ending	\$ 525	\$ 576

Remining Financial Assurance Fund

Act 173 of 1992 authorized this fund to assist mine operators who qualify to purchase reclamation bonds or make payment in lieu of reclamation bonds. Revenues are the transfer of up to \$5 million from the Land and Water Development Fund and from in lieu of bond premium payments. Interest earnings are deposited in the Land and Water Development Sinking Fund. Expenditures from this fund occur only when mine operators default.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Estimated
Cash Balance, Beginning
Receipts:			
Transfer from Land and Water Development Fund	\$ 1,000	\$ 1,000
Premium Payments
Interest
Total Receipts	1,000	1,000
Total Funds Available	\$ 1,000	\$ 1,000
Disbursements:			
Environmental Protection	\$ 1,000	\$ 1,000
Total Disbursements	-1,000	-1,000
Cash Balance, Ending	\$	\$

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.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Estimated
Cash Balance, Beginning	\$ 94	\$ 20	....
Receipts:			
Interest on Securities	\$ 2	....	....
Total Receipts	2	....	....
Total Funds Available	\$ 96	\$ 20	....
Disbursements:			
General Services	\$ 76	\$ 20	....
Total Disbursements	-76	-20	....
Cash Balance, Ending	\$ 20	....	....

School Employees' Retirement Fund

The Public School Employees' Retirement Fund provides for receipt and accounting of member and employer contributions, investment of those funds and payment of benefits to retired school employees.

According to the provisions of Act 29 of 1994, starting with the employer contribution payment for the third quarter 1995 (school salaries paid from July 1, 1995 to September 30, 1995), employers defined as school entities (school districts, intermediate units, and area vocational technical schools) will pay 100 percent of the employer share of contributions. The Commonwealth will pay school entities a portion of these costs from appropriated funds based on a statutory formula. The employer contribution rate is determined by the fund's actuary. The Commonwealth contribution for non-school entities is made from annual appropriated funds 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 carrying value of long-term investments as of June 30.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Estimated
Cash Balance, Beginning	\$ 24,357,741	\$ 28,252,216	\$ 30,714,857
Receipts:			
Transfer from General Fund —			
Employer Contribution	\$ 428,278	\$ 466,060	\$ 445,015
Transfers from State Retirement System	6,671	5,000	5,000
Contributions of School Employees	410,033	424,000	453,632
Returned Contributions of School Employees	13,975	15,000	15,000
Contributions of School Districts	419,721	813,786	926,000
Interest on Securities	748,987	1,464,750	1,589,253
Other	20,628	....	....
Total Receipts	2,048,293	3,188,596	3,433,900
Net Investment Adjustment	3,362,678	525,300	850,000
Total Funds Available	\$ 29,768,712	\$ 32,265,812	\$ 34,998,757
Disbursements:			
Executive Offices	\$ 773	\$ 30	\$ 30
Treasury	56	925	950
Public School Employees' Retirement Board	1,515,667	1,550,000	1,800,000
Total Disbursements	--1,516,496	-1,550,955	-1,800,980
Cash Balance, Ending	\$ 28,252,216	\$ 30,714,857	\$ 33,197,777

Self-Insurance Guaranty Fund

This fund was created by Act 44 of 1993, the Pennsylvania Workers' Compensation Act. The purpose of this fund is to pay claims arising from defaulting members of self-insurance pooling arrangements under the Workers' Compensation Act. The fund is maintained by assessments on self-insurers and is administered by the Department of Labor and Industry.

Statement of Cash Receipts and Disbursements:

	1994-95 Actual	(Dollar Amounts in Thousands) 1995-96 Available	1996-97 Estimated
Cash Balance, Beginning .....	....	\$ 3,312	\$ 3,571
Receipts:			
Assessments	\$ 3,178	\$ 225	\$ 225
Interest	134	134	134
Total Receipts	3,312	359	359
Total Funds Available	\$ 3,312	\$ 3,671	\$ 3,930
Disbursements:			
Treasury .....	....	\$ 100	\$ 100
Total Disbursements .....	....	-100	-100
Cash Balance, Ending	\$ 3,312	\$ 3,571	\$ 3,830

Sinking Fund

This sinking fund existed prior to the practice of having a sinking fund for each separate bond fund. Monies 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 of 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 the United States or Commonwealth bonds. Interest accumulating on monies remaining in the fund is credited to the State School Fund.

Statement of Cash Receipts and Disbursements:

	1994-95 Actual	(Dollar Amounts in Thousands) 1995-96 Available	1996-97 Estimated
Cash Balance, Beginning	\$ 145	\$ 145	\$ 145
Receipts:			
Interest on Securities .....	....	....	....
Total Receipts .....	....	....	....
Total Funds Available	\$ 145	\$ 145	\$ 145
Disbursements:			
Treasury .....	....	....	....
Total Disbursements .....	....	....	....
Cash Balance, Ending	\$ 145	\$ 145	\$ 145

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.

Effective January 1, 1987, the states were removed from the intermediary role of collecting and reporting Social Security contributions. All fund liabilities were liquidated in fiscal year 1994-95. The balance of the fund was transferred to the Department of Education's School Employees' Social Security appropriation.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Estimated
Cash Balance, Beginning	\$ 4,886	....	....
Receipts:			
Other	\$ 152	....	....
Total Receipts	152	....	....
Total Funds Available	\$ 5,038	....	....
Disbursements:			
Labor and Industry	\$ 5,038	....	....
Total Disbursements	-5,038	....	....
Cash Balance, Ending .....	....	....	....

Solid Waste —Resource Recovery Development Fund

Created in 1974, this fund provides financial assistance to municipalities in the planning, development, construction and operation of resource recovery and solid waste disposal facilities. Loans for new facilities are restricted to municipalities in seventh and eighth class counties. Revenue is provided through appropriations by the General Assembly and by the repayment of loans made to municipalities.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Estimated
Cash Balance, Beginning	\$ 6,623	\$ 3,089	\$ 2,439
Receipts:			
Interest	\$ 308	\$ 100	\$ 100
Transfer to Recycling Fund	-3,000	....	....
Total Receipts	-2,692	100	100
Total Funds Available	\$ 3,931	\$ 3,189	\$ 2,539
Disbursements:			
Environmental Protection	\$ 842	\$ 750	\$ 750
Total Disbursements	- 842	- 750	750
Cash Balance, Ending	\$ 3,089	\$ 2,439	\$ 1,789

Special Administration Fund

The purpose of this fund, administered by the Department of Labor and Industry, is to cover those administrative expenses of the Unemployment Compensation Law not properly and validly chargeable to the Administration Fund. The receipts of the fund are generated from interest and penalties collected from claimants and employers under provisions of the Unemployment Compensation Law. All moneys in excess of \$200,000 in the fund, less encumbrances for litigation, at the end of the fiscal year are transferred to the Unemployment Compensation Contribution Fund.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Estimated
Cash Balance, Beginning	\$ 2,112	\$ 200	\$ 200
Receipts:			
Interest and Penalties	\$ 5,853	\$ 6,000	\$ 6,000
Other	240	240	240
Total Receipts	<u>6,093</u>	<u>6,240</u>	<u>6,240</u>
Total Funds Available	\$ 8,205	\$ 6,440	\$ 6,440
Disbursements:			
Labor and Industry	\$ 8,005	\$ 6,240	\$ 6,240
Total Disbursements	<u>-8,005</u>	<u>-6,240</u>	<u>-6,240</u>
Cash Balance, 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 monies in 1862. These farms were sold for \$17,000 in 1888 and the proceeds were placed in this fund to be invested in bonds of the Commonwealth at 6 percent per annum with the interest serving as an ongoing revenue to this fund.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Estimated
Cash Balance, Beginning	\$ 27	\$ 25	\$ 25
Receipts:			
Miscellaneous	\$ 2	\$ 2	\$ 2
Total Receipts	<u>2</u>	<u>2</u>	<u>2</u>
Total Funds Available	\$ 29	\$ 27	\$ 27
Disbursements:			
Treasury	\$ 4	\$ 2	\$ 2
Total Disbursements	<u>-4</u>	<u>-2</u>	<u>-2</u>
Cash Balance, Ending	<u>\$ 25</u>	<u>\$ 25</u>	<u>\$ 25</u>

State Employees' 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 on 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.

The fund receives revenue from employee contributions, employer contributions, and income derived from its investment portfolio. Employer contributions are an actuarially determined percentage of payroll sufficient to fund current and future benefit payments. Investment income is used to credit interest to each member's account; to pay the administrative expenses of the retirement system; and to accumulate monies for the payment of future benefits.

Management of the fund and payment of benefits 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)

	1994-95 Actual	1995-96 Available	1996-97 Estimated
Cash Balance, Beginning	\$ 13,280,297	\$ 14,816,356	\$ 16,084,356
Receipts:			
Contributions of Employees	\$ 200,559	\$ 205,000	\$ 213,000
State Share Contribution	333,911	392,000	427,000
Income on Securities	733,777	635,000	692,000
Net Investment Adjustment	1,142,110	943,000	1,007,000
Other	9,821	.....	.....
Total Receipts	<u>2,420,178</u>	<u>2,175,000</u>	<u>2,339,000</u>
Total Funds Available	\$ 15,700,475	\$ 16,991,356	\$ 18,423,356
Disbursements:			
Executive Offices	\$ 504	\$ 350	\$ 350
Treasury	62	.....	.....
State Employees' Retirement System	883,553	906,650	956,650
Total Disbursements	<u>-884,119</u>	<u>-907,000</u>	<u>-957,000</u>
Cash Balance, Ending	<u>\$ 14,816,356</u>	<u>\$ 16,084,356</u>	<u>\$ 17,466,356</u>

State Insurance Fund

Created in 1915, this fund finances expenditures related to the rebuilding, restoring or replacing of buildings, structures, equipment or other property owned by the Commonwealth which have been damaged or destroyed by fire or other casualty. This includes natural or man made disasters. Revenue is derived from interest earned by the fund, interest received from the Fire Insurance Tax Fund and from reimbursements by insurance companies. If needed, money may also be directly appropriated to this fund. On June 16, 1994, a fire in the Transportation and Safety Building caused structural damage and loss of equipment and furniture in parts of the building. Receipts of the fund in 1994-95 and 1995-96 include reimbursement from the Commonwealth's excess insurance policy, which is responsible for damages for any occurrence in excess of \$1,000,000. The disbursements in 1994-95 reflect estimates of various agency claims approved for those fire-related damages. Any amount in the fund in excess of \$3 million on December 31st of each year is 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)

	1994-95 Actual	1995-96 Available	1996-97 Estimated
Cash Balance, Beginning	\$ 10,499	\$ 12,219	\$ 9,094
Receipts:			
Recovered Damages	\$ 10,014	\$ 9,975	\$
Interest	1,643	1,700	1,750
Total Receipts	11,657	11,675	1,750
Total Funds Available	\$ 22,156	\$ 23,894	\$ 10,844
Disbursements:			
General Services	\$ 9,937	\$ 14,800	\$ 2,300
Total Disbursements	-9,937	-14,800	-2,300
Cash Balance, Ending	\$ 12,219	\$ 9,094	\$ 8,544

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)

	1994-95 Actual	1995-96 Available	1996-97 Estimated
Cash Balance, Beginning	\$ 1,143	\$ 1,176	\$ 1,209
Receipts:			
Revenue from Operations	\$ 61	\$ 68	\$ 62
Other	60	60	63
Total Receipts	121	128	125
Total Funds Available	\$ 1,264	\$ 1,304	\$ 1,334
Disbursements:			
General Services	\$ 88	\$ 95	\$ 54
Total Disbursements	-88	-95	-54
Cash Balance, Ending	\$ 1,176	\$ 1,209	\$ 1,280

State School Fund

This fund was established in 1911 and is funded primarily by the sale of escheated estates and other nonpublic real estate and interest earnings of the Sinking Fund. Changes in the escheat law and lack of interest earnings from the Sinking Fund or investment of monies in the State School Fund have resulted in a low revenue level. The fund is active in only a limited sense.

The original purpose of the fund was to equalize educational advantages across the Commonwealth; to provide advancements to school districts temporarily in need of aid; and to promote education in the conservation of natural resources, forestry, agriculture and other industrial pursuits. The law was amended in 1960 to change the purpose of the fund to equalization of educational opportunities, and to pay part of the cost of repair or alteration of local public school or State college buildings when they are required to satisfy requirements of the Department of Labor and Industry or other relevant governmental agencies.

Expenditures from the fund are made at the direction of the State Board of Education.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Estimated
Cash Balance, Beginning	\$ 379	\$ 404	\$ 425
Receipts:			
Sinking Fund Interest	\$ 8	\$ 8	\$ 8
Treasury Interest	22	23	23
Net Investment Adjustment	-5	....	....
Total Receipts	25	31	31
Total Funds Available	\$ 404	\$ 435	\$ 456
Disbursements:			
Education .....	....	\$ 10	....
Total Disbursements .....	....	-10	....
Cash Balance, Ending	\$ 404	\$ 425	\$ 456

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. This fund receives revenues from the sale of goods in State Liquor Stores, fees not credited to the Liquor License Fund, fines and penalties, losses and damages recovered, and loans from the General Fund to provide working capital. Expenditures cover all costs associated with the operation and administration of the Liquor Store System and enforcement of the Liquor Control Law. Any surplus is transferred to the General Fund.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Estimated
Cash Balance, Beginning	\$ 56,890	\$ 51,047	\$ 46,481
Receipts:			
Fees	\$ 9,435	\$ 9,575	\$ 9,575
Fines and Penalties	1,226	1,230	1,230
Sale of Goods	849,299	852,468	873,780
Recovered Losses and Damages	6,614	6,670	6,670
General Fund Loans	91,000	66,000	66,000
Other	12,896	14,406	14,743
Total Receipts	<u>970,470</u>	<u>950,349</u>	<u>971,998</u>
Total Funds Available	\$ 1,027,360	\$ 1,001,396	\$ 1,018,479
Disbursements:			
Executive Offices	\$ 7,675	\$ 9,630	\$ 9,967
Treasury	4	30	30
Health	1,066	1,357	994
Liquor Control Board ^a	952,936	928,596	947,653
State Police	14,632	15,302	15,838
Total Disbursements	<u>-976,313</u>	<u>-954,915</u>	<u>-974,482</u>
Cash Balance, Ending	<u>\$ 51,047</u>	<u>\$ 46,481</u>	<u>\$ 43,997</u>

^a Includes repayment of General Fund Loans.

State Treasury Armory Fund

Created in accordance with Act 126 of 1979 and Act 92 of 1975, this fund receives monies derived from the sale of any armory building, armory site or other real estate. Funds shall be expended solely for the purchase of equipment, furniture and fixtures or for the construction of new armories in the Commonwealth.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Estimated
Cash Balance, Beginning	\$ 421	\$ 310	\$ 256
Receipts:			
Armory Rentals	\$ 94	\$ 160	\$ 160
Interest	23	16	15
Total Receipts	<u>117</u>	<u>176</u>	<u>175</u>
Total Funds Available	\$ 538	\$ 486	\$ 431
Disbursements:			
Military and Veterans Affairs	\$ 228	\$ 230	\$ 230
Total Disbursements	<u>-228</u>	<u>-230</u>	<u>-230</u>
Cash Balance, Ending	<u>\$ 310</u>	<u>\$ 256</u>	<u>\$ 201</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 workers' compensation insurance to employers, including those refused policies by private insurance firms. SWIF is subject to underwriting rules, classification and rates promulgated by rating bureaus authorized by the State Insurance Commissioner. Premium rates are established by them based on the history of accidents by industry. Administrative costs are paid from the fund including expenses related to Insurance Department and Auditor General examinations.

Act 60 of 1990 provides for the transfer of money from SWIF. Annual payments are made to the General Fund equal to the amount which would have been paid in taxes had SWIF been subject to taxes. The act also established an Advisory Council to recommend the amount of surplus in SWIF, if any, that could be distributed without jeopardizing its legal obligations to policy holders. If such a surplus exists, the SWIF Board may then recommend distribution of the surplus to the Sunny Day and the Tax Stabilization Reserve funds and/or as refunds to current or former policyholders. The funds recommended by the board to be transferred to the reserve funds and refunded to policyholders must be approved and appropriated by the General Assembly.

The net investment adjustment shown below is to reflect the current market value of long-term investments as of June 30.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1994-95 Actual	1995-96 Available	1996-97 Estimated
Cash Balance, Beginning	\$ 1,366,327	\$ 1,592,183	\$ 1,605,263
Receipts:			
Premiums	\$ 437,438	\$ 360,000	\$ 360,000
Other	79,647	87,829	91,426
Net Investment Adjustment	105,252	....	....
Transfer from the General Fund	24,104	....	....
Total Receipts	<u>646,441</u>	<u>447,829</u>	<u>451,426</u>
Total Funds Available	\$ 2,012,768	\$ 2,040,012	\$ 2,056,689
Disbursements:			
Treasury	\$ 76	\$ 76	\$ 76
Executive Offices	831	873	915
Labor and Industry	405,719	425,000	430,000
Premium Tax Payment to the General Fund	9,116	7,200	7,200
Payment to the General Fund in Lieu of Taxes	<u>4,843</u>	<u>1,600</u>	<u>600</u>
Total Disbursements	<u>-420,585</u>	<u>-434,749</u>	<u>-438,791</u>
Cash Balance, Ending	<u>\$ 1,592,183</u>	<u>\$ 1,605,263</u>	<u>\$ 1,617,898</u>

Storage Tank Fund

This fund was created by Act 32 of 1989 for the operation of an aboveground and underground storage tank regulation, registration and enforcement Program. Revenues to the fund consist of registration and permit fees, fines, judgements, bond forfeitures, interest and recover costs. Expenditures include the remediation of leaking underground storage tanks.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Estimated
Cash Balance, Beginning	\$ 16,939	\$ 18,742	\$ 16,531
Receipts:			
Registration Fees	\$ 5,887	\$ 4,550	\$ 3,895
Federal Funds - EPA	2,246	3,222	3,410
Fines and Penalties	49	51	52
Interest	914	483	421
Other	311	15	15
Total Receipts	<u>9,407</u>	<u>8,321</u>	<u>7,793</u>
Total Funds Available	\$ 26,346	\$ 27,063	\$ 24,324
Disbursements:			
Executive Offices	\$ 282	.....	\$ .....
Environmental Protection	7,322	10,532	9,374
Total Disbursements	<u>-7,604</u>	<u>-10,532</u>	<u>-9,374</u>
Cash Balance, Ending	\$ <u>18,742</u>	\$ <u>16,531</u>	\$ <u>14,950</u>

Storage Tank Loan Fund

This fund was established by Act 32 of 1989 to provide financial assistance to small tank facility owners or operators identified by the Department of Environmental Resources (DER) as potentially liable for a release or in danger of a release of a regulated substance from the storage tank. The assistance is in the form of low-interest loans to finance the cost of all or a portion of the ordered response actions. Revenue consists primarily of two percent of fees collected from registration of above-ground and underground tanks in Pennsylvania. This budget combines this fund with the Pennsylvania Capital Loan Fund.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Estimated
Cash Balance, Beginning	\$ 741	\$ 519	.....
Receipts:			
Fees	\$ 375	\$ 750	.....
Loan Principal and Interest Repayments	144	200	.....
Interest on Securities	41	50	.....
Miscellaneous	3	3	.....
Total Receipts	<u>563</u>	<u>1,003</u>	<u>.....</u>
Total Funds Available	\$ 1,304	\$ 1,522	.....
Disbursements:			
Economic and Community Development	\$ 785	\$ 930	.....
Total Disbursements	<u>-785</u>	<u>-930</u>	<u>.....</u>
Cash Balance, Ending	\$ <u>519</u>	\$ <u>592</u>	<u>.....</u>

Sunny Day Fund

The purpose of this fund, created by Act 32 of 1985 and administered by the Department of Economic and Community Development, is to provide assistance to the Governor and the Department of Economic and Community Development, in their efforts to attract industrial, manufacturing or research and development enterprises to the Commonwealth. Revenue is provided through appropriations 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

Act 68 of 1990 provides for the transfer of money from the State Workmens' Insurance Fund (SWIF) to other funds. Annual payments will be made to the General Fund in an amount equal to that which would have been paid in taxes had SWIF been subject to taxes. The act also established an Advisory Council to recommend the amount of surplus in SWIF, if any, that could be distributed without jeopardizing its legal obligations to policyholders. If such a surplus exists, the SWIF Board may then recommend distribution of the surplus to the Sunny Day and the Tax Stabilization Reserve funds and/or as refunds to current or former policyholders. The funds recommended by the board to be transferred to the reserve funds and refunded to policyholders must be approved and appropriated by the General Assembly.

This budget combines this fund with Industrial Development Fund.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1994-95 Actual	1995-96 Available	1996-97 Estimated
Cash Balance, Beginning	\$ 35,135	\$ 37,945	....
Receipts:			
Transfer from General Fund	\$ 25,000	\$ 15,000	....
Loan Principal and Interest	6,818	9,000	....
Repayments .....			....
Interest on Securities	1,870	1,000	....
Prior Year Lapses	14,700	....	....
Miscellaneous	172	200	....
Total Receipts	<u>48,560</u>	<u>25,200</u>	<u>....</u>
Total Funds Available	\$ 83,695	\$ 63,145	....
Disbursements:			
Economic and Community Development	\$ 45,750	\$ 32,950	....
Total Disbursements	<u>-45,750</u>	<u>-32,950</u>	<u>....</u>
Cash Balance, Ending	<u>\$ 37,945</u>	<u>\$ 30,195</u>	<u>\$</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. The Supplemental State Assistance Fund, from July 1985 to December 1988, contained portions of the proceeds of the Foreign Casualty Premium Tax previously paid to the State Employees' Retirement Fund. Those revenues were made available immediately for loans to municipalities in imminent danger of defaulting on the obligations of their pension plans.

Beginning in December 1988, the Auditor General also became responsible for disbursement of supplemental state assistance to distressed municipal pension systems based on certified state assistance amounts provided by the Public Employee Retirement Commission.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Estimated
Cash Balance, Beginning	\$ 34	\$ 36	\$ 39
Receipts:			
General Fund Appropriation	\$ 3,296	\$ 6,362	\$ 1,684
Interest	2	3	....
Total Receipts	3,298	6,365	1,684
Total Funds Available	\$ 3,332	\$ 6,401	\$ 1,723
Disbursements:			
Auditor General	\$ 3,296	\$ 6,362	\$ 1,684
Total Disbursements	-3,296	-6,362	-1,684
Cash Balance, Ending	\$ 36	\$ 39	\$ 39

Surface Mining Conservation and Reclamation Fund

This fund was created in 1945 to finance reclamation projects on land scarred by surface mining. Projects include recontouring, terracing and planting of trees, shrubs and grasses. Revenues are provided by charging surface mining operators for licenses and permits and by fining them for failure to apply for the licenses and permits as well as by forfeiture of collateral bonds, cash or securities for failure to comply with an approved reclamation plan.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Estimated
Cash Balance, Beginning	\$ 29,196	\$ 31,383	\$ 31,853
Receipts:			
Licenses and Fees	\$ 956	\$ 200	\$ 200
Fines and Penalties	324	400	400
Interest	1,551	1,600	1,600
Forfeiture of Bonds	7,548	....	....
Trust Account Collateral .....	....	....	....
Other	895	1	1
Total Receipts	11,274	2,201	2,201
Total Funds Available	\$ 40,470	\$ 33,584	\$ 34,054
Disbursements:			
Executive Offices	\$ 14	\$	\$
Environmental Protection	9,073	1,731	1,927
Total Disbursements	-9,087	-1,731	-1,927
Cash Balance, Ending	\$ 31,383	\$ 31,853	\$ 32,127

Tax Note Sinking Fund

Monies in this fund are used solely for the payment of principal and interest on tax anticipation notes issued for the General Fund or the Motor License Fund. Repayment of tax anticipation notes must be accomplished before the end of the fiscal period in which the notes were issued.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1994-95 Actual	1995-96 Available	1996-97 Estimated
Cash Balance, Beginning	\$ 1,577	\$ 559	\$ 500
Receipts:			
Transfer from General Fund	\$ 619,841	\$ 513,454	\$ 771,580
Interest on Securities	1,231	1,672	1,670
Total Receipts	<u>621,072</u>	<u>515,126</u>	<u>773,250</u>
Total Funds Available	\$ 622,649	\$ 515,685	\$ 773,750
Disbursements:			
Treasury	<u>622,090</u>	<u>515,185</u>	<u>773,750</u>
Total Disbursements	<u>-622,090</u>	<u>-515,185</u>	<u>-773,750</u>
Cash Balance, Ending	<u>\$ 559</u>	<u>\$ 500</u>	<u>....</u>

Tax Stabilization Reserve Fund

Created in July 1985 by Act 32, this fund provides financial assistance to minimize future revenue shortfalls and deficits, and promote greater continuity and predictability in the funding of vital government services. It also minimizes the need to increase taxes to balance the budget of the Commonwealth during periods of economic distress. Revenue is provided through an annual transfer of ten percent of a fiscal year's ending surplus, and transfers of surplus funds from the State Workman's Insurance Fund and from appropriations by the General Assembly. Appropriations out of the fund require approval by two-thirds of the members of the General Assembly.

Legislation is being considered by the General Assembly that proposes that the Transfer to the Tax Stabilization Reserve Fund (commonly called the "Rainy Day" Fund) be increased from ten percent to fifteen percent of the General Fund closing balance effective with the transfer based on the June 30, 1995 closing balance. The transfer amounts shown for 1995-96 and 1996-97 assumes enactment of a fifteen percent transfer and an additional \$30 million amount in 1995-96.

Act 68 of 1990 provides for the transfer of money from the State Workmen's Insurance Fund. The act also established an Advisory Council to recommend the amount of surplus in SWIF, if any, that could be distributed without jeopardizing its legal obligations to policy holders. If such surplus exists, the SWIF Board based on recommendations of an advisory council any may recommend distribution of any surplus to the Sunny Day and Tax Stabilization Reserve Funds and/or as refunds to current or former policyholders. The funds recommended by the board to be transferred to the reserve funds and refunded to policyholders must be approved and appropriated by the General Assembly.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Estimated
Cash Balance, Beginning	\$ 29,850	\$ 66,316	\$ 182,816
Receipts:			
Transfer from General Fund	\$ 33,575	\$ 111,000	\$ 17,743
Interest	2,891	5,500	9,000
Total Receipts	<u>36,466</u>	<u>116,500</u>	<u>26,743</u>
Total Funds Available	\$ 66,316	\$ 182,816	\$ 209,559
Disbursements:			
.....
Total Disbursements	<u>....</u>	<u>....</u>	<u>....</u>
Cash Balance, Ending	\$ <u>66,316</u>	\$ <u>182,816</u>	\$ <u>209,559</u>

Tuition Payment Fund

This fund was created by Act 11 of 1992 to implement the tuition account program, providing for the advance purchase of tuition credits for the beneficiary attending and participating institution. The program is administered by the Tuition Account Bureau within the Treasury Department with oversight by the Tuition Account Program Advisory Board. Revenue is derived primarily from application fees, tuition unit purchases and investment income. Fund expenditures consist mainly of payments to participating institutions for the dollar value of the tuition purchased and of administrative costs.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1994-95 Actual	1995-96 Available	1996-97 Estimated
Cash Balance, Beginning	\$ 10,127	\$ 31,217	\$ 52,320
Receipts:			
Application Fees	\$ 325	\$ 350	\$ 350
Tuition Purchases	20,550	20,000	20,000
Investment Earnings	1,021 ^a	1,500	2,000
Other	3	3	3
Total Receipts	<u>21,899</u>	<u>21,853</u>	<u>22,353</u>
Total Funds Available	\$ 32,026	\$ 53,070	\$ 74,673
Disbursements:			
Treasury	\$ 809	\$ 750	\$ 800
Total Disbursements	<u>-809</u>	<u>-750</u>	<u>-800</u>
Cash Balance, Ending	<u>\$ 31,217</u>	<u>\$ 52,320</u>	<u>\$ 73,873</u>

^a Includes \$1,020,621 in investment earnings from the Treasury Tuition Account Program Investment Pool.

Underground Storage Tank Indemnification Fund

The Storage Tank and Spill Prevention Act, Act 32 of 1989, established the Underground Storage Tank Indemnification Fund to administer a program to provide claim payments to owners and operators of underground storage tanks who incur liability for taking corrective action or for bodily injury or property damage caused by a release from underground storage tanks. Expenses for administration of the fund are also covered. The fund is administered by the Insurance Department in conjunction with a seven member Underground Storage Tank Indemnification Board.

Act 32 authorized the board to establish a fee to be paid by underground storage tank owner/operators to fund the program. A \$100 tank fee and two cents per gallon gas fee were approved. Act 184 of 1992 amended Act 32 by requiring the board to establish a capacity fee for heating oil and diesel fuel underground storage tanks. Act 16 of 1995 further amended Act 32 by eliminating mandatory participation by owners of heating oil tanks which store heating oil in excess of 3,000 gallons for consumptive use. The board anticipates no more than 25 percent voluntary participation.

Beginning in January 1995, the Tank Fee and Capacity Fee were combined into one invoice. The Tank Fee and Capacity Fee are still assessed, but are now accounted for under the Capacity Fee. The board has approved the elimination of the Tank Fee and the reduction in the gallon fee from two cents to one cent beginning January 1, 1996.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Estimated
Cash Balance, Beginning	\$ 41,796	\$ 155,872	\$ 171,309
Receipts:			
Tank Fee	\$ 244	\$ 244	.....
Gallon Fee	89,604	74,000	\$ 48,000
Tank Capacity Fee	22,186	22,186	23,500
Investment Income	4,963	4,000	4,000
Miscellaneous	18	18	18
Total Receipts	<u>117,015</u>	<u>100,448</u>	<u>75,518</u>
Total Funds Available	\$ 158,811	\$ 256,320	\$ 246,827
Disbursements:			
Insurance	\$ 2,924	\$ 84,996	\$ 15,316
Executive Offices	15	15	15
Total Disbursements	<u>-2,939</u>	<u>-85,011</u>	<u>-15,331</u>
Cash Balance, Ending	<u>\$ 155,872</u>	<u>\$ 171,309</u>	<u>\$ 231,496</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)

	1994-95 Actual	1995-96 Available	1996-97 Estimated
Cash Balance, Beginning .....	....	....	....
Receipts:			
Regular Unemployment Compensation			
Program	\$ 1,502,262	\$ 1,579,000	\$ 1,655,000
Federal Receipts in Transit*	8,982	9,000	9,000
Other	98,095	84,000	90,000
Total Receipts	<u>1,609,339</u>	<u>1,672,000</u>	<u>1,754,000</u>
Total Funds Available	\$ 1,609,339	\$ 1,672,000	\$ 1,754,000
Disbursements:			
Labor and Industry	\$ 1,609,339	\$ 1,672,000	\$ 1,754,000
Total Disbursements	<u>-1,609,339</u>	<u>-1,672,000</u>	<u>-1,754,000</u>
Cash Balance, Ending	<u>....</u>	<u>....</u>	<u>....</u>

* Represents 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)

	1994-95 Actual	1995-96 Available	1996-97 Estimated
Cash Balance, Beginning	\$ 169	\$ 44	\$ 44
Receipts:			
Contributions of Employers and Employees ..	\$ 1,939,733	\$ 1,739,000	\$ 1,627,000
Other	193	170	160
Total Receipts	<u>1,939,926</u>	<u>1,739,170</u>	<u>1,627,160</u>
Total Funds Available	\$ 1,940,095	\$ 1,739,214	\$ 1,627,204
Disbursements:			
Labor and Industry	\$ 1,940,051	\$ 1,739,170	\$ 1,627,160
Total Disbursements	<u>-1,940,051</u>	<u>-1,739,170</u>	<u>-1,627,160</u>
Cash Balance, Ending	<u>\$ 44</u>	<u>\$ 44</u>	<u>\$ 44</u>

Vietnam Conflict Veterans' Compensation Sinking Fund

Monies in this fund are used to redeem or pay interest on bonds issued for the Vietnam Conflict Veterans' Compensation Fund. An appropriation from the General Fund provides the revenues to this fund.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1994-95 Actual	1995-96 Available	1996-97 Estimated
Cash Balance, Beginning	\$ 1	\$ 1	....
Receipts:			
Transfer from General Fund	\$ 2,563	\$ 2,574	\$ 2,578
Total Receipts	2,563	2,574	2,578
Total Funds Available	\$ 2,564	\$ 2,575	\$ 2,578
Disbursements:			
Treasury	\$ 2,563	\$ 2,575	\$ 2,578
Total Disbursements	-2,563	-2,575	-2,578
Cash Balance, Ending	\$ 1	....	....

Vocational Rehabilitation Fund

This fund, administered by the State Board of Vocational Rehabilitation in the Department of Labor and Industry, was created to provide vocational rehabilitation services to any person who has a disability mental or physical which constitutes a handicap to employment or to achievement of any 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)		
	1994-95 Actual	1995-96 Available	1996-97 Estimated
Cash Balance, Beginning	\$ 6,876	\$ 5,572	\$ 3,510
Receipts:			
Transfer from General Fund	\$ 28,446 ^a	\$ 24,105	\$ 24,458
Federal Vocational Rehabilitation Funds	89,060 ^b	93,872	89,449
Other	3,347	16,140	7,852
Total Receipts	120,853	134,117	121,759
Total Funds Available	\$ 127,729	\$ 139,689	\$ 125,269
Disbursements:			
Executive Offices	\$ 2,002	\$ 2,062	\$ 2,100
Labor and Industry	120,155	134,117	121,759
Total Disbursements	-122,157	-136,179	-123,859
Cash Balance, Ending	\$ 5,572	\$ 3,510	\$ 1,410

^a Reflects an adjustment after June 30 of \$1,252,000.

^b Reflects an adjustment after June 30 of \$-1,252,000.

Volunteer Companies Loan Fund

On November 4, 1975, a voter referendum authorized a \$10 million bond issue to be used for acquisition and replacement of volunteer fire, ambulance and rescue company equipment and facilities. A second voter referendum in November 1981 authorized an additional \$15 million to be added to the fund. In November 1990 a third voter referendum was approved which provided an additional \$25 million for the fund, bringing the total amount authorized to \$50 million. Act 208 of 1976 established a revolving loan fund known as the Volunteer Companies Loan Fund administered by the Pennsylvania Emergency Management Agency. 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)		
	1994-95 Actual	1995-96 Available	1996-97 Estimated
Cash Balance, Beginning:	\$ 9,029	\$ 6,768	\$ 7,756
Receipts:			
Loan Principal Repayments	\$ 10,043	\$ 10,000	\$ 10,000
Loan Interest	1,230	1,200	1,200
Interest on Securities	407	303	252
Bond Proceeds	<u> </u>	<u>3,000</u>	<u>2,000</u>
Total Receipts	<u>11,680</u>	<u>14,503</u>	<u>13,452</u>
Total Funds Available	\$ 20,709	\$ 21,271	\$ 21,208
Disbursements:			
Treasury	\$ 10	\$ 15	\$ 15
Emergency Management Agency	<u>13,931</u>	<u>13,500</u>	<u>13,500</u>
Total Disbursements	<u>-13,941</u>	<u>-13,515</u>	<u>-13,515</u>
Cash Balance, Ending	<u>\$ 6,768</u>	<u>\$ 7,756</u>	<u>\$ 7,693</u>

Volunteer Companies Loan Sinking Fund

Monies in this fund are used to redeem or pay interest on bonds issued for the Volunteer Companies Loan Fund. An appropriation from the General Fund provides revenues to the fund.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1994-95 Actual	1995-96 Available	1996-97 Estimated
Cash Balance, Beginning	\$ 7	\$ 1	....
Receipts:			
Transfer from General Fund	\$ 3,462	\$ 3,401	\$ 3,658
Total Receipts	<u>3,462</u>	<u>3,401</u>	<u>3,658</u>
Total Funds Available	\$ 3,469	\$ 3,402	\$ 3,658
Disbursements:			
Treasury	\$ 3,468	\$ 3,402	\$ 3,658
Total Disbursements	<u>-3,468</u>	<u>-3,402</u>	<u>-3,658</u>
Cash Balance, Ending	<u>\$ 1</u>	<u>....</u>	<u>....</u>

Water Facilities Loan Fund

This fund was created by Act 167 of 1982 to implement the water project loan referendum approved by the electorate on November 3, 1981. That referendum authorized the Commonwealth to incur an indebtedness of \$300 million for use as loans to repair, construct, reconstruct, rehabilitate, extend and improve water supply systems or to repair, reconstruct or rehabilitate flood control facilities, dams and port facilities. Act 16 of 1988 transferred the functions of the Water Facilities Loan Board to the Pennsylvania Infrastructure Investment Authority as part of the PENNVEST program.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Estimated
Cash Balance, Beginning	\$ 1,090	....	....
Receipts:			
Sale of Bonds	\$ 1,975	\$ 23,500	\$ 14,000
Total Receipts	1,975	23,500	14,000
Total Funds Available	\$ 3,065	\$ 23,500	\$ 14,000
Disbursements:			
Infrastructure Investment Authority	\$ 3,065	\$ 23,500	\$ 14,000
Total Disbursements	-3,065	-23,500	-14,000
Cash Balance, Ending .....	....	....	....

Water Facilities Loan Redemption Fund

Payment of interest and principal due on outstanding water facilities loan bonds is made from this fund. Annual appropriations by the General Assembly and interest and dividends on monies in the Water Facilities Loan Fund provide revenues to this fund.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Estimated
Cash Balance, Beginning	\$ 2	....	....
Receipts:			
Transfer from General Fund	\$ 19,319	\$ 16,521	\$ 15,445
Interest on Securities	8	10	....
Accrued Interest on Bonds Sold	7	46	....
Total Receipts	19,334	16,577	15,445
Total Funds Available	\$ 19,336	\$ 16,577	\$ 15,445
Disbursements:			
Treasury	\$ 19,336	\$ 16,577	\$ 15,445
Total Disbursements	-19,336	-16,577	-15,445
Cash Balance, Ending .....	....	....	....

Wild Resources Conservation Fund

This fund was created by Act 170 of 1982. Revenue is derived primarily from tax rebate check-offs and voluntary contributions. The fund collects information relating to population, distribution, habitat needs, limiting factors and other biological and ecological data to classify plants and to determine necessary management measures. These management measures include promotion of a Statewide system of private wild plant sanctuaries, permitting of removal, collection or transplanting of endangered or threatened plant species, and regulation of the digging, harvesting, sale and exploitation of designated species.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1994-95 Actual	1995-96 Available	1996-97 Estimated
Cash Balance, Beginning	\$ 2,205	\$ 3,366	\$ 3,657
Receipts:			
Tax Check-Offs	\$ 220	\$ 400	\$ 400
Interest on Securities	152	160	160
Voluntary Donations	11	....	....
License Plate Sales	1,549	1,000	1,000
Other	22	15	15
Total Receipts	<u>1,954</u>	<u>1,575</u>	<u>1,575</u>
Total Funds Available	\$ 4,159	\$ 4,941	\$ 5,232
Disbursements:			
Executive Offices	\$ 8	....	....
Conservation and Natural Resources	785	1,284	2,298
Total Disbursements	<u>-793</u>	<u>-1,284</u>	<u>-2,298</u>
Cash Balance, Ending	<u>\$ 3,366</u>	<u>\$ 3,657</u>	<u>\$ 2,934</u>

Workmen's Compensation Administration Fund

This fund was created by Act 2 of 1976 to finance the expenses of the Department of Labor and Industry in administering the Pennsylvania Workers' Compensation Act and the Pennsylvania Occupational Disease Act. Act 44 of 1993 amended the Workers' Compensation Act, expanding the administrative responsibilities of the department. The fund is supported by annual assessments on insurers and self-insurers under the act. These administrative funds are approved by the Legislature for expenditure through the appropriation process.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1994-95 Actual	1995-96 Available	1996-97 Estimated
Cash Balance, Beginning	\$ 22,716	\$ 34,476	\$ 37,061
Receipts:			
Assessments	\$ 41,529	\$ 42,643	\$ 40,566
Other	4,074	4,100	4,200
Total Receipts	<u>45,603</u>	<u>46,743</u>	<u>44,766</u>
Total Funds Available	\$ 68,319	\$ 81,219	\$ 81,827
Disbursements:			
Executive Offices	\$ 1,128	\$ 1,250	\$ 1,300
Economic and Community Development	55	265	180
Labor and Industry	32,660	42,643	42,688
Total Disbursements	<u>-33,843</u>	<u>-44,158</u>	<u>-44,168</u>
Cash Balance, Ending	<u>\$ 34,476</u>	<u>\$ 37,061</u>	<u>\$ 37,659</u>

Workers' Compensation Security Fund

The purpose of this fund is payment of valid claims for compensation provided by the Workers' Compensation Act to individuals who are insured by an insolvent stock company. Expenses for administration of the fund are also covered.

Act 70 of 1990 authorized the Catastrophic Loss Benefits Continuation Fund to borrow funds from the Workers' Compensation Security Fund. The loan was fully repaid in 1994-95.

Payment equal to one percent of the net written premiums received for workmen's compensation insurance policies written in the Commonwealth by stock companies, mutual carriers and reciprocal exchanges during the preceding annual reporting period are credited to the fund. Such payments are required only if the balance (less known liabilities) of the fund is determined to be less than five percent of the loss reserves of all such companies for payments of benefits under the Workmen's Compensation Law.

As of June 30, 1995 the indemnity reserves were \$489.7 million and the medical reserves were \$136.8 million. The June 30, 1995, fund balance less reserves was negative \$244.1 million, while five percent of the outstanding workmen's compensation carrier reserves were \$390.9 million. A one percent assessment was made for 1994-95 and a one percent assessment will be made again in 1995-96.

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)

	1994-95 Actual	1995-96 Available	1996-97 Estimated
Cash Balance, Beginning	\$ 317,112	\$ 390,664	\$ 423,926
Receipts:			
Premium Contributions	\$ 69,206	\$ 35,000	\$ 35,000
Interest on Securities	13,974	22,948	22,948
Loan Repayment	4,850	....	....
Interest on Loan	1,942	....	....
Total Receipts	89,972	57,948	57,948
Net Investment Adjustment	14,681	6,414	6,414
Total Funds Available	\$ 421,765	\$ 455,026	\$ 488,288
Disbursements:			
Insurance	\$ 31,100	\$ 31,100	\$ 31,000
Treasury	1	....	....
Total Disbursements	-31,101	-31,100	-31,000
Cash Balance, Ending	\$ 390,664	\$ 423,926	\$ 457,288

Workmen's Compensation Supersedeas Fund

The purpose of this fund is to reimburse insurers for payments made by them to claimants under the Workers' Compensation Act who are later determined to be ineligible. The fund is maintained by annual assessments on insurers and self-insurers and is administered by the Department of Labor and Industry.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Estimated
Cash Balance, Beginning	\$ 1,589	\$ 9	\$ 309
Receipts:			
Assessments	\$ 16,540	\$ 34,000	\$ 34,000
Other	297	300	300
Total Receipts	<u>16,837</u>	<u>34,300</u>	<u>34,300</u>
Total Funds Available	\$ 18,426	\$ 34,309	\$ 34,609
Disbursements:			
Labor and Industry	\$ 18,417	\$ 34,000	\$ 34,200
Total Disbursements	<u>-18,417</u>	<u>-34,000</u>	<u>-34,200</u>
Cash Balance, Ending	<u>\$ 9</u>	<u>\$ 309</u>	<u>\$ 409</u>

