

1997-98

Governor's Executive Budget



Commonwealth of Pennsylvania
Ridge, Governor





COMMONWEALTH OF PENNSYLVANIA
OFFICE OF THE GOVERNOR
HARRISBURG

THE GOVERNOR

February 4, 1997

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 1997-1998.

At the midpoint of my four-year term, I am pleased to report to you that Pennsylvania is changing for the better. Taxes are down and employment is up. Government is friendlier, and we have made dynamic improvements to our economic climate, helping enhance Pennsylvanians' quality of life.

With the General Assembly's help, we have achieved dramatic, systematic reforms in Pennsylvania — winning historic welfare reforms that emphasize family and work; becoming a national leader in electric competition, with reduced electric rates for Pennsylvanians; and successfully reforming our workers compensation system, which was costing our workers their jobs.

This budget builds on those successes as Pennsylvania makes its way to the 21st Century.

We continue to cut taxes — to help create jobs and to help Pennsylvania's people. A future-thinking, job-growth tax cut for our high-technology industries will help them compete, making a smart investment in industries that are creating good, family-sustaining jobs.

Because Pennsylvania's people are Pennsylvania's priority, this budget also cuts the taxes for struggling working families. An estimated 170,000 Pennsylvanians will benefit from this lower income tax. To help welfare recipients gain self-sufficiency, we've added even more money to the record investments we made in child care and job training. And we will offer an exciting new series of programs to help Pennsylvanians build new, vibrant neighborhoods in some of our most challenged communities.

Understanding that our success in the future is dependent upon the quality education of our children, this budget increases the money available to Pennsylvania public schools by nearly \$200 million. We also continue emphasizing 21st Century technology with another \$41 million for our Link to Learn computers-in-schools program.

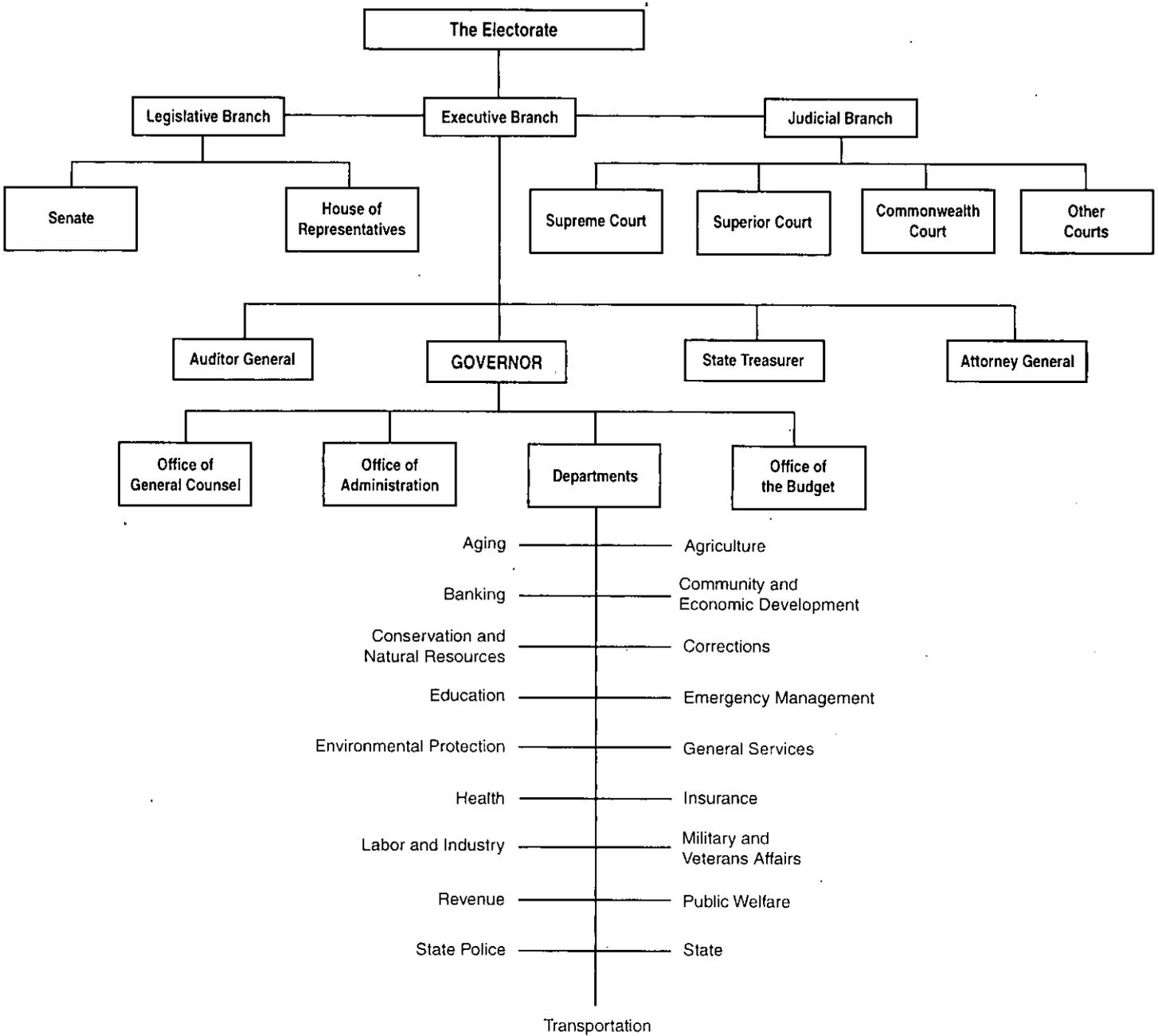
We'll do all that while continuing the conservative fiscal practices that have put Pennsylvania on the solid footing it enjoys today.

This is a budget that should make Pennsylvanians proud. I invite you to also look at budget highlights on the Commonwealth's homepage, at www.state.pa.us.

Very truly yours,

Tom Ridge
Governor

The Commonwealth of Pennsylvania



AGENCIES

Higher Education Assistance
Housing Finance
Interstate Agencies

AUTHORITIES

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

BOARDS

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

COMMISSIONS

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

The Structure of the Budget

THE COMMONWEALTH PROGRAM PLAN

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

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

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

THE DEPARTMENTAL PRESENTATION

Recommendations for the continuation of current programs at essentially current levels of commitment are shown within departmental program subcategories. Recommendations for major program changes in 1997-98 are identified as departmental Program Revision Requests (PRRs) which provide explanations and justification for the change.

Beyond 1997-98, the projections of financial data, as well as impacts and other program measures, show the future implications of the 1997-98 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 1997-98 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 year funds as presented in the summary by fund and appropriation.

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

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

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

SUMMARY BY FUND AND APPROPRIATION

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

General Government Operations — 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 1997-98 Budget which recommends the transfer of the correctional education program from the Department of Education to the Department of Corrections and other minor shifts between agencies. 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.

Budget Basis of Accounting

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

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

Budgetary control is exercised at the appropriation level (legislative spending authority level). Encumbrances and expenditures cannot exceed appropriated amounts. Appropriation transfers between departments and any supplemental appropriations require both executive and legislative branch approval. Unencumbered and unexpended appropriations lapse at fiscal year end and become available for appropriation in the subsequent year. On the budgetary basis of accounting, certain estimated tax revenue accruals are recorded at fiscal year end for the General Fund and the Motor License Fund, a Special Revenue Fund. Accruals include sales and use taxes and personal income taxes, both applicable to the General Fund, and liquid fuels taxes applicable to the Motor License Fund, which are estimated to be owed to the Commonwealth but not collected at fiscal year end. Also, estimated encumbrances are established for all funds at fiscal year end to pay certain direct expenditures for salaries, wages, travel, and utility costs payable against current year appropriation authority but expended in the subsequent year. Over-estimates of prior year encumbrances are lapsed in the subsequent year and under-estimates are charged to subsequent year appropriation authority.

Budgets are legally adopted each fiscal year for the General Fund and the following Special Revenue Funds: State Lottery, Motor License and Workmen's Compensation Administration.

Not all Special Revenue Funds are controlled by legally adopted budgets. Controls over spending in such Special Revenue Funds are maintained by use of spending limits (executive authorizations) established by the Governor.

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

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
CCDFBG	Child Care and Development Fund Block Grant
CSBG	Community Services Block Grant
DCSI	Drug Control and Systems Improvement
DFSC	Safe and Drug Free Schools and Communities 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
FHWA	Federal Highway Administration
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
MAGLOCLEN	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
TANFBG	Temporary Assistance to Needy Families Block Grant
WIC	Women, Infants and Children Program
YDC	Youth Development Center

Table of Contents

PREFACE

The Commonwealth of Pennsylvania - Organization Chart

Foreword:

The Structure of the Budget	i
Budgetary Basis of Accounting	iii
Federal Funds Identification	iv

A. STATEMENTS

Overview-Revenues and Expenditures	A3
Five Year Financial Statement-General Fund	A7
Five Year Financial Statements-Special Funds	A8
Five Year Department Summary by Fund	A12
Five Year Commonwealth Program Summary-General and Special Funds	A16
Dollar Chart by Program-General and Special Funds	A17
Five Year Commonwealth Program Summary-General Fund	A18
Dollar Chart by Program-General Fund	A19
Program Summary-General Fund	A20
Dollar Charts-General Fund, Income and Outgo	A21
Dollar Chart by Character of Expenditure-General Fund	A22
PRIME	A23
Program Revision Themes:	
Creating Economic Opportunity	A25
Community Building	A27
Preparing for the Future	A28
Enhancing Services and Promoting Self-Sufficiency	A29
Information Technology for Pennsylvania	A30
Federal Block Grants	A33
Public Information and Communications	A51

B. PROGRAM BUDGET SUMMARY

Five Year Summary of Commonwealth Programs-Operating and Capital	B4
Direction and Supportive Services	B6
Protection of Persons and Property	B7
Intellectual Development and Education	B9
Health and Human Services	B10
Economic Development	B12
Transportation and Communication	B13
Recreation and Cultural Enrichment	B14

C. SUMMARY BY FUND

General Fund

Financial Statement	C5
Notes on Financial Statement	C6
State Funds by Department	C8
Federal Funds by Department	C9
Augmentations by Department	C10
General Fund Revenue Summary	C11
Adjustments to Revenue Estimate	C12
Revenues	C13

Motor License Fund

Financial Statement	C32
Summary by Department	C33
Motor License Fund Revenue Summary	C36
Adjustments to Revenue Estimate	C36
Revenues	C37

Banking Department Fund	
Financial Statement	C44
Summary by Department	C44
Revenues	C45
Boat Fund	
Financial Statement	C50
Summary by Department	C50
Revenues	C51
Farm Products Show Fund	
Financial Statement	C54
Summary by Department	C54
Revenues	C55
Fish Fund	
Financial Statement	C58
Summary by Department	C58
Revenues	C59
Game Fund	
Financial Statement	C64
Summary by Department	C64
Revenues	C65
Keystone Recreation, Park and Conservation Fund	
Financial Statement	C70
Summary by Department	C70
Revenues	C72
Lottery Fund	
Financial Statement	C76
Summary by Department	C77
Revenues	C79
Milk Marketing Fund	
Financial Statement	C82
Summary by Department	C82
Revenues	C83
Racing Fund	
Financial Statement	C86
Summary by Department	C86
Revenues	C87

D. TAX EXPENDITURES

Tax Expenditure Analysis	D4
Credit Programs	D6
Corporation Taxes	D8
Corporate Net Income	D8
Capital Stock/Franchise	D12
Utility Gross Receipts	D17
Utility Realty	D19
Insurance Premiums	D22
Bank and Trust Company Shares	D24
Mutual Thrift Institutions	D24
Sales and Use Tax	D26
General/Personal Expenditures	D26
Fuels and Utilities	D32
Motor Vehicles/Vessels	D34
Real Estate	D37
Production Expenditures	D37
Other	D39
Services	D47
Cigarette Tax	D48
Malt Beverage Tax	D49
Liquor Tax	D49
Personal Income Tax	D49
Exclusions from Income	D50
Credits	D56
Estimated Taxes	D57

Realty Transfer Tax	D58
Inheritance Tax	D63
Family Related Exemptions and Exclusions	D63
Personal Exclusions and Deductions	D65
Business Related Exclusions and Deductions	D67
Other Exclusions	D68
Liquid Fuels Tax	D69
Fuel Use Tax	D69
Oil Company Franchise Tax	D69
Motor Carriers Road Tax	D74
Motor Vehicle Code	D79
Wagering Tax	D84
Admissions Tax	D84
Waste Tire Recycling	D85
Unemployment Compensation Insurance Tax	D86
Limitation of the Taxable Wage Base	D86
Public Transportation Assistance Fund	D87
Utility Realty Tax	D87
Motor Vehicle Lease Tax and Motor Vehicle Rental Fee	D90
Tire Fee	D93

E. DEPARTMENT PRESENTATIONS

Governor's Office	E1.3
Summary by Fund and Appropriation	E1.5
Program Funding Summary	E1.6
Executive Direction	E1.7
Executive Offices	E2.1
Summary by Fund and Appropriation	E2.3
Program Funding Summary	E2.7
Executive Direction	E2.9
Enhancing Information Technology to Better Serve Pennsylvania	E2.11
Legal Services	E2.16
Prevention and Elimination of Discriminatory Practices	E2.17
Development of Artists & Audiences	E2.19
Criminal and Juvenile Justice Planning and Coordination	E2.20
Reintegration of Juvenile Delinquents	E2.23
Lieutenant Governor	E3.1
Summary by Fund and Appropriation	E3.3
Program Funding Summary	E3.4
Executive Direction	E3.5
Attorney General	E4.1
Summary by Fund and Appropriation	E4.3
Program Funding Summary	E4.5
Public Protection and Law Enforcement	E4.6
Auditor General	E5.1
Summary by Fund and Appropriation	E5.3
Program Funding Summary	E5.4
Auditing	E5.5
Municipal Pension Systems	E5.6
Treasury	E6.1
Summary by Fund and Appropriation	E6.3
Program Funding Summary	E6.6
Disbursement	E6.7
Interstate Relations	E6.9
Debt Service	E6.10
Aging	E7.1
Summary by Fund and Appropriation	E7.3
Program Funding Summary	E7.5
Community Services for Older Pennsylvanians	E7.6
Pharmaceutical Assistance	E7.9

Agriculture	E8.1
Summary by Fund and Appropriation	E8.3
Program Funding Summary	E8.6
Protection and Development of Agricultural Industries	E8.7
Horse Racing Regulation	E8.10
Emergency Food Assistance	E8.12
Banking	E9.1
Summary by Fund and Appropriation	E9.3
Program Funding Summary	E9.4
Financial Institution Regulation	E9.5
Civil Service Commission	E10.1
Summary by Fund and Appropriation	E10.3
Program Funding Summary	E10.4
Personnel Selection	E10.5
Community and Economic Development	E11.1
Summary by Fund and Appropriation	E11.3
Program Funding Summary	E11.7
Community and Economic Development Support Services	E11.8
Business and Job Development	E11.10
Retaining and Creating Jobs	E11.13
Technology Development	E11.17
Community Development	E11.18
Project for Community Building	E11.21
Conservation and Natural Resources	E12.1
Summary by Fund and Appropriation	E12.3
Program Funding Summary	E12.6
Parks and Forests Management	E12.7
Corrections	E13.1
Summary by Fund and Appropriation	E13.3
Program Funding Summary	E13.4
Institutionalization of Offenders	E13.5
Education	E14.1
Direct Support of Local School Districts	E14.3
Summary by Fund and Appropriation	E14.4
Program Funding Summary	E14.10
Education Support Services	E14.11
Basic Education	E14.12
Improving Our Schools	E14.17
Job Training	E14.20
Library Services	E14.21
Higher Education	E14.23
Emergency Management Agency	E15.1
Summary by Fund and Appropriation	E15.3
Program Funding Summary	E15.5
Emergency Management	E15.6
Fire Prevention and Safety	E15.8
Environmental Protection	E16.1
Summary by Fund and Appropriation	E16.3
Program Funding Summary	E16.8
Environmental Support Services	E16.9
Environmental Protection and Management	E16.10
Fish and Boat Commission	E17.1
Summary by Fund and Appropriation	E17.3
Program Funding Summary	E17.5
Recreational Fishing and Boating	E17.6
Game Commission	E18.1
Summary by Fund and Appropriation	E18.3
Program Funding Summary	E18.4
Wildlife Management	E18.5
General Services	E19.1
Summary by Fund and Appropriation	E19.3
Program Funding Summary	E19.5
Facility, Property and Commodity Management	E19.6

Health	E20.1
Summary by Fund and Appropriation	E20.3
Program Funding Summary	E20.8
Health Support Services	E20.9
Health Research	E20.11
Preventive Health	E20.13
Health Treatment Services	E20.16
Drug and Alcohol Abuse Prevention and Treatment	E20.19
Higher Education Assistance Agency	E21.1
Summary by Fund and Appropriation	E21.3
Program Funding Summary	E21.4
Financial Assistance to Students	E21.5
Financial Aid to Institutions	E21.7
Historical & Museum Commission	E22.1
Summary by Fund and Appropriation	E22.3
Program Funding Summary	E22.5
State Historic Preservation	E22.6
Museum Assistance	E22.8
Housing Finance Agency	E23.1
Summary by Fund and Appropriation	E23.3
Program Funding Summary	E23.4
Community Development and Conservation	E23.5
Infrastructure Investment Authority	E24.1
Summary by Fund and Appropriation	E24.3
Program Funding Summary	E24.4
PENNVEST	E24.5
Insurance	E25.1
Summary by Fund and Appropriation	E25.3
Program Funding Summary	E25.4
Insurance Industry Regulation	E25.5
Labor & Industry	E26.1
Summary by Fund and Appropriation	E26.3
Program Funding Summary	E26.5
Community and Occupational Safety and Stability	E26.6
Workers' Compensation and Assistance	E26.8
Job Training Development	E26.10
Vocational Rehabilitation	E26.12
Liquor Control Board	E27.1
Summary by Fund and Appropriation	E27.3
Program Funding Summary	E27.4
Liquor Control	E27.5
Military and Veterans Affairs	E28.1
Summary by Fund and Appropriation	E28.3
Program Funding Summary	E28.5
State Military Readiness	E28.6
Veterans Homes and School	E28.7
Compensation and Assistance	E28.10
Milk Marketing Board	E29.1
Summary by Fund and Appropriation	E29.3
Program Funding Summary	E29.4
Milk Industry Regulation	E29.5
Probation & Parole Board	E30.1
Summary by Fund and Appropriation	E30.3
Program Funding Summary	E30.4
Reintegration of the Adult Offender	E30.5
Public Television Network	E31.1
Summary by Fund and Appropriation	E31.3
Program Funding Summary	E31.4
Public Television Services	E31.5
Public Utility Commission	E32.1
Summary by Fund and Appropriation	E32.3
Program Funding Summary	E32.4
Regulation of Public Utilities	E32.5

Public Welfare	E33.1
Summary by Fund and Appropriation	E33.3
Program Funding Summary	E33.11
Human Services Support	E33.13
Medical Assistance	E33.14
Income Maintenance	E33.19
Transitioning to Self-Sufficiency	E33.22
Mental Health	E33.24
Mental Retardation	E33.28
Human Services	E33.32
Revenue	E34.1
Summary by Fund and Appropriation	E34.3
Program Funding Summary	E34.5
Revenue Collection and Administration	E34.6
Community Development and Preservation	E34.9
Homeowners and Renters Assistance	E34.10
Securities Commission	E35.1
Summary by Fund and Appropriation	E35.3
Program Funding Summary	E35.4
Securities Industry Regulation	E35.5
State	E36.1
Summary by Fund and Appropriation	E36.3
Program Funding Summary	E36.5
Consumer Protection	E36.6
State Employees' Retirement System	E37.1
Summary by Fund and Appropriation	E37.3
Program Funding Summary	E37.4
State Employees' Retirement	E37.5
State Police	E38.1
Summary by Fund and Appropriation	E38.3
Program Funding Summary	E38.5
Public Protection and Law Enforcement	E38.6
Tax Equalization Board	E39.1
Summary by Fund and Appropriation	E39.3
Program Funding Summary	E39.4
Education Support Services	E39.5
Transportation	E40.1
Summary by Fund and Appropriation	E40.3
Program Funding Summary	E40.8
Transportation Support Services	E40.10
State Highway and Bridge Construction / Reconstruction	E40.12
State Highway and Bridge Maintenance	E40.14
Local Highway and Bridge Assistance	E40.16
Mass Transportation	E40.18
Intercity Rail and Bus Transportation	E40.19
Air Transportation	E40.21
Safety Administration and Licensing	E40.22
Older Pennsylvanians Transit	E40.24
Legislature	E41.1
Summary by Fund and Appropriation	E41.3
Program Funding Summary	E41.5
Legislature	E41.6
Judiciary	E42.1
Summary by Fund and Appropriation	E42.3
Program Funding Summary	E42.5
State Judicial System	E42.6

F. CAPITAL BUDGET

Forecast of Debt Limit and Outstanding Debt	F4
Projected Capital Budget Debt Issues and Debt Outstanding	F5
Forecast of Debt Service Requirements	F6
Capital Facilities Fund Financial Statement	F7
Estimated Capital Expenditures—State Funds	F8

Five Year Forecast of New Project Authorizations—State Funds	F9
Recommended 1997-98 New Project Authorizations—State Funds	F10
Agriculture	F11
Conservation and Natural Resources	F13
Corrections	F19
Education	F21
Environmental Protection	F23
General Services	F25
Historical and Museum Commission	F27
Military and Veterans Affairs	F29
Public Welfare	F31
Transportation	F33
Summary of Forecast of Future New Project Authorizations—State Funds	F40
Forecast of Future Projects—Departments	F41
Summary of Estimated Capital Project Expenditures—State Funds	F44
Estimate of Capital Expenditures—Departments	F45

G. SINKING FUNDS AND PUBLIC DEBT

Debt Authorized, Issued and Outstanding	G3
Projected Debt Issues and Debt Outstanding	G4
Forecast of Debt Service on Bonded Debt	G5
Terms of Bonds Issued	G6
Annual Debt Service on Outstanding General Obligation Bonds	G7
Trends in Debt Service and Debt Ratios	G8
Outstanding Indebtedness of Pennsylvania Agencies and Authorities	G9

H. OTHER SPECIAL FUNDS

Acid Mine Drainage Abatement and Treatment Fund	H6
Administration Fund	H6
Agricultural College Land Scrip Fund	H7
Agricultural Conservation Easement Purchase Fund	H7
Agricultural Conservation Easement Purchase Sinking Fund	H8
Air Quality Improvement Fund	H8
Anthracite Emergency Bond Fund	H9
Automobile Theft Prevention Trust Fund	H9
Ben Franklin/IRC Partnership Fund	H10
Capital Debt Fund	H10
Capital Facilities Fund	H11
Capitol Restoration Trust Fund	H11
Catastrophic Loss Benefits Continuation Fund	H12
Children's Trust Fund	H12
Clean Air Fund	H13
Coal and Clay Mine Subsidence Insurance Fund	H13
Coal Lands Improvement Fund	H14
Conrad Weiser Memorial Park Trust Fund	H14
Deferred Compensation Fund	H15
Deferred Compensation Fund – Short Term Portfolio	H15
Disaster Relief Fund	H16
Disaster Relief Redemption Fund	H16
DNA Detection Fund	H17
Emergency Medical Services Operating Fund	H17
Employment Fund for the Blind	H18
Energy Conservation and Assistance Fund	H19
Energy Development Fund	H19
Environmental Education Fund	H20
Financially Distressed Municipalities Revolving Aid Fund	H20
Fire Insurance Tax Fund	H21
Hazardous Material Response Fund	H21
Hazardous Sites Cleanup Fund	H22
Higher Education Assistance Fund	H23
Highway Beautification Fund	H23
Historical Preservation Fund	H24
HOME Investment Trust Fund	H24

Industrial Development Fund	H25
Industrial Sites Cleanup Fund	H25
Insurance Fraud Prevention Trust Fund	H26
Insurance Liquidation Fund	H26
Keystone Recreation, Park and Conservation Sinking Fund	H27
Land and Water Development Fund	H27
Land and Water Development Sinking Fund	H28
Liquid Fuels Tax Fund	H28
Liquor License Fund	H29
Local Criminal Justice Fund	H29
Local Criminal Justice Sinking Fund	H30
Local Government Capital Project Loan Fund	H30
Low-Level Waste Fund	H31
Machinery and Equipment Loan Fund	H31
Manufacturing Fund	H32
Medical Professional Liability Catastrophe Loss Fund	H32
Minority Business Development Fund	H33
Motor Vehicle Transaction Recovery Fund	H33
Municipal Pension Aid Fund	H34
Non-Coal Surface Mining Conservation and Reclamation Fund	H34
Nursing Home Loan Development Fund	H35
Nursing Home Loan Fund	H35
Nursing Home Loan Sinking Fund	H36
Nutrient Management Fund	H36
Oil and Gas Lease Fund	H37
Organ Donation Awareness Trust Fund	H37
Pennsylvania Capital Loan Fund	H38
Pennsylvania Economic Revitalization Fund	H39
Pennsylvania Economic Revitalization Sinking Fund	H39
Pennsylvania Historical and Museum Commission Trust Fund	H40
Pennsylvania Municipal Retirement Fund	H40
Pennsylvania Veterans Memorial Trust Fund	H41
PENNVEST Bond Authorization Fund	H41
PENNVEST Drinking Water Revolving Fund	H42
PENNVEST Fund	H42
PENNVEST Non-Revolving Equity Fund	H43
PENNVEST Redemption Fund	H43
PENNVEST Revolving Fund	H44
PENNVEST Water Pollution Control Revolving Fund	H44
Pharmaceutical Assistance Fund	H45
Philadelphia Regional Port Authority Fund	H46
Port of Pittsburgh Commission Fund	H46
Project 70 Land Acquisition Sinking Fund	H47
Public Transportation Assistance Fund	H47
Purchasing Fund	H48
Real Estate Recovery Fund	H48
Recycling Fund	H49
Refund of Axle Tax Fund	H49
Regional Facility Siting Fund	H50
Rehabilitation Center Fund	H50
Remining Environmental Enhancement Fund	H51
Remining Financial Assurance Fund	H51
Revenue Sharing Trust Fund	H52
School Employees' Retirement Fund	H53
Self-Insurance Guaranty Fund	H54
Sinking Fund	H54
Small Business First Fund	H55
Solid Waste-Resource Recovery Development Fund	H55
Special Administration Fund	H56
State Collège Experimental Farm Fund	H56
State Employees' Retirement Fund	H57
State Insurance Fund	H58
State Restaurant Fund	H58

State School Fund	H59
State Stores Fund	H60
State Treasury Armory Fund	H60
State Workmen's Insurance Fund	H61
Storage Tank Fund	H62
Storage Tank Loan Fund	H62
Sunny Day Fund	H63
Supplemental State Assistance Fund	H63
Surface Mining Conservation and Reclamation Fund	H64
Tax Note Sinking Fund	H64
Tax Stabilization Reserve Fund	H65
Tuition Payment Fund	H65
Underground Storage Tank Indemnification Fund	H66
Unemployment Compensation Benefit Payment Fund	H67
Unemployment Compensation Contribution Fund	H67
Vietnam Conflict Veterans' Compensation Sinking Fund	H68
Vocational Rehabilitation Fund	H68
Volunteer Companies Loan Fund	H69
Volunteer Companies Loan Sinking Fund	H69
Water Facilities Loan Fund	H70
Water Facilities Loan Redemption Fund	H70
Wild Resources Conservation Fund	H71
Workmen's Compensation Administration Fund	H71
Workmen's Compensation Security Fund	H72
Workmen's Compensation Supersedeas Fund	H73

I. Complement

Salaried Complement By Agency	15
Summary of 1997-98 Complement Changes	16



Governor's Executive Budget

STATEMENTS

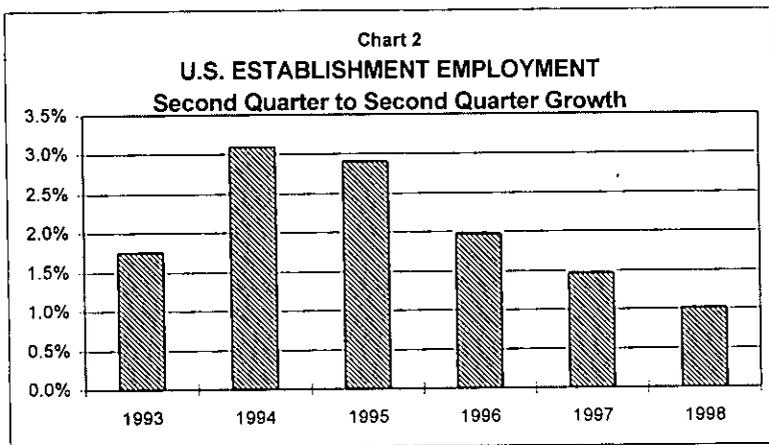
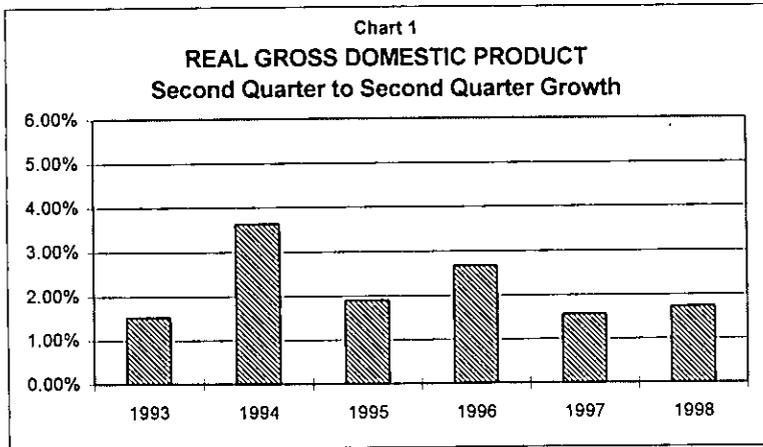
Revenues

A summary of significant economic projections used to develop estimates of revenue and a discussion of material revenue trends is provided below. Estimates for individual revenue sources in budgeted funds are prepared using various methodologies. Most major tax estimates are developed using econometric models which rely on projections of economic indicators as independent variables.

Economic Assumptions

The economic assumptions used to produce tax revenue estimates were obtained from the WEFA Group, Eddystone, Pennsylvania, a private economic forecasting and consulting firm. The national forecast scenario described by the WEFA Group as a low-growth scenario was selected by the Commonwealth as the most appropriate of the forecast scenarios prepared by the WEFA Group. Other scenarios available from the WEFA Group are described as baseline, high-growth, and cyclical. Over the past several fiscal years the Commonwealth has relied on a low-growth scenario to estimate revenues.

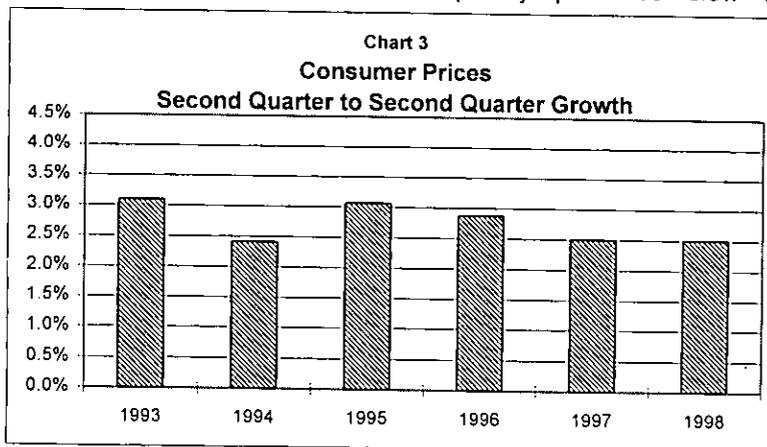
The national economic outlook for fiscal year 1997-98 hinges upon the direction of governmental policy by the Clinton Administration and the timing for the next recession. The current economic expansion is approaching its sixth anniversary, the third longest expansion period of the post-World War II period. That fact does not preclude the possibility that the expansion will continue for several more years. However, the low rate of economic growth projected over the next twelve months raises the possibility that a recession may develop. Tax cuts, deficit reduction and addressing Medicare and the Social Security system issues will be major policy debates between the President and Congress. Any of these issues can have profound short-term economic effects on the pace and direction of the national economy during the next two years.



No recession is expected in the economic projections used in this budget. Economic growth is anticipated to continue, but at a slowing rate with modest inflation into 1998. Chart 1 portrays the history and a low-growth forecast of the annual rate of growth for real gross domestic product (GDP) for the period between the second quarter of each year. The low rate of growth projected for 1998

is based on expectations for consumers to slow spending growth in response to high debt levels, for business investment to slow and for lower exports due to weak economies of our trading partners. Chart 2 shows anticipated growth rates for U.S. establishment employment, also on a second quarter to second quarter basis for each year. Slow economic growth restrains the rate of

employment expansion and consequently produces slow income growth and a rising unemployment rate. Chart 3 shows that inflation as measured by the consumer price index (CPI) is expected to remain below three percent annually.



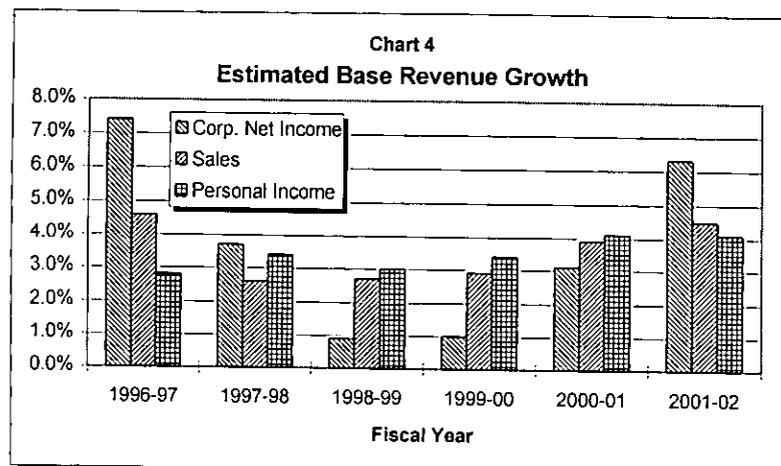
Slow growth by the national economy means that Pennsylvania economic performance will also be sluggish. No recession is anticipated although Pennsylvania and its neighboring Middle Atlantic states will continue to

experience some of the lowest rates of economic growth in the nation. This underperformance relative to the nation is a continuation of existing conditions which are believed to be caused by high costs of doing business and unfavorable demographic trends. Pennsylvania's major industries such as manufacturing, health care and financial services are under increasing competitive strain. Recently enacted laws that reformed workers' compensation, lowered business taxes and instituted competition in the electricity generation industry were aimed to improve Pennsylvania's competition for jobs.

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Tax Revenue Forecasts

Projections for General Fund tax revenues over the five-year budget horizon based on the economic assumptions discussed above show a growth in base revenues (adjusted to remove the impact of tax law changes) close to the rate of inflation, or a 2.4% - 2.8% annual increase over the next three years. Following that period, a gradual acceleration to 3% - 4% is projected in the years beyond as national economic growth rises. The overall economic picture underlying the revenue forecast is one of a temporary growth "bubble" in 1996 as consumer spending recovers from 1995's lower level. However, in 1997 a significant slowdown is anticipated, bringing tax revenue growth down to historically low levels. Chart 4 portrays the annual percentage increase projected in base revenues for the corporate net income tax, the sales and use tax and the personal income tax. Changes in base revenue occur due to changes in a tax base from economic or structural changes other than tax law changes.



Our Mission

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

Expenditures

The 1995-96 and 1996-97 Executive Budgets clearly reflected the vision and objectives of this Administration. These two previous budget proposals outlined the appropriate role of government and articulated this Administration's mission and goals. The annual budget proposal has, in a very real sense, served as the planning document for the Commonwealth as well as an effective vehicle to project our vision to the citizens of Pennsylvania. The 1997-98 Executive Budget maintains that approach, reminding us of our mission and goals and providing a clear statement of priorities and direction for making Pennsylvania a leader among states and a competitor among nations.

Throughout our work, we must continually remind ourselves that our Commonwealth was established to ensure that citizens have the opportunity to enjoy their natural rights and exists for the common benefit, protection, and security of our citizens, families and communities. We know that government cannot be all things to all people and that what government can do for individuals is limited, while there is no limit to what individuals can do for themselves. The appropriate role of State Government is to provide individuals the opportunity for, and remove the barriers to, individual achievement. Ensuring opportunity for individual achievement and security can best be achieved by government carrying out its core functions and goals focused on achieving its mission.

Indeed, today many of the most difficult challenges that confront our Commonwealth, our communities, and our neighborhoods -- from the breakdown of the family to the decline of civility and the fraying of our moral fabric -- are beyond the reach of, or cannot be significantly impacted, by governmental action. We must nevertheless be mindful that State Government and our Commonwealth agencies share a responsibility and have a role to play in addressing these challenges by helping to shape and move societal attitudes and affect cultural change. To that end, we must think beyond our statutory duties and programmatic responsibilities for ways to use the resources and energies of our State Government to foster and mobilize nongovernmental efforts to address and meet these challenges.

The citizens of Pennsylvania support the efforts we have undertaken thus far and expect us to remain focused on our mission and to maintain our commitment to developing innovative ideas to achieve that mission.

This budget maintains this Administration's focus on achieving its mission and goals within the context of being responsible stewards of Commonwealth resources and taxpayers' money. This budget does not seek tax increases, and includes only a modest 2.7 percent overall budget increase for 1997-98. Increases are proposed only in those areas considered high priority and continued progress toward more efficiencies and higher productivity in State operations is encouraged.

All agency operating budgets were developed based on the amounts necessary to carry forward current programs at minimum cost. In addition, this budget proposes additional ways to improve program management and operations, reduce costs, maximize direct services, and accomplish program changes through redirecting and targeting program operations. Agencies carefully reviewed all programs and were directed to modify or eliminate programs which were no longer effective or otherwise not needed. Proposals for new or expanded programs were offset

by keeping cost increases of other programs below the rate of inflation, or by reducing funding in other programs. Agency budget proposals included in this budget maintain the responsibility and discipline this Administration has shown the past two years by carefully and thoughtfully setting its budget priorities.

The fiscal direction presented in this budget is not equated with simply maintaining the status quo or reducing expectations. As the implementation of past initiatives has shown, agencies can hold the line or reduce spending and still provide improved services to our citizens. Pennsylvanians still rightly insist that their government reject the notion of increased taxes or spending to meet the challenges of today's society. This Administration fully believes that those challenges can be met not only this year, but in the years to come.

This budget sets forth specific direction for agency implementation of programs and operations consistent with this Administration's mission and goals. All agencies are expected to pursue further efficiencies through strong management and innovation during the 1997-98 fiscal year.

Specific program details are found in the Program Revision Themes found later in this section of the Budget.

FIVE YEAR FINANCIAL STATEMENT

The projections beyond the 1997-98 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)

	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
Beginning Balance ^a	\$ 428,997	\$ 156,249	\$ 177,611	.....	.....	.....	.....
Revenues.....	\$ 16,338,538	\$ 16,939,000	\$ 17,339,200	\$ 17,775,400	\$ 18,278,800	\$ 18,933,000	\$ 19,735,700
Adjustments ^b	<u>-420,785</u>	<u>-470,000</u>	<u>-597,700</u>	<u>-616,500</u>	<u>-637,900</u>	<u>-664,100</u>	<u>-687,300</u>
Funds Available.....	\$ 16,346,750	\$ 16,625,249	\$ 16,919,111	\$ 17,158,900	\$ 17,640,900	\$ 18,268,900	\$ 19,048,400
Expenditures.....	<u>-16,162,928</u>	<u>-16,416,295</u>	<u>-16,915,667</u>	<u>-17,142,292</u>	<u>-17,404,127</u>	<u>-17,676,353</u>	<u>-17,961,219</u>
Closing Balance.....	\$ 183,822	\$ 208,954	\$ 3,444	\$ 16,608	\$ 236,773	\$ 592,547	\$ 1,087,181
Less Transfer to Tax Stabilization Reserve Fund.....	<u>-27,573</u>	<u>-31,343</u>	<u>-517</u>	<u>-2,491</u>	<u>-35,516</u>	<u>-88,882</u>	<u>-163,077</u>
Ending Balance ^a	<u>\$ 156,249</u>	<u>\$ 177,611</u>	<u>\$ 2,927</u>	<u>\$ 14,117</u>	<u>\$ 201,257</u>	<u>\$ 503,665</u>	<u>\$ 924,104</u>

^aEnding balance not carried forward after 1997-98.

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

Five Year Financial Statements

Motor License Fund^a

(Dollar Amounts in Thousands)

	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-2000</u>	<u>2000-01</u>	<u>2001-02</u>
Beginning Balance.....	\$ 119,151	\$ 119,089	\$ 98,767	\$ 1,946	\$ 1,540	\$ 1,094	\$ 1,884
Receipts.....	1,597,347	1,600,074	1,558,162	1,560,344	1,566,254	1,568,020	1,570,336
Funds Available.....	\$ 1,716,498	\$ 1,719,163	\$ 1,656,929	\$ 1,562,290	\$ 1,567,794	\$ 1,569,114	\$ 1,572,220
Less Expenditures.....	-1,597,409	-1,620,396	-1,654,983	-1,560,750	-1,566,700	-1,567,230	-1,570,832
Ending Balance.....	<u>\$ 119,089</u>	<u>\$ 98,767</u>	<u>\$ 1,946</u>	<u>\$ 1,540</u>	<u>\$ 1,094</u>	<u>\$ 1,884</u>	<u>\$ 1,388</u>

Banking Department Fund

(Dollar Amounts in Thousands)

	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-2000</u>	<u>2000-01</u>	<u>2001-02</u>
Beginning Balance.....	\$ 2,313	\$ 3,844	\$ 4,557	\$ 5,260	\$ 5,958	\$ 6,804	\$ 7,781
Receipts.....	11,280	9,747	9,904	10,080	10,412	10,732	10,957
Funds Available.....	\$ 13,593	\$ 13,591	\$ 14,461	\$ 15,340	\$ 16,370	\$ 17,536	\$ 18,738
Less Expenditures.....	-9,749	-9,034	-9,201	-9,382	-9,566	-9,755	-9,948
Ending Balance.....	<u>\$ 3,844</u>	<u>\$ 4,557</u>	<u>\$ 5,260</u>	<u>\$ 5,958</u>	<u>\$ 6,804</u>	<u>\$ 7,781</u>	<u>\$ 8,790</u>

Boat Fund

(Dollar Amounts in Thousands)

	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-2000</u>	<u>2000-01</u>	<u>2001-02</u>
Beginning Balance.....	\$ 7,484	\$ 5,861	\$ 8,847	\$ 8,186	\$ 8,040	\$ 7,341	\$ 7,191
Receipts.....	6,579	12,425	8,428	9,109	8,725	9,446	9,037
Funds Available.....	\$ 14,063	\$ 18,286	\$ 17,275	\$ 17,295	\$ 16,765	\$ 16,787	\$ 16,228
Less Expenditures.....	-8,202	-9,439	-9,089	-9,255	-9,424	-9,596	-9,772
Ending Balance.....	<u>\$ 5,861</u>	<u>\$ 8,847</u>	<u>\$ 8,186</u>	<u>\$ 8,040</u>	<u>\$ 7,341</u>	<u>\$ 7,191</u>	<u>\$ 6,456</u>

^a Excludes restricted revenue.

Five Year Financial Statements

Farm Products Show Fund

(Dollar Amounts in Thousands)

	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-2000</u>	<u>2000-01</u>	<u>2001-02</u>
Beginning Balance.....	\$ 1,060	\$ 745	\$ 58	\$ 238	\$ 149	\$ 200	\$ 397
Receipts.....	4,467	4,432	4,816	4,557	4,707	4,863	5,026
Funds Available.....	\$ 5,527	\$ 5,177	\$ 4,874	\$ 4,795	\$ 4,856	\$ 5,063	\$ 5,423
Less Expenditures.....	-4,782	-5,119	-4,636	-4,646	-4,656	-4,666	-4,676
Ending Balance.....	<u>\$ 745</u>	<u>\$ 58</u>	<u>\$ 238</u>	<u>\$ 149</u>	<u>\$ 200</u>	<u>\$ 397</u>	<u>\$ 747</u>

Fish Fund

(Dollar Amounts in Thousands)

	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-2000</u>	<u>2000-01</u>	<u>2001-02</u>
Beginning Balance.....	\$ 8,205	\$ 9,586	\$ 12,809	\$ 13,794	\$ 14,632	\$ 15,320	\$ 15,791
Receipts.....	36,023	39,352	37,788	38,261	38,743	39,170	39,627
Funds Available.....	\$ 44,228	\$ 48,938	\$ 50,597	\$ 52,055	\$ 53,375	\$ 54,490	\$ 55,418
Less Expenditures.....	-34,642	-36,129	-36,803	-37,423	-38,055	-38,699	-39,356
Ending Balance.....	<u>\$ 9,586</u>	<u>\$ 12,809</u>	<u>\$ 13,794</u>	<u>\$ 14,632</u>	<u>\$ 15,320</u>	<u>\$ 15,791</u>	<u>\$ 16,062</u>

Game Fund

(Dollar Amounts in Thousands)

	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-2000</u>	<u>2000-01</u>	<u>2001-02</u>
Beginning Balance.....	\$ 36,565	\$ 31,856	\$ 22,050	\$ 14,297	\$ 6,063	\$ 0	\$ 0
Receipts.....	52,997	51,297	49,846	49,846	49,846	49,846	49,846
Funds Available.....	\$ 89,562	\$ 83,153	\$ 71,896	\$ 64,143	\$ 55,909	\$ 49,846	\$ 49,846
Less Expenditures.....	-57,706	-61,103	-57,599	-58,080	-55,909	-49,846	-49,846
Ending Balance.....	<u>\$ 31,856</u>	<u>\$ 22,050</u>	<u>\$ 14,297</u>	<u>\$ 6,063</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

Five Year Financial Statements

Keystone Recreation, Park and Conservation Fund

(Dollar Amounts in Thousands)

	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-2000</u>	<u>2000-01</u>	<u>2001-02</u>
Beginning Balance.....	\$ 31,389	\$ 54,640	\$ 30,303	\$ 28,702	\$ 28,749	\$ 29,275	\$ 29,896
Receipts.....	63,023	57,473	33,186	33,240	33,850	34,575	36,219
Funds Available.....	\$ 94,412	\$ 112,113	\$ 63,489	\$ 61,942	\$ 62,599	\$ 63,850	\$ 66,115
Less Expenditures.....	-39,772	-81,810	-34,787	-33,193	-33,324	-33,954	-34,808
Ending Balance.....	<u>\$ 54,640</u>	<u>\$ 30,303</u>	<u>\$ 28,702</u>	<u>\$ 28,749</u>	<u>\$ 29,275</u>	<u>\$ 29,896</u>	<u>\$ 31,307</u>

Lottery Fund

(Dollar Amounts in Thousands)

	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-2000</u>	<u>2000-01</u>	<u>2001-02</u>
Beginning Balance.....	\$ 7,387	\$ 32,324	\$ 22,139	\$ 21,899	\$ 18,073	\$ 4,676	\$ 7,092
Add Reserve From Prior Year..	104,000	100,000	140,000	140,000	140,000	140,000	115,000
Receipts.....	883,655	924,422	918,665	924,399	929,848	934,972	939,765
Funds Available.....	\$ 995,042	\$ 1,056,746	\$ 1,080,804	\$ 1,086,298	\$ 1,087,921	\$ 1,079,648	\$ 1,061,857
Less Expenditures.....	-862,718	-894,607	-918,905	-928,225	-943,245	-957,556	-973,164
Less Reserve for Current Year	-100,000	-140,000	-140,000	-140,000	-140,000	-115,000	-80,000
Ending Balance.....	<u>\$ 32,324</u>	<u>\$ 22,139</u>	<u>\$ 21,899</u>	<u>\$ 18,073</u>	<u>\$ 4,676</u>	<u>\$ 7,092</u>	<u>\$ 8,693</u>

Milk Marketing Fund

(Dollar Amounts in Thousands)

	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-2000</u>	<u>2000-01</u>	<u>2001-02</u>
Beginning Balance.....	\$ 1,607	\$ 1,784	\$ 1,463	\$ 1,136	\$ 1,105	\$ 1,031	\$ 913
Receipts.....	2,435	2,233	2,200	2,128	2,128	2,128	2,128
Funds Available.....	\$ 4,042	\$ 4,017	\$ 3,663	\$ 3,264	\$ 3,233	\$ 3,159	\$ 3,041
Less Expenditures.....	-2,258	-2,554	-2,527	-2,159	-2,202	-2,246	-2,291
Ending Balance.....	<u>\$ 1,784</u>	<u>\$ 1,463</u>	<u>\$ 1,136</u>	<u>\$ 1,105</u>	<u>\$ 1,031</u>	<u>\$ 913</u>	<u>\$ 750</u>

Five Year Financial Statements

Racing Fund

(Dollar Amounts in Thousands)

	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-2000</u>	<u>2000-01</u>	<u>2001-02</u>
Beginning Balance.....	\$ 7,687	\$ 10,088	\$ 8,807	\$ 9,799	\$ 9,172	\$ 9,010	\$ 8,846
Receipts.....	17,609	16,829	17,751	17,282	17,282	17,282	17,282
Funds Available.....	\$ 25,296	\$ 26,917	\$ 26,558	\$ 27,081	\$ 26,454	\$ 26,292	\$ 26,128
Less Expenditures.....	-15,208	-18,110	-16,759	-17,909	-17,444	-17,446	-17,449
Ending Balance.....	<u>\$ 10,088</u>	<u>\$ 8,807</u>	<u>\$ 9,799</u>	<u>\$ 9,172</u>	<u>\$ 9,010</u>	<u>\$ 8,846</u>	<u>\$ 8,679</u>

Five-Year Department Summary by Fund

	(Dollar Amounts in Thousands)						
	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
Governor's Office							
General Fund.....	\$ 6,719	\$ 6,532	\$ 6,663	\$ 6,796	\$ 6,932	\$ 7,071	\$ 7,212
Executive Offices							
General Fund.....	\$ 94,144	\$ 89,059	\$ 119,798	\$ 121,215	\$ 120,108	\$ 117,534	\$ 118,773
Lottery Fund.....	117	114	128	131	133	136	139
Motor License Fund.....	4,046	4,008	4,024	4,104	4,187	4,270	4,356
DEPARTMENT TOTAL	\$ 98,307	\$ 93,181	\$ 123,950	\$ 125,450	\$ 124,428	\$ 121,940	\$ 123,268
Lieutenant Governor							
General Fund.....	\$ 839	\$ 941	\$ 971	\$ 991	\$ 1,011	\$ 1,031	\$ 1,052
Attorney General							
General Fund.....	\$ 56,471	\$ 54,922	\$ 56,210	\$ 57,331	\$ 58,475	\$ 59,642	\$ 60,832
Auditor General							
General Fund.....	\$ 45,964	\$ 40,077	\$ 39,697	\$ 40,480	\$ 41,278	\$ 42,093	\$ 42,924
Treasury							
General Fund.....	\$ 471,912	\$ 538,176	\$ 611,549	\$ 625,761	\$ 661,482	\$ 677,724	\$ 683,130
Lottery Fund.....	14	100	100	100	100	100	100
Racing Fund.....	4	10	10	10	10	10	10
Motor License Fund.....	157,933	128,624	124,624	122,700	110,659	92,763	71,974
Game Fund.....	0	5	5	5	5	5	5
Fish Fund.....	4	6	5	5	5	5	5
Banking Department Fund.....	0	5	5	5	5	5	5
Milk Marketing Fund.....	0	10	10	10	10	10	10
Farm Products Show Fund.....	0	5	5	5	5	5	5
Boat Fund.....	0	5	5	5	5	5	5
DEPARTMENT TOTAL	\$ 629,867	\$ 666,946	\$ 736,318	\$ 748,606	\$ 772,286	\$ 770,632	\$ 755,249
Aging							
General Fund.....	\$ 14,378	\$ 20,016	\$ 18,994	\$ 19,071	\$ 19,077	\$ 19,083	\$ 19,089
Lottery Fund.....	383,528	398,021	416,722	421,665	432,342	442,194	453,228
DEPARTMENT TOTAL	\$ 397,906	\$ 418,037	\$ 435,716	\$ 440,736	\$ 451,419	\$ 461,277	\$ 472,317
Agriculture							
General Fund.....	\$ 47,905	\$ 48,011	\$ 50,786	\$ 51,261	\$ 51,745	\$ 52,238	\$ 52,740
Racing Fund.....	15,037	17,806	16,545	17,691	17,222	17,220	17,219
Farm Products Show Fund.....	3,982	4,314	3,831	3,841	3,851	3,861	3,871
DEPARTMENT TOTAL	\$ 66,924	\$ 70,131	\$ 71,162	\$ 72,793	\$ 72,818	\$ 73,319	\$ 73,830
Banking							
Banking Department Fund.....	\$ 9,399	\$ 8,715	\$ 8,886	\$ 9,064	\$ 9,245	\$ 9,430	\$ 9,619
Civil Service Commission							
General Fund.....	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1
Community and Economic Development							
General Fund.....	\$ 194,046	\$ 227,542	\$ 240,745	\$ 231,497	\$ 230,388	\$ 232,491	\$ 231,606
Conservation and Natural Resources							
General Fund.....	\$ 82,410	\$ 79,344	\$ 81,970	\$ 84,351	\$ 85,925	\$ 87,531	\$ 89,170
Keystone Recreation, Park and Conservation Fund...	22,697	60,064	22,774	21,572	21,607	22,008	22,485
DEPARTMENT TOTAL	\$ 105,107	\$ 139,408	\$ 104,744	\$ 105,923	\$ 107,532	\$ 109,539	\$ 111,655

Five-Year Department Summary by Fund

	(Dollar Amounts in Thousands)						
	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
Corrections							
General Fund.....	\$ 826,878	\$ 946,741	\$ 983,531	\$ 1,037,991	\$ 1,068,687	\$ 1,100,292	\$ 1,132,836
Education							
General Fund.....	\$ 6,963,444	\$ 7,010,842	\$ 7,139,824	\$ 7,162,563	\$ 7,145,136	\$ 7,170,260	\$ 7,196,649
Motor License Fund.....	1,413	1,498	1,526	1,526	1,526	1,526	1,526
Keystone Recreation, Park and Conservation Fund...	7,585	9,952	7,458	7,307	7,396	7,545	7,828
DEPARTMENT TOTAL	\$ 6,972,442	\$ 7,022,292	\$ 7,148,808	\$ 7,171,396	\$ 7,154,058	\$ 7,179,331	\$ 7,206,003
Emergency Management Agency							
General Fund.....	\$ 9,441	\$ 11,229	\$ 5,995	\$ 6,115	\$ 6,238	\$ 6,363	\$ 6,491
Environmental Protection							
General Fund.....	\$ 168,957	\$ 166,343	\$ 165,439	\$ 156,614	\$ 149,087	\$ 141,380	\$ 143,952
Fish and Boat Commission							
General Fund.....	\$ 9	\$ 9	\$ 9	\$ 9	\$ 9	\$ 9	\$ 9
Fish Fund.....	21,079	20,689	22,242	22,687	23,141	23,604	24,076
Boat Fund.....	6,994	7,467	8,277	8,443	8,612	8,784	8,960
Keystone Recreation, Park and Conservation Fund...	373	1,010	0	0	0	0	0
DEPARTMENT TOTAL	\$ 28,455	\$ 29,175	\$ 30,528	\$ 31,139	\$ 31,762	\$ 32,397	\$ 33,045
Game Commission							
Game Fund.....	\$ 49,220	\$ 52,952	\$ 49,539	\$ 50,020	\$ 47,859	\$ 41,791	\$ 41,791
Keystone Recreation, Park and Conservation Fund...	1,311	169	0	0	0	0	0
DEPARTMENT TOTAL	\$ 50,531	\$ 53,121	\$ 49,539	\$ 50,020	\$ 47,859	\$ 41,791	\$ 41,791
General Services							
General Fund.....	\$ 93,245	\$ 90,340	\$ 91,628	\$ 93,499	\$ 95,034	\$ 96,974	\$ 98,579
Lottery Fund.....	204	220	205	208	211	214	217
Motor License Fund.....	27,234	27,253	27,257	27,260	27,263	27,266	27,269
Banking Department Fund.....	350	314	310	313	316	320	324
DEPARTMENT TOTAL	\$ 121,033	\$ 118,127	\$ 119,400	\$ 121,280	\$ 122,824	\$ 124,774	\$ 126,389
Health							
General Fund.....	\$ 203,015	\$ 206,094	\$ 201,727	\$ 202,152	\$ 203,060	\$ 204,096	\$ 205,154
Higher Education Assistance Agency							
General Fund.....	\$ 282,877	\$ 280,830	\$ 297,460	\$ 297,460	\$ 297,460	\$ 297,460	\$ 297,460
Historical and Museum Commission							
General Fund.....	\$ 19,997	\$ 23,661	\$ 23,156	\$ 23,517	\$ 23,892	\$ 24,270	\$ 24,663
Keystone Recreation, Park and Conservation Fund...	7,788	10,615	4,555	4,314	4,321	4,401	4,495
DEPARTMENT TOTAL	\$ 27,785	\$ 34,276	\$ 27,711	\$ 27,831	\$ 28,213	\$ 28,671	\$ 29,158
Housing Finance Agency							
General Fund.....	\$ 18,000	\$ 3,000	\$ 5,000	\$ 0	\$ 0	\$ 0	\$ 0
Infrastructure Investment Authority							
General Fund.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Insurance							
General Fund.....	\$ 15,098	\$ 15,569	\$ 16,475	\$ 16,445	\$ 16,621	\$ 16,953	\$ 17,292
Labor and Industry							
General Fund.....	\$ 56,760	\$ 58,873	\$ 66,120	\$ 61,386	\$ 61,858	\$ 62,340	\$ 62,831

Five-Year Department Summary by Fund

	(Dollar Amounts in Thousands)						
	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
Military and Veterans Affairs							
General Fund.....	\$ 67,897	\$ 66,911	\$ 73,225	\$ 77,646	\$ 79,119	\$ 80,621	\$ 82,153
Milk Marketing Board							
General Fund.....	\$ 125	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Milk Marketing Fund.....	2,133	2,544	2,517	2,149	2,192	2,236	2,281
DEPARTMENT TOTAL	\$ 2,258	\$ 2,544	\$ 2,517	\$ 2,149	\$ 2,192	\$ 2,236	\$ 2,281
Probation and Parole							
General Fund.....	\$ 62,108	\$ 70,256	\$ 74,497	\$ 75,635	\$ 76,807	\$ 78,002	\$ 79,221
Public Television Network							
General Fund.....	\$ 9,153	\$ 9,071	\$ 9,237	\$ 9,294	\$ 9,353	\$ 9,413	\$ 9,474
Public Welfare							
General Fund.....	\$ 5,318,843	\$ 5,354,097	\$ 5,477,227	\$ 5,624,390	\$ 5,825,478	\$ 6,012,612	\$ 6,210,605
Revenue							
General Fund.....	\$ 266,604	\$ 270,421	\$ 274,394	\$ 276,137	\$ 278,428	\$ 280,765	\$ 283,149
Lottery Fund.....	368,354	394,687	380,528	382,475	384,341	386,273	388,272
Racing Fund.....	167	294	204	208	212	216	220
Motor License Fund.....	21,542	21,930	16,446	16,667	16,892	17,122	17,356
DEPARTMENT TOTAL	\$ 656,667	\$ 687,332	\$ 671,572	\$ 675,487	\$ 679,873	\$ 684,376	\$ 688,997
Securities Commission							
General Fund.....	\$ 2,074	\$ 2,146	\$ 2,135	\$ 2,178	\$ 2,222	\$ 2,266	\$ 2,311
State							
General Fund.....	\$ 2,960	\$ 4,399	\$ 3,231	\$ 2,918	\$ 2,976	\$ 3,034	\$ 3,096
State Employees' Retirement System							
General Fund.....	\$ 543	\$ 543	\$ 33	\$ 33	\$ 33	\$ 33	\$ 33
State Police							
General Fund.....	\$ 119,895	\$ 123,984	\$ 127,165	\$ 123,970	\$ 129,451	\$ 132,784	\$ 135,649
Motor License Fund.....	247,759	256,085	260,412	253,522	265,000	271,838	277,711
DEPARTMENT TOTAL	\$ 367,654	\$ 380,069	\$ 387,577	\$ 377,492	\$ 394,451	\$ 404,622	\$ 413,360
Tax Equalization Board							
General Fund.....	\$ 1,466	\$ 1,233	\$ 1,219	\$ 1,243	\$ 1,268	\$ 1,293	\$ 1,319
Transportation							
General Fund.....	\$ 282,303	\$ 291,374	\$ 291,382	\$ 291,456	\$ 291,585	\$ 291,717	\$ 291,651
Lottery Fund.....	110,501	117,000	121,222	123,646	126,118	128,639	131,208
Motor License Fund.....	1,137,482	1,210,798	1,220,694	1,134,971	1,141,174	1,152,444	1,170,639
DEPARTMENT TOTAL	\$ 1,530,286	\$ 1,619,172	\$ 1,633,298	\$ 1,550,073	\$ 1,558,877	\$ 1,572,800	\$ 1,593,498
Legislature							
General Fund.....	\$ 185,106	\$ 178,282	\$ 179,071	\$ 179,071	\$ 179,071	\$ 179,071	\$ 179,071
Judiciary							
General Fund.....	\$ 171,341	\$ 175,426	\$ 179,103	\$ 181,815	\$ 184,832	\$ 187,906	\$ 191,042

Five-Year Department Summary by Fund

(Dollar Amounts in Thousands)

	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
	Actual	Available	Budget	Estimated	Estimated	Estimated	Estimated
COMMONWEALTH TOTALS:							
General Fund	\$ 16,162,928	\$ 16,466,295	\$ 16,915,667	\$ 17,142,292	\$ 17,404,127	\$ 17,676,353	\$ 17,961,219
Lottery Fund	862,718	910,142	918,905	928,225	943,245	957,556	973,164
Racing Fund	15,208	18,110	16,759	17,909	17,444	17,446	17,449
Motor License Fund	1,597,409	1,650,196	1,654,983	1,560,750	1,566,701	1,567,229	1,570,831
Game Fund	49,220	52,957	49,544	50,025	47,864	41,796	41,796
Fish Fund	21,083	20,695	22,247	22,692	23,146	23,609	24,081
Banking Department Fund	9,749	9,034	9,201	9,382	9,566	9,755	9,948
Milk Marketing Fund	2,133	2,554	2,527	2,159	2,202	2,246	2,291
Farm Products Show Fund	3,982	4,319	3,836	3,846	3,856	3,866	3,876
Boat Fund	6,994	7,472	8,282	8,448	8,617	8,789	8,965
Keystone Recreation, Park and Conservation Fund ..	39,754	81,810	34,787	33,193	33,324	33,954	34,808
GRAND TOTAL	\$ 18,771,178	\$ 19,223,584	\$ 19,636,738	\$ 19,778,921	\$ 20,060,092	\$ 20,342,599	\$ 20,648,428

Five Year Commonwealth Program Summary

	(Dollar amounts in Thousands)						
	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
Commonwealth Program							
Direction and Supportive Services.....	\$ 887,128	\$ 907,319	\$ 921,899	\$ 929,260	\$ 937,930	\$ 943,439	\$ 953,627
Protection of Persons and Property.....	1,981,638	2,145,502	2,229,393	2,273,909	2,330,724	2,379,666	2,432,828
Intellectual Development and Education.....	7,394,892	7,457,331	7,625,282	7,647,962	7,641,817	7,672,484	7,700,726
Health and Human Services.....	6,246,280	6,325,571	6,473,709	6,632,087	6,849,746	7,050,354	7,264,099
Economic Development.....	456,362	480,278	508,433	500,749	503,137	505,911	500,527
Transportation and Communication.....	1,507,766	1,560,362	1,570,887	1,485,920	1,485,452	1,482,486	1,487,025
Recreation and Cultural Enrichment.....	297,112	347,221	307,135	309,034	311,286	308,259	309,596
GENERAL FUND AND SPECIAL FUNDS TOTAL.....	\$ 18,771,178	\$ 19,223,584	\$ 19,636,738	\$ 19,778,921	\$ 20,060,092	\$ 20,342,599	\$ 20,648,428

Distribution of the Commonwealth Dollar

GENERAL FUND AND SPECIAL FUNDS

1997-98 Fiscal Year
(Dollar Amounts in Thousands)



Intellectual
Development
and Education \$7,625,282 38.8%

Health and Human Services \$6,473,709 33.0%

Protection of Persons and Property \$2,229,393 11.3%

Transportation and Communication \$1,570,887 8.0%

Direction and Supportive Services \$921,899 4.7%

TOTAL \$19,636,738

Economic Development \$508,433 2.6%

Recreation and Cultural Enrichment \$307,135 1.6%

Five Year Commonwealth Program Summary

	(Dollar amounts in Thousands)						
	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
	Actual	Available	Budget	Estimated	Estimated	Estimated	Estimated
Commonwealth Program							
Direction and Supportive Services.....	\$ 554,921	\$ 545,772	\$ 574,393	\$ 578,571	\$ 584,143	\$ 586,489	\$ 593,449
Protection of Persons and Property.....	1,609,090	1,756,078	1,836,095	1,884,081	1,928,910	1,970,204	2,017,315
Intellectual Development and Education.....	7,387,932	7,449,159	7,617,699	7,640,456	7,634,225	7,664,767	7,692,755
Health and Human Services.....	5,656,000	5,713,950	5,844,585	5,996,508	6,201,920	6,391,049	6,592,076
Economic Development.....	456,362	480,278	508,433	500,749	503,137	505,911	500,527
Transportation and Communication.....	313,015	330,082	336,115	341,256	347,376	351,616	358,691
Recreation and Cultural Enrichment.....	185,608	190,976	198,347	200,671	204,416	206,317	206,406
GENERAL FUND TOTAL.....	\$ 16,162,928	\$ 16,466,295	\$ 16,915,667	\$ 17,142,292	\$ 17,404,127	\$ 17,676,353	\$ 17,961,219

Distribution of the Commonwealth Dollar

GENERAL FUND

1997-98 Fiscal Year



Intellectual Development
and Education 45.0¢

Health and Human Services 34.5¢

Protection of Persons and Property 10.9¢

Direction and Supportive Services 3.4¢

Economic Development 3.0¢

Transportation and Communication 2.0¢

Recreation and Cultural Enrichment 1.2¢

\$1.00

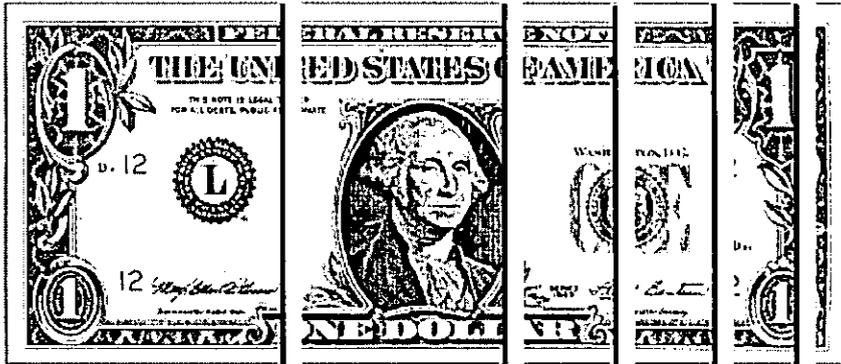
Program Summary

(Dollar Amounts in Thousands)

	1996-97		1997-98	
Commonwealth Program				
Direction and Supportive Services.....	\$ 545,772	3.3%	\$ 574,393	3.4%
Protection of Persons and Property.....	1,756,078	10.7%	1,836,095	10.9%
Intellectual Development and Education.....	7,449,159	45.2%	7,617,699	45.0%
Health and Human Services.....	5,713,950	34.7%	5,844,585	34.5%
Economic Development.....	480,278	2.9%	508,433	3.0%
Transportation and Communication.....	330,082	2.0%	336,115	2.0%
Recreation and Cultural Enrichment.....	190,976	1.2%	198,347	1.2%
GENERAL FUND TOTAL.....	\$ 16,466,295	100.0%	\$ 16,915,667	100.0%

GENERAL FUND

1997-98 Fiscal Year



Income

(Dollar Amounts in Thousands)

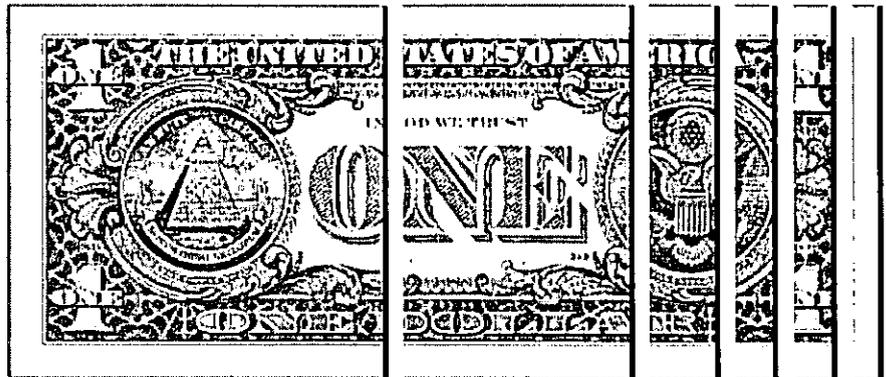
TOTAL INCOME	\$17,339,200
Refunds	-520,000
Less Tax Reduction	-77,700
Beginning Balance	177,611
<hr/>	
TOTAL	\$16,919,111

Sales	\$6,095,500	35.1%
Personal Income	\$5,710,900	32.9%
Other Business	\$2,259,100	13.0%
Corporate Net Income	\$1,764,100	10.2%
Other Revenues	\$928,800	5.4%
Inheritance	\$580,800	3.4%

Outgo

(Dollar Amounts in Thousands)

TOTAL OUTGO	\$ 16,915,667
Tax Stabilization	
Reserve Fund	517
Ending Surplus	2,927
<hr/>	
TOTAL	\$ 16,919,111



Intellectual Development and Education	\$7,617,699	45.0%
Health and Human Services	\$5,844,585	34.5%
Protection	\$1,836,095	10.9%
Direction	\$574,393	3.4%
Other Programs	\$534,462	3.2%
Economic Development	\$508,433	3.0%

USE OF THE GENERAL FUND DOLLAR

1997-98 Fiscal Year

Grants and Subsidies 75.2¢



General Government 10.5¢

Institutional 10.8¢

Debt Service Requirements 3.5¢

\$1.00



The Improve Management Performance and Cost Control Task Force Commission (IMPACCT) was created by the Governor and the Legislature in 1995 to study the management of current government operations and the experience of other states in an effort to propose changes in State government operations which reduce costs, increase accountability and improve services. The IMPACCT Commission was made up of more than 250 private-sector volunteers and identified over 450 efficient and less costly opportunities for change in the way State government conducts its business.

The IMPACCT recommendations are now in the implementation stage. The Lieutenant Governor is leading the Privatize, Retain, Innovate, Modify, and Eliminate (PRIME) process. The PRIME process revolves around creating a more customer centered State government through employee driven change. Within each agency innovation teams or I - Teams are carrying out the recommendations contained in that agency's PRIME Action Plan. Currently a total of 330 initiatives are underway throughout State agencies.



Examples of PRIME recommendations are shown below. These examples are highlighted in the respective agency presentations and identified by a PRIME logo.

- 1) Consolidating the Department of Community Affairs with the Department of Commerce for a savings of \$8 million.
- 2) Consolidating the State Police stations at Pittsburgh/Kittanning thereby saving \$70,000 annually from increased efficiencies.
- 3) Eliminating an excess layer of review/approval within the Department of General Services procurement process thereby saving countless hours of review. This has significantly reduced the amount of time State agencies spend on procuring goods and services.
- 4) Replacing a toll-free telephone number which reported winning numbers for the State's lottery with a 900 toll number. The Department of Revenue previously spent \$200,000; the 900 toll number is expected to earn the Commonwealth \$280,000. This provides an additional estimated \$480,000 annually for Lottery programs and operations.
- 5) Reducing corrections officers projected overtime costs by \$1.7 million in 1997-98 as well as reducing operating costs to the Department of Corrections by initiating a system of inmate medical co-pay fees.
- 6) Optimizing timber harvests from public lands by the Department of Conservation and Natural Resources. Annual net increases in revenue are estimated at \$2 million per year.

- 7) Implementing a system to electronically file, process and track sales and use tax returns in the Department of Revenue, thereby reducing administrative costs through increased efficiencies in filing and processing procedures.
- 8) Providing resources to make the centralized criminal justice databases compatible with each other to create an integrated criminal justice information system.
- 9) Streamlining the contracting process with Area Agencies of Aging resulting in a potential savings of \$217,000 by the Department of Aging.
- 10) Revising how the Commonwealth plans, prioritizes, and invests in information technology. Savings result by eliminating duplicate purchases of software and equipment and from greater efficiencies since agencies will be able to share information and to adapt to the changing needs of their customers.
- 11) Working with other agencies, the Department of General Services will streamline the procurement process through recommended changes in the Procurement Code. State agencies will benefit through a less cumbersome purchasing process and businesses will benefit through an increase in local purchases.
- 12) Utilizing recycling and composting for estimated savings of \$50,000 annually in lower trash disposal costs by the Department of Corrections.
- 13) Implementing quality plans in all the Department of Transportation bureaus and districts. This results in providing faster and more timely services to all customers by reducing the time previously taken to conceive, plan, and implement a project. A \$2 million savings is expected in the first year.
- 14) Providing a faster resolution to complaints handled in the Department of State, Bureau of Professional and Occupational Affairs by cross-training legal staff. The agency is able to respond quickly to more cases by replacing a system where separate attorneys were assigned to just one function.
- 15) Outsourcing the food service at Thaddeus Stevens State School of Technology saving \$108,000, and reducing the use of overnight mail and instituting a number of new administrative approaches in the Department of Education, which saved a minimum of \$100,000.
- 16) Streamlining the quality assurance facility licensure program by adopting Federal regulations, expanding information sharing agreements, merging nursing home surveys, and automating the time sheet reporting system for an estimated savings of \$72,000 in 1997-98 and over \$450,000 in future years.

Creating Economic Opportunity

Pennsylvania is on the path to achieving world class recognition. Efforts by the Administration over the last two years have sought to build upon Pennsylvania's assets — a skilled and hardworking labor force, advanced technological capabilities, and abundant natural resources, among others — to make Pennsylvania job friendly and to keep our businesses competitive. Taxes have been reduced by \$500 million and flexible job retention and attraction tools such as the Opportunity Grant Program and Job Creation Tax Credits have been added to the Commonwealth's array of economic development programs. Further, a systemwide overhaul of Pennsylvania's expensive and burdensome workers compensation system has reduced employers' rates by 25 percent or more. Pennsylvania is also one of the first states to deregulate electric generating utilities, a move which is expected to reduce electricity costs for residents and businesses.

Keeping Pennsylvania's businesses competitive remains the key to retaining and creating jobs. This budget supports this objective by providing resources to expand the reach of Pennsylvania products and services, make additional capital investments and loans to businesses, and improve our ability to market the State. This budget also recommends additional funding to assist Pennsylvania's agricultural community improve production and operations.

The financial burden created by high taxes inhibits our ability to compete on equal footing with other states. While tax reductions and incentives approved over the past two years have significantly enhanced the Commonwealth's competitive position, our long-term economic survival requires further improvement. This budget recommends additional changes in the way we tax or provide incentives to businesses to increase capital investment and generate jobs. Proposed initiatives include the implementation of an annual \$10 million research and development tax credit; a sales and use tax exemption for the purchase of computer services used for manufacturing, processing, agricultural and public utility operations; and an increase from \$100,000 to \$125,000 in the amount of capital stock value exempt from the Capital Stock and Franchise tax.

Recommended Program Revision: _____

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

Program Revision / Department / Appropriation	1997-98	
	General Fund	Federal and Other Funds
	(Dollar Amounts in Thousands)	
RETAINING AND CREATING JOBS _____		
Agriculture:		
Agricultural Research	\$ 500	\$ 0
Community and Economic Development:		
International Trade	565	0
Marketing to Attract Tourists	500	0
Marketing to Attract Business	1,115	0
Transfer to Small Business First Fund	4,000	0
Opportunity Grant Program	2,000	0
Housing and Redevelopment Assistance	775	0
Team Pennsylvania	500	0
Local Development District Grants	300	0
Tourist Promotion Assistance	360	0
Infrastructure Development	5,000	0

1997-98

Program Revision / Department / Appropriation

RETAINING AND CREATING JOBS (continued)

Education:

	General Fund	Federal and Other Funds
(Dollar Amounts in Thousands)		
Agricultural Research	\$ 500	\$ 0
Agricultural Extension Services	500	0
Total	\$ 16,615	\$ 0

This Program Revision improves Pennsylvania's ability to create, attract and retain both jobs and business investment. Favorable changes are made to the business tax structure to encourage job growth and investment. Funding is provided to increase the reach of Pennsylvania products and services in the global marketplace by creating a new export financing program, improving the services offered by overseas offices, and transferring the Pennsylvania Match Program to the Local Development Districts. Funding is also provided to meet the capital needs of businesses and communities, including increased funding for the Infrastructure Development Program, the Opportunity Grant Program, and the Housing and Redevelopment Program. Funding will be provided to make additional agricultural research grants to assist Pennsylvania farmers identify problems and improve operations. Finally, funding will be provided through a number of appropriations to improve Pennsylvania's ability to market the Commonwealth.

Community Building

Civic institutions and community organizations once served to build and strengthen families and communities by instilling a sense of responsibility and accountability in their members. Over the past two decades, however, the expansion of government has contributed to a general decline in societal values by undermining the role and authority of these institutions.

This budget proposes a number of programs to help individuals and communities reverse this unsettling trend. These programs rely on the power of individuals and communities to address the most difficult challenges our Commonwealth faces. This budget provides resources to establish the Pennsylvania Community Development Bank to make capital available for community development lending and to promote the development and ownership of Community Development Financial Institutions within distressed communities; to fund locally-administered Family Savings Accounts to encourage low-income families to save part of their earnings to buy a home, pay for educational expenses or start new businesses; to enable persons receiving unemployment compensation benefits to investigate and pursue self-employment opportunities; to mobilize communities to implement local strategies to prevent and reduce juvenile crime; and to reduce the Commonwealth's teenage pregnancy rate through abstinence-based teen pregnancy prevention programs. This budget also proposes to reduce the tax burden of working families by increasing the dependent exemption for the Personal Income Tax special tax forgiveness provision.

Recommended Program Revision: _____

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

	1997-98	
	General Fund	Federal and Other Funds
Program Revision / Department / Appropriation	<small>(Dollar Amounts in Thousands)</small>	
PROJECT FOR COMMUNITY BUILDING		
Executive Offices:		
Community Crime Prevention	\$ 1,000	\$ 0
Community and Economic Development:		
Community Development Bank	15,000	0
Family Savings Accounts	1,250	0
Health:		
Maternal and Child Health	1,050	0
MCHSBG — Program Services	0	1,400
Labor and Industry:		
General Government Operations	851	0
JTPA — Administration	0	616
Total	\$ 19,151	\$ 2,016

This Program Revision provides assistance to citizens as they undertake to rebuild and revitalize their communities. Funding is provided to establish the Pennsylvania Community Development Bank to make capital available for community development lending. The Pennsylvania Community Development Bank will also provide technical assistance to promote the development and ownership of Community Development Financial Institutions within distressed communities. Funding is provided to establish Family Savings Accounts, restricted savings accounts that will enable families to accumulate assets they can use to finance the purchase of a home, pay for education expenses, or start a new business. Funding is provided to implement the Self-Employment Assistance Program, a demonstration program that will permit individuals receiving unemployment compensation to start their own businesses. Funding will be provided for Community Crime Prevention grants, awards that will assist communities in addressing juvenile crime problems. Finally, funding is provided for abstinence-based teen pregnancy prevention programs to address the growing problem of teen-age pregnancies. Other related initiatives, including planning grants to establish Charter Schools, will be funded using existing program resources.

Preparing for the Future

Pennsylvania's future depends upon the educational opportunities offered to our students. Every child needs a quality education to realize his or her full potential and to build a foundation for lifelong learning. In addition to expanding the Commonwealth's already significant financial commitment to public education, we have begun to reform our educational system so that it truly serves the needs of students and society for today and tomorrow. We have targeted resources to advance the State's priorities, and develop rigorous academic standards which will be done in conjunction with strengthening our assessment program. We have also begun to build a relationship between public funding for education and the performance of our students, schools and school districts; and, to encourage greater cooperation between the local education agencies. We are continuing to incorporate technology into our schools to allow students to reach beyond the limitations of the classroom and to provide access to worldwide information, expertise and courses which will contribute to higher quality education.

This budget recommends a \$90.4 million increase in basic education targeted towards improving instructional programs and expanding course offerings for students. In addition, this budget includes funds intended to forge a relationship between school performance and school funding. This budget provides \$10.4 million for an incentive award program to recognize schools that make significant improvements in student achievement and effort. In addition, this budget also proposes that a predetermined portion of future basic education funding increases be earmarked for the Performance Incentive Program.

In order to implement an effective incentive program, this budget recommends \$1.85 million to strengthen our testing program through expanding the number of subject areas tested and improving the current assessment tools. State support of our educational institutions should be predicated upon performance and achievement according to clear, objective and measurable standards and this budget makes that connection through both programmatic and financial modifications.

This budget also provides \$26.8 million in special education funding available to school districts, which includes a \$12.2 million increase in special education funding and a reallocation of \$14.6 million in savings due to other changes in the program. The special education funding will be used to increase school district reimbursement rates, and provide resources to districts to address special conditions which are not dealt with under the current program. In addition, funding is provided for innovative learning and work force development grants for vocational education programs. This budget also recommends incentive funding to encourage greater efficiency in the management of schools and the consolidation of administrative and instructional programs both within school districts and across district boundaries.

Recommended Program Revision: _____

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

	1997-98	
	General Fund	Federal and Other Funds
(Dollar Amounts in Thousands)		
Program Revision / Department / Appropriation		
IMPROVING OUR SCHOOLS _____		
Education:		
PA Assessment	\$ 1,850	\$ 0
Basic Education Funding	100,773	0
Vocational Education	1,198	0
Special Education	26,798	0
Administrative/Instructional Consolidation Incentive	1,000	0
Total	\$ 131,619	\$ 0

This Program Revision continues our commitment to providing quality education by directing additional resources towards: an instructional improvement supplement for basic education; implementation of a basic education performance incentive program; enhancements to the current performance testing system; increasing reimbursement rates for special education programs and targeting additional resources towards school districts with a demonstrated financial need; providing for enhancements to certain vocational education programs; and, finally, providing incentive funds to encourage cooperation and consolidation among local education agencies.

Enhancing Services and Promoting Self-Sufficiency

With the enactment of dramatic changes in Pennsylvania's welfare system in May 1996, we have taken important steps toward strengthening families and communities, and providing individuals the opportunity to find dignity in permanently moving from welfare into self-sustaining work. These changes were designed to ensure that persons needing public support would be able to receive it through a system that encouraged independence and self-sufficiency.

Following the welfare reform lead of states such as Pennsylvania, the Federal Government enacted the Personal Responsibility and Work Opportunity Reconciliation Act. Among other provisions, this new Federal law established a time-limited, cash assistance block grant known as Temporary Assistance for Needy Families Block Grant (TANF) and the Child Care and Development Fund Block Grant (CCDF). This budget proposes using approximately \$49.7 million in Federal TANF and CCDF funds and \$2 million in State funds to provide employment and training, child care and support services to individuals and families transitioning from welfare to work. This is in addition to the \$137 million recommended to continue existing employment and training programs and the \$255 million recommended to continue current child care services.

Recommended Program Revision: _____

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

	1997-98	
	General Fund	Federal and Other Funds
Program Revision / Department / Appropriation	(Dollar Amounts in Thousands)	
TRANSITIONING TO SELF-SUFFICIENCY		
Public Welfare:		
Cash Grants	\$ 2,000	\$ 0
TANFBG - Cash Grants	0	6,329
CCDFBG - Cash Grants	0	21,885
Other Federal Support - Cash Grants	0	720
CCDFBG - Day Care	0	20,750
Total	\$ 2,000	\$ 49,684

This Program Revision recommends \$2 million in State funds and \$49.7 million in Federal funds to provide employment and training, child care and support services to individuals and families transitioning from welfare to work. The components of the Program Revision include: expanding the continuum of employment and training services; providing job retention services; providing child care and support services to welfare recipients participating in work and work-related activities; replacing the child care disregard with a child care allowance; paying child care expenses from the date employment begins until the first pay; expanding the subsidized child care program for working low-income families; establishing an integrated Statewide child care resource and referral system; expanding child care availability through the development of additional slots; and providing support services for food stamp-only recipients who must meet Federal work requirements to maintain eligibility.

Information Technology for Pennsylvania

Information technology offers tremendous opportunities and poses significant challenges to the Commonwealth. The administration of Commonwealth business, from criminal justice to education, can be facilitated by the broadened and expedited flow of data through new information technology networks. With this budget, computer and telecommunications resources are no longer viewed as individual agency assets, but rather are considered assets of the Commonwealth as a total enterprise. This enterprise-wide approach allows agencies to interact with entities outside State Government, to form effective alliances with businesses and community organizations, and to provide citizens and customers with easier access to governmental services.

In keeping with this enterprise-wide approach, this budget recommends \$11 million for the development and implementation of the Justice Network, an integrated criminal justice information system which will more efficiently collect, maintain and share information among the Commonwealth's criminal justice agencies. The Justice Network is the first enterprise-wide project initiated by the Commonwealth and will significantly impact the operations and effectiveness of State, county and local criminal justice agencies. This budget also recommends funding for related projects, including funding to convert the State Police Commonwealth Law Enforcement Assistance Network to an open system to allow county and local law enforcement and criminal justice agencies access to the Justice Network; to develop an on-line juvenile case tracking system; and to provide judicial system access to the Justice Network.

In 1996-97, the Link to Learn technology initiative was begun to provide the technology infrastructure and network for Pennsylvania's schools to access the resources of the world and bring them into our classrooms. This budget provides \$34.3 million in second year basic education funding for Link to Learn. Continuation funding will support local education agency consortiums as they develop regional action plans and implement strategies for acquiring and sharing technology resources. This budget also provides \$7 million in second year higher education funding to continue to support the four planning project teams established in 1996-97 to implement Link to Learn across the Commonwealth.

This budget recommends \$4.5 million for enterprise-wide information technology projects which will positively impact Commonwealth business operations. This budget also recommends funding for contracted services to reprogram State agency mainframe computer applications to accommodate the year 2000, and for information technology to process and compile election campaign expense reports and improve public disclosure of campaign financing.

Recommended Program Revision: _____

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

	1997-98	
	General Fund	Federal and Other Funds
(Dollar Amounts in Thousands)		
Program Revision / Department / Appropriation		
ENHANCING INFORMATION TECHNOLOGY TO BETTER SERVE PENNSYLVANIA _____		
Executive Offices:		
Office of Administration	\$ 300	\$ 0
Integrated Criminal Justice System	11,030	0
Juvenile Court Judges Commission	963	0
Technology Investment Program	4,500	0
Education:		
Technology Initiative	34,333	0
Higher Education Technology Grants	7,000	0
Environmental Protection:		
General Government Operations	300	0

1997-98

Program Revision / Department / Appropriation	1997-98	
	General Fund	Federal and Other Funds
(Dollar Amounts in Thousands)		
ENHANCING INFORMATION TECHNOLOGY TO BETTER SERVE PENNSYLVANIA (continued)		
Health:		
General Government Operations	\$ 162	\$ 0
WIC Administration and Operation	0	707
Health Assessment	0	7
PHHSBG - Administration and Operation	0	32
SABG - Administration and Operation	0	2
MCHSBG - Administration and Operation	0	49
Quality Assurance	186	0
Vital Statistics	240	0
State Laboratory	53	0
State Health Care Centers	8	0
Labor and Industry:		
General Government Operations	5,000	0
State:		
General Government Operations	370	0
State Police:		
General Government Operations	1,810	3,849
Transportation:		
General Government Operations	0	143
Highway and Safety Improvement	0	1,145
Highway Maintenance	0	1,288
Safety Administration and Licensing	0	286
Judiciary:		
Integrated Criminal Justice System	342	0
Total	\$ 66,597	\$ 7,508

This Program Revision provides funding to establish a law enforcement information technology infrastructure, known as the Justice Network, for Commonwealth criminal justice agencies; transform the Commonwealth Law Enforcement Assistance Network to open access technology; create an enterprise-wide administrative network within the State Police; allow Juvenile Court Judges Commission and Judicial participation within the Justice Network; computerize election campaign finance reporting; upgrade mainframe computer software in State agencies to accommodate the year 2000; provide resources to Link to Learn; and undertake information technology improvements throughout State Government.



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.

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 Personal Responsibility and Work Opportunity Reconciliation Act of 1996 created a new block grant, Temporary Assistance to Needy Families, which replaces Aid to Families with Dependent Children, Job Opportunities and Basic Skills Training, and Emergency Assistance. This act also created a new Child Care and Development Fund which replaced the previous Child Care Block Grant and other child care programs.

In addition, information is provided in this section on the Job Training Partnership Act and Title VI of the Elementary and Secondary Education Act which have not been identified by the Federal Government as block grants but which provide for programs that operate 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 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 1996-97 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 1997-98 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)

	1995-96 Actual Block	1996-97 Available Block	1997-98 Recommended Block
Community Services.....	\$ 17,502	\$ 21,588	\$ 21,500
Small Communities.....	74,787	75,662	75,773
Education.....	14,338	15,071	12,386
Maternal and Child Health.....	30,533	26,863	28,009
Preventive Health and Health Services.....	8,220	13,323	12,975
Substance Abuse.....	54,847	57,781	57,894
Job Training Partnership.....	269,448	215,878	215,120
Child Care and Development.....	35,745	42,534	10,930
Child Care and Development Fund.....	0	0	129,248
Low Income Home Energy Assistance.....	78,026	90,395	83,445
Mental Health Services.....	12,517	12,385	12,148
Social Services.....	171,099	217,973	202,059
Temporary Assistance to Needy Families.....	0	0	755,960
Anti-Drug Abuse.....	30,750	39,618	40,261
TOTAL.....	\$ 797,812	\$ 829,071	\$ 1,657,708

Community Services

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

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

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

(Dollar Amounts in Thousands)

Department / Appropriation	1995-96 Actual Block	1996-97 Available Block	1997-98 Recommended Block
Community and Economic Development:			
Administration.....	\$ 806	\$ 588	\$ 1,075
Community Services.....	16,696	21,000	20,425
TOTAL.....	\$ 17,502	\$ 21,588	\$ 21,500

Small Communities

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

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

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

(Dollar Amounts in Thousands)

Department / Appropriation	1995-96 Actual Block	1996-97 Available Block	1997-98 Recommended Block
Community and Economic Development:			
Administration.....	\$ 867	\$ 662	\$ 773
Small Communities.....	<u>73,920</u>	<u>75,000</u>	<u>75,000</u>
TOTAL.....	<u><u>\$ 74,787</u></u>	<u><u>\$ 75,662</u></u>	<u><u>\$ 75,773</u></u>

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

(Dollar Amounts in Thousands)

Department / Appropriation	1995-96 Actual Block	1996-97 Available Block	1997-98 Recommended Block
Education:			
Administration/State.....	\$ 1,943 ^a	\$ 2,725 ^a	\$ 2,508 ^a
School Districts:			
School District Distribution.....	\$ 12,395	\$ 12,346	\$ 9,878
TOTAL.....	\$ 14,338	\$ 15,071	\$ 12,386

^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.

(Dollar Amounts in Thousands)

Department / Appropriation	1995-96 Actual Block	1996-97 Available Block	1997-98 Recommended Block
Health:			
Administration and Operations.....	\$ 11,586	\$ 11,851	\$ 12,645
Program Services.....	18,947	15,012	15,364
TOTAL	\$ 30,533	\$ 26,863	\$ 28,009

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 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.

(Dollar Amounts in Thousands)

Department / Appropriation	1995-96 Actual Block	1996-97 Available Block	1997-98 Recommended Block
Health:			
Administration and Operations.....	\$ 1,494	\$ 2,113	\$ 3,356
Block Grant Program Services.....	5,222	7,959	7,198
Tuberculosis.....	430	536	0 ^a
Diabetes.....	504	844	0 ^a
Subtotal.....	<u>\$ 7,650</u>	<u>\$ 11,452</u>	<u>\$ 10,554</u>
Executive Offices:			
Communities That Care.....	\$ 0	\$ 550 ^b	\$ 550
Public Welfare:			
Rape Crisis	\$ 420	\$ 1,721	\$ 1,721
Domestic Violence.....	150	150	150
Subtotal.....	<u>\$ 570</u>	<u>\$ 1,871</u>	<u>\$ 1,871</u>
TOTAL	<u><u>\$ 8,220</u></u>	<u><u>\$ 13,323</u></u>	<u><u>\$ 12,975</u></u>

^a PHHSBG-Diabetes and PHHSBG-Tuberculosis appropriations consolidated into PHHSBG-Block Program Services appropriation.

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

Substance Abuse

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

(Dollar Amounts in Thousands)

Department / Appropriation	1995-96 Actual Block	1996-97 Available Block	1997-98 Recommended Block
Corrections:			
SABG — Drug and Alcohol Services.....	\$ 2,100 ^a	\$ 2,100 ^a	\$ 2,100 ^a
Health:			
SABG — Administration and Operations.....	\$ 3,474	\$ 4,275	\$ 4,688
SABG — Drug and Alcohol Services.....	51,373	53,506	53,206
Subtotal.....	\$ 54,847	\$ 57,781	\$ 57,894
Public Welfare:			
SABG — Homeless Services.....	\$ 1,983 ^a	\$ 1,983 ^a	\$ 1,983 ^a
SABG — Program Evaluation.....	93 ^a	0	0
Subtotal.....	\$ 2,076	\$ 1,983	\$ 1,983
TOTAL.....	\$ 54,847	\$ 57,781	\$ 57,894

^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 spent 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 Corrections, Labor and Industry, and Education and the Office of the Budget.

Department / Appropriation	(Dollar Amounts in Thousands)		
	1995-96 Actual Block	1996-97 Available Block	1997-98 Recommended Block
Executive Offices:			
Office of the Budget.....	\$ 386	\$ 400	\$ 400
Corrections:			
Correctional Education.....	\$ 220	\$ 258	\$ 258
Education:			
Linkages.....	\$ 746	\$ 739	\$ 868
Educational Training.....	3,826	3,002	3,157
Subtotal.....	\$ 4,572	\$ 3,741	\$ 4,025
Labor and Industry:			
Administration.....	\$ 4,843	\$ 6,162	\$ 5,500
Grants to Service Delivery Areas.....	80,493	60,000	60,000
Summer Youth	53,510	44,000	44,000
Incentive Grants.....	7,056	3,321	3,321
Older Workers.....	4,901	3,450	3,000
Dislocated Workers.....	112,935	94,000	94,616
Veterans' Employment.....	532	546	0
Subtotal.....	\$ 264,270	\$ 211,479	\$ 210,437
TOTAL.....	\$ 269,448	\$ 215,878	\$ 215,120

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.

Funding for this program expires September 30, 1997. In the future these programs will be funded through the Child Care and Development Fund Block Grant.

(Dollar Amounts in Thousands)

Department / Appropriation	1995-96 Actual Block	1996-97 Available Block	1997-98 Recommended Block
Public Welfare:			
Child Care Block Grant—Administration.....	\$ 2,247	\$ 2,308	\$ 1,519
Child Care Block Grant—Family Centers.....	6,526	7,885	2,305
Child Care Block Grant—Day Care.....	26,972	32,341	7,106
TOTAL.....	\$ 35,745	\$ 42,534	\$ 10,930

Child Care and Development Fund

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 created a new block grant effective October 1, 1996 which provides funds to states for an integrated child care program. This program allows states flexibility in developing programs to provide child care to parents trying to become independent of public assistance, to provide consumer education information to parents, to promote parental choice, and to implement state health, safety, licensing and registration standards. States are not required to match discretionary funds; however, there are some maintenance of effort and state matching requirements.

This block grant will totally replace the Child Care and Development Block Grant (CCDBG) by October 1, 1997. The new block grant also includes funds that had been available for child care through the Aid to Families with Dependent Children and At-risk Child Care Programs.

Due to forward funding of the CCDBG, implementation of the new block grant will be staggered with the availability of mandatory and matching funding effective October 1, 1996 and discretionary funding effective October 1, 1997. There will be Child Care and Development Fund Block Grant (CCDFBG) expenditures in 1996-97. These block grant expenditures will be charged to existing appropriations and identified through the grant accounting system.

(Dollar Amounts in Thousands)

Department / Appropriation	1995-96 Actual Block	1996-97 Available Block	1997-98 Recommended Block
Public Welfare:			
CCDFBG - Day Care Administration.....	\$ 0	\$ 0	\$ 1,048
CCDFBG - Cash Grants.....	0	0	63,598
CCDFBG - Family Centers.....	0	0	4,818
CCDFBG - Day Care.....	0	0	58,524
CCDFBG - School Age.....	0	0	1,260
TOTAL.....	\$ 0	\$ 0	\$ 129,248

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 \$450,000 in 1995-96, \$600,000 in 1996-97 and \$4,000,000 in 1997-98 for the Low-Income Home Energy Assistance Program (LIHEAP).

(Dollar Amounts in Thousands)

Department / Appropriation	1995-96 Actual Block	1996-97 Available Block	1997-98 Recommended Block
Community and Economic Development:			
Administration.....	\$ 100	\$ 440	\$ 440
Community Services.....	8,262	9,900	9,813
Subtotal.....	\$ 8,362	\$ 10,340	\$ 10,253
Public Welfare:			
Low-Income Home Energy Assistance Block Grant—Administration.....	\$ 5,947	\$ 6,887	\$ 6,327
Low-Income Home Energy Assistance Block Grant.....	63,717	73,168	66,865
Subtotal.....	\$ 69,664	\$ 80,055	\$ 73,192
TOTAL.....	\$ 78,026	\$ 90,395	\$ 83,445

Mental Health Services

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

(Dollar Amounts in Thousands)

Department / Appropriation	1995-96 Actual Block	1996-97 Available Block	1997-98 Recommended Block
Public Welfare:			
Administration.....	\$ 114	\$ 93	\$ 87
Community Mental Health Services.....	12,403	12,292	12,061
TOTAL.....	\$ 12,517	\$ 12,385	\$ 12,148

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. 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	1995-96 Actual Block	1996-97 Available Block	1997-98 Recommended Block
Public Welfare:			
General Government Operations.....	\$ 4,246	\$ 4,743	\$ 4,042
County Assistance Offices.....	5,420	8,046	6,860
Youth Development Centers.....	4,293	1,355	1,155
Community Mental Health.....	16,235	18,133	16,221
Community Mental Retardation.....	15,331	17,124	15,318
Early Intervention.....	2,406	2,687	2,404
County Child Welfare.....	15,449	15,449	13,171
Day Care.....	37,931	37,931	33,931
Domestic Violence.....	1,476	1,476	1,321
Rape Crisis.....	776	776	694
Family Planning.....	4,708	4,708	4,212
Legal Services.....	6,183	6,183	5,531
Homeless Assistance.....	2,673	2,673	2,391
Developmentally Disabled.....	0	147	131
Attendant Care.....	8,495	8,535	7,636
Empowerment Zones and Enterprise Communities.....	45,477	88,007 ^a	87,041 ^a
TOTAL.....	\$ 171,099	\$ 217,973	\$ 202,059

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

Temporary Assistance to Needy Families

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 created a new block grant which made funds available to the states to operate the Temporary Assistance to Needy Families (TANF) Program beginning no later than July 1, 1997. Funds are available to provide temporary cash benefits to help needy families participating in activities designed to end the dependence on government benefits and to provide services for dependent and abused children. This block grant requires a state maintenance of effort and establishes mandatory work participation rates. States are allowed to transfer up to 30 percent of their TANF funds into the Child Care and Development Fund Block Grant; up to one-third of the transferred amount may be further transferred to the Social Services Block Grant.

This block grants replaces four Federal welfare and related programs. They are the Aid to Families with Dependent Children (AFDC), AFDC Administration, Job Opportunities and Basic Skills Training (JOBS), and Emergency Assistance programs.

The Federal Act provided up to nine months for states to submit a plan for the new block grant and to implement program changes. Pennsylvania plans to implement revisions in March 1997. Therefore, there will be block grant expenditures in 1996-97. These block grant expenditures will be charged to existing appropriations and identified through the grant accounting system.

(Dollar Amounts in Thousands)

Department / Appropriation	1995-96 Actual	1996-97 Available Block	1997-98 Recommended Block
Executive Offices:			
<i>Juvenile Court Judges Commission</i>			
TANFBG - Juvenile Probation Emergency Assistance Services.....	\$ 0	\$ 0	\$ 2,000
<i>Office of Inspector General</i>			
TANFBG - Program Accountability.....	\$ 0	\$ 0	\$ 1,475
Public Welfare:			
TANFBG - Administration.....	\$ 0	\$ 0	\$ 4,663
TANFBG - Information Systems.....	0	0	3,369
TANFBG - County Administration—			
Statewide.....	0	0	4,095
TANFBG - County Assistance Offices.....	0	0	44,802
TANFBG - New Directions.....	0	0	49,970
TANFBG - Cash Grants.....	0	0	524,786
TANFBG - Child Welfare.....	0	0	120,000
TANFBG - Domestic Violence.....	0	0	500
TANFBG - Rape Crisis.....	0	0	300
Subtotal.....	\$ 0	\$ 0	\$ 752,485
 TOTAL.....	 \$ 0	 \$ 0	 \$ 755,960

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

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

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

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

(Dollar Amounts in Thousands)

Department / Appropriation	1995-96 Actual Block	1996-97 Available Block	1997-98 Recommended Block
DRUG CONTROL AND SYSTEM IMPROVEMENT			
FORMULA GRANT PROGRAM (DCSI)			
Executive Offices:			
<i>Juvenile Court Judges Commission</i>			
DCSI—Juvenile Disposition Data Collection.....	\$ 137 ^a	\$ 69 ^a	\$ 0
<i>Commission on Crime and Delinquency</i>			
DCSI—Administration.....	\$ 684	\$ 1,072	\$ 1,262
DCSI—Program Grants.....	14,002	19,800	19,800
DCSI—Criminal History Records.....	3	10	10
DCSI—Elder Abuse Prevention.....	0	113 ^a	0
Subtotal.....	\$ 14,689	\$ 20,995	\$ 21,072
Aging:			
DCSI—Elder Abuse Education and Prevention.....	\$ 214 ^a	\$ 143 ^a	\$ 71 ^a
Attorney General:			
DCSI—Child Care Dependent Abuse Training.....	\$ 44 ^a	\$ 35 ^a	\$ 0
DCSI—Elder Abuse Investigation Training.....	0	113 ^a	75 ^a
DCSI—Combating Drug Gang Activities.....	335 ^a	125 ^a	0
DCSI—Criminal History Records Audits.....	329 ^a	172 ^a	0
DCSI—Monitoring Prescription Abuse.....	0	233 ^a	155 ^a
Subtotal.....	\$ 708	\$ 678	\$ 230

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

Anti-Drug Abuse (continued)

(Dollar Amounts in Thousands)

Department / Appropriation	1995-96 Actual Block	1996-97 Available Block	1997-98 Recommended Block
Corrections:			
DCSI—Women and Children.....	\$ 443 ^a	\$ 623 ^a	\$ 200 ^a
DCSI—County Data Automation.....	78 ^a	50 ^a	30 ^a
DCSI—Tracking System.....	13 ^a	300 ^a	50 ^a
DCSI—Victim Notification.....	58 ^a	75 ^a	50 ^a
DCSI—Drug and Alcohol Units.....	0	9 ^a	0
DCSI—Drug and Alcohol Evaluations.....	0	17 ^a	0
DCSI—Therapeutic Community.....	0	202 ^a	175 ^a
DCSI—Drug Treatment.....	0	600 ^a	600 ^a
DCSI—Drug Interdiction.....	248 ^a	250 ^a	35 ^a
DCSI—Inmate Records.....	0	165 ^a	100 ^a
DCSI—Photo Identification.....	0	21 ^a	0
Subtotal.....	\$ 840	\$ 2,312	\$ 1,240
Education:			
DCSI—Statewide Juvenile Records Center.....	\$ 14 ^a	\$ 3 ^a	\$ 0
Probation and Parole:			
DCSI—County Audit Probation Automated System.....	\$ 45 ^a	\$ 58 ^a	\$ 43 ^a
DCSI—Parole Officer Distance Learning.....	20 ^a	0	0
DCSI—Safety Equipment for Supervisory Personnel.....	120 ^a	0	0
DCSI—Office of Victim Advocate.....	74 ^a	113 ^a	102 ^a
DCSI—Intensive Supervision Units.....	542 ^a	2,045 ^a	1,033 ^a
DCSI—Assessment Board.....	0	666 ^a	608 ^a
Subtotal.....	\$ 801	\$ 2,882	\$ 1,786
Public Welfare:			
DCSI—Transition/Reentry.....	\$ 212 ^a	\$ 107 ^a	\$ 0
DCSI—Southeast Secure Unit.....	22 ^a	12 ^a	0
DCSI—Juvenile Justice System Expansion.....	559 ^a	300 ^a	0
Subtotal.....	\$ 793	\$ 419	\$ 0
State Police:			
DCSI—Ballistics.....	\$ 0	\$ 300	\$ 216
DCSI—Protection From Abuse.....	0	677 ^a	0
DCSI—Fingerprint System.....	425 ^a	0	0
Subtotal.....	\$ 425	\$ 977	\$ 216
TOTAL.....	\$ 14,689	\$ 21,182	\$ 21,288

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

Anti-Drug Abuse (continued)

(Dollar Amounts in Thousands)

Department / Appropriation	1995-96 Actual Block	1996-97 Available Block	1997-98 Recommended Block
SAFE AND DRUG FREE SCHOOLS AND COMMUNITIES (DFSC)			
Executive Offices:			
<i>Commission on Crime and Delinquency</i>			
DFSC—Special Programs.....	\$ 3,259	\$ 3,700	\$ 4,000
DFSC — Special Programs—Drug Abuse.....			
Resistance Education (DARE).....	58 ^a	70 ^a	0
DFSC — Community Partnership for Safe Children.....	67 ^a	132 ^a	0
Subtotal.....	\$ 3,384	\$ 3,902	\$ 4,000
Education:			
DFSC—Administration.....	\$ 898	\$ 1,383	\$ 1,584
DFSC—School Districts.....	11,318	13,353	13,389
DFSC—Special Programs/Dropout Prevention.....	586	0	0
Subtotal.....	\$ 12,802	\$ 14,736	\$ 14,973
Health:			
DFSC—Special Programs/Student Assistance..... Program.....	\$ 900 ^a	\$ 900 ^a	\$ 900 ^a
Military and Veterans Affairs:			
DFSC—Scotland School for Veterans Children.....	\$ 1 ^a	\$ 3 ^a	\$ 2 ^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.....	\$ 16,061	\$ 18,436	\$ 18,973
GRAND TOTAL ALL PROGRAMS.....	\$ 30,750	\$ 39,618	\$ 40,261

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

Public Information and Communications

The Commonwealth spends funds on activities to provide government information to the news media and the general public and for other essential communications efforts. Funds are budgeted in over 30 agencies to provide public notification and information to the Commonwealth's public, news media, businesses, legislators and citizens regarding the bidding of contracts, issuance of rules and regulations, announcement of public hearings and the availability of services and financial aid. The amounts 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)	
	1996-97	1997-98
	<u>Estimate</u>	<u>Estimate</u>
Governor's Office.....	\$ 892	\$ 892
Executive Offices.....	86	93
Lieutenant Governor's Office.....	52	54
Aging.....	132	140
Agriculture.....	240	251
Banking.....	30	32
Civil Service Commission.....	47	50
Community and Economic Development.....	290	296
Conservation and Natural Resources.....	139	148
Corrections.....	189	194
Education.....	303	315
Emergency Management Agency.....	107	131
Environmental Protection.....	1,324	1,413
Fish and Boat Commission.....	82	84
Game Commission.....	258	264
General Services.....	111	124
Health.....	193	206
Historical and Museum Commission.....	91	96
Insurance.....	161	165
Labor and Industry.....	359	386
Liquor Control Board.....	146	152
Military and Veterans Affairs.....	107	110
Milk Marketing Board.....	191	191
Board of Probation and Parole.....	37	38
Public Television Network.....	9	10
Public Utility Commission.....	161	173
Public Welfare.....	240	257
Revenue.....	172	179
Securities Commission.....	17	18
State.....	152	157
State Police.....	186	195
Transportation.....	472	504
TOTAL.....	\$ 6,976	\$ 7,318

The Commonwealth also spends funds in these areas:

- *Lottery sales promotion* - \$17.8 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 1996-97. These expenditures are expected to generate approximately \$913 million in lottery revenues during 1996-97.
- *Economic development* - A total of \$13.1 million is budgeted in the General Fund to promote tourism and economic development. This will contribute to an estimated \$11.1 billion in 1996-97 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 1997-98 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)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
Direction and Supportive Services							
General Fund.....	\$ 554,921	\$ 545,772	\$ 574,393	\$ 578,571	\$ 584,143	\$ 586,489	\$ 593,449
Special Funds.....	332,207	361,547	347,506	350,689	353,787	356,950	360,178
Federal Funds.....	7,198	8,889	9,031	9,031	9,031	9,031	9,031
Other Funds.....	453,388	490,123	465,874	472,284	481,737	491,166	500,496
Total Operating.....	\$ 1,347,714	\$ 1,406,331	\$ 1,396,804	\$ 1,410,575	\$ 1,428,698	\$ 1,443,636	\$ 1,463,154
Capital Bond Authorizations.....	\$ 0	\$ 234,754	\$ 17,875	\$ 10,859	\$ 13,031	\$ 15,203	\$ 17,375
Program Total.....	\$ 1,347,714	\$ 1,641,085	\$ 1,414,679	\$ 1,421,434	\$ 1,441,729	\$ 1,458,839	\$ 1,480,529
Protection of Persons and Property							
General Fund.....	\$ 1,609,090	\$ 1,756,078	\$ 1,836,095	\$ 1,884,081	\$ 1,928,910	\$ 1,970,204	\$ 2,017,315
Special Funds.....	372,548	389,424	393,298	389,828	401,814	409,462	415,513
Federal Funds.....	310,098	302,695	243,685	226,174	224,583	224,583	224,583
Other Funds.....	849,407	979,142	1,000,713	969,116	923,079	879,726	885,420
Total Operating.....	\$ 3,141,143	\$ 3,427,339	\$ 3,473,791	\$ 3,469,199	\$ 3,478,386	\$ 3,483,975	\$ 3,542,831
Capital Bond Authorizations.....	\$ 147,178	\$ 533,247	\$ 171,603	\$ 40,696	\$ 48,475	\$ 56,554	\$ 69,110
Program Total.....	\$ 3,288,321	\$ 3,960,586	\$ 3,645,394	\$ 3,509,895	\$ 3,526,861	\$ 3,540,529	\$ 3,611,941
Intellectual Development and Education							
General Fund.....	\$ 7,387,932	\$ 7,449,159	\$ 7,617,699	\$ 7,640,456	\$ 7,634,225	\$ 7,664,767	\$ 7,692,755
Special Funds.....	6,960	8,172	7,583	7,506	7,592	7,717	7,971
Federal Funds.....	770,943	841,404	849,958	849,958	849,958	849,958	849,958
Other Funds.....	475,166	495,579	473,838	473,039	473,613	474,198	474,795
Total Operating.....	\$ 8,641,001	\$ 8,794,314	\$ 8,949,078	\$ 8,970,959	\$ 8,965,388	\$ 8,996,640	\$ 9,025,479
Capital Bond Authorizations.....	\$ 0	\$ 49,108	\$ 4,374	\$ 27,397	\$ 32,876	\$ 38,356	\$ 39,359
Program Total.....	\$ 8,641,001	\$ 8,843,422	\$ 8,953,452	\$ 8,998,356	\$ 8,998,264	\$ 9,034,996	\$ 9,064,838
Health and Human Services							
General Fund.....	\$ 5,656,000	\$ 5,713,950	\$ 5,844,585	\$ 5,996,508	\$ 6,201,920	\$ 6,391,049	\$ 6,592,076
Special Funds.....	590,280	611,621	629,124	635,579	647,826	659,305	672,023
Federal Funds.....	6,582,078	6,714,329	7,022,241	7,078,812	7,086,428	7,196,183	7,328,667
Other Funds.....	690,070	1,107,169	1,101,908	1,079,141	1,080,546	1,082,316	1,084,001
Total Operating.....	\$ 13,518,428	\$ 14,147,069	\$ 14,597,858	\$ 14,790,040	\$ 15,016,720	\$ 15,328,853	\$ 15,676,767
Capital Bond Authorizations.....	\$ 11,100	\$ 77,195	\$ 9,820	\$ 6,936	\$ 8,324	\$ 9,711	\$ 11,098
Program Total.....	\$ 13,529,528	\$ 14,224,264	\$ 14,607,678	\$ 14,796,976	\$ 15,025,044	\$ 15,338,564	\$ 15,687,865
Economic Development							
General Fund.....	\$ 456,362	\$ 480,278	\$ 508,433	\$ 500,749	\$ 503,137	\$ 505,911	\$ 500,527
Special Funds.....	0	0	0	0	0	0	0
Federal Funds.....	425,899	488,348	456,480	448,325	451,735	451,425	450,495
Other Funds.....	574,150	522,977	488,943	448,045	454,818	457,157	460,563
Total Operating.....	\$ 1,456,411	\$ 1,491,603	\$ 1,453,856	\$ 1,397,119	\$ 1,409,690	\$ 1,414,493	\$ 1,411,585
Capital Bond Authorizations.....	\$ 0	\$ 17,985	\$ 11,220	\$ 476	\$ 571	\$ 666	\$ 761
Program Total.....	\$ 1,456,411	\$ 1,509,588	\$ 1,465,076	\$ 1,397,595	\$ 1,410,261	\$ 1,415,159	\$ 1,412,346

Five-Year Summary of Commonwealth Programs

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
Transportation and Communication							
General Fund.....	\$ 313,015	\$ 330,082	\$ 336,115	\$ 341,256	\$ 347,376	\$ 351,616	\$ 358,691
Special Funds.....	1,194,751	1,230,280	1,234,772	1,144,664	1,138,076	1,130,870	1,128,334
Federal Funds.....	638,395	797,324	788,755	786,378	785,038	785,038	785,038
Other Funds.....	683,465	777,283	771,080	777,490	732,237	741,903	749,382
Total Operating.....	\$ 2,829,626	\$ 3,134,969	\$ 3,130,722	\$ 3,049,788	\$ 3,002,727	\$ 3,009,427	\$ 3,021,445
Capital Bond Authorizations.....	\$ 0	\$ 18,064	\$ 79,334	\$ 150,721	\$ 150,865	\$ 161,009	\$ 161,153
Program Total.....	\$ 2,829,626	\$ 3,153,033	\$ 3,210,056	\$ 3,200,509	\$ 3,153,592	\$ 3,170,436	\$ 3,182,598
Recreation and Cultural Enrichment							
General Fund.....	\$ 185,608	\$ 190,976	\$ 198,347	\$ 200,671	\$ 204,416	\$ 206,317	\$ 206,406
Special Funds.....	111,504	156,245	108,788	108,363	106,870	101,942	103,190
Federal Funds.....	21,052	52,561	35,130	35,030	35,030	35,130	35,130
Other Funds.....	56,066	68,331	64,390	64,342	65,282	66,289	67,265
Total Operating.....	\$ 374,230	\$ 468,113	\$ 406,655	\$ 408,406	\$ 411,598	\$ 409,678	\$ 411,991
Capital Bond Authorizations.....	\$ 0	\$ 3,805	\$ 7,582	\$ 19,715	\$ 22,358	\$ 25,001	\$ 27,644
Program Total.....	\$ 374,230	\$ 471,918	\$ 414,237	\$ 428,121	\$ 433,956	\$ 434,679	\$ 439,635
COMMONWEALTH TOTALS							
General Fund.....	\$ 16,162,928	\$ 16,466,295	\$ 16,915,667	\$ 17,142,292	\$ 17,404,127	\$ 17,676,353	\$ 17,961,219
Special Funds.....	2,608,250	2,757,289	2,721,071	2,636,629	2,655,965	2,666,246	2,687,209
Federal Funds.....	8,755,663	9,205,550	9,405,280	9,433,708	9,441,803	9,551,348	9,682,902
Other Funds.....	3,781,712	4,440,604	4,366,746	4,283,457	4,211,312	4,192,755	4,221,922
Total Operating.....	\$ 31,308,553	\$ 32,869,738	\$ 33,408,764	\$ 33,496,086	\$ 33,713,207	\$ 34,086,702	\$ 34,553,252
Capital Bond Authorizations.....	\$ 158,278	\$ 934,158	\$ 301,808	\$ 256,800	\$ 276,500	\$ 306,500	\$ 326,500
Program Total.....	\$ 31,466,831	\$ 33,803,896	\$ 33,710,572	\$ 33,752,886	\$ 33,989,707	\$ 34,393,202	\$ 34,879,752

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)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
Administrative And Support Services	\$ 71,728	\$ 63,885	\$ 80,177	\$ 79,502	\$ 77,415	\$ 72,820	\$ 73,995
Executive Direction	68,124	60,351	77,153	76,418	74,270	69,613	70,725
Personnel Selection	1	1	1	1	1	1	1
State Retirement System	543	543	33	33	33	33	33
Legal Services	3,060	2,990	2,990	3,050	3,111	3,173	3,236
Fiscal Management	\$ 486,073	\$ 520,244	\$ 510,971	\$ 516,989	\$ 523,490	\$ 530,126	\$ 536,895
Revenue Collection And Administration	403,642	431,128	418,818	423,645	428,933	434,330	439,836
Disbursement	42,829	50,723	53,005	53,413	53,828	54,252	54,684
Auditing	39,602	38,393	39,148	39,931	40,729	41,544	42,375
Physical Facilities And Commodities Management	\$ 121,033	\$ 118,127	\$ 119,400	\$ 121,280	\$ 122,824	\$ 124,774	\$ 126,389
Facility, Property And Commodity Management	121,033	118,127	119,400	121,280	122,824	124,774	126,389
Legislative Processes	\$ 185,106	\$ 178,282	\$ 179,071	\$ 179,071	\$ 179,071	\$ 179,071	\$ 179,071
Legislature	185,106	178,282	179,071	179,071	179,071	179,071	179,071
Interstate Relations	\$ 825	\$ 780	\$ 795	\$ 795	\$ 795	\$ 795	\$ 795
Interstate Relations	825	780	795	795	795	795	795
Debt Service	\$ 22,363	\$ 26,001	\$ 31,485	\$ 31,623	\$ 34,335	\$ 35,853	\$ 36,482
Debt Service	22,363	26,001	31,485	31,623	34,335	35,853	36,482
PROGRAM TOTAL	\$ 887,128	\$ 907,319	\$ 921,899	\$ 929,260	\$ 937,930	\$ 943,439	\$ 953,627

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)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
General Administration And Support	\$ 32,350	\$ 31,650	\$ 45,399	\$ 47,414	\$ 49,856	\$ 52,078	\$ 52,585
Criminal & Juvenile Justice Planning	11,270	11,957	24,286	26,311	28,337	30,365	30,439
Environmental Support Services	21,080	19,693	21,113	21,103	21,519	21,713	22,146
Public Protection And Law Enforcement	\$ 506,028	\$ 525,394	\$ 535,604	\$ 528,471	\$ 548,156	\$ 561,399	\$ 573,269
State Police	367,654	380,069	387,577	377,492	394,451	404,622	413,360
Attorney General	56,471	54,922	56,210	57,331	58,475	59,642	60,832
Highway Safety Administration And Licensing	81,903	90,403	91,817	93,648	95,230	97,135	99,077
Control And Reduction Of Crime	\$ 888,986	\$ 1,016,997	\$ 1,058,028	\$ 1,113,626	\$ 1,145,494	\$ 1,178,294	\$ 1,212,057
Institutionalization Of Offenders	826,878	946,741	983,531	1,037,991	1,068,687	1,100,292	1,132,836
Reintegration Of Adult Offenders	62,108	70,256	74,497	75,635	76,807	78,002	79,221
Juvenile Crime Prevention	\$ 4,282	\$ 6,745	\$ 7,701	\$ 7,800	\$ 6,788	\$ 6,814	\$ 6,840
Reintegration Of Juvenile Delinquents	4,282	6,745	7,701	7,800	6,788	6,814	6,840
Adjudication Of Defendants	\$ 171,341	\$ 175,426	\$ 179,103	\$ 181,815	\$ 184,832	\$ 187,906	\$ 191,042
State Judicial System	171,341	175,426	179,103	181,815	184,832	187,906	191,042
Public Order & Community Safety	\$ 24,165	\$ 24,861	\$ 19,868	\$ 20,266	\$ 20,672	\$ 21,086	\$ 21,508
Emergency Management	8,147	9,997	4,734	4,829	4,926	5,025	5,126
State Military Readiness	16,018	14,864	15,134	15,437	15,746	16,061	16,382
Protection From Natural Hazards & Disasters	\$ 147,877	\$ 146,650	\$ 144,326	\$ 135,511	\$ 127,568	\$ 119,667	\$ 121,806
Environmental Protection And Management	147,877	146,650	144,326	135,511	127,568	119,667	121,806

Protection of Persons and Property (continued)

Contribution by Category and Subcategory

General Fund and Special Funds

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
Consumer Protection	\$ 85,713	\$ 90,504	\$ 89,756	\$ 90,897	\$ 91,424	\$ 92,588	\$ 93,779
Consumer Protection	2,960	4,399	3,231	2,918	2,976	3,034	3,096
Financial Institution Regulation	9,399	8,715	8,886	9,064	9,245	9,430	9,619
Securities Industry Regulation	2,074	2,146	2,135	2,178	2,222	2,266	2,311
Insurance Industry Regulation	15,098	15,569	16,475	16,445	16,621	16,953	17,292
Horse Racing Regulation	14,882	17,651	16,382	17,525	17,053	17,048	17,044
Milk Industry Regulation	2,258	2,544	2,517	2,149	2,192	2,236	2,281
Protection & Development Of Agricultural Industries	39,042	39,480	40,130	40,618	41,115	41,621	42,136
Community And Occupational Safety and Stability	\$ 18,153	\$ 18,213	\$ 25,327	\$ 20,500	\$ 20,878	\$ 21,263	\$ 21,656
Community And Occupational Safety And Stability	16,859	16,981	24,066	19,214	19,566	19,925	20,291
Fire Prevention And Safety	1,294	1,232	1,261	1,286	1,312	1,338	1,365
Prevention And Elimination Of Discriminatory Practices	\$ 9,255	\$ 8,663	\$ 9,324	\$ 9,511	\$ 9,701	\$ 9,895	\$ 10,092
Prevention And Elimination Of Discriminatory Practices	9,255	8,663	9,324	9,511	9,701	9,895	10,092
Debt Service	\$ 93,488	\$ 100,399	\$ 114,957	\$ 118,098	\$ 125,355	\$ 128,676	\$ 128,194
Debt Service	93,488	100,399	114,957	118,098	125,355	128,676	128,194
PROGRAM TOTAL	\$1,981,638	\$2,145,502	\$2,229,393	\$2,273,909	\$2,330,724	\$ 2,379,666	\$2,432,828

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 or her maximum potential intellectual development.

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

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

Contribution by Category and Subcategory

General Fund and Special Funds

(Dollar Amounts in Thousands)

	1994-95 Actual	1995-96 Available	1996-97 Budget	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated
Educational Support Services	\$ 22,613	\$ 18,834	\$ 19,289	\$ 19,674	\$ 20,068	\$ 20,469	\$ 20,879
Education Support Services	22,613	18,834	19,289	19,674	20,068	20,469	20,879
Basic Education	\$5,774,276	\$5,810,575	\$5,923,459	\$5,952,574	\$5,948,511	\$ 5,979,987	\$6,012,715
Basic Education	5,683,338	5,717,995	5,829,736	5,858,851	5,854,788	5,886,264	5,918,992
Public Utility Realty Payments	90,938	92,580	93,723	93,723	93,723	93,723	93,723
Higher Education	\$1,501,484	\$1,515,452	\$1,547,090	\$1,540,091	\$1,526,255	\$ 1,519,460	\$1,512,795
Higher Education	1,218,607	1,234,622	1,249,630	1,242,631	1,228,795	1,222,000	1,215,335
Financial Assistance To Students	246,202	245,155	261,071	261,071	261,071	261,071	261,071
Financial Assistance To Institutions	36,675	35,675	36,389	36,389	36,389	36,389	36,389
Debt Service	\$ 96,519	\$ 112,470	\$ 135,444	\$ 135,623	\$ 146,983	\$ 152,568	\$ 154,337
Debt Service	96,519	112,470	135,444	135,623	146,983	152,568	154,337
PROGRAM TOTAL	\$7,394,892	\$7,457,331	\$7,625,282	\$7,647,962	\$7,641,817	\$ 7,672,484	\$7,700,726

Health and Human Services

The goals of this program are to ensure that all citizens of the Commonwealth have access to a comprehensive quality medical care system; to support people seeking self-sufficiency; to provide military assistance; and to provide a system of services that maximizes the capacity of individuals and families to 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	\$ 70,020	\$ 63,292	\$ 71,099	\$ 70,412	\$ 71,271	\$ 71,656	\$ 73,069
Human Services Support	70,020	63,292	71,099	70,412	71,271	71,656	73,069
Social Development Of Individuals	\$ 466,286	\$ 575,203	\$ 634,031	\$ 654,298	\$ 672,676	\$ 691,755	\$ 711,562
Human Services	466,286	575,203	634,031	654,298	672,676	691,755	711,562
Support Of Older Pennsylvanians	\$ 620,697	\$ 656,727	\$ 673,208	\$ 679,740	\$ 691,993	\$ 703,478	\$ 716,202
Community Services For Older Pennsylvanians	181,906	193,037	198,716	203,736	209,419	215,277	221,317
Older Pennsylvanians Transit	126,540	142,090	146,312	148,736	151,208	153,729	156,298
Homeowners And Renters Assistance	96,251	96,600	91,180	90,268	89,366	88,472	87,587
Pharmaceutical Assistance	216,000	225,000	237,000	237,000	242,000	246,000	251,000
Income Maintenance	\$1,028,314	\$ 987,717	\$ 817,077	\$ 776,533	\$ 814,001	\$ 828,949	\$ 844,409
Income Maintenance	1,021,829	979,834	808,897	768,353	805,821	820,769	836,229
Workers Compensation And Assistance	4,234	4,429	4,126	4,126	4,126	4,126	4,126
Military Compensation And Assistance	2,251	3,454	4,054	4,054	4,054	4,054	4,054
Physical Health Treatment	\$2,847,319	\$2,756,646	\$2,921,476	\$3,064,633	\$3,203,420	\$ 3,347,596	\$3,500,198
Medical Assistance	2,581,676	2,488,959	2,651,062	2,789,676	2,926,391	3,068,344	3,218,677
Health Treatment Services	19,883	20,964	20,144	20,144	20,144	20,144	20,144
Health Support Services	27,088	29,255	29,429	29,259	29,805	30,401	31,009
Health Research	9,166	8,678	8,821	8,751	8,789	8,896	9,006
Emergency Food Assistance	13,000	13,000	14,650	14,650	14,650	14,650	14,650
Prevention and Treatment of Drug and Alcohol Abuse	37,160	37,400	37,160	37,160	37,160	37,160	37,160
Preventive Health	109,718	109,797	106,173	106,838	107,162	107,495	107,835
Veterans Homes and School	49,628	48,593	54,037	58,155	59,319	60,506	61,717
Mental Health	\$ 478,985	\$ 528,577	\$ 550,445	\$ 561,931	\$ 570,164	\$ 578,456	\$ 586,909
Mental Health	478,985	528,577	550,445	561,931	570,164	578,456	586,909

Health and Human Services (continued)

Contribution by Category and Subcategory

General Fund and Special Funds

(Dollar Amounts in Thousands)

	<u>1995-96</u> <u>Actual</u>	<u>1996-97</u> <u>Available</u>	<u>1997-98</u> <u>Budget</u>	<u>1998-99</u> <u>Estimated</u>	<u>1999-00</u> <u>Estimated</u>	<u>2000-01</u> <u>Estimated</u>	<u>2001-02</u> <u>Estimated</u>
Mental Retardation	\$ 700,047	\$ 718,232	\$ 761,693	\$ 779,720	\$ 779,155	\$ 781,632	\$ 784,159
Mental Retardation	700,047	718,232	761,693	779,720	779,155	781,632	784,159
Debt Service	\$ 34,612	\$ 39,177	\$ 44,680	\$ 44,820	\$ 47,066	\$ 46,832	\$ 47,591
Debt Service	34,612	39,177	44,680	44,820	47,066	46,832	47,591
PROGRAM TOTAL	<u>\$6,246,280</u>	<u>\$6,325,571</u>	<u>\$6,473,709</u>	<u>\$6,632,087</u>	<u>\$6,849,746</u>	<u>\$ 7,050,354</u>	<u>\$7,264,099</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 Community and Economic 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)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
Economic Development Support Services	\$ 40,867	\$ 41,912	\$ 44,706	\$ 44,458	\$ 44,849	\$ 45,452	\$ 46,067
Economic Development Support Services	40,867	41,912	44,706	44,458	44,849	45,452	46,067
Commonwealth Economic Development	\$ 129,218	\$ 124,784	\$ 132,743	\$ 133,743	\$ 132,243	\$ 133,743	\$ 132,243
Business and Job Development	89,218	88,084	97,543	98,543	97,043	98,543	97,043
Technology Development	40,000	36,700	35,200	35,200	35,200	35,200	35,200
Economic Development of the Disadvantaged and Disabled	\$ 47,333	\$ 48,159	\$ 48,694	\$ 48,922	\$ 49,154	\$ 49,391	\$ 49,632
Job Training	11,666	10,696	10,766	10,876	10,988	11,102	11,218
Job Training Development	10,642	12,005	11,999	12,117	12,237	12,360	12,485
Vocational Rehabilitation	25,025	25,458	25,929	25,929	25,929	25,929	25,929
Community Development	\$ 107,797	\$ 130,870	\$ 136,147	\$ 121,147	\$ 121,147	\$ 121,147	\$ 121,147
Community Development And Conservation	23,961	60,846	63,296	53,296	53,296	53,296	53,296
Housing Assistance	18,000	3,000	5,000	0	0	0	0
Public Utility Realty Payments	65,836	67,024	67,851	67,851	67,851	67,851	67,851
Local Government Assistance	\$ 6,362	\$ 1,684	\$ 549	\$ 549	\$ 549	\$ 549	\$ 549
Municipal Pension Systems	6,362	1,684	549	549	549	549	549
Debt Service	\$ 124,785	\$ 132,869	\$ 145,594	\$ 151,930	\$ 155,195	\$ 155,629	\$ 150,889
Debt Service	124,785	132,869	145,594	151,930	155,195	155,629	150,889
PROGRAM TOTAL	\$ 456,362	\$ 480,278	\$ 508,433	\$ 500,749	\$ 503,137	\$ 505,911	\$ 500,527

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)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
Transportation Systems And Services	\$1,321,843	\$1,386,679	\$1,395,169	\$1,307,689	\$1,312,439	\$ 1,321,936	\$1,338,123
State Highway and Bridge Construction and Reconstruction	148,848	146,701	168,400	171,145	170,000	180,000	200,000
Local Highway and Bridge Assistance	172,203	176,989	178,941	176,499	176,989	175,607	177,784
Mass Transportation	255,019	255,070	255,070	255,078	255,086	255,094	255,103
Intercity Rail and Bus Transportation	5,481	5,488	5,488	5,488	5,488	5,488	5,488
State Highway and Bridge Maintenance	693,462	754,547	733,192	656,816	664,606	664,662	664,476
Transportation Support Services	46,830	47,884	54,078	42,663	40,270	41,085	35,272
Debt Service	\$ 185,923	\$ 173,683	\$ 175,718	\$ 178,231	\$ 173,013	\$ 160,550	\$ 148,902
Debt Service	185,923	173,683	175,718	178,231	173,013	160,550	148,902
PROGRAM TOTAL	\$1,507,766	\$1,560,362	\$1,570,887	\$1,485,920	\$1,485,452	\$ 1,482,486	\$1,487,025

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)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
Recreation	\$ 184,093	\$ 221,704	\$ 184,811	\$ 187,082	\$ 187,153	\$ 183,727	\$ 186,491
Parks And Forests Management	105,107	139,408	104,744	105,923	107,532	109,539	111,655
Recreational Fishing And Boating	28,455	29,175	30,528	31,139	31,762	32,397	33,045
Wildlife Management	50,531	53,121	49,539	50,020	47,859	41,791	41,791
Cultural Enrichment	\$ 84,496	\$ 94,673	\$ 87,684	\$ 87,879	\$ 88,417	\$ 89,055	\$ 89,730
State Historical Preservation	24,281	27,363	22,583	22,703	23,085	23,543	24,030
Museum Assistance	3,504	6,913	5,128	5,128	5,128	5,128	5,128
Development Of Artists And Audiences	9,874	9,948	10,130	10,147	10,164	10,182	10,200
State Library Services	37,684	41,378	40,606	40,607	40,687	40,789	40,898
Public Television Services	9,153	9,071	9,237	9,294	9,353	9,413	9,474
Debt Service	\$ 28,523	\$ 30,844	\$ 34,640	\$ 34,073	\$ 35,716	\$ 35,477	\$ 33,375
Debt Service	28,523	30,844	34,640	34,073	35,716	35,477	33,375
PROGRAM TOTAL	\$ 297,112	\$ 347,221	\$ 307,135	\$ 309,034	\$ 311,286	\$ 308,259	\$ 309,596



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

FINANCIAL STATEMENT

	(Dollar Amounts in Thousands)		
	1995-96 Actual	1996-97 Available	1997-98 Estimated
Beginning Balance	\$ 428,997	\$ 156,249	\$ 177,611
Adjustment to Beginning Balance.....	<u>8,004</u>	<u>0</u>	<u>0</u>
Adjusted Beginning Balance	\$ 437,001	\$ 156,249	\$ 177,611
Revenue:			
Revenue Receipts.....	\$ 16,338,538	\$ 16,939,000	\$ 17,339,200
Less Refunds Reserve.....	-517,000	-520,000	-520,000
Less Proposed Tax Reduction and Transfer.....	<u>0</u>	<u>0</u>	<u>-77,700</u>
Total Revenue	\$ 15,821,538	\$ 16,419,000	\$ 16,741,500
Prior Year Lapses.....	<u>88,211</u>	<u>50,000</u>	<u>0</u>
Funds Available	\$ 16,346,750	\$ 16,625,249	\$ 16,919,111
Expenditures:			
Appropriations.....	\$ 16,279,084	\$ 16,376,757	\$ 16,915,667
Supplemental Appropriations.....	0	89,538	0
Less Current Year Lapses.....	<u>-116,156</u>	<u>-50,000</u>	<u>0</u>
Total Expenditures	<u>\$ 16,162,928</u>	<u>\$ 16,416,295</u>	<u>\$ 16,915,667</u>
Closing Balance	\$ 183,822	\$ 208,954	\$ 3,444
Less Transfer to Tax Stabilization Reserve Fund.....	<u>-27,573</u>	<u>-31,343</u>	<u>-517</u>
Fund Balance	<u><u>\$ 156,249</u></u>	<u><u>\$ 177,611</u></u>	<u><u>\$ 2,927</u></u>

NOTES ON FINANCIAL STATEMENT
(Dollar Amounts in Thousands)

PROPOSED TAX REDUCTION

	1997-98 Estimated
Personal Income Tax:	
Expand Tax Forgiveness	\$ -25,400
<p>The exemption of income for each qualifying dependent of a claimant for tax forgiveness under the special tax provisions for poverty is proposed to be increased from \$3,000 to \$4,000, effective January 1, 1997. A qualifying family of four will owe no tax on taxable income up to \$18,300.</p>	
Sales and Use Tax:	
Exemption for Computer Services	-21,800
<p>The existing manufacturing, processing, agricultural and public utility exemptions are proposed to be extended to the purchase and use of computer services. An exemption is also proposed to be provided for limited services used in the hotel and motel industry. Both provisions are effective July 1, 1997.</p>	
Capital Stock and Franchise Tax:	
Increase Capital Stock Value Exemption	-9,700
<p>The current \$100,000 of capital stock value exempt from the tax is proposed to be increased to \$125,000, effective January 1, 1997.</p>	
Research and Development Tax Credit	-10,000
<p>A credit for qualifying research and development investments made by businesses in Pennsylvania may be used as a credit against certain State taxes. Total annual credits will be capped at \$10 million.</p>	
TOTAL PROPOSED TAX REDUCTION	<u>\$ -66,900</u>

PROPOSED TRANSFER

Additional Cigarette Tax Transfer:	
Children's Health Insurance Program	\$ -10,800
<p>An additional one-cent of the cigarette tax is proposed to be transferred to the Children's Health Insurance Program (CHIP), raising the amount transferred to three cents of the cigarette tax. The higher transfer amount is to be effective January 1, 1997, with the first transfer to be made in July 1997 in order to provide one full year of collections in 1997-98. The revenue estimate is net of the current two-cent transfer.</p>	
TOTAL PROPOSED TAX REDUCTION AND TRANSFER	<u>\$ -77,700</u>

NOTES ON FINANCIAL STATEMENT
(Dollar Amounts in Thousands)

SUPPLEMENTAL APPROPRIATIONS

	1996-97 Estimated
Treasury	
Board of Finance and Revenue.....	\$ 268
Environmental Protection	
Environmental Hearing Board.....	\$ 161
Health	
School District Health Services.....	\$ 851
Public Welfare	
Medical Assistance - Outpatient.....	\$ 64,891
Medical Assistance - Inpatient.....	75,679
Medical Assistance - Capitation.....	49,016
Long-Term Care Facilities.....	-109,741
Intermediate Care Facilities - Mentally Retarded.....	5,155
<i>Public Welfare Total</i>	<u>\$ 85,000</u>
Revenue	
General Government Operations.....	\$ 825
State	
Publishing Constitutional Amendments (EA).....	\$ 1,000
Transportation	
Voter Registration.....	\$ 296
Judiciary	
Master - Statewide Funding.....	\$ 859
Judicial Computer System.....	150
Courts of Common Pleas.....	128
<i>Judiciary Total</i>	<u>\$ 1,137</u>
TOTAL	<u>\$ 89,538</u>

STATE FUNDS BY DEPARTMENT

The following is a summary, by department, of 1995-96 expenditures, the 1996-97 amounts available and the 1997-98 amounts budgeted as presented in the General Fund Budget.

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget
Governor's Office.....	\$ 6,719	\$ 6,532	\$ 6,663
Executive Offices.....	94,144	89,059	119,798
Lieutenant Governor's Office.....	839	941	971
Attorney General.....	56,471	54,922	56,210
Auditor General.....	45,964	40,077	39,697
Treasury.....	471,912	538,176	611,549
Aging.....	14,378	20,016	18,994
Agriculture.....	47,905	48,011	50,786
Civil Service Commission.....	1	1	1
Community and Economic Development.....	194,046	227,542	240,745
Conservation and Natural Resources.....	82,410	79,344	81,970
Corrections.....	826,878	946,741	983,531
Education*.....	6,963,444	7,010,842	7,139,824
Emergency Management Agency.....	9,441	11,229	5,995
Environmental Protection**.....	168,957	166,343	165,439
Fish and Boat Commission.....	9	9	9
General Services.....	93,245	90,340	91,628
Health.....	203,015	206,094	201,727
Higher Education Assistance Agency.....	282,877	280,830	297,460
Historical and Museum Commission.....	19,997	23,661	23,156
Housing Finance Agency.....	18,000	3,000	5,000
Insurance.....	15,098	15,569	16,475
Labor and Industry.....	56,760	58,873	66,120
Military and Veterans Affairs.....	67,897	66,911	73,225
Milk Marketing Board.....	125	0	0
Probation and Parole Board.....	62,108	70,256	74,497
Public Television Network.....	9,153	9,071	9,237
Public Welfare.....	5,318,843	5,354,097	5,477,227
Revenue***.....	266,604	270,421	274,394
Securities Commission.....	2,074	2,146	2,135
State.....	2,960	4,399	3,231
State Employees Retirement System.....	543	543	33
State Police.....	119,895	123,984	127,165
Tax Equalization Board.....	1,466	1,233	1,219
Transportation.....	282,303	291,374	291,382
Legislature****.....	185,106	178,282	179,071
Judiciary.....	171,341	175,426	179,103
GRAND TOTAL.....	\$ 16,162,928	\$ 16,466,295	\$ 16,915,667

* Includes State System of Higher Education

** Includes Environmental Hearing Board

*** Excludes refunds.

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

FEDERAL FUNDS BY DEPARTMENT

The following is a summary of Federal funds, by department, of 1995-96 expenditures, the 1996-97 amounts available and the 1997-98 amounts budgeted as presented in the General Fund Budget.

	(Dollar Amounts in Thousands)		
	1995-96 Actual	1996-97 Available	1997-98 Budget
Executive Offices.....	\$ 95,179	\$ 76,312	\$ 76,321
Attorney General.....	6,840	7,242	6,646
Auditor General.....	0	2	0
Aging.....	7,547	13,691	14,258
Agriculture.....	2,943	4,864	3,772
Community and Economic Development.....	121,196	131,274	121,201
Conservation and Natural Resources.....	3,476	32,081	18,020
Corrections.....	4,449	7,442	6,223
Education.....	776,019	845,935	854,644
Emergency Management Agency.....	92,516	70,265	19,450
Environmental Protection*.....	73,290	103,526	98,945
General Services.....	0	44	0
Health.....	285,007	316,166	330,701
Higher Education Assistance Agency.....	0	0	0
Historical and Museum Commission.....	1,416	2,720	1,235
Infrastructure Investment Authority.....	0	102,100	81,192
Labor and Industry.....	353,887	313,269	317,292
Military and Veterans Affairs.....	47,949	46,534	51,187
Probation and Parole Board.....	801	2,882	1,786
Public Television Network.....	5	0	0
Public Utility Commission.....	762	855	855
Public Welfare.....	6,156,370	6,245,601	6,532,608
State Police.....	5,503	8,800	4,281
Transportation.....	13,181	18,018	17,848
GRAND TOTAL.....	\$ 8,048,336	\$ 8,349,623	\$ 8,558,465

* Includes Environmental Hearing Board

AUGMENTATIONS BY DEPARTMENT

The following is a summary of augmentations, by department, of 1995-96 expenditures, the 1996-97 amounts available and the 1997-98 amounts budgeted as presented in the General Fund Budget.

	(Dollar Amounts in Thousands)		
	1995-96 Actual	1996-97 Available	1997-98 Budget
Executive Offices.....	\$ 60,371	\$ 63,780	\$ 58,948
Lieutenant Governor's Office.....	102	85	85
Attorney General*.....	7,869	13,638	13,327
Auditor General.....	8,137	7,000	7,000
Treasury.....	108,497	68,421	9,154
Aging.....	1,368	2,444	7,597
Agriculture.....	3,665	3,825	2,803
Civil Service Commission.....	12,709	12,331	12,409
Community and Economic Development*.....	5,373	4,797	4,835
Conservation and Natural Resources.....	23,548	30,883	33,526
Corrections.....	12,802	1,217	1,673
Education.....	4,725	4,333	4,334
Emergency Management Agency.....	85	112	97
Environmental Protection**.....	18,336	20,387	17,579
General Services.....	4,553	4,904	5,186
Health.....	5,471	5,407	5,622
Historical and Museum Commission.....	651	766	466
Insurance.....	2,670	2,658	2,292
Labor and Industry.....	19,324	24,570	24,570
Military and Veterans Affairs.....	13,313	14,110	15,865
Probation and Parole Board.....	7,518	8,944	8,591
Public Television Network.....	61	30	25
Public Utility Commission*.....	39,326	38,869	38,998
Public Welfare*.....	397,155	819,050	806,588
Revenue.....	28,840	18,772	17,242
Securities Commission.....	2,415	2,539	2,823
State*.....	24,178	24,733	22,878
State Police.....	24,282	23,707	33,623
Transportation*.....	6,745	7,560	7,114
Judiciary*.....	11,635	10,927	10,809
GRAND TOTAL.....	\$ 855,724	\$ 1,240,799	\$ 1,176,059

* Includes funds appropriated from restricted revenues.

** Includes Environmental Hearing Board

General Fund Revenue Summary

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

Five Year Revenue Projections

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Estimated	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
TAX REVENUE							
Corporation Taxes							
Corporate Net Income.....	\$ 1,625,889	\$ 1,725,800	\$ 1,764,100	\$ 1,787,300	\$ 1,799,300	\$ 1,853,200	\$ 1,975,800
Capital Stock and Franchise.....	879,543	917,500	955,300	993,000	1,031,300	1,073,500	1,120,300
Selective Business:							
Gross Receipts Tax.....	665,606	694,600	698,700	707,300	739,300	761,600	784,700
Public Utility Realty.....	151,003	163,400	162,600	166,300	173,800	179,400	185,200
Insurance Premiums.....	228,256	234,000	233,700	232,300	231,800	232,800	236,800
Financial Institutions.....	176,529	187,200	198,800	208,500	219,100	229,300	239,700
Other.....	12,417	10,000	10,000	10,000	10,000	10,000	10,000
Total — Corporation Taxes.....	\$ 3,739,243	\$ 3,932,500	\$ 4,023,200	\$ 4,104,700	\$ 4,204,600	\$ 4,339,800	\$ 4,552,500
Consumption Taxes							
Sales and Use.....	\$ 5,682,355	\$ 5,942,600	\$ 6,095,500	\$ 6,260,700	\$ 6,442,100	\$ 6,692,700	\$ 6,996,700
Cigarette.....	297,660	294,600	291,700	288,800	285,900	283,000	280,200
Malt Beverage.....	25,464	26,000	26,000	26,000	26,000	26,000	26,000
Liquor.....	124,044	128,500	130,600	132,600	134,600	136,600	138,600
Total — Consumption Taxes.....	\$ 6,129,523	\$ 6,391,700	\$ 6,543,800	\$ 6,708,100	\$ 6,888,600	\$ 7,138,300	\$ 7,441,500
Other Taxes							
Personal Income Tax.....	\$ 5,374,301	\$ 5,523,800	\$ 5,710,900	\$ 5,883,600	\$ 6,085,000	\$ 6,331,900	\$ 6,591,000
Realty Transfer.....	178,164	185,300	180,400	180,700	184,400	188,300	197,000
Inheritance.....	553,477	563,900	580,800	598,200	616,100	634,600	653,600
Minor and Repealed.....	1,055	-2,800	-8,400	-8,400	-8,400	-8,400	-8,400
Total — Other Taxes.....	\$ 6,106,997	\$ 6,270,200	\$ 6,463,700	\$ 6,654,100	\$ 6,877,100	\$ 7,146,400	\$ 7,433,200
TOTAL TAX REVENUE.....	\$ 15,975,763	\$ 16,594,400	\$ 17,030,700	\$ 17,466,900	\$ 17,970,300	\$ 18,624,500	\$ 19,427,200
NONTAX REVENUE							
Liquor Store Transfer.....	\$ 42,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
Licenses, Fees and Miscellaneous:							
Licenses and Fees.....	68,665	67,800	69,200	69,200	69,200	69,200	69,200
Micellaneous.....	231,051	193,800	165,800	165,800	165,800	165,800	165,800
Fines, Penalties and Interest:							
On Taxes.....	20,474	30,700	22,700	22,700	22,700	22,700	22,700
Other.....	585	2,300	800	800	800	800	800
TOTAL NONTAX REVENUES.....	\$ 362,775	\$ 344,600	$ 308,500	$ 308,500	$ 308,500	$ 308,500	\$ 308,500
GENERAL FUND TOTAL.....	\$ 16,338,538	\$ 16,939,000	\$ 17,339,200	\$ 17,775,400	\$ 18,278,800	\$ 18,933,000	\$ 19,735,700

General Fund Revenues

Adjustments to Revenue Estimate

On June 28, 1996, the Official Estimate for 1996-97 was certified to \$16,744,500,000.

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)

	1996-97 Official Estimate	Adjustments	1996-97 Revised Estimate
TAX REVENUE			
Corporation Taxes			
Corporate Net Income.....	\$ 1,677,300	\$ 48,500	\$ 1,725,800
Capital Stock and Franchise.....	886,300	31,200	917,500
Selective Business:			
Gross Receipts.....	684,000	10,600	694,600
Public Utility Realty.....	168,600	-5,200	163,400
Insurance Premiums.....	235,300	-1,300	234,000
Financial Institutions.....	182,500	4,700	187,200
Other.....	10,000	0	10,000
Total — Corporation Taxes.....	\$ 3,844,000	\$ 88,500	\$ 3,932,500
Consumption Taxes			
Sales and Use.....	\$ 5,850,900	\$ 91,700	\$ 5,942,600
Cigarette.....	294,600	0	294,600
Malt Beverage.....	26,000	0	26,000
Liquor.....	125,000	3,500	128,500
Total — Consumption Taxes.....	\$ 6,296,500	\$ 95,200	\$ 6,391,700
Other Taxes			
Personal Income Tax.....	\$ 5,509,300	\$ 14,500	\$ 5,523,800
Realty Transfer.....	182,200	3,100	185,300
Inheritance.....	563,900	0	563,900
Minor and Repealed.....	6,000	-8,800	-2,800
Total — Other Taxes.....	\$ 6,261,400	\$ 8,800	\$ 6,270,200
TOTAL TAX REVENUE.....	\$ 16,401,900	\$ 192,500	\$ 16,594,400
NONTAX REVENUE			
Liquor Store Profits.....	\$ 50,000	0	\$ 50,000
Licenses Fees and Miscellaneous:			
Licenses and Fees.....	72,400	-4,600	67,800
Miscellaneous.....	196,800	-3,000	193,800
Fines, Penalties and Interest:			
On Taxes.....	22,700	8,000	30,700
Other.....	700	1,600	2,300
TOTAL NONTAX REVENUES.....	\$ 342,600	\$ 2,000	\$ 344,600
GENERAL FUND TOTAL.....	\$ 16,744,500	\$ 194,500	\$ 16,939,000

General Fund Revenue Sources

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

Corporate Net Income Tax

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

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

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

Capital Stock and Franchise Taxes

Tax Base: The taxes are levied on the capital stock value of domestic and foreign corporations doing business or having property or capital employed in the State on that portion of the capital stock value apportionable to Pennsylvania under a statutory formula. The first \$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 current \$100,000 of capital stock value exempt from the tax is proposed to be increased to \$125,000, effective January 1, 1997.

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

General Fund Revenue Sources

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 purchase and use of computer services and an exemption provided for such services used by hotels and motels effective July 1, 1997. The revenue estimate shown in the budget is based on current law.

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

Cigarette Tax

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

Tax Rates: The rate is 1.55 cents per cigarette. Prior to August 19, 1991 the rate was 0.9 cents per cigarette. Beginning in 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, 1997. 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 ($\frac{2}{3}\phi$) per half pint of 8 fluid ounces or fraction thereof, and in larger quantities at the rate of one cent (1¢) 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.

General Fund Revenue Sources

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%

Proposed Change: The exemption of income from the tax for each qualifying dependent of a claimant for tax forgiveness under the special tax provisions for poverty is proposed to be increased from \$3,000 to \$4,000, effective January 1, 1997.

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.

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).

General Fund Revenue Sources

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. 412-1/2 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

	(Dollar Amounts in Thousands)		
	1995-96 Actual	1996-97 Estimated	1997-98 Budget
TAX REVENUE			
Corporate Net Income Tax.....	\$ 1,625,889	\$ 1,725,800	\$ 1,764,100
Capital Stock and Franchise Taxes			
Capital Stock Taxes — Domestic.....	478,851	499,516	520,095
Franchise Taxes — Foreign.....	400,692	417,984	435,205
SUBTOTAL.....	\$ 879,543	\$ 917,500	\$ 955,300
Gross Receipts Tax			
Electric, Hydroelectric and Water Power.....	\$ 436,838	\$ 455,866	\$ 458,557
Gas.....	75,908	79,215	79,683
Motor Transportation.....	2,652	2,768	2,784
Telephone and Telegraph.....	147,854	154,294	155,205
Transportation.....	2,354	2,457	2,471
SUBTOTAL.....	\$ 665,606	\$ 694,600	\$ 698,700
Public Utility Realty Tax.....	\$ 151,003	\$ 163,400	\$ 162,600
Insurance Premiums Tax			
Domestic Casualty.....	\$ 49,721	\$ 50,972	\$ 50,907
Domestic Fire.....	22,415	22,979	22,949
Domestic Life and Previously Exempted Lines.....	8,701	8,920	8,908
Excess Insurance Brokers.....	6,576	6,741	6,733
Foreign Excess Casualty.....	8,081	8,284	8,274
Foreign Excess Fire.....	6,333	6,493	6,485
Foreign Life.....	120,527	123,559	123,401
Marine.....	84	87	86
Title Insurance.....	1,231	1,262	1,260
Unauthorized Insurance.....	4,587	4,703	4,697
SUBTOTAL.....	\$ 228,256	\$ 234,000	\$ 233,700
Financial Institutions Taxes			
Federal Mutual Thrift Institutions.....	\$ 1,041	\$ 1,154	\$ 1,279
National Banks.....	115,929	122,117	128,817
State Banks.....	13,751	14,485	15,280
State Mutual Thrift Institutions.....	21,506	23,846	26,421
Trust Companies.....	24,302	25,598	27,003
SUBTOTAL.....	\$ 176,529	\$ 187,200	\$ 198,800
Other Selective Business Taxes			
Corporate Loans — Domestic.....	\$ 7,752	\$ 6,950	\$ 6,950
Corporate Loans — Foreign.....	3,314	2,971	2,971
Miscellaneous Business Taxes.....	88	79	79
Corporation Taxes — Clearing Accounts Undistributed.....	1,263	0	0
SUBTOTAL.....	\$ 12,417	\$ 10,000	\$ 10,000
Sales and Use Tax			
Motor Vehicle.....	\$ 786,078	\$ 799,700	\$ 783,400
Non-Motor Vehicle.....	4,896,277	5,142,900	5,312,100
SUBTOTAL.....	\$ 5,682,355	\$ 5,942,600	\$ 6,095,500

* Less than \$500.

General Fund Revenue Detail

	(Dollar Amounts in Thousands)		
	1995-96 Actual	1996-97 Estimated	1997-98 Budget
Cigarette Tax	\$ 297,660	\$ 294,600	\$ 291,700
Malt Beverage Tax	\$ 25,464	\$ 26,000	\$ 26,000
Liquor Tax	\$ 124,044	\$ 128,500	\$ 130,600
Personal Income Tax			
Withholding.....	\$ 4,244,545	\$ 4,348,600	\$ 4,480,400
Non-Withholding.....	1,129,756	1,175,200	1,230,500
SUBTOTAL	\$ 5,374,301	\$ 5,523,800	\$ 5,710,900
Realty Transfer Tax	\$ 178,164	\$ 185,300	\$ 180,400
Inheritance Tax			
Nonresident Transfer Inheritance and Estate Tax.....	\$ 3,381	\$ 3,445	\$ 3,548
Resident Transfer Inheritance Estate Tax.....	550,096	560,455	577,252
SUBTOTAL	\$ 553,477	\$ 563,900	\$ 580,800
Minor and Repealed Taxes			
Distilled Spirits.....	\$ *	\$ *	\$ *
Excess Passenger Car Rental Tax.....	0	11,200	5,600
Job Creation Tax Credit.....	0	-15,000	-15,000
Rectified Spirits.....	*	*	*
Tax on Writs, Wills and Deeds.....	1,038	983	983
Wines.....	37	35	35
Unallocated EFT Payments.....	-20	-18	-18
SUBTOTAL	\$ 1,055	\$ -2,800	\$ -8,400
TOTAL TAX REVENUE	\$ 15,975,763	\$ 16,594,400	\$ 17,030,700
NONTAX REVENUES			
Liquor Store Transfer.....	\$ 42,000	\$ 50,000	\$ 50,000
Licenses, Fees and Miscellaneous			
Governor's Office			
MISCELLANEOUS REVENUE			
Miscellaneous.....	\$ *	\$ 0	\$ 0
Executive Offices			
LICENSES AND FEES			
Attorney Continuing Legal Education.....	\$ 1	\$ 1	\$ 1
MISCELLANEOUS REVENUE			
Crime Victims Award Restitution.....	165	165	165
Interest from Federal Government — CMIA - 90.....	83	0	0
Interest From Special Funds — CMIA - 90.....	59	0	0
Interest Transferred to Employee Benefits.....	-6,934	-6,935	-6,935
Refunds Of Expenditures Not Credited To Appropriations.....	-1	0	0
SUBTOTAL	\$ -6,627	\$ -6,769	\$ -6,769

* Less than \$500.

General Fund Revenue Detail

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Estimated	1997-98 Budget
Lieutenant Governor's Office			
LICENSES AND FEES			
Board Of Pardons Fees.....	\$ 3	\$ 3	\$ 3
Board Of Pardons — Filing Fees.....	5	4	4
SUBTOTAL.....	\$ 8	\$ 7	\$ 7
Auditor General			
LICENSES AND FEES			
Filing Fees — Board of Arbitration of Claims.....	\$ 9	\$ 10	\$ 10
MISCELLANEOUS REVENUE			
Refunds Of Expenditures Not Credited To Appropriations.....	0	15	15
SUBTOTAL.....	\$ 9	\$ 25	\$ 25
Attorney General			
MISCELLANEOUS REVENUE			
Assessed Civil Penalties Payments.....	\$ 130	\$ 130	\$ 133
Miscellaneous Interest Offset for Appropriation 611.....	-75	-50	-52
Refunds Of Expenditures Not Credited To Appropriations.....	0	*	0
Miscellaneous.....	10	25	25
SUBTOTAL.....	\$ 65	\$ 105	\$ 106
Treasury Department			
MISCELLANEOUS REVENUE			
Allocation Of Treasury Costs.....	\$ 3,794	\$ 3,387	\$ 3,450
Clearing Account — PA EFTS.....	-3	-12	-5
Depository Adjustments.....	2	2	2
Interest Transferred to Hodge Trust Fund.....	-14	-13	-10
Interest on Average Collected Balance - WIC Program.....	57	70	72
Interest On Deposits.....	309	320	325
Interest On Deposits — Liquor License Fund.....	1	0	0
Interest On Securities — Liquor License Fund.....	108	96	98
Interest On Securities.....	70,639	68,031	69,051
Interest Transferred — Lawrence County Audit.....	-27	-5	-6
Premium And Discount On Tax Notes Sold.....	2,384	2,572	2,600
Redeposit Of Checks.....	1,152	-1,500	500
Refunds Of Expenditures Not Credited To Appropriations.....	3	32	3
Unclaimed Property — Administration Cost Reimbursements.....	-5,404	-5,674	-5,958
Unclaimed Property — Claim Payments.....	-10,938	-12,032	-13,236
Unclaimed Property — Financial Institution Deposits.....	13,089	14,587	15,316
Unclaimed Property — Other Holder Deposits.....	41,948	44,045	46,247
Miscellaneous.....	124	870	130
SUBTOTAL.....	\$ 117,224	\$ 114,776	\$ 118,579
Department of Agriculture			
LICENSES AND FEES			
Abattoir Licenses.....	\$ *	\$ 12	\$ 6
Approved Inspectors Certificate And Registration Fees.....	5	9	9
Domestic Animal Dealers' Licenses.....	5	43	68
Eating & Drinking Licenses.....	1,045	1,149	1,149
Egg Certification Fees.....	18	19	19
Egg Opening Licenses.....	1	*	*
Farm Products Inspection Fees.....	50	32	32

* Less than \$500.

General Fund Revenue Detail

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Estimated	1997-98 Budget
Department of Agriculture (continued)			
Garbage Feeders Licenses.....	*	*	1
Horse Slaughtering Licenses.....	*	*	*
Ice Cream Licenses.....	159	148	148
Inspection/Registration of Plants & Trees — Nurseries.....	*	0	0
Livestock Branding Fees.....	*	*	*
Miscellaneous Licenses And Fees.....	13	15	15
Poultry Technician Licenses.....	1	1	1
Public Weighmasters' Liquid Fuel License — State Share.....	77	77	77
Public Weighmasters' Solid Fuel License — State Share.....	21	21	21
Registration Fee — Food Establishment.....	352	208	208
Rendering Plant Licenses.....	1	3	3
Seed Testing And Certification Fees.....	68	64	66
Veterinarian Diagnostic Laboratory Fees.....	274	310	280
MISCELLANEOUS REVENUE			
Refunds Of Expenditures Not Credited To Appropriations.....	\$ 13	\$ 0	\$ 0
Miscellaneous.....	*	0	0
SUBTOTAL.....	\$ 2,103	\$ 2,111	\$ 2,103
Civil Service Commission			
MISCELLANEOUS REVENUE			
Miscellaneous.....	\$ 1	\$ *	\$ 1
Department of Conservation and Natural Resources			
MISCELLANEOUS REVENUE			
Camp Leases.....	\$ 414	\$ 425	\$ 430
Ground Rents.....	37	38	40
Housing Rents.....	24	25	27
Minerals Sales.....	225	230	240
Recovered Damages.....	*	0	0
Rights-Of-Way.....	366	370	380
Sales Tax Escrow Account.....	3	3	3
Water Leases.....	15	22	25
Refunds Of Expenditures Not Credited To Appropriations.....	10	10	12
Miscellaneous.....	100	100	100
SUBTOTAL.....	\$ 1,194	\$ 1,223	\$ 1,257
Department of Corrections			
MISCELLANEOUS REVENUE			
Antitrust Case Payments.....	\$ *	\$ 0	\$ 0
Refunds Of Expenditures Not Credited To Appropriations.....	71	40	40
Miscellaneous.....	8	0	0
SUBTOTAL.....	\$ 79	\$ 40	\$ 40
LICENSES AND FEES			
Municipal Indebtedness Fees.....	\$ 158	\$ 160	\$ 160
MISCELLANEOUS REVENUE			
Infrastructure Developer/Bid Appropriation 174 Loan Repayments.....	0	0	180
Interest From Grantees.....	0	0	60
Housing and Redevelopment Appropriation 183 Loan Repayments.....	0	0	250
Nursing Home Loans — Repayments.....	429	425	610
Repayable Grant Payments.....	1,634	1,650	1,650

* Less than \$500.

General Fund Revenue Detail

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Estimated	1997-98 Budget
Department of Corrections (continued)			
Refunds of Expenditures Not Credited to Appropriations.....	171	344	182
Miscellaneous.....	674	670	588
SUBTOTAL.....	\$ 3,066	\$ 3,249	\$ 3,680
Department of Education			
LICENSES AND FEES			
Fees For Licensing Private Schools.....	\$ 195	\$ 192	\$ 195
PDE Fees Transcripts — Closed Private Schools.....	*	*	*
Private Academic School Teacher Certification Fees.....	11	12	16
Fees For Licensing Private Driver Training Schools.....	66	66	69
Secondary Education Evaluation Fees.....	37	75	85
State Board of Private Licensed Schools Fees.....	1	0	0
Teacher Certification Fees.....	436	600	800
MISCELLANEOUS REVENUE			
Refunds of Expenditures Not Credited to Appropriations.....	1	0	0
Miscellaneous.....	2	0	0
SUBTOTAL.....	\$ 749	\$ 945	\$ 1,165
Emergency Management Agency			
MISCELLANEOUS REVENUE			
Refunds of Expenditures Not Credited to Appropriations.....	\$ *	\$ 0	\$ 0
Miscellaneous.....	14	0	0
SUBTOTAL.....	\$ 14	\$ 0	\$ 0
Department of Environmental Protection			
LICENSES AND FEES			
Anthracite Miners' Examination and Certification Fees.....	\$ *	\$ 0	\$ 0
Bathing Place Licenses.....	*	0	0
Bituminous Miners' Examination and Certification Fees.....	28	28	28
Bituminous Shot Firers' And Machine Runners Examination and Certification Fees.....	1	1	1
Blasters' Examination and Licensing Fees.....	36	36	36
Dams And Encroachment Fees.....	117	117	117
Examination and Certification Fees.....	5	5	5
Explosives Storage Permit Fees.....	76	76	76
Hazardous Waste Facility Annual Permit Administration Fees.....	97	97	97
Hazardous Waste Facility Permit Application Fees.....	116	116	116
Hazardous Waste Transportor License and Fees.....	63	63	63
Hazardous Waste Storage-Disposal Fac-Fee.....	31	31	31
Infectious and Chemical Waste Transport Fees.....	23	13	13
Municipal Waste Annual Permit Administration Fees.....	230	230	230
Municipal Waste Permit Application Fees.....	209	209	209
Registration Fees For Organized Camps.....	*	0	0
Residual Waste Closure Administration Fees.....	*	1	1
Residual Waste Permit Administration Fees.....	180	180	180
Residual Waste Permit Application/Modification Fees.....	192	276	276
Sewage Permit Fees.....	336	336	336
Sewage Enforcement — Certificate Renewal Fees.....	*	0	0
Sewage Enforcement — Examination Fees.....	3	3	3
Submerged Land Fees.....	56	55	55
Water Bacteriological Examination Fees.....	28	28	28
Water Power and Supply Permit Fees.....	85	85	85
Miscellaneous Licenses and Fees.....	*	0	0

* Less than \$500.

General Fund Revenue Detail

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Estimated	1997-98 Budget
Department of Environmental Protection (continued)			
MISCELLANEOUS REVENUE			
Camp Leases.....	*	0	0
Interest on Loan Payments.....	1,951	2,400	2,400
Interest Payments — Mine Subsidence.....	7	7	7
Mineral Sales.....	10	10	10
Payment To Occupy Submerged Lands.....	180	180	180
Penalty Charges — Delinquent Interest.....	4	3	3
Repayment Of Loans — Water Facilities.....	1,919	2,100	2,100
Residual Waste Permit Application/Modification Fees.....	84	0	0
Rights-of-Way.....	1	1	1
Royalties for Recovery Of Materials — Schuylkill River.....	97	97	97
Sales Tax Escrow Account.....	*	1	1
Sales Tax — Allegheny County.....	*	0	0
Sewage Treatment And Waterworks Application Fees.....	49	49	49
Surface Subsidence Assistance Loans — Repayments.....	32	32	32
Water Leases.....	1	1	1
Refunds of Expenditures Not Credited to Appropriations.....	87	87	87
Miscellaneous.....	48	48	48
SUBTOTAL.....	\$ 6,382	\$ 7,002	\$ 7,002
Department of General Services			
MISCELLANEOUS REVENUE			
Allocation Of Purchasing Costs Job 7.....	\$ 3,735	\$ 3,735	\$ 3,735
Allocation Of Purchasing Costs Job 19.....	830	830	830
Mileage Of State Automobiles.....	380	380	380
Real Estate Services.....	241	241	241
Refunds of Expenditures Not Credited to Appropriations.....	8	8	8
Rental Of State Property.....	55	55	55
Sale Of Publications.....	756	62	62
Sale Of State Property.....	719	8,000	2,000
Sale Of Unserviceable Property.....	767	767	767
Miscellaneous.....	17	573	573
SUBTOTAL.....	\$ 7,508	\$ 14,651	\$ 8,651
Department of Health			
LICENSES AND FEES			
Bathing Place Program — Application Fees.....	\$ 1	\$ 3	\$ 3
Certificate of Need.....	780	800	800
Immunization Service Fees.....	80	75	60
Life Safety Code Inspection Fees.....	268	273	276
Miscellaneous Licensure Fees.....	115	116	117
Nursing Home Licenses.....	359	370	378
Profit Making Hospital Licenses.....	142	230	141
Organized Camps Program Fees.....	0	4	4
Registration Fees — Hearing Aid Act.....	59	60	60
Registration Fees — Drugs Devices and Cosmetics Act.....	331	290	293
Vital Statistics Fees.....	2,600	2,900	2,900
Wholesale Prescription Drug Distribution Licenses.....	0	38	38
MISCELLANEOUS REVENUE			
Refunds of Expenditures Not Credited to Appropriations.....	3	3	3
Miscellaneous.....	84	71	76
SUBTOTAL.....	\$ 4,822	\$ 5,233	\$ 5,149

* Less than \$500.

General Fund Revenue Detail

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Estimated	1997-98 Budget
Historical and Museum Commission			
MISCELLANEOUS REVENUE			
Refunds of Expenditures Not Credited to Appropriations.....	\$ 9	\$ 9	\$ 9
Insurance Department			
LICENSES AND FEES			
Agents' and Brokers' Certification Fees.....	\$ 412	\$ 300	\$ 300
Agents' Licenses.....	6,742	7,740	7,740
Brokers' Licenses.....	103	115	115
Division of Companies Certification — Certificates and Filing	672	625	625
Division of Companies Certification — Certificates and Filing Fees	2,130	2,200	2,200
Market Conduct Examination Fees.....	143	150	150
Miscellaneous Fees.....	1	300	20
Miscellaneous Licenses.....	59	0	0
New Applicants.....	317	445	445
Physical Damage Appraiser License.....	114	0	0
Renewals.....	1,634	1,500	2,500
Single License Conversion Fee.....	*	0	0
Valuation of Policies Fees.....	2,703	2,000	2,000
MISCELLANEOUS REVENUE			
Refunds of Expenditures Not Credited to Appropriations.....	1	0	0
Miscellaneous.....	318	300	300
SUBTOTAL.....	\$ 15,349	\$ 15,675	\$ 16,395
Labor and Industry			
LICENSES AND FEES			
Approval of Building Plan Fees.....	\$ 4,466	\$ 4,112	\$ 4,136
Approval of Elevator Plan Fees.....	332	275	275
Bedding And Upholstery Fees.....	533	500	500
Boiler Inspection Fees.....	2,362	2,500	2,500
Elevator Inspection Fees.....	1,938	1,900	1,900
Employment Agents' Licenses.....	35	32	32
Employment Agents' Registration Fees.....	7	6	6
Industrial Homework Permit Fees.....	*	*	*
Liquefied Petroleum Gas Registration Fees.....	200	200	200
Projectionists' Examination And License Fees.....	5	5	5
Stuffed Toys Manufacturers' Registration Fees.....	48	40	40
MISCELLANEOUS REVENUE			
CETA Audit Settlement.....	11	0	0
Refunds of Expenditures Not Credited to Appropriations.....	18	0	0
Miscellaneous.....	7	3	3
SUBTOTAL.....	\$ 9,962	\$ 9,573	\$ 9,597
Department of Military Affairs			
MISCELLANEOUS REVENUE			
Refunds of Expenditures Not Credited to Appropriations.....	\$ 11	\$ 0	\$ 0
Miscellaneous.....	1	0	0
SUBTOTAL.....	\$ 12	\$ 0	\$ 0

* Less than \$500.

General Fund Revenue Detail

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Estimated	1997-98 Budget
Board of Probation and Parole			
MISCELLANEOUS REVENUE			
Refunds of Expenditures Not Credited to Appropriations.....	\$ 1	\$ 0	\$ 0
Public Television Network			
MISCELLANEOUS REVENUE			
Miscellaneous.....	\$ 0	\$ 30	\$ 25
Public Utility Commission			
LICENSES AND FEES			
General Assessment Fees.....	\$ 0	\$ *	\$ *
MISCELLANEOUS REVENUE			
Refunds of Expenditures Not Credited to Appropriations.....	2	*	*
SUBTOTAL.....	\$ 2	\$ 0	\$ 0
Department of Public Welfare			
LICENSES AND FEES			
Private Mental Hospital Licenses.....	\$ 41	\$ 45	\$ 45
MISCELLANEOUS REVENUE			
Refunds of Expenditures Not Credited to Appropriations.....	73	94	73
Miscellaneous.....	4	6	4
SUBTOTAL.....	\$ 118	\$ 145	\$ 122
Department of Revenue			
LICENSES AND FEES			
Certification And Copy Fees.....	\$ 34	\$ 34	\$ 34
Cigarette Permit Fees.....	753	753	753
Domestic Violence and Rape Crisis Program Fee.....	1,805	2,005	2,005
Uniform Commercial Fee Act 1992-67.....	7,746	7,739	7,735
MISCELLANEOUS REVENUE			
Distribution Due Absentee.....	-288	-288	-288
District Justice Costs.....	8,773	8,773	8,773
Exempt Collections Per Act 1992-67.....	9,959	9,985	9,938
Income Tax Check-Offs — Olympics.....	87	87	87
Tax Amnesty.....	67,000	0	0
Voluntary Donations.....	*	*	*
Refunds of Expenditures Not Credited to Appropriations.....	4	4	4
Miscellaneous.....	21	21	21
SUBTOTAL.....	\$ 95,894	\$ 29,113	\$ 29,062
Securities Commission			
LICENSES AND FEES			
Associated Persons — Initial.....	\$ 65	\$ 78	\$ 48
Associated Persons — Renewal.....	174	191	110
Associated Persons — Transfer.....	3	5	3
Brokers, Dealers Registration Fees — Initial.....	85	92	99
Brokers, Dealers Registration Fees — Renewal.....	506	531	557
Costs — Examination, Auditing, Investigation, Prosecution —			
Except Takeover Costs.....	11	7	1
Investment Advisors Filing Fees — Initial.....	33	37	40
Investment Advisors Filing Fees — Renewal.....	166	182	198
Mutual Funds — Increase in Amount of Filing.....	327	225	325

* Less than \$500.

General Fund Revenue Detail

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Estimated	1997-98 Budget
Securities Commission (continued)			
Mutual Funds — Initial Filing.....	591	700	600
Mutual Funds — Oversales of Offering.....	6	0	5
Mutual Funds — Renewal Filing.....	5,184	4,200	4,200
Section 202G Securities Exemption Fees.....	6	4	4
Section 203 (D) — Increase in Amount of Filing.....	1	1	1
Section 203 (D) — Initial Filing.....	387	360	370
Section 203 (I) (O) (II) — Initial Filing.....	9	10	8
Section 203(N) — Initial Filing.....	5	5	5
Section 203(P) — Initial Filing.....	*	1	1
Section 205 — Security Registration and Amendment Fees.....	127	170	130
Section 206 — Increase in Amount of Filing.....	3	1	2
Section 206 — Qualification Filing — Initial.....	76	80	80
Securities Agents Filing Fees — Initial.....	1,658	1,824	2,070
Securities Agents Filing Fees — Renewal.....	4,394	4,615	4,938
Securities Agents Filing Fees — Transfer.....	222	275	336
Takeover Disclosure Filing Fees.....	1	*	*
MISCELLANEOUS REVENUE			
Miscellaneous.....	0	2	2
SUBTOTAL.....	\$ 14,040	\$ 13,596	\$ 14,133
Department of State			
LICENSES AND FEES			
Commission and Filing Fees — Bureau Of Elections.....	\$ 423	\$ 345	\$ 345
Commission and Filing Fees — Corporation Bureau.....	8,268	6,981	6,981
Commission Fees.....	60	60	60
Notary Public Commission Fees.....	880	920	920
MISCELLANEOUS REVENUE			
Refunds of Expenditures Not Credited to Appropriations.....	1	1	1
Miscellaneous.....	*	*	*
SUBTOTAL.....	\$ 9,632	\$ 8,307	\$ 8,307
State Police			
MISCELLANEOUS REVENUE			
Reimbursement For Lost Property.....	\$ 3	\$ 4	\$ 4
Refunds of Expenditures Not Credited to Appropriations.....	184	200	200
Miscellaneous.....	246	250	250
SUBTOTAL.....	\$ 433	\$ 454	\$ 454
Supreme Court			
MISCELLANEOUS REVENUE			
Miscellaneous.....	\$ 2,000	\$ 0	\$ 0

* Less than \$500.

General Fund Revenue Detail

	(Dollar Amounts in Thousands)		
	1995-96	1996-97	1997-98
	Actual	Estimated	Budget
Department of Transportation			
MISCELLANEOUS REVENUE			
Interest — Railroad Rehabilitation.....	\$ -15	\$ 0	\$ 0
Refunds of Expenditures Not Credited to Appropriations.....	11	0	0
SUBTOTAL.....	\$ -4	\$ 0	\$ 0
Other			
MISCELLANEOUS REVENUE			
Conscience Money.....	\$ 1	\$ 0	\$ 0
Payments in Lieu of Taxes — SWIF.....	7,448	4,000	6,600
Transfers From Special Funds.....	7,687	10,100	9,300
Transfer from Sunny Day Fund.....	0	28,000	0
Transfer from Pennsylvania Economic Revitalization Fund.....	535	0	0
SUBTOTAL.....	\$ 15,671	\$ 42,100	\$ 15,900
Total Licenses, Fees and MISCELLANEOUS.....	\$ 299,716	\$ 261,600	\$ 235,000
Fines, Penalties and Interest on Taxes			
Corporation Net Income Tax.....	\$ 9,517	\$ 18,552	\$ 10,552
Interest on Excise Taxes — Corporations (Department of Revenue).....	9,885	10,960	10,960
Penalties on Excise Taxes — Corporations.....	1,072	1,188	1,188
Other Fines and Penalties			
Department of Agriculture			
Amusement Rides and Attractions — Fines.....	\$ 1	\$ 1	\$ 1
Egg Fines.....	1	*	*
General Food Fines.....	8	8	8
Harness Racing Fines and Penalties.....	34	35	35
Horse Racing Fines and Penalties.....	25	39	39
Marking Law Fines.....	1	*	*
Miscellaneous Fines.....	7	0	0
Department of Economic and Community Development			
Miscellaneous Fines.....	1	1	1
Department of Environmental Protection			
Blasters Fines.....	*	1	1
Miscellaneous Fines.....	*	0	0
Ethics Commission			
Violations-Act 1978-170.....	4	15	15
Department of General Services			
Traffic Violation Fines.....	25	25	25
Department of Health			
Non-Compliance Fines And Penalties.....	11	30	15
Department of Insurance			
Miscellaneous Fines.....	222	1,865	365
Department of Labor and Industry			
Minor Labor Law Fines.....	27	44	44
Miscellaneous Fines.....	97	102	102
Public Utility Commission			
Violation Of Order Fines.....	86	85	90

* Less than \$500.

General Fund Revenue Detail

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Estimated	1997-98 Budget
Department of Revenue			
Malt Liquor Fines and Penalties	14	20	24
Motor Law Fines Prior To 7/1/76.....	*	*	*
Spirituous and Vinous Liquor Fines Penalties.....	21	29	35
Total Other Fines.....	\$ 21,059	\$ 33,000	\$ 23,500
TOTAL NONTAX REVENUES.....	\$ 362,775	\$ 344,600	\$ 308,500
TOTAL GENERAL FUND REVENUES.....	\$ 16,338,538	\$ 16,939,000	\$ 17,339,200

* Less than \$500.

General Fund Revenue Summary

Revenue History

(Dollar Amounts in Thousands)

	1990-91 Actual	1991-92 Actual	1992-93 Actual	1993-94 Actual	1994-95 Actual	1995-96 Actual
TAX REVENUE						
Corporation Taxes						
Corporate Net Income.....	\$ 1,000,583	\$ 1,613,290	\$ 1,456,128	\$ 1,554,112	\$ 1,905,933	\$ 1,625,889
Capital Stock and Franchise.....	585,007	886,021	875,105	881,128	894,032	879,543
Selective Business:						
Gross Receipts Tax.....	588,374	660,117	637,999	646,413	683,892	665,606
Public Utility Realty.....	149,788	202,941	156,269	156,616	154,031	151,003
Insurance Premiums.....	203,995	243,410	235,855	266,909	253,270	228,256
Financial Institutions.....	120,242	147,044	141,067	160,931	172,924	176,529
Other.....	8,290	8,342	21,734	12,591	13,545	12,417
Total — Corporation Taxes.....	\$ 2,656,279	\$ 3,761,165	\$ 3,524,157	\$ 3,678,700	\$ 4,077,627	\$ 3,739,243
Consumption Taxes						
Sales and Use.....	\$ 4,197,700	\$ 4,499,734	\$ 4,828,823	\$ 5,124,463	\$ 5,526,850	\$ 5,682,355
Cigarette.....	213,418	336,245	330,065	307,679	298,587	297,660
Malt Beverage.....	27,545	26,983	25,812	26,258	25,517	25,464
Liquor.....	115,328	117,645	122,746	119,985	121,187	124,044
Total — Consumption Taxes.....	\$ 4,553,991	\$ 4,980,607	\$ 5,307,446	\$ 5,578,385	\$ 5,972,141	\$ 6,129,523
Other Taxes						
Personal Income Tax.....	\$ 3,363,587	\$ 4,807,421	\$ 4,789,995	\$ 4,872,745	\$ 5,083,152	\$ 5,374,301
Realty Transfer.....	164,510	171,804	181,749	207,706	175,299	178,164
Inheritance.....	497,565	537,732	562,880	603,985	576,033	553,477
Minor and Repealed.....	942	1,093	1,833	1,320	1,401	1,055
Total — Other Taxes.....	\$ 4,026,604	\$ 5,518,050	\$ 5,536,457	\$ 5,685,756	\$ 5,835,885	\$ 6,106,997
TOTAL TAX REVENUE.....	\$ 11,236,874	\$ 14,259,822	\$ 14,368,060	\$ 14,942,841	\$ 15,885,653	\$ 15,975,763
NONTAX REVENUE						
Liquor Store Transfer.....	\$ 38,000	\$ 41,000	\$ 33,000	\$ 47,000	\$ 60,000	\$ 42,000
Licenses, Fees and Miscellaneous:						
Licenses and Fees.....	46,140	56,200	55,470	65,684	63,796	68,665
Micellaneous.....	519,629	139,104	153,495	130,372	183,532	231,051
Fines, Penalties and Interest:						
On Taxes.....	20,430	19,406	21,624	22,500	31,052	20,474
Other.....	1,199	1,265	1,469	2,345	651	585
TOTAL NONTAX REVENUES.....	\$ 625,398	\$ 256,975	\$ 265,058	\$ 267,901	\$ 339,031	\$ 362,775
GENERAL FUND TOTAL.....	\$ 11,862,272	\$ 14,516,797	\$ 14,633,118	\$ 15,210,742	\$ 16,224,684	\$ 16,338,538



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

Financial Statement *

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Estimated
Beginning Balance	\$ 119,151	\$ 119,089	\$ 98,767
Revenue:			
Revenue Receipts.....	\$ 1,566,355	\$ 1,570,351	\$ 1,558,436
Accrued Revenues Unrealized	99,376	101,099	100,825
Less Revenues Accrued Previously.....	<u>-94,986</u>	<u>-99,376</u>	<u>-101,099</u>
Total Revenue	<u>\$ 1,570,745</u>	<u>\$ 1,572,074</u>	<u>\$ 1,558,162</u>
Prior Year Lapses	<u>26,602</u>	<u>28,000</u>	<u>0</u>
Funds Available	<u>\$ 1,716,498</u>	<u>\$ 1,719,163</u>	<u>\$ 1,656,929</u>
Expenditures:			
Appropriations.....	\$ 1,597,409	\$ 1,650,196	\$ 1,654,983
Less Current Year Lapses	<u>0</u>	<u>-29,800</u>	<u>0</u>
Estimated Expenditures	<u>\$ -1,597,409</u>	<u>\$ -1,620,396</u>	<u>\$ -1,654,983</u>
Ending Balance	<u><u>\$ 119,089</u></u>	<u><u>\$ 98,767</u></u>	<u><u>\$ 1,946</u></u>

* Excludes restricted revenue.

Summary by Department

(Dollar Amounts in Thousands)

	<u>1995-96</u> Actual	<u>1996-97</u> Estimate	<u>1997-98</u> Budget
Executive Offices			
General Government			
Office of the Budget.....	\$ 4,046	\$ 4,008	\$ 4,024
TOTAL STATE FUNDS	<u>\$ 4,046</u>	<u>\$ 4,008</u>	<u>\$ 4,024</u>
Augmentations.....	\$ 779	\$ 907	\$ 1,174
DEPARTMENT TOTAL.....	<u>\$ 4,825</u>	<u>\$ 4,915</u>	<u>\$ 5,198</u>
Treasury Department			
General Government			
Replacement Checks.....	\$ 211	\$ 300	\$ 300
Refunding Liquid Fuel Tax — Agricultural.....	1,934	3,200	3,200
Administration of Refunding Liquid Fuel Tax.....	346	346	353
Refunding Liquid Fuel Tax — State Share.....	250	400	500
Refunding Emergency Liquid Fuel Tax.....	0	1	1
Refunding Liquid Fuel Tax — Political Subdivisions.....	1,338	2,300	2,300
Refunding Liquid Fuel Tax — Volunteer Services.....	76	300	350
Refunding Liquid Fuel Tax — Boat Fund.....	2,200	2,200	2,300
Subtotal.....	<u>\$ 6,355</u>	<u>\$ 9,047</u>	<u>\$ 9,304</u>
Debt Service Requirements			
Capital Debt — Transportation Projects.....	\$ 150,108	\$ 118,075	\$ 113,884
General Obligation Debt Service.....	1,399	1,367	1,301
Loan and Transfer Agent.....	71	135	135
Subtotal.....	<u>\$ 151,578</u>	<u>\$ 119,577</u>	<u>\$ 115,320</u>
TOTAL STATE FUNDS	<u>\$ 157,933</u>	<u>\$ 128,624</u>	<u>\$ 124,624</u>
Restricted Revenue.....	\$ 31,307	\$ 30,596	\$ 31,260
DEPARTMENT TOTAL.....	<u>\$ 189,240</u>	<u>\$ 159,220</u>	<u>\$ 155,884</u>
Department of Education			
Grants and Subsidies			
Safe Driving Course.....	\$ 1,413	\$ 1,498	\$ 1,526
DEPARTMENT TOTAL.....	<u>\$ 1,413</u>	<u>\$ 1,498</u>	<u>\$ 1,526</u>
Department of Conservation and Natural Resources			
Forestry Bridges — Excise Tax (R).....	\$ 3,670	\$ 8,102	\$ 4,670
DEPARTMENT TOTAL.....	<u>\$ 3,670</u>	<u>\$ 8,102</u>	<u>\$ 4,670</u>
Department of General Services			
Tort Claims Payments.....	\$ 27,000	\$ 27,000	\$ 27,000
Harristown Rental Charges.....	94	93	96
Harristown Utility and Municipal Charges.....	140	160	161
DEPARTMENT TOTAL.....	<u>\$ 27,234</u>	<u>\$ 27,253</u>	<u>\$ 27,257</u>

Summary by Department (continued)

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Estimate	1997-98 Budget
Department of Revenue			
General Government			
Collections — Liquid Fuels Tax.....	\$ 9,042	\$ 9,430	\$ 11,046
Refunding Liquid Fuels Tax.....	12,500	12,500	5,400
TOTAL STATE FUNDS	\$ 21,542	\$ 21,930	\$ 16,446
Augmentations.....	\$ 111	\$ 115	\$ 96
DEPARTMENT TOTAL.....	\$ 21,653	\$ 22,045	\$ 16,542
State Police			
General Government			
General Government Operations.....	\$ 235,110	\$ 246,190	\$ 250,422
Municipal Police Training.....	3,796	4,002	3,978
Patrol Vehicles.....	4,509	5,893	6,012
Computer Upgrade.....	4,344	0	0
DEPARTMENT TOTAL.....	\$ 247,759	\$ 256,085	\$ 260,412
Department of Transportation			
General Government			
General Government Operations.....	\$ 27,385	\$ 27,252	\$ 28,073
Highway Systems Technology.....	0	0	12,080
Refunding Collected Monies.....	2,726	3,000	3,000
Relocation of Transportation and Safety Operations.....	14,814	15,720	9,071
Highway and Safety Improvement.....	145,000	143,301	165,000
Metric Conversion.....	3,848	3,400	3,400
Highway Maintenance.....	622,724	546,942	625,221
Highway Maintenance — Supplemental.....	5,007	78,797	364
Highway Maintenance Resurfacing.....	0	61,000	0
Highway Maintenance One Time Surface Improvements..	0	0	41,000
Reinvestment — Facilities.....	5,993	8,500	6,000
Secondary Roads — Maintenance and Resurfacing.....	58,618	58,061	59,113
Safety Administration and Licensing.....	79,164	87,836	89,431
Subtotal.....	\$ 965,279	\$ 1,033,809	\$ 1,041,753
Grants and Subsidies			
Local Road Maintenance and Construction Payments.....	\$ 167,203	\$ 171,989	\$ 173,941
Supplemental Local Road Maintenance and Construction Payments.....	5,000	5,000	5,000
Subtotal.....	\$ 172,203	\$ 176,989	\$ 178,941
TOTAL STATE FUNDS	\$ 1,137,482	\$ 1,210,798	\$ 1,220,694
Federal Funds.....	\$ 625,427	\$ 779,406	\$ 771,413
Augmentations.....	35,655	40,334	45,878
Restricted Revenue.....	359,095	441,371	437,255
DEPARTMENT TOTAL.....	\$ 2,157,659	\$ 2,471,909	\$ 2,475,240

Summary by Department (continued)

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Estimate	1997-98 Budget
Fund Summary			
State Funds — Transportation.....	\$ 1,137,482	\$ 1,210,798	\$ 1,220,694
State Funds — Other Departments.....	459,927	439,398	434,289
TOTAL STATE FUNDS.....	<u>\$ 1,597,409</u>	<u>\$ 1,650,196</u>	<u>\$ 1,654,983</u>
Motor License Fund Total—All Funds			
State Funds.....	\$ 1,597,409	\$ 1,650,196	\$ 1,654,983
Federal Funds.....	625,427	779,406	771,413
Augmentations.....	36,545	41,356	47,148
Restricted Revenue.....	394,072	480,069	473,185
FUND TOTAL.....	<u>\$ 2,653,453</u>	<u>\$ 2,951,027</u>	<u>\$ 2,946,729</u>

REVENUE SUMMARY

Five Year Revenue Projections

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Estimated	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
Liquid Fuels Taxes.....	\$ 982,117	\$ 988,201	\$ 988,171	\$ 990,341	\$ 992,801	\$ 994,972	\$ 997,431
Motor Licenses and Fees.....	506,055	506,000	493,515	492,833	495,654	495,179	494,907
Other Motor License Fund Revenues.....	78,183	76,150	76,750	76,950	77,550	77,650	77,750
TOTAL MOTOR LICENSE FUND REVENUES.....	\$ 1,566,355	\$ 1,570,351	\$ 1,558,436	\$ 1,560,124	\$ 1,566,005	\$ 1,567,801	\$ 1,570,088
Aviation Restricted Revenues.....	\$ 17,653	\$ 18,800	\$ 18,790	\$ 19,020	\$ 19,020	\$ 19,140	\$ 19,140
Highway Bridge Improvement Restricted Revenues.....	\$ 62,573	\$ 77,648	\$ 74,750	\$ 74,900	\$ 74,975	\$ 75,050	\$ 75,150
State Highway Transfer Restricted Revenues.....	\$ 15,833	\$ 16,043	\$ 15,993	\$ 16,028	\$ 16,068	\$ 16,104	\$ 16,144
Oil Company Franchise Tax Restricted Account Revenues.....	\$ 289,626	\$ 294,114	\$ 293,208	\$ 293,855	\$ 294,589	\$ 295,236	\$ 295,969

Adjustments to 1996-97 Revenue Estimate

On June 28, 1996, an official estimate for 1996-97 of \$1,560,300,000 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)

	1996-97 Official Estimate	Adjustments	1996-97 Revised Estimate
Liquid Fuels Taxes.....	\$ 982,400	\$ 5,801	\$ 988,201
Motor Licenses and Fees.....	499,700	6,300	506,000
Other Motor License Fund Revenues.....	78,200	-2,050	76,150
TOTAL.....	\$ 1,560,300	\$ 10,051	\$ 1,570,351

Revenue Sources

Liquid Fuels Taxes

(Dollar Amounts in Thousands)

Actual		Estimated	
1990-91.....	\$ 926,026	1996-97.....	\$ 988,201
1991-92.....	925,019	1997-98.....	988,171
1992-93.....	985,955	1998-99.....	990,341
1993-94.....	954,002	1999-00.....	992,801
1994-95.....	982,556	2000-01.....	994,972
1995-96.....	982,117	2001-02.....	997,431

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 26,000 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. Credit is also given for tax paid on motor fuels purchased in Pennsylvania but consumed elsewhere.

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

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

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

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

Revenue Sources (Continued)

Motor Licenses and Fees

(Dollar Amounts in Thousands)

Actual		Estimated	
1990-91.....	\$ 459,321	1996-97.....	\$ 506,000
1991-92.....	467,094	1997-98.....	493,515
1992-93.....	471,953	1998-99.....	492,833
1993-94.....	476,426	1999-00.....	495,654
1994-95.....	505,716	2000-01.....	495,179
1995-96.....	506,055	2001-02.....	494,907

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

(Dollar Amounts in Thousands)

Actual		Estimated	
1990-91.....	\$ 87,793	1996-97.....	\$ 76,150
1991-92.....	74,580	1997-98.....	76,750
1992-93.....	66,670	1998-99.....	76,950
1993-94.....	72,305	1999-00.....	77,550
1994-95.....	71,351	2000-01.....	77,650
1995-96.....	78,183	2001-02.....	77,750

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 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.

Revenue Detail

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

(Dollar Amounts in Thousands)

	<u>1995-96</u> <u>Actual</u>	<u>1996-97</u> <u>Estimate</u>	<u>1997-98</u> <u>Budget</u>
LIQUID FUELS TAXES			
Liquid Fuels Tax			
Liquid Fuels Tax.....	\$ 532,910	\$ 545,359	\$ 542,859
Liquid Fuels Tax Interest.....	17	17	18
Liquid Fuels Tax Penalties.....	121	124	123
Subtotal.....	<u>\$ 533,048</u>	<u>\$ 545,500</u>	<u>\$ 543,000</u>
Fuel Use Tax			
Fuel Use Tax.....	\$ 132,322	\$ 135,830	\$ 136,229
Fuel Use Tax Interest.....	187	192	192
Fuel Use Tax Penalties.....	368	378	379
Subtotal.....	<u>\$ 132,877</u>	<u>\$ 136,400</u>	<u>\$ 136,800</u>
Motor Carriers Road Tax — Motorbus Road Tax			
Motor Carriers Road/Motorbus Road — Fuels Tax.....	\$ 10,830	\$ 1,279	\$ 3,837
Motor Carriers Road/Motorbus Road — Registration Fees, Special Permit Fees and Fines.....	1,872	221	663
Subtotal.....	<u>\$ 12,702</u>	<u>\$ 1,500</u>	<u>\$ 4,500</u>
Interstate Bus Compact Fuels Tax			
Penalties & Interest.....	\$ 2	\$ -8	\$ 0
Oil Company Franchise Tax.....	<u>\$ 303,488</u>	<u>\$ 304,809</u>	<u>\$ 303,871</u>
TOTAL LIQUID FUELS TAXES.....	<u><u>\$ 982,117</u></u>	<u><u>\$ 988,201</u></u>	<u><u>\$ 988,171</u></u>
MOTOR LICENSES AND FEES			
Operators' Licenses.....	\$ 52,370	\$ 50,100	\$ 48,500
Other Fees Collected by Bureau of Motor Vehicles.....	18,345	18,000	18,000
Registration Fees Received From Other States/IRP.....	29,861	32,500	31,815
Special Hauling Permit Fees.....	10,698	10,400	10,200
Vehicle Registration and Titling.....	394,781	395,000	385,000
TOTAL MOTOR LICENSES AND FEES.....	<u><u>\$ 506,055</u></u>	<u><u>\$ 506,000</u></u>	<u><u>\$ 493,515</u></u>

Revenue Detail (continued)

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Estimate	1997-98 Budget
OTHER MOTOR LICENSE FUND REVENUES			
Gross Receipts Tax.....	\$ 609	\$ 500	\$ 500
Fines and Penalties			
Department of Revenue			
Vehicle Code Fines.....	\$ 25,919	\$ 26,003	\$ 27,466
Department of Transportation			
Vehicle Code Fines.....	4,184	4,197	4,434
Subtotal.....	<u>\$ 30,103</u>	<u>\$ 30,200</u>	<u>\$ 31,900</u>
Miscellaneous Revenues			
Treasury Department			
Interest on Deposits - Cash Advancement Accounts.....	\$ 68	\$ 64	\$ 62
Interest on Securities.....	21,707	20,671	19,709
Interest on Securities - Liquid Fuels Tax Fund.....	459	437	417
Redeposit of Checks.....	344	328	312
Subtotal.....	<u>\$ 22,578</u>	<u>\$ 21,500</u>	<u>\$ 20,500</u>
Department of General Services			
Sale of Unserviceable Property.....	\$ 413	\$ 450	\$ 450
Department of Revenue			
Amnesty Program.....	\$ 925	\$ 0	\$ 0
Department of Transportation			
Fees for Reclaiming Abandoned Vehicles.....	\$ 34	\$ 34	\$ 34
Highway Bridge Income.....	145	145	144
Highway Encroachment Permits.....	1,309	1,306	1,300
Recovered Damages.....	1	1	1
Sale of Abandoned Vehicles.....	2	2	2
Sale of Bid Proposals and Contract Specifications.....	511	510	508
Sale of Inspection Stickers.....	19,689	19,644	19,560
Sale of Maps and Plans.....	374	373	372
Miscellaneous Revenues.....	751	748	745
Refunds of Expenditures Not Credited to			
Appropriations or Allocations.....	739	737	734
Subtotal.....	<u>\$ 23,555</u>	<u>\$ 23,500</u>	<u>\$ 23,400</u>
TOTAL OTHER MOTOR LICENSE FUND REVENUES.....	<u>\$ 78,183</u>	<u>\$ 76,150</u>	<u>\$ 76,750</u>
TOTAL MOTOR LICENSE FUND REVENUES.....	<u>\$ 1,566,355</u>	<u>\$ 1,570,351</u>	<u>\$ 1,558,436</u>

Restricted Revenues Not Included in Department Total

Aviation Revenues

(Dollar Amounts in Thousands)

	Actual		Estimated	
1990-91.....	\$ 17,478		1996-97.....	\$ 18,800
1991-92.....	17,469		1997-98.....	18,790
1992-93.....	17,230		1998-99.....	19,020
1993-94.....	19,696		1999-00.....	19,020
1994-95.....	18,678		2000-01.....	19,140
1995-96.....	17,653		2001-02.....	19,140

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, 1997, is 3.7 cents per gallon on aviation gasoline and 1.9 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.

	1995-96 Actual	1996-97 Estimate	1997-98 Budget
AVIATION REVENUES			
Aviation Liquid Fuels Tax.....	\$ 9,329	\$ 9,250	\$ 9,240
Harrisburg International Airport Industrial Park.....	424	510	510
Harrisburg International Airport Operations.....	7,767	8,900	8,900
State Airport Operations.....	133	140	140
TOTAL AVIATION REVENUES.....	\$ 17,653	\$ 18,800	\$ 18,790

Highway Bridge Improvement Revenues

(Dollar Amounts in Thousands)

	Actual		Estimated	
1990-91.....	\$ 68,201		1996-97.....	\$ 77,648
1991-92.....	35,498 ^a		1997-98.....	74,750
1992-93.....	38,924 ^a		1998-99.....	74,900
1993-94.....	69,781		1999-00.....	74,975
1994-95.....	75,410		2000-01.....	75,050
1995-96.....	62,573		2001-02.....	75,150

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 qualified vehicles; a portion of the registration fee for Pennsylvania based motor vehicles in classes 9-25; and temporary permit fees collected from out-of-state motor carriers for travel in Pennsylvania.

	1995-96 Actual	1996-97 Estimate	1997-98 Budget
HIGHWAY BRIDGE IMPROVEMENT REVENUES			
Motor Carrier Surcharge.....	\$ 44,570	\$ 60,100	\$ 57,500
Registration Fee Portion-PA-Based Motor Vehicles.....	17,028	17,200	17,000
Temporary Permit Fees.....	975	348	250
TOTAL HIGHWAY BRIDGE REVENUES.....	\$ 62,573	\$ 77,648	\$ 74,750

^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.

Restricted Revenues Not Included in Department Total (continued)

State Highway Transfer Revenues

(Dollar Amounts in Thousands)

Actual		Estimated	
1990-91.....	\$ 15,231	1996-97.....	\$ 16,043
1991-92.....	14,903	1997-98.....	15,993
1992-93.....	16,369	1998-99.....	16,028
1993-94.....	15,438	1999-00.....	16,068
1994-95.....	15,716	2000-01.....	16,104
1995-96.....	15,833	2001-02.....	16,144

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

(Dollar Amounts in Thousands)

Actual		Estimated	
1990-91.....	\$ 0	1996-97.....	\$ 294,114
1991-92.....	176,918	1997-98.....	293,208
1992-93.....	288,863	1998-99.....	293,855
1993-94.....	280,361	1999-00.....	294,589
1994-95.....	287,874	2000-01.....	295,236
1995-96.....	289,626	2001-02.....	295,969

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)

	1995-96 Actual	1996-97 Available	1997-98 Estimated
Beginning Balance.....	\$ 2,313	\$ 3,844	\$ 4,557
Receipts:			
Revenue Estimate.....	\$ 11,164	\$ 9,747	\$ 9,904
Prior Year Lapses.....	116	0	0
Total Receipts.....	<u>\$ 11,280</u>	<u>\$ 9,747</u>	<u>\$ 9,904</u>
Funds Available.....	<u>\$ 13,593</u>	<u>\$ 13,591</u>	<u>\$ 14,461</u>
Expenditures:			
Appropriated.....	\$ 9,749	\$ 9,034	\$ 9,201
Estimated Expenditures.....	<u>-9,749</u>	<u>-9,034</u>	<u>-9,201</u>
Cash Balance, Ending.....	<u>\$ 3,844</u>	<u>\$ 4,557</u>	<u>\$ 5,260</u>

Summary by Department

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Estimate	1997-98 Budget
Treasury Department			
General Government			
Replacement Checks.....	\$ 0	\$ 5	\$ 5
Banking Department			
General Government			
General Government Operations.....	\$ 9,399	\$ 8,715	\$ 8,886
DEPARTMENT TOTAL.....	<u>\$ 9,399</u>	<u>\$ 8,715</u>	<u>\$ 8,886</u>
Department of General Services			
General Government			
Harristown Rental Charges.....	\$ 158	\$ 139	\$ 139
Harristown Utility and Municipal Charges.....	192	175	171
DEPARTMENT TOTAL.....	<u>\$ 350</u>	<u>\$ 314</u>	<u>\$ 310</u>
FUND TOTAL.....	<u>\$ 9,749</u>	<u>\$ 9,034</u>	<u>\$ 9,201</u>

REVENUE SUMMARY

(Dollar Amounts in Thousands)

Five Year Revenue Projections

	1995-96 Actual	1996-97 Estimated	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
Licenses and Fees.....	\$ 10,721	\$ 9,370	\$ 9,508	\$ 9,669	\$ 9,985	\$ 10,289	\$ 10,497
Fines and Penalties.....	146	70	80	86	92	98	105
Miscellaneous.....	297	307	316	325	335	345	355
TOTAL BANKING DEPARTMENT FUND REVENUES.....	\$ 11,164	\$ 9,747	\$ 9,904	\$ 10,080	\$ 10,412	\$ 10,732	\$ 10,957

Revenue Sources

Licenses and Fees

Actual		Estimated	
1990-91.....	\$ 8,566	1996-97.....	\$ 9,370
1991-92.....	9,058	1997-98.....	9,508
1992-93.....	10,440	1998-99.....	9,669
1993-94.....	12,382	1999-00.....	9,985
1994-95.....	10,546	2000-01.....	10,289
1995-96.....	10,721	2001-02.....	10,497

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

Fines and Penalties

Actual		Estimated	
1990-91.....	\$ 0	1996-97.....	\$ 70
1991-92.....	14	1997-98.....	80
1992-93.....	40	1998-99.....	86
1993-94.....	101	1999-00.....	92
1994-95.....	63	2000-01.....	98
1995-96.....	146	2001-02.....	105

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.

Banking Department Fund

Revenue Sources (continued)

Miscellaneous Revenue

	Actual		Estimated	
1990-91.....	\$ 389		1996-97.....	\$ 307
1991-92.....	162		1997-98.....	316
1992-93.....	79		1998-99.....	325
1993-94.....	79		1999-00.....	335
1994-95.....	221		2000-01.....	345
1995-96.....	297		2001-02.....	355

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

Revenue Detail

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

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Estimate	1997-98 Budget
Licenses and Fees			
Banking — Examinations.....	\$ 3	\$ 4	\$ 4
Banking — Overhead Assessments.....	1	0	0
Banking — Application Fees.....	101	77	70
Banking — Foreign Bank Application Fees.....	11	3	3
Banking — Interstate Application Fees.....	5	0	0
Banking — Intrastate Application Fees.....	10	25	20
Savings Associations — Examinations.....	485	430	370
Savings Associations — Overhead Assessments.....	103	98	89
Savings Associations — Application Fees.....	4	10	7
Savings Associations — Mergers and Consolidations.....	0	4	2
Savings Associations — Interstate Application Fees.....	2	7	5
Consumer Credit — Examinations.....	218	218	217
Consumer Credit — Overhead Assessments.....	288	280	281
Consumer Credit — Pawnbroker Licenses.....	25	24	26
Consumer Credit — Installment Seller Licenses.....	904	888	912
Consumer Credit — Consumer Discount Company Licenses.....	234	240	243
Consumer Credit — Money Transmitter Licenses.....	38	40	40
Consumer Credit — Sales Finance Licenses.....	329	288	314
Consumer Credit — Collector-Repossessor Licenses.....	32	28	28
Consumer Credit — Second Mortgage Licenses.....	498	377	380
Secondary Mortgage Broker Licenses.....	162	105	113
Examinations — Credit Union.....	356	320	300
Examinations — Pawnbrokers.....	16	21	22
Examinations — Second Mortgage.....	80	86	91
Examinations — First Mortgage.....	2	4	7
Examinations — Trust Companies.....	163	170	150
Examinations — Money Transmitters.....	0	62	44
Examinations — Secondary Mortgage Broker.....	0	24	28
Overhead Assessments — Trust Companies.....	148	140	170
Total Assessment Charges — Banks.....	6,062	5,024	5,175
First Mortgage Company — Licenses.....	411	342	388
Mutual Holding Companies — Reorganization Application Fees.....	0	10	0
Miscellaneous.....	30	21	9
TOTAL.....	\$ 10,721	\$ 9,370	\$ 9,508

Banking Department Fund

Revenue Detail (continued)

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Estimate	1997-98 Budget
Fines and Penalties			
Banking Law--Fines and Penalties.....	\$ 146	\$ 70	\$ 80
TOTAL.....	<u>\$ 146</u>	<u>\$ 70</u>	<u>\$ 80</u>
Miscellaneous Revenue			
Interest on Securities.....	\$ 296	\$ 306	\$ 315
Interest on Deposits.....	0	0	0
Miscellaneous.....	1	1	1
TOTAL.....	<u>\$ 297</u>	<u>\$ 307</u>	<u>\$ 316</u>
TOTAL REVENUES.....	<u>\$ 11,164</u>	<u>\$ 9,747</u>	<u>\$ 9,904</u>



COMMONWEALTH OF PENNSYLVANIA

BOAT FUND

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

GOVERNOR'S EXECUTIVE BUDGET

Financial Statement

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Estimated
Beginning Balance	\$ 7,484	\$ 5,861	\$ 8,847
Receipts:			
Revenue Estimate.....	\$ 6,273	\$ 11,745	\$ 8,428
Prior Year Lapses ^a	306	680	0
Total Receipts.....	\$ 6,579	\$ 12,425	\$ 8,428
Funds Available	\$ 14,063	\$ 18,286	\$ 17,275
Expenditures:			
Appropriated.....	\$ 8,202	\$ 9,439	\$ 9,089
Estimated Expenditures.....	-8,202	-9,439	-9,089
Cash Balance, Ending	\$ 5,861	\$ 8,847	\$ 8,186

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

Summary by Department

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Estimate	1997-98 Budget
Treasury Department			
General Government			
Replacement Checks.....	\$ 0	\$ 5	\$ 5
Fish and Boat Commission			
General Government			
General Operations.....	\$ 6,994	\$ 7,467	\$ 8,277
TOTAL STATE FUNDS	\$ 6,994	\$ 7,472	\$ 8,282
Federal Funds.....	\$ 1,192	\$ 1,952	\$ 792
Other Funds.....	16	15	15
FUND TOTAL	\$ 8,202	\$ 9,439	\$ 9,089

REVENUE SUMMARY

(Dollar Amounts in Thousands)

Five Year Revenue Projections

	1995-96 Actual	1996-97 Estimated	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
Licenses and Fees.....	\$ 4,231	\$ 4,815	\$ 4,577	\$ 5,157	\$ 4,672	\$ 5,302	\$ 4,802
Fines and Penalties.....	161	140	150	150	150	150	150
Miscellaneous.....	672	4,823	2,894	2,995	3,096	3,187	3,278
TOTAL BOAT FUND REVENUES.....	\$ 5,064	\$ 9,778	\$ 7,621	\$ 8,302	\$ 7,918	\$ 8,639	\$ 8,230
Augmentations.....	\$ 1,209	\$ 1,967	\$ 807	\$ 807	\$ 807	\$ 807	\$ 807
TOTAL BOAT FUND RECEIPTS.....	\$ 6,273	\$ 11,745	\$ 8,428	\$ 9,109	\$ 8,725	\$ 9,446	\$ 9,037

Revenue Sources

Licenses and Fees

Actual	Estimated
1990-91..... \$ 2,262	1996-97..... \$ 4,815
1991-92..... 3,259	1997-98..... 4,577
1992-93..... 4,331	1998-99..... 5,157
1993-94..... 4,128	1999-00..... 4,672
1994-95..... 4,583	2000-01..... 5,302
1995-96..... 4,231	2001-02..... 4,802

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
1990-91..... \$ 118	1996-97..... \$ 140
1991-92..... 103	1997-98..... 150
1992-93..... 108	1998-99..... 150
1993-94..... 141	1999-00..... 150
1994-95..... 133	2000-01..... 150
1995-96..... 161	2001-02..... 150

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

Revenue Sources (continued)

Miscellaneous Revenue

	Actual		Estimated
1990-91.....	\$ 2,218	1996-97.....	\$ 4,823
1991-92.....	2,189	1997-98.....	2,894
1992-93.....	2,335	1998-99.....	2,995
1993-94.....	2,352	1999-00.....	3,096
1994-95.....	2,679	2000-01.....	3,187
1995-96.....	672	2001-02.....	3,278

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

Revenue Detail

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

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Estimate	1997-98 Budget
Licenses and Fees			
Motor Boat Registration Fees.....	\$ 4,183	\$ 4,774	\$ 4,305
Boat Mooring Permits — Walnut Creek Access.....	36	28	35
Boating Safety Curriculum Fees.....	4	3	4
Boat Capacity Plate Fees.....	8	10	8
Boat Titling Fees.....	0	0	225
TOTAL	\$ 4,231	\$ 4,815	\$ 4,577
Fines and Penalties			
Motor Boat Fines.....	\$ 161	\$ 140	\$ 150
TOTAL	\$ 161	\$ 140	\$ 150
Miscellaneous Revenues			
Transfer from Motor License and Liquid Fuels			
Tax Funds.....	\$ 0	\$ 4,240	\$ 2,200
Miscellaneous.....	20	20	20
Interest on Securities.....	441	375	435
Sale of Unserviceable Property.....	0	3	2
Sales Tax Agent Fee PFC Share.....	91	41	87
Sale of <i>Boat Pennsylvania</i>	8	0	0
North East Marina.....	112	144	150
TOTAL	\$ 672	\$ 4,823	\$ 2,894
Augmentations			
Sale of Automobiles.....	\$ 16	\$ 15	\$ 15
U.S. Coast Guard Grant for Boating Safety.....	709	1,035	200
Sport Fish Restoration.....	385	820	512
Clean Vessel Act.....	99	97	80
TOTAL	\$ 1,209	\$ 1,967	\$ 807
TOTAL RECEIPTS	\$ 6,273	\$ 11,745	\$ 8,428



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)

	1995-96 Actual	1996-97 Available	1997-98 Estimated
Beginning Balance	\$ 1,060	\$ 745	\$ 58
Receipts:			
Revenue Estimate.....	\$ 3,649	\$ 3,632	\$ 4,016
Transfer from General Fund.....	800	800	800
Prior Year Lapses.....	18	0	0
Total Receipts.....	<u>\$ 4,467</u>	<u>\$ 4,432</u>	<u>\$ 4,816</u>
Funds Available	<u>\$ 5,527</u>	<u>\$ 5,177</u>	<u>\$ 4,874</u>
Expenditures:			
Appropriated.....	\$ 4,782	\$ 5,119	\$ 4,636
Estimated Expenditures.....	<u>-4,782</u>	<u>-5,119</u>	<u>-4,636</u>
Cash Balance, Ending	<u>\$ 745</u>	<u>\$ 58</u>	<u>\$ 238</u>

Summary by Department

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Estimate	1997-98 Budget
Treasury Department			
General Government	\$ 0	\$ 5	\$ 5
Department of Agriculture			
General Government			
General Operations.....	<u>\$ 3,982</u>	<u>\$ 4,314</u>	<u>\$ 3,831</u>
Augmentations.....	<u>\$ 800</u>	<u>\$ 800</u>	<u>\$ 800</u>
FUND TOTAL	<u>\$ 4,782</u>	<u>\$ 5,119</u>	<u>\$ 4,636</u>

Farm Products Show Fund

REVENUE SUMMARY

(Dollar Amounts in Thousands)

Five Year Revenue Projections

	1995-96 Actual	1996-97 Estimated	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
Fees.....	\$ 282	\$ 285	\$ 285	\$ 285	\$ 285	\$ 285	\$ 285
Miscellaneous.....	3,367	3,347	3,731	3,451	3,564	3,679	3,798
TOTAL FARM PRODUCTS SHOW FUND REVENUES.....	\$ 3,649	\$ 3,632	\$ 4,016	\$ 3,736	\$ 3,849	\$ 3,964	\$ 4,083
Augmentations.....	\$ 800	\$ 800	\$ 800	\$ 800	\$ 800	\$ 800	\$ 800
TOTAL FARM PRODUCTS SHOW FUND RECEIPTS.....	\$ 4,449	\$ 4,432	\$ 4,816	\$ 4,536	\$ 4,649	\$ 4,764	\$ 4,883

Revenue Sources

Fees

Actual	Estimated
1990-91..... \$ 267	1996-97..... \$ 285
1991-92..... 263	1997-98..... 285
1992-93..... 276	1998-99..... 285
1993-94..... 274	1999-00..... 285
1994-95..... 278	2000-01..... 285
1995-96..... 282	2001-02..... 285

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
1990-91..... \$ 2,424	1996-97..... \$ 3,347
1991-92..... 2,651	1997-98..... 3,731
1992-93..... 2,830	1998-99..... 3,451
1993-94..... 2,870	1999-00..... 3,564
1994-95..... 3,218	2000-01..... 3,679
1995-96..... 3,367	2001-02..... 3,798

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.

Farm Products Show Fund

Revenue Detail

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

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Estimate	1997-98 Budget
Licenses and Fees			
Exhibit Fees — Competitive--Farm Show.....	\$ 20	\$ 20	\$ 20
Exhibit — Commercial.....	262	265	265
TOTAL.....	\$ 282	\$ 285	\$ 285
Miscellaneous Revenue			
Concession Revenue.....	\$ 871	\$ 869	\$ 914
Service Charges.....	425	413	423
Rentals.....	1,524	1,453	1,400
Miscellaneous Revenue.....	23	35	430
Interest on Securities, Deposits, Returned Checks.....	74	0	0
Parking Fees.....	418	530	520
Salary Reimbursement — Dairy and Livestock Association.....	29	41	44
Sign Shop Sales.....	3	6	0
TOTAL.....	\$ 3,367	\$ 3,347	\$ 3,731
Augmentations			
Transfer from General Fund.....	\$ 800	\$ 800	\$ 800
TOTAL RECEIPTS.....	\$ 4,449	\$ 4,432	\$ 4,816



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

Financial Statement

(Dollar Amounts in Thousands)

	<u>1995-96 Actual</u>	<u>1996-97 Available</u>	<u>1997-98 Estimated</u>
Beginning Balance	\$ 8,205	\$ 9,586	\$ 12,809
Receipts:			
Miscellaneous.....	\$ 34,913	\$ 38,282	\$ 37,788
Prior Year Lapses.....	1,110	1,070	0
Total Receipts	<u>\$ 36,023</u>	<u>\$ 39,352</u>	<u>\$ 37,788</u>
Funds Available	<u>\$ 44,228</u>	<u>\$ 48,938</u>	<u>\$ 50,597</u>
Expenditures:			
Appropriated.....	\$ 34,642	\$ 36,129	\$ 36,803
Estimated Expenditures.....	<u>-34,642</u>	<u>-36,129</u>	<u>-36,803</u>
Cash Balance, Ending	<u><u>\$ 9,586</u></u>	<u><u>\$ 12,809</u></u>	<u><u>\$ 13,794</u></u>

Summary by Department

(Dollar Amounts in Thousands)

	<u>1995-96 Actual</u>	<u>1996-97 Estimate</u>	<u>1997-98 Budget</u>
Treasury Department			
General Government			
Replacement Checks.....	\$ 0	\$ 5	\$ 5
Debt Service Requirements			
General Operation Debt Service.....	\$ 4	\$ 1	\$ 0
DEPARTMENT TOTAL	<u>\$ 4</u>	<u>\$ 6</u>	<u>\$ 5</u>
Fish and Boat Commission			
General Government			
General Operations.....	\$ 21,079	\$ 20,689	\$ 22,242
TOTAL STATE FUNDS	<u>\$ 21,083</u>	<u>\$ 20,695</u>	<u>\$ 22,247</u>
Federal Funds.....	\$ 5,224	\$ 5,433	\$ 5,024
Other Funds.....	8,335	10,001	9,532
FUND TOTAL	<u><u>\$ 34,642</u></u>	<u><u>\$ 36,129</u></u>	<u><u>\$ 36,803</u></u>

REVENUE SUMMARY

(Dollar Amounts in Thousands)

Five Year Revenue Projections

	1995-96 Actual	1996-97 Estimated	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
Licenses and Fees.....	\$ 19,100	\$ 20,848	\$ 21,085	\$ 21,371	\$ 21,664	\$ 21,957	\$ 22,253
Fines and Penalties.....	314	300	300	300	300	300	300
Miscellaneous.....	1,940	1,700	1,847	1,859	1,870	1,823	1,799
TOTAL FISH FUND REVENUES.....	\$ 21,354	\$ 22,848	\$ 23,232	\$ 23,530	\$ 23,834	\$ 24,080	\$ 24,352
Augmentations.....	\$ 13,559	\$ 15,434	\$ 14,556	\$ 14,731	\$ 14,909	\$ 15,090	\$ 15,275
TOTAL FISH FUND RECEIPTS.....	\$ 34,913	\$ 38,282	\$ 37,788	\$ 38,261	\$ 38,743	\$ 39,170	\$ 39,627

Revenue Sources

Licenses and Fees

Actual		Estimated	
1990-91.....	\$ 16,595	1996-97.....	\$ 20,848
1991-92.....	17,027	1997-98.....	21,085
1992-93.....	17,239	1998-99.....	21,371
1993-94.....	17,170	1999-00.....	21,664
1994-95.....	17,500	2000-01.....	21,957
1995-96.....	19,100	2001-02.....	22,253

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 licenses. Other sources of revenue include special eel licenses, Lake Erie commercial fishing licenses and commercial hatchery licenses.

Fines and Penalties

Actual		Estimated	
1990-91.....	\$ 275	1996-97.....	\$ 300
1991-92.....	261	1997-98.....	300
1992-93.....	293	1998-99.....	300
1993-94.....	317	1999-00.....	300
1994-95.....	282	2000-01.....	300
1995-96.....	314	2001-02.....	300

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

Revenue Sources (continued)

Miscellaneous Revenue

Actual		Estimated	
1990-91.....	\$ 2,748	1996-97.....	\$ 1,700
1991-92.....	2,297	1997-98.....	1,847
1992-93.....	2,035	1998-99.....	1,859
1993-94.....	1,950	1999-00.....	1,870
1994-95.....	1,884	2000-01.....	1,823
1995-96.....	1,940	2001-02.....	1,799

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.

Revenue Detail

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

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Estimated	1997-98 Budget
Licenses and Fees			
Resident Fishing Licenses.....	\$ 13,355	\$ 14,508	\$ 14,689
Resident Senior Fishing Licenses.....	50	76	77
Nonresident Fishing Licenses.....	1,685	2,166	2,175
Tourist Fishing Licenses — 3 Day.....	98	100	268
Tourist Fishing Licenses — 7 Day.....	11	205	47
Tourist Fishing Licenses.....	226	0	0
Lake Erie Licenses.....	2	4	2
Commercial Hatchery Licenses.....	8	9	9
Fishing Lake Licenses.....	23	24	24
Miscellaneous Permits and Fees.....	39	35	37
Scientific Collector's Permits.....	5	6	6
Lifetime Fishing Licenses--Senior Resident.....	198	241	244
Membership Fees — Pennsylvania League of Angling Youth.....	16	8	16
H.R. Stackhouse Facilities User Fees.....	1	2	1
Trout/Salmon Stamp.....	3,383	3,464	3,490
TOTAL.....	\$ 19,100	\$ 20,848	\$ 21,085
Fines and Penalties			
Fish Law Fines.....	\$ 314	\$ 300	\$ 300
TOTAL.....	\$ 314	\$ 300	\$ 300

Revenue Detail (continued)

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Estimated	1997-98 Budget
Miscellaneous Revenue			
Sale of Publications.....	\$ 24	\$ 18	\$ 25
Sale of Unserviceable Property.....	1	5	5
Miscellaneous Revenue.....	64	45	55
Interest on Securities and Deposits.....	659	600	700
Rental of Fish and Boat Commission Property.....	20	35	13
Income from Sand and Gravel Dredging.....	344	290	330
In Lieu of Payments for Fishways.....	75	25	25
Sale of <i>Pennsylvania Angler</i>	228	253	230
Van Dyke Shad Station — Reimbursements.....	121	0	0
Pollution and Stream Disturbance Settlements.....	335	380	350
Sale of Recreational Fishing Promotional Items.....	54	10	92
Royalty Payments.....	13	9	12
Contributions — Land and Water Acquisition.....	2	30	10
TOTAL.....	\$ 1,940	\$ 1,700	\$ 1,847
TOTAL REVENUES.....	\$ 21,354	\$ 22,848	\$ 23,232
Augmentations			
Sale of Automobiles and Other Vehicles.....	\$ 59	\$ 35	\$ 50
Reimbursement for Services — Boat Fund.....	8,202	9,434	9,084
Reimbursement for Services — Department of Transportation.....	66	50	54
Reimbursement for Services — Shad Restoration.....	8	285	325
Reimbursement for Services — DEP/EPA Projects.....	0	143	0
Reimbursement for Services — Wild Resource Conservation Fund.....	0	50	15
Claim Settlement — Texas Eastern.....	0	4	4
Federal Reimbursement — Sport Fish Restoration.....	5,034	5,011	4,752
Reimbursement for Services — Mid-Atlantic Management Council.....	5	8	10
Federal Reimbursement — Clean Vessel Act.....	0	10	5
Federal Reimbursement — Endangered Species.....	6	13	0
Federal Reimbursement — Surface Mine Regulation.....	76	40	40
Federal Reimbursement — NOAA.....	103	351	217
TOTAL.....	\$ 13,559	\$ 15,434	\$ 14,556
TOTAL RECEIPTS.....	\$ 34,913	\$ 38,282	\$ 37,788



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

Financial Statement

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Estimated
Beginning Balance	\$ 36,565	\$ 31,856	\$ 22,050
Receipts:			
Revenue Estimate.....	\$ 51,583	\$ 50,797	\$ 49,846
Prior Year Lapses.....	1,414	500	0
Total Receipts.....	\$ 52,997	\$ 51,297	\$ 49,846
Funds Available	\$ 89,562	\$ 83,153	\$ 71,896
Expenditures:			
Appropriated.....	\$ 57,706	\$ 61,103	\$ 57,599
Estimated Expenditures.....	-57,706	-61,103	-57,599
Cash Balance, Ending	\$ 31,856	\$ 22,050	\$ 14,297

Summary by Department

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Estimate	1997-98 Budget
Treasury Department			
General Government			
Replacement Checks.....	\$ 0	\$ 5	\$ 5
Game Commission			
General Government			
General Operations.....	\$ 47,686	\$ 52,452	\$ 49,039
Land Acquisition and Development.....	1,534	500	500
DEPARTMENT TOTAL.....	\$ 49,220	\$ 52,952	\$ 49,539
TOTAL STATE FUNDS	\$ 49,220	\$ 52,957	\$ 49,544
Federal Funds.....	\$ 7,832	\$ 7,646	\$ 7,555
Other Funds.....	654	500	500
FUND TOTAL.....	\$ 57,706	\$ 61,103	\$ 57,599

REVENUE SUMMARY

(Dollar Amounts in Thousands)

Five Year Revenue Projections

	1995-96 Actual	1996-97 Estimated	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
Licenses and Fees.....	\$ 25,087	\$ 25,083	\$ 24,793	\$ 24,793	\$ 24,793	\$ 24,793	\$ 24,793
Fines and Penalties.....	2,140	1,800	1,700	1,700	1,700	1,700	1,700
Miscellaneous.....	15,870	15,768	15,298	15,298	15,298	15,298	15,298
TOTAL GAME FUND REVENUES.....	\$ 43,097	\$ 42,651	\$ 41,791	\$ 41,791	\$ 41,791	\$ 41,791	\$ 41,791
Augmentations.....	\$ 8,486	\$ 8,146	\$ 8,055	\$ 8,055	\$ 8,055	\$ 8,055	\$ 8,055
TOTAL GAME FUND RECEIPTS.....	\$ 51,583	\$ 50,797	\$ 49,846	\$ 49,846	\$ 49,846	\$ 49,846	\$ 49,846

Revenue Sources

Licenses and Fees

Actual	Estimated
1990-91..... \$ 26,047	1996-97..... \$ 25,083
1991-92..... 26,246	1997-98..... 24,793
1992-93..... 25,646	1998-99..... 24,793
1993-94..... 25,388	1999-00..... 24,793
1994-95..... 26,363	2000-01..... 24,793
1995-96..... 25,087	2001-02..... 24,793

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
1990-91..... \$ 2,439	1996-97..... \$ 1,800
1991-92..... 1,685	1997-98..... 1,700
1992-93..... 1,809	1998-99..... 1,700
1993-94..... 1,581	1999-00..... 1,700
1994-95..... 1,323	2000-01..... 1,700
1995-96..... 2,140	2001-02..... 1,700

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

Revenue Sources (continued)

Miscellaneous Revenue

Actual		Estimated	
1990-91.....	\$ 13,647	1996-97.....	\$ 15,768
1991-92.....	14,729	1997-98.....	15,298
1992-93.....	16,785	1998-99.....	15,298
1993-94.....	16,155	1999-00.....	15,298
1994-95.....	16,774	2000-01.....	15,298
1995-96.....	15,870	2001-02.....	15,298

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)

	1995-96 Actual	1996-97 Estimate	1997-98 Budget
Licenses and Fees			
Resident Hunting Licenses.....	\$ 10,307	\$ 10,400	\$ 10,400
Resident Junior Hunting Licenses.....	511	520	540
Nonresident Hunting Licenses.....	5,414	5,400	5,400
Special Game Permits.....	250	225	225
Special Antlerless Deer Licenses.....	3,866	3,800	3,500
Special Archery Licenses.....	1,598	1,600	1,600
Landowner Hunting Licenses.....	6	6	6
Resident Senior Hunting Licenses.....	553	560	550
Muzzle-loading Hunting Licenses.....	397	400	400
Right-of-Way Licenses.....	371	360	360
Resident Bear Licenses.....	946	940	940
Nonresident Bear Licenses.....	48	45	45
Hunting License Issuing Agents' Application Fees.....	37	40	40
Nonresident Junior Hunting License.....	95	95	95
Nonresident 5-Day Hunting License.....	67	70	70
Senior Resident — Lifetime Hunting License.....	356	360	360
Adult Resident Furtaker License.....	214	210	210
Junior Resident Furtaker License.....	13	12	12
Senior Resident Furtaker License.....	12	13	13
Nonresident Furtaker License.....	17	18	18
Senior Lifetime Furtaker License.....	8	8	8
Junior Non-Resident Furtaker.....	1	1	1
TOTAL.....	\$ 25,087	\$ 25,083	\$ 24,793
Fines and Penalties			
Game Law Fines.....	\$ 2,140	\$ 1,800	\$ 1,700
TOTAL.....	\$ 2,140	\$ 1,800	\$ 1,700

Revenue Detail (continued)

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Estimate	1997-98 Budget
Miscellaneous Revenue			
Sports Promotional Publications and Materials.....	\$ 11	\$ 10	\$ 10
Sale of Coal.....	526	750	750
Sale of Wood Products.....	9,657	10,000	10,000
Interest on Deposits.....	10	10	10
Sale of Skins and Guns.....	23	25	25
Rental of State Property.....	8	8	8
Miscellaneous Revenue.....	100	100	100
Interest on Securities.....	2,276	2,100	2,000
Gas and Oil Ground Rentals and Royalties.....	445	494	554
Refund of Expenditures Not Credited to Appropriations....	34	5	5
Sale of Nonusable Property.....	4	10	10
Miscellaneous Revenue License Division.....	24	15	15
Redeposit of Checks.....	2	2	2
Sale of Game News.....	754	793	793
Condemnation Awards Received.....	1	1	1
Sale of Stone, Sand, Gravel and Limestone.....	8	8	8
Sale of Grain and Hay.....	45	25	25
Sale of Maps.....	25	25	25
Wildlife Management Promotional Revenue.....	211	185	150
Sale of Wood Products — PR Tracts.....	1,257	800	500
Sale of Centennial Commemorative Items.....	230	20	0
Working Together For Wildlife — Non-Game Fund.....	187	200	200
Waterfowl Management Stamp Sales and Royalties.....	31	180	105
Sales Tax.....	1	2	2
TOTAL.....	\$ 15,870	\$ 15,768	\$ 15,298
TOTAL REVENUES.....	\$ 43,097	\$ 42,651	\$ 41,791
Augmentations			
Sale of Automobiles.....	\$ 394	\$ 300	\$ 300
Federal Reimbursement — Pittman Robinson Act.....	7,554	7,500	7,500
Endangered Species Program.....	21	10	10
Pennsylvania Conservation Corps.....	81	80	80
Federal Reimbursement — Surface Mine Regulation.....	39	45	45
Private Donations.....	68	10	10
Youth Hunter Education Challenge.....	12	10	10
Federal Land and Water.....	169	91	0
Streambank Fencing Program.....	100	100	100
Emergency and Disaster Relief.....	48	0	0
TOTAL.....	\$ 8,486	\$ 8,146	\$ 8,055
TOTAL RECEIPTS.....	\$ 51,583	\$ 50,797	\$ 49,846



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)

	1995-96 Actual	1996-97 Available	1997-98 Estimated
Beginning Balance	\$ 31,389	\$ 54,640	\$ 30,303
Receipts:			
Revenue Estimate.....	\$ 57,866	\$ 48,826	\$ 33,186
Prior Year Lapses.....	5,157	8,647	0
Total Receipts	\$ 63,023	\$ 57,473	\$ 33,186
Funds Available	\$ 94,412	\$ 112,113	\$ 63,489
Expenditures:			
Appropriated.....	\$ 39,772	\$ 81,810	\$ 34,787
Estimated Expenditures.....	-39,772	-81,810	-34,787
Cash Balance, Ending	\$ 54,640	\$ 30,303	\$ 28,702

Summary by Department

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Estimate	1997-98 Budget
Treasury			
Bond Issuance Expenses.....	\$ 18	\$ 0	\$ 0
Department of Conservation and Natural Resources			
General Government			
Park and Forest Facility Rehabilitation — Bond Proceeds.	\$ 8,852	\$ 7,879	\$ 0
Park and Forest Facility Rehabilitation — Realty Transfer Tax.....	5,246	15,902	10,511
Grants and Subsidies			
Grants for Local Recreation — Bond Proceeds.....	3,477	9,605	0
Grants for Local Recreation — Realty Transfer Tax.....	0	16,596	8,759
Grants to Land Trusts — Bond Proceeds.....	1,972	1,707	0
Grants to Land Trusts — Realty Transfer Tax.....	0	6,639	3,504
Grants to Zoos — Bond Proceeds.....	3,150	1,736	0
DEPARTMENT TOTAL	\$ 22,697	\$ 60,064	\$ 22,774
Department of Education			
Grants and Subsidies			
Local Libraries Rehabilitation and Development — Bond Proceeds.....	\$ 1,387	\$ 1,028	\$ 0
Local Libraries Rehabilitation and Development — Realty Transfer Tax.....	651	2,250	1,401
DEPARTMENT TOTAL	\$ 2,038	\$ 3,278	\$ 1,401

Keystone Recreation, Park and Conservation Fund

Summary by Department (continued)

(Dollar Amounts in Thousands)

	<u>1995-96</u> Actual	<u>1996-97</u> Estimate	<u>1997-98</u> Budget
State System of Higher Education			
General Government			
Deferred Maintenance — Realty Transfer Tax.....	\$ 5,547	\$ 6,674	\$ 6,057
Fish and Boat Commission			
General Government			
Fishing and Boating Access Areas — Bond Proceeds.....	\$ 373	\$ 1,010	\$ 0
Game Commission			
General Government			
Land Acquisition and Development — Bond Proceeds.....	\$ 1,311	\$ 169	\$ 0
Historical and Museum Commission			
Grants and Subsidies			
Historic Site Development — Bond Proceeds.....	\$ 5,702	\$ 3,749	\$ 0
Historic Site Development — Realty Transfer Tax.....	2,086	6,866	4,555
DEPARTMENT TOTAL.....	<u>\$ 7,788</u>	<u>\$ 10,615</u>	<u>\$ 4,555</u>
FUND TOTAL.....	<u>\$ 39,772</u>	<u>\$ 81,810</u>	<u>\$ 34,787</u>

Keystone Recreation, Park and Conservation Fund

REVENUE SUMMARY

(Dollar Amounts in Thousands)

Five Year Revenue Projections

	1995-96 Actual	1996-97 Estimated	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
Sale of Bonds.....	\$ 23,684	\$ 13,789	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Realty Transfer Tax.....	31,620	32,700	31,800	31,900	32,500	33,200	34,800
Miscellaneous.....	2,562	2,337	1,386	1,340	1,350	1,375	1,419
TOTAL KEYSTONE RECREATION, PARK AND CONSERVATION FUND RECEIPTS.....	\$ 57,866	\$ 48,826	\$ 33,186	\$ 33,240	\$ 33,850	\$ 34,575	\$ 36,219

Revenue Sources

Sale of Bonds

Actual		Estimated	
1990-91.....	\$ 0	1996-97.....	\$ 13,789
1991-92.....	0	1997-98.....	0
1992-93.....	0	1998-99.....	0
1993-94.....	0	1999-00.....	0
1994-95.....	11,862	2000-01.....	0
1995-96.....	23,684	2001-02.....	0

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

Realty Transfer Tax

Actual		Estimated	
1990-91.....	\$ 0	1996-97.....	\$ 32,700
1991-92.....	0	1997-98.....	31,800
1992-93.....	0	1998-99.....	31,900
1993-94.....	0	1999-00.....	32,500
1994-95.....	31,204	2000-01.....	33,200
1995-96.....	31,620	2001-02.....	34,800

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

Keystone Recreation, Park and Conservation Fund

Revenue Sources (continued)

Miscellaneous Revenues

	Actual		Estimated
1990-91.....	\$ 0	1996-97.....	\$ 2,337
1991-92.....	0	1997-98.....	1,386
1992-93.....	0	1998-99.....	1,340
1993-94.....	0	1999-00.....	1,350
1994-95.....	999	2000-01.....	1,375
1995-96.....	2,562	2001-02.....	1,419

Miscellaneous revenues are earned interest.

Revenue Detail

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

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Estimate	1997-98 Budget
Licenses and Fees			
Sale of Bonds.....	\$ 23,684	\$ 13,789	\$ 0
Realty Transfer Tax.....	31,620	32,700	31,800
Miscellaneous.....	2,562	2,337	1,386
TOTAL RECEIPTS.....	<u>\$ 57,866</u>	<u>\$ 48,826</u>	<u>\$ 33,186</u>



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

Financial Statement

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Estimated
Beginning Balance	\$ 7,387	\$ 32,324	\$ 22,139
Reserve from Previous Year.....	104,000	100,000	140,000
Total Beginning Balance	<u>\$ 111,387</u>	<u>\$ 132,324</u>	<u>\$ 162,139</u>
Receipts:			
Revenue Estimate.....	\$ 862,778	\$ 912,567	\$ 918,665
Prior Year Lapses.....	20,877	11,855	0
Total Receipts	<u>\$ 883,655</u>	<u>\$ 924,422</u>	<u>\$ 918,665</u>
Funds Available	<u>\$ 995,042</u>	<u>\$ 1,056,746</u>	<u>\$ 1,080,804</u>
Expenditures:			
Appropriated.....	\$ 862,718	\$ 910,142	\$ 918,905
Less Current Year Lapses.....	0	-15,535	0
Estimated Expenditures	<u>-862,718</u>	<u>-894,607</u>	<u>-918,905</u>
Reserve for Current Year	<u>\$ -100,000</u>	<u>\$ -140,000</u>	<u>\$ -140,000</u>
Ending Balance	<u><u>\$ 32,324</u></u>	<u><u>\$ 22,139</u></u>	<u><u>\$ 21,899</u></u>

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Summary by Department

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Estimate	1997-98 Budget
Executive Offices			
General Government			
Ridership Verification.....	\$ 117	\$ 114	\$ 128
Treasury Department			
General Government			
Replacement Checks.....	\$ 14	\$ 100	\$ 100
Department of Aging			
General Government			
General Government Operations.....	\$ 3,590	\$ 4,582	\$ 4,975
Grants and Subsidies			
PENNCARE.....	\$ 163,938	\$ 168,439	\$ 174,747
Pharmaceutical Assistance Fund.....	216,000	225,000	237,000
Subtotal.....	<u>\$ 379,938</u>	<u>\$ 393,439</u>	<u>\$ 411,747</u>
TOTAL STATE FUNDS	<u>\$ 383,528</u>	<u>\$ 398,021</u>	<u>\$ 416,722</u>
Federal Funds.....	\$ 67,652	\$ 61,490	\$ 62,031
Augmentations.....	6	6	6
DEPARTMENT TOTAL.....	<u>\$ 451,186</u>	<u>\$ 459,517</u>	<u>\$ 478,759</u>
Department of General Services			
General Government			
Harristown Rental Charges.....	\$ 82	\$ 81	\$ 77
Harristown Utility and Municipal Charges.....	122	139	128
DEPARTMENT TOTAL.....	<u>\$ 204</u>	<u>\$ 220</u>	<u>\$ 205</u>
Department of Revenue			
General Government			
General Operations.....	\$ 61,190	\$ 63,803	\$ 66,455
On-line Commissions.....	23,499	24,023	23,810
Personal Income Tax for Lottery Prizes.....	25,214	25,209	24,775
Payment of Prize Money.....	162,200	185,052	174,308
Subtotal.....	<u>\$ 272,103</u>	<u>\$ 298,087</u>	<u>\$ 289,348</u>
Grants and Subsidies			
Property Tax and Rent Assistance - for Older Pennsylvanians.....	\$ 96,251	\$ 96,600	\$ 91,180
TOTAL STATE FUNDS	<u>\$ 368,354</u>	<u>\$ 394,687</u>	<u>\$ 380,528</u>
Augmentations.....	\$ 4,380	\$ 4,806	\$ 5,236
DEPARTMENT TOTAL.....	<u>\$ 372,734</u>	<u>\$ 399,493</u>	<u>\$ 385,764</u>

Summary by Department (continued)

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Estimate	1997-98 Budget
Department of Transportation			
Grants and Subsidies			
Older Pennsylvanians Free Transit.....	\$ 56,718	\$ 58,400	\$ 60,152
Older Pennsylvanians Shared Rides.....	53,783	58,600	61,070
DEPARTMENT TOTAL.....	\$ 110,501	\$ 117,000	\$ 121,222
TOTAL STATE FUNDS.....	\$ 862,718	\$ 910,142	\$ 918,905
Federal Funds.....	\$ 67,652	\$ 61,490	\$ 62,031
Other Funds.....	4,386	4,812	5,242
FUND TOTAL.....	\$ 934,756	\$ 976,444	\$ 986,178

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REVENUE SUMMARY

(Dollar Amounts in Thousands)

Five Year Revenue Projections

	1995-96 Actual	1996-97 Estimated	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
Collections.....	\$ 856,428	\$ 906,515	\$ 912,021	\$ 917,647	\$ 923,401	\$ 929,283	\$ 935,295
Capital Stock and Franchise Taxes.....	91	0	0	0	0	0	0
Miscellaneous Revenue.....	6,259	6,052	6,644	6,752	6,447	5,689	4,470
TOTAL LOTTERY FUND REVENUES.....	\$ 862,778	\$ 912,567	\$ 918,665	\$ 924,399	\$ 929,848	\$ 934,972	\$ 939,765

Revenue Sources

Net Lottery Collections

	Actual		Estimated
1990-91.....	\$ 809,825	1996-97.....	\$ 906,515
1991-92.....	800,309	1997-98.....	912,021
1992-93.....	797,097	1998-99.....	917,647
1993-94.....	848,265	1999-00.....	923,401
1994-95.....	841,404	2000-01.....	929,283
1995-96.....	856,428	2001-02.....	935,295

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 six games. The "Daily Number" game introduced in March 1977, the "Big 4" game introduced in November 1980, the "Lotto" game introduced in April 1982 and revised as "Wild Card Lotto" in February 1988, the "Cash 5" game introduced in April 1992, and the "Keystone Jackpot" game introduced in November 1995, all utilize computer sales terminals located across the Commonwealth. The sixth game is the instant game which consists of variations of instant game tickets introduced at routine intervals during the year. Ticket prices are \$1 for "Cash 5" which consists of 1 play to pick 5 of 39 numbers, and "Keystone Jackpot" which consists of 1 play to pick 6 of 33 numbers, and one additional keyball number out of 33 numbers. 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)

	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
Ticket Sales.....	\$ 1,673,370	\$ 1,700,355	\$ 1,711,907	\$ 1,723,724	\$ 1,735,811	\$ 1,748,176	\$ 1,760,825
Commissions.....	-87,260	-88,701	-89,370	-90,056	-90,756	-91,474	-92,209
Field Paid Prizes.....	-729,682	-705,139	-710,516	-716,021	-721,654	-727,419	-733,321
NET LOTTERY COLLECTIONS.....	\$ 856,428	\$ 906,515	\$ 912,021	\$ 917,647	\$ 923,401	\$ 929,283	\$ 935,295

Revenue Sources (continued)

Capital Stock and Franchise Tax

Actual	Estimated
1990-91..... \$ 0	1996-97..... \$ 0
1991-92..... 12,492	1997-98..... 0
1992-93..... 3,758	1998-99..... 0
1993-94..... 266	1999-00..... 0
1994-95..... 347	2000-01..... 0
1995-96..... 91	2001-02..... 0

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
1990-91..... \$ 12,484	1996-97..... \$ 6,052
1991-92..... 5,776	1997-98..... 6,644
1992-93..... 11,637	1998-99..... 6,752
1993-94..... 2,894	1999-00..... 6,447
1994-95..... 5,111	2000-01..... 5,689
1995-96..... 6,259	2001-02..... 4,470

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)

	1995-96 Actual	1996-97 Estimate	1997-98 Budget
Collections.....	\$ 856,428	\$ 906,515	\$ 912,021
Capital Stock and Franchise Taxes.....	91	0	0
Miscellaneous.....	6,259	6,052	6,644
TOTAL LOTTERY FUND REVENUES.....	\$ 862,778	\$ 912,567	\$ 918,665



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

Financial Statement

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Estimated
Beginning Balance	\$ 1,607	\$ 1,784	\$ 1,463
Receipts:			
Revenue Estimate.....	\$ 2,293	\$ 2,200	\$ 2,200
Transfer from General Fund.....	125	0	0
Prior Year Lapses.....	17	33	0
Total Receipts	\$ 2,435	\$ 2,233	\$ 2,200
Funds Available	\$ 4,042	\$ 4,017	\$ 3,663
Expenditures:			
Appropriated.....	\$ 2,258	\$ 2,554	\$ 2,527
Estimated Expenditures.....	-2,258	-2,554	-2,527
Cash Balance, Ending	\$ 1,784	\$ 1,463	\$ 1,136

Summary by Department

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Estimate	1997-98 Budget
Treasury Department			
General Government			
Replacement Checks.....	\$ 0	\$ 5	\$ 5
Refund Milk Marketing Licenses and Fees.....	0	5	5
DEPARTMENT TOTAL	\$ 0	\$ 10	\$ 10
Milk Marketing Board			
General Operations.....	\$ 2,133	\$ 2,544	\$ 2,517
TOTAL STATE FUNDS	\$ 2,133	\$ 2,554	\$ 2,527
Augmentations.....	\$ 125	\$ 0	\$ 0
FUND TOTAL	\$ 2,258	\$ 2,554	\$ 2,527

REVENUE SUMMARY

(Dollar Amounts in Thousands)

Five Year Revenue Projections

	1995-96 Actual	1996-97 Estimated	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
Licenses and Fees.....	\$ 2,139	\$ 2,083	\$ 2,083	\$ 2,021	\$ 2,021	\$ 2,021	\$ 2,021
Fines and Penalties.....	2	15	15	40	40	40	40
Miscellaneous Revenue.....	152	102	102	67	67	67	67
TOTAL MILK MARKETING FUND REVENUES.....	\$ 2,293	\$ 2,200	\$ 2,200	\$ 2,128	\$ 2,128	\$ 2,128	\$ 2,128
Augmentations.....	\$ 125	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
TOTAL MILK MARKETING FUND RECEIPTS.....	\$ 2,418	\$ 2,200	\$ 2,200	\$ 2,128	\$ 2,128	\$ 2,128	\$ 2,128

Revenue Sources

Licenses and Fees

Actual		Estimated	
1990-91.....	\$ 1,178	1996-97.....	\$ 2,083
1991-92.....	1,299	1997-98.....	2,083
1992-93.....	2,053	1998-99.....	2,021
1993-94.....	2,070	1999-00.....	2,021
1994-95.....	2,047	2000-01.....	2,021
1995-96.....	2,139	2001-02.....	2,021

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	
1990-91.....	\$ 19	1996-97.....	\$ 15
1991-92.....	61	1997-98.....	15
1992-93.....	92	1998-99.....	40
1993-94.....	68	1999-00.....	40
1994-95.....	100	2000-01.....	40
1995-96.....	2	2001-02.....	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.

Revenue Sources (continued)

Miscellaneous Revenue

Actual		Estimated	
1990-91.....	\$ 95	1996-97.....	\$ 102
1991-92.....	31	1997-98.....	102
1992-93.....	37	1998-99.....	67
1993-94.....	61	1999-00.....	67
1994-95.....	119	2000-01.....	67
1995-96.....	152	2001-02.....	67

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

Revenue Detail

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

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Estimate	1997-98 Budget
Licenses and Fees			
Milk Dealers Licenses.....	\$ 1,510	\$ 1,464	\$ 1,464
Milk Testers Certificate Fees.....	3	4	4
Milk Weighers Certificate Fees.....	30	29	29
Milk Tester and Weighers Examination Fees.....	3	3	3
Milk Haulers Licenses Fees.....	548	540	540
Milk Sub Dealers Licenses.....	16	15	15
Service Contract Fees.....	29	28	28
TOTAL.....	\$ 2,139	\$ 2,083	\$ 2,083
Fines and Penalties			
Milk Marketing Act Fines.....	\$ 2	\$ 15	\$ 15
TOTAL.....	\$ 2	\$ 15	\$ 15
Miscellaneous Revenues			
Interest on Securities.....	\$ 150	\$ 100	\$ 100
Miscellaneous.....	2	2	2
TOTAL.....	\$ 152	\$ 102	\$ 102
TOTAL REVENUES.....	\$ 2,293	\$ 2,200	\$ 2,200
Augmentations			
Transfer from General Fund.....	\$ 125	\$ 0	\$ 0
TOTAL RECEIPTS.....	\$ 2,418	\$ 2,200	\$ 2,200

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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

Financial Statement

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Estimated
Beginning Balance	\$ 7,687 ^a	\$ 10,088	\$ 8,807
Receipts:			
Revenue Estimate.....	\$ 17,287	\$ 16,829	\$ 17,751
Prior Year Lapses.....	322	0	0
Total Receipts.....	\$ 17,609	\$ 16,829	\$ 17,751
Funds Available	\$ 25,296	\$ 26,917	\$ 26,558
Expenditures:			
Appropriated.....	\$ 15,208	\$ 18,110	\$ 16,759
Estimated Expenditures.....	-15,208	-18,110	-16,759
Cash Balance, Ending	\$ 10,088	\$ 8,807	\$ 9,799

^a Reflects an adjustment of \$-514,000 to the 1994-95 ending balance to account for a court ordered refund payment correctly attributable to the 1994-95 fiscal year.

Summary by Department

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Estimate	1997-98 Budget
Treasury Department			
General Government			
Replacement Checks.....	\$ 4	\$ 10	\$ 10
Department of Agriculture			
General Government			
State Racing Commissions.....	\$ 5,982	\$ 6,139	\$ 6,125
Equine Toxicology and Research Laboratory.....	1,213	1,423	1,449
Payments to Pennsylvania Fairs--Administration.....	155	155	163
Subtotal.....	\$ 7,350	\$ 7,717	\$ 7,737
Grants and Subsidies			
Transfer to the General Fund.....	\$ 7,687	\$ 10,089	\$ 8,808
DEPARTMENT TOTAL	\$ 15,037	\$ 17,806	\$ 16,545
Department of Revenue			
General Government			
Collections--Racing.....	\$ 167	\$ 294	\$ 204
FUND TOTAL	\$ 15,208	\$ 18,110	\$ 16,759

REVENUE SUMMARY

(Dollar Amounts in Thousands)

Five Year Revenue Projections

	1995-96 Actual	1996-97 Estimated	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
Tax Revenues.....	\$ 13,336	\$ 13,396	\$ 13,835	\$ 13,790	\$ 13,790	\$ 13,790	\$ 13,790
Licenses and Fees.....	425	458	461	458	458	458	458
Miscellaneous Revenue.....	3,526	2,975	3,455	3,034	3,034	3,034	3,034
TOTAL RACING FUND REVENUES.....	\$ 17,287	\$ 16,829	\$ 17,751	\$ 17,282	\$ 17,282	\$ 17,282	\$ 17,282

Revenue Sources

Tax Revenues

Actual		Estimated	
1990-91.....	\$ 6,879	1996-97.....	\$ 13,396
1991-92.....	6,884	1997-98.....	13,835
1992-93.....	5,463	1998-99.....	13,790
1993-94.....	8,918	1999-00.....	13,790
1994-95.....	11,709	2000-01.....	13,790
1995-96.....	13,336	2001-02.....	13,790

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

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

Licenses and Fees

Actual		Estimated	
1990-91.....	\$ 530	1996-97.....	\$ 458
1991-92.....	515	1997-98.....	461
1992-93.....	419	1998-99.....	458
1993-94.....	431	1999-00.....	458
1994-95.....	462	2000-01.....	458
1995-96.....	425	2001-02.....	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.

Revenue Sources (continued)

Miscellaneous Revenue

	Actual		Estimated
1990-91.....	\$ 1,323	1996-97.....	\$ 2,975
1991-92.....	1,360	1997-98.....	3,455
1992-93.....	1,580	1998-99.....	3,034
1993-94.....	1,886	1999-00.....	3,034
1994-95.....	2,983	2000-01.....	3,034
1995-96.....	3,526	2001-02.....	3,034

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

Revenue Detail

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

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Estimate	1997-98 Budget
Tax Revenue			
State Admission Tax.....	\$ 147	\$ 160	\$ 155
Wagering Tax.....	12,207	12,261	12,555
Breakage Tax.....	982	975	1,125
TOTAL	\$ 13,336	\$ 13,396	\$ 13,835
Licenses and Fees			
License Fees.....	\$ 425	\$ 458	\$ 461
TOTAL	\$ 425	\$ 458	\$ 461
Miscellaneous Revenues			
Uncashed Tickets.....	\$ 2,855	\$ 2,580	\$ 3,000
Interest on Securities.....	654	390	450
Miscellaneous.....	7	1	1
Redeposit of Checks.....	9	0	0
Interest on Deposits.....	1	4	4
TOTAL	\$ 3,526	\$ 2,975	\$ 3,455
TOTAL REVENUES	\$ 17,287	\$ 16,829	\$ 17,751



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, expanded, limited or deleted based on merit. To augment the traditional budget process, this budget includes an analysis of indirect expenditures that occur through special treatment within the tax structure. Various tax credits, deductions, exemptions and exclusions are provided which result in 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 tax expenditures listed in this budget are the accumulation of many prior legislative sessions, and the original intent of certain tax expenditures may no longer be valid or consistent with current policies. A comprehensive tax expenditure analysis permits an on-going evaluation of each tax expenditure.

Therefore, the 1997-98 Governor's Executive Budget presents this tax expenditure analysis covering Commonwealth taxes with annual receipts of at least \$10 million. A complete list of covered taxes is shown in the Table of Contents. The intended purposes of the current analyses are to:

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

The following enhancements are contained in this budget analysis for tax expenditures in certain taxes as required by Act 180 of 1992. Enhancements for the remaining tax areas will be reflected in next year's budget document:

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

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

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

Tax Expenditure Analysis (continued)

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

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

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

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

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

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

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

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

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

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

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 and Economic Development. The credit available to a taxpayer equals up to 50 percent of the contribution to approved programs during the tax year, but may not exceed \$250,000. An expanded credit of 70 percent (maximum of \$175,000 per taxpayer) may be available for investments in certain priority programs defined by the Secretary of Community and Economic Development. The total amount of credits taken by all taxpayers can not exceed \$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 and Economic Development and the Department of Revenue. Estimated costs for both departments total \$0.3 million per year.

(Dollar Amounts in Millions)

<i>Estimates:</i>	Corporate Net Income Tax						
	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 5.3	\$ 5.3	\$ 5.3	\$ 5.3	\$ 5.3	\$ 5.3	\$ 5.3
	Capital Stock/Franchise Tax						
	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 2.9	\$ 2.9	\$ 2.9	\$ 2.9	\$ 2.9	\$ 2.9	\$ 2.9
	Selective Business Taxes						
	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 2.9	\$ 2.9	\$ 2.9	\$ 2.9	\$ 2.9	\$ 2.9	\$ 2.9

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

General Fund Tax Expenditures

EMPLOYMENT INCENTIVE PAYMENTS

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

Description: Any bank, thrift institution, title insurance and trust company, or insurance company, as well as any corporation or person subject to the corporate net income tax or the personal income tax, employing persons formerly receiving welfare benefits may claim an employment incentive payment as credit against any tax liability in selected taxes. The credit is for a portion of wages paid to a qualifying employee in the first three years of employment. Employment incentive payment credits are available for employees hired up to December 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>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 1.6	\$ 1.6	\$ 1.6	\$ 1.6	\$ 1.6	\$ 1.6	\$ 1.6
<i>Estimates:</i>	Personal Income Tax						
	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5

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

HOMEOWNERS' EMERGENCY MORTGAGE ASSISTANCE FUND

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

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

Purpose: This credit encourages businesses to contribute to a fund established to prevent mortgage 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. 1995-96. Limited participation in this program, at best, is expected in the future.

Beneficiaries: NA

General Fund Tax Expenditures

JOB CREATION TAX CREDIT

Authorization: Act 67-1996, signed June 29, 1996, known as the Job Enhancement Act.

Description: A tax credit is available to businesses and individuals creating and sustaining jobs. The tax credit equals \$1,000 per job for each year in the approved term and may be applied to the corporate net income tax, capital stock and franchise tax, gross premiums tax, gross receipts tax, bank and trust company shares tax, mutual thrift institution tax, title insurance company shares tax, personal income tax or any combination thereof. The total amount of tax credits approved in a year may not exceed \$15,000,000.

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	--	\$ 15.0	\$ 15.0	\$ 15.0	\$ 15.0	\$ 15.0	\$ 15.0

Beneficiaries: NA

CORPORATION TAXES

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

The costs to administer the various tax expenditures associated with the selective business taxes are nominal.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 2.6	\$ 2.7	\$ 2.8	\$ 2.9	\$ 3.0	\$ 3.1	\$ 3.2

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.

General Fund Tax Expenditures

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>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3

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

NET OPERATING LOSS CARRYFORWARD

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

Unused loss carryovers for the years 1988 through 1993, which were suspended by Act 22 - 1991 are authorized to be claimed in tax years beginning in 1995. The total loss deduction is capped at \$1,000,000 per year per taxpayer beginning in tax year 1996. Loss deductions from tax years 1988 through 1994, in the aggregate, remain capped at \$500,000 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 years 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>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 64.8	\$ 73.8	\$ 84.7	\$ 78.8	\$ 84.4	\$ 87.9	\$ 87.9

Beneficiaries: Approximately 23,400 businesses per year benefit from this tax expenditure.

General Fund Tax Expenditures

DOUBLE-WEIGHTED SALES FACTOR

Description: Beginning in tax year 1995, corporations must apportion their net income using a three-factor formula (payroll, property and sales) 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: Corporations with a higher percentage of property and payroll invested in Pennsylvania (compared to their percentage of sales in Pennsylvania) will have less taxable income apportioned to the Commonwealth. Therefore, those corporations will have a reduced tax burden. This encourages business investment in Pennsylvania in the form of property and employment.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 33.5	\$ 41.3	\$ 44.3	\$ 45.0	\$ 45.7	\$ 47.2	\$ 49.4

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

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 which are 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>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 2.7	\$ 2.9	\$ 3.3	\$ 3.6	\$ 4.0	\$ 4.4	\$ 4.9

Beneficiaries: Approximately 700 nonprofit corporations operating in Pennsylvania with unrelated business income benefit from this tax expenditure.

General Fund Tax Expenditures

PENNSYLVANIA S CORPORATIONS

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

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>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 365.8	\$ 312.5	\$ 323.9	\$ 332.3	\$ 346.8	\$ 372.9	\$ 409.8

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

COMMERCIAL PRINTERS

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</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 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 RPC's is intended to promote the growth of business entities in Pennsylvania.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: A minimum of 82 restricted professional companies doing business in Pennsylvania benefit from this tax expenditure.

CAPITAL STOCK/FRANCHISE TAX

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

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

The capital stock and franchise taxes are based on capital stock value which is defined as half of the sum of the average net income capitalized at the rate of 9.5 percent plus 75 percent of the net worth, less \$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 base 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>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 3.4	\$ 3.6	\$ 3.8	\$ 4.0	\$ 4.2	\$ 4.4	\$ 4.6

Beneficiaries: Approximately 1,700 nonprofit corporations benefit from this tax expenditure.

FAMILY FARM CORPORATIONS

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

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>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 1.9	\$ 1.9	\$ 1.9	\$ 1.9	\$ 1.9	\$ 1.9	\$ 1.9

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

ASSETS USED IN MANUFACTURING, PROCESSING, AND RESEARCH AND DEVELOPMENT

Description: Corporations (except those which enjoy the right of eminent domain, i.e., utilities) organized for manufacturing, processing, or research 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>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 564.3	\$ 570.9	\$ 586.0	\$ 600.4	\$ 611.6	\$ 622.1	\$ 634.0

Beneficiaries: Approximately 15,400 corporations operating in Pennsylvania 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>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 35.1	\$ 36.7	\$ 38.2	\$ 39.7	\$ 41.2	\$ 42.9	\$ 44.8

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

POLLUTION CONTROL DEVICES

Description: Equipment, machinery, facilities and other tangible property used during the tax year within Pennsylvania for water or air pollution control or abatement devices utilized for the benefit of the general public are exempt from the capital stock/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>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 36.5	\$ 40.8	\$ 45.7	\$ 51.1	\$ 57.2	\$ 64.0	\$ 71.6

Beneficiaries: Approximately 15 companies doing business in Pennsylvania benefit from this tax 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 corporations, particularly beneficial to new businesses which realize little or no profits during their early years.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 54.4	\$ 56.0	\$ 57.7	\$ 59.4	\$ 61.2	\$ 63.0	\$ 64.9

Beneficiaries: Approximately 136,500 corporations doing business in Pennsylvania benefit from this tax expenditure.

HOLDING COMPANIES

Description: Holding companies may elect, in lieu of a standard apportionment formula, a special apportionment formula 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>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 14.5	\$ 15.2	\$ 15.9	\$ 16.6	\$ 17.4	\$ 18.3	\$ 19.2

Beneficiaries: Approximately 200 companies doing business in Pennsylvania benefit from this tax 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>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 32.7	\$ 36.4	\$ 36.1	\$ 36.9	\$ 37.4	\$ 39.1	\$ 41.1

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

COMMERCIAL PRINTERS

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</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 RPC's is intended to promote the growth of business entities in Pennsylvania.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: A minimum of 82 restricted professional companies doing business in Pennsylvania benefit from this tax expenditure.

UTILITY GROSS RECEIPTS TAX

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

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

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

Motor carrier vehicles engaged in carrying 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>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 0.6	\$ 0.5	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.6

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

General Fund Tax Expenditures

MUNICIPALLY-OWNED PUBLIC UTILITIES

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 29.9	\$ 27.6	\$ 32.3	\$ 32.3	\$ 32.9	\$ 34.4	\$ 35.5

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

NUCLEAR GENERATING FACILITY DAMAGE

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	NA	NA	NA	NA	NA	NA	NA

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

ELECTRIC COOPERATIVES

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 9.0	\$ 9.4	\$ 9.5	\$ 9.6	\$ 10.0	\$ 10.3	\$ 10.6

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

General Fund Tax Expenditures

UTILITY REALTY TAX

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

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

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

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>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 10.8	\$ 11.4	\$ 11.2	\$ 11.2	\$ 11.3	\$ 11.3	\$ 11.4

Beneficiaries: The 439 public utilities could benefit from this tax expenditure.

MACHINERY AND EQUIPMENT

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 770.0	\$ 811.0	\$ 799.7	\$ 794.4	\$ 803.3	\$ 807.4	\$ 811.4

Beneficiaries: The 439 public utilities could benefit from this tax expenditure.

General Fund Tax Expenditures

EASEMENTS

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 9.7	\$ 9.6	\$ 10.1	\$ 10.0	\$ 9.9	\$ 10.0	\$ 10.1

Beneficiaries: The 439 public utilities could benefit from this tax expenditure.

RAILROAD RIGHTS-OF-WAY

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 22.3	\$ 23.5	\$ 23.2	\$ 23.0	\$ 23.3	\$ 23.4	\$ 23.5

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

LINES

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 276.5	\$ 291.2	\$ 287.2	\$ 285.3	\$ 288.5	\$ 289.9	\$ 291.4

Beneficiaries: The 439 public utilities could benefit from this tax expenditure.

General Fund Tax Expenditures

HYDROELECTRIC PROPERTY

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	NA	NA	NA	NA	NA	NA	NA

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

SEWAGE SERVICES

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

Purpose: This provides tax relief to companies that are in the business of sewage treatment and encourages investment in sewage treatment facilities 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>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 19.6	\$ 20.7	\$ 20.4	\$ 20.3	\$ 20.5	\$ 20.6	\$ 20.7

Beneficiaries: The 90 public utilities that provide sewage services benefit from this tax 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. Moreover, taxing such property would result in the municipal government paying itself a tax.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 12.1	\$ 12.7	\$ 12.6	\$ 12.5	\$ 12.6	\$ 12.7	\$ 12.7

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

General Fund Tax Expenditures

INSURANCE PREMIUMS TAX

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

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

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

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

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

MUTUAL BENEFICIAL ASSOCIATIONS

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

Purpose: Mutual beneficial associations are charitable and benevolent organizations 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>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 4.6	\$ 5.2	\$ 5.7	\$ 5.9	\$ 6.5	\$ 7.0	\$ 7.6

Beneficiaries: The 88 Mutual Beneficial Associations doing business in Pennsylvania benefit from this tax expenditure.

General Fund Tax Expenditures

NONPROFIT HOSPITAL AND MEDICAL CARE SERVICE ORGANIZATIONS

Description: Companies organized under the "Nonprofit Hospital Plan Act" (Act of June 21, 1937, P.L. 1948, No. 378) and the "Nonprofit Medical, Osteopathic, Dental and Podiatry Service Corporation Act" (Act of June 27, 1939, P.L. 1125, No. 399) are exempt from the insurance premiums tax. Those exempt include, for example, Capital Blue Cross, Hospital Service Association of Northeastern Pennsylvania, Good Vision Plan, Inc., Medical Service Association of Pennsylvania (Blue Shield), Pennsylvania Dental Service Corp., and Vision Service Plan of Pennsylvania.

Purpose: These companies are deemed to be charitable and benevolent institutions 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>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 174.2	\$ 179.3	\$ 187.9	\$ 202.3	\$ 216.5	\$ 233.9	\$ 253.7

Beneficiaries: The 15 nonprofit hospital and medical care service organizations doing business in Pennsylvania benefit from this tax expenditure.

EXTRAORDINARY MEDICAL BENEFIT

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 0.9	\$ 0.9	\$ 1.0	\$ 1.1	\$ 1.1	\$ 1.2	\$ 1.3

Beneficiaries: The 472 automobile insurance companies doing business in Pennsylvania may benefit from this tax expenditure.

General Fund Tax Expenditures

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>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 8.0	\$ 9.7	\$ 7.6	\$ 7.0	\$ 6.3	\$ 3.9	\$ 2.2

Beneficiaries: Approximately 720 life and accident and health insurance companies doing business in Pennsylvania may benefit from this tax expenditure.

BANK AND TRUST COMPANY SHARES TAX

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

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

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

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

MUTUAL THRIFT INSTITUTIONS TAX

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

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

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

The current tax rate is 11.5 percent.

General Fund Tax Expenditures

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>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 2.6	\$ 2.9	\$ 3.3	\$ 3.4	\$ 3.7	\$ 3.9	\$ 3.9

Beneficiaries: The 230 mutual thrift companies may benefit from this tax expenditure.

CREDIT UNIONS

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 12.2	\$ 13.7	\$ 15.4	\$ 17.3	\$ 19.5	\$ 21.9	\$ 24.7

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

General Fund Tax Expenditures

SALES AND USE TAX

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 10.1	\$ 10.3	\$ 10.5	\$ 10.6	\$ 10.8	\$ 10.9	\$ 11.1

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/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>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$1,004.2	\$1,043.3	\$1,074.6	\$1,104.7	\$1,137.8	\$1,174.2	\$1,214.1

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

General Fund Tax Expenditures

PERSONAL HYGIENE PRODUCTS

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 38.0	\$ 39.7	\$ 41.6	\$ 43.7	\$ 46.1	\$ 48.6	\$ 51.1

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>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 21.5	\$ 22.5	\$ 23.6	\$ 24.7	\$ 25.9	\$ 27.1	\$ 28.4

Beneficiaries: NA

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>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 3.9	\$ 4.2	\$ 4.5	\$ 4.8	\$ 5.1	\$ 5.4	\$ 5.8

Beneficiaries: Approximately 580,000 households benefit from this tax expenditure.

General Fund Tax Expenditures

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>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 701.9	\$ 733.4	\$ 763.5	\$ 794.0	\$ 826.6	\$ 858.8	\$ 892.3

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 kiddy rides.

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 22.0	\$ 21.6	\$ 21.2	\$ 20.8	\$ 20.4	\$ 20.0	\$ 19.6

Beneficiaries: Approximately 1.9 million persons may benefit from this tax expenditure.

PRESCRIPTION DRUGS AND ORTHOPEDIC EQUIPMENT

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

Purpose: Prescription drugs and orthopedic equipment are considered essential for maintaining 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>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 289.9	\$ 300.3	\$ 312.0	\$ 323.3	\$ 335.0	\$ 347.7	\$ 360.6

Beneficiaries: NA

General Fund Tax Expenditures

NON-PRESCRIPTION DRUGS

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

Purpose: 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>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 95.2	\$ 98.7	\$ 102.6	\$ 106.2	\$ 110.1	\$ 114.2	\$ 118.5

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>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 130.2	\$ 135.1	\$ 140.1	\$ 144.0	\$ 149.2	\$ 153.2	\$ 158.6

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

CHARGES FOR RETURNABLE CONTAINERS

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

Purpose: Deposit charges usually represent 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>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 7.8	\$ 8.2	\$ 8.7	\$ 9.2	\$ 9.7	\$ 10.3	\$ 10.9

Beneficiaries: Approximately 5.2 million consumers and 380,000 non-residential establishments benefit from this tax expenditure.

General Fund Tax Expenditures

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>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: Approximately 71,700 retailers benefit from this tax expenditure.

BIBLES, RELIGIOUS PUBLICATIONS, ARTICLES

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 0.8	\$ 0.9	\$ 0.9	\$ 1.0	\$ 1.0	\$ 1.1	\$ 1.2

Beneficiaries: Approximately 400,000 households and a minimum of 15,000 organizations benefit from this tax expenditure.

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>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 21.1	\$ 22.4	\$ 23.8	\$ 25.3	\$ 26.9	\$ 28.6	\$ 30.4

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

General Fund Tax Expenditures

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>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</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>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 17.6	\$ 18.4	\$ 19.3	\$ 20.2	\$ 21.1	\$ 22.1	\$ 23.1

Beneficiaries: Approximately 630,000 college students, 501 public school districts and 2,442 private schools benefit from this tax expenditure.

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>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: NA

General Fund Tax Expenditures

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>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 3.0	\$ 3.0	\$ 3.0	\$ 3.0	\$ 3.0	\$ 3.0	\$ 3.0

Beneficiaries: Approximately 417,000 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>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 37.5	\$ 38.9	\$ 40.3	\$ 41.8	\$ 43.3	\$ 44.9	\$ 46.6

Beneficiaries: Approximately 3.9 million households benefit from this tax expenditure.

FUELS AND UTILITIES

COAL

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 120.0	\$ 118.7	\$ 117.4	\$ 116.1	\$ 114.8	\$ 113.5	\$ 112.3

Beneficiaries: Approximately 240,000 households and 13,000 non-residential establishments benefit from this tax expenditure.

General Fund Tax Expenditures

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>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 0.4	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.2	\$ 0.2	\$ 0.2

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.

RESIDENTIAL UTILITIES

Description: As defined by law, "tangible personal property" specifies taxable items. Specifically omitted from this definition are electricity, steam, natural, manufactured and bottled gas and fuel oil, basic local 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>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
		\$ 264.6	\$ 274.9	\$ 282.9	\$ 291.1	\$ 301.6	\$ 313.4	\$ 326.6
	Fuel Oil/Gas:	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
		\$ 169.0	\$ 176.6	\$ 179.3	\$ 185.5	\$ 192.1	\$ 199.4	\$ 206.9
	Telephone:	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
		\$ 98.7	\$ 103.6	\$ 108.1	\$ 112.8	\$ 117.0	\$ 121.1	\$ 125.5

Beneficiaries: Approximately 4.5 million households (electricity), 3.6 million households (fuel oil/gas) and 4.4 million households (telephone) benefit from this tax expenditure.

General Fund Tax Expenditures

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>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 112.3	\$ 117.4	\$ 121.5	\$ 125.0	\$ 128.5	\$ 132.1	\$ 136.4

Beneficiaries: Approximately 4 million households and about 230,000 businesses benefit from this tax expenditure.

GASOLINE AND MOTOR FUELS

Description: The purchase or use of gasoline and other motor fuels, taxed under the Liquid Fuels 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>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 415.7	\$ 430.6	\$ 431.2	\$ 432.1	\$ 433.2	\$ 434.1	\$ 435.2

Beneficiaries: Approximately 4.1 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>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 183.0	\$ 191.4	\$ 200.2	\$ 209.4	\$ 219.1	\$ 229.1	\$ 239.7

Beneficiaries: Approximately 4,359 common carriers could benefit from this tax expenditure.

General Fund Tax Expenditures

COMMERCIAL VESSELS (Construction)

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 1.5	\$ 1.5	\$ 1.6	\$ 1.7	\$ 1.7	\$ 1.8	\$ 1.9

Beneficiaries: NA

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>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 1.7	\$ 1.7	\$ 1.8	\$ 1.9	\$ 2.0	\$ 2.1	\$ 2.3

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>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: NA

General Fund Tax Expenditures

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>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: NA

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>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 16.0	\$ 17.4	\$ 18.9	\$ 20.6	\$ 22.4	\$ 24.4	\$ 26.6

Beneficiaries: Approximately 1,000 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>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	NA	NA	NA	NA	NA	--	--

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

General Fund Tax Expenditures

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>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 570.0	\$ 587.1	\$ 598.3	\$ 612.1	\$ 623.7	\$ 632.4	\$ 640.0

Beneficiaries: Approximately 1.4 million households and owners of 83,000 non-residential buildings benefit from this tax expenditure.

PRODUCTION EXPENDITURES

MANUFACTURING EXEMPTION (Manufacture and Processing)

Description: By law, "sale at retail" does not include, and therefore exempts, rendering services or the purchase or use of machinery, equipment and parts and supplies including utilities used directly or consumed in the manufacture and processing of personal property or remanufacture of certain motor vehicle parts. This exemption does not apply to motor vehicles, maintenance facilities, managerial or other nonoperational activities or materials, supplies or equipment used relative to real estate or obtaining disinfecting or pest control services, 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>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 742.3	\$ 777.2	\$ 808.5	\$ 835.6	\$ 861.8	\$ 890.0	\$ 917.8

Beneficiaries: Approximately 28,500 manufacturers and an unknown number of processors and remanufacturers benefit from this tax expenditure.

General Fund Tax Expenditures

MANUFACTURING EXEMPTION (Agriculture)

Description: By law, "sale at retail" does not include, and therefore exempts, rendering services or the purchase or use of machinery, equipment and parts and supplies including utilities used directly or consumed in farming, dairying, horticulture, floriculture or aquaculture. With enactment of Act 105-96, farming includes the propagation and raising of horses to be used exclusively for commercial racing activities. This exemption does not apply to motor vehicles, maintenance facilities, managerial or other nonoperational activities or materials, supplies or equipment used relative to real estate or obtaining disinfecting or pest control services, 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 sale and consumption. Were these items not exempt, this additional cost would be passed through to the ultimate consumer.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 115.0	\$ 116.5	\$ 118.2	\$ 119.9	\$ 121.6	\$ 123.4	\$ 125.1

Beneficiaries: Approximately 55,000 farm operators benefit from this tax expenditure.

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>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	NA	NA	NA	NA	NA	NA	NA

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

General Fund Tax Expenditures

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>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 1.3	\$ 1.3	\$ 1.4	\$ 1.5	\$ 1.5	\$ 1.6	\$ 1.7

Beneficiaries: Approximately 85,000 entities benefit from this tax expenditure.

OTHER

COIN OPERATED FOOD AND BEVERAGE VENDING MACHINES _____

Description: The tax on food and beverages dispensed from coin operated vending machines is derived from total receipts collected from the machines rather than from the price of individual items sold.

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5

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>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.4	\$ 0.4	\$ 0.4

Beneficiaries: Approximately 4,450 persons benefit from this tax expenditure.

General Fund Tax Expenditures

COMMISSION

Description: A licensed vendor is permitted a 1% discount as a credit against the gross amount of tax collected provided that a tax return, with full payment due the Department, is postmarked on or before the due date. Nearly all tax returns are due 20 days after the end of a collection period.

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 47.2	\$ 49.0	\$ 50.3	\$ 51.6	\$ 53.1	\$ 55.2	\$ 57.7

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

OUT-OF-STATE CREDIT

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</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>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 243.2	\$ 248.6	\$ 258.5	\$ 272.2	\$ 286.3	\$ 301.5	\$ 317.3

Beneficiaries: Approximately 65 purchasers of aircraft, 140,000 purchasers of computers, 6,000 purchasers of boats and 640,000 purchasers of cars and trucks annually benefit from this tax expenditure.

General Fund Tax Expenditures

ISOLATED SALES

Description: Infrequent personal property sales of a non-recurring nature by 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>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 66.8	\$ 69.7	\$ 71.5	\$ 73.4	\$ 75.5	\$ 78.4	\$ 82.2

Beneficiaries: NA

TEMPORARY USAGE

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: NA

HORSES

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 2.0	\$ 1.9	\$ 1.9	\$ 1.9	\$ 1.9	\$ 1.9	\$ 1.9

Beneficiaries: Approximately 1,500 Standard bred horse purchasers and an unknown number of purchasers of other types of horses benefit from this tax expenditure.

General Fund Tax Expenditures

YOUTH SPORTS PROGRAMS

Description: The purchase of food and beverages from nonprofit associations which support sports programs for participants aged 18 or younger or for persons with a physical or mental handicap regardless of age 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>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: NA

EXEMPT ORGANIZATIONS

Description: The sale of personal property or services to or for use by any (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>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 38.4	\$ 39.5	\$ 40.6	\$ 41.8	\$ 43.1	\$ 44.4	\$ 45.8
	Volunteer Fireman's Organizations:						
	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 9.6	\$ 9.8	\$ 10.1	\$ 10.4	\$ 10.7	\$ 11.1	\$ 11.4
	Nonprofit Educational Institutions:						
	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 12.7	\$ 13.0	\$ 13.4	\$ 13.8	\$ 14.2	\$ 14.6	\$ 15.1
	Religious Organizations:						
	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 80.1	\$ 82.3	\$ 84.6	\$ 87.1	\$ 89.7	\$ 92.5	\$ 95.4

Beneficiaries: Approximately 27,900 organizations benefit from this tax expenditure.

General Fund Tax Expenditures

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>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 159.4	\$ 166.7	\$ 174.5	\$ 183.1	\$ 192.4	\$ 202.6	\$ 213.5

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

SUBSTITUTED TAX BASE

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</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>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: NA

General Fund Tax Expenditures

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 may be passed through to the ultimate consumer.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: NA

FISH FEED

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	Nominal						

Beneficiaries: Approximately 190 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>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 0.1	\$ 1.0	\$ 1.1	\$ 1.2	\$ 1.2	\$ 1.3	\$ 1.4

Beneficiaries: All 49 tourist promotion agencies benefit from this tax expenditure.

General Fund Tax Expenditures

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>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	Nominal						

Beneficiaries: Less than 90 entities benefit from this tax expenditure.

CONSTRUCTION OF MEMORIALS

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</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>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 13.7	\$ 14.3	\$ 15.0	\$ 15.7	\$ 16.4	\$ 17.2	\$ 18.0

Beneficiaries: NA

General Fund Tax Expenditures

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>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 24.3	\$ 25.0	\$ 25.8	\$ 26.6	\$ 27.4	\$ 28.2	\$ 29.0

Beneficiaries: Approximately 2.8 million people benefit from this tax expenditure.

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>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</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>	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
LODGING							
Trailer parks and camps	\$ 7.7	\$ 8.1	\$ 8.6	\$ 9.1	\$ 9.7	\$ 10.3	\$ 10.9
PERSONAL SERVICES							
Cleaning, storage & repair of clothing & shoes ⁽¹⁾	\$ 6.0	\$ 6.2	\$ 6.4	\$ 6.6	\$ 6.8	\$ 7.0	\$ 7.2
Dry-cleaning ⁽¹⁾	15.5	15.9	16.3	16.7	17.1	17.5	17.9
Barber and beauty shops	37.7	39.2	40.8	42.5	44.2	46.0	47.9
Funeral parlors and crematories	28.8	30.4	32.1	33.9	35.8	37.8	39.9
All other personal services	15.3	15.8	16.3	16.9	17.5	18.1	18.7
BUSINESS SERVICES							
Advertising (local)	\$ 297.0	\$ 312.2	\$ 328.2	\$ 345.1	\$ 362.8	\$ 381.5	\$ 401.2
Interior office building cleaning	21.7	22.7	23.7	24.8	25.9	27.1	28.3
Management, consulting & public relations	206.4	219.4	233.2	247.9	263.5	280.1	297.7
Research	54.5	58.7	63.2	68.0	73.2	78.8	84.8
Detective agencies	33.2	34.9	36.6	38.4	40.3	42.3	44.4
AUTOMOTIVE SERVICES							
Automobile parking	\$ 14.3	\$ 15.2	\$ 16.2	\$ 17.3	\$ 18.5	\$ 19.8	\$ 21.1
RECREATION SERVICES							
Commercial sports admissions	\$ 69.9	\$ 73.0	\$ 76.3	\$ 79.8	\$ 83.4	\$ 87.2	\$ 91.2
Entertainers	10.6	11.3	12.1	12.9	13.8	14.8	15.8
Memberships	11.4	12.3	13.2	14.2	15.3	16.4	17.6
Other admissions	51.8	55.9	60.4	65.2	70.4	76.0	82.1
HEALTH SERVICES							
Health, except hospitals, physicians and dentists	\$ 369.1	\$ 401.9	\$ 437.7	\$ 476.7	\$ 519.2	\$ 565.5	\$ 615.9
Hospitals	801.1	842.8	896.7	959.5	1,033.4	1,115.0	1,203.1
Physician office services	452.4	478.7	506.6	536.1	567.3	600.3	635.2
Dental office services	121.6	130.7	140.5	151.1	162.5	174.7	187.8
PROFESSIONAL SERVICES							
Legal	\$ 301.4	\$ 313.0	\$ 325.1	\$ 337.7	\$ 350.8	\$ 364.4	\$ 378.5
Engineering	292.9	298.2	303.6	309.1	314.7	320.4	326.2
Surveying, architectural	41.3	42.4	43.6	44.8	46.0	47.3	48.6
Accounting, auditing and bookkeeping services	116.2	124.7	133.9	143.8	154.4	165.8	178.0
MISCELLANEOUS SERVICES							
Basic television	\$ 43.0	\$ 45.5	\$ 48.2	\$ 51.1	\$ 54.2	\$ 57.5	\$ 61.0
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	32.8	34.1	35.3	36.5	37.8	39.0	40.2
Stockbroker fees	NA	NA	NA	NA	NA	NA	NA
Real estate agent fees	NA	NA	NA	NA	NA	NA	NA
Financial institution fees	202.2	213.5	224.8	235.6	247.1	259.9	273.2
Pilots fees	NA	NA	NA	NA	NA	NA	NA
OTHER SERVICES							
Other	\$ 306.7	\$ 328.7	\$ 352.3	\$ 377.6	\$ 404.7	\$ 433.8	\$ 464.9

⁽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>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</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>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</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>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 9.1	\$ 9.0	8.9	\$ 8.8	\$ 8.7	\$ 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 expires after December 31, 1998.

Purpose: This credit grants a limited tax subsidy for capital improvements made by small brewers. This provision could help lower the risk of business failure and subsequent loss of employment opportunities.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3

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.

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. 6 No. 2), as amended.

Administrative Costs: Costs to administer various tax expenditures associated with the personal income tax cannot be separately identified. The existence of tax expenditures may result in taxpayer uncertainties, which creates an administrative burden on the Department relative to additional compliance audits, letter rulings, pronouncements and bulletins.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 2.0	\$ 2.1	\$ 2.2	\$ 2.2	\$ 2.3	\$ 2.4	\$ 2.4

General Fund Tax Expenditures

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>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$1,058.7	\$1,122.9	\$1,191.1	\$1,263.4	\$1,340.1	\$1,421.4	\$1,507.7

Beneficiaries: Approximately 1.5 million retired residents benefit from this tax expenditure.

RETIREMENT CONTRIBUTIONS BY EMPLOYERS

Description: Payments made by employers for programs covering employee retirement and employer social security contributions are exempt from taxation.

Purpose: This provision lessens the burden of the tax 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>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 460.6	\$ 477.2	\$ 493.8	\$ 513.3	\$ 537.0	\$ 561.2	\$ 584.7

Beneficiaries: As many as 5.5 million employees benefit from this tax expenditure.

EMPLOYEE BENEFIT PROGRAM EMPLOYER CONTRIBUTIONS

Description: Payments made by employers or labor unions for programs covering hospitalization, sickness, disability or death, supplemental unemployment benefits, group life insurance, and strike benefits are exempt from taxation.

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>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 514.7	\$ 536.1	\$ 555.4	\$ 574.6	\$ 597.4	\$ 624.9	\$ 653.2

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

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>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 51.0	\$ 54.3	\$ 57.8	\$ 61.5	\$ 65.4	\$ 69.6	\$ 74.1

Beneficiaries: The death payment beneficiaries of approximately 155,957 life insurance policies benefit from this tax expenditure.

SICKNESS OR DISABILITY PROCEEDS

Description: Payments, other than regular wages or salary, received for periods of sickness or disability are excluded from compensation.

Purpose: These payments are excluded because they do not take the place of an employees' regular wages or salary. Sick pay in the form of regular wages or salary, however, is taxable.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: NA

UNEMPLOYMENT AND SUPPLEMENTAL UNEMPLOYMENT COMPENSATION

Description: Amounts received as unemployment compensation or supplemental unemployment compensation are excluded from taxable income.

Purpose: This exemption assists unemployed persons in providing the basic necessities of life.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 45.4	\$ 47.3	\$ 48.3	\$ 49.7	\$ 51.4	\$ 53.2	\$ 55.0

Beneficiaries: Approximately 343,000 people benefit from this tax expenditure.

General Fund Tax Expenditures

WORKER'S COMPENSATION

Description: Disability, retirement or other payments arising under workmen's compensation acts, occupational disease acts, and similar legislation are exempt from taxation.

Purpose: These benefits are not related to services rendered and are intended to provide income or subsistence during periods of disability when the taxpayer was injured on the job and also to pay workers' medical bills for injuries sustained on the job. These benefits more closely resemble insurance payments, which are not taxable.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 76.7	\$ 81.2	\$ 85.9	\$ 90.8	\$ 96.1	\$ 101.6	\$ 107.5

Beneficiaries: As many as 118,313 residents benefit from this tax expenditure.

STRIKE BENEFITS

Description: Amounts received designated as strike benefits are exempt from tax.

Purpose: These benefits are not considered compensation for services rendered and are thus excluded from tax.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: NA

PUBLIC ASSISTANCE

Description: Public Assistance payments from governmental entities are excluded from taxable income.

Purpose: This provision limits the impact of the tax on the poor and increases the effectiveness of state payments under this program.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 20.1	\$ 18.6	\$ 16.6	\$ 16.1	\$ 17.1	\$ 18.0	\$ 18.0

Beneficiaries: Approximately 744,000 people benefit from this tax expenditure.

General Fund Tax Expenditures

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>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 17.0	\$ 17.2	\$ 17.4	\$ 17.7	\$ 18.2	\$ 19.1	\$ 20.1

Beneficiaries: Approximately 13,209 residents benefit from this tax expenditure.

COMPENSATION FOR MILITARY SERVICE

Description: Compensation for military service by a Pennsylvania resident in a combat zone is excludable from tax. Income received for military service outside the Commonwealth (whether or not it is in a combat zone) while on active duty as a member of the armed forces is excludable from compensation.

Purpose: This provision reduces tax on members of the armed forces while on active duty in service of the country.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 42.1	\$ 42.3	\$ 42.5	\$ 42.8	\$ 43.0	\$ 43.2	\$ 43.4

Beneficiaries: Approximately 65,397 residents benefit from this tax expenditure.

SCHOLARSHIPS, GRANTS, FELLOWSHIPS, AND STIPENDS

Description: Scholarships, grants, fellowships, and stipends awarded on the basis of need or academic achievement for the purpose of encouraging or allowing the recipient to further his educational development are not taxable. Fellowships and stipends are taxable if they are awarded as compensation for past, present, or future services.

Purpose: Awards made on the basis of detached generosity are considered to be gifts and are not taxable as income.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 30.4	\$ 33.9	\$ 37.7	\$ 42.1	\$ 46.9	\$ 52.3	\$ 58.3

Beneficiaries: The recipients of approximately 146,182 state grants and scholarships, 198,913 federal grants and scholarships, and an unknown number of private scholarships, grants, fellowships, and stipends, benefit from this tax expenditure.

General Fund Tax Expenditures

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>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 25.2	\$ 24.8	\$ 24.8	\$ 25.0	\$ 25.2	\$ 25.3	\$ 25.5

Beneficiaries: NA

DEPENDENT CARE FACILITIES

Description: The fair market value of employer provided dependent care facilities is exempt from tax if the service is provided on the employer's premises and by their employees.

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>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: NA

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>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: NA

General Fund Tax Expenditures

UNREIMBURSED EXPENSES

Description: Unreimbursed expenditures made by employees are excludable from compensation if they are necessary to enable the taxpayer to properly perform the duties of employment, reasonable in amount, directly related to the taxpayer's occupation, and customary in the taxpayer's occupation.

Purpose: This provision enhances the fairness of the tax for those employees who incur expenses for the benefit of the employer, in order to properly perform a job, or to retain a rate of compensation.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 44.6	\$ 45.3	\$ 46.3	\$ 47.3	\$ 48.4	\$ 49.5	\$ 50.6

Beneficiaries: Individuals filing approximately 1.2 million returns benefit from this tax expenditure.

BUSINESS INCOME DEDUCTIONS

Description: Ordinary and reasonable expenses necessary to operate a business or profession may be deducted from the gross receipts of that business or profession.

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>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 54.6	\$ 61.3	\$ 66.2	\$ 69.1	\$ 71.8	\$ 76.3	\$ 81.8
	<i>Other:</i>						
	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 437.1	\$ 491.0	\$ 529.9	\$ 552.8	\$ 574.8	\$ 610.7	\$ 654.6

Beneficiaries: Approximately 1.2 million businesses and professions benefit from this tax expenditure.

FOSTER CARE

Description: Payments received by foster parents are explicitly excluded from the definition of compensation.

Purpose: This exemption provides an incentive for families to bear the burden of caring for foster children.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 2.2	\$ 2.3	\$ 2.4	\$ 2.5	\$ 2.6	\$ 2.7	\$ 2.8

Beneficiaries: The foster parents of approximately 15,782 children benefit from this tax expenditure.

General Fund Tax Expenditures

MEDICAL CARE SAVINGS ACCOUNTS

Description: Annual contributions made to Medical Savings Accounts via an account administrator, and the interest earned on these accounts are not taxable. Account must be combined with a health insurance policy with an annual deductible of \$1,500 to \$2,500 for an individual and \$3,000 to \$4,500 for a family. Tax deductible annual contributions must not exceed 65 percent of the insurance policy's deductible for individual coverage and 75 percent for family coverage. Act 179 establishes this expenditure as a four year pilot program effective January 1, 1997.

Purpose: This exemption improves the quality and availability of health care to Pennsylvanians. This exemption also reduces health care costs by providing health care consumers more options for their health care funds and promoting competition among health care providers.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 2.0	\$ 2.0	\$ 2.0	\$ 2.0	--	--	--

Beneficiaries: 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>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 96.5	\$ 91.1	\$ 88.0	\$ 85.0	\$ 80.8	\$ 76.8	\$ 73.7

Beneficiaries: Individuals filing approximately 900,000 returns benefit from this tax expenditure.

General Fund Tax Expenditures

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>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 67.5	\$ 73.1	\$ 75.8	\$ 78.9	\$ 82.1	\$ 86.1	\$ 89.7

Beneficiaries: Individuals filing approximately 72,000 returns benefit from this tax expenditure.

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>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 0.1	\$ 0.3	\$ 0.4	\$ 0.3	\$ 0.3	\$ 0.4	\$ 0.4

Beneficiaries: Farmers operating approximately 50,000 farms benefit from this tax expenditure.

General Fund Tax Expenditures

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 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>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: NA

REALTY TRANSFER TAX

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

The realty transfer tax is a documentary stamp tax on the value of any interest in real estate transferred by deed. The tax rate is 1 percent of the value of the real estate transferred. Each party to a document is jointly and severally liable for the tax imposed, unless the party is an excluded party or the document evidences an excludable transaction. The excluded status of a party does not relieve the other parties to a transaction from the entire tax due. The amounts below represent the General Fund portion of the realty transfer tax expenditures only and do not include expenditures for the portion transferred to the Keystone Recreation, Park and Conservation Fund pursuant to Act 50-1993.

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>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 0.7	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.6

General Fund Tax Expenditures

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>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	Nominal						

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>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 27.6	\$ 28.7	\$ 28.4	\$ 28.9	\$ 30.4	\$ 32.8	\$ 35.5

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>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4

General Fund Tax Expenditures

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)

Estimates:	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 1.2	\$ 1.1	\$ 1.1	\$ 1.1	\$ 1.1	\$ 1.1	\$ 1.1

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)

Estimates:	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 0.9	\$ 0.8	\$ 0.8	\$ 0.8	\$ 0.8	\$ 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, or agricultural value.

(Dollar Amounts in Millions)

Estimates:	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	Nominal						

General Fund Tax Expenditures

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>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	NA	NA	NA	NA	NA	NA	NA

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>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</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>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	Nominal						

General Fund Tax Expenditures

PRODUCTION OR EXTRACTION OF COAL, OIL, NATURAL GAS, OR MINERALS

Description: Leases for the production or extraction of coal, oil, natural gas or minerals and assignments thereof are excluded transactions.

Purpose: This exemption gives tax relief to the mining and extracting industries to produce and extract coal, oil, natural gas, and minerals at a lower cost.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</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>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	Nominal						

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>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	NA	NA	NA	NA	NA	NA	NA

General Fund Tax Expenditures

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

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>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 452.5	\$ 461.1	\$ 474.9	\$ 489.1	\$ 503.7	\$ 518.9	\$ 534.4

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>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 588.0	\$ 604.6	\$ 621.5	\$ 639.0	\$ 657.0	\$ 675.4	\$ 694.4

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>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 169.0	\$ 179.8	\$ 191.2	\$ 203.4	\$ 216.4	\$ 230.1	\$ 244.8

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>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</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 spouse, children, or parents living in the decedent's household at the time of death.

Purpose: This provision helps limit the impact of the tax on the poor and those with smaller taxable estates to whom this flat exemption is proportionately more meaningful.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</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>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 23.8	\$ 25.1	\$ 26.4	\$ 27.8	\$ 29.3	\$ 30.9	\$ 32.5

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>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 55.9	\$ 57.5	\$ 59.1	\$ 60.8	\$ 62.5	\$ 64.3	\$ 66.1

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>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 19.4	\$ 19.9	\$ 20.5	\$ 21.0	\$ 21.6	\$ 22.2	\$ 22.9

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>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</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>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</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>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</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>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</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>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</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>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</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>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</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>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4

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>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 55.6	\$ 57.2	\$ 58.8	\$ 60.5	\$ 62.2	\$ 63.9	\$ 65.7

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 \$0.90 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.

Administrative Costs: Costs to administer the multiple tax expenditures associated with the Liquid Fuels, Fuels Use and Oil Company Franchise taxes 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.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 0.9	\$ 0.9	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0

Motor License Fund Tax Expenditures

POLITICAL SUBDIVISIONS

Description: Fuels purchased by political subdivisions of the Commonwealth are exempt from the tax.

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

(Dollar Amounts in Millions)

Estimates: Motor Gasoline:

<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
\$ 5.2	\$ 5.3	\$ 5.3	\$ 5.3	\$ 5.3	\$ 5.3	\$ 5.3

Jet Fuel & Aviation Gasoline:

<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
Nominal						

Fuel Use:

<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
\$ 1.7	\$ 1.8	\$ 1.8	\$ 1.8	\$ 1.8	\$ 1.8	\$ 1.8

Oil Company Franchise:

<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
\$ 5.9	\$ 5.9	\$ 5.9	\$ 5.9	\$ 6.0	\$ 6.0	\$ 6.0

Beneficiaries: Approximately 3,200 governmental units benefit from these 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)

Estimates: Motor Gasoline:

<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
\$ 0.9	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0

Jet Fuel & Aviation Gasoline:

<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
Nominal						

Fuel Use:

<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
\$ 1.3	\$ 1.3	\$ 1.3	\$ 1.3	\$ 1.4	\$ 1.4	\$ 1.4

Oil Company Franchise:

<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
\$ 1.9	\$ 1.9	\$ 1.9	\$ 1.9	\$ 1.9	\$ 1.9	\$ 2.0

Beneficiaries: Approximately 1,907 volunteer fire departments and an unknown number of other volunteer organizations benefit from these tax expenditures.

Motor License Fund Tax Expenditures

NONPROFIT NONPUBLIC SCHOOLS

Description: 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>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal
	Jet Fuel & Aviation Gasoline:						
	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal
	Fuel Use:						
	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal
	Oil Company Franchise:						
	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

Beneficiaries: As many as 2,233 nonprofit nonpublic schools may benefit from these 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>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	NA	NA	NA	NA	NA	NA	NA
	Jet Fuel & Aviation Gasoline:						
	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal
	Fuel Use:						
	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	NA	NA	NA	NA	NA	NA	NA
	Oil Company Franchise:						
	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: One second class port authority benefits from these tax expenditures.

Motor License Fund Tax Expenditures

ELECTRIC COOPERATIVES

Description: Fuel purchases for vehicles operated by electric cooperatives are exempt from the tax.

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	Motor Gasoline:						
	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	NA	NA	NA	NA	NA	NA	NA
	Jet Fuel & Aviation Gasoline:						
	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal
	Fuel Use:						
	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal
	Oil Company Franchise:						
	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

Beneficiaries: There are 13 electric cooperatives in the Commonwealth that benefit from these 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 is 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>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 1.6	\$ 1.6	\$ 1.6	\$ 1.6	\$ 1.6	\$ 1.6	\$ 1.6
	Jet Fuel & Aviation Gasoline:						
	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal
	Fuel Use:						
	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5

Beneficiaries: Individuals operating approximately 50,000 farms benefit from these tax expenditures.

Motor License Fund Tax Expenditures

DISCOUNT

Description: A distributor is permitted a variable percentage discount based on gross tax due provided the liquid fuels 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)

Estimates:	Motor Gasoline:						
	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 5.0	\$ 5.1	\$ 5.1	\$ 5.1	\$ 5.1	\$ 5.1	\$ 5.1
	Jet Fuel & Aviation Gasoline:						
	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal
	Fuel Use:						
	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 2.7	\$ 2.8	\$ 2.8	\$ 2.8	\$ 2.8	\$ 2.8	\$ 2.9

Beneficiaries: Approximately 541 distributors and 3,645 dealer-users benefit from these 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)

Estimates:	Motor Gasoline:						
	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	NA	NA	NA	NA	NA	NA	NA
	Jet Fuel & Aviation Gasoline:						
	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal
	Fuel Use:						
	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	NA	NA	NA	NA	NA	NA	NA
	Oil Company Franchise:						
	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: The number of foreign diplomats benefiting from these tax expenditures is unknown but presumed to be nominal.

Motor License Fund Tax Expenditures

MOTOR CARRIERS ROAD TAX

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. Effective January 1, 1996, under Act 75-1995, Pennsylvania implemented the provisions of the International Fuel Tax Agreement (IFTA). Under IFTA, fuel consumed in "qualified motor vehicles" is subject to taxation at current rates. A qualified motor vehicle is a motor vehicle, other than a recreational vehicle, which is used, designed or maintained for transportation of persons or property and which has two axles and a registered gross weight exceeding 26,000 pounds, three axles or more regardless of weight or used in combination when the registered gross weight exceeds 26,000 pounds. IFTA provisions do not distinguish taxable use by vehicle types, only by weight and axle configuration. Therefore, Act 75 of 1995 repealed the Motorbus Road Tax effective January 1, 1996. The following estimates reflect the full tax rate imposed.

Administrative Costs: Costs to administer the multiple tax expenditures associated with Motor Carrier Road/IFTA Tax can not be identified separately. Tax expenditures are a significant factor associated with the need for more compliance audits and increased complexity of such audits.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.7

POLITICAL SUBDIVISIONS

Description: Vehicles operated by political subdivisions are exempt from the requirements of the motor carriers road tax.

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 8.6	\$ 8.7	\$ 8.9	\$ 9.1	\$ 9.3	\$ 9.5	\$ 9.6

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

Motor License Fund Tax Expenditures

FARM VEHICLES

Description: Qualified motor vehicles bearing a Pennsylvania farm truck registration operating under restricted use and farm vehicles exempt from registration are exempt from the motor carriers road tax.

Purpose: This exemption assists the farmer to provide agricultural products at a reduced price to the consumer.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 2.9	\$ 3.0	\$ 3.0	\$ 3.1	\$ 3.2	\$ 3.2	\$ 3.3

Beneficiaries: Individuals operating approximately 50,000 farms benefit from this tax expenditure.

EMERGENCY VEHICLES

Description: Fire, rescue, ambulance, and select other emergency vehicles are exempt from the motor carriers road tax.

Purpose: Emergency organizations provide public services which are perceived to benefit the citizenry. This exemption permits these services to be rendered at a reduced cost.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 6.4	\$ 6.5	\$ 6.7	\$ 6.8	\$ 6.9	\$ 7.1	\$ 7.2

Beneficiaries: 2,463 fire departments and an unknown number of other organizations benefit from this tax expenditure.

BUSES

Description: Every bus company operating a motorbus which meets 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>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 0.9	\$ 0.9	\$ 0.9	\$ 0.9	\$ 0.9	\$ 1.0	\$ 1.0

Beneficiaries: Approximately 1,800 bus companies benefit from this tax expenditure.

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 motor carriers road tax.

Purpose: Exemption is granted to these vehicles because of their specialized off-highway use.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 0.9	\$ 0.9	\$ 0.9	\$ 0.9	\$ 0.9	\$ 1.0	\$ 1.0

Beneficiaries: The owners of approximately 1,577 special mobile equipment vehicles benefit from this tax expenditure.

IMPLEMENTS OF HUSBANDRY

Description: A vehicle designed or adapted to be used exclusively for agricultural operations is exempt from the motor carriers road tax.

Purpose: This exemption assists the farmer to provide agricultural products at a reduced price to the consumer.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 0.1	\$ 0.1	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2

Beneficiaries: The owners of approximately 181 implements of husbandry vehicles benefit from this tax expenditure.

CHARITABLE AND RELIGIOUS ORGANIZATIONS

Description: Vehicles operated by charitable and religious organizations are exempt from the motor carriers road tax.

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 1.1	\$ 1.1	\$ 1.1	\$ 1.2	\$ 1.2	\$ 1.2	\$ 1.2

Beneficiaries: Approximately 23,476 charitable and religious organizations benefit from this tax expenditure

Motor License Fund Tax Expenditures

CHURCHES

Description: A motorbus owned by and registered to a church, exempt under Section 1901 of Title 75, is exempt from the motor carriers road tax relative to in-state travel.

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: As many as 14,167 churches may benefit from this tax expenditure.

ELECTRIC COOPERATIVES

Description: Qualified motor vehicles operated by electric cooperatives are exempt from the motor carriers road tax.

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2

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

VEHICLES NEEDING EMERGENCY REPAIRS

Description: A qualified motor vehicle needing emergency repairs, which was granted authorization from the Pennsylvania State Police to enter this Commonwealth, is exempt from the motor carriers road tax.

Purpose: This exemption was granted due to the temporary emergency nature of the vehicle entering Pennsylvania for needed repairs.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: NA

Motor License Fund Tax Expenditures

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>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: NA

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>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 7.4	\$ 7.5	\$ 7.7	\$ 7.8	\$ 8.0	\$ 8.1	\$ 8.3

Beneficiaries: Approximately 2,442 private or parochial schools and 501 public schools benefit from this tax expenditure.

RECREATIONAL VEHICLES

Description: Qualified motor vehicles such as motor homes, pickup trucks with attached campers and buses when used exclusively for personal pleasure by individuals are exempt from the motor carriers road tax.

Purpose: The MCRT/IFTA requirements are intended to apply to selected commercial vehicles. This provision exempts personal use only vehicles which would otherwise be subject to these taxing requirements.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: NA

Motor License Fund Tax Expenditures

MOTOR VEHICLE CODE

Authorization: The Motor Vehicle Code, contained in Title 75 of the Act of June 17, 1976 (P.L. 162, No. 81), became effective July 1, 1977. This amended the Act of April 29, 1959 (P.L. 58, No. 32) known as "The Vehicle Code." Contained in the Motor Vehicle Code are provisions for the titling, registration and licensing of vehicles, operation of vehicles, vehicle characteristics and the administration and enforcement of the code.

VEHICLE REGISTRATIONS

Description: Specific entities that request the authority to operate are granted a full or partial exemption from the registration fee. Not shown below are exempt categories with unknown numbers of vehicles which include, for example, mobile/modular homes, military vehicles and off road construction vehicles.

Purpose: This exemption provides relief to the organizations or individuals cited below. Many of those cited are dependent upon charitable contributions or augmented incomes. This exemption is also an indirect means of assistance to local governments and may reduce the taxes levied by these entities.

Administrative Costs: Costs to administer the multiple tax expenditures associated with vehicle registrations can not be separately identified.

(Dollar Amounts in Millions)

Estimates:	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	Nominal						

(Dollar Amounts in Millions)

Estimates:	Disabled/Severely Disabled Veterans:						
	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	Nominal	Nominal	Nominal	Nominal	0.1	0.1	0.1

Beneficiaries: The owners of approximately 10,266 vehicles benefit from this tax expenditure.

Charitable Organizations:

	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.6

Beneficiaries: The owners of approximately 11,195 vehicles benefit from this tax expenditure.

Former Prisoners of War:

	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	Nominal						

Beneficiaries: The owners of approximately 1,618 vehicles benefit from this tax expenditure.

Farm Trucks:

	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 2.4	\$ 2.5	\$ 2.5	\$ 2.5	\$ 2.5	\$ 2.6	\$ 2.6

Beneficiaries: The owners of approximately 13,344 farm trucks benefit from this tax expenditure.

Motor License Fund Tax Expenditures

Emergency Vehicles:

<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
\$ 1.2	\$ 1.2	\$ 1.2	\$ 1.2	\$ 1.3	\$ 1.3	\$ 1.3

Beneficiaries: Approximately 2,463 fire departments and an unknown number of other organizations benefit from this tax expenditure.

Fire Department Vehicles:

<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
\$ 3.0	\$ 3.0	\$ 3.1	\$ 3.1	\$ 3.1	\$ 3.1	\$ 3.2

Beneficiaries: Approximately 2,463 fire departments benefit from this tax expenditure.

Political Subdivisions:

<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
\$ 8.3	\$ 8.4	\$ 8.5	\$ 8.6	\$ 8.6	\$ 8.7	\$ 8.8

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

Older Pennsylvanians:

<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
\$ 2.0	\$ 2.0	\$ 2.0	\$ 2.0	\$ 2.1	\$ 2.1	\$ 2.1

Beneficiaries: Approximately 121,209 vehicles registered to older Pennsylvanians benefit from this tax expenditure.

CARNIVAL TRUCKS/TRUCK TRACTORS

Description: Owners who document with the Department of Transportation that the truck or tractor is used exclusively for the purpose of transporting circus or carnival personnel, equipment, or machinery are granted a reduced registration fee.

Purpose: This provides partial registration fee relief for those vehicles being used only between April 1 and September 30.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	Nominal						

Beneficiaries: The owners of approximately 149 carnival vehicles benefit from this tax expenditure.

Motor License Fund Tax Expenditures

CERTIFICATES OF TITLE

Description: Ownership of a particular vehicle is recorded by the issuance of a Certificate of Title for which a fee is charged. Specific entities exempt from this title fee are political subdivisions, totally disabled veterans, emergency vehicles and foreign nationals.

Purpose: This exemption provides relief to the organizations or individuals cited above. The General Assembly has provided exemption for these entities due to their perceived special status.

Administrative Costs: Costs to administer the certificates of title tax expenditure are borne by the Department of Transportation and are nominal.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1

Beneficiaries: The owners of approximately 8,408 vehicles benefit from this tax expenditure.

INSPECTION STICKERS

Description: All vehicles registered in Pennsylvania are required to have periodic safety inspections to insure their road worthiness. A certificate of inspection is issued for a fee to show the vehicle meets specified safety standards. The Commonwealth administratively grants an exemption from the certificate fee to vehicles operated by political subdivisions.

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

Administrative Costs: Costs to administer the inspection sticker tax expenditure are borne by the Department of Transportation and are nominal.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3

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

Motor License Fund Tax Expenditures

BRIDGE PERMITS

Description: Bridges on state owned rights-of-way need periodic maintenance and construction work. Permits are issued, for a fee, by the state to perform such work. The Commonwealth administratively grants an exemption from the permit fee to political subdivisions who are performing work for the state.

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

Administrative Costs: Costs to administer the tax expenditure for bridge permits are nominal.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	Nominal						

Beneficiaries: As many as 3,200 political subdivisions may benefit from this tax expenditure.

HAULING PERMITS

Description: Permits, for which a fee is charged, are issued to firms who wish to haul loads that exceed the maximum size or weight specifications for a vehicle. The Commonwealth administratively grants an exemption from the permit fee to political subdivisions.

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

Administrative Costs: Costs to administer the tax expenditure for hauling permits are nominal.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	Nominal						

Beneficiaries: As many as 3,200 political subdivisions may benefit from this tax expenditure.

Motor License Fund Tax Expenditures

POLICE ACCIDENT REPORTS

Description: Traffic accident reports are generated as a result of any accident where there is bodily injury or death or if one or more vehicles must be towed from the scene. A fee is charged to obtain a copy of the police accident report. The Commonwealth administratively grants an exemption for paying an accident report fee to political subdivisions.

Purpose: This exemption provides local prosecuting officials an aid in law enforcement.

Administrative Costs: Costs to administer the tax expenditure for police accident reports are nominal.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	Nominal						

Beneficiaries: As many as 3,200 political subdivisions may benefit from this tax expenditure.

Racing Fund Tax Expenditures

The Racing Fund, a special revenue fund, is comprised of monies received from taxes, licenses and fees and miscellaneous revenues collected by the State Harness Racing Commission and the State Horse Racing Commission derived from the regulation of harness and horse racing. Prior to December 30, 1983, thoroughbred racing tax revenues consisted of wagering, breakage and admissions taxes and harness racing tax revenues consisted of wagering and admissions taxes as assessed by the Race Horse Industry Reform Act (Act 135 of December 17, 1981). The Harness Racing Fund and the Horse Racing Fund were combined into the Racing Fund by Act 93 of 1983. 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>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</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>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	Nominal						

Recycling Fund Tax Expenditure

WASTE TIRE RECYCLING TAX CREDIT

Authorization: Act 190 - 1996, signed December 19, 1996.

Description: A tax credit is available to a taxpayer who makes a qualified investment in buildings, equipment or facilities for the purposes of reducing, reusing or recycling whole used or waste tires. The tax credit is equal to 30 percent of the cost of the investment in the first year and 10 percent thereafter. The credit may be applied to the corporate net income tax, capital stock and franchise tax or personal income tax. The total amount of tax credits in each calendar year may not exceed \$2,000,000. No credit may be claimed after January 1, 2000.

Purpose: The tax credit encourages reduction, reuse or recycling of whole used tires or waste tires.

Administrative Costs: NA

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	--	\$ 1.0	\$ 2.0	\$ 2.0	\$ 1.0	--	--

Beneficiaries: NA

UNEMPLOYMENT COMPENSATION INSURANCE TAX

Administrative Costs: The costs of administering the tax expenditure associated with the unemployment compensation insurance tax are nominal.

LIMITATION OF THE TAXABLE WAGE BASE

Authorization: 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 working in conjunction with the experience rating system, would change tax rates in response to a change in the taxable wage base. The methodology used for this estimate does not incorporate the changes which would occur to the tax rates as a result of tax base changes. Projected tax rates were used to estimate contributions based on currently taxable wages. The same tax rates were used to estimate contributions based on total wages paid by contributory employers.

Purpose: The limitation on taxable wages limits growth in employer tax liabilities that would otherwise occur as wages rise.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$3,398.3	\$3,204.1	\$3,339.0	\$3,578.0	\$3,794.0	\$4,014.0	\$4,226.0

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 1996 there were 234,626 contributory employers to the Unemployment Compensation Fund. The following is a breakdown of these employers according to major industry division:

Agriculture, Forestry and Fisheries	5,087	Wholesale Trade	22,038
Mining	816	Retail Trade	49,040
Construction	27,611	F.I.R.E.	15,693
Manufacturing	16,345	Services	88,963
Transportation and Public Utilities.....	8,692	Local Government.....	341

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>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 4.3	\$ 4.6	\$ 4.5	\$ 4.5	\$ 4.5	\$ 4.5	\$ 4.6

Beneficiaries: 439 public utilities could potentially benefit from this tax expenditure.

Special Fund Tax Expenditures

MACHINERY AND EQUIPMENT

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 308.0	\$ 324.4	\$ 319.9	\$ 317.8	\$ 321.3	\$ 322.9	\$ 324.6

Beneficiaries: 439 public utilities could potentially benefit from this tax expenditure.

EASEMENTS

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 3.9	\$ 3.8	\$ 4.0	\$ 4.0	\$ 4.0	\$ 4.0	\$ 4.0

Beneficiaries: 439 public utilities could potentially benefit from this tax expenditure.

RAILROAD RIGHTS-OF-WAY

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

Purpose: PURTA is intended as a tax on real property, and not as a tax on property such as these rights. This tax relief encourages the development of an extensive railroad network that is beneficial to the economy.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 8.9	\$ 9.4	\$ 9.3	\$ 9.2	\$ 9.3	\$ 9.3	\$ 9.4

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

Special Fund Tax Expenditures

LINES

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 110.6	\$ 116.5	\$ 114.9	\$ 114.1	\$ 115.4	\$ 116.0	\$ 116.5

Beneficiaries: 439 public utilities could potentially benefit from this tax expenditure.

HYDROELECTRIC PROPERTY

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</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>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 7.9	\$ 8.3	\$ 8.2	\$ 8.1	\$ 8.2	\$ 8.2	\$ 8.3

Beneficiaries: 90 public utilities could potentially benefit from this tax 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>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 4.8	\$ 5.1	\$ 5.0	\$ 5.0	\$ 5.0	\$ 5.1	\$ 5.1

Beneficiaries: 474 municipal authorities and 93 municipal public utilities could potentially benefit from this tax expenditure.

MOTOR VEHICLE LEASE TAX AND MOTOR VEHICLE RENTAL FEE

The Commonwealth levies a 3% tax on the total lease price charged for each lease of a motor vehicle subject to tax under Article II of the Tax Reform Code of 1971.

A fee of \$2 per day or portion of a day is imposed on each rental of a motor vehicle subject to tax under Article II of the Tax Reform Code of 1971.

COMMON CARRIERS

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	Motor Vehicle Leases:						
	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	NA	NA	NA	NA	NA	NA	NA
	Motor Vehicle Rentals:						
	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</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>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.6	\$ 0.6
	Motor Vehicle Rentals:						
	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.6

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>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</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>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	NA	NA	NA	NA	NA	NA	NA
	Motor Vehicle Rentals:						
	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</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>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5
	Motor Vehicle Rentals:						
	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
	\$ 0.3	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4

Beneficiaries: As many as 3,200 political subdivisions may benefit from this tax expenditure.

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)

<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
Nominal						

Beneficiaries: As many as 3,200 political subdivisions may benefit from this tax expenditure.



Governor's Executive Budget

*DEPARTMENT
PRESENTATIONS*



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 law, definable needs and administration goals.

GOVERNOR'S EXECUTIVE BUDGET

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1995-96	1996-97	1997-98
	ACTUAL	AVAILABLE	BUDGET
<u>GENERAL FUND:</u>			
<i>General Government:</i>			
Governor's Office.....	\$ 6,712	\$ 6,532	\$ 6,663
Portrait of Former Governor.....	7	0	0
	<hr/>	<hr/>	<hr/>
Total - General Government.....	\$ 6,719	\$ 6,532	\$ 6,663
	<hr/>	<hr/>	<hr/>
GENERAL FUND TOTAL.....	\$ 6,719	\$ 6,532	\$ 6,663
	<hr/>	<hr/>	<hr/>

Program Funding Summary

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
EXECUTIVE DIRECTION							
GENERAL FUND.....	\$ 6,719	\$ 6,532	\$ 6,663	\$ 6,796	\$ 6,932	\$ 7,071	\$ 7,212
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
SUBCATEGORY TOTAL.....	\$ 6,719	\$ 6,532	\$ 6,663	\$ 6,796	\$ 6,932	\$ 7,071	\$ 7,212
ALL PROGRAMS:							
GENERAL FUND.....	\$ 6,719	\$ 6,532	\$ 6,663	\$ 6,796	\$ 6,932	\$ 7,071	\$ 7,212
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
DEPARTMENT TOTAL.....	\$ 6,719	\$ 6,532	\$ 6,663	\$ 6,796	\$ 6,932	\$ 7,071	\$ 7,212

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 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)

\$ 131 **Governor's Office**
—to continue current program.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
GENERAL FUND:							
Governor's Office	\$ 6,712	\$ 6,532	\$ 6,663	\$ 6,796	\$ 6,932	\$ 7,071	\$ 7,212
Portrait of Former Governor	7	0	0	0	0	0	0
TOTAL GENERAL FUND	\$ 6,719	\$ 6,532	\$ 6,663	\$ 6,796	\$ 6,932	\$ 7,071	\$ 7,212



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 Inspector General investigates suspected improper use of State resources and investigates and recovers funds disbursed as a result of fraud or overpayment of welfare benefits. The Human Relations Commission, the Commission for Women, the African-American Affairs Commission and the Latino Affairs Commission promote equal opportunities for all people in employment, housing, public accommodations and education. The Council on the Arts provides for encouragement and development of the arts in Pennsylvania. The Commission on Crime and Delinquency provides the planning and technical assistance for the improvement of the criminal justice system as well as financial assistance to relieve the financial hardship of individuals who have been victimized by criminal acts. The Public Employee Retirement Commission monitors public employe retirement plans to assure their actuarial viability. The Office of General Counsel provides legal counsel in matters affecting the operation of State agencies. The Juvenile Court Judges Commission provides technical and financial assistance to the juvenile probation staffs of the county courts. The Medical Professional Liability Catastrophe Loss Fund makes claim payments in certain medical malpractice cases. The Rural Development Council works to promote rural development in Pennsylvania.

GOVERNOR'S EXECUTIVE BUDGET

PROGRAM REVISION

Budgeted Amounts Include the Following Program Revisions:

Title	Appropriation	1997-98 State Funds (in thousands)
Enhancing Information Technology to Better Serve Pennsylvania		
	Office of Administration	\$ 300
	Technology Investment Program	4,500
	Integrated Criminal Justice System	11,030
	Juvenile Court Judges Commission	963
	Subtotal	<u>\$ 16,793</u>
<p>This Program Revision creates a new and upgraded law enforcement information technology infrastructure known as the Justice Network, establishes a unified information technology system for tracking juvenile offenders, provides resources to contract for services to convert agency computer system applications to accommodate the year 2000, and provides for enterprise-wide information technology projects impacting Commonwealth business functions. A total of \$74.1 million in State and Federal funds is provided by this Program Revision across nine agencies.</p>		
Project for Community Building		
	Community Crime Prevention	\$ 1,000
<p>This Program Revision assists communities in addressing juvenile crime problems. This is part of the \$21.2 million Project for Community Building Program Revision. Please see the Program Revision following the Community Development Program in the Department of Community and Economic Development for additional information on this Program Revision.</p>		
	Department Total	<u><u>\$ 17,793</u></u>

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1995-96 ACTUAL	1996-97 AVAILABLE	1997-98 BUDGET
GENERAL FUND:			
General Government:			
Rural Development Council.....	\$ 64 ^a	\$ 102	\$ 105
(F)Rural Development.....	114	130	118
(F)Rural Development Through Forestry.....	0	19	19
Subtotal.....	\$ 178	\$ 251	\$ 242
Office of Administration.....	6,938	6,768	7,041
(F)Information Infrastructure.....	0	288	0
(F)National Institute of Justice.....	0	0	619
(F)Integrated Criminal Justice System.....	200	100	0
(F)HealthNet - Commerce.....	380	56	0
(F)KIOSK - Health Department.....	10	0	0
(F)KIOSK Project.....	53	0	0
(F)State Government Electronic Records.....	11	0	0
(A)Classification and Pay Services.....	2,181	2,216	2,216
(A)State Employee Assistance Program.....	938	1,036	1,034
(A)Central Management Information Center.....	17,425	14,242	12,726
(A)CMIC - 533 Special Projects.....	212	550	500
(A)Bureau of Management Consulting.....	1,109	1,206	1,206
(A)Directives Management.....	253	259	256
(A)Office of Information Technology.....	1,765	1,473	1,348
(A)Division of State Employment.....	53	54	54
(A)Temporary Employment Pool Program.....	3,209	5,100	4,597
(A)AIDS Education.....	738	370	363
(A)Labor Relations.....	11	205	205
(A)Miscellaneous Projects.....	426	3,121	40
Subtotal.....	\$ 35,912	\$ 37,044	\$ 32,205
Medicare Part B Penalties.....	480	480	480
Radio System Development.....	370	370	370
Technology Investment Program.....	0	0	4,500
Integrated Criminal Justice System.....	0	0	11,030
Office of Inspector General.....	1,890	1,880	2,219
(A)Reimbursements for Special Fund Investigations.....	1,011	1,000	1,000
Subtotal.....	\$ 2,901	\$ 2,880	\$ 3,219
Inspector General - Welfare Fraud.....	10,875	11,910	11,122
(F)TANFBG - Program Accountability.....	1,476	1,750	1,475
(F)Food Stamp - Program Accountability.....	3,825	4,000	4,200
(F)Medical Assistance - Program Accountability.....	743	2,100	2,200
Subtotal.....	\$ 16,919	\$ 19,760	\$ 18,997
Office of the Budget.....	27,212	26,549	26,925
(F)JTPA - Program Accountability.....	386	400	400
(A)Support for Commonwealth Payroll Operations.....	6,434	6,559	6,643
(A)Support for PLCB Comptroller's Office.....	6,431	7,140	6,979
(A)Support for Comptroller Services.....	17,991	18,896	19,518
Subtotal.....	\$ 58,454	\$ 59,544	\$ 60,465
Audit of the Auditor General.....	0	130	0
Audit Payments to HHS.....	8,005	0	0
Human Relations Commission.....	8,439	8,038	8,549
(F)EEOC - Special Project Grant.....	1,420	1,500	1,500
(F)HUD - Special Project Grant.....	740	1,200	1,200
Subtotal.....	\$ 10,599	\$ 10,738	\$ 11,249

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	1995-96 ACTUAL	1996-97 AVAILABLE	1997-98 BUDGET
Latino Affairs Commission	145	200	200
Council on the Arts	875	848	848
(F)NEA - Grants to the Arts - Administration.....	60	100	175
Subtotal.....	\$ 935	\$ 948	\$ 1,023
Commission for Women	346	100	250
(A)Special Projects.....	16	0	0
Subtotal.....	\$ 362	\$ 100	\$ 250
Juvenile Court Judges Commission	804	1,232	2,188
(F)DCSI - Juvenile Disposition Data Collection.....	137	69	0
Subtotal.....	\$ 941	\$ 1,301	\$ 2,188
Public Employees Retirement Commission	569	567	575
Commission on Crime and Delinquency	2,994	3,426	5,455
(F)Plan for Juvenile Justice.....	230	265	265
(F)DCSI - Administration.....	684	1,072	1,262
(F)DCSI - Program Grants.....	14,002	19,800	19,800
(F)DCSI - Criminal History Records.....	3	10	10
(F)Juvenile Justice - Title V.....	6	50	50
(F)Statistical Analysis Center.....	41	60	75
(F)National Criminal History Improvement Program.....	654	3,390 ^b	2,500
(F)Crime Victims Payments.....	1,189	1,735	1,800
(F)Violence Against Women.....	0	4,000	5,400
(F)Violence Against Women - Administration.....	1	150	200
(F)Juvenile Justice State Challenge Grants.....	0	600	600
(F)Local Law Enforcement Block Grant.....	0	3,000	2,000
(F)Victim Assistance Training.....	0	3	3
(F)Truth in Sentencing Incentive Grants.....	0	20,000	20,000
(F)Residential Substance Abuse Treatment Program.....	0	700	1,000
(F)DFSC - Special Programs.....	3,259 ^c	3,700 ^c	4,000
(F)PHHSBG - Communities That Care.....	0	550	550
(F)DFSC - Drug Abuse Resistance Education (DARE) Program.....	58	70	0
(F)Community Partnership for Safe Children.....	67	132	0
(F)DCSI - Care Dependent Older Persons Abuse Prevention.....	0	113	0
(A)Deputy Sheriff's Education and Training.....	159	194	190
(A)PCCD - Special Projects.....	9	71	73
Subtotal.....	\$ 23,356	\$ 63,091	\$ 65,233
Office of General Counsel	3,060	2,990	2,990
African American Affairs Commission	325	325	325
(A)Special Projects.....	0	88	0
Subtotal.....	\$ 325	\$ 413	\$ 325
Subtotal - State Funds.....	\$ 73,391	\$ 65,915	\$ 85,172
Subtotal - Federal Funds.....	29,749	71,112	71,421
Subtotal - Augmentations.....	60,371	63,780	58,948
Total - General Government.....	\$ 163,511	\$ 200,807	\$ 215,541
Grants and Subsidies:			
Community Crime Prevention	\$ 0	\$ 0	\$ 1,000
Grants to the Arts	8,999	9,100	9,282
(F)NEA - Grants to the Arts.....	683	1,200	900
Subtotal.....	\$ 9,682	\$ 10,300	\$ 10,182
Improvement of Juvenile Probation Services	3,478	5,513	5,513

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1995-96	1996-97	1997-98
	ACTUAL	AVAILABLE	BUDGET
(F)TANFBG - Juvenile Probation Emergency Assistance Services.....	64,747	2,000	2,000
Subtotal.....	<u>\$ 68,225</u>	<u>\$ 7,513</u>	<u>\$ 7,513</u>
Intermediate Punishment Programs.....	5,331	5,331	5,331
Intermediate Punishment Drug and Alcohol Treatment.....	0	0	10,000
Drug Education and Law Enforcement.....	2,945 ^d	3,200 ^e	3,500
(F)Rural Domestic Violence and Child Victimization.....	0	2,000	2,000
Subtotal - State Funds.....	<u>\$ 20,753</u>	<u>\$ 23,144</u>	<u>\$ 34,626</u>
Subtotal - Federal Funds.....	<u>65,430</u>	<u>5,200</u>	<u>4,900</u>
Total - Grants and Subsidies.....	<u>\$ 86,183</u>	<u>\$ 28,344</u>	<u>\$ 39,526</u>
STATE FUNDS.....	<u>\$ 94,144</u>	<u>\$ 89,059</u>	<u>\$ 119,798</u>
FEDERAL FUNDS.....	<u>95,179</u>	<u>76,312</u>	<u>76,321</u>
AUGMENTATIONS.....	<u>60,371</u>	<u>63,780</u>	<u>58,948</u>
GENERAL FUND TOTAL.....	<u>\$ 249,694</u>	<u>\$ 229,151</u>	<u>\$ 255,067</u>
LOTTERY FUND:			
<i>General Government:</i>			
Ridership Verification.....	\$ 117	\$ 114	\$ 128
LOTTERY FUND TOTAL.....	<u>\$ 117</u>	<u>\$ 114</u>	<u>\$ 128</u>
MOTOR LICENSE FUND:			
<i>General Government:</i>			
Office of the Budget.....	\$ 4,046	\$ 4,008	\$ 4,024
(A)Reimbursement for Comptroller Services.....	779	907	1,174
Subtotal - State Funds.....	<u>\$ 4,046</u>	<u>\$ 4,008</u>	<u>\$ 4,024</u>
Subtotal - Augmentations.....	<u>779</u>	<u>907</u>	<u>1,174</u>
Total - General Government.....	<u>\$ 4,825</u>	<u>\$ 4,915</u>	<u>\$ 5,198</u>
STATE FUNDS.....	<u>\$ 4,046</u>	<u>\$ 4,008</u>	<u>\$ 4,024</u>
AUGMENTATIONS.....	<u>779</u>	<u>907</u>	<u>1,174</u>
MOTOR LICENSE FUND TOTAL.....	<u>\$ 4,825</u>	<u>\$ 4,915</u>	<u>\$ 5,198</u>
OTHER FUNDS:			
GENERAL FUND:			
Constables Education and Training Account.....	\$ 332	\$ 1,500	\$ 1,500
Victim/Witness Services.....	3,464	3,312	3,500
Crime Victims Payments.....	3,268	2,860	3,300
Federal Juvenile Justice and Delinquency Prevention.....	1,938	2,323	2,400
Federal Crime Victim Assistance.....	3,280	3,000	20,000
Federal Juvenile Justice - Title V.....	361	1,000	800
GENERAL FUND TOTAL.....	<u>\$ 12,643</u>	<u>\$ 13,995</u>	<u>\$ 31,500</u>
MEDICAL PROFESSIONAL LIABILITY CATASTROPHE LOSS FUND:			
General Government Operations.....	\$ 19,670	\$ 57,012	\$ 47,928
Payment of Claim Settlements.....	280,514	291,076	284,000
MEDICAL PROFESSIONAL LIABILITY CATASTROPHE LOSS FUND TOTAL....	<u>\$ 300,184</u>	<u>\$ 348,088</u>	<u>\$ 331,928</u>

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1995-96 ACTUAL	1996-97 AVAILABLE	1997-98 BUDGET
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 94,144	\$ 89,059	\$ 119,798
SPECIAL FUNDS.....	4,163	4,122	4,152
FEDERAL FUNDS.....	95,179	76,312	76,321
AUGMENTATIONS.....	61,150	64,687	60,122
OTHER FUNDS.....	312,827	362,083	363,428
TOTAL ALL FUNDS.....	\$ 567,463	\$ 596,263	\$ 623,821

- ^a Actually appropriated to Department of Agriculture.
- ^b Includes recommended supplemental appropriation of \$1,890,000.
- ^c Actually appropriated to Department of Education.
- ^d Actually appropriated as DARE Program to Department of Education.
- ^e Actually appropriated as DARE and Other Drug Enforcement Programs to Department of Education.

Program Funding Summary

	(Dollar Amounts in Thousands)						
	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
EXECUTIVE DIRECTION							
GENERAL FUND.....	\$ 56,403	\$ 48,756	\$ 65,367	\$ 64,396	\$ 62,007	\$ 57,105	\$ 57,966
SPECIAL FUNDS.....	4,163	4,122	4,152	4,235	4,320	4,406	4,495
FEDERAL FUNDS.....	7,198	8,843	9,031	9,031	9,031	9,031	9,031
OTHER FUNDS.....	361,150	412,422	391,787	399,593	407,556	415,676	423,960
SUBCATEGORY TOTAL.....	\$ 428,914	\$ 474,143	\$ 470,337	\$ 477,255	\$ 482,914	\$ 486,218	\$ 495,452
LEGAL SERVICES							
GENERAL FUND.....	\$ 3,060	\$ 2,990	\$ 2,990	\$ 3,050	\$ 3,111	\$ 3,173	\$ 3,236
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.....	\$ 3,060	\$ 2,990	\$ 2,990	\$ 3,050	\$ 3,111	\$ 3,173	\$ 3,236
PREVENTION AND ELIMINATION OF DISCRIMINATORY PRACTICES							
GENERAL FUND.....	\$ 9,255	\$ 8,663	\$ 9,324	\$ 9,511	\$ 9,701	\$ 9,895	\$ 10,092
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	2,160	2,700	2,700	2,700	2,700	2,700	2,700
OTHER FUNDS.....	16	88	0	0	0	0	0
SUBCATEGORY TOTAL.....	\$ 11,431	\$ 11,451	\$ 12,024	\$ 12,211	\$ 12,401	\$ 12,595	\$ 12,792
DEVELOPMENT OF ARTISTS AND AUDIENCES							
GENERAL FUND.....	\$ 9,874	\$ 9,948	\$ 10,130	\$ 10,147	\$ 10,164	\$ 10,182	\$ 10,200
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	743	1,300	1,075	1,075	1,075	1,075	1,075
OTHER FUNDS.....	0	0	0	0	0	0	0
SUBCATEGORY TOTAL.....	\$ 10,617	\$ 11,248	\$ 11,205	\$ 11,222	\$ 11,239	\$ 11,257	\$ 11,275
CRIMINAL AND JUVENILE JUSTICE PLANNING AND COORDINATION							
GENERAL FUND.....	\$ 11,270	\$ 11,957	\$ 24,286	\$ 26,311	\$ 28,337	\$ 30,365	\$ 30,439
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	20,194	61,400	61,515	61,560	61,560	61,560	61,560
OTHER FUNDS.....	12,811	14,260	31,763	14,768	14,773	14,779	14,785
SUBCATEGORY TOTAL.....	\$ 44,275	\$ 87,617	\$ 117,564	\$ 102,639	\$ 104,670	\$ 106,704	\$ 106,784
REINTEGRATION OF JUVENILE DELINQUENTS							
GENERAL FUND.....	\$ 4,282	\$ 6,745	\$ 7,701	\$ 7,800	\$ 6,788	\$ 6,814	\$ 6,840
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	64,884	2,069	2,000	2,000	2,000	2,000	2,000
OTHER FUNDS.....	0	0	0	0	0	0	0
SUBCATEGORY TOTAL.....	\$ 69,166	\$ 8,814	\$ 9,701	\$ 9,800	\$ 8,788	\$ 8,814	\$ 8,840

Program Funding Summary

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
ALL PROGRAMS:							
GENERAL FUND.....	\$ 94,144	\$ 89,059	\$ 119,798	\$ 121,215	\$ 120,108	\$ 117,534	\$ 118,773
SPECIAL FUNDS.....	4,163	4,122	4,152	4,235	4,320	4,406	4,495
FEDERAL FUNDS.....	95,179	76,312	76,321	76,366	76,366	76,366	76,366
OTHER FUNDS.....	373,977	426,770	423,550	414,361	422,329	430,455	438,745
DEPARTMENT TOTAL.....	\$ 567,463	\$ 596,263	\$ 623,821	\$ 616,177	\$ 623,123	\$ 628,761	\$ 638,379

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. The program involves an established referral, evaluation and treatment process and intervention when there are critical incidents.

Also, the Office of Administration administers the AIDS Education Program which provides and coordinates basic, advanced and specialized education to all Commonwealth employees on HIV/AIDS and other infectious diseases.

The Office of Administration provides direction in areas related to Workers Compensation, employee benefits and retiree health benefits to improve program operations. It also supports the Administration's activities involving collective bargaining and implementing the results.

The Office of Administration is also responsible for developing and promulgating statewide policies and standards governing the management and use of the Commonwealth's information technology (IT) investments. These responsibilities are carried out through the Office for Information Technology (OIT) which is comprised of four organizational units: the Central Management Information Center (CMIC), the Strategic Planning Group, the Telecommunications Policy Group, and the Technology Innovations Group (TIGer Team).

CMIC provides systems analysis, computer programming and the computer operational support for Commonwealth-wide computer-based information processing and reporting systems — the Integrated Central System (ICS) which includes: payroll, personnel, accounting, purchasing and other systems. In addition, CMIC is responsible for inter-networking services such as managing the Commonwealth's Metropolitan Area Network, as well as, many local area networks operated on behalf of the Office of Administration. CMIC also plays a critical role in helping the OIT streamline and improve central processes related to the management and acquisition of IT resources.

The Strategic Planning Group is responsible for overseeing the development of Statewide IT Planning efforts. These efforts include coordinating implementation of the Commonwealth's new IT strategic vision and governance model, titled *Breaking Through Barriers*, evaluating strategic planning methodologies for Statewide application, managing the Data Center Utilization Review and implementing resulting

recommendations, and developing and coordinating Centers for Technology Excellence (CTE's) to develop recommendations on IT policies and standards for Statewide application.

The Telecommunications Policy Unit is responsible for monitoring and providing input on Federal legislation that is related to various telecommunications media, including: telephone, radio, microwave, cable and satellite. This unit is also responsible for developing a strategic telecommunications plan for Pennsylvania state government that also encompasses an overall direction for the deployment of advanced telecommunications and networking capabilities throughout the Commonwealth and how State government can leverage its investments to support this deployment. Additionally, this unit is also responsible for providing policy direction on the continued enhancement and development of Pennsylvania State government's internal telecommunications networks and related procurements.

The Technology Innovations Group is responsible for leading enterprise IT projects. This group conceptualizes and develops projects involving the innovative application of IT and advanced telecommunications capabilities within State government. These initiatives can take the form of pilot projects that are limited in their scope to a specific organizational unit/program or may involve multi-agency IT efforts. The TIGer Team played a lead role in facilitating the Commonwealth's Integrated Criminal Justice System project and in developing and managing Governor Ridge's Link to Learn initiative. The TIGer Team is also responsible for monitoring the development of new and/or emerging technologies and determining their potential use in State government.

The Office of the Budget assists the Governor in formulating fiscal policies and procedures, and in preparing the Commonwealth Budget for delivery to the General Assembly. The establishment of authorized complement levels for those agencies within the scope of authority of the Governor is the responsibility of the budget office. The office also prepares fiscal notes and reviews proposed regulations as mandated by Act 149 of 1978.

In addition, the Office of the Budget provides accounting, auditing and financial advisory and supportive services to all Commonwealth agencies and is responsible for maintenance of the ICS accounting system.

The Public Employee Retirement Commission provides an ongoing mechanism to monitor public employee retirement plans in the Commonwealth. The commission also is mandated to provide financial analyses to the General Assembly and the Governor in conjunction with their consideration of public pension legislation.

The Health Care Services Malpractice Act of 1975 established the Medical Professional Liability Catastrophe Loss Fund to provide a source of funds to pay for judgments, awards or settlements in medical malpractice claims which exceed the basic limits of coverage provided by the professional liability insurance policy. Act 135 of 1996 amended the original legislation to mandate basic insurance coverage to be \$300,000 per occurrence for individuals and hospitals, \$900,000 for annual aggregate for individuals and \$1,500,000 for hospitals for policies issued or renewed in calendar years 1997 and 1998. For those policies issued or renewed in calendar years 1999 and 2000, basic coverage will increase to \$400,000 per occurrence for individuals and hospitals, \$1,200,000 per annual aggregate for individuals and \$2,000,000 for hospitals. For policies issued or renewed in calendar year 2001 and beyond, coverage shall increase to \$500,000 per occurrence for individuals and hospitals, \$1,500,000 per annual aggregate for individuals and \$2,500,000 for hospitals. Funding is provided by levying an annual

Program: Executive Direction (continued)

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 purpose of The Office of Inspector General is to: detect, deter, prevent and eradicate fraud and waste of State resources, and misconduct by State employees; keep the Governor fully informed of problems and deficiencies in executive agencies; and help ensure that executive agencies operate efficiently, with integrity, and in accordance with applicable laws and regulations. The Office of Inspector General is

designed to maintain public confidence, integrity, and efficiency in State Government.

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 Inspector General recovers the costs of benefits provided to recipients who are eligible for Supplemental Security Income, tort recoveries, employment compensation, workers' compensation, and veterans' benefits.

Program Recommendations:

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

GENERAL FUND			
	Rural Development Council		
\$	3	—Initiative — Program Support. To provide expanded support for the activities of the Rural Development Council. In addition, \$19,000 in Federal funding is recommended for Rural Forestry programs.	\$ 339 Office of Inspector General —to continue current program.
			\$ -788 Inspector General — Welfare Fraud —to continue current program.
			\$ 376 Office of the Budget —to continue current program.
\$	-27	Office of Administration	\$ -130 Audit of the Auditor General —biennial appropriation.
	300	—to continue current program.	\$ 8 Public Employee Retirement Commission —to continue current program.
		—PRR — Enhancing Information Technology to Better Serve Pennsylvania. This Program Revision provides resources to contract for services to convert agency computer system applications to accommodate the year 2000. See the Program Revision following this program for additional information.	\$ 1,000 Community Crime Prevention —PRR — Project for Community Building. This Program Revision enhances the ability of communities to address local juvenile crime problems. See the Program Revision following the Community Development program in Department of Community and Economic Development for additional information.
\$	273	<i>Appropriation Increase</i>	
			LOTTERY FUND
\$	4,500	Technology Investment Program	Ridership Verification —to continue current program.
		—PRR — Enhancing Information Technology to Better Serve Pennsylvania. This Program Revision provides for enterprise-wide information technology projects impacting Commonwealth business functions. See the Program Revision following this program for additional information.	
			MOTOR LICENSE FUND
\$	11,030	Integrated Criminal Justice System	Office of the Budget —to continue current program.
		—PRR — Enhancing Information Technology to Better Serve Pennsylvania. This Program Revision creates a new and upgraded law enforcement information technology infrastructure for Commonwealth criminal justice agencies. See the Program Revision following this program for additional information.	

All other appropriations are recommended at the current year funding levels.



Includes PRIME recommendation to provide resources to make the centralized criminal justice databases compatible with each other to create an integrated criminal justice information system.



Includes PRIME recommendation to revise how the Commonwealth plans, prioritizes, and invests in information technology. Savings result by eliminating duplicate purchases of software and equipment and from greater efficiencies since agencies will be able to share information and to adopt to the changing needs of their customers.

Executive Offices

Program: Executive Direction (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
GENERAL FUND:							
Rural Development Council	\$ 64	\$ 102	\$ 105	\$ 107	\$ 109	\$ 111	\$ 113
Office of Administration	6,938	6,768	7,041	7,076	7,014	7,154	7,297
Medicare Part B Penalties	480	480	480	480	480	480	480
Radio System Development	370	370	370	370	370	370	370
Technology Investment Program	0	0	4,500	4,500	4,500	4,500	4,500
Integrated Criminal Justice System	0	0	11,030	9,065	6,043	0	0
Office of Inspector General	1,890	1,880	2,219	2,263	2,308	2,354	2,401
Inspector General — Welfare Fraud	10,875	11,910	11,122	11,344	11,571	11,802	12,038
Office of the Budget	27,212	26,549	26,925	27,464	28,013	28,573	29,144
Audit of the Auditor General	0	130	0	140	0	150	0
Audit Payments to HHS	8,005	0	0	0	0	0	0
Public Employee Retirement Commission	569	567	575	587	599	611	623
Community Crime Prevention	0	0	1,000	1,000	1,000	1,000	1,000
TOTAL GENERAL FUND	\$ 56,403	\$ 48,756	\$ 65,367	\$ 64,396	\$ 62,007	\$ 57,105	\$ 57,966
LOTTERY FUND:							
Ridership Verification	\$ 117	\$ 114	\$ 128	\$ 131	\$ 133	\$ 136	\$ 139
MOTOR LICENSE FUND:							
Office of the Budget	\$ 4,046	\$ 4,008	\$ 4,024	\$ 4,104	\$ 4,187	\$ 4,270	\$ 4,356

Program Revision: Enhancing Information Technology to Better Serve Pennsylvania

Information technology offers tremendous opportunities to the Commonwealth and poses significant challenges. The administration of all aspects of Commonwealth business, from criminal justice to education, can be facilitated by the broadened and expedited flow of data through new information technology networks. This Program Revision will address both opportunities and challenges by providing funding for: the creation of the Justice Network (JNET); transforming the State Police's Commonwealth Law Enforcement Assistance Network (CLEAN) to open systems technology that will also serve as the telecommunications infrastructure for JNET; the creation of an Incident Information Management System within the State Police; linking the Juvenile Court Judges Commission and the Judiciary to JNET; the expansion of the Link to Learn program to improve access to educational opportunities; the computerization of campaign financing within the Department of State; reprogramming mainframe computer software in State agencies to accommodate the year 2000; and undertaking enterprise-wide information technology improvements.

Criminal Justice Information Technology

Today, criminal justice agencies in the Commonwealth do not function as interrelated components of an enterprise system. Despite a dependency on each other for information needed to conduct the day-to-day business of processing suspects, defendants and offenders, information sharing through these agencies occurs primarily through conversations and printed documents. These practices often result in delays in case processing, duplication of effort, added costs and diminished public safety. Consequently, a new approach is required to ensure that criminal justice agencies have access to timely, accurate and complete information.

This Program Revision provides \$11.03 million for the development of the Justice Network (JNET). The implementation of the JNET project will enable State and local criminal justice agencies to share time-sensitive information necessary to support criminal justice functions, eliminate duplicate functions and increase employee productivity. Hardware and software will be developed in order to establish the JNET hub. Technical assistance, change management plans and training will be provided to agencies as they transform their existing systems and develop/test JNET prototypes. Participating agencies will also have their computer systems modified to enable communication and information sharing with the JNET hub. In addition, the Juvenile Court Judges Commission will be assisted in their selection of case management software. County and local criminal justice agencies have already joined in the conceptual development of this program and will be kept involved in the development of the system to facilitate their participation.

In addition to addressing the existing information requirements of State and local law enforcement agencies, the JNET project will also support new mandates for maintaining, accessing and exchanging information resulting from the General Assembly's Special Session No. 1 on Crime. Several acts passed during the special session require the development of new computer applications, including: a juvenile offender case management system, registration and community notification of sex offenders (Megan's Law), handgun registration history checks and protection from abuse orders. While these applications are being developed as independent projects, the JNET system serves as the guiding architecture for their development. This will ensure consistency and non-redundancy in the collection of data, compliance with open system standards and a seamless integration with the overall JNET system to facilitate the timely and accurate exchange of information by law enforcement agencies.

The JNET will provide for the exchange of data between numerous State, Federal and local criminal justice agencies. The Program Revision includes \$963,000 to institute a juvenile case tracking system for the

Juvenile Court Judges Commission. These funds will be used to develop and implement the software that will allow juvenile cases to be maintained and reviewed on-line. Also, \$342,000 is provided to the Judiciary to enable them to join JNET. Judicial access will allow the courts to place appropriate court records on the system as well as to have a complete and accurate record of the arrest and processing of the accused individual at the time the case is adjudicated.

This Program Revision provides a total of \$4.5 million in General and Motor License Funds to provide a critical upgrade to the State Police's Commonwealth Law Enforcement Assistance Network (CLEAN). Currently a proprietary network, CLEAN will be converted to an open system which will allow dissimilar information technologies used by other criminal justice agencies to access JNET. This will facilitate broader and faster dissemination of time-critical information to law enforcement agencies and the courts. All authorized users will be able to share information and communicate with anyone else using the system. This system will also be in compliance with Federal technical standards that will allow the transmission of images and fingerprints nationwide. In addition, the State Police will begin the development of an enterprise-wide administrative information system. This project is known as the Incident Information Management System and will provide the department with improved information technology communications, data sharing, scheduling and document tracking capabilities. This network will improve the way in which the State Police conduct daily administrative functions as well as modernizing law enforcement functions. This will result in increased effectiveness of the troopers and improved public safety for the citizens of Pennsylvania.

Link to Learn

In 1996-97, a \$100 million three-year initiative was begun to improve the basic technology infrastructure and capabilities of public K-12 schools. The program targeted resources towards preparing our children to meet the challenges of the 21st century through technology. Traditionally students have been limited to resources available within the classroom. Technology allows students to reach beyond these limitations, provides access to world-wide information, expertise and courses resulting in higher quality education.

Link to Learn began to connect schools, colleges, universities and communities to one another. This collection of networks and services created the Pennsylvania Education Network which is the technology infrastructure that will be used to connect computers to computers, schools to schools, schools to communities and libraries, and all these groups to the world. The initiative put a major focus on technology in the classroom and the training of teachers to effectively integrate this technology into the curriculum. This Program Revision provides second year funding for Link to Learn.

This proposal will distribute \$34.3 million to consortiums of local education agencies to begin the process of implementing regional action plans. Schools will be connected to other schools and the world by using computers, high speed Internet connections, video conferencing equipment, wide area networks and other technologies. Schools will build on and share existing resources to make it more affordable for all the organizations involved and prevent the duplication of investments.

The second year higher education funding of \$7 million will continue to support four planning project teams. The Professional Development Project will focus on providing support mechanisms for teachers as well as expanding the development and delivery of materials for teachers to use. The Technology Resources Project will evaluate first year assessment results to identify where investments are needed to strengthen the State's technology infrastructure, determine opportunities for shared resources, identify appropriate technology transfer opportunities, and continue the data collection. The Shared Vision and

Program: Enhancing Information Technology to Better Serve Pennsylvania (continued)

Action Plan Project will begin implementing the regional plans as integrated with the first year results of the Technology Testbeds and the Technology Resources Projects. The Technology Testbeds Project will implement another grant program to fund innovative approaches of community-based networking including distance learning, online government, job training, electronic commerce and telemedicine.

Through these networks, students and teachers will have access to a wide range of educational resources beyond the traditional, physical institutional and geographic boundaries to the future classroom which has no such boundaries.

Computerization of Campaign Finance

This Program Revision provides \$370,000 to the Elections Bureau of the Department of State to provide information technology that will process and compile campaign expense reports and improve public disclosure of campaign financing. This project will improve the Department of State's ability to monitor campaign expenses and assure compliance with campaign finance laws. It will allow candidates to file electronically or by providing a computer disk to the Department of State, and facilitate access to candidates' financial reports through the use of terminals.

Year 2000 Conversion

Pennsylvania has gained national recognition for its comprehensive approach to meeting the year 2000 challenge. This Program Revision provides \$10.3 million in General and Motor License Funds, and \$797,000 in Federal funds to address this issue. Because of the way dates have

been traditionally stored in computers, many systems will begin malfunctioning near the turn of the century, since they cannot recognize dates beyond 1999. The issue principally involves mainframe computers and their applications. This Program Revision provides State agencies with the resources to contract for services to convert their mainframe computer system applications to accommodate the year 2000. Agencies having mainframe systems which have not requested funding will work within existing resources to convert their system's applications.

Enterprise-wide Information Technology

This Program Revision contains a total of \$4.5 million for enterprise-wide information technology projects which will impact a broad spectrum of the Commonwealth's business functions. Foremost among these projects is implementation of results from the Data Center Utilization Review (DCUR). The DCUR, which was initiated in 1996-97, evaluated existing capabilities and utilization levels in the Commonwealth's 35 data centers for the purpose of determining more efficient ways of meeting the information technology requirements of these agencies. Additional enterprise-wide projects include: implementation and expansion of local area networks within the executive offices of Commonwealth agencies, continued enhancement of the Commonwealth's telecommunications networks, and the development of enterprise-wide Intranet applications.

This Program Revision will improve public safety, expedite the criminal justice adjudication process, enhance the quality of education, facilitate the public's right to know about campaign finances, and upgrade the speed and quality of information technology in the Commonwealth.

Program Measures:	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
Number of State Agencies using JNET							
Program Revision	0	0	9	9	9	9	9
Availability of Adult Court Dispositions in JNET							
Program Revision	0	0	200,000	200,000	200,000	200,000	200,000
Availability of Juvenile Court Dispositions in JNET							
Program Revision	0	0	15,000	15,000	15,000	15,000	15,000
Additional Testbed Project under Link to Learn							
Current	0	15	0	0	0	0	0
Program Revision	0	0	15	0	0	0	0
Mission Critical Applications Converted to Year 2000							
Program Revision	0	0	522	0	0	0	0

Executive Offices

Program: Enhancing Information Technology to Better Serve Pennsylvania (continued)

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

	GENERAL FUND			
	EXECUTIVE OFFICES			
	Office of Administration		\$ 53	State Laboratory
\$ 300	—to contract for services to convert agency computer system applications to accommodate the year 2000.			—to contract for services to convert agency computer system applications to accommodate the year 2000.
	Technology Investment Program		\$ 8	State Health Care Centers
\$ 4,500	—to implement enterprise-wide information technology projects.			—to contract for services to convert agency computer system applications to accommodate the year 2000.
	Integrated Criminal Justice System		\$ 5,000	LABOR AND INDUSTRY
\$ 11,030	—to create the Justice Network for use by all Commonwealth criminal justice agencies.			General Government Operations
	Juvenile Court Judges Commission			—to contract for services to convert agency computer system applications to accommodate the year 2000.
\$ 963	—to establish a unified information technology system for tracking juvenile offenders.			STATE
	EDUCATION		\$ 370	General Government Operations
	Technology Initiative			—to provide information technology to process and compile campaign expense reports and improve public disclosure of campaign financing.
\$ 34,333	—to provide resources to Project Link to Learn for local education agency consortiums to implement regional action plans which connect schools through the use of computers, Internet connections and other types of technology.			STATE POLICE
	Higher Education Technology Grants		\$ 1,434	General Government Operations
\$ 7,000	—to provide resources to the four planning projects related to professional development, technology resources, shared vision and action plans, and technology testbeds.			—to provide resources to establish a new State Police administrative information technology network and to make the centralized criminal justice database system compatible with other criminal justice information systems.
	ENVIRONMENTAL PROTECTION			376
	General Government Operations			—to contract for services to convert agency computer system applications to accommodate the year 2000.
\$ 300	—to contract for services to convert agency computer system applications to accommodate the year 2000.		\$ 342	JUDICIARY
	HEALTH			Integrated Criminal Justice System
	General Government Operations			—to provide judicial access to criminal justice data.
\$ 162	—to contract for services to convert agency computer system applications to accommodate the year 2000.			MOTOR LICENSE FUND
	Quality Assurance			TRANSPORTATION
\$ 186	—to contract for services to convert agency computer system applications to accommodate the year 2000.			General Government Operations
	Vital Statistics			—to contract for services to convert agency computer system applications to accommodate the year 2000.
\$ 240	—to contract for services to convert agency computer system applications to accommodate the year 2000.			Highway and Safety Improvement
				—to contract for services to convert agency computer system applications to accommodate the year 2000.
				Highway Maintenance
				—to contract for services to convert agency computer system applications to accommodate the year 2000.

Executive Offices

Program: Enhancing Information Technology to Better Serve Pennsylvania (continued)

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

\$	286	Safety Administration and Licensing —to contract for services to convert agency computer system applications to accommodate the year 2000.	799	technology network and to make the centralized criminal justice database system compatible with other criminal justice information systems. —to contract for services to convert agency computer system applications to accommodate the year 2000.
\$	3,050	STATE POLICE General Government Operations —to provide resources to establish a new State Police administrative information	\$ 73,308	<i>Program Revision Total</i>

In addition, this Program Revision provides \$797,000 in Federal funds in the Department of Health to convert agency computer system applications to accommodate the year 2000.

Recommended Program Revision Costs by Appropriation: (Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
General Fund:							
Executive Offices							
Office of Administration	\$ 0	\$ 0	\$ 300	\$ 200	\$ 0	\$ 0	\$ 0
Technology Investment Program	0	0	4,500	0	0	0	0
Integrated Criminal Justice System	0	0	11,030	9,065	6,043	0	0
Juvenile Court Judges Commission	0	0	963	1,037	0	0	0
Education							
Technology Initiative	0	0	34,333	34,334	0	0	0
Higher Education Technology Grants	0	0	7,000	7,000	0	0	0
Environmental Protection							
General Government Operations	0	0	300	0	0	0	0
Health							
General Government Operations	0	0	162	27	0	0	0
Quality Assurance	0	0	186	4	0	0	0
Vital Statistics	0	0	240	67	0	0	0
State Laboratory	0	0	53	7	0	0	0
State Health Care Centers	0	0	8	3	0	0	0
Labor and Industry							
General Government Operations	0	0	5,000	0	0	0	0
State							
General Government Operations	0	0	370	0	0	0	0
State Police							
General Government Operations	0	0	1,810	3,807	6,675	7,345	7,492
Judiciary							
Integrated Criminal Justice System	0	0	342	98	100	102	104
GENERAL FUND TOTAL	\$ 0	\$ 0	\$ 66,597	\$ 55,649	\$ 12,818	\$ 7,447	\$ 7,596
Motor License Fund:							
Transportation							
General Government Operations	\$ 0	\$ 0	\$ 143	\$ 143	\$ 0	\$ 0	\$ 0
Highway and Safety Improvement	0	0	1,145	1,145	0	0	0
Highway Maintenance	0	0	1,288	1,288	0	0	0
Safety Administration and Licensing	0	0	286	286	0	0	0
State Police							
General Government Operations	0	0	3,849	8,089	14,222	15,608	15,920
MOTOR LICENSE FUND TOTAL	\$ 0	\$ 0	\$ 6,711	\$ 10,951	\$ 14,222	\$ 15,608	\$ 15,920

PROGRAM OBJECTIVE: To provide legal advice to the Governor and the Cabinet, and to supervise, coordinate and administer legal services for the Commonwealth.

Program: Legal Services

The Office of the General Counsel was created by Act 164 of 1980. The General Counsel serves as the chief legal advisor to the Governor and has the responsibility to appoint deputy general counsel, the chief counsel and assistant counsel in each Executive Branch agency and to supervise, coordinate and administer legal services throughout the Executive Branch.

There are several areas of responsibility for the Office of General Counsel. The major responsibility is to provide general legal advice to the Governor, his staff and the Cabinet. This includes rendering legal advice and representation concerning matters and issues arising in connection with the operation of agencies under the Governor's jurisdiction. The office and agency chief counsel review and approve for form and legality all Commonwealth deeds, leases, contracts, rules and regulations. The Office of General Counsel provides advice to the Governor on pending legislative matters and issues and reviews for constitutionality and legality all legislation presented to the Governor for approval.

The Office of General Counsel also is responsible for initiating appropriate actions or defending the Commonwealth when the Attorney General delegates or declines to initiate appropriate proceedings. It also has the authority to intervene in any action by or against an agency under the Governor's jurisdiction whenever the Governor requests. The General Counsel administers the operations of the Juvenile Court Judges Commission and provides the legal representation for the Pennsylvania Public Television Network.

In addition, the General Counsel serves as a member of the Board of Commissioners on Uniform State Laws, the Pennsylvania Emergency Management Agency, the Joint Committee on Documents, the Board of Property, the Local Government Records Committee, the Medical Advisory Board, the Board of Finance and Revenue, and the Civil Disorder Commission.

Program Recommendations:

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

The Office of General Counsel appropriation is recommended at the current year funding level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
GENERAL FUND:							
Office of General Counsel	\$ 3,060	\$ 2,990	\$ 2,990	\$ 3,050	\$ 3,111	\$ 3,173	\$ 3,236

PROGRAM OBJECTIVE: *To insure equal opportunities and participation for all individuals regardless of race, religion, color, creed, handicap or disability, ancestry, national origin, familial status, age or sex in all areas of employment, housing, credit, commercial property, public accommodations and education.*

Program: Prevention and Elimination of Discriminatory Practices

The Human Relations Commission is responsible for identifying, preventing and eliminating illegal discriminatory practices as defined by the Pennsylvania Human Relations Act and the Pennsylvania Fair Educational Opportunities Act. The two principal methods utilized by the commission to secure compliance with the law are processing complaints of discrimination which might result in legal proceedings being initiated, and providing technical assistance to organizations, businesses, governmental bodies and individuals to promote voluntary compliance. Processing formal complaints continues to be the major activity of the commission.

Substantial resources are also devoted to providing technical assistance to anyone who requests guidance in avoiding illegal discriminatory acts. The commission coordinates the State's response to racial and ethnic tensions, and trains law enforcement officials and local government and community leaders on appropriate responses. The commission is also involved with major outreach programs to provide information to community leaders and public officials regarding the Pennsylvania Human Relations Act and its procedures.

The commission, in conjunction with the Pennsylvania Department of Education, is working with several urban school districts to improve the educational achievement of minority and disadvantaged students.

Federal funds are received for investigating complaints which are dual filed with the commission and with the Equal Employment Opportunity Commission or the U.S. Department of Housing and Urban Development.

The commission's efforts to identify and remedy systemic discrimination continues. This approach addresses major problems of

discrimination against whole classes of individuals. 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 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.

The Commission for Women functions as the Commonwealth's advocate for women and is responsible for developing and implementing policies and programs that work to ensure equal opportunity. A large part of the work of the commission is the distribution of information on subjects that affect equal opportunities and full participation. The agency disseminates information through publication of periodicals, handbooks or checklists on specific subjects; news releases and other information to press and broadcast media; speeches to groups and broadcast appearances; and the provision of information to individuals requesting assistance.

The African American Affairs Commission functions as the Commonwealth's advocate for the African American community. The commission advises the Governor and legislative caucuses on policies, procedures, legislation and regulations which impact upon the African American community.

Program Measures:	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
Human Relations Commission:							
Formal complaint investigation:							
Complaints pending at beginning of year	7,697	7,640	8,140	8,844	9,544	10,244	10,944
New complaints filed	5,008	5,500	5,800	5,800	5,800	5,800	5,800
Complaints closed	5,065	5,000	5,096	5,100	5,100	5,100	5,100
Complaints pending at end of year	7,640	8,140	8,844	9,544	10,244	10,944	11,644
Informal complaints received	35,281	35,000	35,000	35,000	35,000	35,000	35,000

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.

The number of complaints pending at the end of the year is lower than projected in last year's budget due to revised estimates.

Executive Offices

Program: Prevention and Elimination of Discriminatory Practices (continued)

Program Recommendations:

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

\$ 511 **Human Relations Commission**
—to continue current program.

\$ 150 **Commission for Women**
—to continue current program.

All other appropriations are recommended at the current year funding levels.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
GENERAL FUND:							
Human Relations Commission	\$ 8,439	\$ 8,038	\$ 8,549	\$ 8,720	\$ 8,894	\$ 9,072	\$ 9,253
Latino Affairs Commission	145	200	200	204	208	212	216
Commission for Women	346	100	250	255	260	265	270
African American Affairs Commission	325	325	325	332	339	346	353
TOTAL GENERAL FUND	\$ 9,255	\$ 8,663	\$ 9,324	\$ 9,511	\$ 9,701	\$ 9,895	\$ 10,092

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:	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
Attendance at supported events (thousands)	37,000	38,000	38,000	38,000	38,000	38,000	38,000
Artists participating in projects	120,000	120,000	120,000	120,000	120,000	120,000	120,000
Site visits and consultations	8,000	8,000	8,000	8,000	8,000	8,000	8,000
Grant applications reviewed	3,500	3,500	3,700	4,000	4,000	4,000	4,000
Awards made	1,650	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)

Grants to the Arts
 \$ 182 —to continue current program including \$58,000 as a challenge grant to obtain additional funds from sources outside of State government.

The Council on the Arts Appropriation is recommended at the current year funding level.

Appropriations within this Program:	(Dollar Amounts in Thousands)						
	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
GENERAL FUND:							
Council on the Arts	\$ 875	\$ 848	\$ 848	\$ 865	\$ 882	\$ 900	\$ 918
Grants to the Arts	8,999	9,100	9,282	9,282	9,282	9,282	9,282
TOTAL GENERAL FUND	\$ 9,874	\$ 9,948	\$ 10,130	\$ 10,147	\$ 10,164	\$ 10,182	\$ 10,200

PROGRAM OBJECTIVE: To provide criminal and juvenile justice system policy analysis, coordination and planning to improve criminal justice programs.

Program: Criminal and Juvenile Justice Planning and Coordination

Program Element: Planning and Coordination

The Pennsylvania Commission on Crime and Delinquency (PCCD) assists the criminal justice system by providing system-wide criminal statistical and analytical services, by fostering interagency coordination and cooperation, by rendering training and technical assistance, and by granting funds to support system improvements. Appointed task forces, advisory groups and planning committees, encompassing commission and 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 analyzes criminal history information and develops and implements strategies to improve the quality of the information.

The commission is the designated State agency to administer the Federal Violence Against Women Act of 1994. The program provides funding to Pennsylvania to develop a coordinated and integrated approach to improving the criminal justice system's response to violence against women.

Under the guidance of its gubernatorially appointed Juvenile Advisory Committee, PCCD occupies a central role in the interaction between the Department of Public Welfare, the Juvenile Court Judges' Commission and other agencies in the development and implementation of policy and programming relative to juvenile justice. PCCD is the State's focal point for promoting local efforts to implement risk-focused, community mobilization programming directed toward preventing delinquent behavior among youths. The commission also administers the Federal Juvenile Justice and Delinquency Prevention Act formula grant program.

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 to community-based organizations and district attorney offices to support comprehensive service to victims of all violent crime with particular emphasis on services to victims of sexual assault, domestic violence and child abuse. Grants are made using court imposed costs authorized by Act 96 of 1984 as amended by Act 155 of 1992 and the Federal Victims of Crime Act of 1984. The commission also administers the formula grant, Title V and State Challenge Activities components of the federal Juvenile Justice and Delinquency Prevention Act of 1974.

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; community corrections; community-based planning initiatives and reclamation efforts; new and expanded criminal justice automation efforts; comprehensive victim services; child abuse prosecution; training; and emerging opportunities and demonstrations.

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.

The commission administers the Federal Residential Substance Abuse Treatment Program of the Violent Crime Control and Law Enforcement Act of 1994, which provides funding to state agencies and units of local government to develop and implement residential substance abuse treatment programs within state and local correctional facilities in which prisoners are incarcerated for a period of time sufficient to permit substance abuse treatment.

PCCD administers Federal funds from the Violent Offender Incarceration/Truth-In-Sentencing Incentive Grant Program of the Violent Crime Control and Law Enforcement Act of 1994, which provides funding to state agencies and units of local government to build or expand correctional facilities to increase the capacity for the confinement of violent offenders for the purpose of freeing up space for violent offenders.

The commission also administers the Governor's Portion of the Local Law Enforcement Block Grant Program which may be provided to jurisdictions which by formula qualify for less than \$10,000 or to state police agencies which provide law enforcement services to these jurisdictions.

Administrative support by PCCD for the Governor's Community Partnership for Safe Children, which seeks to reduce youth violence by facilitating public/private partnerships among State Government, educators, business and community leaders, clergy and parents. Similar support is provided to the Weed and Seed Program which assists communities in which high levels of crime, especially drug crime, have severely undermined the quality of life.

Program Element: Victim Services

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.

Executive Offices

Program: Criminal and Juvenile Justice Planning and Coordination (continued)

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.

Program Measures:	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
Planning and Coordination							
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	14	33	40	56	67	67
Law enforcement officers certified as drug education and law enforcement program instructors	112	101	100	100	100	100	100
Deputy Sheriffs certified through completion of basic/waiver training	183	175	175	175	175	175	175
Victim Services							
Crime Victims Compensation:							
New claims received, reviewed and accepted	2,655	2,685	2,725	3,066	3,107	3,153	3,200
Claims Paid	2,250	2,273	2,696	2,723	2,750	2,778	2,806
Claims denied/closed without payment	320	0	0	0	0	0	0
Claims pending additional information, denied or closed without payment	0	550	580	585	590	595	600
Reopened claims	340	335	330	325	320	315	310

The measures, new claims referred and reviewed for eligibility/acceptance and new claims accepted, have been combined in compliance with Section 477.4(b) of Act 27 of the Special Session #1 of 1995.

Claims pending additional data/denied or closed without payment now includes those claims which, prior to the requirements of Section 477.4(b), were returned to the claimant without being counted as having been received. This results in an increase in the new expanded measure.

Program Recommendations:	This budget recommends the following changes: (Dollar Amounts in Thousands)
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\$	74	Commission on Crime and Delinquency —to continue current program including improvements to the Crime Victims Compensation Program. In addition, this budget recommends \$67,000 in Federal funds to improve the commission's ability to meet the rising number of technical assistance requests from grant recipients and to aggressively monitor projects.	\$	10,000	Intermediate Punishment Drug and Alcohol Treatment —Initiative. To provide grants to counties for drug and alcohol treatment programs for non-violent offenders as an alternative to incarceration.
	1,955	—Initiative — State Match for Federal Drug Control and System Improvement Projects. To provide matching funds for State projects funded through the Federal Drug Control and System Improvement grant program.	\$	300	Drug Education and Law Enforcement —Initiative — Drug Education Programs. To provide a more coordinated approach to assisting local drug education efforts, this budget recommends transferring the administrative responsibility for drug education programs from the Department of Education to the Commission on Crime and Delinquency. In addition, increased funding is provided to enhance this grant program.
\$	2,029	<i>Appropriation Increase</i>			

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)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
GENERAL FUND:							
Commission on Crime and Delinquency ...	\$ 2,994	\$ 3,426	\$ 5,455	\$ 7,480	\$ 9,506	\$ 11,534	\$ 11,608
Intermediate Punishment Program	5,331	5,331	5,331	5,331	5,331	5,331	5,331
Intermediate Punishment Drug and Alcohol Treatment	0	0	10,000	10,000	10,000	10,000	10,000
Drug Education and Law Enforcement	2,945	3,200	3,500	3,500	3,500	3,500	3,500
TOTAL GENERAL FUND	\$ 11,270	\$ 11,957	\$ 24,286	\$ 26,311	\$ 28,337	\$ 30,365	\$ 30,439

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 40 to 45 state-of-the-art training programs for juvenile justice practitioners. In addition to the provision of training, the commission, in conjunction with Shippensburg University and Mercyhurst College, provides the support to enable probation officers to receive Master of Science Degrees in the Administration of Justice. By June 1997, 315 probation officers will have graduated from this program since its inception in 1982. The support for these programs will continue into 1997-98.

The commission's Drug and Alcohol Initiative continues to be a priority. Fifty-nine of the Commonwealth's counties are using urinalysis drug testing techniques on those juveniles who are known or suspected drug users. Juveniles referred to the court are tested for one or more of the following drugs: THC, cocaine, barbiturates, amphetamines, opiates, PCP, benzodiazepines and alcohol. Outcome information regarding each youth tested during this period is collected by the commission and entered into its drug testing data base.

During 1995-96, the commission participated in a research project to analyze this information. An important objective of this project was 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-three counties to implement school-based probation programs. These programs place probation officers in schools in an effort to help at-risk

youth successfully function in the school environment, and to provide school staff with help in dealing with this difficult population. The Juvenile Court Judges' Commission will continue to coordinate the training and research activities in support of this initiative.

Juvenile delinquency placements increased from 4,155 in 1994 to 4,215 (1.44%) in 1995; while the delinquency placement rate decreased from 11.69% to 11.39% of all dispositions. Juvenile arrests for violent crimes (murder, forcible rape, robbery and aggravated assault) decreased from 6,270 in 1994 to 5,677 (9.45%) in 1995 while arrests for drug offenses decreased by 3.76% from 5,234 in 1994 to 5,037 in 1995. 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:	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
Commitments as a percent of referrals	11.39%	10.50%	10.00%	10.00%	10.00%	10.00%	10.00%
Children referred to court	36,997	38,447	39,997	41,497	42,997	42,500	42,000
Children arrested for violent crime	5,677	5,790	5,906	6,024	6,145	6,268	6,200
Juvenile justice personnel trained	2,935	2,300	2,300	2,300	2,300	2,300	2,300
Full-time equivalent juvenile probation officer positions	924	980	990	1,000	1,000	1,000	1,000

The number of Juvenile justice personnel trained is higher than estimated in 1996-97 budget due to increased funds available for training. The categories, Formal and Informal have been combined as a result of a review which determined that there were no differences in the training programs and sessions sponsored by the commission.

Program Recommendations:

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

\$	-7	Juvenile Court Judges Commission
		—to continue current program.
	963	—PRR — Enhancing Information Technology to Better Serve Pennsylvania. This Program Revision establishes a unified information technology system for tracking juvenile offenders to be accessible by law enforcement agencies throughout the Commonwealth. See the Program Revision following the Executive Direction program in Executive Offices for additional information.
\$	956	<i>Appropriation Increase</i>

The Improvement of Juvenile Probation Services appropriation is recommended at the current year funding level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
GENERAL FUND:							
Juvenile Court Judges Commission	\$ 804	\$ 1,232	\$ 2,188	\$ 2,287	\$ 1,275	\$ 1,301	\$ 1,327
Improvement of Juvenile Probation Services	3,478	5,513	5,513	5,513	5,513	5,513	5,513
TOTAL GENERAL FUND	\$ 4,282	\$ 6,745	\$ 7,701	\$ 7,800	\$ 6,788	\$ 6,814	\$ 6,840



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

	(Dollar Amounts in Thousands)		
	1995-96 ACTUAL	1996-97 AVAILABLE	1997-98 BUDGET
GENERAL FUND:			
<i>General Government:</i>			
Lieutenant Governor's Office.....	\$ 568	\$ 678	\$ 692
(A) Recycling Fund.....	102	85	85
Portrait - Former Lieutenant Governor.....	5	0	0
Board of Pardons.....	266	263	279
Subtotal - State Funds.....	\$ 839	\$ 941	\$ 971
Subtotal - Augmentations.....	102	85	85
Total - General Government.....	\$ 941	\$ 1,026	\$ 1,056
STATE FUNDS.....	\$ 839	\$ 941	\$ 971
AUGMENTATIONS.....	102	85	85
GENERAL FUND TOTAL.....	\$ 941	\$ 1,026	\$ 1,056

Program Funding Summary

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
EXECUTIVE DIRECTION							
GENERAL FUND.....	\$ 839	\$ 941	\$ 971	\$ 991	\$ 1,011	\$ 1,031	\$ 1,052
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	102	85	85	87	89	91	93
SUBCATEGORY TOTAL.....	\$ 941	\$ 1,026	\$ 1,056	\$ 1,078	\$ 1,100	\$ 1,122	\$ 1,145
ALL PROGRAMS:							
GENERAL FUND.....	\$ 839	\$ 941	\$ 971	\$ 991	\$ 1,011	\$ 1,031	\$ 1,052
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	102	85	85	87	89	91	93
DEPARTMENT TOTAL.....	\$ 941	\$ 1,026	\$ 1,056	\$ 1,078	\$ 1,100	\$ 1,122	\$ 1,145

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 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)

\$ 14 Lieutenant Governor's Office
—to continue current program.

\$ 16 Board of Pardons
—to continue current program.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
GENERAL FUND:							
Lieutenant Governor's Office	\$ 568	\$ 678	\$ 692	\$ 706	\$ 720	\$ 734	\$ 749
Portrait — Former Lieutenant Governor ...	5	0	0	0	0	0	0
Board of Pardons	266	263	279	285	291	297	303
TOTAL GENERAL FUND	\$ 839	\$ 941	\$ 971	\$ 991	\$ 1,011	\$ 1,031	\$ 1,052



COMMONWEALTH OF PENNSYLVANIA

ATTORNEY GENERAL

The State constitution provides that the Attorney General shall be the chief law enforcement officer of the Commonwealth and shall exercise such powers and perform such duties as may be imposed by law.

The Commonwealth Attorneys Act establishes the Attorney General as the chief legal and law enforcement officer of the Commonwealth and provides the following fundamental duties and responsibilities of the Office of Attorney General:

To be the Commonwealth's chief law enforcement officer charged with the responsibility for the prosecution of organized crime and public corruption. This law enforcement program includes a criminal investigations unit and drug law enforcement program as well as direction of Statewide and multi-county investigating grand juries and a Medicaid Fraud Control Section.

To represent the Commonwealth and all Commonwealth agencies and upon request the Auditor General, State Treasurer and Public Utility Commission in any action brought by or against the Commonwealth or its agencies; to furnish upon request legal advice to the Governor or the head of any Commonwealth agency.

To review for form and legality all proposed rules and regulations for Commonwealth agencies.

To review for form and legality all Commonwealth deeds, leases and contracts to be executed by Commonwealth agencies.

To collect, by suit or otherwise, all debts, taxes and accounts due the Commonwealth which shall be referred to and placed with the Attorney General.

To administer the provisions relating to consumer protection as well as appoint the Advisory Committee.

To represent the Commonwealth and its citizens in any action brought for violation of the Antitrust Laws of the United States and the Commonwealth.

The Attorney General, in addition, serves as a member of the Board of Pardons, the Joint Committee on Documents, the Hazardous Substances Transportation Board, the Board of Finance and Revenue, the Pennsylvania Commission on Crime and Delinquency, the Civil Disorder Commission and the Municipal Police Officers Education and Training Commission.

GOVERNOR'S EXECUTIVE BUDGET

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1995-96	1996-97	1997-98
	ACTUAL	AVAILABLE	BUDGET
GENERAL FUND:			
<i>General Government:</i>			
General Government Operations.....	\$ 31,790 ^a	\$ 30,853	\$ 31,470
(F)MAGLOCLIN.....	3,018	3,306	3,317
(F)Medicaid Fraud.....	3,114	3,258	3,099
(F)DCSI - Child Care Dependent Abuse Training.....	44	35	0
(F)DCSI - Elder Abuse Investigation Training.....	0	113	75
(A)Legal Fees Reimbursement.....	268	268	276
(A)Grand Jury Reimbursements.....	315	200	206
(A)Collections - Legal.....	93	50	50
(A)Department Services.....	2,182	2,131	2,196
(A)Consumer Protection.....	3	3	15
(A)Investigative Costs Reimbursements.....	31	31	31
(A)Environmental Crimes Investigative Costs.....	58	10	10
(A)Low Level Radioactive Waste Investigations.....	49	0	0
(A)Seized/Forfeited Property - State Court Awarded.....	228	229	233
(A)Seized/Forfeited Property - U.S. Department of Justice.....	0	678	750
(A)Seized/Forfeited Property - U.S. Treasury Department.....	0	300	0
(A)Public Protection Law Enforcement.....	563	1,872	769
(A)Insurance Fraud Investigations.....	0	2,400	3,196
Subtotal.....	\$ 41,756	\$ 45,737	\$ 45,693
(R)Office of Consumer Advocate.....	3,837	3,906	3,860
Drug Law Enforcement.....	17,738	17,254	17,835
(F)DCSI - Combatting Drug Gang Activities.....	335	125	0
(F)DCSI - Criminal History Records Audits.....	329	172	0
(F)DCSI - Monitoring Prescription Abuse.....	0	233	155
(A)Recovery of Narcotics Investigation Overtime Costs.....	42	35	35
(A)Seized/Forfeited Property - State Court Awarded.....	0	1,182	1,100
(A)Seized/Forfeited Property - U.S. Department of Justice.....	200	243	500
(A)Seized/Forfeited Property - U.S. Treasury Department.....	0	100	100
Subtotal.....	\$ 18,644	\$ 19,344	\$ 19,725
Local Drug Task Forces.....	6,793	6,665	6,755
Subtotal - State Funds.....	\$ 56,321	\$ 54,772	\$ 56,060
Subtotal - Federal Funds.....	6,840	7,242	6,646
Subtotal - Augmentations.....	4,032	9,732	9,467
Subtotal - Restricted Revenues.....	3,837	3,906	3,860
Total - General Government.....	\$ 71,030	\$ 75,652	\$ 76,033
Grants and Subsidies:			
County Trial Reimbursement.....	\$ 150	\$ 150	\$ 150
STATE FUNDS.....	\$ 56,471	\$ 54,922	\$ 56,210
FEDERAL FUNDS.....	6,840	7,242	6,646
AUGMENTATIONS.....	4,032	9,732	9,467
RESTRICTED REVENUES.....	3,837	3,906	3,860
GENERAL FUND TOTAL.....	\$ 71,180	\$ 75,802	\$ 76,183
OTHER FUNDS:			
GENERAL FUND:			
Seized/Forfeited Property - State Court Awarded.....	\$ 1,197	\$ 2,604	\$ 2,428
Seized/Forfeited Property - U.S. Department of Justice.....	659	1,356	1,694

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1995-96 ACTUAL	1996-97 AVAILABLE	1997-98 BUDGET
Seized/Forfeited Property - PSP-OAG Agreement.....	874	1,100	1,100
OAG Investigative Funds - Outside Sources.....	1,018	2,400	3,196
Seized/Forfeited Property - U.S. Treasury Department.....	0	400	100
Public Protection Law Enforcement.....	821	2,148	1,045
Coroner's Education Board.....	33	25	25
GENERAL FUND TOTAL.....	\$ 4,602	\$ 10,033	\$ 9,588
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 56,471	\$ 54,922	\$ 56,210
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	6,840	7,242	6,646
AUGMENTATIONS.....	4,032	9,732	9,467
RESTRICTED.....	3,837	3,906	3,860
OTHER FUNDS.....	4,602	10,033	9,588
TOTAL ALL FUNDS.....	\$ 75,782	\$ 85,835	\$ 85,771

^a Actually appropriated as \$30,059,000 for General Government Operations and \$1,731,000 for Hazardous Waste Prosecutions.

Program Funding Summary

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
PUBLIC PROTECTION AND LAW ENFORCEMENT							
GENERAL FUND.....	\$ 56,471	\$ 54,922	\$ 56,210	\$ 57,331	\$ 58,475	\$ 59,642	\$ 60,832
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	6,840	7,242	6,646	6,565	6,491	6,491	6,491
OTHER FUNDS.....	12,471	23,671	22,915	23,375	23,843	24,322	24,809
SUBCATEGORY TOTAL.....	\$ 75,782	\$ 85,835	\$ 85,771	\$ 87,271	\$ 88,809	\$ 90,455	\$ 92,132
ALL PROGRAMS:							
GENERAL FUND.....	\$ 56,471	\$ 54,922	\$ 56,210	\$ 57,331	\$ 58,475	\$ 59,642	\$ 60,832
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	6,840	7,242	6,646	6,565	6,491	6,491	6,491
OTHER FUNDS.....	12,471	23,671	22,915	23,375	23,843	24,322	24,809
DEPARTMENT TOTAL.....	\$ 75,782	\$ 85,835	\$ 85,771	\$ 87,271	\$ 88,809	\$ 90,455	\$ 92,132

PROGRAM OBJECTIVE: To enforce the criminal laws of the Commonwealth to protect the interests of Pennsylvania citizens in areas of consumer protection, antitrust enforcement, operation of charitable trusts and organizations, and civil rights; and to provide legal services to Commonwealth agencies.

Program: Public Protection and Law Enforcement

The Attorney General as the chief law enforcement officer of the Commonwealth is charged with the responsibility for the investigation and prosecution of organized crime and public corruption. The agency investigates and prosecutes criminal activity in accordance with Sections 205 and 206 of the Commonwealth Attorneys Act, and utilizes Statewide investigative grand juries as appropriate. The Attorney General's Office works with the State Police to curtail drug abuse in the Commonwealth by immobilizing illegal drug traffickers. Last year, over 3,661 drug traffickers were arrested, of whom 307 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:	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
Cases presented to the Statewide							
Investigating Grand Jury	32	40	40	40	40	40	40
Drug law arrests	3,661	1,945	2,450	2,450	2,450	2,450	2,450
Major drug traffickers arrested	307	272	340	340	340	340	340
Consumer complaints concerning business practices investigated and mediated	28,083	30,000	30,000	31,000	31,000	31,000	31,000
Dollar value of recoupment to consumers regarding business practices (in thousands)	\$5,050	\$5,050	\$5,050	\$5,050	\$5,050	\$5,050	\$5,050
Rate cases argued by Consumer Advocate	38	42	N/A	N/A	N/A	N/A	N/A
Other cases argued by the Consumer Advocate	312	280	N/A	N/A	N/A	N/A	N/A
Antitrust and oil overcharge cases: Settlements with or without court action	5	12	12	12	12	12	12
Dollars paid or agree to be paid to the Commonwealth or directly to its citizens (in thousands)	\$62,147	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000

The number of grand jury investigations in 1995-96 were less than in last year's budget because cases were more complex and therefore more time consuming.

Fewer drug arrests were made in 1995-96 than projected in last year's budget due to a restructuring of the drug task force program with a reporting change. County arrest statistics were not reported through the Office of Attorney General and will not be in future years.

The dollar value of recoupment to consumers regarding business practices was larger than expected in last year's budget due to an increase in the average settlement.

There were less settlements with or without court action than projected in last year's budget due to an increase in merger reviews which are less prone to settlement.

Attorney General

Program: Public Protection and Law Enforcement (continued)

Program Recommendations:

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

\$	617	General Government Operations —to continue current program.	This budget also recommends the following change to the Office of Consumer Advocate from its restricted revenue account in the General Fund.
\$	581	Drug Law Enforcement —to continue current program.	Office of the Consumer Advocate —to continue current program.
\$	90	Local Drug Task Forces —to continue current program.	\$ -26

County Trial Reimbursement is recommended at the current year funding level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
GENERAL FUND:							
General Government Operations	\$ 31,790	\$ 30,853	\$ 31,470	\$ 32,099	\$ 32,741	\$ 33,396	\$ 34,064
Drug Law Enforcement	17,738	17,254	17,835	18,192	18,556	18,927	19,306
Local Drug Task Forces	6,793	6,665	6,755	6,890	7,028	7,169	7,312
County Trial Reimbursement	150	150	150	150	150	150	150
TOTAL GENERAL FUND	\$ 56,471	\$ 54,922	\$ 56,210	\$ 57,331	\$ 58,475	\$ 59,642	\$ 60,832



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

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1995-96 ACTUAL	1996-97 AVAILABLE	1997-98 BUDGET
GENERAL FUND:			
<i>General Government:</i>			
Auditor General's Office.....	\$ 38,130	\$ 36,965	\$ 37,704
(F)January 1996 Storm Disaster - Public Assistance.....	0	2	0
(A)Reimbursement Auditing Services.....	8,033	7,000	7,000
(A)Sale of Autos.....	104	0	0
Subtotal.....	<u>\$ 46,267</u>	<u>\$ 43,967</u>	<u>\$ 44,704</u>
Board of Claims.....	1,472	1,428	1,444
Subtotal - State Funds.....	<u>\$ 39,602</u>	<u>\$ 38,393</u>	<u>\$ 39,148</u>
Subtotal - Federal Funds.....	0	2	0
Subtotal - Augmentations.....	8,137	7,000	7,000
Total - General Government.....	<u>\$ 47,739</u>	<u>\$ 45,395</u>	<u>\$ 46,148</u>
<i>Grants and Subsidies:</i>			
Municipal Pension System State Aid.....	\$ 6,362	\$ 1,684	\$ 549
STATE FUNDS.....	\$ 45,964	\$ 40,077	\$ 39,697
FEDERAL FUNDS.....	0	2	0
AUGMENTATIONS.....	8,137	7,000	7,000
GENERAL FUND TOTAL.....	<u>\$ 54,101</u>	<u>\$ 47,079</u>	<u>\$ 46,697</u>
OTHER FUNDS:			
MUNICIPAL PENSION AID FUND:			
Municipal Pension Aid.....	\$ 136,851	\$ 130,100	\$ 135,000
SUPPLEMENTAL STATE ASSISTANCE FUND:			
Supplemental State Assistance.....	\$ 6,362	\$ 1,684	\$ 549
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 45,964	\$ 40,077	\$ 39,697
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	0	2	0
AUGMENTATIONS.....	8,137	7,000	7,000
OTHER FUNDS.....	143,213	131,784	135,549
TOTAL ALL FUNDS.....	<u>\$ 197,314</u>	<u>\$ 178,863</u>	<u>\$ 182,246</u>

Program Funding Summary

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
AUDITING							
GENERAL FUND.....	\$ 39,602	\$ 38,393	\$ 39,148	\$ 39,931	\$ 40,729	\$ 41,544	\$ 42,375
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	2	0	0	0	0	0
OTHER FUNDS.....	8,137	7,000	7,000	7,140	7,283	7,429	7,578
SUBCATEGORY TOTAL.....	\$ 47,739	\$ 45,395	\$ 46,148	\$ 47,071	\$ 48,012	\$ 48,973	\$ 49,953
MUNICIPAL PENSION SYSTEMS							
GENERAL FUND.....	\$ 6,362	\$ 1,684	\$ 549	\$ 549	\$ 549	\$ 549	\$ 549
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	143,213	131,784	135,549	138,249	141,003	143,812	146,677
SUBCATEGORY TOTAL.....	\$ 149,575	\$ 133,468	\$ 136,098	\$ 138,798	\$ 141,552	\$ 144,361	\$ 147,226
ALL PROGRAMS:							
GENERAL FUND.....	\$ 45,964	\$ 40,077	\$ 39,697	\$ 40,480	\$ 41,278	\$ 42,093	\$ 42,924
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	2	0	0	0	0	0
OTHER FUNDS.....	151,350	138,784	142,549	145,389	148,286	151,241	154,255
DEPARTMENT TOTAL.....	\$ 197,314	\$ 178,863	\$ 182,246	\$ 185,869	\$ 189,564	\$ 193,334	\$ 197,179

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 and a single financial/compliance audit, called the single Audit, of the Commonwealth's Federal Aid programs 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
 \$ 739 —to continue current program.

Board of Claims
 \$ 16 —to continue current program.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
GENERAL FUND:							
Auditor General's Office	\$ 38,130	\$ 36,965	\$ 37,704	\$ 38,458	\$ 39,227	\$ 40,012	\$ 40,812
Board of Claims	1,472	1,428	1,444	1,473	1,502	1,532	1,563
TOTAL GENERAL FUND	\$ 39,602	\$ 38,393	\$ 39,148	\$ 39,931	\$ 40,729	\$ 41,544	\$ 42,375

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)

\$	-1,135	<p>Municipal Pension System State Aid —to provide the amount certified by the Public Employee Retirement Commission for a recovery program for financially distressed municipal pension systems.</p>
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Appropriations within this Program:

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
GENERAL FUND:							
Municipal Pension System State Aid	\$ 6,362	\$ 1,684	\$ 549	\$ 549	\$ 549	\$ 549	\$ 549



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

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1995-96 ACTUAL	1996-97 AVAILABLE	1997-98 BUDGET
GENERAL FUND:			
General Government:			
State Treasurer's Office.....	\$ 18,349	\$ 17,841	\$ 18,197
(A)Expenses - Unemployment Compensation.....	1,552	7,321	8,054
(A)Fees - Federal Savings Bonds.....	26	0	0
(A)Receipts From SWIF.....	101	0	0
(A)Sale of Automobiles.....	4	0	0
(A)Unclaimed Property - Reimbursement.....	5,404	0	0
(A)Photocopy Services.....	5	0	0
(A)Unclaimed Property Reference Fees.....	5	0	0
(A)Administrative Fees.....	212	0	0
(A)Miscellaneous.....	184	0	0
Subtotal.....	<u>\$ 25,842</u>	<u>\$ 25,162</u>	<u>\$ 26,251</u>
Board of Finance and Revenue.....	1,565	1,782 ^a	1,826
Publishing Monthly Statements.....	60	60	60
Intergovernmental Organizations.....	673	780	795
Great Lakes Commission.....	70	0	0
Replacement Checks (EA).....	700	450	475
Education Commission of the States.....	82	0	0
Subtotal - State Funds.....	<u>\$ 21,499</u>	<u>\$ 20,913</u>	<u>\$ 21,353</u>
Subtotal - Augmentations.....	7,493	7,321	8,054
Total - General Government.....	<u>\$ 28,992</u>	<u>\$ 28,234</u>	<u>\$ 29,407</u>
Grants and Subsidies:			
Law Enforcement Officers Death Benefits.....	\$ 282	\$ 468	\$ 468
Debt Service:			
Loan and Transfer Agents.....	\$ 99	\$ 225	\$ 225
Tax Note Expenses.....	146	170	170
General Obligation Debt Service.....	434,702	496,000	567,333
(A)General State Authority Rentals.....	1,004	1,100	1,100
(A)Transfer from PIDA Escrow.....	100,000	60,000	0
Commercial Paper Costs (EA).....	0	1,000	1,000
Interest on Tax Anticipation Notes (EA).....	15,184	19,400 ^b	21,000
Subtotal - State Funds.....	<u>\$ 450,131</u>	<u>\$ 516,795</u>	<u>\$ 589,728</u>
Subtotal - Augmentations.....	101,004	61,100	1,100
Total - Debt Service.....	<u>\$ 551,135</u>	<u>\$ 577,895</u>	<u>\$ 590,828</u>
STATE FUNDS.....	\$ 471,912	\$ 538,176	\$ 611,549
AUGMENTATIONS.....	108,497	68,421	9,154
GENERAL FUND TOTAL.....	<u>\$ 580,409</u>	<u>\$ 606,597</u>	<u>\$ 620,703</u>
MOTOR LICENSE FUND:			
Refunds:			
Replacement Checks.....	\$ 211	\$ 300	\$ 300
Refunding Liquid Fuels Tax - Agriculture.....	1,934	3,200	3,200
Refunding Liquid Fuels Tax - State Share.....	250	400	500
Refunding Emergency Liquid Fuels Tax.....	0	1	1
Refunding Liquid Fuels Tax - Political Subdivisions.....	1,338	2,300	2,300
Administration Refunding Liquid Fuels Tax.....	346	346	353
Refunding Liquid Fuels Tax - Volunteer Services.....	76	300	350

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1995-96 ACTUAL	1996-97 AVAILABLE	1997-98 BUDGET
Refunding Marine Liquid Fuels Tax - Boat Fund.....	2,200	2,200	2,300
Total - Refunds.....	<u>\$ 6,355</u>	<u>\$ 9,047</u>	<u>\$ 9,304</u>
Debt Service:			
Capital Debt Transportation Projects.....	\$ 150,108	\$ 118,075	\$ 113,884
General Obligation Debt Service.....	1,399	1,367	1,301
(R)Capital Bridge Debt.....	30,062	29,218	29,872
(R)Aviation Debt Service.....	1,245	1,378	1,388
Loan and Transfer Agent.....	71	135	135
Subtotal - State Funds.....	<u>\$ 151,578</u>	<u>\$ 119,577</u>	<u>\$ 115,320</u>
Subtotal - Restricted Revenues.....	31,307	30,596	31,260
Total - Debt Service.....	<u>\$ 182,885</u>	<u>\$ 150,173</u>	<u>\$ 146,580</u>
STATE FUNDS.....	\$ 157,933	\$ 128,624	\$ 124,624
FEDERAL FUNDS.....	0	0	0
RESTRICTED REVENUES.....	31,307	30,596	31,260
MOTOR LICENSE FUND TOTAL.....	<u>\$ 189,240</u>	<u>\$ 159,220</u>	<u>\$ 155,884</u>
<u>BANKING DEPARTMENT FUND:</u>			
<i>General Government:</i>			
Replacement Checks (EA).....	\$ 0	\$ 5	\$ 5
BANKING DEPARTMENT FUND TOTAL.....	<u>\$ 0</u>	<u>\$ 5</u>	<u>\$ 5</u>
<u>BOAT FUND:</u>			
<i>General Government:</i>			
Replacement Checks (EA).....	\$ 0	\$ 5	\$ 5
BOAT FUND TOTAL.....	<u>\$ 0</u>	<u>\$ 5</u>	<u>\$ 5</u>
<u>FARM PRODUCTS SHOW FUND:</u>			
<i>General Government:</i>			
Replacement Checks (EA).....	\$ 0	\$ 5	\$ 5
FARM PRODUCTS SHOW FUND TOTAL.....	<u>\$ 0</u>	<u>\$ 5</u>	<u>\$ 5</u>
<u>FISH FUND:</u>			
<i>General Government:</i>			
Replacement Checks (EA).....	\$ 0	\$ 5	\$ 5
<i>Debt Service:</i>			
General Obligation Debt Service.....	\$ 4	\$ 1	\$ 0
FISH FUND TOTAL.....	<u>\$ 4</u>	<u>\$ 6</u>	<u>\$ 5</u>
<u>GAME FUND:</u>			
<i>General Government:</i>			
Replacement Checks (EA).....	\$ 0	\$ 5	\$ 5

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1995-96 ACTUAL	1996-97 AVAILABLE	1997-98 BUDGET
GAME FUND TOTAL.....	\$ 0	\$ 5	\$ 5
LOTTERY FUND:			
<i>General Government:</i>			
Replacement Checks (EA).....	\$ 14	\$ 100	\$ 100
LOTTERY FUND TOTAL.....	\$ 14	\$ 100	\$ 100
MILK MARKETING FUND:			
<i>General Government:</i>			
Milk Replacement Checks (EA).....	\$ 0	\$ 5	\$ 5
<i>Refunds:</i>			
Refunding Licenses and Fees (EA).....	\$ 0	\$ 5	\$ 5
MILK MARKETING FUND TOTAL.....	\$ 0	\$ 10	\$ 10
RACING FUND:			
<i>General Government:</i>			
Replacement Checks (EA).....	\$ 4	\$ 10	\$ 10
RACING FUND TOTAL.....	\$ 4	\$ 10	\$ 10
OTHER FUNDS:			
ECONOMIC REVITALIZATION FUND:			
Economic Revitalization Fund.....	\$ 88	\$ 0	\$ 0
KEYSTONE RECREATION, PARK AND CONSERVATION FUND:			
Bond Issuance Expenses.....	\$ 18	\$ 0	\$ 0
TUITION PAYMENT FUND:			
Administration - Tuition Account Program.....	\$ 415	\$ 435	\$ 444
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 471,912	\$ 538,176	\$ 611,549
SPECIAL FUNDS.....	157,955	128,770	124,769
AUGMENTATIONS.....	108,497	68,421	9,154
RESTRICTED.....	31,307	30,596	31,260
OTHER FUNDS.....	521	435	444
TOTAL ALL FUNDS.....	\$ 770,192	\$ 766,398	\$ 777,176

^a Includes recommended supplemental appropriation of \$268,000.

^b Includes pending executive authorization of \$7,300,000.

Program Funding Summary

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
DISBURSEMENT							
GENERAL FUND.....	\$ 20,896	\$ 20,541	\$ 20,966	\$ 21,367	\$ 21,775	\$ 22,192	\$ 22,617
SPECIAL FUNDS.....	6,373	9,192	9,449	9,456	9,463	9,470	9,477
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	7,996	7,756	8,498	8,668	8,841	9,018	9,198
SUBCATEGORY TOTAL.....	\$ 35,265	\$ 37,489	\$ 38,913	\$ 39,491	\$ 40,079	\$ 40,680	\$ 41,292
INTERSTATE RELATIONS							
GENERAL FUND.....	\$ 825	\$ 780	\$ 795	\$ 795	\$ 795	\$ 795	\$ 795
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.....	\$ 825	\$ 780	\$ 795	\$ 795	\$ 795	\$ 795	\$ 795
DEBT SERVICE							
GENERAL FUND.....	\$ 450,191	\$ 516,855	\$ 589,788	\$ 603,599	\$ 638,912	\$ 654,737	\$ 659,718
SPECIAL FUNDS.....	151,582	119,578	115,320	113,389	101,341	83,438	62,642
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	132,329	91,696	32,360	32,541	31,713	29,502	27,382
SUBCATEGORY TOTAL.....	\$ 734,102	\$ 728,129	\$ 737,468	\$ 749,529	\$ 771,966	\$ 767,677	\$ 749,742
ALL PROGRAMS:							
GENERAL FUND.....	\$ 471,912	\$ 538,176	\$ 611,549	\$ 625,761	\$ 661,482	\$ 677,724	\$ 683,130
SPECIAL FUNDS.....	157,955	128,770	124,769	122,845	110,804	92,908	72,119
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	140,325	99,452	40,858	41,209	40,554	38,520	36,580
DEPARTMENT TOTAL.....	\$ 770,192	\$ 766,398	\$ 777,176	\$ 789,815	\$ 812,840	\$ 809,152	\$ 791,829

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 in death benefits, adjusted annually for inflation, to the surviving spouse or children of firemen or law enforcement officers of the Commonwealth killed in the performance of their duties and to reimburse political subdivisions for such 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:	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
Disbursements issued	10,025,377	9,900,000	9,900,000	N/A	N/A	N/A	N/A
Persons receiving cash assistance, monthly average	615,131	538,971	492,295	446,516	410,393	376,684	344,329
Interest earned on investments:							
General Fund (in thousands)	\$ 71,056	\$ 68,447	\$ 69,474	N/A	N/A	N/A	N/A
Motor License Fund (in thousands)	22,234	20,680	20,188	N/A	N/A	N/A	N/A
TOTAL	\$ 93,290	\$ 89,127	\$ 89,662	N/A	N/A	N/A	N/A

The program measure persons receiving cash assistance, monthly average is declining because of State and Federal Welfare Reform changes.

Program Recommendations:	This budget recommends the following changes: (Dollar Amounts in Thousands)	
GENERAL FUND		
State Treasurer's Office	\$ 7	Administration of Refunding Liquid Fuels
—to continue current program.		—to continue current program.
Board of Finance and Revenue	\$ 50	Refunding Liquid Fuels Tax —
—to continue current program.		Volunteer Services
Replacement checks	\$ 100	—to continue current program.
—to continue current program.		Refunding Marine Liquid Fuels Tax —
MOTOR LICENSE FUND		Boat Fund
Refunding Liquid Fuels Tax - State Share		—to continue current program.
—to continue current program.		

All other appropriations are recommended at the current year funding level.

Program: Disbursement (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
GENERAL FUND:							
State Treasurer's Office	\$ 18,349	\$ 17,841	\$ 18,197	\$ 18,561	\$ 18,932	\$ 19,311	\$ 19,697
Board of Finance and Revenue	1,565	1,782	1,826	1,863	1,900	1,938	1,977
Replacement Checks	700	450	475	475	475	475	475
Law Enforcement Officers Death Benefits	282	468	468	468	468	468	468
TOTAL GENERAL FUND	\$ 20,896	\$ 20,541	\$ 20,966	\$ 21,367	\$ 21,775	\$ 22,192	\$ 22,617
MOTOR LICENSE FUND:							
Replacement Checks	\$ 211	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300
Refunding Liquid Fuels Tax-Agriculture	1,934	3,200	3,200	3,200	3,200	3,200	3,200
Refunding Liquid Fuels Tax-State Share ..	250	400	500	500	500	500	500
Refunding Emergency Liquid Fuels Tax ...	0	1	1	1	1	1	1
Refunding Liquid Fuels Tax-Political Subdivisions	1,338	2,300	2,300	2,300	2,300	2,300	2,300
Administration Refunding Liquid Fuels Tax	346	346	353	360	367	374	381
Refunding Liquid Fuels Tax-Volunteer Services	76	300	350	350	350	350	350
Refunding Marine Liquid Fuels Tax-Boat Fund	2,200	2,200	2,300	2,300	2,300	2,300	2,300
TOTAL MOTOR LICENSE FUND	\$ 6,355	\$ 9,047	\$ 9,304	\$ 9,311	\$ 9,318	\$ 9,325	\$ 9,332
BANKING DEPARTMENT FUND:							
Replacement Checks	\$ 0	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5
BOAT FUND:							
Replacement Checks	\$ 0	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5
FARM PRODUCTS SHOW FUND:							
Replacement Checks	\$ 0	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5
FISH FUND:							
Replacement Checks	\$ 0	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5
GAME FUND:							
Replacement Checks	\$ 0	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5
LOTTERY FUND:							
Replacement Checks	\$ 14	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100
MILK MARKETING FUND:							
Replacement Checks	\$ 0	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5
Refunding Licenses and Fees	0	5	5	5	5	5	5
TOTAL MILK MARKETING FUND	\$ 0	\$ 10	\$ 10	\$ 10	\$ 10	\$ 10	\$ 10
RACING FUND:							
Replacement Checks	\$ 4	\$ 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)

General Fund
Intergovernmental Organizations
\$ 15 —to continue current program.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
GENERAL FUND:							
Intergovernmental Organizations	\$ 673	\$ 780	\$ 795	\$ 795	\$ 795	\$ 795	\$ 795
Great Lakes Commission	70	0	0	0	0	0	0
Education Commission of the States	82	0	0	0	0	0	0
TOTAL GENERAL FUND	\$ 825	\$ 780	\$ 795	\$ 795	\$ 795	\$ 795	\$ 795

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 provided 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 \$ 72,933 —the net effect on principal and interest requirements and other costs relating to the General Fund debt service.</p> <p>Motor License Fund \$ -4,257 —the net effect on principal and interest requirements and other costs relating to the Motor License Fund debt service.</p>	<p>Fish Fund \$ -1 —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)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
GENERAL FUND:							
Publishing Monthly Statements	\$ 60	\$ 60	\$ 60	\$ 60	\$ 60	\$ 60	\$ 60
Loan and Transfer Agents	99	225	225	225	225	225	225
Tax Note Expenses	146	170	170	170	170	170	170
General Obligation Debt Service	434,702	496,000	567,333	581,144	616,457	632,282	637,263
Commercial Paper Cost	0	1,000	1,000	1,000	1,000	1,000	1,000
Interest on Tax Anticipation Notes	15,184	19,400	21,000	21,000	21,000	21,000	21,000
TOTAL GENERAL FUND	\$ 450,191	\$ 516,855	\$ 589,788	\$ 603,599	\$ 638,912	\$ 654,737	\$ 659,718
MOTOR LICENSE FUND:							
Capital Debt Transportation Projects	\$ 150,108	\$ 118,075	\$ 113,884	\$ 111,021	\$ 98,635	\$ 80,348	\$ 59,620
General Obligation Debt Service	1,399	1,367	1,301	2,233	2,571	2,955	2,887
Loan and Transfer Agent	71	135	135	135	135	135	135
TOTAL MOTOR LICENSE FUND	\$ 151,578	\$ 119,577	\$ 115,320	\$ 113,389	\$ 101,341	\$ 83,438	\$ 62,642
FISH FUND:							
General Obligation Debt Service	\$ 4	\$ 1	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0



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

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1995-96 ACTUAL	1996-97 AVAILABLE	1997-98 BUDGET
GENERAL FUND:			
<i>General Government:</i>			
Medical Assistance Support.....	\$ 273 a	\$ 1,826	\$ 293
(F)Medical Assistance Support.....	1,620	3,798	4,629
(A)Intergovernmental Transfer - Administration.....	1,237	2,280	4,229
Subtotal - State Funds.....	\$ 273	\$ 1,826	\$ 293
Subtotal - Federal Funds.....	1,620	3,798	4,629
Subtotal - Augmentations.....	1,237	2,280	4,229
Total - General Government.....	\$ 3,130	\$ 7,904	\$ 9,151
<i>Grants and Subsidies:</i>			
Family Caregiver.....	\$ 9,596	\$ 9,596	\$ 10,076
(F)DCSI - Elder Abuse Education and Prevention.....	214	143	71
Subtotal.....	\$ 9,810	\$ 9,739	\$ 10,147
Pre-Admission Assessment.....	4,509 b	4,594	4,625
(F)Pre-Admission Assessment.....	5,713	9,750	9,558
(A)Intergovernmental Transfer.....	131	164	3,368
Subtotal.....	\$ 10,353	\$ 14,508	\$ 17,551
Grants to Senior Centers.....	0	4,000	4,000
Subtotal - State Funds.....	\$ 14,105	\$ 18,190	\$ 18,701
Subtotal - Federal Funds.....	5,927	9,893	9,629
Subtotal - Augmentations.....	131	164	3,368
Total - Grants and Subsidies.....	\$ 20,163	\$ 28,247	\$ 31,698
STATE FUNDS.....	\$ 14,378	\$ 20,016	\$ 18,994
FEDERAL FUNDS.....	7,547	13,691	14,258
AUGMENTATIONS.....	1,368	2,444	7,597
GENERAL FUND TOTAL.....	\$ 23,293	\$ 36,151	\$ 40,849
LOTTERY FUND:			
<i>General Government:</i>			
General Government Operations.....	\$ 3,590	\$ 4,582	\$ 4,975
(F)Programs for the Aging - Title III - Administration.....	1,814	1,817	1,817
(F)Programs for the Aging - Title V - Administration.....	173	173	173
(A)Day Care Licensure.....	6	6	6
Subtotal - State Funds.....	\$ 3,590	\$ 4,582	\$ 4,975
Subtotal - Federal Funds.....	1,987	1,990	1,990
Subtotal - Augmentations.....	6	6	6
Total - General Government.....	\$ 5,583	\$ 6,578	\$ 6,971
<i>Grants and Subsidies:</i>			
PENNCARE.....	\$ 163,938	\$ 168,439	\$ 174,747
(F)Programs for the Aging - Title III.....	44,585	45,000	45,000
(F)Programs for the Aging - Nutrition.....	8,500	8,500	8,500
(F)Programs for the Aging - Title V - Employment.....	4,136	4,500	4,500
(F)Programs for the Aging - Title VII - Elder Rights Protection.....	1,038	1,500	1,500
(F)Medical Assistance - Attendant Care.....	0	0	541
(F)LIHEAP Cooling Program.....	7,406	0	0

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1995-96 ACTUAL	1996-97 AVAILABLE	1997-98 BUDGET
Subtotal.....	\$ 229,603	\$ 227,939	\$ 234,788
Pharmaceutical Assistance Fund.....	216,000	225,000	237,000
Subtotal - State Funds.....	\$ 379,938	\$ 393,439	\$ 411,747
Subtotal - Federal Funds.....	65,665	59,500	60,041
Total - Grants and Subsidies.....	\$ 445,603	\$ 452,939	\$ 471,788
STATE FUNDS.....	\$ 383,528	\$ 398,021	\$ 416,722
FEDERAL FUNDS.....	67,652	61,490	62,031
AUGMENTATIONS.....	6	6	6
LOTTERY FUND TOTAL.....	\$ 451,186	\$ 459,517	\$ 478,759
OTHER FUNDS:			
PHARMACEUTICAL ASSISTANCE FUND:			
Contracted Services (EA).....	\$ 0 ^c	\$ 0 ^c	\$ 0 ^c
Administration of PACE (EA).....	0 ^d	0 ^d	0 ^d
Comptroller Operations (EA).....	0 ^e	0 ^e	0 ^e
PHARMACEUTICAL ASSISTANCE FUND TOTAL.....	\$ 0	\$ 0	\$ 0
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 14,378	\$ 20,016	\$ 18,994
SPECIAL FUNDS.....	383,528	398,021	416,722
FEDERAL FUNDS.....	75,199	75,181	76,289
AUGMENTATIONS.....	1,374	2,450	7,603
TOTAL ALL FUNDS.....	\$ 474,479	\$ 495,668	\$ 519,608

^a 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.

^b Actually appropriated as part of the \$4,729,000 Pre-Admission Assessment appropriation in the Department of Public Welfare.

^c Not added to the total to avoid double counting: 1995-96 Actual is \$216,987,000, 1996-97 Available is \$220,434,000, and 1997-98 Budget is \$232,758,000.

^d Not added to the total to avoid double counting: 1995-96 Actual is \$782,000, 1996-97 Available is \$801,000, and 1997-98 Budget is \$884,000.

^e Not added to the total to avoid double counting: 1995-96 Actual is \$390,000, 1996-97 Available is \$390,000, and 1997-98 Budget is \$390,000.

Program Funding Summary

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
COMMUNITY SERVICES FOR OLDER PENNSYLVANIANS							
GENERAL FUND.....	\$ 14,378	\$ 20,016	\$ 18,994	\$ 19,071	\$ 19,077	\$ 19,083	\$ 19,089
SPECIAL FUNDS.....	167,528	173,021	179,722	184,665	190,342	196,194	202,228
FEDERAL FUNDS.....	75,199	75,181	76,289	76,314	76,314	76,314	76,314
OTHER FUNDS.....	1,374	2,450	7,603	7,603	7,603	7,603	7,603
SUBCATEGORY TOTAL.....	\$ 258,479	\$ 270,668	\$ 282,608	\$ 287,653	\$ 293,336	\$ 299,194	\$ 305,234
PHARMACEUTICAL ASSISTANCE							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	216,000	225,000	237,000	237,000	242,000	246,000	251,000
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
SUBCATEGORY TOTAL.....	\$ 216,000	\$ 225,000	\$ 237,000	\$ 237,000	\$ 242,000	\$ 246,000	\$ 251,000
ALL PROGRAMS:							
GENERAL FUND.....	\$ 14,378	\$ 20,016	\$ 18,994	\$ 19,071	\$ 19,077	\$ 19,083	\$ 19,089
SPECIAL FUNDS.....	383,528	398,021	416,722	421,665	432,342	442,194	453,228
FEDERAL FUNDS.....	75,199	75,181	76,289	76,314	76,314	76,314	76,314
OTHER FUNDS.....	1,374	2,450	7,603	7,603	7,603	7,603	7,603
DEPARTMENT TOTAL.....	\$ 474,479	\$ 495,668	\$ 519,608	\$ 524,653	\$ 535,336	\$ 545,194	\$ 556,234

PROGRAM OBJECTIVE: *To support a health care delivery system that provides comprehensive health care services in appropriate settings for the eligible populations.*

Program: Community Services for Older Pennsylvanians

The Department of Aging has established a network of in-home and community-based services addressing the varied needs of older Pennsylvanians. These programs enrich the lives of older Pennsylvanians and enable frail older Pennsylvanians to delay or avoid institutionalization. The 52 Area Agencies on Aging, serving all 67 counties, provide aging services at the local level.

Many older Pennsylvanians require only minimal outside support to function independently 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:	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
Pennsylvanians 60 years and older	2,451,488	2,447,975	2,441,953	2,437,106	2,433,451	2,429,638	2,428,445
Pennsylvanians 85 years and older	203,383	210,507	217,908	226,065	234,367	242,793	251,346
Persons receiving assistance:							
Congregate meals	143,160	146,984	146,984	146,984	146,984	146,984	146,984
Transportation (complete round trips)	96,807	103,094	103,094	103,094	103,094	103,094	103,094
Intensive community long-term care	6,292	9,229	9,229	9,229	9,229	9,229	9,229
Personal assistance services	1,935	1,367	1,367	1,367	1,367	1,367	1,367
Attendant care services	0	0	137	200	256	312	368
Home delivered meals	45,608	44,603	44,603	44,603	44,603	44,603	44,603
Home support services	14,601	12,211	12,211	12,211	12,211	12,211	12,211
Personal care services	26,880	27,881	27,881	27,881	27,881	27,881	27,881
Protective services	5,547	6,212	6,212	6,212	6,212	6,212	6,212

The increase in transportation (complete round trips) from last year's budget is due to an increased demand for transportation services.

The actual and projected increase in intensive community long-term care from last year's budget is because of a change in definition to include individuals who are clinically eligible for nursing home care but have not requested placement in a nursing home. Previously only those individuals who requested nursing home placement were counted.

The program measures have been revised to reflect the Attendant Care Transition Services initiative. The services traditionally provided by the Department of Aging, and referred to as attendant care, are now reflected in the personal assistance services measure. The services for people transitioning from the Department of Public Welfare is now called attendant care. The number of people served reflects this change.

Program: Community Services for Older Pennsylvanians (continued)

Program Measures: (continued)	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
Units of services delivered:							
Employment services (unsubsidized job placements)	1,788	1,750	1,750	1,750	1,750	1,750	1,750
Attendant care services (client hours)	0	0	135,493	189,200	259,072	322,920	389,344
Home support services (client hours)	534,478	470,706	470,706	470,706	470,706	470,706	470,706
Personal care services (client hours)	3,422,194	3,400,453	3,400,453	3,400,453	3,400,453	3,400,453	3,400,453
Families receiving caregiver support	6,328	6,300	6,300	6,300	6,300	6,300	6,300
Pre-Admission Assessment:							
Initial Assessments	48,661	83,554	83,554	83,554	83,554	83,554	83,554
Referrals to nursing homes	34,014	58,404	58,404	58,404	58,404	58,404	58,404
Referrals for community services	14,647	25,150	25,150	25,150	25,150	25,150	25,150

The employment services measure is less than shown in last year's budget because the number of persons seeking unsubsidized job placements has been declining.

The actual and projected decline in units of services delivered for home support services as compared to the measure in last year's budget is because the department's priority is to provide personal care services.

Program Recommendation:

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

GENERAL FUND:		LOTTERY FUND:	
Medical Assistance Support		General Government Operations	
\$ 28	—to continue current program.	\$ 386	—to continue current program.
-1,561	—to replace General Fund monies with Intergovernmental Transfer funds for Area Agency on Aging administration and care management.	-1,000	—nonrecurring projects.
		307	—for lease and relocation costs.
		700	—for furniture and equipment for new location.
<u>\$ -1,533</u>	<i>Appropriation Decrease</i>	<u>\$ 393</u>	<i>Appropriation Increase</i>
Family Caregiver		PENNCARE	
\$ 189	—to continue current program.	\$ 5,156	—to continue current program.
72	—to replace nonrecurring Federal funds for the elder abuse education and prevention program.	1,152	—Initiative — Attendant Care Transition Services. To provide enhanced attendant care services to persons transitioning at age 60 from the Department of Public Welfare's Attendant Care program to the Department of Aging's Attendant Care program.
219	—Initiative — Family Caregiver Support. To provide Family Caregiver support services to an additional 138 families.		
<u>\$ 480</u>	<i>Appropriation Increase</i>	<u>\$ 6,308</u>	<i>Appropriation Increase</i>
Pre-Admission Assessment			
\$ 31	—to reflect an increase in the number of assessments.		

The Grants to Senior Centers appropriation is recommended at current year amounts.

Includes PRIME recommendation to streamline the contracting process with Area Agencies on Aging resulting in a potential savings of \$217,000 by the Department of Aging.



Program: Community Services for Older Pennsylvanians (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
GENERAL FUND:							
Medical Assistance Support	\$ 273	\$ 1,826	\$ 293	\$ 299	\$ 305	\$ 311	\$ 317
Family Caregiver	9,596	9,596	10,076	10,147	10,147	10,147	10,147
Pre-Admission Assessment	4,509	4,594	4,625	4,625	4,625	4,625	4,625
Grants to Senior Centers	0	4,000	4,000	4,000	4,000	4,000	4,000
TOTAL GENERAL FUND	\$ 14,378	\$ 20,016	\$ 18,994	\$ 19,071	\$ 19,077	\$ 19,083	\$ 19,089
LOTTERY FUND:							
General Government Operations	\$ 3,590	\$ 4,582	\$ 4,975	\$ 4,289	\$ 4,375	\$ 4,462	\$ 4,552
PENNCARE	163,938	168,439	174,747	180,376	185,967	191,732	197,676
TOTAL LOTTERY FUND	\$ 167,528	\$ 173,021	\$ 179,722	\$ 184,665	\$ 190,342	\$ 196,194	\$ 202,228

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.

PACE was expanded by Act 1996-134 which increased income eligibility limits and established two programs in PACE. The first is the traditional comprehensive program for older Pennsylvanians whose annual income is at or below \$14,000 for single persons and \$17,200 for married persons. PACE pays the entire cost of prescription drugs and insulin supplies after a mandatory copayment of \$6 is made. The new PACE program, PACE Needs Enhancement Tier (PACENET), is available for older Pennsylvanians whose annual income is between \$14,000 and \$16,000 for single persons and between \$17,200 and \$19,200 for married persons. PACE pays the entire cost of prescription drugs and insulin supplies after a cardholder meets a \$500 per person deductible and pays a mandatory copayment of \$8 for generic and \$15 for brand-name prescriptions.

Participating pharmacies are reimbursed at 90 percent of the average wholesale costs of prescription drugs plus a dispensing fee, or their usual and customary charge, whichever is less. Pharmacies are required to stock and dispense A-rated generic drugs included in the Federal Drug Administration "Orange Book" unless an A-rated generic is deemed by

the Department of Aging to have too narrow a therapeutic index for safe and effective dosing or the usual and customary charge for the brand drug is equal to or less than the least expensive generic. If claimants choose not to accept the generic, they are liable for the copayment and 70 percent of the average wholesale price of the brand name drug. In addition, the act prohibits payment for cosmetic drugs and for less than effective drugs without certification by a physician.

The Department of Aging is responsible for insuring compliance with the PACE program requirements. In addition to careful review of eligibility, including income verification by matching with Pennsylvania income tax returns, the department audits providers to detect and deter fraud and has established both a prospective and a retrospective drug utilization review system to monitor and correct 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 17 percent of the average manufacturer price for both brand and 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 Consumer Price Index-Urban.

Program Measures:

	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
Comprehensive PACE Program:							
Older Pennsylvanians enrolled (average)	293,342	288,500	269,200	251,401	234,818	219,229	204,747
Total prescriptions per year	9,002,666	9,232,000	8,883,600	8,547,634	8,218,630	7,892,244	7,575,639
Average PACE cost per prescription	\$27.03	\$26.18	\$27.94	\$29.33	\$30.80	\$32.34	\$33.96
PACE Needs Enhancement Tier (PACENET):							
Older Pennsylvanians enrolled (average)	0	43,390	43,390	43,390	43,390	43,390	43,390
Total prescriptions per year	0	163,131	928,854	950,549	972,244	993,939	1,013,689
Average PACE cost per prescription	0	\$21.09	\$21.82	\$22.89	\$24.01	\$25.19	\$26.42

The available and projected Average PACE cost per prescription for the Comprehensive PACE Program reflect implementation of the PACE reauthorization (Act 1996-134) which revises the pharmaceutical reimbursement formula to 90 percent of the average wholesale cost of prescription drugs plus a dispensing fee increase of \$.50.

The PACE Needs Enhancement Tier (PACENET) measures are included to reflect the new program established by Act 1996-134.

Program Recommendations:

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

Pharmaceutical Assistance Fund	
\$ -1,000	—to continue the comprehensive PACE program.
13,000	—to continue the PACENET program.
<u>\$ 12,000</u>	<i>Appropriation Increase</i>

Program: Pharmaceutical Assistance (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
LOTTERY FUND:							
Pharmaceutical Assistance Fund	\$ 216,000	\$ 225,000	\$ 237,000	\$ 237,000	\$ 242,000	\$ 246,000	\$ 251,000



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 the conduct of horse racing; and improve the quality of life in rural Pennsylvania.

GOVERNOR'S EXECUTIVE BUDGET

PROGRAM REVISION

Budgeted Amounts Include the Following Program Revision:

Title	Appropriation	1997-98 State Funds (In thousands)
Retaining and Creating Jobs		
	Agricultural Research	\$ 500
<p>This Program Revision provides resources to educational institutions to conduct agricultural research projects. This is part of the \$16.6 million Retaining and Creating Jobs Program Revision. Please see the Program Revision following the Business and Job Development Program in the Department of Community and Economic Development for additional information on this Program Revision.</p>		
	Department Total	<u>\$ 500</u>

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	1995-96 ACTUAL	1996-97 AVAILABLE	1997-98 BUDGET
GENERAL FUND:			
<i>General Government:</i>			
General Government Operations.....	\$ 22,579	\$ 22,413	\$ 22,637
(F)Diagnostic Laboratory Services.....	0	27	0
(F)Poultry Grading Service.....	91	116	51
(F)Medicated Feed Mill Inspection.....	15	16	16
(F)Donated Foods.....	150	200	200
(F)Plant Pest Detection System.....	5	15	15
(F)Household Commodity Program.....	1,379	2,000	2,000
(F)Pesticide Control.....	562	630	630
(F)Farmers' Market Food Coupons.....	741	760 ^a	760
(A)Feed and Fertilizer.....	555	530	529
(A)Lime Inspection.....	30	33	33
(A)Soil Conditioner.....	23	21	22
(A)Milk Plant Inspections.....	32	27	27
(A)Mailing List Production.....	7	8	8
(A)Animal Industry Service.....	8	0	0
(A)Special Conferences and Projects.....	12	10	10
(A)Administrative Services.....	551	570	551
(A)Pesticide Regulation.....	1,340	1,166	1,200
(A)Training Rides and Attractions.....	7	8	8
(A)Chesapeake Bay Project.....	51	193	169
(A)WIC - Reimbursement.....	921	975	0
(A)Dog Law Administration Support.....	0	44	44
(A)Food Site Inspection.....	81	78	60
(A)Farm Account Reimbursement.....	0	50	32
(A)Seed Inspections.....	0	60	58
Subtotal.....	\$ 29,140	\$ 29,950	\$ 29,060
Farmers' Market Food Coupons.....	0	0	1,000
Agricultural Conservation Easement Administration.....	247	239	340
(A)Reimbursement from PennDOT.....	47	52	52
(F)Farmland Protection.....	0	1,000 ^b	0
Agricultural Research.....	2,306	2,000	2,500
Agricultural Promotion, Education, and Exports.....	358	600	600
(F)Market Improvement.....	0	100	100
Nutrient Management.....	0	250	250
Hardwoods Research and Promotion.....	490 ^c	490 ^c	490
Subtotal - State Funds.....	\$ 25,980	\$ 25,992	\$ 27,817
Subtotal - Federal Funds.....	2,943	4,864	3,772
Subtotal - Augmentations.....	3,665	3,825	2,803
Total - General Government.....	\$ 32,588	\$ 34,681	\$ 34,392
<i>Grants and Subsidies:</i>			
Animal Health Commission.....	\$ 3,000	\$ 3,000	\$ 3,000
Animal Indemnities.....	26	50	50
Transfer to State Farm Products Show Fund.....	800	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.....	3,697	3,700	4,000
State Food Purchase.....	13,000	13,000	13,650
Product Promotion and Marketing.....	250	350	350
Future Farmers.....	50	50	50
Organic Food Programs.....	33	0	0

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1995-96 ACTUAL	1996-97 AVAILABLE	1997-98 BUDGET
Transfer to Nutrient Management Fund.....	750 ^d	750	750
Total - Grants and Subsidies.....	\$ 21,925	\$ 22,019	\$ 22,969
STATE FUNDS.....	\$ 47,905	\$ 48,011	\$ 50,786
FEDERAL FUNDS.....	2,943	4,864	3,772
AUGMENTATIONS.....	3,665	3,825	2,803
GENERAL FUND TOTAL.....	\$ 54,513	\$ 56,700	\$ 57,361
<u>FARM PRODUCTS SHOW FUND:</u>			
<i>General Government:</i>			
General Operations.....	\$ 3,982	\$ 4,314	\$ 3,831
(A)Transfer From General Fund.....	0 ^e	0 ^e	0 ^e
Subtotal - State Funds.....	\$ 3,982	\$ 4,314	\$ 3,831
Total - General Government.....	\$ 3,982	\$ 4,314	\$ 3,831
STATE FUNDS.....	\$ 3,982	\$ 4,314	\$ 3,831
FARM PRODUCTS SHOW FUND TOTAL.....	\$ 3,982	\$ 4,314	\$ 3,831
<u>RACING FUND:</u>			
<i>General Government:</i>			
State Racing Commissions.....	\$ 5,982	\$ 6,139	\$ 6,125
Equine Toxicology and Research Laboratory.....	1,213	1,423	1,449
Payments to Pennsylvania Fairs - Administration.....	155	155	163
Total - General Government.....	\$ 7,350	\$ 7,717	\$ 7,737
<i>Grants and Subsidies:</i>			
Transfer To General Fund.....	\$ 7,687	\$ 10,089	\$ 8,808
RACING FUND TOTAL.....	\$ 15,037	\$ 17,806	\$ 16,545
<u>OTHER FUNDS:</u>			
AGRICULTURAL CONSERVATION EASEMENT PURCHASE FUND:			
Purchase of County Easements.....	\$ 14,245	\$ 31,000	\$ 35,000
GENERAL FUND:			
Agriculture Farm Operations.....	\$ 28	\$ 270	\$ 70
Recovery on Lost Commodities.....	29	29	29
Dog Law Administration.....	3,376	3,287	3,287
Farm Loan Program.....	206	206	206
Pesticide Regulation.....	1,830	1,961	1,961
Poultry Inspection.....	5	11	7
Public Weightmasters.....	20	20	20
Plant Pest Management.....	176	435	367
GENERAL FUND TOTAL.....	\$ 5,670	\$ 6,219	\$ 5,947
NUTRIENT MANAGEMENT FUND:			
Planning, Loans, Grants, and Technical Assistance.....	\$ 0	\$ 0	\$ 1,000

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1995-96 ACTUAL	1996-97 AVAILABLE	1997-98 BUDGET
RACING FUND:			
Sire Stakes Fund.....	\$ 3,985	\$ 3,868	\$ 3,945
Breeders' Fund.....	5,477	5,019	5,019
RACING FUND TOTAL.....	<u>\$ 9,462</u>	<u>\$ 8,887</u>	<u>\$ 8,964</u>
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 47,905	\$ 48,011	\$ 50,786
SPECIAL FUNDS.....	19,019	22,120	20,376
FEDERAL FUNDS.....	2,943	4,864	3,772
AUGMENTATIONS.....	3,665	3,825	2,803
OTHER FUNDS.....	29,377	46,106	50,911
TOTAL ALL FUNDS.....	<u>\$ 102,909</u>	<u>\$ 124,926</u>	<u>\$ 128,648</u>

^a Includes recommended supplemental appropriation of \$18,000.

^b Includes recommended supplemental appropriation of \$1,000,000.

^c Actually appropriated in the Department of Community and Economic Development.

^d Actually appropriated in the Department of Environmental Protection.

^e Not added to the total to avoid double counting: 1995-96 Actual is \$800,000, 1996-97 Available is \$800,000, and 1997-98 Budget is \$800,000.

Program Funding Summary

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
PROTECTION AND DEVELOPMENT OF AGRICULTURAL INDUSTRIES							
GENERAL FUND.....	\$ 34,905	\$ 35,011	\$ 36,136	\$ 36,611	\$ 37,095	\$ 37,588	\$ 38,090
SPECIAL FUNDS.....	4,137	4,469	3,994	4,007	4,020	4,033	4,046
FEDERAL FUNDS.....	823	2,104	1,012	1,012	1,012	1,012	1,012
OTHER FUNDS.....	23,499	40,812	44,556	34,721	32,288	32,460	31,636
SUBCATEGORY TOTAL.....	\$ 63,364	\$ 82,396	\$ 85,698	\$ 76,351	\$ 74,415	\$ 75,093	\$ 74,784
HORSE RACING REGULATION							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	14,882	17,651	16,382	17,525	17,053	17,048	17,044
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	9,462	8,887	8,964	8,964	8,964	8,964	8,964
SUBCATEGORY TOTAL.....	\$ 24,344	\$ 26,538	\$ 25,346	\$ 26,489	\$ 26,017	\$ 26,012	\$ 26,008
EMERGENCY FOOD ASSISTANCE							
GENERAL FUND.....	\$ 13,000	\$ 13,000	\$ 14,650	\$ 14,650	\$ 14,650	\$ 14,650	\$ 14,650
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	2,120	2,760	2,760	2,760	2,760	2,760	2,760
OTHER FUNDS.....	81	232	194	198	202	206	210
SUBCATEGORY TOTAL.....	\$ 15,201	\$ 15,992	\$ 17,604	\$ 17,608	\$ 17,612	\$ 17,616	\$ 17,620
ALL PROGRAMS:							
GENERAL FUND.....	\$ 47,905	\$ 48,011	\$ 50,786	\$ 51,261	\$ 51,745	\$ 52,238	\$ 52,740
SPECIAL FUNDS.....	19,019	22,120	20,376	21,532	21,073	21,081	21,090
FEDERAL FUNDS.....	2,943	4,864	3,772	3,772	3,772	3,772	3,772
OTHER FUNDS.....	33,042	49,931	53,714	43,883	41,454	41,630	40,810
DEPARTMENT TOTAL.....	\$ 102,909	\$ 124,926	\$ 128,648	\$ 120,448	\$ 118,044	\$ 118,721	\$ 118,412

PROGRAM OBJECTIVE: To strengthen the agricultural economy and related enterprises

Program: Protection and Development of Agricultural Industries

The Department of Agriculture administers several related elements within this program.

Program Element: Agribusiness Development

To improve the economy of the Pennsylvania agriculture and food industry, programs have been developed that enhance the ability of Pennsylvania agriculture and food businesses to market their products in an extremely competitive market place. Emphasis is placed on the marketing of raw agriculture products through direct consumer marketing and on value-added products that utilize commodities produced by Pennsylvania farmers. These areas demonstrate the greatest opportunities for the Commonwealth to capture the full economic value of marketing.

This program element includes: a domestic trade section, an international trade section, and a market opportunities section, an agricultural land preservation section, and research.

The domestic trade section primarily focuses on direct consumer market development and creating trade and consumer demands for Pennsylvania agriculture and food products, usually through promotional objectives. Equally important, promotional activities operated under this program element are designed to increase and enhance the awareness of non-farm Pennsylvanians about the importance of agribusiness in the Commonwealth.

The international trade section helps Pennsylvania companies market their products in foreign markets by providing promotional opportunities in foreign market places. The international trade section differs from the domestic trade section in that technical outreach to Pennsylvania food and agriculture businesses is necessary if they are to adequately understand and prepare for market opportunities in foreign economies.

The market opportunities section looks at the domestic and foreign market places to identify market needs and communicate these needs to the Pennsylvania food and agriculture industry. Pennsylvania businesses then are better able to expand as they develop products and services that meet the needs of the Pennsylvania farmer, producer and processor. The market opportunities section also provides funds for the operation of the Farm Show Complex in Harrisburg.

The agricultural land preservation section, through a special fund created by Act 64 of 1988 that implemented a referendum approved by the electorate in November of 1988, purchases easements on prime agricultural land to assure its continued use for agricultural purposes. This program's funding comes from bond issues and from a dedicated portion of the cigarette tax and is reflected in this program as Other Funds.

Additionally the department's objective is to strengthen all markets through programs designed to promote agriculture and food products and commodities such as apples, honey, cherries, grapes, maple syrup, beef, milk and dairy products. In some instances, the promotion of these products is coordinated with councils representing product interest. Some councils assess members fees based on their production.

Other promotional activities for Pennsylvania products include appearances by the Pennsylvania Dairy Princess, county dairy princesses and other Statewide commodity representatives at shopping centers and other public functions, developing and displaying exhibits that depict agriculture's role in the economy of Pennsylvania, and working with Statewide commodity organizations.

The grant program, Payments to Pennsylvania Fairs, provides funds for agricultural fair operating reimbursements and grants to Statewide agricultural organizations, Future Farmers of America and 4H groups in accordance with the guidelines of Act 92 of 1986. After these requirements

have been fulfilled, the remaining appropriation balance will be used for capital improvements at fairs.

Act 137 of 1996 transferred the members and functions of the Hardwoods Development Council from the Department of Economic and Community Development to the Department of Agriculture. The Council is responsible for promotion of the hardwood industry through research and marketing.

The final contribution to agribusiness is agricultural research grants which provide for scientific research into plant and animal health. This research serves to enhance the industry by finding prevention mechanisms for disease and proactive mechanisms for enhancement of the quality and quantity of agricultural products.

Program Element: Animal Health

The objective of this element is to maintain the health of domestic animals in order to protect human health, to protect the quantity, quality and safety of food of animal origin, and to provide for the general welfare of domestic animals. Emphasis is placed on disease prevention by surveillance and diagnostic activity to detect disease, control of animal movements to prevent the spread of disease, health certification programs to identify disease-free animals, and research to develop improved husbandry and health maintenance methods. Of major concern are interstate and international movements of animals and animal products that may introduce any one of numerous dangerous transmissible diseases existing outside the Commonwealth. Compliance with animal health rules is achieved by regular inspection of animal marketing and processing activities by veterinarians and livestock disease control technicians.

Animal research initiatives and coordination of animal disease diagnostic laboratories are provided by the Pennsylvania Animal Health and Diagnostic Commission. This commission, an administrative commission within the Department of Agriculture, is coordinating the emphasis of the animal diagnostic laboratory resources of The Pennsylvania State University and the University of Pennsylvania School of Veterinary Medicine with those of the department. This program reduces the cost of animal disease and the threat of animal disease to human health in the Commonwealth by making state-of-the-art animal disease diagnosis affordable and readily available to animal owners.

Also included in this program is dog law enforcement. Act 151 of 1996 amended the Dog Regulation Act of 1982. The act changed the dog license and kennel fee structure as well as training, administrative, and reporting requirements to strengthen program enforcement. Primary functions include control and regulation of the sale and transportation of dogs, kennel inspections, reimbursement of law enforcement agencies for the detention and disposition of stray dogs, and reimbursement to owners of livestock and poultry for damage caused by dogs and coyotes. Approximately 900,000 dogs and 2,000 kennels are licensed currently under this program.

Dog law expenditures are reflected in this program as Other Funds.

Program Element: Consumable Agricultural Products

The Department of Agriculture is committed through regulatory efforts to protect the health and safety of the consumer and assure the availability of quality agriculture products to consumers.

Among the most significant of the department's protection activities is its efforts in food safety. An educational approach has been developed under which department personnel conduct training courses for food handlers. Approximately 40,000 of the more than 45,000 food establishments were inspected in 1995-96. Food establishments which are inspected include all food stores, processing plants, warehouses,

Program: Protection and Development of Agricultural Industries (continued)

transportation facilities, bakeries, dairies, bottling plants, egg packing facilities, fruit and vegetable packing plants, certain registered concession stands and restaurants which sell frozen desserts and baked goods. As of July 1, 1995, the Department of Agriculture assumed from the Department of Environmental Protection responsibility for inspecting all 18,000 licensed eating and drinking establishments. Additional activities guarantee the quality of animal feeds, fertilizers, liming materials, plant materials and pesticides. Act 53 of 1996 transferred the responsibility for enforcement of the Seasonal Farm Labor Act from the Department of Environmental Protection to the Department of Agriculture.

Also included in this element are activities which regulate and maintain uniform standards of legal weights and measures of Commonwealth products. The Weights and Measures Division of the Bureau of Ride and Measurement Standards performed 35,301 inspections in 1995-96 and expects an increase to 36,668 in 1996-97. The Amusement Ride Division completed 456 inspections in 1995-96 and expects an increase to 550 in 1996-97.

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 1995-96, 1,250 agribusinesses were inspected and nearly 3,416 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 1995-96, more than 1,645 dealer and 4,787 nursery and greenhouse inspections were conducted, involving more than 30,800 acres and over 18,250,000 square feet under glass of plant material; 21.6 million vegetable transplants from out-of-state sources were also inspected to insure they were pest free; and 450 inspections were conducted for the issuance of 2,618 certificates for the exportation of plant material. The department also inspected 1,540 apiaries involving 9,890 colonies of bees in 1995 for disease problems.

The Pesticide Control Law provides for the regulation of the use, handling, storage and transportation of pesticides. The department fulfils 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 1995-96, 800 pesticide dealers and 5,100 pesticide application businesses were licensed, 35,000 pesticide applicators certified, 2,200 service technicians registered, more than 10,500 pesticide products registered, 1,058 inspections and investigations conducted, and 118 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:	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
Agribusiness Development:							
Dollar volume of food and agricultural exports (millions)	\$539	\$565	\$590	\$610	\$640	\$680	\$700
Trade leads generated	1,300	1,300	1,300	1,300	1,300	1,300	1,300
Additional farm acreage preserved under perpetual easements	9,800	13,500	14,000	14,000	13,500	13,000	13,000
Animal Health:							
Animals examined to determine disease (thousands)	507	522	522	525	527	530	532
Animals quarantined (thousands)	99	75	65	40	40	40	40
Animals destroyed	27	10	10	10	10	10	10
Consumable Agricultural Products:							
Incidence of food products showing major discrepancies	67,500	67,500	67,500	67,500	66,000	66,000	66,000
Dollar value of:							
Products removed from the market (thousands)	\$4,000	\$4,000	\$4,000	\$4,000	\$3,500	\$3,500	\$3,500
Consumer commodities inspected (thousands)	\$60,500	\$60,500	\$60,500	\$60,500	\$60,000	\$60,000	\$60,000

Farm acreage preserved under perpetual easements was less than projected in last year's budget due to an unanticipated delay in closing purchases.

The number of quarantined or destroyed animals was greater than projected in last year's budget due to an increase in disease outbreaks.

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	\$ 500	Agricultural Research
\$ 224	—to continue current program.		—PRR — Retaining and Creating Jobs. This Program Revision provides resources to educational institutions to conduct agricultural research projects. See the Program Revision following the Business and Job Development program in the Department of Community and Economic Development for additional information.
	Agricultural Conservation Easement Administration		
\$ 101	—to continue current program.		
		\$ 300	Payments to Pennsylvania Fairs
			—to expand the current program.

All other General Fund appropriations are recommended to be continued at the current year funding level.

	FARM PRODUCTS SHOW FUND		RACING FUND
	General Operations		Payments to Pennsylvania Fairs - Administration
\$ -776	—nonrecurring projects.		—to continue current program.
293	—to continue current program.	\$ 8	
\$ -483	<i>Appropriation Decrease</i>		

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
GENERAL FUND:							
General Government Operations	\$ 22,579	\$ 22,413	\$ 22,637	\$ 23,090	\$ 23,552	\$ 24,023	\$ 24,503
Agricultural Conservation Easement Administration	247	239	340	347	354	361	368
Agricultural Research	2,306	2,000	2,500	2,500	2,500	2,500	2,500
Agricultural Promotion, Education, and Exports	358	600	600	600	600	600	600
Nutrient Management	0	250	250	255	260	265	270
Hardwoods Research and Promotion	490	490	490	500	510	520	530
Animal Health Commission	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Animal Indemnities	26	50	50	50	50	50	50
Transfer to State Farm Products Show Fund	800	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	3,697	3,700	4,000	4,000	4,000	4,000	4,000
Product Promotion and Marketing	250	350	350	350	350	350	350
Future Farmers	50	50	50	50	50	50	50
Organic Food Programs	33	0	0	0	0	0	0
Transfer to Nutrient Management Fund	750	750	750	750	750	750	750
TOTAL GENERAL FUND	\$ 34,905	\$ 35,011	\$ 36,136	\$ 36,611	\$ 37,095	\$ 37,588	\$ 38,090
FARM PRODUCTS SHOW FUND:							
General Operations	\$ 3,982	\$ 4,314	\$ 3,831	\$ 3,841	\$ 3,851	\$ 3,861	\$ 3,871
RACING FUND:							
Payments to Pennsylvania Fairs — Administration	\$ 155	\$ 155	\$ 163	\$ 166	\$ 169	\$ 172	\$ 175

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:	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
Investigations to insure compliance with established rules and regulations:							
Harness	333	300	300	300	300	300	300
Horse	1,577	1,600	1,600	1,600	1,600	1,600	1,600
Participant licenses issued:							
Harness	4,371	4,100	4,100	4,100	4,100	4,100	4,100
Horse	6,417	6,500	6,500	6,500	6,500	6,500	6,500
Licenses suspended for noncompliance of rules and regulations:							
Harness	258	300	300	300	300	300	300
Horse	398	450	450	450	450	450	450
Racing days approved:							
Harness	364	370	370	370	370	370	370
Horse	414	450	450	450	450	450	450

Horse racing days for 1995-96 were less than projected in last year's budget due to fewer horses participating.

The number of horse racing investigations was less while the number of harness investigations was greater than projected in last year's budget due to a reduction in actual year activity.

The number of licenses suspended were lower than projected in last year's budget due to an increase in compliance to rules and regulations.

Program Recommendations:

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

<p>RACING FUND</p> <p>State Racing Commissions</p> <p>\$ -14 —to continue current program.</p> <p>Equine Toxicology and Research Laboratory</p> <p>\$ -182 —nonrecurring projects.</p> <p> 108 —to continue current program.</p> <p> 100 —lab equipment.</p> <hr style="width: 50%; margin-left: 0;"/> <p>\$ 26 <i>Executive Authorization Increase</i></p>	<p>Transfer to the General Fund</p> <p>\$ -1,281 —funds available for transfer. Law requires June 30th ending surplus to be transferred to the General Fund.</p>
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Program: Horse Racing Regulation (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
RACING FUND:							
State Racing Commissions	\$ 5,982	\$ 6,139	\$ 6,125	\$ 6,248	\$ 6,373	\$ 6,500	\$ 6,630
Equine Toxicology and Research							
Laboratory	1,213	1,423	1,449	1,478	1,508	1,538	1,569
Transfer to General Fund	7,687	10,089	8,808	9,799	9,172	9,010	8,845
TOTAL STATE RACING FUND	\$ 14,882	\$ 17,651	\$ 16,382	\$ 17,525	\$ 17,053	\$ 17,048	\$ 17,044

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 (TEFAP), 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 TEFAP commodities are allocated among the states according to unemployment and poverty levels and are allocated within the State based on the same criteria. Administrative and warehousing costs for both programs have been borne by the Federal Government.

Program Measures:	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
Dollar value of commodities distributed (thousands)	\$29,000	\$31,000	\$31,000	\$31,000	\$31,000	\$31,000	31,000
Persons receiving donated or surplus foods (thousands):							
Traditional program	1,000	1,000	1,000	1,000	1,000	1,000	1,000
TEFAP	2,600	2,600	2,600	2,600	2,600	2,600	2,600
State Food Purchase Program	2,600	2,600	2,600	2,600	2,600	2,600	2,600

The number of persons receiving donated or surplus food in the TEFAP and the State Food Purchase Program was lower than projected in last year's budget due to reductions in the Federal program.

Program Recommendations:

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

State Food Purchase
\$ 650 —to increase food purchase grants.

Farmers Market Food Coupons
\$ 1,000 —Initiative — WIC State Supplement. To provide direct funding to the Farmers Market Nutrition program which distributes vouchers to WIC participants to purchase fresh fruits and vegetables at farmers' markets.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
GENERAL FUND:							
State Food Purchase	\$ 13,000	\$ 13,000	\$ 13,650	\$ 13,650	\$ 13,650	\$ 13,650	\$ 13,650
Farmers Market Food Coupons	0	0	1,000	1,000	1,000	1,000	1,000
TOTAL GENERAL FUND	\$ 13,000	\$ 13,000	\$ 14,650	\$ 14,650	\$ 14,650	\$ 14,650	\$ 14,650



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

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1995-96	1996-97	1997-98
	ACTUAL	AVAILABLE	BUDGET
<u>BANKING DEPARTMENT FUND:</u>			
<i>General Government:</i>			
General Government Operations.....	\$ 9,399	\$ 8,715	\$ 8,886
BANKING DEPARTMENT FUND TOTAL.....	\$ 9,399	\$ 8,715	\$ 8,886

Program Funding Summary

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
REGULATION OF FINANCIAL INSTITUTIONS							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
SPECIAL FUNDS.....	9,399	8,715	8,886	9,064	9,245	9,430	9,619
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
SUBCATEGORY TOTAL.....	\$ 9,399	\$ 8,715	\$ 8,886	\$ 9,064	\$ 9,245	\$ 9,430	\$ 9,619
ALL PROGRAMS:							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
SPECIAL FUNDS.....	9,399	8,715	8,886	9,064	9,245	9,430	9,619
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
DEPARTMENT TOTAL.....	\$ 9,399	\$ 8,715	\$ 8,886	\$ 9,064	\$ 9,245	\$ 9,430	\$ 9,619

PROGRAM OBJECTIVE: To insure the maintenance of an economically sound and competitive system of State-chartered financial institutions.

Program: Financial Institution Regulation

This program involves supervision, regulation and examination of the records, accounts and policies of State-chartered banking institutions, savings associations, credit unions and state-licensed sales finance companies, installment sellers, money transmitters, consumer discount companies, collector-repossessors, pawnbrokers, first mortgage bankers and brokers, and second mortgage lenders, brokers and broker's agents. Other activities included in this program area are examinations of business development credit corporations and special investigations where necessary.

As of June 30, 1996, there were 181 banks under the department's supervision: 46 commercial banks, 59 banks and trust companies, 49 savings banks, one private bank, 25 trust companies, and five foreign banks which maintained branches in Pennsylvania. There were 64 savings associations and 95 credit unions chartered and supervised by the Department of Banking. Also operating in the Commonwealth were 148 one-bank holding companies and 25 multibank holding companies. The 8,298 entities licensed by the Department of Banking at the end of June 1996 consisted primarily of 3,551 installment sellers, 1,216 first mortgage bankers and brokers, 1,855 second mortgage companies, 843 sales finance companies and 612 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. The Credit Services Act (Act 150 of 1992) requires unlicensed consumer loan brokers to register with the department. Act 79 of 1996 amended various sections of the Money Transmission Business Licensing Law. The most important change to this act clarifies the status of accelerated mortgage payment providers by authorizing the department to license these entities.

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.

Program Measures:	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
Supervision of State-chartered:							
Banks	181	182	178	174 *	170	166	162
Savings and loan associations	64	57	51	46	41	37	33
Credit Unions	95	102	101	99	97	95	93
Consumer credit agencies and branches							
licensed	4,747	4,747	4,747	4,747	4,747	4,747	4,747
Installment sellers licensed	3,551	3,551	3,551	3,551	3,551	3,551	3,551

The increase in the number of consumer credit agencies and branches licensed from those shown in last year's budget is attributed to greater than anticipated growth in the number of first and second mortgage brokers and brokers licensed.

Program Recommendations:	This budget recommends the following changes: (Dollar Amounts in Thousands)
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	General Government Operations	
\$	-234	—nonrecurring costs.
	10	—to provide automated technology for improved productivity and enhanced operations.
	395	—to continue current program.
\$	171	<i>Appropriation Increase</i>

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
BANKING DEPARTMENT FUND:							
General Government Operations	\$ 9,399	\$ 8,715	\$ 8,886	\$ 9,064	\$ 9,245	\$ 9,430	\$ 9,619



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

	(Dollar Amounts in Thousands)		
	1995-96 ACTUAL	1996-97 AVAILABLE	1997-98 BUDGET
GENERAL FUND:			
<i>General Government:</i>			
General Government Operations.....	\$ 1	\$ 1	\$ 1
(A)Fees From Agencies.....	12,072	11,545	11,608
(A)Special Merit System Services.....	637	786	801
Subtotal - State Funds.....	\$ 1	\$ 1	\$ 1
Subtotal - Augmentations.....	12,709	12,331	12,409
Total - General Government.....	\$ 12,710	\$ 12,332	\$ 12,410
STATE FUNDS.....	\$ 1	\$ 1	\$ 1
AUGMENTATIONS.....	12,709	12,331	12,409
GENERAL FUND TOTAL.....	\$ 12,710	\$ 12,332	\$ 12,410

Civil Service Commission

Program Funding Summary

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 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.....	12,709	12,331	12,409	12,657	12,910	13,169	13,432
SUBCATEGORY TOTAL.....	\$ 12,710	\$ 12,332	\$ 12,410	\$ 12,658	\$ 12,911	\$ 13,170	\$ 13,433
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.....	12,709	12,331	12,409	12,657	12,910	13,169	13,432
DEPARTMENT TOTAL.....	\$ 12,710	\$ 12,332	\$ 12,410	\$ 12,658	\$ 12,911	\$ 13,170	\$ 13,433

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 examinations 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:	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
Total eligibles on lists	222,141	250,000	250,000	250,000	250,000	250,000	250,000
Persons scheduled for exams	122,072	150,000	150,000	150,000	150,000	150,000	150,000
Appeal requests received and processed	719	800	800	800	800	800	800
Certifications audited	5,693	5,500	5,500	5,500	5,500	5,500	5,500
People with disabilities provided employment information	2,110	2,000	2,000	2,000	2,000	2,000	2,000

The decline in the number of persons scheduled for examination and the number of eligibles on lists from last year's budget may be attributable to a low unemployment rate, the number and type of examination programs open in the year, a reduction in the number of Corrections Officer Trainee examinations, and the existence of mandatory furlough recall and placement lists.

For the "Appeal requests received and processed" program measure, 719 appeal requests were received and processed in 1995-96, compared to the 600 that were projected in last year's budget. This was due in part to 94 requests by Energy Assistance Workers filed to appeal their inactive pay status.

Program Recommendations:

This budget recommends the following changes in augmentations received from agency billings: (Dollar Amounts in Thousands)

General Government Operations
\$ 78 —to continue current program.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
GENERAL FUND:							
General Government Operations	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1



COMMONWEALTH OF PENNSYLVANIA

DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT

The Department of Community and Economic Development administers programs which recognize that community development and economic development are linked. This includes expanding and providing for more efficient delivery of local services; coordinating community and economic development resources to restore and maintain the vitality of our communities; advancing the economic well-being of communities through the maximization of community and economic development resources; and promoting housing and community revitalization in conjunction with economic development activities.

GOVERNOR'S EXECUTIVE BUDGET

Community and Economic Development

PROGRAM REVISION

Budgeted Amounts Include the Following Program Revisions:

Title	Appropriation	1997-98 State Funds (in thousands)
Project for Community Building		
	Family Savings Accounts	\$ 1,250
	Community Development Bank	15,000
	Subtotal	<u>\$ 16,250</u>

This Program Revision provides resources to establish the Pennsylvania Community Development Bank to make capital available for community development lending and to provide technical assistance to promote the development and ownership of Community Development Financial Institutions within distressed communities; and to establish Family Savings Accounts that will enable qualifying families to accumulate assets they can use to finance the purchase of a home, pay for education expenses, or to start a new business. A total of \$21.2 million in new State and Federal funds is provided by this Program Revision across four departments.

Retaining and Creating Jobs

International Trade	\$ 565
Marketing to Attract Tourists	500
Marketing to Attract Business	1,115
Transfer to Small Business First Fund	4,000
Opportunity Grant Program	2,000
Housing and Redevelopment Assistance	775
Team Pennsylvania	500
Local Development Districts	300
Tourist Promotion Assistance	360
Infrastructure Development	5,000
Subtotal	<u>\$ 15,115</u>

This Program Revision improves Pennsylvania's ability to create, attract and retain both jobs and business investment. Changes are made to the business tax structure to encourage job growth and investment. Funding is provided to increase the reach of Pennsylvania products and services in the global marketplace; to meet the capital needs of businesses and communities, including increased funding for the Infrastructure Development Program, the Opportunity Grant Program, and the Housing and Redevelopment Assistance Program; and to improve Pennsylvania's ability to market the Commonwealth. A total of \$16.6 million in State funds is provided by this Program Revision across three departments.

Department Total	<u>\$ 31,365</u>
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Community and Economic Development

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1995-96 ACTUAL	1996-97 AVAILABLE	1997-98 BUDGET
GENERAL FUND:			
General Government:			
General Government Operations.....	\$ 17,273 ^a	\$ 12,231	\$ 13,122
(F)DOE - Weatherization Administration.....	688	529	392
(F)SCDBG - Administration.....	867	662	773
(F)CSBG - Administration.....	806	588	1,075
(F)HUD - Training/Assistance.....	4	0	0
(F)Folk Arts.....	34	0	0
(F)LIHEABG - Administration.....	100	440	440
(F)ARC - Technical Assistance.....	209	450	450
(F)Community Planning Assistance.....	78	102	10
(A)Heritage Affairs Donations.....	14	0	0
(A)Stockroom Reimbursement.....	3	0	0
(A)Manufactured Housing.....	454	385	400
(A)Minority Business Development Authority.....	425	429	0
(A)Copy Center Services.....	162	210	220
(A)Pennsylvania Industrial Development Authority.....	1,246	1,455	1,600
(A)Pennsylvania Economic Development Financing Authority.....	213	240	252
(A)Storage Tank Loan Fund.....	30	0	0
(A)Sunny Day Fund.....	145	0	0
(A)Air Quality Improvement Fund.....	20	0	0
(A)Hazardous Sites Cleanup Grants.....	506	0	0
(A)Environmental Protection Grant.....	72	0	0
(A)Industrial Community Action Program.....	5	0	0
(A)Industrial Sites Cleanup.....	67	90	95
(A)PA Energy Development Authority.....	68	100	100
(A)Training Course Registration Fees.....	160	0	0
(A)Machinery and Equipment Loan Fund Reimbursement.....	113	120	0
(A)Operator Outreach.....	248	386	0
(A)Recycling Training.....	238	50	150
(A)Records Management.....	2	3	3
(A)Environmental Training Partnership.....	263	89	0
(A)Reimbursement Environmental Protection.....	0	0	560
(A)Small Business First.....	0	150	450
(A)Recycling Fund Reimbursement.....	0	100	100
(A)Court Settlement.....	0	10	0
(A)Council of State Government.....	0	142	0
(A)Keebler Settlement.....	0	15	0
(R)Small Business Advocate-Utilities.....	919	823	905
Computer Acquisition.....	757	1,100	827
International Trade.....	2,739	4,435	5,131
Export Opportunities.....	50	0	0
Marketing to Attract Tourists.....	6,509	10,350	10,350
Marketing to Attract Business.....	1,384	1,385	2,500
Marketing to Attract Film Business.....	226	249	261
Manufacturing Housing Research.....	0	175	0
Subtotal - State Funds.....	\$ 28,938	\$ 29,925	\$ 32,191
Subtotal - Federal Funds.....	2,786	2,771	3,140
Subtotal - Augmentations.....	4,454	3,974	3,930
Subtotal - Restricted Revenues.....	919	823	905
Total - General Government.....	\$ 37,097	\$ 37,493	\$ 40,166
Grants and Subsidies:			
Transfer to Ben Franklin/IRC Fund.....	\$ 36,000	\$ 35,200	\$ 35,200
(F)Job Link.....	150	150	150
Transfer to Capital Loan Fund.....	8,000	0	0

Community and Economic Development

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1995-96 ACTUAL	1996-97 AVAILABLE	1997-98 BUDGET
Transfer: Financially Distressed Municipalities Aid Fund.....	1,200 ^b	1,200	1,000
Transfer to Minority Business Development Fund.....	2,130	0	0
Transfer to PA Industrial Development Authority.....	15,000 ^c	15,000	13,000
Transfer to Small Business First Fund.....	0	0	4,000
Opportunity Grant Program.....	0	25,000	27,000
Customized Job Training.....	8,488	15,050	16,050
(F)Job Link - Customized Job Training.....	959	1,500	1,500
Infrastructure Development.....	26,195	15,000	20,000
Housing & Redevelopment Assistance.....	11,990 ^b	18,575	18,575
(F)Small Communities Block Grant.....	73,920	75,000	75,000
(F)DOE - Weatherization.....	13,632	11,325	7,448
(F)Emergency Shelter for the Homeless.....	2,965	3,000	3,000
(F)LIHEABG - Weatherization Program.....	8,262	9,900 ^d	9,813
(F)Centralia Recovery.....	1,621	2,000	0
(F)Lead Based Paint Hazard Reduction.....	0	2,516	645
Housing & Redevelopment - Economic Development Setaside.....	15,000	0	0
Team Pennsylvania.....	0	3,000	3,500
Community Development Bank.....	0	0	15,000
PennCAP.....	0	1,500	0
Business Quality Partnership.....	0	250	250
Individual Learning Accounts.....	0	250	250
Family Savings Accounts.....	0	0	1,250
Strategic Community Partnerships.....	0	2,825	0
Shared Municipal Services.....	0	300	600
Enterprise Development.....	6,996 ^b	6,996	6,996
Appalachian Regional Commission.....	241	242	360
Planning Assistance.....	175 ^b	375	175
Industrial Development Assistance.....	1,100	1,100	1,100
Local Development Districts.....	2,048	2,055	2,355
Small Business Development Centers.....	2,200	2,200	2,200
Tourist Promotion Assistance.....	8,140	8,140	8,500
Community Revitalization and Assistance.....	3,600 ^b	24,275	16,000
PENNPORTS.....	10,658	10,774	11,233
Horticultural Exposition.....	250	250	0
Rural Leadership Training.....	150 ^b	200	200
Flood Plain Management.....	51 ^b	60	60
(F)FEMA Technical Assistance.....	58	60	80
Community Conservation and Employment.....	0	6,300	3,700
(F)Community Services Block Grant.....	16,696	21,000 ^e	20,425
(F)Single Point of Contact.....	0	1,746	0
(F)Operator Outreach Training.....	17	35	0
(F)Training Road and Street Maintenance.....	130	271	0
Community Facilities.....	1,494	0	0
Defense Conversion.....	2	0	0
Biotech Research.....	1,500	0	0
Super Computer Center.....	1,500	1,500	0
Southeast Science Center.....	1,000	0	0
Subtotal - State Funds.....	\$ 165,108	\$ 197,617	\$ 208,554
Subtotal - Federal Funds.....	118,410	128,503	118,061
Total - Grants and Subsidies.....	\$ 283,518	\$ 326,120	\$ 326,615
STATE FUNDS.....	\$ 194,046	\$ 227,542	\$ 240,745
FEDERAL FUNDS.....	121,196	131,274	121,201
AUGMENTATIONS.....	4,454	3,974	3,930
RESTRICTED REVENUES.....	919	823	905
GENERAL FUND TOTAL.....	\$ 320,615	\$ 363,613	\$ 366,781

Community and Economic Development

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1995-96 ACTUAL	1996-97 AVAILABLE	1997-98 BUDGET
OTHER FUNDS:			
GENERAL FUND:			
ARC Revolving Loan Fund.....	\$ 650	\$ 100	\$ 0
Industrial Sites Environmental Assessment Fund.....	95	2,000	2,000
GENERAL FUND TOTAL.....	\$ 745	\$ 2,100	\$ 2,000
AIR QUALITY IMPROVEMENT FUND:			
General Operations.....	\$ 20	\$ 0	\$ 0
Air Quality Improvement Loans.....	1,244	0	0
AIR QUALITY IMPROVEMENT FUND TOTAL.....	\$ 1,264	\$ 0	\$ 0
BEN FRANKLIN/IRC PARTNERSHIP FUND:			
Ben Franklin/IRC.....	\$ 36,000	\$ 35,200	\$ 36,000
School to Work.....	300	600	600
Recycling Research Grants.....	359	0	0
BEN FRANKLIN/IRC PARTNERSHIP FUND TOTAL.....	\$ 36,659	\$ 35,800	\$ 36,600
ENERGY DEVELOPMENT AUTHORITY FUND:			
Energy Development - Administration (96-97).....	\$ 0	\$ 100	\$ 100
Energy Development Loans/Grants.....	1,401	601	206
ENERGY DEVELOPMENT AUTHORITY FUND TOTAL.....	\$ 1,401	\$ 701	\$ 306
CAPITAL LOAN FUND:			
Capital Loans - General Fund.....	\$ 682	\$ 0	\$ 0
Capital Loans - PERF.....	12,326	0	0
Capital Loans - Apparel Loan Board.....	392	0	0
Capital Loan Fund - PENNAG Fund.....	853	0	0
Capital Loans - EDA.....	484	0	0
Capital Loans - EDA Defense Conversion.....	1,020	0	0
Transfer to Machinery and Equipment Loan Fund (95-96).....	7,000	0	0
CAPITAL LOAN FUND TOTAL.....	\$ 22,757	\$ 0	\$ 0
FINANCIALLY DISTRESSED MUNICIPALITIES REVOLVING LOAN FUND:			
Distressed Community Assistance.....	\$ 2,466	\$ 3,000	\$ 2,800
HOME INVESTMENT FUND:			
HOME Investment Partnership.....	\$ 8,737	\$ 15,000	\$ 15,000
INDUSTRIAL DEVELOPMENT FUND:			
PA Industrial Development Authority.....	\$ 833	\$ 33,000	\$ 24,000
INDUSTRIAL SITES CLEANUP FUND:			
Industrial Sites Cleanup - Administration.....	\$ 85	\$ 100	\$ 100
Industrial Sites Cleanup - Projects.....	1,432	8,400	7,000
INDUSTRIAL SITES CLEANUP FUND TOTAL.....	\$ 1,517	\$ 8,500	\$ 7,100
LOCAL GOVERNMENT CAPITAL PROJECT FUND:			
Local Government Capital Project Loans.....	\$ 1,452	\$ 573	\$ 0

Community and Economic Development

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1995-96 ACTUAL	1996-97 AVAILABLE	1997-98 BUDGET
MACHINERY AND EQUIPMENT LOAN FUND:			
General Operations.....	\$ 144	\$ 145	\$ 0
Machinery and Equipment Loans.....	21,414	19,000	0
MACHINERY AND EQUIPMENT LOAN FUND TOTAL.....	\$ 21,558	\$ 19,145	\$ 0
MINORITY BUSINESS DEVELOPMENT FUND:			
General Operations.....	\$ 2,056	\$ 2,000	\$ 0
Minority Business Development Loans.....	3,098	2,000	0
MINORITY BUSINESS DEVELOPMENT FUND TOTAL.....	\$ 5,154	\$ 4,000	\$ 0
SMALL BUSINESS FIRST FUND:			
Administration.....	\$ 0	\$ 475	\$ 825
Loans (96-97).....	0	20,000	16,000
EDA - Loans (96-97).....	0	1,000	1,000
Environmental Loans (96-97).....	0	2,000	1,500
EDA - Defense Conversion (96-97).....	0	3,332	1,000
SMALL BUSINESS FIRST FUND TOTAL.....	\$ 0	\$ 26,807	\$ 20,325
STORAGE TANK LOAN FUND:			
General Operations.....	\$ 28	\$ 0	\$ 0
Storage Tank Loans.....	396	0	0
STORAGE TANK LOAN FUND TOTAL.....	\$ 424	\$ 0	\$ 0
SUNNY DAY FUND:			
Berg Electronics.....	\$ 7,000	\$ 0	\$ 0
Bush Industries.....	2,000	0	0
SUNNY DAY FUND TOTAL.....	\$ 9,000	\$ 0	\$ 0
WORKMEN'S COMPENSATION ADMINISTRATION FUND:			
Small Business Advocate - Workers' Compensation (R).....	\$ 171	\$ 180	\$ 192
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 194,046	\$ 227,542	\$ 240,745
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	121,196	131,274	121,201
AUGMENTATIONS.....	4,454	3,974	3,930
RESTRICTED.....	919	823	905
OTHER FUNDS.....	114,138	148,806	108,323
TOTAL ALL FUNDS.....	\$ 434,753	\$ 512,419	\$ 475,104

^a Actually appropriated as \$9,840,000 for General Government Operations in Department of Community Affairs and \$7,433,000 for General Government Operations in Department of Commerce.

^b Actually appropriated in Department of Community Affairs.

^c Actually appropriated as Transfer to Sunny Day Fund.

^d Includes recommended supplemental appropriation of \$1,540,000.

^e Includes recommended supplemental appropriation of \$4,300,000.

Community and Economic Development

Program Funding Summary

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
COMMUNITY AND ECONOMIC DEVELOPMENT							
SUPPORT SERVICES							
GENERAL FUND.....	\$ 40,867	\$ 41,912	\$ 44,706	\$ 44,458	\$ 44,849	\$ 45,452	\$ 46,067
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	2,652	2,331	2,700	2,700	2,700	2,700	2,700
OTHER FUNDS.....	5,530	4,977	5,027	5,127	5,228	5,333	5,440
SUBCATEGORY TOTAL.....	\$ 49,049	\$ 49,220	\$ 52,433	\$ 52,285	\$ 52,777	\$ 53,485	\$ 54,207
BUSINESS AND JOB DEVELOPMENT							
GENERAL FUND.....	\$ 89,218	\$ 88,084	\$ 97,543	\$ 98,543	\$ 97,043	\$ 98,543	\$ 97,043
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	1,017	1,560	1,580	1,580	1,580	1,580	1,580
OTHER FUNDS.....	64,003	94,153	53,731	43,444	43,463	42,482	42,502
SUBCATEGORY TOTAL.....	\$ 154,238	\$ 183,797	\$ 152,854	\$ 143,567	\$ 142,086	\$ 142,605	\$ 141,125
TECHNOLOGY DEVELOPMENT							
GENERAL FUND.....	\$ 40,000	\$ 36,700	\$ 35,200	\$ 35,200	\$ 35,200	\$ 35,200	\$ 35,200
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	297	456	150	150	150	150	150
OTHER FUNDS.....	36,659	35,800	36,600	36,600	36,600	36,600	36,600
SUBCATEGORY TOTAL.....	\$ 76,956	\$ 72,956	\$ 71,950	\$ 71,950	\$ 71,950	\$ 71,950	\$ 71,950
COMMUNITY DEVELOPMENT							
GENERAL FUND.....	\$ 23,961	\$ 60,846	\$ 63,296	\$ 53,296	\$ 53,296	\$ 53,296	\$ 53,296
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	117,230	126,927	116,771	116,126	116,126	116,126	116,126
OTHER FUNDS.....	13,319	18,673	17,800	17,800	17,800	17,800	17,800
SUBCATEGORY TOTAL.....	\$ 154,510	\$ 206,446	\$ 197,867	\$ 187,222	\$ 187,222	\$ 187,222	\$ 187,222
ALL PROGRAMS:							
GENERAL FUND.....	\$ 194,046	\$ 227,542	\$ 240,745	\$ 231,497	\$ 230,388	\$ 232,491	\$ 231,606
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	121,196	131,274	121,201	120,556	120,556	120,556	120,556
OTHER FUNDS.....	119,511	153,603	113,158	102,971	103,091	102,215	102,342
DEPARTMENT TOTAL.....	\$ 434,753	\$ 512,419	\$ 475,104	\$ 455,024	\$ 454,035	\$ 455,262	\$ 454,504

Community and Economic Development

Program: Community and Economic Development Support Services (continued)

Program Recommendations: (continued)

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

\$	-500	Marketing to Attract Tourists —nonrecurring projects.	\$	118	Appalachian Regional Commission —to fund Pennsylvania's share of the commission.
	500	—PRR — Retaining and Creating Jobs. This Program Revision continues the implementation of regional marketing initiatives throughout the Commonwealth. See the Program Revision following the Business and Job Development program for more information.			
	0	<i>Appropriation Change</i>			
\$	1,115	Marketing to Attract Business —PRR — Retaining and Creating Jobs. This Program Revision improves Pennsylvania's ability to market the Commonwealth as a destination for business expansion and job creation. See the Program Revision following the Business and Job Development program for more information.	\$	360	Tourist Promotion Assistance —PRR — Retaining and Creating Jobs. This Program Revision increases support for Tourist Promotion Agencies, the Commonwealth's local marketing partners, to generate additional investment from local governments and the travel industry. See the Program Revision following the Business and Job Development program for more information.
\$	12	Marketing to Attract Film Business —to continue current program.	\$	300	Local Development Districts —PRR — Retaining and Creating Jobs. This Program Revision enables Local Development Districts to assume operation of the Pennsylvania Match program, which facilitates joint ventures between Pennsylvania and Canadian firms. See the Program Revision following the Business and Job Development program for more information.

Other General Fund appropriations are recommended at current year funding levels or discontinued because they are nonrecurring projects.



The Department of Community and Economic Development reflects accomplishment of the PRIME recommendation to consolidate the Department of Community Affairs with the Department of Commerce.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
GENERAL FUND:							
General Government Operations	\$ 17,273	\$ 12,231	\$ 13,122	\$ 13,380	\$ 13,444	\$ 13,713	\$ 13,987
Computer Acquisition	757	1,100	827	0	0	0	0
International Trade	2,739	4,435	5,131	5,222	5,315	5,410	5,507
Export Opportunities	50	0	0	0	0	0	0
Marketing to Attract Tourists	6,509	10,350	10,350	10,547	10,748	10,953	11,162
Marketing to Attract Business	1,384	1,385	2,500	2,528	2,556	2,585	2,614
Marketing to Attract Film Business	226	249	261	266	271	276	282
Appalachian Regional Commission	241	242	360	360	360	360	360
Industrial Development Assistance	1,100	1,100	1,100	1,100	1,100	1,100	1,100
Tourist Promotion Assistance	8,140	8,140	8,500	8,500	8,500	8,500	8,500
Local Development Districts	2,048	2,055	2,355	2,355	2,355	2,355	2,355
Horticultural Exposition	250	250	0	0	0	0	0
Rural Leadership Training	150	200	200	200	200	200	200
Manufactured Housing Research	0	175	0	0	0	0	0
TOTAL GENERAL FUND	\$ 40,867	\$ 41,912	\$ 44,706	\$ 44,458	\$ 44,849	\$ 45,452	\$ 46,067

Community and Economic 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 Machinery and Equipment Loan Fund (MELF) be merged into the Industrial Development Fund, which is administered by PIDA. This merger will simplify the loan process for applicants since many current projects apply for both a PIDA and MELF loan. These funds provide for site development, and opportunities to attract businesses to Pennsylvania and retain current businesses.

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 Small Business First Fund is a new fund created by Act 67 of 1996. It merged the Pennsylvania Capital Loan Fund, Storage Tank Loan Fund and Air Quality Loan Fund into a single multi-purpose fund which can make loans to small businesses for a wide range of needs. Eligible projects include financing for: environmental needs like air quality, storage tank replacement, recycling and water quality, as well as defense conversion and hospitality industry projects. In addition the Small Business First Fund provides financial assistance for export related, advanced technology and computer related services. This budget proposes that the Pennsylvania Minority Business Development Fund be merged into the Small Business First Fund. This will enable all small business loan programs to be managed under a single fund which will simplify the loan approval process for small business owners by providing a single source to contact for various loans.

The Opportunity Grant Program is a new tool used by the Governor's Action Team to secure job creating economic development opportunities by preserving and expanding existing industry as well as attracting

economic development prospects to the Commonwealth. The program's flexibility is the key to its usefulness in attracting new industries and retaining existing ones.

The Team Pennsylvania — Business Calling and Resource Network Program is an initiative to expand efforts to retain businesses and create jobs throughout the State. The Business Calling component is a proactive effort to contact Pennsylvania businesses to identify their needs in an effort to retain and improve their operations in Pennsylvania. Information gathered through the calling program will be entered into the Resource Network data base for developing long-term strategies. The Resource Network component expands on the Business Resource Center to provide an Internet-based information network. This network will be available to economic development professionals worldwide. It will provide an efficient and effective means to access, analyze and acquire in-depth information on Pennsylvania's community and economic assets.

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.

Additional efforts to enhance job training and education benefiting the Commonwealth's citizens will be made through the Business Quality Partnership, and Individual Learning Accounts Programs.

Program Element: Minority Business

The Pennsylvania Minority Business Development Authority (PMBDA) offers low-interest loans to minority-owned businesses for fixed asset financing, working capital and other financing needs. These efforts can be particularly crucial given the difficulty minority entrepreneurs have in securing adequate funding, especially working capital. Beginning in 1997-98 these loans will be made through the Small Business First Fund.

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, including the recently created Philadelphia Regional Port Authority and Pittsburgh Port Commission, under one umbrella agency. These funds are used to aid in the development of these ports, which not only generate port and shipping related jobs, but also assist Pennsylvania firms in exporting their products.

Community and Economic Development

Program: Business and Job Development (continued)

Program Measures:	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
Jobs created/retained:	44,432	45,000	45,000	45,000	45,000	45,000	45,000
Public/private funds leveraged (in thousands):	\$1,070,737	\$1,100,000	\$1,100,000	\$1,100,000	\$1,100,000	\$1,100,000	\$1,100,000
Businesses assisted	448	450	450	450	450	450	450

Program Recommendations:

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

	GENERAL FUND				
	Transfer to PA Industrial Development Authority	\$	500		Team Pennsylvania
\$ -2,000	—nonrecurring projects.				—PRR — Retaining and Creating Jobs. This Program Revision combines the Business Resource Center and Business Retention programs into a single Team Pennsylvania Business Calling and Retention Network operated through ten regions. See the Program Revision following this program for more information.
	Transfer to Small Business First Fund	\$	4,000		
	—PRR — Retaining and Creating Jobs. This Program Revision offers export financing to businesses within the Small Business First program by providing pre- and post-export financing for small and medium-size businesses. See the Program Revision following this program for more information.	\$	-1,500		PennCAP
					—biennial funding.
	Opportunity Grant	\$	-214		PENNPORTS
\$ 2,000	—PRR — Retaining and Creating Jobs. This Program Revision provides incentive grants to attract and retain businesses. See the Program Revision following this program for more information.		173		—nonrecurring fixed asset costs.
			500		—to continue current program.
					—Initiative — Erie Port Improvements. To complete the improvements needed to make port facilities operational for three major tenants.
		\$	459		<i>Appropriation Increase</i>
	Customized Job Training Program	\$	1,000		
	—to expand customized job training programs for businesses.				
	Infrastructure Development	\$	5,000		
	—PRR — Retaining and Creating Jobs. This Program Revision provides additional infrastructure development grants and loans to businesses locating or expanding in the Commonwealth. See the Program Revision following this program for more information.				

All other appropriations are recommended at the current year funding level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
GENERAL FUND:							
Transfer to Capital Loan Fund	\$ 8,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Transfer to Minority Business Development Fund	2,130	0	0	0	0	0	0
Transfer to PA Industrial Development Authority	15,000	15,000	13,000	13,000	13,000	13,000	13,000
Transfer to Small Business First Fund	0	0	4,000	4,000	4,000	4,000	4,000
Opportunity Grant Program	0	25,000	27,000	27,000	27,000	27,000	27,000

Community and Economic Development

Program: Business and Job Development (continued)

Appropriations within this Program: (continued)

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
GENERAL FUND: (continued)							
Customized Job Training	\$ 8,488	\$ 15,050	\$ 16,050	\$ 16,050	\$ 16,050	\$ 16,050	\$ 16,050
Infrastructure Development	26,195	15,000	20,000	20,000	20,000	20,000	20,000
Housing and Redevelopment—							
Economic Development Setaside	15,000	0	0	0	0	0	0
Team Pennsylvania	0	3,000	3,500	3,500	3,500	3,500	3,500
PennCAP	0	1,500	0	1,500	0	1,500	0
Business Quality Partnership	0	250	250	250	250	250	250
Individual Learning Accounts	0	250	250	250	250	250	250
Small Business Development Centers	2,200	2,200	2,200	2,200	2,200	2,200	2,200
PENNPORTS	10,658	10,774	11,233	10,733	10,733	10,733	10,733
Flood Plain Management	51	60	60	60	60	60	60
Community Facilities	1,494	0	0	0	0	0	0
Defense Conversion	2	0	0	0	0	0	0
TOTAL GENERAL FUND	\$ 89,218	\$ 88,084	\$ 97,543	\$ 98,543	\$ 97,043	\$ 98,543	\$ 97,043

Program Revision: Retaining and Creating Jobs

Dramatic improvements in Pennsylvania's economic climate have been made over the last two years. Taxes have been reduced by \$500 million, Workers' Compensation insurance rates have been reduced by 25 percent as a result of a systemwide overhaul, regulations have been made less cumbersome, and economic development programs have been streamlined and improved to put Pennsylvania on equal competitive footing with its neighbors. Further, Pennsylvania has become one of the first states to deregulate the electric generation industry, a move which is expected to reduce electricity costs for industrial and residential customers. The Commonwealth's ability to attract and retain employers has been enhanced by its new reputation as a business-friendly state.

Pennsylvania's economic development efforts, however, are not judged entirely on their own merits. In large part, they must be measured against competitor states. This is especially true in the Northeast where states have become very aggressive in their efforts to develop and attract new business activity. Pennsylvania's long-term economic success depends on its ability to compete on equal footing with these states. This Program Revision outlines a multi-faceted plan to improve the Commonwealth's competitive position and enhance its growing national reputation as the right place to do business.

Providing Additional Tax Relief

Tax reductions and incentive tax credits approved over the last two fiscal years have made major strides to improve the Commonwealth's business climate. This Program Revision will accelerate that momentum by providing additional tax incentives to generate additional job growth.

A research and development tax credit against Federal taxes has been available for a number of years to encourage businesses to conduct scientific and technological research. This budget recommends the implementation of an annual \$10 million research and development tax credit to encourage businesses to conduct research in Pennsylvania. This proposal would adopt Federal requirements and provisions in most areas. However, tax credits would be awarded only for additional, qualified research conducted within Pennsylvania's borders. Taxpayers conducting qualified research will be able to claim a tax credit against the Corporate Net Income tax, Capital Stock and Franchise tax, or the Personal Income tax (for Subchapter S corporations, partnerships, and sole proprietorships). Under this proposal, the Pennsylvania research and development tax credit will become available July 1, 1997.

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 this tax. These exemptions prevent customers from 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 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. An exemption for computer services used in hotel and motel businesses is also proposed. This exemption would help retain highly mobile reservation operations in the State. This change will become effective July 1, 1997.

The Capital Stock and Franchise tax is levied on the capital stock value of domestic and foreign corporations conducting business in the Commonwealth. To enhance the ability of companies to reinvest funds to build or diversify their business, this Program Revision proposes to increase the amount of capital stock value exempt from the tax. Currently,

the first \$100,000 of a company's capital stock value is exempt from this tax. This Program Revision recommends increasing the exemption to \$125,000 effective January 1, 1997.

Developing Our Export Potential

Pennsylvania's ability to foster new economic growth depends in part on our ability to increase participation in world markets. This is especially true given the intense competition in domestic markets. This Program Revision provides additional resources to assist Pennsylvania businesses entering the global economy.

This Program Revision provides \$4 million to expand the offerings of the Small Business First Fund to include support for export financing, a critical challenge for Pennsylvania's small business community. This new program will enable the department to provide financing for small and medium-sized exporters who seek to expand their international sales. The department will operate this program in conjunction with the Working Capital Guarantee program of the Federal Export-Import Bank.

The Pennsylvania Match program offers a computerized database which matches Canadian and Pennsylvania companies interested in joint ventures. The program has generated strong enthusiasm, with over 800 Pennsylvania firms signing up since its inception in the Spring of 1995. To date, over 200 matches have been made with Canadian companies. Despite its success, the program has encountered administrative difficulties and data compatibility problems. This Program Revision provides \$300,000 to outsource the operation of the Pennsylvania Match program to Local Development Districts. Local Development Districts are key elements of the department's export assistance network and are uniquely positioned to operate this program. In addition to the operational efficiencies it will bring, outsourcing the Pennsylvania Match program to Local Development Districts will enable the department to better leverage Federal and local resources available to expand the program.

Over the past year, the department has begun implementing a "hub-and-spoke" network of overseas offices modeled after corporate marketing and trade strategies. The hub offices will coordinate a series of satellite offices and contractors located in their regions. This network will provide a gateway for Pennsylvania businesses to every major and emerging market in the world by offering dedicated in-country technical assistance to exporters participating in overseas trade missions and shows and by helping companies find overseas agents and distributors, joint ventures, and licensing agreements. This Program Revision provides \$565,000 to implement these expanded services to Pennsylvania companies.

Meeting the Capital Needs of Growing Businesses

New growth to be experienced by the Commonwealth will increase the capital needs of businesses in all stages of the business life cycle. Therefore, we must retain the ability to promote and support business formation, retention and expansion through successful financing programs. This Program Revision provides additional funding for existing programs that are critical to Pennsylvania's efforts to develop business activity:

- The Infrastructure Development program provides grants and loans to develop and improve business sites. This program offers a flexible funding source for a wide range of business and community infrastructure needs. This Program Revision provides \$5 million to respond to a growing demand for funds.
- The Opportunity Grant program provides grants to companies as an incentive to locate or remain in the Commonwealth. Grants can be awarded for a wide variety of purposes, from training expenses to site development costs. This program's flexibility makes it an especially powerful tool in the department's array of business

Community and Economic Development

Program: Retaining and Creating Jobs (continued)

assistance programs. This Program Revision provides \$2 million to provide assistance to additional businesses.

- The department has refocused the Housing and Redevelopment Assistance program to become the Communities of Opportunity program, a new, multi-faceted strategy that emphasizes the significant role healthy and vital communities play in rebuilding the Commonwealth's economic strength. Funds are provided for housing and community development projects that improve blighted neighborhoods and revitalize downtown business districts. This Program Revision provides \$775,000 to undertake additional projects that will improve Pennsylvania's communities.
- Agriculture, Pennsylvania's largest industry, remains a vibrant, growing component of our economy. In an effort to promote innovations and further knowledge in the field, the Department of Agriculture provides funds to educational institutions to conduct agricultural research projects on disease prevention, production techniques and related topics. This Program Revision provides \$500,000 to fund additional projects that will help Pennsylvania's farmers to meet tomorrow's challenges. This budget also provides a \$1 million increase to improve agricultural research and extension programs at The Pennsylvania State University.

Marketing Pennsylvania

Pennsylvania's attributes must be marketed aggressively if we are to realize our full economic potential. Marketing the State plays an increasingly important role in two distinct areas: maximizing Pennsylvania's share of the tourist dollar by promoting the Commonwealth as an attractive place to vacation; and developing and nurturing relations with new and existing businesses by highlighting the State's friendly business climate. This Program Revision provides additional resources to improve Pennsylvania's marketing efforts in both areas and to make the State's marketing efforts more competitive with its tourism neighbors.

Tourism plays an increasingly important role in Pennsylvania's economic development strategy. The State's second largest industry, which employs nearly 370,000 persons and generates spending of nearly \$20 billion, represents our most promising opportunity for domestic growth. In order to effectively advertise Pennsylvania's diverse attractions in a market-driven fashion, the Commonwealth has encouraged tourism

marketing efforts which build upon State, local and private-sector collaboration and shared investment. In 1996-97, the department implemented a Regional Marketing Partnerships Demonstration Program to support multi-county regional marketing campaigns. Local participants provide matching funds and agree to link their regional effort to a planned State campaign. This Program Revision provides \$500,000 to expand this successful program to include additional regions of the state. This Program Revision also provides \$360,000 for Tourist Promotion Agencies, the Commonwealth's local marketing partners. Increased funding will enable these agencies to leverage additional investment from local governments and the private sector.

The lack of an established image has impeded Pennsylvania's ability to market itself as an attractive location for business location and expansion. In response, Pennsylvania created the Business Resource Center in 1996-97 to provide comprehensive, accurate data about the Commonwealth to companies considering expanding or relocating a facility. This Center makes 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. To offer similar attention to businesses already located in Pennsylvania, the Business Retention Program was also created in 1996-97 to identify and resolve the day-to-day problems and issues these enterprises encounter. This Program Revision combines these initiatives into a single, coordinated program called the Team Pennsylvania Business Calling and Retention Network and provides additional resources to implement this new concept.

Team Pennsylvania is a customer-oriented, strategic partnership that joins leaders in the public and private sector to promote Pennsylvania and ensure greater collaboration on job-creating projects. Team Pennsylvania will use one central site in Harrisburg and ten regional locations to coordinate information, marketing efforts and investments. Using Internet capabilities, the Team Pennsylvania network will deliver state-of-the-art assistance to businesses anywhere in the world. An aggressive Business Calling Program utilizing local partners also will be established under Team Pennsylvania to identify and address business needs and concerns before relocating or closing becomes an option. This Program Revision provides \$500,000 to expand the Team Pennsylvania network to all ten regions. In addition, this Program Revision provides \$1.115 million to introduce the Team Pennsylvania concept through print, radio and television advertisements.

Program Measures:	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
Transfer to Small Business First Fund							
Export Grants Awarded							
Program Revision	0	0	45	45	45	45	45
Local Development Districts							
Matches Completed							
Current	0	0	20	20	20	20	20
Program Revision	0	0	500	500	500	500	500
Infrastructure Development							
Grants Awarded							
Current	0	0	29	29	29	29	29
Program Revision	0	0	39	39	39	39	39
Opportunity Grant Program							
Projects Assisted							
Current	0	0	60	60	60	60	60
Program Revision	0	0	65	65	65	65	65

Community and Economic Development

Program: Retaining and Creating Jobs (continued)

Program Measures: (Continued)	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
Housing and Redevelopment Assistance							
Projects Assisted							
Current	0	0	12	12	12	12	12
Program Revision	0	0	15	15	15	15	15
Team Pennsylvania							
Regions in Network							
Current	0	0	7	7	7	7	7
Program Revision	0	0	10	10	10	10	10

Program Revision Recommendations:	This budget recommends the following changes: (Dollar Amounts in Thousands)
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	DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT			
	Transfer to Small Business First Fund	\$	360	Tourist Promotion Assistance
\$ 4,000	—to offer export financing to businesses within the Small Business First program by providing pre- and post-export financing for small and medium-sized businesses.			—to increase support for Tourist Promotion Agencies, the Commonwealth's local marketing partners.
	Local Development Districts	\$	500	Team Pennsylvania
\$ 300	—to enable Local Development Districts to assume operation of the Pennsylvania Match program, which facilitates joint ventures between Pennsylvania and Canadian firms.			—to combine the Business Resource Center and Business Retention programs into a single Team Pennsylvania Business Calling and Retention Network operated through ten regions.
	International Trade	\$	1,115	Marketing to Attract Business
\$ 565	—to complete the implementation of a hub-and-spoke network of overseas offices.			—to improve Pennsylvania's ability to market the Commonwealth as a destination for business expansion and job creation.
	Infrastructure Development	\$	500	DEPARTMENT OF AGRICULTURE
\$ 5,000	—to provide additional infrastructure development grants and loans to businesses locating or expanding in the Commonwealth.			Agricultural Research
	Opportunity Grant Program	\$	500	—to provide resources to educational institutions to conduct agricultural research.
\$ 2,000	—to provide incentive grants to attract and retain businesses.			DEPARTMENT OF EDUCATION
	Housing and Redevelopment Assistance	\$	500	Agricultural Research
\$ 775	—to implement the Communities of Opportunities strategy, which will reinstitute the Main Streets program and provide additional funds for priority projects.			—to provide additional resources to The Pennsylvania State University to conduct agricultural research projects.
		\$	16,615	Agricultural Extension Services
	Marketing to Attract Tourists			—to provide additional resources to The Pennsylvania State University to improve agricultural extension services.
\$ 500	—to continue implementation of regional marketing initiatives throughout the Commonwealth.			Program Revision Total

Community and Economic Development

Program: Retaining and Creating Jobs (continued)

Recommended Program Revision Costs by Appropriation:

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
Department of Community and Economic Development							
Transfer to Small Business First Fund	\$ 0	\$ 0	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000
Local Development Districts	0	0	300	300	300	300	300
International Trade	0	0	565	565	565	565	565
Infrastructure Development	0	0	5,000	5,000	5,000	5,000	5,000
Opportunity Grant Program	0	0	2,000	2,000	2,000	2,000	2,000
Housing and Redevelopment Assistance	0	0	775	775	775	775	775
Marketing to Attract Tourists	0	0	500	500	500	500	500
Tourist Promotion Assistance	0	0	360	360	360	360	360
Team Pennsylvania	0	0	500	500	500	500	500
Marketing to Attract Business	0	0	1,115	1,115	1,115	1,115	1,115
Department of Agriculture							
Agricultural Research	0	0	500	500	500	500	500
Department of Education							
Agricultural Research	0	0	500	500	500	500	500
Agricultural Extension Services	0	0	500	500	500	500	500
Total	\$ 0	\$ 0	\$ 16,615	\$ 16,615	\$ 16,615	\$ 16,615	\$ 16,615

Community and Economic Development

PROGRAM OBJECTIVE: *To promote the use of advanced technology in order to help Pennsylvania industries compete successfully in the national and international market places; to encourage research and development of new products and processes that will foster the start-up of new business within the Commonwealth; and to fund research centers that will provide an incentive for indigenous business formation, as well as serving to attract investment in Pennsylvania.*

Program: Technology Development

Recognizing the instrumental role that technology development plays in Pennsylvania's effort to remain competitive in the national and international marketplace, the Commonwealth supports efforts to develop technological advances of benefit to its businesses and industries.

The Ben Franklin Partnership/Industrial Resource Centers Partnership (BF/IRC) program is the Commonwealth's major technology development program for business. The program promotes advanced technology in Pennsylvania's traditional and emerging manufacturing industries as well as small businesses. The program supports a wide range of initiatives to modernize machinery and equipment to improve productivity, streamline operations and increase product choice, and develop a technologically skilled workforce for Pennsylvania.

The IRC portion is designed to improve the competitive ability of Pennsylvania's traditional and emerging manufacturing firms by helping them to understand and implement modern manufacturing techniques and technologies. While the Ben Franklin Partnership helps companies develop new technologies, the IRCs work with existing small and medium size manufacturers to quickly adopt existing technologies and techniques that do not require substantial research. The centers are operated as nonprofit corporations and given significant direction from the Ben Franklin/IRC Partnership Advisory Board, which was created by law in 1993, combining the previously separate Ben Franklin Partnership and IRC programs under a single board comprised of a majority of private sector representatives.

Program Measures:	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
Jobs created/retained:	2,636	2,650	2,650	2,650	2,650	2,650	2,650
Public/private funds leveraged (in thousands):	\$134,400	\$135,000	\$135,000	\$135,000	\$135,000	\$135,000	\$135,000
Businesses assisted	1,401	1,400	1,400	1,400	1,400	1,400	1,400

Jobs created/retained has increased from those shown in last year's budget due to the inclusion of additional types of jobs to give a more accurate picture of activity in this area.

The increase in businesses assisted over those shown in last year's budget reflects increased activity by the Ben Franklin Centers.

Program Recommendations:

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

Super Computer Center
\$ -1,500 —nonrecurring project.

The transfer to Ben Franklin/IRC Fund is recommended to be continued at the current year funding level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
GENERAL FUND:							
Transfer to Ben Franklin/IRC Fund	\$ 36,000	\$ 35,200	\$ 35,200	\$ 35,200	\$ 35,200	\$ 35,200	\$ 35,200
Biotech Research	1,500	0	0	0	0	0	0
Super Computer Center	1,500	1,500	0	0	0	0	0
Southeast Science Center	1,000	0	0	0	0	0	0
TOTAL GENERAL FUND	\$ 40,000	\$ 36,700	\$ 35,200	\$ 35,200	\$ 35,200	\$ 35,200	\$ 35,200

Community and Economic Development

PROGRAM OBJECTIVE: *To enhance the total environment of Pennsylvania's communities through improvements in the areas of housing, community development, job training and human services.*

Program: Community Development

Program Element: Housing and Redevelopment

Housing and Redevelopment provides grants to communities, redevelopment authorities and nonprofit organizations to improve blighted neighborhoods through redevelopment, and to provide low and moderate income housing through rehabilitation. Within this program, Downtown Assistance and Preservation funds help revitalize central business districts in aging communities.

The weatherization component of the element provides funds to weatherize existing housing through furnace retrofits as well as the installation of insulation, storm doors and windows in homes of persons who meet income eligibility standards developed by the Federal Government. Weatherization is funded from U.S. Department of Energy weatherization funds.

The National Affordable Housing Act of 1990 provides funding to expand the supply of affordable housing for low-income families. A variety of options is available to meet this objective: incentives to develop and support rental housing and home ownership through acquisition, construction or rehabilitation; funding to finance relocation of displaced persons; rental assistance; and rehabilitation of substandard housing. Act 172 of 1992 established a separate special fund entitled the HOME Investment Trust Fund, as required by the U.S. Department of Housing and Urban Development (HUD), to administer these funds.

Program Element: Community Development

The Federal Small Communities Block Grant (SCBG) provides assistance in expanding low and moderate income housing opportunities, enhancing economic development and job opportunities for low and

moderate income individuals, correcting public facilities such as water and sewer systems, and improving public facilities that affect public health and safety.

The State funded Enterprise Zone Program provides grants for locally planned innovative projects which can stimulate private investment and create jobs in State-designated enterprise zones. These efforts are also supported by use of 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.

Shared Municipal Services assists communities in improving operational efficiencies through cooperative activities. The program assists Councils of Governments and other agencies in implementing programs of inter-municipal cooperation, which will reduce local government costs and implement more efficient and coordinated local government programs and services.

Program Element: Job Training and Human Services

The Community Conservation and Employment Program provides funds to municipalities, community action agencies and nonprofit sponsors for the development of employment opportunity and conservation activities.

The Community Services Block Grant (CSBG) provides funds for community-based programs that offer health, nutrition, housing and employment related services to improve the standard of living of low-income persons.

Program Measures:	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
Housing and Redevelopment:							
Rehabilitation of existing units with							
State funds	5,799	7,000	7,000	7,000	7,000	7,000	7,000
Homes weatherized	7,518	5,052	5,771	5,771	5,771	5,771	5,771
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

The increase in the number of existing housing units rehabilitated with State funds in 1995-96 compared to last year's budget estimate reflects the expedited utilization of augmenting funds for the Housing and Redevelopment Assistance program. Available and future year increases are based upon increased appropriation levels in 1996-97 and those budgeted for 1997-98.

The decrease in the number of homes weatherized from that estimated in last year's budget is due to the reduced level of funding from the U.S. Department of Energy.

Community and Economic Development

Program: Community Development (continued)

Program Measures: (continued)	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
Job Training and Human Services:							
Persons participating:							
Community conservation and youth employment	0	3,900	2,000	2,000	2,000	2,000	2,000
Community Service Block Grant	421,120	421,120	454,810	454,810	454,810	454,810	454,810
Employment related services and training projects	0	1,140	1,140	1,140	1,140	1,140	1,140
Job Placement Program:							
Persons placed	0	630	630	630	630	630	630
Shared Municipal Services:							
Local Governments Assisted	0	200	200	200	200	200	200

The reduction in the number of persons participating in the Community Conservation and Youth Employment program in future years reflects the termination of funding for the Single Point of Contact Program funded through the Department of Public Welfare.

No program measures are shown in 1995-96 for certain measures since funds were not appropriated for the Community Conservation and Youth Employment Program in that year.

A new program measure, for Shared Municipal Services — Local Governments Assisted, is included to provide information on the new Shared Municipal Services program begun in 1996-97.

Program Recommendations:

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

<p>GENERAL FUND:</p> <p>Transfer: Financially Distressed Municipalities Aid Fund</p> <p>\$ -200 —nonrecurring costs.</p>	<p>Housing and Redevelopment Assistance</p> <p>\$ 775 —PRR — Retaining and Creating Jobs. This Program Revision implements the department's Communities of Opportunities strategy, which will reinstitute the Main Streets Program and provide additional funds for priority projects. See the Program Revision following the Business and Job Development program for more information.</p> <p>—nonrecurring grants.</p> <p>\$ -775</p> <p>\$ 0 <i>Appropriation Increase</i></p>	<p>Community Development Bank</p> <p>\$ 15,000 —PRR — Project for Community Building. This Program Revision provides funding to capitalize a community development program and provide technical assistance to local lenders. See the Program Revision following this program for more information.</p>	<p>Family Savings Accounts</p> <p>\$ 1,250 —PRR — Project for Community Building. This Program Revision provides matching funds as an incentive for low-income families to establish restricted savings accounts for home ownership, educational expenses or to start businesses. See the Program Revision following this program for more information.</p>	<p>Strategic Community Partnership</p> <p>\$ -1,825 —nonrecurring grants.</p> <p>\$ -1,000 —redirected to Housing and Redevelopment.</p> <p>\$ -2,825 <i>Appropriation Decrease</i></p>	<p>Shared Municipal Services</p> <p>\$ -100 —nonrecurring grants.</p> <p>\$ 400 —Initiative — Promoting Regional Cooperation. To promote cooperation among municipalities seeking operational efficiencies through merged services and other measures.</p> <p>\$ 300 <i>Appropriation Increase</i></p>	<p>Planning Assistance</p> <p>\$ -200 —nonrecurring projects.</p>	<p>Community Revitalization and Assistance</p> <p>\$ -8,275 —nonrecurring grants.</p>	<p>Community Conservation and Employment</p> <p>\$ -2,600 —nonrecurring grants.</p>
<p>Enterprise Development is recommended at the current year funding level.</p>								

Community and Economic Development

Program: Community Development (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
GENERAL FUND:							
Transfer: Financially Distressed							
Municipalities Aid Fund	\$ 1,200	\$ 1,200	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000
Housing and Redevelopment Assistance .	11,990	18,575	18,575	18,575	18,575	18,575	18,575
Community Development Bank	0	0	15,000	5,000	5,000	5,000	5,000
Family Savings Accounts	0	0	1,250	1,250	1,250	1,250	1,250
Strategic Community Partnerships	0	2,825	0	0	0	0	0
Shared Municipal Services	0	300	600	600	600	600	600
Enterprise Development	6,996	6,996	6,996	6,996	6,996	6,996	6,996
Planning Assistance	175	375	175	175	175	175	175
Community Revitalization and Assistance	3,600	24,275	16,000	16,000	16,000	16,000	16,000
Community Conservation and Employment	0	6,300	3,700	3,700	3,700	3,700	3,700
TOTAL GENERAL FUND	\$ 23,961	\$ 60,846	\$ 63,296	\$ 53,296	\$ 53,296	\$ 53,296	\$ 53,296

Community and Economic Development

Program Revision: Project for Community Building

In nearly every community, civic institutions once served as the "immune system against cultural disease," instilling in its members a sense of responsibility and accountability not only to one's self, but to family, neighborhood and community.

Over the past decades, the expansion of government has undermined the role, effectiveness and authority of these crucial social institutions—families, religious groups, volunteer organizations, and private and civic associations—upon which strong and civil communities are built. Time and time again government tried to replace the love, nurturing and support provided by these traditional mediating structures with programs, bureaucracy and spending. The results of this failed experiment have been a decline in values and civility all too evident in our daily lives.

Today, greater numbers of Pennsylvanians seek a more appropriate balance between government and "civil society," recognizing that what government can do for communities and citizens is limited, but what communities and individuals can do for themselves has no limit. Everyday more and more of our communities, neighborhoods and people are coming together, harnessing the power of individuals and local civic institutions to address the most difficult challenges our Commonwealth faces—economic distress, educational failure, youth violence, and teenage pregnancy.

To assist and stimulate these self-help initiatives within our communities, this Program Revision introduces new approaches, tools and resources. This project recognizes that to effectively meet difficult local challenges requires not more Harrisburg or Washington dictates, but more community-led, community-based solutions. It seeks to empower our communities by redistributing decision-making power and control beyond government and into the hands of individuals. Understanding that the private sector and individual initiative are the true catalysts of change, this Program Revision is an effort to aid our citizens as they undertake the rebuilding and revitalization of their communities.

Investing in Community Growth

This Program Revision provides \$15 million to the Pennsylvania Economic Development Financing Authority (PEDFA) to establish the Pennsylvania Community Development Bank. The Pennsylvania Community Development Bank will make capital available for community development lending and provide technical assistance grants to promote the creation and ownership of Community Development Financial Institutions (CDFI) within distressed communities. This Program Revision will provide CDFI's access to capital to foster business creation and growth for low-income people and economically disadvantaged areas. The Pennsylvania Community Development Bank will also include a rural development component to implement the Federal rural development block grant. It is estimated that the Bank would leverage between \$30-\$50 million in private sector investment to support the capital needs of small businesses, non-profit institutions and community residents.

Empowering Individuals

Families must be encouraged to take positive steps toward attaining self-sufficiency. Often the primary obstacle to becoming self-sufficient is lack of financial resources. This Program Revision provides \$1.25 million in State funds to establish Family Savings Accounts, restricted savings accounts which would assist low-income individuals to attain self-sufficiency through savings and asset accumulation. Family Savings Accounts would enable families to accumulate assets to finance the purchase of a home, pay for educational expenses or start a new business.

Under this proposal, savings incentives will be targeted to Pennsylvania families at or below 200% of Federal poverty. Account holders would be required to save a minimum of \$10 per week. The Commonwealth would provide matching funds to account holders at a 50% rate up to \$300 per year for two years. Family Savings Accounts

would be administered locally through organizations such as family centers, community development corporations, churches and tenant housing councils, and would be linked to existing programs that seek to promote economic self-sufficiency.

Working families often exhaust most, if not all, of their income to cover basic living expenses, which makes it difficult to save for the future. This Program Revision increases the discretionary income of working families by reducing their tax burden. Special tax forgiveness provisions in Pennsylvania's Personal Income Tax allow eligible claimants to reduce their tax liability depending on the amount of their income. The eligibility income limits currently increase by \$3,000 for each dependent. This budget proposes increasing the dependent exemption to \$4,000 effective January 1, 1997. Under this proposal, a qualifying family of four will owe no tax on taxable income up to \$18,300.

Grass roots businesses can lead a community back to the path of economic growth. Therefore, a successful community revitalization strategy must include measures to encourage entrepreneurial activity. This is especially important in an era when many workers are being permanently displaced due to labor market changes and economic conditions. This Program Revision provides \$851,000 in State funds and \$616,000 in Federal funds to establish the Self-Employment Assistance Program in the Department of Labor and Industry, a demonstration program that will enable persons on unemployment compensation to investigate and pursue self-employment opportunities.

Unemployment compensation offers dislocated workers a temporary safety net, but it may actually discourage permanent solutions. Under current Pennsylvania law, when an individual takes the first positive step toward becoming self-employed, he or she is no longer eligible for unemployment compensation benefits. This loss of benefits discourages individuals from pursuing self-employment opportunities. This proposal recommends changing Pennsylvania law to eliminate the provisions which discourage individuals from taking steps towards becoming self-employed. The Self-Employment Assistance Program will permit 1,000 individuals to continue receiving up to 26 full weeks of unemployment compensation while obtaining entrepreneurial training, business counseling, business plan development, and technical assistance to successfully initiate self-employment. State and Federal funds will be used to pay for training and counseling services through private service providers.

Improving Neighborhood Safety

This Program Revision provides \$1 million to make Community Crime Prevention Grants that will mobilize communities to implement local strategies to prevent and reduce juvenile crime. The most effective deterrents to juvenile crime are not government-based, but are community-owned and community-directed strategies that address the factors that contribute to juvenile crime and violence. These challenge grants, which will require a local match, will encourage communities to identify and assess factors within their neighborhoods that place juveniles at risk and to implement local prevention strategies.

Preventing Teen Pregnancies

This Program Revision provides \$1 million in State funds and \$1.4 million in Federal funds for abstinence-based teen pregnancy prevention programs. The rates of teenage pregnancy in Pennsylvania remain unacceptably high as do its costs, including father absence, child poverty, educational failure and youth violence. Abstinence-based education has proven to be an effective approach to postponing sexual activity and avoiding pregnancy among teenagers. The goal of this prevention education program is to reduce teenage pregnancies in the Commonwealth by utilizing community-based approaches and programs to teach abstinence education, developing model abstinence programs, and employing targeted outreach strategies to promote abstinence among children and adolescents.

Community and Economic Development

Program Revision: Project for Community Building (continued)

In addition, this Program Revision recommends the initiatives listed below. These efforts will use existing program funds in 1997-98:

- Charter schools are new public schools, designed and governed by local citizens and free from virtually all State mandates. These schools focus on student learning and performance instead of mandates and bureaucracy. Through the Department of Education, \$1.4 million will be made available for charter school grants to be utilized by parents, teachers, school districts and community organizations to plan and initiate charter public schools. These grants will provide communities with opportunities to create new, innovative and accountable public education choices for parents and children.
- Mentoring programs have proven effective in keeping at-risk children off drugs and away from violent behavior by connecting them with responsible, caring adults. Through the Department of Education's

Dropout Prevention Program, \$250,000 will be utilized to create linkages between school districts and community-based organizations, such as Big Brothers/Big Sisters and Boys and Girls Clubs, to develop school-based mentoring programs.

- Home ownership instills a sense of individual and neighborhood pride. Converting public housing tenants or subsidized renters into homeowners requires a comprehensive effort with a heavy emphasis on creating and encouraging employment. The Pennsylvania Housing Finance Agency (PHFA) will be asked to lead an interagency planning effort to demonstrate how low-income tenants can become homeowners. This project will examine the adequacy of existing programs and identify potential barriers to home ownership. Agency staff will provide administrative and technical assistance to assist the transition from rental housing to owner-occupied housing.

Program Measures:	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
Pennsylvania Community Development Bank							
Value of Loans							
Program Revision	0	0	5,000	16,800	16,800	16,800	16,800
Jobs Created or Retained							
Program Revision	0	0	411	1,547	1,547	1,547	1,547
Family Savings Accounts							
Families Participating							
Program Revision	0	0	2,500	2,500	2,500	2,500	2,500
Self-Employment Assistance Program							
Individuals Assisted							
Program Revision	0	0	1,000	1,000	1,000	1,000	1,000
Businesses Started							
Program Revision	0	0	580	580	580	580	580

Community and Economic Development

Program Revision: Project for Community Building (continued)

Program Revision Recommendations:

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

	Department of Community and Economic Development		Executive Offices
	Community Development Bank	\$ 1,000	Community Crime Prevention
\$ 15,000	—to capitalize a community development program and provide technical assistance grants to local lenders.		—to enhance the ability of communities to address local juvenile crime problems.
	Family Savings Accounts	\$ 1,050	Department of Health
\$ 1,250	—to provide matching funds as an incentive for low-income families to establish savings accounts.		Maternal and Child Health
		\$ 19,151	—to provide abstinence education through community-based programs to reduce teenage pregnancies.
	Department of Labor and Industry		<i>Program Revision Total</i>
	General Government Operations		
\$ 851	—to provide temporary income support, training and counseling to individuals who are receiving unemployment compensation but wish to become self-employed.		

In addition, \$616,000 in Federal funds will be used to support the Self-Employment Assistance Program; \$1.4 million in Federal funds will be used for abstinence-based teen pregnancy prevention programs; \$1.4 million in State funds will be used to support the Charter Schools initiative; and \$250,000 in State funds will be used for School Mentoring programs.

Recommended Program Revision Costs by Appropriation:

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
GENERAL FUND:							
Department of Community and Economic Development							
Community Development Bank	\$ 0	\$ 0	\$ 15,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
Family Savings Accounts	0	0	1,250	1,250	1,250	1,250	1,250
Department of Labor and Industry							
General Government Operations	0	0	851	851	851	851	851
Executive Offices							
Community Crime Prevention	0	0	1,000	1,000	1,000	1,000	1,000
Department of Health							
Maternal and Child Health	0	0	1,050	1,400	1,400	1,400	1,400
TOTAL GENERAL FUND	\$ 0	\$ 0	\$ 19,151	\$ 9,501	\$ 9,501	\$ 9,501	\$ 9,501



COMMONWEALTH OF PENNSYLVANIA

DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES

The Department of Conservation and Natural Resources is responsible for managing the State's natural resources, including the protection and management of the State's parks and forests.

The department also provides financial assistance to municipalities in acquiring and rehabilitating parks, open space and community center buildings.

GOVERNOR'S EXECUTIVE BUDGET

Conservation and Natural Resources

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1995-96 ACTUAL	1996-97 AVAILABLE	1997-98 BUDGET
GENERAL FUND:			
General Government:			
General Government Operations.....	\$ 12,564	\$ 11,213	\$ 11,145
(F)Surface Mining Control and Reclamation.....	18	272	150
(F)Topographic and Geologic Survey Grants.....	34	275	175
(F)Bituminous Coal Resources.....	72	225	205
(F)Allegheny Wild and Scenic River.....	45	0	0
(F)Intermodal Surface Transportation Act.....	354	3,500	4,000
(F)Land and Water Conservation Fund.....	343	750	680
(F)LWCF - Administration.....	9	0	0
(A)Payment for Department Services.....	127	135	135
(A)Water Well Drillers.....	53	65	65
(A)Keystone Recreation, Park and Conservation Fund.....	0	1,996	1,700
Subtotal.....	\$ 13,619	\$ 18,431	\$ 18,255
State Parks Operations.....	46,653	45,260	48,201
(F)Recreational Trails.....	91	500	500
(F)Clean Vessel Act (F).....	45	55	55
(F)January 1996 Flood Disaster - Disaster Assistance.....	29	21,000	10,000
(F)January 1996 Blizzard Disaster - Disaster Assistance.....	0	38	0
(F)July 1996 Storm Disaster - Disaster Assistance (F).....	0	100	0
(A)PCC Programs - Parks.....	991	500	500
(A)Reimbursement - Sewer System.....	72	95	95
(A)Reimbursement - Kings Gap Use.....	73	75	75
(A)State Parks User Fees.....	8,425	9,813	11,500
(A)Prior Year Revenue - Parks.....	878	600	600
(A)Donations.....	3	0	0
(A)Reimbursement for Services.....	5	93	93
Subtotal.....	\$ 57,265	\$ 78,129	\$ 71,619
State Forests Operations.....	15,361	13,566	13,737
(F)Forest Fire Protection and Control.....	305	315	315
(F)Forestry Incentives and Agriculture Conservation.....	66	258	70
(F)Forest Management and Processing.....	227	1,018	200
(F)Cooperative Forest Insect and Disease Control.....	350	250	250
(F)Endangered Species Recovery.....	0	30	0
(F)Tree Planting.....	342	100	0
(F)Wetland Protection Fund.....	50	200	200
(A)Reimbursement for Services.....	761	100	100
(A)Sale of Forest Products.....	9	9	0
(A)Reimbursement - Forest Fires.....	90	100	100
(A)Sale of Vehicles - Forests.....	11	25	25
(A)Private Donations.....	31	35	35
(A)Timber Sales.....	11,402	16,127	17,388
(A)PCC Programs - Forests.....	493	500	500
(A)Reimbursement - Gypsy Moth and Other Insect Control.....	0	470	470
Subtotal.....	\$ 29,498	\$ 33,103	\$ 33,390
Gypsy Moth and Other Insect Control.....	3,364	1,921	3,260
(F)Forest Insect and Disease Control.....	1,096	3,195	1,220
(A)Reimbursement from Counties.....	124	145	145
Subtotal.....	\$ 4,584	\$ 5,261	\$ 4,625

Conservation and Natural Resources

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1995-96	1996-97	1997-98
	ACTUAL	AVAILABLE	BUDGET
Subtotal - State Funds.....	\$ 77,942	\$ 71,960	\$ 76,343
Subtotal - Federal Funds.....	3,476	32,081	18,020
Subtotal - Augmentations.....	23,548	30,883	33,526
Total - General Government.....	\$ 104,966	\$ 134,924	\$ 127,889
Grants and Subsidies:			
Heritage Parks.....	\$ 2,000	\$ 4,500	\$ 2,750
Annual Fixed Charges - Flood Lands.....	41	42	42
Annual Fixed Charges - Project 70.....	18	42	35
Annual Fixed Charges - Forest Lands.....	2,409	2,450	2,450
Annual Fixed Charges - Park Lands.....	0	350	350
Total - Grants and Subsidies.....	\$ 4,468	\$ 7,384	\$ 5,627
STATE FUNDS.....	\$ 82,410	\$ 79,344	\$ 81,970
FEDERAL FUNDS.....	3,476	32,081	18,020
AUGMENTATIONS.....	23,548	30,883	33,526
GENERAL FUND TOTAL.....	\$ 109,434	\$ 142,308	\$ 133,516
KEYSTONE RECREATION, PARK AND CONSERVATION FUND:			
General Government:			
Park & Forest Facility Rehabilitation - Bond Proceeds.....	\$ 8,852	\$ 7,879	\$ 0
Park & Forest Facility Rehabilitation-Realty Transfer(94-95).....	5,246	5,647	0
Park & Forest Facility Rehabilitation-Realty Transfer(95-96).....	0	10,255	0
Park & Forest Facility Rehabilitation-Realty Transfer(96-97).....	0	0	10,511
Subtotal.....	\$ 14,098	\$ 23,781	\$ 10,511
Total - General Government.....	\$ 14,098	\$ 23,781	\$ 10,511
Grants and Subsidies:			
Grants for Local Recreation - Bond Proceeds.....	\$ 3,477	\$ 9,605	\$ 0
Grants for Local Recreation - Realty Transfer Tax (94-95).....	0	8,051	0
Grants for Local Recreation - Realty Transfer Tax (95-96).....	0	8,545	0
Grants for Local Recreation - Realty Transfer Tax (96-97).....	0	0	8,759
Grants to Land Trusts - Bond Proceeds.....	1,972	1,707	0
Grants to Land Trusts - Realty Transfer Tax (94-95).....	0	3,221	0
Grants to Land Trusts - Realty Transfer Tax (95-96).....	0	3,418	0
Grants to Land Trusts - Realty Transfer Tax (96-97).....	0	0	3,504
Grants to Zoos - Bond Proceeds.....	3,150	1,736	0
Subtotal.....	\$ 8,599	\$ 36,283	\$ 12,263
Total - Grants and Subsidies.....	\$ 8,599	\$ 36,283	\$ 12,263
KEYSTONE RECREATION, PARK AND CONSERVATION FUND TOTAL.....	\$ 22,697	\$ 60,064	\$ 22,774
OTHER FUNDS:			
GENERAL FUND:			
Snowmobile Regulation.....	\$ 552	\$ 884	\$ 924
Forest Regeneration.....	132	2,400	1,500
GENERAL FUND TOTAL.....	\$ 684	\$ 3,284	\$ 2,424

Conservation and Natural Resources

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1995-96 ACTUAL	1996-97 AVAILABLE	1997-98 BUDGET
ENVIRONMENTAL EDUCATION FUND:			
General Operations (EA).....	\$ 113	\$ 147	\$ 150
MOTOR LICENSE FUND:			
Forestry Bridges - Excise Tax (R).....	\$ 3,670	\$ 8,102	\$ 4,670
OIL AND GAS LEASE FUND:			
General Operations.....	\$ 8,083	\$ 5,000	\$ 6,997
WILD RESOURCE CONSERVATION FUND:			
General Operations (EA).....	\$ 1,468	\$ 1,993	\$ 1,997
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 82,410	\$ 79,344	\$ 81,970
SPECIAL FUNDS.....	22,697	60,064	22,774
FEDERAL FUNDS.....	3,476	32,081	18,020
AUGMENTATIONS.....	23,548	30,883	33,528
OTHER FUNDS.....	14,018	18,526	16,238
TOTAL ALL FUNDS.....	\$ 146,149	\$ 220,898	\$ 172,528

Conservation and Natural Resources

Program Funding Summary

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
PARKS AND FORESTS MANAGEMENT							
GENERAL FUND.....	\$ 82,410	\$ 79,344	\$ 81,970	\$ 84,351	\$ 85,925	\$ 87,531	\$ 89,170
SPECIAL FUNDS.....	22,697	60,064	22,774	21,572	21,607	22,008	22,485
FEDERAL FUNDS.....	3,476	32,081	18,020	18,020	18,020	18,020	18,020
OTHER FUNDS.....	37,566	49,409	49,764	49,685	50,613	51,553	52,517
SUBCATEGORY TOTAL.....	\$ 146,149	\$ 220,898	\$ 172,528	\$ 173,628	\$ 176,165	\$ 179,112	\$ 182,192
ALL PROGRAMS:							
GENERAL FUND.....	\$ 82,410	\$ 79,344	\$ 81,970	\$ 84,351	\$ 85,925	\$ 87,531	\$ 89,170
SPECIAL FUNDS.....	22,697	60,064	22,774	21,572	21,607	22,008	22,485
FEDERAL FUNDS.....	3,476	32,081	18,020	18,020	18,020	18,020	18,020
OTHER FUNDS.....	37,566	49,409	49,764	49,685	50,613	51,553	52,517
DEPARTMENT TOTAL.....	\$ 146,149	\$ 220,898	\$ 172,528	\$ 173,628	\$ 176,165	\$ 179,112	\$ 182,192

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 33,500 acres of water are within these parks. They attract more than 36 million visitors each year and provide picnicking, swimming, hiking, bicycling, horseback riding, cross-country skiing, camping, boating, fishing and hunting opportunities for citizens and guests of the Commonwealth. In addition to managing these facilities, this program element also maintains and restores the State parks and adds new facilities where needed. User fees and concession charges are used to support the maintenance and operation of the park system. The Keystone Recreation, Park and Conservation Fund provides bond and real-estate transfer tax revenues for rehabilitation, repairs and upgrade of facilities and land acquisition for State park and forest lands.

Program Element: Management of Forest Resources

This 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 primary insect threat to the forests of Pennsylvania is the gypsy moth, although there are five native insects which also defoliate trees. Fortunately, the number of forested acres heavily infested by the gypsy moth has dramatically declined in the past several years. This may represent the nadir of the population cycle of these insects. 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. 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:	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
Management of Recreation Facilities and Areas							
State park attendance in visitor days (in thousands)	39,982	36,490	37,690	37,690	37,690	37,690	37,690
Major maintenance or restoration projects completed	135	110	120	130	140	140	140

State park attendance in visitor days for 1996-97 decreased from last year's budget estimate due to poor weather conditions in 1996-97.

The number of major maintenance or restoration projects declined compared to last year's estimates due to reduced program activity.

Conservation and Natural Resources

Program: Parks and Forests Management (continued)

Program Measures: (continued)	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
Management of Forest Resources							
Forest fires	578	1,000	1,000	1,000	1,000	1,000	1,000
Acres of private timber land affected by professional assistance	95,000	95,000	95,000	95,000	95,000	95,000	95,000
Acres receiving insect suppression	77,000	20,000	80,000	200,000	250,000	250,000	250,000

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 due to wet weather conditions; this measure increases in the future as the cycle of infestations reverses.

Recreational and Conservation Programs

Keystone Recreation, Park and Conservation							
Fund Grants	253	250	225	225	225	225	225
Heritage Park Grants	44	50	50	50	50	50	50

Program Recommendations:

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

<p>General Government Operations</p> <p>\$ -68 —to continue current programs.</p> <p>State Parks Operations</p> <p>\$ 1,778 —to continue current programs.</p> <p>1,163 —to provide for additional major maintenance projects.</p> <hr style="width: 50%; margin-left: 0;"/> <p>\$ 2,941 <i>Appropriation Increase</i></p>	<p>State Forests Operations</p> <p>\$ 171 —to continue current program.</p> <p>Gypsy Moth and Other Insect Control</p> <p>\$ 1,339 —to continue current program.</p> <p>Heritage Parks</p> <p>\$ -1,750 —nonrecurring item.</p> <p>Annual Fixed Charges—Project 70</p> <p>\$ -7 —to continue current program.</p>
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This budget also recommends:

- \$1,687,000 from the State Park user fees restricted account for major maintenance projects.
- \$1,040,000 from the timber sales restricted account for additional timber harvesting.

All other appropriations are recommended at the current year funding level.



Includes the PRIME recommendation to optimize timber harvests from public lands by the Department of Conservation and Natural Resources. Annual net increases in revenue are estimated at \$2 million per year.

Conservation and Natural Resources

Program: Parks and Forests Management (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
GENERAL FUND:							
General Government Operations	\$ 12,564	\$ 11,213	\$ 11,145	\$ 11,368	\$ 11,595	\$ 11,827	\$ 12,064
State Parks Operations	46,653	45,260	48,201	50,019	51,019	52,039	53,080
State Forests Operations	15,361	13,566	13,737	14,012	14,292	14,578	14,870
Gypsy Moth and Other Insect Control	3,364	1,921	3,260	3,325	3,392	3,460	3,529
Heritage Parks	2,000	4,500	2,750	2,750	2,750	2,750	2,750
Annual Fixed Charges — Flood Lands	41	42	42	42	42	42	42
Annual Fixed Charges — Project 70	18	42	35	35	35	35	35
Annual Fixed Charges — Forest Lands	2,409	2,450	2,450	2,450	2,450	2,450	2,450
Annual Fixed Charges — Park Lands	0	350	350	350	350	350	350
TOTAL GENERAL FUND	\$ 82,410	\$ 79,344	\$ 81,970	\$ 84,351	\$ 85,925	\$ 87,531	\$ 89,170
KEYSTONE RECREATION, PARK AND CONSERVATION FUND:							
Parks and Forests Facility Rehabilitation ..	\$ 8,852	\$ 7,879	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Parks and Forests Facility Rehabilitation — Realty Transfer Tax	5,246	15,902	10,511	9,956	9,973	10,159	10,380
Grants for Local Recreation — Bond Proceeds	3,477	9,605	0	0	0	0	0
Grants for Local Recreation — Transfer Tax	0	16,596	8,759	8,297	8,310	8,464	8,647
Grants to Land Trusts — Bond Proceeds ..	1,972	1,707	0	0	0	0	0
Grants to Land Trusts — Realty Transfer Tax	0	6,639	3,504	3,319	3,324	3,385	3,458
Grants to Zoos — Bond Proceeds	3,150	1,736	0	0	0	0	0
TOTAL KEYSTONE RECREATION, PARK AND CONSERVATION FUND	\$ 22,697	\$ 60,064	\$ 22,774	\$ 21,572	\$ 21,607	\$ 22,008	\$ 22,485



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

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1995-96	1996-97	1997-98
	ACTUAL	AVAILABLE	BUDGET
GENERAL FUND:			
<i>Institutional:</i>			
State Correctional Institutions.....	\$ 826,878 a	\$ 946,741 a	\$ 983,531
(F)Federal Inmates.....	9	25	25
(F)Library Services.....	45	50	50
(F)Reimbursement for Alien Inmates.....	0	852	850
(F)Nursing Trainers.....	10	0	0
(F)SABG - Alcohol and Drug Services.....	2,100	2,100	2,100
(F)DCSI - Women and Children.....	443	623b	200
(F)DCSI - County Data Automation.....	78	50	30
(F)DCSI - Tracking System.....	13	300	50
(F)DCSI - Victim Notification.....	58	75	50
(F)DCSI - Drug and Alcohol Units.....	0	9	0
(F)DCSI - Drug and Alcohol Evaluations.....	0	17	0
(F)DCSI - Therapeutic Community.....	0	202	175
(F)DCSI - Drug Treatment.....	0	600	600
(F)DCSI - Drug Interdiction.....	248	250	35
(F)DCSI - Inmate Records.....	0	165	100
(F)DCSI - Photo Identification.....	0	21c	0
(F)January 1996 Storm Disaster.....	70	20	0
(F)Community Classification.....	0	25	0
(F)Boot Camp Planning.....	0	100	0
(F)Correctional Education.....	1,084 d	1,700d	1,700
(F)JTPA - Correctional Education.....	220d	258d	258
(F)Correctional Education Community Involvement.....	71d	0	0
(A)Institutional Reimbursements.....	52	80	85
(A)Community Service Centers.....	461	535	600
(A)Reimbursement - Department of Public Welfare.....	12,042	80	0
(A)Medical Co-payment.....	0	180	380
(A)County Training.....	0	167	350
(A)JTPA - Matching Funds.....	247	175	258
Subtotal - State Funds.....	\$ 826,878	\$ 946,741	\$ 983,531
Subtotal - Federal Funds.....	4,449	7,442	6,223
Subtotal - Augmentations.....	12,802	1,217	1,673
Total - Institutional.....	\$ 844,129	\$ 955,400	\$ 991,427
STATE FUNDS.....	\$ 826,878	\$ 946,741	\$ 983,531
FEDERAL FUNDS.....	4,449	7,442	6,223
AUGMENTATIONS.....	12,802	1,217	1,673
GENERAL FUND TOTAL.....	\$ 844,129	\$ 955,400	\$ 991,427
OTHER FUNDS:			
LOCAL CRIMINAL JUSTICE FUND:			
Local Criminal Justice Grants.....	\$ 14,786	\$ 10,000	\$ 10,000
MANUFACTURING FUND:			
General Operations.....	\$ 30,957	\$ 31,285	\$ 33,319

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	1995-96 ACTUAL	1996-97 AVAILABLE	1997-98 BUDGET
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 826,878	\$ 946,741	\$ 983,531
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	4,449	7,442	6,223
AUGMENTATIONS.....	12,802	1,217	1,673
OTHER FUNDS.....	45,743	41,285	43,319
TOTAL ALL FUNDS.....	\$ 889,872	\$ 996,685	\$ 1,034,746

- ^a 1995-96 Actual includes \$12,401,000 actually appropriated to Correctional Institutions - Education in the Department of Education and 1996-97 available includes \$13,611,000 actually appropriated to Correctional Institutions - Education in the Department of Education.
- ^b Includes recommended supplemental executive authorization of \$323,000.
- ^c Recommended executive authorization of \$21,000.
- ^d Actually appropriated in the Department of Education.

Program Funding Summary

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
INSTITUTIONALIZATION OF OFFENDERS							
GENERAL FUND.....	\$ 826,878	\$ 946,741	\$ 983,531	\$ 1,037,991	\$ 1,068,687	\$ 1,100,292	\$ 1,132,836
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	4,449	7,442	6,223	4,868	4,268	4,268	4,268
OTHER FUNDS.....	58,545	42,502	44,992	40,692	36,406	37,133	37,875
SUBCATEGORY TOTAL.....	\$ 889,872	\$ 996,685	\$ 1,034,746	\$ 1,083,551	\$ 1,109,361	\$ 1,141,693	\$ 1,174,979
ALL PROGRAMS:							
GENERAL FUND.....	\$ 826,878	\$ 946,741	\$ 983,531	\$ 1,037,991	\$ 1,068,687	\$ 1,100,292	\$ 1,132,836
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	4,449	7,442	6,223	4,868	4,268	4,268	4,268
OTHER FUNDS.....	58,545	42,502	44,992	40,692	36,406	37,133	37,875
DEPARTMENT TOTAL.....	\$ 889,872	\$ 996,685	\$ 1,034,746	\$ 1,083,551	\$ 1,109,361	\$ 1,141,693	\$ 1,174,979

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 23 correctional institutions, 15 community corrections centers and a motivational boot camp. During 1996, the following increases in institutional capacity occurred: 1) continued opening of the Cambridge Springs facility for women, 2) opening of a minimum security unit at SCI Greene with a capacity of 148 inmates, 3) conversion of Farview State Hospital to prison space with a capacity of 160 inmates, 4) opening of a new institution at Houtzdale in Clearfield County with a capacity of 964 inmates, and 5) conversion of the Somerset State Hospital into the prison at Laurel Highlands with an initial capacity of 400 inmates. There were 34,537 inmates housed in the State system at the end of December, 1996 with a cell capacity of 22,244.

The State's prison expansion program is continuing in 1997-98 with the opening of two new cell blocks at Mahanoy, Greene, Albion, Houtzdale, and Somerset, for a total capacity increase of 1,280, the completion of the conversion of Laurel Highlands into a 1,000 bed prison, the opening of a new prison at Chester with a capacity of 1,096 beds, the opening of a new 148 bed cell block at Dallas, the opening of 112 bed cell block at Retreat, and an expansion of the restricted housing unit at Frackville by 18 cells.

In addition to providing the basic necessities of life, programs are available which enable inmates to leave prison better prepared to adjust to life in the community. These include educational services, vocational training, drug and alcohol therapy and counseling.

Educational programs offer inmates the opportunity to obtain high school diplomas or adult basic educational skills. 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.

The Department of Corrections is expanding its efforts to have inmates perform meaningful work. Community work crews have been established at six institutions and they will be established at all prisons within the next two years. Efforts are also underway to expand Correctional Industries and to increase the use of inmates in performing institutional maintenance.

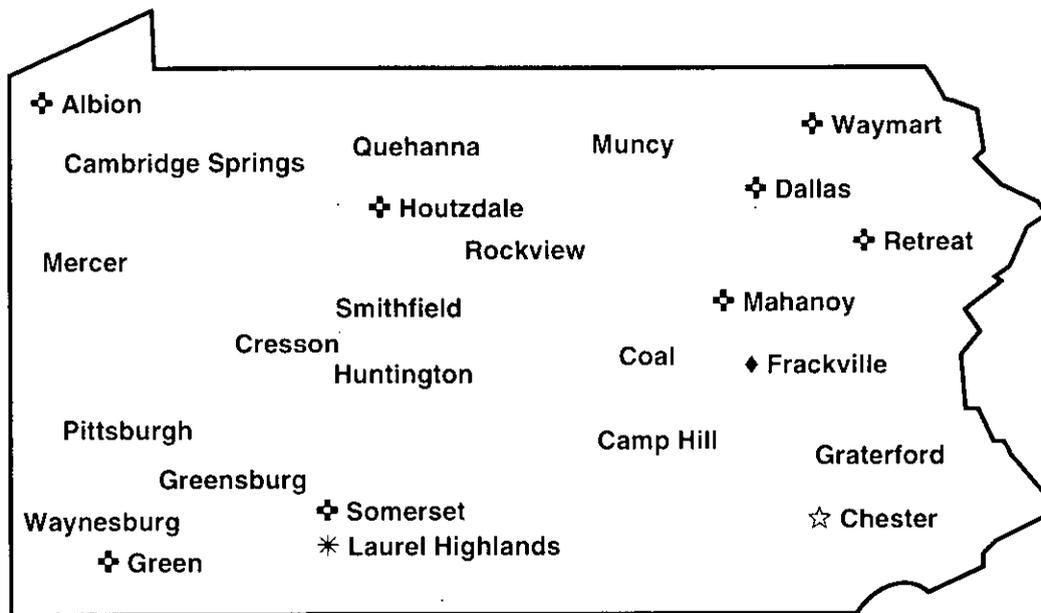
Program Measures:	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
Inmates (December)	32,410	34,537	35,603	35,208	34,891	34,933	35,070
Prison Capacity (December)	20,339	22,244	23,937	26,449	26,801	27,865	27,894
Inmates in excess of capacity	12,071	12,293	11,666	8,759	8,090	7,068	7,176
Inmates receiving high school diplomas (GED)	1,182	1,190	1,282	1,298	1,316	1,328	1,345
Inmates involved in work programs	22,530	24,228	25,461	25,600	25,820	26,250	26,300
Inmates receiving educational training	8,779	9,400	9,650	9,725	9,810	10,200	10,300
Inmates receiving drug and alcohol treatment	9,469	9,810	10,980	11,100	11,200	11,500	11,650

The program measure for the number of inmates receiving high school diplomas (GED) is higher than estimated in last year's budget due to educational programs being added to new institutions. This provides an opportunity for additional inmates to participate in educational programs which generally leads to more high school diplomas being conferred.

Program: Institutionalization of Offenders (continued)

Population and Capacity	Population Dec. 1996	Estimated Population Dec. 1997	Capacity Dec. 1996	Estimated Capacity Dec. 1997
Institutions				
Albion	1,789	1,816	964	964
Cambridge Springs	580	600	587	587
Camp Hill	2,793	2,885	1,675	2,059
Chester	0	200	0	128
Coal Townshp	1,617	1,560	964	964
Cresson	1,322	1,105	936	936
Dallas	1,926	1,850	1,039	1,187
Frackville	996	960	696	705
Graterford	3,394	3,405	2,482	2,482
Greene	1,504	1,565	1,076	1,076
Greensburg	964	810	566	464
Houtzdale	1,500	1,698	964	964
Huntingdon	1,888	1,780	1,488	1,346
Laurel Highlands	177	920	262	1,000
Mahanoy	1,775	2,240	964	964
Mercer	1,109	980	579	579
Muncy	828	900	596	596
Pittsburgh	1,780	1,780	1,098	1,508
Quehanna	111	148	158	158
Retreat	866	785	458	458
Rockview	2,133	1,957	1,037	1,037
Smithfield	1,228	1,100	652	652
Somerset	1,779	1,805	964	964
Waymart	1,161	1,210	1,052	1,172
Waynesburg	441	492	483	483
Community Centers	432	470	504	504
Group Homes	429	550	0	0
Other Jurisdictions	15	32	0	0
TOTAL	34,537	35,603	22,244	23,937

Additional Correctional Cells



- ☆ New Institution Opening in 1997.
- ✚ Expansion of Existing Institutions in 1997 and 1998.
- * Conversion of State Mental Hospital to State Correctional Institution.
- ◆ Expansion of restricted housing unit.

Program: Institutionalization of Offenders (continued)

Expenditures by Institution: (Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget		1995-96 Actual	1996-97 Available	1997-98 Budget
ALBION				GRATERFORD			
State Funds.....	\$ 39,987	\$ 44,326	\$ 45,478	State Funds.....	\$ 80,841	\$ 86,529	\$ 87,204
Federal Funds.....	16	25	29	Federal Funds.....	342	475	380
Augmentations.....		7	15	Augmentations.....	0	24	60
TOTAL.....	\$ 40,003	\$ 44,358	\$ 45,522	TOTAL.....	\$ 81,183	\$ 87,028	\$ 87,644
CAMBRIDGE SPRINGS				GREENE			
State Funds.....	\$ 14,501	\$ 16,012	\$ 16,618	State Funds.....	\$ 44,837	\$ 49,770	\$ 50,666
Federal Funds.....	450	600	564	Federal Funds.....	17	25	25
Augmentations.....	26	32	40	Augmentations.....	0	5	15
TOTAL.....	\$ 14,977	\$ 16,644	\$ 17,222	TOTAL.....	\$ 44,854	\$ 49,800	\$ 50,706
CAMP HILL				GREENSBURG			
State Funds.....	\$ 60,786	\$ 65,422	\$ 66,976	State Funds.....	\$ 24,774	\$ 27,318	\$ 27,663
Federal Funds.....	243	549	559	Federal Funds.....	320	456	450
Augmentations.....	47	64	81	Augmentations.....	24	30	35
TOTAL.....	\$ 61,076	\$ 66,035	\$ 67,616	TOTAL.....	\$ 25,118	\$ 27,804	\$ 28,148
CHESTER				HOUTZDALE			
State Funds.....	\$ 0	\$ 0	\$ 8,896	State Funds.....	\$ 16,805	\$ 28,284	\$ 29,124
Federal Funds.....	0	0	0	Federal Funds.....	0	85	85
Augmentations.....	0	0	0	Augmentations.....	0	5	10
TOTAL.....	\$ 0	\$ 0	\$ 8,896	TOTAL.....	\$ 16,805	\$ 28,374	\$ 29,219
COAL TOWNSHIP				HUNTINGDON			
State Funds.....	\$ 42,193	\$ 45,516	\$ 46,600	State Funds.....	\$ 40,705	\$ 44,139	\$ 45,143
Federal Funds.....	16	29	32	Federal Funds.....	97	158	175
Augmentations.....	0	5	15	Augmentations.....	0	20	40
TOTAL.....	\$ 42,209	\$ 45,550	\$ 46,647	TOTAL.....	\$ 40,802	\$ 44,317	\$ 45,358
CRESSON				LAUREL HIGHLANDS			
State Funds.....	\$ 28,617	\$ 31,263	\$ 31,382	State Funds.....	\$ 921	\$ 14,226	\$ 20,009
Federal Funds.....	145	200	175	Federal Funds.....	0	10	10
Augmentations.....	0	5	10	Augmentations.....	0	2	5
TOTAL.....	\$ 28,762	\$ 31,468	\$ 31,567	TOTAL.....	\$ 921	\$ 14,238	\$ 20,024
DALLAS				MAHANAY			
State Funds.....	\$ 40,353	\$ 42,937	\$ 43,923	State Funds.....	\$ 40,254	\$ 44,682	\$ 47,196
Federal Funds.....	175	400	425	Federal Funds.....	17	25	40
Augmentations.....	27	40	60	Augmentations.....	0	5	15
TOTAL.....	\$ 40,555	\$ 43,377	\$ 44,408	TOTAL.....	\$ 40,271	\$ 44,712	\$ 47,251
FRACKVILLE				MERCER			
State Funds.....	\$ 22,925	\$ 25,615	\$ 26,374	State Funds.....	\$ 23,419	\$ 25,729	\$ 25,780
Federal Funds.....	58	70	75	Federal Funds.....	120	188	200
Augmentations.....	0	5	10	Augmentations.....	38	56	60
TOTAL.....	\$ 22,983	\$ 25,690	\$ 26,459	TOTAL.....	\$ 23,577	\$ 25,973	\$ 26,040

Program: Institutionalization of Offenders (continued)

Expenditures by Institution: (Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget		1995-96 Actual	1996-97 Available	1997-98 Budget
MUNCY				SOMERSET			
State Funds.....	\$ 28,260	\$ 30,939	\$ 31,806	State Funds.....	\$ 41,021	\$ 44,861	\$ 46,036
Federal Funds.....	785	1,246	850	Federal Funds.....	17	20	25
Augmentations.....	30	50	55	Augmentations.....	0	5	15
TOTAL.....	\$ 29,075	\$ 32,235	\$ 32,711	TOTAL.....	\$ 41,038	\$ 44,886	\$ 46,076
PITTSBURGH				WAYMART			
State Funds.....	\$ 54,677	\$ 59,437	\$ 60,432	State Funds.....	\$ 25,473	\$ 45,010	\$ 46,202
Federal Funds.....	225	327	325	Federal Funds.....	133	300	295
Augmentations.....	11	15	30	Augmentations.....	12,047	5	10
TOTAL.....	\$ 54,913	\$ 59,779	\$ 60,787	TOTAL.....	\$ 37,653	\$ 45,315	\$ 46,507
QUEHANNA				WAYNESBURG			
State Funds.....	\$ 5,427	\$ 6,024	\$ 6,296	State Funds.....	\$ 12,337	\$ 13,840	\$ 14,055
Federal Funds.....	260	410	410	Federal Funds.....	14	13	13
Augmentations.....	0	1	2	Augmentations.....	37	4	5
TOTAL.....	\$ 5,687	\$ 6,435	\$ 6,708	TOTAL.....	\$ 12,388	\$ 13,857	\$ 14,073
RETREAT				COMMUNITY CENTERS			
State Funds.....	\$ 21,422	\$ 23,691	\$ 24,391	State Funds.....	\$ 21,702	\$ 27,421	\$ 28,902
Federal Funds.....	90	125	125	Federal Funds.....	150	150	150
Augmentations.....	0	5	15	Augmentations.....	410	535	600
TOTAL.....	\$ 21,512	\$ 23,821	\$ 24,531	TOTAL.....	\$ 22,262	\$ 28,106	\$ 29,652
ROCKVIEW				TRAINING ACADEMY			
State Funds.....	\$ 41,905	\$ 46,026	\$ 46,402	State Funds.....	\$ 3,267	\$ 3,802	\$ 4,046
Federal Funds.....	290	367	400	Federal Funds.....	0	0	0
Augmentations.....	67	75	95	Augmentations.....	0	167	350
TOTAL.....	\$ 42,262	\$ 46,468	\$ 46,897	TOTAL.....	\$ 3,267	\$ 3,969	\$ 4,396
SMITHFIELD				CENTRAL OFFICE			
State Funds.....	\$ 27,432	\$ 30,095	\$ 31,579	State Funds.....	\$ 22,037	\$ 23,827	\$ 24,352
Federal Funds.....	15	25	25	Federal Funds.....	454	1,164	381
Augmentations.....	10	25	25	Augmentations.....	28	25	0
TOTAL.....	\$ 27,457	\$ 30,145	\$ 31,629	TOTAL.....	\$ 22,519	\$ 25,016	\$ 24,733

Program: Institutionalization of Offenders (continued)

Program Recommendations:

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

Institutionalization of Offenders State Correctional Institutions			
\$ 8,896	—Initiative — New Correctional Institution. To provide for the opening of a new 1,096-bed State Correctional Institution at Chester.	233	—Initiative — Restrictive Housing Unit. To provide for the opening of a new restricted housing unit at SCI Frackville.
5,783	—Initiative — Expansion of SCI Laurel Highlands. To provide for an additional 600 beds.	233	—Initiative — Corrections Education Enhancements. To provide educational resources for the opening of the State Correctional Institution at Chester.
2,149	—Initiative — Capacity Expansions. To provide for the opening of two new cell blocks for State Correctional Institutions at Albion, Greene, Houtzdale, Mahanoy and Somerset.	188	—Initiative — Special Needs Unit. To establish a special needs unit at SCI Muncy to treat female inmates with behavioral problems.
1,367	—Initiative — Mental Health Unit. To establish a mental health unit at SCI Camp Hill and to provide for the contracting of mental health treatment services.	9,823	—to provide for the full year operational cost of housing units opened in 1996-97 including the cost of hiring personnel to provide security for the new housing units.
200	—Initiative — New Cell Block. To provide for the opening of an additional cell block at SCI Retreat.	7,918	—to continue current program including funding as required to augment capital projects.
		<u>\$ 36,790</u>	<i>Appropriation Increase</i>

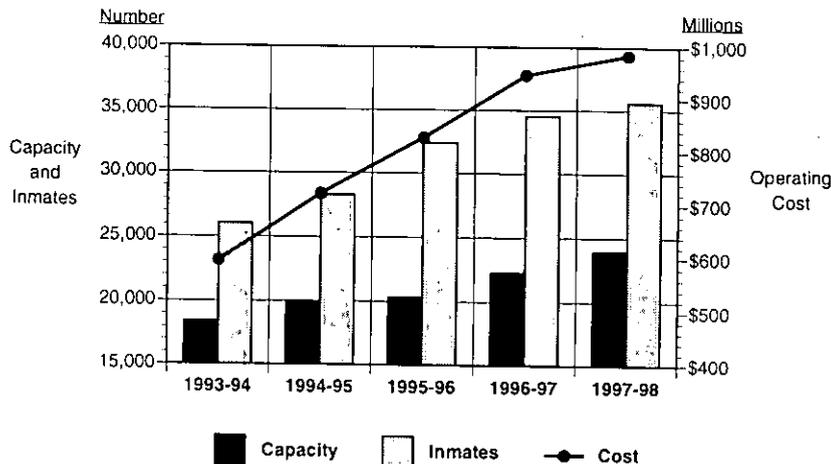


Includes the PRIME recommendation to reduce Corrections Officers projected overtime costs by \$1.7 million in 1997-98 as well as reducing operating costs to the Department of Corrections by initiating a system of inmate medical co-pays.



Includes the PRIME recommendation to utilize recycling and composting for estimated savings of \$50,000 annually in lower trash disposal costs by the Department of Corrections.

State Correctional Institutions Cell Capacity, Inmate Population and Operating Costs



Appropriations within this Program:

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
GENERAL FUND:							
State Correctional Institutions	\$ 826,878	\$ 946,741	\$ 983,531	\$ 1,037,991	\$ 1,068,687	\$ 1,100,292	\$ 1,132,836



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

PROGRAM REVISION

Budgeted Amounts Include the Following Program Revisions:

Title	Appropriation	1997-98 State Funds (In thousands)
Enhancing Information Technology to Better Serve Pennsylvania		
	Technology Initiative	\$ 34,333
	Higher Education Technology Grants	7,000
	Subtotal	\$ 41,333

This Program Revision continues to provide resources to Project Link to Learn for local education agency consortiums to implement regional action plans which connect schools through the use of computers, Internet connections, and other types of technology. Resources are also provided for the four planning projects focusing their work on professional development, technology resources, shared vision and action plans, and technology test beds. This is part of the \$74.1 million Enhancing Information Technology to Better Serve Pennsylvania Program Revision. Please see the Program Revision following the Executive Direction Program in the Executive Offices for additional information on this Program Revision.

Improving Our Schools

PA Assessment	\$ 1,850
Basic Education Funding	100,773
Vocational Education	1,198
Special Education	26,798
Administrative/Instructional Consolidation Incentive	1,000
Subtotal	\$ 131,619

This Program Revision continues our commitment to provide a quality education by directing additional resources towards: an instructional improvement supplement for basic education; implementation of a basic education performance incentive program; enhancements to the current performance testing system; increasing reimbursement rates for special education programs and targeting additional resources towards school districts with a demonstrated financial need; enhancements to certain vocational education programs; and, incentive grants to encourage cooperation and consolidation among local education agencies.

Retaining and Creating Jobs

Agricultural Research	\$ 500
Agricultural Extension Services	500
Subtotal	\$ 1,000

This Program Revision provides resources to improve agricultural research and extension programs at The Pennsylvania State University. This is part of the \$16.6 million Retaining and Creating Jobs Program Revision. Please see the Program Revision following the Business and Job Development Program in the Department of Community and Economic Development for additional information on this Program Revision.

Department Total	\$ 173,952
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Commonwealth Appropriations in Direct Support of Local School Districts*

(Dollar amounts in thousands)

	1995-96	1996-97	1997-98
	Actual	Available	Budget
Basic Education Funding.....	\$ 3,358,370	\$ 3,359,099	\$ 3,459,872
Special Education.....	591,434	609,034	621,215
Pupil Transportation.....	313,588	329,472	344,748
School Employees' Social Security.....	301,621	314,750	328,100
Authority Rentals and Sinking Fund Requirements.....	227,844	220,400	228,906
Early Intervention.....	70,170	75,889	76,648
Special Education - Approved Private Schools.....	52,505	54,075	54,075
Vocational Education.....	39,925	39,928	41,126
Nonpublic Pupil Transportation.....	37,808	38,215	38,272
Tuition for Orphans and Children Placed in Private Homes.....	33,075	33,367	35,045
Technology Initiative.....	0	33,333	34,333
PA Charter Schools for the Deaf and Blind.....	20,670	21,290	20,573
School Food Services.....	16,390	16,878	16,961
Intermediate Units.....	11,000	5,500	5,500
Instructional Support Teams.....	10,500	10,500	5,336
Alternative Schools.....	3,913	4,500	4,700
Teen Pregnancy and Parenthood.....	1,253	1,398	1,398
Dropout Prevention.....	1,085	1,089	1,089
Administrative/Instructional Consolidation Incentive.....	0	0	1,000
Homebound Instruction.....	574	574	574
School-to-Work Opportunities.....	500	500	500
Safe Schools.....	500	500	500
Comprehensive Reading.....	300	300	300
Education of Migrant Laborers' Children.....	222	222	222
Payments in Lieu of Taxes.....	457	165	172
Education of Indigent Children.....	103	103	100
School District Demonstration Projects.....	10,775	1,645	0
Distance Learning.....	1,000	1,100	0
TOTAL.....	\$ 5,105,582	\$ 5,173,826	\$ 5,321,265

* Includes appropriations which are distributed to school districts, intermediate units, area vocational-technical schools and special schools. These appropriations are included in the more expansive Basic Education Subcategory which is contained within this department presentation.

In addition to the above funding, decreases in the employer contribution rate for school employees' retirement will save local education agencies approximately \$51 million in 1997-98. Over the two-year period 1996-97 and 1997-98 the savings will be approximately \$82 million.

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

1995-96	1996-97	1997-98
ACTUAL	AVAILABLE	BUDGET

GENERAL FUND:

General Government:

	\$	\$	\$
General Government Operations.....	21,147	17,601	18,070
(F)Adult Basic Education - Administration.....	1,055	1,400	1,250
(F)Education of Exceptional Children.....	4,967	6,000	6,000
(F)ESEA-Title I - Administration.....	3,486	5,380	5,221
(F)State Approving Agency (VA).....	701	800	865
(F)Food and Nutrition Service.....	2,985	3,247	3,409
(F)Migrant Education - Administration.....	257	980	467
(F)Emergency Immigrant Education.....	2	6	6
(F)Civil Rights Technical Assistance.....	553	29	0
(F)Vocational Education - Administration.....	3,148	4,240	3,347
(F)Professional Development-Title II - Administration/State.....	541	1,800	1,900
(F)Byrd Scholarships.....	1,235	1,646	1,646
(F)Project Learning Tree.....	0	5	5
(F)JTPA - Linkage.....	746	739	868
(F)ESEA-Title VI - Administration/State.....	1,943	2,725	2,508
(F)Homeless Assistance.....	1,203	1,285	1,285
(F)Homeless Adult Assistance - Administration.....	7	0	0
(F)Preschool Grant.....	663	830	850
(F)DFSC - Administration.....	898	1,383	1,584
(F)Migrant Even Start.....	93	0	0
(F)Innovation in Education.....	346	454	130
(F)Education Research - Individuals with Disabilities.....	0	144	144
(F)State Literacy Resource Centers.....	151	125	125
(F)School Health Education Programs.....	302	540	455
(F)Environmental Education Workshops.....	0	25	25
(F)School-to-Work Opportunities.....	6,379	14,625	15,739
(F)State Post-Secondary Review Entity.....	33	0	0
(F)Christa McAuliffe Fellowship Program.....	42	50	0
(F)Appalachian Regional Education Program.....	0	300	300
(F)Learn and Serve America - School Based.....	1,009	985	1,013
(F)Goals 2000 - Administration/State.....	1,233	2,326	2,326
(F)Civic Leadership.....	0	250	0
(F)State and Community Highway Safety.....	780	830	931
(F)Medical Assistance - Nurses' Aide Program.....	183	219	228
(F)Enhanced High School Driver Education.....	12	20	20
(A)EDP Services.....	72	67	68
(A)Environmental Education.....	150	281	275
(A)Approved Private Schools.....	89	135	142
(A)National Center for Educational Statistics.....	15	25	15
(A)Reimbursement from Department of Banking.....	123	42	15
(A)Early Intervention.....	877	544	544
(A)Teenage Parenting.....	394	394	394
(A)Nurses' Aid Training.....	180	217	228
(A)EPSDT Administration.....	359	350	350
(A)Teacher of the Year.....	3	0	0
(A)State Boards of Education.....	7	0	0
(A)National Governors' Association.....	2	0	0
(A)NCES Data Coordination Grant.....	25	0	0
(A)Enhanced Science Activities.....	1	0	0
(A)Integrated Network Services.....	6	0	0
(A)Legal Services.....	100	0	0
(A)Mailing Services.....	0	4	4
Subtotal.....	\$ 58,503	\$ 73,048	\$ 72,752
PA Assessment.....	4,037	4,150	6,000
(F)PA Assessment Through Themes.....	44	500	584

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1995-96	1996-97	1997-98
	ACTUAL	AVAILABLE	BUDGET
Subtotal.....	\$ 4,081	\$ 4,650	\$ 6,584
State Library.....	3,474	3,668	3,752
(F)LSCA I.....	1,152	1,420	1,420
(F)Nuclear Regulatory Commission Documents Support.....	12	9	9
(A)Penalties and Reimbursements.....	12	12	12
(A)Photocopy Service.....	17	19	19
(A)Keystone Fund.....	9	78	85
Subtotal.....	\$ 4,676	\$ 5,206	\$ 5,297
Subtotal - State Funds.....	\$ 28,658	\$ 25,419	\$ 27,822
Subtotal - Federal Funds.....	36,161	55,317	54,660
Subtotal - Augmentations.....	2,441	2,168	2,151
Total - General Government.....	\$ 67,260	\$ 82,904	\$ 84,633
Institutional:			
Youth Development Centers - Education.....	\$ 8,247	\$ 10,951	\$ 11,234
(F)DCSI - Statewide Juvenile Records Center.....	14	3	0
Subtotal.....	\$ 8,261	\$ 10,954	\$ 11,234
Scranton State School for the Deaf.....	4,729	4,714	4,822
(F)ESEA - Education for the Disabled.....	65	85	85
(F)School Milk Lunch.....	30	45	45
(F)Life Long Learning.....	2	11	11
(F)Adult Basic Education.....	0	10	10
(A)Scranton School Cafeteria.....	54	70	70
(A)Tuition Recovery.....	798	817	820
Subtotal.....	\$ 5,678	\$ 5,752	\$ 5,863
Thaddeus Stevens State School of Technology.....	5,398	5,412	5,482
(F)Vocational Education.....	86	100	100
(A)Tuition and Fees.....	802	805	820
Subtotal.....	\$ 6,286	\$ 6,317	\$ 6,402
Subtotal - State Funds.....	\$ 18,374	\$ 21,077	\$ 21,538
Subtotal - Federal Funds.....	197	254	251
Subtotal - Augmentations.....	1,654	1,692	1,710
Total - Institutional.....	\$ 20,225	\$ 23,023	\$ 23,499
Grants and Subsidies:			
Support of Public Schools:			
Instructional Support Teams.....	\$ 10,500	\$ 10,500	\$ 5,336
Basic Education Funding.....	3,358,370	3,359,099	3,459,872
Technology Initiative.....	0	33,333	34,333
Woodland Hills Desegregation.....	1,601	0	0
For the Improvement of Teaching.....	1,448	0	0
Adult Literacy.....	8,525	8,525	8,781
(F)Adult Basic Education - Local.....	11,036	12,500	12,000
(F)Literary Alliance for Violence Prevention.....	0	200	0
Vocational Education.....	39,925	39,928	41,126
(F)Vocational Education Act - Local.....	46,784	50,000	50,000
Authority Rentals and Sinking Fund Requirements.....	227,844	220,400	228,906
Pupil Transportation.....	313,588	329,472	344,748
Nonpublic Pupil Transportation.....	37,808	38,215	38,272
Special Education.....	591,434	609,034	621,215
(F)Individuals with Disabilities Education - Local.....	93,510	98,000	110,000

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	1995-96 ACTUAL	1996-97 AVAILABLE	1997-98 BUDGET
Early Intervention.....	70,170	75,889	76,648
(F)Education for Disabled Children.....	1,112	1,131	1,131
Homebound Instruction.....	574	574	574
Tuition for Orphans and Children Placed in Private Homes.....	33,075	33,367	35,045
Payments in Lieu of Taxes.....	457	165	172
Education of Migrant Laborers' Children.....	222	222	222
(A)Migrant Education.....	630	473	473
Education of the Disadvantaged.....	1,000	0	0
PA Charter Schools for the Deaf and Blind.....	20,670	21,290	20,573
Special Education - Approved Private Schools.....	52,505	54,075	54,075
Higher Education of Blind or Deaf Students.....	52	52	52
Intermediate Units.....	11,000	5,500	5,500
School Food Services.....	16,390	16,878	16,961
(F)Food and Nutrition - Local.....	208,875	245,000	253,000
School Employees' Social Security.....	301,621	314,750	328,100
School Employees' Retirement.....	465,540	432,215	391,718
School District Demonstration Projects.....	10,775	1,645	0
Private Residential Rehabilitative Institutions.....	500	0	0
Education of Indigent Children.....	103	103	100
Subtotal.....	<u>\$ 5,937,644</u>	<u>\$ 6,012,535</u>	<u>\$ 6,138,933</u>
(F)ESEA - Title VI - School Districts.....	12,395	12,346	9,878
(F)ESEA - Title I - Local.....	322,276	325,564 ^b	319,395
(F)DFSC - School Districts.....	11,318	13,353	13,389
(F)Goals 2000 - Local.....	13,824	14,232	13,519
(F)Professional Development - Title II-Local.....	11,682	12,120	11,423
Subtotal.....	<u>\$ 371,495</u>	<u>\$ 377,615</u>	<u>\$ 367,604</u>
Other Grants and Subsidies:			
Dropout Prevention.....	1,085	1,089	1,089
(F)DFSC - Special Program - Dropout Prevention.....	586	0	0
Services to Nonpublic Schools.....	60,586	60,586	62,404
Textbooks and Instructional Materials for Nonpublic Schools.....	18,544	18,544	19,100
Teen Pregnancy and Parenthood.....	1,253	1,398	1,398
(F)Teenage Parenting Education.....	1,913	2,392	2,317
(F)Maternal and Child Health Services.....	524	524	524
Comprehensive Reading.....	300	300	300
Improvement of Library Services.....	26,190	28,550	29,407
Library Services for the Visually Impaired and Disabled.....	2,312	2,312	2,381
Library Access.....	3,150	3,150	3,245
School Library Catalog.....	420	420	420
Distance Learning.....	1,000	1,100	0
Ethnic Heritage.....	100	100	0
Governor's Schools for Excellence.....	1,266	1,266	1,266
JTPA - Matching Funds.....	4,844	3,857	3,857
(F)JTPA - Educational Training.....	3,826	3,002 ^c	3,157
Keystone State Games.....	220	220	220
Medical Library and Museum.....	100	0	0
School-to-Work Opportunities.....	500	500	500
Charter Schools.....	0	1,400	1,400
Safe Schools.....	500	500	500
Alternative Schools.....	3,913	4,500	4,700
Administrative/Instructional Consolidation Incentive.....	0	0	1,000
Subtotal.....	<u>\$ 133,132</u>	<u>\$ 135,710</u>	<u>\$ 139,185</u>

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1995-96	1996-97	1997-98
	ACTUAL	AVAILABLE	BUDGET
Higher Education - Other Grants and Subsidies:			
Community Colleges.....	152,154	152,149	155,192
Higher Education for the Disadvantaged.....	7,827	7,828	7,828
Rural Initiatives.....	350	350	350
Higher Education Challenge Grants.....	0	0	0
Higher Education Technology Grants.....	0	7,000	7,000
Higher Education Equipment.....	2,500	2,550	2,550
Osteopathic Education.....	0	600	0
Subtotal.....	<u>\$ 162,831</u>	<u>\$ 170,477</u>	<u>\$ 172,920</u>
State System of Higher Education:			
State Universities.....	396,890	396,890	404,828
Recruitment of Disadvantaged.....	321	321	327
McKeever Center.....	300	200	204
Affirmative Action.....	1,076	1,076	1,098
Subtotal.....	<u>\$ 398,587</u>	<u>\$ 398,487</u>	<u>\$ 406,457</u>
The Pennsylvania State University:			
Educational and General.....	214,690	214,690	218,984
Medical Programs.....	4,425	4,425	4,514
Children's Hospital.....	4,659	4,659	4,752
Agricultural Research.....	18,300	20,386	20,886
Agricultural Extension Services.....	19,787	22,043	22,543
Recruitment of the Disadvantaged.....	321	321	327
Central Pennsylvania Psychiatric Institute.....	1,568	1,568	1,599
Pennsylvania College of Technology.....	11,295	11,295	11,521
Pennsylvania College of Technology - Debt Service.....	1,592	1,592	1,530
Subtotal.....	<u>\$ 276,637</u>	<u>\$ 280,979</u>	<u>\$ 286,656</u>
University of Pittsburgh:			
Educational and General.....	130,935	132,235	134,880
Medical Programs.....	6,239	6,239	6,364
Dental Clinics.....	1,030	1,030	1,051
Recruitment of the Disadvantaged.....	321	321	327
Western Psychiatric Institute.....	7,693	7,693	7,847
Western Teen Suicide Center.....	497	497	507
Graduate School of Public Health.....	250	250	255
Rural Education Outreach.....	300	300	306
Subtotal.....	<u>\$ 147,265</u>	<u>\$ 148,565</u>	<u>\$ 151,537</u>
Temple University:			
Educational and General.....	137,387	138,987	141,767
Medical Programs.....	8,305	8,305	8,471
Dental Clinics.....	1,030	1,030	1,051
Recruitment of the Disadvantaged.....	321	321	327
Maxillofacial Prosthodontics.....	125	125	128
Subtotal.....	<u>\$ 147,168</u>	<u>\$ 148,768</u>	<u>\$ 151,744</u>
Lincoln University:			
Educational and General.....	9,663	9,763	9,958
Recruitment of the Disadvantaged.....	321	321	327
International Affairs Institute.....	289	289	295
Subtotal.....	<u>\$ 10,273</u>	<u>\$ 10,373</u>	<u>\$ 10,580</u>

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1995-96	1996-97	1997-98
	ACTUAL	AVAILABLE	BUDGET
Non-State Related Universities and Colleges:			
Drexel University.....	5,446	5,446	5,446
Allegheny Univ. of Health Sciences-Medical Programs.....	8,142	8,142	6,514 a
Allegheny Univ. of Health Sciences-Operations & Maintenance.....	1,798	1,798	1,438 a
Allegheny Univ. of Health Sciences-Recruit. of Disadvantaged.....	321	321	257 a
Thomas Jefferson University - Doctor of Medicine Instruction.....	5,869	5,869	4,695
Thomas Jefferson University - Operations & Maintenance.....	4,113	4,113	3,290
University of Pennsylvania - Instruction.....	9,489	9,089	0
University of Pennsylvania - Dental Clinics.....	994	994	795
University of Pennsylvania - Medical Programs.....	4,280	4,280	3,424
University of Pennsylvania - School of Veterinary Medicine.....	10,420	10,420	0
University of Pennsylvania - New Bolton Animal Center.....	7,118	7,518	0
University of Penn. - Animal Health & Productivity Center.....	1,201	1,201	0
University of Pennsylvania - Food and Animal Clinics.....	1,968	1,968	0
University of Pennsylvania - Veterinary Activities.....	0	0	30,498
Pennsylvania College of Podiatric Medicine.....	1,275	1,275	1,020
Pennsylvania College of Optometry.....	1,548	1,548	1,238
Philadelphia University of the Arts.....	1,043	1,043	834
Philadelphia College of Osteopathic Medicine.....	5,222	5,222	4,178
Subtotal.....	\$ 70,247	\$ 70,247	\$ 63,627
Non-State Related Institutions:			
Berean - Operations and Maintenance.....	1,054	1,054	1,054
Berean - Rental Payments.....	95	98	98
Johnson Technical Institute.....	202	202	202
Williamson Free School of Mechanical Trades.....	73	73	73
Subtotal.....	\$ 1,424	\$ 1,427	\$ 1,427
Subtotal - State Funds.....	\$ 6,916,412	\$ 6,964,346	\$ 7,090,464
Subtotal - Federal Funds.....	739,661	790,364	799,733
Subtotal - Augmentations.....	630	473	473
Total - Grants and Subsidies.....	\$ 7,656,703	\$ 7,755,183	\$ 7,890,670
STATE FUNDS.....	\$ 6,963,444	\$ 7,010,842	\$ 7,139,824
FEDERAL FUNDS.....	776,019	845,935	854,644
AUGMENTATIONS.....	4,725	4,333	4,334
GENERAL FUND TOTAL.....	\$ 7,744,188	\$ 7,861,110	\$ 7,998,802
MOTOR LICENSE FUND:			
<i>Grants and Subsidies:</i>			
Safe Driving Course.....	\$ 1,413	\$ 1,498	\$ 1,526
MOTOR LICENSE FUND TOTAL.....	\$ 1,413	\$ 1,498	\$ 1,526
KEYSTONE RECREATION, PARK AND CONSERVATION FUND:			
<i>Grants and Subsidies:</i>			
Local Libraries Rehabilitation and Development.....	\$ 2,038	\$ 3,278	\$ 1,401
State System of Higher Education - Deferred Maintenance.....	5,547	6,674	6,057
Total - Grants and Subsidies.....	\$ 7,585	\$ 9,952	\$ 7,458
KEYSTONE RECREATION, PARK AND CONSERVATION FUND TOTAL.....	\$ 7,585	\$ 9,952	\$ 7,458

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1995-96 ACTUAL	1996-97 AVAILABLE	1997-98 BUDGET
OTHER FUNDS:			
GENERAL FUND:			
Library Services - Extension and Improvement.....	\$ 4,846	\$ 8,256	\$ 8,256
Emergency Immigrant Assistance.....	176	350	352
Surety Bond Proceeds.....	69	69	69
Homeless Adult Assistance.....	174	0	0
Temporary Special Aid.....	104	0	0
Distressed School Districts (Section 2502.27).....	0	1,450	0
Severely Handicapped Program.....	137	300	300
Distressed School Districts Assistance (Section 2502.30).....	4,088	2,725	1,363
Private Licensed Schools.....	506	531	555
Medical Assistance Reimbursements.....	11,742	12,000	20,000
Education of the Disabled - Part D.....	327	430	235
Education of the Disabled - Part C.....	12	0	0
PANET - Local Education Agencies.....	33	33	33
Approved Private Schools - Audit Resolution.....	4,697	5,000	5,000
Bell Atlantic Grant - Internet Access.....	0	750	0
Woodland Hills Desegregation.....	0	4,274	0
GENERAL FUND TOTAL.....	\$ 26,911	\$ 36,168	\$ 36,163
ORGAN DONATION AWARENESS TRUST FUND:			
Organ Donation Awareness.....	\$ 0	\$ 10	\$ 10
SCHOOL EMPLOYEES' RETIREMENT FUND:			
Administration.....	\$ 24,406	\$ 24,256	\$ 25,277
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 6,963,444	\$ 7,010,842	\$ 7,139,824
SPECIAL FUNDS.....	8,998	11,450	8,984
FEDERAL FUNDS.....	776,019	845,935	854,644
AUGMENTATIONS.....	4,725	4,333	4,334
OTHER FUNDS.....	51,317	60,434	61,450
TOTAL ALL FUNDS.....	\$ 7,804,503	\$ 7,932,994	\$ 8,069,236

- ^a Actually appropriated as \$110,000,000. Amount shown is the best current estimate of the amount available for 1996-97. Additional funds may be received, therefore no reduction to the appropriation authority is recommended.
- ^b Actually appropriated as \$329,564,000. Amount shown is the best current estimate of the amount available for 1996-97. Additional funds may be received, therefore no reduction to the appropriation authority is recommended.
- ^c Includes recommended supplemental appropriation of \$46,000.
- ^d 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.
- ^e The Allegheny University of Health Sciences was formerly the Medical College of Pennsylvania and Hahnemann University.

Program Funding Summary

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
EDUCATION SUPPORT SERVICES							
GENERAL FUND.....	\$ 21,147	\$ 17,601	\$ 18,070	\$ 18,431	\$ 18,800	\$ 19,176	\$ 19,560
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	34,953	53,388	52,647	52,647	52,647	52,647	52,647
OTHER FUNDS.....	26,809	26,325	27,322	27,869	28,425	28,992	29,571
SUBCATEGORY TOTAL.....	\$ 82,909	\$ 97,314	\$ 98,039	\$ 98,947	\$ 99,872	\$ 100,815	\$ 101,778
BASIC EDUCATION							
GENERAL FUND.....	\$ 5,681,925	\$ 5,716,497	\$ 5,828,210	\$ 5,857,325	\$ 5,853,262	\$ 5,884,738	\$ 5,917,466
SPECIAL FUNDS.....	1,413	1,498	1,526	1,526	1,526	1,526	1,526
FEDERAL FUNDS.....	735,990	788,016	797,311	797,311	797,311	797,311	797,311
OTHER FUNDS.....	23,547	29,272	29,270	27,924	27,942	27,960	27,978
SUBCATEGORY TOTAL.....	\$ 6,442,875	\$ 6,535,283	\$ 6,656,317	\$ 6,684,086	\$ 6,680,041	\$ 6,711,535	\$ 6,744,281
JOB TRAINING							
GENERAL FUND.....	\$ 11,666	\$ 10,696	\$ 10,766	\$ 10,876	\$ 10,988	\$ 11,102	\$ 11,218
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	3,912	3,102	3,257	3,257	3,257	3,257	3,257
OTHER FUNDS.....	802	805	820	836	853	870	887
SUBCATEGORY TOTAL.....	\$ 16,380	\$ 14,603	\$ 14,843	\$ 14,969	\$ 15,098	\$ 15,229	\$ 15,362
LIBRARY SERVICES							
GENERAL FUND.....	\$ 35,646	\$ 38,100	\$ 39,205	\$ 39,280	\$ 39,357	\$ 39,435	\$ 39,515
SPECIAL FUNDS.....	2,038	3,278	1,401	1,327	1,330	1,354	1,383
FEDERAL FUNDS.....	1,164	1,429	1,429	1,429	1,429	1,429	1,429
OTHER FUNDS.....	4,884	8,365	8,372	8,374	8,376	8,378	8,380
SUBCATEGORY TOTAL.....	\$ 43,732	\$ 51,172	\$ 50,407	\$ 50,410	\$ 50,492	\$ 50,596	\$ 50,707
HIGHER EDUCATION							
GENERAL FUND.....	\$ 1,213,060	\$ 1,227,948	\$ 1,243,573	\$ 1,236,651	\$ 1,222,729	\$ 1,215,809	\$ 1,208,890
SPECIAL FUNDS.....	5,547	6,674	6,057	5,980	6,066	6,191	6,445
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
SUBCATEGORY TOTAL.....	\$ 1,218,607	\$ 1,234,622	\$ 1,249,630	\$ 1,242,631	\$ 1,228,795	\$ 1,222,000	\$ 1,215,335
ALL PROGRAMS:							
GENERAL FUND.....	\$ 6,963,444	\$ 7,010,842	\$ 7,139,824	\$ 7,162,563	\$ 7,145,136	\$ 7,170,260	\$ 7,196,649
SPECIAL FUNDS.....	8,998	11,450	8,984	8,833	8,922	9,071	9,354
FEDERAL FUNDS.....	776,019	845,935	854,644	854,644	854,644	854,644	854,644
OTHER FUNDS.....	56,042	64,767	65,784	65,003	65,596	66,200	66,816
DEPARTMENT TOTAL.....	\$ 7,804,503	\$ 7,932,994	\$ 8,069,236	\$ 8,091,043	\$ 8,074,298	\$ 8,100,175	\$ 8,127,463

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 116,000 annuitants.

Program Recommendations:

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

General Government Operations
 \$ 469 ---to continue current program.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
GENERAL FUND:							
General Government Operations	\$ 21,147	\$ 17,601	\$ 18,070	\$ 18,431	\$ 18,800	\$ 19,176	\$ 19,560

PROGRAM OBJECTIVE: To provide students with the skills, attitudes and abilities needed for effective living in our complex society.

Program: Basic Education

Program Element: Basic Education

This program element includes funding for the instructional cost at public schools. In addition to funding for basic education, the element includes programs for special education, vocational education, school based teen pregnancy and dropout prevention, adult literacy and the Governor's Schools of Excellence. Funds are also provided for the State operated Scranton State School for the Deaf.

The Equalized Subsidy for Basic Education (ESBE) was established by Act 73 of 1983 to distribute the basic education subsidy beginning in the 1983-84 payable year. Over its eleven years of existence, ESBE contained three primary components: a base subsidy on account of instructional expense, an economic supplement on account of pupils in low-income families and an economic supplement on account of local tax effort and population per square mile.

Act 16 of 1993 established an Equity Supplement. The Equity Supplement contained five components: an expenditure component, poverty component, foundation guarantee, growth supplement and limited revenue sources supplement. In addition, during 1993-94, money was set aside from the Equity Supplement to assist school districts experiencing financial difficulty.

Act 6A of 1994 combined ESBE and the Equity Supplement into the Basic Education Funding appropriation. The allocation to each school district payable for 1994-95 was equal to the sum of the ESBE and Equity Supplement allocations for 1993-94. In addition, Act 6A established the Foundation Funding for Equity which contained four components: a foundation component, poverty component, growth component and a minimum increase component.

Act 26 of 1995 established the formula for Basic Education Funding for 1995-96 which contained three components: a base allocation, minimum guaranteed increase and small district supplement. Act 26 also made a number of changes including prohibition of weapons in schools, development of safe schools policies, and authorized grants to school entities for distance learning technology.

Under Act 107 of 1996, each school district is eligible to receive the same amount of Basic Education Funding in 1996-97 as they received in 1995-96. Act 107 also provides for the establishment of Project Link to Learn. This initiative will connect Pennsylvania's schools via a high-speed computer network to bring the resources of the world into the classroom.

Program Element: Educational Support

The activities included in this element are those which support basic education programs but are not directly involved with their implementation. These programs include: payments to school districts to cover the State share of payroll costs for Social Security and retirement, authority rental and sinking fund payments for school infrastructure, pupil transportation, school food service subsidy and intermediate units.

More than two-thirds of the school buildings in the Commonwealth were constructed prior to 1965. Since that time, needs have changed in terms of instructional programs, accessibility, educational philosophy and technology. Buildings have also experienced normal deterioration from use. These factors as well as demographic changes and a favorable investment climate, have resulted in a continued increase in the number of school building and renovation projects reviewed annually. Of the 1,600 leases supported with Commonwealth funds, eighty percent of all projects involve renovation or expansion of existing facilities.

Program Element: Basic Education-Nonpublic Schools

The Commonwealth provides aid to nonprofit nonpublic schools through this element. Appropriations are for auxiliary services, textbooks, instructional materials and transportation to and from nonpublic schools.

Services provided include guidance counseling, testing, psychological services, speech and hearing services, remedial reading, remedial math and services for exceptional children. Textbooks are loaned to children in nonpublic schools under a program established by Act 195 of 1972. Act 90 of 1975 authorizes instructional materials to be loaned to nonpublic schools. Finally, transportation is provided to and from school for nonpublic school students under the Public School Code of 1949.

Program Element: Basic Education — Adjudicated Youth

This element includes educational services for those in rehabilitative or correctional facilities. The Commonwealth's Youth Development Centers house minors adjudicated from the court system. These centers provide rehabilitation and education for these incarcerated juveniles. The appropriation within this element is Youth Development Centers—Education.

Program Element: Special Education

Special education, in partnership with basic education, is serving about 294,000 school aged students in Pennsylvania school districts, intermediate units, approved private schools, private residential facilities and State centers.

The major special education appropriation provides support for programs for exceptional children served by the public schools of the Commonwealth. Public school special education programs are administered by all 501 school districts. These programs may be directly operated by the districts or contracted with other school districts, intermediate units or other providers. When appropriate public education is not available, students may be assigned to department approved private schools.

In 1995-96, 1,804 of 2,386 elementary schools and middle schools housing 6th graders participated in the Instructional Support Team Program. In subsequent fiscal years, additional elementary schools and middle schools serving students through grade six are expected to participate in this program. Instructional Support Teams are groups of teachers, principals, social workers, psychologists and other school personnel specially trained to help teachers adapt their instruction to assist students who are exhibiting problems in learning.

Program Element: Basic Education — Dropout Prevention

This element provides grants and technical assistance to school districts to develop systematic, comprehensive approaches to restructuring educational and support services in schools with high numbers or percentages of students at risk of dropping out of schools.

Program Element: Basic Education — Teen Parenting

Through this element, the Commonwealth offers program grants, training and technical assistance to schools to provide educational and support services necessary to help pregnant and parenting teens stay in school and graduate. Services include case management, parenting education, referral to pre- and post-natal health care, child care services, transportation and other services.

Program: Basic Education (continued)

Program Measures:	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
Basic Education							
Public school enrollments (K-12)	1,787,533	1,807,250	1,819,670	1,825,330	1,825,850	1,823,350	1,818,300
Total expenditures per average daily membership	\$7,300	\$7,700	\$8,100	\$8,500	\$8,900	\$9,400	\$9,800
High school graduation rates	84.5	84.6	84.2	84.0	83.8	83.8	83.8
Graduates enrolling in business, technical or college programs	73,730	76,720	79,660	82,650	84,050	84,940	88,490
Vocational education enrollments	107,000	110,000	114,500	117,000	119,000	120,000	120,000
Vocational education students placed in jobs	16,900	17,300	17,900	18,100	18,600	18,750	18,750
Students taking PA Assessment	552,739	690,000	715,000	715,000	715,000	715,000	715,000
Dropout prevention program enrollments	36,112	20,034	20,250	20,250	20,250	20,250	20,250
Students served by teen parenting programs	5,219	5,250	5,250	5,250	5,250	5,250	5,250
Total General Educational Development (GED) diplomas	18,448	18,000	18,000	18,000	18,000	18,000	18,000
Enrollment in adult basic education	60,417	60,000	60,000	60,000	60,000	60,000	60,000
Adult education volunteers trained	4,780	5,000	5,000	5,000	5,000	5,000	5,000
Adult education students receiving adjunct services	39,415	38,000	38,000	38,000	38,000	38,000	38,000
Basic Education-Nonpublic Schools							
Nonpublic school enrollment	334,990	335,270	333,850	331,740	328,910	326,090	323,370
Basic Education-Adjudicated Youth							
Youth Development Centers							
Total youth served	1,400	1,420	1,450	1,650	1,650	1,650	1,650
Special Education							
Pupils with disabilities enrolled in programs	207,053	210,000	212,000	214,000	216,000	218,000	221,000
Pupils enrolled in programs for the gifted	83,079	83,100	83,100	83,100	83,100	83,100	83,100
Scranton School for the Deaf enrollments	110	110	110	110	110	110	110
Students in approved vocational education programs	18,400	18,500	18,600	18,700	18,725	18,750	18,750
Students in approved vocational education programs completing program	3,100	3,125	3,140	3,250	3,250	3,250	3,250

Those measures concerning vocational education enrollments and the number of vocational education students placed in jobs are not expected to increase in the future years by the amounts reflected in last year's budget due to fewer schools than projected operating approved programs.

The number of students taking the PA Assessment is expected to increase as the result of regulations which will expand testing to all students in grades 5, 8 and 11, as well as due to enhancements under the Improving Our Schools Program Revision. See the Program Revision following this program for additional information.

Dropout prevention program enrollments are revised downward from last year's budget due to a restructuring of the program to target those students most at-risk of dropping out of school.

The number of pupils with disabilities enrolled in programs is expected to increase in future years as improved technology is utilized to diagnose special education needs.

Program: Basic Education (continued)

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

	GENERAL FUND				
	PA Assessment				Special Education
\$	1,850	—PRR — Improving Our Schools. This Program Revision enhances the current performance testing system. See the Program Revision following this program for additional information.		\$	26,798
					—PRR — Improving Our Schools. This Program Revision provides for a two percent appropriation increase and reallocation of nonrecurring expenses targeted toward increasing the reimbursement rates for special education programs and providing additional resources to districts with high program costs and high local taxing effort. See the Program Revision following this program for additional information.
					—to continue phase-out of direct funding to selected Intermediate Units.
\$	283	Youth Development Centers—Education —to continue current program.			—to complete phase-out of supplemental funding for high-cost schools.
					—to continue current program funding.
\$	108	Scranton State School for the Deaf —to continue current program.		-10,300	<i>Appropriation Increase</i>
\$	-5,164	Instructional Support Teams —to reduce State support.		-2,625	Early Intervention
					—Initiative — Clarifying the Eligibility Age of Early Intervention Participants. To clarify the age at which children are eligible to participate in the early intervention program.
\$	100,773	Basic Education Funding —PRR — Improving Our Schools. This Program Revision provides resources for an instructional improvement supplement for school districts as well as implementation of a basic education performance incentive program. See the Program Revision following this program for additional information.		-1,692	—to continue current program.
				\$	12,181
					<i>Appropriation Increase</i>
\$	1,000	Technology Initiative —Initiative — Merging Distance Learning Into Project Link to Learn. To merge the distance learning program into Project Link to Learn which provides similar services.			3,243
					4,002
				\$	759
					<i>Appropriation Increase</i>
\$	256	Adult Literacy —to continue current program.			
					Tuition for Orphans and Children Placed in Private Homes
\$	1,198	Vocational Education —PRR — Improving Our Schools. This Program Revision targets resources for certain vocational educational programs. See the Program Revision following this program for additional information.		\$	1,678
					—to continue current program.
\$	8,506	Authority Rentals and Sinking Fund Requirements —to continue current program and provide for new projects.		\$	7
					—to continue current program.
\$	15,276	Pupil Transportation —to continue current program.		\$	-717
					PA Charter Schools for Deaf and Blind
					—to continue current program.
\$	57	Nonpublic Pupil Transportation —to continue current program.		\$	83
					School Food Services
					—to continue current program.
				\$	13,350
					School Employees' Social Security
					—to continue current program.
				\$	-40,497
					School Employees' Retirement
					—to continue current program at established employer contribution rate.
				\$	-1,645
					School District Demonstration Projects
					—nonrecurring projects.
				\$	-3
					Education of Indigent Children
					—to continue current program.

Program: Basic Education (continued)

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

<p>Services to Nonpublic Schools \$ 1,818 —to continue current program.</p> <p>Textbooks and Instructional Materials for Nonpublic Schools \$ 556 —to continue current program.</p> <p>Distance Learning \$ -1,000 —Initiative — Merging Distance Learning Into Project Link to Learn. To merge the distance learning program into Project Link to Learn which provides similar services. -100 —nonrecurring project. \$ -1,100 <i>Appropriation Decrease</i></p> <p>Ethnic Heritage \$ -100 —nonrecurring projects.</p>	<p>Alternative Schools \$ 200 —to continue current program.</p> <p>Administrative/Instructional Consolidation Incentive \$ 1,000 —PRR — Improving Our Schools. This Program Revision provides incentive funding to encourage local educational agencies to consolidate administrative and possibly instructional functions. See the Program Revision following this program for additional information.</p> <p>MOTOR LICENSE FUND Safe Driving Program \$ 28 —to continue current program.</p>
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This budget proposes the transfer of Correctional Education to the Department of Corrections and the DARE and Other Drug Enforcement Programs appropriation to the Commission on Crime and Delinquency in the Executive Offices. All funding sources have been adjusted accordingly.

In addition, the Enhancing Information Technology to Better Serve Pennsylvania Program Revision provides \$34,333,000 to Project Link to Learn for local education agency consortiums to implement regional action plans which connect schools through the use of computers, Internet connections and other types of technology. See the Program Revision following the Executive Direction program in the Executive Offices for additional information.

All other appropriations are recommended at the current year funding level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
GENERAL FUND:							
PA Assessment	\$ 4,037	\$ 4,150	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000
Youth Development Centers - Education ..	8,247	10,951	11,234	11,459	11,688	11,922	12,160
Scranton State School for the Deaf	4,729	4,714	4,822	4,918	5,016	5,116	5,218
Instructional Support Teams	10,500	10,500	5,336	5,336	5,336	5,336	5,336
Basic Education Funding	3,358,370	3,359,099	3,459,872	3,459,872	3,459,872	3,459,872	3,459,872
Technology Initiative	0	33,333	34,333	34,334	0	0	0
Woodland Hills Desegregation	1,601	0	0	0	0	0	0
For the Improvement of Teaching	1,448	0	0	0	0	0	0
Adult Literacy	8,525	8,525	8,781	8,781	8,781	8,781	8,781
Vocational Education	39,925	39,928	41,126	41,126	41,126	41,126	41,126
Authority Rentals and Sinking Fund							
Requirements	227,844	220,400	228,906	228,906	228,906	228,906	228,906
Pupil Transportation	313,588	329,472	344,748	344,748	344,748	344,748	344,748
Nonpublic Pupil Transportation	37,808	38,215	38,272	38,272	38,272	38,272	38,272
Special Education	591,434	609,034	621,215	621,215	621,215	621,215	621,215
Early Intervention	70,170	75,889	76,648	76,648	76,648	76,648	76,648
Homebound Instruction	574	574	574	574	574	574	574
Tuition for Orphans and Children Placed							
in Private Homes	33,075	33,367	35,045	35,045	35,045	35,045	35,045
Payments in Lieu of Taxes	457	165	172	172	172	172	172
Education of Migrant Laborers' Children ...	222	222	222	222	222	222	222
Education of the Disadvantaged	1,000	0	0	0	0	0	0
PA Charter Schools for the Deaf and							
Blind	20,670	21,290	20,573	20,573	20,573	20,573	20,573
Special Education - Approved Private							
Schools	52,505	54,075	54,075	54,075	54,075	54,075	54,075

Education

Program: Basic Education (continued)

Appropriations within this Program: (continued)

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
GENERAL FUND: (continued)							
Intermediate Units	\$ 11,000	\$ 5,500	\$ 5,500	\$ 5,500	\$ 5,500	\$ 5,500	\$ 5,500
School Food Services	16,390	16,878	16,961	16,961	16,961	16,961	16,961
School Employes' Social Security	301,621	314,750	328,100	341,224	354,873	369,068	383,831
School Employes' Retirement	465,540	432,215	391,718	407,387	423,682	440,629	458,254
School District Demonstration Projects	10,775	1,645	0	0	0	0	0
Private Residential Rehabilitative Institutions	500	0	0	0	0	0	0
Education of Indigent Children	103	103	100	100	100	100	100
Dropout Prevention	1,085	1,089	1,089	1,089	1,089	1,089	1,089
Services to Nonpublic Schools	60,586	60,586	62,404	62,404	62,404	62,404	62,404
Textbooks and Instructional Materials for Nonpublic Schools	18,544	18,544	19,100	19,100	19,100	19,100	19,100
Teen Pregnancy and Parenthood	1,253	1,398	1,398	1,398	1,398	1,398	1,398
Comprehensive Reading	300	300	300	300	300	300	300
Distance Learning	1,000	1,100	0	0	0	0	0
Ethnic Heritage	100	100	0	0	0	0	0
Governor's Schools for Excellence	1,266	1,266	1,266	1,266	1,266	1,266	1,266
Keystone State Games	220	220	220	220	220	220	220
School-to-Work Opportunities	500	500	500	500	500	500	500
Charter Schools	0	1,400	1,400	1,400	1,400	1,400	1,400
Safe Schools	500	500	500	500	500	500	500
Alternative Schools	3,913	4,500	4,700	4,700	4,700	4,700	4,700
Administrative/Instructional Consolidation Incentive	0	0	1,000	1,000	1,000	1,000	1,000
TOTAL GENERAL FUND	\$ 5,681,925	\$ 5,716,497	\$ 5,828,210	\$ 5,857,325	\$ 5,853,262	\$ 5,884,738	\$ 5,917,466
MOTOR LICENSE FUND:							
Safe Driving Program	\$ 1,413	\$ 1,498	\$ 1,526	\$ 1,526	\$ 1,526	\$ 1,526	\$ 1,526
TOTAL MOTOR LICENSE FUND	\$ 1,413	\$ 1,498	\$ 1,526	\$ 1,526	\$ 1,526	\$ 1,526	\$ 1,526

Program Revision: Improving Our Schools

Pennsylvania's future depends upon the educational opportunities offered to our students. Every child needs a quality education to realize his or her full potential and to build a foundation for lifelong learning. This Program Revision enhances the support of basic education by increasing funds available for a variety of programs and also provides funds to initiate new strategies to address the educational needs of our children. The proposal provides funds for an instructional improvement supplement for basic education, a performance incentive program, as well as refinements and expansions to our current performance testing system. Funds are also included to increase the reimbursement rates for special education programs and to assist school districts which have a demonstrated financial need and experience higher than average special education costs. This proposal also includes resources to enhance vocational education programs and provides for incentive grants to encourage our local education agencies to become more efficient administratively.

Basic Education

This Program Revision provides over \$90 million for a supplement to basic education funding to improve instructional programs and expand course offerings for students. A school district would be authorized to use the additional resources for instructional equipment, textbooks, telecommunications and distance learning equipment, staff development, and additional staff for new classes and programs.

Under this proposal, 396 school districts with an aid ratio greater than .4000 will receive a pro rata share of \$66 million distributed based on wealth and enrollment. Almost \$8 million is included for 309 school districts to address increased costs due to enrollment growth. The proposal also includes \$14.9 million for over 134 of the poorest districts which will receive an increase of four percent over their 1996-97 funding level and \$1.6 million to ensure a minimum of at least a one percent increase for all school districts.

Performance Incentives

In addition to targeting funds towards improvement in instructional programs, this proposal includes funds aimed at forging a relationship between school performance and school funding. This Program Revision provides over \$10 million for an incentive award program to recognize schools that make significant improvements in student achievement and effort. Academic achievement will be measured by a school's improvement in comparison to its results from prior years on the Statewide Pennsylvania System of School Assessment (PSSA). A school's effort will be assessed through its attendance record and, in subsequent years for high schools, will also be measured according to a school district's graduation rate. A predetermined portion of the Basic Education Funding increase will provide future year funding for the Performance Incentive Program.

In order to implement an effective incentive program, this proposal includes \$1.85 million to strengthen the PSSA. The number of subject areas tested under the PSSA will be expanded and improvements will be made to the current assessment tools used for reading, mathematics and writing in order to incorporate higher academic standards under

development. Standards help ensure our children know what is required for success in higher education, in the workforce and for participation in our society.

Special Education

This Program Revision also increases the funds available to school districts for their special education programs by \$26.8 million, which includes an increase of \$12.2 million and a reallocation of \$14.6 million in anticipated savings due to the continued mandated phase out of certain programs. School districts will receive \$13,450 (an increase of \$325) per student, based on one percent of their student population, and \$1,150 (an increase of \$35) per student, based on 15 percent of their student population, to fund programs for students with exceptionalities. In an attempt to address special conditions within school districts which affect their ability to provide special education services, this proposal provides over \$10 million for supplemental payments to school districts. To be eligible for the supplement, school districts will have a demonstrated financial need based on wealth, concentration of poverty students, special education expenditures, and local taxing effort.

Vocational Education

This Program Revision provides approximately \$1.2 million for innovative learning and workforce development grants for vocational education programs. These grants will be awarded to area vocational-technical schools and school districts with eight or more approved vocational education programs, including two trade and industrial programs, that demonstrate exemplary practices in partnerships, skills attainment and certification, and integrated learning. These projects will enhance work-based learning opportunities and should be relevant to current technology, economy or labor market needs.

Local Education Agency Management

Not only is it important to adapt and improve current programs, it is also beneficial to encourage a greater degree of cooperation between local education agencies. This proposal emphasizes coordination through an incentive program aimed at increasing the efficiency of the management of area schools. Incentive grants will be awarded to local education agencies which consolidate administrative services such as sharing administrative personnel and to those school entities which consolidate higher level instructional services.

In addition, the Public School Employees' Retirement System Board has reduced the employer contribution rate for both 1996-97 and 1997-98 for covered local education agency employees. As a result of this action, the local education agencies will have approximately \$51 million available in 1997-98 and a total of \$82 million over the two-year period 1996-97 and 1997-98 for reallocation to expand or enhance educational programming.

This Program Revision establishes Pennsylvania's commitment to our educational system. It creates new and innovative strategies to improve the system and enhances each child's access to a quality education.

Program: Improving Our Schools (continued)

Program Measures:	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
Students benefiting from increases in basic education funding Program Revision	0	0	1,790,415	1,790,415	1,790,415	1,790,415	1,790,415
School districts receiving funds due to low wealth Program Revision	0	0	134	134	134	134	134
School districts receiving funds based on enrollment growth Program Revision	0	0	309	309	309	309	309
School districts receiving funds distributed based on aid ratio and enrollment growth Program Revision	0	0	396	396	396	396	396
Students taking PA Assessment tests Current	552,739	690,000	700,000	700,000	700,000	700,000	700,000
Program Revision	0	0	715,000	715,000	715,000	715,000	715,000
Special education reimbursement for one percent of school districts' average daily membership Current	13,125	\$13,125	\$13,125	\$13,125	\$13,125	\$13,125	\$13,125
Program Revision	0	0	\$13,450	\$13,450	\$13,450	\$13,450	\$13,450
Special education reimbursement for fifteen percent of school districts' average daily membership Current	1,115	\$1,115	\$1,115	\$1,115	\$1,115	\$1,115	\$1,115
Program Revision	0	0	\$1,150	\$1,150	\$1,150	\$1,150	\$1,150
School districts eligible for special education supplemental funding Program Revision	0	0	88	88	88	88	88

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

\$ 100,773	Basic Education Funding —to provide resources for an instructional improvement supplement for school districts as well as implementation of a basic education performance incentive program.	\$ 1,850	PA Assessment —to enhance the current performance testing system.
		\$ 1,198	Vocational Education —to target additional resources for certain vocational education programs.
\$ 26,798	Special Education —to provide for a two percent appropriation increase and reallocation of nonrecurring expenses targeted toward increasing the reimbursement rates and providing additional resources to districts with high program costs and high local taxing effort.	\$ 1,000	Administrative/Instructional Consolidation Incentive —to provide incentive funding to encourage local educational agencies to consolidate administrative and instructional functions.
		\$ 131,619	Program Revision Total

Program: Improving Our Schools (continued)

Recommended Program Revision Costs by Appropriation:

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
GENERAL FUND:							
Basic Education Funding	\$ 0	\$ 0	\$ 100,773	\$ 100,773	\$ 100,773	\$ 100,773	\$ 100,773
Special Education	0	0	26,798	26,798	26,798	26,798	26,798
PA Assessment	0	0	1,850	1,850	1,850	1,850	1,850
Vocational Education	0	0	1,198	1,198	1,198	1,198	1,198
Administrative/Instructional	0	0	1,000	1,000	1,000	1,000	1,000
Total	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 131,619</u>	<u>\$ 131,619</u>	<u>\$ 131,619</u>	<u>\$ 131,619</u>	<u>\$ 131,619</u>

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 (JTPA), State government, local government and the private sector work cooperatively in the development, planning and implementation of programs. Eight percent of funds under Title II-A and C of the act are earmarked for involvement of the education community in providing school to work programs, literacy and lifelong learning and programs to train women for nontraditional employment. Matching funds are provided from State,

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:	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
Providers offering JTPA job training plans	28	28	28	28	28	28	28
Trainees enrolled in JTPA job training programs	12,238	12,240	12,300	12,300	12,300	12,300	12,300
Trainees completing JTPA instruction	5,896	6,371	6,375	6,375	6,375	6,375	6,375
Stevens enrollments	427	473	500	500	500	500	500
Berean enrollments	382	300	350	400	450	500	600
Johnson enrollments	268	307	320	325	329	337	344
Williamson enrollments	254	254	254	254	254	254	254

Those measures concerning job training plans and job trainees are revised from last year's budget to reflect program activity supported by JTPA funding. In last year's budget these measures also included data pertaining to the four schools included in this subcategory. The measure included in last year's budget regarding trainees placed in jobs has been deleted because there is no supporting data that tracks the number of JTPA trainees placed in jobs.

Berean enrollments in 1995-96 are revised upward from last year's budget because of the closing of another job training center in the local area which resulted in the transfer of students to Berean. Enrollments are expected to increase in future years due to enhanced recruitment efforts.

Program Recommendations:

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

Thaddeus Stevens State School of Technology
 \$ 70 —to continue current program.

All other appropriations are recommended at the current year funding levels.

Includes PRIME recommendation outsourcing the food service at Thaddeus Stevens State School of Technology saving \$108,000, and within the Department of Education reducing the use of overnight mail and instituting a number of new administrative approaches saving a minimum of \$100,000.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
GENERAL FUND:							
Thaddeus Stevens State School of Technology	\$ 5,398	\$ 5,412	\$ 5,482	\$ 5,592	\$ 5,704	\$ 5,818	\$ 5,934
JTPA—Matching Funds	4,844	3,857	3,857	3,857	3,857	3,857	3,857
Non-State-Related Institutions	1,424	1,427	1,427	1,427	1,427	1,427	1,427
TOTAL GENERAL FUND	\$ 11,666	\$ 10,696	\$ 10,766	\$ 10,876	\$ 10,988	\$ 11,102	\$ 11,218

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, and the School Library Catalog.

The State Library is the agency of the Commonwealth charged with developing, improving and coordinating library services and systems in the State. It provides Statewide leadership in the development of libraries as essential contributors to the cultural and economic well being of Pennsylvania communities.

The State Library, located in Harrisburg, is a major resource library serving the State Government, as well as libraries and residents of the Commonwealth. It includes an extensive general and legal reference collection, comprehensive collections of Pennsylvania newspapers and Pennsylvania State and U.S. Government publications; computer search services to provide reference and research assistance to State Government personnel from more than 300 databases; and a computer-based catalog, to give users more rapid access to information about the collection. Since 1990, the library has provided dial-access to the catalog for State agency offices and other libraries. 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 throughout the Commonwealth.

The appropriation for Improvement of Library Services encourages local libraries to meet the information, education and recreation needs of the Commonwealth. These funds assist in supporting 28 district libraries by making their resources and services available to all residents of their respective areas 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 (Statewide Library Card) allows people to use any participating public library no matter where they live. Libraries are reimbursed for the cost of lending books to people living outside their service 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's school libraries. The program improves the curriculum across the Commonwealth by providing access to information.

Program Measures:	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
Percentage of State population served by State-aided libraries	98%	98%	98%	98%	98%	98%	98%
Items loaned (in thousands)	56,524	61,000	65,900	71,100	75,000	77,250	78,800
Titles in State Library collection listed in machine readable catalog data base	836,811	850,000	861,000	875,000	890,000	905,000	920,000
Patron queries handled by State Library staff	109,550	111,550	114,050	116,850	119,550	122,150	124,650
Items loaned under the Statewide Library ACCESS Program	10,308	10,250	10,800	11,350	11,900	12,450	13,000
Citizens served by ACCESS Pennsylvania database	575,000	630,000	695,000	722,000	775,000	820,000	870,000

Items loaned in 1995-96 were lower than projected in last year's budget based upon actual activity.

Program: Library Services (continued)

Program Recommendations:

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

	GENERAL FUND:		
	State Library		KEYSTONE RECREATION, PARK AND CONSERVATION FUND:
\$ 84	—to continue current program.		Local Libraries Rehabilitation and Development
	Improvement of Library Services	\$ -1,877	—to continue current program.
\$ 857	—to continue current program.		
	Library Services for Visually Impaired and Disabled		
\$ 69	—to continue current program.		
	Library Access		
\$ 95	—to continue current program.		

All other appropriations are recommended at the current year funding level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
GENERAL FUND:							
State Library	\$ 3,474	\$ 3,668	\$ 3,752	\$ 3,827	\$ 3,904	\$ 3,982	\$ 4,062
Improvement of Library Services	26,190	28,550	29,407	29,407	29,407	29,407	29,407
Library Services for Visually Impaired and Disabled	2,312	2,312	2,381	2,381	2,381	2,381	2,381
Library Access	3,150	3,150	3,245	3,245	3,245	3,245	3,245
School Library Catalog	420	420	420	420	420	420	420
Medical Library and Museum	100	0	0	0	0	0	0
TOTAL GENERAL FUND	\$ 35,646	\$ 38,100	\$ 39,205	\$ 39,280	\$ 39,357	\$ 39,435	\$ 39,515
 KEYSTONE RECREATION, PARK AND CONSERVATION FUND:							
Local Libraries Rehabilitation and Development	\$ 2,038	\$ 3,278	\$ 1,401	\$ 1,327	\$ 1,330	\$ 1,354	\$ 1,383

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	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
State System of Higher Education	86,521	86,046	87,053	87,649	88,204	88,702	89,155
Community Colleges	70,364	70,614	71,727	72,916	74,322	75,837	76,898
State-related Universities	123,537	124,735	125,604	126,534	127,286	128,071	128,676
State-Aided	32,788	32,999	33,133	33,342	33,436	33,554	33,576
TOTAL	313,210	314,394	317,517	320,441	323,248	326,164	328,305

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.

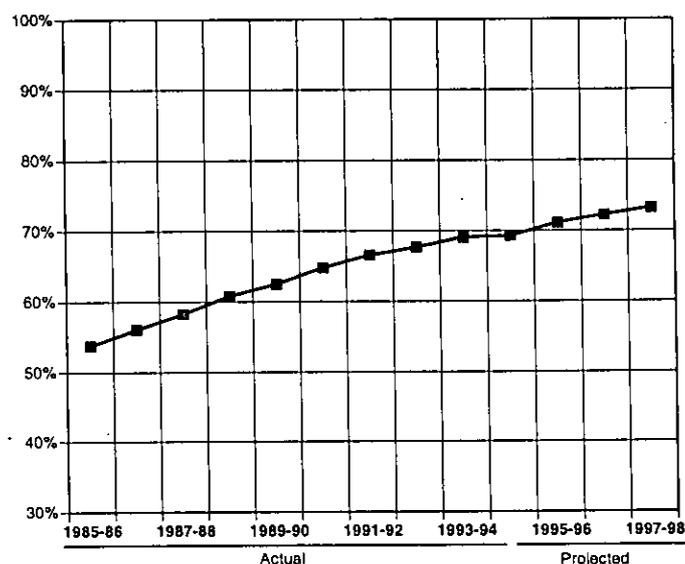
Program Element: Community Colleges

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 colleges. 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
Percentage of High School Graduates Proceeding to Postsecondary Studies 1985-86 to 1994-95 With Projections From 1995-96 Through 1997-98



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 one percent a year over the next five years but that trend differs 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 1995, of 120,965 high school graduates, 83,776 or 69 percent, planned

to attend a degree-granting postsecondary institution. This is a substantial improvement over 1986 when 53 percent of high school graduates planned to attend college (see Figure 1).

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	1995-96 Actual	1996-97 Projected	1997-98 Projected	1998-99 Projected	1999-00 Projected	2000-01 Projected	2001-02 Projected	Percent Change
Agricultural and Natural Resources	#	4,825	4,837	4,936	5,029	5,087	5,173	5,225	8.29
	%	1.54	1.54	1.55	1.57	1.57	1.59	1.59	
Arts and Letters	#	50,396	50,431	51,199	51,895	52,630	53,369	53,892	6.94
	%	16.09	16.04	16.12	16.19	16.28	16.36	16.42	
Business, Management, Data Processing	#	46,565	46,924	47,293	47,630	48,011	48,457	48,778	4.75
	%	14.87	14.93	14.89	14.86	14.85	14.86	14.86	
Communications and Related Technologies	#	8,713	8,779	8,942	9,036	9,111	9,208	9,282	6.53
	%	2.78	2.79	2.82	2.82	2.82	2.82	2.83	
Computer and Information Sciences	#	6,446	6,555	6,677	6,785	6,871	6,951	7,005	8.67
	%	2.06	2.08	2.10	2.12	2.13	2.13	2.13	
Education	#	39,865	39,662	39,990	40,247	40,563	40,896	41,191	3.33
	%	12.73	12.62	12.59	12.56	12.55	12.54	12.55	
Engineering, Architecture and Environmental Design	#	17,627	17,588	17,670	17,769	17,868	17,997	18,088	2.62
	%	5.63	5.59	5.57	5.55	5.53	5.52	5.51	
Engineering and Related Technologies	#	7,467	7,535	7,664	7,782	7,886	7,984	8,069	8.06
	%	2.38	2.40	2.41	2.43	2.44	2.45	2.46	
Health Professions, Health Sciences and Biological Sciences	#	45,897	46,214	46,695	47,211	47,544	47,830	48,099	4.80
	%	14.65	14.70	14.71	14.73	14.71	14.66	14.65	
Home Economics, Human Services and Public Affairs	#	20,443	20,435	20,586	20,739	20,890	21,047	21,180	3.61
	%	6.53	6.50	6.48	6.47	6.46	6.45	6.45	
Industrial, Repair, Construction and Transport Technologies	#	2,601	2,713	2,784	2,947	3,195	3,410	3,441	32.30
	%	0.83	0.86	0.88	0.92	0.99	1.05	1.05	
Law	#	3,804	3,888	3,837	3,846	3,835	3,847	3,858	1.42
	%	1.21	1.24	1.21	1.20	1.19	1.18	1.18	
Physical Sciences, Mathematics and Related Technologies	#	13,894	14,016	14,118	14,195	14,285	14,391	14,459	4.07
	%	4.44	4.46	4.45	4.43	4.42	4.41	4.40	
Social Sciences, Psychology, Area Studies and Foreign Languages	#	33,745	33,817	34,088	34,216	34,281	34,367	34,450	2.09
	%	10.77	10.76	10.74	10.68	10.61	10.54	10.49	
Multi-Interdisciplinary Studies/Military Sciences	#	10,922	11,000	11,038	11,114	11,191	11,237	11,288	3.35
	%	3.49	3.50	3.48	3.47	3.46	3.45	3.44	
TOTAL	#	313,210	314,394	317,517	320,441	323,248	326,164	328,305	4.82
	%	100.00	100.00	100.00	100.00	100.00	100.00	100.00	

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 1995-96 through 2001-02. 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	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
State System of Higher Education	18,210	18,050	18,302	18,300	18,612	18,598	18,701
Community Colleges	11,447	11,378	11,515	11,709	11,947	12,146	12,431
State-related Universities	30,495	31,173	31,470	32,330	33,038	33,037	33,401
State-Aided	10,027	10,221	10,171	10,238	10,222	10,264	10,267
TOTAL	70,179	70,822	71,458	72,577	73,819	74,045	74,800

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 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.

Program: Higher Education (continued)

Program Measures:	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
Office of Civil Rights reviews of institutional plans	15	16	16	16	16	16	16
Teacher certifications	40,100	41,100	42,100	43,200	44,300	45,400	46,500
Tests administered for certification	55,600	60,500	61,200	62,000	62,600	63,100	63,500
Programs evaluated	370	260	240	420	280	365	260
Minority enrollments at public institutions	49,904	50,200	50,400	50,700	50,900	51,200	51,400
Students served by Act 101 programs	13,800	13,800	13,700	13,700	13,600	13,600	13,500

The number of Office of Civil Rights reviews of institutional plans is revised downward from last year's budget due to a revision in the review requirements by the U.S. Department of Education.

Program Recommendations:

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

<p>GENERAL FUND: Community Colleges \$ 3,043 —to provide an increase in State support.</p> <p>Osteopathic Education \$ -600 —nonrecurring project.</p> <p>State System of Higher Education \$ 7,970 —to provide an increase in State support.</p> <p>The Pennsylvania State University \$ 5,677 —to provide an increase in State support.</p> <p>University of Pittsburgh \$ 2,972 —to provide an increase in State support.</p>	<p>Temple University \$ 2,976 —to provide an increase in State support.</p> <p>Lincoln University \$ 207 —to provide an increase in State support.</p> <p>State-Aided Colleges and Universities \$ -6,620 —reduction in State support.</p> <p>KEYSTONE RECREATION, PARK AND CONSERVATION FUND: State System of Higher Education — Deferred Maintenance \$ -617 —to continue current program.</p>
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The Enhancing Information Technology to Better Serve Pennsylvania Program Revision provides \$7 million to the four planning projects related to professional development, technology resources, shared vision and action plans, and technology testbeds. See the Program Revision following the Executive Direction program in the Executive Offices for additional information.

In addition, within the two percent increase provided to The Pennsylvania State University, the Retaining and Creating Jobs Program Revision provides an additional \$1 million to the university to conduct agricultural research projects and improve agricultural extension services. See the Program Revision following the Business and Job Development program in the Department of Community and Economic Development for additional information.

Also, this budget recommends redirecting existing resources to the University of Pennsylvania's School of Veterinary Medicine in order to better recruit and retain Pennsylvania's students through a resident grant program and to provide the university with a greater capacity to meet the needs and priorities of the Commonwealth including agribusiness and the growing aquaculture industry.

All other appropriations are recommended at the current year funding level.

Education

Program: Higher Education (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
GENERAL FUND:							
Higher Education of the Blind or Deaf	\$ 52	\$ 52	\$ 52	\$ 52	\$ 52	\$ 52	\$ 52
Community Colleges	152,154	152,149	155,192	155,192	155,192	155,192	155,192
Higher Education for the Disadvantaged ..	7,827	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	0	7,000	7,000	7,000	0	0	0
Higher Education Equipment	2,500	2,550	2,550	2,550	2,550	2,550	2,550
Osteopathic Education	0	600	0	0	0	0	0
State System of Higher Education (SSHE)	398,587	398,487	406,457	406,457	406,457	406,457	406,457
The Pennsylvania State University	276,637	280,979	286,656	286,656	286,656	286,656	286,656
University of Pittsburgh	147,265	148,565	151,537	151,537	151,537	151,537	151,537
Temple University	147,168	148,768	151,744	151,744	151,744	151,744	151,744
Lincoln University	10,273	10,373	10,580	10,580	10,580	10,580	10,580
State-Aided Colleges and Universities	70,247	70,247	63,627	56,705	49,783	42,863	35,944
TOTAL GENERAL FUND	\$ 1,213,060	\$ 1,227,948	\$ 1,243,573	\$ 1,236,651	\$ 1,222,729	\$ 1,215,809	\$ 1,208,890
KEYSTONE RECREATION, PARK AND CONSERVATION FUND:							
State System of Higher Education –							
Deferred Maintenance	\$ 5,547	\$ 6,674	\$ 6,057	\$ 5,980	\$ 6,066	\$ 6,191	\$ 6,445
TOTAL KEYSTONE FUND	\$ 5,547	\$ 6,674	\$ 6,057	\$ 5,980	\$ 6,066	\$ 6,191	\$ 6,445



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. The Emergency Management Agency also administers post-disaster aid to affected localities and citizens.

GOVERNOR'S EXECUTIVE BUDGET

Emergency Management Agency

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1995-96	1996-97	1997-98
	ACTUAL	AVAILABLE	BUDGET
GENERAL FUND:			
<i>General Government:</i>			
General Government Operations	\$ 3,915	\$ 4,621	\$ 4,734
(F)Civil Preparedness.....	2,095	2,885	3,095
(F)Flash Flood Project - Warning System.....	97	105	105
(F)Hazardous Materials Planning and Training.....	324	350	350
(F)Chemical Preparedness.....	0	100	100
(A)Nuclear Facility.....	84	85	80
Subtotal.....	\$ 6,515	\$ 8,146	\$ 8,464
State Fire Commissioner's Office	1,284	1,222	1,251
(F)Fire Prevention.....	0	200	200
(A)Fire Academy Fees.....	0	25	15
(A)Arson Fines.....	1	2	2
Subtotal.....	\$ 1,285	\$ 1,449	\$ 1,468
Subtotal - State Funds.....	\$ 5,199	\$ 5,843	\$ 5,985
Subtotal - Federal Funds.....	2,516	3,640	3,850
Subtotal - Augmentations.....	85	112	97
Total - General Government.....	\$ 7,800	\$ 9,595	\$ 9,932
<i>Grants and Subsidies:</i>			
January 1996 Blizzard and Flood Disaster Relief	\$ 3,932	\$ 0	\$ 0
(F)January 1996 Flood Disaster.....	60,000	36,000	5,000
(F)January 1996 Blizzard Disaster.....	30,000	10,500	0
(F)Hazard Mitigation Grants 1994 Winter Disaster.....	0	1,000	7,000
June 1996 Storm Disaster Relief	200	0	0
June 1996 Storm Disaster - Public Assistance	0	204 ^a	0
(F)June 1996 Storm Disaster.....	0	2,000	300
July 1996 Storm Disaster Relief	0	1,000	0
July 1996 Storm Disaster - Public Assistance	0	2,900 ^a	0
(F)July 1996 Storm Disaster.....	0	12,000	2,700
September 1996 Storm Disaster Relief	0	500	0
(F)September 1996 Storm Disaster.....	0	1,125	0
November 1996 Storm Disaster Relief	0	100	0
November 1996 Storm Disaster - Public Assistance	0	572 ^a	0
(F)November 1996 Storm Disaster.....	0	4,000	600
Firefighters' Memorial Flag	10	10	10
Civil Air Patrol	100	100	0
Subtotal - State Funds.....	\$ 4,242	\$ 5,386	\$ 10
Subtotal - Federal Funds.....	90,000	66,625	15,600
Total - Grants and Subsidies.....	\$ 94,242	\$ 72,011	\$ 15,610
STATE FUNDS.....	\$ 9,441	\$ 11,229	\$ 5,995
FEDERAL FUNDS.....	92,516	70,265	19,450
AUGMENTATIONS.....	85	112	97
GENERAL FUND TOTAL	\$ 102,042	\$ 81,606	\$ 25,542
OTHER FUNDS:			
GENERAL FUND:			
Emergency Management and Disaster Assistance.....	\$ 3,068	\$ 3,000	\$ 3,000
Radiological Emergency Response Planning.....	543	543	500

Emergency Management Agency

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1995-96	1996-97	1997-98
	ACTUAL	AVAILABLE	BUDGET
Radiation Emergency Response Fund.....	475	567	500
Radiation Transportation Emergency Response Fund.....	7	7	100
GENERAL FUND TOTAL.....	\$ 4,093	\$ 4,117	\$ 4,100
DISASTER RELIEF FUND:			
January 1996 Disaster Bond Proceeds - Mitigation.....	\$ 0	\$ 4,100	\$ 1,600
January 1996 Disaster Bond Proceeds- Public Assistance.....	0	15,700	4,800
DISASTER RELIEF FUND TOTAL.....	\$ 0	\$ 19,800	\$ 6,400
HAZARDOUS MATERIALS RESPONSE FUND:			
General Operations.....	\$ 64	\$ 144	\$ 167
Hazardous Materials Response Team.....	68	137	167
Grants to Counties.....	921	1,025	1,167
Public and Facilities Owners Education.....	66	146	167
HAZARDOUS MATERIALS RESPONSE FUND TOTAL.....	\$ 1,119	\$ 1,452	\$ 1,668
VOLUNTEER COMPANIES LOAN FUND:			
Volunteer Company Loans.....	\$ 15,004	\$ 18,000	\$ 16,000
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 9,441	\$ 11,229	\$ 5,995
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	92,516	70,265	19,450
AUGMENTATIONS.....	85	112	97
OTHER FUNDS.....	20,216	43,369	28,168
TOTAL ALL FUNDS.....	\$ 122,258	\$ 124,975	\$ 53,710

^a Pending emergency and disaster relief transfer.

Emergency Management Agency

Program Funding Summary

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
EMERGENCY MANAGEMENT							
GENERAL FUND.....	\$ 8,147	\$ 9,997	\$ 4,734	\$ 4,829	\$ 4,926	\$ 5,025	\$ 5,126
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	92,516	66,065	18,650	3,650	3,650	3,650	3,650
OTHER FUNDS.....	5,296	25,454	12,248	8,588	7,118	5,120	5,122
SUBCATEGORY TOTAL.....	\$ 105,959	\$ 101,516	\$ 35,632	\$ 17,067	\$ 15,694	\$ 13,795	\$ 13,898
FIRE PREVENTION AND SAFETY							
GENERAL FUND.....	\$ 1,294	\$ 1,232	\$ 1,261	\$ 1,286	\$ 1,312	\$ 1,338	\$ 1,365
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	4,200	800	200	200	200	200
OTHER FUNDS.....	15,005	18,027	16,017	14,017	13,517	13,017	13,017
SUBCATEGORY TOTAL.....	\$ 16,299	\$ 23,459	\$ 18,078	\$ 15,503	\$ 15,029	\$ 14,555	\$ 14,582
ALL PROGRAMS:							
GENERAL FUND.....	\$ 9,441	\$ 11,229	\$ 5,995	\$ 6,115	\$ 6,238	\$ 6,363	\$ 6,491
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	92,516	70,265	19,450	3,850	3,850	3,850	3,850
OTHER FUNDS.....	20,301	43,481	28,265	22,605	20,635	18,137	18,139
DEPARTMENT TOTAL.....	\$ 122,258	\$ 124,975	\$ 53,710	\$ 32,570	\$ 30,723	\$ 28,350	\$ 28,480

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 multi-agency 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.

Act 1 of Special Session #2 of 1996 increased the amount of unused appropriated funds available for the Governor to transfer for disaster relief from \$5 million to \$10 million in any one year.

Expanded 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.

Activities required by the Environmental Protection Agency under the Federal Superfund Amendments and Reauthorization Act (SARA Title III) and the Federal Clean Air Act amendments include upgrading chemical emergency preparedness facility plans. Responsibilities for preparedness involve state and county governments and chemical manufacturers. Agency activities also required by SARA Title III are planning and training activities for compliance with the Hazardous Materials Transportation Uniform Safety Act.

Another area included in this program is that of readiness training at the county and local level as measured through a comprehensive exercise program. 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:	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
Emergency plans development	794	733	693	653	613	573	533
Emergency management training recipients	2,199	5,800	5,800	5,800	5,800	5,800	5,800
Emergency management grants	263	263	263	263	226	226	226
Emergency exercise participants	13,899	210,000	210,000	210,000	210,000	210,000	210,000
Responses to Statewide emergency incidents	2,794	3,000	3,150	3,300	3,450	3,600	3,750
Federal disaster funds disbursed (in thousands)	\$50,653	\$64,000	\$15,000	\$5,000	\$5,000	\$5,000	\$5,000

The decrease in the number of emergency plans developed from last year's budget is due to the transfer of chemical offsite safety plan review to local emergency planning commissions.

The significant decrease in the number of emergency management training recipients and participants in 1995-96 is due to the cancellation of training courses and exercises due to participation by all levels of government officials in actual disaster operations since January 1996. Routine training levels are projected to resume in 1996-97.

The decrease in the number of emergency management grants in the last three planning years is due to the expiration of one grant program in 1999-2000.

Federal disaster funds disbursed are significantly higher than estimated in the last year's budget due to the number of major natural disasters that have occurred since January 1996.

Emergency Management Agency

Program: Emergency Management (continued)

Program Recommendations:

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

	General Government Operations	
\$ -133	—nonrecurring projects.	
21	—damage assessment training.	
80	—urban search and rescue team training.	
145	—to continue current program.	
<u>\$ 113</u>	<i>Appropriation Increase</i>	

All other General Fund appropriations are nonrecurring projects.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
GENERAL FUND:							
General Government Operations	\$ 3,915	\$ 4,621	\$ 4,734	\$ 4,829	\$ 4,926	\$ 5,025	\$ 5,126
January 1996 Blizzard and Flood							
Disaster Relief	3,932	0	0	0	0	0	0
June 1996 Storm Disaster Relief	200	0	0	0	0	0	0
June 1996 Storm Disaster —							
Public Assistance	0	204	0	0	0	0	0
July 1996 Storm Disaster Relief	0	1,000	0	0	0	0	0
July 1996 Storm Disaster —							
Public Assistance	0	2,900	0	0	0	0	0
September 1996 Storm Disaster Relief	0	500	0	0	0	0	0
November 1996 Storm Disaster Relief	0	100	0	0	0	0	0
November 1996 Storm Disaster —							
Public Assistance	0	572	0	0	0	0	0
Civil Air Patrol	100	100	0	0	0	0	0
TOTAL GENERAL FUND	\$ 8,147	\$ 9,997	\$ 4,734	\$ 4,829	\$ 4,926	\$ 5,025	\$ 5,126

Emergency Management Agency

PROGRAM OBJECTIVE: *To minimize the loss of life and property due to fire by developing and maintaining Statewide municipal fire and emergency service capability.*

Program: Fire Prevention and Safety

This program provides operating funds for the Fire Commissioner to coordinate and organize State-level fire safety functions; 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 a voter referendum expanded this program by \$25 million and in 1992 the Legislature 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:	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
Local fire training graduates	66,209	67,000	68,000	69,000	70,000	70,000	70,000
Fire school resident graduates	2,888	3,000	3,000	3,000	3,000	3,000	3,000
Volunteer loans granted (in thousands)	\$13,952	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000

The increase in the number of fire school graduates compared to last year's budget is the result of increased availability of the fire academy on weekends, beginning in 1995-96, to local fire departments to use for their individualized training needs.

Program Recommendations:

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

\$ 29 State Fire Commissioner's Office
—to continue current program.

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)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
GENERAL FUND:							
State Fire Commissioner's Office	\$ 1,284	\$ 1,222	\$ 1,251	\$ 1,276	\$ 1,302	\$ 1,328	\$ 1,355
Firefighters Memorial Flag	10	10	10	10	10	10	10
TOTAL GENERAL FUND	\$ 1,294	\$ 1,232	\$ 1,261	\$ 1,286	\$ 1,312	\$ 1,338	\$ 1,365



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

PROGRAM REVISION

Budgeted Amounts Include the Following Program Revision:

Title	Appropriation	1997-98 State Funds (In thousands)
Enhancing Information Technology to Better Serve Pennsylvania		
	General Government Operations	\$ 300
<p>This Program Revision provides resources to contract for services to convert agency computer system applications to accommodate the year 2000. This is part of the \$74.1 million Enhancing Information Technology to Better Serve Pennsylvania Program Revision. Please see the Program Revision following the Executive Direction Program in the Executive Offices for additional information on this Program Revision.</p>		
	Department Total	\$ 300

Environmental Protection

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1995-96	1996-97	1997-98
	ACTUAL	AVAILABLE	BUDGET
GENERAL FUND:			
General Government:			
General Government Operations.....	\$ 19,820	\$ 18,239	\$ 19,697
(F)Surface Mine Conservation.....	330	720	451
(F)Surface Mine Control and Reclamation.....	756	1,100	922
(A)Reimbursement - Laboratory Services.....	2,499	2,888	2,888
(A)Reimbursement - EDP Services.....	4,449	4,407	4,407
(A)Department Services.....	59	125	125
(A)Clean Air Fund.....	50	50	50
(A)Clean Water Fund.....	57	57	57
(A)Solid Waste Abatement Fund.....	115	115	115
Subtotal.....	\$ 28,135	\$ 27,701	\$ 28,712
Environmental Hearing Board.....	1,260	1,454 ^a	1,416
(A)Reimbursement for Services.....	9	20	20
Subtotal.....	\$ 1,269	\$ 1,474	\$ 1,436
Environmental Program Management.....	30,999	30,403	31,139
(F)Coastal Zone Management.....	1,346	2,100	1,532
(F)Construction Management - Administration.....	121	273	250
(F)Safe Drinking Water Act - Management.....	1,854	2,500	2,500
(F)Water Pollution Control Grants - Management.....	1,406	1,700	1,700
(F)Air Pollution Control Grants - Management.....	2,764	2,700	2,800
(F)Surface Mine Conservation.....	2,241	4,013	4,084
(F)Bond Forfeiture.....	55	0	0
(F)Delaware Estuary Management Conference.....	106	40	12
(F)Hydroelectric Power Conservation Fund.....	31	51	51
(F)Wetland Protection Fund.....	295	300	200
(F)Training and Education of Underground Coal Miners.....	532	720	550
(F)Office of Surface Mining - Deep Mine Safety.....	125	0	0
(F)Radiation Regulation and Monitoring.....	111	130	130
(F)Diagnostic X-Ray Equipment Testing.....	245	330	330
(F)Water Quality Outreach Training.....	78	104	100
(F)Water Quality Management Planning Grants.....	733	1,101	1,000
(F)Small Operators Assistance.....	1,401	2,000	2,000
(F)Clean Lakes Program.....	142	75	0
(F)Non-Point Source Pollution.....	139	0	0
(F)Wellhead Protection Fund.....	40	200	110
(F)Indoor Radon Abatement.....	411	550	550
(F)Non-Point Source Implementation.....	4,105	6,500	6,500
(F)Pollution Prevention.....	177	200	200
(F)Alternative Fuels.....	0	3,600	175
(F)OSM Title V Mine Reclamation.....	186	0	0
(F)State Energy Conservation Plan.....	64	750	0
(F)Institutional Conservation.....	130	0	0
(F)National Energy Awards.....	189	0	0
(F)Heavy Duty Vehicle Program.....	90	150	190
(F)National Industrial Competitiveness.....	0	450	425
(F)Climate Wise.....	10	0	0
(F)State Energy Program (SEP).....	0	1,500	3,700
(F)Limestone Demonstration.....	0	30 ^b	0
(F)Environmental Leadership.....	0	0	100
(F)Performance Partnership.....	0	0	100
(F)Bond Forfeiture Reclamation.....	0	55	0
(F)Central Asbestos Notification System.....	0	50	50
(F)Emergency Disaster Relief.....	25	80	120
(F)Abandoned Mine Reclamation.....	30,694	39,921	39,203
(R)Sewage Facilities Program Administration.....	0	300	1,135

Environmental Protection

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	1995-96 ACTUAL	1996-97 AVAILABLE	1997-98 BUDGET
(A)Payments - Department Services.....	109	100	100
(A)Vehicle Sales.....	20	20	20
(A)Clean Air Fund.....	631	890	995
(A)Clean Water Fund.....	402	457	85
(A)Reimbursement from Water Pollution Control Revolving Fund.....	299	299	320
(A)Safe Drinking Water Account.....	34	2	100
(A)Solid Waste Abatement.....	563	958	535
(A)Reimbursement - Well Plugging.....	52	67	0
(A)Reimbursement - PENNVEST.....	129	129	138
(A)Millmont Sewage Demonstration Project.....	9	36	0
Subtotal.....	\$ 83,093	\$ 105,834	\$ 103,229
Chesapeake Bay Agricultural Source Abatement.....	2,970	3,072	3,121
(F)Chesapeake Bay Pollution Abatement.....	3,502	4,434	4,814
Subtotal.....	\$ 6,472	\$ 7,506	\$ 7,935
Office of Pollution Prevention and Compliance Assistance.....	0	368	773
Environmental Protection Operations.....	59,500	58,476	64,093
(F)EPA Planning Grant - Administration.....	5,807	6,400	6,400
(F)Water Pollution Control Grants.....	2,194	2,351	2,500
(F)Air Pollution Control Grants.....	1,972	3,200	2,800
(F)Surface Mine Control and Reclamation.....	6,471	6,940	7,336
(F)Construction Management Assistance Grants.....	314	410	410
(F)Safe Water Drinking Act.....	1,166	1,615	1,650
(F)Stormwater Permitting Initiative.....	906	3,000	2,000
(F)Oil Pollution Spills Removal.....	26	1,000	1,000
(F)January 1996 Storm Disaster - Disaster Assistance (F).....	0	102 ^c	0
(F)July 1996 Storm Disaster - Disaster Assistance (F).....	0	81 ^d	0
(A)Clean Air Fund.....	2,415	2,843	2,300
(A)Clean Water Fund.....	1,923	1,461	190
(A)Vehicle Sale.....	82	40	40
(A)Reimbursement from Water Pollution Control Revolving Fund.....	781	669	715
(A)Safe Drinking Water Account.....	282	5	240
(A)Solid Waste Abatement.....	2,146	3,063	1,250
(A)Reimbursement - Well Plugging.....	387	215	0
(A)Reimbursement - PENNVEST.....	387	269	288
(A)Reimbursement - Department Services.....	50	50	50
(A)PADOT ISTEA Program.....	172	202	216
Subtotal.....	\$ 86,981	\$ 92,392	\$ 93,478
Black Fly Control and Research.....	2,708	2,746	2,796
(A)County Contributions.....	0	650	1,200
Subtotal.....	\$ 2,708	\$ 3,396	\$ 3,996
Abandoned Surface Mine Reclamation.....	1,974	0	0
Subtotal - State Funds.....	\$ 119,231	\$ 114,758	\$ 123,035
Subtotal - Federal Funds.....	73,290	103,526	98,945
Subtotal - Augmentations.....	18,111	20,087	16,444
Subtotal - Restricted Revenues.....	0	300	1,135
Total - General Government.....	\$ 210,632	\$ 238,671	\$ 239,559
Grants and Subsidies:			
Low Level Radioactive Waste Control.....	\$ 1,546	\$ 1,258	\$ 575
Flood Control Projects.....	300	0	241
Storm Water Management.....	547	595	595
Sewage Facilities Planning Grants.....	2,000	1,500	1,500

Environmental Protection

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1995-96	1996-97	1997-98
	ACTUAL	AVAILABLE	BUDGET
Sewage Facilities Enforcement Grants.....	2,500	2,500	4,000
Sewage Treatment Plant Operation Grants.....	38,400	40,055	30,000
Delaware River Master.....	81	81	84
Ohio River Basin Commission.....	11	12	13
Susquehanna River Basin Commission.....	360	380	600
Flood Forecast Maps (6/97).....	120	0	0
Interstate Commission on the Potomac River.....	35	37	37
Delaware River Basin Commission.....	978	978	978
Ohio River Valley Water Sanitation Commission.....	139	144	150
Chesapeake Bay Commission.....	265	265	265
Local Soil and Water District Assistance.....	2,225	2,750	2,750
(A)Local Soil & Water Dist Assistance.....	225	0	0
Interstate Mining Commission.....	17	20	20
Appalachian States Waste Compact.....	96	96	96
Cresson Correctional Institution Utilities.....	0	214	0
Slippery Rock Utilities.....	0	200	0
Small Water System Regionalization.....	106	500	500
Subtotal - State Funds.....	\$ 49,726	\$ 51,585	\$ 42,404
Subtotal - Augmentations.....	225	0	0
Total - Grants and Subsidies.....	\$ 49,951	\$ 51,585	\$ 42,404
STATE FUNDS.....	\$ 168,957	\$ 166,343	\$ 165,439
FEDERAL FUNDS.....	73,290	103,526	98,945
AUGMENTATIONS.....	18,336	20,087	16,444
RESTRICTED REVENUES.....	0	300	1,135
GENERAL FUND TOTAL.....	\$ 260,583	\$ 290,256	\$ 281,963
 OTHER FUNDS:			
GENERAL FUND:			
Safe Drinking Water Account.....	\$ 1,247	\$ 2,181	\$ 840
Radiation Protection Fund.....	3,535	3,751	4,340
Clean Water Fund.....	6,137	7,097	1,000
Solid Waste Abatement Fund.....	4,730	7,488	3,000
Well Plugging Account.....	854	689	266
Abandoned Well Plugging.....	134	104	100
Orphan Well Plugging.....	278	613	189
Alternative Fuels Incentive Grants.....	93	7,180	4,700
Industrial Land Recycling.....	0	0	322
GENERAL FUND TOTAL.....	\$ 17,008	\$ 29,103	\$ 14,757
 ACID MINE DRAINAGE ABATEMENT AND TREATMENT FUND:			
General Operations (EA).....	\$ 62	\$ 3,122	\$ 6,404
 CLEAN AIR FUND:			
General Operations (EA).....	\$ 20,579	\$ 22,361	\$ 23,122
 COAL AND CLAY MINE SUBSISTANCE INSURANCE FUND:			
General Operations (EA).....	\$ 1,402	\$ 2,100	\$ 2,195
Claims and Refunds (EA).....	2,000	2,000	2,000
COAL AND CLAY MINE SUBSISTANCE INSURANCE FUND TOTAL.....	\$ 3,402	\$ 4,100	\$ 4,195

Environmental Protection

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1995-96 ACTUAL	1996-97 AVAILABLE	1997-98 BUDGET
ENERGY CONSERVATION AND ASSISTANCE FUND:			
Energy Conservation.....	\$ 39	\$ 2,200	\$ 1,700
ENVIRONMENTAL EDUCATION FUND:			
General Operations (EA).....	\$ 627	\$ 606	\$ 499
HAZARDOUS SITES CLEANUP FUND:			
General Operations (EA).....	\$ 14,838	\$ 16,122	\$ 16,129
Hazardous Sites Cleanup (EA).....	35,555	52,000	45,000
Recycling Grants (EA).....	0	500	0
Host Municipality Grants (EA).....	149	200	300
Non-Hazardous Material Cleanup - 1996 Flood (95-96).....	69	0	0
Transfer to Industrial Sites Cleanup Fund (EA).....	5,000	10,000	12,000
Federal Superfund Contributions.....	18	0	0
Transfer-Industrial Sites Environmental Assessment Fund(EA).....	2,000	2,000	2,000
Non-Hazardous Material Cleanup - July 1996 Storm Disaster.....	0	150	0
Small Business Pollution Prevention.....	0	0	1,000
HAZARDOUS SITES CLEANUP FUND TOTAL.....	\$ 57,629	\$ 80,972	\$ 76,429
LOW LEVEL WASTE FUND:			
General Operations (EA).....	\$ 1,392	\$ 1,388	\$ 2,071
NON-COAL SURFACE MINING CONSERVATION & RECLAMATION FUND:			
General Operations (EA).....	\$ 276	\$ 1,270	\$ 1,000
NUTRIENT MANAGEMENT FUND:			
Education, Research and Technical Assistance.....	\$ 370	\$ 1,000	\$ 850
RECYCLING FUND:			
Recycling Coordinator Reimbursement (EA).....	\$ 1,077	\$ 1,200	\$ 1,200
Reimbursement for Municipal Inspection (EA).....	172	300	250
Reimburse-Host Municipality Permit Applications Review (EA).....	14	50	50
Administration of Recycling Program (EA).....	312	2,040	2,119
County Planning Grants (EA).....	625	1,000	1,000
Municipal Recycling Grants (EA).....	16,578	19,000	21,500
Municipal Recycling Performance Program (EA).....	23,058	24,000	24,000
Public Education/Technical Assistance (EA).....	3,756	6,850	5,000
Waste Tire Reuse (EA).....	0	1,000	1,000
Small Business Pollution Prevention.....	0	0	1,000
Biosolids Monitoring and Education.....	0	0	2,000
Waste Truck Inspectors.....	0	0	500
RECYCLING FUND TOTAL.....	\$ 45,592	\$ 55,440	\$ 59,619
REGIONAL FACILITY SITING FUND:			
General Operations (EA).....	\$ 4,851	\$ 3,020	\$ 48
REMINING ENVIRONMENTAL ENHANCEMENT FUND:			
Remining and Reclamation Incentives (EA).....	\$ 0	\$ 1,000	\$ 1,000
REMINING FINANCIAL ASSURANCE FUND:			
Remining Financial Assurance (EA).....	\$ 0	\$ 3,745	\$ 0
STORAGE TANK FUND:			
General Operations (EA).....	\$ 5,800	\$ 5,850	\$ 6,818

Environmental Protection

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1995-96	1996-97	1997-98
	ACTUAL	AVAILABLE	BUDGET
Federal Grant - UST(F).....	219	210	225
Federal Grant - LUST(F).....	2,051	3,200	3,200
Transfer to Storage Tank Loan Program.....	0 ^e	0 ^e	0 ^e
STORAGE TANK FUND TOTAL.....	\$ 8,070	\$ 9,260	\$ 10,243
SURFACE MINING CONSERVATION & RECLAMATION FUND:			
General Operations (EA).....	\$ 1,417	\$ 1,923	\$ 1,830
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 168,957	\$ 166,343	\$ 165,439
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	73,290	103,526	98,945
AUGMENTATIONS.....	18,336	20,087	16,444
RESTRICTED.....	0	300	1,135
OTHER FUNDS.....	161,314	220,510	203,767
TOTAL ALL FUNDS.....	\$ 421,897	\$ 510,766	\$ 485,730

^a Includes recommended supplemental appropriation of \$161,000.

^b Recommended executive authorization of \$30,000.

^c Recommended executive authorization of \$102,000.

^d Recommended executive authorization of \$81,000.

^e Although authorized by legislation, no activity is anticipated during the year.

Environmental Protection

Program Funding Summary

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
ENVIRONMENTAL SUPPORT SERVICES							
GENERAL FUND.....	\$ 21,080	\$ 19,693	\$ 21,113	\$ 21,103	\$ 21,519	\$ 21,713	\$ 22,146
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	1,086	1,820	1,373	1,355	1,355	1,355	1,355
OTHER FUNDS.....	7,238	7,662	7,662	7,815	7,971	8,130	8,292
SUBCATEGORY TOTAL.....	\$ 29,404	\$ 29,175	\$ 30,148	\$ 30,273	\$ 30,845	\$ 31,198	\$ 31,793
ENVIRONMENTAL PROTECTION AND MANAGEMENT							
GENERAL FUND.....	\$ 147,877	\$ 146,650	\$ 144,326	\$ 135,511	\$ 127,568	\$ 119,667	\$ 121,806
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	72,204	101,706	97,572	97,247	97,247	97,247	97,247
OTHER FUNDS.....	172,412	233,235	213,684	184,936	180,940	152,214	155,112
SUBCATEGORY TOTAL.....	\$ 392,493	\$ 481,591	\$ 455,582	\$ 417,694	\$ 405,755	\$ 369,128	\$ 374,165
ALL PROGRAMS:							
GENERAL FUND.....	\$ 168,957	\$ 166,343	\$ 165,439	\$ 156,614	\$ 149,087	\$ 141,380	\$ 143,952
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	73,290	103,526	98,945	98,602	98,602	98,602	98,602
OTHER FUNDS.....	179,650	240,897	221,346	192,751	188,911	160,344	163,404
DEPARTMENT TOTAL.....	\$ 421,897	\$ 510,766	\$ 485,730	\$ 447,967	\$ 436,600	\$ 400,326	\$ 405,958

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:	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
Technical Support Services							
Inorganic analyses	770,895	800,000	800,000	800,000	800,000	800,000	800,000
Organic samples	5,886	5,800	5,800	5,800	5,800	5,800	5,800
Bacteriological analyses	24,481	25,000	25,000	25,000	25,000	25,000	25,000
Radiological samples	2,099	1,700	2,700	2,700	2,700	2,700	2,600

The program measure for inorganic analyses reflects a lower number in 1995-96 than estimated in last year's budget due to the blizzard and subsequent flooding in January 1996 which resulted in less samples being taken.

Program Recommendations:

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

<p>\$ 1,306</p> <p>100</p> <p>330</p> <p>-301</p> <p>36</p>	<p>General Government Operations</p> <p>—to continue current program.</p> <p>—Initiative — 21st Century Environmental Commission. To establish a 21st Century Environmental Commission to assist in the setting of environmental priorities, and to identify environmental problems and recommend solutions.</p> <p>—Initiative — Technology for the 21st Century. To provide progressive and efficient environmental protection services through the use of technology enhancements.</p> <p>—Initiative — Consolidation of Laboratory Services. Savings from consolidating laboratory activities to the Harrisburg Laboratory.</p> <p>—Initiative — Improving Education and Training. To provide education and training in scientific and technical areas to ensure assistance and compliance with environmental laws and regulations.</p>	<p>300</p> <p>—PRR — Enhancing Information Technology to Better Serve Pennsylvania. This Program Revision provides resources to contract for services to convert agency computer system applications to accommodate the year 2000. See the Program Revision following the Executive Direction program in the Executive Offices for additional information.</p> <p>—313 —Initiative — Streamlining Program Operations. Savings from streamlining and improving administrative operations.</p> <p>\$ 1,458</p> <p><i>Appropriation Increase</i></p> <p>Environmental Hearing Board</p> <p>—to continue current program.</p> <p>\$ -38</p>
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Appropriations within this Program:

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
GENERAL FUND:							
General Government Operations	\$ 19,820	\$ 18,239	\$ 19,697	\$ 19,659	\$ 20,046	\$ 20,211	\$ 20,614
Environmental Hearing Board	1,260	1,454	1,416	1,444	1,473	1,502	1,532
TOTAL GENERAL FUND	\$ 21,080	\$ 19,693	\$ 21,113	\$ 21,103	\$ 21,519	\$ 21,713	\$ 22,146

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 8,450 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

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.

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: Pollution Preventing and Compliance Assistance

The Office of Pollution Prevention and Compliance Assistance was established in 1996 to encourage firms, other State agencies, and local governments to integrate environmental management practices and pollution prevention/energy efficiency strategies into their management decisions for the purpose of reducing costs and environmental impacts. Combining energy efficiency with pollution prevention programs is a key element in enhancing Pennsylvania's new approach to "go beyond compliance" with environmental regulations and focus more on pollution abatement and energy conservation.

This element also cultivates the use of green technologies in the Commonwealth and to market these Pennsylvania technologies nationwide and abroad. Pennsylvania's environmental industry generates approximately \$7 billion in annual sales, making it a leader in the United States' estimated \$134 billion environmental industry.

Act 122 of 1986 established the Energy Conservation and Assistance Fund (ECAAF) as a repository for all oil overcharge settlements. The act, as amended in 1987, provides a framework for determining allowable expenditures from the fund in accordance with the requirements of the terms and conditions of oil overcharge settlement agreements.

The Pennsylvania Supplemental Low-Income Energy Assistance Program offers energy assistance to low-income Pennsylvanians. The act states that at least 75 percent of the total appropriations are to be spent for this type of supplemental program. The remaining 25 percent of the funds is used to supplement the Federal energy programs and other energy conservation and development projects.

Act 166 of 1992 provided for an alternative fuels grant program to be funded by a portion of the Utilities Gross Receipts Tax. The grants to school districts, municipal authorities, political subdivisions and other nonprofit entities are to fund a portion of the expenses incurred to retrofit vehicles to operate using alternative fuels or the additional costs incurred in purchasing vehicles manufactured specifically to operate on fuels other than gasoline. In addition, grants are to partially fund the cost to install equipment necessary to refuel the modified vehicles.

Program Measures:	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
Air Pollution Control							
Air emission operating permits in effect	7,000	6,000	5,000	4,000	4,000	4,000	4,000
Air emission inspections performed	14,000	14,000	14,000	14,000	14,000	14,000	14,000
Water Quality Management							
Sewage and industrial waste discharge inspections	5,095	5,000	5,000	5,000	5,000	5,000	5,000
Permits issued for water pollution control facilities	1,466	1,300	1,200	1,200	1,200	1,200	1,200
Enforcement actions	140	150	150	150	150	150	150

The decrease in the number of all emission operating permits in effect compared to last year's budget is due to the issuance of permits which provide company-wide coverage. The previous permits were issued for individual units within a company.

The decrease from last year's budget in the number of enforcement actions reflects the department's outreach efforts to educate the public in regulation compliance requirements, resulting in less enforcement actions.

Environmental Protection

Program: Environmental Protection and Management (continued)

Program Measures: (continued)	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
Water Supply and Community Health							
Residents of areas in Black Fly Suppression Program	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000
Inspections of public drinking water supplies	930	1,850	1,850	1,850	1,850	1,850	1,850
The number of residents in spraying areas has decreased from last year's budget as infestations declined and less spraying is required.							
Municipal and Residual Waste							
Municipal and residual waste facilities permitted	569	500	500	500	500	500	500
Percent of municipal waste disposal by methods other than landfills	44%	47%	50%	51%	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	17	17	17	17	17	17	17
Hazardous waste inspections performed	1,250	1,250	1,250	1,250	1,250	1,250	1,250
Hazardous waste sites permitted and licensed under Act 108	145	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	1,669	1,660	1,640	1,620	1,600	1,600	1,600
Non-coal	324	350	350	350	350	350	350
Inspections:							
Complete coal inspections	10,100	10,000	9,900	9,800	9,800	9,800	9,800
Partial coal inspections	16,870	16,800	16,700	16,600	16,600	16,600	16,600
Non-coal inspections	4,497	4,500	4,500	4,500	4,500	4,500	4,500
Oil and gas field inspections	8,971	9,100	9,000	9,000	9,000	9,000	9,000
Mining compliance orders issued	1,095	1,000	1,000	1,000	1,000	1,000	1,000
Mine substance insurance policies in effect	42,083	43,000	43,500	48,000	52,000	56,000	56,000
Employees trained in mine safety	8,677	7,500	7,500	7,500	7,500	7,500	7,500
Abandoned mine sites designated as potential safety problems	1,516	1,475	1,435	1,395	1,355	1,315	1,275
The program measure for coal and non-coal mine permit actions are demand driven and may vary from year to year.							
The program measures showing coal inspections have been decreased from last year's budget due to a reduction in the number of mine sites required to be inspected.							
Radiation Protection							
Radiation user inspections performed	2,600	2,400	2,400	2,400	2,400	2,400	2,400
Users brought into compliance through inspections	300	400	400	400	400	400	400
Nuclear plant off-site samples	3,500	3,300	3,300	3,300	3,300	3,300	3,300
Cubic feet of low-level radioactive waste generated in Pennsylvania	35,000	50,000	50,000	50,000	50,000	50,000	50,000
Management of Dams, Waterways and Wetlands							
Stormwater construction permits issued	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Dam inspections	1,102	1,268	1,268	1,268	1,268	1,268	1,268
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.							

Environmental Protection

Program: Environmental Protection and Management (continued)

Program Measures: (continued)	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
Pollution Prevention and Compliance Assistance							
Alternative Fuels Incentive Grant							
Program:							
Refueling stations	38	10	10	10	10	10	10
Vehicle conversions/new alternative fuel vehicles	500	210	200	200	200	200	200
Companies introduced to pollution prevention and energy efficiency strategies	0	50	100	125	140	150	175
Businesses and local governments provided with new informational tools for use in reducing the source of pollution	0	75	125	350	450	750	750

The program measure showing vehicle conversion/new alternative fuel vehicles has increased from last year's budget to reflect most recent estimates of program implementation.

Two measures have been added this year to reflect the emphasis on education and compliance.

Program Recommendations:	This budget recommends the following changes: (Dollar Amounts in Thousands)
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Environmental Protection

Program: Environmental Protection and Management (continued)

Program Recommendations: (continued)

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

\$	1,500	Sewage Facilities Enforcement Grants —to provide for legislatively approved increased reimbursement rate for qualified local agencies.	\$	220	Susquehanna River Basin Commission —to provide funding for Pennsylvania's portion of the drainage area of the Susquehanna basin.
\$	-10,055	Sewage Treatment Plant Operations Grants —this budget recommends the elimination of this program within three years.	\$	6	Ohio River Valley Sanitation Commission —to continue current level of participation.
\$	3	Delaware River Master —to continue current level of participation.	\$	-214	Cresson Correctional Institution Utilities —nonrecurring contribution.
\$	1	Ohio River Basin Commission —to continue current level of participation.	\$	-200	Slippery Rock Utilities —nonrecurring contribution.

This budget also recommends:

- \$1 million in funding from both the Recycling Fund and the Hazardous Sites Cleanup Fund to establish a small business and household pollution prevention program to educate and provide assistance in pollution prevention and the proper management of solid and hazardous wastes.
- \$2 million in funding from the Recycling Fund to develop a monitoring and education program for the land application of biosolids and a planning, education and control program to address nonpoint sources of water pollution.
- \$12,000 in federal funds and \$6,000 from the Radiation Protection Fund to support education and training efforts.
- \$68,000 from Special Funds for improving education and training.
- Savings of \$952,000 in federal funds through streamlining and improving program operations.
- \$500,000 from the Recycling Fund to provide reimbursement for local waste truck inspectors to conduct inspections of trucks entering landfills or other resource recovery centers for environmental and safety requirements.

All other appropriations are recommended at the current year funding level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
GENERAL FUND:							
Environmental Program Management	\$ 30,999	\$ 30,403	\$ 31,139	\$ 31,461	\$ 32,090	\$ 32,732	\$ 33,386
Office of Pollution Protection and Compliance Assistance	0	368	773	788	804	820	836
Environmental Protection Operations	59,500	58,476	64,093	64,823	66,114	67,432	68,776
Chesapeake Bay Agricultural Source Abatement	2,970	3,072	3,121	3,183	3,247	3,312	3,378
Black Fly Control and Research	2,708	2,746	2,796	2,852	2,909	2,967	3,026
Abandoned Surface Mine Reclamation	1,974	0	0	0	0	0	0
Low-Level Radioactive Waste Control	1,546	1,258	575	575	575	575	575
Flood Control Projects	300	0	241	241	241	241	241
Storm Water Management	547	595	595	595	595	595	595
Sewage Facilities Planning Grants	2,000	1,500	1,500	1,500	1,500	1,500	1,500
Sewage Facilities Enforcement Grants	2,500	2,500	4,000	4,000	4,000	4,000	4,000
Sewage Treatment Plant Operations Grants	38,400	40,055	30,000	20,000	10,000	0	0
Delaware River Master	81	81	84	84	84	84	84
Ohio River Basin Commission	11	12	13	13	13	13	13
Susquehanna River Basin Commission	360	380	600	600	600	600	600
Flood Forecast Maps (06/97)	120	0	0	0	0	0	0
Interstate Commission on the Potomac River	35	37	37	37	37	37	37
Delaware River Basin Commission	978	978	978	978	978	978	978

Environmental Protection

Program: Environmental Protection and Management (continued)

Appropriations within this Program: (continued)

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
GENERAL FUND: (continued)							
Ohio River Valley Water Sanitation							
Commission	\$ 139	\$ 144	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150
Chesapeake Bay Commission	265	265	265	265	265	265	265
Local Soil and Water District Assistance ...	2,225	2,750	2,750	2,750	2,750	2,750	2,750
Interstate Mining Commission	17	20	20	20	20	20	20
Appalachian States Waste Compact	96	96	96	96	96	96	96
Cresson Correctional Institution Utilities ...	0	214	0	0	0	0	0
Slippery Rock Utilities	0	200	0	0	0	0	0
Small Water System Regionalization	106	500	500	500	500	500	500
TOTAL GENERAL FUND	\$ 147,877	\$ 146,650	\$ 144,326	\$ 135,511	\$ 127,568	\$ 119,667	\$ 121,806



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

	(Dollar Amounts in Thousands)		
	1995-96	1996-97	1997-98
	ACTUAL	AVAILABLE	BUDGET
GENERAL FUND:			
<i>Grants and Subsidies:</i>			
Atlantic States Marine Fisheries Commission.....	\$ 9	\$ 9	\$ 9
GENERAL FUND TOTAL	\$ 9	\$ 9	\$ 9
BOAT FUND:			
<i>General Government:</i>			
General Operations (EA).....	\$ 6,994	\$ 7,467	\$ 8,277
(F)US Coast Guard Grant - Boating Safety.....	709	1,035	200
(F)Sport Fish Restoration.....	384	820	517
(F)Clean Vessels.....	99	97	75
(A)Sale of Vehicles.....	16	15	15
Subtotal - State Funds.....	\$ 6,994	\$ 7,467	\$ 8,277
Subtotal - Federal Funds.....	1,192	1,952	792
Subtotal - Augmentations.....	16	15	15
Total - General Government.....	\$ 8,202	\$ 9,434	\$ 9,084
STATE FUNDS.....	\$ 6,994	\$ 7,467	\$ 8,277
FEDERAL FUNDS.....	1,192	1,952	792
AUGMENTATIONS.....	16	15	15
BOAT FUND TOTAL	\$ 8,202	\$ 9,434	\$ 9,084
FISH FUND:			
<i>General Government:</i>			
General Operations (EA).....	\$ 21,079	\$ 20,689	\$ 22,242
(F)Sport Fish Restoration.....	5,034	5,012	4,751
(F)Clean Vessels.....	0	10	5
(F)Mid-Atlantic Management Council.....	5	8	10
(F)Endangered Species.....	6	12	0
(F)Surface Mine Regulation.....	76	40	40
(F)NOAA.....	103	351	218
(A)Sale of Vehicles.....	59	35	50
(A)Reimbursement for Services - Boat Fund.....	0 ^a	0 ^a	0 ^a
(A)Reimbursement - DEP/EPA Projects.....	0	142	0
(A)Reimbursement for Services - PennDOT.....	66	50	54
(A)Reimbursement - Wild Resource Conservation Fund.....	0	50	15
(A)Reimbursement - Shad Restoration.....	8	286	325
(A)Reimbursement - Texas Eastern.....	0	4	4
Subtotal - State Funds.....	\$ 21,079	\$ 20,689	\$ 22,242
Subtotal - Federal Funds.....	5,224	5,433	5,024
Subtotal - Augmentations.....	133	567	448
Total - General Government.....	\$ 26,436	\$ 26,689	\$ 27,714
STATE FUNDS.....	\$ 21,079	\$ 20,689	\$ 22,242
FEDERAL FUNDS.....	5,224	5,433	5,024
AUGMENTATIONS.....	133	567	448
FISH FUND TOTAL	\$ 26,436	\$ 26,689	\$ 27,714

Fish and Boat Commission

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1995-96	1996-97	1997-98
	ACTUAL	AVAILABLE	BUDGET
<u>KEYSTONE RECREATION, PARK AND CONSERVATION FUND:</u>			
<i>General Government:</i>			
Fishing and Boating Access Areas.....	\$ 373	\$ 1,010	\$ 0
KEYSTONE RECREATION, PARK AND CONSERVATION FUND TOTAL.....	<u>\$ 373</u>	<u>\$ 1,010</u>	<u>\$ 0</u>
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 9	\$ 9	\$ 9
SPECIAL FUNDS.....	28,446	29,166	30,519
FEDERAL FUNDS.....	6,416	7,385	5,816
AUGMENTATIONS.....	149	582	463
TOTAL ALL FUNDS.....	<u>\$ 35,020</u>	<u>\$ 37,142</u>	<u>\$ 36,807</u>

^a Not added to the total to avoid double counting: 1995-96 Actual is \$8,202,000, 1996-97 Available is \$9,434,000, and 1997-98 Budget is \$9,084,000.

Fish and Boat Commission

Program Funding Summary

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
RECREATIONAL FISHING AND BOATING							
GENERAL FUND.....	\$ 9	\$ 9	\$ 9	\$ 9	\$ 9	\$ 9	\$ 9
SPECIAL FUNDS.....	28,446	29,166	30,519	31,130	31,753	32,388	33,036
FEDERAL FUNDS.....	6,416	7,385	5,816	5,816	5,816	5,816	5,816
OTHER FUNDS.....	149	582	463	472	481	490	499
SUBCATEGORY TOTAL.....	\$ 35,020	\$ 37,142	\$ 36,807	\$ 37,427	\$ 38,059	\$ 38,703	\$ 39,360
ALL PROGRAMS:							
GENERAL FUND.....	\$ 9	\$ 9	\$ 9	\$ 9	\$ 9	\$ 9	\$ 9
SPECIAL FUNDS.....	28,446	29,166	30,519	31,130	31,753	32,388	33,036
FEDERAL FUNDS.....	6,416	7,385	5,816	5,816	5,816	5,816	5,816
OTHER FUNDS.....	149	582	463	472	481	490	499
DEPARTMENT TOTAL.....	\$ 35,020	\$ 37,142	\$ 36,807	\$ 37,427	\$ 38,059	\$ 38,703	\$ 39,360

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:	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
Fishing licenses sold	984,656	1,009,250	1,027,550	1,041,990	1,056,680	1,071,550	1,086,620
Pounds of fish stocked in Commonwealth streams and lakes	2,716,917	2,650,000	2,650,000	2,650,000	2,650,000	2,650,000	2,650,000
Boats registered	348,000	356,000	365,000	370,000	376,000	382,000	388,000

Program Recommendations:

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

<p>BOAT FUND General Operations \$ 810 —to continue current program.</p>	<p>FISH FUND General Operations \$ 1,553 —to continue current program.</p>
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The Atlantic States Marine Fisheries Commission appropriation is continued at the current level of participation.

Fishing and Boating Access Area development 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)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
GENERAL FUND:							
Atlantic States Marine Fisheries							
Commission	\$ 9	\$ 9	\$ 9	\$ 9	\$ 9	\$ 9	\$ 9
BOAT FUND:							
General Operations							
	\$ 6,994	\$ 7,467	\$ 8,277	\$ 8,443	\$ 8,612	\$ 8,784	\$ 8,960
FISH FUND:							
General Operations							
	\$ 21,079	\$ 20,689	\$ 22,242	\$ 22,687	\$ 23,141	\$ 23,604	\$ 24,076
KEYSTONE RECREATION, PARK AND CONSERVATION FUND:							
Fishing and Boating Access Areas							
	\$ 373	\$ 1,010	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0



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

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1995-96 ACTUAL	1996-97 AVAILABLE	1997-98 BUDGET
GAME FUND:			
<i>General Government:</i>			
General Operations	\$ 47,686	\$ 52,452	\$ 49,039
(F)Pittman-Robinson Act Reimbursements.....	7,296	7,500	7,500
(F)Endangered Species.....	21	10	10
(F)Surface Mine Regulatory Program.....	40	45	45
(F)1996 Flood Reimbursement.....	48	0	0
(A)Sale of Vehicles.....	394	300	300
(A)Pennsylvania Conservation Corps.....	81	80	80
(A)Donations.....	67	10	10
(A)Youth Shooting Sports.....	12	10	10
(A)Stream Bank Fencing.....	100	100	100
Subtotal.....	<u>\$ 55,745</u>	<u>\$ 60,507</u>	<u>\$ 57,094</u>
Land Acquisition and Development	1,534	500	500
(F)Pittman-Robinson Act Reimbursements.....	258	0	0
(F)Federal Land and Water Development Fund.....	169	91	0
Subtotal.....	<u>\$ 1,961</u>	<u>\$ 591</u>	<u>\$ 500</u>
Subtotal - State Funds.....	\$ 49,220	\$ 52,952	\$ 49,539
Subtotal - Federal Funds.....	7,832	7,646	7,555
Subtotal - Augmentations.....	654	500	500
Total - General Government.....	<u>\$ 57,706</u>	<u>\$ 61,098</u>	<u>\$ 57,594</u>
STATE FUNDS.....	\$ 49,220	\$ 52,952	\$ 49,539
FEDERAL FUNDS.....	7,832	7,646	7,555
AUGMENTATIONS.....	654	500	500
GAME FUND TOTAL	<u>\$ 57,706</u>	<u>\$ 61,098</u>	<u>\$ 57,594</u>
KEYSTONE RECREATION, PARK AND CONSERVATION FUND:			
<i>General Government:</i>			
Land Acquisition and Development - Bond Proceeds.....	\$ 1,311	\$ 169	\$ 0
KEYSTONE RECREATION, PARK AND CONSERVATION FUND TOTAL	<u>\$ 1,311</u>	<u>\$ 169</u>	<u>\$ 0</u>
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	50,531	53,121	49,539
FEDERAL FUNDS.....	7,832	7,646	7,555
AUGMENTATIONS.....	654	500	500
TOTAL ALL FUNDS	<u><u>\$ 59,017</u></u>	<u><u>\$ 61,267</u></u>	<u><u>\$ 57,594</u></u>

Game Commission

Program Funding Summary

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
WILDLIFE MANAGEMENT							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	50,531	53,121	49,539	50,020	47,859	41,791	41,791
FEDERAL FUNDS.....	7,832	7,646	7,555	7,555	7,555	7,555	7,555
OTHER FUNDS.....	654	500	500	500	500	500	500
SUBCATEGORY TOTAL.....	\$ 59,017	\$ 61,267	\$ 57,594	\$ 58,075	\$ 55,914	\$ 49,846	\$ 49,846
ALL PROGRAMS:							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	50,531	53,121	49,539	50,020	47,859	41,791	41,791
FEDERAL FUNDS.....	7,832	7,646	7,555	7,555	7,555	7,555	7,555
OTHER FUNDS.....	654	500	500	500	500	500	500
DEPARTMENT TOTAL.....	\$ 59,017	\$ 61,267	\$ 57,594	\$ 58,075	\$ 55,914	\$ 49,846	\$ 49,846

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:	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
Hunting licenses sold	1,087,804	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000
Deer taken	430,583	410,000	410,000	400,000	400,000	390,000	390,000
Arrests for violation of game laws	9,703	10,000	10,000	10,000	10,000	10,000	10,000

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

	General Operations
\$ -5,000	—nonrecurring projects.
1,587	—to continue current program.
<u>\$ -3,413</u>	<i>Executive Authorization Decrease</i>

Land Acquisition and Development funded by the Game Fund is recommended at the current year level.

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)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
GAME FUND:							
General Operations	\$ 47,686	\$ 52,452	\$ 49,039	\$ 50,020	\$ 47,859	\$ 41,791	\$ 41,791
Land Acquisition and Development	1,534	500	500	0	0	0	0
TOTAL GAME FUND	<u>\$ 49,220</u>	<u>\$ 52,952</u>	<u>\$ 49,539</u>	<u>\$ 50,020</u>	<u>\$ 47,859</u>	<u>\$ 41,791</u>	<u>\$ 41,791</u>
KEYSTONE RECREATION, PARK AND CONSERVATION FUND:							
Land Acquisition and Development	\$ 1,311	\$ 169	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
TOTAL GAME FUND	<u>\$ 1,311</u>	<u>\$ 169</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>



COMMONWEALTH OF PENNSYLVANIA

DEPARTMENT OF GENERAL SERVICES

The Department of General Services administers the leasing, purchasing, transportation, construction, repair and maintenance services for all agencies of the Commonwealth.

GOVERNOR'S EXECUTIVE BUDGET

General Services

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1995-96 ACTUAL	1996-97 AVAILABLE	1997-98 BUDGET
GENERAL FUND:			
<i>General Government:</i>			
General Government Operations.....	\$ 53,626	\$ 52,001	\$ 53,184
(F)January 1996 Floods - Public Assistance.....	0	2	0
(A)Employes Group Life Insurance.....	60	60	60
(F)January 1996 Blizzard - Public Assistance.....	0	42	0
(A)Federal Surplus Property.....	1,190	1,305	1,303
(A)State Buildings Use.....	1,801	1,718	1,837
(A)Sound Equipment.....	23	25	25
(A)Employe Liability Self Insurance Program.....	0	68	70
(A)Newsroom Services.....	12	12	12
(A)Computer Services.....	9	100	100
(A)Plans Forefeiture.....	57	57	57
(A)Media Center Reimbursements.....	804	1,000	1,200
(A)GSA Fiscal Function.....	0	42	0
(A)Recycling Program.....	400	400	400
(A)Services Provided Other Agencies.....	128	95	100
Subtotal.....	\$ 58,110	\$ 56,927	\$ 58,348
Capitol Police Operations.....	6,033	6,293	6,224
(A)Capitol Police Services.....	69	22	22
Harristown Rental Charges.....	6,556	6,581	6,581
Utility Costs.....	12,338	12,666	12,840
Harristown Utility and Municipal Charges.....	8,962	9,605	9,797
Printing the Pennsylvania Manual.....	0	185	0
Americans with Disabilities Act Facilities Improvements.....	3,000	0	0
Asbestos Response.....	450	450	450
Excess Insurance Coverage.....	1,649	1,865	1,802
Subtotal - State Funds.....	\$ 92,614	\$ 89,646	\$ 90,878
Subtotal - Federal Funds.....	0	44	0
Subtotal - Augmentations.....	4,553	4,904	5,186
Total - General Government.....	\$ 97,167	\$ 94,594	\$ 96,064
<i>Grants and Subsidies:</i>			
Capitol Fire Protection.....	\$ 631	\$ 694	\$ 750
STATE FUNDS.....	\$ 93,245	\$ 90,340	\$ 91,628
FEDERAL FUNDS.....	0	44	0
AUGMENTATIONS.....	4,553	4,904	5,186
GENERAL FUND TOTAL.....	\$ 97,798	\$ 95,288	\$ 96,814
BANKING DEPARTMENT FUND:			
<i>General Government:</i>			
Harristown Rental Charges.....	\$ 158	\$ 139	\$ 139
Harristown Utility And Municipal Charges.....	192	175	171
Total - General Government.....	\$ 350	\$ 314	\$ 310
BANKING DEPARTMENT FUND TOTAL.....	\$ 350	\$ 314	\$ 310

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1995-96	1996-97	1997-98
	ACTUAL	AVAILABLE	BUDGET
LOTTERY FUND:			
<i>General Government:</i>			
Harristown Rental Charges.....	\$ 82	\$ 81	\$ 77
Harristown Utility And Municipal Charges.....	122	139	128
Total - General Government.....	\$ 204	\$ 220	\$ 205
LOTTERY FUND TOTAL.....	\$ 204	\$ 220	\$ 205
MOTOR LICENSE FUND:			
<i>General Government:</i>			
Harristown Rental Charges.....	\$ 94	\$ 93	\$ 96
Harristown Utility and Municipal Charges.....	140	160	161
Total - General Government.....	\$ 234	\$ 253	\$ 257
<i>Grants and Subsidies:</i>			
Tort Claims Payments.....	\$ 27,000	\$ 27,000	\$ 27,000
MOTOR LICENSE FUND TOTAL.....	\$ 27,234	\$ 27,253	\$ 27,257
OTHER FUNDS:			
FED REVENUE SHARING TRUST FUND:			
Moving And Relocation Expenses.....	\$ 22	\$ 0	\$ 0
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 93,245	\$ 90,340	\$ 91,628
SPECIAL FUNDS.....	27,788	27,787	27,772
FEDERAL FUNDS.....	0	44	0
AUGMENTATIONS.....	4,553	4,904	5,186
OTHER FUNDS.....	22	0	0
TOTAL ALL FUNDS.....	\$ 125,608	\$ 123,075	\$ 124,586

Program Funding Summary

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
FACILITY, PROPERTY AND COMMODITY MANAGEMENT							
GENERAL FUND.....	\$ 93,245	\$ 90,340	\$ 91,628	\$ 93,499	\$ 95,034	\$ 96,974	\$ 98,579
SPECIAL FUNDS.....	27,788	27,787	27,772	27,781	27,790	27,800	27,810
FEDERAL FUNDS.....	0	44	0	0	0	0	0
OTHER FUNDS.....	4,575	4,904	5,186	5,289	5,393	5,499	5,607
SUBCATEGORY TOTAL.....	\$ 125,608	\$ 123,075	\$ 124,586	\$ 126,569	\$ 128,217	\$ 130,273	\$ 131,996
ALL PROGRAMS:							
GENERAL FUND.....	\$ 93,245	\$ 90,340	\$ 91,628	\$ 93,499	\$ 95,034	\$ 96,974	\$ 98,579
SPECIAL FUNDS.....	27,788	27,787	27,772	27,781	27,790	27,800	27,810
FEDERAL FUNDS.....	0	44	0	0	0	0	0
OTHER FUNDS.....	4,575	4,904	5,186	5,289	5,393	5,499	5,607
DEPARTMENT TOTAL.....	\$ 125,608	\$ 123,075	\$ 124,586	\$ 126,569	\$ 128,217	\$ 130,273	\$ 131,996

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 ongoing; it will allow the hazard potential for areas where asbestos is present to be calculated and abatement costs estimated.

This program also provides funding to purchase catastrophic property insurance on Commonwealth-owned buildings.

Program Measures:	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
Value of Federal surplus property (in thousands):							
Available June 30	\$7,000	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500
Distributed	\$19,100	\$40,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
Capital facilities projects in design and/or construction	334	349	350	350	350	350	350
Value (in thousands)	\$1,083,683	\$1,203,915	\$1,241,150	\$1,279,536	\$1,319,109	\$1,359,906	\$1,400,703
Tort claims filed	10,208	9,902	10,100	10,302	10,559	10,823	11,904
Tort claims closed (includes settlements, judgements and denials)	9,708	9,805	10,099	10,301	10,610	10,929	11,256
Tort claims pending	12,895	12,992	12,992	12,992	12,942	12,837	12,674
Amount of claims pending (in thousands)	\$252,294	\$269,955	\$288,851	\$309,071	\$330,706	\$353,855	\$378,625

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 and value of Capital Facilities Projects in Design and/or Construction has been revised from last year's budget to exclude projects for which construction is complete but financial close-out is still being finalized.

The number of tort claims filed and closed was and will be higher than expected based on the latest data available. Implementation of planned computer system enhancements during 1996-97 will continue the downward trend in claims outstanding. The dollar value of pending claims will continue to increase.

Program Recommendations:

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

<p>GENERAL FUND General Government Operations \$ 428 —to continue current program. 260 —to provide equipment and technology to improve productivity and enhance services of Commonwealth media services. 295 —transfer of telecommunications functions from the Office of Administration. 200 —to provide automated technology upgrades and equipment to provide Internet access to the agency.</p> <hr/> <p>\$ 1,183 <i>Appropriation Increase</i></p>	<p>\$ -69 Capitol Police Operations —nonrecurring costs.</p> <p>\$ 174 Utility Costs —to continue current program.</p> <p>\$ 192 Harristown Utility and Municipal Charges —to continue current program.</p>
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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	
\$	-185	\$	-4
	Printing the Pennsylvania Manual —biennial printing costs.		Harristown Rental Charges —to provide prorata share of charges.
\$	-63	\$	-11
	Excess Insurance Coverage —to continue current program.		Harristown Utility and Municipal Charges —to provide prorata share of charges.
\$	56	\$	3
	Capitol Fire Protection —to continue current program.		MOTOR LICENSE FUND Harristown Rental Charges —to provide prorata share of charges.
\$	-4	\$	1
	BANKING DEPARTMENT FUND Harristown Utility and Municipal Charges —to provide prorata share of charges.		Harristown Utility and Municipal Charges —to provide prorata share of charges.

All other appropriations are recommended at the current year funding levels.



Includes accomplishment of the PRIME recommendation to eliminate an excess layer of review and approval within the Department of General Services procurement process thereby saving countless hours of review. This has significantly reduced the amount of time State agencies spend on procuring goods and services.



Includes the PRIME recommendation to work with other agencies and the Budget Office to streamline the procurement process through recommended changes in the Procurement Code. State agencies will benefit through a less cumbersome purchasing process and businesses will benefit through an increase in local purchases.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
GENERAL FUND:							
General Government Operations	\$ 53,626	\$ 52,001	\$ 53,184	\$ 54,248	\$ 55,333	\$ 56,440	\$ 57,569
Capitol Police Operations	6,033	6,293	6,224	6,348	6,475	6,605	6,737
Harristown Rental Charges	6,556	6,581	6,581	6,581	6,581	6,581	6,581
Utility Costs	12,338	12,666	12,840	13,097	13,359	13,626	13,899
Harristown Utility and Municipal Charges .	8,962	9,605	9,797	9,993	10,193	10,397	10,605
Printing the Pennsylvania Manual	0	185	0	185	0	185	0
Americans with Disabilities Act Facilities Improvements	3,000	0	0	0	0	0	0
Asbestos Response Program	450	450	450	459	468	477	487
Excess Insurance Coverage	1,649	1,865	1,802	1,838	1,875	1,913	1,951
Capitol Fire Protection	631	694	750	750	750	750	750
TOTAL GENERAL FUND	\$ 93,245	\$ 90,340	\$ 91,628	\$ 93,499	\$ 95,034	\$ 96,974	\$ 98,579
BANKING DEPARTMENT FUND:							
Harristown Rental Charges	\$ 158	\$ 139	\$ 139	\$ 139	\$ 139	\$ 139	\$ 139
Harristown Utility and Municipal Charges .	192	175	171	174	177	181	185
TOTAL BANKING DEPARTMENT FUND	\$ 350	\$ 314	\$ 310	\$ 313	\$ 316	\$ 320	\$ 324

General Services

Program: Facility, Property and Commodity Management (continued)

Appropriations within this Program: (continued)

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
LOTTERY FUND:							
Harristown Rental Charges	\$ 82	\$ 81	\$ 77	\$ 77	\$ 77	\$ 77	\$ 77
Harristown Utility and Municipal Charges .	122	139	128	131	134	137	140
TOTAL STATE LOTTERY FUND	\$ 204	\$ 220	\$ 205	\$ 208	\$ 211	\$ 214	\$ 217
MOTOR LICENSE FUND:							
Harristown Rental Charges	\$ 94	\$ 93	\$ 96	\$ 96	\$ 96	\$ 96	\$ 96
Harristown Utility and Municipal Charges .	140	160	161	164	167	170	173
Tort Claim Payments	27,000	27,000	27,000	27,000	27,000	27,000	27,000
TOTAL MOTOR LICENSE FUND	\$ 27,234	\$ 27,253	\$ 27,257	\$ 27,260	\$ 27,263	\$ 27,266	\$ 27,269



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 supports outreach, education, prevention and treatment services across a variety of program areas. Both grants and subsidies and direct health services are used to provide meaningful services to the Commonwealth's residents including programs for children, treatment of certain blood diseases, programs for communicable diseases, and the prevention and treatment of substance abuse.

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

PROGRAM REVISION

Budgeted Amounts Include the Following Program Revisions:

Title	Appropriation	1997-98 State Funds (in thousands)
Enhancing Information Technology to Better Serve Pennsylvania		
	General Government Operations	\$ 162
	Quality Assurance	186
	Vital Statistics	240
	State Laboratory	53
	State Health Care Centers	8
	Subtotal	<u>\$ 649</u>
<p>This Program Revision provides resources to contract for services to convert agency computer system applications to accommodate the year 2000. In addition to State funds, \$797,000 in Federal funds will support this proposal. This is part of the \$74.1 million Enhancing Information Technology to Better Serve Pennsylvania Program Revision. Please see the Program Revision following the Executive Direction Program in the Executive Offices for additional information on this Program Revision.</p>		
Project for Community Building		
	Maternal and Child Health	\$ 1,050
<p>This Program Revision will enhance the ability of communities to address the problem of teen pregnancy by providing funds for abstinence education. This is part of the \$21.2 million Project for Community Building Program Revision. Please see the Program Revision following the Community Development Program in the Department of Community and Economic Development for additional information on this Program Revision.</p>		
	Department Total	<u><u>\$ 1,699</u></u>

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

1995-96 1996-97 1997-98
 ACTUAL AVAILABLE BUDGET

GENERAL FUND:

General Government:

General Government Operations	\$ 16,839^a	\$ 18,828^b	\$ 18,954
(F)WIC Administration and Operation.....	6,801	8,212	9,658
(F)Categorical Grant Administration.....	691	1,245	0
(F)SSA (XVI) D & A Referral/Monitoring.....	15	0	0
(F)Health Assessment.....	423	481	484
(F)PHHSBG - Administration and Operation.....	1,494	2,113	3,356
(F)SABG - Administration and Operation.....	3,474	4,275 ^c	4,688
(F)MCHSBG - Administration and Operation.....	11,586	11,851	12,645
(F)Early Childhood Immunization Program.....	100	0	0
(F)Center for Disease Control Conferences.....	2	63	63
(F)Pediatric Prehospital Emergency Care.....	244	400	400
(F)TB - Administration and Operation.....	0	0	495
(F)Lead - Administration and Operation.....	0	0	650
(F)AIDS Health Education Administration and Operation.....	0	0	2,014
(F)Community Migrant Health.....	153	262	262
(F)Tobacco Control.....	310	355	355
(F)Breast and Cervical Cancer Administration and Operation.....	0	0	695
(F)HIV Care Administration and Operation.....	0	0	616
(A)Data Center Services.....	3,108	2,764	2,909
(A)Departmental Services.....	27	23	23
(A)Early Childhood Immunization - Bulk Purchase.....	61	0	0
(A)Robert Wood Johnson Foundation Grant.....	0	0	205
Subtotal.....	\$ 45,328	\$ 50,872	\$ 58,472
Organ Donation	120	140	120
Transfer to Organ Donation Awareness Fund	300	0	0
Diabetes Programs	457	461	461
(F)PHHSBG - Diabetes.....	504	844	0
(F)Diabetes Control.....	241	280	280
Subtotal.....	\$ 1,202	\$ 1,585	\$ 741
Quality Assurance	7,099^d	7,400	7,387
(F)Medicare - Health Service Agency Certification.....	5,392	4,791	5,280
(F)Medicaid Certification.....	5,105	5,010	5,423
(F)Medicaid Civil Rights.....	126	0	0
(A)Publication Fees.....	10	10	10
Subtotal.....	\$ 17,732	\$ 17,211	\$ 18,100
Vital Statistics	5,642	5,261	5,404
(F)Cooperative Health Statistics.....	1,305	2,442	2,452
(A)Reimbursement for Microfilming.....	54	60	70
(A)Vital-Chek Surcharge.....	0	0	75
Subtotal.....	\$ 7,001	\$ 7,763	\$ 8,001
State Laboratory	3,150	3,027	3,088
(F)Clinical Laboratory Improvement.....	622	800	710
(F)Epidemiology and Laboratory Surveillance and Response.....	0	250	250
(F)Emerging Infections Program.....	0	363 ^e	484
(A)Blood Lead Testing.....	13	10	10
(A)Blood Lead Specimen Testing.....	29	43	43
(A)Erythrocyte Protoporphyrin Testing.....	8	9	9
(A)Reproduction and Search Fees.....	0	1	1
(A)Alcohol Proficiency Testing.....	65	63	63
(A)Drug Abuse Proficiency.....	107	104	104
(A)Licensure for Clinical Laboratories.....	370	375	375

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	1995-96 ACTUAL	1996-97 AVAILABLE	1997-98 BUDGET
(A)Low Volume Proficiency Testing.....	33	18	18
(A)Training Course Fees.....	0	1	1
Subtotal.....	\$ 4,397	\$ 5,064	\$ 5,156
State Health Care Centers.....	15,678	16,099	16,015
(F)Indo-Chinese Refugees.....	42	60	60
(F)Disease Control Immunization.....	4,775	13,674	12,489
(F)Chronic Disease Prevention and Control.....	49	160	160
(F)PHHSBG - Block Program Services.....	5,222	7,959	7,198
(F)Medical Assistance - SHCC.....	0	2	0
(A)Early Periodic Screening, Diagnosis, Treatment.....	0	1	1
(A)Medical Assistance - SHCC.....	0	1	1
(A)Departmental Services.....	16	21	21
Subtotal.....	\$ 25,782	\$ 37,977	\$ 35,945
Vietnam Veterans Health Initiative Commission.....	168	0	0
Coal Workers Pneumoconiosis Services.....	199	200	200
(F)Black Lung Clinic.....	610	650	751
Subtotal.....	\$ 809	\$ 850	\$ 951
VD Screening and Treatment.....	1,131	1,108	1,108
(F)Survey and Follow-Up - Venereal Diseases.....	2,081	2,174	2,447
Subtotal.....	\$ 3,212	\$ 3,282	\$ 3,555
Subtotal - State Funds.....	\$ 50,783	\$ 52,524	\$ 52,737
Subtotal - Federal Funds.....	51,367	68,716	74,365
Subtotal - Augmentations.....	3,901	3,504	3,939
Total - General Government.....	\$ 106,051	\$ 124,744	\$ 131,041
Grants and Subsidies:			
Primary Health Care Practitioner.....	\$ 4,819^f	\$ 3,931^g	\$ 3,088
(F)Loan Repayment Program.....	146	237	215
(A)Robert Wood Johnson Foundation Grant.....	193	292	55
Subtotal.....	\$ 5,158	\$ 4,460	\$ 3,358
Cancer Programs.....	2,711^h	2,520ⁱ	2,595
(F)Data-Based Intervention Research.....	46	0	0
(F)Breast and Cervical Cancer Program.....	2,070	3,807	2,580
Subtotal.....	\$ 4,827	\$ 6,327	\$ 5,175
AIDS Programs.....	5,910^j	6,328^k	6,328
(F)AIDS Health Education.....	4,833	5,235 ^l	4,735
(F)HIV Care.....	6,283	7,304 ^m	12,640
(F)Housing Opportunities for People with AIDS.....	1,894	948 ⁿ	2,000
Subtotal.....	\$ 18,920	\$ 19,815	\$ 25,703
Arthritis and Lupus Research.....	196	0	0
Regional Cancer Institutes.....	1,100	1,350	1,350
School District Health Services.....	38,452	39,065^o	39,279
Local Health Departments.....	26,466	27,268	26,247
Local Health - Environmental.....	7,309	7,309	7,294
WIC - State Supplement.....	3,744	3,000	0
Maternal and Child Health.....	1,803	2,100	3,150
(F)Women, Infants and Children (WIC).....	137,684	151,500	156,093
(F)MCH Lead Poisoning Prevention and Abatement.....	1,246	3,822	4,332
(F)MCHSBG - Program Services.....	18,947	15,012	15,364
(F)Genetics.....	0	50	0

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1995-96 ACTUAL	1996-97 AVAILABLE	1997-98 BUDGET
(F)Child Lead Poison/Environmental Lead Assessment.....	288	323	104
(F)Newborn Screening.....	205	400	106
(F)MCH Outreach.....	91	46	0
(F)Birth Defects Registry.....	0	0	175
(A)Environmental Assessments.....	154	617	634
Subtotal.....	<u>\$ 160,418</u>	<u>\$ 173,870</u>	<u>\$ 179,958</u>
Assistance to Drug and Alcohol Programs.....	37,160	37,400	37,160
(F)SABG - Drug and Alcohol Services.....	51,373	53,506 _p	53,206
(F)Drug and Alcohol Data Collection System.....	37	0	0
(F)Substance Abuse Program Support Service Grants.....	6,139	2,884 _q	2,500
(F)Substance Abuse Special Project Grants.....	838	643	1,197
(F)DFSC - Special Programs for Student Assistance.....	900	900	900
(A)State Stores Fund Transfer.....	1,223	994	994
Subtotal.....	<u>\$ 97,670</u>	<u>\$ 96,327</u>	<u>\$ 95,957</u>
Tuberculosis Screening and Treatment.....	1,639	1,013	1,013
(F)Tuberculosis Control Program.....	190	197	189
(F)PHHSBG - Tuberculosis.....	430	536	0
Subtotal.....	<u>\$ 2,259</u>	<u>\$ 1,746</u>	<u>\$ 1,202</u>
Renal Dialysis.....	10,497	10,255	10,255
Services for Children with Special Needs.....	1,732	1,732	1,732
Adult Cystic Fibrosis.....	391	391	391
Cooley's Anemia.....	198	198	198
Hemophilia.....	1,593	1,594	1,594
Sickle Cell.....	1,202	1,503	1,203
(F)Sickle Cell Anemia.....	0	100	0
Regional Poison Control Centers.....	1,000	1,000	500
Trauma Programs Coordination.....	150	150	150
Tourette Syndrome.....	100	0	0
Emergency Care & Research.....	100	0	0
Bio-Technology Research.....	0	1,500	1,500
Fox Chase Institute for Cancer Research.....	860	860	860
The Wistar Institute - Research: Operation and Maintenance.....	237	237	237
The Wistar Institute - Research: AIDS Research.....	102	102	102
Central Penn Oncology Group.....	140	143	143
Cardiovascular Studies - University of Pennsylvania.....	132	132	132
Cardiovascular Studies - St. Francis Hospital.....	132	132	132
St. Christopher's Hospital: Cerebral Palsy.....	791	791	791
St. Christopher's Hospital: Disabled Children's Clinic.....	166	166	166
Lancaster - Cleft Palate Clinic.....	56	56	56
Pittsburgh - Cleft Palate Clinic.....	56	56	56
Tay Sachs Disease - Jefferson Medical College.....	56	56	56
Burn Foundation.....	462	462	462
Rehabilitation Institute of Pittsburgh.....	770	770	770
Subtotal - State Funds.....	<u>\$ 152,232</u>	<u>\$ 153,570</u>	<u>\$ 148,990</u>
Subtotal - Federal Funds.....	<u>233,640</u>	<u>247,450</u>	<u>256,336</u>
Subtotal - Augmentations.....	<u>1,570</u>	<u>1,903</u>	<u>1,683</u>
Total - Grants and Subsidies.....	<u>\$ 387,442</u>	<u>\$ 402,923</u>	<u>\$ 407,009</u>
STATE FUNDS.....	\$ 203,015	\$ 206,094	\$ 201,727
FEDERAL FUNDS.....	285,007	316,166	330,701
AUGMENTATIONS.....	5,471	5,407	5,622
GENERAL FUND TOTAL.....	<u>\$ 493,493</u>	<u>\$ 527,667</u>	<u>\$ 538,050</u>

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1995-96 ACTUAL	1996-97 AVAILABLE	1997-98 BUDGET
OTHER FUNDS:			
EMERGENCY MEDICAL OPERATING SERVICES FUND:			
Emergency Medical Services.....	\$ 6,649	\$ 8,800	\$ 8,800
Catastrophic Medical and Rehabilitation.....	5,000	4,000	4,000
Pediatric Prehospital Emergency Care.....	0	0	0
EMERGENCY MEDICAL OPERATING SERVICES FUND TOTAL.....	\$ 11,649	\$ 12,800	\$ 12,800
ORGAN DONATION AWARENESS TRUST FUND:			
Implementation Costs.....	\$ 0	\$ 105	\$ 105
Hospital and Other Medical Costs.....	0	15	15
Grants to Certified Procurement Organizations.....	0	76	76
Project Make-A-Choice.....	0	23	23
ORGAN DONATION AWARENESS TRUST FUND TOTAL.....	\$ 0	\$ 219	\$ 219
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 203,015	\$ 206,094	\$ 201,727
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	285,007	316,166	330,701
AUGMENTATIONS.....	5,471	5,407	5,622
OTHER FUNDS.....	11,649	13,019	13,019
TOTAL ALL FUNDS.....	\$ 505,142	\$ 540,686	\$ 551,069

Footnotes To Summary by Fund and Appropriation

- ^a Actually appropriated as \$12,415,000 for General Government Operations, \$1,133,000 as a part of AIDS Programs, \$320,000 as a part of Primary Health Care Practitioner, \$986,000 as a part of Renal Dialysis Management, and \$1,985,000 as a part of Cancer Programs appropriations.
- ^b Actually appropriated as \$13,289,000 for General Government Operations, \$1,252,000 as a part of AIDS Programs, \$950,000 as a part of Primary Health Care Practitioner, \$1,096,000 as a part of Renal Dialysis Management, and \$2,241,000 as a part of Cancer Programs appropriations.
- ^c Actually appropriated as \$5,275,000. Amount shown is the best current estimate of the amount available for 1996-97. Additional funds may be received, therefore no reduction to the appropriation authority is recommended.
- ^d Actually appropriated as \$5,907,000 for Quality Assurance, \$662,000 as part of County Administration - Statewide, \$42,000 as part of Mental Health Services, and \$488,000 as a part of Intermediate Care Facilities-Mentally Retarded appropriations in the Department of Public Welfare.
- ^e Includes recommended supplemental appropriation of \$363,000.
- ^f Actually appropriated as \$5,139,000 but excludes \$320,000 transferred to General Government Operations.
- ^g Actually appropriated as \$4,881,000 but excludes \$950,000 transferred to General Government Operations.
- ^h Actually appropriated as \$4,696,000 but excludes \$1,985,000 transferred to General Government Operations.
- ⁱ Actually appropriated as \$4,761,000 but excludes \$2,241,000 transferred to General Government Operations.
- ^j Actually appropriated as \$7,043,000 but excludes \$1,133,000 transferred to General Government Operations.
- ^k Actually appropriated as \$7,580,000 but excludes \$1,252,000 transferred to General Government Operations.
- ^l Actually appropriated as \$6,724,000. Amount shown is the best current estimate of the amount available for 1996-97. Additional funds may be received, therefore no reduction to the appropriation authority is recommended.
- ^m Actually appropriated as \$15,175,000. Amount shown is the best current estimate of the amount available for 1996-97. Additional funds may be received, therefore no reduction to the appropriation authority is recommended.
- ⁿ Actually appropriated as \$2,000,000. Amount shown is the best current estimate of the amount available for 1996-97. Additional funds may be received, therefore no reduction to the appropriation authority is recommended.
- ^o Includes recommended supplemental appropriation of \$851,000.
- ^p Actually appropriated as \$54,506,000. Amount shown is the best current estimate of the amount available for 1996-97. Additional funds may be received, therefore no reduction to the appropriation authority is recommended.
- ^q Actually appropriated as \$4,500,000. Amount shown is the best current estimate of the amount available for 1996-97. Additional funds may be received, therefore no reduction to the appropriation authority is recommended.
- ^r Transferred from special funds to general funds under General Government Operations. Shown as \$0 to avoid double counting.

Program Funding Summary

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
HEALTH SUPPORT SERVICES							
GENERAL FUND.....	\$ 27,088	\$ 29,255	\$ 29,429	\$ 29,259	\$ 29,805	\$ 30,401	\$ 31,009
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	36,538	40,471	48,528	46,997	46,968	46,664	46,664
OTHER FUNDS.....	3,831	3,421	3,771	3,828	3,887	3,947	4,008
SUBCATEGORY TOTAL.....	\$ 67,457	\$ 73,147	\$ 81,728	\$ 80,084	\$ 80,660	\$ 81,012	\$ 81,681
HEALTH RESEARCH							
GENERAL FUND.....	\$ 9,166	\$ 8,678	\$ 8,821	\$ 8,751	\$ 8,789	\$ 8,896	\$ 9,006
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	2,050	3,566	2,732	2,732	2,732	2,732	2,732
OTHER FUNDS.....	54	60	145	145	145	145	145
SUBCATEGORY TOTAL.....	\$ 11,270	\$ 12,304	\$ 11,698	\$ 11,628	\$ 11,666	\$ 11,773	\$ 11,883
PREVENTIVE HEALTH							
GENERAL FUND.....	\$ 109,718	\$ 109,797	\$ 106,173	\$ 106,838	\$ 107,162	\$ 107,495	\$ 107,835
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	186,522	213,446	220,887	221,979	221,979	221,979	221,979
OTHER FUNDS.....	363	932	712	712	712	712	712
SUBCATEGORY TOTAL.....	\$ 296,603	\$ 324,175	\$ 327,772	\$ 329,529	\$ 329,853	\$ 330,186	\$ 330,526
HEALTH TREATMENT SERVICES							
GENERAL FUND.....	\$ 19,883	\$ 20,964	\$ 20,144	\$ 20,144	\$ 20,144	\$ 20,144	\$ 20,144
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	610	750	751	751	751	751	751
OTHER FUNDS.....	11,649	13,019	13,019	13,019	13,019	13,019	13,019
SUBCATEGORY TOTAL.....	\$ 32,142	\$ 34,733	\$ 33,914	\$ 33,914	\$ 33,914	\$ 33,914	\$ 33,914
DRUG AND ALCOHOL ABUSE PREVENTION AND TREATMENT							
GENERAL FUND.....	\$ 37,160	\$ 37,400	\$ 37,160	\$ 37,160	\$ 37,160	\$ 37,160	\$ 37,160
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	59,287	57,933	57,803	57,803	57,803	57,803	57,803
OTHER FUNDS.....	1,223	994	994	994	994	994	994
SUBCATEGORY TOTAL.....	\$ 97,670	\$ 96,327	\$ 95,957	\$ 95,957	\$ 95,957	\$ 95,957	\$ 95,957
ALL PROGRAMS:							
GENERAL FUND.....	\$ 203,015	\$ 206,094	\$ 201,727	\$ 202,152	\$ 203,060	\$ 204,096	\$ 205,154
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	285,007	316,166	330,701	330,262	330,233	329,929	329,929
OTHER FUNDS.....	17,120	18,426	18,641	18,698	18,757	18,817	18,878
DEPARTMENT TOTAL.....	\$ 505,142	\$ 540,686	\$ 551,069	\$ 551,112	\$ 552,050	\$ 552,842	\$ 553,961

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 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 performs approximately 130,000 tests each year for diseases including HIV, rabies, hypothyroidism, blood lead, phenylketonuria, tuberculosis and maple syrup urine disease. The State Laboratory supports disease prevention through the provision of investigatory, diagnostic and confirmatory testing for both infectious and non-infectious diseases. It establishes and monitors the performance standards for 6,400 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:

	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
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%

Program: Health Support Services (continued)

Program Recommendations:

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

General Government Operations		Quality Assurance	
\$ 572	—to continue current program.	\$ 315	—to continue current program.
226	—to accommodate the program being transferred from the AIDS Programs appropriation.	-442	—nonrecurring projects.
31	—to accommodate the program being transferred from the Cancer Programs appropriation.	-72	—Initiative — Streamlining Quality Assurance Facility Licensure. To streamline the quality assurance facility licensure program by adopting the more stringent Federal regulations, expanding information sharing agreements, merging surveys of nursing homes into one survey, and implementing an automated timesheet reporting system.
17	—to accommodate the program being transferred from the Primary Health Care Practitioner appropriation.		
-4	—to accommodate the program being transferred from the Renal Dialysis Management appropriation.	186	—PRR — Enhancing Information Technology to Better Serve Pennsylvania. This Program Revision provides resources to contract for services to convert agency computer system applications to accommodate the year 2000. See the Program Revision following the Executive Direction program in the Executive Offices for additional information.
-235	—nonrecurring HealthNet projects.		
-285	—nonrecurring data processing projects.		
-325	—nonrecurring computerization of the Renal Dialysis Management invoice system.		
-33	—Initiative — Discontinue Direct Funding of Three Mile Island Research. To discontinue funding the activities related to the Three Mile Island research effort but continue to provide assistance to the University of Pittsburgh to conduct similar activities.		
		\$ -13	<i>Appropriation Decrease</i>
162	—PRR — Enhancing Information Technology to Better Serve Pennsylvania. This Program Revision provides resources to contract for services to convert agency computer system applications to accommodate the year 2000. See the Program Revision following the Executive Direction program in the Executive Offices for additional information.	\$ 8	
		53	—PRR — Enhancing Information Technology to Better Serve Pennsylvania. This Program Revision provides resources to contract for services to convert agency computer system applications to accommodate the year 2000. See the Program Revision following the Executive Direction program in the Executive Offices for additional information.
		\$ 61	<i>Appropriation Increase</i>
\$ 126	<i>Appropriation Increase</i>		



Includes PRIME recommendation to streamline the quality assurance facility licensure program by adopting Federal regulations, expanding information sharing agreements, merging nursing home surveys, and automating the time sheet reporting system for an estimated savings of \$72,000 in 1997-98 and over \$450,000 in future years.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
GENERAL FUND:							
General Government Operations	\$ 16,839	\$ 18,828	\$ 18,954	\$ 19,188	\$ 19,544	\$ 19,935	\$ 20,334
Quality Assurance	7,099	7,400	7,387	6,968	7,103	7,245	7,390
State Laboratory	3,150	3,027	3,088	3,103	3,158	3,221	3,285
TOTAL GENERAL FUND	\$ 27,088	\$ 29,255	\$ 29,429	\$ 29,259	\$ 29,805	\$ 30,401	\$ 31,009

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 29 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:	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
Vital events (births, deaths, fetal deaths, marriages and divorces):							
Registered and processed	391,500	388,900	384,850	380,800	376,750	372,700	370,650
Percent registered and processed within 30 days	55%	60%	70%	75%	80%	85%	85%
Applications for certified copies of birth and death records filled	592,000	600,000	605,000	610,000	615,000	615,000	620,000

The number of events registered and processed decreased from last year's budget due to declining birth rates and marriages.

The number of applications filed declined from estimates in last year's budget due to the effects of issuing complimentary copies to parents of newborns since 1979. These are used for school entrance, employment, driver's license, etc.

Program Recommendations:

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

\$	-187	Vital Statistics	240	—PRR—Enhancing Information Technology to Better Serve Pennsylvania. This Program Revision provides resources to contract for services to convert agency computer system applications to accommodate the year 2000. See the Program Revision following the Executive Direction program in the Executive Offices for additional information.
	-75	—to reflect reduced birth registry processing costs.		
		—to reflect reimbursement for vendor information.		
	165	—to continue current program.		
			\$ 143	<i>Appropriation Increase</i>

All other appropriations are included at current year funding levels.

Program: Health Research: (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
GENERAL FUND:							
Diabetes Programs	\$ 457	\$ 461	\$ 461	\$ 461	\$ 461	\$ 461	\$ 461
Vital Statistics	5,642	5,261	5,404	5,334	5,372	5,479	5,589
Vietnam Veterans Health Initiative Commission	168	0	0	0	0	0	0
Arthritis and Lupus Research	196	0	0	0	0	0	0
Regional Cancer Institutes	1,100	1,350	1,350	1,350	1,350	1,350	1,350
Fox Chase Institute for Cancer Research	860	860	860	860	860	860	860
The Wistar Institute — Research: Operation and Maintenance	237	237	237	237	237	237	237
The Wistar Institute — Research: AIDS Research	102	102	102	102	102	102	102
Central Penn Oncology Group	140	143	143	143	143	143	143
Cardiovascular Studies — University of Pennsylvania	132	132	132	132	132	132	132
Cardiovascular Studies — St. Francis Hospital	132	132	132	132	132	132	132
TOTAL GENERAL FUND	\$ 9,166	\$ 8,678	\$ 8,821	\$ 8,751	\$ 8,789	\$ 8,896	\$ 9,006

PROGRAM OBJECTIVE: To reduce morbidity and mortality through the early detection of disease and health defects and the promotion of sound health practices and remedial care.

Program: Preventive Health

Women and Children's Programs

The Department of Health provides comprehensive maternal and infant services with emphasis on outreach and early enrollment into care. Maternity services include education to promote healthy maternal behavior; screening, early detection and appropriate, timely medical intervention for preventable maternal/fetal complications; and psychosocial support services for childbearing women.

Maternal and infant health services include community health worker projects, prenatal substance abuse assessment, infant follow-up education, referral, and television and radio spots to inform pregnant women and families of the importance of early prenatal care and primary health care for children.

The Department of Health administers the Federal Special Supplemental Nutrition Program for Women, Infants and Children (WIC). The program provides food supplements and nutrition education to pregnant or nursing women and to children who are at nutritional risk due to poor health, inadequate diet and low-income. An infant formula rebate program provides expanded funds enabling additional persons to receive WIC services.

The Sudden Infant Death Syndrome (SIDS) Program provides supportive services to families following a sudden infant death. Education regarding SIDS is provided to health professionals and others who normally interact with families following such a death.

Approximately four percent of the babies born in this country have a serious genetic condition. The Genetics Program seeks to improve public knowledge about genetic disease and public access to genetic services by supporting educational programs for both health professionals and citizens groups as well as providing selected genetic services for low-income patients.

The department operates a newborn screening program that tests all infants for phenylketonuria (PKU), hypothyroidism, sickle hemoglobinopathies and maple syrup urine disease (MSUD). Early identification and treatment of these diseases can avoid early deaths, mental retardation or other severe medical problems.

Family planning services help women who experience difficulty in conceiving as well as helping others delay pregnancy until there is the best chance for having a healthy baby born to a healthy mother. The department participates with the Department of Public Welfare in an integrated, multi-agency, health service delivery system serving more than 220,000 high-risk, low-income women throughout the Commonwealth.

The Childhood Lead Poisoning Prevention Program (CLPPP) performs blood screening tests on children in high-risk populations. Appropriate educational, medical and environmental follow-up is provided for each child with a positive screening test result. The program operates through twelve contracts which serve fourteen identified, high-risk communities of 25,000 or more population in Pennsylvania. Childhood Lead Poisoning projects now operate in Allentown, Bethlehem, Chester, Erie, Harrisburg, Norristown, Philadelphia, Pottstown, West Chester, Pittsburgh, Wilkes-Barre and York.

The School Health Program administers a Statewide program that provides health services for all school age children who are attending a primary or secondary school, either public or private, and children who are attending a kindergarten which is an integral part of a local school district. The program reimburses 501 school districts and nine vocational technical schools for a portion of the costs associated with providing medical, dental and nursing services.

Other Health Promotion and Disease Prevention Programs

Reported cases of communicable diseases are investigated by the department to determine the source of the infection, mode of transmission, control measures to prevent additional cases and to evaluate short- and long-term trends needing public health interventions. A few of the diseases investigated include giardiasis, hepatitis, salmonellosis shigellosis, toxic shock syndrome, trichinosis, rabies and Lyme disease.

The Pennsylvania Cancer Registry is operational Statewide with all hospitals reporting to the system. The registry serves as the focal point for definitive information on the impact of cancer on Pennsylvania's residents. The department provides annual Statewide cancer incidence reports as well as selected reports on various types of cancers and population groups within the State. Data are made available to cancer and health services researchers Statewide.

Acquired Immune Deficiency Syndrome (AIDS) presents major medical, legal and psychosocial problems to the Commonwealth and the nation. The purpose of the AIDS Education Program is to develop and implement a multi-dimensional, coordinated strategy to prevent and change high-risk behaviors and provide resources and direction for sustaining preventive behavior or avoiding infection with the HIV virus. Strategies to accomplish these goals include on-site education programs, electronic and print media distribution, hotline operations, trend and pattern identifications, and voluntary, confidential and anonymous HIV counseling, testing and partner notification.

The leading causes of premature death and disability in Pennsylvania are heart disease, stroke, cancer, accidents, influenza, arthritis, diabetes and cirrhosis. Contributing to these conditions are demographic characteristics and environmental and behavioral risk factors such as smoking, alcohol abuse, high fat diets, physical inactivity and stress. Risk reduction programs use methods such as incentives, health risk appraisals, risk factor screenings, self-help kits, group discussions and individual counselings to help people stop smoking, eat properly, exercise, adhere to hypertensive regimens and reduce other chronic disease risks. The department supports community risk-reduction projects and comprehensive school health education programs.

Two major disease specific prevention programs include the Cancer Program and Cardiovascular Risk Reduction Program. The Cancer Program has a primary emphasis on cancer prevention, screening and early detection. Cardiovascular risk factors in high-risk populations are assessed and intervention prompted through blood pressure and blood cholesterol screening and educational approaches to reducing cardiovascular risks.

The Oral Health Program provides oral and dental health educational material designed to encourage personal and community behavior to prevent tooth decay, periodontal (gum) disease and other oral diseases. The program is charged with promoting the beneficial health effects of fluoridation of public water systems and oral health activities in schools and county health offices.

Public health programs are provided through a network of health centers which serve all but six counties within the State. The remaining 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.

Program: Preventive Health: (continued)

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:	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
Women and children's programs:							
Percent low birth weight live births	7.4%	7.5%	7.5%	7.5%	7.4%	7.4%	7.4%
Average persons participating in women, infants and children programs each month	266,501	280,000	280,000	280,000	280,000	280,000	280,000
Other communicable disease programs:							
HIV tests at publicly funded sites	43,400	45,000	47,000	49,000	51,000	53,000	55,000
Percent of persons screened found to have gonorrhea	0.7%	0.6%	0.5%	0.5%	0.5%	0.5%	0.4%
Communicable disease incidences reported:							
Gonorrhea	13,156	12,000	11,500	11,500	11,500	11,500	11,000
Infectious syphilis	240	250	250	250	250	250	200
AIDS	2,395	3,000	3,800	4,200	4,500	5,000	5,500
Primary care physicians receiving loan forgiveness	56	96	138	160	160	160	160
Cancer abstracts received	103,000	115,000	135,000	140,000	145,000	150,000	155,000

The actual number of persons participating in the WIC program is lower than projected in last year's budget. Projections assume that all eligibles who present themselves for benefits will be served.

Reported cases of syphilis have decreased from the estimates in last year's budget document due to successful preventive health outreach efforts.

The actual number of AIDS incidences reported was lower than anticipated in last year's budget.

The primary care physicians receiving loan forgiveness reflects a decrease in 1995-96 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>\$ -92 —to continue current program including the privatization of three centers on a pilot basis.</p> <p>8 —PRR — Enhancing Information Technology to Better Serve Pennsylvania. This Program Revision provides resources to contract for services to convert agency computer system applications to accommodate the year 2000. See the Program Revision following the Executive Direction program in the Executive Offices for additional information.</p> <hr/> <p>\$ -84 <i>Appropriation Decrease</i></p> <p>\$ 263 —to increase loan repayment participants.</p> <p>-1,106 —Initiative — Redirecting Primary Care Practitioner Program Efforts. To realize cost savings by discontinuing State support of related curriculum in certain medical schools while continuing to fund Area Health Education Centers and directing more effort toward recruitment and retention activities.</p> <hr/> <p>\$ -843 <i>Appropriation Decrease</i></p> <p>\$ 75 —to continue current program.</p>	<p>State Health Care Centers</p> <p>School District Health Services</p> <p>Local Health Departments</p> <p>Local Health — Environmental</p> <p>WIC—State Supplement</p> <p>Maternal and Child Health</p>	<p>\$ 214 —to continue current program.</p> <p>\$ -1,021 —to reflect the impact of local government budget decreases.</p> <p>\$ -15 —to reflect a reduction in population estimates.</p> <p>\$ -3,000 —Initiative — WIC State Supplement. State funds reduction is offset by an increase in Federal funds to serve the same number of clients. Also provides direct resources to the Farmer's Market Nutrition Program in the Agriculture Department and continues to provide program related data processing services.</p> <p>\$ 1,050 —PRR — Project for Community Building. This Program Revision provides abstinence education through community-based programs to reduce teenage pregnancies throughout the Commonwealth. See the Program Revision following the Community Development program in the Department of Community and Economic Development for additional information.</p>
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All other appropriations are included at the current year level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
GENERAL FUND:							
State Health Care Centers	\$ 15,678	\$ 16,099	\$ 16,015	\$ 16,330	\$ 16,654	\$ 16,987	\$ 17,327
VD Screening and Treatment	1,131	1,108	1,108	1,108	1,108	1,108	1,108
Primary Health Care Practitioner	4,819	3,931	3,088	3,088	3,088	3,088	3,088
Cancer Programs	2,711	2,520	2,595	2,595	2,595	2,595	2,595
AIDS Programs	5,910	6,328	6,328	6,328	6,328	6,328	6,328
School District Health Services	38,452	39,065	39,279	39,279	39,279	39,279	39,279
Local Health Departments	26,466	27,268	26,247	26,247	26,247	26,247	26,247
Local Health—Environmental	7,309	7,309	7,294	7,294	7,294	7,294	7,294
WIC—State Supplement	3,744	3,000	0	0	0	0	0
Maternal and Child Health	1,803	2,100	3,150	3,500	3,500	3,500	3,500
Tuberculosis Screening and Treatment	1,639	1,013	1,013	1,013	1,013	1,013	1,013
Tay Sachs Disease—Jefferson Medical College	56	56	56	56	56	56	56
TOTAL GENERAL FUND	\$ 109,718	\$ 109,797	\$ 106,173	\$ 106,838	\$ 107,162	\$ 107,495	\$ 107,835

PROGRAM OBJECTIVE: To maximize the individual's capacity for independent living through the provision of an array of service and support programs.

Program: Health Treatment Services

Program Element: Inpatient Services

One of the principal concerns of patient management is to provide treatment services at the least expensive level of care while remaining consistent with standards of good medical practice. Inpatient hospital and nursing care is provided for only the most acute medical conditions that require the facilities and services available in an inpatient setting. Because inpatient care is very expensive, programs providing this type of care have imposed strict controls on admissions and, where possible, are using outpatient services in lieu of hospital admissions. Inpatient care is provided for the treatment of tuberculosis, cleft palate, cystic fibrosis, spina bifida, children's cardiac conditions, and orthopedic, speech, and hearing problems.

Program Element: Outpatient Services

Outpatient treatment services are more economical and cost-effective than inpatient care and are utilized whenever possible to provide needed treatment services for chronic respiratory diseases, physical rehabilitation and reconstruction, chronic diseases (other than respiratory), catastrophic blood disorders and acute conditions.

Clinical services are offered in a variety of settings, including State and community health centers, family planning clinics and practicing physicians' offices. This also allows minors to seek and receive care under the treatment of minors provisions of the Disease Prevention and Control Law.

The Division of Children's Special Health Care Needs (CSHCN) has established a Statewide system of information and referral which is coordinated by one Statewide contractor and implemented by six regional contractors (Regional Resource Centers) located in the department's six health districts. Through the Family Focus Early Intervention System, grants are being made for family support and community development activities related to CSHCN. A family consultant has been placed in each tertiary children's hospital to assist and advocate for families as they access services for CSHCN. This consultant links families back to the Regional Resource Center for information and referral to local services.

The Services for Children with Special Needs Program provides Statewide case management and support services to children with chronic respiratory failure who are ventilator dependent, allowing them to receive life-support equipment and nursing care in their homes. The program also assists individuals with spina bifida who have health care costs which are not covered by insurance or third party resources. In a joint effort to improve utilization of State funds, those children who are eligible for Medical Assistance will receive all medically necessary services through the Medical Assistance Program in the Department of Public Welfare.

Children's rehabilitative services are provided through outpatient clinics to children from newborn to age 21 with cardiac, orthopedic, cystic fibrosis, cleft palate, and craniofacial anomalies and hearing and speech disorders. Services for these patients include case management, evaluation, diagnosis, medical and rehabilitative services and follow-up treatments.

The Hemophilia Program utilizes eight specialized centers to provide comprehensive evaluation, rehabilitation services and blood products for outpatient or home use. Patients must be registered with a center to receive these benefits and must assure that third party resources are used before State program funds are expended.

Sickle Cell Anemia is a genetically determined red blood cell disorder which affects approximately two percent of the black population in Pennsylvania. Patients receive medical and psychosocial services at 15 different service sites.

The Cooley's Anemia Program identifies children and adults with this chronic blood disorder and provides comprehensive care including social services, vocational planning, family screening, and counseling.

The Adult Cystic Fibrosis Program provides comprehensive treatment and care coordination to an increasing number of adults who survive this chronic childhood condition.

The department provides extensive outpatient support services to persons with chronic respiratory diseases. The Coal Miners' Chronic Respiratory Disease Program provides screening, diagnostic, rehabilitative, educational, referral and follow-up care to all miners with pulmonary disease within the Commonwealth.

The Chronic Renal Disease Program provides dialysis, renal transplant, drugs, certain physician fees, medical supplies and transportation services to persons having chronic renal failure. The department's Health Promotion Program conducts a public information and education program to encourage organ and tissue donation as one means of eliminating disease and prolonging life.

The department provides comprehensive treatment services to infants, children and pregnant women diagnosed with phenylketonuria (PKU) and Maple Syrup Urine Disease (MSUD).

The Department of Health also administers a program for planning, developing and upgrading Emergency Medical Services (EMS) Systems throughout the Commonwealth. This includes the licensing of ambulance services. Funding is made available through the Emergency Medical Services Operating Fund. The Head Injury Program provides case management services and post-acute head injury rehabilitation services to individuals with traumatic head injury. Services are provided through contractual agreements with regional case managers and head injury rehabilitation providers in the Commonwealth.

Program: Health Treatment Services (continued)

Program Measures:	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
Inpatient Services							
Persons receiving inpatient hospital care from department programs	84	75	60	60	60	60	60
Outpatient Services							
Children and adults receiving outpatient treatment through department supported programs:							
Hemophilia	1,123	1,206	1,286	1,366	1,446	1,526	1,606
Phenylketonuria	537	577	597	612	632	647	660
Renal disease	11,000	11,374	11,374	11,374	11,374	11,374	11,374
Cooley's Anemia	43	43	43	44	45	46	47
Sickle Cell Anemia	1,820	1,900	1,980	2,060	2,135	2,205	2,285
Spina Bifida	1,174	1,161	1,161	1,161	1,161	1,161	1,161
Home ventilators	130	131	131	137	139	141	143
Chronic respiratory disease	11,460	9,000	9,000	9,000	9,000	9,000	9,000
Children's rehabilitative services	7,724	6,291	6,291	6,291	6,291	6,291	6,291

The number of persons receiving inpatient care decreased from last year's budget due to management improvements which obtain less expensive outpatient care.

The number of persons receiving outpatient care for chronic respiratory disease treatment increased due to the inclusion of silicosis screening services to surface coal workers.

The changes in the number of persons receiving all categories of outpatient care reflect enhanced data collection methods and management practices in containing costs while serving all those who are eligible for services.

Program Recommendations:

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

\$	-20	Organ Donation —nonrecurring projects.
\$	-300	Sickle Cell —nonrecurring projects.
\$	-500	Regional Poison Control Centers —Initiative — Consolidate Regional Poison Control Center Contracts. To improve program administration efficiency by consolidating existing poison control center contracts into a single Statewide contract providing the same level of services.

All other appropriations are recommended at the current year funding level.

Program: Health Treatment Services (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
GENERAL FUND:							
Organ Donation	\$ 120	\$ 140	\$ 120	\$ 120	\$ 120	\$ 120	\$ 120
Transfer to Organ Donation Awareness Fund	300	0	0	0	0	0	0
Coal Workers Pneumoconiosis Services ..	199	200	200	200	200	200	200
Renal Dialysis	10,497	10,255	10,255	10,255	10,255	10,255	10,255
Services for Children with Special Needs .	1,732	1,732	1,732	1,732	1,732	1,732	1,732
Adult Cystic Fibrosis	391	391	391	391	391	391	391
Cooley's Anemia	198	198	198	198	198	198	198
Hemophilia	1,593	1,594	1,594	1,594	1,594	1,594	1,594
Sickle Cell	1,202	1,503	1,203	1,203	1,203	1,203	1,203
Regional Poison Control Centers	1,000	1,000	500	500	500	500	500
Trauma Programs Coordination	150	150	150	150	150	150	105
Tourette Syndrome	100	0	0	0	0	0	0
Emergency Care and Research	100	0	0	0	0	0	0
Bio-Technology Research	0	1,500	1,500	1,500	1,500	1,500	1,500
St. Christopher's Hospital— Cerebral Palsy	791	791	791	791	791	791	791
St. Christopher's Hospital— Disabled Children's Clinic	166	166	166	166	166	166	166
Lancaster—Cleft Palate Clinic	56	56	56	56	56	56	56
Pittsburgh—Cleft Palate Clinic	56	56	56	56	56	56	56
Burn Foundation	462	462	462	462	462	462	462
Rehabilitation Institute of Pittsburgh	770	770	770	770	770	770	770
TOTAL GENERAL FUND	\$ 19,883	\$ 20,964	\$ 20,144	\$ 20,144	\$ 20,144	\$ 20,144	\$ 20,144

PROGRAM OBJECTIVE: To provide education, intervention and treatment programs to reduce drug and alcohol abuse and dependency.

Program: Drug and Alcohol Abuse Prevention and Treatment

This program provides counties with funding to purchase drug and alcohol services. 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), which encompasses all 501 Commonwealth school districts, provides school personnel with the knowledge and skills

needed to identify students using alcohol or drugs. Students are referred to professional evaluators and, if needed, receive treatment services. Special services are designed to divert certain criminal offenders into rehabilitation programs.

Treatment services are funded in hospitals, prisons, shelters, residential units and outpatient programs. Treatment often consists of short-term detoxification followed by a longer term rehabilitation. Most inpatient services are rendered in a nonhospital setting. Outpatient services may follow discharge from a residential program, however, many persons receive their initial treatment in an outpatient setting. Typically, admissions to treatment are approximately 46 percent drug related and 54 percent alcohol related. Males represent 72 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:	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
Prevention Services:							
School personnel trained by Student Assistance Program	11,100	11,100	11,100	11,100	11,100	11,100	11,100
Students referred for assistance by Student Assistance Program	14,774	14,848	14,996	15,146	15,297	15,450	15,604
Treatment Services:							
Residential programs licensed/approved	257	255	255	255	255	255	255
Outpatient programs licensed/approved	544	544	544	544	544	544	544
Patients enrolled in treatment:							
Male	47,657	45,873	46,331	46,794	47,262	47,736	48,213
Female	18,772	17,853	18,031	18,211	18,393	18,577	18,762
Admissions with primary diagnosis:							
Drug abuse	31,079	35,610	35,963	36,315	36,668	37,034	37,404
Alcohol abuse	35,352	35,887	35,066	36,423	36,780	37,137	37,508
Percent of admissions completing treatment	33%	39%	40%	41%	42%	43%	44%

Changes from last year's budget in all categories reflect more accurate figures based on improved data review and collection.

Treatment services include all Commonwealth participants regardless of funding source support.

Program Recommendations:

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

Assistance to Drug and Alcohol Programs
 \$ -240 —nonrecurring projects.

Program: Drug and Alcohol Abuse Prevention and Treatment (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
GENERAL FUND:							
Assistance to Drug and Alcohol Programs	\$ 37,160	\$ 37,400	\$ 37,160	\$ 37,160	\$ 37,160	\$ 37,160	\$ 37,160
TOTAL GENERAL FUND	<u>\$ 37,160</u>	<u>\$ 37,400</u>	<u>\$ 37,160</u>	<u>\$ 37,160</u>	<u>\$ 37,160</u>	<u>\$ 37,160</u>	<u>\$ 37,160</u>



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

	(Dollar Amounts in Thousands)		
	1995-96	1996-97	1997-98
	ACTUAL	AVAILABLE	BUDGET
GENERAL FUND:			
<i>Grants and Subsidies:</i>			
Grants to Students.....	\$ 233,091	\$ 233,091	\$ 249,407
Matching Payments for Student Aid Funds.....	6,736	6,736	8,397
Institutional Assistance Grants.....	35,675	35,675	36,389
Equal Opportunity Professional Education.....	750	750	750
Loan Forgiveness.....	5,010	4,214	2,340
Agricultural Loan Forgiveness.....	315	264	177
Child Care Loan Forgiveness.....	300	100	0
TAP Advertising.....	1,000	0	0
	<hr/>	<hr/>	<hr/>
Total - Grants and Subsidies.....	\$ 282,877	\$ 280,830	\$ 297,460
	<hr/>	<hr/>	<hr/>
GENERAL FUND TOTAL.....	\$ 282,877	\$ 280,830	\$ 297,460
OTHER FUNDS:			
HIGHER EDUCATION ASSISTANCE FUND:			
Guaranteed Loan Loss Reserve.....	\$ 139,233	\$ 165,537	\$ 159,154
State/Federal Education Loan Programs.....	144,717	156,413	162,589
Contract Servicing.....	82,216	84,347	86,536
Christa McAuliffe Scholarship.....	42	42	0
Robert Byrd Scholarships.....	1,235	1,233	1,233
State Student Incentive Grant.....	2,808	1,378	2,200
Transfers Augmenting Appropriations.....	1,203	1,219	1,255
Primary Health Care.....	487	497	507
Supplemental Loan Account.....	46	40	38
Administration Augmentations.....	1,999	1,634	1,634
Miscellaneous.....	7,250	1,000	1,000
	<hr/>	<hr/>	<hr/>
HIGHER EDUCATION ASSISTANCE FUND TOTAL.....	\$ 381,236	\$ 413,340	\$ 416,146
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 282,877	\$ 280,830	\$ 297,460
SPECIAL FUNDS.....	0	0	0
OTHER FUNDS.....	381,236	413,340	416,146
	<hr/>	<hr/>	<hr/>
TOTAL ALL FUNDS.....	\$ 664,113	\$ 694,170	\$ 713,606
	<hr/>	<hr/>	<hr/>

Higher Education Assistance Agency

Program Funding Summary

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
FINANCIAL ASSISTANCE TO STUDENTS							
GENERAL FUND.....	\$ 246,202	\$ 245,155	\$ 261,071	\$ 261,071	\$ 261,071	\$ 261,071	\$ 261,071
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	381,236	413,340	416,146	416,146	416,146	416,146	416,146
SUBCATEGORY TOTAL.....	\$ 627,438	\$ 658,495	\$ 677,217	\$ 677,217	\$ 677,217	\$ 677,217	\$ 677,217
FINANCIAL AID TO INSTITUTIONS							
GENERAL FUND.....	\$ 36,675	\$ 35,675	\$ 36,389	\$ 36,389	\$ 36,389	\$ 36,389	\$ 36,389
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
SUBCATEGORY TOTAL.....	\$ 36,675	\$ 35,675	\$ 36,389	\$ 36,389	\$ 36,389	\$ 36,389	\$ 36,389
ALL PROGRAMS:							
GENERAL FUND.....	\$ 282,877	\$ 280,830	\$ 297,460	\$ 297,460	\$ 297,460	\$ 297,460	\$ 297,460
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	381,236	413,340	416,146	416,146	416,146	416,146	416,146
DEPARTMENT TOTAL.....	\$ 664,113	\$ 694,170	\$ 713,606	\$ 713,606	\$ 713,606	\$ 713,606	\$ 713,606

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.

Program Measures:	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
Grants to Students:							
Applications for grants	368,301	384,683	393,150	401,801	410,640	419,670	428,900
Applications for grants needs tested	247,545	249,789	256,150	261,630	267,220	272,940	278,800
Applicants enrolled eligible for grants	144,127	140,649	144,840	148,640	152,540	156,540	160,650
Percent of needs tested applicants							
qualifying	64.4%	62.8%	63.1%	63.4%	63.7%	64.0%	64.3%
Grants as percent of educational costs	13.4%	13.2%	13.3%	13.3%	13.3%	13.3%	13.3%
Work Study:							
Students assisted by Federal college							
based student aid and State/private							
funds	83,896	81,862	85,936	85,936	85,936	85,936	85,936
Student work study earnings (in millions)	\$9.336	\$9.616	\$10.097	\$10.097	\$10.097	\$10.097	\$10.097
Student Loans:							
Guaranteed loans	581,540	649,734	718,542	782,671	836,297	849,604	957,226

Under Work Study, PHEAA now reflects only actual Perkins Loan awards received rather than anticipated awards.

The measure guaranteed loans is expected to increase in 1996-97 and thereafter because of the estimated effects of increased students, increased tuition costs, higher borrowing limits, and because the number of students obtaining loans through the Federal direct loan program is not expected to rise significantly above current participation levels.

Higher Education Assistance Agency

Program: Financial Assistance to Students (continued)

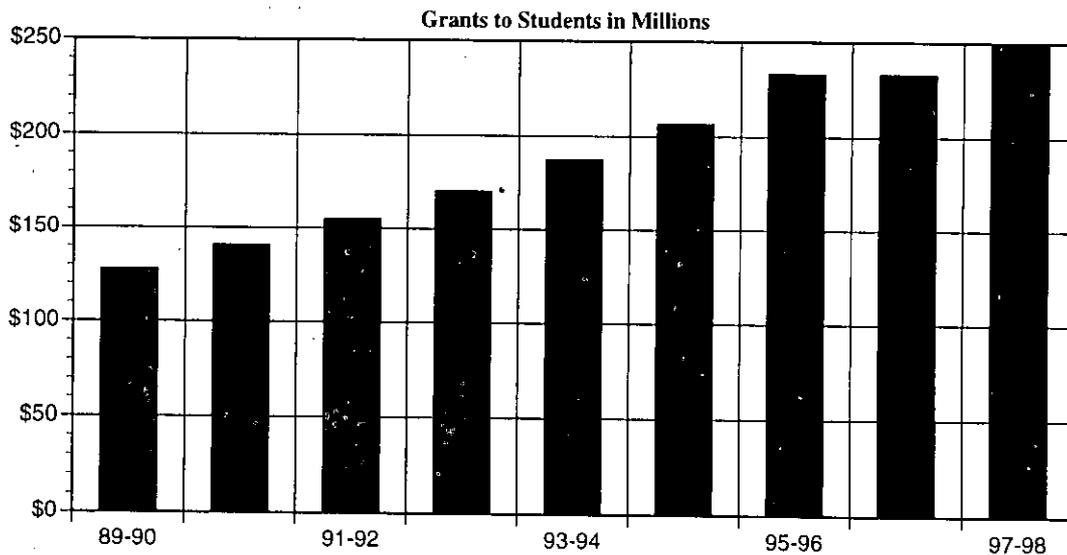
Program Recommendations:

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

<p>Grants to Students</p> <p>\$ 16,316 —Initiative — Enhancements to the Student Grant Program. To increase the number of grant recipients by 1,760 to over 128,000 full-time equivalent students and to increase the average grant award by \$70, from \$1,900 to \$1,970.</p> <p>Matching Payments for Student Aid Funds</p> <p>\$ 1,661 —to provide match for increased Federal funds.</p>	<p>Loan Forgiveness</p> <p>\$ -1,874 —to provide for renewal applicants only.</p> <p>Agricultural Loan Forgiveness</p> <p>\$ -87 —to provide for renewal applicants only.</p> <p>Child Care Loan Forgiveness</p> <p>\$ -100 —this budget recommends elimination of this program.</p>
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The Equal Opportunity Professional Education Loan Forgiveness appropriation is recommended at the current year funding level.

Student Aid Higher Education Assistance Agency



The table shows that State funding for student aid has almost doubled from \$127 million in 1989-90 to nearly \$250 million in 1997-98.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
GENERAL FUND:							
Grants to Students	\$ 233,091	\$ 233,091	\$ 249,407	\$ 249,407	\$ 249,407	\$ 249,407	\$ 249,407
Matching Payments for Student Aid							
Funds	6,736	6,736	8,397	8,397	8,397	8,397	8,397
Equal Opportunity Professional Education	750	750	750	750	750	750	750
Loan Forgiveness	5,010	4,214	2,340	2,340	2,340	2,340	2,340
Agricultural Loan Forgiveness	315	264	177	177	177	177	177
Child Care Loan Forgiveness	300	100	0	0	0	0	0
TOTAL GENERAL FUND	\$ 246,202	\$ 245,155	\$ 261,071	\$ 261,071	\$ 261,071	\$ 261,071	\$ 261,071

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:

	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
Eligible grant recipients enrolled at eligible independent institutions	39,622	38,899	38,899	38,899	38,899	38,899	38,899
Per capita grant	\$905	\$922	\$927	\$927	\$927	\$927	\$927
Eligible institutions	85	85	85	85	85	85	85

Program Recommendations:

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

Institutional Assistance Grants
\$ 714 —to provide a two percent increase.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
GENERAL FUND:							
Institutional Assistance Grants	\$ 35,675	\$ 35,675	\$ 36,389	\$ 36,389	\$ 36,389	\$ 36,389	\$ 36,389
TAP Advertising	1,000	0	0	0	0	0	0
TOTAL GENERAL FUND	\$ 36,675	\$ 35,675	\$ 36,389	\$ 36,389	\$ 36,389	\$ 36,389	\$ 36,389



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

	(Dollar Amounts in Thousands)		
	1995-96 ACTUAL	1996-97 AVAILABLE	1997-98 BUDGET
GENERAL FUND:			
General Government:			
General Government Operations.....	\$ 15,549	\$ 15,354	\$ 16,584
(F)January 1996 Storm Disaster - Public Assistance.....	0	52	0
(F)Intermodal Surface Transportation Safety Act.....	64	52	0
(F)State Records Center.....	8	0	0
(F)Surface Mining Study.....	8	0	0
(F)Surface Mining Review.....	28	45	45
(F)Railroad Museum Improvement.....	332	1,315	0
(F)Environmental Review.....	90	100	90
(F)Erie Maritime Center.....	0	50	0
(F)Community Service Internship.....	0	6	0
(F)Historic Preservation.....	886	1,100	1,100
(A)Hope Lodge.....	40	0	0
(A)Historic Preservation Fund.....	436	766	435
(A)Commission on Crime and Delinquency.....	32	0	0
(A)Rental Fees Historic Sites and Properties.....	100	0	0
(A)PA Turnpike Commission.....	19	0	31
(A)Lackawanna Heritage Authority.....	15	0	0
(A)Archives and State Records Services.....	1	0	0
(A)Architectural Services.....	8	0	0
Records and Management Information.....	0	450	444
Maintenance Program.....	944	944	1,000
Subtotal - State Funds.....	\$ 16,493	\$ 16,748	\$ 18,028
Subtotal - Federal Funds.....	1,416	2,720	1,235
Subtotal - Augmentations.....	651	766	466
Total - General Government.....	\$ 18,560	\$ 20,234	\$ 19,729
Grants and Subsidies:			
Museum Assistance Grants.....	\$ 1,175	\$ 4,940	\$ 3,175
Federal Match - Strasburg Railroad.....	195	0	0
University of Pennsylvania Museum.....	181	181	181
Carnegie Museum.....	181	181	181
Franklin Institute.....	547	547	547
Academy of Natural Sciences.....	335	335	335
Carnegie Science Center.....	181	181	181
Museum of Philadelphia Civic Center.....	181	20	0
Afro-American Historical and Cultural Museum.....	256	256	256
Everhart Museum.....	33	33	33
Mercer Museum.....	139	139	139
Museum of Scientific Discovery.....	100	100	100
Total - Grants and Subsidies.....	\$ 3,504	\$ 6,913	\$ 5,128
STATE FUNDS.....	\$ 19,997	\$ 23,661	\$ 23,156
FEDERAL FUNDS.....	1,416	2,720	1,235
AUGMENTATIONS.....	651	766	466
GENERAL FUND TOTAL.....	\$ 22,064	\$ 27,147	\$ 24,857
KEYSTONE RECREATION, PARK AND CONSERVATION FUND:			
Grants and Subsidies:			
Historic Site Development - Bond Proceeds.....	\$ 5,702	\$ 3,749	\$ 0
Historic Site Development - Realty Transfer Tax.....	2,086	6,866	4,555

Historical and Museum Commission

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1995-96 ACTUAL	1996-97 AVAILABLE	1997-98 BUDGET
Total - Grants and Subsidies.....	\$ 7,788	\$ 10,615	\$ 4,555
KEYSTONE RECREATION, PARK AND CONSERVATION FUND TOTAL.....	\$ 7,788	\$ 10,615	\$ 4,555
OTHER FUNDS:			
GENERAL FUND:			
Preservation of Historic Sites and Properties.....	\$ 200	\$ 0	\$ 0
Hope Lodge Fund.....	30	30	0
GENERAL FUND TOTAL.....	\$ 230	\$ 30	\$ 0
CONRAD WEISER MEMORIAL PARK TRUST FUND:			
Conrad Weiser Memorial Trust Fund.....	\$ 6	\$ 27	\$ 0
HISTORICAL PRESERVATION FUND:			
Historic Preservation Fund.....	\$ 5,495	\$ 4,800	\$ 4,800
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 19,997	\$ 23,661	\$ 23,156
SPECIAL FUNDS.....	7,788	10,615	4,555
FEDERAL FUNDS.....	1,416	2,720	1,235
AUGMENTATIONS.....	651	766	466
OTHER FUNDS.....	5,731	4,857	4,800
TOTAL ALL FUNDS.....	\$ 35,583	\$ 42,619	\$ 34,212

Historical and Museum Commission

Program Funding Summary

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
STATE HISTORIC PRESERVATION							
GENERAL FUND.....	\$ 16,493	\$ 16,748	\$ 18,028	\$ 18,389	\$ 18,764	\$ 19,142	\$ 19,535
SPECIAL FUNDS.....	7,788	10,615	4,555	4,314	4,321	4,401	4,495
FEDERAL FUNDS.....	1,416	2,720	1,235	1,135	1,135	1,235	1,235
OTHER FUNDS.....	6,382	5,623	5,266	5,285	5,285	5,340	5,340
SUBCATEGORY TOTAL.....	\$ 32,079	\$ 35,706	\$ 29,084	\$ 29,123	\$ 29,505	\$ 30,118	\$ 30,605
MUSEUM ASSISTANCE							
GENERAL FUND.....	\$ 3,504	\$ 6,913	\$ 5,128	\$ 5,128	\$ 5,128	\$ 5,128	\$ 5,128
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.....	\$ 3,504	\$ 6,913	\$ 5,128	\$ 5,128	\$ 5,128	\$ 5,128	\$ 5,128
ALL PROGRAMS:							
GENERAL FUND.....	\$ 19,997	\$ 23,661	\$ 23,156	\$ 23,517	\$ 23,892	\$ 24,270	\$ 24,663
SPECIAL FUNDS.....	7,788	10,615	4,555	4,314	4,321	4,401	4,495
FEDERAL FUNDS.....	1,416	2,720	1,235	1,135	1,135	1,235	1,235
OTHER FUNDS.....	6,382	5,623	5,266	5,285	5,285	5,340	5,340
DEPARTMENT TOTAL.....	\$ 35,583	\$ 42,619	\$ 34,212	\$ 34,251	\$ 34,633	\$ 35,246	\$ 35,733

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 nonprofit 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:	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
State and Local Records							
Pages of archives and historical manuscripts (in thousands)	150,042	155,000	160,000	164,000	168,000	173,000	177,000
Service request responses History, Archives and Land Records	79,150	80,000	81,000	82,000	83,000	84,000	85,000
Historic Site and Museum Operations							
Annual visits to commission historical sites and museums (in thousands)	1,658	1,700	1,700	1,700	1,700	1,700	1,700
Historic markers	1,701	1,720	1,740	1,760	1,780	1,800	1,820
Historic Preservation							
Evaluations for the National Register of Historic Properties	314	320	325	330	340	350	360

Historical and Museum Commission

Program: State Historic Preservation (continued)

Program Measures: (continued)	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
<i>Professional History and Museum Support Services</i>							
Objects maintained and conserved (in thousands)	2,000	2,000	2,000	2,000	2,000	2,000	2,001
Commission buildings undergoing improvement	88	76	50	50	50	50	50

The program measure "Historic properties reviewed for tax credits" which appeared in last year's budget has been deleted based on the decline in program usage.

The change in the program measure from last year's budget "objects maintained and conserved" is due to completion of a major survey and a new system for registering accession/deaccessions.

The measure "Commission buildings undergoing improvement" has been reduced substantially from last year's budget because 1) all bond funds under the Keystone Recreation, Park and Conservation Fund are anticipated to be expended by June 30, 1997 and 2) revised approach to managing maintenance projects.

Program Recommendations:	This budget recommends the following changes: (Dollar Amounts in Thousands)
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\$ 505 725 <hr style="width: 50%; margin-left: 0;"/> \$ 1,230	General Government Operations —to continue current program. —Initiative — Administrative Support for Historic Sites. To provide administrative support necessary to open the Erie Maritime Museum, and for the expansion of the Railroad Museum of Pennsylvania, and the Somerset Historical Center. <i>Appropriation Increase</i>	\$ -6 \$ 56	Records and Management Information —to continue current program. Maintenance Program —to continue current program.
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Appropriations within this Program:	(Dollar Amounts in Thousands)
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	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
GENERAL FUND:							
General Government Operations	\$ 15,549	\$ 15,354	\$ 16,584	\$ 16,916	\$ 17,262	\$ 17,610	\$ 17,973
Records and Management Information	0	450	444	453	462	471	480
Maintenance Program	944	944	1,000	1,020	1,040	1,061	1,082
TOTAL GENERAL FUND	\$ 16,493	\$ 16,748	\$ 18,028	\$ 18,389	\$ 18,764	\$ 19,142	\$ 19,535

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, Mercer Museum and the Museum of Scientific Discovery. 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:	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
Museum assistance competitive grants awarded.....	154	175	175	180	180	180	180
Museum assistance general operating support grants	42	42	42	45	45	45	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)

\$ -1,765	Museum Assistance Grants -nonrecurring projects.	\$ -20	Museum of Philadelphia Civic Center -nonrecurring appropriation.
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All other appropriations are recommended at the current year funding levels.

Historical and Museum Commission

Program: Museum Assistance (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
GENERAL FUND:							
Museum Assistance Grants	\$ 1,175	\$ 4,940	\$ 3,175	\$ 3,175	\$ 3,175	\$ 3,175	\$ 3,175
Federal Match — Strasburg Railroad	195	0	0	0	0	0	0
University of Pennsylvania Museum	181	181	181	181	181	181	181
Carnegie Museum	181	181	181	181	181	181	181
Franklin Institute	547	547	547	547	547	547	547
Academy of Natural Sciences	335	335	335	335	335	335	335
Carnegie Science Center	181	181	181	181	181	181	181
Museum of Philadelphia Civic Center	181	20	0	0	0	0	0
Afro-American Historical and Cultural Museum	256	256	256	256	256	256	256
Everhart Museum	33	33	33	33	33	33	33
Mercer Museum	139	139	139	139	139	139	139
Museum of Scientific Discovery	100	100	100	100	100	100	100
TOTAL GENERAL FUND	\$ 3,504	\$ 6,913	\$ 5,128	\$ 5,128	\$ 5,128	\$ 5,128	\$ 5,128



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

THE UNIVERSITY OF CHICAGO

PHYSICS DEPARTMENT

PHYSICS 433
LECTURE 10
THERMAL CONDUCTIVITY
AND
THERMAL EXPANSION

Housing Finance Agency

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1995-96	1996-97	1997-98
	ACTUAL	AVAILABLE	BUDGET
GENERAL FUND:			
<i>Grants and Subsidies:</i>			
Homeowners Emergency Mortgage Assistance.....	\$ 18,000	\$ 3,000	\$ 5,000
GENERAL FUND TOTAL.....	\$ 18,000	\$ 3,000	\$ 5,000

Housing Finance Agency

Program Funding Summary

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
COMMUNITY DEVELOPMENT AND CONSERVATION							
GENERAL FUND.....	\$ 18,000	\$ 3,000	\$ 5,000	\$ 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.....	\$ 18,000	\$ 3,000	\$ 5,000	\$ 0	\$ 0	\$ 0	\$ 0
ALL PROGRAMS:							
GENERAL FUND.....	\$ 18,000	\$ 3,000	\$ 5,000	\$ 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.....	\$ 18,000	\$ 3,000	\$ 5,000	\$ 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 is currently 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 1995-96, \$325 million in tax-exempt bonds were sold to provide approximately 3,900 mortgages to first time home buyers throughout Pennsylvania.

Since inception, PHFA has financed 7,032 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 more than 37,000 apartment units and more than 62,000 single family homes through the sale of over \$4 billion of tax-exempt and taxable bonds. It has channeled over \$167 million of General Fund monies into the HEMAP Program to save more than 20,500 homes from foreclosure. General Fund monies are not included for HEMAP beginning in 1998-99. Rather, the HEMAP Program will place focus on the collection and use of repayments on outstanding loans to maintain the current program.

This budget proposes funding and legislation to effectuate this program change to achieve self-sufficiency during 1997-98.

Program Measures:

	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
Persons eligible for HEMAP loans	1,751	1,150	1,000	1,000	1,000	1,000	1,000
Approved mortgage assistance loans	1,611	1,150	1,000	1,000	1,000	1,000	1,000
Annual value of assistance loans recorded (in thousands)	\$16,244	\$11,528	\$10,100	\$10,100	\$10,100	\$10,100	\$10,100
Average mortgage assistance loan	\$10,083	\$10,024	\$10,024	\$10,024	\$10,024	\$10,024	\$10,024
Mortgage assistance loans qualifying for repayment	4,000	4,500	5,000	5,500	5,500	5,500	5,500
Outstanding principal balance of mortgage assistance loans qualifying for repayment (in thousands)	\$45,389	\$45,108	\$46,780	\$46,780	\$46,780	\$46,780	\$46,780

The changes in program measures from those shown in last year's budget reflect the transition from General Fund support to a self-sustaining program. The decrease in persons eligible for loans, loan approvals, and the dollar value of loans recorded reflect a fiscally balanced approach to application review and the expected elimination of General Fund support. The increases in loans qualifying for repayment and principal balance outstanding reflect efforts to ensure program compliance by borrowers and the supply of revenue needed to make the program independent. Legislative changes are proposed to enable the agency to sustain the program with its own finances.

Program Recommendations:

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

	GENERAL FUND:	
	Homeowners Emergency Mortgage Assistance	
\$ 2,000	—transition funding to make program self-sustaining beginning in 1998-99.	

Housing Finance Agency

Program: Community Development and Conservation (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
GENERAL FUND:							
Homeowners Emergency Mortgage Assistance	\$ 18,000	\$ 3,000	\$ 5,000	\$ 0	\$ 0	\$ 0	\$ 0



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

	(Dollar Amounts in Thousands)		
	1995-96	1996-97	1997-98
	ACTUAL	AVAILABLE	BUDGET
GENERAL FUND:			
<i>Grants and Subsidies:</i>			
(F)Sewage Projects Revolving Loan Fund.....	\$ 0	\$ 85,900	\$ 45,392
(F)Drinking Water Projects Revolving Loan Fund.....	0	16,200	35,800
Subtotal - Federal Funds.....	0	102,100	81,192
Total - Grants and Subsidies.....	<u>\$ 0</u>	<u>\$ 102,100</u>	<u>\$ 81,192</u>
GENERAL FUND TOTAL.....	<u>\$ 0</u>	<u>\$ 102,100</u>	<u>\$ 81,192</u>
OTHER FUNDS:			
PENNVEST FUND:			
PENNVEST Operations (EA).....	\$ 2,808	\$ 2,909	\$ 2,723
Grants - Other Revenue Sources (EA).....	4,533	3,500	2,125
Revenue Bond Loan Pool (EA).....	420	0	10
Revolving Loans.....	10,454	25,000	25,000
PENNVEST FUND TOTAL.....	<u>\$ 18,215</u>	<u>\$ 31,409</u>	<u>\$ 29,858</u>
PENNVEST WATER POLLUTION CONTROL REVOLVING FUND:			
PENNVEST Water Pollution Control Revolving Fund.....	\$ 8,500	\$ 14,700	\$ 9,500
Additional Sewage Projects Revolving Loans (EA).....	27,812	10,000	10,000
Sewage Projects Revolving Loan Fund.....	48,067	0 ^a	0 ^a
On-lot Sewage Disposal Systems.....	1,500	0 ^b	0 ^b
PENNVEST WATER POLLUTION CONTROL REVOLVING FUND TOTAL.....	<u>\$ 85,879</u>	<u>\$ 24,700</u>	<u>\$ 19,500</u>
PENNVEST DRINKING WATER REVOLVING FUND:			
PENNVEST Drinking Water Project Revolving Fund.....	\$ 0	\$ 0 ^c	\$ 0 ^c
PENNVEST REVOLVING FUND:			
PENNVEST Revolving Fund.....	<u>\$ 60,797</u>	<u>\$ 41,500</u>	<u>\$ 0</u>
PENNVEST NON-REVOLVING FUND:			
PENNVEST Nonrevolving Equity Fund.....	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 54,500</u>
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	0	102,100	81,192
OTHER FUNDS.....	164,891	97,609	103,858
TOTAL ALL FUNDS.....	<u>\$ 164,891</u>	<u>\$ 199,709</u>	<u>\$ 185,050</u>

^a Not added to the total to avoid double counting Federal funds: 1996-97 Available is \$66,400,000 and 1997-98 Budget is \$44,700,000.

^b Not added to the total to avoid double counting Federal funds: 1996-97 Available is \$750,000 and 1997-98 Budget is \$500,000.

^c Not added to the total to avoid double counting Federal funds: 1996-97 Available is \$16,200,000 and 1997-98 Budget is \$35,800,000.

Infrastructure Investment Authority

Program Funding Summary

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
PENNVEST							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	102,100	81,192	73,682	77,092	76,782	75,852
OTHER FUNDS.....	164,891	97,609	103,858	70,112	73,668	73,725	73,783
SUBCATEGORY TOTAL.....	\$ 164,891	\$ 199,709	\$ 185,050	\$ 143,794	\$ 150,760	\$ 150,507	\$ 149,635
ALL PROGRAMS:							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	102,100	81,192	73,682	77,092	76,782	75,852
OTHER FUNDS.....	164,891	97,609	103,858	70,112	73,668	73,725	73,783
DEPARTMENT TOTAL.....	\$ 164,891	\$ 199,709	\$ 185,050	\$ 143,794	\$ 150,760	\$ 150,507	\$ 149,635

Infrastructure Investment Authority

PROGRAM OBJECTIVE: *To promote public health and a clean environment and to further economic development in the Commonwealth by providing a financing program, technical assistance and administrative support for community drinking water systems, municipal sewage treatment facilities and stormwater control projects.*

Program: PENNVEST

The PENNVEST Program authorized by Act 16 of 1988 provides an investment pool of capital to rebuild and expand community drinking water systems and municipal sewage treatment facilities in the Commonwealth. These systems and facilities are essential for the protection of public health and the promotion of economic development. Many systems and facilities need to be repaired, upgraded or expanded to meet environmental standards and economic development goals. 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 technical assistance in planning and designing projects, and, if necessary, reviews the applicant operations to improve efficiency.

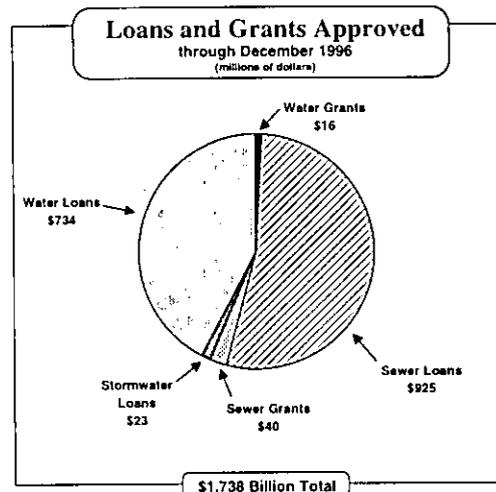
To facilitate fund management and accounting, several separate funds have been established. The PENNVEST Fund serves as the repository of interest and investment income, and loan repayments. In addition to loans and grants, administrative costs are paid from this fund. The Water Pollution Control Revolving 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.

This budget also recommends the implementation of a new Federal program. The current Federal revolving loan program funds sewage treatment facilities. The new program will provide Federal seed money for a revolving loan fund for drinking water projects. To facilitate management, a new special fund, the PENNVEST Drinking Water Revolving Fund, will be established. The required State matching funds will come from the sale of General Obligation Bonds which are already authorized, and from repayments of principal and interest from existing PENNVEST loans.

Program Measures:

	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
PENNVEST projects implemented	162	109	109	109	109	109	109
PENNVEST awards (in millions):							
Loans	\$ 142	\$ 120	\$ 120	\$ 120	\$ 120	\$ 120	\$ 120
Grants	2	2	2	2	2	2	2
Total	\$ 144	\$ 122	$ 122	$ 122	$ 122	$ 122	$ 122

The actual number of projects implemented in 1995-96 was significantly higher than projected in last year's budget. The amounts awarded has been changed from last year's budget to show revised estimates of future loan activity.



Program Recommendations:

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

Grant disbursements totalling \$2.125 million and administrative costs are to be funded from existing non-General Fund sources.



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

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1995-96 ACTUAL	1996-97 AVAILABLE	1997-98 BUDGET
GENERAL FUND:			
<i>General Government:</i>			
General Government Operations.....	\$ 15,011 ^a	\$ 15,569	\$ 16,475
(A)Companies in Liquidation.....	1,584	1,793	1,428
(A)Pennsylvania Bulletin and Code Regulations.....	12	0	0
(A)Duplicating and Mailing Services.....	25	20	20
(A)Workers' Compensation Security Services.....	274	250	260
(A)Reimbursements - Examination Travel.....	593	500	500
(A)Reimbursements - Market Conduct Travel.....	105	50	50
(A)Underground Storage Tank Indemnification Fund Expense.....	35	27	11
(A)Reimbursement - Children's Health Insurance Fund.....	33	0	0
(A)Reimbursement - Catastrophic Loss Benefits Continuation Fund.....	9	18	23
January 1996 Disaster Relief - Public Assistance.....	87	0	0
Subtotal - State Funds.....	\$ 15,098	\$ 15,569	\$ 16,475
Subtotal - Augmentations.....	2,670	2,658	2,292
Total - General Government.....	\$ 17,768	\$ 18,227	\$ 18,767
STATE FUNDS.....	\$ 15,098	\$ 15,569	\$ 16,475
AUGMENTATIONS.....	2,670	2,658	2,292
GENERAL FUND TOTAL.....	\$ 17,768	\$ 18,227	\$ 18,767
OTHER FUNDS:			
GENERAL FUND:			
Children's Health Fund.....	\$ 32,133	\$ 30,741	\$ 32,607
Single Licensing Conversion.....	22	0	0
GENERAL FUND TOTAL.....	\$ 32,155	\$ 30,741	\$ 32,607
CATASTROPHIC LOSS BENEFITS CONTINUATION FUND:			
Administration (EA).....	\$ 1,506	\$ 1,361	\$ 1,258
Claims (EA).....	14,000	16,600	16,200
Loan Repayment.....	0	0	13,454
CATASTROPHIC LOSS BENEFITS CONTINUATION FUND TOTAL.....	\$ 15,506	\$ 17,961	\$ 30,912
UNDERGROUND STORAGE TANK INDEMNIFICATION FUND:			
Administration (EA).....	\$ 3,866	\$ 2,964	\$ 5,556
Claims (EA).....	8,071	12,580	31,500
UNDERGROUND STORAGE TANK INDEMNIFICATION FUND TOTAL.....	\$ 11,937	\$ 15,544	\$ 37,056
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 15,098	\$ 15,569	\$ 16,475
SPECIAL FUNDS.....	0	0	0
AUGMENTATIONS.....	2,670	2,658	2,292
OTHER FUNDS.....	59,598	64,246	100,575
TOTAL ALL FUNDS.....	\$ 77,366	\$ 82,473	\$ 119,342

^a Actually appropriated as \$101,000 for Children's Health Insurance Management Team and \$14,910,000 for General Government Operations.

Program Funding Summary

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
INSURANCE INDUSTRY REGULATION							
GENERAL FUND.....	\$ 15,098	\$ 15,569	\$ 16,475	\$ 16,445	\$ 16,621	\$ 16,953	\$ 17,292
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	62,268	66,904	102,867	107,505	107,633	96,022	90,159
SUBCATEGORY TOTAL.....	\$ 77,366	\$ 82,473	\$ 119,342	\$ 123,950	\$ 124,254	\$ 112,975	\$ 107,451
ALL PROGRAMS:							
GENERAL FUND.....	\$ 15,098	\$ 15,569	\$ 16,475	\$ 16,445	\$ 16,621	\$ 16,953	\$ 17,292
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	62,268	66,904	102,867	107,505	107,633	96,022	90,159
DEPARTMENT TOTAL.....	\$ 77,366	\$ 82,473	\$ 119,342	\$ 123,950	\$ 124,254	\$ 112,975	\$ 107,451

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 74,000 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. Act 111 of 1996 authorized a one-time transfer from the State Stores Fund to help maintain coverage for currently served children and to provide coverage to additional children.

The Catastrophic Loss Benefits Continuation Fund, funded through certain motor vehicle violation surcharge fees, provides benefits to Pennsylvanians who were catastrophically injured in motor vehicle accidents prior to January 1, 1990, and incurred medical expenses in excess of \$100,000 up to a lifetime aggregate of \$1 million.

The Underground Storage Tank Indemnification Fund, established pursuant to 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:

	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
Consumer savings from departmental intervention in insurance claim disputes (in thousands)	\$9,286	\$9,300	\$9,300	\$9,300	\$9,300	\$9,300	\$9,300
Companies in liquidation	29	23	18	8	5	5	5
Rate filings reviewed	20,542	19,000	19,000	19,000	19,000	19,000	19,000
Administrative hearings held	257	220	200	200	200	200	200
Policy/form filings reviewed	53,726	55,000	55,000	55,000	55,000	55,000	55,000
Companies examined	90	90	90	90	90	90	90
Continuing care providers regulated	103	104	104	104	104	104	104

The increase in consumer savings from departmental intervention, compared to the estimate in last year's budget, is the result of increased settlements concerning improper sales and marketing activities in the life insurance industry.

The decrease in the number of administrative hearings held in 1995-96 and 1996-97 from last year's budget is due to a reduction in the number of auto insurance hearings being held.

The decrease in the number of policy/form filings reviewed, compared to the estimate in last year's budget, is due to the deregulation of certain property and casualty, accident, health, and life insurance lines. The deregulation resulted in a change in the types and number of products which need to be filed.

Program: Insurance Industry Regulation (continued)

Program Measures: (continued)	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
Enforcement investigations completed	317	300	300	300	300	300	300
Insurer market conduct examinations completed	31	50	50	50	50	50	50

Insurer market conduct examinations completed decreased from the estimate in last year's budget due to the importance of focusing 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)

	General Government Operations	
\$ 674	—to continue current program.	
500	—Initiative — Producer Licensing System. To implement an improved single licensing system for insurance agents and brokers.	
152	—to increase department efficiency by providing automated technology equipment to access regulatory and financial databases.	
193	—to replace office furnishings to accommodate automated technology equipment. Second year of three year replacement plan.	
-613	—nonrecurring costs for automated technology.	
<u>\$ 906</u>	<i>Appropriation Increase</i>	

The Children's Health Insurance Program (CHIP) provides services to approximately 51,000 children annually. This budget proposes to increase the number of children served in 1997-98 by 3,000, for a total of 54,000. This initiative will be funded by increasing the cigarette tax revenue dedicated to CHIP from two cents per pack to three cents per pack. This additional revenue will also be used to continue services to current children.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
GENERAL FUND:							
General Government Operations	\$ 15,011	\$ 15,569	\$ 16,475	\$ 16,445	\$ 16,621	\$ 16,953	\$ 17,292
January 1996 Disaster Relief —							
Public Assistance	87	0	0	0	0	0	0
TOTAL GENERAL FUND	<u>\$ 15,098</u>	<u>\$ 15,569</u>	<u>\$ 16,475</u>	<u>\$ 16,445</u>	<u>\$ 16,621</u>	<u>\$ 16,953</u>	<u>\$ 17,292</u>



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

PROGRAM REVISION

Budgeted Amounts Include the Following Program Revisions:

Title	Appropriation	1997-98 State Funds (In thousands)
Enhancing Information Technology to Better Serve Pennsylvania		
	General Government Operations	\$ 5,000
<p>This Program Revision provides resources to contract for services to convert agency computer system applications to accommodate the year 2000. This is part of the \$74.1 million Enhancing Information Technology to Better Serve Pennsylvania Program Revision. Please see the Program Revision following the Executive Direction Program in the Executive Offices for additional information on this Program Revision.</p>		
Project for Community Building		
	General Government Operations	\$ 851
<p>This Program Revision establishes a program to provide temporary income support, training and counseling to individuals who are receiving unemployment compensation but wish to become self-employed. This is part of the \$21.2 million Project for Community Building Program Revision. Please see the Program Revision following the Community Development Program in the Department of Community and Economic Development for additional information on this Program Revision.</p>		
Department Total		\$ 5,851

Labor and Industry

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1995-96 ACTUAL	1996-97 AVAILABLE	1997-98 BUDGET
GENERAL FUND:			
General Government:			
General Government Operations.....	\$ 7,425	\$ 7,339	\$ 14,247
(F)Disability Determination.....	52,557	60,695	64,102
(F)JTPA - Administration.....	4,843	6,162	5,500
(F)Community Service and Corps.....	6,079	10,000	10,000
(F)National Occupational Information Coordinating Committee.....	204	302	311
(F)New Hires.....	0	0	1,822
(A)Federal Indirect Cost Reimbursement.....	1,760	1,760	1,760
Subtotal.....	\$ 72,868	\$ 86,258	\$ 97,742
Occupational and Industrial Safety.....	8,305	8,559	8,720
(F)Asbestos Certification.....	85	150	227
(A)Federal Indirect Cost Reimbursements.....	1,700	1,700	1,700
Right-to-Know.....	1,129	1,083	1,099
Pennsylvania Conservation Corps.....	5,986	5,905	5,899
(F)Urban Youth Corps.....	250	250	0
(F)Preservation Training.....	57	0	0
Subtotal - State Funds.....	\$ 22,845	\$ 22,886	\$ 29,965
Subtotal - Federal Funds.....	64,075	77,559	81,962
Subtotal - Augmentations.....	3,460	3,460	3,460
Total - General Government.....	\$ 90,380	\$ 103,905	\$ 115,387
Grants and Subsidies:			
Occupational Disease Payments.....	\$ 3,770	\$ 3,997	\$ 3,706
Transfer to Vocational Rehabilitation Fund.....	23,206	23,559	24,030
Supported Employment.....	899	899	899
Centers for Independent Living.....	920	1,000	1,000
Workers' Compensation Payments.....	464	432	420
Dislocated Workers.....	2,494	2,500	2,500
Employment Services.....	2,162	3,600	3,600
(F)Joint Jobs Initiative.....	30,385	30,393	30,393
(F)JTPA - Dislocated Workers.....	112,935	94,000	94,616
(F)JTPA - Incentive Grants.....	7,056	3,321	3,321
(F)JTPA - Grants to Service Delivery Areas.....	80,493	60,000	60,000
(F)JTPA - Summer Youth.....	53,510	44,000	44,000
(F)JTPA - Older Workers.....	4,901	3,450	3,000
(F)JTPA - Veterans Employment.....	532	546	0
(A)Joint Jobs Initiative.....	15,864	21,110	21,110
Subtotal.....	\$ 307,838	\$ 260,420	\$ 260,040
Subtotal - State Funds.....	\$ 33,915	\$ 35,987	\$ 36,155
Subtotal - Federal Funds.....	289,812	235,710	235,330
Subtotal - Augmentations.....	15,864	21,110	21,110
Total - Grants and Subsidies.....	\$ 339,591	\$ 292,807	\$ 292,595
STATE FUNDS.....	\$ 56,760	\$ 58,873	\$ 66,120
FEDERAL FUNDS.....	353,887	313,269	317,292
AUGMENTATIONS.....	19,324	24,570	24,570
GENERAL FUND TOTAL.....	\$ 429,971	\$ 396,712	\$ 407,982

Labor and Industry

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1995-96 ACTUAL	1996-97 AVAILABLE	1997-98 BUDGET
OTHER FUNDS:			
GENERAL FUND:			
Asbestos Occupations Accreditation and Certification.....	\$ 689	\$ 1,300	\$ 1,407
ADMINISTRATION FUND:			
Administration of Unemployment.....	\$ 199,646	\$ 190,820	\$ 190,820
HAZARDOUS MATERIALS RESPONSE FUND:			
Hazardous Material Response Administration.....	\$ 36	\$ 83	\$ 63
REHABILITATION CENTER FUND:			
Operation of Rehabilitation Center.....	\$ 14,712	\$ 17,360	\$ 15,971
VOCATIONAL REHABILITATION FUND:			
Administration of Vocational Rehabilitation.....	\$ 109,577	\$ 97,358	\$ 98,477
WORKMEN'S COMPENSATION ADMINISTRATION FUND:			
Administration of Workers' Compensation.....	\$ 43,310	\$ 48,588	\$ 52,941
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 56,760	\$ 58,873	\$ 66,120
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	353,887	313,269	317,292
AUGMENTATIONS.....	19,324	24,570	24,570
OTHER FUNDS.....	367,970	355,509	359,679
TOTAL ALL FUNDS.....	\$ 797,941	\$ 752,221	\$ 767,661

Labor and Industry

Program Funding Summary

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
COMMUNITY AND OCCUPATIONAL SAFETY AND STABILITY							
GENERAL FUND.....	\$ 16,859	\$ 16,981	\$ 24,066	\$ 19,214	\$ 19,566	\$ 19,925	\$ 20,291
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	539	702	538	538	538	538	538
OTHER FUNDS.....	4,185	4,843	4,930	4,959	4,989	5,019	5,050
SUBCATEGORY TOTAL.....	\$ 21,583	\$ 22,526	\$ 29,534	\$ 24,711	\$ 25,093	\$ 25,482	\$ 25,879
WORKERS COMPENSATION AND ASSISTANCE							
GENERAL FUND.....	\$ 4,234	\$ 4,429	\$ 4,126	\$ 4,126	\$ 4,126	\$ 4,126	\$ 4,126
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	52,557	60,695	65,924	64,102	64,102	64,102	64,102
OTHER FUNDS.....	242,956	239,408	243,761	244,820	245,900	247,002	248,126
SUBCATEGORY TOTAL.....	\$ 299,747	\$ 304,532	\$ 313,811	\$ 313,048	\$ 314,128	\$ 315,230	\$ 316,354
JOB TRAINING DEVELOPMENT							
GENERAL FUND.....	\$ 10,642	\$ 12,005	\$ 11,999	\$ 12,117	\$ 12,237	\$ 12,360	\$ 12,485
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	300,791	251,872	250,830	250,830	250,830	250,830	250,830
OTHER FUNDS.....	15,864	21,110	21,110	21,110	21,110	21,110	21,110
SUBCATEGORY TOTAL.....	\$ 327,297	\$ 284,987	\$ 283,939	\$ 284,057	\$ 284,177	\$ 284,300	\$ 284,425
VOCATIONAL REHABILITATION							
GENERAL FUND.....	\$ 25,025	\$ 25,458	\$ 25,929	\$ 25,929	\$ 25,929	\$ 25,929	\$ 25,929
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	124,289	114,718	114,448	114,767	115,093	115,425	115,764
SUBCATEGORY TOTAL.....	\$ 149,314	\$ 140,176	\$ 140,377	\$ 140,696	\$ 141,022	\$ 141,354	\$ 141,693
ALL PROGRAMS:							
GENERAL FUND.....	\$ 56,760	\$ 58,873	\$ 66,120	\$ 61,386	\$ 61,858	\$ 62,340	\$ 62,831
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	353,887	313,269	317,292	315,470	315,470	315,470	315,470
OTHER FUNDS.....	387,294	380,079	384,249	385,656	387,092	388,556	390,050
DEPARTMENT TOTAL.....	\$ 797,941	\$ 752,221	\$ 767,661	\$ 762,512	\$ 764,420	\$ 766,366	\$ 768,351

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 Employee 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 Employee 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 promotes labor-management cooperation through support of and coordination with the area labor-management committees throughout Pennsylvania. The Pennsylvania Bureau of Mediation provides technical assistance as facilitator for cooperative programs. In addition to promoting labor-management cooperation, the office also recognizes and awards existing successful labor-management cooperation efforts in the Commonwealth. It provides support and technical assistance to the "Governor's Committee on Economic Growth Through Labor-Management Cooperation."

The Fire and Panic, Building Energy Conservation, Elevator, Bedding and Upholstery, Stuffed Toy, Employment Agency, LP Gas, Boiler, Lead Certification, and Asbestos Occupations Accreditation and Certification laws are all administered by the Bureau of Occupational and Industrial Safety. The bureau enforces the acts through promulgation of regulations, conducting field inspections, licensing and certifying, and investigating complaints. The department is also responsible to insure that buildings are accessible and usable by persons with disabilities under the State's Universal Accessibility Act.

The Worker and Community Right-to-Know Act requires all employers doing business in Pennsylvania to provide certain information about hazardous chemicals found in their workplace and to make that information available to emergency response organizations and the public. The department enforces worker right-to-know provisions for public employes and those in the mining industry.

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:	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
Minimum wage violations cited	2,261	2,260	2,260	2,260	2,260	2,260	2,260
Child labor law violations	2,255	2,250	2,250	2,250	2,250	2,250	2,250
Right-to-know—education/outreach programs	37	40	40	40	40	40	40
Nonpayment of wage violations	1,140	1,140	1,140	1,140	1,140	1,140	1,140
Mediated cases involving work stoppages:							
Public bargaining units	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Private bargaining units	25%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%

Minimum wage and child labor violations cited were lower than projected in last year's budget as the result of increased compliance.

The percentage of cases involving work stoppages for public bargaining units was less than projected in last year's budget due to improved labor management cooperation. The lower rate is expected to continue.

Labor and Industry

Program: Community and Occupational Safety and Stability (continued)

Program Measures: (continued)	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
Unfair labor practice cases concluded	615	600	600	600	600	600	600
Union representation cases concluded	212	200	200	200	200	200	200
Total inspections performed	114,839	115,000	115,000	115,000	115,000	115,000	115,000
Building approvals issued	13,480	13,480	13,480	13,480	13,480	13,480	13,480
New buildings certified	7,395	7,000	7,000	7,000	7,000	7,000	7,000
Renovations of existing buildings certified	5,931	6,000	6,000	6,000	6,000	6,000	6,000

Union representation cases decreased compared to estimates in last year's budget as the result of changing economic conditions.

Projections for building approvals, new buildings certified and renovations of existing buildings certified are different than projected in last year's budget due to improving economic conditions.

Program Recommendations:

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

\$	-56	General Government Operations —nonrecurring automation projects.	938	—Initiative — New Hires Reporting System. To establish and implement a system to rapidly collect data from employers for newly-hired employees throughout the State to detect fraud in workers' compensation and unemployment compensation and to facilitate increased child support collections by the Department of Public Welfare.
	-64	—biennial prevailing wage survey.		
	239	—to continue current program.		
	851	—PRR — Project for Community Building. This Program Revision establishes a program to provide temporary income support, training and counseling to individuals who are receiving unemployment compensation but wish to become self-employed. See the Program Revision following Community Development in the Department of Community and Economic Development for further information.	\$ 6,908	<i>Appropriation Increase</i>
	5,000	—PRR — Enhancing Information Technology to Better Serve Pennsylvania. This Program Revision provides resources to contract for services to convert agency computer system applications to accommodate the year 2000. See the Program Revision following Executive Direction in the Executive Offices for further information.	\$ 343 -182 \$ 161	Occupational and Industrial Safety —to continue current program. —nonrecurring automation costs. <i>Appropriation Increase</i>
			\$ 16	Right-To-Know —to continue current program.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
GENERAL FUND:							
General Government Operations	\$ 7,425	\$ 7,339	\$ 14,247	\$ 9,199	\$ 9,351	\$ 9,506	\$ 9,664
Occupational and Industrial Safety	8,305	8,559	8,720	8,894	9,072	9,253	9,438
Right-to-Know	1,129	1,083	1,099	1,121	1,143	1,166	1,189
TOTAL GENERAL FUND	\$ 16,859	\$ 16,981	\$ 24,066	\$ 19,214	\$ 19,566	\$ 19,925	\$ 20,291

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.

Act 44 of 1993 amended the Workers' Compensation Act of 1915 to help 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.

Act 57 of 1996 substantially amended the Workers' Compensation Act. The amendments addressed the high cost of worker's compensation in the Commonwealth with respect to premiums, wage benefits, medical treatment and review, and litigation. The amendments were intended to provide expedited settlement of issues, reduce fraud, counteract disincentives to return to work, and encourage workplace safety. Their impact will be the reduction of burdensomely high costs for businesses and the resultant improvement of the business climate in the Commonwealth.

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:	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
Claimants qualifying for occupational disease payments out of Commonwealth funds	2,117	1,950	1,800	1,650	1,500	1,350	1,200
New claimants eligible for workers' compensation payments	74,000	73,000	72,000	71,000	70,000	69,000	68,000
Total petitions assigned	65,000	79,000	70,000	70,000	70,000	70,000	71,000
Judges' decisions	64,000	65,000	67,000	68,000	69,000	70,000	71,000
Average time in days—Case filed/concluded	380	350	320	300	290	280	270
New claims for unemployment compensation	633,299	633,000	633,000	633,000	633,000	633,000	633,000

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 are more than projected in last year's budget because of a revision in actual year data.

Program Recommendations:	This budget recommends the following changes: (Dollar Amounts in Thousands)
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\$	-291	Occupational Disease Payments —to continue current program.	
\$	-12	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.	
		\$ -1,895 1,565 4,683 <hr style="width: 50%; margin-left: 0;"/> \$ 4,353	In addition, this budget recommends the following changes for administration of the Workers' Compensation Program through the Workmens' Compensation Administration Fund. Administration of Workers' Compensation —nonrecurring projects. —to continue current program. —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)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
GENERAL FUND:							
Occupational Disease Payments	\$ 3,770	\$ 3,997	\$ 3,706	\$ 3,706	\$ 3,706	\$ 3,706	\$ 3,706
Workers' Compensation Payments	464	432	420	420	420	420	420
TOTAL GENERAL FUND	\$ 4,234	\$ 4,429	\$ 4,126	\$ 4,126	\$ 4,126	\$ 4,126	\$ 4,126

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 61 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 Aid to Families with Dependent Children (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 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:	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
Job Training Partnership Program:							
Enrollments	65,182	66,486	66,486	66,486	66,486	66,486	66,486
Placements	16,015	16,335	16,335	16,335	16,335	16,335	16,335
Welfare recipients served	31,196	31,820	31,820	31,820	31,820	31,820	31,820
Joint Jobs Initiative:							
Welfare recipients who completed training	4,495	6,543	6,543	6,543	6,543	6,543	6,543
Welfare recipients placed	2,500	3,328	3,328	3,328	3,328	3,328	3,328
Average hourly wage	\$6.58	\$6.68	\$6.78	\$6.88	\$6.98	\$7.08	\$7.18
Individuals placed through Job Service	84,484	85,000	85,000	85,000	85,000	85,000	85,000
Individuals enrolled in on-the-job training	2,173	2,216	2,216	2,216	2,216	2,216	2,216
Dislocated workers:							
Dislocated workers placed	6,974	7,103	7,103	7,103	7,103	7,103	7,103
Average hourly wage	\$9.77	\$9.87	\$9.97	\$10.07	\$10.17	\$10.27	\$10.27

The number of Job Training Partnership Program enrollments and placements, welfare recipients placed, and dislocated workers placed varied from the projections in last year's budget due to a revision in data presentation.

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)

\$ -6 **Pennsylvania Conservation Corps**
—nonrecurring projects.

Dislocated Workers and Employment Services are recommended to be continued at the current year funding levels.

In addition, Federal and other funds of \$271,940 are budgeted for this program in 1997-98.

Employment Services was entitled Job Centers in last year's budget.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
GENERAL FUND:							
Pennsylvania Conservation Corps	\$ 5,986	\$ 5,905	\$ 5,899	\$ 6,017	\$ 6,137	\$ 6,260	\$ 6,385
Dislocated Workers	2,494	2,500	2,500	2,500	2,500	2,500	2,500
Employment Services	2,162	3,600	3,600	3,600	3,600	3,600	3,600
TOTAL GENERAL FUND	\$ 10,642	\$ 12,005	\$ 11,999	\$ 12,117	\$ 12,237	\$ 12,360	\$ 12,485

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:	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
Caseload:							
Carry-over from previous years	40,358	42,313	44,414	46,662	48,979	51,363	53,815
New referrals	23,984	24,224	24,466	24,658	24,711	24,835	24,959
Total caseload	64,342	66,537	68,880	71,320	73,690	76,198	78,774
Cases closed:							
Ineligible or plan not initiated	8,230	8,238	8,246	8,255	8,263	8,271	8,280
Rehabilitated	7,983	8,053	8,143	8,184	8,225	8,266	8,308
Competitive	7,146	7,217	7,290	7,326	7,363	7,400	7,437
Noncompetitive	837	845	854	858	862	867	871
Nonrehabilitated	5,816	5,822	5,826	5,833	5,839	5,845	5,851
Total cases closed	22,029	22,123	22,218	22,272	22,327	22,383	22,438
Cases carried over	42,313	44,414	46,662	48,979	51,363	53,815	56,336
Severely disabled rehabilitated	7,327	7,400	7,474	7,512	7,549	7,587	7,625
Economic/client earnings information:							
Average weekly earnings for clients closed as competitively employed	\$257	\$262	\$267	\$273	\$278	\$284	\$289
Total weekly earnings for clients closed as competitively employes (in thousands)	\$1,837	\$1,892	\$1,949	\$1,998	\$2,048	\$2,100	\$2,152
Average taxes paid by a competitively employed client	\$3,475	\$3,544	\$3,615	\$3,687	\$3,761	\$3,836	\$3,913
Total taxes paid by competitively employed clients (in thousands)	\$24,830	\$25,580	\$26,352	\$27,014	\$27,692	\$28,387	\$29,079

Cases closed as "ineligible or plan not initiated" is higher than projected in last year's budget while cases closed as "nonrehabilitated" is less than projected in last year's budget. These variances occurred because the cases where plans are not initiated were included in the nonrehabilitated category last year. They are more properly shown with ineligible cases.

The number of the severely disabled rehabilitated is higher than last year's budget due to an increased emphasis on serving those with the most severe disabilities.

Program: Vocational Rehabilitation (continued)

Program Recommendations:

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

\$ 471 **Transfer to Vocational Rehabilitation Fund**
 —to continue current program.

Supported Employment and the Centers for Independent Living are recommended at the current year levels.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
GENERAL FUND:							
Transfer to Vocational Rehabilitation Fund	\$ 23,206	\$ 23,559	\$ 24,030	\$ 24,030	\$ 24,030	\$ 24,030	\$ 24,030
Supported Employment	899	899	899	899	899	899	899
Centers for Independent Living	920	1,000	1,000	1,000	1,000	1,000	1,000
TOTAL GENERAL FUND	\$ 25,025	\$ 25,458	\$ 25,929	\$ 25,929	\$ 25,929	\$ 25,929	\$ 25,929



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

(Dollar Amounts in Thousands)

	1995-96 ACTUAL	1996-97 AVAILABLE	1997-98 BUDGET
OTHER FUNDS:			
STATE STORES FUND:			
General Operations (EA).....	\$ 207,838	\$ 207,513	\$ 213,328
Highway Safety - Responsible Alcohol Management Training.....	102	0	0
Highway Safety - Youth Alcohol Awareness.....	140	0	0
Sale of Vehicles.....	34	0	0
Comptroller Operations (EA).....	6,727	7,140	6,979
Transfer of Profits to General Fund (EA).....	42,000	50,000	50,000
Transfer to Children's Health Fund (EA).....	0	5,000	0
STATE STORES FUND TOTAL.....	\$ 256,841	\$ 269,653	\$ 270,307

Liquor Control Board

Program Funding Summary

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 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.....	256,841	269,653	270,307	274,714	279,208	283,792	288,468
SUBCATEGORY TOTAL.....	\$ 256,841	\$ 269,653	\$ 270,307	\$ 274,714	\$ 279,208	\$ 283,792	\$ 288,468
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.....	256,841	269,653	270,307	274,714	279,208	283,792	288,468
DEPARTMENT TOTAL.....	\$ 256,841	\$ 269,653	\$ 270,307	\$ 274,714	\$ 279,208	\$ 283,792	\$ 288,468

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 665 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:	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
Pennsylvania State Liquor Stores	666	665	670	675	675	675	675
Gross Sales (includes taxes) (in thousands)	\$868,041	\$898,347	\$913,170	\$928,237	\$943,553	\$959,122	\$974,948
Licenses and permits issued (all types)	72,685	73,000	73,000	73,000	73,000	73,000	73,000

This budget is presenting information based on the current system.

Program Recommendations:

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

\$ 5,815	General Operations —to continue current program.	\$ -5,000	Transfer to Children's Health Fund —nonrecurring item.
\$ -161	Comptroller Operations —to continue current program.		

Transfer of Profits to the General Fund is recommended at the current year level of \$50 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

	(Dollar Amounts in Thousands)		
	1995-96 ACTUAL	1996-97 AVAILABLE	1997-98 BUDGET
GENERAL FUND:			
<i>General Government:</i>			
General Government Operations.....	\$ 14,358	\$ 14,023	\$ 14,193
January 1996 Storm Disaster Relief.....	781	0	0
(F)January 1996 Storm Disaster.....	185	0	0
(F)Facilities Maintenance.....	6,355	8,400	9,200
(F)Employee Support.....	948	1,498	1,440
(F)Telecommunications Expansion.....	594	670	760
(F)Federal Construction Grants.....	29,042	17,257 ^a	24,600
(F)Equipment Repair and Maintenance.....	0	4,783	0
(F)Fort Indiantown Gap Base Realignment.....	0	0	1,228
(A)Rental of Armories and Other Facilities.....	122	122	122
(A)Lt. Governor's Residence.....	34	26	27
American Battle Monuments.....	79	4	4
Armory Maintenance And Repair.....	605	700	700
Drug Interdiction.....	16	62	62
50th Anniversary WWII.....	38	0	0
Pottstown Vietnam Living Memorial.....	25	0	0
Korean War Veterans Memorial.....	100	0	0
Special State Duty.....	0	0	100
Base Realignment and Closure.....	16	75	75
Subtotal.....	\$ 53,298	\$ 47,620	\$ 52,511
Subtotal - State Funds.....	\$ 16,018	\$ 14,864	\$ 15,134
Subtotal - Federal Funds.....	37,124	32,608	37,228
Subtotal - Augmentations.....	156	148	149
Total - General Government.....	\$ 53,298	\$ 47,620	\$ 52,511
<i>Institutional:</i>			
Erie Soldiers and Sailors Home.....	\$ 5,254	\$ 5,320	\$ 5,695
(F)Operations and Maintenance.....	1,444	1,791	1,510
(F)Medical Reimbursement.....	47	139	50
(A)Aid and Attendance Payments.....	355	333	350
(A)Residents Fees.....	1,641	1,515	1,530
Subtotal.....	\$ 8,741	\$ 9,098	\$ 9,135
Hollidaysburg Veterans Home.....	18,328	17,799	18,468
(F)Operations and Maintenance.....	4,809	5,093	5,047
(F)Medical Reimbursement.....	95	137	183
(A)Aid and Attendance Payments.....	1,664	1,698	1,913
(A)Residents Fees.....	4,053	4,166	4,455
(A)Rental Receipts.....	10	12	12
Subtotal.....	\$ 28,959	\$ 28,905	\$ 30,078
Southeastern Veterans Home.....	11,469	10,398	11,105
(F)Operations and Maintenance.....	1,967	2,809	2,947
(F)Medical Reimbursements.....	0	0	70
(A)Aid and Attendance Payments.....	457	823	988
(A)Residents Fees.....	1,006	1,136	1,310
Subtotal.....	\$ 14,899	\$ 15,166	\$ 16,420
Northeastern Veterans Home.....	7,812	7,391	7,478
(F)Operations and Maintenance.....	1,857	3,291	2,850
(F)Medical Reimbursement.....	20	13	70
(A)Aid and Attendance Payments.....	841	973	1,172
(A)Residents Fees.....	1,236	1,460	1,759

Military and Veterans Affairs

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1995-96 ACTUAL	1996-97 AVAILABLE	1997-98 BUDGET
Subtotal.....	\$ 11,766	\$ 13,128	\$ 13,329
Southwestern Veterans Home.....	0	1,243	4,849
(F)Operations and Maintenance.....	0	0	615
(F)Medical Reimbursement.....	0	0	5
(A)Aid and Attendance Payments.....	0	0	164
(A)Residents Fees.....	0	0	246
Subtotal.....	\$ 0	\$ 1,243	\$ 5,879
Scotland School for Veterans' Children.....	6,765^b	6,442	6,442
(F)ESEA Education for the Disadvantaged.....	295 ^b	300	300
(F)School Milk Lunch.....	260 ^b	300	260
(F)Drug Free Schools and Communities - Scotland.....	1 ^b	3	2
(F)Goals 2000 - Scotland.....	30 ^b	50	50
(A)Scotland School Cafeteria.....	177	102	73
(A)Tuition Recovery.....	1,717	1,744	1,744
Subtotal.....	\$ 9,245	\$ 8,941	\$ 8,871
Subtotal - State Funds.....	\$ 49,628	\$ 48,593	\$ 54,037
Subtotal - Federal Funds.....	10,825	13,926	13,959
Subtotal - Augmentations.....	13,157	13,962	15,716
Total - Institutional.....	\$ 73,610	\$ 76,481	\$ 83,712
Grants and Subsidies:			
Education of Veterans Children.....	\$ 125	\$ 125	\$ 145
Education - National Guard.....	526	1,600	2,200
Veterans Assistance.....	1,118	1,266	1,266
Blind Veterans Pension.....	159	150	145
Paralyzed Veterans Pension.....	319	308	293
National Guard Pension.....	4	5	5
Total - Grants and Subsidies.....	\$ 2,251	\$ 3,454	\$ 4,054
STATE FUNDS.....	\$ 67,897	\$ 66,911	\$ 73,225
FEDERAL FUNDS.....	47,949	46,534	51,187
AUGMENTATIONS.....	13,313	14,110	15,865
GENERAL FUND TOTAL.....	\$ 129,159	\$ 127,555	\$ 140,277

^a Includes recommended supplemental executive authorization of \$5,157,000.

^b Actually appropriated in the Department of Education.

Military and Veterans Affairs

Program Funding Summary

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
STATE MILITARY READINESS							
GENERAL FUND.....	\$ 16,018	\$ 14,864	\$ 15,134	\$ 15,437	\$ 15,746	\$ 16,061	\$ 16,382
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	37,124	32,608	37,228	37,974	37,974	37,974	37,974
OTHER FUNDS.....	156	148	149	152	155	159	163
SUBCATEGORY TOTAL.....	\$ 53,298	\$ 47,620	\$ 52,511	\$ 53,563	\$ 53,875	\$ 54,194	\$ 54,519
VETERANS HOMES AND SCHOOL							
GENERAL FUND.....	\$ 49,628	\$ 48,593	\$ 54,037	\$ 58,155	\$ 59,319	\$ 60,506	\$ 61,717
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	10,825	13,926	13,959	16,044	16,194	16,264	16,323
OTHER FUNDS.....	13,157	13,962	15,716	18,486	18,958	19,517	19,967
SUBCATEGORY TOTAL.....	\$ 73,610	\$ 76,481	\$ 83,712	\$ 92,685	\$ 94,471	\$ 96,287	\$ 98,007
COMPENSATION AND ASSISTANCE							
GENERAL FUND.....	\$ 2,251	\$ 3,454	\$ 4,054	\$ 4,054	\$ 4,054	\$ 4,054	\$ 4,054
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.....	\$ 2,251	\$ 3,454	\$ 4,054	\$ 4,054	\$ 4,054	\$ 4,054	\$ 4,054
ALL PROGRAMS:							
GENERAL FUND.....	\$ 67,897	\$ 66,911	\$ 73,225	\$ 77,646	\$ 79,119	\$ 80,621	\$ 82,153
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	47,949	46,534	51,187	54,018	54,168	54,238	54,297
OTHER FUNDS.....	13,313	14,110	15,865	18,638	19,113	19,676	20,130
DEPARTMENT TOTAL.....	\$ 129,159	\$ 127,555	\$ 140,277	\$ 150,302	\$ 152,400	\$ 154,535	\$ 156,580

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 also 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 105 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:	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
Armories	105	105	105	105	105	105	105
Pennsylvania National Guard personnel	21,753	21,753	21,753	21,850	21,850	21,960	21,960
Percentage of authorized strength level	96%	96%	96%	97%	97%	98%	98%

Program Recommendations:	This budget recommends the following changes: (Dollar Amounts in Thousands)	
	General Government Operations	Special State Duty
\$ 87	—for automated technology improvements:	\$ 100
83	—to continue current program.	—to fund State duty missions of the Pennsylvania National Guard which are performed to alleviate or avert emergencies.
\$ 170	<i>Appropriation Increase</i>	

All other appropriations are recommended at the current year funding level.

This budget also recommends \$1,228,000 in Federal funding to provide for the transfer of Fort Indiantown Gap from the Federal Government to the Commonwealth.

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
GENERAL FUND:							
General Government Operations	\$ 14,358	\$ 14,023	\$ 14,193	\$ 14,477	\$ 14,767	\$ 15,062	\$ 15,363
January 1996 Storm Disaster Relief	781	0	0	0	0	0	0
American Battle Monuments	79	4	4	4	4	4	4
Armory Maintenance and Repair	605	700	700	714	728	743	758
Drug Interdiction	16	62	62	63	64	65	66
50th Anniversary of WWII	38	0	0	0	0	0	0
Pottstown Vietnam Living Memorial	25	0	0	0	0	0	0
Korean War Veterans Memorial	100	0	0	0	0	0	0
Special State Duty	0	0	100	102	104	106	108
Base Realignment and Closure	16	75	75	77	79	81	83
TOTAL GENERAL FUND	\$ 16,018	\$ 14,864	\$ 15,134	\$ 15,437	\$ 15,746	\$ 16,061	\$ 16,382

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.

Construction of the fifth veterans home is underway on the grounds

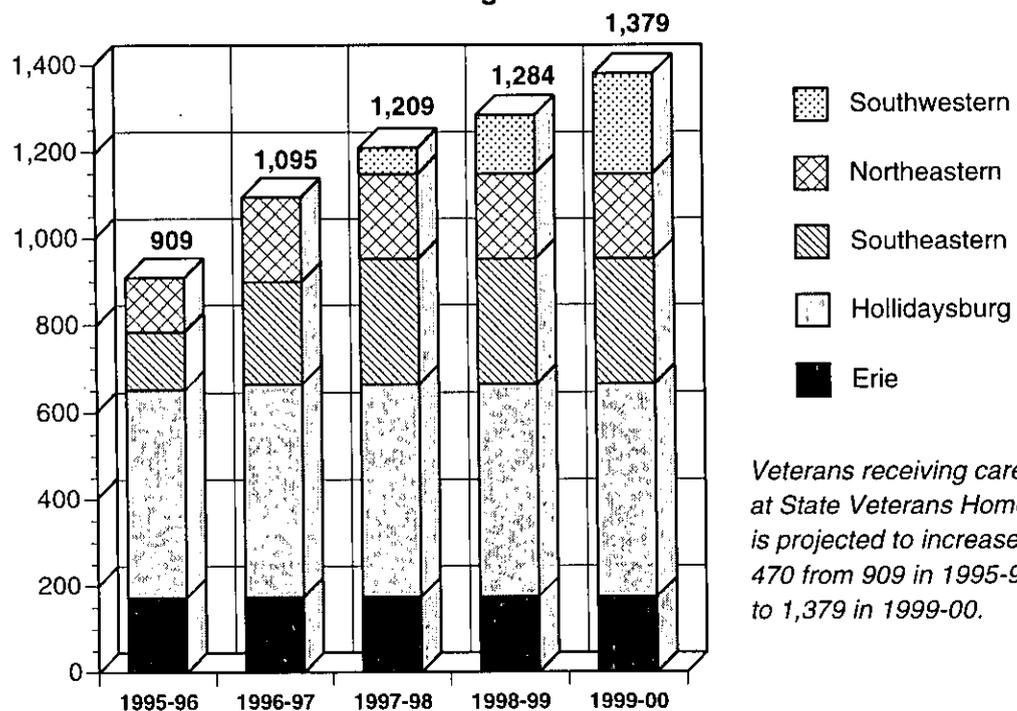
of the U.S. Department of Veterans Affairs Highland Drive facility in Pittsburgh. Ground-breaking for the new 236-bed Southwestern Veterans Center was in the spring of 1995. Projected completion of construction is the spring of 1997. Residents are expected to begin to occupy the facility during the summer 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.

Scotland School for Veterans Children provides a student centered elementary and secondary curriculum for individual needs including college preparatory classes and vocational offerings.

Program Measures:	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
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	0	0	65	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	0	0	60	135	230	230	230

State Veterans Home Veterans Receiving Care



Veterans receiving care at State Veterans Homes is projected to increase by 470 from 909 in 1995-96 to 1,379 in 1999-00.

Military and Veterans Affairs

Program: Veterans Homes and School (continued)

State Veterans Home and School - Expenditures by Institution

	(Dollar Amounts in Thousands)					
	1995-96 Actual	1996-97 Available	1997-98 Budget	1995-96 Actual	1996-97 Available	1997-98 Budget
Erie Soldiers and Sailors Home						
State Funds.....	\$ 5,254	\$ 5,320	\$ 5,695			
Federal Funds.....	1,491	1,930	1,560			
Augmentations.....	1,996	1,848	1,880			
TOTAL.....	\$ 8,741	\$ 9,098	\$ 9,135			
Holidaysburg Veterans Home						
State Funds.....	\$ 18,328	\$ 17,799	\$ 18,468			
Federal Funds.....	4,904	5,230	5,230			
Augmentations.....	5,727	5,876	6,380			
TOTAL.....	\$ 28,959	\$ 28,905	\$ 30,078			
Southeastern Veterans Home						
State Funds.....	\$ 11,469	\$ 10,398	\$ 11,105			
Federal Funds.....	1,967	2,809	3,017			
Augmentations.....	1,463	1,959	2,298			
TOTAL.....	\$ 14,899	\$ 15,166	\$ 16,420			
Northeastern Veterans Home						
State Funds.....	\$ 7,812	\$ 7,391	\$ 7,478			
Federal Funds.....	1,877	3,304	2,920			
Augmentations.....	2,077	2,433	2,931			
TOTAL.....	\$ 11,766	\$ 13,128	\$ 13,329			
Southwestern Veterans Home						
State Funds.....	\$ 0	\$ 1,243	\$ 4,849			
Federal Funds.....	0	0	620			
Augmentations.....	0	0	410			
TOTAL.....	\$ 0	\$ 1,243	\$ 5,879			
Scotland School for Veterans Children						
State Funds.....	\$ 6,765	\$ 6,442	\$ 6,442			
Federal Funds.....	586	653	612			
Augmentations.....	1,894	1,846	1,817			
TOTAL.....	\$ 9,245	\$ 8,941	\$ 8,871			

<u>Institution</u>	<u>Projected Dec. 1997 Capacity</u>	<u>Population Dec. 1995</u>	<u>Population Dec. 1996</u>	<u>Projected Population Dec. 1997</u>	<u>Projected Percent of Capacity</u>
Erie Soldiers and Sailors Home	175	172	174	174	99%
Holidaysburg Veterans Home	514	480	490	490	95%
Southeastern Veterans Home	304	132	234	288	95%
Northeastern Veterans Home	200	125	197	197	99%
Southwestern Veterans Home	65	....	....	60	92%
Scotland School for Veterans Children	350	334	340	342	98%

Program Recommendations:

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

Erie Soldiers and Sailors Homes
 \$ 43 —for automated technology improvements.
 25 —for patient care equipment.
 307 —to continue current program.

\$ 375 Appropriation Increase

Holidaysburg Veterans Home
 \$ 40 —for automated technology improvements.
 30 —for patient care equipment.
 599 —to continue current program.

\$ 669 Appropriation Increase

Southeastern Veterans Home
 \$ 19 —for automated technology improvements.
 70 —for patient care equipment.
 618 —to continue current program.

\$ 707 Appropriation Increase

Northeastern Veterans Home
 \$ 51 —for automated technology improvements.
 20 —for patient care equipment.
 527 —to continue current program.
 -511 —nonrecurring start-up costs.

\$ 87 Appropriation Increase

Southwestern Veterans Home
 \$ 3,606 —for additional staffing and operating costs associated with the opening of this new facility.

The Scotland School for Veterans Children appropriation is recommended at the current year funding level.

Military and Veterans Affairs

Program: Veterans Homes and School (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
GENERAL FUND:							
Erie Soldiers and Sailors Home	\$ 5,254	\$ 5,320	\$ 5,695	\$ 5,809	\$ 5,925	\$ 6,044	\$ 6,165
Holidaysburg Veterans Home	18,328	17,799	18,468	18,837	19,214	19,598	19,990
Southeastern Veterans Home	11,469	10,398	11,105	11,327	11,554	11,785	12,021
Northeastern Veterans Home	7,812	7,391	7,478	7,628	7,781	7,937	8,096
Southwestern Veterans Home	0	1,243	4,849	7,983	8,143	8,306	8,472
Scotland School for Veterans Children	6,765	6,442	6,442	6,571	6,702	6,836	6,973
TOTAL GENERAL FUND	\$ 49,628	\$ 48,593	\$ 54,037	\$ 58,155	\$ 59,319	\$ 60,506	\$ 61,717

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 for certain members of the Pennsylvania National Guard who enroll in a Pennsylvania institution of higher learning with degree-granting status, as approved by the Department of Education. This educational assistance program not only serves as an incentive to the Pennsylvania National Guard's recruiting and retention efforts but also rewards those Pennsylvanians who volunteer to serve their nation and the Commonwealth. Assistance ranges from \$40 per credit for part-time students to two-thirds of the tuition charged to a Pennsylvania resident at a member institution of the State System of Higher Education.

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:	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
Veterans in Pennsylvania	1,383,300	1,372,300	1,361,300	1,350,300	1,339,300	1,328,300	1,316,000
Recipients of veterans emergency assistance	8,791	8,730	8,600	8,500	8,400	8,300	8,200
Recipients of blind veterans pensions	120	115	110	110	110	110	110
Students receiving financial aid	125	125	145	145	145	145	145
National Guard personnel receiving educational financial aid	1,180	1,300	1,500	1,500	1,500	1,500	1,500
Participants in paralyzed veterans programs	245	240	235	235	230	225	220

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 implemented in 1996-97.

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

<p>GENERAL FUND Education of Veterans Children \$ 20 —to provide for a higher number of eligible veterans children which are expected to apply for education assistance.</p>	<p>Education—National Guard \$ 600 —to support full-time student assistance program implemented in 1996-97.</p>
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The budget recommends continuation of all other programs at sufficient levels to carry current programs forward.

Military and Veterans Affairs

Program: Compensation and Assistance (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
GENERAL FUND:							
Education of Veterans Children	\$ 125	\$ 125	\$ 145	\$ 145	\$ 145	\$ 145	\$ 145
Education — National Guard	526	1,600	2,200	2,200	2,200	2,200	2,200
Veterans Assistance	1,118	1,266	1,266	1,266	1,266	1,266	1,266
Blind Veterans Pensions	159	150	145	145	145	145	145
Paralyzed Veterans Pension	319	308	293	293	293	293	293
National Guard Pensions	4	5	5	5	5	5	5
TOTAL GENERAL FUND	\$ 2,251	\$ 3,454	\$ 4,054	\$ 4,054	\$ 4,054	\$ 4,054	\$ 4,054



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

	(Dollar Amounts in Thousands)		
	1995-96 ACTUAL	1996-97 AVAILABLE	1997-98 BUDGET
GENERAL FUND:			
<i>Grants and Subsidies:</i>			
Transfer to Milk Marketing Fund.....	\$ 125	\$ 0	\$ 0
GENERAL FUND TOTAL	\$ 125	\$ 0	\$ 0
MILK MARKETING FUND:			
<i>General Government:</i>			
General Operations.....	\$ 2,133	\$ 2,544	\$ 2,517
(A)Transfer from General Fund.....	0 ^a	0	0
Subtotal - State Funds.....	\$ 2,133	\$ 2,544	\$ 2,517
Total - General Government.....	\$ 2,133	\$ 2,544	\$ 2,517
STATE FUNDS.....	\$ 2,133	\$ 2,544	\$ 2,517
MILK MARKETING FUND TOTAL	\$ 2,133	\$ 2,544	\$ 2,517
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 125	\$ 0	\$ 0
SPECIAL FUNDS.....	2,133	2,544	2,517
TOTAL ALL FUNDS	\$ 2,258	\$ 2,544	\$ 2,517

^a Not added to the total to avoid double counting: 1995-96 Actual is \$125,000.

Milk Marketing Board

Program Funding Summary

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
MILK INDUSTRY REGULATION							
GENERAL FUND.....	\$ 125	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	2,133	2,544	2,517	2,149	2,192	2,236	2,281
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
SUBCATEGORY TOTAL.....	\$ 2,258	\$ 2,544	\$ 2,517	\$ 2,149	\$ 2,192	\$ 2,236	\$ 2,281
ALL PROGRAMS:							
GENERAL FUND.....	\$ 125	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	2,133	2,544	2,517	2,149	2,192	2,236	2,281
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
DEPARTMENT TOTAL.....	\$ 2,258	\$ 2,544	\$ 2,517	\$ 2,149	\$ 2,192	\$ 2,236	\$ 2,281

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 by the Federal Government, 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:	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
Supply of fluid milk compared to demand for fluid milk	126%	126%	126%	126%	126%	126%	126%
Licenses and permits issued	2,796	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
\$ -138	—nonrecurring projects.
111	—to continue current program.
<u>\$ -27</u>	<i>Appropriation Decrease</i>

Appropriations within this Program: (Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
GENERAL FUND:							
Transfer to Milk Marketing Fund	\$ 125	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
MILK MARKETING FUND:							
General Operations	\$ 2,133	\$ 2,544	\$ 2,517	\$ 2,149	\$ 2,192	\$ 2,236	\$ 2,281



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

Probation and Parole

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1995-96 ACTUAL	1996-97 AVAILABLE	1997-98 BUDGET
GENERAL FUND:			
General Government:			
General Government Operations.....	\$ 45,806^a	\$ 53,254	\$ 57,190
(F)DCSI - County Audit Probation Automated System.....	45	58	43
(F)DCSI - Assessment Board.....	0	666	608
(F)DCSI - Office of Victim Advocate.....	74	113	102
(F)DCSI - Intensive Supervision Units.....	542	2,045	1,033
(F)DCSI - Parole Officer Distance Learning.....	20	0	0
(F)DCSI - Safety Equipment for Supervisory Personnel.....	120	0	0
(A)Parole Supervision Fees.....	234	1,441	748
(A)Firearms Education and Training Comm.....	0	0	115
Drug Offenders Work Program.....	165	167	234
Subtotal.....	\$ 47,006	\$ 57,744	\$ 60,073
Subtotal - State Funds.....	\$ 45,971	\$ 53,421	\$ 57,424
Subtotal - Federal Funds.....	801	2,882	1,786
Subtotal - Augmentations.....	234	1,441	863
Total - General Government.....	\$ 47,006	\$ 57,744	\$ 60,073
Grants and Subsidies:			
Improvement of Adult Probation Services.....	\$ 16,137	\$ 16,835	\$ 17,073
(A)Parole Supervision Fees.....	7,284	7,503	7,728
Subtotal.....	\$ 23,421	\$ 24,338	\$ 24,801
Subtotal - State Funds.....	\$ 16,137	\$ 16,835	\$ 17,073
Subtotal - Augmentations.....	7,284	7,503	7,728
Total - Grants and Subsidies.....	\$ 23,421	\$ 24,338	\$ 24,801
STATE FUNDS.....	\$ 62,108	\$ 70,256	\$ 74,497
FEDERAL FUNDS.....	801	2,882	1,786
AUGMENTATIONS.....	7,518	8,944	8,591
GENERAL FUND TOTAL.....	\$ 70,427	\$ 82,082	\$ 84,874

^a Actually appropriated as \$42,787,000 for General Government Operations and \$3,389,000 for Intensive Parole Supervision.

Probation and Parole

Program Funding Summary

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
REINTEGRATION OF THE ADULT OFFENDER							
GENERAL FUND.....	\$ 62,108	\$ 70,256	\$ 74,497	\$ 75,635	\$ 76,807	\$ 78,002	\$ 79,221
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	801	2,882	1,786	917	0	0	0
OTHER FUNDS.....	7,518	8,944	8,591	8,890	9,200	9,521	9,853
SUBCATEGORY TOTAL.....	\$ 70,427	\$ 82,082	\$ 84,874	\$ 85,442	\$ 86,007	\$ 87,523	\$ 89,074
ALL PROGRAMS:							
GENERAL FUND.....	\$ 62,108	\$ 70,256	\$ 74,497	\$ 75,635	\$ 76,807	\$ 78,002	\$ 79,221
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	801	2,882	1,786	917	0	0	0
OTHER FUNDS.....	7,518	8,944	8,591	8,890	9,200	9,521	9,853
DEPARTMENT TOTAL.....	\$ 70,427	\$ 82,082	\$ 84,874	\$ 85,442	\$ 86,007	\$ 87,523	\$ 89,074

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.

Act 24 of 1995 or Megan's Law as it is commonly known, established an Assessment Board which is responsible for conducting assessments of sexual offenders to determine if they are sexually violent predators.

The act requires sexually violent predators to register all current addresses upon release from incarceration or parole from a State, county or intermediate punishment program. The Pennsylvania State Police are required to verify the residence of sexually violent predators every 90 days. The offender's victim, and neighbors, must also be notified of the offender's address.

Program Measures:	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
Probationers and parolees in caseload:							
County	107,976	114,578	118,778	122,978	127,179	131,379	135,580
State	25,632	21,822	22,116	23,203	24,344	25,543	26,801
Annual addition to caseload population	6,907	7,186	7,319	7,451	7,514	7,578	7,642
Investigative reports completed	17,691	16,078	16,284	16,927	17,596	18,291	19,013
Annual caseload additions likely to return to prison	2,487	2,587	2,635	2,682	2,705	2,728	2,751
and as a percentage of annual additions to caseload	36	36	36	36	36	36	36
Average cases per parole agent	98	63	61	61	63	66	69

The data for the measures "annual addition to caseload and annual caseload additions likely to return to prison" have decreased from data shown in last year's budget. This is due to the methodology used by the Board of 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)

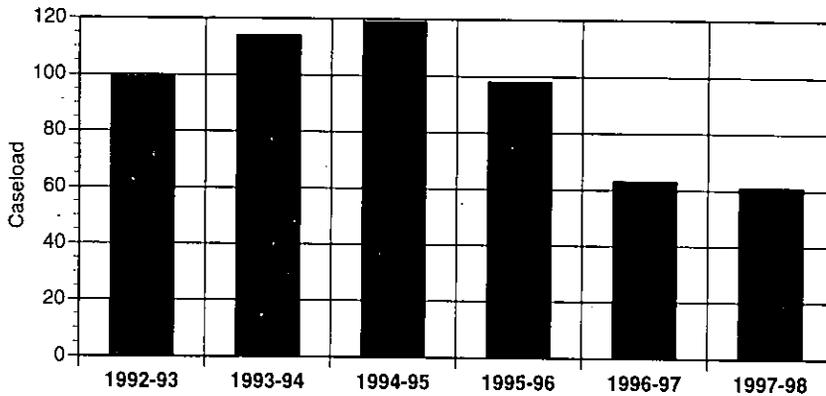
Program Recommendations:

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

<p>\$ 3,194</p> <p>742</p> <hr/> <p>\$ 3,936</p> <p>\$ 67</p>	<p>General Government Operations —to continue current program.</p> <p>—Initiative — Increased Support for Board. To expand the number of board members on the Board of Probation and Parole to improve the efficiency of the parole review system.</p> <p><i>Appropriation Increase</i></p> <p>Drug Offenders Work Program —to continue current program.</p>
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<p>\$ 238</p>	<p>Improvement of Adult Probation Services —for grants to counties for professional county personnel salary costs. A charge of \$25 per month offsets the costs of administering this program for employed offenders on State county parole supervision. Estimated fee collections for 1997-98 are \$7,728,000. This amount will augment State funds of \$17,073,000 and provide \$24,801,000 or 77 percent reimbursement to the counties.</p>
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Average Caseload Per Probation and Parole Agent



The supervision of offenders by parole agents has been strengthened by cutting the average agent's caseload almost in half from 119 in 1994-95 to 61 in 1997-98.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
GENERAL FUND:							
General Government Operations	\$ 45,806	\$ 53,254	\$ 57,190	\$ 58,323	\$ 59,490	\$ 60,680	\$ 61,894
Drug Offenders Work Program	165	167	234	239	244	249	254
Improvement of Adult Probation Services ..	16,137	16,835	17,073	17,073	17,073	17,073	17,073
TOTAL GENERAL FUND	\$ 62,108	\$ 70,256	\$ 74,497	\$ 75,635	\$ 76,807	\$ 78,002	\$ 79,221



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

	(Dollar Amounts in Thousands)		
	1995-96 ACTUAL	1996-97 AVAILABLE	1997-98 BUDGET
GENERAL FUND:			
General Government:			
General Government Operations.....	\$ 2,880	\$ 2,798	\$ 2,869
(F)National Energy Awards Program.....	5	0	0
(A)Special Production Projects.....	61	30	25
Subtotal - State Funds.....	\$ 2,880	\$ 2,798	\$ 2,869
Subtotal - Federal Funds.....	5	0	0
Subtotal - Augmentations.....	61	30	25
Total - General Government.....	\$ 2,946	\$ 2,828	\$ 2,894
Grants and Subsidies:			
Public Television Station Grants.....	\$ 6,273	\$ 6,273	\$ 6,368
STATE FUNDS.....	\$ 9,153	\$ 9,071	\$ 9,237
FEDERAL FUNDS.....	5	0	0
AUGMENTATIONS.....	61	30	25
GENERAL FUND TOTAL.....	\$ 9,219	\$ 9,101	\$ 9,262

Public Television Network

Program Funding Summary

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
PUBLIC TELEVISION SERVICES							
GENERAL FUND.....	\$ 9,153	\$ 9,071	\$ 9,237	\$ 9,294	\$ 9,353	\$ 9,413	\$ 9,474
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	5	0	0	0	0	0	0
OTHER FUNDS.....	61	30	25	26	27	28	29
SUBCATEGORY TOTAL.....	\$ 9,219	\$ 9,101	\$ 9,262	\$ 9,320	\$ 9,380	\$ 9,441	\$ 9,503
ALL PROGRAMS:							
GENERAL FUND.....	\$ 9,153	\$ 9,071	\$ 9,237	\$ 9,294	\$ 9,353	\$ 9,413	\$ 9,474
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	5	0	0	0	0	0	0
OTHER FUNDS.....	61	30	25	26	27	28	29
DEPARTMENT TOTAL.....	\$ 9,219	\$ 9,101	\$ 9,262	\$ 9,320	\$ 9,380	\$ 9,441	\$ 9,503

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:	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
Households watching public television at least once a week	3,135,000	3,200,000	3,250,000	3,300,000	3,300,000	3,300,000	3,300,000
Contributing memberships	302,000	320,000	330,000	335,000	340,000	340,000	345,000
Average on-air hours per week	1,073	1,120	1,120	1,120	1,120	1,120	1,120

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

\$ 71	General Government Operations —to continue current program.	\$ 95	Public Television Station Grants —to continue current Grant Program.
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Appropriations within this Program: (Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
GENERAL FUND:							
General Government Operations	\$ 2,880	\$ 2,798	\$ 2,869	\$ 2,926	\$ 2,985	\$ 3,045	\$ 3,106
Public Television Station Grants	6,273	6,273	6,368	6,368	6,368	6,368	6,368
TOTAL GENERAL FUND	\$ 9,153	\$ 9,071	\$ 9,237	\$ 9,294	\$ 9,353	\$ 9,413	\$ 9,474



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. The commission spends directly from the restricted revenue account in which the utilities' payments are placed when collected.

GOVERNOR'S EXECUTIVE BUDGET

Public Utility Commission

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1995-96 ACTUAL	1996-97 AVAILABLE	1997-98 BUDGET
GENERAL FUND:			
<i>General Government:</i>			
(R)General Government Operations.....	\$ 37,439	\$ 36,919	\$ 37,008
(R)First Class City Taxicab Regulation.....	1,887	1,950	1,990
(F)Natural Gas Pipeline Safety.....	310	250	250
(F)Motor Carrier Safety.....	452	605	605
Subtotal - Federal Funds.....	762	855	855
Subtotal - Restricted Revenues.....	39,326	38,869	38,998
Total - General Government.....	\$ 40,088	\$ 39,724	\$ 39,853
FEDERAL FUNDS.....	762	855	855
RESTRICTED REVENUES.....	39,326	38,869	38,998
GENERAL FUND TOTAL.....	\$ 40,088	\$ 39,724	\$ 39,853

Public Utility Commission

Program Funding Summary

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 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.....	762	855	855	855	855	855	855
OTHER FUNDS.....	39,326	38,869	38,998	39,778	40,574	41,385	42,212
SUBCATEGORY TOTAL.....	\$ 40,088	\$ 39,724	\$ 39,853	\$ 40,633	\$ 41,429	\$ 42,240	\$ 43,067
ALL PROGRAMS:							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	762	855	855	855	855	855	855
OTHER FUNDS.....	39,326	38,869	38,998	39,778	40,574	41,385	42,212
DEPARTMENT TOTAL.....	\$ 40,088	\$ 39,724	\$ 39,853	\$ 40,633	\$ 41,429	\$ 42,240	\$ 43,067

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 specified 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 commission regulates 5,000 utilities which include electric, gas, steam heat, water, telephone, telegraph, and sewage collection and disposal services; transportation of passengers and property by railroad, aircraft, boat, ferry and motor carrier; and transportation of certain products by pipeline.

Pennsylvania has taken a leadership role in the deregulation of the electric industry. Act 138 of 1996 has become model legislation for other states desiring to deregulate the electric industry with the intended effect of lowering electric utility rates through increased competition. Electric customers will be able to choose the company which supplies their electricity. Pilot programs will begin in the fall of 1997 with total implementation being phased-in from January 1999 through January 2001.

Federal Law (P.L. 103-305) effective January 1, 1995, pre-empts State regulation of trucking rates and routes. The PUC's jurisdiction on motor carrier regulation has now been essentially limited to safety authority, insurance coverage, and transportation of household goods and passengers.

In addition to its primary duty of ensuring that adequate service at reasonable rates is available to the public, the commission is required or empowered to:

- prescribe rates for certain types of common carrier by motor vehicle type and to establish accounting and service requirements for them;
- regulate the formation, merger and consolidation of public utilities;
- determine whether a public utility should be permitted to discontinue service to the public other than for non-payment for service rendered;
- regulate the crossing of public highways by the facilities of public utilities;
- inspect the properties, test the equipment and examine the books and other records of utilities;
- prescribe systems of accounting for public utilities;
- determine whether the issuance of utility stocks and long-term debt by public utilities is necessary or proper for the present and probable future capital needs of the utilities;
- inquire into the reasonableness, from the point of view of the public interest, of contracts between public utilities and municipalities, and of contracts for services between public utilities and their affiliates;
- assess all its expenses on utilities in accordance with Act 33 of 1972; and,
- conduct management efficiency investigations and construction cost audits.

Program Measures:

	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
Utilities regulated:							
Fixed utilities:							
Electric	18	18	18	18	18	18	18
Other	796	814	831	866	886	906	926
Transportation	5,231	5,300	5,300	5,400	5,400	5,400	5,400
Rate requests received:							
Fixed utilities:							
Electric	1	0	0	0	0	0	7
Other	25	57	57	45	45	45	45
Transportation	137	75	60	60	50	50	50
Rate cases completed:							
Fixed utilities:							
Electric	1	0	0	0	0	0	4
Other	48	50	55	55	49	42	42
Transportation	137	75	60	60	50	50	50
Rate increases requested (in millions):							
Fixed utilities:							
Electric	\$6	0	0	0	0	0	\$200
Other	\$66	\$100	\$150	\$110	\$170	\$120	\$120
Transportation	\$6	\$3	\$3	\$3	\$3	\$3	\$3
Rate increases allowed (in millions):							
Fixed utilities:							
Electric	\$110	0	0	0	0	0	\$120
Other	\$72	\$40	\$60	\$44	\$68	\$48	\$48
Transportation	\$6	\$3	\$3	\$3	\$3	\$3	\$3

Public Utility Commission

Program: Regulation of Public Utilities (continued)

Program Measures: (continued)	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
Audits conducted:							
Fixed utilities:							
Financial	12	15	15	15	15	15	15
Energy fuel	74	69	69	69	69	69	69
Management	11	11	9	9	9	9	9
Enforcement/investigations:							
Fixed utilities	1,964	1,795	1,800	1,805	1,810	1,815	1,820
Transportation:							
Rail safety	39,154	40,000	40,000	40,000	40,000	40,000	40,000
Motor safety	20,720	25,000	25,000	25,000	25,000	25,000	25,000
Consumer services:							
Fixed utilities:							
Complaints received, investigated and resolved	35,663	36,000	36,000	36,000	36,000	36,000	36,000

The measures for the number and dollar value of rate requests vary from those projected in last year's budget. These measures fluctuate because rate requests reflect decisions of the utilities.

In 1995-96, the rate increases allowed are greater than requests because of requests carried forward from last year.

Enforcements and investigations for fixed utilities are higher than projected in last year's budget based on the most recent actual data.

The number of complaints received, investigated and resolved is higher than projected in last year's budget as automated technology resources and additional staff have enhanced the complaint resolution process.

Program Recommendations:

This budget recommends the following from restricted accounts:
(Dollar Amounts in Thousands)

\$ -1,085	General Government Operations	\$ 40	First Class City Taxicab Regulation
	—nonrecurring fixed asset and consulting costs.		—to continue current program.
959	—to continue current program.		
215	—to provide automated technology for improved productivity and enhanced operations.		
\$ 89	<i>Appropriation Increase</i>		



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

PROGRAM REVISION

Budgeted Amounts Include the Following Program Revision:

Title	Appropriation	1997-98 State Funds (in thousands)
Transitioning to Self-Sufficiency	Cash Grants	\$ 2,000

This Program Revision recommends \$2 million in State funds and \$49.7 million in Federal funds to provide employment and training, child care and support services to individuals and families transitioning from welfare to work. The components of the Program Revision include: expanding the continuum of employment and training services; providing job retention services; providing child care and support services to welfare recipients participating in work and work-related activities; replacing the child care disregard with a child care allowance; paying child care expenses from the date employment begins until the first pay; expanding the subsidized child care program for working low-income families; establishing an integrated Statewide child care resource and referral system; expanding child care availability through the development of additional slots; and, providing support services for food stamp-only recipients who must meet Federal work requirements to maintain eligibility.

Department Total \$ 2,000

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1995-96 ACTUAL	1996-97 AVAILABLE	1997-98 BUDGET
GENERAL FUND:			
General Government:			
General Government Operations.....	\$ 37,543	\$ 35,903	\$ 36,907
(F)Child Welfare Services - Administration.....	2,070	2,320	2,070
(F)Child Welfare - Title IV-E.....	0	0	2,064
(F)Child Welfare Training and Certification.....	2,700	9,298	8,362
(F)CCDBG - Administration.....	2,247 ^a	2,308	1,519
(F)CCDFBG - Administration.....	0	0	1,048
(F)Rehabilitation Services - Administration.....	372	439	439
(F)Medical Assistance - Administration.....	15,242	16,510	17,194
(F)TANFBG - Administration.....	0	0	4,663
(F)Maintenance Assistance - Administration.....	5,959	6,192	0
(F)Food Stamps - Administration.....	3,542	3,586	3,896
(F)Developmental Disabilities - Basic Support.....	4,059	4,090	4,090
(F)Refugees and Persons Seeking Asylum - Administration.....	1,598 ^b	1,031	1,182
(F)Homeless Mentally Ill - Administration.....	43	59	23
(F)Disabled Education - Administration.....	633	1,105	1,178
(F)Child Abuse Prevention Challenge Grant.....	175	933	1,357
(F)MHSBG - Administration.....	114	93	87
(F)SSBG - Administration.....	4,246	4,743	4,042
(F)MH Data Collection Systems.....	43	0	0
(F)SSBG Empowerment Zones and Enterprise Communities.....	45,477	88,007	87,041
(F)Emergency Assistance - Juvenile Probation.....	65,000	2,000	0
(F)Lead-Based Paint Abatement - Training.....	123	174	180
(F)ESEA (I) Administration - Children with Disabilities.....	436	0	0
(F)ESEA (I) Children with Disabilities - Administration.....	0	140	0
(A)Institutional Collections and Reimbursements.....	870	749	570
(A)Training Reimbursement.....	578	267	281
(A)Child Abuse Reviews.....	1,115	1,550	1,715
(A)Miscellaneous Reimbursements.....	83	93	93
(R)Annie E. Casey.....	324	778	777
Subtotal.....	<u>\$ 194,592</u>	<u>\$ 182,368</u>	<u>\$ 180,778</u>
Information Systems.....	25,516	25,471	25,717
(F)Maintenance Assistance - Information Systems.....	3,646	5,019	0
(F)Medical Assistance - Information Systems.....	15,304	15,071	15,399
(F)Child Welfare - Title IV-E.....	0	0	13
(F)TANFBG - Information Systems.....	0	0	3,369
(F)Food Stamps - Information Systems.....	5,833	7,123	5,920
(F)Child Support Enforcement - Information Systems.....	688	780	685
(F)Rehabilitation Services - Information Systems.....	33	37	81
Subtotal.....	<u>\$ 51,020</u>	<u>\$ 53,501</u>	<u>\$ 51,184</u>
County Administration - Statewide.....	38,227^c	35,586	37,621
(F)Maintenance Assistance - Statewide.....	3,439	4,961	0
(F)TANFBG - Statewide.....	0	0	4,095
(F)Medical Assistance - Statewide.....	20,650 ^d	31,876 ^e	33,239
(F)Food Stamps - Statewide.....	4,647	4,926 ^f	3,842
(F)SABG - Program Evaluation.....	93	0	0
(F)Jan 1996 Storm Disaster-Individual & Family Assistance Admn.....	331	878	0
(F)June 1996 Storm Disaster-Individual & Family Assistance Admn.....	0	75	0
(F)July 1996 Storm Disaster-Individual & Family Assistance Admn.....	0	159	0
(F)Sept 1996 Storm Disaster-Individual & Family Assistance Admn.....	0	56	0
(A)Fee for Material from Outside Vendors.....	116	116	116
(A)Food Stamps - Retained Collections.....	1,928	3,973	2,669
(A)Intergovernmental Transfer.....	290	0	20
(A)Community Based Care - Administration.....	0	14	0

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	1995-96 ACTUAL	1996-97 AVAILABLE	1997-98 BUDGET
Subtotal.....	\$ 69,721	\$ 82,620	\$ 81,602
County Assistance Offices.....	231,724	229,621	238,334
(F)Maintenance Assistance - County Assistance.....	42,520	46,795	0
(F)TANFBG - County Assistance.....	0	0	44,802
(F)Medical Assistance - County Assistance.....	47,192	53,319	53,625
(F)Food Stamps - County Assistance.....	57,252	60,846	63,092
(F)SSBG - County Assistance.....	5,420	8,046	6,860
(F)LIHEABG - Administration.....	5,947	6,887	6,327
Subtotal.....	\$ 390,055	\$ 405,514	\$ 413,040
Program Accountability.....	6,961	1,918	8,475
(F)Medical Assistance - Program Accountability.....	1,845	2,805 _g	3,044
(F)Maintenance Assistance - Program Accountability.....	1,133	1,750 _h	0
(F)Child Support Enforcement - Program Accountability.....	105,224	91,285 _i	118,831
(F)Food Stamps - Program Accountability.....	3,152	4,200	4,304
(A)Title IV - D Incentive Collections.....	1,025	2,803	639
(A)Restitutions and Overpayments.....	890	890	890
(A)Food Stamp Collections.....	166	166	166
(A)State Retained Support Collections.....	1,451	1,451	1,451
Subtotal.....	\$ 121,847	\$ 107,268	\$ 137,800
New Directions.....	33,199	55,062	58,785
(F)Maintenance Assistance - New Directions.....	38,349	49,312 _j	0
(F)TANFBG - New Directions.....	0	0	49,970
(F)Food Stamps - New Directions.....	10,800	12,350	7,037
(A)Single Point of Contact Health Insurance Program.....	2	6	6
Subtotal.....	\$ 82,350	\$ 116,730	\$ 115,798
Services for the Visually Impaired.....	7,219	6,413	8,160
(F)Rehabilitation Services - Basic Support.....	9,404	12,178	9,466
(F)Vocational Rehabilitation - Disability Beneficiaries.....	812	1,815	815
(F)Independent Living - Visually Impaired Elderly.....	113	150	150
(A)Supported Employment.....	134	134	134
(A)Visually Handicapped-Miscellaneous.....	5	0	0
(R)Little Randolph Shepherd (Vending Machine Proceeds).....	1,330	1,359	1,382
Subtotal.....	\$ 19,017	\$ 22,049	\$ 20,107
Subtotal - State Funds.....	\$ 380,389	\$ 389,974	\$ 413,999
Subtotal - Federal Funds.....	537,906	565,727	575,401
Subtotal - Augmentations.....	8,653	12,212	8,750
Subtotal - Restricted Revenues.....	1,654	2,137	2,159
Total - General Government.....	\$ 928,602	\$ 970,050	\$ 1,000,309
Institutional:			
Youth Development Institutions and Forestry Camps.....	\$ 58,008	\$ 66,283	\$ 75,354
(F)SSBG - Basic Institutional Program.....	4,293	1,355	1,155
(F)YDC - Emergency Assistance.....	563	0	0
(F)Food Nutrition Services.....	750	0	0
(F)Food Nutrition Services - YDC.....	0	750	750
(F)DFSC - Special Programs - Juvenile Aftercare Services.....	1,000	1,000	1,000
(F)DCSI - Transition/Reentry.....	212	107	0
(F)DCSI - Southeast Secure Unit.....	22	12	0
(F)DCSI - Juvenile Justice System Expansion.....	599	300	0
(A)Cafeteria Reimbursements.....	4	5	5
(A)Institutional Reimbursements.....	2	2	2
(A)School Lunch Program.....	52	63	63

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1995-96	1996-97	1997-98
	ACTUAL	AVAILABLE	BUDGET
Subtotal.....	\$ 65,505	\$ 69,877	\$ 78,329
State General Hospitals.....	1	1	1
(F)Medicare Services - State General Hospitals.....	6	1,000	1,527
(F)Medical Assistance - State General Hospitals.....	3	500	500
(A)Institutional Collections.....	18	725	725
Subtotal.....	\$ 28	\$ 2,226	\$ 2,753
Mental Health Services.....	478,985 k	528,577	550,445
(F)Medical Assistance - Mental Health.....	333,986	266,427	238,097
(F)Medicare Services - State Mental Hospitals.....	43,390	24,458	21,430
(F)Homeless Mentally Ill.....	1,007	1,008	456
(F)MHSBG - Community Mental Health Services.....	12,403	12,292	12,061
(F)SSBG - Community Mental Health Services.....	16,235	18,133	16,221
(F)Community Support Projects - MH.....	979	75	38
(F)ACCESS Cooperative Agreement.....	1,999	2,000	2,000
(F)Child Managed Care.....	0	475	0
(F)Food Nutrition Service - State Mental Hospitals.....	78	0	0
(F)Food Nutrition Service - MH.....	0	109	0
(F)Library Services and Construction Act.....	0	41	0
(F)Information Access Grant.....	56	0	0
(F)Behavioral Health - MIS.....	0	100 m	100
(F)Child and Adolescent Services System Grant.....	150	0	0
(F)Child and Adolescent Services System.....	0	150	150
(F)Disaster Assistance - Mental Health.....	0	200	0
(F)January 1996 Storm Disaster - Mental Health.....	245	0	0
(F)July 1996 Storm Disaster - Mental Health.....	0	205 n	46
(A)Cafeteria Reimbursements.....	41	0	39
(A)Institutional Collections.....	19,354	16,758	16,031
(A)Miscellaneous Institutional Reimbursements.....	173	39	0
(A)Intergovernmental Transfer.....	8,000	8,000	8,000
(A)Contributions.....	19	0	0
(A)Community Treatment Teams.....	619	0	0
Subtotal.....	\$ 917,719	\$ 879,010	\$ 865,114
State Centers for the Mentally Retarded.....	136,336	132,420	133,186
(F)Medical Assistance - State Centers.....	159,710	157,693	155,309
(F)Medicare Services - State Centers.....	1,145	1,240	1,065
(A)Institutional Collections-State Centers.....	15,051	13,351	13,736
(A)Institutional Reimbursements.....	89	24	24
Subtotal.....	\$ 312,331	\$ 304,728	\$ 303,320
Subtotal - State Funds.....	\$ 673,330	\$ 727,281	\$ 758,986
Subtotal - Federal Funds.....	578,831	489,593	451,905
Subtotal - Augmentations.....	43,422	38,967	38,625
Total - Institutional.....	\$ 1,295,583	\$ 1,255,841	\$ 1,249,516
Grants and Subsidies:			
Cash Grants.....	\$ 588,448	\$ 541,426	\$ 355,293
(F)Maintenance Assistance - Cash Grants.....	547,393	496,892 o	0
(F)TANFBG - Cash Grants.....	0	0	524,786
(F)CCDFBG - Cash Grants.....	0	0	63,598
(F)Other Federal Support - Cash Grants.....	0	0	9,391
(F)LIHEABG - Low-Income Families and Individuals.....	63,717	73,168	66,865
(F)January 1996 Storm Disaster - Individual & Family Assistance.....	17,559	17,559	0
(F)June 1996 Storm Disaster - Individual & Family Assistance.....	0	1,500	0
(F)July 1996 Storm Disaster - Individual & Family Assistance.....	0	3,188	0
(F)Sept 1996 Storm Disaster - Individual & Family Assistance.....	0	1,125	0

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1995-96 ACTUAL	1996-97 AVAILABLE	1997-98 BUDGET
(R)January 1996 Storm Disaster - Individual & Family Assistance.....	8,000	0	0
(R)Jan. 1996 Storm Disaster - Individual & Family Supplemental.....	5,000	0	0
Subtotal.....	\$ 1,230,117	\$ 1,134,858	\$ 1,019,933
Supplemental Grants - Aged, Blind and Disabled.....	130,231	118,139	118,864
(A)Intergovernmental Transfer.....	24,913	26,985	26,985
Subtotal.....	\$ 155,144	\$ 145,124	\$ 145,849
Medical Assistance - Outpatient.....	792,293	779,693^p	573,550
(F)Medical Assistance - Outpatient.....	871,546	879,619 ^q	735,173
(F)Disease Control Immunization.....	200	478	478
Subtotal.....	\$ 1,664,039	\$ 1,659,790	\$ 1,309,201
Expanded Medical Services for Women.....	4,060	4,060	4,141
AIDS Special Pharmaceutical Services.....	5,060	5,722	6,294
(F)Ryan White.....	0	1,600	4,732
Subtotal.....	\$ 5,060	\$ 7,322	\$ 11,026
Behavioral Health Services.....	0	52,500	65,900
(A)Intergovernmental Transfer.....	0	12,107	12,107
Subtotal.....	\$ 0	\$ 64,607	\$ 78,007
Medical Assistance - Inpatient.....	452,180	393,426^r	281,176
(F)Medical Assistance - Inpatient.....	920,374	637,820 ^s	465,766
Subtotal.....	\$ 1,372,554	\$ 1,031,246	\$ 746,942
Medical Assistance - Capitation.....	661,031	626,094^t	736,383
(F)Medical Assistance - Capitation.....	523,304	607,376 ^u	806,020
Subtotal.....	\$ 1,184,335	\$ 1,233,470	\$ 1,542,403
Medical Assistance - Capitation - Behavioral Health.....	0	0	292,915
(F)Medical Assistance - Capitation - Behavioral Health.....	0	0	211,691
Subtotal.....	\$ 0	\$ 0	\$ 504,606
Long-Term Care Facilities.....	648,496^v	606,403^w	671,771
(F)Medical Assistance - Long-Term Care.....	1,156,053 ^x	1,528,749 ^y	1,621,769
(A)Intergovernmental Transfer.....	304,731	723,130	713,518
Subtotal.....	\$ 2,109,280	\$ 2,858,282	\$ 3,007,058
Medical Assistance - Transportation.....	18,555	18,560	18,931
(F)Medical Assistance - Transportation.....	14,987	16,545	16,545
Subtotal.....	\$ 33,542	\$ 35,105	\$ 35,476
Intermediate Care Facilities - Mentally Retarded.....	110,932^z	107,382^{aa}	113,693
(F)Medical Assistance - ICF/MR.....	130,513	130,563	129,546
Subtotal.....	\$ 241,445	\$ 237,945	\$ 243,239
Community Mental Retardation Services.....	413,401	432,662	465,033
(F)Medical Assistance - Community MR Services.....	174,800	214,210	265,186
(F)SSBG - Community MR Services.....	15,331	17,124	15,318
(A)Robert Wood Johnson.....	0	100	133
Subtotal.....	\$ 603,532	\$ 664,096	\$ 745,670
Emergency Mental Retardation Services.....	1,000	0	0
Pennhurst Dispersal.....	2,819	2,819	2,819
Early Intervention.....	35,088	42,578	46,962
(F)SSBG - Early Intervention.....	2,406	2,687	2,404
(F)Medical Assistance - Early Intervention.....	6,776	7,363	7,722

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1995-96 ACTUAL	1996-97 AVAILABLE	1997-98 BUDGET
(F)Education for Children with Disabilities.....	11,334	11,515	11,810
(F)Special Evaluation Studies.....	50	0	0
Subtotal.....	\$ 55,654	\$ 64,143	\$ 68,898
MR Residential Services - Lansdowne.....	371	371	0
County Child Welfare.....	264,743	363,126	399,585
(F)Child Welfare Services.....	17,953	17,225	17,447
(F)Maintenance Assistance - Child Welfare.....	211,195	228,778	0
(F)Child Welfare - Title IV-E.....	0	0	232,315
(F)Medical Assistance - Child Welfare.....	4,000	2,000	2,000
(F)Emergency Assistance - Child Welfare.....	210,546	132,000 ^{bb}	0
(F)TANFBG - Child Welfare.....	0	0	120,000
(F)SSBG - Child Welfare.....	15,449	15,449	13,171
(F)At-risk Family-Child Welfare.....	60	60	60
(F)Crisis Nursery-Child Welfare.....	197	200	400
(F)Medically Fragile Child Support.....	108	125	105
Subtotal.....	\$ 724,251	\$ 758,963	\$ 785,083
Community Based Family Centers.....	4,040^{cc}	2,021	2,061
(F)CCDBG - Family Centers.....	6,526 ^{cc}	7,885	2,305
(F)CCDFBG - Family Centers.....	0	0	4,818
(F)Family Preservation - Family Centers.....	0	1,200	1,200
(F)MCHSBG - Family Centers.....	80 ^{cc}	0	0
Subtotal.....	\$ 10,646	\$ 11,106	\$ 10,384
Day Care Services.....	42,827	46,781	47,717
(F)CCDBG - Day Care.....	26,972	32,341	7,106
(F)CCDFBG - Day Care.....	0	0	58,524
(F)Dependent Care Planning.....	614	605	0
(F)CCDFBG - School Age.....	0	0	1,260
(F)Child Development Scholarships.....	100	100	100
(F)SSBG - Day Care.....	37,931	37,931	33,931
(F)At-risk Child Care.....	12,485	12,485	0
(F)Head Start Collaboration Project.....	85 ^{dd}	215	300
(A)Keystone University Research Corporation.....	9	0	0
Subtotal.....	\$ 121,023	\$ 130,458	\$ 148,938
Domestic Violence.....	8,050	9,350	9,733
(F)Family Violence Prevention Services.....	1,004	1,019	1,591
(F)SSBG - Domestic Violence.....	1,476	1,476	1,321
(F)PHHSBG - Domestic Violence.....	150	150	150
(F)TANFBG - Domestic Violence.....	0	0	500
(F)DFSC - Special Programs for Domestic Violence.....	404	404	404
(A)Marriage Law Fees.....	733	733	733
Subtotal.....	\$ 11,817	\$ 13,132	\$ 14,432
Rape Crisis.....	3,404	3,500	3,666
(F)PHHSBG - Rape Crisis.....	420	1,721	1,721
(F)SSBG - Rape Crisis.....	776	776	694
(F)TANFBG - Rape Crisis.....	0	0	300
(F)DFSC - Special Programs for Rape Crisis.....	113	113	113
Subtotal.....	\$ 4,713	\$ 6,110	\$ 6,494
Breast Cancer Screening.....	867	867	884
(F)SSBG - Family Planning.....	4,708	4,708	4,212
Subtotal.....	\$ 5,575	\$ 5,575	\$ 5,096
Human Services Development Fund.....	34,000	34,000	34,680

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1995-96 ACTUAL	1996-97 AVAILABLE	1997-98 BUDGET
(F)Refugees and Persons Seeking Asylum - Social Services.....	4,194 ^{ee}	9,300	9,300
Subtotal.....	\$ 38,194	\$ 43,300	\$ 43,980
Legal Services.....	2,000	2,000	2,000
(F)SSBG - Legal Services.....	6,183	6,183	5,531
Subtotal.....	\$ 8,183	\$ 8,183	\$ 7,531
Homeless Assistance.....	18,846	16,881	24,805
(F)SSBG - Homeless Services.....	2,673	2,673	2,391
(F)SABG - Homeless Services.....	1,983	1,983	1,983
Subtotal.....	\$ 23,502	\$ 21,537	\$ 29,179
Services to Developmentally Disabled.....	7,755	7,755	7,878
(F)SSBG - Developmentally Disabled.....	0	147	131
(F)Medical Assistance - Developmentally Disabled.....	5,345	5,228	5,260
Subtotal.....	\$ 13,100	\$ 13,130	\$ 13,269
Attendant Care.....	14,241	15,942	17,224
(F)SSBG - Attendant Care.....	8,495	8,535	7,636
(F)Medical Assistance - Attendant Care.....	1,065	8,185	8,222
(A)Attendant Care Parking Fines.....	40	40	40
(A)Intergovernmental Transfer.....	0	2,639	3,538
Subtotal.....	\$ 23,841	\$ 35,341	\$ 36,660
Association for Retarded Citizens.....	100	0	0
Acute Care Hospitals.....	0	2,500	0
Subtotal.....	\$ 0	\$ 2,500	\$ 0
Arsenal Family and Children's Center.....	162	160	160
Beacon Lodge Camp - Blind Services.....	124	124	124
Subtotal - State Funds.....	\$ 4,265,124	\$ 4,236,842	\$ 4,304,242
Subtotal - Federal Funds.....	5,039,633	5,190,281	5,505,302
Subtotal - Augmentations.....	330,426	765,734	757,054
Subtotal - Restricted Revenues.....	13,000	0	0
Total - Grants and Subsidies.....	\$ 9,648,183	\$ 10,192,857	\$ 10,566,598
STATE FUNDS.....	\$ 5,318,843	\$ 5,354,097	\$ 5,477,227
FEDERAL FUNDS.....	6,156,370	6,245,601	6,532,608
AUGMENTATIONS.....	382,501	816,913	804,429
RESTRICTED REVENUES.....	14,654	2,137	2,159
GENERAL FUND TOTAL.....	\$ 11,872,368	\$ 12,418,748	\$ 12,816,423
OTHER FUNDS:			
CHILDREN'S TRUST FUND:			
Children's Trust Fund.....	\$ 2,565	\$ 2,000	\$ 1,800
EMPLOYMENT FUND FOR THE BLIND:			
Employment Fund for the Blind.....	\$ 929	\$ 1,500	\$ 1,305
ENERGY CONSERVATION AND ASSISTANCE FUND:			
Low Income Energy Assistance.....	\$ 450	\$ 600	\$ 4,000

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1995-96 ACTUAL	1996-97 AVAILABLE	1997-98 BUDGET
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 5,318,843	\$ 5,354,097	\$ 5,477,227
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	6,156,370	6,245,601	6,532,608
AUGMENTATIONS.....	382,501	816,913	804,429
RESTRICTED.....	14,654	2,137	2,159
OTHER FUNDS.....	3,944	4,100	7,105
TOTAL ALL FUNDS.....	\$ 11,876,312	\$ 12,422,848	\$ 12,823,528

Footnotes to Summary by Fund and Appropriation

- ^a Actually appropriated as \$2,076,000 for CCDBG - Administration and \$171,000 as part of the Child Care Block Grant in the Department of Education.
- ^b Actually appropriated as \$924,000 for Refugees and Persons Seeking Asylum - Administration and \$674,000 as part of the Refugees and Persons Seeking Asylum appropriation in the Department of Community Affairs.
- ^c Actually appropriated as \$38,889,000 but excludes \$662,000 transferred to the Department of Health.
- ^d Actually appropriated as \$25,755,000 but excludes \$5,105,000 transferred to the Department of Health.
- ^e Includes recommended supplemental appropriation of \$117,000.
- ^f Includes recommended supplemental appropriation of \$1,434,000.
- ^g Includes recommended supplemental appropriation of \$1,021,000.
- ^h Includes recommended supplemental appropriation of \$250,000.
- ⁱ Includes recommended supplemental appropriation of \$10,181,000.
- ^j Includes recommended supplemental appropriation of \$7,777,000.
- ^k Actually appropriated as \$479,027,000 but excludes \$42,000 transferred to the Department of Health.
- ^l Includes recommended supplemental appropriation of \$4,000.
- ^m Includes recommended supplemental appropriation of \$100,000.
- ⁿ Includes recommended supplemental appropriation of \$139,000.
- ^o Actually appropriated as \$519,817,000. Amount shown is the best current estimate of the amount available for 1996-97. Additional funds may be received, therefore no reduction to the appropriation authority is recommended.
- ^p Includes recommended supplemental appropriation of \$64,891,000.
- ^q Actually appropriated as \$940,983,000. Amount shown is the best current estimate of the amount available for 1996-97. Additional funds may be received, therefore no reduction to the appropriation authority is recommended.
- ^r Includes recommended supplemental appropriation of \$75,679,000.
- ^s Actually appropriated as \$739,295,000. Amount shown is the best current estimate of the amount available for 1996-97. Additional funds may be received, therefore no reduction to the appropriation authority is recommended.
- ^t Includes recommended supplemental appropriation of \$49,016,000.
- ^u Includes recommended supplemental appropriation of \$5,242,000.
- ^v Actually appropriated as \$648,549,000 but excludes \$53,000 transferred to the Department of Aging.
- ^w Reflects recommended appropriation reduction of \$109,741,000.
- ^x Actually appropriated as \$1,157,453,000 but excludes \$1,400,000 transferred to the Department of Aging and \$126,000 transferred to the Department of Health.
- ^y Includes recommended supplemental appropriation of \$39,534,000.
- ^z Actually appropriated as \$111,420,000 but excludes \$488,000 transferred to the Department of Health.
- ^{aa} Includes recommended supplemental appropriation of \$5,155,000.
- ^{bb} Includes recommended supplemental appropriation of \$26,736,000.
- ^{cc} Actually appropriated as Community-Based Family Centers, CCDBG - Family Centers, and MCHSBG - Family Centers in the Department of Education.
- ^{dd} Actually appropriated as Head Start Collaboration in the Department of Education.
- ^{ee} Actually appropriated as Refugees and Persons Seeking Asylum in the Department of Community Affairs.

Program Funding Summary

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
HUMAN SERVICES SUPPORT							
GENERAL FUND.....	\$ 70,020	\$ 63,292	\$ 71,099	\$ 70,412	\$ 71,271	\$ 71,656	\$ 73,069
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	290,937	271,098	292,081	253,504	228,844	202,037	190,198
OTHER FUNDS.....	6,502	8,747	6,582	6,598	6,614	6,630	6,647
SUBCATEGORY TOTAL.....	\$ 367,459	\$ 343,137	\$ 369,762	\$ 330,514	\$ 306,729	\$ 280,323	\$ 269,914
MEDICAL ASSISTANCE							
GENERAL FUND.....	\$ 2,581,676	\$ 2,488,959	\$ 2,651,062	\$ 2,789,676	\$ 2,926,391	\$ 3,068,344	\$ 3,218,677
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	3,486,473	3,673,687	3,864,201	3,956,649	4,066,704	4,197,226	4,334,923
OTHER FUNDS.....	304,749	735,962	726,350	705,567	705,567	705,567	705,567
SUBCATEGORY TOTAL.....	\$ 6,372,898	\$ 6,898,608	\$ 7,241,613	\$ 7,451,892	\$ 7,698,662	\$ 7,971,137	\$ 8,259,167
INCOME MAINTENANCE							
GENERAL FUND.....	\$ 1,021,829	\$ 979,834	\$ 808,897	\$ 768,353	\$ 805,821	\$ 820,769	\$ 836,229
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	865,309	873,918	937,529	934,856	850,558	848,332	844,427
OTHER FUNDS.....	40,699	31,694	33,796	30,296	30,296	30,296	30,296
SUBCATEGORY TOTAL.....	\$ 1,927,837	\$ 1,885,446	\$ 1,780,222	\$ 1,733,505	\$ 1,686,675	\$ 1,699,397	\$ 1,710,952
MENTAL HEALTH							
GENERAL FUND.....	\$ 478,985	\$ 528,577	\$ 550,445	\$ 561,931	\$ 570,164	\$ 578,456	\$ 586,909
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	410,528	325,636	290,599	280,210	280,210	280,210	280,210
OTHER FUNDS.....	28,206	24,797	24,070	22,806	22,806	22,806	22,806
SUBCATEGORY TOTAL.....	\$ 917,719	\$ 879,010	\$ 865,114	\$ 864,947	\$ 873,180	\$ 881,472	\$ 889,925
MENTAL RETARDATION							
GENERAL FUND.....	\$ 700,047	\$ 718,232	\$ 761,693	\$ 779,720	\$ 779,155	\$ 781,632	\$ 784,159
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	502,065	542,395	588,360	591,230	587,964	587,933	587,932
OTHER FUNDS.....	15,140	13,475	13,893	12,739	12,485	12,485	12,485
SUBCATEGORY TOTAL.....	\$ 1,217,252	\$ 1,274,102	\$ 1,363,946	\$ 1,383,689	\$ 1,379,604	\$ 1,382,050	\$ 1,384,576
HUMAN SERVICES							
GENERAL FUND.....	\$ 466,286	\$ 575,203	\$ 634,031	\$ 654,298	\$ 672,676	\$ 691,755	\$ 711,562
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	601,058	558,867	559,838	572,881	582,545	591,076	601,549
OTHER FUNDS.....	5,803	8,475	9,002	9,030	9,058	9,087	9,116
SUBCATEGORY TOTAL.....	\$ 1,073,147	\$ 1,142,545	\$ 1,202,871	\$ 1,236,209	\$ 1,264,279	\$ 1,291,918	\$ 1,322,227

Program Funding Summary

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
ALL PROGRAMS:							
GENERAL FUND.....	\$ 5,318,843	\$ 5,354,097	\$ 5,477,227	\$ 5,624,390	\$ 5,825,478	\$ 6,012,612	\$ 6,210,605
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	6,156,370	6,245,601	6,532,608	6,589,330	6,596,825	6,706,814	6,839,239
OTHER FUNDS.....	401,099	823,150	813,693	787,036	786,826	786,871	786,917
DEPARTMENT TOTAL.....	\$ 11,876,312	\$ 12,422,848	\$ 12,823,528	\$ 13,000,756	\$ 13,209,129	\$ 13,506,297	\$ 13,836,761

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)

<table border="0"> <tr> <td colspan="2">General Government Operations</td> </tr> <tr> <td>\$ 1,078</td> <td>—to continue current program.</td> </tr> <tr> <td>-721</td> <td>—to reflect the transfer of County Child Welfare training and civil service expenses to the County Child Welfare appropriation.</td> </tr> <tr> <td>48</td> <td>—to provide for increased cost of guardianship services.</td> </tr> <tr> <td>457</td> <td>—to reflect a reduction in Federal funds.</td> </tr> <tr> <td>142</td> <td>—to provide for increased background checks and child abuse appeals.</td> </tr> <tr> <td><u>\$ 1,004</u></td> <td><i>Appropriation Increase</i></td> </tr> <tr> <td colspan="2">Information Systems</td> </tr> <tr> <td>\$ 739</td> <td>—to continue current program.</td> </tr> <tr> <td>-1,475</td> <td>—nonrecurring projects.</td> </tr> <tr> <td>49</td> <td>—to provide for "Year 2000" computer costs.</td> </tr> <tr> <td>466</td> <td>—to provide for changes in Federal depreciation credit and master lease payments.</td> </tr> <tr> <td>467</td> <td>—to reflect increases in contract personnel and maintenance services.</td> </tr> <tr> <td><u>\$ 246</u></td> <td><i>Appropriation Increase</i></td> </tr> </table>	General Government Operations		\$ 1,078	—to continue current program.	-721	—to reflect the transfer of County Child Welfare training and civil service expenses to the County Child Welfare appropriation.	48	—to provide for increased cost of guardianship services.	457	—to reflect a reduction in Federal funds.	142	—to provide for increased background checks and child abuse appeals.	<u>\$ 1,004</u>	<i>Appropriation Increase</i>	Information Systems		\$ 739	—to continue current program.	-1,475	—nonrecurring projects.	49	—to provide for "Year 2000" computer costs.	466	—to provide for changes in Federal depreciation credit and master lease payments.	467	—to reflect increases in contract personnel and maintenance services.	<u>\$ 246</u>	<i>Appropriation Increase</i>	<table border="0"> <tr> <td colspan="2">Program Accountability</td> </tr> <tr> <td>\$ 430</td> <td>—to continue current program.</td> </tr> <tr> <td>3,341</td> <td>—to replace one-time Federal funds.</td> </tr> <tr> <td>-1,234</td> <td>—decrease in initial implementation costs of Pennsylvania Child Support Enforcement (PACSES) project.</td> </tr> <tr> <td>4,000</td> <td>—to reflect enhancements to PACSES required by Federal welfare reform.</td> </tr> <tr> <td>20</td> <td>—Initiative — Driver's License Denial or Suspension. To withhold, suspend or restrict the use of the driver's license for individuals owing overdue child support or, after receiving appropriate notice, failing to comply with subpoenas or warrants relating to paternity or child support proceedings.</td> </tr> <tr> <td><u>\$ 6,557</u></td> <td><i>Appropriation Increase</i></td> </tr> </table>	Program Accountability		\$ 430	—to continue current program.	3,341	—to replace one-time Federal funds.	-1,234	—decrease in initial implementation costs of Pennsylvania Child Support Enforcement (PACSES) project.	4,000	—to reflect enhancements to PACSES required by Federal welfare reform.	20	—Initiative — Driver's License Denial or Suspension. To withhold, suspend or restrict the use of the driver's license for individuals owing overdue child support or, after receiving appropriate notice, failing to comply with subpoenas or warrants relating to paternity or child support proceedings.	<u>\$ 6,557</u>	<i>Appropriation Increase</i>
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This budget also recommends \$96,000 in Federal TANF funds to withhold, suspend or restrict the use of the driver's license of individuals owing overdue child support or, after receiving appropriate notice, failing to comply with subpoenas or warrants relating to paternity or child support proceedings. Of this amount, \$56,000 is recommended for the Department of Transportation.

Appropriations within this Program:

(Dollar Amounts in Thousands)

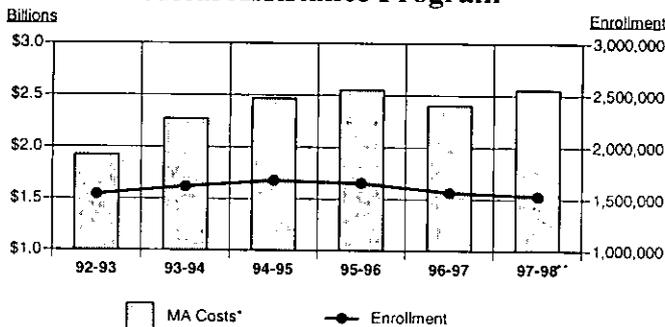
	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
GENERAL FUND:							
General Government Operations	\$ 37,543	\$ 35,903	\$ 36,907	\$ 37,645	\$ 38,398	\$ 39,166	\$ 39,949
Information Systems	25,516	25,471	25,717	26,231	26,756	27,291	27,837
Program Accountability	6,961	1,918	8,475	6,536	6,117	5,199	5,283
TOTAL GENERAL FUND	<u>\$ 70,020</u>	<u>\$ 63,292</u>	<u>\$ 71,099</u>	<u>\$ 70,412</u>	<u>\$ 71,271</u>	<u>\$ 71,656</u>	<u>\$ 73,069</u>

PROGRAM OBJECTIVE: To support a health care delivery system that provides comprehensive health care services in appropriate settings for the eligible populations.

Program: Medical Assistance

The Medical Assistance Program ensures access to comprehensive health care services for those individuals and families with insufficient income to maintain the household unit or with medical expenses exceeding available income. Categorically needy individuals receive cash assistance under the Temporary Assistance To Needy Families (TANF) Block Grant, Supplemental Security Income or General Assistance programs. Medically needy persons are individuals who do not receive cash assistance grants but spend a significant portion of their income for medical expenses. Recent eligibility changes for the General Assistance-Medically Needy Only benefits restrict participation to families with children, individuals over the age of 59 and individuals who work at least 100 hours per month. A verifiable medical condition which precludes work will also allow participation.

Medical Assistance Program



* General Fund and Lottery Fund for Outpatient, Inpatient, Capitation & Long-Term Care
 ** Includes \$23.8 million for behavioral health managed care that was previously a part of the Mental Health Services program.

Program Element: Outpatient Services

Outpatient services include the majority of preventive services available to a person who does not need extended acute care in a health care facility. Outpatient services include clinic and office care, outpatient surgery, 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. Individuals eligible for Medically

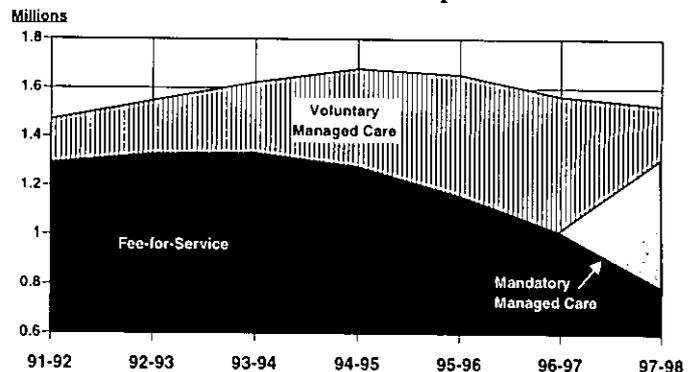
Needy Only benefits pay an annual deductible of \$150.

The department uses a Prospective Payment System (PPS) to reimburse general hospitals. Acute care general hospitals are paid a predetermined amount per discharge based on the patient's diagnosis, the procedures performed and the patient's age, sex and discharge status. The Diagnosis Related Groups (DRG) system is used to classify the various diagnoses based on the amount of resources 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.

Medical Assistance – People Enrolled



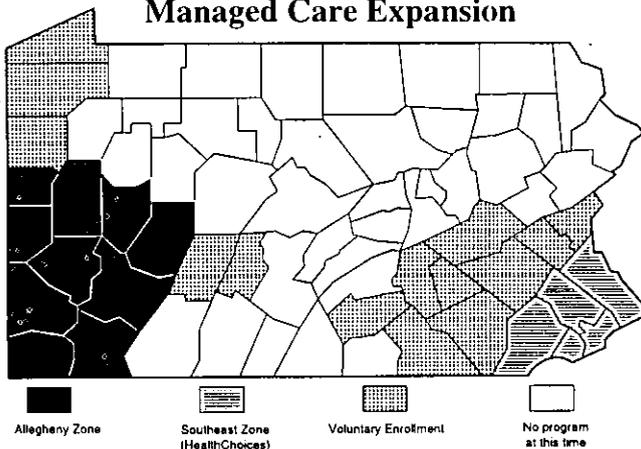
Program Element: Capitation

Alternative health care delivery systems for Medical Assistance recipients are available through Managed Care Organizations (MCOs). Generally referred to as Health Maintenance Organizations (HMOs), these mechanisms provide services utilizing a fixed rate per recipient enrolled. MCOs emphasize outpatient preventive health services as a means of controlling costs. The coordinated approach allows enhanced continuity of care, improves recipients' access to primary physician care and specialized behavioral health programs, provides strengthened oversight of operational standards and facilitates an efficient utilization of limited health care resources.

Program: Medical Assistance (continued)

The department has expanded mandatory Medical Assistance participation in managed care to most eligible clients in five counties in southeastern Pennsylvania. Physical health care will be provided through contracts with four Health Maintenance Organizations (HMOs) while behavioral health will be provided through contracts with the participating counties who may cooperate with an independent MCO. A benefit consultant will offer face-to-face and phone consultation with recipients to assist in choosing the HMO and behavioral health network provider that best meets their needs. The only clients that will remain in the fee-for-service program in these areas are new Medically Needy Only clients who require limited inpatient care for an acute condition and certain clients in the Healthy Horizons Program. The department plans to expand mandatory participation in managed care to the ten-county area in the southwestern region in April 1998. Currently, there are five HMOs operating in the ten-county area.

Managed Care Expansion



The 1997-98 Budget proposes an initiative to expand mandatory managed care for Medical Assistance clients to the ten-county greater Allegheny zone in April 1998.

Participation in managed care will remain voluntary for clients in the remainder of the State. The department contracts with five HMOs to provide services to recipients. For recipients in Cumberland and Dauphin counties, the department also contracts with a community health center for prepaid health care.

HMOs have an incentive to effectively manage the primary care provided to enrolled recipients. If the recipient utilizes more health care than anticipated in the predetermined rate, expenditures increase and the HMO loses money. If, 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 services and administrative cost components. The resident care cost component is adjusted to reflect the individual facility's case mix.

Capital costs not related to resident care are added to the net operating rate. Facility capital costs reflect the fair market rental rate based on appraisals of each facility.

Program Element: Special Pharmaceutical Benefits Program

The Special Pharmaceutical Benefits Program (SPBP) pays for a limited number of drugs for low and moderate income persons with HIV disease/AIDS and for limited mental health drug therapy for persons residing in the community who suffer from schizophrenia. People with a gross annual income of less than \$30,000 for an individual or \$30,000 plus \$2,480 for each additional family member benefit from this program.

Program Element: Expanded Medical Services for Women

The Expanded Medical Services for Women Program provides a range of medical and counseling services to women. Services include counseling, pregnancy tests, pap smears, contraceptives, family planning, prenatal care referrals, adoption referrals, sexually-transmitted disease tests and laboratory services, and services providing alternatives to abortion. Follow-up of positive test results is done to insure that women are notified of needed medical treatment. Services are usually provided in conjunction with breast cancer screening.

Program Element: Behavioral Health Services

The Behavioral Health Program provides funding to county governments to provide mental health and drug and alcohol services to high risk persons no longer eligible for Medical Assistance while minimizing the use of inpatient care.

Mental health services are targeted to persons who have serious mental illness with a history of involuntary psychiatric commitment or are receiving psychiatric services to avert institutionalization. Drug and alcohol services are targeted to persons receiving non-hospital drug and alcohol services or requiring three or more hospital detoxification admissions per year.

Program: Medical Assistance (continued)

Program Measures: (continued)	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
Persons participating in Medical Assistance (monthly average)	1,655,432	1,567,740	1,531,251	1,549,727	1,590,564	1,635,748	1,685,787
Outpatient							
Outpatient services/visits:							
Physicians	18,621,795	16,237,267	9,109,040	6,788,501	6,967,396	7,165,339	7,384,546
Dentists	1,792,403	1,562,885	876,772	653,413	670,632	689,685	710,784
Total clinic	7,876,458	6,867,875	3,852,849	2,871,332	2,946,998	3,030,722	3,123,440
Home health	1,263,376	1,101,600	617,993	460,559	472,696	486,125	500,997
Prescriptions filled	18,244,150	15,907,980	8,924,311	6,650,832	6,826,099	7,020,028	7,234,789
Inpatient							
Recipients served:							
General hospitals	196,893	171,681	83,088	55,955	57,429	59,061	60,868
Rehabilitation hospitals	8,750	7,630	3,692	2,487	2,552	2,625	2,705
Private psychiatric hospitals	31,539	27,500	13,310	8,963	9,199	9,460	9,750
Average admissions per recipient:							
General hospitals	1.32	1.32	1.32	1.32	1.32	1.32	1.32
Rehabilitation hospitals	1.27	1.27	1.27	1.27	1.27	1.27	1.27
Private psychiatric hospitals	1.53	1.53	1.53	1.53	1.53	1.53	1.53
Average cost per case/admission:							
General hospitals	\$3,245	\$3,512	\$4,386	\$4,605	\$4,836	\$5,077	\$5,331
Rehabilitation hospitals	\$6,785	\$6,922	\$6,979	\$7,328	\$7,695	\$8,080	\$8,483
Private psychiatric hospitals	\$5,547	\$5,607	\$5,578	\$5,857	\$6,150	\$6,457	\$6,780
Capitation:							
Medical Assistance recipients served: (monthly average)							
Fee for service delivery	1,141,878	975,303	753,798	643,341	688,610	736,316	789,573
Capitation programs	508,481	573,910	777,453	906,386	901,954	899,432	896,214
Average voluntary enrollment	508,481	395,101	176,941	73,962	77,145	78,747	79,632
Average HealthChoices enrollment	0	178,809	548,042	541,516	538,808	536,114	533,434
Average expansion enrollment	0	0	52,470	290,908	286,001	284,571	283,148
Percent of total eligibles enrolled	30.81 %	37.05 %	50.77 %	58.49 %	56.71 %	54.99 %	53.16 %
Transportation Program							
One-way trips (in thousands)	4,464	4,598	4,678	4,678	4,678	4,678	4,678
Long-Term Care Facilities							
Recipients receiving institutional long-term care (monthly average)	74,306	71,965	73,141	76,476	79,964	83,610	87,422
Drug and Alcohol Treatment							
People treated under Act 152	12,205	4,647	3,200	3,200	3,200	3,200	3,200
Behavioral Health Services							
Non-medical assistance recipients treated ...	0	15,800	18,800	18,800	18,800	18,800	18,800

The measures that reflect services for various fee-for-service providers have been revised to reflect the estimated impact of mandatory managed care in the southeast beginning in February 1997 and in the southwest beginning in April 1998.

The physicians services and total clinics measures reflect an increase over the estimates in last year's budget due to retroactive claims resulting from a legal settlement that required the State to make co-payments at the Federal rate for services rendered for Medicare clients.

The home health services measure reflects an increase over last year's budget due to the elimination of the limit on the services proposed under the 1996-97 PRR Containing Medical Assistance Costs.

The prescriptions filled measure reflects an increase over last year's budget based on physician prescribing patterns.

The rehabilitation hospital recipients served measure reflects a decrease over last year's budget estimate due to the effect of the Medically Necessary Drug and Alcohol admissions.

The capitation program measures have been revised to reflect HealthChoices and the Statewide Mandatory Managed Care Expansion initiative.

The number of people treated, under Act 152, for drug and alcohol problems reflects a decrease over last year's budget estimate due to the effect of HealthChoices and the Statewide Mandatory Managed Care Expansion initiative.

The non-medical assistance recipients treated program measure reflects a decrease compared to last year's budget due to a delay in implementation.

Program: Medical Assistance (continued)

Program Recommendations:

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

	Medical Assistance—Outpatient		Medical Assistance—Inpatient
\$ -42,290	—to reflect caseload and utilization changes, including the annualization of the elimination of General Assistance-Medically Needy Only recipients.	\$ -31,719	—to reflect caseload and utilization changes, including the annualization of the elimination of General Assistance-Medically Needy Only recipients.
-2,371	—to reflect other price changes.	-14,006	—nonrecurring hospital access and distressed hospital programs.
18,787	—to provide an average drug cost increase of eight percent.	-1,980	—to continue commitment as outlined in the 1995-96 hospital rate agreement.
2,832	—to reflect changes in the cost and utilization of Medicare Part B premiums.	11,091	—to replace one-time savings related to common business practices.
-3,736	—to reflect changes in operating and contract costs.	1,726	—to provide for increased medical education and disproportionate share payments.
16,320	—to replace one-time savings related to common business practices.	2,173	—to provide for increased premiums and utilization of Medicare Part A.
2,368	—to replace carryover and other nonrecurring Federal funds.	7,356	—to provide for miscellaneous administrative and cash flow adjustments.
-4,764	—revision of Federal financial participation from 52.87% to 53.26%.	6,884	—to replace nonrecurring Federal funds for recipients in institutions for mental disease.
-1,809	—to reflect transfer of non-hospital residential drug and alcohol services to managed care.	-3,606	—nonrecurring contracts.
-126,338	—to reflect mandatory managed care in southeastern Pennsylvania.	-3,765	—revision of Federal financial participation from 52.87% to 53.26%.
-2,456	—to annualize prior year PRRs.	25,446	—to replace nonrecurring Federal revenue.
-21,273	—nonrecurring 1995-96 outpatient disproportionate share paid to hospitals in 1996-97.	-2,715	—to annualize prior year PRRs.
-5,000	—nonrecurring cost of pharmaceutical enhancement program.	-105,156	—to reflect mandatory managed care in southeastern Pennsylvania.
-2,700	—to reflect other ongoing costs not associated with eligibility.	-3,326	—Initiative — Statewide Mandatory Managed Care Expansion. To implement mandatory Medical Assistance managed care in the ten-county greater Allegheny zone in April 1998.
-25,396	—to reflect availability of one-time Federal revenue.	-653	—Initiative — Special Medical Benefits for Health Sustaining Medications. To provide a limited medical package for adult General Assistance recipients who require health sustaining medications but are otherwise employable and to eliminate cash benefits for these recipients.
-7,404	—Initiative — Statewide Mandatory Managed Care Expansion. To implement mandatory Medical Assistance managed care in the ten-county greater Allegheny zone in April 1998.		
-913	—Initiative — Special Medical Benefits for Health Sustaining Medications. To provide a limited medical package for adult General Assistance recipients who require health sustaining medications but are otherwise employable and to eliminate cash benefits for these recipients.	\$ -112,250	<i>Appropriation Decrease</i>
		\$ -2,500	Acute Care Hospitals —nonrecurring project.
\$ -206,143	<i>Appropriation Decrease</i>	\$ 20,541	Medical Assistance — Capitation —to provide for an increase in enrollment and HMO rates for the voluntary program.
		371,737	—to reflect mandatory managed care in southeastern Pennsylvania (HealthChoices).
		-8,835	—revision of Federal financial participation from 52.87% to 53.26%.
		-1,295	—nonrecurring projects.
		-214	—to continue current program.
		-10,522	—to reflect increased Federal participation for General Assistance recipients due to implementation of HealthChoices.
		6,816	—to annualize prior year PRRs.
		25,759	—Initiative — Statewide Mandatory Managed Care Expansion. To implement mandatory Medical Assistance managed care in the ten-county greater Allegheny zone in April 1998.
\$ 13,400	Behavioral Health Services —to annualize the 1996-97 Containing Medical Assistance Costs PRR.		
\$ 81	Expanded Medical Services for Women —to provide a two percent cost-of-living increase.		
\$ 572	AIDS Special Pharmaceutical Services —to continue current program.		

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 Facilities
\$ -292,915	—Initiative — Behavioral Health Capitation. To ensure the availability and appropriate utilization of mental health and substance abuse services.	\$ 14,342	—to provide for increased caseload and utilization.
		62,542	—to provide for an average daily cost increase of 6.31%.
-783	—Initiative — Special Medical Benefits for Health Sustaining Medications. To provide a limited medical package for adult General Assistance recipients who require health sustaining medications but are otherwise employable and to eliminate cash benefits for these recipients.	-9,182	—revision of Federal financial participation from 52.87% to 53.26%.
		-31,061	—nonrecurring final cost settlements.
		15,951	—to replace carryover of prior year funds.
		12,416	—to replace nonrecurring program support from the Intergovernmental Transfer.
		-29	—to annualize prior year PRR.
\$ 110,289	<i>Appropriation Increase</i>	393	—to continue current program.
		-4	—Initiative — Special Medical Benefits for Health Sustaining Medications. To provide a limited medical package for adult General Assistance recipients who require health sustaining medications but are otherwise employable and to eliminate cash benefits for these recipients.
	Medical Assistance — Capitation — Behavioral Health		
\$ 292,915	—Initiative — Behavioral Health Capitation. To ensure the availability and appropriate utilization of mental health and substance abuse services.	\$ 65,368	<i>Appropriation Increase</i>
		\$ 371	Medical Assistance — Transportation
			—to provide a two percent cost-of-living increase.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
GENERAL FUND:							
State General Hospitals	\$ 1	\$ 1	\$ 1	\$ 0	\$ 0	\$ 0	\$ 0
Medical Assistance—Outpatient	792,293	779,693	573,550	467,152	484,658	526,432	571,322
Expanded Medical Services for Women ...	4,060	4,060	4,141	4,141	4,141	4,141	4,141
AIDS Special Pharmaceutical Services	5,060	5,722	6,294	6,294	6,294	6,294	6,294
Behavioral Health Services	0	52,500	65,900	65,900	65,900	65,900	65,900
Medical Assistance—Inpatient	452,180	393,426	281,176	188,163	208,042	231,233	256,551
Acute Care Hospital	0	2,500	0	0	0	0	0
Medical Assistance—Capitation	661,031	626,094	736,383	895,754	949,635	1,000,272	1,053,459
Medical Assistance—Capitation— Behavioral Health	0	0	292,915	404,920	413,018	421,279	429,705
Medical Assistance—Long-Term Care Facilities	648,496	606,403	671,771	738,421	775,772	793,862	812,374
Medical Assistance—Transportation	18,555	18,560	18,931	18,931	18,931	18,931	18,931
TOTAL GENERAL FUND	\$ 2,581,676	\$ 2,488,959	\$ 2,651,062	\$ 2,789,676	\$ 2,926,391	\$ 3,068,344	\$ 3,218,677

Program Objective: To promote personal and parental responsibility and encourage economic independence and self-sufficiency through temporary cash assistance, job training and child care for families or individuals.

Program: Income Maintenance

The broad purpose of public assistance is to provide temporary support to families in transition from dependency to economic self-sufficiency. Support may include limited education, job training and placement assistance, child care, transportation and other support services and cash.

Program Element: Income Assistance

Historically, the primary focus of public assistance has been the provision of a cash grant. Cash assistance was provided to people who met income and/or disability guidelines under Federal and State programs and was available without time limits or work activity requirements. Both State and Federal welfare reform have changed the focus of cash support from an individual entitlement to a block grant to states with time limited support and specific responsibilities that must be met by clients to receive and maintain cash grants.

The cornerstone of the new program is an Agreement of Mutual Responsibility (AMR) established between the client and the Commonwealth. Caseworkers in the County Assistance Offices (CAO) meet with applicants for cash, medical assistance and food stamps to review financial and nonfinancial criteria to determine eligibility for benefits. As a condition of eligibility for cash assistance, recipients will be required to sign and comply with the obligation of an AMR. The AMR will outline the personal and parental obligations that the individual must fulfill to maintain eligibility for benefits. Most adult welfare recipients will be required to immediately look for work upon applying for welfare benefits and, within two years, to be working or participating in a work-related activity for at least twenty hours per week. Federal welfare reform has placed a five-year lifetime limit on cash assistance benefits for most adult recipients.

Upon application or redetermination for cash, data is entered into the department's client information system and is available for Medical Assistance program determinations as well as cash assistance and food stamps. All final Medical Assistance claims payments and most Cash Grants payments are generated through the central office using automated systems.

Cash assistance is provided to persons determined by the staff in CAOs to be eligible for the Temporary Assistance for Needy Families (TANF), the State General Assistance (GA) and the State Blind Pension (SBP) programs. The TANF block grant provides Federal funds for temporary cash support for families in transition to self-sufficiency. TANF

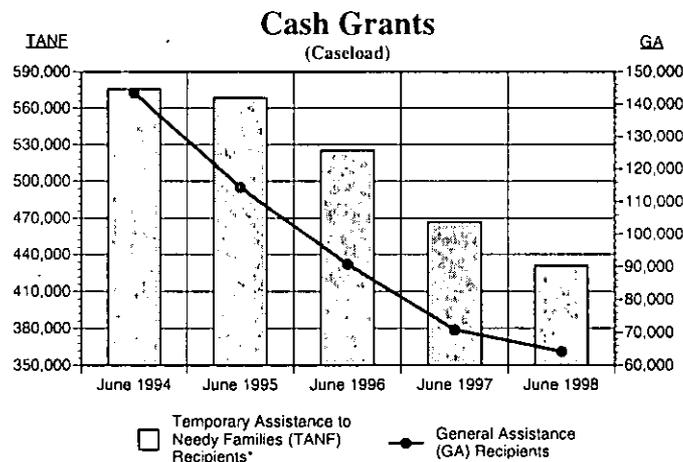
payments are funded by Federal and State dollars. GA and SBP, on the other hand, are entirely State funded programs. Most GA recipients are individuals or married couples with no dependent children but with disabilities that prevent employment. Recipients of a State Blind Pension are persons who meet age, vision and personal resource requirements specified in the Public Welfare Code.

The Low Income Home Energy Assistance Program (LIHEAP) assists eligible households by offsetting the burden of high energy costs and intervening in energy crisis situations. The eligibility standard of 110 percent of the Federal poverty level includes every household member's income. Cash payments are made to energy suppliers for persons responsible for paying heating costs or directly to those households where home heating is included in the rent. Crisis payments may cover heating costs as well as emergency repairs to heating systems.

The Supplemental Security Income (SSI) Program provides aged, blind, and disabled persons with a monthly payment based on nationally uniform eligibility standards. Presently, the basic monthly rate for individuals is \$484.00 and \$726.00 for couples. Pennsylvania contributes a supplemental grant of \$27.40 for an individual and \$43.70 for couples to SSI recipients through the Federal government. A special monthly State supplement is paid to SSI eligible persons in domiciliary care facilities and personal care homes. 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 \$60.00 a month.

Program Element: Employment, Training and Work Supports

The employment and training program known as the Road to Economic Self-Sufficiency through Employment and Training (RESET) assists welfare recipients to enter the workforce and achieve economic independence. Pennsylvania's welfare to work program emphasizes work first. Training and education programs will be designed to train individuals to get and keep available jobs. Job retention and case management services are also offered to help individuals retain employment. In order to meet the employment needs of Pennsylvania's diverse welfare population, various strategies such as rapid attachment, grant diversion, and education activities are being implemented. The department will continue the Single Point of Contact Program (SPOC) and has initiated other education and training programs in conjunction with the



* Previously Aid to Families with Dependent Children (AFDC) Recipients.

Public Welfare

Program: Income Maintenance (continued)

Departments of Community and Economic Development and Labor and Industry.

Program Element: Child Care and Supportive Services

Child care and supportive services are provided to facilitate a welfare client's transition to independence. The cash grant paid to a welfare client who is participating in training or a work activity or has obtained employment includes an allowance to purchase care for their children. Child care support through this program can continue for one year after the employed client no longer requires other income assistance. Following that point, the client may continue to be eligible for subsidized child care through the department's day care program. In addition to child care, the grant can provide other supportive services, such as transportation.

Working Poor	
State Funds*	\$ 47,717
Federal Funds	101,221
Total	\$ 148,938
Welfare Recipients	
State Funds**	\$ 82,251
Federal Funds	66,659
Total	\$ 148,910
Grand Total	\$ 297,848

* Day Care Services appropriation.
** Cash Grants appropriation.

Program Measures:	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
Persons receiving cash assistance, monthly average	615,131	538,971	492,295	446,516	410,393	376,684	344,329
Children of welfare recipients receiving child care	29,283	38,654	66,948	75,411	73,756	71,270	61,672
Persons receiving State Supplemental Grants, monthly average	271,010	278,050	286,300	299,570	313,980	329,090	344,910
Households receiving energy cash payments	244,241	302,774	258,668	258,668	258,668	258,668	258,668

The children of welfare recipients receiving child care is a new program measure which shows children receiving child care through welfare programs. The increase in 1997-98 is due to annualization of the 1996-97 PRR and implementation of welfare reform through the Transitioning to Self-Sufficiency Program Revision.

The program measure households receiving energy cash payments reflects an increase in Federal funds.

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

<p>County Administration- Statewide</p> <p>\$ 825 —to continue current program.</p> <p>-2,892 —nonrecurring contracts.</p> <p>1,865 —to complete implementation of the finger imaging project to detect and deter fraud.</p> <p>925 —to reflect the net cost of converting to an electronic benefits transfer system.</p> <p>1,312 —to reflect change in Federal support.</p> <hr/> <p>\$ 2,035 <i>Appropriation Increase</i></p> <p>County Assistance Offices</p> <p>\$ 15,019 —to continue current program.</p> <p>-650 —to reflect savings from implementation of electronic benefits transfer.</p> <p>-1,581 —nonrecurring cost of providing a computer to each caseworker.</p> <p>-4,075 —other nonrecurring projects.</p> <hr/> <p>\$ 8,713 <i>Appropriation Increase</i></p>	<p>New Directions</p> <p>\$ 502 —to continue current program.</p> <p>3,221 —to annualize the 1996-97 Promoting Independence and Self-Sufficiency PRR.</p> <hr/> <p>\$ 3,723 <i>Appropriation Increase</i></p> <p>Cash Grants</p> <p>\$ -6,058 —to reflect change in caseload and average benefits.</p> <p>-357 —to reflect changes in collections.</p> <p>-3,430 —to reflect ongoing disability advocacy and front-end investigation programs.</p> <p>5,748 —to reflect provisions of 1996 State welfare reform legislation.</p> <p>-54,024 —to annualize the 1996-97 Promoting Independence and Self-Sufficiency PRR.</p> <p>-2,472 —nonrecurring projects.</p> <p>-1,335 —to reflect revised Federal eligibility related to substance abuse.</p>
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Public Welfare

Program: Income Maintenance (continued)

Program Recommendations: (continued)

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

Cash Grants (continued)	2,000	—PRR — Transitioning to Self-Sufficiency.
\$ -110,050 —to reflect availability of one-time available Federal funds.		This Program Revision provides support services for approximately 4,800 food stamp-only recipients who must meet Federal work requirements to maintain eligibility. See the Program Revision following this program for additional information.
-8,784 —Initiative — Special Medical Benefits for Health Sustaining Medications. To provide a limited medical package for adult General Assistance recipients who require health sustaining medications but are otherwise employable and to eliminate cash benefits for these recipients.	\$ -186,133	<i>Appropriation Decrease</i>
-693 —Initiative — New Hires Reporting System. To increase child support collections through the collection of data from employers for newly-hired employees throughout the State.	\$ 4,241	Supplemental Grants — Aged, Blind, Disabled
-6,678 —Initiative — Driver's License Denial or Suspension. To withhold, suspend or restrict the use of the driver's license for individuals owing overdue child support or, after receiving appropriate notice, failing to comply with subpoenas or warrants relating to paternity or child support proceedings.	474	—to provide for increased caseload and average benefits.
	162	—Federal administrative fee increase.
	-632	—to reflect ongoing disability advocacy program.
	-3,520	—to reflect revised Federal eligibility related to substance abuse.
	725	—to annualize the 1996-97 Promoting Independence and Self-Sufficiency PRR.
		<i>Appropriation Increase</i>

In addition, the Transitioning to Self-Sufficiency Program Revision following this program recommends \$28.9 million in Federal funds to provide employment and training, child care and support services to individuals and families transitioning from welfare to work.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
GENERAL FUND:							
County Administration — Statewide	\$ 38,227	\$ 35,586	\$ 37,621	\$ 38,373	\$ 39,140	\$ 39,923	\$ 40,721
County Assistance Offices	231,724	229,621	238,334	243,101	247,963	252,922	257,980
New Directions	33,199	55,062	58,785	59,961	61,160	62,383	63,631
Cash Grants	588,448	541,426	355,293	295,408	318,436	318,437	318,437
Supplemental Grants — Aged, Blind and Disabled	130,231	118,139	118,864	131,510	139,122	147,104	155,460
TOTAL GENERAL FUND	\$ 1,021,829	\$ 979,834	\$ 808,897	\$ 768,353	\$ 805,821	\$ 820,769	\$ 836,229

Program Revision: Transitioning to Self-Sufficiency

In May 1996, Pennsylvania became a national leader in welfare reform with the passage of a comprehensive plan that promotes personal and parental responsibility and accountability. Incentives to stay on welfare were removed and self-sufficiency was encouraged by requiring work and work-related activities in order to remain eligible for benefits.

Following the welfare reform lead of states such as Pennsylvania, the Federal government enacted the Personal Responsibility and Work Opportunity Reconciliation Act. The new Federal law replaces the 60-year-old Aid to Families with Dependent Children (AFDC) entitlement program with a time-limited, cash assistance block grant known as Temporary Assistance for Needy Families (TANF). In addition, the new Federal law creates the Child Care and Development Fund Block Grant (CCDF), changes eligibility for food stamps and other Federal programs, and increases child support enforcement requirements.

This Program Revision proposes to use approximately \$49.7 million in Federal TANF and CCDF funds and \$2 million in State funds to provide employment and training, child care and support services to individuals and families transitioning from welfare to work. This is in addition to the \$137 million recommended to continue existing employment and training programs and the \$255 million recommended to continue current child care services.

In an effort to assist welfare recipients obtain and retain employment and to meet the TANF work participation rates, this Program Revision proposes \$12.5 million for employment and training services. Of this amount, \$4 million would be used to expand the continuum of employment and training programs to include subsidized employment, local collaborations, employer-linked job placements and innovation demonstrations. These funds would provide expanded employment and training services to 1,000 individuals. This Program Revision also recommends \$8.5 million for job retention services to assist employed welfare clients to retain employment. Activities include job coaching, job development, motivational training/confidence-building, conflict resolution and employer relations. In addition to assisting clients retain employment, job retention services would also assist clients increase hours of employment from part-time to full-time, increase wages and/or obtain better jobs with higher compensation. For clients who lose employment while participating in the program, job search services would be provided. These funds would provide job retention services to approximately 13,600 individuals.

This Program Revision also proposes increased funding for child care and support services for cash grant recipients participating in employment and training or who are employed while receiving welfare

benefits. This Program Revision includes \$13 million to provide child care for approximately 7,000 children and \$4.1 million to provide transportation and other services to support work activities beyond an initial job search. These costs are offset by \$4 million in estimated savings from additional case closures resulting from employment. The net cost of these child care and support services is \$13.1 million.

Other child care changes designed to support working welfare recipients relate to the child care disregard and the payment of child care expenses. This Program Revision proposes to eliminate the current child care disregard and replace it with a child care allowance consistent with other components of the State's subsidized child care programs. Rather than reduce the amount of actual earnings used to compute a working family's grant eligibility and grant amount, the child care costs would be paid as a child care allowance, averaging \$270 per child per month. The result of this change is a net cost of \$1.6 million and the provision of subsidized child care services for an additional 2,887 children. This Program Revision also recommends \$930,000 to pay child care expenses on behalf of parents who obtain employment from the date employment begins until receipt of the first pay. This would enable 4,800 families to purchase the child care necessary to obtain employment.

In addition to providing child care enhancements for families on welfare or transitioning to employment, this Program Revision proposes enhancements to the subsidized child care program that provides services to low-income working families. A total of \$14.3 million is recommended to provide subsidized child care services to an additional 6,720 children in 1997-98.

To improve child care services for all low-income families, this Program Revision recommends \$6.5 million to redesign and expand the responsibilities of the Local Management Agencies (LMAs) to establish an integrated resource and referral system to assure that welfare and low-income working families are able to find the child care necessary to obtain and retain employment. LMA enhancements include a centralized database, parent/consumer education, and provider training and technical assistance. These funds would also be used as start-up money to increase the availability of child care services to enable the LMAs to purchase the child care necessary to assist families transitioning from welfare to work.

This Program Revision also proposes \$2 million in State funds and \$720,000 in Federal funds to provide support services, including transportation, for approximately 4,800 individuals who receive food stamp benefits only and who must meet Federal work requirements in order to maintain eligibility.

Program Measures:	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
Individuals receiving expanded employment and training services							
Program Revision	0	0	1,000	1,000	1,000	1,000	1,000
Individuals receiving job retention services							
Program Revision	0	0	13,561	13,561	13,561	13,561	13,561
Additional children receiving subsidized child care							
Program Revision	0	0	16,607	25,214	23,742	21,905	19,736
Food stamp-only recipients receiving support services							
Program Revision	0	0	4,800	4,800	4,800	4,800	4,800

Program: Transitioning to Self-Sufficiency (continued)

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

\$ 2,000 **Cash Grants**
 —to provide support services for 4,800 food stamp-only recipients who must meet Federal work requirements to maintain eligibility.

This Program Revision is also supported with Federal funds. The proposed use of these funds follows: (Dollar Amounts in Thousands)

\$ 6,329 **Cash Grants**
TANFBG — Cash Grants
 —to provide for the implementation of the following initiatives: expanded employment and training services (\$4 million); job retention services (\$8.5 million); support services for TANF recipients participating in work-related activities (\$4.1 million); savings as a result of increased employment due to TANF work-related activities (\$-4 million); and, savings as a result of eliminating the child care disregard for working TANF recipients (\$-6.3 million).

\$ 720 **Cash Grants**
Other Federal Support — Cash Grants
 —to provide support services for 4,800 food stamp-only recipients who must meet Federal work requirements to maintain eligibility.

\$ 20,750 **Day Care Services**
CCDFBG — Day Care
 —to provide for the implementation of the following initiatives: subsidized child care program expansion (\$14.3 million); integrated Statewide child care resource and referral system and child care start-up money (\$6.5 million).

\$ 21,885 **Cash Grants**
CCDFBG — Cash Grants
 —to provide for the implementation of the following initiatives: child care services for TANF recipients participating in work-related activities (\$13.1 million); child care allowance for working TANF recipients (\$7.9 million); and, child care payment until first pay (\$930,000).

Recommended Program Revision Costs by Appropriation:

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
GENERAL FUND:							
Cash Grants	\$ 0	\$ 0	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000

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 are ten mental hospitals and one restoration (long-term care) center in the State mental hospital system.

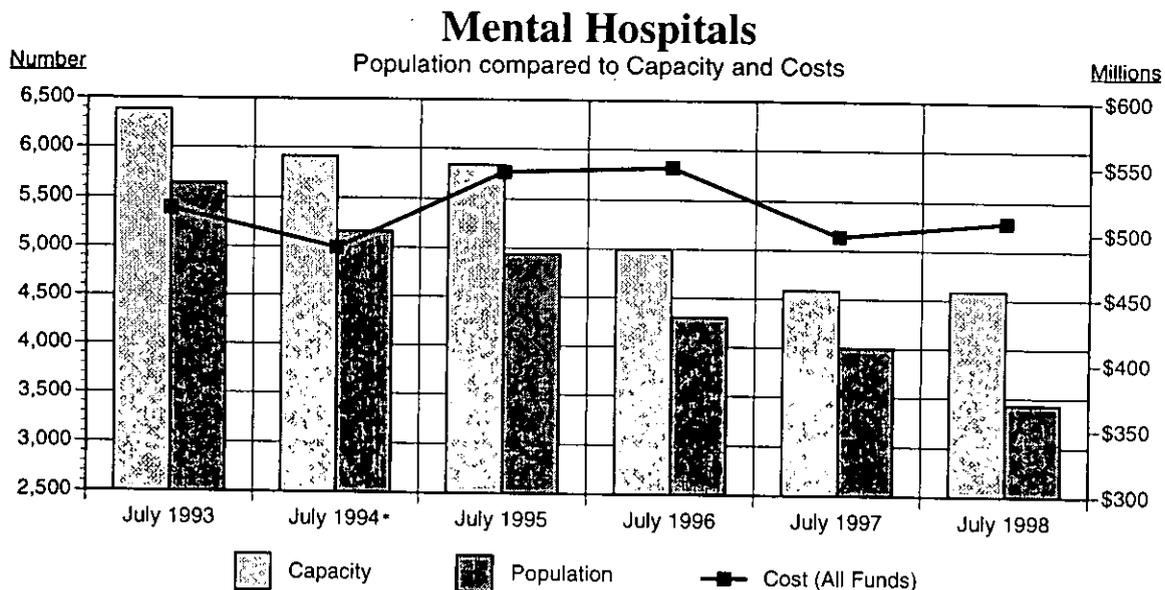
Program Element: Community Mental Health Services

The MH/MR Act of 1966 requires county governments to provide an array of community-based mental health services, including unified intake, community consultation and education, 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 jointers 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. 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). As a result, three State mental facilities closed in 1995-96.



While the population of State mental hospitals shows a steady decline, reductions in cost relate to the closing, consolidation and more efficient utilization of facilities. No facility closures are planned for 1997-98.

* Costs reflect extraordinary retroactive Federal reimbursements.

Program Measures:	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
Persons provided mental health services (unduplicated).....	199,850	203,847	203,847	203,847	203,847	203,847	203,847
State mental hospital population at end of fiscal year	4,302	3,999	3,429	3,429	3,429	3,429	3,429
Percentage of adults readmitted to State mental hospitals within one year of last discharge	16%	16%	16%	16%	15%	14%	14%

Public Welfare

Program: Mental Health (continued)

Program Measures: (continued)

Persons served in community residential mental health facilities	7,109	7,251	7,496	7,496	7,496	7,496	7,496
Persons receiving intensive case management	13,796	14,072	14,353	14,353	14,353	14,353	14,353
Persons receiving family based mental health services	3,744	3,744	3,744	3,744	3,744	3,744	3,744

The percentage of adults readmitted to State mental hospitals within one year of last discharge has decreased from last year's budget due to the Community Hospital Integration Projects Program (CHIPPs) as well as the use of new medications and therapies.

The number of persons served in community residential mental health facilities increased compared to last year's budget due to greater expansion of supported living programs.

The number of persons receiving family based mental health services increased compared to last year's 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 1997	Population July 1995	Population July 1996	Projected Population July 1997	Projected Percent of Capacity July 1997
Allentown.....	415	398	389	363	87.47%
Clarks Summit.....	425	403	417	394	92.71%
Danville.....	325	350	316	269	82.77%
Eastern State School and Hospital.....	0	106	15	0	N/A
Farview.....	0	143	0	0	N/A
Harrisburg.....	375	364	365	349	93.07%
Haverford.....	305	314	304	282	92.46%
Mayview.....	600	623	574	539	89.83%
Norristown.....	651	596	583	577	88.63%
Somerset.....	0	231	0	0	N/A
Torrance.....	414	299	374	328	79.23%
Warren.....	325	320	300	275	84.62%
Wernersville.....	400	432	348	327	81.75%
South Mountain.....	350	355	317	296	84.57%
TOTAL.....	4,585	4,934	4,302	3,999	87.22%

Total Proposed Expenditures by Hospital, Restoration Center and Community Programs:

	1995-96 Actual	1996-97 Available	1997-98 Budget		1995-96 Actual	1996-97 Available	1997-98 Budget
Allentown				Danville			
State Funds.....	\$ 20,936	\$ 28,853	\$ 31,907	State Funds.....	\$ 16,168	\$ 22,643	\$ 26,960
Federal Funds.....	12,378	6,630	4,537	Federal Funds.....	14,695	6,992	4,981
Augmentations.....	2,469	2,620	2,693	Augmentations.....	2,264	1,950	2,062
TOTAL.....	\$ 35,783	\$ 38,103	\$ 39,137	TOTAL.....	\$ 33,127	\$ 31,585	\$ 34,003
Clarks Summit				Eastern State School and Hospital			
State Funds.....	\$ 15,658	\$ 22,547	\$ 25,270	State Funds.....	\$ 8,808	\$ 0	\$ 0
Federal Funds.....	17,080	10,406	8,997	Federal Funds.....	7,213	0	0
Augmentations.....	2,597	2,623	2,761	Augmentations.....	893	0	0
TOTAL.....	\$ 35,335	\$ 35,576	\$ 37,028	TOTAL.....	\$ 16,914	\$ 0	\$ 0

Public Welfare

Program: Mental Health (continued)

Total Proposed Expenditures by Hospital, Restoration Center and Community Programs: (continued)

	1995-96 Actual	1996-97 Available	1997-98 Budget		1995-96 Actual	1996-97 Available	1997-98 Budget
Farview				South Mountain State Restoration Center			
State Funds.....	\$ 17,751	\$ 0	\$ 0	State Funds.....	\$ 5,543	\$ 11,679	\$ 14,081
Federal Funds.....	0	0	0	Federal Funds.....	16,374	10,680	9,369
Augmentations.....	40	0	0	Augmentations.....	2,276	2,120	1,205
TOTAL.....	\$ 17,791	\$ 0	\$ 0	TOTAL.....	\$ 24,193	\$ 24,479	\$ 24,655
Harrisburg				Torrance			
State Funds.....	\$ 23,576	\$ 29,848	\$ 34,707	State Funds.....	\$ 21,754	\$ 32,000	\$ 40,286
Federal Funds.....	12,395	6,466	4,178	Federal Funds.....	14,785	9,921	5,175
Augmentations.....	2,411	2,127	2,200	Augmentations.....	2,188	2,371	2,035
TOTAL.....	\$ 38,382	\$ 38,441	\$ 41,085	TOTAL.....	\$ 38,727	\$ 44,292	\$ 47,496
Haverford				Warren			
State Funds.....	\$ 22,625	\$ 29,148	\$ 29,449	State Funds.....	\$ 27,079	\$ 34,355	\$ 34,164
Federal Funds.....	9,813	4,427	2,504	Federal Funds.....	14,160	7,392	4,969
Augmentations.....	1,692	1,786	1,612	Augmentations.....	2,393	2,227	2,532
TOTAL.....	\$ 34,130	\$ 35,361	\$ 33,565	TOTAL.....	\$ 43,632	\$ 43,974	\$ 41,665
Mayview				Wernersville			
State Funds.....	\$ 71,058	\$ 77,989	\$ 79,847	State Funds.....	\$ 18,790	\$ 24,189	\$ 30,949
Federal Funds.....	29,005	15,772	10,834	Federal Funds.....	11,845	5,744	3,755
Augmentations.....	2,749	2,617	2,630	Augmentations.....	2,273	2,348	2,289
TOTAL.....	\$ 102,812	\$ 96,378	\$ 93,311	TOTAL.....	\$ 32,908	\$ 32,281	\$ 36,993
Norristown				Community Programs			
State Funds.....	\$ 50,096	\$ 62,236	\$ 69,738	State Funds.....	\$ 147,018	\$ 153,090	\$ 133,087
Federal Funds.....	21,774	13,661	8,119	Federal Funds.....	221,882	227,545	223,181
Augmentations.....	2,693	2,008	2,051	Augmentations.....	0	0	0
TOTAL.....	\$ 74,563	\$ 77,905	\$ 79,908	TOTAL.....	\$ 368,900	\$ 380,635	\$ 356,268
Somerset							
State Funds.....	\$ 12,125	\$ 0	\$ 0				
Federal Funds.....	7,129	0	0				
Augmentations.....	1,268	0	0				
TOTAL.....	\$ 20,522	\$ 0	\$ 0				

Program: Mental Health (continued)

Program Recommendations:

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

	Mental Health Services			
\$ 15,508	—to continue current State mental hospital program.		-3,651	—nonrecurring projects.
20,000	—to replace nonrecurring Federal funds.		-23,789	—to reflect savings generated from managed care.
129	—to continue current community mental health program.		3,377	—Initiative — Community Hospital Integration Project Program Expansion. To provide 100 community placements for State hospital residents.
5,369	—to provide a two percent cost-of-living increase for community mental health programs.			
4,925	—to annualize the 1996-97 Community Hospital Integration Projects Program.			
			<u>\$ 21,868</u>	<i>Appropriation Increase</i>

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
GENERAL FUND:							
Mental Health Services	\$ 478,985	\$ 528,577	\$ 550,445	\$ 561,931	\$ 570,164	\$ 578,456	\$ 586,909

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

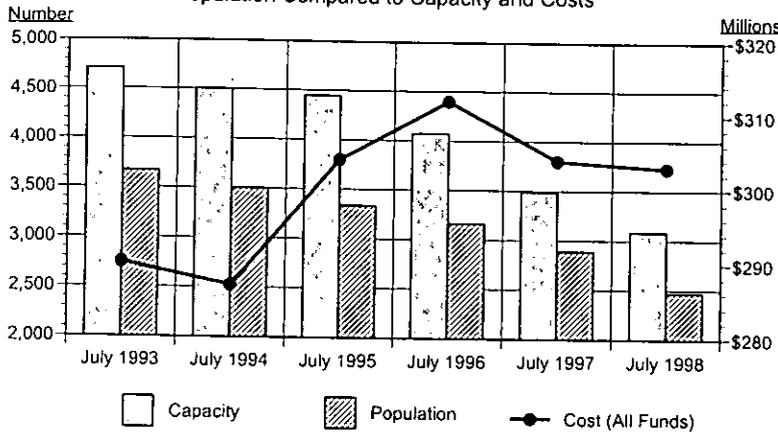
The Department of Public Welfare supports a comprehensive array of mental retardation services including State and privately operated intermediate care facilities and community residential and non-residential programs which are either administered or operated by the counties. In addition to State and 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

The Commonwealth provides 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



While the population of the State Centers shows a steady decline, the cost of operating the facilities does not drop proportionately because of the fixed cost of the remaining facilities. As facilities close, the drop in the State Center cost will decline at a much faster rate. Embreeville Center is scheduled to close in July of 1998.

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:

	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
Persons receiving MR services during fiscal year	68,109	69,933	71,426	71,426	71,426	71,426	71,426
Persons receiving community non-residential services:							
Early Intervention	14,714	17,930	18,430	18,430	18,430	18,430	18,430
Adult day services	17,228	17,447	18,572	18,572	18,572	18,572	18,572
Family support services	18,951	18,951	18,951	18,951	18,951	18,951	18,951

The Early Intervention program measure has been revised from last year's budget to include screening and tracking of children at risk. The 1997-98 and future years reflect the initiative to expand services.

The adult day care services measure has been revised from last year's budget to provide an unduplicated count of clients.

Public Welfare

Program: Mental Retardation (continued)

Program Measures: (continued)	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
Persons receiving residential services							
(at end of fiscal year):							
Residents of community residential facilities (CRF)	10,304	12,399	13,494	13,494	13,494	13,494	13,494
Residents in private ICF/MRs	3,302	3,250	3,217	3,217	3,217	3,217	3,217
Residents in State centers and mental retardation units	3,164	2,890	2,471	2,446	2,421	2,396	2,371
Residents transferred to more independent settings during fiscal year from:							
Community residential facilities	187	200	200	200	200	200	200
State centers and MR units	175	249	414	20	20	20	20

Residents of community residential facilities reflects the impact of ICF/MR facilities that will convert to the Medicaid home and community-based waiver program during 1996-97.

Residents transferred to more independent settings from community residential facilities was less than anticipated because of changing need and individual county priority.

Residents transferred from State centers is lower than anticipated in the previous budget because of delayed placements from Western and Embreeville Centers.

State Centers Population for the Prior, Current and Upcoming Year:

	Projected Bed Capacity July 1997	Population July 1995	Population July 1996	Projected Population July 1997	Projected Percent Capacity July 1997
State Centers					
Altoona.....	150	138	136	148	98.7%
Ebensburg.....	465	442	430	406	87.3%
Embreeville.....	125	133	99	0	0.0%
Hamburg.....	350	324	315	305	87.1%
Laurelton.....	234	197	193	128	54.7%
Polk.....	740	705	692	678	91.8%
Selinsgrove.....	721	671	668	656	91.0%
Western.....	180	195	175	127	70.6%
White Haven.....	410	368	353	345	84.1%
TOTAL STATE CENTERS.....	3,375	3,173	3,061	2,793	82.8%
Units for Mentally Retarded					
Mayview.....	72	67	63	60	83.3%
Somerset.....	0	53	0	0	0.0%
Torrance.....	45	42	40	37	82.2%
TOTAL UNITS FOR MENTALLY RETARDED.....	117	162	103	97	82.9%
GRAND TOTAL.....	3,492	3,335	3,164	2,890	82.8%
The Capacity at Altoona Center was increased to accomodate clients from Embreeville.					

Public Welfare

Program: Mental Retardation (continued)

Proposed Expenditures by Center:

	1995-96 Actual	1996-97 Available	1997-98 Budget		1995-96 Actual	1996-97 Available	1997-98 Budget
ALTOONA				SELINGROVE			
State funds.....	\$ 3,579	\$ 3,719	\$ 3,782	State funds.....	\$ 25,503	\$ 26,052	\$ 27,333
Federal funds.....	4,498	4,441	4,610	Federal funds.....	30,578	31,229	31,987
Augmentations.....	491	445	518	Augmentations.....	3,326	2,656	3,243
TOTAL.....	\$ 8,568	\$ 8,605	\$ 8,910	TOTAL.....	\$ 59,407	\$ 59,937	\$ 62,563
EBENSBURG				WESTERN			
State funds.....	\$ 17,823	\$ 18,110	\$ 18,604	State funds.....	\$ 11,398	\$ 10,172	\$ 9,696
Federal funds.....	20,853	21,716	21,856	Federal funds.....	13,069	12,173	11,363
Augmentations.....	1,941	1,856	2,000	Augmentations.....	1,002	860	657
TOTAL.....	\$ 40,617	\$ 41,682	\$ 42,460	TOTAL.....	\$ 25,469	\$ 23,205	\$ 21,716
EMBREEVILLE				WHITE HAVEN			
State funds.....	\$ 8,745	\$ 6,744	\$ 4,837	State funds.....	\$ 15,790	\$ 15,461	\$ 15,879
Federal funds.....	9,940	8,007	5,463	Federal funds.....	18,749	18,548	18,640
Augmentations.....	443	366	9	Augmentations.....	1,859	1,660	1,665
TOTAL.....	\$ 19,128	\$ 15,117	\$ 10,309	TOTAL.....	\$ 36,398	\$ 35,669	\$ 36,184
HAMBURG				MAYVIEW			
State funds.....	\$ 13,514	\$ 13,368	\$ 14,093	State funds.....	\$ 1,692	\$ 1,611	\$ 1,694
Federal funds.....	15,833	16,143	16,628	Federal funds.....	1,842	1,995	2,035
Augmentations.....	1,340	1,317	1,322	Augmentations.....	317	297	321
TOTAL.....	\$ 30,687	\$ 30,828	\$ 32,043	TOTAL.....	\$ 3,851	\$ 3,903	\$ 4,050
LAURELTON				SOMERSET			
State funds.....	\$ 9,341	\$ 9,089	\$ 7,715	State funds.....	\$ 1,120	\$ 19	\$ 0
Federal funds.....	10,687	10,914	9,100	Federal funds.....	1,479	22	0
Augmentations.....	712	732	742	Augmentations.....	228	0	0
TOTAL.....	\$ 20,740	\$ 20,735	\$ 17,557	TOTAL.....	\$ 2,827	\$ 41	\$ 0
POLK				TORRANCE			
State funds.....	\$ 26,566	\$ 26,840	\$ 28,252	State funds.....	\$ 1,265	\$ 1,235	\$ 1,301
Federal funds.....	31,725	32,200	33,117	Federal funds.....	1,602	1,545	1,576
Augmentations.....	3,288	2,992	3,080	Augmentations.....	193	194	203
TOTAL.....	\$ 61,579	\$ 62,032	\$ 64,449	TOTAL.....	\$ 3,060	\$ 2,974	\$ 3,080

The budget year distribution is based on available year and does not reflect adjustments for rightsizing.

Program: Mental Retardation (continued)

Program Recommendations:

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

<p>State Centers for the Mentally Retarded</p> <p>\$ 9,559 —to continue current program.</p> <p>-3,569 —to reflect rightsizing and final closure of Embreeville Center.</p> <p>-2,229 —to annualize the 1996-97 rightsizing initiative.</p> <p>-1,019 —to reflect downsizing of Western Center.</p> <p>-1,190 —to reflect changes in Federal funds.</p> <p>-786 —Initiative — Rightsizing of the State Mental Retardation Centers. To provide community placements for 350 persons currently residing in State mental retardation centers and units.</p> <hr/> <p>\$ 766 <i>Appropriation Increase</i></p>	<p>Intermediate Care Facilities — Mentally Retarded</p> <p>\$ 6,167 —to provide rate adjustments for changes in maintenance and occupancy.</p> <p>2,140 —to provide a two percent cost-of-living increase.</p> <p>-1,329 —to reflect a reduction for facilities converted to the Community MR waiver program.</p> <p>-667 —to reflect nonrecurring costs and other adjustments.</p> <hr/> <p>\$ 6,311 <i>Appropriation Increase</i></p>	<p>Community Mental Retardation Services</p> <p>\$ -1,721 —to reflect changes in Federal funds.</p> <p>12,417 —to annualize prior years' expansion.</p> <p>8,820 —to provide a two percent cost-of-living increase.</p> <p>-389 —to reflect a reduction in legal costs.</p> <p>5,819 —Initiative — Rightsizing of the State Mental Retardation Centers. To provide</p>	<p>community placements for 350 persons currently residing in State mental retardation centers and units.</p> <p>6,725 —Initiative — Expansion of Community Mental Retardation Services. To provide community placements for 44 persons residing in State centers, community-based services for 723 persons on county waiting lists and specialized services for 116 persons residing in nursing homes. These community placements are in addition to those resulting from the rightsizing of State mental retardation centers and units.</p> <p>700 —Initiative — Assistive Technology Loan Program. To establish a Statewide assistive technology loan program where individuals with disabilities and older Pennsylvanians will have opportunities to learn about, try and borrow assistive technology devices prior to making purchasing decisions.</p> <hr/> <p>\$ 32,371 <i>Appropriation Increase</i></p>	<p>Early Intervention</p> <p>\$ 1,901 —to annualize prior year's expansion.</p> <p>896 —to provide a two percent cost-of-living increase.</p> <p>1,587 —Initiative — Expansion of Early Intervention Services. To provide services for an additional 500 children from birth through age two.</p> <hr/> <p>\$ 4,384 <i>Appropriation Increase</i></p>	<p>MR Residential Services—Lansdowne</p> <p>\$ -371 —nonrecurring project.</p>
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Pennhurst Dispersal is recommended at the current year level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
GENERAL FUND:							
State Centers for the Mentally Retarded ..	\$ 136,336	\$ 132,420	\$ 133,186	\$ 124,437	\$ 123,872	\$ 126,349	\$ 128,876
Intermediate Care Facilities/Mentally Retarded	110,932	107,382	113,693	115,693	115,693	115,693	115,693
Community Mental Retardation Services ..	413,401	432,662	465,033	488,222	488,222	488,222	488,222
Emergency Mental Retardation Services ..	1,000	0	0	0	0	0	0
Pennhurst Dispersal	2,819	2,819	2,819	2,819	2,819	2,819	2,819
Early Intervention	35,088	42,578	46,962	48,549	48,549	48,549	48,549
MR Residential Services—Lansdowne	371	371	0	0	0	0	0
Association for Retarded Citizens	100	0	0	0	0	0	0
TOTAL GENERAL FUND	\$ 700,047	\$ 718,232	\$ 761,693	\$ 779,720	\$ 779,155	\$ 781,632	\$ 784,159

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 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 761 youth. Included in the system are specialized treatment services for sex offenders, firesetters, drug and alcohol abusers, emotionally disturbed and mentally retarded youth.

Treatment of youth within the YDCs/YFCs is guided by the Master Case Planning System. This system requires comprehensive diagnosis and assessment of each youth in care, development of an individualized treatment plan, implementation strategies, periodic reviews and revisions of each plan, and identification of aftercare needs. Individual and group counseling form the core of the treatment process.

The YDCs/YFCs emphasize programs and activities designed to break the cycle of dependency and prepare youth for return to the

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.

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.

Program Element: Family Planning and Breast Cancer Screening

Family planning services meet contraceptive needs or infertility problems through the provision of educational, medical and social services. Persons 16 years of age and over are served at 200 clinics in the State.

Breast cancer screening for low-income women is directed toward those at high risk of developing breast cancer. The target group is all new family planning clients, all women 35 years of age and older and women with a family history of breast cancer.

Program Element: Services for the Visually Impaired

The department provides a full range of services to individuals who are blind or visually impaired.

The Vocational Rehabilitation Services Program includes the direct provision or purchase of services which assist persons who are blind or visually impaired to obtain and/or maintain gainful employment. This program includes the operation of the Business Enterprise Program which establishes, maintains and supervises small business facilities operated by people who are blind.

The Social Casework Services Program provides special activities to assist persons who are blind or visually impaired to adjust to blindness, to enable them to cope with the activities of daily living and to allow them to function independently in the least costly manner within their family and community.

Administrative Complex	Projected July 1997 Capacity	July 1995 Population	July 1996 Population	Projected July 1997 Population	Projected July 1997 % of Capacity
Bensalem	120	123	118	120	100%
YFC - Hickory Run	49	49	51	49	100%
YFC - Trough Creek	62	69	66	66	106%
Loysville	248	300	245	276	111%
New Castle	282	355	314	314	111%
Subtotal					
Current Program	761	896	794	825	108%

In Fiscal Year 1996-97, a new 16 bed secure unit for emotionally disturbed youth opened in Allentown and is under the administration of the Loysville Complex.

The department plans to open two 50 bed secure units and a 64 bed secure unit during 1997-98. These are not included in the above chart.

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

Program: Human Services (continued)

Rehabilitation teaching and orientation and mobility services provide instruction on the adaptive skills needed to function in the home, community and workplace.

Prevention of blindness activities are provided in 27 counties of the Commonwealth through contractual arrangements with private providers.

Program Element: Attendant Care

This service provides attendant care for adults ages 18-59 through a variety of program models. Personal care services such as dressing and grooming are those which non-disabled persons would do for themselves. Service enables recipients to remain in or return to their own homes and maintain an independent lifestyle. Persons age 60 and over receive attendant care through funding provided by the Department of Aging.

Program Element: Legal Services

The department contracts with the Pennsylvania Legal Services Center, a private, nonprofit corporation, to provide civil legal assistance for low-income persons with family, consumer, employment and other problems. The emphasis of the service delivery is providing emergency legal services in situations which threaten the basic needs of individuals. These services do not include political activities, services to organizations or services in criminal matters.

Program Element: Domestic Violence and Rape Crisis

Domestic violence services are provided through a contract with a Statewide coalition which, in turn, subcontracts for services at the local level. The services to victims of domestic violence include: crisis intervention, counseling, victim advocacy, information and referral and temporary shelter for victims and their dependent children. Prevention and education programs are provided by local groups to lessen the risk of domestic violence in the community at large.

Rape crisis services are provided through a contract with a Statewide coalition which, in turn, subcontracts for services at the local level. Rape crisis programs provide crisis intervention services, counseling, victim

advocacy, information and referral and accompaniment through police, medical and judicial systems. Prevention and educational programs are also provided to lessen the risk of sexual assault for adults and children in the community at large.

Program Element: Homeless Assistance

The Homeless Assistance Program provides temporary shelter to homeless individuals and rental assistance to those in immediate danger of becoming homeless. Shelter may be provided in large mass shelters or in hotels and motels through a voucher system.

Housing assistance is a cash payment to an individual or family to prevent or end homelessness. Housing assistance can include assistance to prevent homelessness by intervening in cases where an eviction is imminent. In addition to preventing homelessness, housing assistance is available to move people out of temporary shelters into permanent housing.

Case management services are provided to assure ongoing coordination with the client. This assists the client with activities needed for self sufficient living.

Specialized residences for the mentally ill homeless are being provided in a small number of counties with concentrations of mentally ill homeless individuals. The program provides housing for mentally ill homeless people for an indefinite period of time, coupled with supportive services that will enable the client to move to a long-term semi-independent or independent living situation.

Program Element: Services to the Developmentally Disabled

This program provides services to persons with cerebral palsy and other impairments (excluding mental illness) which affect general mental and physical functioning. Persons who are developmentally disabled have limitations in the areas of self-care, understanding and/or use of language, learning, mobility, self-direction and capacity for independent living. These individuals had been receiving services in a nursing home environment; however, Federal regulations require that services be provided at the most appropriate level and location.

Program Measures:	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
Services for the Visually Impaired							
Persons who are blind or visually impaired	11,102	12,000	12,000	12,000	12,000	12,000	12,000
Persons who are blind or visually impaired placed in employment	411	440	500	550	625	650	650
Youth Development Centers							
YDC—youth served	2,039	2,139	2,304	2,496	2,496	2,496	2,496
YDC—occupancy rates	110%	110%	110%	110%	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	136,295	149,106	140,735	140,735	140,735	140,735	140,735
Out-of-home placement in:							
Community residential programs	18,551	19,306	20,350	20,600	20,600	20,600	20,600
Institutional care programs	5,645	5,831	5,190	5,190	5,190	5,190	5,190
Agency arranged adoptions	1,094	1,575	1,258	1,258	1,258	1,258	1,258

The number of YDC youth served is more than projected last year because 154 additional beds will be available beginning in 1997-98.

The number of children receiving child welfare services at home is less than shown in last year's budget due to a more intensive case management model. The budget year reflects the department's analysis of needs-based requests.

Program: Human Services (continued)

Program Measures: (continued)	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
Family Support Services (continued)							
Children waiting for adoption	3,112	1,627	1,675	1,723	1,723	1,723	1,723
Children receiving day care	48,900	51,754	58,474	58,474	58,474	58,474	58,474
Percent of child abuse reports substantiated	29%	26%	26%	26%	26%	26%	26%
Other Human Services							
Domestic violence persons served	53,444	51,637	50,377	50,377	50,377	50,377	50,377
Rape crisis/sexual assault persons served ...	16,394	14,070	14,070	14,070	14,070	14,070	14,070
Breast cancer screening clients	108,376	108,376	108,376	108,376	108,376	108,376	108,376
Legal service clients	33,349	22,735	23,000	23,000	23,000	23,000	23,000
Attendant care persons served	2,014	2,388	2,388	2,388	2,388	2,388	2,388
Persons with developmental disabilities served in nursing facilities	954	1,054	1,054	1,054	1,054	1,054	1,054
Persons with developmental disabilities served in the community	132	157	177	177	177	177	177
Homeless Assistance							
Persons served in shelters	32,669	32,669	36,622	36,622	36,622	36,622	36,622
Persons served by bridge housing	4,862	4,862	17,731	17,731	17,731	17,731	17,731
Persons receiving housing assistance	31,846	31,846	42,609	42,609	42,609	42,609	42,609
Persons receiving case management	13,200	13,200	17,345	17,345	17,345	17,345	17,345
Families receiving permanent housing	595	595	1,919	1,919	1,919	1,919	1,919

The number of children receiving day care reflects changes from the PRR — Transitioning to Self-Sufficiency.

The increase in rape crisis/sexual assault persons served compared to last year's budget is due to a change in reporting.

The reduction in legal service clients served compared to last year's budget is due to a reduction in Federal Title XX, Social Services Block Grant, funds.

The attendant care persons served measure includes the State-only funded program and the Federal Medicaid Waiver program.

The changes in homeless assistance measure from last year's budget reflect local reallocation of funds to meet emergency needs from the harsh winter and that families remained in the program longer. The budget year increase reflects the initiative to expand homeless assistance.

Program Recommendations:

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

<p>\$ 272 —to continue current program.</p> <p>1,030 —to replace one-time Federal funds.</p> <p>445 —to match all currently available Federal Vocational Rehabilitation funds.</p> <hr/> <p>\$ 1,747 <i>Appropriation Increase</i></p>	<p>Services for the Visually Impaired</p>	<p>\$ 20,660 —to provide for needs-based budget as mandated by Act 30 of 1991.</p> <p>1,978 —to provide a two percent cost-of-living increase for purchased services.</p> <p>-930 —to reflect YDC/YFC and Castille placement adjustments.</p> <p>-3,720 —to provide for Castille settlement placements.</p> <p>1,427 —to reflect training and civil service expenses transferred from General Government Operations.</p> <p>-610 —nonrecurring Statewide Adoption Network initiative.</p> <p>17,654 —to reflect the effect of TANF/Federal welfare reform block grant cap on Federal support.</p> <hr/> <p>\$ 36,459 <i>Appropriation Increase</i></p>	<p>County Child Welfare</p>
<p>\$ 2,912 —to continue current program.</p> <p>-3,062 —nonrecurring project.</p> <p>434 —to annualize the new 16 bed secure unit at Allentown.</p> <p>8,042 —to reflect 114 new beds scheduled to open in 1997-98.</p> <p>745 —Initiative — YDC Privatization. To establish a 24-bed secure care residential program for serious and habitual juvenile offenders to be located in southeast Pennsylvania.</p> <hr/> <p>\$ 9,071 <i>Appropriation Increase</i></p>	<p>Youth Development Institutions and Forestry Camps</p>	<p>\$ 40 —to provide a two percent cost-of-living increase.</p>	<p>Community Based Family Centers</p>

Public Welfare

Program: Human Services (continued)

Program Recommendations: (continued)

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

\$	936	Day Care Services —to provide a two percent cost-of-living increase.	\$	3,586	Homeless Assistance —to reflect the transfer of emergency homeless services from the Cash Grants appropriation.
\$	183	Domestic Violence —to provide a two percent cost-of-living increase.		338	—to provide a two percent cost-of-living increase.
	300	—to annualize the 1996-97 initiative to expand services to victims of domestic violence.		4,000	—Initiative — Expanded Homeless Assistance Services. To provide homeless assistance services, including bridge housing, housing assistance, transition to permanency, case management and emergency shelter, to approximately 17,500 additional persons.
	-100	—nonrecurring project.			
\$	383	<i>Appropriation Increase</i>	\$	7,924	<i>Appropriation Increase</i>
\$	70	Rape Crisis —to provide a two percent cost-of-living increase.	\$	155	Services to the Developmentally Disabled —to provide a two percent cost-of-living increase.
	96	—to annualize the 1996-97 initiative to expand services to victims of sexual assault.		-32	—reflects increase in available Federal funds.
\$	166	<i>Appropriation Increase</i>	\$	123	<i>Appropriation Increase</i>
\$	17	Breast Cancer Screening —to provide a two percent cost-of-living increase.	\$	319	Attendant Care —to provide a two percent cost-of-living increase.
				1,000	—to annualize the 1996-97 initiative to provide attendant care services to an additional 171 persons.
\$	680	Human Services Development Fund —to provide a two percent cost-of-living increase.		-37	—reflects increase in available Federal funds.
			\$	1,282	<i>Appropriation Increase</i>

All other appropriations are recommended at the current year funding level.

In addition, the Transitioning to Self-Sufficiency Program Revision following the Income Maintenance program recommends \$20.8 million in Federal funds to provide expanded child care services.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
GENERAL FUND:							
Services for the Visually Impaired	\$ 7,219	\$ 6,413	\$ 8,160	\$ 8,323	\$ 8,489	\$ 8,659	\$ 8,832
Youth Development Institutions and Forestry Camps	58,008	66,283	75,354	79,476	81,065	82,686	84,341
County Child Welfare	264,743	363,126	399,585	415,567	432,190	449,478	467,457
Community Based Family Centers	4,040	2,021	2,061	2,061	2,061	2,061	2,061
Day Care Services	42,827	46,781	47,717	47,717	47,717	47,717	47,717
Domestic Violence	8,050	9,350	9,733	9,733	9,733	9,733	9,733
Rape Crisis	3,404	3,500	3,666	3,666	3,666	3,666	3,666
Breast Cancer Screening	867	867	884	884	884	884	884
Human Services Development Fund	34,000	34,000	34,680	34,680	34,680	34,680	34,680
Legal Services	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Homeless Assistance	18,846	16,881	24,805	24,805	24,805	24,805	24,805
Services to the Developmentally Disabled	7,755	7,755	7,878	7,878	7,878	7,878	7,878
Attendant Care	14,241	15,942	17,224	17,224	17,224	17,224	17,224
Arsenal Family and Children's Center	162	160	160	160	160	160	160
Beacon Lodge Camp—Blind Services	124	124	124	124	124	124	124
TOTAL GENERAL FUND	\$ 466,286	\$ 575,203	\$ 634,031	\$ 654,298	\$ 672,676	\$ 691,755	\$ 711,562



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 Assistance Program.

GOVERNOR'S EXECUTIVE BUDGET

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1995-96 ACTUAL	1996-97 AVAILABLE	1997-98 BUDGET
GENERAL FUND:			
<i>General Government:</i>			
General Government Operations.....	\$ 103,120	\$ 105,862 ^a	\$ 107,866
(A)Cigarette Fines and Penalties.....	28	15	15
(A)Cigarette Tax Enforcement.....	666	625	644
(A)Services to Special Funds.....	6,177	6,496	6,464
(A)EDP and Staff Support.....	4,667	5,002	6,689
(A)Tax Information.....	176	140	140
(A)Local Sales Tax.....	6,939	5,893	2,575
(A)Small Games of Chance.....	233	240	240
(A)Tax Amnesty.....	9,656	361	475
Commissions - Inheritance & Realty Transfer Taxes (EA).....	5,012	4,955	4,954
Computer Acquisitions.....	1,698	0	0
(A)Special Fund Charges.....	298	0	0
Subtotal - State Funds.....	\$ 109,830	\$ 110,817	\$ 112,820
Subtotal - Augmentations.....	28,840	18,772	17,242
Total - General Government.....	\$ 138,670	\$ 129,589	\$ 130,062
<i>Grants and Subsidies:</i>			
Distribution of Public Utility Realty Tax.....	\$ 156,774	\$ 159,604 ^b	\$ 161,574
STATE FUNDS.....	\$ 266,604	\$ 270,421	\$ 274,394
AUGMENTATIONS.....	28,840	18,772	17,242
GENERAL FUND TOTAL.....	\$ 295,444	\$ 289,193	\$ 291,636
MOTOR LICENSE FUND:			
<i>General Government:</i>			
Collections - Liquid Fuels Tax.....	\$ 9,042	\$ 9,430	\$ 11,046
(A)Fuel Tax Enforcement.....	26	95	50
(A)International Fuel Tax Agreement.....	85	20	46
Subtotal - State Funds.....	\$ 9,042	\$ 9,430	\$ 11,046
Subtotal - Augmentations.....	111	115	96
Total - General Government.....	\$ 9,153	\$ 9,545	\$ 11,142
<i>Refunds:</i>			
Refunding Liquid Fuels Tax (EA).....	\$ 12,500	\$ 12,500	\$ 5,400
STATE FUNDS.....	\$ 21,542	\$ 21,930	\$ 16,446
AUGMENTATIONS.....	111	115	96
MOTOR LICENSE FUND TOTAL.....	\$ 21,653	\$ 22,045	\$ 16,542
LOTTERY FUND:			
<i>General Government:</i>			
General Operations (EA).....	\$ 61,190	\$ 63,803	\$ 66,455
(A)License Fees.....	119	15	120
(A)Telephone Lines.....	4,261	4,791	4,836
(A)Winning Number Line.....	0	0	280
On-Line Vendor Commissions (EA).....	23,499	24,023	23,810
Personal Income Tax for Lottery Prizes (EA).....	25,214	25,209	24,775
Payment Of Prize Money (EA).....	162,200	185,052	174,308

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1995-96 ACTUAL	1996-97 AVAILABLE	1997-98 BUDGET
Subtotal - State Funds.....	\$ 272,103	\$ 298,087	\$ 289,348
Subtotal - Augmentations.....	4,380	4,806	5,236
Total - General Government.....	\$ 276,483	\$ 302,893	\$ 294,584
Grants and Subsidies:			
Property Tax & Rent Assistance for Older Pennsylvanians(EA).....	\$ 96,251	\$ 96,600	\$ 91,180
STATE FUNDS.....	\$ 368,354	\$ 394,687	\$ 380,528
AUGMENTATIONS.....	4,380	4,806	5,236
LOTTERY FUND TOTAL.....	\$ 372,734	\$ 399,493	\$ 385,764
RACING FUND:			
General Government:			
Collections - Racing (EA).....	\$ 167	\$ 294	\$ 204
RACING FUND TOTAL.....	\$ 167	\$ 294	\$ 204
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 266,604	\$ 270,421	\$ 274,394
SPECIAL FUNDS.....	390,063	416,911	397,178
AUGMENTATIONS.....	33,331	23,693	22,574
TOTAL ALL FUNDS.....	\$ 689,998	\$ 711,025	\$ 694,146

^a Includes recommended supplemental appropriation of \$825,000.

^b Excludes pending emergency and disaster relief transfer of \$3,676,000.

Revenue

Program Funding Summary

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
REVENUE COLLECTION AND ADMINISTRATION							
GENERAL FUND.....	\$ 109,830	\$ 110,817	\$ 112,820	\$ 114,563	\$ 116,854	\$ 119,191	\$ 121,575
SPECIAL FUNDS.....	293,812	320,311	305,998	309,082	312,079	315,139	318,261
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	33,331	23,693	22,574	22,367	22,852	23,135	23,636
SUBCATEGORY TOTAL.....	\$ 436,973	\$ 454,821	\$ 441,392	\$ 446,012	\$ 451,785	\$ 457,465	\$ 463,472
COMMUNITY DEVELOPMENT AND PRESERVATION							
GENERAL FUND.....	\$ 156,774	\$ 159,604	\$ 161,574	\$ 161,574	\$ 161,574	\$ 161,574	\$ 161,574
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.....	\$ 156,774	\$ 159,604	\$ 161,574	\$ 161,574	\$ 161,574	\$ 161,574	\$ 161,574
HOMEOWNERS AND RENTERS ASSISTANCE							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	96,251	96,600	91,180	90,268	89,366	88,472	87,587
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
SUBCATEGORY TOTAL.....	\$ 96,251	\$ 96,600	\$ 91,180	\$ 90,268	\$ 89,366	\$ 88,472	\$ 87,587
ALL PROGRAMS:							
GENERAL FUND.....	\$ 266,604	\$ 270,421	\$ 274,394	\$ 276,137	\$ 278,428	\$ 280,765	\$ 283,149
SPECIAL FUNDS.....	390,063	416,911	397,178	399,350	401,445	403,611	405,848
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	33,331	23,693	22,574	22,367	22,852	23,135	23,636
DEPARTMENT TOTAL.....	\$ 689,998	\$ 711,025	\$ 694,146	\$ 697,854	\$ 702,725	\$ 707,511	\$ 712,633

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 administered its first Tax Amnesty Program. The Tax Amnesty Program was in effect from October 13, 1995, through January 17, 1996. Total amnesty collections were \$93.1 million.

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:	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
Lottery Bureau operating costs as a percent of ticket sales	3.25%	3.35%	3.56%	3.56%	3.56%	3.56%	3.56%
Collections from delinquent accounts (in millions)	\$582	\$509	\$519	\$529	\$540	\$551	\$562
Amounts due as a result of audit assessments (in millions)	\$182	\$187	\$191	\$195	\$199	\$203	\$207
Tax returns processed (in thousands):							
Personal Income	5,572	5,577	5,582	5,587	5,592	5,597	5,602
Corporation	270	275	354	270	273	279	280
Corporation Taxes Settlement Time:							
Tax Liabilities Less than \$10,000							
Settled in 9 months or less	51,537	68,000	70,000	165,000	194,000	214,000	255,000
Settled in 10 months or longer	152,511	193,131	265,000	85,000	59,000	40,000	0
Tax Liabilities \$10,000 - \$50,000							
Settled in 9 months or less	0	0	0	5,000	10,200	10,700	16,700
Settled in 10 to 13 months	8,009	10,143	14,400	9,900	5,900	5,900	0
Tax Liabilities Greater than \$50,000							
Settled in 9 months or less	0	0	0	0	0	4,200	4,200
Settled in 10 to 13 months	2,942	3,726	4,800	4,800	4,200	0	0
Manual Settlements	54,660	86,802	57,045	57,340	56,500	55,000	54,000
Total Active Accounts	262,423	265,047	267,697	270,374	273,078	275,809	278,567

The decline in audit assessments from those shown in last year's budget is due to a revised base estimate following a one-time windfall in Motor License Fund assessments in 1994-95.

The increase in the number of corporation tax returns processed in 1996-97 and 1997-98 from those shown in last year's budget reflects efforts to eliminate a one year backlog in corporation tax returns to be processed. The number of returns processed does not include returns that require manual processing or special handling due to non-standard filing requirements.

New measures reflecting corporation taxes settlement time are included in this presentation. The corporation tax settlement measures represent total tax liabilities for Capital Stock and Foreign Franchise and Corporate Net Income taxes. All years assume growth in the number of corporate tax accounts and increased use of automated settlements using computers. Increased automation is anticipated to decrease settlement time.

Revenue

Program: Revenue Collection and Administration (continued)

Appropriations within this Program: (continued)

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
LOTTERY FUND:							
General Operations	\$ 61,190	\$ 63,803	\$ 66,455	\$ 67,784	\$ 69,140	\$ 70,523	\$ 71,933
On-Line Vendor Commissions	23,499	24,023	23,810	23,992	24,027	24,062	24,098
Personal Income Tax for Lottery Prizes	25,214	25,209	24,775	24,962	25,153	25,348	25,548
Payment of Prize Money	162,200	185,052	174,308	175,469	176,655	177,868	179,106
TOTAL LOTTERY FUND	\$ 272,103	\$ 298,087	\$ 289,348	\$ 292,207	\$ 294,975	\$ 297,801	\$ 300,685
RACING FUND:							
Collections — Racing	\$ 167	\$ 294	\$ 204	\$ 208	\$ 212	\$ 216	\$ 220

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:	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
Taxing authorities receiving funds	3,040	3,064	3,075	3,075	3,075	3,075	3,075

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

	Public Utility Realty Tax Distribution
\$ -3,104	—reduction in 1996-97 base due to lower than anticipated tax increases.
5,074	—increased cost based on projected tax increases.
<u>\$ 1,970</u>	<i>Appropriation Increase</i>

Appropriations within this Program: (Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
GENERAL FUND:							
Public Utility Realty Tax Distribution	<u>\$ 156,774</u>	<u>\$ 159,604</u>	<u>\$ 161,574</u>	<u>\$ 161,574</u>	<u>\$ 161,574</u>	<u>\$ 161,574</u>	<u>\$ 161,574</u>

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:	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
Households provided property tax or rent assistance	362,902	352,015	341,454	331,211	321,275	311,636	302,287

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

Property Tax and Rent Assistance for Older Pennsylvanians
 \$ -5,420 —to continue current program.

Appropriations within this Program: (Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
LOTTERY FUND:							
Property Tax and Rent Assistance for Older Pennsylvanians	\$ 96,251	\$ 96,600	\$ 91,180	\$ 90,268	\$ 89,366	\$ 88,472	\$ 87,587



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

(Dollar Amounts in Thousands)

	1995-96 ACTUAL	1996-97 AVAILABLE	1997-98 BUDGET
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GENERAL FUND:

General Government:

General Government Operations.....	\$ 2,074	\$ 2,146	\$ 2,135
(A)Consumer Protection.....	2,415	2,539	2,823
<hr/>			
Subtotal - State Funds.....	\$ 2,074	\$ 2,146	\$ 2,135
Subtotal - Augmentations.....	2,415	2,539	2,823
<hr/>			
Total - General Government.....	\$ 4,489	\$ 4,685	\$ 4,958
<hr/>			
STATE FUNDS.....	\$ 2,074	\$ 2,146	\$ 2,135
AUGMENTATIONS.....	2,415	2,539	2,823
<hr/>			
GENERAL FUND TOTAL.....	\$ 4,489	\$ 4,685	\$ 4,958

Securities Commission

Program Funding Summary

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
SECURITIES INDUSTRY REGULATION							
GENERAL FUND.....	\$ 2,074	\$ 2,146	\$ 2,135	\$ 2,178	\$ 2,222	\$ 2,266	\$ 2,311
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	2,415	2,539	2,823	2,879	2,937	2,996	3,056
SUBCATEGORY TOTAL.....	\$ 4,489	\$ 4,685	\$ 4,958	\$ 5,057	\$ 5,159	\$ 5,262	\$ 5,367
ALL PROGRAMS:							
GENERAL FUND.....	\$ 2,074	\$ 2,146	\$ 2,135	\$ 2,178	\$ 2,222	\$ 2,266	\$ 2,311
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	2,415	2,539	2,823	2,879	2,937	2,996	3,056
DEPARTMENT TOTAL.....	\$ 4,489	\$ 4,685	\$ 4,958	\$ 5,057	\$ 5,159	\$ 5,262	\$ 5,367

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.

The Commission 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. Compliance and enforcement activities, as well as a portion of ongoing operations of the commission, are supported by fees collected from the securities industry.

Program Measures:	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
Formal investigations conducted	211	225	235	245	255	265	285
Dollar amounts of securities cleared for sale (billions)	\$127,933	\$127,000	\$127,000	\$127,000	\$127,000	\$127,000	\$127,000
Securities filings received	4,890	4,800	4,800	4,800	4,800	4,800	4,800
Securities filings cleared	4,522	4,500	4,500	4,500	4,500	4,500	4,500
Broker-dealers registered	2,184	2,250	2,317	2,387	2,459	2,531	2,603
Agents registered	98,330	101,108	103,969	106,916	109,952	113,078	118,810
Investment advisers registered	911	1,000	1,100	1,210	1,330	1,463	1,585
Associated persons registered	3,954	4,360	4,811	5,322	5,879	6,497	6,757

The decrease in the number of formal investigations conducted from that estimated in last year's budget is due to the need to focus greater resources on a number of large investigations.

The increase 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.

The measure for dollar amount of securities cleared for sale is further impacted by a new requirement to register specified dollar amounts rather than "indefinite" dollar amounts of offerings, which were previously recorded as zero in the total dollar amount of securities cleared.

Program Recommendations:

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

	General Government Operations
\$ 54	—to continue current program.
-65	—nonrecurring projects.
\$ -11	<i>Appropriation Decrease</i>

Appropriations within this Program:

 (Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
GENERAL FUND:							
General Government Operations	\$ 2,074	\$ 2,146	\$ 2,135	\$ 2,178	\$ 2,222	\$ 2,266	\$ 2,311



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

PROGRAM REVISION

Budgeted Amounts Include the Following Program Revision:

Title	Appropriation	1997-98 State Funds (in thousands)
Enhancing Information Technology to Better Serve Pennsylvania		
	General Government Operations	\$ 370
<p>This Program Revision provides information technology to process and compile campaign expense reports and improve public disclosures of campaign financing. This is part of the \$74.1 million Enhancing Information Technology to Better Serve Pennsylvania Program Revision. Please see the Program Revision following the Executive Direction Program in the Executive Offices for additional information on this Program Revision.</p>		
	Department Total	\$ 370

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1995-96 ACTUAL	1996-97 AVAILABLE	1997-98 BUDGET
GENERAL FUND:			
General Government:			
General Government Operations.....	\$ 1,318	\$ 1,239	\$ 1,699
(A)Professional Licensure Augmentation Account.....	0 ^a	0 ^a	0 ^a
(A)Registration of Charitable Organizations.....	949	950	953
(R)Professional Licensure Augmentation Account.....	15,198 ^b	15,396 ^b	15,135 ^b
(R)Medical Fees.....	2,348 ^b	2,756 ^b	2,851 ^b
(R)Osteopathic Fees.....	482 ^b	410 ^b	428 ^b
(R)Podiatry Fees.....	149 ^b	138 ^b	143 ^b
(R)State Athletic Commission.....	213	224	282
(R)Athletic Commission Augmentation Account.....	0 ^c	0 ^c	0 ^c
(R)Corporation Bureau.....	0 ^d	0 ^d	0 ^d
(R)Corporation Bureau (EA).....	4,839	4,859	3,086
Voter Registration.....	1,200 ^e	1,088 ^f	924
Subtotal.....	\$ 26,696	\$ 27,060	\$ 25,501
Publishing Constitutional Amendments(EA).....	434	2,003 ^g	600
Electoral College.....	0	8	0
Subtotal - State Funds.....	\$ 2,952	\$ 4,338	\$ 3,223
Subtotal - Augmentations.....	949	950	953
Subtotal - Restricted Revenues.....	23,229	23,783	21,925
Total - General Government.....	\$ 27,130	\$ 29,071	\$ 26,101
Grants and Subsidies:			
Voting of Citizens in Military Service.....	\$ 8	\$ 20	\$ 8
County Election Expenses.....	0	41	0
Total - Grants and Subsidies.....	\$ 8	\$ 61	\$ 8
STATE FUNDS.....	\$ 2,960	\$ 4,399	\$ 3,231
FEDERAL FUNDS.....	0	0	0
AUGMENTATIONS.....	949	950	953
RESTRICTED REVENUES.....	23,229	23,783	21,925
GENERAL FUND TOTAL.....	\$ 27,138	\$ 29,132	\$ 26,109
OTHER FUNDS:			
REAL ESTATE RECOVERY FUND:			
Real Estate Recovery Payments.....	\$ 250	\$ 250	\$ 300
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 2,960	\$ 4,399	\$ 3,231
SPECIAL FUNDS.....	0	0	0
AUGMENTATIONS.....	949	950	953
RESTRICTED.....	23,229	23,783	21,925
OTHER FUNDS.....	250	250	300
TOTAL ALL FUNDS.....	\$ 27,388	\$ 29,382	\$ 26,409

Footnotes to Summary by Fund and Appropriation

-
- ^a Not added to the total to avoid double counting: 1995-96 Actual is \$1,954,000, 1996-97 Available is \$2,066,000, and 1997-98 Budget is \$2,154,000.
 - ^b Appropriation from a restricted revenue account.
 - ^c Not added to the total to avoid double counting: 1995-96 Actual is \$27,000, 1996-97 Available is \$28,000, and 1997-98 Budget is \$74,000.
 - ^d Not added to the total to avoid double counting: 1995-96 Actual is \$560,000, 1996-97 Available is \$582,000, and 1997-98 Budget is \$684,000.
 - ^e Actually appropriated as \$800,000 for Voter Registration and \$400,000 for Voter Registration by Mail.
 - ^f Actually appropriated as \$688,000 for Voter Registration and \$400,000 for Voter Registration by Mail.
 - ^g Includes recommended supplemental executive authorization of \$1,000,000.

Program Funding Summary

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
CONSUMER PROTECTION							
GENERAL FUND.....	\$ 2,960	\$ 4,399	\$ 3,231	\$ 2,918	\$ 2,976	\$ 3,034	\$ 3,096
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	24,428	24,983	23,178	23,637	24,104	24,580	25,066
SUBCATEGORY TOTAL.....	\$ 27,388	\$ 29,382	\$ 26,409	\$ 26,555	\$ 27,080	\$ 27,614	\$ 28,162
ALL PROGRAMS:							
GENERAL FUND.....	\$ 2,960	\$ 4,399	\$ 3,231	\$ 2,918	\$ 2,976	\$ 3,034	\$ 3,096
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	24,428	24,983	23,178	23,637	24,104	24,580	25,066
DEPARTMENT TOTAL.....	\$ 27,388	\$ 29,382	\$ 26,409	\$ 26,555	\$ 27,080	\$ 27,614	\$ 28,162

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 9,464 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 1.6 million corporate entities in the database and the bureau processes approximately 25,000 new corporations annually. It also registers approximately 30,000 trademarks and fictitious names as well as 100,000 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 5,200 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:	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
Voter registration transactions	1,010,225	1,300,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
Professional licenses and renewals issued ..	374,590	400,000	400,000	400,000	400,000	400,000	400,000
Disciplinary actions by boards	789	900	900	900	900	900	900
Case files closed	4,095	4,700	4,800	4,800	4,800	4,800	4,800
Case files opened	4,995	4,700	4,500	4,500	4,500	4,500	4,500
Uniform Commercial Code financing statement filings and information requests fulfilled	170,200	170,000	175,000	180,000	185,000	185,000	185,000

Program: Consumer Protection (continued)

Program Measures: (continued)	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
Reviews of fictitious names, business corporations, trademark applications	184,500	184,500	180,000	180,000	180,000	180,000	180,000

Voter registration transactions are less than projected in last year's budget because the affect of the National Voter Registration Act was not as great as anticipated.

The number of disciplinary actions by boards was higher than estimated in last year's budget due to increased use of regulation and enforcement powers.

The number of case files closed was higher than estimated in last year's budget due to increased productivity.

The number of case files opened was greater than projected in last year's budget because of an increased review activity in medical surcharges, nursing home inspections, and cosmetology.

Program Recommendations:

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

\$ 90	General Government Operations	\$ -1,403	Publishing Constitutional Amendments
370	—to continue current program.		—nonrecurring advertisements.
	—PRR — Enhancing Information Technology to Better Serve Pennsylvania. This Program Revision provides information technology to process and compile campaign expense reports and improve public disclosure of campaign financing. See the Program Revision following the Executive Direction program in the Executive Offices for additional information.	\$ -8	Electoral College
		\$ -12	—to continue current program.
		\$ -41	Voting of Citizens in Military Service
			—to continue current program.
			County Election Expenses
			—nonrecurring projects.
\$ 460	<i>Appropriation Increase</i>		
\$ -164	Voter Registration		
	—nonrecurring projects.		



Includes the PRIME recommendation to provide a faster resolution to complaints handled in the Department of State, Bureau of Professional and Occupational Affairs by cross-training legal staff. The agency is able to respond quickly to more cases by replacing a system where separate attorneys were assigned to just one function.

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	\$ 95	<i>Appropriation Increase</i>
\$ -959	—nonrecurring projects.		State Board of Osteopathic Examiners
698	—to continue current program.	\$ 18	—to continue current program.
\$ -261	<i>Appropriation Decrease</i>	\$ 5	State Board of Podiatry
			—to continue current program.
	Athletic Commission Augmentation Account	\$ -2,105	Corporation Bureau
\$ 58	—to continue current program.	332	—nonrecurring projects.
		\$ -1,773	—to continue current program.
	State Board of Medical Education and Licensure		<i>Appropriation Decrease</i>
\$ -123	—nonrecurring projects.		
218	—to continue current program.		

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)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
GENERAL FUND:							
General Government Operations	\$ 1,318	\$ 1,239	\$ 1,699	\$ 1,356	\$ 1,383	\$ 1,410	\$ 1,439
Voter Registration	1,200	1,088	924	942	961	980	1,000
Publishing Constitutional Amendments	434	2,003	600	612	624	636	649
Electoral College Expenses	0	8	0	0	0	0	0
Voting of Citizens in Military Service	8	20	8	8	8	8	8
County Election Expenses	0	41	0	0	0	0	0
TOTAL GENERAL FUND	\$ 2,960	\$ 4,399	\$ 3,231	\$ 2,918	\$ 2,976	\$ 3,034	\$ 3,096



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

	(Dollar Amounts in Thousands)		
	1995-96	1996-97	1997-98
	ACTUAL	AVAILABLE	BUDGET
<u>GENERAL FUND:</u>			
<i>Grants and Subsidies:</i>			
National Guard - Employer Contribution.....	\$ 543	\$ 543	\$ 33
GENERAL FUND TOTAL.....	\$ 543	\$ 543	\$ 33
<u>OTHER FUNDS:</u>			
STATE EMPLOYES' RETIREMENT FUND:			
State Employees' Retirement Administration.....	\$ 15,450	\$ 15,980	\$ 18,335
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 543	\$ 543	\$ 33
SPECIAL FUNDS.....	0	0	0
OTHER FUNDS.....	15,450	15,980	18,335
TOTAL ALL FUNDS.....	\$ 15,993	\$ 16,523	\$ 18,368

State Employees' Retirement System

Program Funding Summary

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
STATE EMPLOYES' RETIREMENT							
GENERAL FUND.....	\$ 543	\$ 543	\$ 33	\$ 33	\$ 33	\$ 33	\$ 33
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	15,450	15,980	18,335	16,483	16,813	17,149	16,992
SUBCATEGORY TOTAL.....	\$ 15,993	\$ 16,523	\$ 18,368	\$ 16,516	\$ 16,846	\$ 17,182	\$ 17,025
ALL PROGRAMS:							
GENERAL FUND.....	\$ 543	\$ 543	\$ 33	\$ 33	\$ 33	\$ 33	\$ 33
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	15,450	15,980	18,335	16,483	16,813	17,149	16,992
DEPARTMENT TOTAL.....	\$ 15,993	\$ 16,523	\$ 18,368	\$ 16,516	\$ 16,846	\$ 17,182	\$ 17,025

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 net assets available for benefits are in excess of \$17 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:	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
Benefit payments processed	5,508	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)	\$2,007	\$1,152	\$1,296	\$1,446	\$1,599	\$1,725	\$1,873

The decline in benefits payments processed in 1995-96 compared to last year's budget is due to fewer individuals opting to retire in 1995-96 than was estimated.

The increase in the return on investment measure in 1995-96 compared to 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)

	GENERAL FUND		STATE EMPLOYEES' RETIREMENT FUND
	National Guard — Employer Contribution		State Employees' Retirement Administration
\$ -510	—actuarial liability fully amortized.		—to continue current program.
		\$ -320	—Initiative — Conversion of Microfiche Files to Optical Imaging Technology.
		2,675	Appropriation Increase
		\$ 2,355	

State Employees' Retirement System

Program: State Employees' Retirement (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
GENERAL FUND:							
National Guard—Employer Contribution ...	\$ 543	\$ 543	\$ 33	\$ 33	\$ 33	33	33
STATE EMPLOYES' RETIREMENT FUND:							
State Employees' Retirement Administration	\$ 15,450	\$ 15,980	\$ 18,335	\$ 16,483	\$ 16,813	\$ 17,149	\$ 16,992



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 1997-98, 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

PROGRAM REVISION

Budgeted Amounts Include the Following Program Revisions:

Title	Appropriation	1997-98 State Funds (in thousands)
General Fund		
Enhancing Information Technology to Better Serve Pennsylvania		
	General Government Operations	\$ 1,810
Motor License Fund		
Enhancing Information Technology to Better Serve Pennsylvania		
	General Government Operations	\$ 3,849
<p>This Program Revision establishes a new administrative information technology network, provides resources to make the centralized criminal justice database system compatible with other criminal justice information systems, and provides resources to contract for services to convert agency computer system applications to accommodate the year 2000. This is part of the \$74.1 million Enhancing Information Technology to Better Serve Pennsylvania Program Revision. Please see the Program Revision following the Executive Direction Program in the Executive Offices for additional information on this Program Revision.</p>		
	Department Total	\$ 5,659

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	1995-96 ACTUAL	1996-97 AVAILABLE	1997-98 BUDGET
GENERAL FUND:			
General Government:			
General Government Operations.....	\$ 109,830	\$ 115,806	\$ 119,777
Computer Upgrade.....	2,027	0	0
Firearms Ownership.....	1,200	0	0
(F)Drug Enforcement.....	136	150	150
(F)DNA Laboratory Improvement.....	0	375 ^a	0
(F)DCSI - Ballistics.....	0	300 ^b	216
(F)DCSI - Protection From Abuse.....	0	677	0
(F)DCSI - Fingerprint System.....	425	0	0
(F)Program Management.....	20	20	20
(F)Alcohol Program Management.....	9	0	0
(F)Motor Carrier Safety.....	1,052	1,500	1,500
(F)DUI Enforcement.....	382	600	570
(F)Patrol Administration.....	5	0	0
(F)Safety Education.....	13	25	25
(F)Interstate Highway Enforcement.....	200	300	300
(F)Emergency Communications.....	1	1	0
(F)Highway Incident Management.....	0	50	0
(F)Sobriety Test Training.....	13	30	0
(F)Construction Zone Patrolling.....	1,333	1,500	1,500
(F)Criminal Record Improvement.....	1,893	1,457	0
(F)Corridor Safety.....	15	0	0
(F)Belt and Child Seat Enforcement.....	0	15	0
(F)January 1996 Storm Disaster.....	6	0	0
(F)CLEAN System Upgrade.....	0	1,780	0
(F)Criminal Investigation Training.....	0	20	0
(A)Turnpike Commission.....	18,297	18,200	19,300
(A)Sale of Automobiles.....	159	0	0
(A)Criminal History Record Checks.....	3,643	3,500	3,900
(A)Training Fees.....	34	36	38
(A)Miscellaneous Services.....	576	638	680
(A)Criminal History Fees - DPW.....	0	133	170
(A)Police Pursuits.....	0	0	10
(A)Reimbursement from Municipalities.....	0	0	8,025
(A)Transfer From Motor License Fund.....	0 ^c	0 ^c	0 ^c
Subtotal.....	\$ 141,269	\$ 147,113	\$ 156,181
Municipal Police Training.....	3,795	3,996	3,979
(A)Transfer From Motor License Fund.....	0 ^c	0 ^c	0 ^c
Subtotal.....	\$ 3,795	\$ 3,996	\$ 3,979
Patrol Vehicles.....	2,123	3,613	2,829
(A)Automobile Sales.....	1,573	1,200	1,500
(A)Transfer From Motor License Fund.....	0 ^c	0 ^c	0 ^c
Subtotal.....	\$ 3,696	\$ 4,813	\$ 4,329
Automated Fingerprint Identification System.....	920	569	580
Subtotal.....	\$ 920	\$ 569	\$ 580
Subtotal - State Funds.....	\$ 119,895	\$ 123,984	\$ 127,165
Subtotal - Federal Funds.....	5,503	8,800	4,281
Subtotal - Augmentations.....	24,282	23,707	33,623
Total - General Government.....	\$ 149,680	\$ 156,491	\$ 165,069

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1995-96	1996-97	1997-98
	ACTUAL	AVAILABLE	BUDGET
STATE FUNDS.....	\$ 119,895	\$ 123,984	\$ 127,165
FEDERAL FUNDS.....	5,503	8,800	4,281
AUGMENTATIONS.....	24,282	23,707	33,623
GENERAL FUND TOTAL.....	\$ 149,680	\$ 156,491	\$ 165,069
 MOTOR LICENSE FUND:			
<i>General Government:</i>			
General Government Operations.....	\$ 235,111	\$ 246,190	\$ 250,422
Computer Upgrade.....	4,344	0	0
Municipal Police Training.....	3,795	4,002	3,978
Patrol Vehicles.....	4,509	5,893	6,012
Subtotal.....	<u>\$ 247,759</u>	<u>\$ 256,085</u>	<u>\$ 260,412</u>
Total - General Government.....	<u>\$ 247,759</u>	<u>\$ 256,085</u>	<u>\$ 260,412</u>
MOTOR LICENSE FUND TOTAL.....	\$ 247,759	\$ 256,085	\$ 260,412
 OTHER FUNDS:			
GENERAL FUND:			
Seized/Forfeited Property - Federal.....	\$ 214	\$ 190	\$ 300
State Drug Act Forfeiture Funds - Municipalities.....	593	0	200
State Criminal Enforcement Forfeiture Funds.....	54	16	10
Crime Lab User Fees.....	69	0	120
Auto Theft and Arson Fund.....	0	100	400
Insurance Fraud Prevention.....	0	250	125
Firearms Ownership Fund.....	0	0	1,136
GENERAL FUND TOTAL.....	\$ 930	\$ 556	\$ 2,291
 DNA DETECTION FUND:			
DNA Detection Fund.....	\$ 2	\$ 100	\$ 50
 STATE STORES FUND:			
Liquor Control Enforcement.....	\$ 15,302	\$ 15,361	\$ 15,481
 DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 119,895	\$ 123,984	\$ 127,165
SPECIAL FUNDS.....	247,759	256,085	260,412
FEDERAL FUNDS.....	5,503	8,800	4,281
AUGMENTATIONS.....	24,282	23,707	33,623
OTHER FUNDS.....	16,234	16,017	17,822
TOTAL ALL FUNDS.....	\$ 413,673	\$ 428,593	\$ 443,303

^a Recommended supplemental appropriation of \$375,000.

^b Recommended supplemental appropriation of \$300,000.

^c Not added to total to avoid double counting. See Motor License Fund section of this summary for dollar amounts.

Program Funding Summary

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
PUBLIC PROTECTION AND LAW ENFORCEMENT							
GENERAL FUND.....	\$ 119,895	\$ 123,984	\$ 127,165	\$ 123,970	\$ 129,451	\$ 132,784	\$ 135,649
SPECIAL FUNDS.....	247,759	256,085	260,412	253,522	265,000	271,838	277,711
FEDERAL FUNDS.....	5,503	8,800	4,281	4,281	4,281	4,281	4,281
OTHER FUNDS.....	40,516	39,724	51,445	76,389	77,275	78,178	79,100
SUBCATEGORY TOTAL.....	\$ 413,673	\$ 428,593	\$ 443,303	\$ 458,162	\$ 476,007	\$ 487,081	\$ 496,741
ALL PROGRAMS:							
GENERAL FUND.....	\$ 119,895	\$ 123,984	\$ 127,165	\$ 123,970	\$ 129,451	\$ 132,784	\$ 135,649
SPECIAL FUNDS.....	247,759	256,085	260,412	253,522	265,000	271,838	277,711
FEDERAL FUNDS.....	5,503	8,800	4,281	4,281	4,281	4,281	4,281
OTHER FUNDS.....	40,516	39,724	51,445	76,389	77,275	78,178	79,100
DEPARTMENT TOTAL.....	\$ 413,673	\$ 428,593	\$ 443,303	\$ 458,162	\$ 476,007	\$ 487,081	\$ 496,741

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. This budget recommends the transfer of the vehicle inspection station function to the Department of Transportation.

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:	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
Vehicle Standards Control							
Inspection station visitations	17,624	17,500	8,800	0	0	0	0
School bus and mass transit vehicle inspections	24,131	24,000	24,000	24,000	24,000	24,000	24,000

State Police

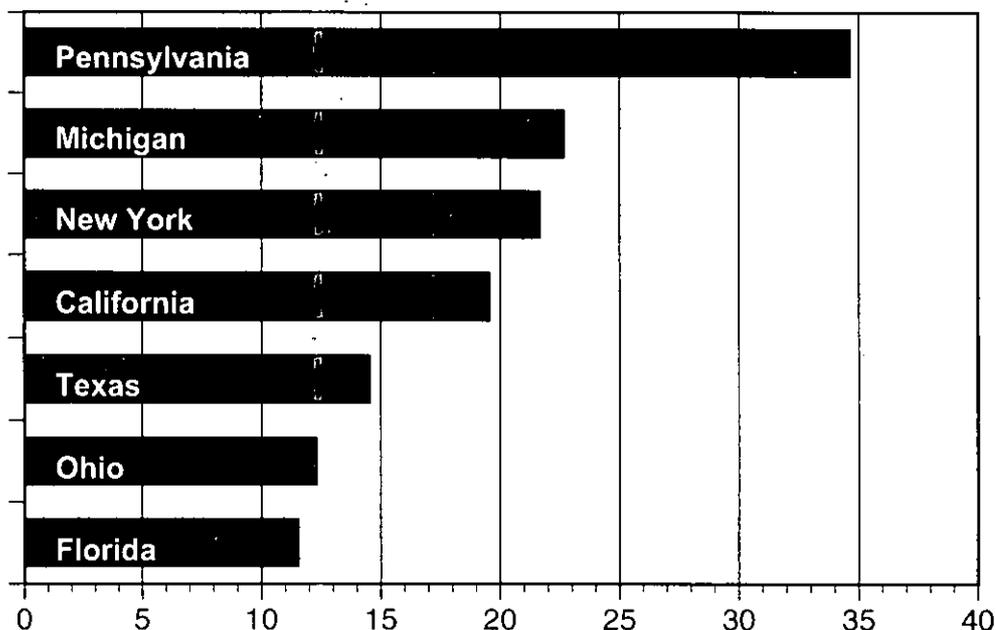
Program: Public Protection and Law Enforcement (continued)

Program Measures: (continued)	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
Traffic Supervision							
Accidents per 1,000 miles of highway in							
Pennsylvania	1,155	1,164	1,167	1,171	1,174	1,178	1,181
Accidents per 1,000 miles of highway							
patrolled by State Police	566	575	582	589	596	603	610
Traffic citations issued	421,505	440,000	450,000	450,000	450,000	450,000	450,000
Crime Prevention							
Crimes per 100,000 population in State							
Police jurisdiction areas:							
Against persons	97	101	102	104	106	107	109
Against property	1,132	1,137	1,148	1,158	1,169	1,179	1,190
Criminal Law Enforcement							
Crimes against persons:							
Persons arrested	1,816	2,000	2,020	2,040	2,060	2,080	2,100
Clearance rate	63%	63%	63%	63%	63%	63%	63%
Percent of those arrested who are							
convicted	64%	60%	60%	60%	60%	60%	60%
Crimes against property:							
Persons arrested	9,224	8,550	8,600	8,650	8,700	8,750	8,800
Clearance rate	23%	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	37,620	37,000	37,000	37,000	37,000	37,000	37,000

The program measure for inspection station visitations reflects the proposed transfer of this function to the Department of Transportation in 1997-98.

State Police

Per 100,000 Population



Full-time law enforcement officers as of October 1995.

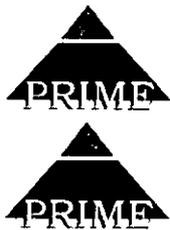
Program: Public Protection and Law Enforcement (continued)

Program Recommendations:

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

GENERAL FUND AND MOTOR LICENSE FUND COMBINED:		
General Government Operations		
\$ 4,484	—PRR — Enhancing Information Technology to Better Serve Pennsylvania. This Program Revision provides resources to establish a new State Police administrative information technology network and to make the centralized criminal justice database system compatible with other criminal justice information systems. See the Program Revision following the Executive Direction program in the Executive Offices for additional information.	1,455 —for the training of 100 State Police Cadets in order to maintain the number of enlisted personnel close to the maximum authorized. 952 —to reassign enlisted personnel to law enforcement and criminal investigation activities by hiring civilian personnel to do administrative work presently performed by troopers.
1,175	—PRR — Enhancing Information Technology to Better Serve Pennsylvania. This Program Revision provides resources to contract for services to convert agency computer system applications to accommodate the year 2000. See the Program Revision following the Executive Direction program in the Executive Offices for additional information.	2,100 —to continue the 1996-97 initiative to replace fuel storage tanks at State Police facilities. 2,965 —for equipment to improve criminal investigations and law enforcement activities.
-8,025	—Initiative — Reimbursement for Providing Local Law Enforcement Services. To reimburse the State Police for providing law enforcement services to localities which do not provide local police protection to their residents.	1,215 —to continue current program. \$ 8,203 <i>Appropriation Increase</i>
1,563	—Initiative — Firearms Background Checks. To provide for the implementation of automated background checks for firearms purchasers as required by Act 17 of 1995.	\$ -41 Municipal Police Training —to continue current program. \$ 136 Patrol Vehicles —to replace approximately 500 patrol vehicles. -801 —nonrecurring purchase of additional patrol vehicles. \$ -665 <i>Appropriation Decrease</i>
319	—Initiative — Enhanced Operation of the DNA Database. To provide for the collection, testing and cataloging of DNA samples from criminal offenders as required by Act 14 of 1995.	\$ 11 Automated Fingerprint Identification System —to continue current program. \$ 120 Liquor Control Enforcement —to continue current program.

This budget also recommends the transfer of the motor vehicle inspection station function to the Pennsylvania Department of Transportation, freeing approximately 75 troopers for law enforcement and criminal investigation duties.



Includes the PRIME recommendation consolidating the State Police stations at Pittsburgh/Kittanning thereby saving \$70,000 annually from increased efficiencies.

Includes the PRIME recommendation to provide resources to make the centralized criminal justice databases compatible with each other to create an integrated criminal justice information system.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
GENERAL FUND:							
General Government Operations	\$ 109,830	\$ 115,806	\$ 119,777	\$ 116,433	\$ 121,763	\$ 124,942	\$ 127,651
Computer Upgrade	2,027	0	0	0	0	0	0
Firearms Ownership	1,200	0	0	0	0	0	0
Municipal Police Training	3,795	3,996	3,979	4,059	4,140	4,223	4,307
Patrol Vehicles	2,123	3,613	2,829	2,886	2,944	3,003	3,063
Automated Fingerprint Identification System	920	569	580	592	604	616	628
TOTAL GENERAL FUND	\$ 119,895	\$ 123,984	\$ 127,165	\$ 123,970	\$ 129,451	\$ 132,784	\$ 135,649

State Police

Program: Public Protection and Law Enforcement (continued)

Appropriations within this Program: (continued)

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
MOTOR LICENSE FUND:							
General Government Operations	\$ 235,111	\$ 246,190	\$ 250,422	\$ 243,332	\$ 254,606	\$ 261,236	\$ 266,897
Computer Upgrade	4,344	0	0	0	0	0	0
Municipal Police Training	3,795	4,002	3,978	4,058	4,139	4,222	4,306
Patrol Vehicles	4,509	5,893	6,012	6,132	6,255	6,380	6,508
TOTAL MOTOR LICENSE FUND	\$ 247,759	\$ 256,085	\$ 260,412	\$ 253,522	\$ 265,000	\$ 271,838	\$ 277,711
STATE STORES FUND:							
Liquor Control Enforcement	\$ 15,302	\$ 15,361	\$ 15,481	\$ 15,791	\$ 16,107	\$ 16,429	\$ 16,758



COMMONWEALTH OF PENNSYLVANIA

TAX EQUALIZATION BOARD

The State Tax Equalization Board annually determines the aggregate market value of assessed taxable real property throughout the Commonwealth for use in calculating the amount and allocation of Commonwealth subsidies to school districts, for State support of public libraries and for determining certain tax limitations.

GOVERNOR'S EXECUTIVE BUDGET

Tax Equalization Board

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1995-96	1996-97	1997-98
	ACTUAL	AVAILABLE	BUDGET
GENERAL FUND:			
<i>General Government:</i>			
General Government Operations.....	\$ 1,466	\$ 1,233	\$ 1,219
GENERAL FUND TOTAL.....	\$ 1,466	\$ 1,233	\$ 1,219

Tax Equalization Board

Program Funding Summary

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
EDUCATION SUPPORT SERVICES							
GENERAL FUND.....	\$ 1,466	\$ 1,233	\$ 1,219	\$ 1,243	\$ 1,268	\$ 1,293	\$ 1,319
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.....	\$ 1,466	\$ 1,233	\$ 1,219	\$ 1,243	\$ 1,268	\$ 1,293	\$ 1,319
ALL PROGRAMS:							
GENERAL FUND.....	\$ 1,466	\$ 1,233	\$ 1,219	\$ 1,243	\$ 1,268	\$ 1,293	\$ 1,319
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
DEPARTMENT TOTAL.....	\$ 1,466	\$ 1,233	\$ 1,219	\$ 1,243	\$ 1,268	\$ 1,293	\$ 1,319

Tax Equalization Board

PROGRAM OBJECTIVE: To provide an effective administrative system to assess taxable real property value which is the basis for an equitable distribution of tax funds to support education services.

Program: Education Support Services

The Tax Equalization Board is an independent administrative board created to ensure equitable distribution of tax funds among the State's school districts. The board, in accordance with Act 147 of 1947, determines annually the aggregate market value of taxable real property in each of the more than 2,500 municipalities and 501 school districts in the Commonwealth and certifies the market value to the Secretary of Education. The results are used in determining distribution of State subsidies to school districts and local libraries, in lieu of tax payments under Project 70 Land Acquisitions, limitations on real estate taxes in school districts lying in more than one county, tax limitations in financing

community colleges, and overall tax limitations for political subdivisions and school districts. The program includes holding of hearings and analysis of real estate values and transactions. Act 267 of 1982 requires the board to establish annually a common level ratio of assessed value to market value in each county for the prior calendar year.

Prior to 1992, Act 192 of 1986 required the board to certify assessors for the valuation of real property for ad valorem taxation purposes. Act 28 of 1992 transferred the function of certifying assessors to the State Board of Certified Real Estate Appraisers within the Department of State.

Program Recommendations:

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

General Government Operations
 \$ -14 —to continue current program.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
GENERAL FUND:							
General Government Operations	\$ 1,466	\$ 1,233	\$ 1,219	\$ 1,243	\$ 1,268	\$ 1,293	\$ 1,319



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

PROGRAM REVISION

Budgeted Amounts Include the Following Program Revision:

Title	Appropriation	1997-98 State Funds (in thousands)
Motor License Fund		
Enhancing Information Technology to Better Serve Pennsylvania		
	General Government Operations	\$ 143
	Highway and Safety Improvement	1,145
	Highway Maintenance	1,288
	Safety Administration and Licensing	286
	Subtotal	<u>\$ 2,862</u>
<p>This Program Revision provides resources to contract for services to convert agency computer system applications to accommodate the year 2000. This is part of the \$74.1 million Enhancing Information Technology to Better Serve Pennsylvania Program Revision. See the Program Revision following the Executive Direction Program in the Executive Offices for addition information on this Program Revision.</p>		
	Department Total	<u><u>\$ 2,862</u></u>

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1995-96	1996-97	1997-98
	ACTUAL	AVAILABLE	BUDGET
GENERAL FUND:			
<i>General Government:</i>			
Transit and Rail Freight Operations.....	\$ 1,580	\$ 1,651	\$ 1,685
(F)FTA - Technical Studies Grants.....	2,269	2,686	2,686
(F)Capital Assistance.....	85	91	87
(F)Surface Transportation Assistance.....	622	818	816
(F)FTA - Capital Improvement Grants.....	3,420	3,700	3,700
(F)Title IV Rail Assistance.....	16	56	59
(R)Project Management Oversight - PTAF (EA).....	294	1,000	1,000
(A)Local Contribution - Rail Freight.....	21	30	15
(A)PTAF - Oversight.....	0 ^a	0 ^a	0 ^a
Comprehensive Rail Freight Study.....	100	92	0
Rail Safety Inspection.....	356	407	407
Vehicle Sales Tax Collections.....	1,706	1,757	1,757
Welcome Centers.....	1,120	1,247	1,494
Relocation of Transportation and Safety Operations.....	225	169	169
Voter Registration.....	1,033	810 ^b	629
Subtotal - State Funds.....	\$ 6,120	\$ 6,133	\$ 6,141
Subtotal - Federal Funds.....	6,412	7,351	7,348
Subtotal - Augmentations.....	21	30	15
Subtotal - Restricted Revenues.....	294	1,000	1,000
Total - General Government.....	\$ 12,847	\$ 14,514	\$ 14,504
<i>Grants and Subsidies:</i>			
Mass Transportation Assistance.....	\$ 254,663	\$ 254,663	\$ 254,663
Fixed Route Transit.....	16,039	25,090	25,090
Intercity Rail and Bus Transportation.....	1,881	1,888	1,888
(F)Surface Transportation - Operating.....	5,455	6,500	6,500
(F)Surface Transportation Assistance Capital.....	814	4,000	4,000
(F)Maglev Feasibility Study.....	500	0	0
(F)Maglev Feasibility Study (EA).....	0	167	0
(R)Technical Assistance - PTAF (EA).....	3,375	3,533	3,599
(R)Community Transportation Equipment Grants - PTAF (EA).....	3,043	2,797	2,300
Rail Freight Assistance.....	3,600	3,600	3,600
(A)Rail Freight - Reimbursement.....	12	200	200
Subtotal - State Funds.....	\$ 276,183	\$ 285,241	\$ 285,241
Subtotal - Federal Funds.....	6,769	10,667	10,500
Subtotal - Augmentations.....	12	200	200
Subtotal - Restricted Revenues.....	6,418	6,330	5,899
Total - Grants and Subsidies.....	\$ 289,382	\$ 302,438	\$ 301,840
STATE FUNDS.....	\$ 282,303	\$ 291,374	\$ 291,382
FEDERAL FUNDS.....	13,181	18,018	17,848
AUGMENTATIONS.....	33	230	215
RESTRICTED REVENUES.....	6,712	7,330	6,899
GENERAL FUND TOTAL.....	\$ 302,229	\$ 316,952	\$ 316,344
MOTOR LICENSE FUND:			
<i>General Government:</i>			
General Government Operations.....	\$ 27,385	\$ 27,252	\$ 28,073
Highway Systems Technology.....	0	0	12,080
Refunding Collected Monies (EA).....	2,726	3,000	3,000

Transportation

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1995-96 ACTUAL	1996-97 AVAILABLE	1997-98 BUDGET
Relocation of Transportation and Safety Operations.....	14,814	15,720	9,071
(F)Reimbursement - General Government.....	10	0	0
(A)Mass Transportation.....	138	116	73
(A)Duplicating Services.....	96	130	129
(A)Aviation Restricted Revenue.....	139	124	124
(A)Administrative Hearings.....	38	29	30
Subtotal.....	<u>\$ 45,346</u>	<u>\$ 46,371</u>	<u>\$ 52,580</u>
Highway and Safety Improvement.....	145,000	143,301	165,000
Metric Conversion.....	3,848	3,400	3,400
(F)Highway Research, Planning and Construction.....	436,956	494,000 ^c	528,009
(F)Highway Safety Program.....	186	100	100
(A)Highway Construction Contributions.....	7,512	6,177	9,022
(A)Reimbursements - Accident Damage Claims.....	11	0	0
(R)Highway Capital Projects - Excise Tax (EA).....	50,013	50,739	50,540
(R)Highway Bridge Projects (EA).....	20,445	71,000	75,000
(R)Bridges - Excise Tax (EA).....	50,696	41,302	38,648
(F)Federal Aid - Highway Bridge Projects.....	88,830	90,000 ^d	105,000
(F)Federal Disaster Reimbursement - FHWA.....	219	4,000	0
(F)Federal Disaster Reimbursement - FEMA.....	0	6,000	0
(A)Bridge Construction Contributions.....	2,147	5,000	5,000
(A)Bridge Reimbursement from Local Governments.....	384	500	500
Subtotal.....	<u>\$ 806,247</u>	<u>\$ 915,519</u>	<u>\$ 980,219</u>
Highway Maintenance.....	622,724^e	546,942	625,221
Secondary Roads - Maintenance and Resurfacing (EA).....	58,618	58,061	59,113
Highway Maintenance - Supplemental.....	5,007	78,797	364
Highway Maintenance - Resurfacing.....	0	61,000	0
Highway Maintenance One Time Surface Improvements.....	0	0	41,000
Reinvestment - Facilities.....	5,993	8,500	6,000
(F)Highway Research, Planning and Construction.....	69,473	109,500 ^f	127,500
(F)State and Community Highway Safety.....	1,609	2,500	2,500
(F)Federal Disaster Reimbursement - FEMA.....	929	40,000	0
(F)Federal Disaster Reimbursement - FHWA.....	19,459	29,000	0
(F)Local Bridge Inspection.....	1,665	0	0
(R)Highway Maintenance - Excise Tax (EA).....	123,567	125,352	124,866
(A)Highway Maintenance Contributions.....	5,211	8,206	7,656
(A)Sale of Automobiles.....	106	150	175
(A)Sale of Gas, Oil and Antifreeze.....	1,688	1,900	2,000
(A)Sale of Equipment.....	1,513	2,000	2,125
(A)Heavy Hauling - Bonded Roads.....	414	500	500
(A)Sale of Signs.....	158	200	200
(A)Accident Damage Claims.....	3,297	3,500	4,000
(A)Litter Fine Receipts.....	61	9	9
(A)Recovered Permit Compliance Cost.....	0	35	35
(A)Reimbursement - Maintenance of Drivers Exam Sites.....	0 ^g	0 ^g	0 ^g
Subtotal.....	<u>\$ 921,492</u>	<u>\$ 1,076,152</u>	<u>\$ 1,003,264</u>
Safety Administration and Licensing.....	79,164	87,836	89,431
(F)State and Community Highway Safety.....	213	100	450
(F)Reimbursement - Drivers License Suspension/Denial.....	0	0	56
(A)Administrative Support.....	81	100	100
(A)Computer Support.....	171	180	190
(A)Photo ID Program.....	10,054	10,460	10,500
(A)Vehicle Sales Tax Collections.....	0 ^h	0 ^h	0 ^h
(A)Emission Mechanic Training Courses.....	4	10	10
(A)Video Sales Reimbursement.....	0	10	10
(A)Reimbursement - Organ Donor Fund.....	0 ⁱ	0 ⁱ	0 ⁱ
(A)Reimbursement - Voter Registration.....	0 ^j	0 ^j	0 ^j

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1995-96	1996-97	1997-98
	ACTUAL	AVAILABLE	BUDGET
Subtotal.....	\$ 89,687	\$ 98,696	\$ 100,747
(R)Aviation Operations.....	11,328 k	12,105 k	16,687 k
(F)Airport Development Aid Program.....	179	17	17
(F)Airport Inspections.....	22	262	247
(F)Federal Aid - HIA.....	2,184	1,359	1,717
(F)Federal Aid - Other State Airports.....	2,430	968	2,340
(F)Environmental Remediation - HIA.....	86	0	0
(F)Environmental Remediation - Industrial Park.....	102	0	0
(F)Federal Reimbursement - HIA Passenger Facility Charge Proj.....	0	0	1,877
(A)HIA Improvement Project - Passenger Facility Charges.....	0	0	390
(A)Passenger Facility Charges HIA Project.....	0	0	1,660
(A)HIA Utility Services.....	135	93	239
(A)Other State Airports Utility Services.....	22	27	30
(A)Flight Operations.....	312	305	288
(A)Police Citations - HIA.....	14	4	4
(A)Airport Inspections and Licensing.....	14	3	2
(A)Airport Improvement Program - Other State Airports.....	329	54	130
(A)Industrial Park Reimbursements.....	121	130	271
(A)Improvement Program - HIA.....	160	82	151
(A)General Fund Reimbursement.....	15	0	0
(A)Airport Operations Reimbursement.....	1,024	0	0
(A)Reimbursements - Other State Airports.....	81	0	0
(A)Reimbursement - Statewide Program.....	77	0	25
Subtotal.....	\$ 18,635	\$ 15,409	\$ 26,075
Subtotal - State Funds.....	\$ 965,279	\$ 1,033,809	\$ 1,041,753
Subtotal - Federal Funds.....	624,552	777,806	769,813
Subtotal - Augmentations.....	35,527	40,034	45,578
Subtotal - Restricted Revenues.....	256,049	300,498	305,741
Total - General Government.....	\$ 1,881,407	\$ 2,152,147	\$ 2,162,885
Grants and Subsidies:			
Local Road Maintenance and Construction Payments.....	\$ 167,203	\$ 171,989	\$ 173,941
Supplemental Local Road Maintenance and Construction Payment.....	5,000	5,000	5,000
(R)Local Road Payments - Excise Tax (EA).....	35,250	35,819	35,753
(R)Local Grants For Bridge Projects (EA).....	706	32,000	25,000
(R)County Bridges - Excise Tax (EA).....	2,806	9,296	5,612
(F)Federal Aid - Local Grants for Bridge Projects.....	844	1,500	1,500
(F)Federal Aid - County Bridges.....	31	100	100
(A)Local Governments.....	128	300	300
(R)Toll Roads - Excise Tax (EA).....	40,708	39,677	42,347
(R)Annual Maintenance Payments - Highway Transfer (EA).....	9,721	10,180	10,258
(R)Restoration Projects - Highway Transfer (EA).....	7,570	7,151	5,794
(R)Airport Development.....	6,071 l	6,500 l	6,500 l
(R)Real Estate Tax Rebate.....	214 k	250 k	250 k
Subtotal.....	\$ 276,252	\$ 319,762	\$ 312,355
Subtotal - State Funds.....	\$ 172,203	\$ 176,989	\$ 178,941
Subtotal - Federal Funds.....	875	1,600	1,600
Subtotal - Augmentations.....	128	300	300
Subtotal - Restricted Revenues.....	103,046	140,873	131,514
Total - Grants and Subsidies.....	\$ 276,252	\$ 319,762	\$ 312,355

Transportation

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1995-96	1996-97	1997-98
	ACTUAL	AVAILABLE	BUDGET
STATE FUNDS.....	\$ 1,137,482	\$ 1,210,798	\$ 1,220,694
FEDERAL FUNDS.....	625,427	779,406	771,413
AUGMENTATIONS.....	35,655	40,334	45,878
RESTRICTED REVENUES.....	359,095	441,371	437,255
MOTOR LICENSE FUND TOTAL.....	\$ 2,157,659	\$ 2,471,909	\$ 2,475,240
LOTTERY FUND:			
<i>Grants and Subsidies:</i>			
Older Pennsylvanians Free Transit (EA).....	\$ 56,718	\$ 58,400	\$ 60,152
Older Pennsylvanians Shared Rides (EA).....	53,783	58,600	61,070
Total - Grants and Subsidies.....	\$ 110,501	\$ 117,000	\$ 121,222
LOTTERY FUND TOTAL.....	\$ 110,501	\$ 117,000	\$ 121,222
OTHER FUNDS:			
GENERAL FUND:			
Federal Grants - Railroad Freight Rehabilitation.....	\$ 647	\$ 1,000	\$ 1,000
Emission Inspection Settlement.....	25,333	44,231	44,800
GENERAL FUND TOTAL.....	\$ 25,980	\$ 45,231	\$ 45,800
MOTOR LICENSE FUND:			
Federal Reimbursements - Highway Safety Program.....	\$ 5,581	\$ 6,000	\$ 6,200
Reimbursements to Municipalities - Vehicle Code Fines.....	13,233	18,000	18,000
Federal Reimbursements - Flood Related Costs.....	928	1,000	1,500
Reimbursements to Other States- Apportioned Registration Plan.....	20,744	25,000	25,000
Federal Reimbursements - Bridge Projects.....	17,848	23,000	25,000
Motorcycle Safety Education.....	2,832	2,500	2,750
Equipment Rental Security Deposits.....	0	100	100
Payments to Blind/Visually Handicapped.....	1,557	1,600	1,600
Federal Reimbursements - Political Subdivisions.....	30,514	22,000	25,000
License and Registration Pickups.....	0	20	20
MOTOR LICENSE FUND TOTAL.....	\$ 93,237	\$ 99,220	\$ 105,170
HIGHWAY BEAUTIFICATION FUND:			
Control of Junkyards (EA).....	\$ 6	\$ 25	\$ 15
Control of Outdoor Advertising (EA).....	641	700	310
HIGHWAY BEAUTIFICATION FUND TOTAL.....	\$ 647	\$ 725	\$ 325
MOTOR VEHICLE TRANSACTION RECOVERY FUND:			
Reimbursement to Transportation.....	\$ 185	\$ 53	\$ 205
LIQUID FUELS TAX FUND:			
Payments to Counties.....	\$ 25,441	\$ 28,746	\$ 29,033
PUBLIC TRANSPORTATION ASSISTANCE FUND:			
Transfer to General Fund (EA).....	\$ 0m	\$ 0m	\$ 0m
Mass Transit Grants (EA).....	162,553	163,517	149,814
Rural and Intercity Transit Grants (EA).....	4,707	5,075	5,111

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1995-96	1996-97	1997-98
	ACTUAL	AVAILABLE	BUDGET
PUBLIC TRANSPORTATION ASSISTANCE FUND TOTAL	<u>\$ 167,260</u>	<u>\$ 168,592</u>	<u>\$ 154,925</u>
ORGAN DONATION AWARENESS TRUST FUND:			
Reimbursement to Transportation.....	<u>\$ 0</u>	<u>\$ 70</u>	<u>\$ 230</u>
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 282,303	\$ 291,374	\$ 291,382
SPECIAL FUNDS.....	1,247,983	1,327,798	1,341,916
FEDERAL FUNDS.....	638,608	797,424	789,261
AUGMENTATIONS.....	35,688	40,564	46,093
RESTRICTED.....	365,807	448,701	444,154
OTHER FUNDS.....	312,750	342,637	335,688
TOTAL ALL FUNDS	<u><u>\$ 2,883,139</u></u>	<u><u>\$ 3,248,498</u></u>	<u><u>\$ 3,248,494</u></u>

^a Not added to the total to avoid double counting: 1995-96 Actual is -0-, 1996-97 Available is \$7,000, and 1997-98 Budget is \$7,000.

^b Includes recommended supplemental appropriation of \$296,000.

^c Actually authorized as \$615,352,000. Amount shown is the best current estimate of project costs for 1996-97. Additional funds may be required, therefore no reduction to the authorized amount is recommended.

^d Actually authorized as \$103,000,000. Amount shown is the best current estimate of project costs for 1996-97. Additional funds may be required, therefore no reduction to the authorized amount is recommended.

^e Actually appropriated as \$621,949,000 for Highway Maintenance and \$775,000 for Local Bridge Inspection.

^f Actually authorized as \$132,000,000. Amount shown is the best current estimate of project costs for 1996-97. Additional funds may be required, therefore no reduction to the authorized amount is recommended.

^g Not added to the total to avoid double counting: 1995-96 Actual is \$165,000, 1996-97 Available is \$500,000, and 1997-98 Budget is \$500,000.

^h Not added to the total to avoid double counting: 1995-96 Actual is \$1,706,000, 1996-97 Available is \$1,757,000, and 1997-98 Budget is \$1,757,000.

ⁱ Not added to the total to avoid double counting: 1995-96 Actual is -0-, 1996-97 Available is \$70,000, and 1997-98 Budget is \$230,000.

^j Not added to the total to avoid double counting: 1995-96 Actual is \$132,000, 1996-97 Available is \$296,000, and 1997-98 Budget is -0-.

^k Appropriated from a restricted revenue account.

^l Appropriated from a restricted revenue account. In 1995-96 actually appropriated as \$2,000,000 for Business Airport Grants, \$4,000,000 for Airport Development and \$500,000 for Runway Rehabilitation.

^m Not added to the total to avoid double counting: 1995-96 Actual is \$4,712,000, 1996-97 Available is \$4,733,000, and 1997-98 Budget is \$4,699,000.

Program Funding Summary

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
TRANSPORTATION SUPPORT SERVICES							
GENERAL FUND.....	\$ 1,905	\$ 1,912	\$ 1,854	\$ 1,893	\$ 1,936	\$ 1,980	\$ 1,824
SPECIAL FUNDS.....	44,925	45,972	52,224	40,770	38,334	39,105	33,448
FEDERAL FUNDS.....	6,422	7,351	7,348	7,348	7,348	7,348	7,348
OTHER FUNDS.....	705	1,399	1,356	1,363	1,371	1,380	1,389
SUBCATEGORY TOTAL.....	\$ 53,957	\$ 56,634	\$ 62,782	\$ 51,374	\$ 48,989	\$ 49,813	\$ 44,009
STATE HIGHWAY AND BRIDGE CONSTRUCTION/RECONSTRUCTION							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	148,848	146,701	168,400	171,145	170,000	180,000	200,000
FEDERAL FUNDS.....	526,191	594,100	633,109	633,109	633,109	633,109	633,109
OTHER FUNDS.....	127,448	179,818	188,934	179,625	134,046	138,051	139,485
SUBCATEGORY TOTAL.....	\$ 802,487	\$ 920,619	\$ 990,443	\$ 983,879	\$ 937,155	\$ 951,160	\$ 972,594
STATE HIGHWAY AND BRIDGE MAINTENANCE							
GENERAL FUND.....	\$ 1,120	\$ 1,247	\$ 1,494	\$ 1,473	\$ 1,502	\$ 1,532	\$ 1,563
SPECIAL FUNDS.....	692,342	753,300	731,698	655,343	663,104	663,130	662,913
FEDERAL FUNDS.....	91,470	181,000	130,000	130,000	130,000	130,000	130,000
OTHER FUNDS.....	189,196	185,854	183,414	182,855	182,100	182,803	183,560
SUBCATEGORY TOTAL.....	\$ 974,128	\$ 1,121,401	\$ 1,046,606	\$ 969,671	\$ 976,706	\$ 977,465	\$ 978,036
LOCAL HIGHWAY AND BRIDGE ASSISTANCE							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	172,203	176,989	178,941	176,499	176,989	175,607	177,784
FEDERAL FUNDS.....	2,540	1,600	1,600	1,100	1,100	1,100	1,100
OTHER FUNDS.....	143,217	186,492	179,750	177,044	172,771	173,495	174,246
SUBCATEGORY TOTAL.....	\$ 317,960	\$ 365,081	\$ 360,291	\$ 354,643	\$ 350,860	\$ 350,202	\$ 353,130
MASS TRANSPORTATION							
GENERAL FUND.....	\$ 255,019	\$ 255,070	\$ 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.....	162,553	163,517	149,814	174,676	182,029	187,961	194,140
SUBCATEGORY TOTAL.....	\$ 417,572	\$ 418,587	\$ 404,884	\$ 429,754	\$ 437,115	\$ 443,055	\$ 449,243
INTERCITY RAIL AND BUS TRANSPORTATION							
GENERAL FUND.....	\$ 5,481	\$ 5,488	\$ 5,488	\$ 5,488	\$ 5,488	\$ 5,488	\$ 5,488
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	6,769	10,667	10,500	10,500	10,500	10,500	10,500
OTHER FUNDS.....	8,762	9,838	9,925	8,014	8,225	8,479	8,693
SUBCATEGORY TOTAL.....	\$ 21,012	\$ 25,993	\$ 25,913	\$ 24,002	\$ 24,213	\$ 24,467	\$ 24,681

Transportation

Program Funding Summary

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
AIR TRANSPORTATION							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	5,003	2,606	6,198	4,321	2,981	2,981	2,981
OTHER FUNDS.....	19,917	19,553	26,627	22,472	21,082	21,332	21,587
SUBCATEGORY TOTAL.....	\$ 24,920	\$ 22,159	\$ 32,825	\$ 26,793	\$ 24,063	\$ 24,313	\$ 24,568
SAFETY ADMINISTRATION AND LICENSING							
GENERAL FUND.....	\$ 2,739	\$ 2,567	\$ 2,386	\$ 2,434	\$ 2,483	\$ 2,533	\$ 2,583
SPECIAL FUNDS.....	79,164	87,836	89,431	91,214	92,747	94,602	96,494
FEDERAL FUNDS.....	213	100	506	452	452	452	452
OTHER FUNDS.....	59,404	82,634	83,815	81,511	40,341	41,075	41,804
SUBCATEGORY TOTAL.....	\$ 141,520	\$ 173,137	\$ 176,138	\$ 175,611	\$ 136,023	\$ 138,662	\$ 141,333
OLDER PENNSYLVANIANS TRANSIT							
GENERAL FUND.....	\$ 16,039	\$ 25,090	\$ 25,090	\$ 25,090	\$ 25,090	\$ 25,090	\$ 25,090
SPECIAL FUNDS.....	110,501	117,000	121,222	123,646	126,118	128,639	131,208
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	3,043	2,797	2,300	2,300	2,300	2,300	2,300
SUBCATEGORY TOTAL.....	\$ 129,583	\$ 144,887	\$ 148,612	\$ 151,036	\$ 153,508	\$ 156,029	\$ 158,598
ALL PROGRAMS:							
GENERAL FUND.....	\$ 282,303	\$ 291,374	\$ 291,382	\$ 291,456	\$ 291,585	\$ 291,717	\$ 291,651
SPECIAL FUNDS.....	1,247,983	1,327,798	1,341,916	1,258,617	1,267,292	1,281,083	1,301,847
FEDERAL FUNDS.....	638,608	797,424	789,261	786,830	785,490	785,490	785,490
OTHER FUNDS.....	714,245	831,902	825,935	829,860	744,265	756,876	767,204
DEPARTMENT TOTAL.....	\$ 2,883,139	\$ 3,248,498	\$ 3,248,494	\$ 3,166,763	\$ 3,088,632	\$ 3,115,166	\$ 3,146,192

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, Transportation's portion of the work of the Inspector General's Office is supported, as are the activities of the State Transportation Commission and the Transportation Advisory Committee.

Program Recommendations:

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

<p>GENERAL FUND:</p> <p>Transit and Rail Freight Operations —to continue current program.</p> <p>\$ 34</p> <p>Comprehensive Rail Freight Study —study has been completed.</p> <p>\$ -92</p> <p>MOTOR LICENSE FUND:</p> <p>General Government Operations —to continue current program.</p> <p>\$ 516</p> <p>143 —PRR — Enhancing Information Technology to Better Serve Pennsylvania. This Program Revision provides resources to contract for services to convert agency computer system applications to accommodate the year 2000. See the Program Revision following the Executive Direction program in the Executive Offices for additional information.</p>	<p>162</p> <hr/> <p>\$ 821</p> <hr/> <p>\$ 12,080</p> <hr/> <p>\$ -6,649</p>	<p>—Initiative — Video Conferencing. To expand the use of video conferencing with regional offices.</p> <p><i>Appropriation Increase</i></p> <p>Highway Systems Technology —Initiative — Highway Systems Technology. To provide resources for advanced highway maintenance technologies and intelligent transportation systems.</p> <p>Relocation of Transportation and Safety Operations —to relocate operations during the reconstruction of the Transportation and Safety Building.</p>
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Relocation of Transportation and Safety Operations (General Fund) and Refunding Collected Monies are recommended at current year funding levels.



Includes the PRIME recommendation to implement quality plans in all the Department of Transportation bureaus and districts. This results in providing faster and more timely services to all customers by reducing the time previously taken to conceive, plan, and implement a project. A \$2 million savings is expected in the first year.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
GENERAL FUND:							
Transit and Rail Freight Operations	\$ 1,580	\$ 1,651	\$ 1,685	\$ 1,719	\$ 1,753	\$ 1,788	\$ 1,824
Comprehensive Rail Freight Study	100	92	0	0	0	0	0
Relocation of Transportation and Safety Operations	225	169	169	174	183	192	0
TOTAL GENERAL FUND	\$ 1,905	\$ 1,912	\$ 1,854	\$ 1,893	\$ 1,936	\$ 1,980	\$ 1,824

Transportation

Program: Transportation Support Services (continued)

Appropriations within this Program: (continued)

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
MOTOR LICENSE FUND:							
General Government Operations	\$ 27,385	\$ 27,252	\$ 28,073	\$ 28,466	\$ 28,889	\$ 29,467	\$ 30,056
Highway Systems Technology	0	0	12,080	0	0	0	0
Refunding Collected Monies	2,726	3,000	3,000	3,000	3,000	3,000	3,000
Relocation of Transportation and Safety Operations	14,814	15,720	9,071	9,304	6,445	6,638	392
TOTAL MOTOR LICENSE FUND	\$ 44,925	\$ 45,972	\$ 52,224	\$ 40,770	\$ 38,334	\$ 39,105	\$ 33,448

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:	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
Miles of construction on new right-of-way	14	19	37	25	30	22	20
Miles of Interstate reconstruction	138	68	56	78	80	74	75
Miles of non-Interstate reconstruction	24	53	42	41	42	40	38
Intersections improved to increase safety and capacity	173	185	185	185	185	185	185
Bridges maintained (larger than 8 feet)	25,890	25,893	25,896	25,899	25,902	25,905	25,908
Bridges replaced/repaired	450	458	444	425	415	415	415

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

\$ 20,554 —to continue current program. This funding is in combination with Act 26 of 1991 revenues for 1997-98 of \$50,540 million (17 percent of 55 mills) for highway construction/reconstruction.

1,145 —PRR — Enhancing Information Technology to Better Serve Pennsylvania. This Program Revision provides resources to contract for services to convert agency computer system applications to accommodate the year 2000. See the Program Revision following the Executive Direction program in the Executive Offices for additional information.

\$ 21,699 **Appropriation Increase**

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 1997-98 include continuing construction of the Lackawanna Valley Industrial Highway in Lackawanna County, widening of US 30 in Lancaster County, relocation of US 219 (Meyersdale Bypass)

in Somerset County, relocation of US 322 (Milroy Bypass) in Mifflin County, widening of US 15 from Buttonwood to Sebring in Lycoming County, restoration of US 22 in Lehigh and Northampton Counties, relocation of the Park Road Corridor (US 222) in Berks County, relocation of the Liberty Tunnel South Interchange in Allegheny County, relocation of US 15 from Sebring to Bloss Mountain in Tioga County and restoration of Roosevelt Boulevard from 9th Street to Tyson in Philadelphia County.

Another priority is the reconstruction of the Interstate Highway System. During 1997-98 key projects in this area will include restoration of 11 miles of I-90 in Erie County, 7.8 miles of I-79 in Allegheny County, 13 miles of I-81 in Luzerne County, 12 miles of I-380 in Monroe County, 7.5 miles of I-83 in York County, construction of the I-78/PA 33 interchange in Northampton County, the I-95 Aramingo Avenue Connector in Philadelphia County and 2.6 miles of I-78 in Berks County.

Transportation

Program: State Highway and Bridge Construction/Reconstruction (continued)

Program Recommendations: (continued)

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

Bridge Restricted Revenue

—Major bridge projects started or underway during 1997-98 include the Werner Road RR Bridge in Mercer County, the Maple Avenue Bridge in Cambria County, the Pine Creek Bridge in Clinton County, the Confluence Bridge in Fayette County, the Treichlers Bridge in Lehigh County, the Duryea Conrail Bridge in Luzerne County, the Leaman Place Bridge in Lancaster County, the Eagle Road Bridge in Delaware County, the Taggart Road Bridge in Beaver County and the Chester Avenue Bridge in Philadelphia County.

Metric Conversion is recommended at the current year level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
GENERAL FUND:							
Highway and Safety Improvement	\$ 145,000	\$ 143,301	\$ 165,000	\$ 171,145	\$ 170,000	\$ 180,000	\$ 200,000
Metric Conversion	3,848	3,400	3,400	0	0	0	0
TOTAL GENERAL FUND	\$ 148,848	\$ 146,701	\$ 168,400	\$ 171,145	\$ 170,000	\$ 180,000	\$ 200,000

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:	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
Miles of State maintained highways	40,408	40,352	40,299	40,243	40,198	40,151	40,107
Miles of State maintained highways improved:							
Structural restoration	134	176	215	175	150	125	100
Maintenance resurfacing	1,622	1,703	1,520	1,380	1,030	870	820
Surface repairs	4,611	4,151	3,920	3,870	3,590	3,685	3,735
Total	6,367	6,030	5,655	5,425	4,770	4,680	4,655
Truck weight and safety enforcement:							
Trucks weighed	527,095	500,000	500,000	500,000	500,000	500,000	500,000
Weight violations	4,152	4,800	4,800	4,800	4,800	4,800	4,800
Trucks inspected	15,862	16,000	16,000	16,000	16,000	16,000	16,800
Safety violations	40,987	38,000	38,000	38,000	38,000	38,000	38,000

The miles of State maintained highways improved has been restated to provide more specificity regarding the type of surface improvement made.

The trucks weighed measure has increased over the estimate shown in last year's budget due to the increased use of weight in motion technology. Safety violations have increased due to the enhanced efficiency and experience of inspectors.

Program: State Highway and Bridge Maintenance (continued)

Program Recommendations:

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

GENERAL FUND:					
	Welcome Centers		\$ 1,052	Resurfacing	—to continue current program.
\$ 88	—to open new Welcome Center in Adams County.				
109	—to continue current program.	\$ -78,433		Highway Maintenance Supplemental	—to continue current program.
50	—Initiative — Telecommunication Devices. To equip telephones with telecommunications devices at Commonwealth rest areas for persons with hearing disabilities.	\$ -61,000		Highway Maintenance Resurfacing	—nonrecurring item.
<u>\$ 247</u>	<i>Appropriation Increase</i>			Highway Maintenance One Time Surface Improvements	—Initiative — Highway Maintenance Resurfacing. To provide for the resurfacing of approximately 410 additional miles of State roadways.
	MOTOR LICENSE FUND:		\$ 41,000		
	Highway Maintenance			Reinvestment Facilities	—to continue current program.
\$ 76,991	—to continue current program.				
1,288	—PRR — Enhancing Information Technology to Better Serve Pennsylvania. This Program Revision provides resources to contract for services to convert agency computer system applications to accommodate the year 2000. See the Program Revision following the Executive Direction program in the Executive Offices for additional information.	\$ -2,500			
<u>\$ 78,279</u>	<i>Appropriation Increase</i>				
	Secondary Roads—Maintenance and				

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
GENERAL FUND:							
Welcome Centers	\$ 1,120	\$ 1,247	\$ 1,494	\$ 1,473	\$ 1,502	\$ 1,532	\$ 1,563
MOTOR LICENSE FUND:							
Highway Maintenance	\$ 622,724	\$ 546,942	\$ 625,221	\$ 576,600	\$ 587,963	\$ 587,908	\$ 588,102
Secondary Roads — Maintenance and Resurfacing	58,618	58,061	59,113	59,243	59,391	59,522	60,061
Highway Maintenance Supplemental	5,007	78,797	364	13,500	9,750	9,700	8,750
Highway Maintenance Resurfacing	0	61,000	0	0	0	0	0
Highway Maintenance One Time Surface Improvements	0	0	41,000	0	0	0	0
Reinvestment — Facilities	5,993	8,500	6,000	6,000	6,000	6,000	6,000
TOTAL MOTOR LICENSE FUND	<u>\$ 692,342</u>	<u>\$ 753,300</u>	<u>\$ 731,698</u>	<u>\$ 655,343</u>	<u>\$ 663,104</u>	<u>\$ 663,130</u>	<u>\$ 662,913</u>

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 4,100 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, funded from the Highway Maintenance appropriation included in the State Highway and Bridge Maintenance Subcategory, is being administered by the department to assist local governments in meeting the requirements of National Bridge Inspection Standards as mandated by Federal Law. This action prevents the potential loss of Federal aid for 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:	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
Miles of highway locally administered:							
Total	72,719	73,069	73,439	73,810	74,170	74,519	74,883
Percent of all highways in the Commonwealth	64.3%	64.4%	64.6%	64.7%	64.9%	65.0%	65.1%
Miles of local highways improved	1,533	1,600	1,600	1,600	1,600	1,600	1,600
Local bridges:							
Total (greater than 20 feet)	6,355	6,360	6,365	6,370	6,375	6,380	6,385
Brought up to standard through State Bridge Program	57	60	75	70	65	65	65

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)

	Local Road Maintenance and Construction Payments	
\$	1,952	—to continue program based on current year estimated revenue collections.

Supplemental Local Road Maintenance and Construction Payments is recommended at the current year level.

Transportation

Program: Local Highway and Bridge Assistance (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
MOTOR LICENSE FUND:							
Local Road Maintenance and Construction Payments	\$ 167,203	\$ 171,989	\$ 173,941	\$ 171,499	\$ 171,989	\$ 170,607	\$ 172,784
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	\$ 172,203	\$ 176,989	\$ 178,941	\$ 176,499	\$ 176,989	\$ 175,607	\$ 177,784

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:	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
Passengers carried by State-assisted operators (millions annually)	294.5	294.5	291.7	295.2	302.6	311.0	311.8
Passengers per vehicle hour	28.7	28.8	28.9	29.0	29.1	29.2	29.3
Percentage share of average income of mass transit trips:							
From passenger	43.8%	43.9%	43.3%	44.0%	44.5%	45.2%	46.0%
From Commonwealth	42.5%	43.1%	44.2%	44.2%	44.2%	43.9%	43.6%
From Federal Government	3.6%	2.8%	2.3%	1.7%	1.3%	1.0%	0.7%
From local government	10.1%	10.2%	10.2%	10.1%	10.0%	9.9%	9.7%

The passengers measures are lower than in last year's budget in order to reflect a decrease in the number of rides.

The Percentage shares of average income of mass transit trips from Federal Government are lower than in last year's budget due to a continuing trend of declining Federal operating support.

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

Rail Safety Inspection and the Mass Transportation Assistance appropriations are recommended at current year levels.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
GENERAL FUND:							
Rail Safety Inspection	\$ 356	\$ 407	\$ 407	\$ 415	\$ 423	\$ 431	\$ 440
Mass Transportation Assistance	254,663	254,663	254,663	254,663	254,663	254,663	254,663
TOTAL GENERAL FUND	\$ 255,019	\$ 255,070	\$ 255,070	\$ 255,078	\$ 255,086	\$ 255,094	\$ 255,103

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 346,000 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.

Program Measures:	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
Intercity Bus:							
Passengers handled	284,000	346,000	346,692	347,387	348,079	348,775	349,473
Subsidy per bus mile	\$0.67	\$0.54	\$0.56	\$0.56	\$0.56	\$0.56	\$0.56
Intercity Rail:							
Passengers handled	160,260	160,260	160,260	160,260	160,260	160,260	160,260
Subsidy per passenger mile	\$0.23	\$0.23	\$0.23	\$0.23	\$0.23	\$0.23	\$0.23
Rail Freight:							
Miles of rail lines:							
State assisted	350	350	350	350	350	350	350
State owned	103	103	103	103	103	103	103
Miles of rail lines rehabilitated:							
Federal/local assistance program	20	0	0	0	0	0	0
Assistance Program	170	170	170	170	170	170	170

Intercity bus measures starting with 1996-97 have been changed from last year's budget to reflect an increase in the Commonwealth's support for a new bus route.

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:

Intercity Rail and Bus Transportation and Rail Freight Assistance are recommended at the current year level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
GENERAL FUND:							
Intercity Rail and Bus Transportation	\$ 1,881	\$ 1,888	\$ 1,888	\$ 1,888	\$ 1,888	\$ 1,888	\$ 1,888
Rail Freight Assistance	3,600	3,600	3,600	3,600	3,600	3,600	3,600
TOTAL GENERAL FUND	\$ 5,481	\$ 5,488	\$ 5,488	\$ 5,488	\$ 5,488	\$ 5,488	\$ 5,488

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:	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
Harrisburg International Airport (HIA):							
Passengers handled	1,252,000	1,283,000	1,315,000	1,348,000	1,382,000	1,417,000	1,452,000
Flights handled	81,800	83,400	85,100	86,800	88,500	90,300	92,100
Tons of cargo handled	38,200	39,300	49,500	41,700	43,000	44,300	45,000
Airports receiving State grants:							
Airport development grants	84	52	53	53	54	54	55

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 lower than reflected in last year's budget document due to lower 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 1995-96. This has led to decrease in the number of grants since many airports received multiple types of grants.

Program Recommendations:

This budget recommends the Airport Development Grants program at the current year level of \$6.5 million. This amount is appropriated from the Aviation Restricted Revenue Account.

PROGRAM OBJECTIVE: *To minimize traffic accidents attributable to driver error and mechanically defective vehicles and to promote highway safety programs.*

Program: Safety Administration and Licensing

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 9.5 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 1995-96, 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.

Under the requirements of the Federal Clean Air Act, the Commonwealth began a vehicle emission inspection program in 1984 for portions of the Pittsburgh, Allentown-Bethlehem and metropolitan Philadelphia areas. Under the Clean Air Amendments of 1990 the Commonwealth was required to expand the emission inspection program to certain other counties by January 1, 1995. A centralized inspection program was developed and after a public response phase by the citizens of Pennsylvania, a decentralized plan was introduced in October of 1995. As of September 1996, the United States Environmental Protection Agency (EPA) has proposed to conditionally approve Pennsylvania's decentralized plan.

A pilot program to demonstrate the equipment and procedures for the enhanced emissions program is scheduled for the current year. The new program is scheduled to take effect in Allegheny, Beaver, Bucks, Chester, Delaware, Montgomery, Philadelphia, Washington and Westmoreland counties in the fall of 1997. The program will be effective in remaining counties, Berks, Blair, Cambria, Centre, Cumberland, Dauphin, Erie, Lackawanna, Lancaster, Lebanon, Lehigh, Luzerne, Lycoming, Mercer, Northampton and York, in 1999.

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:	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
Vehicles inspected:							
Safety inspections	8,795,000	8,883,000	8,972,000	9,061,000	9,152,000	9,244,000	9,336,000
Emission inspections	3,222,000	3,300,000	3,333,000	3,366,300	6,000,000	6,100,000	6,150,000
Registrations:							
New	1,597,000	1,612,970	1,629,100	1,645,391	1,661,845	1,678,463	1,695,248
Renewed	7,957,000	8,066,870	8,147,539	8,229,014	8,311,304	8,394,417	8,478,361
Licensed drivers:							
New	267,109	268,000	268,000	268,000	268,000	268,000	268,000
Renewed	2,112,100	1,998,000	1,946,600	2,061,000	2,154,300	2,038,000	1,985,500
New commercial drivers licensed	17,614	18,000	18,000	18,000	18,000	18,000	18,000
Photo identification cards issued							
(non-driver photo)	143,234	145,000	145,000	145,000	145,000	145,000	145,000

The emission inspections measure will increase in 1999-00 when the required inspection expansion will be effective for all applicable counties.

The number of new licensed drivers is higher than in last year's budget based upon more recent actual figures.

The number of photo identification cards issued is higher than in last year's budget due to the increased number and accessibility of photo license centers as well as an increase in demand.

Program: Safety Administration and Licensing (continued)

Program Recommendations:

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

	GENERAL FUND:		
	Voter Registration		286
\$ -181	—to continue current program.		—PRR — Enhancing Information Technology to Better Serve Pennsylvania. This Program Revision provides resources to contract for services to convert agency computer system applications to accommodate the year 2000. See the Program Revision following the Executive Direction program in the Executive Offices for additional information.
	MOTOR LICENSE FUND:		
\$ -191	Safety Administration and Licensing		
1,500	—to continue current program.		
	—to provide for the transfer of vehicle inspection station audit responsibilities from the State Police to the Department of Transportation.	\$ 1,595	<i>Appropriation Increase</i>

Initiative — Driver's License Denial or Suspension. This budget also recommends \$56,000 in Federal TANF funds to withhold, suspend or restrict the use of the driver's license of individuals owing overdue child support or, after receiving appropriate notice, failing to comply with subpoenas or warrants relating to paternity or child support proceedings.

Vehicle Sales Tax Collections is recommended at the current year level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
GENERAL FUND:							
Vehicle Sales Tax Collections	\$ 1,706	\$ 1,757	\$ 1,757	\$ 1,792	\$ 1,828	\$ 1,865	\$ 1,902
Voter Registration	1,033	810	629	642	655	668	681
TOTAL GENERAL FUND	\$ 2,739	\$ 2,567	\$ 2,386	\$ 2,434	\$ 2,483	\$ 2,533	\$ 2,583
MOTOR LICENSE FUND:							
Safety Administration and Licensing	\$ 79,164	\$ 87,836	\$ 89,431	\$ 91,214	\$ 92,747	\$ 94,602	\$ 96,494

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:	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
Free transit trips	50,969,453	51,219,467	51,785,100	52,820,000	53,877,000	54,955,000	56,054,000
Trips on State assisted shared ride vehicles	6,480,465	7,130,000	7,230,000	7,290,000	7,344,000	7,344,000	7,344,000
Cost to the Commonwealth per trip:							
Free Transit	\$1.42	\$1.43	\$1.53	\$1.53	\$1.53	\$1.53	\$1.53
State assisted shared ride vehicles	\$7.77	\$8.22	\$8.45	\$8.54	\$8.65	\$8.82	\$9.00

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 \$ 1,752 —to continue current program.</p>	<p>Older Pennsylvanians Shared Rides \$ 2,470 —to continue current program.</p>
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Fixed Route Transit is recommended at the current year funding level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
GENERAL FUND:							
Fixed Route Transit	\$ 16,039	\$ 25,090	\$ 25,090	\$ 25,090	\$ 25,090	\$ 25,090	\$ 25,090
LOTTERY FUND:							
Older Pennsylvanians Free Transit	\$ 56,718	\$ 58,400	\$ 60,152	\$ 61,355	\$ 62,582	\$ 63,833	\$ 65,109
Older Pennsylvanians Shared Rides	53,783	58,600	61,070	62,291	63,536	64,806	66,099
TOTAL LOTTERY FUND	\$ 110,501	\$ 117,000	\$ 121,222	\$ 123,646	\$ 126,118	\$ 128,639	\$ 131,208



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

	(Dollar Amounts in Thousands)		
	1995-96	1996-97	1997-98
	ACTUAL	AVAILABLE	BUDGET
GENERAL FUND:			
<i>General Government:</i>			
Senate:			
Fifty Senators.....	\$ 3,550	\$ 3,550	\$ 3,674
Employees of Senate President.....	257	257	257
National Conference of State Legislatures - Conference.....	200	200	200
Employees of Chief Clerk.....	4,600	4,600	4,600
Salaried Officers and Employees.....	5,550	5,550	5,744
Incidental Expense.....	1,250	1,250	1,500
Postage - Chief Clerk and Legislative Journal.....	1,590	1,290	1,290
President.....	5	5	5
President Pro Tempore.....	20	20	20
Floor Leader (R).....	7	7	7
Floor Leader (D).....	7	7	7
Whip (R).....	6	6	6
Whip (D).....	6	6	6
Chairman of the Caucus (R).....	3	3	3
Chairman of the Caucus (D).....	3	3	3
Secretary of the Caucus (R).....	3	3	3
Secretary of the Caucus (D).....	3	3	3
Chairman of the Appropriations Committee (R).....	6	6	6
Chairman of the Appropriations Committee (D).....	6	6	6
Chairman of the Policy Committee (R).....	2	2	2
Chairman of the Policy Committee (D).....	2	2	2
Caucus Administrator (R).....	2	2	2
Caucus Administrator (D).....	2	2	2
Committee on Appropriations (R).....	2,264	2,314	2,314
Committee on Appropriations (D).....	2,264	2,314	2,314
Expenses - Senators.....	575	575	575
Legislative Printing and Expenses.....	6,331	6,331	6,851
Computer Services (R).....	2,388	2,688	2,688
Computer Services (D).....	2,388	2,688	2,688
Special Leadership Account (R).....	7,322	7,322	7,322
Special Leadership Account (D).....	7,322	7,322	7,322
Legislative Management Committee (R).....	4,882	4,882	4,882
Legislative Management Committee (D).....	4,882	4,882	4,882
Chamber Communications.....	50	50	0
Senate Flag Purchase.....	24	24	24
Subtotal.....	\$ 57,772	\$ 58,172	\$ 59,210
House of Representatives:			
Members' Salaries, Speaker's Extra Compensation.....	\$ 13,627	\$ 10,627	\$ 10,840
House Employees (R).....	7,880	7,880	8,038
House Employees (D).....	7,880	7,880	8,038
Speaker's Office.....	710	710	724
Bi-Partisan Committee, Chief Clerk, Comptroller.....	9,213	4,213	4,297
Mileage - Representatives, Officers and Employees.....	548	548	559
Chief Clerk and Legislative Journal.....	969	969	988
Speaker.....	20	20	20
Chief Clerk.....	580	630	643
Floor Leader (R).....	6	6	6
Floor Leader (D).....	6	6	6
Whip (R).....	4	4	4
Whip (D).....	4	4	4
Chairman - Caucus (R).....	3	3	3
Chairman - Caucus (D).....	3	3	3
Secretary - Caucus (R).....	3	3	3

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1995-96 ACTUAL	1996-97 AVAILABLE	1997-98 BUDGET
Secretary - Caucus (D).....	3	3	3
Chairman - Appropriations Committee (R).....	6	6	6
Chairman - Appropriations Committee (D).....	6	6	6
Chairman - Policy Committee (R).....	2	2	2
Chairman - Policy Committee (D).....	2	2	2
Caucus Administrator (R).....	2	2	2
Caucus Administrator (D).....	2	2	2
Administrator for Staff (R).....	20	20	20
Administrator for Staff (D).....	20	20	20
Legislative Office for Research Liaison.....	458	458	467
Incidental Expenses.....	5,925	4,275	4,361
Expenses - Representatives.....	1,909	1,909	1,947
Legislative Printing and Expenses.....	11,500	12,100	12,342
Members' Home Office Expenses.....	1,928	1,928	1,967
National Legislative Conference - Expenses.....	190	190	194
Committee on Appropriations (R).....	1,471	1,471	1,500
Committee on Appropriations (D).....	1,471	1,471	1,500
Special Leadership Account (R).....	7,994	8,694	8,868
Special Leadership Account (D).....	7,994	8,694	8,868
Legislative Management Committee (R).....	10,002	10,002	10,202
Legislative Management Committee (D).....	10,002	10,002	10,202
Commonwealth Emergency Medical System.....	34	34	35
House Flag Purchase.....	24	24	24
Subtotal.....	<u>\$ 102,421</u>	<u>\$ 94,821</u>	<u>\$ 96,716</u>
Legislative Reference Bureau:			
Salaries and Expenses.....	\$ 5,117	\$ 5,117	\$ 5,219
Contingent Expenses.....	15	15	15
Printing of PA Bulletin and PA Code.....	611	611	425
Subtotal.....	<u>\$ 5,743</u>	<u>\$ 5,743</u>	<u>\$ 5,659</u>
Legislative Budget and Finance Committee.....	\$ 2,020	\$ 2,020	\$ 2,020
Legislative Miscellaneous and Commissions:			
Legislative Data Processing Center.....	\$ 2,900	\$ 2,900	\$ 2,900
Joint State Government Commission.....	1,712	1,712	1,712
Local Government Commission.....	672	672	685
Local Government Codes.....	55	55	48
Joint Legislative Air and Water Pollution Control Committee.....	305	305	310
Legislative Audit Advisory Commission.....	140	140	143
Independent Regulatory Review Commission.....	1,289	1,289	1,315
Capitol Preservation Committee.....	220	587	500
Capitol Restoration.....	4,086	4,086	2,010
Colonial History.....	187	187	187
Commission on Sentencing.....	610	610	622
Center For Rural Pennsylvania.....	925	925	944
Health Care Cost Containment Council.....	2,962	2,873	2,905
State Ethics Commission.....	1,087	1,185	1,185
Subtotal.....	<u>\$ 17,150</u>	<u>\$ 17,526</u>	<u>\$ 15,466</u>
Total - General Government.....	<u>\$ 185,106</u>	<u>\$ 178,282</u>	<u>\$ 179,071</u>
GENERAL FUND TOTAL.....	<u>\$ 185,106</u>	<u>\$ 178,282</u>	<u>\$ 179,071</u>

Program Funding Summary

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
LEGISLATURE							
GENERAL FUND.....	\$ 185,106	\$ 178,282	\$ 179,071	\$ 179,071	\$ 179,071	\$ 179,071	\$ 179,071
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.....	\$ 185,106	\$ 178,282	\$ 179,071	\$ 179,071	\$ 179,071	\$ 179,071	\$ 179,071
ALL PROGRAMS:							
GENERAL FUND.....	\$ 185,106	\$ 178,282	\$ 179,071	\$ 179,071	\$ 179,071	\$ 179,071	\$ 179,071
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.....	\$ 185,106	\$ 178,282	\$ 179,071	\$ 179,071	\$ 179,071	\$ 179,071	\$ 179,071

PROGRAM OBJECTIVE: To formulate and enact the public policy of the Commonwealth; to define the functions of State Government; to provide revenue for the Commonwealth; and to appropriate money for the operation of State agencies and for other purposes.

Program: Legislature

This program provides for the operation of the General Assembly, which consists of a 50 member Senate and a 203 member House of Representatives funded by numerous General Fund appropriations.

These appropriations are detailed in the Summary by Fund and Appropriation portion of this presentation.

Program Recommendations:

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

Legislature
 \$ 789 —to continue current program.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
TOTAL GENERAL FUND	\$ 185,106	\$ 178,282	\$ 179,071	\$ 179,071	\$ 179,071	\$ 179,071	\$ 179,071



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

PROGRAM REVISION

Budgeted Amounts Include the Following Program Revision:

Title	Appropriation	1997-98 State Funds (in thousands)
Enhancing Information Technology to Better Serve Pennsylvania		
	Integrated Criminal Justice System	\$ 342
<p>This Program Revision provides for judicial access to criminal justice data. This is part of the \$74.1 million Enhancing Information Technology to Better Serve Pennsylvania Program Revision. Please see the Program Revision following the Executive Direction Program in the Executive Offices for additional information on this Program Revision.</p>		
	Department Total	\$ 342

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1995-96 ACTUAL	1996-97 AVAILABLE	1997-98 BUDGET
GENERAL FUND:			
<i>General Government:</i>			
Supreme Court:			
Supreme Court.....	\$ 8,861	\$ 8,808	\$ 9,101
(A) Filing Fees.....	320	431	300
Justice Expenses.....	180	180	180
Office of Legal Systems.....	1,800	250	192
Civil Procedural Rules Committee.....	314	317	326
Criminal Procedural Rules Committee.....	314	324	332
Judicial Conduct Board.....	863	838	866
Court of Judicial Discipline.....	405	341	333
Domestic Relations Committee.....	144	145	149
Court Administrator.....	4,408	4,554	4,685
(A) Miscellaneous.....	3	3	3
Master - Statewide Funding.....	0	859 ^a	0
Integrated Criminal Justice System.....	0	0	342
Judicial computer System.....	0	150 ^b	0
(R) Judicial Computer System.....	10,767	10,000	10,000
District Justice Education.....	479	482	499
(A) Registration Fees.....	35	23	26
Subtotal.....	<u>\$ 28,893</u>	<u>\$ 27,705</u>	<u>\$ 27,334</u>
Superior Court:			
Superior Court.....	\$ 16,265	\$ 17,661	\$ 18,121
(A) Filing Fees.....	282	270	280
Justice Expenses.....	237	237	237
Subtotal.....	<u>\$ 16,784</u>	<u>\$ 18,168</u>	<u>\$ 18,638</u>
Commonwealth Court:			
Commonwealth Court.....	\$ 10,606	\$ 10,965	\$ 11,403
(A) Filing Fees.....	228	200	200
Justice Expenses.....	143	143	143
Subtotal.....	<u>\$ 10,977</u>	<u>\$ 11,308</u>	<u>\$ 11,746</u>
Courts of Common Pleas:			
Courts of Common Pleas.....	\$ 46,959	\$ 48,170 ^c	\$ 50,275
Senior Judges.....	2,954	3,216	3,325
Judicial Education.....	456	458	498
Subtotal.....	<u>\$ 50,369</u>	<u>\$ 51,844</u>	<u>\$ 54,098</u>
District Justices:			
District Justices.....	\$ 39,923	\$ 41,127	\$ 41,739
Subtotal.....	<u>\$ 39,923</u>	<u>\$ 41,127</u>	<u>\$ 41,739</u>
Philadelphia Courts:			
Traffic Court.....	\$ 532	\$ 544	\$ 578
Municipal Court.....	3,519	3,678	3,800
Law Clerks.....	39	39	39
Domestic Violence Services.....	200	200	200
Subtotal.....	<u>\$ 4,290</u>	<u>\$ 4,461</u>	<u>\$ 4,617</u>
Pittsburgh Magistrate Court.....	\$ 1,200	\$ 1,200	\$ 1,200

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1995-96 ACTUAL	1996-97 AVAILABLE	1997-98 BUDGET
Subtotal - State Funds.....	\$ 140,801	\$ 144,886	\$ 148,563
Subtotal - Augmentations.....	868	927	809
Subtotal - Restricted Revenues.....	10,767	10,000	10,000
Total - General Government.....	\$ 152,436	\$ 155,813	\$ 159,372
Grants and Subsidies:			
Reimbursement of County Costs:			
Jurors.....	\$ 1,469	\$ 1,469	\$ 1,469
County Courts.....	29,071	29,071	29,071
Subtotal.....	\$ 30,540	\$ 30,540	\$ 30,540
Total - Grants and Subsidies.....	\$ 30,540	\$ 30,540	\$ 30,540
STATE FUNDS.....	\$ 171,341	\$ 175,426	\$ 179,103
FEDERAL FUNDS.....	0	0	0
AUGMENTATIONS.....	868	927	809
RESTRICTED REVENUES.....	10,767	10,000	10,000
GENERAL FUND TOTAL.....	\$ 182,976	\$ 186,353	\$ 189,912

^a Recommended supplemental appropriation of \$859,000.
^b Recommended supplemental appropriation of \$150,000.
^c Includes recommended supplemental appropriation of \$128,000.

Program Funding Summary

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
STATE JUDICIAL SYSTEM							
GENERAL FUND.....	\$ 171,341	\$ 175,426	\$ 179,103	\$ 181,815	\$ 184,832	\$ 187,906	\$ 191,042
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	11,635	10,927	10,809	10,826	10,843	860	877
SUBCATEGORY TOTAL.....	\$ 182,976	\$ 186,353	\$ 189,912	\$ 192,641	\$ 195,675	\$ 188,766	\$ 191,919
ALL PROGRAMS:							
GENERAL FUND.....	\$ 171,341	\$ 175,426	\$ 179,103	\$ 181,815	\$ 184,832	\$ 187,906	\$ 191,042
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	11,635	10,927	10,809	10,826	10,843	860	877
DEPARTMENT TOTAL.....	\$ 182,976	\$ 186,353	\$ 189,912	\$ 192,641	\$ 195,675	\$ 188,766	\$ 191,919

PROGRAM OBJECTIVE: To provide the citizens of the Commonwealth with prompt and equitable justice

Program: State Judicial System

The judicial power of the Commonwealth is vested in a court system consisting of the Supreme Court, Superior Court, Commonwealth Court, Courts of Common Pleas, Philadelphia Municipal Court, Pittsburgh Magistrates Court, Traffic Court of Philadelphia and District Justices.

At the first level in the court system are the special courts. In counties other than Philadelphia, these courts are presided over by district justices who have jurisdiction over summary criminal cases, landlord-tenant matters and other civil actions where the amount claimed does not exceed \$4,000. They also have jurisdiction to issue warrants, hold arraignments and preliminary hearings in all criminal cases, and to accept guilty pleas under certain circumstances.

Although district justices need not be lawyers, they must complete an educational course and pass a qualifying examination administered by the Minor Judiciary Education Board in order to be certified. They must also participate in one week of continuing education each year.

In Philadelphia, the special courts are the Municipal Court and the Traffic Court. Municipal Court is a court of record whose 22 judges must be lawyers. Its limited jurisdiction is analogous to that of the district justices.

The Philadelphia Traffic Court, composed of six judges, has jurisdiction over all summary offenses under the Motor Vehicle Code and related city ordinances.

The City of Pittsburgh has six police magistrates in addition to the county district justices who may issue arrest warrants and preside at arraignments and preliminary hearings for all criminal offenses occurring within the city.

The Courts of Common Pleas are the courts of general trial jurisdiction. They have original jurisdiction over all cases which are not exclusively assigned to another court. Appellate jurisdiction extends to appeals from final orders of the lower courts and appeals from certain State and most local government agencies.

There are two levels of appellate courts in Pennsylvania. The lower level consists of the Superior Court with fifteen judges and the Commonwealth Court with nine judges. At the higher level, Pennsylvania's court of last resort is the Supreme Court, with seven justices.

In general, appeals from the Courts of Common Pleas are taken to one of the two intermediate appellate courts. Commonwealth Court basically has jurisdiction over appeals involving government agencies and officials, as well as many matters involving not-for-profit corporations. It also has original jurisdiction of Election Code matters and cases involving State officials. Superior Court has jurisdiction over all direct appeals which are not within the specific statutory jurisdiction of another appellate court.

As defined by the State Constitution, statute and court rule, the Administrative Office of Pennsylvania Courts (AOPC) administers the Commonwealth's court system. The AOPC provides services for approximately 1600 members of the Judiciary and staff, including budgeting, accounting, benefits and retirement counseling, legal representation, policy guidance, technical advice, education, research, legislative affairs, communications and data processing.

Pennsylvania's Supreme Court is continuing with a program which has the ultimate goal of computerization of the entire judicial system. Known as the Judicial Computer Project, the initial phase has computerized all of the 551 district justice offices throughout Pennsylvania. This has provided district justices with the electronic tools needed to effectively manage cases, and improve the accounting and reporting of the status of fees and fines.

The role of the Judicial Conduct Board is to investigate complaints regarding judicial conduct. Hearings are conducted by the Court of Judicial Discipline to determine whether a sanction should be imposed upon a member of the judiciary.

Program Recommendations:

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

\$	342	Integrated Criminal Justice System —PRR — Enhancing Information Technology to Better Serve Pennsylvania. This Program Revision provides for judicial access to criminal justice data. See the Program Revision following the Executive Direction program in the Executive Offices for additional information.
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This budget recommends all other appropriations either at levels based on estimated revenues or at levels to carry current programs forward. Recommendations include funding for salary increases for all judicial officers as specified in Act 51 of 1995.

Program: State Judicial System (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Budget	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
GENERAL FUND:							
Supreme Court	\$ 8,861	\$ 8,808	\$ 9,101	\$ 9,283	\$ 9,469	\$ 9,658	\$ 9,851
Supreme Court Justice Expenses	180	180	180	180	180	180	180
Office of Legal Systems	1,800	250	192	196	200	204	208
Civil Procedural Rules Committee	314	317	326	333	340	347	354
Criminal Procedural Rules Committee	314	324	332	339	346	353	360
Judicial Conduct Board	863	838	866	883	901	919	937
Court of Judicial Discipline	405	341	333	340	347	354	361
Domestic Relations Committee	144	145	149	152	155	158	161
Court Administrator	4,408	4,554	4,685	4,779	4,875	4,973	5,072
Master—Statewide Funding	0	859	0	0	0	0	0
Integrated Criminal Justice System	0	0	342	98	100	102	104
Judicial Computer System	0	150	0	0	0	0	0
District Justice Education	479	482	499	509	519	529	540
Superior Court	16,265	17,661	18,121	18,483	18,853	19,230	19,615
Superior Court Justice Expenses	237	237	237	237	237	237	237
Commonwealth Court	10,606	10,965	11,403	11,631	11,864	12,101	12,343
Commonwealth Court Justice Expenses ..	143	143	143	143	143	143	143
Courts of Common Pleas	46,959	48,170	50,275	51,281	52,307	53,353	54,420
Common Pleas—Senior Judges	2,954	3,216	3,325	3,392	3,460	3,529	3,600
Common Pleas—Judicial Education	456	458	498	508	518	528	539
District Justices	39,923	41,127	41,739	42,574	43,425	44,294	45,180
Philadelphia Traffic Court	532	544	578	590	602	614	626
Philadelphia Municipal Court	3,519	3,678	3,800	3,876	3,954	4,033	4,114
Law Clerks	39	39	39	40	41	42	43
Domestic Violence	200	200	200	204	208	212	216
Pittsburgh Magistrate Court	1,200	1,200	1,200	1,224	1,248	1,273	1,298
Juror Cost Reimbursement	1,469	1,469	1,469	1,469	1,469	1,469	1,469
Reimbursement of County Court Costs	29,071	29,071	29,071	29,071	29,071	29,071	29,071
TOTAL GENERAL FUND	\$ 171,341	\$ 175,426	\$ 179,103	\$ 181,815	\$ 184,832	\$ 187,906	\$ 191,042



Governor's Executive Budget

*CAPITAL
BUDGET*

CAPITAL BUDGET

This section contains the 1997-98 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 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.

1997-98 New Project Authorizations — This Section itemizes and describes the new capital projects recommended for authorization in 1997-98 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 1998-99 through 2001-02. 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 1997-98 and future projects (1998-02).

FORECAST OF DEBT LIMIT AND OUTSTANDING DEBT 1996-97 Through 2001-02

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)					
	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
Average Tax Revenues Previous Five Years....	\$18,895,078	\$19,568,310	\$20,207,852	\$20,767,767	\$21,227,488	\$21,836,974
Debt Limit*	33,066,387	34,244,543	35,363,741	36,343,592	37,148,104	38,214,705
Debt Subject to Constitutional Debt Limit:						
Outstanding Debt-Beginning of Fiscal Year**....	\$ 3,907,356	\$ 3,817,255	\$ 3,873,187	\$ 3,998,468	\$ 4,081,622	\$ 4,063,328
Debt to be issued.....	250,000	401,000	479,000	461,000	356,000	331,000
Debt to be Retired***.....	<u>-340,101</u>	<u>-345,068</u>	<u>-353,719</u>	<u>-377,846</u>	<u>-374,294</u>	<u>-361,799</u>
Outstanding Debt -- End of Fiscal Year.....	<u>\$ 3,817,255</u>	<u>\$ 3,873,187</u>	<u>\$ 3,998,468</u>	<u>\$ 4,081,622</u>	<u>\$ 4,063,328</u>	<u>\$ 4,032,529</u>
Ratio of Outstanding Debt to Debt Limit.....	11.5%	11.3%	11.3%	11.2%	10.9%	10.6%

* 1.75 times the average tax revenues of previous five fiscal years.

** 1996-97 amount excludes sinking fund balances.

*** Includes interest accreting on capital appreciation bonds during fiscal year.

PROJECTED CAPITAL BUDGET DEBT ISSUES AND DEBT OUTSTANDING 1996-97 Through 2001-02

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)

	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
Projected Capital Budget Debt Issues						
Buildings and Structures.....	\$ 110,000	\$ 210,000	\$ 250,000	\$ 250,000	\$ 210,000	\$ 210,000
Flood Control.....	4,000	11,000	9,000	10,000	3,000	1,000
Furnishings and Equipment.....	6,000	35,000	60,000	70,000	30,000	10,000
Redevelopment Assistance.....	40,000	60,000	65,000	36,000	3,000	0
Transportation Assistance.....	90,000	85,000	95,000	95,000	110,000	110,000
TOTAL.....	\$ 250,000	\$ 401,000	\$ 479,000	\$ 461,000	\$ 356,000	\$ 331,000

Capital Budget Debt Outstanding Projections

Bridges*	\$ 226,740	\$ 212,480	\$ 202,497	\$ 188,730	\$ 177,061	\$ 167,508
Buildings and Structures.....	1,229,135	1,332,545	1,477,365	1,614,430	1,706,215	1,799,850
Community Colleges.....	5,840	4,090	2,630	1,080	255	130
Flood Control.....	12,640	23,090	30,965	39,370	40,250	38,950
Furnishings and Equipment.....	41,055	70,690	121,645	176,470	184,600	169,525
Highways*	518,068	428,930	337,897	254,941	186,954	136,913
Redevelopment Assistance.....	206,980	248,670	295,600	312,235	296,790	279,890
Refunding Bonds**.....	911,307	845,242	773,579	689,906	604,113	513,058
Site Development.....	50,240	43,215	36,125	31,965	28,930	26,965
Transportation Assistance.....	615,250	664,235	720,165	772,495	838,160	899,740
TOTAL.....	\$ 3,817,255	\$ 3,873,187	\$ 3,998,468	\$ 4,081,622	\$ 4,063,328	\$ 4,032,529

* Includes bonds issued to refund highway and highway bridge project bonds.

** Bonds issued to refund Capital Budget bonds (except for highway and highway bridge projects) and to refinance General State Authority rentals.

FORECAST OF DEBT SERVICE REQUIREMENTS 1997-98 Through 2001-02

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 on anticipated issues is also included. Debt service on all general obligation bonds is shown in the Public Debt section.

	(Dollar Amounts in Thousands)				
	1997-98	1998-99	1999-00	2000-01	2001-02
GENERAL FUND					
Treasury Department					
Building and Structure Projects.....	\$ 170,994	\$ 173,470	\$ 187,127	\$ 197,943	\$ 200,757
Community College Projects*.....	2,029	1,638	1,637	876	138
Flood Control Projects.....	1,384	2,427	3,271	4,099	4,295
Furnishings and Equipment Projects.....	7,953	13,274	21,801	30,477	33,794
Redevelopment Assistance Projects.....	30,871	32,474	35,434	34,788	32,375
Refunding**.....	121,948	122,921	130,844	126,799	128,432
Site Development Projects.....	10,136	9,752	6,364	5,002	3,741
Transportation Assistance Projects.....	71,184	76,294	82,246	86,355	93,525
Less: Augmentation, Interest Earnings and Miscellaneous Revenues.....	<u>-3,456</u>	<u>\$ -3,456</u>	<u>\$ -3,456</u>	<u>\$ -3,456</u>	<u>\$ -3,456</u>
TOTAL -- GENERAL FUND.....	\$ 413,043	\$ 428,794	\$ 465,268	\$ 482,883	\$ 493,601
MOTOR LICENSE FUND					
Treasury Department					
Highway Projects.....	\$ 113,884	\$ 111,021	\$ 98,635	\$ 80,348	\$ 59,620
Building and Structure Projects**.....	<u>1,301</u>	<u>2,233</u>	<u>2,571</u>	<u>2,955</u>	<u>2,887</u>
TOTAL -- MOTOR LICENSE FUND.....	\$ 115,185	\$ 113,254	\$ 101,206	\$ 83,303	\$ 62,507
OTHER FUNDS					
Motor License Fund Restricted Receipts					
Aviation -- Airport Buildings and Structure Projects**.....	\$ 1,388	\$ 1,629	\$ 1,935	\$ 1,935	\$ 1,935
Highway Bridge Improvement Projects**.....	<u>29,872</u>	<u>29,812</u>	<u>28,678</u>	<u>26,467</u>	<u>24,347</u>
TOTAL -- OTHER FUNDS.....	\$ 31,260	\$ 31,441	\$ 30,613	\$ 28,402	\$ 26,282
TOTAL DEBT SERVICE -- ALL FUNDS.....	\$ 559,488	\$ 573,489	\$ 597,087	\$ 594,588	\$ 582,390

*Fifty percent of this amount is reimbursed by the appropriate colleges.

**Includes debt service on bonds to refund Capital Budget bonds and/or to refinance General State Authority rentals.

CAPITAL FACILITIES FUND FINANCIAL STATEMENT* 1997-98 Through 2001-02

(Dollar Amounts in Thousands)

	Building and Structure Projects	Transportation Assistance Projects	Furnishings & Equipment Projects	Redevelopment Assistance Projects	Flood Control Projects	Total
Balance, July 1, 1997	\$ 75,547	\$ 14,489	\$ 6,730	\$ 22,075	\$ 1,418	\$ 120,259
Bond Issues.....	210,000	85,000	35,000	60,000	11,000	401,000
Miscellaneous Revenue.....	24,937	543	420	443	185	26,528
Estimated Expenditures.....	<u>-239,807</u>	<u>-88,622</u>	<u>-33,330</u>	<u>-73,996</u>	<u>-8,718</u>	<u>-444,473</u>
Balance, July 1, 1998	\$ 70,677	\$ 11,410	\$ 8,820	\$ 8,522	\$ 3,885	\$ 103,314
Bond Issues.....	250,000	95,000	60,000	65,000	9,000	479,000
Miscellaneous Revenue.....	2,266	650	300	455	200	3,871
Estimated Expenditures.....	<u>-275,354</u>	<u>-93,409</u>	<u>-62,811</u>	<u>-64,423</u>	<u>-8,893</u>	<u>-504,890</u>
Balance, July 1, 1999	\$ 47,589	\$ 13,651	\$ 6,309	\$ 9,554	\$ 4,192	\$ 81,295
Bond Issues.....	250,000	95,000	70,000	36,000	10,000	461,000
Miscellaneous Revenue.....	2,486	512	114	73	112	3,297
Estimated Expenditures.....	<u>-247,875</u>	<u>-98,409</u>	<u>-74,032</u>	<u>-44,097</u>	<u>-11,962</u>	<u>-476,375</u>
Balance, July 1, 2000	\$ 52,200	\$ 10,754	\$ 2,391	\$ 1,530	\$ 2,342	\$ 69,217
Bond Issues.....	210,000	110,000	30,000	3,000	3,000	356,000
Miscellaneous Revenue.....	2,363	512	144	51	112	3,182
Estimated Expenditures.....	<u>-214,948</u>	<u>-110,512</u>	<u>-29,507</u>	<u>-3,520</u>	<u>-3,094</u>	<u>-361,581</u>
Balance, July 1, 2001	\$ 49,615	\$ 10,754	\$ 3,028	\$ 1,061	\$ 2,360	\$ 66,818
Bond Issues.....	210,000	110,000	10,000	0	1,000	331,000
Miscellaneous Revenue.....	2,388	396	313	53	112	3,262
Estimated Expenditures.....	<u>-211,858</u>	<u>-112,842</u>	<u>-6,776</u>	<u>0</u>	<u>-1,129</u>	<u>-332,605</u>
Balance, July 1, 2002	\$ 50,145	\$ 8,308	\$ 6,565	\$ 1,114	\$ 2,343	\$ 68,475

* Bonds are issued to meet the cash requirements of each category of projects and to maintain cash balances.

ESTIMATED CAPITAL EXPENDITURES State Funds 1997-98 Through 2001-02

(Dollar Amounts in Thousands)

FROM GENERAL OBLIGATION BONDS	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
Capital Facilities Fund					
Public Improvement Projects					
Buildings and Structures.....	\$ 236,657	\$ 271,604	\$ 244,125	\$ 211,798	\$ 209,758
Original Furniture and Equipment.....	32,805	61,911	72,982	29,057	6,676
Redevelopment Assistance.....	73,096	63,448	43,557	3,475	0
Flood Control Projects.....	8,553	8,758	11,812	3,049	1,119
Transportation Assistance Projects.....	87,347	91,984	96,984	108,863	111,742
Subtotal - Capital Facilities Fund.....	<u>\$ 438,458</u>	<u>\$ 497,705</u>	<u>\$ 469,460</u>	<u>\$ 356,242</u>	<u>\$ 329,295</u>
Keystone Recreation, Park and Conservation Fund					
Acquisition, Improvement and Restoration Projects.....	\$ 2,205	\$ 315	\$ 0	\$ 0	\$ 0
Total - General Obligation Bonds.....	<u>\$ 440,663</u>	<u>\$ 498,020</u>	<u>\$ 469,460</u>	<u>\$ 356,242</u>	<u>\$ 329,295</u>
FROM CURRENT REVENUES					
Public Improvement Projects - Game Fund.....	\$ 0	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000
Acquisition, Improvement and Restoration Projects - Keystone Recreation, Park and Conservation Fund.....	1,050	1,500	1,500	1,500	450
Forest Bridge Replacement and Rehabilitation Projects - Forestry Bridge Excise Tax.....	1,204	4,008	4,000	4,000	4,000
Highway Projects - Motor License Fund.....	203,316	196,618	200,862	237,174	253,903
Total Current Revenues.....	<u>\$ 205,570</u>	<u>\$ 203,126</u>	<u>\$ 207,362</u>	<u>\$ 243,674</u>	<u>\$ 259,353</u>
TOTAL - ALL FUNDS	<u><u>\$ 646,233</u></u>	<u><u>\$ 701,146</u></u>	<u><u>\$ 676,822</u></u>	<u><u>\$ 599,916</u></u>	<u><u>\$ 588,648</u></u>

FORECAST OF NEW PROJECT AUTHORIZATIONS FINANCED FROM STATE FUNDS Five Year Forecast by Department

(Dollar Amounts in Thousands)

	1997-98	1998-99	1999-00	2000-01	2001-02	Total
Agriculture.....	\$ 11,220	\$ 476	\$ 571	\$ 666	\$ 761	\$ 13,694
Conservation and Natural Resources.....	7,192	13,541	15,149	16,757	18,365	71,004
Corrections.....	167,300	28,775	34,531	40,285	50,517	321,408
Education.....	4,374	27,397	32,876	38,356	39,359	142,362
Environmental Protection.....	840	4,454	4,984	5,815	6,646	22,739
Game Commission.....	0	1,000	1,000	1,000	1,000	4,000
General Services.....	17,875	10,859	13,031	15,203	17,375	74,343
Historical and Museum Commission.....	390	5,174	6,209	7,244	8,279	27,296
Military and Veterans Affairs.....	3,463	2,142	2,570	2,999	3,427	14,601
Public Welfare.....	9,820	6,936	8,324	9,711	11,098	45,889
State Police.....	0	5,325	6,390	7,455	8,520	27,690
Transportation.....	79,334	150,721	150,865	161,009	161,153	703,082
TOTAL.....	\$ 301,808	\$ 256,800	\$ 276,500	\$ 306,500	\$ 326,500	\$ 1,468,108

RECOMMENDED 1997-98 NEW PROJECT AUTHORIZATIONS STATE FUNDS Summary by Department

(Dollar Amounts in Thousands)

Capital Facilities Bond Funds

	Public Improvement Projects	Original Furniture & Equipment	Transportation Assistance Projects
Agriculture.....	\$ 11,220	\$ 0	\$ 0
Conservation and Natural Resources.....	1,500	180	0
Corrections.....	167,300	0	0
Education.....	4,374	0	0
Environmental Protection.....	840	0	0
General Services.....	17,875	0	0
Historical and Museum Commission.....	0	390	0
Military and Veterans Affairs.....	3,463	0	0
Public Welfare.....	9,820	0	0
Transportation.....	1,860	0	72,420
TOTAL.....	\$ 218,252	\$ 570	\$ 72,420

Current Revenues

	Highway Projects	Keystone Recreation, Park and Conservation Projects	Forestry Bridge Replacement and Rehabilitation	All Funds
Agriculture.....	\$ 0	\$ 0	\$ 0	\$ 11,220
Conservation and Natural Resources.....	0	1,500	4,012	7,192
Corrections.....	0	0	0	167,300
Education.....	0	0	0	4,374
Environmental Protection.....	0	0	0	840
General Services.....	0	0	0	17,875
Historical and Museum Commission.....	0	0	0	390
Military and Veterans Affairs.....	0	0	0	3,463
Public Welfare.....	0	0	0	9,820
Transportation.....	5,054	0	0	79,334
TOTAL.....	\$ 5,054	\$ 1,500	\$ 4,012	\$ 301,808

DEPARTMENT OF AGRICULTURE

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
1997-98 PUBLIC IMPROVEMENT PROJECTS				
Protection and Development of Agricultural Industries.....	\$ 9,350	\$ 0	\$ 1,870	\$ 11,220
TOTAL PROJECTS.....	\$ 9,350	\$ 0	\$ 1,870	\$ 11,220

SOURCE OF FUNDS

General Obligation Bond Issues

Capital Facilities Fund - Buildings and Structures.....	\$ 9,350	\$ 0	\$ 1,870	\$ 11,220
TOTAL.....	\$ 9,350	\$ 0	\$ 1,870	\$ 11,220

Capital Budget

Department of Agriculture 1997-98 Projects

(Dollar Amounts in Thousands)

FROM CAPITAL FACILITIES BOND FUNDS

PUBLIC IMPROVEMENT PROJECTS

Program: Protection and Development of Agricultural Industries

Farm Show Complex

RECONSTRUCTION OF ROOF SYSTEM: This project provides for the reconstruction of the supporting joists, related framing, decking, asbestos abatement and exterior materials involving 455,000 sq.ft. over all main exhibition areas. Before implementation, this project must be fully evaluated regarding the feasibility and costs of alternatives to reconstructing the existing design.

\$	7,500	\$	0	\$	1,500	\$	9,000
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BOILER PLANT MODIFICATIONS: This project provides for the conversion of one existing boiler to a gas/oil fired unit to allow flexible operations at lower pressures thereby providing heat to smaller areas.

350	0	70	420
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EXTERIOR CLEANING, SEALING AND RECONSTRUCTION OF MAIN BUILDING: This project provides for cleaning, sealing and the reconstruction of masonry walls and decorative friezes.

1,500	0	300	1,800
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PROGRAM TOTAL.....

<u>\$</u>	<u>9,350</u>	<u>\$</u>	<u>0</u>	<u>\$</u>	<u>1,870</u>	<u>\$</u>	<u>11,220</u>
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DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
1997-98 PUBLIC IMPROVEMENT PROJECTS				
Management of Recreational Areas and Facilities.....	\$ 6,942	\$ 0	\$ 250	\$ 7,192
TOTAL PROJECTS.....	\$ 6,942	\$ 0	\$ 250	\$ 7,192
 SOURCE OF FUNDS				
General Obligation Bond Issues				
Capital Facilities Fund - Buildings and Structures.....	\$ 1,250	\$ 0	\$ 250	\$ 1,500
Capital Facilities Fund - Furniture and Equipment.....	\$ 180	\$ 0	\$ 0	\$ 180
Subtotal General Obligation Bond Issues.....	\$ 1,430	\$ 0	\$ 250	\$ 1,680
Current Revenues				
Keystone Recreation, Park and Conservation Fund - Improvements and Restoration.....	\$ 1,500	\$ 0	\$ 0	\$ 1,500
Forestry Bridges Excise Tax	\$ 4,012	\$ 0	\$ 0	\$ 4,012
Subtotal Current Revenues.....	\$ 5,512	\$ 0	\$ 0	\$ 5,512
TOTAL.....	\$ 6,942	\$ 0	\$ 250	\$ 7,192

Capital Budget

Department of Conservation and Natural Resources 1997-98 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 of Recreational Areas and Facilities				
Greenwood Furnace State Park				
ORIGINAL FURNITURE AND EQUIPMENT FOR DGS PROJECT 129-1, DEVELOPMENT OF PICNIC AND CAMPING FACILITIES: This project provides the necessary furniture and equipment to complete picnic and camping facility improvements.	\$ 90	\$ 0	\$ 0	\$ 90
ORIGINAL FURNITURE AND EQUIPMENT FOR DGS PROJECT 129-2, IMPROVEMENTS TO ADMINISTRATION AND SUPPORT STRUCTURES: This project provides the necessary furniture and equipment to allow the improvements to administration facilities to become operational.	90	0	0	90
Prince Gallitzen State Park				
ADDITIONAL FUNDS FOR DGS PROJECT 195-37, TO REHABILITATE MARINA FACILITIES: This project provides for additional funding to implement phase III of the project which is to construct a bulkhead to protect the area behind the marina from erosion. Initially authorized by Act 62 of 1984, this additional funding will increase the total investment in this project to \$3.3 million.	1,250	0	250	1,500
PROGRAM TOTAL	\$ 1,430	\$ 0	\$ 250	\$ 1,680

Capital Budget

Department of Conservation and Natural Resources 1997-98 Projects

(Dollar Amounts in Thousands)

Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
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FROM KEYSTONE RECREATION, PARK AND CONSERVATION
CURRENT REVENUES

PUBLIC IMPROVEMENT PROJECTS

Program: Management of Recreational Areas and Facilities

Gifford Pinchot State Park

REHABILITATION OF PARK DAY USE AREA: This project provides for the rehabilitation of comfort stations, children's play areas and parking and access areas.

\$ 750	\$ 0	\$ 0	\$ 750
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Ricketts Glen State Park

CONSTRUCT A NEW PARK OFFICE: This project provides for the construction of a new park office and the demolition and clearance of the existing site.

750	0	0	750
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PROGRAM TOTAL.....

<u>\$ 1,500</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,500</u>
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Department of Conservation and Natural Resources 1997-98 Projects

	(Dollar Amounts in Thousands)			Total Project Cost
	Base Project Cost	Land Cost	Design & Contingencies	
FROM FORESTRY BRIDGES EXCISE TAX CURRENT REVENUES				
PUBLIC IMPROVEMENT PROJECTS				
Program: Management of Recreational Areas and Facilities				
Forest District 1, Adams County				
REPLACE BRIDGE NO. 28-7935-5101-0005: This project provides for the replacement of a forest bridge located on District Road over Carbaugh Run.	\$ 120	\$ 0	\$ 0	\$ 120
Forest District 1, Cumberland County				
REPLACE BRIDGE NO. 28-7935-5101-0006: This project provides for the replacement of a forest bridge located on Woodrow Road over Mountain Creek.	120	0	0	120
Forest District 1, Franklin County				
REPLACE BRIDGE NO. 28-7935-5101-0019: This project provides for the replacement of a forest bridge located on Biesecker Gap Road over Biesecker Run.	110	0	0	110
Forest District 3, Mifflin County				
REPLACE BRIDGE NO. 44-7935-5107-0003: This project provides for the replacement of a forest bridge located on Havice Valley Road over Swift Run.	125	0	0	125
Forest District 3, Perry County				
REPLACE BRIDGE NO. 50-7935-5103-0018: This project provides for the replacement of a forest bridge called Twin Bridge over Laurel Run.	180	0	0	180
REPLACE BRIDGE NO. 50-7935-5103-0014: This project provides for the replacement of a forest bridge located on Laurel Run Road over the North Branch of Laurel Run.	100	0	0	100
Forest District 7, Centre County				
REPLACE BRIDGE NO. 14-7935-5107-0007: This project provides for the replacement of a forest bridge located on Poe Paddy Drive over Big Poe Creek.	170	0	0	170
Forest District 7, Snyder County				
REPLACE BRIDGE NO. 54-7935-5107-0025: This project provides for the replacement of a forest bridge located on Swift Run Road over Swift Run.	138	0	0	138
Forest District 7, Union County				
REPLACE BRIDGE NO. 14-7935-5107-0041: This project provides for the replacement of a forest bridge located on Brandon Road over the North Branch of Buffalo Creek.	107	0	0	107
REPLACE BRIDGE NO. 14-7935-5107-0040: This project provides for the replacement of a forest bridge located on Pine Creek Road over Rapid Run.	165	0	0	165
Forest District 8, Jefferson County				
REPLACE BRIDGE NO. 33-7935-5108-0001: This project provides for the replacement of a forest bridge located on Corbett Road over Clear Creek.	170	0	0	170

Department of Conservation and Natural Resources 1997-98 Projects

(Dollar Amounts in Thousands)

Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
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FROM FORESTRY BRIDGES EXCISE TAX CURRENT REVENUES

PUBLIC IMPROVEMENT PROJECTS (continued)

Forest District 10, Clinton County

REPLACE BRIDGE NO. 18-7935-5110-0035: This project provides for the replacement of a forest bridge over Camp Run.

\$ 100	\$ 0	\$ 0	\$ 100
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REPLACE BRIDGE NO. 18-7935-5110-0037: This project provides for the replacement of a forest bridge over Cooks Run.

160	0	0	160
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Forest District 12, Clinton County

REPLACE BRIDGE NO. 18-7935-5112-0032: This project provides for the replacement of a forest bridge located on Gotshall Road over Gotshall Run.

120	0	0	120
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Forest District 12, Lycoming County

REPLACE BRIDGE NO. 41-7935-5112-0013: This project provides for the replacement of a forestry bridge located on Hillgrove Road over Pleasant Stream.

150	0	0	150
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REPLACE BRIDGE NO. 41-7935-5112-0027: This project provides for the replacement of a forestry bridge located on Cove Road over Fourth Gap.

140	0	0	140
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REPLACE BRIDGE NO. 41-7935-5112-0023: This project provides for the replacement of a forestry bridge located on Little Bear Road over Little Bear Creek.

120	0	0	120
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Forest District 12, Tioga County

REPLACE BRIDGE NO. 41-7935-5112-0049: This project provides for the replacement of a forestry bridge located on Francis Road over Francis Branch.

150	0	0	150
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Forest District 13, Cameron County

REPLACE BRIDGE NO. 12-7935-5113-0037: This project provides for the replacement of a forestry bridge located on Mix Run Road over Mix Road.

200	0	0	200
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REPLACE BRIDGE NO. 12-7935-5113-0038: This project provides for the replacement of a forestry bridge located on Mix Run Road over Mix Run.

166	0	0	166
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Forest District 13, Elk County

REPLACE BRIDGE NO. 12-7935-5113-0039: This project provides for the replacement of a forestry bridge located on Mix Run Road over Red Run.

184	0	0	184
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Forest District 15, Potter County

REPLACE BRIDGE NO. 52-7935-5115-0012: This project provides for the replacement of a forest bridge called the Bailey Run Bridge over Bailey Run.

250	0	0	250
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REPLACE BRIDGE NO. 52-7935-5115-0019: This project provides for the replacement of a forest bridge called the Twelve Mile Bridge over Spring Brook.

107	0	0	107
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Forest District 16, Tioga County

REPLACE BRIDGE NO. 58-7935-5116-0016: This project provides for the replacement of a forest bridge located on Bear Run Road over Cushman Branch.

160	0	0	160
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Capital Budget

Department of Conservation and Natural Resources 1997-98 Projects

	(Dollar Amounts in Thousands)			
	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
FROM FORESTRY BRIDGES EXCISE TAX CURRENT REVENUES				
<i>PUBLIC IMPROVEMENT PROJECTS (continued)</i>				
REPLACE BRIDGE NO. 58-7935-5116-0018: This project provides for the replacement of a forest bridge located on Mine Hole Road over Mine Hole Run.	\$ 150	\$ 0	\$ 0	\$ 150
Forest District 19, Pike County REPLACE BRIDGE NO. 51-7935-5119-0002: This project provides for the replacement of a forest bridge located on Hay Road over Middle Branch.	115	0	0	115
Forest District 20, Sullivan County REPLACE BRIDGE NO. 56-7935-5120-0004: This project provides for the replacement of a forest bridge located on Mill Creek Road over Mill Creek.	135	0	0	135
REPLACE BRIDGE NO. 56-7935-5120-0005: This project provides for the replacement of a forest bridge located on Mill Creek Road over Mill Creek.	100	0	0	100
PROGRAM TOTAL.....	<u>\$ 4,012</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 4,012</u>

DEPARTMENT OF CORRECTIONS

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
1997-98 PUBLIC IMPROVEMENT PROJECTS				
Institutionalization of Offenders.....	\$ 132,501	\$ 3,000	\$ 31,799	\$ 167,300
TOTAL PROJECTS.....	<u>\$ 132,501</u>	<u>\$ 3,000</u>	<u>\$ 31,799</u>	<u>\$ 167,300</u>
 SOURCE OF FUNDS				
General Obligation Bond Issues				
Capital Facilities Fund - Buildings and Structures.....	\$ 132,501	\$ 3,000	\$ 31,799	\$ 167,300
TOTAL.....	<u>\$ 132,501</u>	<u>\$ 3,000</u>	<u>\$ 31,799</u>	<u>\$ 167,300</u>

Capital Budget

Department of Corrections 1997-98 Projects

	(Dollar Amounts in Thousands)			
	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
FROM CAPITAL FACILITIES BOND FUNDS				
<i>PUBLIC IMPROVEMENT PROJECTS</i>				
Program: Institutionalization of Offenders				
State Correctional Institution at Graterford				
UPGRADE PERIMETER SECURITY: This project provides for the installation of additional lighting for both sides of the concrete perimeter wall, an electricified fence inside the perimeter wall and electronic monitoring at the three sally ports.	\$ 4,547	\$ 0	\$ 909	\$ 5,456
State Correctional Institution at Muncy				
EXPANDED CAPACITY FOR INMATE HOUSING AND INFRASTRUCTURE: This project provides for the addition of two new cell blocks for close security, expansion of the infirmary, addition of an outside warehouse, electrical and boiler upgrades to accommodate an expanded population.	21,970	0	4,394	26,364
New Correctional Institution in Western Pennsylvania				
CONSTRUCTION OF A NEW CLOSE SECURITY INSTITUTION IN WESTERN PENNSYLVANIA: This project provides for the construction of a new close security institution in the western portion of the State. The project will construct a facility of approximately 630,000 sq. ft. with a capacity of approximately 1,236 cells. The project includes the construction of all other facilities as may be necessary for the operation of the institution.	<u>105,984</u>	<u>3,000</u>	<u>26,496</u>	<u>135,480</u>
PROGRAM TOTAL.....	<u>\$ 132,501</u>	<u>\$ 3,000</u>	<u>\$ 31,799</u>	<u>\$ 167,300</u>

DEPARTMENT OF EDUCATION

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
1997-98 PUBLIC IMPROVEMENT PROJECTS				
State-Owned Schools.....	\$ 1,228	\$ 0	\$ 246	\$ 1,474
Higher Education - State-Related Universities.....	2,417	0	483	2,900
TOTAL PROJECTS.....	<u>\$ 3,645</u>	<u>\$ 0</u>	<u>\$ 729</u>	<u>\$ 4,374</u>
SOURCE OF FUNDS				
General Obligation Bond Issues				
Capital Facilities Fund - Buildings and Structures.....	\$ 3,645	\$ 0	\$ 729	\$ 4,374
TOTAL.....	<u>\$ 3,645</u>	<u>\$ 0</u>	<u>\$ 729</u>	<u>\$ 4,374</u>

Capital Budget

Department of Education 1997-98 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
FROM CAPITAL FACILITIES BOND FUNDS				
PUBLIC IMPROVEMENT PROJECTS				
Program: State-Owned Schools				
Scranton State School for the Deaf				
RECONSTRUCTION OF ROOF: This project provides for the complete reconstruction of the roof system on the O'Donnell Building.	\$ 178	\$ 0	\$ 36	\$ 214
Thaddeus Stevens State School of Technology				
UPGRADE OF HIGH VOLTAGE ELECTRICAL DISTRIBUTION SYSTEM: This project provides for the upgrade of switchgear, transformers, maintenance access areas and cables.	150	0	30	180
RECONSTRUCT AND SEPARATE STORM WATER AND SEWER CONDUIT SYSTEMS: This project provides for the construction of separate conduit systems for sewage and storm water removal.	900	0	180	1,080
PROGRAM TOTAL.....	\$ 1,228	\$ 0	\$ 246	\$ 1,474
Program: Higher Education - State-Related Universities				
Temple University				
ADDITIONAL FUNDS FOR DGS PROJECT 1104-57, EMERGENCY FIRE AND SAFETY RENOVATIONS-PHASE II: This will provide additional funding to this project to address complexities revealed by initial surveys within the buildings on main campus. This will enable the University to comply with city fire codes. Initially authorized by Act 74 of 1994, this funding will increase the total investment in this project to \$6.9 million.	\$ 2,417	\$ 0	\$ 483	\$ 2,900
PROGRAM TOTAL.....	\$ 2,417	\$ 0	\$ 483	\$ 2,900

DEPARTMENT OF ENVIRONMENTAL PROTECTION

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
1997-98 PUBLIC IMPROVEMENT PROJECTS				
Environmental Protection and Management.....	\$ 700	\$ 0	\$ 140	\$ 840
TOTAL PROJECTS.....	\$ 700	\$ 0	\$ 140	\$ 840

SOURCE OF FUNDS

General Obligation Bond Issues

Capital Facilities Fund - Buildings and Structures.....	\$ 700	\$ 0	\$ 140	\$ 840
TOTAL.....	\$ 700	\$ 0	\$ 140	\$ 840

Capital Budget

Department of Environmental Protection 1997-98 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
FROM CAPITAL FACILITIES BOND FUNDS				
PUBLIC IMPROVEMENT PROJECTS				
Program: Environmental Protection and Management				
Bradford County				
REHABILITATION OF THE SAYRE FLOOD CONTROL PROJECT: This project provides for the reconstruction of the interceptor drainage system beneath the levee. This will prevent uncontrolled seepage from the river.	\$ 500	\$ 0	\$ 100	\$ 600
Luzerne County				
FLOOD PROTECTION - CONSTRUCTION OF LEVEE AND RUNOFF CHANNEL: This project provides for the construction of a compact earth levee in the area of Fox Hill in Plains Township. The levee will be about 12 feet in length and constructed of compacted earth. The levee will be located along the south bank of Mill Creek, down stream from the Route 315 bridge. A grass covered channel will also be constructed to divert runoff from dwellings.	200	0	40	240
PROGRAM TOTAL.....	<u>\$ 700</u>	<u>\$ 0</u>	<u>\$ 140</u>	<u>\$ 840</u>

DEPARTMENT OF GENERAL SERVICES

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
1997-98 PUBLIC IMPROVEMENT PROJECTS				
Management and Operation of Facilities.....	\$ 15,085	\$ 0	\$ 2,790	\$ 17,875
TOTAL PROJECTS.....	<u>\$ 15,085</u>	<u>\$ 0</u>	<u>\$ 2,790</u>	<u>\$ 17,875</u>
SOURCE OF FUNDS				
General Obligation Bond Issues				
Capital Facilities Fund - Buildings and Structures.....	\$ 15,085	\$ 0	\$ 2,790	\$ 17,875
TOTAL.....	<u>\$ 15,085</u>	<u>\$ 0</u>	<u>\$ 2,790</u>	<u>\$ 17,875</u>

Capital Budget

Department of General Services 1997-98 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				
Capitol Complex - State Museum and Archives				
RECONSTRUCTION OF ROOF AND CLEAN, SEAL AND RE-SECURE EXTERIOR STONE PANELS AND DOORS: This project provides for the reconstruction of the parapet roof. Also, new anchoring devices will be installed on the exterior stone panels. The exterior panels will also be cleaned, repointed, caulked and sealed.	\$ 500	\$ 0	\$ 100	\$ 600
Capitol Complex - State Finance Building				
UPGRADE WINDOWS AND CLEAN, SEAL, CAULK EXTERIOR: This project provides for the installation of upgraded windows throughout the building and cleaning and sealing of the exterior granite.	5,500	0	1,100	6,600
Capitol Complex - Labor and Industry Building				
UPGRADE WINDOWS AND EXTERIOR DOOR ENCLOSURES: This project provides for the installation of upgraded windows and exterior doors throughout the building.	4,400	0	880	5,280
Capitol Complex - Health and Welfare Building				
UPGRADE WINDOWS AND ENTRANCE DOORS AND CLEAN/SEAL EXTERIOR: This project provides for the installation of upgraded windows and entrance doors throughout the building along with cleaning and sealing all exterior granite.	4,000	0	600	4,600
Farm Show Complex - Agriculture Building				
UPGRADE EXTERIOR WATERPROOF MEMBRANE; REPOINT AND RESET MASONRY; AND UPGRADE ENTRANCE DOORS: This project provides for resetting of all degraded masonry and the installation of an upgraded waterproof membrane. Also included is the installation of upgraded entrance doors.	450	0	68	518
Public Works Complex - Arsenal Building and Associated Structure				
RECONSTRUCT MASONRY AND SEAL EXTERIOR OF ARSENAL BUILDING AND RECONSTRUCT THE ROOF ON THE FORMER AMMUNITION BUNKER: This project provides for reconstruction of exterior masonry and resealing of the exterior of the Arsenal Building. Also, the project will reconstruct the roof on a former ammunition bunker now used as an archive.	125	0	25	150
Governor's Residence				
UPGRADE HEATING, VENTILATING AND AIR CONDITIONING SYSTEM: This project provides for the installation of upgraded chiller units and pumps.	110	0	17	127
PROGRAM TOTAL	<u>\$ 15,085</u>	<u>\$ 0</u>	<u>\$ 2,790</u>	<u>\$ 17,875</u>

HISTORICAL AND MUSEUM COMMISSION

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
1997-98 PUBLIC IMPROVEMENT PROJECTS				
State Historic Preservation.....	\$ 390	\$ 0	\$ 0	\$ 390
TOTAL PROJECTS.....	<u>\$ 390</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 390</u>

SOURCE OF FUNDS

General Obligation Bond Issues				
Capital Facilities Fund - Furniture and Equipment.....	\$ 390	\$ 0	\$ 0	\$ 390
TOTAL.....	<u>\$ 390</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 390</u>

Capital Budget

Historical and Museum Commission 1997-98 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
FROM CAPITAL FACILITIES BOND FUNDS				
<i>PUBLIC IMPROVEMENT PROJECTS</i>				
Program: State Historic Preservation				
Somerset Historical Center				
ORIGINAL FURNITURE AND EQUIPMENT FOR DGS PROJECT NO. 990-2, ADDITION TO THE VISTOR CENTER: This project provides for the purchase of movable furniture and equipment so that the construction project can become operational.	\$ 150	\$ 0	\$ 0	\$ 150
State Records Center				
ORIGINAL FURNITURE AND EQUIPMENT FOR DGS PROJECT NO. 948-38, ADDITION TO THE STATE RECORDS CENTER: This project provides for the purchase of movable furniture and equipment so the construction project can become operational.	240	0	0	240
PROGRAM TOTAL	<u>\$ 390</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 390</u>

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
1997-98 PUBLIC IMPROVEMENT PROJECTS				
State Military Readiness.....	\$ 7,536	\$ 600	\$ 400	\$ 8,536
TOTAL PROJECTS.....	\$ 7,536	\$ 600	\$ 400	\$ 8,536
SOURCE OF FUNDS				
General Obligation Bond Issues				
Capital Facilities Fund - Buildings and Structures.....	\$ 2,463	\$ 600	\$ 400	\$ 3,463
Subtotal General Obligation Bond Issues.....	\$ 2,463	\$ 600	\$ 400	\$ 3,463
Federal Funds.....	\$ 5,073	\$ 0	\$ 0	\$ 5,073
TOTAL.....	\$ 7,536	\$ 600	\$ 400	\$ 8,536

Capital Budget

Department of Military and Veterans Affairs 1997-98 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
FROM CAPITAL FACILITIES BOND FUNDS				
PUBLIC IMPROVEMENT PROJECTS				
Program: State Military Readiness				
Armory at Latrobe				
CONSTRUCTION OF NEW ARMORY: This project provides for the construction of a new armory at Latrobe, PA. This facility will replace two existing armories located at Blairsville and Latrobe and will approximate 32,000 gross sq. ft.				
State \$	1,300	\$ 300	\$ 200	\$ 1,800
Fed.	2,203	0	0	2,203
Armory at Tioga County				
CONSTRUCTION OF NEW ARMORY: This project provides for the construction of a new armory in Tioga County. This facility will replace two existing armories located at Mansfield and Wellsboro and will approximate 32,000 gross sq. ft.				
State	1,163	0	200	1,363
Fed.	2,870	0	0	2,870
Maintenance Shop at Johnstown				
LAND ACQUISITION FOR THE CONSTRUCTION OF AN OPERATIONS MAINTENANCE SHOP: This project provides for the land acquisition portion of a larger project to construct an operations maintenance facility.				
	\$ 0	\$ 300	\$ 0	\$ 300
Total State Funds.....	\$ 2,463	\$ 600	\$ 400	\$ 3,463
Total Federal Funds.....	5,073	0	0	5,073
PROGRAM TOTAL.....	<u>\$ 7,536</u>	<u>\$ 600</u>	<u>\$ 400</u>	<u>\$ 8,536</u>

DEPARTMENT OF PUBLIC WELFARE

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
1997-98 PUBLIC IMPROVEMENT PROJECTS				
Mental Health.....	\$ 5,730	\$ 0	\$ 1,450	\$ 7,180
Mental Retardation.....	\$ 2,200	\$ 0	\$ 440	\$ 2,640
TOTAL PROJECTS.....	\$ 7,930	\$ 0	\$ 1,890	\$ 9,820

SOURCE OF FUNDS

General Obligation Bond Issues

Capital Facilities Fund - Buildings and Structures.....	\$ 7,930	\$ 0	\$ 1,890	\$ 9,820
TOTAL.....	\$ 7,930	\$ 0	\$ 1,890	\$ 9,820

Capital Budget

Department of Public Welfare 1997-98 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
FROM CAPITAL FACILITIES BOND FUNDS				
PUBLIC IMPROVEMENT PROJECTS				
Program: Mental Health				
Clarks Summit State Hospital				
ADDITIONAL FUNDS FOR DGS PROJECT 502-25, RENOVATION OF POWER PLANT BOILERS AND DISTRIBUTION SYSTEM: This project provides additional funds to completely renovate the boilers and associated controls and the distribution system. Initially authorized by Act 47 of 1993, this additional funding will increase the total investment in this project to \$6.4 million.	\$ 3,480	\$ 0	\$ 1,000	\$ 4,480
Danville State Hospital				
UPGRADED HIGH VOLTAGE CABLES: This project provides for the installation of upgraded high voltage distribution cables throughout the system.	450	0	90	540
South Mountain Restoration Center				
UPGRADED FIRE ALARM SYSTEM: This project provides for the installation of an integrated and upgraded fire alarm system for the entire facility.	1,800	0	360	2,160
PROGRAM TOTAL.....	<u>\$ 5,730</u>	<u>\$ 0</u>	<u>\$ 1,450</u>	<u>\$ 7,180</u>
Program: Mental Retardation				
Ebensburg Center				
ADDITIONAL FUNDS FOR DGS PROJECT 583-11, REPLACEMENT OF STEAM LINES: This project provides additional funds to replace a larger portion of the distribution system than initially anticipated. Initially authorized by Act 47 of 1993, this additional funding will increase the total investment in this project to \$1.3 mil.	\$ 600	\$ 0	\$ 120	\$ 720
Polk Center				
UPGRADED FIRE ALARM SYSTEM: This project provides for the installation of an integrated and upgraded fire alarm system for the entire facility.	1,200	0	240	1,440
White Haven Center				
UPGRADE ELECTRICAL DISTRIBUTION SYSTEM: This project provides for upgrading the electrical feeders, switch gear and associated components.	400	0	80	480
PROGRAM TOTAL.....	<u>\$ 2,200</u>	<u>\$ 0</u>	<u>\$ 440</u>	<u>\$ 2,640</u>

DEPARTMENT OF TRANSPORTATION

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
1997-98 PUBLIC IMPROVEMENT PROJECTS				
Highway Safety.....	\$ 1,550	\$ 0	\$ 310	\$ 1,860
Subtotal.....	\$ 1,550	\$ 0	\$ 310	\$ 1,860
1997-98 TRANSPORTATION ASSISTANCE PROJECTS				
Urban Mass Transportation.....	\$ 404,590	\$ 0	\$ 0	\$ 404,590
Rail Freight.....	\$ 5,492	\$ 0	\$ 0	\$ 5,492
Subtotal.....	\$ 410,082	\$ 0	\$ 0	\$ 410,082
1997-98 HIGHWAY PROJECTS				
Highway and Safety Improvement.....	\$ 28,458	\$ 2,451	\$ 3,724	\$ 34,633
TOTAL PROJECTS.....	\$ 440,090	\$ 2,451	\$ 4,034	\$ 446,575
SOURCE OF FUNDS				
General Obligation Bond Issues				
Capital Facilities Fund - Buildings and Structures.....	\$ 1,550	\$ 0	\$ 310	\$ 1,860
Capital Facilities Fund - Transportation Assistance.....	\$ 72,420	\$ 0	\$ 0	\$ 72,420
Subtotal General Obligation Bond Issues.....	\$ 73,970	\$ 0	\$ 310	\$ 74,280
Current Revenues				
Motor License fund.....	\$ 4,038	\$ 490	\$ 526	\$ 5,054
Federal Funds.....	\$ 345,693	\$ 1,961	\$ 2,948	\$ 350,602
Local Funds.....	\$ 16,389	\$ 0	\$ 250	\$ 16,639
TOTAL.....	\$ 440,090	\$ 2,451	\$ 4,034	\$ 446,575

Capital Budget

Department of Transportation 1997-98 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
FROM CAPITAL FACILITIES BOND FUNDS				
PUBLIC IMPROVEMENT PROJECTS				
Program: Highway Safety				
Adams County Welcome Center				
ADDITIONAL FUNDS FOR DGS PROJECT 657-6, THE ADAMS COUNTY WELCOME CENTER: This project provides additional funds to construct the Welcome Center located on Route 15. Authorized in Acts 188 of 1992 and 74 of 1994, this additional funding will increase the total investment in this project to \$5.1 million.				
	\$ 450	\$ 0	\$ 90	\$ 540
Susquehanna County Welcome Center				
ADDITIONAL FUNDS FOR DGS PROJECT 657-13, THE SUSQUEHANNA COUNTY WELCOME CENTER: This project provides additional funds to construct the Welcome Center in Great Bend Township. Initially authorized in Act 113 of 1988, this additional funding will increase the total investment in this project to \$6.1 million.				
	1,100	0	220	1,320
PROGRAM TOTAL	\$ 1,550	\$ 0	\$ 310	\$ 1,860

TRANSPORTATION ASSISTANCE PROJECTS

Program: Urban Mass Transportation

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	\$ 500	\$ 0	\$ 0	\$ 500
Fed.	2,400	0	0	2,400
Local	100	0	0	100
Capitol Area Transit				
PURCHASE OF TROLLEY BUSES: This project provides for the purchase of two, 28 passenger trolley buses.				
State	93	0	0	93
Fed.	448	0	0	448
Local	19	0	0	19
Cambria County Transit Authority				
FUEL SYSTEM REHABILITATION: This project provides for the rehabilitation of the fuel storage and dispensing system.				
State	196	0	0	196
Fed.	941	0	0	941
Local	39	0	0	39
Centre Area Transportation Authority				
PURCHASE OF SHOP AND OFFICE EQUIPMENT: This project provides for the purchase of office and maintenance shop equipment including spare parts.				
State	45	0	0	45
Fed.	216	0	0	216
Local	9	0	0	9
PURCHASE OF BUSES: This project provides for the purchase of small transit buses and spare parts.				
State	50	0	0	50
Fed.	240	0	0	240
Local	10	0	0	10
PURCHASE OF BUSES: This project provides for the purchase of 10 replacement buses.				
State	500	0	0	500
Fed.	2,400	0	0	2,400
Local	100	0	0	100

Capital Budget

Department of Transportation 1997-98 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
FROM CAPITAL FACILITIES BOND FUNDS				
TRANSPORTATION ASSISTANCE PROJECTS (continued)				
City of Philadelphia				
CONCOURSE IMPROVEMENT AT THE LOCUST STREET SUBWAY: This project provides for renovations to the concourse between 12th and 16th streets along the Locust Street subway.	State \$ 333	\$ 0	\$ 0	\$ 333
	Fed. 1,600	0	0	1,600
	Local 67	0	0	67
	State 317	0	0	317
ERIE STATION IMPROVEMENTS: This project provides for the renovations at the Erie Station on the Broad Street subway.	Fed. 1,522	0	0	1,522
	Local 63	0	0	63
Delaware River Port Authority				
SUBSTATION EQUIPMENT FOR TRACTION POWER: This project provides for the purchase and installation of equipment for the Front Street Substation so that voltages may be converted for traction power vehicles using the PATCO line between New Jersey and Philadelphia.	State 92	0	0	92
	Fed. 442	0	0	442
	Local 18	0	0	18
Erie Metropolitan Transit Authority				
PURCHASE OF BUSES AND SHOP ITEMS: This project provides for the purchase of four replacement buses and associated spare parts and maintenance items.	State 182	0	0	182
	Fed. 874	0	0	874
	Local 36	0	0	36
	State 49	0	0	49
PURCHASE OF BUSES: This project provides for the purchase of six mini buses.	Fed. 235	0	0	235
	Local 10	0	0	10
Indiana County Transit Authority				
BUS PURCHASE: This project provides for the purchase of replacement transit buses.	State 120	0	0	120
	Fed. 576	0	0	576
	Local 24	0	0	24
Lackawanna County Transit System				
BUS PURCHASE: This project will provide for the purchase of 13 buses and associated maintenance items.	State 488	0	0	488
	Fed. 2,342	0	0	2,342
	Local 98	0	0	98
Mid Mon Valley Transit Authority				
BUS PURCHASE: This project provides for the purchase of five suburban transit coaches.	State 233	0	0	233
	Fed. 1,120	0	0	1,120
	Local 47	0	0	47
Port Authority of Allegheny County				
1996 SECTION 9 PROGRAM: This project provides for various capital maintenance items including bus replacement, small transit vehicle purchase and rehabilitation of Collier, Ross and Hamar garages.	State 4,500	0	0	4,500
	Fed. 21,600	0	0	21,600
	Local 900	0	0	900
	State 3,500	0	0	3,500
1996 SECTION 3 PROGRAM: This project provides for a continuation of Phase 2 of the South Hills Light Rail Transit rehabilitation.	Fed. 16,800	0	0	16,800
	Local 700	0	0	700

Capital Budget

Department of Transportation 1997-98 Projects

(Dollar Amounts in Thousands)

FROM CAPITAL FACILITIES BOND FUNDS

TRANSPORTATION ASSISTANCE PROJECTS (continued)

Southeastern Pennsylvania Transportation Authority

CONTINUED RECONSTRUCTION OF THE MARKET/FRANKFORD ELEVATED, 1996 SECTION 3 PROGRAM: This project provides for the continued reconstruction of the Frankford Elevated Line. Specifically, this funding provides for station accessibility, utility fleet renewal, and reconstruction of the Market-Elevated.

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
State	\$ 4,528	\$ 0	\$ 0	\$ 4,528
Fed.	21,734	0	0	21,734
Local	906	0	0	906

1996 SECTION 3 ACCESSIBLE BUS PURCHASE: This project provides for the acquisition of 400 advanced design accessible buses.

State	1,551	0	0	1,551
Fed.	7,445	0	0	7,445
Local	310	0	0	310

NORTH PHILADELPHIA TRANSPORTATION CENTER: This project provides for the construction of a transportation center in North Philadelphia in the vicinity of Broad Street and Lehigh Avenue.

State	620	0	0	620
Fed.	2,976	0	0	2,976
Local	124	0	0	124

1996 SECTION 3 ALTERNATIVE FUELS BUS PURCHASE: This project provides for the purchase of 70 to 100 alternative fuels buses to serve existing and future suburban routes originated from the Frontier Division.

State	310	0	0	310
Fed.	1,488	0	0	1,488
Local	62	0	0	62

1996 FEDERAL HIGHWAY FLEXIBLE FUNDING PROGRAM: This project provides for the purchase of regional transit stop signage, automated route information program and transportation center development.

State	515	0	0	515
Fed.	2,472	0	0	2,472
Local	103	0	0	103

FRANKFORT EL. RECONSTRUCTION, 1996 SECTION 3 PROGRAM: This project provides for the continued reconstruction of the Frankfort Elevated Line. Specifically, this funding will replace decking between Somerset Station and the AMTRAK Bridge, and Church Station. Engineering and construction of Erie-Torresdale, Somerset, York-Dauphin and Tioga Stations. Also included are the engineering costs for the Berks, Huntingdon and Church Stations. In addition, this project provides initial funding for the installation of an automatic train control system.

State	8,333	0	0	8,333
Fed.	40,000	0	0	40,000
Local	1,667	0	0	1,667

1996 SECTION 9 BUS PURCHASE: This project provides for the purchase of 400 advanced design accessible buses and underground storage tank removal.

State	9,316	0	0	9,316
Fed.	44,717	0	0	44,717
Local	1,863	0	0	1,863

DEVELOPMENT OF RAIL TRACTION POWER DISTRIBUTION: This project provides for the development of a prototype circuit breaker cubicle as part of the complete traction power distribution network.

State	521	0	0	521
Fed.	2,501	0	0	2,501
Local	104	0	0	104

1997 SECTION 3 FRANKFORT EL. RECONSTRUCTION: This project will provide the final portion of funding needed for completion of the Frankfort Elevated Reconstruction. The final segment includes the renovation of five stations.

State	8,333	0	0	8,333
Fed.	40,000	0	0	40,000
Local	1,667	0	0	1,667

1997 SECTION 9 BUS PURCHASE AND TRAIN CONTROLS: This project provides for the acquisition of buses, automatic train controls and underground storage tank removal.

State	8,833	0	0	8,833
Fed.	42,400	0	0	42,400
Local	1,767	0	0	1,767

Capital Budget

Department of Transportation 1997-98 Projects

(Dollar Amounts in Thousands)

FROM CAPITAL FACILITIES BOND FUNDS

TRANSPORTATION ASSISTANCE PROJECTS (continued)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
1997 SECTION 3 MARKET/FRANKFORT INFRASTRUCTURE: This project provides for infrastructure for the Market/Frankfort Line, Broad Street signal system modernization and station accessibility.	State \$ 5,666 Fed. 27,200 Local 1,134	\$ 0 0 0	\$ 0 0 0	\$ 5,666 27,200 1,134
1997 SECTION 3 BUS PURCHASE: This project provides for the purchase of 200 advanced design accessible buses.	State 3,333 Fed. 16,000 Local 667	0 0 0	0 0 0	3,333 16,000 667
1997 SECTION 3 ALTERNATE FUELS BUSES: This project provides for the purchase of 70 to 100 alternative fuels buses for use on routes in Bucks, Chester and Montgomery Counties.	State 1,667 Fed. 8,000 Local 333	0 0 0	0 0 0	1,667 8,000 333
NORTH PHILADELPHIA TRANSPORTATION CENTER: This project provides for the construction of a transportation center in North Philadelphia in the vicinity of Broad Street and Lehigh Avenue.	State 1,000 Fed. 4,800 Local 200	0 0 0	0 0 0	1,000 4,800 200
Shenango Valley Shuttle Service BUS PURCHASE: This project provides for the purchase of two transit buses.	State 67 Fed. 322 Local 13	0 0 0	0 0 0	67 322 13
Pennsylvania Department of Transportation REHABILITATION OF RAIL STATIONS: This project provides for the rehabilitation of rail stations along the Keystone Corridor.	State 1,500 Local 1,500	0 0	0 0	1,500 1,500
Williamsport Bureau of Transportation TRANSPORTATION CENTER: This project provides for the construction of a central business district transportation center.	State 683 Fed. 3,278 Local 137	0 0 0	0 0 0	683 3,278 137
York Area Transportation Authority TRANSFER CENTER: This project provides for the construction of a bus transfer center.	State 455 Fed. 2,184 Local 91	0 0 0	0 0 0	455 2,184 91
TOTAL STATE FUNDS	\$ 68,429	\$ 0	\$ 0	\$ 68,429
TOTAL FEDERAL FUNDS	321,273	0	0	321,273
TOTAL LOCAL FUNDS	14,888	0	0	14,888
	<u>\$ 404,590</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 404,590</u>
PROGRAM TOTAL				

Program: Rail Freight

Allegheny County

RAIL LINE MAINTENANCE: This project provides for maintenance of infrastructure along trackage owned by the Pittsburgh, Allegheny and McKees Rocks Railroad at McKees Rocks.	State \$ 300 Local 100	\$ 0 0	\$ 0 0	\$ 300 100
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Allegheny and Washington Counties

RAIL LINE MAINTENANCE: This project provides for maintenance of infrastructure at various points along trackage owned by the Pittsburgh Industrial Railroad from Youngwood to Fairchance.	State 300 Local 100	0 0	0 0	300 100
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Capital Budget

Department of Transportation 1997-98 Projects

(Dollar Amounts in Thousands)

FROM CAPITAL FACILITIES BOND FUNDS

TRANSPORTATION ASSISTANCE PROJECTS (continued)

Allegheny, Westmoreland, Washington and Fayette Counties

CROSS TIE REPLACEMENT: This project provides for the replacement of deteriorated cross ties on a 38.6 mile section of trackage formerly on the Pittsburgh West Virginia Line between Pierce and Connellsville.

State	\$ 600	\$ 0	\$ 0	\$ 600
Local	200	0	0	200

Beaver County

UPGRADE RAIL INFRASTRUCTURE TO CLASS I STANDARDS: This project provides for the rehabilitation of 7 miles of rail line serviced by the Ohio and Pennsylvania Railroad at Darlington.

State	450	0	0	450
Local	150	0	0	150

Bucks County

RAIL LINE MAINTENANCE: This project provides for the upgrade of interchange points located at the USX Fairless Industrial Park in Falls Township.

State	600	0	0	600
Local	200	0	0	200

Carbon County

RAIL LINE MAINTENANCE: This project provides for the rehabilitation of yard trackage at the Zinc Corporation facility on the line serviced by the Chestnut Ridge Railway at Palmerton.

State	248	0	0	248
Local	83	0	0	83

Carbon, Luzerne, Lackawanna and Wyoming Counties

UPGRADE TRACKAGE: This project provides for the rehabilitation of 93 miles of trackage sold by Conrail as the Lehigh Middle Cluster.

State	450	0	0	450
Local	150	0	0	150

Dauphin County

RAIL BRIDGE REPLACEMENT: This project provides for the replacement of a rail bridge over a canal on Front St. in the Borough of Steelton. The bridge serves a pipe mill and an industrial redevelopment area.

State	188	0	0	188
Local	63	0	0	63

Lancaster County

NEW SIDING: This project provides for the construction of a new 1,262 foot siding for a new cold storage facility.

State	125	0	0	125
Local	125	0	0	125

Northampton County

NEW SIDING: This project provides for the construction of new siding at the Todd Heller, Inc. site.

State	130	0	0	130
Local	130	0	0	130

Northumberland, Montour and Columbia Counties

CROSS TIES, GRADE CROSSINGS AND BRIDGE REHABILITATION: This project provides for the replacement of up to 2,700 cross ties, reconstruction of two grade crossings and replacement of bridge timbers at various points along tracks operated by SEDA-COG Joint Railway Authority.

State	300	0	0	300
Local	100	0	0	100

Warren County

REPLACE CROSS TIES: This project provides for the replacement of cross ties from Warren County to the west.

State	300	0	0	300
Local	100	0	0	100

Total State Funds.....	\$ 3,991	\$ 0	\$ 0	\$ 3,991
Total Local Funds.....	1,501	0	0	1,501
PROGRAM TOTAL.....	\$ 5,492	\$ 0	\$ 0	\$ 5,492

Capital Budget

Department of Transportation 1997-98 Projects

FROM CURRENT REVENUES

(Dollar Amounts in Thousands)

HIGHWAY PROJECTS

Program: Highway and Safety Improvement

	State	Federal	Other	Total	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
ALLEGHENY COUNTY, PA 51								
SR 2040 to SR 88					\$ 120	\$ 2	\$ 2	\$ 124
200 Space Park n Ride Lot					480	8	8	496
					600	10	10	620
BEDFORD COUNTY, I-99								
Bedford and Blair Counties					20	0	0	20
US 220 conversion to I-99					180	0	0	180
					200	0	0	200
BERKS COUNTY, US 222								
US 222/662 Intersection					0	10	0	10
Widening of SR 662 and signal replacement					495	41	55	591
					495	51	55	601
CAMBRIA COUNTY, PA 56								
Haws Pike, Lower Yoder Township					380	0	20	400
Roadway rehabilitation and safety improvements					1,520	0	80	1,600
					1,900	0	100	2,000
ERIE COUNTY, SR 4034								
City of Erie, Port Access to 6th Street					647	329	200	1,176
New 2 lane roadway (East Side Access #1)					2,588	1,316	800	4,704
					3,235	1,645	1,000	5,880
GREENE COUNTY, I-79								
MP 8 to MP 11, Whiteley Township					340	0	20	360
Resurface					3,060	0	180	3,240
					3,400	0	200	3,600
GREENE COUNTY, I-79								
MP 11 to MP 14, Franklin Township					440	0	60	500
Resurface					3,960	0	540	4,500
					4,400	0	600	5,000
LYCOMING COUNTY, I-180								
Williamsport Beltway					500	0	50	550
Pavement rehabilitation					4,500	0	450	4,950
					5,000	0	500	5,500
MONTGOMERY COUNTY, PA 23								
River Road at Balligomingo, West Conshohocken Township					400	24	0	424
Roadway relocation and resignalization					1,600	96	0	1,696
					0	0	250	250
					2,000	120	250	2,370
MONTGOMERY COUNTY, PA 463								
Horsham Township, US 611 to PA 152					650	55	125	830
Intersection improvements, widening and restoration					2,600	220	500	3,320
					3,250	275	625	4,150
PHILADELPHIA COUNTY, SR 1007								
Adams Avenue connector, Torresdale to Aramingo Avenue					286	70	20	376
Construct new roadway					1,142	280	80	1,502
					1,428	350	100	1,878
PHILADELPHIA COUNTY, I-95								
Jackson Street Ritner Avenue (200 Block of Front Street)					35	0	9	44
Install safety/protective wall					315	0	75	390
					350	0	84	434
WASHINGTON COUNTY, I-79								
MP 39.4 to MP 42, Meadowlands area					220	0	20	240
Resurface					1,980	0	180	2,160
					2,200	0	200	2,400
Total State Funds					\$ 4,038	\$ 490	\$ 526	\$ 5,054
Total Federal Funds					24,420	1,961	2,948	29,329
Total Other Funds					0	0	250	250
PROGRAM TOTAL					\$ 28,458	\$ 2,451	\$ 3,724	\$ 34,633

SUMMARY OF FORECAST OF FUTURE NEW PROJECT AUTHORIZATIONS STATE FUNDS

(Dollar Amounts in Thousands)

	1998-99	1999-00	2000-01	2001-02
Agriculture.....	\$ 476	\$ 571	\$ 666	\$ 761
Conservation and Natural Resources.....	13,541	15,149	16,757	18,365
Corrections.....	28,775	34,531	40,285	50,517
Education.....	27,397	32,876	38,356	39,359
Environmental Protection.....	4,454	4,984	5,815	6,646
Game Commission.....	1,000	1,000	1,000	1,000
General Services.....	10,859	13,031	15,203	17,375
Historical and Museum Commission.....	5,174	6,209	7,244	8,279
Military and Veterans Affairs.....	2,142	2,570	2,999	3,427
Public Welfare.....	6,936	8,324	9,711	11,098
State Police.....	5,325	6,390	7,455	8,520
Transportation.....	150,721	150,865	161,009	161,153
TOTAL.....	\$ 256,800	\$ 276,500	\$ 306,500	\$ 326,500

Forecast of Future Projects

This section contains estimated authorizations (State funds only) for future Capital Budgets for 1998-99 through 2001-02. Amounts in this section have been grouped by department and are identified by capital project category.

(Dollar Amounts in Thousands)

FROM CAPITAL FACILITIES BOND FUNDS

	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
Agriculture				
PUBLIC IMPROVEMENT PROJECTS: Provides for improvements at the Farm Show Complex and the Laboratory.	\$ 476	\$ 571	\$ 666	\$ 761
Conservation and Natural Resources				
PUBLIC IMPROVEMENT PROJECTS: Provides for construction and renovation of support, day use, camping facilities and utility systems at the State Parks; construction of district offices, central garages, radio communications systems and rehabilitation of forest roads in Forest Districts. Also may include original furniture and equipment authorizations.	8,041	9,649	11,257	12,865
Corrections				
PUBLIC IMPROVEMENT PROJECTS: Provides for construction and renovation of administrative, industrial, educational and housing facilities, and utilities at the State-owned correctional institutions. Also may include furniture and equipment authorizations.	28,775	34,531	40,285	50,517
Education				
PUBLIC IMPROVEMENT PROJECTS: Provides for construction expansion, renovation and conversion of classroom and auxiliary buildings, utilities and recreational facilities for the State System of Higher Education, State-Owned Schools and for the State-Related universities. Also may include furniture and equipment authorizations	27,397	32,876	38,356	39,359
Environmental Protection				
PUBLIC IMPROVEMENT PROJECTS: Provides for construction and improvement projects to protect the environment and the health and safety of citizens using State lands and waterways. These projects include flood protection construction. Also may include furniture and equipment authorizations.	4,154	4,984	5,815	6,646
FLOOD CONTROL PROJECTS: Provides for the State share of Federal flood control projects including the construction and improvement of levees, dikes, walls, revetments, dams, lakes, reservoirs and other works deemed necessary to control floods, and to control, preserve, and regulate the flow of rivers and streams.	300	0	0	0
General Services				
PUBLIC IMPROVEMENT PROJECTS: Provides for the construction, renovation, and improvements to State Office buildings and facilities.	10,859	13,031	15,203	17,375
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 may include furniture and equipment authorizations.	5,174	6,209	7,244	8,279

Capital Budget

Forecast of Future Projects

(Dollar Amounts in Thousands)

FROM CAPITAL FACILITIES BOND FUNDS (continued)

Military and Veterans Affairs

PUBLIC IMPROVEMENT PROJECTS: Provides for land acquisition, renovations, additions and replacement at the State armories and veterans' homes. Also may include furniture and equipment authorizations.

	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
	\$ 2,142	\$ 2,570	\$ 2,999	\$ 3,427

Public Welfare

PUBLIC IMPROVEMENT PROJECTS: Provides for construction and renovation of patient buildings, support facilities and utilities at the State institutions for the mentally ill and mentally retarded, restoration centers and youth development centers. Also may include furniture and equipment authorizations.

	6,936	8,324	9,711	11,098
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State Police

PUBLIC IMPROVEMENT PROJECTS: Provides for renovation, expansion and construction of troop headquarters/station facilities and driver examination facilities. May include furniture and equipment authorizations.

	5,325	6,390	7,455	8,520
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Transportation

PUBLIC IMPROVEMENT PROJECTS: Provides for construction of and additions to highway maintenance and district office buildings, driver examination facilities, welcome centers and State-owned airport facilities. Also may include furniture and equipment authorizations.

	721	865	1,009	1,153
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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.

	70,000	70,000	80,000	80,000
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CAPITAL FACILITIES BOND FUNDS

Total — Public Improvement Program.....	\$ 100,000	\$ 120,000	\$ 140,000	\$ 160,000
Total — Flood Control Program.....	300	0	0	0
Total — Transportation Assistance Program.....	70,000	70,000	80,000	80,000
SUBTOTAL— CAPITAL FACILITIES BOND FUNDS.....	\$ 170,300	\$ 190,000	\$ 220,000	\$ 240,000

Capital Budget

Forecast of Future Projects

(Dollar Amounts in Thousands)

	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
FROM CURRENT REVENUES				
Game Commission				
PUBLIC IMPROVEMENT PROJECTS — GAME FUND: Provides for acquisition of additional State game lands	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000
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.	1,500	1,500	1,500	1,500
FOREST BRIDGE REPLACEMENT AND REHABILITATION: Provides for the replacement, rehabilitation and major improvement to the system of forest bridges within the State forest districts.	4,000	4,000	4,000	4,000
Transportation				
HIGHWAY PROJECTS — MOTOR LICENSE FUND: Provides for the purchase of right-of-way, construction, and reconstruction of highways and bridges on the Commonwealth road system and major Federally designated safety projects.	80,000	80,000	80,000	80,000
CURRENT REVENUES				
Total – Public Improvement Program.....	\$ 6,500	\$ 6,500	\$ 6,500	\$ 6,500
Total – Highway Program.....	80,000	80,000	80,000	80,000
SUBTOTAL – CURRENT REVENUES.....	86,500	86,500	86,500	86,500
TOTAL – ALL PROGRAMS.....	\$ 256,800	\$ 276,500	\$ 306,500	\$ 326,500

SUMMARY OF ESTIMATED CAPITAL PROJECT EXPENDITURES STATE FUNDS

(Dollar Amounts in Thousands)

Department	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
Executive Offices.....	\$ 19,542	\$ 54,300	\$ 55,068	\$ 20,835	\$ 2,275
Agriculture.....	130	1,089	1,793	2,975	4,781
Conservation and Natural Resources.....	8,392	18,058	16,254	14,501	12,880
Community and Economic Development.....	73,387	64,630	44,534	4,123	325
Corrections.....	57,886	56,155	59,572	70,790	93,707
Education.....	132,149	122,041	110,215	74,074	47,894
Emergency Management Agency.....	252	1,028	850	564	283
Environmental Protection.....	13,385	19,559	25,086	9,097	6,193
Game Commission.....	0	1,000	1,000	1,000	1,000
General Services.....	32,583	46,850	39,139	31,906	28,241
Historical and Museum Commission.....	2,710	7,828	7,168	6,511	5,897
Military and Veterans Affairs.....	1,052	3,179	3,050	2,981	3,380
Public Welfare.....	12,558	12,174	10,737	10,016	10,744
State Police.....	552	2,024	2,153	2,516	3,579
Transportation.....	291,655	291,231	300,203	348,027	367,469
TOTAL - ALL STATE FUNDS.....	\$ 646,233	\$ 701,146	\$ 676,822	\$ 599,916	\$ 588,648

Estimate of Capital Expenditures

	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
CAPITAL FACILITIES BOND FUNDS					
Executive Offices					
Public Improvement Projects					
Projects Currently Authorized.....	\$ 2,029	\$ 8,261	\$ 6,834	\$ 4,533	\$ 2,275
Furniture and Equipment.....	17,513	46,039	48,234	16,302	0
TOTAL - EXECUTIVE OFFICES.....	\$ 19,542	\$ 54,300	\$ 55,068	\$ 20,835	\$ 2,275
Agriculture					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures.....	\$ 18	\$ 74	\$ 61	\$ 41	\$ 20
Projects in 1997-98 Budget					
Buildings and Structures.....	112	1,010	1,683	2,805	4,488
Future Projects (1998-02)					
Buildings and Structures.....	0	5	49	129	273
TOTAL - AGRICULTURE.....	\$ 130	\$ 1,089	\$ 1,793	\$ 2,975	\$ 4,781
Conservation and Natural Resources					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures.....	\$ 3,604	\$ 11,796	\$ 9,709	\$ 6,439	\$ 3,231
Furniture and Equipment.....	270	88	0	0	0
Projects in 1997-98 Budget					
Buildings and Structures.....	15	135	225	375	600
Furniture and Equipment.....	44	136	0	0	0
Future Projects (1998-02)					
Buildings and Structures.....	0	80	820	2,187	4,599
TOTAL - CONSERVATION AND NATURAL RESOURCES.....	\$ 3,933	\$ 12,235	\$ 10,754	\$ 9,001	\$ 8,430
Community and Economic Development					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures.....	\$ 290	\$ 1,182	\$ 977	\$ 648	\$ 325
Furniture and Equipment.....	1	0	0	0	0
Subtotal.....	\$ 291	\$ 1,182	\$ 977	\$ 648	\$ 325
Redevelopment Assistance Projects					
Projects Currently Authorized					
Acquisition and Construction.....	\$ 73,096	\$ 63,448	\$ 43,557	\$ 3,475	\$ 0
Subtotal.....	\$ 73,096	\$ 63,448	\$ 43,557	\$ 3,475	\$ 0
TOTAL - COMMUNITY AND ECONOMIC ECONOMIC DEVELOPMENT.....	\$ 73,387	\$ 64,630	\$ 44,534	\$ 4,123	\$ 325
Corrections					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures.....	\$ 56,213	\$ 40,810	\$ 30,892	\$ 20,488	\$ 10,282
Furniture and Equipment.....	0	0	650	650	0
Projects in 1997-98 Budget					
Buildings and Structures.....	1,673	15,057	25,095	41,825	66,920
Future Projects (1998-02)					
Buildings and Structures.....	0	288	2,935	7,827	16,505
TOTAL - CORRECTIONS.....	\$ 57,886	\$ 56,155	\$ 59,572	\$ 70,790	\$ 93,707

Capital Budget

Estimate of Capital Expenditures

	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
Education					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures.....	\$ 120,466	\$ 108,867	\$ 88,790	\$ 55,491	\$ 27,848
Furniture and Equipment.....	11,639	12,506	17,974	10,036	2,670
Projects in 1997-98 Budget					
Buildings and Structures.....	44	394	656	1,094	1,750
Future Projects (1998-02)					
Buildings and Structures.....	0	274	2,795	7,453	15,626
TOTAL - EDUCATION.....	<u>\$ 132,149</u>	<u>\$ 122,041</u>	<u>\$ 110,215</u>	<u>\$ 74,074</u>	<u>\$ 47,894</u>
Emergency Management Agency					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures.....	\$ 252	\$ 1,028	\$ 850	\$ 564	\$ 283
TOTAL - EMERGENCY MANAGEMENT.....	<u>\$ 252</u>	<u>\$ 1,028</u>	<u>\$ 850</u>	<u>\$ 564</u>	<u>\$ 283</u>
Environmental Protection					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures.....	\$ 4,824	\$ 8,808	\$ 7,099	\$ 4,708	\$ 2,363
Projects in 1997-98 Budget					
Buildings and Structures.....	8	76	126	210	336
Future Projects (1998-02)					
Buildings and Structures.....	0	42	424	1,130	2,375
Furniture and Equipment.....	0	1,875	5,625	0	0
Subtotal.....	<u>\$ 4,832</u>	<u>\$ 10,801</u>	<u>\$ 13,274</u>	<u>\$ 6,048</u>	<u>\$ 5,074</u>
Flood Control Projects					
Projects Currently Authorized					
Buildings and Structures.....	\$ 8,553	\$ 8,458	\$ 11,812	\$ 3,049	\$ 1,119
Future Projects (1998-02)					
Buildings and Structures.....	\$ 0	\$ 300	\$ 0	\$ 0	\$ 0
Subtotal.....	<u>\$ 8,553</u>	<u>\$ 8,758</u>	<u>\$ 11,812</u>	<u>\$ 3,049</u>	<u>\$ 1,119</u>
TOTAL - ENVIRONMENTAL PROTECTION....	<u>\$ 13,385</u>	<u>\$ 19,559</u>	<u>\$ 25,086</u>	<u>\$ 9,097</u>	<u>\$ 6,193</u>
General Services					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures.....	\$ 30,924	\$ 44,643	\$ 35,351	\$ 23,445	\$ 11,766
Furniture and Equipment.....	1,480	489	0	1,038	3,113
Projects in 1997-98 Budget					
Buildings and Structures.....	179	1,609	2,681	4,469	7,150
Future Projects (1998-02)					
Buildings and Structures.....	0	109	1,107	2,954	6,212
TOTAL - GENERAL SERVICES.....	<u>\$ 32,583</u>	<u>\$ 46,850</u>	<u>\$ 39,139</u>	<u>\$ 31,906</u>	<u>\$ 28,241</u>
Historical and Museum Commission					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures.....	\$ 2,234	\$ 7,457	\$ 6,141	\$ 4,073	\$ 2,044
Furniture and Equipment.....	438	146	0	0	0
Projects in 1997-98 Budget					
Furniture and Equipment.....	38	173	180	0	0
Future Projects (1998-02)					
Buildings and Structures.....	0	52	528	1,407	2,960
Furniture and Equipment.....	0	0	319	1,031	893
TOTAL - HISTORICAL AND MUSEUM.....	<u>\$ 2,710</u>	<u>\$ 7,828</u>	<u>\$ 7,168</u>	<u>\$ 6,511</u>	<u>\$ 5,897</u>

Capital Budget

Estimate of Capital Expenditures

	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
Military and Veterans Affairs					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures.....	\$ 886	\$ 2,802	\$ 2,312	\$ 1,533	\$ 769
Furniture and Equipment.....	131	44	0	0	0
Projects in 1997-98 Budget					
Buildings and Structures.....	35	312	519	866	1,385
Future Projects (1998-02)					
Buildings and Structures.....	0	21	219	582	1,226
TOTAL - MILITARY AFFAIRS.....	\$ 1,052	\$ 3,179	\$ 3,050	\$ 2,981	\$ 3,380
Public Welfare					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures.....	\$ 11,283	\$ 10,831	\$ 8,557	\$ 5,675	\$ 2,848
Furniture and Equipment.....	1,177	390	0	0	0
Projects in 1997-98 Budget					
Buildings and Structures.....	98	884	1,473	2,455	3,928
Future Projects (1998-02)					
Buildings and Structures.....	0	69	707	1,886	3,968
TOTAL - PUBLIC WELFARE.....	\$ 12,558	\$ 12,174	\$ 10,737	\$ 10,016	\$ 10,744
State Police					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures.....	\$ 478	\$ 1,946	\$ 1,610	\$ 1,068	\$ 536
Furniture and Equipment.....	74	25	0	0	0
Future Projects (1998-02)					
Buildings and Structures.....	0	53	543	1,448	3,043
TOTAL - STATE POLICE.....	\$ 552	\$ 2,024	\$ 2,153	\$ 2,516	\$ 3,579
Transportation					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures.....	\$ 973	\$ 2,455	\$ 2,004	\$ 1,329	\$ 667
Projects in 1997-98 Budget					
Buildings and Structures.....	19	167	279	465	744
Future Projects (1998-02)					
Buildings and Structures.....	0	7	74	196	413
Subtotal.....	\$ 992	\$ 2,629	\$ 2,357	\$ 1,990	\$ 1,824
Transportation Assistance Projects					
Projects Currently Authorized					
Mass Transit, Rail and Air.....	\$ 62,000	\$ 53,000	\$ 44,000	\$ 42,000	\$ 36,000
Projects in 1997-98 Budget					
Mass Transit, Rail and Air.....	25,347	14,484	14,484	10,863	7,242
Future Projects (1998-02)					
Mass Transit, Rail and Air.....	0	24,500	38,500	56,000	68,500
Subtotal.....	\$ 87,347	\$ 91,984	\$ 96,984	\$ 108,863	\$ 111,742
TOTAL - TRANSPORTATION.....	\$ 88,339	\$ 94,613	\$ 99,341	\$ 110,853	\$ 113,566

Capital Budget

Estimate of Capital Expenditures

	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
TOTAL - CAPITAL FACILITIES BOND FUNDS					
Public Improvement Projects					
Buildings and Structures.....	\$ 236,657	\$ 271,604	\$ 244,125	\$ 211,798	\$ 209,758
Furniture and Equipment.....	32,805	61,911	72,982	29,057	6,676
Redevelopment Assistance Projects					
Acquisition and Construction.....	73,096	63,448	43,557	3,475	0
Flood Control Projects					
Structures and Improvements.....	8,553	8,758	11,812	3,049	1,119
Transportation Assistance Projects					
Mass Transit, Rail and Air.....	87,347	91,984	96,984	108,863	111,742
TOTAL.....	\$ 438,458	\$ 497,705	\$ 469,460	\$ 356,242	\$ 329,295
KEYSTONE RECREATION, PARK AND CONSERVATION BOND FUNDS					
Conservation and Natural Resources					
Keystone Recreation, Park and Conservation Projects - Acquisition, Improvements and Restoration					
Projects Currently Authorized.....	\$ 2,205	\$ 315	\$ 0	\$ 0	\$ 0
TOTAL - CONSERVATION AND NATURAL RESOURCES.....	\$ 2,205	\$ 315	\$ 0	\$ 0	\$ 0
CURRENT REVENUES					
GAME FUND					
Game Commission					
Public Improvement Projects					
Future Projects (1998-02).....	\$ 0	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000
TOTAL - GAME COMMISSION.....	\$ 0	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000
KEYSTONE RECREATION, PARK AND CONSERVATION FUND					
Conservation and Natural Resources					
Keystone Recreation, Park and Conservation Projects - Acquisition, Improvements and Restoration					
Projects in 1997-98 Budget.....	\$ 1,050	\$ 450	\$ 0	\$ 0	\$ 0
Future Projects (1998-02).....	0	1,050	1,500	1,500	0
Subtotal - Conservation and Natural Resources	\$ 1,050	\$ 1,500	\$ 1,500	\$ 1,500	\$ 0
FORESTRY BRIDGE EXCISE TAX					
Replacement and Rehabilitation					
Projects in 1997-98 Budget.....	\$ 1,204	\$ 2,808	\$ 0	\$ 0	\$ 0
Future Projects (1998-02).....	0	1,200	4,000	4,000	4,000
Subtotal - Conservation and Natural Resources	\$ 1,204	\$ 4,008	\$ 4,000	\$ 4,000	\$ 4,000
TOTAL - CONSERVATION AND NATURAL RESOURCES.....	\$ 2,254	\$ 5,508	\$ 5,500	\$ 5,500	\$ 4,000

Capital Budget

Estimate of Capital Expenditures

	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated
MOTOR LICENSE FUND					
Transportation					
Highway and Bridge Projects					
Projects Currently Authorized.....	\$ 202,811	\$ 186,596	\$ 158,840	\$ 164,669	\$ 173,903
Projects in 1997-98 Budget.....	505	2,022	2,022	505	0
Future Projects (1998-02).....	0	8,000	40,000	72,000	80,000
TOTAL - TRANSPORTATION.....	\$ 203,316	\$ 196,618	\$ 200,862	\$ 237,174	\$ 253,903
TOTAL - CURRENT REVENUES					
Public Improvement Projects					
Game Fund.....	\$ 0	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000
Acquisition, Improvement and Restoration Projects					
Keystone Recreation, Park and Conservation Fund.....	1,050	1,500	1,500	1,500	0
Forestry Bridge Replacement and Rehabilitation					
Forestry Bridge Excise Tax.....	1,204	4,008	4,000	4,000	4,000
Highway and Bridge Projects					
Motor License Fund.....	203,316	196,618	200,862	237,174	253,903
TOTAL - CURRENT REVENUES.....	\$ 205,570	\$ 203,126	\$ 207,362	\$ 243,674	\$ 258,903
TOTAL - ALL STATE FUNDS.....	\$ 646,233	\$ 701,146	\$ 676,822	\$ 599,916	\$ 588,198



Governor's Executive Budget

SINKING FUNDS
AND
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; Local Criminal Justice; Keystone Recreation, Park and Conservation; Disaster Relief; and Capital Budget projects.

The following statement reflects the debt of the Commonwealth as of December 31, 1996. Issues which have been completely redeemed are not included.

Debt Subject to Constitutional Limit	Total Debt Authorized	Total Debt Issued	Debt Outstanding*	Sinking Fund	Net Indebtedness*
Capital Budget.....	\$ 25,470,953	\$ 8,392,830	\$ 2,559,670	\$ 1,683	\$ 2,557,987
Refunding Bonds.....	0	1,559,051	1,163,709	0	1,163,709
General State Authority.....	1,165,250	1,165,250	0 **	0	0
Subtotal.....	<u>\$ 26,636,203</u>	<u>\$ 11,117,131</u>	<u>\$ 3,723,379</u>	<u>\$ 1,683</u>	<u>\$ 3,721,696</u>
Debt Not Subject to Constitutional Limit					
Disaster Relief.....	\$ 192,708	\$ 170,800	\$ 39,055	\$ 332	\$ 38,723
Disaster Relief 1996.....	110,000	0	0	0	0
Economic Revitalization.....	190,000	176,000	75,695	1	75,694
Land and Water Development.....	500,000	499,700	81,230	16	81,214
Nursing Home Loan Agency.....	100,000	69,000	5,385	1	5,384
Project 70 Land Acquisition.....	70,000	70,000	2,790	0	2,790
Vietnam Veterans' Compensation.....	65,000	62,000	10,395	0	10,395
Volunteer Companies Loan.....	50,000	40,000	18,290	1	18,289
Water Facilities- 1981 Referendum.....	300,000	284,500	133,505	1	133,504
PENNVEST- 1988 & 1992 Referenda.....	650,000	353,000	276,710	1	276,709
Agricultural Conservation Easement.....	100,000	81,000	67,420	0	67,420
Local Criminal Justice.....	200,000	181,000	167,125	1	167,124
Keystone Recreation, Park and Conservation.....	50,000	36,000	35,410	1	35,409
Refunding Bonds.....	0	266,429	190,154	0	190,154
Matured Unclaimed Bonds.....	0	0	141	145	-4
Subtotal.....	<u>\$ 2,577,708</u>	<u>\$ 2,289,429</u>	<u>\$ 1,103,305</u>	<u>\$ 500</u>	<u>\$ 1,102,805</u>
TOTAL.....	<u>\$ 29,213,911</u>	<u>\$ 13,406,560</u>	<u>\$ 4,826,684</u>	<u>\$ 2,183</u>	<u>\$ 4,824,501</u>

* Total of debt issued plus accreted interest on capital appreciation bonds less debt redeemed or refunded.

** 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.

PROJECTED DEBT ISSUES AND DEBT OUTSTANDING 1996-97 Through 2001-02

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)					
	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
Projected Debt Issues						
Capital Budget						
Buildings and Structures.....	\$ 110,000	\$ 210,000	\$ 250,000	\$ 250,000	\$ 210,000	\$ 210,000
Flood Control.....	4,000	11,000	9,000	10,000	3,000	1,000
Furnishings and Equipment.....	6,000	35,000	60,000	70,000	30,000	10,000
Redevelopment Assistance.....	40,000	60,000	65,000	36,000	3,000	0
Transportation Assistance.....	90,000	85,000	95,000	95,000	110,000	110,000
Subtotal.....	<u>\$ 250,000</u>	<u>\$ 401,000</u>	<u>\$ 479,000</u>	<u>\$ 461,000</u>	<u>\$ 356,000</u>	<u>\$ 331,000</u>
Special Purpose						
Agricultural Conservation Easement.....	\$ 0	\$ 19,000	\$ 0	\$ 0	\$ 0	\$ 0
Disaster Relief.....	25,000	7,000	0	0	0	0
Keystone Recreation, Park & Conservation.....	14,000	0	0	0	0	0
Local Criminal Justice.....	6,000	10,000	3,000	0	0	0
PENNVEST -- 1988 & 1992 Referenda.....	81,000	53,000	45,000	45,000	45,000	28,000
Volunteer Companies Loan.....	6,000	4,000	0	0	0	0
Water Facilities Loan -- 1981 Referendum.....	14,000	1,500	0	0	0	0
Subtotal.....	<u>\$ 146,000</u>	<u>\$ 94,500</u>	<u>\$ 48,000</u>	<u>\$ 45,000</u>	<u>\$ 45,000</u>	<u>\$ 28,000</u>
TOTAL.....	<u>\$ 396,000</u>	<u>\$ 495,500</u>	<u>\$ 527,000</u>	<u>\$ 506,000</u>	<u>\$ 401,000</u>	<u>\$ 359,000</u>
Debt Outstanding Projection						
Capital Budget and Refunding Bonds*.....	\$ 3,817,255	\$ 3,873,187	\$ 3,998,468	\$ 4,081,622	\$ 4,063,328	\$ 4,032,529
Special Purpose						
Agricultural Conservation Easement.....	\$ 67,170	\$ 83,015	\$ 78,805	\$ 74,485	\$ 70,040	\$ 65,725
Disaster Relief.....	60,260	60,775	53,670	46,415	38,855	30,970
Economic Revitalization.....	74,945	70,490	65,940	61,280	56,510	52,380
Keystone Recreation, Park & Conservation.....	48,590	46,760	44,880	42,940	40,940	38,875
Land and Water Development.....	70,720	57,585	45,495	32,955	20,810	13,815
Local Criminal Justice.....	170,095	173,680	169,445	161,725	153,650	145,200
Nursing Home Loan.....	5,385	3,790	2,125	1,600	1,075	550
PENNVEST -- 1988 & 1992 Referenda.....	352,080	386,815	410,515	432,785	453,610	455,110
Project 70 Land Acquisition.....	2,160	1,490	770	0	0	0
Refunding Bonds*.....	176,071	152,945	136,083	120,192	103,221	86,727
Vietnam Veterans Compensation.....	8,695	6,540	4,235	1,770	1,365	935
Volunteer Companies Loan.....	23,605	25,965	24,105	22,215	20,305	18,385
Water Facilities Loan -- 1981 Referendum.....	145,335	139,270	132,020	124,540	116,910	109,330
TOTAL.....	<u>\$ 5,022,366</u>	<u>\$ 5,082,307</u>	<u>\$ 5,166,556</u>	<u>\$ 5,204,524</u>	<u>\$ 5,140,619</u>	<u>\$ 5,050,531</u>

* Refunding Bonds used to refinance other general obligation bonds and lease rental payments to the General State Authority.

FORECAST OF DEBT SERVICE ON BONDED DEBT 1997-98 Through 2001-02

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)				
	1997-98	1998-99	1999-00	2000-01	2001-02
General Fund					
Capital Budget*	\$ 416,499	\$ 432,250	\$ 468,724	\$ 486,339	\$ 497,057
Agricultural Conservation Easement	7,077	8,647	8,539	8,438	8,072
Disaster Relief	9,555	10,072	9,853	9,787	9,744
Economic Revitalization	8,951	8,783	8,622	8,452	7,521
Land and Water Development	16,521	14,770	14,580	13,639	8,000
Local Criminal Justice	15,893	16,780	17,000	16,960	16,914
Keystone Rrecreation, Park and Conservation	4,454	4,408	4,371	4,330	4,290
Nursing Home Loan	1,919	1,868	643	596	549
PENNVEST -- 1988 & 1992 Referenda	37,527	41,983	44,396	46,784	49,861
Project 70 Land Acquisition	778	783	785	0	0
Refunding Bonds	33,287	25,968	24,349	24,843	23,684
Vietnam Veterans Compensation	2,582	2,592	2,602	478	482
Volunteer Companies Loan	3,003	3,241	3,138	3,023	2,928
Water Facilities Loan -- 1981 Referendum	15,429	14,737	14,573	14,312	13,840
Less: Augmentations, Interest and Miscellaneous Revenue	-6,142	-5,738	-5,718	-5,699	-5,679
Subtotal	<u>\$ 567,333</u>	<u>\$ 581,144</u>	<u>\$ 616,457</u>	<u>\$ 632,282</u>	<u>\$ 637,263</u>
Motor License Fund					
Capital Budget -- Highways	\$ 113,884	\$ 111,021	\$ 98,635	\$ 80,348	\$ 59,620
Capital Budget*	1,301	2,233	2,571	2,955	2,887
Subtotal	<u>\$ 115,185</u>	<u>\$ 113,254</u>	<u>\$ 101,206</u>	<u>\$ 83,303</u>	<u>\$ 62,507</u>
Motor License Fund Restricted Receipts					
Aviation -- Capital Budget*	\$ 1,388	\$ 1,629	\$ 1,935	\$ 1,935	\$ 1,935
Highway Bridge Improvement -- Capital Budget*	29,872	29,812	28,678	26,467	24,347
Subtotal	<u>\$ 31,260</u>	<u>\$ 31,441</u>	<u>\$ 30,613</u>	<u>\$ 28,402</u>	<u>\$ 26,282</u>
TOTAL	<u><u>\$ 713,778</u></u>	<u><u>\$ 725,839</u></u>	<u><u>\$ 748,276</u></u>	<u><u>\$ 743,987</u></u>	<u><u>\$ 726,052</u></u>

* Includes bonds issued to refund Capital Budget bonds and/or to refinance General State authority rentals.

Terms of Bonds Issued

The following table reflects the terms of the Commonwealth's general obligation bonds that were issued in the calendar year ending December 31, 1996

Purpose of Bonds	Bond Date	Interest Rate	First And Last Year of Maturity	Original Amount in 1000's
Capital Budget - Buildings and Structures.....	May 15, 1996	5.4%	1997-16	\$ 130,000
Capital Budget - Furnishings and Equipment.....	May 15, 1996	5.4%	1997-06	\$ 10,000
Capital Budget - Redevelopment Assistance.....	May 15, 1996	5.4%	1997-06	\$ 17,000
Capital Budget - Transportation Assistance.....	May 15, 1996	5.4%	1997-16	\$ 50,000
Keystone Parks & Recreation.....	May 15, 1996	5.4%	1997-16	\$ 24,000
Local Criminal Justice	May 15, 1996	5.4%	1997-16	\$ 6,000
PENNVEST - 1988 & 1992 Referenda.....	May 15, 1996	5.4%	1997-16	\$ 26,500
Water Facilities Loans - 1981 Referendum.....	May 15, 1996	5.4%	1997-16	\$ 8,500
Refunding.....	May 15, 1996	5.4%	1997-10	\$ 213,675
TOTAL.....				\$ 485,675

**ANNUAL DEBT SERVICE ON OUTSTANDING
GENERAL OBLIGATION BONDS
Bonds Issued as of December 31, 1996**

(Dollar Amounts in Thousands)

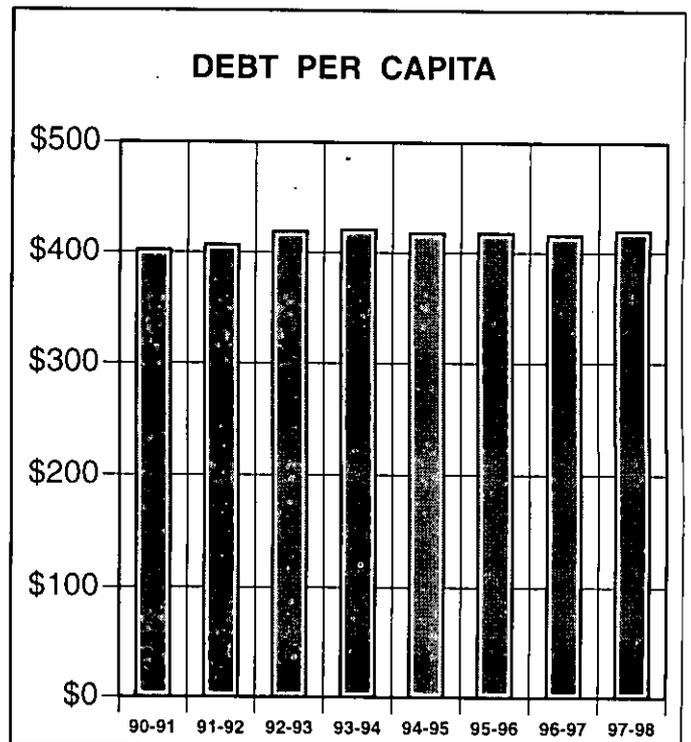
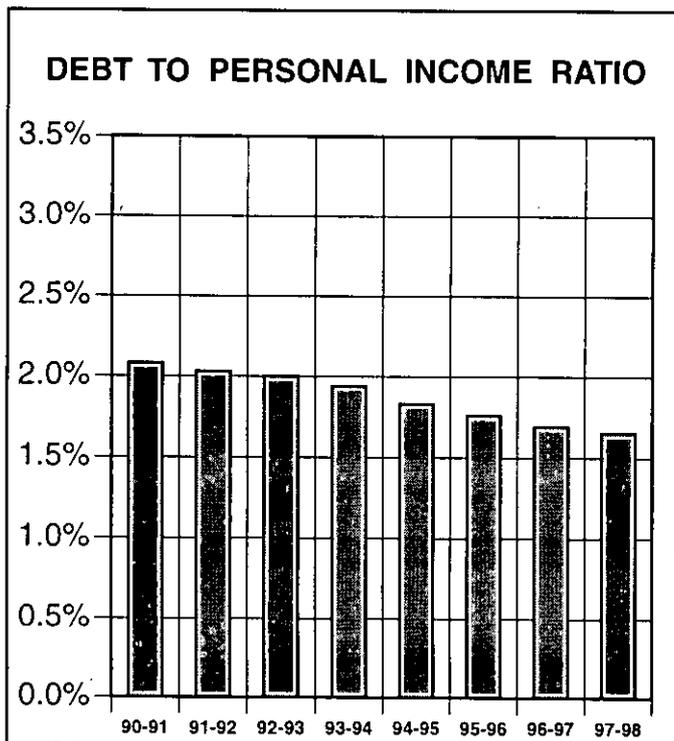
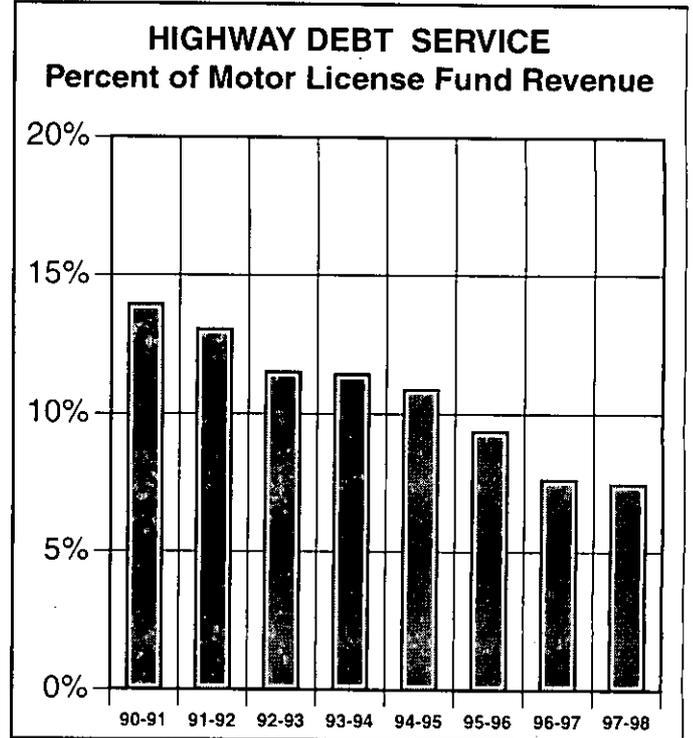
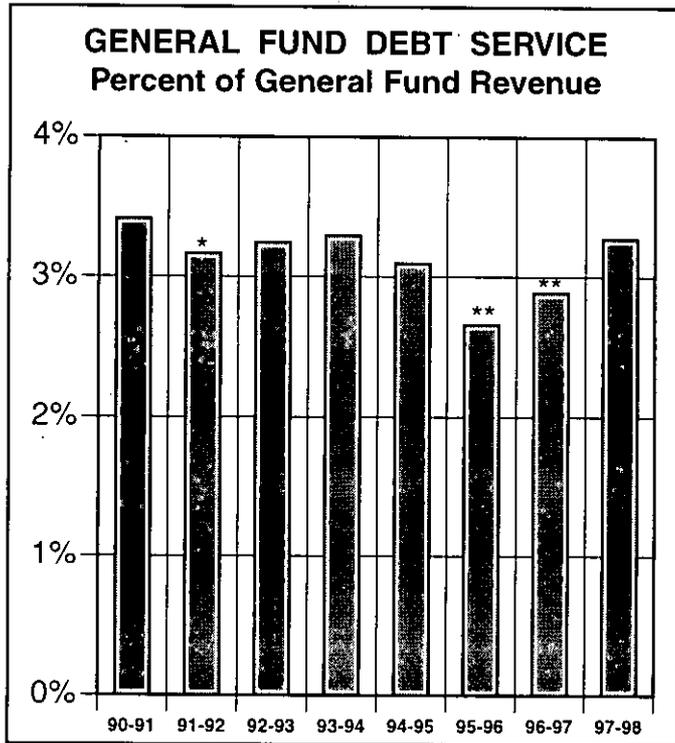
Fiscal Year	Capital Budget (Non-highway) ¹	Capital Budget (Highway) ²	Land and Water	Disaster Relief	Vietnam Veterans Comp.	Project 70	Volunteer Companies Loan	Keystone Parks & Recreation
1996-97	\$ 409,985	\$ 147,167	\$ 19,142	\$ 7,001	\$ 2,578	\$ 780	\$ 3,329	\$ 3,068
1997-98	389,047	143,757	16,521	6,981	2,581	778	2,356	3,061
1998-99	364,840	140,833	14,770	6,961	2,592	783	2,267	3,050
1999-00	354,672	127,313	14,580	6,820	2,601	785	2,188	3,047
2000-01	328,880	106,815	13,639	6,833	478	0	2,098	3,041
2001-02	307,484	83,967	7,999	6,869	482	0	2,028	3,036
2002-03	280,030	65,022	4,724	6,903	487	0	1,659	3,035
2003-04	261,254	53,997	1,318	0	491	0	1,217	3,026
2004-05	240,271	36,923	1,309	0	0	0	1,210	3,027
2005-06	224,086	36,990	1,303	0	0	0	1,211	3,022
2006-07	207,238	31,794	1,290	0	0	0	1,199	3,017
2007-08	190,249	30,830	1,285	0	0	0	1,195	3,022
2008-09	179,118	26,679	1,282	0	0	0	1,193	3,024
2009-10	160,434	21,441	1,270	0	0	0	1,180	3,025
2010-11	146,660	19,608	1,266	0	0	0	1,179	3,023
2011-12	137,411	17,222	1,248	0	0	0	1,170	3,030
2012-13	111,244	9,388	1,083	0	0	0	1,159	3,033
2013-14	78,674	2,012	317	0	0	0	816	3,038
2014-15	55,701	0	0	0	0	0	0	3,044
2015-16	22,731	0	0	0	0	0	0	2,002
2016-17	0	0	0	0	0	0	0	0

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
1996-97	\$ 3,414	\$ 6,906	\$ 14,605	\$ 29,370	\$ 9,116	\$ 15,172	\$ 35,364	\$ 706,997
1997-98	1,919	6,842	14,017	28,812	8,951	15,172	33,287	674,082
1998-99	1,868	6,785	13,232	28,394	8,783	15,182	25,968	636,308
1999-00	643	6,724	13,106	26,794	8,622	15,187	24,349	607,431
2000-01	596	6,669	12,883	25,270	8,452	15,193	24,843	555,690
2001-02	549	6,349	12,450	24,664	7,521	15,194	23,684	502,276
2002-03	550	6,302	12,372	24,444	7,396	15,200	23,186	451,310
2003-04	0	6,254	11,733	24,206	7,264	15,209	22,623	408,592
2004-05	0	6,195	11,658	24,013	7,125	15,204	14,538	361,473
2005-06	0	6,143	11,585	23,823	6,994	15,202	8,834	339,193
2006-07	0	6,082	11,514	23,619	6,846	15,185	6,880	314,664
2007-08	0	6,018	11,435	23,392	6,707	15,177	6,430	295,740
2008-09	0	5,952	11,349	23,181	6,561	15,159	5,362	278,860
2009-10	0	5,883	11,241	22,903	6,423	15,155	3,431	252,386
2010-11	0	5,817	11,188	22,737	6,271	15,147	1,839	234,735
2011-12	0	5,756	11,083	22,490	6,120	15,133	0	220,663
2012-13	0	5,062	9,886	20,910	2,285	15,116	0	179,166
2013-14	0	2,655	4,690	11,595	497	9,327	0	113,621
2014-15	0	703	1,498	4,662	108	5,559	0	71,275
2015-16	0	0	1,295	4,314	103	501	0	30,946
2016-17	0	0	0	0	0	0	0	0

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 1990-91 through 1997-98



* Temporary reduction due to bond refinancings.

** Temporary reduction due to transfer from Pennsylvania Industrial Development Authority (PIDA) escrow fund of \$100 million in 1995-96 and \$60 million in 1996-97.

OUTSTANDING INDEBTEDNESS OF PENNSYLVANIA AGENCIES AND AUTHORITIES

The indebtedness of the following agencies and authorities is not an obligation of the Commonwealth of Pennsylvania but represents the debt of those agencies and authorities created by the Commonwealth for a public purpose. These obligations are not considered as debt under Article VIII of the State Constitution.

As of 12/31/96
(in thousands)
Bonds and Notes

Delaware River Joint Toll Bridge Commission

Created by Pennsylvania and New Jersey to construct, operate and maintain bridges crossing the upper Delaware River. Debt service on the bonds is paid from tolls and other revenues of the commission.

\$ 53,935

Delaware River Port Authority

Created by Pennsylvania and New Jersey to control and operate bridges crossing the Delaware River, it may construct or acquire other bridges, tunnels and other projects for port improvement and development. The authority operates a rapid transit system, which it constructed. Debt service on the bonds is paid from tolls, fares, rents and other revenue of the authority.

523,813

Pennsylvania Economic Development Financing Authority

Created to offer pooled bond issues of both taxable and tax-exempt bonds on behalf of local industrial and commercial development authorities of economic development projects. Debt service on the bonds is paid by loan interest and repayments and other authority revenues.

1,371,526

Pennsylvania Energy Development Authority

Makes or guarantees loans for energy projects including the conversion and technological improvement of energy systems utilizing Pennsylvania coal or renewable energy resources. Debt service on the bonds is paid from the revenues of the authority.

118,040

Pennsylvania Higher Education Assistance Agency

Makes or guarantees student loans for graduate and undergraduate programs to students or parents, lending institutions or postsecondary institutions. Debt service on the bonds is paid by loan interest and repayments and by other agency revenues.

1,408,785

Pennsylvania Higher Educational Facilities Authority

Acquires, constructs, improves and leases (as lessor) college facilities and makes loans to colleges and universities within the Commonwealth. Debt service on the bonds is paid from rentals and from loan repayments collected for the use of the facilities.

2,667,050

Pennsylvania Housing Finance Agency

Makes construction and permanent mortgage loans to qualified borrowers for the purchase and construction of multi and single family housing for low and moderate income persons or families. Debt service on the bonds is paid from mortgage loan interest and repayments and further secured by a "moral obligation" of the Commonwealth.

2,357,852

Pennsylvania Industrial Development Authority

Makes mortgage loans to local nonprofit industrial development agencies for the financing of industrial development projects. Debt service on the bonds is paid from loan interest and repayments and other authority revenues.

416,225

Pennsylvania Infrastructure Investment Authority

Provides low interest rate loans and grants for constructing new and for improving existing water supply and sewage disposal systems. Loans and grants are available to local governments and, in certain circumstances, to private companies. The bonds are secured by principal repayments and interest payments on loans.

205,895

Pennsylvania Turnpike Commission

Constructs, maintains and operates the Pennsylvania Turnpike. Debt service on the bonds is paid from tolls and other revenue sources of the commission.

1,205,815

Philadelphia Regional Port Authority

Operates port facilities in Bucks and Delaware counties, and the City of Philadelphia. Debt service on the bonds is paid by a pledge of the authority's revenues, rentals and receipts.

61,075

State Public School Building Authority

Constructs, improves, equips and makes loans to local school districts for school facilities. Debt service on the bonds is paid from rentals collected for the use of the facilities and from loan repayments.

324,036

TOTAL..... **\$ 10,714,047**



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 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, 1996.

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)		
	1995-96 Actual	1996-97 Available	1997-98 Estimated
Cash Balance, Beginning.....	\$ 8,411	\$ 8,855	\$ 10,885
Receipts:			
Federal Funds.....	\$ 498	\$ 4,606	\$ 2,618
Interest.....	0	546	598
Other.....	4	0	0
Total Receipts.....	<u>502</u>	<u>5,152</u>	<u>3,216</u>
Total Funds Available.....	\$ 8,913	\$ 14,007	\$ 14,101
Disbursements:			
Environmental Protection.....	\$ 56	\$ 3,122	\$ 6,404
Executive Offices.....	2	0	0
Total Disbursements.....	<u>-58</u>	<u>-3,122</u>	<u>-6,404</u>
Cash Balance, Ending.....	\$ 8,855	\$ 10,885	\$ 7,697

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)		
	1995-96 Actual	1996-97 Available	1997-98 Estimated
Cash Balance, Beginning.....	\$ 3,381	\$ 3,549	\$ 3,551
Receipts:			
Federal Unemployment Trust Fund.....	\$ 185,520	\$ 175,830	\$ 175,830
Federal — Other Funds.....	9,511	9,892	9,800
Other.....	14,676	14,800	14,800
Total Receipts.....	<u>209,707</u>	<u>200,522</u>	<u>200,430</u>
Total Funds Available.....	\$ 213,088	\$ 204,071	\$ 203,981
Disbursements:			
Executive Offices.....	\$ 9,577	\$ 9,700	\$ 9,800
Labor and Industry.....	199,962	190,820	190,820
Total Disbursements.....	<u>-209,539</u>	<u>-200,520</u>	<u>-200,620</u>
Cash Balance, Ending.....	\$ 3,549	\$ 3,551	\$ 3,361

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 monies in the fund plus appropriations which may be made from time to time by the General Assembly serve as revenue to the fund. Monies in this fund can be disbursed only for use by the officially designated land grant college (Pennsylvania State University) for the benefit of Agriculture and Mechanical Arts. 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)		
	1995-96 Actual	1996-97 Available	1997-98 Estimated
Cash Balance, Beginning.....	\$ 638	\$ 635	\$ 635
Receipts:			
Interest on Securities.....	\$ 42	\$ 42	\$ 42
Total Receipts.....	42	42	42
Total Funds Available.....	\$ 680	\$ 677	\$ 677
Disbursements:			
Treasury.....	\$ 42	\$ 42	\$ 42
Net Investment Adjustment.....	3	0	0
Total Disbursements.....	-45	-42	-42
Cash Balance, Ending.....	\$ 635	\$ 635	\$ 635

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)		
	1995-96 Actual	1996-97 Available	1997-98 Estimated
Cash Balance, Beginning	\$ 3,394	\$ 12,866	\$ 4,353
Receipts:			
Sale of Bonds.....	\$ 0	\$ 0	\$ 19,000
Interest on Securities.....	719	494	400
Transfer of Cigarette Tax.....	21,991	22,000	21,600
Other.....	593	0	0
Total Receipts	23,303	22,494	41,000
Total Funds Available	\$ 26,697	\$ 35,360	\$ 45,353
Disbursements:			
Treasury.....	\$ 0	\$ 7	\$ 0
Agriculture.....	13,831	31,000	35,000
Total Disbursements	-13,831	-31,007	-35,000
Cash Balance, Ending	\$ 12,866	\$ 4,353	\$ 10,353

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:

	(Dollar Amounts in Thousands)		
	1995-96 Actual	1996-97 Available	1997-98 Estimated
Cash Balance, Beginning	\$ 0	\$ 0	\$ 0
Receipts:			
Transfer from General Fund.....	\$ 7,054	\$ 6,906	\$ 7,077
Accrued Interest on Bonds Sold.....	0	0	0
Total Receipts	<u>7,054</u>	<u>6,906</u>	<u>7,077</u>
Total Funds Available	\$ 7,054	\$ 6,906	\$ 7,077
Disbursements:			
Treasury.....	\$ 7,054	\$ 6,906	\$ 7,077
Total Disbursements	<u>-7,054</u>	<u>-6,906</u>	<u>-7,077</u>
Cash Balance, Ending	\$ 0	\$ 0	\$ 0

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. Act 67 of 1996 established the Small Business First Fund. The balances and functions of the Air Quality Improvement Fund were transferred to the Small Business First Fund.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1995-96 Actual	1996-97 Available	1997-98 Estimated
Cash Balance, Beginning	\$ 2,279	\$ 0	\$ 0
Receipts:			
Interest.....	\$ 103	\$ 0	\$ 0
Loan Repayments.....	224	0	0
Miscellaneous.....	11	0	0
Total Receipts	<u>338</u>	<u>0</u>	<u>0</u>
Total Funds Available	\$ 2,617	\$ 0	\$ 0
Disbursements:			
Community and Economic Development.....	\$ 1,309	\$ 0	\$ 0
Total Disbursements	<u>-1,309</u>	<u>0</u>	<u>0</u>
Cash Balance, Ending	\$ 1,308	\$ 0	\$ 0

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)		
	1995-96 Actual	1996-97 Available	1997-98 Estimated
Cash Balance, Beginning	\$ 269	\$ 276	\$ 216
Receipts:			
Transfer from General Fund.....	\$ 0	\$ 0	\$ 0
Operator Payments.....	0	5	5
Production Fees.....	0	5	5
Interest	17	15	15
Total Receipts	17	25	25
Total Funds Available	\$ 286	\$ 301	\$ 241
Disbursements:			
Environmental Protection	\$ 10	\$ 85	\$ 5
Total Disbursements	-10	-85	-5
Cash Balance, Ending	\$ 276	\$ 216	\$ 236

Automobile Theft Prevention Trust Fund

The Automobile Theft Prevention Trust Fund was created by Act 171 of 1994. The purpose of the fund is to finance programs in the Commonwealth to prevent, combat and reduce automobile theft and to improve and support automobile theft prosecutions. Revenue to the fund consists of assessments on the insurance companies which conduct business in the Commonwealth and interest earnings.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1995-96 Actual	1996-97 Available	1997-98 Estimated
Cash Balance, Beginning	\$ 0	\$ 3,162	\$ 3,262
Receipts:			
Assessments.....	\$ 3,652	\$ 4,260	\$ 4,260
Interest on Securities.....	85	100	100
Total Receipts	3,737	4,360	4,360
Total Funds Available	\$ 3,737	\$ 7,522	\$ 7,622
Disbursements:			
Automobile Theft Prevention Authority.....	\$ 575	\$ 4,260	\$ 4,260
Total Disbursements	-575	-4,260	-4,260
Cash Balance, Ending	\$ 3,162	\$ 3,262	\$ 3,362

Ben Franklin / IRC Partnership Fund

This fund supports the activities of the Ben Franklin/IRC Partnership which was created by Act 64 of 1993. The partnership helps manufacturing industries and businesses to increase their output and overall competitiveness by incorporating current technology and related modernizations into business operations. The Ben Franklin technology centers and the industrial resource centers receive separate allocations from the State appropriation made to the partnership to support their efforts. In addition, both receive any other moneys, including earmarked Federal funds, credited to the fund.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Estimated
Cash Balance, Beginning	\$ 5,245	\$ 7,541	\$ 7,991
Receipts:			
Transfer from General Fund.....	\$ 36,000	\$ 35,200	\$ 35,200
Federal Revenue.....	0	600	600
Miscellaneous.....	63	0	0
Interest on Securities.....	360	450	400
Total Receipts	36,423	36,250	36,200
Total Funds Available	\$ 41,668	\$ 43,791	\$ 44,191
Disbursements:			
Community and Economic Development.....	\$ 34,127	\$ 35,800	\$ 36,600
Total Disbursements	-34,127	-35,800	-36,600
Cash Balance, Ending	\$ 7,541	\$ 7,991	\$ 7,591

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)

	1995-96 Actual	1996-97 Available	1997-98 Estimated
Cash Balance, Beginning	\$ 0	\$ 4,613	\$ 4,613
Receipts:			
Transfer from Other Funds.....	\$ 605,226	\$ 554,796	\$ 557,132
Rentals - State-Aided and State- Related Institutions.....	2,159	2,100	2,100
Interest Subsidy - Higher Education Construction Projects.....	156	156	156
Refunding Bond Maturing Escrow Funds.....	420,530	238,598	214,295
Accrued Interest on Bonds Sold.....	1,751	0	0
Interest on Securities.....	39	100	100
Total Receipts	1,029,861	795,750	773,783
Total Funds Available	\$ 1,029,861	\$ 800,363	\$ 778,396
Disbursements:			
Treasury.....	\$ 1,025,248	\$ 795,750	\$ 773,783
Total Disbursements	-1,025,248	-795,750	-773,783
Cash Balance, Ending	\$ 4,613	\$ 4,613	\$ 4,613

Capital Facilities Fund

This fund is used to meet the financial costs of capital projects authorized by capital budget acts. Revenue for this fund comes principally from the sale of general obligation debt and interest earnings. Debt issued for this fund is subject to a debt limit equal to one and three quarter times the average of annual tax revenues in the preceding five fiscal years. This fund has at least one account for each category of capital projects. Interest earned on investment or deposit of monies in the fund is credited to the account in the fund to which such invested or deposited money was originally credited. Project money that remained after the refunding of the General State Authority was deposited in this fund and used for the maintenance and repair of General State Authority projects.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Estimated
Cash Balance, Beginning	\$ 172,309	\$ 188,063	\$ 125,364
Receipts:			
Sale of Bonds	\$ 328,155	\$ 250,000	\$ 401,000
Interest on Securities	3,369	8,100	4,094
Interest on Grant Funds Redevelopment			
Assistance Projects	44	39	39
Other	52,754	22,650	22,650
Total Receipts	384,322	280,789	427,783
Total Funds Available	\$ 556,631	\$ 468,852	\$ 553,147
Disbursements:			
Community and Economic Development	\$ 39,104	\$ 38,437	\$ 73,996
Environmental Protection	-268	3,256	8,718
General Services	233,295	191,219	273,137
Transportation	95,757	110,350	88,622
Other	680	226	0
Total Disbursements	-368,568	-343,488	-444,473
Cash Balance, Ending	\$ 188,063	\$ 125,364	\$ 108,674

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)

	1995-96 Actual	1996-97 Available	1997-98 Estimated
Cash Balance, Beginning	\$ 166	\$ 183	\$ 178
Receipts:			
Contributions and Sales	\$ 8	\$ 10	\$ 10
Other	10	10	10
Total Receipts	18	20	20
Total Funds Available	\$ 184	\$ 203	\$ 198
Disbursements:			
Capitol Preservation Committee	\$ 1	\$ 25	\$ 20
Total Disbursements	-1	-25	-20
Cash Balance, Ending	\$ 183	\$ 178	\$ 178

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. 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 Envirotec, Inc. Act 72 prohibits the transfer of funds for Envirotec, 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)		
	1995-96 Actual	1996-97 Available	1997-98 Estimated
Cash Balance, Beginning	\$ 39,677	\$ 33,287	\$ 35,551
Receipts:			
Moving Violation Surcharge.....	\$ 33,833	\$ 34,010	\$ 34,010
Interest	2,140	1,500	1,500
Loan from Workmen's Compensation Security..... Fund.....	0	0	52,541
Miscellaneous.....	13	0	0
Total Receipts	35,986	35,510	88,051
Total Funds Available	\$ 75,663	\$ 68,797	\$ 123,602
Disbursements:			
Executive Offices.....	\$ 12	\$ 13	\$ 13
Transportation.....	25,333	15,272	44,800
Insurance.....	17,031	17,961	17,458
Loan Repayment.....	0	0	13,454
Total Disbursements	-42,376	-33,246	-75,725
Cash Balance, Ending	\$ 33,287	\$ 35,551	\$ 47,877

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)		
	1995-96 Actual	1996-97 Available	1997-98 Estimated
Cash Balance, Beginning	\$ 3,340	\$ 2,721	\$ 2,096
Receipts:			
Marriage/Divorce Surcharge.....	\$ 1,218	\$ 1,225	\$ 1,225
Miscellaneous Revenue.....	162	150	150
Total Receipts	1,380	1,375	1,375
Total Funds Available	\$ 4,720	\$ 4,096	\$ 3,471
Disbursements:			
Public Welfare.....	\$ 1,999	\$ 2,000	\$ 1,800
Total Disbursements	-1,999	-2,000	-1,800
Cash Balance, Ending	\$ 2,721	\$ 2,096	\$ 1,671

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)		
	1995-96 Actual	1996-97 Available	1997-98 Estimated
Cash Balance, Beginning	\$ 19,045	\$ 25,770	\$ 26,119
Receipts:			
Fines and Penalties.....	\$ 2,549	\$ 1,865	\$ 1,900
Fees.....	19,690	19,850	17,950
Interest.....	1,632	995	945
Other.....	498	0	0
Total Receipts	<u>24,369</u>	<u>22,710</u>	<u>20,795</u>
Total Funds Available	<u>\$ 43,414</u>	<u>\$ 48,480</u>	<u>\$ 46,914</u>
Disbursements:			
Executive Offices.....	\$ 475	\$ 0	\$ 0
Environmental Protection	17,169	22,361	23,122
Total Disbursements	<u>-17,644</u>	<u>-22,361</u>	<u>-23,122</u>
Cash Balance, Ending	<u>\$ 25,770</u>	<u>\$ 26,119</u>	<u>\$ 23,792</u>

Coal and Clay Mine Subsidence Insurance Fund

This fund was created in 1961 to provide insurance to home owners in mining areas against damages resulting from subsidence. Revenue is derived from premiums paid by policy-holders for subsidence insurance.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1995-96 Actual	1996-97 Available	1997-98 Estimated
Cash Balance, Beginning	\$ 16,200	\$ 18,278	\$ 18,978
Receipts:			
Premiums Collected.....	\$ 3,258	\$ 3,800	\$ 3,990
Interest.....	1,005	1,000	1,000
Other.....	55	0	0
Total Receipts	<u>4,318</u>	<u>4,800</u>	<u>4,990</u>
Total Funds Available	<u>\$ 20,518</u>	<u>\$ 23,078</u>	<u>\$ 23,968</u>
Disbursements:			
Executive Offices.....	\$ 52	\$ 0	\$ 0
Environmental Protection	2,188	4,100	4,195
Total Disbursements	<u>-2,240</u>	<u>-4,100</u>	<u>-4,195</u>
Cash Balance, Ending	<u>\$ 18,278</u>	<u>\$ 18,978</u>	<u>\$ 19,773</u>

Coal Lands Improvement Fund

This fund was created in 1965 to finance the restoration of land acquired by the Commonwealth through eminent domain or amicable methods which has been defaced by open pit or strip mining and has been declared a health hazard. Initially the fund was provided a \$1 million appropriation, but subsequent revenue is derived from the sale of restored land and interest on investments.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Estimated
Cash Balance, Beginning	\$ 423	\$ 448	\$ 473
Receipts:			
Sale of Land	\$ 0	\$ 0	\$ 0
Interest	25	25	25
Total Receipts	25	25	25
Total Funds Available	\$ 448	\$ 473	\$ 498
Disbursements:			
Environmental Protection	\$ 0	\$ 0	\$ 0
Total Disbursements	0	0	0
Cash Balance, Ending	\$ 448	\$ 473	\$ 498

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)

	1995-96 Actual	1996-97 Available	1997-98 Estimated
Cash Balance, Beginning	\$ 56	\$ 53	\$ 28
Receipts:			
Interest on Securities	\$ 3	\$ 2	\$ 1
Total Receipts	3	2	1
Total Funds Available	\$ 59	\$ 55	\$ 29
Disbursements:			
Historical and Museum Commission	\$ 6	\$ 27	\$ 0
Total Disbursements	-6	-27	0
Cash Balance, Ending	\$ 53	\$ 28	\$ 29

Deferred Compensation Fund

On November 6, 1987, Act 81 of 1987 established the Commonwealth Deferred Compensation Program. The program enables Commonwealth employees to defer a portion of their salaries into a retirement savings plan. The State Employees' Retirement System is responsible for administration of the act.

Contributions to the fund began in 1988. The disbursements shown under the Executive Offices are employee contribution funds transferred to one of the investment plan options. Those funds, together with the interest they earn, are available to employees upon retirement.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Estimated
Cash Balance, Beginning	\$ 388	\$ 747	\$ 631
Receipts:			
Employee Contributions	\$ 79,231	\$ 63,487	\$ 65,091
Interest	10	33	31
Total Receipts	<u>79,241</u>	<u>63,520</u>	<u>65,122</u>
Total Funds Available	\$ 79,629	\$ 64,267	\$ 65,753
Disbursements:			
Executive Offices	\$ 53,974	\$ 57,773	\$ 59,233
State Employees' Retirement System	24,908	5,863	5,905
Total Disbursements	<u>-78,882</u>	<u>-63,636</u>	<u>-65,138</u>
Cash Balance, Ending	\$ 747	\$ 631	\$ 615

Deferred Compensation Fund — Short-Term Portfolio

On November 6, 1987, Act 81 of 1987 established the Commonwealth Deferred Compensation Program. The program enables Commonwealth employees to defer a portion of their salaries into a retirement savings plan.

Available for the employees' investment selection is the Treasury Short-Term Money Market Account. In order to maintain the identity of the investments and deferred compensation contributions, the Deferred Compensation Fund - Short-Term Portfolio was established.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Estimated
Cash Balance, Beginning	\$ 10,613	\$ 10,741	\$ 12,259
Receipts:			
Transfers from Deferred Compensation Fund	\$ -514 ^a	\$ 8,270	\$ 8,302
Interest	642	650	667
Total Receipts	<u>128</u>	<u>8,920</u>	<u>8,969</u>
Total Funds Available	\$ 10,741	\$ 19,661	\$ 21,228
Disbursements:			
State Employees' Retirement System	\$ 0	\$ 7,402	\$ 7,386
Total Disbursements	<u>0</u>	<u>-7,402</u>	<u>-7,386</u>
Cash Balance, Ending	\$ 10,741	\$ 12,259	\$ 13,842

^a Net result of transfer into fund of \$9,456,000 from Deferred Compensation Fund and transfer to State Employees' Retirement Fund of \$9,970,000.

Disaster Relief Fund

Act 4 of Special Session 2 of 1996 authorized a \$110 million bond issue for rehabilitation of areas affected by the blizzard of January 1996 and the resulting flood emergency.

Act 4 of the 1972 First Special Legislative Session provided authority for implementation of a \$140 million bond issue for redevelopment of Commonwealth areas affected by the great storms and flood of September 1971 and June 1972; it was amended in 1978 to include the flood of July 1977 and to increase the bond authority to \$190 million. Activity in that program was completed in 1991.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Estimated
Cash Balance, Beginning	\$ 0	\$ 0	\$ 4,825
Receipts:			
Sale of Bonds	\$ 0	\$ 25,000	\$ 7,000
Total Receipts	0	25,000	7,000
Total Funds Available	\$ 0	\$ 25,000	\$ 11,825
Disbursements:			
Treasury	\$ 0	\$ 375	\$ 105
Emergency Management Agency	0	19,800	6,400
Total Disbursements	0	-20,175	-6,505
Cash Balance, Ending	\$ 0	\$ 4,825	\$ 5,320

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)

	1995-96 Actual	1996-97 Available	1997-98 Estimated
Cash Balance, Beginning	\$ 1	\$ 22	\$ 0
Receipts:			
Transfer from General Fund	\$ 7,093	\$ 6,973	\$ 9,549
Interest on Securities	113	6	6
Total Receipts	7,206	6,979	9,555
Total Funds Available	\$ 7,207	\$ 7,001	\$ 9,555
Disbursements:			
Treasury	\$ 7,185	\$ 7,001	\$ 9,555
Total Disbursements	-7,185	-7,001	-9,555
Cash Balance, Ending	\$ 22	\$ 0	\$ 0

DNA Detection Fund

This fund was created by Act 14 of Special Session 1 of 1995 to account for the collection and processing of Deoxyribonucleic Acid (DNA) samples by State Police from individuals convicted, adjudicated delinquent, or granted accelerated rehabilitation disposition for a felony sex offense or other specified offense. Revenues are derived from mandatory fees which are assessed on sexual offenders. Expenditures are made to establish and maintain a DNA database and DNA bank.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Estimated
Cash Balance, Beginning	\$ 0	\$ 2	\$ 3
Receipts:			
Assessments.....	\$ 2	\$ 30	\$ 50
Interest.....	0	1	3
Total Receipts	0	31	53
Total Funds Available	\$ 2	\$ 33	\$ 56
Disbursements:			
State Police.....	\$ 0	\$ 30	\$ 50
Total Disbursements	0	-30	-50
Cash Balance, Ending	\$ 2	\$ 3	\$ 6

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)

	1995-96 Actual	1996-97 Available	1997-98 Estimated
Cash Balance, Beginning	\$ 9,133	\$ 8,102	\$ 4,390
Receipts:			
Fines	\$ 10,436	\$ 11,000	\$ 11,000
Interest	475	475	475
Other.....	142 ^a	0	0
Total Receipts	11,053	11,475	11,475
Total Funds Available	\$ 20,186	\$ 19,577	\$ 15,865
Disbursements:			
Health	\$ 12,084	\$ 15,187	\$ 12,800
Total Disbursements	-12,084	-15,187	-12,800
Cash Balance, Ending	\$ 8,102	\$ 4,390	\$ 3,065

^a Federal grants were credited to the fund in 1995-96. In 1996-97 and 1997-98 the grants are reflected in the Department of Health's General Fund presentation.

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 leased or arranged for by the Department of Public Welfare.

Monies credited to this fund include: (1) repayment of money advanced to persons who are blind for the purchase of merchandise, equipment, stock and accessories; (2) rental fees paid by persons who are blind for leasing equipment and accessories purchased, owned, installed and maintained by the Department of Public Welfare; (3) a percentage of the profits from vending machines in State buildings where a restaurant or cafeteria is operated by the Department of General Services; and (4) any grants or contributions from the Federal Government.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1995-96 Actual	1996-97 Available	1997-98 Estimated
Cash Balance, Beginning	\$ 2,210	\$ 2,609	\$ 2,599
Receipts:			
Federal Reimbursement - Business			
Enterprise Program	\$ 385	\$ 500	\$ 0
Vending Stand Equipment Rentals	207	200	235
Vending Machine Receipts	327	600	600
Interest	143	145	145
Other	277	50	50
Total Receipts	<u>1,339</u>	<u>1,495</u>	<u>1,030</u>
Total Funds Available	\$ 3,549	\$ 4,104	\$ 3,629
Disbursements:			
Treasury	\$ 0	\$ 5	\$ 5
Public Welfare	940	1,500	1,305
Total Disbursements	<u>-940</u>	<u>-1,505</u>	<u>-1,310</u>
Cash Balance, Ending	\$ <u>2,609</u>	\$ <u>2,599</u>	\$ <u>2,319</u>

Energy Conservation and Assistance Fund

This fund was created by Act 122 of 1986 to receive all oil overcharge settlements including the uncommitted balance of settlements received prior to the act. Appropriations are made from the fund for supplemental low-income weatherization and home energy assistance programs, and energy conservation activities.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Estimated
Cash Balance, Beginning	\$ 4,713	\$ 8,380	\$ 6,852
Receipts:			
Revenue Estimate.....	\$ 5,860	\$ 817	\$ 0
Other.....	266	455	600
Total Receipts	6,126	1,272	600
Total Funds Available	\$ 10,839	\$ 9,652	\$ 7,452
Disbursements:			
Executive Offices.....	\$ 1,966	\$ 0	\$ 0
Environmental Protection.....	49	2,200	1,700
Public Welfare.....	444	600	4,000
Total Disbursements	-2,459	-2,800	-5,700
Cash Balance, Ending	\$ 8,380	\$ 6,852	\$ 1,752

Energy Development Fund

The Energy Development Fund was created by Act 280 of 1982. The fund provides the vehicle to accomplish the purposes of the Pennsylvania Energy Development Authority including the sale of bonds. Activities of the fund included preparation of the energy development plan, payment of administrative costs, the making of grants and loans for limited research intended to make the greatest possible contributions to energy conservation and development, and the establishment of reserves in respect to loans guaranteed or bonds issued by the authority. The fund was supported by an appropriation from the General Fund as well as from interest earnings. The fund will terminate on June 30, 1998.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Estimated
Cash Balance, Beginning	\$ 1,686	\$ 937	\$ 286
Receipts:			
Interest	\$ 81	\$ 50	\$ 20
Other.....	7	0	0
Total Receipts	88	50	20
Total Funds Available	\$ 1,774	\$ 987	\$ 306
Disbursements:			
Community and Economic Development.....	\$ 837	\$ 701	\$ 306
Total Disbursements	-837	-701	-306
Cash Balance, Ending	\$ 937	\$ 286	\$ 0

Environmental Education Fund

This fund was authorized by Act 24 of 1993 to provide environmental education programs and to provide grants to schools and other organizations. Funding is from the transfer of 5 percent of fines and penalties deposited in the special funds and restricted revenue accounts which are administered by the Department of Environmental Protection. Act 18 of 1995 requires that not less than 25 percent of the annual receipts of this fund shall be provided to the Department of Conservation and Natural Resources.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Estimated
Cash Balance, Beginning	\$ 705	\$ 729	\$ 439
Receipts:			
Transfers from Other Funds.....	\$ 553	\$ 418	\$ 400
Interest	50	45	40
Other.....	4	0	0
Total Receipts	<u>607</u>	<u>463</u>	<u>440</u>
Total Funds Available	\$ 1,312	\$ 1,192	\$ 879
Disbursements:			
Executive Offices.....	\$ 4	\$ 0	\$ 0
Conservation and Natural Resources.....	40	147	150
Environmental Protection	539	606	499
Total Disbursements	<u>-583</u>	<u>-753</u>	<u>-649</u>
Cash Balance, Ending	\$ <u>729</u>	\$ <u>439</u>	\$ <u>230</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 unused funds remaining from a 1986-87 General Fund appropriation for Distressed Community Emergency Aid. In addition, Act 157 stipulated that all repayments on loans made from the fund should be redeposited into the fund and used to make additional loans and grants to distressed municipalities. Act 58 of 1996 transferred this program from the Department of Community Affairs to the Department of Community and Economic Development.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Estimated
Cash Balance, Beginning	\$ 3,970	\$ 3,463	\$ 2,863
Receipts:			
Transfer from General Fund.....	\$ 1,200	\$ 1,200	\$ 1,000
Loan Repayments.....	757	1,000	1,000
Interest	211	200	200
Total Receipts	<u>2,168</u>	<u>2,400</u>	<u>2,200</u>
Total Funds Available	\$ 6,138	\$ 5,863	\$ 5,063
Disbursements:			
Community and Economic Development.....	\$ 2,675	\$ 3,000	\$ 2,800
Total Disbursements	<u>-2,675</u>	<u>-3,000</u>	<u>-2,800</u>
Cash Balance, Ending	\$ <u>3,463</u>	\$ <u>2,863</u>	\$ <u>2,263</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)

	1995-96 Actual	1996-97 Available	1997-98 Estimated
Cash Balance, Beginning	\$ 54,608	\$ 49,848	\$ 49,847
Receipts:			
Tax Payable to Municipalities.....	\$ 54,510	\$ 54,723	\$ 60,000
Total Receipts	54,510	54,723	60,000
Total Funds Available	\$ 109,118	\$ 104,571	\$ 109,847
Disbursements:			
Auditor General.....	\$ 59,270	\$ 54,724	\$ 60,000
Total Disbursements	-59,270	-54,724	-60,000
Cash Balance, Ending	\$ 49,848	\$ 49,847	\$ 49,847

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)

	1995-96 Actual	1996-97 Available	1997-98 Estimated
Cash Balance, Beginning	\$ 1,496	\$ 1,610	\$ 1,185
Receipts:			
Toxic Release Inventory			
Registration Fee	\$ 6	\$ 0	\$ 0
Toxic Chemical Release Form Fee	787	800	800
Chemical Inventory Fee	275	260	260
Interest on Securities	82	50	50
Other.....	88	0	0
Total Receipts	1,238	1,110	1,110
Total Funds Available	\$ 2,734	\$ 2,720	\$ 2,295
Disbursements:			
Emergency Management Agency	\$ 1,088	\$ 1,452	\$ 1,668
Labor and Industry	36	83	63
Total Disbursements	-1,124	-1,535	-1,731
Cash Balance, Ending	\$ 1,610	\$ 1,185	\$ 564

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:

	1995-96 Actual	(Dollar Amounts in Thousands) 1996-97 Available	1997-98 Estimated
Cash Balance, Beginning	\$ 115,801	\$ 130,617	\$ 95,763
Receipts:			
Capital Stock and Franchise Tax.....	\$ 36,808	\$ 35,800	\$ 37,400
Hazardous Waste Fee.....	2,610	3,308	3,473
Cost Recovery.....	4,843	2,000	2,000
Interest.....	6,769	5,000	5,000
Other.....	1,015	10	0
Total Receipts	52,045	46,118	47,873
Total Funds Available	\$ 167,846	\$ 176,735	\$ 143,636
Disbursements:			
Executive Offices.....	\$ 993	\$ 0	\$ 0
Environmental Protection.....	36,236	80,972	76,429
Total Disbursements	-37,229	-80,972	-76,429
Cash Balance, Ending	\$ 130,617	\$ 95,763	\$ 67,207

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)

	1995-96 Actual	1996-97 Available	1997-98 Estimated
Cash Balance, Beginning	\$ 195,385	\$ 222,978	\$ 243,465
Receipts:			
Transfer from General Fund	\$ 281,886	\$ 280,830	\$ 297,460
Investment Earnings	13,637	13,934	14,487
Federal Revenue.....	166,745	201,034	195,540
Net investment adjustment.....	266	0	0
Other.....	198,429	203,357	210,568
Total Receipts	660,963	699,155	718,055
Total Funds Available	\$ 856,348	\$ 922,133	\$ 961,520
Disbursements:			
Treasury.....	\$ 3	\$ 0	\$ 0
Executive Offices.....	2,796	3,273	3,601
PHEAA.....	630,571	675,395	692,337
Total Disbursements	-633,370	-678,668	-695,938
Cash Balance, Ending	\$ 222,978	\$ 243,465	\$ 265,582

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 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)

	1995-96 Actual	1996-97 Available	1997-98 Estimated
Cash Balance, Beginning	\$ 604	\$ 792	\$ 403
Receipts:			
Federal Grants.....	\$ 516	\$ 0	\$ 0
Licenses and Fees.....	305	334	301
Other.....	38	8	27
Total Receipts	859	342	328
Total Funds Available	\$ 1,463	\$ 1,134	\$ 731
Disbursements:			
Treasury.....	\$ 0	\$ 6	\$ 6
Transportation.....	671	725	325
Total Disbursements	-671	-731	-331
Cash Balance, Ending	\$ 792	\$ 403	\$ 400

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)		
	1995-96 Actual	1996-97 Available	1997-98 Estimated
Cash Balance, Beginning	\$ 1,425	\$ 1,347	\$ 827
Receipts:			
Admission Fees.....	\$ 1,059	\$ 1,100	\$ 1,150
Interest	112	0	0
Other.....	4,358	3,180	3,300
Total Receipts	<u>5,529</u>	<u>4,280</u>	<u>4,450</u>
Total Funds Available	\$ 6,954	\$ 5,627	\$ 5,277
Disbursements:			
Executive Offices.....	\$ 112	\$ 0	\$ 0
Historical and Museum Commission.....	5,495	4,800	4,800
Total Disbursements	<u>-5,607</u>	<u>-4,800</u>	<u>-4,800</u>
Cash Balance, Ending	<u>\$ 1,347</u>	<u>\$ 827</u>	<u>\$ 477</u>

Home Investment Trust Fund

This fund was established by Act 172 of 1992 in order to administer Pennsylvania's program under the National Affordable Housing Act of 1990. Funding is provided by the Federal Department of Housing and Urban Development on an annual basis. Expenditures are for development and support of affordable rental housing and home ownership through the acquisition, new construction, reconstruction or rehabilitation of housing.

Act 58 of 1996 transferred this program from the Department of Community Affairs to the Department of Community and Economic Development.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1995-96 Actual	1996-97 Available	1997-98 Estimated
Cash Balance, Beginning	\$ 11	\$ 11	\$ 10
Receipts:			
Federal Revenue.....	\$ 2,105	\$ 14,850	\$ 14,850
Principal and Interest.....	46	50	55
Miscellaneous.....	121	125	125
Total Receipts	<u>2,272</u>	<u>15,025</u>	<u>15,030</u>
Total Funds Available	\$ 2,283	\$ 15,036	\$ 15,040
Disbursements:			
Executive Offices.....	\$ 25	\$ 26	\$ 26
Community and Economic Development.....	2,247	15,000	15,000
Total Disbursements	<u>-2,272</u>	<u>-15,026</u>	<u>-15,026</u>
Cash Balance, Ending	<u>\$ 11</u>	<u>\$ 10</u>	<u>\$ 14</u>

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, generally 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 Machinery and Equipment Loan Fund with the Industrial Development Fund.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1995-96 Actual	1996-97 Available	1997-98 Estimated
Cash Balance, Beginning	\$ 863	\$ 82	\$ 7,596
Receipts:			
General Fund Transfer.....	\$ 0	\$ 15,000	\$ 13,000
Interest on Securities.....	18	1,000	1,300
Transfer from Sunny Day Fund.....	0	22,705	0
Sunny Day Loan Repayments.....	0	1,787	0
Transfer: Machinery and Equipment Loan Fund.....	0	0	5,126
Miscellaneous.....	34	22	110
Total Receipts	<u>52</u>	<u>40,514</u>	<u>19,536</u>
Total Funds Available	\$ 915	\$ 40,596	\$ 27,132
Disbursements:			
Community and Economic Development.....	\$ 833	\$ 33,000	\$ 24,000
Total Disbursements	<u>-833</u>	<u>-33,000</u>	<u>-24,000</u>
Cash Balance, Ending	<u>\$ 82</u>	<u>\$ 7,596</u>	<u>\$ 3,132</u>

Industrial Sites Cleanup

Act 2 of 1995 created the Industrial Sites Cleanup Fund to provide grants and loans to political subdivisions, local economic development agencies, and others who as part of an economic development strategy undertake voluntary cleanup of property contaminated by industrial activity. Revenue to the Fund is a \$15,000,000 transfer over time from the Hazardous Sites Cleanup Fund, any funds appropriated by the General Assembly, interest earnings, and loan repayments. Grants and loans are prioritized based on the benefit of the project to the public health and safety, the cost effectiveness of the project, the economic distress of the area, and the potential of the project to result in economic development.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1995-96 Actual	1996-97 Available	1997-98 Estimated
Cash Balance, Beginning	\$ 0	\$ 3,962	\$ 6,122
Receipts:			
Hazardous Sites Cleanup Fund.....	\$ 5,000	\$ 10,000	\$ 12,000
Loan principal and Interest.....	0	360	1,200
Interest on Securities.....	69	300	300
Total Receipts	<u>5,069</u>	<u>10,660</u>	<u>13,500</u>
Total Funds Available	\$ 5,069	\$ 14,622	\$ 19,622
Disbursements:			
Community and Economic Development.....	\$ 1,107	\$ 8,500	\$ 7,100
Total Disbursements	<u>-1,107</u>	<u>-8,500</u>	<u>-7,100</u>
Cash Balance, Ending	<u>\$ 3,962</u>	<u>\$ 6,122</u>	<u>\$ 12,522</u>

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 which conduct business in the Commonwealth of Pennsylvania and interest earnings.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1995-96 Actual	1996-97 Available	1997-98 Estimated
Cash Balance, Beginning	\$ 0	\$ 3,099	\$ 3,224
Receipts:			
Assessments	\$ 6,849	\$ 8,050	\$ 8,000
Interest on Securities	109	125	125
Total Receipts	<u>6,958</u>	<u>8,175</u>	<u>8,125</u>
Total Funds Available	\$ 6,958	\$ 11,274	\$ 11,349
Disbursements:			
Insurance Fraud Prevention Authority	\$ 3,859	\$ 8,050	\$ 8,000
Total Disbursements	<u>-3,859</u>	<u>-8,050</u>	<u>-8,000</u>
Cash Balance, Ending	<u>\$ 3,099</u>	<u>\$ 3,224</u>	<u>\$ 3,349</u>

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)		
	1995-96 Actual	1996-97 Available	1997-98 Estimated
Cash Balance, Beginning	\$ 199,448	\$ 165,071	\$ 141,071
Receipts:			
Carrier Assets	\$ 36,208	\$ 20,000	\$ 20,000
Interest	8,943	6,000	5,000
Total Receipts	<u>45,151</u>	<u>26,000</u>	<u>25,000</u>
Total Funds Available	\$ 244,599	\$ 191,071	\$ 166,071
Disbursements:			
Insurance	\$ 61,778	\$ 50,000	\$ 50,000
Net Investment Adjustment	17,750	0	0
Total Disbursements	<u>-79,528</u>	<u>-50,000</u>	<u>-50,000</u>
Cash Balance, Ending	<u>\$ 165,071</u>	<u>\$ 141,071</u>	<u>\$ 116,071</u>

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)

	1995-96 Actual	1996-97 Available	1997-98 Estimated
Cash Balance, Beginning	\$ 10	\$ 71	\$ 0
Receipts:			
Transfer from General Fund	\$ 1,041	\$ 2,994	\$ 4,451
Interest.....	0	3	3
Accrued Interest on Bonds Sold	71	0	0
Total Receipts	<u>1,112</u>	<u>2,997</u>	<u>4,454</u>
Total Funds Available	\$ 1,122	\$ 3,068	\$ 4,454
Disbursements:			
Treasury.....	\$ 1,051	\$ 3,068	\$ 4,454
Total Disbursements	<u>-1,051</u>	<u>-3,068</u>	<u>-4,454</u>
Cash Balance, Ending	\$ <u>71</u>	\$ <u>0</u>	\$ <u>0</u>

Land and Water Development Fund

This fund was created in 1968 to finance projects to eliminate land and water scars, air pollution and subsidence due to past coal mining operations, to aid political subdivisions in constructing or improving sewage treatment plants, to develop public outdoor recreation lands and to aid local governments in acquiring land for recreation purposes. In addition, administrative expenses incurred in support in any of these activities may be paid with monies in this fund. 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)

	1995-96 Actual	1996-97 Available	1997-98 Estimated
Cash Balance, Beginning	\$ 3,789	\$ 3,193	\$ 2,243
Receipts:			
Federal Augmentations.....	\$ 30	\$ 50	\$ 0
Other.....	560	0	0
Total Receipts	<u>590</u>	<u>50</u>	<u>0</u>
Total Funds Available	\$ 4,379	\$ 3,243	\$ 2,243
Disbursements:			
Environmental Protection	\$ 1,182	\$ 1,000	\$ 1,745
Treasury.....	4	0	0
Total Disbursements	<u>-1,186</u>	<u>-1,000</u>	<u>-1,745</u>
Cash Balance, Ending	\$ <u>3,193</u>	\$ <u>2,243</u>	\$ <u>498</u>

Land and Water Development Sinking Fund

Payment of interest and principal due on outstanding land and water development bonds is made from this fund. 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)		
	1995-96 Actual	1996-97 Available	1997-98 Estimated
Cash Balance, Beginning	\$ 0	\$ 13	\$ 0
Receipts:			
Transfer from General Fund.....	\$ 24,843	\$ 18,889	\$ 16,281
Interest on Securities.....	180	240	240
Total Receipts	<u>25,023</u>	<u>19,129</u>	<u>16,521</u>
Total Funds Available	\$ 25,023	\$ 19,142	\$ 16,521
Disbursements:			
Treasury.....	\$ 25,010	\$ 19,142	\$ 16,521
Total Disbursements	<u>-25,010</u>	<u>-19,142</u>	<u>-16,521</u>
Cash Balance, Ending	\$ 13	\$ 0	\$ 0

Liquid Fuels Tax Fund

The Liquid Fuels Tax Fund was created in 1931 by an act of the General Assembly to assist in funding the local roads system. One-half cent per gallon of gasoline and diesel fuel taxes is deposited into the fund for semi-annual distribution to county governments and to pay registration fees for vehicles operated by mass transportation systems. After payment of fees, remaining funds are allocated to the counties on a three-year average refund to total refund formula and must be used for highway purposes. Since the majority of counties have direct jurisdiction over a limited number of roads, a large portion of these funds are further allocated by the counties to their political subdivisions.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1995-96 Actual	1996-97 Available	1997-98 Estimated
Cash Balance, Beginning	\$ 2,628	\$ 3,691	\$ 2,645
Receipts:			
Tax on Gasoline	\$ 22,828	\$ 21,348	\$ 21,561
Tax on Diesel Fuel	5,840	5,360	5,413
Miscellaneous.....	14	0	0
Total Receipts	<u>28,682</u>	<u>26,708</u>	<u>26,974</u>
Total Funds Available	\$ 31,310	\$ 30,399	\$ 29,619
Disbursements:			
Revenue	\$ 27,619	\$ 27,754	\$ 26,956
Total Disbursements	<u>-27,619</u>	<u>-27,754</u>	<u>-26,956</u>
Cash Balance, Ending	\$ 3,691	\$ 2,645	\$ 2,663

Liquor License Fund

This fund serves as a pass-through account for fees for hotel, restaurant and club liquor and/or beer licenses. These fees are returned semi-annually to the municipalities in which the licenses are located. Interest earned on fund deposits is credited to the General Fund.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Estimated
Cash Balance, Beginning	\$ 2,474	\$ 2,323	\$ 2,142
Receipts:			
Liquor License Fees.....	\$ 4,662	\$ 4,700	\$ 4,700
Beer License Fees.....	112	112	112
Other.....	8	7	7
Total Receipts	<u>4,782</u>	<u>4,819</u>	<u>4,819</u>
Total Funds Available	\$ 7,256	\$ 7,142	\$ 6,961
Disbursements:			
Treasury.....	\$ 1	\$ 10	\$ 10
Liquor Control Board.....	4,932	4,990	4,990
Total Disbursements	<u>-4,933</u>	<u>-5,000</u>	<u>-5,000</u>
Cash Balance, Ending	\$ 2,323	\$ 2,142	\$ 1,961

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)

	1995-96 Actual	1996-97 Available	1997-98 Estimated
Cash Balance, Beginning	\$ 16,170	\$ 6,631	\$ 3,092
Receipts:			
Sale of Bonds.....	\$ 5,921	\$ 6,000	\$ 10,000
Interest.....	889	465	420
Total Receipts	<u>6,810</u>	<u>6,465</u>	<u>10,420</u>
Total Funds Available	\$ 22,980	\$ 13,096	\$ 13,512
Disbursements:			
Treasury.....	\$ 4	\$ 4	\$ 4
Corrections.....	16,345	10,000	10,000
Total Disbursements	<u>-16,349</u>	<u>-10,004</u>	<u>-10,004</u>
Cash Balance, Ending	\$ 6,631	\$ 3,092	\$ 3,508

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)		
	1995-96 Actual	1996-97 Available	1997-98 Estimated
Cash Balance, Beginning	\$ 1	\$ 18	\$ 0
Receipts:			
Transfer from General Fund.....	\$ 14,658	\$ 15,153	\$ 15,892
Accrued Interest on Bonds Sold.....	18	0	0
Interest on Securities.....	0	1	1
Total Receipts	<u>14,676</u>	<u>15,154</u>	<u>15,893</u>
Total Funds Available	\$ 14,677	\$ 15,172	\$ 15,893
Disbursements:			
Treasury.....	\$ 14,659	\$ 15,172	\$ 15,893
Total Disbursements	<u>-14,659</u>	<u>-15,172</u>	<u>-15,893</u>
Cash Balance, Ending	<u>\$ 18</u>	<u>\$ 0</u>	<u>\$ 0</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 extended the program through June 30, 1997. Act 58 of 1996 transferred this program from the Department of Community Affairs to the Department of Community and Economic Development. This budget assumes that the fund will end June 30, 1997 and further proposes that the ending balance be transferred to the General Fund.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1995-96 Actual	1996-97 Available	1997-98 Estimated
Cash Balance, Beginning	\$ 1,677	\$ 1,142	\$ 0
Receipts:			
Loan Repayments.....	\$ 312	\$ 320	\$ 0
Interest	81	75	0
Total Receipts	<u>393</u>	<u>395</u>	<u>0</u>
Total Funds Available	\$ 2,070	\$ 1,537	\$ 0
Disbursements:			
Community and Economic Development.....	\$ 928	\$ 573	\$ 0
Total Disbursements	<u>-928</u>	<u>-573</u>	<u>0</u>
Cash Balance, Ending	<u>\$ 1,142</u>	<u>\$ 964</u>	<u>\$ 0</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)		
	1995-96 Actual	1996-97 Available	1997-98 Estimated
Cash Balance, Beginning	\$ 1,760	\$ 2,460	\$ 3,420
Receipts:			
Transfer from General Fund.....	\$ 1,546	\$ 1,258	\$ 575
Fines and Penalties (a).....	0	0	0
Licenses and Fees (a).....	0	0	0
Surcharges (a).....	0	0	0
Interest	82	90	112
Other.....	29	1,000	1,000
Total Receipts	1,657	2,348	1,687
Total Funds Available	\$ 3,417	\$ 4,808	\$ 5,107
Disbursements:			
Executive Offices.....	\$ 28	\$ 0	\$ 0
Environmental Protection	929	1,388	2,071
Total Disbursements	-957	-1,388	-2,071
Cash Balance, Ending	\$ 2,460	\$ 3,420	\$ 3,036

^a These revenues will not be received until the Commonwealth's low-level disposal site becomes operational.

Machinery and Equipment Loan Fund

This fund was established by Act 120 of 1988 to provide low-interest machinery and equipment financing for Pennsylvania businesses in order to facilitate their growth, competitiveness and value-added capacity.

The fund was initially capitalized by an appropriation from the Pennsylvania Economic Revitalization Fund (PERF) 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 and transfers ending balances as well as program commitments to that fund.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1995-96 Actual	1996-97 Available	1997-98 Estimated
Cash Balance, Beginning	\$ 10,588	\$ 15,071	\$ 0
Receipts:			
Transfer from PA Capital Loan Fund.....	\$ 7,000	\$ 0	\$ 0
Loan Repayments.....	7,891	8,700	0
Miscellaneous.....	0	140	0
Interest on Securities.....	625	360	0
Total Receipts	15,516	9,200	0
Total Funds Available	\$ 26,104	\$ 24,271	\$ 0
Disbursements:			
Community and Economic Development.....	\$ 11,033	\$ 19,145	\$ 0
Total Disbursements	-11,033	-19,145	0
Cash Balance, Ending	\$ 15,071	\$ 5,126	\$ 0

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)

	1995-96 Actual	1996-97 Available	1997-98 Estimated
Cash Balance, Beginning	\$ 1,157	\$ 3,267	\$ 2,757
Receipts:			
Sale of Products.....	\$ 30,503	\$ 30,800	\$ 32,300
Interest.....	80	95	85
Other.....	717	550	500
Total Receipts	31,300	31,445	32,885
Total Funds Available	\$ 32,457	\$ 34,712	\$ 35,642
Disbursements:			
Executive Offices.....	\$ 667	\$ 670	\$ 670
Corrections.....	28,523	31,285	33,319
Total Disbursements	-29,190	-31,955	-33,989
Cash Balance, Ending	\$ 3,267	\$ 2,757	\$ 1,653

Medical Professional Liability Catastrophe Loss Fund

The Health Care Services Malpractice Act of 1975 created this fund to make available professional liability insurance at a reasonable cost to health care providers and to establish a system through which injured parties can obtain a prompt determination and adjudication of their claims. Revenue is derived by levying an annual surcharge on health care providers. Act 135 of 1996 amended the original act to increase annually until 2001 the amount of basic insurance coverage maintained by health care providers.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Estimated
Cash Balance, Beginning	\$ 103,540	\$ 140,161	\$ 170,637
Receipts:			
Surcharges	\$ 321,760	\$ 301,064	\$ 301,000
Income on Investments.....	7,077	4,536	4,500
Reinsurance Proceeds.....	0	72,964	54,940
Other.....	497	0	0
Total Receipts	329,334	378,564	360,440
Total Funds Available	\$ 432,874	\$ 518,725	\$ 531,077
Disbursements:			
Executive Offices.....	\$ 292,710	\$ 348,088	\$ 331,928
Treasury.....	3	0	0
Total Disbursements	-292,713	-348,088	-331,928
Cash Balance, Ending	\$ 140,161	\$ 170,637	\$ 199,149

Minority Business Development Fund

This fund was created in 1974 to accommodate the operation of the Pennsylvania Minority Business Development Authority. Revenues to the fund are from loan repayments, transfer of General Fund appropriations and interest. The authority has the power to issue bonds or other obligations which would provide further revenue to the fund.

Expenditures are made for loans to minority business enterprises and for operating expenses of the authority. This budget proposes that this fund be merged into the Small Business First Fund. Ending balances and program commitments of the fund would also be transferred.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Estimated
Cash Balance, Beginning	\$ 6,902	\$ 5,501	\$ 0
Receipts:			
Transfer from General Fund.....	\$ 2,130	\$ 0	\$ 0
Interest on Securities.....	397	350	0
Other.....	37	20	0
Loan Principal and Interest Repayments.....	1,539	1,550	0
Total Receipts	4,103	1,920	0
Total Funds Available	\$ 11,005	\$ 7,421	\$ 0
Disbursements:			
Community and Economic Development.....	\$ 5,504	\$ 4,000	\$ 0
Total Disbursements	-5,504	-4,000	0
Cash Balance, Ending	\$ 5,501	\$ 3,421	\$ 0

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)

	1995-96 Actual	1996-97 Available	1997-98 Estimated
Cash Balance, Beginning	\$ 1,276	\$ 1,264	\$ 1,361
Receipts:			
Dealer/Agent Assessment.....	\$ 100	\$ 110	\$ 174
Interest	73	40	49
Total Receipts	173	150	223
Total Funds Available	\$ 1,449	\$ 1,414	\$ 1,584
Disbursements:			
Transportation.....	\$ 185	\$ 53	\$ 205
Total Disbursements	-185	-53	-205
Cash Balance, Ending	\$ 1,264	\$ 1,361	\$ 1,379

Municipal Pension Aid Fund

This fund was created by Act 205 of 1984, the Municipal Pension Plan Funding Standard and Recovery Act, and is administered by the Auditor General. Beginning in July 1985, this fund receives a portion of the revenues from the Foreign Casualty Insurance Premium Tax and the Foreign Fire Insurance Premium Tax. These revenues and earnings are for distribution to municipalities for various municipal, police and fire pension funds.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1995-96 Actual	1996-97 Available	1997-98 Estimated
Cash Balance, Beginning	\$ 119,765	\$ 113,043	\$ 112,343
Receipts:			
Foreign Casualty Insurance Premium Tax.....	\$ 115,140	\$ 117,253	\$ 119,500
Foreign Fire Insurance Premium Tax.....	12,155	12,028	12,500
Interest	2,834	3,421	4,000
Total Receipts	<u>130,129</u>	<u>132,702</u>	<u>136,000</u>
Total Funds Available	\$ 249,894	\$ 245,745	\$ 248,343
Disbursements:			
Auditor General.....	\$ 136,851	\$ 133,402	\$ 135,000
Total Disbursements	<u>-136,851</u> ^a	<u>-133,402</u> ^b	<u>-135,000</u> ^c
Cash Balance, Ending	\$ 113,043	\$ 112,343	\$ 113,343

^a Includes post-retirement payment of \$6,136,172 as authorized by Act 147 of 1988.

^b Includes post-retirement payment of \$5,877,214 as authorized by Act 147 of 1988.

^c Includes post-retirement estimate of \$6,100,000 as authorized by Act 147 of 1988.

Non-Coal Surface Mining Conservation and Reclamation Fund

This fund was created by Act 219 of 1984 to finance reclamation projects on land scarred by non-coal surface mining. Projects include recontouring, terracing and planting trees, shrubs and grasses. Revenues are provided by charging non-coal surface mining operators for licenses and permits and by fining them for failing to apply for the licenses and permits as well as by forfeiture of collateral bonds, cash or securities for failure to comply with an approved reclamation plan.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1995-96 Actual	1996-97 Available	1997-98 Estimated
Cash Balance, Beginning	\$ 4,847	\$ 5,447	\$ 4,908
Receipts:			
Licenses and Fees.....	\$ 171	\$ 198	\$ 216
Penalties.....	42	34	34
Interest.....	292	318	318
Collateral.....	245	100	100
Payment in Lieu of Bonds.....	28	31	31
Forfeiture of Bond.....	10	50	50
Other.....	0	0	0
Total Receipts	<u>788</u>	<u>731</u>	<u>749</u>
Total Funds Available	\$ 5,635	\$ 6,178	\$ 5,657
Disbursements:			
Environmental Protection	\$ 188	\$ 1,270	\$ 1,000
Total Disbursements	<u>-188</u>	<u>-1,270</u>	<u>-1,000</u>
Cash Balance, Ending	\$ 5,447	\$ 4,908	\$ 4,657

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)		
	1995-96 Actual	1996-97 Available	1997-98 Estimated
Cash Balance, Beginning	\$ 132	\$ 78	\$ 0
Receipts:			
Miscellaneous	\$ 0	\$ 0	\$ 0
Total Receipts	0	0	0
Total Funds Available	\$ 132	\$ 78	\$ 0
Disbursements:			
Treasury	\$ 54	\$ 78	\$ 0
Total Disbursements	-54	-78	0
Cash Balance, Ending	<u>\$ 78</u>	<u>\$ 0</u>	<u>\$ 0</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)		
	1995-96 Actual	1996-97 Available	1997-98 Estimated
Cash Balance, Beginning	\$ 0	\$ 0	\$ 0
Receipts:			
Transfer from Nursing Home Loan Development Fund	\$ 54	\$ 78	\$ 0
Total Receipts	54	78	0
Total Funds Available	\$ 54	\$ 78	\$ 0
Disbursements:			
Community and Economic Development	\$ 54	\$ 78	\$ 0
Total Disbursements	-54	-78	0
Cash Balance, Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

Nursing Home Loan Sinking

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)		
	1995-96 Actual	1996-97 Available	1997-98 Estimated
Cash Balance, Beginning	\$ 20	\$ 0	\$ 0
Receipts:			
Transfer from General Fund.....	\$ 3,475	\$ 3,410	\$ 1,915
Interest on Securities.....	21	4	4
Total Receipts	<u>3,496</u>	<u>3,414</u>	<u>1,919</u>
Total Funds Available	\$ 3,516	\$ 3,414	\$ 1,919
Disbursements:			
Treasury.....	\$ 3,516	\$ 3,414	\$ 1,919
Total Disbursements	<u>-3,516</u>	<u>-3,414</u>	<u>-1,919</u>
Cash Balance, Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

Nutrient Management Fund

This fund was created under the authority of Act 6 of 1993 to fund loans and grants for the implementation of nutrient management plans by agricultural operations. Revenue comes from Commonwealth and Federal appropriations, interest, loan repayments and gifts. Act 18 of 1995 transferred some responsibilities for the nutrient management program from the Department of Environmental Protection to the Department of Agriculture. The \$1 million shown below for the 1997-98 fiscal year represents implementation costs.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1995-96 Actual	1996-97 Available	1997-98 Estimated
Cash Balance, Beginning	\$ 735	\$ 1,448	\$ 1,245
Receipts:			
Transfer from General Fund.....	\$ 765	\$ 750	\$ 750
Interest	42	47	39
Total Receipts	<u>807</u>	<u>797</u>	<u>789</u>
Total Funds Available	\$ 1,542	\$ 2,245	\$ 2,034
Disbursements:			
Environmental Protection	\$ 94	\$ 1,000	\$ 850
Agriculture	0	0	1,000
Total Disbursements	<u>-94</u>	<u>-1,000</u>	<u>-1,850</u>
Cash Balance, Ending	<u>\$ 1,448</u>	<u>\$ 1,245</u>	<u>\$ 184</u>

Oil and Gas Lease Fund

Created in 1955, this fund is used to finance conservation, recreation, dams or flood control projects or to match any Federal grants made for 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)

	1995-96 Actual	1996-97 Available	1997-98 Estimated
Cash Balance, Beginning	\$ 7,631	\$ 6,873	\$ 4,478
Receipts:			
Rents and Royalties.....	\$ 2,116	\$ 2,200	\$ 2,200
Interest.....	398	375	375
Other.....	63	30	30
Total Receipts	2,577	2,605	2,605
Total Funds Available	\$ 10,208	\$ 9,478	\$ 7,083
Disbursements:			
Executive Offices.....	\$ 21	\$ 0	\$ 0
Conservation and Natural Resources.....	3,314	5,000	6,997
Total Disbursements	-3,335	-5,000	-6,997
Cash Balance, Ending	\$ 6,873	\$ 4,478	\$ 86

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 percent for hospital and medical expenses, funeral expenses and incidental expenses incurred by the donor or the donor's family in conjunction with making a vital organ donation; 50 percent for grants to certified organ procurement organizations for the development and implementation of organ donation awareness programs; 15 percent in cooperation with certified organ procurement organizations for the "project-make-a-choice program;" and 25 percent for the implementation of organ donation awareness programs in secondary schools.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Estimated
Cash Balance, Beginning	\$ 14	\$ 592	\$ 586
Receipts:			
Transfer from General Fund.....	\$ 300	\$ 0	\$ 0
Driver's License Applicants.....	266	266	266
Private Donations.....	3	3	3
State Income Tax Contribution.....	0	0	0
Interest on Securities.....	9	24	24
Total Receipts	578	293	293
Total Funds Available	\$ 592	\$ 885	\$ 879
Disbursements:			
Health.....	\$ 0	\$ 219	\$ 219
Education.....	0	10	10
Transportation.....	0	70	230
Total Disbursements	0	-299	-459
Cash Balance, Ending	\$ 592	\$ 586	\$ 420

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. Act 67 of 1996 established the Small Business First Fund. The balances and functions of the Pennsylvania Capital Loan Fund were transferred to the Small Business First Fund at that time.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1995-96 Actual	1996-97 Available	1997-98 Estimated
Cash Balance, Beginning	\$ 21,688	\$ 0	\$ 0
Receipts:			
Transfer from PERF.....	\$ 316	\$ 0	\$ 0
Transfer from General Fund.....	8,000	0	0
Loan Principal and Interest Repayments.....	11,598	0	0
Interest on Securities.....	1,163	0	0
Miscellaneous.....	366	0	0
Total Receipts	<u>21,443</u>	<u>0</u>	<u>0</u>
Total Funds Available	<u>\$ 43,131</u>	<u>\$ 0</u>	<u>\$ 0</u>
Disbursements:			
Community and Economic Development.....	\$ 26,044	\$ 0	\$ 0
Total Disbursements	<u>-26,044</u>	<u>0</u>	<u>0</u>
Cash Balance, Ending	<u>\$ 17,087</u>	<u>\$ 0</u>	<u>\$ 0</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 1996-97. Upon completion of project activity, the remaining balance in this fund will be transferred to the General Fund.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1995-96 Actual	1996-97 Available	1997-98 Estimated
Cash Balance, Beginning	\$ 16,272	\$ 3,166	\$ 0
Receipts:			
Transfer from General Fund.....	\$ 0	\$ 0	\$ 0
Transfer from Pennsylvania Capital Loan Fund.....	2,000	0	0
Other.....	3,800	4,516	0
Sale of Bonds.....	1,982	0	0
Total Receipts	<u>7,782</u>	<u>4,516</u>	<u>0</u>
Total Funds Available	<u>\$ 24,054</u>	<u>\$ 7,682</u>	<u>\$ 0</u>
Disbursements:			
Executive Office.....	\$ 6	\$ 0	\$ 0
Treasury.....	89	0	0
Agriculture.....	851	495	0
Community and Economic Development.....	17,974	4,070	0
Conservation and Natural Resources.....	902	2,418	0
Labor and Industry.....	1,066	39	0
Total Disbursements	<u>-20,888</u>	<u>-7,022</u>	<u>0</u>
Cash Balance, Ending	<u>\$ 3,166</u>	<u>\$ 660</u>	<u>\$ 0</u>

Pennsylvania Economic Revitalization Sinking

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)		
	1995-96 Actual	1996-97 Available	1997-98 Estimated
Cash Balance, Beginning	\$ 323	\$ 586	\$ 0
Receipts:			
Transfer from General Fund.....	\$ 9,878	\$ 8,423	\$ 8,844
Accrued Interest on Securities.....	8	0	0
Interest on Securities.....	587	107	107
Total Receipts	<u>10,473</u>	<u>8,530</u>	<u>8,951</u>
Total Funds Available	<u>\$ 10,796</u>	<u>\$ 9,116</u>	<u>\$ 8,951</u>
Disbursements:			
Treasury.....	\$ 10,210	\$ 9,116	\$ 8,951
Total Disbursements	<u>-10,210</u>	<u>-9,116</u>	<u>-8,951</u>
Cash Balance, Ending	<u>\$ 586</u>	<u>\$ 0</u>	<u>\$ 0</u>

Pennsylvania Historical and Museum Commission Trust Fund

This fund was created by Act 113 of 1931 and is administered by the Governor, Auditor General, State Treasurer and the Pennsylvania Historical and Museum Commission. The interest received from investment of the \$33,000 perpetual endowment to this fund in bonds of the Commonwealth or any of its political subdivisions is credited to the fund. Interest earned on investments is used for the restoration, maintenance and improvement of the Cornwall Charcoal Furnace, Cornwall Borough, Lebanon County.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Estimated
Cash Balance, Beginning	\$ 107	\$ 113	\$ 73
Receipts:			
Interest	\$ 6	\$ 6	\$ 3
Total Receipts	6	6	3
Total Funds Available	\$ 113	\$ 119	\$ 76
Disbursements:			
Historical and Museum Commission	\$ 0	\$ 46	\$ 0
Total Disbursements	0	-46	0
Cash Balance, Ending	\$ 113	\$ 73	\$ 76

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)

	1995-96 Actual	1996-97 Available	1997-98 Estimated
Cash Balance, Beginning	\$ 498,943	\$ 633,975	\$ 768,908
Receipts:			
Contributions	\$ 59,252	\$ 29,310	\$ 32,241
Net Investment Adjustment	42,079	72,517	79,769
Interest	55,177	57,201	62,921
Total Receipts	156,508	159,028	174,931
Total Funds Available	\$ 655,451	\$ 793,003	\$ 943,839
Disbursements:			
Executive Offices	\$ 58	\$ 3,486	\$ 3,834
Municipal Retirement Board	21,418	20,609	22,670
Total Disbursements	-21,476	-24,095	-26,504
Cash Balance, Ending	\$ 633,975	\$ 768,908	\$ 917,335

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)

	1995-96 Actual	1996-97 Available	1997-98 Estimated
Cash Balance, Beginning	\$ 168	\$ 257	\$ 372
Receipts:			
Public/Private Donations.....	\$ 79	\$ 100	\$ 150
Interest	10	15	22
Total Receipts	89	115	172
Total Funds Available	\$ 257	\$ 372	\$ 544
Disbursements:			
Military and Veterans Affairs.....	\$ 0	\$ 0	\$ 0
Total Disbursements	0	0	0
Cash Balance, Ending	\$ 257	\$ 372	\$ 544

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 Drinking Water Revolving Fund, the PENNVEST Water Pollution Control Revolving Fund, the PENNVEST Revolving Fund or the PENNVEST Non-Revolving Equity Fund.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Estimated
Cash Balance, Beginning	\$ 43,433	\$ 61,388	\$ 99,988
Receipts:			
Referendum Bonds.....	\$ 66,783	\$ 81,000	\$ 53,000
Water Facilities Bonds.....	19,785	14,000	1,500
Interest.....	2,121	2,000	1,750
Total Receipts	88,689	97,000	56,250
Total Funds Available	\$ 132,122	\$ 158,388	\$ 156,238
Disbursements:			
Treasury.....	\$ 58	\$ 100	\$ 0
Infrastructure Investment Authority:			
PENNVEST Fund	2,261	2,000	1,750
PENNVEST Drinking Water Revolving Fund.....	0	0	5,900
PENNVEST Water Pollution Control Revolving Fund.....	8,067	14,700	9,500
PENNVEST Revolving Fund.....	60,348	41,600	0
PENNVEST Non-Revolving Equity Fund.....	0	0	54,500
Total Disbursements	-70,734	-58,400	-71,650
Cash Balance, Ending	\$ 61,388	\$ 99,988	\$ 84,588

PENNVEST Drinking Water Revolving Fund

This fund was created under the authority of Act 16 of 1988 to receive funds from the Federal Government to establish a revolving loan program for drinking water projects. Required matching State funds are transferred from the PENNVEST Bond Authorization Fund.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1995-96 Actual	1996-97 Available	1997-98 Estimated
Cash Balance, Beginning	\$ 0	\$ 0	\$ 0
Receipts:			
Bond Authorization Fund.....	\$ 0	\$ 0	\$ 5,900
Federal Funds.....	0	16,200	35,800
Interest and Principal Payments.....	0	0	0
Investment Income.....	0	0	50
Total Receipts	0	16,200	41,750
Total Funds Available	\$ 0	\$ 16,200	\$ 41,750
Disbursements:			
Infrastructure Investment Authority.....	\$ 0	\$ 16,200	\$ 35,800
Environmental Protection.....	0	0	5,100
Total Disbursements	0	-16,200	-40,900
Cash Balance, Ending	\$ 0	\$ 0	\$ 850

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)		
	1995-96 Actual	1996-97 Available	1997-98 Estimated
Cash Balance, Beginning	\$ 24,613	\$ 39,960	\$ 41,981
Receipts:			
Revolving Loan Payments.....	\$ 30,946	\$ 29,500	\$ 30,500
Bond Authorization Fund.....	2,261	2,000	1,750
Interest.....	420	1,930	0
Other.....	94	54	55
Total Receipts	33,721	33,484	32,305
Total Funds Available	\$ 58,334	\$ 73,444	\$ 74,286
Disbursements:			
Executive Offices.....	\$ 64	\$ 54	\$ 55
Infrastructure Investment Authority:			
Loans and Grants.....	3,490	3,500	2,125
Administration.....	2,419	2,909	2,723
Revenue Bond Transfer.....	12,401	25,000	25,000
Total Disbursements	-18,374	-31,463	-29,903
Cash Balance, Ending	\$ 39,960	\$ 41,981	\$ 44,383

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)		
	1995-96 Actual	1996-97 Available	1997-98 Estimated
Cash Balance, Beginning	\$ 4	\$ 4	\$ 4
Receipts:			
Bond Authorization Fund.....	\$ 0	\$ 0	\$ 54,500
Total Receipts	0	0	54,500
Total Funds Available	\$ 4	\$ 4	\$ 54,504
Disbursements:			
Infrastructure Investment Authority:			
Drinking Water Projects.....	\$ 0	\$ 0	\$ 34,500
Sewer Projects.....	0	0	10,000
Stormwater Projects.....	0	0	10,000
Total Disbursements	0	0	-54,500
Cash Balance, Ending	\$ 4	\$ 4	\$ 4

PENNVEST Redemption Fund

This fund, created under the authority of Act 16 of 1988, receives repayments of non-revolving loans and investment interest along with 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)		
	1995-96 Actual	1996-97 Available	1997-98 Estimated
Cash Balance, Beginning	\$ 1	\$ 80	\$ 0
Receipts:			
Transfer from General Fund.....	\$ 21,867	\$ 26,995	\$ 35,251
Interest on Securities.....	7	4	4
Accrued Interest on Bonds Sold	244	0	0
Non-Revolving Loan Repayments.....	2,331	2,291	2,272
Total Receipts	24,449	29,290	37,527
Total Funds Available	\$ 24,450	\$ 29,370	\$ 37,527
Disbursements:			
Treasury.....	\$ 24,370	\$ 29,370	\$ 37,527
Total Disbursements	-24,370	-29,370	-37,527
Cash Balance, Ending	\$ 80	\$ 0	\$ 0

PENNVEST Revolving Fund

This fund, created under the authority of Act 16 of 1988, receives moneys transferred from the PENNVEST Bond Authorization Fund. Funds are used for revolving loans which can be made to public or private entities for drinking water supply or sewer projects. Repayments of loans and interest are deposited in the PENNVEST fund.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Estimated
Cash Balance, Beginning	\$ 17	\$ 19	\$ 123
Receipts:			
PENNVEST Bond Authorization Fund.....	\$ 60,348	\$ 41,600	\$ 0
Interest.....	2	4	0
Total Receipts	60,350	41,604	0
Total Funds Available	\$ 60,367	\$ 41,623	\$ 123
Disbursements:			
Infrastructure Investment Authority:			
Drinking Water Projects.....	\$ 49,743	\$ 28,500	\$ 0
Sewer Projects.....	4,346	5,000	0
Storm Water Projects.....	6,259	8,000	0
Total Disbursements	-60,348	-41,500	0
Cash Balance, Ending	\$ 19	\$ 123	\$ 123

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)

	1995-96 Actual	1996-97 Available	1997-98 Estimated
Cash Balance, Beginning	\$ 17,636	\$ 5,497	\$ 14,647
Receipts:			
Bond Authorization Fund.....	\$ 8,067	\$ 14,700	\$ 9,500
Federal Funds.....	39,480	67,500	45,392
Interest and Principal Payments.....	14,260	18,000	20,000
Investment Income.....	769	800	900
Total Receipts	62,576	101,000	75,792
Total Funds Available	\$ 80,212	\$ 106,497	\$ 90,439
Disbursements:			
Infrastructure Investment Authority.....	\$ 74,715	\$ 91,850	\$ 64,700
Total Disbursements	-74,715	-91,850	-64,700
Cash Balance, Ending	\$ 5,497	\$ 14,647	\$ 25,739

Pharmaceutical Assistance Fund (Contract for the Elderly)

This fund provides a limited pharmaceutical assistance program for older Pennsylvanians who are 65 years of age or over and whose annual income does not exceed the maximum specified for program eligibility. Beginning in March, 1996, pharmaceutical product claims for the Chronic Renal Disease Program are processed through the PACE fund. Beginning in February, 1997, pharmaceutical product claims for the Special Pharmaceutical Benefits Program are also processed through the PACE fund. Funds not expended in the fiscal year in which they are appropriated are available for use in the following fiscal year. For additional information on the programs refer to the Department of Aging, the Department of Health, and the Department of Public Welfare's program descriptions.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1995-96 Actual	1996-97 Available	1997-98 Estimated
Cash Balance, Beginning	\$ 1,298	\$ 9,805	\$ 7,500
Receipts:			
Transfer from Lottery Fund.....	\$ 233,000 ^a	\$ 225,000	\$ 237,000
Interest on Securities.....	804	750	750
Chronic Renal Disease.....	4,367	6,507	6,463
AIDS Special Pharmaceutical Services.....	0	2,454	8,991
Other.....	45	45	45
Total Receipts	238,216	234,756	253,249
Total Funds Available	\$ 239,514	\$ 244,561	\$ 260,749
Disbursements:			
Executive Offices.....	\$ 41	\$ 45	\$ 45
Treasury.....	0	5	5
Health.....	3,509	7,365	6,463
Public Welfare.....	0	1,972	9,473
Aging.....	226,159	227,674	234,032
Total Disbursements	-229,709	-237,061	-250,018
Cash Balance, Ending	\$ 9,805	\$ 7,500	\$ 10,731

^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)		
	1995-96 Actual	1996-97 Available	1997-98 Estimated
Cash Balance, Beginning	\$ 522	\$ 509	\$ 334
Receipts:			
Transfer from Philadelphia Regional Port Authority.....	\$ 3,934	\$ 3,500	\$ 3,500
Interest on Securities.....	26	25	25
Other.....	346	300	300
Total Receipts	<u>4,306</u>	<u>3,825</u>	<u>3,825</u>
Total Funds Available	\$ 4,828	\$ 4,334	\$ 4,159
Disbursements:			
Executive Offices.....	\$ 329	\$ 300	\$ 300
Philadelphia Regional Port Operations.....	3,990	3,700	3,700
Total Disbursements	<u>-4,319</u>	<u>-4,000</u>	<u>-4,000</u>
Cash Balance, Ending	<u>\$ 509</u>	<u>\$ 334</u>	<u>\$ 159</u>

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)		
	1995-96 Actual	1996-97 Available	1997-98 Estimated
Cash Balance, Beginning	\$ 236	\$ 411	\$ 440
Receipts:			
Transfer from General Fund.....	\$ 600	\$ 600	\$ 600
Other.....	77	19	21
Interest	23	28	30
Total Receipts	<u>700</u>	<u>647</u>	<u>651</u>
Total Funds Available	\$ 936	\$ 1,058	\$ 1,091
Disbursements:			
Executive Offices.....	\$ 16	\$ 18	\$ 20
Port of Pittsburgh Commission.....	509	600	600
Total Disbursements	<u>-525</u>	<u>-618</u>	<u>-620</u>
Cash Balance, Ending	<u>\$ 411</u>	<u>\$ 440</u>	<u>\$ 471</u>

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)		
	1995-96 Actual	1996-97 Available	1997-98 Estimated
Cash Balance, Beginning	\$ 1	\$ 0	\$ 0
Receipts:			
Transfer from General Fund.....	\$ 778	\$ 780	\$ 778
Interest on Securities.....	0	0	0
Total Receipts	<u>778</u>	<u>780</u>	<u>778</u>
Total Funds Available	\$ 779	\$ 780	\$ 778
Disbursements:			
Treasury.....	\$ 779	\$ 780	\$ 778
Total Disbursements	<u>-779</u>	<u>-780</u>	<u>-778</u>
Cash Balance, Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

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)		
	1995-96 Actual	1996-97 Available	1997-98 Estimated
Cash Balance, Beginning	\$ 8,433	\$ 5,865	\$ 5,714
Receipts:			
Utility Realty Tax.....	\$ 59,422	\$ 62,700	\$ 45,100
Other Taxes and Fees.....	108,985	109,974	114,024
Interest	996	500	500
Total Receipts	<u>169,403</u>	<u>173,174</u>	<u>159,624</u>
Total Funds Available	\$ 177,836	\$ 179,039	\$ 165,338
Disbursements:			
Transportation:			
Administration.....	\$ 1,000	\$ 1,000	\$ 1,000
Grants.....	170,971	172,325	158,624
Total Disbursements	<u>-171,971</u>	<u>-173,325</u>	<u>-159,624</u>
Cash Balance, Ending	<u>\$ 5,865</u>	<u>\$ 5,714</u>	<u>\$ 5,714</u>

Purchasing Fund

Created in 1933, this fund finances the purchase of materials, supplies and equipment by the Department of General Services for use of other departments, boards and commissions. Also salaries for the personnel administering the fund are paid by the fund. Revenue sources are periodic appropriations from the General Fund and reimbursements by other departments, boards and commissions for the materials and supplies provided them.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1995-96 Actual	1996-97 Available	1997-98 Estimated
Cash Balance, Beginning	\$ 11,851	\$ 12,811	\$ 13,791
Receipts:			
Reimbursements to General Services.....	\$ 35,278	\$ 71,647	\$ 85,200
Reimbursements to Executive Offices.....	46,229	11,883	0
Other.....	1,056	685	695
Total Receipts	<u>82,563</u>	<u>84,215</u>	<u>85,895</u>
Total Funds Available	\$ 94,414	\$ 97,026	\$ 99,686
Disbursements:			
Executive Offices.....	\$ 45,388	\$ 11,574	\$ 479
General Services.....	36,215	71,661	85,732
Total Disbursements	<u>-81,603</u>	<u>-83,235</u>	<u>-86,211</u>
Cash Balance, Ending	<u>\$ 12,811</u>	<u>\$ 13,791</u>	<u>\$ 13,475</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)		
	1995-96 Actual	1996-97 Available	1997-98 Estimated
Cash Balance, Beginning	\$ 1,246	\$ 1,106	\$ 964
Receipts:			
Additional License Fees.....	\$ 39	\$ 39	\$ 39
Interest	69	69	69
Total Receipts	<u>108</u>	<u>108</u>	<u>108</u>
Total Funds Available	\$ 1,354	\$ 1,214	\$ 1,072
Disbursements:			
State.....	\$ 248	\$ 250	\$ 300
Total Disbursements	<u>-248</u>	<u>-250</u>	<u>-300</u>
Cash Balance, Ending	<u>\$ 1,106</u>	<u>\$ 964</u>	<u>\$ 772</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)		
	1995-96 Actual	1996-97 Available	1997-98 Estimated
Cash Balance, Beginning	\$ 90,027	\$ 104,775	\$ 89,320
Receipts:			
Recycling Fees	\$ 35,457	\$ 34,000	\$ 30,000
Fines and Penalties	0	3	3
Interest	5,638	5,638	5,096
Transfer from Solid Waste	0	0	0
Environmental Technology Loan Repayments and Interest	766	344	344
Total Receipts	41,861	39,985	35,443
Total Funds Available	\$ 131,888	\$ 144,760	\$ 124,763
Disbursements:			
Environmental Protection	\$ 27,113	\$ 55,440	\$ 59,619
Total Disbursements	-27,113	-55,440	-59,619
Cash Balance, Ending	\$ 104,775	\$ 89,320	\$ 65,144

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)		
	1995-96 Actual	1996-97 Available	1997-98 Estimated
Cash Balance, Beginning	\$ 8,241	\$ 9,161	\$ 0
Receipts:			
Interest	\$ 480	\$ 240	\$ 0
Other	1,141	0	0
Total Receipts	1,621	240	0
Total Funds Available	\$ 9,862	\$ 9,401	\$ 0
Disbursements:			
Treasury	\$ 53	\$ 120	\$ 0
Transportation	648	9,281	0
Total Disbursements	-701	-9,401	0
Cash Balance, Ending	\$ 9,161	\$ 0	\$ 0

Regional Facility Siting Fund

This fund was created by Act 107 of 1990 to provide for establishing a low-level radioactive waste disposal facility in Pennsylvania. The act requires certain generators of low-level radioactive waste, primarily nuclear power generating facilities, to make advance payments of disposal fees which will fund the initial costs of designing and constructing the new disposal facility.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Estimated
Cash Balance, Beginning	\$ 6,889	\$ 3,596	\$ 656
Receipts:			
Contributions.....	\$ 0	\$ 0	\$ 0
Interest.....	319	80	33
Other.....	5	0	0
Total Receipts	324	80	33
Total Funds Available	\$ 7,213	\$ 3,676	\$ 689
Disbursements:			
Executive Offices.....	\$ 4	\$ 0	\$ 0
Environmental Protection	3,613	3,020	48
Total Disbursements	-3,617	-3,020	-48
Cash Balance, Ending	\$ 3,596	\$ 656	\$ 641

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)

	1995-96 Actual	1996-97 Available	1997-98 Estimated
Cash Balance, Beginning	\$ 7,893	\$ 5,472	\$ 2,052
Receipts:			
Client Fees	\$ 11,171	\$ 12,844	\$ 14,126
Interest.....	423	444	444
Other.....	1,322	1,274	1,132
Total Receipts	12,916	14,562	15,702
Total Funds Available	\$ 20,809	\$ 20,034	\$ 17,754
Disbursements:			
Executive Offices.....	\$ 592	\$ 622	\$ 653
Labor and Industry.....	14,745	17,360	15,971
Total Disbursements	-15,337	-17,982	-16,624
Cash Balance, Ending	\$ 5,472	\$ 2,052	\$ 1,130

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)

	1995-96 Actual	1996-97 Available	1997-98 Estimated
Cash Balance, Beginning	\$ 0	\$ 0	\$ 25
Receipts:			
Transfers from Other Funds.....	\$ 0	\$ 1,000	\$ 1,000
Interest	0	25	25
Total Receipts	0	1,025	1,025
Total Funds Available	\$ 0	\$ 1,025	\$ 1,050
Disbursements:			
Environmental Protection	\$ 0	\$ 1,000	\$ 1,000
Total Disbursements	0	-1,000	-1,000
Cash Balance, Ending	\$ 0	\$ 25	\$ 50

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)

	1995-96 Actual	1996-97 Available	1997-98 Estimated
Cash Balance, Beginning	\$ 0	\$ 1,037	\$ 2,074
Receipts:			
Transfer from Land and Water Development Fund.....	\$ 1,000	\$ 1,000	\$ 1,745
Premium Payments.....	0	0	0
Interest	37	37	0
Total Receipts	1,037	1,037	1,745
Total Funds Available	\$ 1,037	\$ 2,074	\$ 3,819
Disbursements:			
Environmental Protection	\$ 0	\$ 0	\$ 0
Total Disbursements	0	0	0
Cash Balance, Ending	\$ 1,037	\$ 2,074	\$ 3,819

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. No money remains in the fund and the fund will cease operations at the close of the 1996-97 fiscal year.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1995-96 Actual	1996-97 Available	1997-98 Estimated
Cash Balance, Beginning	\$ 20	\$ 15	\$ 0
Receipts:			
Interest on Securities	\$ 1	\$ 0	\$ 0
Total Receipts	1	0	0
Total Funds Available	\$ 21	\$ 15	\$ 0
Disbursements:			
General Services	\$ 6	\$ 15	\$ 0
Total Disbursements	-6	-15	0
Cash Balance, Ending	\$ 15	\$ 0	\$ 0

School Employes' Retirement Fund

The Public School Employes' Retirement Fund provides for receipt and accounting of member and employer contributions, investment of those funds and payment of benefits to retired school employes.

According to the provisions of Act 29 of 1994, starting with the employer contribution payment for the third quarter of 1995 (school salaries paid from July 1, 1995 to September 30, 1995), employers defined as school entities (school districts, intermediate units, and area vocational technical schools) pay 100 percent of the employer share of contributions to the fund. The Commonwealth pays school entities a portion of these costs from appropriated funds based on a statutory formula. Commonwealth contributions of the employer share for non-school entities are also paid from appropriated funds. These contributions are paid directly to the fund.

Earnings from investments provide additional revenue and pay for the expenses of the Public School Employes' Retirement Board. The board is responsible for management of the fund and payment of benefits. The employer contribution rate is determined by the fund's actuary and adopted by the board.

The cash balance shown in the statement includes substantial investment assets. The net investment adjustment item is included to reflect the carrying value of long-term investments as of June 30.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1995-96 Actual	1996-97 Available	1997-98 Estimated
Cash Balance, Beginning	\$ 28,252,216	\$ 33,064,635	\$ 36,058,492
Receipts:			
Transfer from General Fund —			
Employer Contribution.....	\$ 110,488	\$ 4,849	\$ 4,278
Transfers from State Retirement System.....	6,590	5,000	5,000
Contributions of School Employes.....	462,473	467,200	498,750
Returned Contributions of			
School Employes.....	13,524	12,000	12,000
Contributions of School Districts*.....	743,436	874,818	771,763
Interest on Securities.....	42,261	1,450,000	1,573,000
Net Investment Adjustment.....	5,023,836	1,781,000	1,932,000
Other.....	669	0	0
Total Receipts	6,403,277	4,594,867	4,796,791
Total Funds Available	\$ 34,655,493	\$ 37,659,502	\$ 40,855,283
Disbursements:			
Executive Offices.....	\$ 987	\$ 950	\$ 950
Treasury	162	60	60
Public School Employes'			
Retirement Board	1,589,709	1,600,000	1,650,000
Total Disbursements	-1,590,858	-1,601,010	-1,651,010
Cash Balance, Ending	\$ 33,064,635	\$ 36,058,492	\$ 39,204,273

Self-Insurance Guaranty Fund

This fund was created by Act 44 of 1993, the Pennsylvania Workers' Compensation Act. The purpose of this fund is to pay claims arising from defaulting members of self-insurance pooling arrangements under the Workers' Compensation Act. The fund is maintained by assessments on self-insurers and is administered by the Department of Labor and Industry.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1995-96 Actual	1996-97 Available	1997-98 Estimated
Cash Balance, Beginning	\$ 3,312	\$ 3,687	\$ 3,812
Receipts:			
Assessments.....	\$ 377	\$ 100	\$ 100
Interest.....	200	125	125
Total Receipts	<u>577</u>	<u>225</u>	<u>225</u>
Total Funds Available	\$ 3,889	\$ 3,912	\$ 4,037
Disbursements:			
Labor and Industry.....	\$ 202	\$ 100	\$ 100
Total Disbursements	<u>-202</u>	<u>-100</u>	<u>-100</u>
Cash Balance, Ending	\$ 3,687	\$ 3,812	\$ 3,937

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:

	(Dollar Amounts in Thousands)		
	1995-96 Actual	1996-97 Available	1997-98 Estimated
Cash Balance, Beginning	\$ 145	\$ 145	\$ 145
Receipts:			
Interest on Securities	\$ 0	\$ 0	\$ 0
Total Receipts	<u>0</u>	<u>0</u>	<u>0</u>
Total Funds Available	\$ 145	\$ 145	\$ 145
Disbursements:			
Treasury.....	\$ 0	\$ 0	\$ 0
Total Disbursements	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance, Ending	\$ 145	\$ 145	\$ 145

Small Business First

Act 67 of 1996 created the Small Business First Fund. The fund replaces the Air Quality Improvement Fund, Storage Tank Loan Fund and the Pennsylvania Capital Loan Fund. Balances and program commitments in those funds were transferred to the Small Business First Fund. This budget proposes that the Minority Business Development Fund be combined with this fund to facilitate its programs for small businesses. Balances and program commitments in the Minority Business Development Fund on June 30, 1997 would transfer to the Small Business First Fund.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Estimated
Cash Balance, Beginning	\$ 0	\$ 0	\$ 9,646
Receipts:			
Transfer from the General Fund.....	\$ 0	\$ 0	\$ 4,000
Transfer from Air Quality Improvement Fund.....	0	1,271	0
Transfer from Storage Tank Loan Fund.....	0	1,394	0
Transfer from PA Capital Loan Fund.....	0	19,907	0
Transfer from PA Minority Business Development Fund.....	0	0	3,421
Federal Revenue: Defense Conversion.....	0	1,666	0
Loan Repayments.....	0	11,000	11,000
Interest on Securities.....	0	1,200	700
Miscellaneous.....	0	15	15
Total Receipts	0	36,453	19,136
Total Funds Available	\$ 0	\$ 36,453	\$ 28,782
Disbursements:			
Community and Economic Development.....	\$ 0	\$ 26,807	\$ 20,325
Total Disbursements	0	-26,807	-20,325
Cash Balance, Ending	\$ 0	\$ 9,646	\$ 8,457

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)

	1995-96 Actual	1996-97 Available	1997-98 Estimated
Cash Balance, Beginning	\$ 3,089	\$ 2,494	\$ 1,894
Receipts:			
Interest.....	\$ 161	\$ 150	\$ 150
Total Receipts	161	150	150
Total Funds Available	\$ 3,250	\$ 2,644	\$ 2,044
Disbursements:			
Environmental Protection	\$ 756	\$ 750	\$ 750
Total Disbursements	-756	-750	-750
Cash Balance, Ending	\$ 2,494	\$ 1,894	\$ 1,294

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)		
	1995-96 Actual	1996-97 Available	1997-98 Estimated
Cash Balance, Beginning	\$ 200	\$ 215	\$ 200
Receipts:			
Interest and Penalties.....	\$ 5,765	\$ 5,600	\$ 5,600
Other.....	127	120	120
Total Receipts	5,892	5,720	5,720
Total Funds Available	\$ 6,092	\$ 5,935	\$ 5,920
Disbursements:			
Labor and Industry.....	\$ 5,877	\$ 5,735	\$ 5,735
Total Disbursements	-5,877	-5,735	-5,735
Cash Balance, Ending	\$ 215	\$ 200	\$ 185

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)		
	1995-96 Actual	1996-97 Available	1997-98 Estimated
Cash Balance, Beginning	\$ 25	\$ 27	\$ 27
Receipts:			
Miscellaneous.....	\$ 2	\$ 2	\$ 2
Total Receipts	2	2	2
Total Funds Available	\$ 27	\$ 29	\$ 29
Disbursements:			
Treasury.....	\$ 0	\$ 2	\$ 2
Total Disbursements	0	-2	-2
Cash Balance, Ending	\$ 27	\$ 27	\$ 27

State Employees' Retirement Fund

This fund was created in 1924 to accumulate reserves for the payment of pensions to eligible former State employees. Money in this fund is used to pay retirement, disability and death benefits to members of the State Employees' Retirement System and their beneficiaries. Membership in the system is mandatory for most State employees, and available to employees of non-state entities such as the Pennsylvania State University, the Turnpike Commission, the Delaware River Port Authority, and other public and quasi-public institutions authorized by the Retirement Code.

The fund receives revenue from 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)		
	1995-96 Actual	1996-97 Available	1997-98 Estimated
Cash Balance, Beginning	\$ 14,816,356	\$ 17,158,994	\$ 18,613,994
Receipts:			
Contributions of Employees.....	\$ 207,491	\$ 211,000	\$ 217,000
State Share Contribution.....	399,764	325,000	297,000
Income from Securities.....	1,187,162	680,000	735,000
Net Investment Adjustment.....	1,433,555	1,152,000	1,296,000
Other.....	8,683	0	0
Total Receipts	3,236,655	2,368,000	2,545,000
Total Funds Available	\$ 18,053,011	\$ 19,526,994	\$ 21,158,994
Disbursements:			
Executive Offices.....	\$ 604	\$ 600	\$ 600
Treasury.....	29	0	0
State Employees' Retirement System.....	893,384	912,400	974,400
Total Disbursements	-894,017	-913,000	-975,000
Cash Balance, Ending	\$ 17,158,994	\$ 18,613,994	\$ 20,183,994

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 1995-96 and 1996-97 reflect estimates of various agency claims approved for those fire-related damages and damages resulting from the flood disasters of 1996.

Unencumbered amounts in the fund in excess of \$3 million on December 31st of each year are transferred to the General Fund. This fund satisfies the requirements of the Federal Government for the Disaster Insurance Program.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Estimated
Cash Balance, Beginning	\$ 12,219	\$ 14,120	\$ 10,835
Receipts:			
Recovered Damages.....	\$ 9,578	\$ 1,890	\$ 0
Interest	1,995	1,325	1,000
Total Receipts	<u>11,573</u>	<u>3,215</u>	<u>1,000</u>
Total Funds Available	\$ 23,792	\$ 17,335	\$ 11,835
Disbursements:			
General Services.....	\$ 9,672	\$ 6,500	\$ 2,300
Total Disbursements	<u>-9,672</u>	<u>-6,500</u>	<u>-2,300</u>
Cash Balance, Ending	<u>\$ 14,120</u>	<u>\$ 10,835</u>	<u>\$ 9,535</u>

State Restaurant Fund

This fund was created in 1943 to finance the purchase and maintenance of equipment for the operation of the restaurant in the State Capitol as well as any other restaurants in other State Office Buildings. At present, the only restaurant operated within this fund is in the Main Capitol Building and revenue is derived from the profits earned from that operation. During fiscal year 1986-87 the Main Capitol Restaurant was enlarged and relocated into the Capitol Addition.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Estimated
Cash Balance, Beginning	\$ 1,176	\$ 1,246	\$ 1,269
Receipts:			
Revenue from Operations.....	\$ 75	\$ 86	\$ 95
Other.....	70	70	70
Total Receipts	<u>145</u>	<u>156</u>	<u>165</u>
Total Funds Available	\$ 1,321	\$ 1,402	\$ 1,434
Disbursements:			
General Services.....	\$ 75	\$ 133	\$ 65
Total Disbursements	<u>-75</u>	<u>-133</u>	<u>-65</u>
Cash Balance, Ending	<u>\$ 1,246</u>	<u>\$ 1,269</u>	<u>\$ 1,369</u>

State School Fund

This fund was established in 1911 and is funded primarily by the sale of escheated estates and other nonpublic real estate and interest earnings of the Sinking Fund. Changes in the escheat law and lack of interest earnings from the Sinking Fund or investment of monies in the State School Fund have resulted in a low revenue level. The fund is active in only a limited sense.

The original purpose of the fund was to equalize educational advantages across the Commonwealth; to provide advancements to school districts temporarily in need of aid; and to promote education in the conservation of natural resources, forestry, agriculture and other industrial pursuits. The law was amended in 1960 to change the purpose of the fund to equalization of educational opportunities, and to pay part of the cost of repair or alteration of local public school or State college buildings when required to satisfy requirements of the Department of Labor and Industry or other relevant governmental agencies.

Expenditures from the fund are made at the direction of the State Board of Education.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Estimated
Cash Balance, Beginning	\$ 404	\$ 422	\$ 450
Receipts:			
Sinking Fund Interest.....	\$ 8	\$ 8	\$ 8
Treasury Interest.....	21	20	20
Net Investment Adjustment.....	4	0	0
Total Receipts	33	28	28
Total Funds Available	\$ 437	\$ 450	\$ 478
Disbursements:			
Education.....	\$ 15	\$ 0	\$ 0
Total Disbursements	-15	0	0
Cash Balance, Ending	\$ 422	\$ 450	\$ 478

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. In accordance with Act 111 of 1996, a one-time transfer of \$5 million is being made to the Children's Health Fund during 1996-97. Any surplus is transferred to the General Fund.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1995-96 Actual	1996-97 Available	1997-98 Estimated
Cash Balance, Beginning	\$ 51,047	\$ 62,508	\$ 61,152
Receipts:			
Fees.....	\$ 9,413	\$ 9,205	\$ 9,309
Fines and Penalties.....	1,139	1,160	1,150
Sale of Goods.....	867,951	898,347	913,170
Recovered Losses and Damages.....	7,053	6,834	6,944
General Fund Loans.....	86,000	66,000	66,000
Other.....	13,956	12,043	12,737
Total Receipts	<u>985,512</u>	<u>993,589</u>	<u>1,009,310</u>
Total Funds Available	\$ 1,036,559	\$ 1,056,097	\$ 1,070,462
Disbursements:			
Executive Offices.....	\$ 8,870	\$ 7,140	\$ 7,047
Treasury.....	1	30	30
Health.....	1,223	1,097	1,070
Liquor Control Board	949,327 ^a	965,990 ^a	987,060 ^a
State Police.....	14,630	15,688	15,621
Insurance.....	0	5,000	0
Total Disbursements	<u>-974,051</u>	<u>-994,945</u>	<u>-1,010,828</u>
Cash Balance, Ending	\$ <u>62,508</u>	\$ <u>61,152</u>	\$ <u>59,634</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)		
	1995-96 Actual	1996-97 Available	1997-98 Estimated
Cash Balance, Beginning	\$ 310	\$ 1,650	\$ 1,415
Receipts:			
Armory Rentals.....	\$ 215	\$ 220	\$ 220
Interest	40	85	80
Sale of Armories and Land.....	1,279	0	0
Total Receipts	<u>1,534</u>	<u>305</u>	<u>300</u>
Total Funds Available	\$ 1,844	\$ 1,955	\$ 1,715
Disbursements:			
Military and Veterans Affairs.....	\$ 194	\$ 540	\$ 540
Total Disbursements	<u>-194</u>	<u>-540</u>	<u>-540</u>
Cash Balance, Ending	\$ <u>1,650</u>	\$ <u>1,415</u>	\$ <u>1,175</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 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	\$ 1,592,183	\$ 1,550,646	\$ 1,488,674
Receipts:			
Premiums.....	\$ 305,558	\$ 220,000	\$ 200,000
Other.....	98,712	100,556	104,349
Net Investment Adjustment.....	-48,352	0	0
Total Receipts	<u>355,918</u>	<u>320,556</u>	<u>304,349</u>
Total Funds Available	<u>\$ 1,948,101</u>	<u>\$ 1,871,202</u>	<u>\$ 1,793,023</u>
Disbursements:			
Treasury.....	\$ 22	\$ 22	\$ 22
Executive Offices.....	946	974	1,023
Labor and Industry.....	389,038	377,100	356,700
Premium Tax Payment to the General Fund.....	6,793	0	200
Payment to the General Fund in Lieu of Taxes.....	656	4,432	4,200
Total Disbursements	<u>-397,455</u>	<u>-382,528</u>	<u>-362,145</u>
Cash Balance, Ending	<u>\$ 1,550,646</u>	<u>\$ 1,488,674</u>	<u>\$ 1,430,878</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)		
	1995-96 Actual	1996-97 Available	1997-98 Estimated
Cash Balance, Beginning	\$ 18,742	\$ 18,655	\$ 18,308
Receipts:			
Registration Fees.....	\$ 3,682	\$ 4,312	\$ 4,312
Federal Funds - EPA.....	2,386	3,410	3,425
Fines and Penalties.....	26	34	34
Interest	1,104	1,142	1,100
Other.....	370	15	0
Total Receipts	<u>7,568</u>	<u>8,913</u>	<u>8,871</u>
Total Funds Available	\$ 26,310	\$ 27,568	\$ 27,179
Disbursements:			
Executive Offices.....	\$ 326	\$ 0	\$ 0
Environmental Protection	7,329	9,260	10,243
Total Disbursements	<u>-7,655</u>	<u>-9,260</u>	<u>-10,243</u>
Cash Balance, Ending	<u>\$ 18,655</u>	<u>\$ 18,308</u>	<u>\$ 16,936</u>

Storage Tank Loan Fund

This fund was established by Act 32 of 1989 to provide financial assistance to small storage tank facility owners or operators identified by the Department of Environmental Protection (DEP) 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 aboveground and underground tanks in Pennsylvania. Act 67 of 1996 established the Small Business First Fund. The balances and program commitments in the Storage Tank Loan Fund were transferred to the Small Business First Fund.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1995-96 Actual	1996-97 Available	1997-98 Estimated
Cash Balance, Beginning	\$ 519	\$ 0	\$ 0
Receipts:			
Fees.....	\$ 1,125	\$ 0	\$ 0
Loan Principal and Interest Repayments.....	161	0	0
Interest on Securities.....	20	0	0
Miscellaneous.....	3	0	0
Total Receipts	<u>1,309</u>	<u>0</u>	<u>0</u>
Total Funds Available	\$ 1,828	\$ 0	\$ 0
Disbursements:			
Community and Economic Development.....	\$ 438	\$ 0	\$ 0
Total Disbursements	<u>-438</u>	<u>0</u>	<u>0</u>
Cash Balance, Ending	<u>\$ 1,390</u>	<u>\$ 0</u>	<u>\$ 0</u>

Sunny Day Fund

The purpose of this fund, created by Act 32 of 1985 and administered by the Department of Community and Economic Development, was to provide assistance to the Governor and the Department of Community and Economic Development, in their efforts to attract industrial, manufacturing or research and development enterprises to the Commonwealth. Revenue was provided through appropriations by the General Assembly for transfer to this fund. Appropriations out of the fund required approval by two-thirds of the members of the General Assembly

Act 67 of 1996 transferred Sunny Day Loan Fund loans and commitments to the Pennsylvania Industrial Development Authority (PIDA) and its balances to the General Fund.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1995-96 Actual	1996-97 Available	1997-98 Estimated
Cash Balance, Beginning	\$ 37,945	\$ 0	\$ 0
Receipts:			
Transfer from General Fund.....	\$ 15,000	\$ 0	\$ 0
Loan Principal and Interest.....	19,520	0	0
Interest on Securities.....	1,876	0	0
Miscellaneous.....	493	0	0
Total Receipts	<u>36,889</u>	<u>0</u>	<u>0</u>
Total Funds Available	\$ 74,834	\$ 0	\$ 0
Disbursements:			
Community and Economic Development.....	\$ 30,450	\$ 0	\$ 0
Total Disbursements	<u>-30,450</u>	<u>0</u>	<u>0</u>
Cash Balance, Ending	\$ 44,384	\$ 0	\$ 0

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)		
	1995-96 Actual	1996-97 Available	1997-98 Estimated
Cash Balance, Beginning	\$ 36	\$ 38	\$ 41
Receipts:			
General Fund Appropriation.....	\$ 6,362	\$ 1,684	\$ 549
Interest	2	3	0
Total Receipts	<u>6,364</u>	<u>1,687</u>	<u>549</u>
Total Funds Available	\$ 6,400	\$ 1,725	\$ 590
Disbursements:			
Auditor General.....	\$ 6,362	\$ 1,684	\$ 549
Total Disbursements	<u>-6,362</u>	<u>-1,684</u>	<u>-549</u>
Cash Balance, Ending	\$ 38	\$ 41	\$ 41

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)

	1995-96 Actual	1996-97 Available	1997-98 Estimated
Cash Balance, Beginning	\$ 31,383	\$ 29,758	\$ 34,165
Receipts:			
Licenses and Fees.....	\$ 179	\$ 200	\$ 200
Fines and Penalties.....	176	190	190
Interest.....	1,770	1,940	1,940
Forfeiture of Bonds.....	512	3,000	3,000
Trust Account Collateral.....	152	200	200
Other.....	825	800	750
Total Receipts	3,614	6,330	6,280
Total Funds Available	\$ 34,997	\$ 36,088	\$ 40,445
Disbursements:			
Executive Offices.....	\$ 10	\$ 0	\$ 0
Environmental Protection.....	5,229	1,923	1,830
Total Disbursements	-5,239	-1,923	-1,830
Cash Balance, Ending	\$ 29,758	\$ 34,165	\$ 38,615

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)

	1995-96 Actual	1996-97 Available	1997-98 Estimated
Cash Balance, Beginning	\$ 559	\$ 2,355	\$ 0
Receipts:			
Transfer from General Fund.....	\$ 515,184	\$ 564,549	\$ 746,000
Interest on Securities.....	1,796	930	750
Total Receipts	516,980	565,479	746,750
Total Funds Available	\$ 517,539	\$ 567,834	\$ 746,750
Disbursements:			
Treasury.....	\$ 515,184	\$ 567,834	\$ 746,750
Total Disbursements	-515,184	-567,834	-746,750
Cash Balance, Ending	\$ 2,355	\$ 0	\$ 0

Tax Stabilization Reserve Fund

Created in July 1985 by Act 32, this fund provides financial assistance to minimize future revenue shortfalls and deficits, and promote greater continuity and predictability in the funding of vital government services. It also minimizes the need to increase taxes to balance the budget of the Commonwealth during periods of economic distress. Revenue is provided through an annual transfer of fifteen percent of the General Fund's fiscal year ending surplus, transfers of surplus funds from the State Workman's Insurance Fund and from appropriations by the General Assembly. Appropriations out of the fund require approval by two-thirds of the members of the General Assembly.

Act 68 of 1990 provides for the transfer of money from the State Workmen's Insurance Fund (SWIF). The act also established an Advisory Council to recommend the amount of surplus in SWIF, if any, that could be distributed without jeopardizing its legal obligations to policy holders. If such surplus exists, the SWIF Board based on recommendations of an advisory council may recommend distribution of any surplus to the Tax Stabilization Reserve Fund and/or as refunds to current or former policyholders. The funds recommended by the board to be transferred to the fund and those refunded to policyholders must be approved and appropriated by the General Assembly.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1995-96 Actual	1996-97 Available	1997-98 Estimated
Cash Balance, Beginning	\$ 66,316	\$ 183,592	\$ 221,165
Receipts:			
Transfer from General Fund.....	\$ 111,000	\$ 27,573	\$ 31,343
Interest	6,276	10,000	11,000
Total Receipts	<u>117,276</u>	<u>37,573</u>	<u>42,343</u>
Total Funds Available	<u>\$ 183,592</u>	<u>\$ 221,165</u>	<u>\$ 263,508</u>
Cash Balance, Ending	<u>\$ 183,592</u>	<u>\$ 221,165</u>	<u>\$ 263,508</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 any participating institution. The program is administered by the Tuition Account Bureau within the Treasury Department with oversight by the Tuition Account Program Advisory Board. Revenue is derived primarily from application fees, tuition unit purchases and investment income. Fund expenditures consist mainly of payments to participating institutions for the dollar value of the tuition purchased and administrative costs.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1995-96 Actual	1996-97 Available	1997-98 Estimated
Cash Balance, Beginning	\$ 31,217	\$ 54,355	\$ 77,200
Receipts:			
Application Fees	\$ 312	\$ 325	\$ 350
Tuition Purchases.....	20,869	21,000	22,000
Investment Earnings.....	2,762 ^a	2,500	3,000
Other.....	260	15	15
Total Receipts	<u>24,203</u>	<u>23,840</u>	<u>25,365</u>
Total Funds Available	<u>\$ 55,420</u>	<u>\$ 78,195</u>	<u>\$ 102,565</u>
Disbursements:			
Treasury.....	\$ 1,044	\$ 995	\$ 1,940
Executive Offices.....	21	0	0
Total Disbursements	<u>-1,065</u>	<u>-995</u>	<u>-1,940</u>
Cash Balance, Ending	<u>\$ 54,355</u>	<u>\$ 77,200</u>	<u>\$ 100,625</u>

^a Investment earnings from 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 approved the elimination of the Tank Fee and a reduction in the gallon fee from two cents to one cent effective January 1, 1996.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1995-96 Actual	1996-97 Available	1997-98 Estimated
Cash Balance, Beginning	\$ 155,872	\$ 244,062	\$ 307,495
Receipts:			
Tank Fee	\$ 4	\$ 0	\$ 0
Gallon Fee	73,085	48,000	48,000
Tank Capacity Fee	10,776	24,000	24,000
Investment Income	11,418	7,000	6,000
Miscellaneous	24	0	0
Total Receipts	<u>95,307</u>	<u>79,000</u>	<u>78,000</u>
Total Funds Available	\$ 251,179	\$ 323,062	\$ 385,495
Disbursements:			
Insurance	\$ 7,094	\$ 15,544	\$ 37,056
Executive Offices	23	23	23
Total Disbursements	<u>-7,117</u>	<u>-15,567</u>	<u>-37,079</u>
Cash Balance, Ending	\$ <u>244,062</u>	\$ <u>307,495</u>	\$ <u>348,416</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)		
	1995-96 Actual	1996-97 Available	1997-98 Estimated
Cash Balance, Beginning	\$ 0	\$ 0	\$ 0
Receipts:			
Regular Unemployment Compensation Program.....	\$ 1,651,184	\$ 1,680,000	\$ 1,729,000
Federal Receipts in Transit*	14,373	15,000	15,000
Other.....	109,608	111,000	114,000
Total Receipts	<u>1,775,165</u>	<u>1,806,000</u>	<u>1,858,000</u>
Total Funds Available	\$ 1,775,165	\$ 1,806,000	\$ 1,858,000
Disbursements:			
Labor and Industry.....	\$ 1,775,165	\$ 1,806,000	\$ 1,858,000
Total Disbursements	<u>-1,775,165</u>	<u>-1,806,000</u>	<u>-1,858,000</u>
Cash Balance, Ending	\$ 0	\$ 0	\$ 0

* Represents future receipt of funds from the Federal Government for checks issued to individual recipients.

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)		
	1995-96 Actual	1996-97 Available	1997-98 Estimated
Cash Balance, Beginning	\$ 44	\$ 652	\$ 652
Receipts:			
Contributions of Employers and Employees.....	\$ 1,706,262	\$ 1,460,000	\$ 1,439,000
Other.....	431	370	360
Total Receipts	<u>1,706,693</u>	<u>1,460,370</u>	<u>1,439,360</u>
Total Funds Available	\$ 1,706,737	\$ 1,461,022	\$ 1,440,012
Disbursements:			
Labor and Industry.....	\$ 1,706,085	\$ 1,460,370	\$ 1,439,360
Total Disbursements	<u>-1,706,085</u>	<u>-1,460,370</u>	<u>-1,439,360</u>
Cash Balance, Ending	\$ 652	\$ 652	\$ 652

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)		
	1995-96 Actual	1996-97 Available	1997-98 Estimated
Cash Balance, Beginning	\$ 1	\$ 1	\$ 0
Receipts:			
Transfer from General Fund.....	\$ 2,575	\$ 2,577	\$ 2,582
Total Receipts	<u>2,575</u>	<u>2,577</u>	<u>2,582</u>
Total Funds Available	\$ 2,576	\$ 2,578	\$ 2,582
Disbursements:			
Treasury.....	\$ 2,575	\$ 2,578	\$ 2,582
Total Disbursements	<u>-2,575</u>	<u>-2,578</u>	<u>-2,582</u>
Cash Balance, Ending	<u>\$ 1</u>	<u>\$ 0</u>	<u>\$ 0</u>

Vocational Rehabilitation Fund

This fund, administered by the State Board of Vocational Rehabilitation in the Department of Labor and Industry, was created to provide vocational rehabilitation services to any person who has a disability mental or physical which constitutes a handicap to employment or to achievement of 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)		
	1995-96 Actual	1996-97 Available	1997-98 Estimated
Cash Balance, Beginning	\$ 5,572	\$ 6,253	\$ 3,533
Receipts:			
Transfer from General Fund.....	\$ 24,860	\$ 24,458	\$ 24,929
Federal Vocational Rehabilitation Funds.....	96,114	92,145	91,967
Other.....	2,924	4,314	6,510
Total Receipts	<u>123,898</u>	<u>120,917</u>	<u>123,406</u>
Total Funds Available	\$ 129,470	\$ 127,170	\$ 126,939
Disbursements:			
Executive Offices.....	\$ 2,365	\$ 2,720	\$ 3,129
Labor and Industry.....	120,852	120,917	123,406
Total Disbursements	<u>-123,217</u>	<u>-123,637</u>	<u>-126,535</u>
Cash Balance, Ending	<u>\$ 6,253</u>	<u>\$ 3,533</u>	<u>\$ 404</u>

Volunteer Companies Loan Fund

On November 4, 1975, a voter referendum authorized a \$10 million bond issue to be used for acquisition and replacement of volunteer fire, ambulance and rescue company equipment and facilities. A second voter referendum in November 1981 authorized an additional \$15 million to be added to the fund. In November 1990 a third voter referendum was approved which provided an additional \$25 million for the fund, bringing the total amount authorized to \$50 million. Act 208 of 1976 established a revolving loan fund known as the Volunteer Companies Loan Fund; loans provided for under these bond issues are administered by the Pennsylvania Emergency Management Agency. Revenue to the fund in addition to bond proceeds includes loan repayments and interest earnings.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1995-96 Actual	1996-97 Available	1997-98 Estimated
Cash Balance, Beginning	\$ 6,768	\$ 3,947	\$ 3,755
Receipts:			
Loan Principal Repayments.....	\$ 10,156	\$ 10,350	\$ 10,350
Loan Interest.....	1,312	1,376	1,376
Interest on Securities.....	295	200	200
Bond Proceeds.....	0	5,900	3,900
Total Receipts	<u>11,763</u>	<u>17,826</u>	<u>15,826</u>
Total Funds Available.....	\$ 18,531	\$ 21,773	\$ 19,581
Disbursements:			
Treasury.....	\$ 0	\$ 18	\$ 15
Emergency Management Agency.....	14,584	18,000	16,000
Total Disbursements	<u>-14,584</u>	<u>-18,018</u>	<u>-16,015</u>
Cash Balance, Ending	\$ 3,947	\$ 3,755	\$ 3,566

Volunteer Companies Loan Sinking

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)		
	1995-96 Actual	1996-97 Available	1997-98 Estimated
Cash Balance, Beginning	\$ 1	\$ 1	\$ 0
Receipts:			
Transfer from General Fund.....	\$ 3,402	\$ 3,328	\$ 3,003
Total Receipts	<u>3,402</u>	<u>3,328</u>	<u>3,003</u>
Total Funds Available	\$ 3,403	\$ 3,329	\$ 3,003
Disbursements:			
Treasury.....	\$ 3,402	\$ 3,329	\$ 3,003
Total Disbursements	<u>-3,402</u>	<u>-3,329</u>	<u>-3,003</u>
Cash Balance, Ending	\$ 1	\$ 0	\$ 0

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)

	1995-96 Actual	1996-97 Available	1997-98 Estimated
Cash Balance, Beginning	\$ 0	\$ 0	\$ 0
Receipts:			
Sale of Bonds	\$ 19,785	\$ 14,000	\$ 1,500
Total Receipts	19,785	14,000	1,500
Total Funds Available	\$ 19,785	\$ 14,000	\$ 1,500
Disbursements:			
Infrastructure Investment Authority	\$ 19,785	\$ 14,000	\$ 1,500
Total Disbursements	-19,785	-14,000	-1,500
Cash Balance, Ending	\$ 0	\$ 0	\$ 0

Water Facilities Loan Redemption Fund

Payment of interest and principal due on outstanding water facilities loan bonds is made from this fund. 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)

	1995-96 Actual	1996-97 Available	1997-98 Estimated
Cash Balance, Beginning	\$ 0	\$ 26	\$ 0
Receipts:			
Transfer from General Fund	\$ 16,467	\$ 14,549	\$ 15,399
Interest on Securities	27	30	30
Accrued Interest on Bonds Sold	72	0	0
Total Receipts	16,566	14,579	15,429
Total Funds Available	\$ 16,566	\$ 14,605	\$ 15,429
Disbursements:			
Treasury	\$ 16,540	\$ 14,605	\$ 15,429
Total Disbursements	-16,540	-14,605	-15,429
Cash Balance, Ending	\$ 26	\$ 0	\$ 0

Wild Resources Conservation Fund

This fund was created by Act 170 of 1982. Revenue is derived primarily from tax rebate check-offs and voluntary contributions. The fund collects information relating to population, distribution, habitat needs, limiting factors and other biological and ecological data to classify plants and to determine necessary management measures. These management measures include promotion of a Statewide system of private wild plant sanctuaries, permitting of removal, collection or transplanting of endangered or threatened plant species, and regulation of the digging, harvesting, sale and exploitation of designated species.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Estimated
Cash Balance, Beginning	\$ 3,366	\$ 2,880	\$ 1,640
Receipts:			
Tax Check-Offs.....	\$ 299	\$ 0	\$ 0
Interest on Securities.....	190	190	190
Voluntary Donations.....	8	300	300
License Plate Sales.....	299	250	250
Other.....	30	13	13
Total Receipts	826	753	753
Total Funds Available	\$ 4,192	\$ 3,633	\$ 2,393
Disbursements:			
Executive Offices.....	\$ 12	\$ 0	\$ 0
Conservation and Natural Resources.....	1,300	1,993	1,997
Total Disbursements	1,312	1,993	1,997
Cash Balance, Ending	\$ 2,880	\$ 1,640	\$ 396

Workmen's Compensation Administration Fund

This fund was created by Act 2 of 1976 to finance the expenses of the Department of Labor and Industry in administering the Pennsylvania Workers' Compensation Act and the Pennsylvania Occupational Disease Act. Act 44 of 1993 and Act 57 of 1996 amended the Workers' Compensation Act, expanding the administrative responsibilities of the department. The fund is supported by annual assessments on insurers and self-insurers under the act. These administrative funds are approved by the Legislature for expenditure through the appropriation process.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1995-96 Actual	1996-97 Available	1997-98 Estimated
Cash Balance, Beginning	\$ 34,476	\$ 46,334	\$ 43,254
Receipts:			
Assessments.....	\$ 42,577	\$ 42,688	\$ 53,264
Other.....	5,210	5,000	5,000
Total Receipts	47,787	47,688	58,264
Total Funds Available	\$ 82,263	\$ 94,022	\$ 101,518
Disbursements:			
Executive Offices.....	\$ 1,364	\$ 2,000	\$ 2,300
Community and Economic Development.....	99	180	192
Labor and Industry.....	34,466	48,588	52,941
Total Disbursements	-35,929	-50,768	-55,433
Cash Balance, Ending	\$ 46,334	\$ 43,254	\$ 46,085

Workmen's Compensation Security Fund

The purpose of this fund is payment of valid claims for compensation provided by the Workers' Compensation Act to individuals who are insured by an insolvent stock company. Expenses for administration of the fund are also covered.

Act 70 of 1990 authorized the Catastrophic Loss Benefits Continuation Fund to borrow funds from the Workers' Compensation Security Fund.

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, 1996, the indemnity reserves were \$473.8 million and the medical reserves were \$135.9 million. The June 30, 1996 fund balance less reserves was negative \$272.3 million, while five percent of the outstanding workmen's compensation carrier reserves were \$395.9 million. A one percent assessment was made for 1995-96 and a one percent assessment will be made again in 1996-97.

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)		
	1995-96 Actual	1996-97 Available	1997-98 Estimated
Cash Balance, Beginning	\$ 390,664	\$ 421,183	\$ 462,322
Receipts:			
Premium Contributions	\$ 35,657	\$ 35,657	\$ 35,657
Interest on Securities	21,351	27,788	27,788
Loan Repayment	0	0	13,454
Total Receipts	57,008	63,445	76,899
Net Investment Adjustment.....	2,255	6,438	6,438
Total Funds Available	\$ 449,927	\$ 491,066	\$ 545,659
Disbursements:			
Insurance	\$ 28,744	\$ 28,744	\$ 28,744
Loan to Catastrophic Loss Benefits Continuation Fund.....	0	0	52,541
Total Disbursements	-28,744	-28,744	-81,285
Cash Balance, Ending	\$ 421,183	\$ 462,322	\$ 464,374

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)		
	1995-96 Actual	1996-97 Available	1997-98 Estimated
Cash Balance, Beginning	\$ 9	\$ 3	\$ 3
Receipts:			
Assessments.....	\$ 34,112	\$ 25,000	\$ 30,000
Other.....	514	375	400
Total Receipts	<u>34,626</u>	<u>25,375</u>	<u>30,400</u>
Total Funds Available	<u>\$ 34,635</u>	<u>\$ 25,378</u>	<u>\$ 30,403</u>
Disbursements:			
Labor and Industry.....	\$ 34,632	\$ 25,375	\$ 30,400
Total Disbursements	<u>-34,632</u>	<u>-25,375</u>	<u>-30,400</u>
Cash Balance, Ending	<u>\$ 3</u>	<u>\$ 3</u>	<u>\$ 3</u>



Governor's Executive Budget

COMPLEMENT



COMMONWEALTH OF PENNSYLVANIA

COMPLEMENT

This section provides a summary by department of salaried complement on a full-time equivalent (FTE) basis for the actual, available and budget years. It also provides a brief description by agency and appropriation of the changes recommended in the budget.

GOVERNOR'S EXECUTIVE BUDGET

SALARIED COMPLEMENT BY AGENCY (FULL-TIME EQUIVALENT (FTE))

The following is a summary, by department, of the 1995-96 actual, 1996-97 available and 1997-98 recommended salaried complement levels on a full-time equivalent (FTE) basis.

<u>Department</u>	<u>1995-96 Actual</u>	<u>1996-97 Available</u>	<u>1997-98 Budget</u>	<u>Difference Budget vs. Available</u>
Governor's Office	91	91	91	
Executive Offices	2,212	2,218	2,191	-27
Lieutenant Governor's Office	17	17	16	-1
Aging	102	105	105	
Agriculture	624	626	626	
Banking	150	120	120	
Civil Service Commission	181	181	181	
Community and Economic Development	424	303	303	
Conservation and Natural Resources	1,275	1,304	1,304	
Corrections	11,788	12,178	13,442	1,264
Education	1,289	1,086	807	-279
Emergency Management Agency	129	129	129	
Environmental Hearing Board	22	22	22	
Environmental Protection	3,187	3,169	3,097	-72
Fish & Boat Commission	446	438	438	
Game Commission	731	731	731	
General Services	1,314	1,316	1,310	-6
Health	1,409	1,395	1,340	-55
Historical and Museum Commission	323	322	330	8
Infrastructure Investment Authority	22	22	22	
Insurance	298	294	289	-5
Labor and Industry	6,635	6,449	6,449	
Liquor Control Board	2,979	2,969	2,969	
Military and Veterans Affairs	1,580	1,805	1,997	192
Milk Marketing Board	36	36	36	
Municipal Employees' Retirement	22	22	22	
Probation and Parole Board	875	900	908	8
Public Television Network	20	20	20	
Public Utility Commission	565	560	542	-18
Public Welfare	26,744	25,625	23,719	-1,906
Revenue	2,312	2,317	2,272	-45
School Employees' Retirement System	289	289	289	
Securities Commission	69	71	72	1
State	376	385	387	2
State Employees' Retirement System	190	190	190	
State Police	5,396	5,403	5,483	80
Tax Equalization Board	29	22	22	
Transportation	12,505	12,405	12,479	74
TOTAL ALL DEPARTMENTS	86,656	85,535	84,750	-785

* Includes Department of Community Affairs which was merged with the Department of Commerce to create the Department of Community and Economic Development.

Summary of 1997-98 Complement Changes

The following is a detailed listing, by department, of the recommended salaried complement changes (on a full-time equivalent basis) for 1997-98. It reflects proposed eliminations, new positions and transfers between appropriations and agencies.

<i>Department / Fund / Appropriation</i>	<i>Increase/ Decrease OB Recomm.</i>	<i>Comment on OB Recommendations</i>
EXECUTIVE OFFICES		
<i>General Fund:</i>		
Commission for Women	1	NEW: to strengthen research capability (1).
Commission on Crime & Delinquency	2	NEW: PRR-Expansion of Research and Analytical Capabilities (2).
Office of the Budget	-30	ELIMINATED: reduced funding (-30).
DEPARTMENT TOTAL	-27	
LIEUTENANT GOVERNOR'S OFFICE		
<i>General Fund:</i>		
Lt. Governor's Office	-1	ELIMINATED: reduced funding (-1).
AGRICULTURE		
<i>General Fund:</i>		
Agricultural Conservation Easement Administration	1	Transferred: from General Government Operations (1).
General Government Operations	-2	Transferred: to Agricultural Conservation Easement Administration (-1); to Plant Pest Management. (-1).
Plant Pest Management	1	Transferred: from General Government Operations (1).
DEPARTMENT TOTAL	0	
CORRECTIONS		
<i>General Fund:</i>		
State Correctional Institutions	1,250	NEW: SCI Chester (448), SCI Laurel Highlands (260), ten new cell blocks at various institutions (220), SCI Retreat (19), restricted housing unit at Frackville (9), mental health unit at Camp Hill (12). SCI Muncy special needs unit (10). NEW: (for education programs): SCI Laurel Highlands (6), SCI Waymart (4), and SCI Chester (6). Transferred: Corrections Education program from Department of Education (256).
General Fund Total	1,250	
<i>Federal Funds:</i>		
Correctional Education (F)	14	Transferred: from Department of Education (14).
DEPARTMENT TOTAL	1,264	

Summary of 1997-98 Complement Changes

<i>Department / Fund / Appropriation</i>	<i>Increase/ Decrease OB Recomm.</i>	<i>Comment on OB Recommendations</i>
EDUCATION		
<i>General Fund:</i>		
Correctional Institutions - Educ.	-256	Transferred: to Department of Corrections (-256).
Scranton State School for the Deaf	-4	ELIMINATED: Complement attrition (-4).
General Government Operations	-4	ELIMINATED: Complement attrition (-4).
State Library	-1	ELIMINATED: Library services (-1).
General Fund Total	<u>-265</u>	
<i>Federal Funds:</i>		
Correctional Education (F)	-14	Transferred: to Department of Corrections (-14).
DEPARTMENT TOTAL	<u><u>-279</u></u>	
ENVIRONMENTAL PROTECTION		
<i>General Fund:</i>		
Environmental Protection Operations	-37	ELIMINATED: Complement attrition (-37).
Environmental Program Management	-17	ELIMINATED: Complement attrition (-17).
General Government Operations	-16	ELIMINATED: Complement attrition (-11), Erie Lab closure (-6). NEW: 21st Century Environmental Commission (1).
General Fund Total	<u>-70</u>	
<i>Regional Facility Siting Fund:</i>		
General Operations	-2	ELIMINATED: funding no longer available (-2)
DEPARTMENT TOTAL	<u><u>-72</u></u>	
GENERAL SERVICES		
<i>General Fund:</i>		
General Government Operations	-6	ELIMINATED: Commodity testing laboratory (-6).
HEALTH		
<i>General Fund:</i>		
AIDS Program	-10	Transferred: to General Government Operations (-10).
Quality Assurance	-18	ELIMINATED: vacancies in Nursing Care Facilities (-2) and Intermediate Care Facilities (-2), PRR-Streamling Quality Assurance Facility Licensure (-14).
Vital Statistics	-8	ELIMINATED: by automated birth certificate registry (-8).
State Laboratory	-4	ELIMINATED: vacancies in Chemical and Toxicology (-1), Laboratory Improvement(-2), and Bureau of Labs (-1).
State Health Care Centers	-21	ELIMINATED: vacancies (-2) and implementing privatization pilot project (-19).
Primary Health Care Practitioners	-7	Transferred: to General Government Operations (-7).
Renal Dialysis Management	-6	Transferred: to General Government Operations (-6).
Cancer Programs	-17	Transferred: to General Government Operations (-17).
General Government Operations	39	Transferred: from AIDS Programs (10); from Primary Health Care Practitioner (7); from Renal Dialysis Management (6); from Cancer Programs (17). ELIMINATED: PRR - Elimination of Three Mile Island Research (-1).
General Fund Total	<u>-52</u>	

Summary of 1997-98 Complement Changes

<i>Department / Fund / Appropriation</i>	<i>Increase/ Decrease OB Recomm.</i>	<i>Comment on OB Recommendations</i>
<i>Federal Funds:</i>		
AIDS Health Education (F)	-29	Transferred: to AIDS Health Education Administration and Operation (-29).
PHHSBG - Block Program Services (F)	-6	Transferred: to PHHSBG Administration and Operation (-6).
HIV Care (F)	-1	Transferred: to HIV Care Administration and Operation (-1).
Disease Control Immunization (F)	-1	Transferred: to VD Survey & Follow Up (-1).
VD Survey and Follow-up (F)	1	Transferred: from Disease Control Immunization (1).
Categorical Grant Administration (F)	-16	ELIMINATED: vacancies in Maternal and Child Health/ Lead Program (-1). Transferred: to Lead Administration and Operation (-6); to TB Administration and Operation (-9).
Tuberculosis - Administration and Operation (F)	9	Transferred: from Categorical Grant Administration (9).
Lead Abatement - Administration and Operation (F)	6	Transferred: from Categorical Grant Administration (6).
PHHSBG-Administration and Operation (F)	5	Transferred: from PHHSBG Program Services (6). ELIMINATED: PRR - Elimination of Three Mile Island Research (-1).
WIC Administration and Operation (F)	-1	ELIMINATED: vacancies (-1).
Breast and Cervical Cancer Program (F)	-10	Transferred: to Breast and Cervical Cancer Administration and Operation (-10).
Breast and Cervical Cancer Administration and Operation (F)	10	Transferred: from Breast and Cervical Cancer Program (10).
HIV Care Administration and Operation (F)	1	Transferred: from HIV Care (1).
AIDS Health Education Administration and Operation (F)	29	Transferred: from AIDS Health Education (29).
Federal Funds Total	<u>-3</u>	
DEPARTMENT TOTAL	<u><u>-55</u></u>	
HISTORICAL AND MUSEUM COMMISSION		
<i>General Fund:</i>		
General Government Operations	<u>9</u>	NEW: PRR-General Operating Support for Museums (9).
<i>Federal Funds:</i>		
Historical Preservation (F)	<u>-1</u>	ELIMINATED: reduced funding (-1).
DEPARTMENT TOTAL	<u><u>8</u></u>	
INSURANCE		
<i>General Fund:</i>		
General Government Operations	<u><u>-5</u></u>	ELIMINATED: result of streamlining programs (-5).
MILITARY & VETERANS AFFAIRS		
<i>General Fund:</i>		
Scotland School for Veterans Children	-15	ELIMINATED: to streamline program (-15).
Southwestern Veterans Home	163	NEW: to continue opening of new veterans home (163).
General Fund Total	<u><u>148</u></u>	

Summary of 1997-98 Complement Changes

<i>Department / Fund / Appropriation</i>	<i>Increase/ Decrease OB Recomm.</i>	<i>Comment on OB Recommendations</i>
<i>Federal Funds:</i>		
Employee Support (F)	5	NEW: facilities construction and maintenance (5).
Base Realignment (F)	39	NEW: for transfer of Fort Indiantown Gap from Federal to State control (39).
Federal Funds Total	<u>44</u>	
DEPARTMENT TOTAL	<u>192</u>	
 PROBATION AND PAROLE		
<i>General Fund:</i>		
General Government Operations	6	NEW: PRR - to expand Board from five to nine members and provide support (6).
Drug Offenders Work Unit	2	NEW: inmate work detail supervision (2).
DEPARTMENT TOTAL	<u>8</u>	
 PUBLIC UTILITY COMMISSION		
<i>General Fund:</i>		
General Government Operations	<u>-18</u>	ELIMINATED: includes reduction in transportation program due to change in Federal law (-18).
 PUBLIC WELFARE		
<i>General Fund:</i>		
State Mental Hospitals	-1,345	ELIMINATED: 1997-98 Rebudget authorized will be 7,093. Anticipated 6/30/98 level will be 6,455 for total reduction of 1,345 at mental hospitals.
State Centers for Mentally Retarded	<u>-561</u>	ELIMINATED: 1997-98 Rebudget authorized will be 5,975. Anticipated 6/30/98 level will be 5,499 for total reduction of 561.
DEPARTMENT TOTAL	<u>-1,906</u>	
 REVENUE		
<i>General Fund:</i>		
General Government Operations	<u>-45</u>	ELIMINATED: reductions in administrative and tax processing programs due to increased computerization (-45).
 SECURITIES COMMISSION		
<i>General Fund:</i>		
General Government Operations	<u>1</u>	NEW: to investigate and prosecute illegal Internet securities offerings (1).
 STATE		
<i>General Fund:</i>		
General Government Operations	<u>2</u>	New: Charities Program auditors (2).

Summary of 1997-98 Complement Changes

<i>Department / Fund / Appropriation</i>	<i>Increase/ Decrease OB Recomm.</i>	<i>Comment on OB Recommendations</i>
STATE POLICE		
<i>General Fund:</i>		
General Government Operations	<u>80</u>	NEW: Managers for upgraded Criminal Law Enforcement Assistance Network (5), Firearms Ownership (17), DNA Database (8) and civilian positions to permit reassignment of State Police to criminal justice activities (50).
TRANSPORTATION		
<i>General Fund:</i>		
Welcome Centers	<u>-1</u>	ELIMINATED: Supervisors positions combined (-1).
<i>Motor License Fund:</i>		
Safety Administration and Licensing	<u>75</u>	NEW: 75 positions to assume auto inspection program from State Police and permit the reassignment of 75 State Police to criminal justice activities.
DEPARTMENT TOTAL	<u>74</u>	
GRAND TOTAL	<u><u>-785</u></u>	

