

2007-08

# Governor's Report on State Performance

Edward G. Rendell  
Governor





COMMONWEALTH OF PENNSYLVANIA  
OFFICE OF THE GOVERNOR  
HARRISBURG

December 2008

To the People of Pennsylvania:

In these times of economic hardship, Pennsylvania's citizens want and deserve assurances that we are making the best use of the taxes they pay to keep government operating. They want to know that their investment in the commonwealth is being spent wisely and well.

The 2007-08 Governor's Report on State Performance provides answers. This report – the second of its kind from my administration – details the accomplishments of 34 agencies in the 2007-08 fiscal year. The report helps communicate the real impact of government on people's lives by describing – without bureaucratic language – the work of those who oversee vital services in education, economic and community development, health and human services, the environment, public safety, consumer protection and managing state government.

This report, however, is much more than a mere list of accomplishments. We asked agencies to explain not only what they did last year, but also how they continue to improve their service to the commonwealth's citizens and what new goals they have set.

As Governor I have focused on making government operate more effectively. By developing new business practices and fostering innovation and efficiency, my administration achieved \$1.5 billion in annual recurring cost savings by the end of 2007-08.

One key component of my drive to improve government has been to measure and manage performance so we can continuously assess our progress and make any adjustments necessary to reach our goals. This approach helps ensure that scarce state resources are used most effectively to serve our citizens.

These ongoing assessments, and the many other accomplishments described in this report, are made possible by the dedicated efforts of our commonwealth's workforce. They play a major role in making Pennsylvania a better place to live, work and do business.

Like the members of our workforce, I chose a career in public service because I believe that the job of government is to improve people's lives. And the better our government runs, the more lives we will be able to improve.

Sincerely,

Edward G. Rendell





Commonwealth of Pennsylvania

# Governor's Report on State Performance Fiscal Year 2007-08 (July 1, 2007 - June 30, 2008)

Edward G. Rendell  
Governor

***To request a copy of the Governor's Report on State Performance 2007-08 or provide comments,  
please e-mail the Governor's Budget Office, at [GBOpublications@state.pa.us](mailto:GBOpublications@state.pa.us).  
Please visit us online for information on the Governor's Executive Budget at [www.budget.state.pa.us](http://www.budget.state.pa.us).***



[www.pa.gov](http://www.pa.gov)

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*\* Many agencies contribute to more than one goal category, but in this report we listed each agency under its primary goal category defined by the agency’s mission statement.*

- *The **Department of Military and Veterans Affairs**, which supports both Public Safety (by overseeing the National Guard) and Health and Human Services (by administering veterans programs), is included in the **Public Safety** goal category.*
- *The **Pennsylvania Insurance Department**, which supports both Consumer Protection (by regulating insurance companies) and Health and Human Services (by administering health insurance programs), is included in the **Consumer Protection** goal category.*
- *The **Public Utility Commission**, which supports both Consumer Protection (through utility rate protection) and Economic Development (by overseeing viable utilities), is included in the **Consumer Protection** goal category.*
- *The **Department of Agriculture**, which supports Economic Development (by promoting the agricultural industry), Consumer Protection (by administering food and animal safety programs) and Environment (by monitoring conservation practices), is included in the **Economic Development** goal category.*

**PA Why This Report Was Prepared**

- To offer the citizens of Pennsylvania a better understanding of the major services provided to the public by the commonwealth from July 1, 2007 to June 30, 2008.
- To increase state government’s accountability to those who live and work in Pennsylvania.
- To document data, trends and accomplishments of state government’s efforts to deliver quality services to the citizens of Pennsylvania.

Ultimately, the information contained in this report is intended to answer the question:

- *Has the quality of life for the citizens and the overall health of the commonwealth improved as a result of the services and programs provided and funded with tax dollars?*

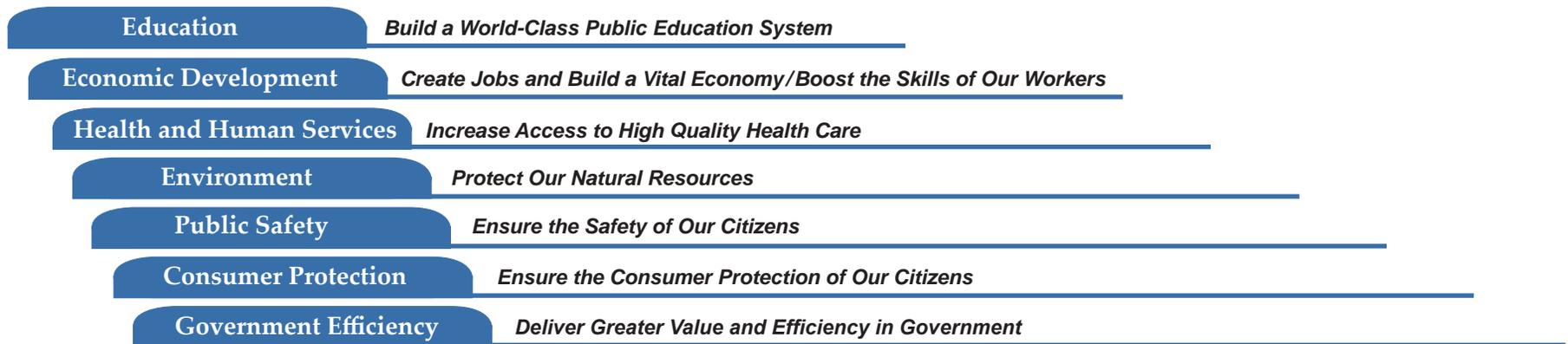
**PA How This Report Is Structured**

*Executive Summary:*

The executive summary of this report includes a brief summary of agency high-level goals and accomplishments under each of the administration’s goal categories and an overview of the state budget for 2007-08.

*Administration Goals:*

Following the executive summary, each of the administration goal categories is separated by the following tabs:



*State of the State:*

Following each administration goal category are selected facts about Pennsylvania which describe past and present characteristics and, in some cases, how we rank with other states or nationally.

## Agency Narratives:

### Agency Overview:

- **Mission Statement:** Describes what the agency does and why.
- **Overview of Programs and Services:** Provides a summary of key programs and services.
- **Fiscal Year 2007-08 Complement Level and Total Budget:** Provides authorized staffing levels and budget totals (federal, state and other funds).
- **High-Level Goals:** Describes the agency’s long-term focus.

**Key Objectives, Strategies and Accomplishments in 2007-08:** Describes what an agency is focused on achieving now and why it is important. Explains agency strategies, activities or programs for achieving short-term objectives that support long-term goals, and describes what the agency accomplished in 2007-08.

This report includes information from nearly all of the agencies under the Governor’s jurisdiction, as well as many independent agencies such as the Public Utility Commission and the Board of Probation and Parole. Last year’s report contained information on 25 agencies; this report includes 34 agencies.

Many agencies contribute to more than one goal category, but in this report we have listed each agency under its primary goal category defined by the agency’s mission statement. However, four agencies have mission statements that support more than one goal category:

- The **Department of Military and Veterans Affairs**, which supports both Public Safety (by overseeing the National Guard) and Health and Human Services (by administering veterans programs), is included in the **Public Safety** goal category.
- The **Pennsylvania Insurance Department**, which supports both Consumer Protection (by regulating insurance companies) and Health and Human Services (by administering health insurance programs), is included in the **Consumer Protection** goal category.
- The **Public Utility Commission**, which supports both Consumer Protection (through utility rate protection) and Economic Development (by overseeing viable utilities), is included in the **Consumer Protection** goal category.
- The **Department of Agriculture**, which supports Economic Development (by promoting the agricultural industry), Consumer Protection (by administering food and animal safety programs) and Environment (by monitoring conservation practices), is included in the **Economic Development** goal category.

## How This Report Was Prepared

The Governor’s Budget Office worked collaboratively with state agencies to collect and compile information into a consistent and informative report. Each agency validated the reported data for accuracy. The information presented in the “State of the State” sections at the beginning of each administration goal category was collected from a variety of published and unpublished data sources.

## EXECUTIVE SUMMARY

This report offers Pennsylvania's citizens information on key objectives, strategies and accomplishments of 34 agencies from July 2007 through June 2008. This report is organized by the following goal categories of Governor Rendell's administration:

- **Education:** Build a World-Class Public Education System
- **Economic Development:** Create Jobs and Build a Vital Economy/Boost the Skills of Our Workers
- **Health and Human Services:** Increase Access to High Quality Health Care
- **Environment:** Protect Our Natural Resources
- **Public Safety:** Ensure the Safety Our Citizens
- **Consumer Protection:** Ensure the Consumer Protection of Our Citizens
- **Government Efficiency:** Deliver Greater Value and Efficiency in Government

Summarized below each administration goal category are agencies' long-term goals with key examples of accomplishments achieved through the implementation of programs and services throughout the commonwealth. More specific information is provided in the agency narratives throughout the document.

This report also includes a State of the State section within each administration goal category which provides interesting facts and data pertaining to that goal category.

*Pennsylvania is within a 500-mile radius of six of the ten major U.S. market areas including Philadelphia, Baltimore, New York, Boston, Chicago and Detroit, which means businesses in Pennsylvania have access to:*

- *40 percent of the U.S. population (and its purchasing power)*
- *More than 60 percent of Canada's population*
- *45 percent of U.S. manufacturers*
- *41 percent of the country's domestic trade and service industries.*

## Education: Build a World-Class Public Education System

This goal describes the commitment to provide all students with an education that prepares them for careers in the high-skills economy, fund proven educational practices to boost student achievement, ensure that students receive necessary support to succeed and establish an adequate long-term school funding system.

### WHAT ARE WE ACCOMPLISHING?

- Developing model curricula in each academic area for grades K to 12.
- Developing diagnostic tools to help teachers determine each student's strengths, weaknesses, knowledge and skills.
- Providing professional development opportunities for teachers.
- Increasing spending in under-funded schools so all students have the resources to meet the academic standard for their grade level.
- Improving access to early learning programs and post secondary education.
- Providing support services for undergraduate students whose cultural, economic and education disadvantages might prevent them from attending and completing college.
- Preparing students for the occupations in greatest demand in the workforce.

### KEY EXAMPLES:

-  The percent of students performing at grade level in grades 5, 8 and 11 (those tested the longest) has grown from 55 percent to 71 percent since 2002. (Page 5)
-  The Department of Education completed model curricular frameworks aligned to Pennsylvania standards in English, including reading, writing, speaking and listening; mathematics; science and civics that are available on the Internet for schools and teachers to use as a guide to enhance their lessons. (Page 8)
-  In 2007-08, 1,019 students received \$2,875,250 from the SciTech Scholarship program and 1,833 students received \$1,716,146 from the Technology Scholarship program. The recipients agree to work in Pennsylvania after graduation for one year for each year of scholarship aid received. (Page 22)
-  Pennsylvania Pre-K Counts, established in 2007-08, delivers quality half-day and full-day pre-kindergarten to 11,000 three- and four-year-olds in more than 800 classrooms across the commonwealth. Nearly 70 percent of the children finished the school year with age-appropriate skills and behaviors and 24 percent had emerging age-appropriate skills and behaviors. (Page 25)

## Economic Development: Create Jobs and Build a Vital Economy/Boost the Skills of Our Workers

This goal describes the commitment to stimulate economic investment, growth and expanded employment opportunities; develop innovative public/private partnerships; support the development and training of workers; provide adequate housing for those in need; and improve the transportation system to facilitate the safe and efficient movement of people and goods.

### WHAT ARE WE ACCOMPLISHING?

- Positioning the commonwealth to compete aggressively with its competitor states and nations.
- Providing a business climate that encourages the creation, expansion and retention of businesses and jobs.
- Coordinating land use and transportation to support sustainable and livable communities.
- Stimulating economic growth and supporting the growth of a diversified economy, including leveraging private dollars.
- Providing safe and affordable homes and apartments for older adults, persons of modest means and those with special housing needs.
- Reducing the number of homes in foreclosure.
- Developing a more highly skilled and educated workforce and creating safer working environments.
- Increasing the employment and independence of persons with disabilities.
- Providing a well maintained, safe and secure transportation system.

### KEY EXAMPLES:



The increase in new businesses from 2001 to 2006 was 135.7 percent for Pennsylvania, compared to a national average of 27.5 percent. (Page 47).



More than 10,000 foreclosures avoided in 2007-08 through the disbursement of more than \$21 million in loans to help homeowners with their mortgage payments. (Page 52)



In 2007, 221,000 unemployed Pennsylvanians received comprehensive skills assessment, counseling, case management or other intensive services. More than 63 percent entered employment after completing training. (Pages 57-58)



In 2007-08, 645 structurally deficient bridges were repaired/reconstructed. (Page 67).



In 2007-08, 125 farms formed “Dairy Profit Teams” focused on higher production, better herd health and greater profits. These farms averaged 25 percent higher milk production and increased the added annual income per cow to almost \$250. (Page 76)

## Health and Human Services: Increase Access to High Quality Health Care

This goal describes the commitment to increase access to affordable quality health care; provide eligible families and senior citizens the medical care necessary to be self-sufficient and to live healthy and independent lives; ensure that eligible veterans are receiving the appropriate assistance and provide opportunities for the most vulnerable citizens to participate in society.

### WHAT ARE WE ACCOMPLISHING?

- Improving the health of citizens by ensuring that patients have a care plan that includes routine preventative screenings.
- Mitigating the impact of rising health care costs and federal budget cuts to ensure services for those in need.
- Supporting individuals with developmental disabilities and their families, including persons with autism, to more fully participate in their communities.
- Improving the health, well-being and safety of all children.
- Increasing the number of home and community-based programs enabling citizens to choose where they receive long term care.

### KEY EXAMPLES:

-  Pennsylvania is ranked as the overall best large state (more than one million individuals enrolled) by the U.S. Department of Agriculture based on having the smallest number of cases involving errors for Food Stamp eligibility. The Department of Public Welfare has been able to maintain this ranking while managing an 11 percent reduction in County Assistance Office staff. (Page 88)
-  As a result of shifting resources from facility-based programs to programs that support people living healthy, safe and productive lives outside of institutions, the number of people receiving mental retardation services in the community increased from 41,341 in 2005-06 to 47,174 in 2007-08. (Page 89)
-  In 2007-08, 26 out of 27 clinics that received funding to provide health care services in under served areas are still providing health care services three years after the funding assistance ended. In 2007-08, these clinics had more than 55,000 patient visits. (Page 94)
-  In 2007-08, more than 9,000 seniors enrolled in a program designed to help reduce the risk of falls which is the leading cause of injury in older adults. (Page 100)
-  From 2002-03 to 2007-08, the number of older Pennsylvanians and persons living with disabilities receiving care in their home or the community grew by nearly 90 percent, from 17,487 to 37,712. (Page 104)
-  In 2007-08, the veterans homes received a 92 percent score on a satisfaction survey, compared to the 82 percent commercial national average. (Page 172)
-  The Children's Health Insurance Program (CHIP) enrollment increased from an average of more than 138,000 in 2005-06 to more than 174,000 in 2007-08 and the average enrollment for adultBasic® was almost 50,000 with an average monthly waiting list of more than 96,000 eligible adults. (Page 190-191)

## Environment: Protect our Natural Resources

This goal category describes the commitment to have cleaner air and waterways; support the development of alternative energy sources; preserve and expand open spaces, recreational and cultural amenities; and protect our food supply and the environment.

### WHAT ARE WE ACCOMPLISHING?

- Eliminating or preventing unhealthy levels of pollution in the air, water and land.
- Improving the safety of mines and dams.
- Increasing the development of alternative energy sources in Pennsylvania.
- Providing access to affordable potable drinking water, waste water and stormwater facilities.
- Improving stewardship and management of state parks and forests and promoting statewide land conservation.
- Creating outdoor connections for citizens and visitors.
- Improving boating and fishing access and opportunities.

### KEY EXAMPLES:



Pennsylvania leads the nation in acres of farmland preserved. As of August 2008, the Department of Agriculture has preserved more than 400,000 acres. (Page 77)



Since 2005, over \$16 million of Growing Greener II funds have been invested to improve water quality by improving conservation practices on certain croplands and pasture lands within 180 feet of a stream. (Page 114)



In 2007-08, 72 percent of high-hazard dams had an approved Emergency Action Plan in place, which exceeds the national average of 54 percent for compliance. (Page 116)



Increased opportunities for Pennsylvanians to connect with the outdoors by expanding the number of Get Outdoors PA programs from more than 700 in 2005-06 to more than 1,700 in 2007-08. (Page 127)



Provided more than \$1.7 million to local government to design, engineer, develop and rehabilitate public boat-launch facilities in the commonwealth. This supported the more than 1.5 million people who fish and the estimated 2.5 million people who boat in Pennsylvania each year, generating an estimated annual economic benefit of nearly \$3.4 billion. (Page 130)

## Public Safety: Ensure the Safety of Our Citizens

This goal describes the commitment to protect the lives and property of individuals and organizations from natural and man-made disasters and criminal activity and provide protection to our citizens from illegal and unfair actions.

### WHAT ARE WE ACCOMPLISHING?

- Reducing the recidivism rate for parolees released from state prisons.
- Making Pennsylvania's highways and communities safer.
- Improving criminal justice and juvenile justice systems to enhance public safety.
- Preventing, protecting against, responding to and recovering from any all-hazard event.
- Maintaining a strong Army and Air National Guard.

### KEY EXAMPLES:

-  In 2007, through Operation Seatbelt and Fatigue Enforcement (SAFE), the State Police inspected the licenses of 7,893 commercial drivers as well as their medical certificates, duty records, hours of service, driver vehicle inspection reports and seat belt usage. This resulted in 4,867 traffic citations, 5,987 written warnings, and 505 commercial drivers and 782 vehicles being taken out of service. (Page 138)
-  In December 2007, there were 11,315 inmates enrolled in academic programs and 3,756 enrolled in vocational programs. Research has shown that these programs help reduce the return to crime by approximately 15 percent. (Page 148)
-  In the past two years, the number of parolees returned to prison as technical parole violators has decreased from 317 per month to 237. (Page 153)
-  Fifty-seven counties received support from the Pennsylvania Commission on Crime and Delinquency to develop intermediate punishment programs for non-violent offenders, such as house arrest, community service, work release and day reporting. For the first half of 2007-08, 83 percent of the offenders successfully completed the intermediate punishment program. (Page 155)
-  The percentage of juvenile offenders employed or engaged in an educational or vocational activity increased from 74.5 percent in 2005 to 83.1 percent in 2007. (Page 162)
-  In 2007-08, PEMA provided more than \$37 million to local and state government entities to complete 2,996 projects for the repair and replacement of infrastructure damaged during a disaster including roads, bridges, water treatment and sanitary sewer systems. (Page 163)
-  Over 17,000 members of the Pennsylvania National Guard have deployed since September 11, 2001 to serve in Operation Iraqi Freedom and Operation Enduring Freedom. Over 6,000 guardsmen and women will deploy in support of these operations over the next three years. (Page 174)

## Consumer Protection: Ensure the Consumer Protection of Our Citizens

This goal describes the commitment to protect the lives and property of individuals and organizations from natural and man-made disasters and criminal activity and provide protection to our citizens from illegal and unfair actions.

- Providing nutritious food commodities to support children and adults who are at risk of hunger.
- Ensuring the safety and soundness of depository institutions and insurance companies.
- Ensuring only qualified professionals are working in the commonwealth.
- Ensuring safe food and agricultural products and preventing livestock, poultry and plant diseases.

### KEY EXAMPLES:



Provided support for free and reduced-cost meals for nearly one-million school children, provided support for emergency feeding programs for 2.9 million people, and supplied 17,541 at-risk seniors, mothers and children with food boxes. (Page 74)



The Department of Agriculture ensured the safety of food grown and consumed in Pennsylvania by inspecting eating and drinking establishments, food wholesalers, food processors, food manufacturers, frozen deserts operations, retail stores, school cafeterias, camps and summer food sites, eggs, fruits and vegetables, dairies, seafood and shellfish. In 2007-08, the department conducted more than 46,000 eating and drinking establishment inspections. (Page 78)



In 2007-08, 2,041 “non-depository” entities were examined resulting in 4,135 violations, 487 fines totaling nearly \$715,000, the suspension or revocation of 47 licenses and more than \$152,000 refunded to consumers through the supervision and enforcement process. An additional \$1,152,959 was refunded to consumers who called 1-800-PA-BANKS for assistance. (Pages 182-183)



The newly redesigned voter information Web site, VotesPA.com, was ranked by the Pew Center for the States as fourth out of 50 states and the District of Columbia for its ease of navigation and homepage design. (Page 187)



In 2007, the Department of Insurance’s enforcement investigations resulted in the recovery of more than \$3.6 million in restitution for Pennsylvania consumers and the assessment of more than \$11.4 million in civil penalties to be paid into the commonwealth’s General Fund. (Page 194)



In 2007, the Public Utility Commission worked to establish regulations required by law that govern the verification and tracking of energy efficiency and demand side response measures, including benefits to all customer classes; and approved regulations relating to interconnection and net metering of distributed generation systems that rely on alternative energy sources. (Page 197)

## Government Efficiency: Deliver Greater Value and Efficiency in Government

This goal describes the commitment to mobilize resources to eliminate waste and ensure maximum service to the citizens, provide for greater efficiency and effectiveness in the operation of state government and administer the tax laws in a fair and equitable manner.

### WHAT ARE WE ACCOMPLISHING?

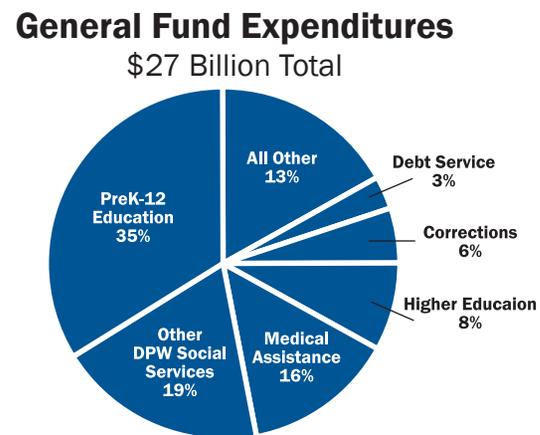
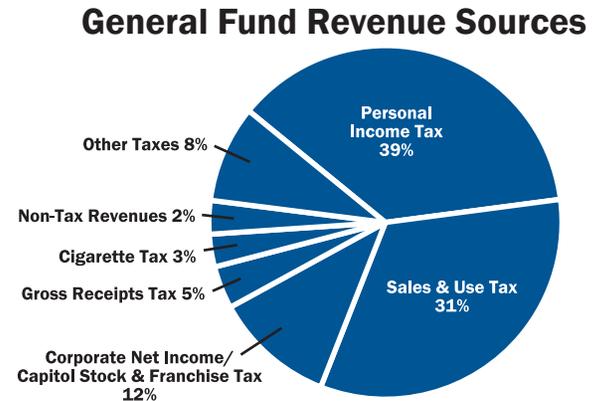
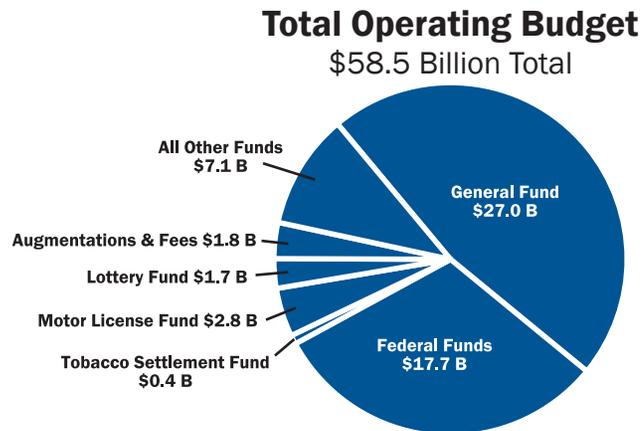
- Increasing Lottery net revenues to support programs for older Pennsylvanians.
- Providing stewardship of the public's resources.
- Reducing the cost of state government, including through strategic sourcing of purchases and fewer state employees.
- Collecting revenues to provide funding for state programs and services.

### KEY EXAMPLES:

-  In 2007, the Property Tax/Rent Rebate Program provided more than 560,000 rebates to senior and disabled households for property taxes or rent paid in 2006. (Page 210)
-  In 2007-08, costs to operate state government were actually 3.5 percent lower than in 2003-03, despite increased costs per employee for salaries/wages, health benefits and pensions. (Page 213)
-  Through strategic sourcing, the cost of a standard PC to the commonwealth has been reduced from a high of \$1,274 to approximately \$550, a savings of 57 percent per computer. (Page 215)
-  Agencies under the Governor's jurisdiction saved \$242 million in 2007-08 by controlling staffing compared to 2003 levels. (Page 218)
-  Overall radio coverage of the Pennsylvania Statewide Radio Network increased from 81 percent of statewide land area in 2005-06 to 93 percent in 2007-08. (Page 222)
-  Provided more than \$57 million in cost savings due to the investigation and identification of fraudulent applications for state benefits. (Page 223)

### Cost to the Taxpayer to Serve Our Fellow Citizens

Total operating budget in 2007-08 in Pennsylvania was \$58.5 billion. The General Fund total was \$27 billion. Seventy percent of the General Fund expenditures was for education and health and human services.





**Commonwealth of Pennsylvania**

**What is a Commonwealth?**

The word means the “common weal” or well-being of the public. Pennsylvania is actually a commonwealth, not a state. Pennsylvania is one of four commonwealths in the United States. Kentucky, Virginia, and Massachusetts are also commonwealths.

**Pennsylvania Fast Facts**  
(2006 estimates)

- 12.4 million people call the Keystone State home (ranked 6th nationally).
- The commonwealth’s population is 49 percent male and 51 percent female.
- Persons 65 and older comprise 15 percent (1.9 million people) of Pennsylvania.
- Pennsylvania’s largest ethnic groups are: 86 percent – White (alone), 11 percent – Black or African American (alone), 4 percent – Hispanic or Latino (of any race) and 2 percent Asian (alone).
- The median household income in Pennsylvania is approximately \$46,000 a year.
- Seventy-two percent of Pennsylvanians own their own homes.
- Seventy-six percent of residents were born in Pennsylvania.
- Pennsylvania’s average family size is 3.07 people.
- Pennsylvania has 67 counties, 2,563 municipalities and it gained statehood December 12, 1787.

Source: Pennsylvania State Data Center, Pennsylvania Facts 2008

# Education: Build a World-Class Public Education System

## Pennsylvania State Government is Committed to:

- Providing all students with an education that prepares them for college and careers in the high-skills, global economy;
- Funding proven educational practices that will boost student achievement, including pre-kindergarten, full-day kindergarten and class size reduction;
- Ensuring that students receive necessary support through tutoring, teacher training and other targeted assistance;
- Establishing a long-term school funding system to provide adequate resources to all districts; and
- Ensuring that students can successfully transition to affordable higher education opportunities.



## State of the State

Data in tables and charts is reported with varying years due to the use of numerous data sources. (1 = highest unless otherwise indicated.)



### Student Achievement

Pennsylvania has substantially increased its average scores and its state ranking since 2003 on the National Assessment of Educational Progress tests in both math and reading at both grades 4 and 8. This is the only continuing national assessment of student achievement in various subject matters.



Student Performance Data	2003	2007
Grade 4 Math (out of 50 States)	23rd	11th
Grade 4 Reading (out of 50 States)	30th	9th
Grade 8 Math (out of 50 States)	29th	14th
Grade 8 Reading (out of 50 States)	30th	12th

Source: Pennsylvania Department of Education

## Education: Build a World-Class Public Education System



Pre-K – 12 Budget Highlights	2007-08 Change from 2006-07	Total Increase Since 2002-03	2007-08 Total Funding
Total Pre-K-12	\$557.7 million	\$2.4 billion	\$9.3 billion
Basic Education Subsidy	\$167.2 million	\$865.1 million	\$4.95 billion
Special Education Funding, state and federal	\$59.1 million	\$252.5 million	\$1.4 billion
Pre-K Counts	\$75 million	New in 2007-08	\$75 million
Science: It's Elementary	\$3.5 million	New in 2006-07	\$13.5 million
Dual Enrollment	\$2 million	New in 2005-06	\$10 million
Charter School Reimbursement	\$36.6 million	\$110.3 million	\$161.3 million
Accountability Block Grant	\$25 million	New in 2004-05	\$275 million
Project 720 High School Reform	\$3 million	New in 2005-06	\$11 million
Educational Assistance Program	No change	New in 2003-04	\$66 million

Source: Pennsylvania Department of Education



### Pennsylvania K-12 Public Schools

- There are 501 public school districts across the commonwealth
- 479 school districts have a majority of students on grade level compared to 375 in 2002 – an increase of nearly 30%
- The number of students scoring in the lowest performance level has decreased by 38%. Thirty-six thousand fewer students are “below basic” in math and 13,000 fewer students are scoring in the lowest level in reading in 2008 compared to 2002.
- Pennsylvania continues to close the achievement gap for African-American students, Latino students and economically disadvantaged students statewide. While all groups of students have made academic progress since 2002, minority students have achieved learning gains at an accelerated rate – meaning that the achievement gap is closing.

Source: Pennsylvania Department of Education

# Education: Build a World-Class Public Education System

PA



## Pennsylvania Universities, Colleges and Trade Colleges/Schools

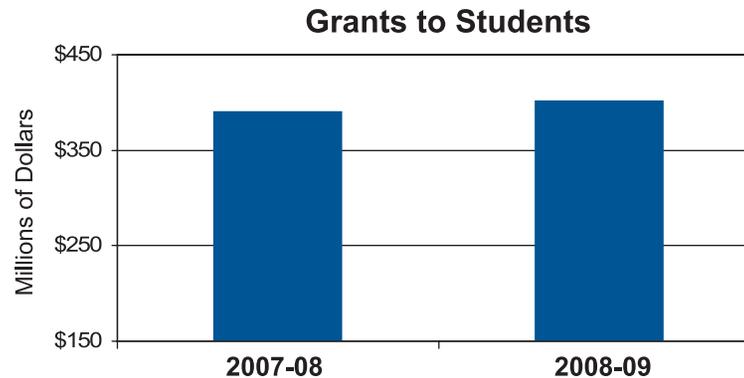
- There are 14 state-owned universities that comprise the State System of Higher Education.
- There are four state-related universities: Pennsylvania State University, University of Pittsburgh, Temple University and Lincoln University.
- Institutions of higher education in Pennsylvania have conferred over 140,000 degrees through 271 degree granting institutions located in the commonwealth. These institutions include the state universities of the State System of Higher Education, state-related universities, community colleges, private colleges and universities, the state-affiliated Thaddeus Stevens College of Technology and specialized associated degree-granting institutions.
- State-supported universities and colleges graduated over 87,000 students in 2007-08 with degrees ranging from the two-year associate degree to doctoral and professional degrees.

Source: Pennsylvania Department of Education

PA

## Student State Grants

State funding for grants to student programs increased in 2007-08 by \$11.6 million from 2006-07, to \$402.1 million.



Source: Pennsylvania Department of Education

## **Education : Build a World-Class Public Education System**

### **Contributing Agencies:**

Department of Education.....	5
Pennsylvania Higher Education Assistance Agency.....	20
Office of Child Development and Early Learning .....	25
Commission for Women.....	30

## Department of Education

Dr. Gerald L. Zahorchak  
Secretary  
www.pde.state.pa.us

### Mission Statement

To lead and serve the educational community to enable each individual to grow into an inspired, productive, fulfilled lifelong learner.

### Overview of Programs and Services:

- Ensures that Pennsylvania's pre-K-12 public school students receive a quality education.
- Provides financial support to Pennsylvania's elementary, secondary and postsecondary schools.
- Supports effective efforts to expand and improve early childhood education; raise achievement levels for all students; improve high school performance; help principals, administrators and teachers become more effective and ensure that Pennsylvania students are prepared to succeed in the global economy.

### Fiscal Year 2007-08

**Complement Level:** ..... 756

**Total Budget:** ..... \$13.176 B\*

(Includes state, federal and other funds.)

\* Includes funding for the Office of Child Development and Early Learning.

### High-Level Goals

- All pre-kindergarten, elementary and secondary students in Pennsylvania meeting the academic standards for their grade level.
- All students graduating from high school prepared for college or other postsecondary training and prepared to be successful citizens and participants in a global economy.
- Citizens of the commonwealth having access to and success in postsecondary education.
- All Pennsylvania citizens having access to quality library services.

### Key Objectives, Strategies and Accomplishments in 2007-08:



**KEY OBJECTIVE: Increase the number of children who successfully acquire essential skills in math, English, science and social studies.**

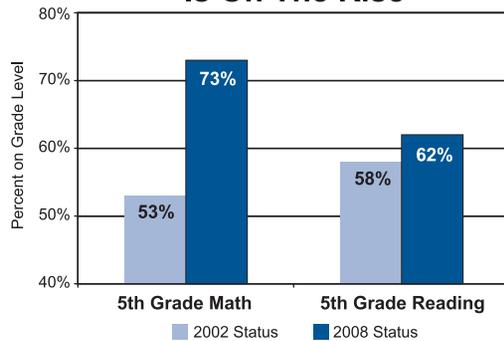
**Why this objective is important:** A strong foundation in math, English, science and social studies is important for an individual to be successful in postsecondary education or training, careers and the global economy. A highly skilled, well-trained workforce is the foundation for the economic success of communities in the 21st century.

The percent of students performing at grade level (proficient and advanced in math and reading on the state assessment) in grades 5, 8 and 11 (those tested the longest) has grown from 55 percent to 71 percent since 2002. This represents a 29 percent increase in student achievement since 2002. The performance data includes increases in every subject, at all grade levels and for all ethnic, racial and economic groups. These gains came despite the toughening of state academic targets as required by the federal No Child Left Behind Act.

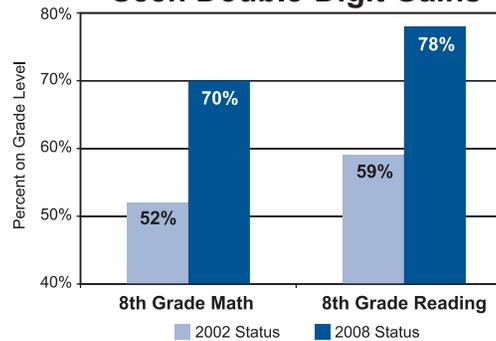
Pennsylvania should be proud of the achievement of its students and schools. The state is well on its way to its goal of 100 percent proficiency in state standards. However, there is still much work to be done. Many students are still not achieving at grade level; these students are heavily concentrated in school districts that have inadequate resources to meet the needs of their students.

## Department of Education *continued*

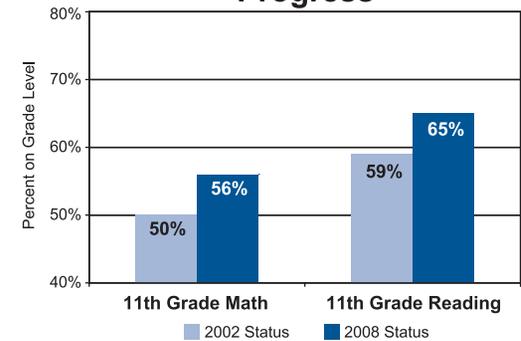
### 5th Grade Achievement Is On The Rise



### Middle Schools Have Seen Double-Digit Gains

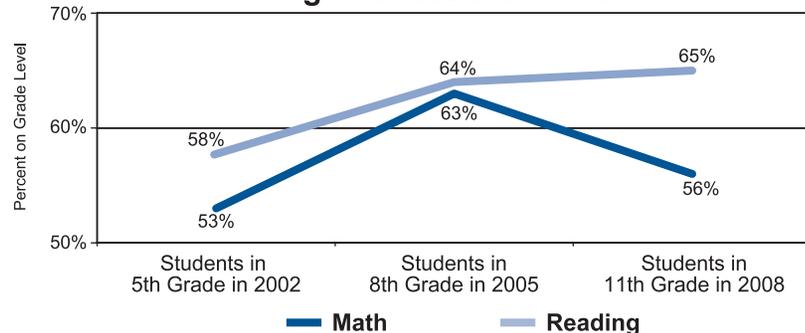


### 11th Grade Shows Progress



The graph below shows that the pace and direction of student achievement changes as students advance through high school, with a leveling off of reading improvement and a significant decline in grade-level math performance.

### Achievement Slips as Students Near High School Graduation



The department has been focusing on reversing this trend. While research shows our investment in early childhood and elementary education is paying off, we need to ensure that the success of these children continues in high school, so that Pennsylvania and its workers will be well-positioned to compete in the global economy. Significant increases in resources and initiatives aimed at supporting and improving high schools in Pennsylvania include the following:

- Improving teaching and learning through Classrooms for the Future, which provides students with laptops, Internet access and other technology in every core academic classroom across the state and gives teachers intensive training and coaching in how to use technology to improve student achievement.
- Enabling high school students to take college classes and earn college credit while still in high school through the \$10 million Dual Enrollment program.
- Creating a new voluntary model curriculum to help schools and teachers align instruction with standards, along with developing tools to help teachers identify where individual students are facing challenges.
- Pursuing increased rigor in high school classes to ensure that students graduate with high-level skills.
- Developing statewide graduation requirements that will assess the skills and knowledge of students aligned with state academic standards to demonstrate consistently across the state that they are ready for the workforce or college.

## Department of Education *continued*

Governor Edward G. Rendell and the General Assembly have recognized the importance of investing more state dollars in our children and have adopted a new funding formula for 2008-09. This will be the first time since 1991 that Pennsylvania will use such a formula to equitably allocate state resources.

This increased funding, along with quality programs and initiatives for struggling schools and districts, will continue to enable all students to achieve. The work of the department is described below and a more comprehensive description of each program can be found on the department's Web site at [www.pde.state.pa.us](http://www.pde.state.pa.us).

### **Strategy: Assist schools and districts in implementation of a standards-aligned system.**

Much research has been conducted into what makes a great school. This research tells us that successful schools tend to have six common elements:

- Clear standards;
- Fair assessments (aligned with the standards);
- Curriculum framework;
- Instruction;
- Materials and resources; and
- Interventions for students who need help.

The department calls this system of six components the “**Standards-Aligned System.**”

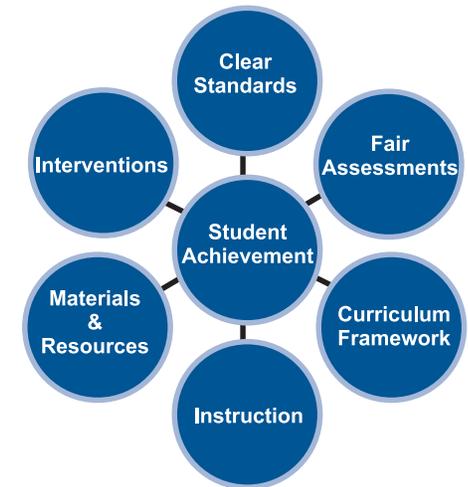
The Pennsylvania State Board of Education has adopted Academic Standards in 12 core areas. These standards are benchmark measures that define what students should know and be able to do at specific grade levels beginning in grade 3. The standards are codified as state regulations and are to be used as the basis for curriculum and instruction in Pennsylvania public schools. Pennsylvania's Academic Standards are available on the department's Web site.

By targeting the efforts of all education initiatives towards the academic standards, teachers, schools, districts and the department will be able to regularly measure whether students are making progress toward achieving clear, meaningful goals. Much of the work of the department described below is an effort to assist teachers, schools and school districts in ensuring that all of their students are able to master Pennsylvania's Academic Standards.

### **Strategy: Increase the quality of instruction and rigor of curriculum in core subject areas across the commonwealth.**

Effective instruction is one of the core components of a standards-aligned system, and the department has taken several steps to increase the quality of instruction in Pennsylvania's 501 school districts.

- **Professional Development Initiatives** – Includes conferences and training on student engagement, alternative education, targeted interventions for special populations and best practices.
  - ✓ More than 7,000 educators participated during the 2007-08 school year in conferences and training held by the department.



### Department of Education *continued*

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- **Governor's Institutes for Educators** – A series of summer professional education programs designed to provide high-quality professional development opportunities for Pennsylvania teachers. Each institute provides a week-long, intellectually rigorous program of study that will improve both teacher content knowledge and teaching skills, thereby improving their students' academic achievement in the classroom.
  - ✓ More than 2,600 educators participated in Governor's Institutes in the 2006-07 school year and more than 2,700 participated in 2007-08.
- **Pennsylvania Coaching Collaborative** – Coaching is one model of professional development that has shown potential to improve the knowledge, skill and practice of teachers, thus enhancing student achievement. Coaching involves highly skilled teaching professionals working with teachers to raise instructional practice in the classroom to the highest level. Coaching promotes teacher growth and problem-solving through a classroom-based, personalized model. Several programs of the Department of Education involve teacher coaching, including Reading First, Classrooms for the Future, PA High School Coaching Initiative, Getting to One and the Accountability Block Grant for Coaching.
- **Development of voluntary model curriculum in all academic areas** – The department is developing model curricular frameworks aligned to Pennsylvania standards in each core academic area for grades K-12, to be completed by the end of the 2008-09 fiscal year.
  - ✓ Curriculum frameworks have already been completed in English, including reading, writing, speaking and listening; mathematics; science; and civics.

These frameworks are available on the Internet for schools and teachers to use as a guide to enhance their lessons.

In addition, the Department of Education is also developing diagnostic tools that will help teachers determine, prior to instruction, each student's strengths, weaknesses, knowledge and skills. These tools will help teachers help students and will be available to teachers in 2010.
- **Pennsylvania Inspired Leadership (PIL)** – A statewide, standards-based leadership development and support system for school leaders, PIL meets the requirements of Act 45 of 2007, which directs the department to establish:
  - A Principals' Induction Program that addresses the three core PA leadership standards and
  - A Continuing Professional Education Program for school leaders that addresses the three core and six corollary PA leadership standards.

The program is intended to build capacity among school leaders by focusing on what they need to know and do in order to guide and direct instruction and build student achievement. The emphasis is on helping principals and administrators be effective instructional leaders for their teachers.

  - ✓ In the 2007-08 school year, more than 860 school leaders participated in PIL programs. More information about the PIL program is available on the department's Web site.

### Department of Education *continued*

- **New rules for certification of teachers in Pennsylvania** – In May 2007, the State Board of Education approved final amendments to Chapter 49-2, which created a new framework for teacher certification. Certificates issued to teacher candidates in Pennsylvania after January 1, 2013 will be for Early Childhood, defined as pre-kindergarten through grade 4 (ages 3 through 9); Elementary/Middle, defined as grades 4 through 8 (ages 9 through 14) and Secondary, defined as grades 7 through 12 (ages 11 through 21). The purpose of reorganizing the grade and age ranges of teaching certificates is to focus teacher education and preparation on more appropriate age spans of child development, cognition and learning.

In addition, new criteria were established for certificates in special education and English Language Learners. In the spring of 2008, the department approved guidelines for implementation of the new teacher education and certification guidelines. These guidelines are intended to shape teacher preparation programs that will produce highly effective teachers with the knowledge and skills to help their students achieve at high levels. More information on Pennsylvania's new teacher certification system is available on the department's Web site.

- **Proposed new high school graduation requirements** – Fair assessment linked to clear standards is an essential part of a standards-aligned system. Pennsylvania currently uses the **Pennsylvania State System of Assessment (PSSA)** to measure levels of reading and math achievement across the commonwealth. However, as noted by the Governor's Commission on College and Career Success in its report in December 2006, a significant percentage of Pennsylvania students were receiving high school diplomas without having passed the PSSA. In 2006:

- 57,000 students—44 percent of all graduates—failed to show proficiency in math or reading on their 11th grade PSSA, yet still received diplomas based on the local assessment of their school districts.
- 90 percent of Pennsylvania school districts have at least a 20 percent gap between the number of students graduated and the number of graduated students scoring at proficient or above on the PSSA.

In response to this disparity between test scores and diplomas, the Pennsylvania State Board of Education proposed new graduation requirements in January 2008 calling for students to demonstrate their achievement of state standards on a standards-aligned assessment consistent across the state in order to receive a diploma.

The new requirements would result in Pennsylvania high school diplomas representing a high degree of academic achievement to colleges and employers in a consistent manner across the state.

The proposal provided for multiple ways for students to demonstrate achievement including year-end subject-matter tests to be taken by students throughout their high school years at the end of the relevant course work. The assessments would be pass/fail and students would be able to take them more than once if necessary. Schools would be obliged to provide assistance to struggling students to help them prepare for the tests. This proposal included several components of the standards-aligned system:

**Benchmark:** *Twenty-two other states already have high school graduation requirements and four more states are in the process of implementing them.*

Department of Education *continued*

- Clear academic standards;
- Fair assessments aligned with the standards;
- Model curriculum aligned with the standards;
- High-quality instruction; and
- Intervention as appropriate for struggling students.

Notwithstanding the strength and timeliness of the proposed regulations, the proposal encountered substantial opposition from education special-interest groups.

✓ As a result, action on any regulation to require new graduation requirements has been tabled until June 30, 2009.

- **Career and Technical Education (CTE)** – In the 2006-07 school year, more than 91,000 students participated in career and technical education programs offered by high schools and career and technical centers across Pennsylvania. CTE includes programs in agriculture, child development, health care, business and accounting, technology, carpentry, welding, food services and more.

We know that in order to be competitive in the 21st-century global workplace, even students who plan to enter the workforce directly after high school need strong skills in math and literacy to be successful. Pennsylvania is working hard to help schools and teachers implement the elements of the standards-aligned system in the context of CTE.

Year	Number Served
2004-2005	100,257 students
2005-2006	100,594 students
2006-2007	91,543 students
On average, per year the department has 90,000 to 100,000 students enrolled in CTE.	

In 2007-08, the department:

- Increased rigor and academic achievement in CTE programs;
- Collaborated with the Department of Labor and Industry to ensure that high-priority occupations are well represented in high school CTE programs; and
- Reviewed the assessments used for CTE programs to make sure they accurately measure the achievement of CTE students.
  - ✓ For the class of 2007, 52.5 percent of career and technical education students who started CTE programs in 11th grade or higher completed their programs and graduated.
  - ✓ Of the 13,428 secondary students who took the test for the PA Skills Certificate in the 2007-08 school year, 42.8 percent scored at the advanced level and received the certificate.

**Strategy: Offer school districts support for programs proven to raise student achievement.**

Programs proven to raise student achievement include the following:

- The Pennsylvania **Accountability Block Grant (ABG)** is available to districts for programs that include pre-kindergarten and full-day kindergarten, reduction of class size, tutoring and professional development. Schools districts are free to choose which programs best meet the needs of their students.

## Department of Education *continued*

- ✓ The total funding for ABG in 2007-08 was \$275 million, with most districts choosing to invest ABG funds in early childhood education programs – quality pre-kindergarten, full-day kindergarten and class-size reduction in the early elementary grades.
- The **Educational Assistance Program** was targeted in 2007-08 to providing extra learning time for struggling students through small-group tutoring. In 2008-09, school districts receiving funding for the Education Assistance Program will have additional options in how best to invest these resources to address students' academic needs. In addition to tutoring, school districts will be able to create a longer school day or school year, increase the rigor of curriculum, expand course offerings or provide intensive teacher training.
- **Science It's Elementary** is an initiative that reaches students in the elementary grades to foster a lifelong interest in science and prepare them to be the scientists, engineers and inventors of tomorrow. The program provides intensive training and professional development for teachers in how to transform science instruction for elementary school children.
- **Classrooms for the Future** aims to use the power of technology to change the way teachers teach and students learn. Fiscal year 2006-07 was the first year of this multi-year initiative to provide a total of \$200 million to make every high school classroom in Pennsylvania a "smart" classroom, providing laptop computers for every teacher and student in English, math, science and social studies classes. Teachers are provided with targeted professional development and in-school coaches to help them transform their teaching through technology.
  - ✓ \$90 million was spent in 2007-08 to provide 358 high schools with 83,000 laptop computers and related equipment.
  - ✓ \$11 million in high-quality professional development was provided for 12,100 teachers in Classrooms for the Future high schools.
- **Dual Enrollment** provides funding to school districts to enable high school students to earn college credit even before they receive a high school diploma. Dual enrollment opportunities are open to all students, but specifically target students who have become disengaged from the traditional high school curriculum or environment and low-income students who otherwise might never be exposed to college opportunities.
  - ✓ 19,519 college credit courses were subsidized by the Dual Enrollment program in 2007-08.
  - ✓ 95 percent of dual enrollment courses were passed with a "C" or better in 2007-08.
- **Project 720** is designed to help school districts transform high school education to meet the requirements of the 21st century global economy. Named for the number of days from the beginning of ninth grade to the end of 12th grade, Project 720 helps high schools:
  - Ensure that all students take a rigorous college and career-prep curriculum;
  - Create "small school" environments so that all students get the attention they need;
  - Support the college and career counseling efforts of teachers and guidance counselors; and
  - Help students move successfully from high school to college, training or the workplace.
  - ✓ 30 percent of Pennsylvania high schools participated in Project 720 in the 2007-08 school year.

*In 2007-08, nearly 20,000 college credit courses were taken by high-school students as part of the Dual Enrollment Program.*

## Department of Education *continued*

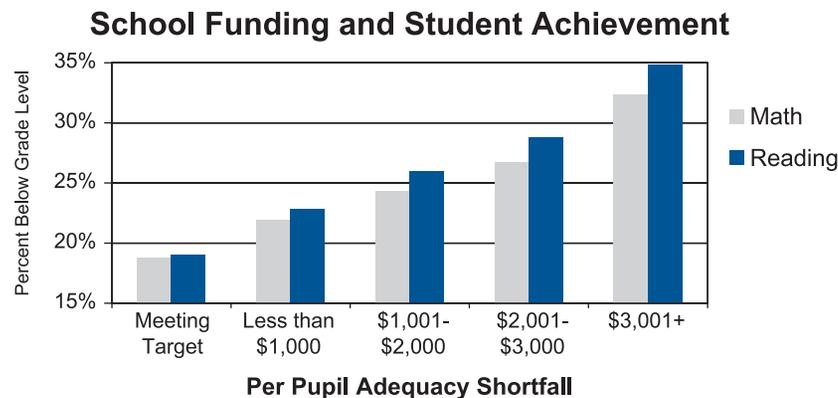
Number of Schools or Students Served					
Year	Educational Assistance Program	Science It's Elementary	Classrooms for the Future	Dual Enrollment	Project 720
2005-2006	156,117 students	N/A	N/A	7,270 students	77 schools
2006-2007	159,990 students	42,000 students*	56,084 students*	12,267 students	118 schools
2007-2008	176,593 students	57,962 students	309,688 students	13,430 students	161 schools

\*First year of program.

**Strategy:** Decrease the funding gap between what school districts currently spend and what they should spend so that all students can achieve by increasing state funding to schools in a fair and equitable manner.

Increased spending in the schools that are under-funded is essential to enable school districts to provide the curriculum, materials, quality instruction and interventions to enable the standards-aligned system to raise the achievement of students across the commonwealth.

As illustrated below, student achievement is directly connected to the amount of funding available. **Pennsylvania's struggling students are overwhelmingly located in under-funded school districts.**



*Sixty-eight percent of students who score "below basic" on state tests attend school districts with a shortfall in funding of at least \$2,000 per student.*

In December 2007, a report called "Costing-Out the Resources Needed to Meet Pennsylvania's Public Education Goals," identified the level of funding needed in each school district to help all students meet the state's academic standards. For the first time ever, the report provided a Pennsylvania-specific, per-pupil dollar target for each of the commonwealth's school districts, taking into account appropriate variables such as the number of low-income children and English Language Learners in the district, geographic variations in cost of living and the size of the school district. **The study showed that total education spending was \$4.6 billion short of the funding necessary to educate all Pennsylvania students to the state standards.**

## Department of Education *continued*

### Key findings of the Pennsylvania Costing-Out Study:

- 474 out of 501 (95 percent) districts in the commonwealth are spending less than their adequacy levels.
- 1.68 million Pennsylvania students (93 percent) attend districts spending less than their adequacy levels.
- The least wealthy districts in Pennsylvania are furthest from meeting their resource needs; these districts would need an additional 34.9 percent (compared to the average of 26.8 percent) in funding. The wealthiest districts would need only an additional 6.6 percent.
- Districts with the lowest wealth make a greater tax effort than districts with more wealth.

The costing-out study is available on the department's Web site.

The new funding will be distributed to school districts according to the funding formula proposed in the costing-out study to better recognize the different needs and conditions in school districts across the state.

The 2008-09 state budget includes an increase in state basic education funding of **\$274 million**, which is the largest single-year increase in Pennsylvania basic education funding ever. School districts across the state will be able to use this additional funding to implement research-based strategies to raise the level of student achievement, including:

- Pre-kindergarten and full-day kindergarten;
- More time and support for students to learn;
- Smaller classes;
- Strengthening curriculum and teacher training; and
- Effective teachers, principals and superintendents.

**Benchmark:** *In 2007-08, the state share of total education funding in Pennsylvania was only 36 percent compared to a national average of 50 percent. If the full amount of the governor's state funding target is met over the next six years, the state share of education funding will increase to approximately 44 percent.*

**Benchmark:** *Thirty-eight other states have also conducted costing-out studies to determine the cost of educating students to state standards.*

In addition to the substantial increase in funding for this year, Governor Rendell and the General Assembly agreed on a goal to meet state funding targets for the basic education subsidy by the year 2014.

**Benchmark:** *With the implementation of this funding formula, Pennsylvania joins 48 other states that use a funding formula to determine the allocation of all or part of state funding for public education.*

## Department of Education *continued*

### **Strategy: Track the status of all public school students.**

Fair assessment of students is a key component of the standards-aligned system. It is the tool which tells students, parents, teachers and schools whether students are reaching the standards. In order to accurately track the assessment of all students, in 2007 the department began implementation of the **Pennsylvania Information Management System (PIMS)**. PIMS is a statewide secure identification system to track all public school students. PIMS will enable individual and cohort tracking of test scores, dropouts, on-time graduates and other relevant student factors. PIMS will give educators, the Department of Education and other education stakeholders the data needed to make informed decisions about programs and resources. Data collected thus far includes attendance, school calendars, career and technical education, courses, staff, staff assignments and program participation.

As the department nears the midpoint of its three-year PIMS initiative, much has been accomplished. The department has:

- ✓ Established a database with unique student IDs for all 1.8 million public school students in grades kindergarten through 12 and public school staff;
- ✓ Begun planning for expanding the data system to include children from birth through postsecondary education;
- ✓ Added students in public postsecondary institutions.

Pennsylvania recently received national recognition for these efforts. Pennsylvania was awarded the 2008 Leadership Award by the Data Quality Campaign.



### **KEY OBJECTIVE: Increase access to library resources to inform, educate and enrich the lives of children, students and adults at home, in school and in the workplace.**

**Why this objective is important:** Public libraries provide lifelong learning opportunities for Pennsylvanians and have demonstrated measurable effectiveness in developing a literate, prepared workforce. Public libraries provide students with computers and resources to complete homework assignments and adults with the information they need to make informed health, financial and recreational decisions. Libraries improve communities, strengthen economic development and benefit local businesses.

The Department of Education has worked to increase access to libraries for all citizens of the commonwealth, with special attention to enhancing the education of students through after-school and summer enrichment programs and tutoring.

### **Strategy: Increase the participation of public libraries in regional early childhood education initiatives, including education of parents of young children.**

- **One Book, Every Young Child**, along with public library story hour programs, Lapsit programs and Family Place Centers, focus on helping parents strengthen the literacy skills of their children at a young age.
  - ✓ Such programs and events were held in all of the commonwealth's 67 counties, including the 16 counties determined to be at high risk for children scoring below proficient in 3rd-grade reading.

## Department of Education *continued*

- ✓ 17,000 early care and preschool education programs received a copy of this year’s One Book, Every Young Child selection, *Up, Down, and Around* by Katherine Ayres.
- ✓ In 2007-08, more than 500,000 children participated in One Book, Every Young Child activities through daycare centers, pre-kindergarten programs, public libraries and other partners.
- **Family Place Centers** expand the traditional role of public libraries into community centers for early childhood information, parent education, socialization, beginning literacy and family support. The emphasis is on the child as part of the family unit with support for adults as children’s first teachers.
  - ✓ Each year approximately 1,700 to 2,000 families receive services from a Family Place Center. Each library also has an early childhood area that hundreds of families use each time they visit the library.

### **Strategy: Strengthen library services and collections aligned with early childhood and K-12 academic standards.**

- **Summer Reading Program:** Pennsylvania is a member of a nationwide summer reading cooperative, which develops an annual summer library program theme. The department encourages children and teens to improve their reading skills during the summer months by reading and using their public library. Children and teens sign up at their library and then track their reading throughout the summer, either in total number of books read or total amount of time spent reading. Knowledgeable library staff members help parents and children select the books they want to read. Studies have shown that summer reading programs prevent the “summer slide” in reading skills that students otherwise experience.
  - ✓ More than 250,000 children participate each year in the Summer Reading Program at their local libraries.
  - ✓ In 2007-08, more than 24 million books and other materials were borrowed from public library children’s collections and attendance at children’s programs exceeded 2.7 million.

Children’s Collection Items Borrowed and Attendance at Children’s Programs		
Year	Items Borrowed	Attendance
2005-2006	22,159,000 items	2,419,000
2006-2007	24,044,000 items	2,678,000
2007-2008	24,284,000 items	2,796,000

## Department of Education *continued*

**Strategy: Streamline access to the significant volume of online resources available through libraries.**

- **AskHerePA** – A fast growing, 24-hour live, online chat reference service that provides answers to students’ and adults’ questions, including answers to college-level and in-depth queries.
  - The AskHerePA program is the most-used service of its kind in the country.
- **POWER Library** – An online database that provides commonwealth librarians with access to online journal and magazine articles, historic and current events, photography and streaming video on health topics and reference resources. Children’s collections in the commonwealth’s libraries provide families with a diverse selection of educational items to borrow. Easier access increases use. Teachers and students will now have a one-stop destination for the POWER Library and resources held by school and public libraries.
  - More than 50 percent of the use of the POWER Library is from students who are learning information literacy and research skills that will prepare them for higher education and the workplace.

This alternative to Internet search engines provides information with notable references.

- ✓ In the last year there were 37.8 million searches of the POWER Library.

AskHerePA		
Year	State Contribution	Questions Answered
2006-2007	\$117,039	42,271 questions
2007-2008	\$120,662	50,474 questions

POWER Library		
Year	State Contribution	Searches
2005-2006	\$1,779,000	28,109,000
2006-2007	\$1,779,000	33,751,000
2007-2008	\$1,779,000	37,850,000



**KEY OBJECTIVE: Increase access to and affordability of institutions of higher education and other postsecondary training.**

**Why this objective is important:** In Pennsylvania, as elsewhere in the nation, family-sustaining jobs in the 21st century will require some amount of post-high school education or training. This makes it more important than ever for Pennsylvanians to have access to an affordable college education or other postsecondary training.

Pennsylvania helps to promote access and affordability for students by offering its citizens a rich and diverse array of options for postsecondary training, including 14 community colleges, 14 state-owned universities in the State System of Higher Education, four state-related universities, numerous private colleges and universities and private licensed vocational and technical schools.

**Strategy: Invest in the commonwealth’s community college and state university system.**

Pennsylvania is home to many quality community and state institutions that offer affordable postsecondary education to Pennsylvania students. State funding for these systems continues to increase from year to year.

Number of Schools or Students Served		
Year	State Contribution	Number Enrolled in For-Credit Courses
2005-2006	\$252.8 million	88,150 students
2006-2007	\$265.5 million	91,161 students
2007-2008	\$274.6 million	92,526 students

### Department of Education *continued*

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- ✓ Since Governor Rendell took office in 2003, state funding to community colleges has increased by more than \$32 million. State funding to the 14 universities of the Pennsylvania State System of Higher Education has increased by more than \$50 million during that time.

#### **Strategy: Monitor tuition increases.**

The Rendell administration has made it a priority to control tuition increases in the higher education sector where the commonwealth has a significant governing role: the 14 universities of the Pennsylvania State System of Higher Education.

- ✓ In 2007-08, the state provided PASSHE with approximately \$484 million.

Increased state funding for tuition grants and a commitment by the state system to keeping costs down has helped state system institutions keep tuition increases at state system schools to a minimum. The out of pocket expense for a resident undergraduate student who qualified for an average PHEAA grant has increased by less than \$1,000 since the first year of Governor Rendell's administration.

#### **Strategy: Make it easier for students to transfer credits.**

In May 2008, the department launched a statewide credit transfer system designed to maximize the number of credits that college students can transfer from one institution to another to count towards a college degree. Through the Pennsylvania Transfer and Articulation Center ([www.patrac.org](http://www.patrac.org)), users can search for transferable courses, find information about participating institutions and get step-by-step instructions for transferring credits.

- ✓ Currently, the transfer system includes Pennsylvania's 14 community colleges, the 14 PASSHE universities, three private institutions and one state-related university.

#### **Strategy: Prior-learning assessments.**

Prior-learning assessments are measures of a student's knowledge and skills gained from experiences outside of traditional learning or training situations.

- ✓ In 2007-08, the department provided support to the Pennsylvania Workforce Investment Board to hold a conference for colleges to discuss best practices in prior-learning assessments and to develop statewide standards, guidance and strategies. Task force work continues on these topics.

#### **Strategy: Collaboration with workforce development activities.**

The Department of Education collaborates closely with workforce development efforts and activities across the state to ensure that Pennsylvania's postsecondary institutions are on track to prepare students for the occupations in most demand in the workforce.

### Department of Education *continued*

- **Align public funding for postsecondary education and training with economic development activities:** To help prepare and build a 21st-century workforce, Governor Rendell and the General Assembly have invested in postsecondary education and training aligned to the needs of our high-growth, high-wage industries to ensure businesses and workers are able to successfully compete in today's global marketplace.
- **High-Priority Occupations:** Pennsylvania's high-priority occupations are now being used to guide the investments of workforce dollars in postsecondary education and the development of a more responsive workforce system. The department has:
  - ✓ Provided Economic Development Stipend funding to community colleges to support 872 noncredit workforce development courses associated with 74 high-priority occupations.
  - ✓ Approved 906 for-credit programs at community colleges to prepare students for 110 high-priority occupations.
  - ✓ Awarded Technical College Program grants to higher education institutions that support programs that prepare students for high-demand occupations in educationally under served areas. The following grants were awarded:
    - Westmoreland County Community College, to offer an Electronics Engineering Technology Program in Fayette and Washington counties leading to an Associate in Applied Science degree.
    - Edinboro University of Pennsylvania, to offer a Manufacturing Engineering Technology Program in Crawford and Erie counties leading to an Associate in Science degree.



**KEY OBJECTIVE: Increase the college completion rate of students, including—but not limited to—disadvantaged students and first-generation college students.**

**Why this objective is important:** In order for Pennsylvania to be competitive in the expanding global economy, we need to ensure that we are investing in a capable workforce. Research shows that most of the living-wage jobs of the future will require some level of postsecondary training or education. Pennsylvania workers without the skills or education to obtain these jobs are more likely to rely on government aid programs, which increases costs for taxpayers. Thus, increasing access to and success in postsecondary training is a smart policy.

At present, there is a substantial achievement gap between the number of minority students who earn postsecondary degrees and their white peers. At the community college level, only three percent of the associate degrees awarded went to Hispanic students and only 12 percent to African American students, while 76 percent of associate degrees awarded went to White students. At the 14 state universities, one percent of four-year degrees awarded went to Hispanic students and five percent to African American students, while over 85 percent went to White students. There is also a significant gap at the four state related commonwealth universities – the Pennsylvania State University, Temple University, the University of Pittsburgh and Lincoln University – with only two percent of undergraduate degrees awarded to Hispanic students, eight percent to African Americans and 80 percent to White students.

## Education: Build a World-Class Public Education System

The chart to the right shows the associate and bachelor degrees awarded in the 2006-07 school year to each of these subgroups, illustrating the gap between white and minority students. The Department of Education recognizes this gap in postsecondary completers and is pursuing the following strategy to lessen this gap.

### Strategy: Strengthened the Higher Education Equal Opportunity Program (Act 101).

The Pennsylvania legislature established Act 101 in 1971. The program provides funding to colleges and universities to provide support services for undergraduate students whose cultural, economic and educational disadvantages might prevent them from attending and completing college. The Act 101 program supports tutoring, counseling, curricular innovation and cultural enrichment activities, so that these students graduate with marketable skills.

- ✓ In 2005-06, Act 101 served more than 14,000 students at 75 institutions with state funding of \$9.32 million.

The department recently implemented new procedures to ensure that Act 101 funds are used as effectively as possible.

- The Act 101 Program Guidelines were revised to focus on successful student outcomes, such as retention, graduation and transfer.
- The grant award process was made more competitive, opening up the opportunity for additional institutions to obtain Act 101 funding.
- The Department of Education initiated an audit of all Act 101 programs, as well as an evaluation of the Act 101 program statewide, to review the effectiveness of programs in meeting the needs of at-risk postsecondary students and to make recommendations for improving the programs.

### Strategy: Invest in the Pennsylvania Higher Education Assistance Agency.

Pennsylvania's higher education institutions are one of the state's strongest assets. That is why state financial support has been increased, making it easier for students to attend by increasing the availability of financial aid. In addition to the \$1.493 billion in direct aid to colleges and universities in 2007-08, the state provided more than \$459 million to the Pennsylvania Higher Education Assistance Agency to provide financial assistance to more than 177,000 students.

College Degrees Awarded by Category, Level of Program, Gender and Race 2006-07				
Type of College	Associate Degree		Bachelor's Degree	
	Male	Female	Male	Female
<b>State University</b>				
Black	3	9	375	548
White	120	216	5,978	9,339
All Others*	6	14	594	751
<b>State University Total</b>	<b>129</b>	<b>239</b>	<b>6,947</b>	<b>10,638</b>
<b>State-Related Commonwealth University</b>				
Black	28	48	656	1,243
White	1,138	980	9,260	8,966
All Others*	41	31	299	1,458
<b>State-Related Total</b>	<b>1,207</b>	<b>1,059</b>	<b>11,215</b>	<b>11,667</b>
<b>Community College</b>				
Black	317	1,073		
White	3,200	5,558		
All Others*	492	923		
<b>Community College Total</b>	<b>4,009</b>	<b>7,554</b>		

\* Includes Hispanic, Asian and American Indian.

# Pennsylvania Higher Education Assistance Agency

James L. Preston, President  
www.pheaa.org

## Mission Statement

The mission of the Pennsylvania Higher Education Assistance Agency is to provide affordable access to postsecondary education while helping to secure a strong economic future for the commonwealth through the development of a highly skilled workforce.

## Overview of Programs and Services:

- The nation's leading nonprofit student aid organization.
- Self-funded by its business operations as a federal loan servicer, guarantor and remote technical system service provider.
- Works to ease the financial burden of higher education for Pennsylvania's students, families and taxpayers through innovative products, programs and services.
- Provides aid in the form of grants, student employment and low-cost student loan programs, offered in partnership with Pennsylvania's lending community.
- Provides life-of-loan servicing, helping borrowers throughout the repayment process.

## Fiscal Year 2007-08

**Complement Level:** ..... 2,148

**Total Budget:** ..... \$502.422 M

*(Includes state, federal and other funds.)*

## High-Level Goals

- Access to a postsecondary education for all students.
- A strong skilled workforce in Pennsylvania.
- Partnerships to benefit Pennsylvania's students and families in affording the cost of higher education.
- Higher education early awareness.
- Student aid industry leader.

## Key Objectives, Strategies and Accomplishments in 2007-08:

### **PA** KEY OBJECTIVE: Increase postsecondary access and choice for Pennsylvanians.

**Why this objective is important:** With more well-paying, high-demand jobs requiring postsecondary education and training, it is more crucial than ever for Pennsylvanians to have access to a diverse array of options for postsecondary training.

PHEAA always encourages students to exhaust all possibilities for grants and scholarships prior to turning to student loans to fund the cost of higher education, as these forms of gift aid do not need to be repaid.

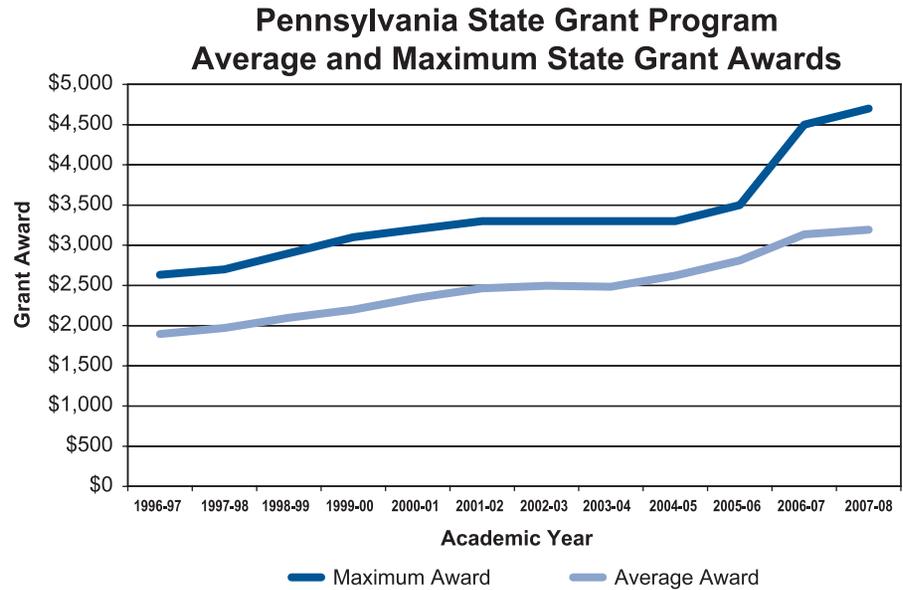
PHEAA administers two grant programs for the commonwealth:

- Pennsylvania State Grants - Provides financial aid for thousands of students. (See chart and table below.)
- Institutional Assistance Grants - Provides formula grants to 85 independent, nonprofit Pennsylvania colleges and universities. (See table below.)

Institutional Award Grant Program			Pennsylvania State Grant Program		
Academic Year and Summer Expenditure (in millions)	Number of Schools		Academic Year and Summer Expenditure (in millions)	Number of Awards	
2001-02	\$42.7	84	2001-02	\$337.0	163,300
2002-03	\$40.6	84	2002-03	\$346.7	166,200
2003-04	\$38.6	84	2003-04	\$357.9	175,100
2004-05	\$39.5	84	2004-05	\$361.0	167,900
2005-06	\$40.5	83	2005-06	\$400.0	175,100
2006-07	\$41.6	85	2006-07	\$452.9	178,500
2007-08	\$37.8 (projection)	85	2007-08	\$459.2 (projection)	177,000

Higher Education Assistance Agency *continued*

The average and maximum grant awards from the Pennsylvania State Grant Program are shown in the chart below:



The National Association of State Student Grant and Aid Programs rank states on state-provided financial aid funding awarded to students. In the 2005-06 and 2006-07 award years:

- ✓ Pennsylvania ranked second in total dollars among grant aid programs based solely on need; and
- ✓ Pennsylvania ranked third in the total amount of dollars among grant programs with a need component, in the number of recipients with need-based grant awards and in average need-based dollars per full-time equivalent undergraduate student.

**PA KEY OBJECTIVE: Increase and maintain a strong workforce in Pennsylvania.**

**Why this objective is important:** The future of the commonwealth depends on having an educated workforce that can compete nationally and globally. It is critical that we not only educate but also retain a workforce of highly trained technology experts to ensure that Pennsylvania can continue to compete with other states in technology and commerce.

To maintain a strong workforce in Pennsylvania, PHEAA administers the following programs in collaboration with the Pennsylvania Department of Education and the Pennsylvania Workforce Investment Board:

**Higher Education Assistance Agency *continued***

- **The New Economy Technology Scholarship Program** is comprised of two different awards:

- The SciTech Scholarship
- The Technology Scholarship.

Recipients of scholarships in both programs must agree to work in Pennsylvania after graduation for one year for each year of scholarship aid received.

Sci-Tech Scholarship			Technology Scholarship		
Year	Number of Recipients	Value of Awards	Year	Number of Recipients	Value of Awards
2005-06	1,152	\$3,222,250	2005-06	1,510	\$1,412,665
2006-07	1,085	\$3,044,327	2006-07	1,648	\$1,555,282
2007-08	1,019	\$2,875,250	2007-08	1,833	\$1,716,146

- **The Technology Work Experience Internship Program** provides matching funds to approved postsecondary schools, supporting students in completing internships or work experiences with emerging technology companies located throughout the state. Students are given the opportunity to gain experience in high-tech and community service positions, while at the same time supplementing their incomes to cover their educational costs.

Technology Work Experience Internship Program		
Year	Number of Recipients	Value of Awards
2005-06	7	\$18,171
2006-07	23	\$55,078
2007-08	17	\$18,054

- **The Federal Work-Study On-Campus and Community Service Programs** provide matching funds to institutions to support both their on-campus and off-campus student employment programs. These programs provide students with the opportunity to work at the prevailing minimum wage or higher, gain work experience and assist with paying their educational costs.

Federal Work-Study On-Campus Program			Community Service Program		
Year	Number of Recipients	Value of Awards	Year	Number of Recipients	Value of Awards
2005-06	39,500	\$7,461,262	2005-06	2,594	\$1,270,192
2006-07	40,945	\$8,319,426	2006-07	1,711	\$914,089
2007-08	36,940	\$8,593,833	2007-08	1,374	\$768,827

### Higher Education Assistance Agency *continued*

#### **PA KEY OBJECTIVE: Increase beneficial partnerships to increase available student aid funding.**

**Why this objective is important:** Establishing partnerships with other agencies maximizes the amount of student aid funding available and increases the likelihood that students will attend higher education institutions.

The following programs are administered by PHEAA to support various agencies and organizational needs:

- **Educational Assistance Program** – for the Pennsylvania Department of Military and Veterans Affairs to provide aid to National Guard members in Pennsylvania.
- **Pennsylvania Chafee Education and Training Grant Program** – on behalf of the Pennsylvania Department of Public Welfare to provide grant assistance to Pennsylvania undergraduate students who are aging out of foster care.
- **Partnerships for Access to Higher Education Program** – working with 35 nonprofit organizations and foundations in the commonwealth to provide scholarship aid to eligible students with financial need and matching up to \$3,500 of the amount of aid provided by the partnering organizations.
- **Federal Robert C. Byrd Honors Scholarship Program** – federal funds allocated to the Pennsylvania Department of Education for high school seniors who have demonstrated academic excellence.
- **Pennsylvania State Gaining Early Awareness and Readiness for Undergraduate Programs** – with the Pennsylvania State System of Higher Education, providing a federal scholarship program to assist inner city youth going on to postsecondary education.

PHEAA is also the disbursing agent for the following programs:

- **Horace Mann Bond-Leslie Pinckney Hill Scholarship Program** – for the Pennsylvania Department of Education: aiding graduates of Pennsylvania's two historically black colleges and universities who go on for selected graduate studies at Pennsylvania state-related universities. \$740,000 is available in funding through this program.
- **Cheyney University Keystone Academy Program** – recruits gifted students to enroll at Cheyney University of Pennsylvania. \$1,974,000 is available in funding through this program.

**YouCanDealWithIt.com** is a debt management and financial wellness Web site that is designed to help students manage their personal finances while understanding the importance of timely student loan repayment.

### Higher Education Assistance Agency *continued*

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**PA KEY OBJECTIVE: Increase the awareness of elementary and middle school children about the importance of higher education.**

**Why this objective is important:** In order to increase the number of high school students who pursue higher education, it is critical to reach out to them as elementary and middle school students and introduce them to the importance of higher education. Early awareness not only prevents disengagement and offers career path exploration and opportunity, it also encourages parental involvement.

Through its innovative early awareness and outreach programs, the agency:

- ✓ Provides free materials to elementary and middle school students, educating them on the importance of higher education.
- ✓ Conducts more than 300 financial aid nights at high schools and community centers throughout Pennsylvania to provide parents and students with in-depth information on the college planning process and available student aid.

*EducationPlanner.org is an award-winning higher education planning Web site for high school students that has received more than 700,000 visits in 2007.*

# Office of Child Development and Early Learning

Estelle B. Richman, Secretary  
Department of Public Welfare  
www.dpw.state.pa.us

Gerald L. Zahorchak, Secretary  
Department of Education  
www.pde.state.pa.us

Harriet Dichter, Deputy Secretary  
Office of Child Development and Early Learning

## Mission Statement

The Office of Child Development and Early Learning (OCDEL) promotes opportunities for all Pennsylvania children and families by building systems and providing supports that help ensure access to high quality child and family services.

## Overview of Programs and Services:

- Increases access to well-researched, successful early childhood education programs.
- Works with parents and providers to increase the availability and quality of early childhood education services such as: child care, Early Intervention, Head Start and other services that prepare children to succeed in school.

*The Office of Child Development and Early Learning (OCDEL) is a joint initiative of the Department of Public Welfare and the Department of Education that seeks to effectively and efficiently increase the number of Pennsylvania children and families receiving affordable and high-quality early childhood services.*

## High-Level Goals

- Assure quality early learning programs and assessments for all children.
- Support the professional development of early learning practitioners.
- Promote community engagement and outreach to understand the educational, scientific and economic benefit from early learning programs.

## Key Objectives, Strategies and Accomplishments in 2007-08:

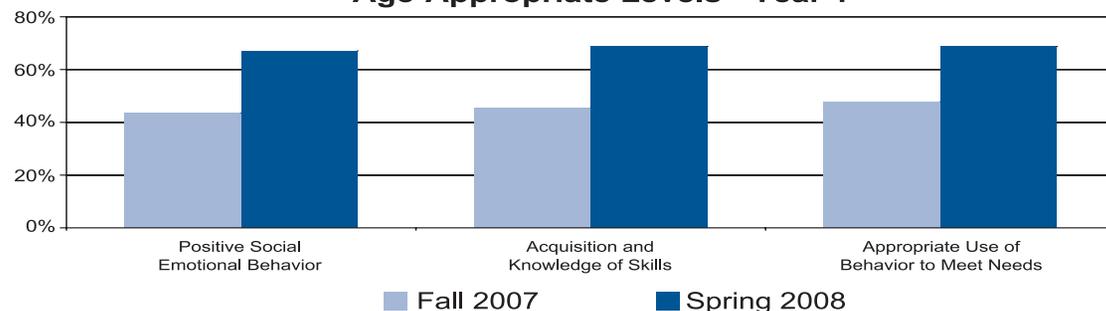
**PA KEY OBJECTIVE: Increase access to quality pre-kindergarten to children and families throughout the commonwealth with a priority in at-risk communities and for at-risk children.**

**Why this objective is important:** Research shows that quality early education can prepare all children for school, especially those at risk of academic failure. Children who are exposed to quality early education are more likely to be prepared for school, to be better students, graduate high school and attend college.

**Strategy: Develop a program to increase access to pre-kindergarten.**

- Pennsylvania Pre-K Counts, established in 2007-08, delivers quality half-day and full-day pre-kindergarten to 11,000 three- and four-year-olds in more than 800 classrooms across the commonwealth.
  - ✓ The first-year outcome shows that nearly 70 percent of Pennsylvania Pre-K Counts children finished the school year with age-appropriate skills and behaviors and 24 percent had emerging age-appropriate skills and behaviors.

**Percentage Growth of PA Pre-K Counts Students Reaching Age-Appropriate Levels - Year 1**



# Office of Child Development and Early Learning

(continued):

## Overview of Programs and Services (continued):

- Enables Pennsylvania families to work and achieve self-sufficiency by providing increased access to affordable child care services.

### Fiscal Year 2007-08

**Complement Level:**.....178\*

\*Included in departments of Public Welfare and Education complement totals.

*Funding for the Office of Child Development and Early Learning is provided by the departments of Public Welfare and Education.*

**PA KEY OBJECTIVE:** Increase the number of Keystone STARS-participating child care programs that continue to improve the quality of their programs by moving up the STARS ladder and earning higher STARS levels.

**Why this objective is important:** Quality early childhood programs can lead to success in school and later in life. Keystone STARS provides parents with convenient, easy-to-understand information to help them make more informed decisions in seeking a quality early childhood education program for their child.

Keystone STARS promotes quality in child care and Head Start programs. Programs that participate in Keystone STARS earn a STAR 1 to STAR 4 level based on quality standards. As programs move up the STARS ladder, they meet higher quality standards and provide higher quality early learning experiences for young children.

Keystone STARS has been proven to improve the quality of child care programs and has reversed the negative trend of declining child care quality in Pennsylvania.

- ✓ Approximately 175,000 children are receiving higher quality child care thanks to Keystone STARS, which will have a positive impact on their educational success in kindergarten and beyond.
- ✓ One-quarter (25 percent) of programs participating in Keystone STARS moved at least one STAR level during 2007-08, showing a growing trend in providers committed to meeting the developmental and educational needs of children.

Early Learning Programs	2005-06		2006-07		2007-08	
	Budget (in thousands)	# of Children served	Budget (in thousands)	# of children served	Budget (in thousands)	# of children served
Keystone STARS	\$44,751	153,863	\$47,779	138,128	\$56,868	178,157
Pennsylvania Pre-K Counts	\$ 0	N/A	\$ 0	N/A	\$75,000	N/A
Full-Day Kindergarten Accountability Block Grant	\$117,837	54,589	\$ 143,313	54,849	\$167,432	63,316
Head Start Supplemental	\$30,000	4,710	\$ 40,000	5,780	\$40,000	5,776
<b>Total Early Learning Programs</b>	<b>\$192,588</b>		<b>\$ 231,092</b>		<b>\$339,292</b>	
Number of Keystone STARS facilities	4,291		3,766		4,915	
Percent of child care centers participating in Keystone STARS	69%		61%		79%	
Nurse-Family Partnership	\$9,540	3,947	\$ 11,410	3,947	\$12,670	4,168

Office of Child Development and Early Learning *continued*

**PA KEY OBJECTIVE: Increase parental awareness and engagement in their child’s early learning, academic achievement and development.**

**Why this objective is important:** Parent involvement is linked to children’s school readiness. When parents are involved in their child’s learning, the child does better in school, including higher academic achievement and greater social and emotional development. The partnership between home and school is important for a child’s learning, particularly for children at risk of school failure. In order for children to have access to quality early learning opportunities, especially those children at risk of school failure, their families need to be aware of programs available to them.

**Strategy: Partner with other organizations and community groups to increase awareness of department programs and the importance of early childhood learning.**

In May and June 2008:

- A statewide television and radio campaign for **Keystone STARS** and **Pennsylvania Pre-K Counts** was conducted. Advertisements were broadcast at times and on channels targeted to reach low-income mothers.
- Coordination with local community engagement groups, libraries and other child-serving organizations was initiated to distribute materials about Keystone STARS and Pennsylvania Pre-K Counts.

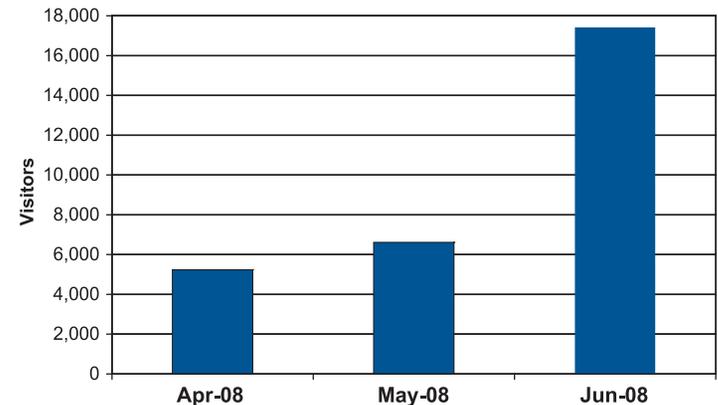
As a result of the **STARS** portion of the media campaign, the number of visitors to the **Pennsylvania’s Promise for Children** Web site:

- ✓ Increased 26 percent from April to May with approximately 1,000 visitors to the STARS web page and 5,000 online searches for STARS facilities.
- ✓ Individual STARS programs had a sharp increase in calls about their programs.

As a result of the **Pennsylvania Pre-K Counts** portion of the media campaign, the number of visitors to the **Pennsylvania’s Promise for Children** Web site:

- ✓ Increased 150 percent between May and June with more than 17,000 visitors in June.
- ✓ More than 6,000 visitors to the Pennsylvania Pre-K Counts web page were registered.

**Number of visitors to  
www.papromiseforchildren.com**



## Office of Child Development and Early Learning *continued*

Fifty-eight early childhood **community engagement groups** (CEGs), serving every county in the commonwealth, helped educate parents:

- On the importance of school readiness;
- How to promote early learning with their child; and
- How to register their child for kindergarten.
  - ✓ CEGs participated in or hosted more than 1,000 activities throughout the commonwealth, such as community fairs, Week of the Young Child events and parent classes.

**Keystone STARS** and **Pennsylvania Pre-K Counts** requires the development of partnerships with parents in their children’s early learning. A guide for parents of preschool children called *Kindergarten Here I Come*, is designed to provide families with at-home activities that will support a child’s preparation for kindergarten.

- ✓ Over 100,000 copies were distributed in 2007-08.

**PA KEY OBJECTIVE: Increase the percentage of preschool children with Early Intervention Programs who receive services in settings with typically developing peers (e.g., child care, Head Start, preschool).**

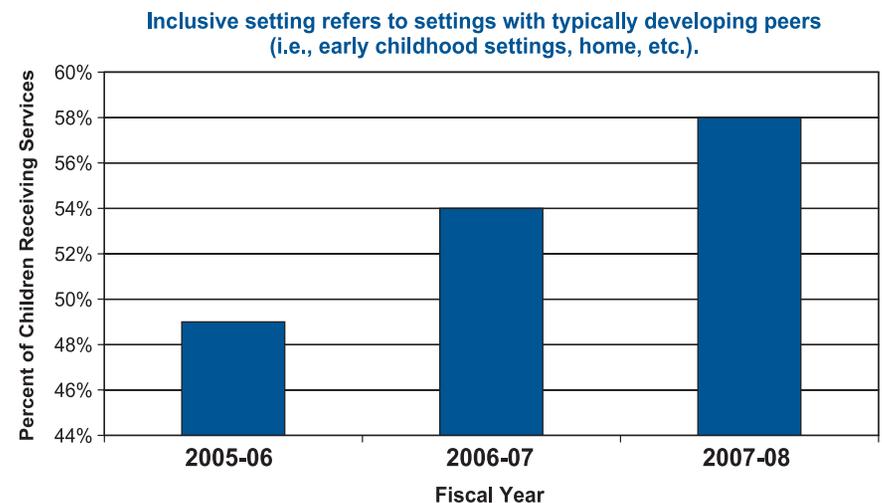
**Why this objective is important:** Services and supports which are embedded in typical routines and activities within the family, community and/or early childhood settings enhance daily opportunities for learning for young children with disabilities.

- ✓ For four years, less than 50 percent of children received their services in typical or traditional settings.
- ✓ Over the past two years, there has been a nine percent increase in the number of children included in typical early childhood programs, resulting in a total of 58 percent of all children in Early Intervention receiving their services in these settings (e.g. child care, Head Start, preschool). (See chart to right.)

These results can be attributed to the following:

- New opportunities for children receiving Early Intervention services emerged with the new Pennsylvania Pre-K Counts initiative in newly formed, high-quality Pennsylvania Pre-K Counts classrooms.
- Technical assistance was targeted to our preschool Early Intervention programs with the lowest numbers of children in inclusive settings.
- Aggressive data monitoring and severe limitations on new early childhood special education classes encouraged preschool Early Intervention programs to carefully review each child’s placement.

**Percentage of Preschool Children Receiving Early Intervention Services in an Inclusive Setting**



**Office of Child Development and Early Learning** *continued*

Early Intervention Budget (in thousands)	2004-05	2005-06	2006-07
Early Intervention Birth – Age 5	\$ 311,839	\$ 355,657	\$ 392,388
Early Intervention Number of Children Served			
Early Intervention Birth to 3 yrs.	28,522	29,848	31,963
Early Intervention 3 to 5 yrs.	37,638	39,477	41,637
<b>Total Early Intervention Children Served Birth to 5 yrs.</b>	<b>66,160</b>	<b>69,325</b>	<b>73,600</b>

**PA KEY OBJECTIVE: Increase the number of low-income families accessing child care regulated by Pennsylvania through Child Care Works.**

**Why this objective is important:** Pennsylvania regulates nearly 9,000 child care providers across the state to make sure that they meet the basic standards in areas such as health, safety and reduction of risk to children. Regulated care is also a more stable child care option for families. Studies have found that receiving a subsidy for child care promotes longer employment durations among women, regardless of marital status or educational attainment.

In June 2007, the office completed a statewide effort to provide child care assistance and parent counseling services and information to all families through the **Child Care Information Services** agencies.

An increasing number of families receiving **Temporary Assistance for Needy Families (TANF)** are now choosing regulated child care rather than unregulated care.

- Prior to the consolidation of all subsidized child care services at the same local agency, approximately 32 percent of families receiving TANF used regulated child care.
  - ✓ As a result of service consolidation, 57 percent of families receiving TANF are now using regulated child care.

Child Care Works Budget (in thousands)	2004-05	2005-06	2006-07
Low-Income Child Care Subsidy	\$ 263,000	\$ 284,301	\$ 314,555
TANF Child Care Subsidy	\$ 168,000	\$ 170,485	\$ 162,057
Former TANF Child Care Subsidy	\$ 133,000	\$ 164,290	\$ 207,920
<b>Total ALL funds</b>	<b>\$ 564,000</b>	<b>\$ 619,076</b>	<b>\$ 682,383</b>
Child Care Works Number of Children Served			
Low-Income Child Care Subsidy (monthly average)	52,769	57,250	60,818
TANF Child Care Subsidy (monthly average)	34,019	32,669	31,746
Former TANF Child Care Subsidy (monthly average)	26,525	32,165	39,628

# Pennsylvania Commission for Women

Leslie Stiles, Executive Director  
www.pcw.state.pa.us

## Mission Statement

The mission of the Pennsylvania Commission for Women is to identify and advance the diverse needs and interests of Pennsylvania women and girls; to inform, educate and advocate for its constituents; and to provide opportunities to empower women and girls to reach their highest potential.

## Overview of Programs and Services:

- Advocates, informs and educates for health care, economic stability, education and human rights legislation for women.
- Coordinates and conducts statewide events that bring together women to learn from expert speakers, acquire new skills, discover personal and professional opportunities and exchange ideas about critical and contemporary issues.

## Fiscal Year 2007-08

Complement Level: ..... 3

Total Budget: ..... \$341K  
(Includes state and other funds.)

## High-Level Goals

- Empower the women and girls of Pennsylvania through information, education and advocacy.

## Key Objectives, Strategies and Accomplishments in 2007-08:

**PA KEY OBJECTIVE: Increase the awareness of and education on critical issues that affect women and families.**

**Why this objective is important:** Increasing awareness and providing educational forums about issues helps bring about needed change by galvanizing and encouraging women to be the driving force behind that change.

The commission is involved in many activities – using a variety of marketing media such as billboards, radio, television and the Internet – that advance women’s issues through education. These include:

- ✓ A statewide marketing campaign on breast cancer, heart disease, domestic violence, rape and wage equity with the tagline: **Change it.**
- ✓ A statewide marketing campaign for osteoporosis that targeted rural women.
- ✓ A statewide marketing campaign educating woman on the importance and empowerment of voting that was focused on increasing registration and getting women to the polls.

**Strategy: Increase the number of projects and programs that foster the education and empowerment of women, girls and families.**

- ✓ **Pennsylvania Governor’s Conference for Women:** This annual, non-partisan conference, now in its fifth year, is an extraordinary day of personal and professional development for the women of this commonwealth. It is an opportunity to invest in oneself, explore new avenues, forge relationships and empower one’s own life as well as the lives of others. The conference location alternates each year between Philadelphia and Pittsburgh, validating its statewide reach. Below are a few highlights of this annual conference.
  - On average, 5,000 attendees each year.
  - Free admission for the young women’s track for high school juniors and seniors.
  - A scholarship program with more than 40 colleges and universities participating.
  - Expo floor with exhibitors covering a wide range of information and products for women.
  - Three keynote sessions and more than 100 international, national and local speakers.
  - Independent Web site providing detailed information on the conference.

### Pennsylvania Commission for Women *continued*

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- Non-profit 501(c)(3) status.
- Subsidized by corporate sponsorship, not state funds.
  
- ✓ **How to Form a County Commission Manual:** This publication was developed to assist counties in establishing additional County Commissions for Women.
- ✓ **Legendary Ladies:** These tourism brochures focus on women who made history in Pennsylvania. Thus far, there are Greater Pittsburgh, Greater Philadelphia and Northeast Mountains region versions. The commission plans to publish additional versions of the brochure that will cover all viable tourism segments in Pennsylvania.
- ✓ **“Voices: African American and Latina Women Share Their Stories of Success”:** The commission created, designed and produced a role model book for Latina and African-American girls.
  - Research affirms that there is less crime and delinquency, less truancy, more goal setting and better education when girls have access to racially and gender-matched role models.
  - A copy of the book was given to every public library and public school library serving grades 6-9 in every county of the commonwealth.
- ✓ **“Women’s Wellness Guides”:** Bilingual, touch-activated women’s health kiosks.
  - Targeted to under served women who lack Web access, consistent health care providers and time to take care of themselves. Tagline: **Take Control of Your Health.**
  - Information on heart disease and stroke; breast, cervical, ovarian, colon and skin cancers; diabetes; depression; asthma; healthy diet and exercise and weight management; smoking; domestic violence; HIV/AIDS and other sexually transmitted diseases; insurance and help-line options.
- ✓ **The Status of Pennsylvania Women Report, 2004 and 2008 editions:** This report is an educational tool provided for the Governor, the General Assembly, women’s organizations and interested individuals. Key topics include:
  - Political Participation
  - Socioeconomic Autonomy
  - Employment and Economic Status
  - Health and Wellness
  - Violence
- ✓ **Dissemination of Information:** The commission maintains a data bank and referral service to disseminate information relating to the interests of women, girls and families via hot line, a resource-rich Web site and a comprehensive contact list for all state and county agencies assisting women and children.

### Pennsylvania Commission for Women *continued*

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**PA KEY OBJECTIVE: : Increase advocacy activities that impact legislation affecting the lives of women and families.**

**Why this objective is important:** Understanding legislation can be difficult so it is beneficial to have an organization that is dedicated to educating, advising and advocating on behalf of women for the passage of appropriate legislation that advances women's issues.

The commission is actively involved in:

- ✓ Summarizing legislation that directly pertains to women and families for Web site, newsletter and public relations purposes.
- ✓ Organizing advocacy campaigns on legislation/regulations concerning health care, domestic violence, breast feeding, economic stability, education and the environment.

#### **Awards and Recognition:**

- YWCA of Pittsburgh - Racial Justice Award 2007 for *Voices: African American and Latina Women Share Their Stories of Success*.
- The National Association of Commissions for Women (NACW) – Outstanding Achievement Award 2007 for *Voices: African American and Latina Women Share Their Stories of Success*.
- The National Association of Commissions for Women (NACW) – Outstanding Achievement Award 2008 for *Legendary Ladies* brochures.

# Economic Development: Create Jobs and Build a Vital Economy/Boost the Skills of Our Workers

## Pennsylvania State Government is Committed to:

- Crafting innovative public/private partnerships and investing new capital in small and large companies;
- Linking private capital to support economic development opportunities that offer the greatest potential for new jobs paying a family sustaining wage;
- Developing new financial tools to attract businesses that link Pennsylvania’s economy to the industries of the future;
- Offering a variety of grants, loans and loan guarantees to stimulate economic investment, growth and expanded employment;
- Streamlining and focusing its workforce-training and development activities to boost the number of jobs and wages of workers;
- Providing adequate housing for those in need; and
- Improving Pennsylvania’s system for the fast, convenient, efficient and safe movement of people and goods as part of a national and international transportation system.



## State of the State

Data in tables and charts is reported with varying years due to the use of numerous data sources. (1 = highest unless otherwise indicated.)

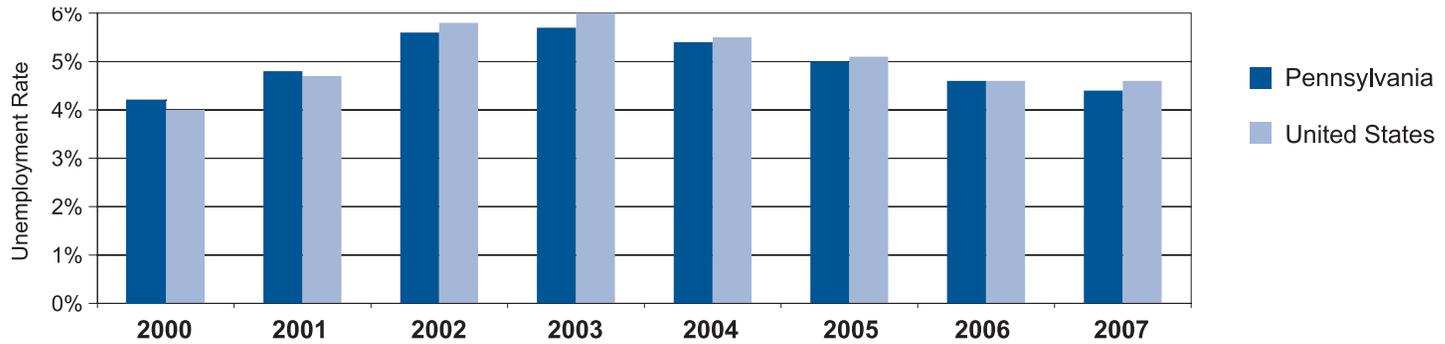


Three-Year Average Job Growth	2000-02	2005-07
State Rank (out of 50)	26	38
Competitor/Neighboring States Rank (out of 13) *	5	7

Source: U.S. Department of Labor

\* Other states include: Connecticut, Illinois, Maryland, Massachusetts, Michigan, New Jersey, New York, North Carolina, Ohio, South Carolina, Texas and Virginia.

### Unemployment Rate



Source: Pennsylvania Department of Labor & Industry, Center for Workforce Information Analysis



Labor Force in Manufacturing		2002	2007
Percent of Labor Force Employed in Manufacturing		13%	11%
State Rank (out of 50)		15	18

Source: U.S. Department of Labor

\* Other states include: Connecticut, Illinois, Maryland, Massachusetts, Michigan, New Jersey, New York, North Carolina, Ohio, South Carolina, Texas and Virginia.



# Economic Development: Create Jobs and Build a Vital Economy/Boost the Skills of Our Workers



Number of High-Tech Jobs	2002	2007
High-Tech Jobs as Percent of Total Jobs	5%	4%
State Rank (out of 50)	23	20
Competitor/Neighboring States Rank (out of 13)*	9	7

Source: Kauffman Foundation



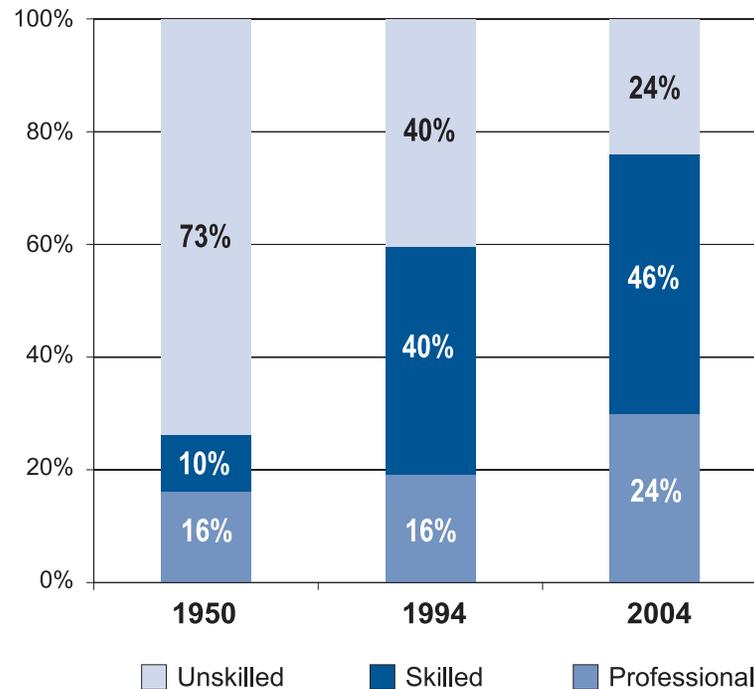
Non-Farm Jobs	2003	2007
Non-Farm Jobs (Seasonally Adjusted)	5,628,200	5,802,600
State Rank (out of 50)	6	6
Competitor/Neighboring States Rank (out of 13)*	5	5

Source: U.S. Department of Labor

\* Other states include: Connecticut, Illinois, Maryland, Massachusetts, Michigan, New Jersey, New York, North Carolina, Ohio, South Carolina, Texas and Virginia.



## Pennsylvania Statewide Workforce Skill Level:



Source: U.S. Bureau of Census and Pennsylvania Department of Labor & Industry, Center for Workforce Information & Analysis (Pennsylvania statewide)



**Agriculture**

Pennsylvania is home to more than 7.7 million acres of farmland. The 58,000 farms in the Keystone State generate over \$4.5 billion in total economic impact and the agriculture and food industry as a whole contributes \$45 billion to the commonwealth in economic impact. One in seven jobs in Pennsylvania is related to agriculture, making this the industry that feeds our citizens and our economy.



**Income**

<b>Annual Pay</b>	<b>2001</b>	<b>2005</b>
Average (Mean) Annual Pay	\$34,976 (2001)	\$38,555 (2005)
State Rank (out of 50)	18	16
Competitor/Neighboring States Rank (out of 13)*	10	9

Source: U.S. Census Bureau

\* Other states include: Connecticut, Illinois, Maryland, Massachusetts, Michigan, New Jersey, New York, North Carolina, Ohio, South Carolina, Texas and Virginia.

## Economic Development: Create Jobs and Build a Vital Economy/Boost the Skills of Our Workers



Median Household Income	2002	2006
Median Household Income	\$42,498	\$46,259
State Rank (out of 50)	25	25
Competitor/Neighboring States Rank (out of 13)*	9	9

Source: U.S. Census Bureau



### Taxes

Business Tax Climate	2003	2007
<b>Tax Foundation Score</b> (score based on 1-10 scale; combines corporate, individual, sales, property, and unemployment insurance taxes)	5.11	5.15
State Rank (out of 50)	28	27
Competitor/Neighboring States Rank (out of 13)*	8	5

Source: The Tax Foundation



Cost of Doing Business**	2004	2007
State Rank (out of 50)	33	29
Competitor/Neighboring States Rank (out of 13)*	8	5

Source: Milkin Institute

\*\* Cost includes wages, taxes, electricity and industrial rent.



Tax Revenue/Capita	2002	2006
State Tax Revenues Per Capita	\$1,795.55	\$2,335.14
State Rank (out of 50)	23	24
Competitor/Neighboring States Rank (out of 13)*	8	7

Source: The Tax Foundation

\* Other states include: Connecticut, Illinois, Maryland, Massachusetts, Michigan, New Jersey, New York, North Carolina, Ohio, South Carolina, Texas and Virginia.

# Economic Development: Create Jobs and Build a Vital Economy/Boost the Skills of Our Workers



State & Local Tax Burden		
	2002	2007
State Rank (out of 50)	17	12
Competitor/Neighboring States Rank (out of 13)*	5	8
Total Tax Burden		
	2002	2006
State Rank (out of 50)	31	31
Competitor/Neighboring States Rank (out of 13)*	6	5

Source: The Tax Foundation



## Exports

Pennsylvania's top exports include chemicals, machinery, primary metal manufacturing and transportation equipment.



Exports		
	2002	2007
Value of Exports	\$15.77 Billion	\$29.1 Billion
State Rank (out of 50)	12	9
Competitor/Neighboring States Rank (out of 13)*	8	6

Source: U.S. Department of Commerce / Kauffman Foundation

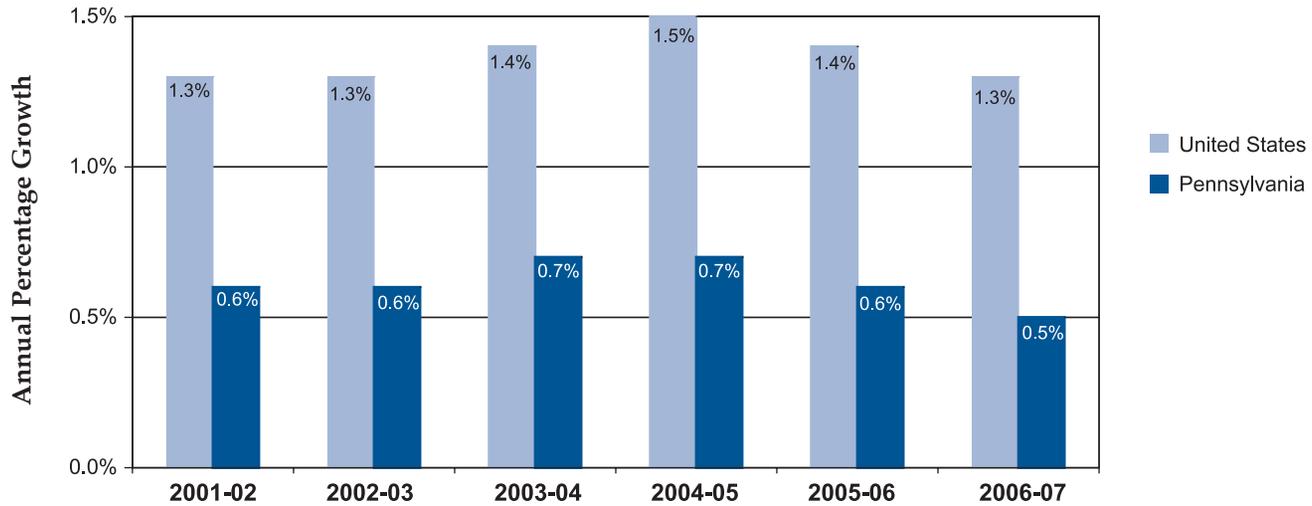
\* Other states include: Connecticut, Illinois, Maryland, Massachusetts, Michigan, New Jersey, New York, North Carolina, Ohio, South Carolina, Texas and Virginia.



**Pennsylvania Housing**

The number of housing units in Pennsylvania grew to 5,477,864 in 2007, placing the commonwealth 5th among all states. The commonwealth ranks 45th in the percent increase of housing units between 2000 and 2007 (4 percent).

**Annual Growth in Housing Units  
United States and Pennsylvania  
(July 1, 2001 to July 1, 2007)**



Source: Pennsylvania Housing Finance Agency

Pennsylvania has some of the nation’s oldest housing.

<b>Selected Pennsylvania Housing Characteristics: 2006</b>			
Year Structure Built	Estimate	Year Structure Built	Estimate
Built 2005 or later	48,875	Built 1960 to 1969	546,326
Built 2000 to 2004	256,930	Built 1950 to 1959	775,019
Built 1990 to 1999	511,442	Built 1940 to 1949	470,662
Built 1980 to 1989	535,398	Built 1939 or earlier	1,606,873
Built 1970 to 1979	702,122		

Source: U.S. Census Bureau, 2006 American Community Survey.

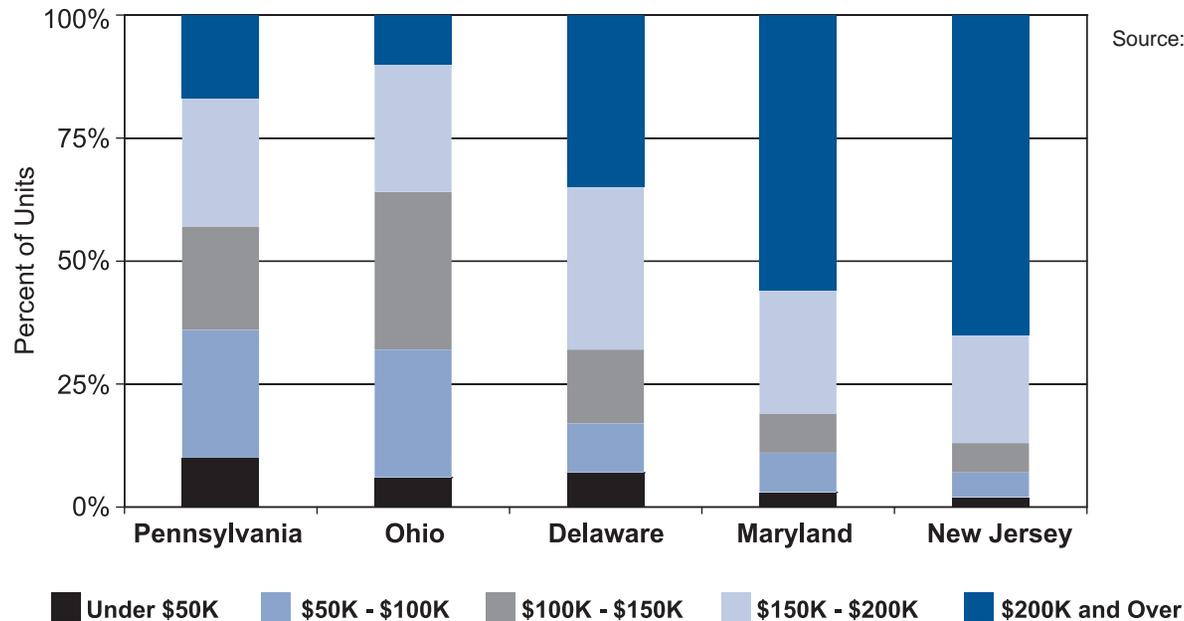
# Economic Development: Create Jobs and Build a Vital Economy/Boost the Skills of Our Workers

Median Housing Value		2002	2006
Median Housing Value of Owner-Occupied Housing		\$102,871	\$145,200
State Rank (out of 50)		35	30
Competitor/Neighboring States Rank (out of 13)*		12	9
Owner-Occupied Housing		2002	2006
Percent of Housing Units that are Owner-Occupied		72%	72%
State Rank (out of 50)		11	12
Competitor/Neighboring States Rank (out of 13)*		2	2

Source: U.S. Census Bureau

\* Other states include: Connecticut, Illinois, Maryland, Massachusetts, Michigan, New Jersey, New York, North Carolina, Ohio, South Carolina, Texas and Virginia.

### Percent of Housing Units by Housing Value: 2005



Source: Pennsylvania Housing Finance Agency Housing Study 2007



### Historical Facts / Tourism Attractions

Pennsylvania, the Keystone State, was named for its role in the struggle for independence and in the unification of the states of America to form a new nation, and was the geographic centre of the thirteen original colonies. It occupied the position as a bridge across to the Appalachian Mountains, linking the East coast to Lake Erie and the Midwest.

Philadelphia, the birthplace of American Independence and home of the Liberty Bell, is full of history drawing millions of visitors every year to follow the walking trail through Independence National Historical Park. The city, also a major port, has many fine museums, parks and gardens and a lively cultural scene.



Pittsburgh, with its more industrial heritage, enjoys a beautiful location where two rivers meet to form the Ohio, attractions include many museums, the Science Centre, Pittsburgh Zoo, the National Aviary, river cruises, floating nightclubs, and inclined tramways affording panoramic views from the surrounding hills.

In scenic Pennsylvania there are a myriad of things to see and do: family resorts and honeymoon retreats in the Pocono Mountains, charming inns of Bucks County, lakes and waterfalls, boating and fishing, historic sites, gardens and the superb Wyeth Art Museum in the Brandywine Valley, the famous Civil War battlefield site and Eisenhower farmhouse at Gettysburg, and the Amish and Mennonites of Lancaster County.

Source: [www.VisitPA.com](http://www.VisitPA.com)



**Transportation**

**Roads and Highways**

Pennsylvania has nearly 122,000 miles of roadways which includes nearly 44,000 miles of state owned roadways, over 77,000 miles of locally owned and maintained roads and over 500 miles of turnpike. Pennsylvania also maintains more than 25,000 bridges over 8-feet, with more than 15,000 of those being over 20-feet long, and over 6,800 locally owned and maintained bridges over 20-feet. The average age of a Pennsylvania bridge is 50 years.

**Public Transit**

- 73 transit systems statewide;
- 427 million transit trips in 2007-08;
- Nation’s 8th-largest transit system in Philadelphia and 16th-largest in Pittsburgh based on transit trips per capita; and
- More than 5,500 transit vehicles.

All 67 counties have at least one of the following public transportation systems:

- **Urban and Rural Fixed-Route Transit Agencies:** Fixed-route service is regularly scheduled general public transportation that is provided according to published schedules along designated routes with specific stopping points for passengers to enter and exit the vehicle.
- **Community Transportation Providers:** Community transportation providers offer service that is based on request. Instead of passengers meeting the vehicle on a scheduled route, these vehicles pick passengers up at their point of origin and deliver them to their destination.

Annual Public Transit Trips Per Capita 2006			
Rank	Urbanized Area	Population	Passenger Trips (in millions)
1	New York-Newark, NY-NJ-CT	17,799,861	3,557
3	Washington, DC-VA-MD	3,933,920	461
8	Philadelphia, PA-NJ-DE-MD	5,149,079	342
11	Baltimore, MD	2,076,354	109
16	Pittsburgh, PA	1,753,136	72

Source : Federal Transit Administration National Transit Database.

# Economic Development: Create Jobs and Build a Vital Economy/Boost the Skills of Our Workers

## Airports

There are 127 public-use airports in Pennsylvania: 113 general aviation airports and 14 passenger service airports. There are also seven public-use heliports in Pennsylvania.

## Rail Freight / Ports and Rivers

Number of Freight Railroads		Class I Route Miles		Regional and Shortline Route Miles	
Class I.....	4	Norfolk Southern (NS).....	2,433	TOTAL.....	2,801
Regionals/Short Lines.....	63	CSX.....	535	TOTAL ROUTE MILES.....	6,052
TOTAL.....	67	Others.....	283		
Source : Pennsylvania Department of Transportation		TOTAL.....	3,251		

Ports		
<b>Erie</b>	<b>Philadelphia</b>	<b>Pittsburgh</b>
Great Lake Port	Deep Water Port	River Port

Navigable Rivers			
<b>Allegheny</b>	<b>Delaware</b>	<b>Monongahela</b>	<b>Ohio</b>

Rail Tons Originated (2005)			Rail Tons Terminated (2005)		
Material	Tons	%	Material	Tons	%
Coal	42,219,922	63	Coal	31,701,997	46
Primary Metal Products	5,881,070	9	Primary Metal Products	5,084,695	7
Nonmetallic Minerals	4,650,756	7	Food Products	4,906,824	7
Petroleum Products	3,978,725	6	Chemicals	4,418,716	6
Mixed Freight*	2,200,160	3	Metallic Ores	3,533,946	5
All Other	8,048,310	12	All Other	19,782,580	29
<b>TOTALS</b>	<b>66,978,943</b>	<b>100</b>	<b>TOTALS</b>	<b>69,428,758</b>	<b>100</b>

Source : Pennsylvania Department of Transportation

\* Predominantly intermodal.

## Economic Development: Create Jobs and Build a Vital Economy/Boost the Skills of Our Workers

### Contributing Agencies:

Department of Community and Economic Development.....	45
Pennsylvania Housing Finance Agency .....	52
Department of Labor & Industry .....	57
Department of Transportation.....	65
Department of Agriculture .....	73
*Public Utility Commission .....	195

\* Many agencies contribute to more than one goal category, but in this report we listed each agency under its primary goal category defined by the agency's mission statement.

- The **Department of Agriculture**, which supports Economic Development (by promoting the agricultural industry), Consumer Protection (by administering food and animal safety programs) and Environment (by monitoring conservation practices), is included in the **Economic Development** goal category.
- The **Public Utility Commission**, which supports both Consumer Protection (through utility rate protection) and Economic Development (by overseeing viable utilities), is included in the **Consumer Protection** goal category.

# Department of Community and Economic Development

John P. Blake, Acting Secretary  
www.newpa.com

## Mission Statement

The mission of the Department of Community and Economic Development is to empower businesses and communities to invest, succeed and thrive in an environment that affords a superior quality of life and increases opportunities for economic prosperity for all Pennsylvanians.

## Overview of Programs and Services:

Implements and administers business finance; community revitalization; tourism, film and economic development marketing; technology investments; international business development; and technical assistance programs.

- Manages programs to increase travel, tourism and film production in Pennsylvania.
- Provides assistance to local governments to help maintain or regain fiscal stability.
- Promotes the expansion of exports and the growth of foreign investment.

## High-Level Goals

- Stimulate economic growth.
- Enhance revitalization of “core communities.”
- Position the commonwealth to compete aggressively with its competitor states and nations.
- Support the growth of a diversified economy.
- Support small, minority and women-owned businesses.

## Key Objectives, Strategies and Accomplishments in 2007-08:

**PA KEY OBJECTIVE: Increase the number of jobs created and retained in the commonwealth.**

**Why this objective is important:** Job creation will help ensure that businesses and communities provide opportunities for all of the commonwealth’s residents, improve the local tax base, and achieve prosperity and a higher quality of life for families and communities.

### Strategies used to achieve this objective:

- Ensure that capital for the creation, retention and expansion of private enterprise is available at each phase of the business life cycle for all types of businesses.
- Make lower capital costs possible as an incentive for businesses to invest and grow in Pennsylvania.
- Provide a business climate that encourages the creation, expansion and retention of successful small businesses.
- Use state community and economic development programs in a cohesive and cost-effective manner to help in job creation and retention efforts within the commonwealth.

Through strategic investments in job growth, coordinated economic and community development initiatives, and targeted business assistance over the past five years, the department has helped in boosting the commonwealth’s economic health, as shown in these major economic indicators. (See chart below.)

Pennsylvania’s Economy				
	2002	2007	Change	Percent Change
Personal Income (Per Capita)	\$31,023	\$38,788	\$7,765	25.03%
PA Gross Domestic Product	\$423 billion	\$531 billion	\$108 B	25.53%
	January 2003	June 2008	Change	Percent Change
Employment	5,625,700 jobs	5,806,500 jobs	180,800 jobs	3.21%
Unemployment Rate	5.7%	5.2%	-0.50	- 8.77%

Source: PA Department of Community & Economic Development

## Department of Community and Economic Development

(continued):

### Overview of Programs and Services (continued):

- Works with companies to preserve and expand job growth.
- Recruits companies to locate or expand operations in Pennsylvania.
- Supports stakeholders in Pennsylvania that promote economic development.

### Fiscal Year 2007-08

**Complement Level:** ..... 365

**Total Budget:** ..... \$899.544M

(Includes state, federal and other funds.)

- ✓ For the past five years (2003 to 2007), the number of **Pennsylvania jobs has grown** at an average annual rate of **0.66 percent**, – better than most competitor states, including New Jersey, Ohio, Michigan, Illinois and Massachusetts.
- ✓ In 2007, the Milken Institute ranked **Pennsylvania as the 29th best state in the cost of doing business** – better than most competitor states, including New York, New Jersey, Maryland, Michigan, Illinois, Connecticut and Massachusetts.
- ✓ In 2008, the non-partisan, business-funded Tax Foundation ranked the **commonwealth’s business tax climate** (based on the state’s corporate, individual, sales, unemployment and property taxes) **27th nationally** and **first** among competitor states, including Ohio, New Jersey, New York, North Carolina, Michigan, Illinois, Massachusetts, Connecticut and West Virginia.



### **KEY OBJECTIVE: Increase the number of new company formations in the commonwealth’s technology industry.**

**Why this objective is important:** New technology-based companies in such sectors or subsectors as biosciences, energy, manufacturing, nanotechnology and telecommunications/information technology provide high growth potential as well as ripple effects into other economic sectors, effectively building individual, business and community wealth:

#### **Strategies for achieving this objective:**

- Ensure that the variety of technology-based economic development organizations throughout the commonwealth work collaboratively to fully leverage the wealth of research, capital and support services available to build a comprehensive infrastructure that supports company formation and growth.
- Serve pre-revenue, emerging and mature technology companies; universities engaged in research and development with commercial potential; community organizations that focus on technology infrastructure, training and facilities; and investment partners.

The *American Electronic Association* benchmarks states’ high-tech industries and it noted the following in its 2008 report on Pennsylvania:

- ✓ Pennsylvania high-tech workers earned an average wage of \$71,800, placing the state 21st in this category. This average wage is 75 percent more than Pennsylvania’s average private-sector wage.
- ✓ There were 210,200 high-tech workers in Pennsylvania in 2006, placing the state 7th in this category.
- ✓ Pennsylvania high-tech firms employed 43 of every 1,000 private sector workers in 2006, placing the state 27th in this category.

# Economic Development: Create Jobs and Build a Vital Economy/Boost the Skills of Our Workers

## Department of Community and Economic Development *continued*

- ✓ Pennsylvania's high-tech payroll was \$15.1 billion in 2006, placing the state 9th nationwide in this category.
- ✓ The commonwealth had 12,000 high-tech establishments in 2006, placing it 8th nationwide in this category.

Technology Company Formation and Assistance: 2003-04 through 2007		
Technology Companies	Total 2003-04 to 2006-07	Total in 2007-08
New companies formed	334	384
Jobs created	28,753	7,612
Jobs retained	35,931	13,604
Businesses assisted	26,671	5,709
Private/public funds leveraged	\$4.3 billion	\$1.16 billion

Source: PA Department of Community & Economic Development

In 2008, Business Facilities magazine ranked Pennsylvania **number one** nationally in overall biotechnology strength, which considers various investments, workforce and economic impact.

According to the Association of University Technology Managers' Annual Survey, the increase in new businesses from 2001 to 2006 was **135.7 percent for Pennsylvania**, compared to a **national average of 27.5 percent**. Specifically for 2006, Pennsylvania ranked **4th** in this category, according to the survey.

In 2007, Milken Institute ranked **Pennsylvania 13th nationally** on its state technology and science index. The index takes inventory of the technology and science assets that can be leveraged to promote economic development in each state. The commonwealth ranked better than most of its competitor states, including New York, North Carolina, Illinois, Ohio, Michigan and West Virginia.

### **PA KEY OBJECTIVE: Increase foreign direct investments and export sales in the commonwealth.**

**Why this objective is important:** The department will leverage the state's overseas networks and seek to open new markets for Pennsylvania companies to successfully take advantage of global opportunities. Increased export sales by Pennsylvania companies helps create and retain jobs in the commonwealth.

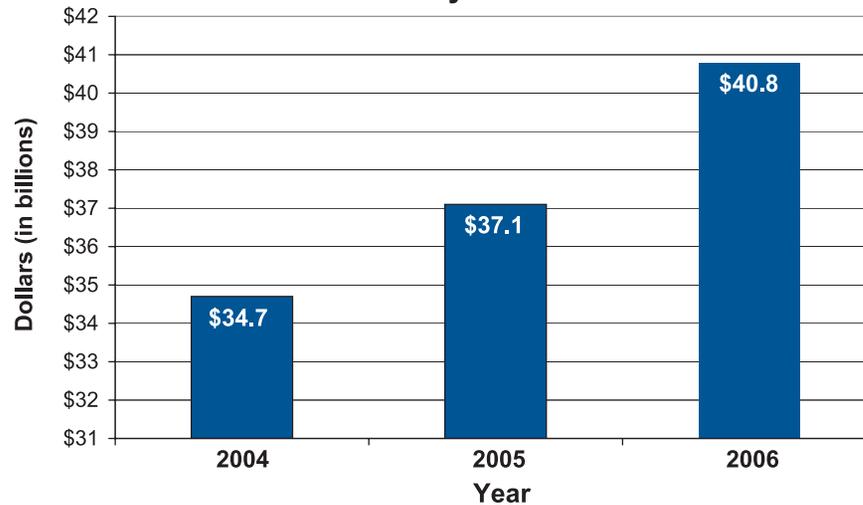
#### **Strategies for achieving this objective:**

- Offer attractive opportunities for international investors to invest and expand within the commonwealth;
- Provide transaction-based technical assistance and marketing services to Pennsylvania companies to develop their exports and expand their presence in foreign markets; and
- Utilize the ports of Pennsylvania to enhance the strength of the commonwealth's economy and increase the ports' capacity for business.

# Economic Development: Create Jobs and Build a Vital Economy/Boost the Skills of Our Workers

## Department of Community and Economic Development *continued*

**Foreign Direct Investments to Pennsylvania  
Increased by 10% in 2005-06**



Source: PA Department of Community & Economic Development

**In 2007-08:**

- ✓ 1,263 businesses assisted.
- ✓ 23 foreign direct investment projects facilitated.
- ✓ Export sales facilitated by the department: \$365 million.

**In 2006-07:**

- ✓ 870 businesses assisted.
- ✓ Export sales facilitated by the department: \$254 million.

Pennsylvania Exports				
	2002	2007	Change (dollars)	Percent Change
Pennsylvania Exports	\$15.8 billion	\$29.1 billion	\$13.3 billion	84.17%

Source: PA Department of Community & Economic Development

### Department of Community and Economic Development *continued*

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#### **PA KEY OBJECTIVE: Increase Pennsylvania's tourism activities.**

**Why this objective is important:** Tourism is one of the leading industries in the commonwealth. Tourism dollars revitalize small towns and cities and preserve their unique contributions to the culture.

**“In 2006, Pennsylvania's travel and tourism industry provided 399,000 direct jobs, accounting for 6.8 percent of the state's total non-farm jobs and representing an 8 percent increase from 2003 (Source: Global Insight, Inc.)”**

#### **Strategies for achieving this objective:**

- Provide informative materials visitors need to plan and enjoy Pennsylvania's unique destinations, activities and attractions.
- Use effective marketing tactics such as advertising, attendance at trade shows and proactive outreach campaigns to encourage the hotel industry to increase operations in Pennsylvania.
- Provide incentives such as tax credits, online film database and one-to-one customer support to help attract film promotion companies.

#### **In 2007-08:**

- ✓ In the Tourist Promotion Assistance Program, \$73.8 million private/public funds were leveraged.
- ✓ Pennsylvania hotel room nights sold: 26,951,900.

#### **For the past four years (2003-04 to 2006-07)**

- ✓ \$269.7 million in private/public funds were leveraged in the Tourist Promotion Assistance Program.
- ✓ Pennsylvania hotel rooms nights sold: 103,769,400.

#### **PA KEY OBJECTIVE: Increase community revitalization projects in primary “core” communities across Pennsylvania through the Community Action Team (CAT).**

**Why this objective is important:** CAT serves as the single point of contact for communities to implement priority projects and it provides a trouble-shooting role to cut through red tape that often impedes a project. These projects, collectively, provide critical resources for the transportation, housing, recreational and commercial needs of Pennsylvania's cities. The completed projects will help eliminate blight; clean contaminated sites; provide affordable housing; rehabilitate older homes; restore commercial corridors, storefronts and streetscapes; and help create vibrant and sustainable neighborhoods.

#### **Strategies for achieving this objective:**

- Design packages of assistance specifically targeted at eliminating financing gaps and coordinating funds with other state agencies in order to expeditiously move projects to implementation.

## Economic Development: Create Jobs and Build a Vital Economy/Boost the Skills of Our Workers

### Department of Community and Economic Development *continued*

- Serve as the principal advocate for the commonwealth's local governments and work to eliminate red tape by solving problems at the local level.
  - Provide funds and technical assistance to nonprofits, local governments and businesses (through tax credits) to improve the quality of life for low-income residents and revitalize communities.
  - Assist in the improvement of the physical and economic assets of communities via programs that support housing and residential development, downtown improvement, business development, and construction of community facilities and infrastructure.
- ✓ By the end of 2007, the state invested \$371 million into 80 CAT Communities, these investments leveraged \$568 million in additional private investment for a total of \$939 million.

Community Revitalization Projects, 2003-04 to 2007-08		
Project Type	2003-04 to 2006-07	In 2007-08
Main Street/Elm Street Projects	420	126
Active projects in Community Action Team's (CAT) "core communities"	77	85
Homes weatherized	47,369	10,461
Local governments assisted through Shared Municipal Services Program	3,366	1,220
Municipalities assisted through the Land Use Planning and Technical Assistance Program	3,322	923

Source: PA Department of Community & Economic Development

#### Other Program Measures:

- ✓ Film production companies, through the 2007-08 new Film Tax Credit Program, committed to spend more than \$300 million in Pennsylvania to produce films.

## Department of Community and Economic Development *continued*

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### **Economic Development Awards and Recognition:**

- **Area Development Magazine, 2008 Gold and Silver Shovel Awards for the States**

In 2008, the department won the Silver Shovel Award – an award honoring those states with the most significant groundbreaking/expansion projects that create a significant number of new jobs and/or capital investments.

- **Corporate Investment & Community Impact (CiCi) Awards by Trade & Industry Development Magazine**

Award criteria includes the number of new jobs created, number of current jobs retained and community impact.

The department's projects won in two categories of the award:

- 2008 Corporate Investment Project: Westinghouse Electric Corporation in Cranberry, Pennsylvania
- 2008 Community Impact Project: Respironics, Inc. in New Kensington, Pennsylvania

- **Business Facilities Magazine 2007 Economic Development Deal of the Year (EDDY) Award**

The award recognizes economic development agencies that landed the biggest, highest-impact and most challenging corporate expansion projects.

- The department project (Westinghouse Electric Company) won the GOLD award.

- **Business Retention and Expansion International (BREI) 2006 Statewide/Province Wide Program**

The Pennsylvania Business Retention & Expansion Program won the BREI 2006-07 Statewide/Province Wide Program award. The award was presented at the BREI 13th Annual Conference in Omaha, Nebraska, on May 17, 2007.

# Pennsylvania Housing Finance Agency

Brian A. Hudson  
Executive Director  
www.phfa.org

## Mission Statement

In order to make the commonwealth a better place to live while fostering community and economic development, the Pennsylvania Housing Finance Agency provides the capital for decent, safe and affordable homes and apartments for older adults, persons of modest means and those with special housing needs.

## Overview of Programs and Services:

- Multi-family rental housing development;
- Single family homeownership; and
- Foreclosure prevention.

## Fiscal Year 2007-08

**Complement Level:** .....287

**Total Budget:** ..... \$12.250M  
(Includes state funds.)

## High-Level Goals

- Decent, safe and affordable homes and apartments for older adults, persons of modest means, and those with special housing needs.
- Informed home buyers, home owners and renters.
- Foreclosure prevention.

## Key Objectives, Strategies and Accomplishments in 2007-08:

### **PA** KEY OBJECTIVE: Increase the number of homes saved from foreclosure.

**Why this objective is important:** Providing a safety net helps people remain in their home when they encounter unplanned events, such as a loss of a job, unbudgeted medical expenses or other life-altering situations that make it hard for them to meet their financial obligations.

The **Homeowners Emergency Mortgage Assistance Program (HEMAP)** is designed to help homeowners who, through no fault of their own, are in danger of losing their homes to foreclosure.

- Eligible applicants receive assistance in an amount sufficient to bring their mortgage payments current and may also receive continuing assistance for up to 24 months or \$60,000.
- HEMAP assistance is in the form of a loan upon which repayments begin and interest starts to accrue when the recipient is financially able to pay.
- Repayments of HEMAP loans were strong. To date, more than 19,000 loans have been paid in full. Since 1983:
  - ✓ The Pennsylvania Housing Finance Agency spent more than \$445 million to save more than 40,000 homes from foreclosure.

In calendar year 2007 for HEMAP, the agency:

- ✓ Disbursed more than \$21 million in loan proceeds,
- ✓ Received nearly \$13 million in homeowner repayments,
- ✓ Approved more than 2,600 loans; and
- ✓ Had more than 1,000 loans repaid in full. (See chart.)

Home Emergency Mortgage Assistance Program	2007-08 Totals	2007-08 Monthly Average
Loan Disbursements	\$21,477,843	\$1,789,820
Repayments	\$12,965,027	\$1,080,419
Applications Received	10,592	883
Approvals	2,678	223
Payoffs	1,010	84
Loans Closed	2,041	170

### Pennsylvania Housing Finance Agency *continued*

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The **REfinance to an Affordable Loan Program** (REAL) is designed to assist homeowners who are at risk of foreclosure due to an adjustable rate or interest-only mortgage and who may not qualify for typical mortgage refinance programs. To be eligible, the property must be located in Pennsylvania and it must be the owner's primary residence. Eligible borrowers may be no more than 59 days past due on the existing mortgage at the time of application and have a credit score of at least 620. Individuals with lower credit scores will be considered if they meet additional criteria. The combined gross annual income of all borrowers may not exceed \$120,000, certain exceptions may apply.

- The REAL program offers attractive 30-year fixed rate loans.
- Homeowners may borrow up to 100 percent of the home's value, based upon a current appraisal (or 95 percent for borrowers with a credit score below 620).
- The REAL loan may be used to finance items such as subordinate mortgages, closing costs, prepayment penalties, delinquent property taxes, and arrearages that have occurred within the past 12 months after the loan reset to a higher monthly payment amount.
- Total monthly debt costs may not be more than 50 percent of your total gross monthly income (45 percent for borrowers with a credit score below 620).

The **Homeowners' Equity Recovery Opportunity Program** (HERO) is designed to assist borrowers not eligible for assistance under the REAL program or other mortgage refinance products available in the general market due to credit uses or owing more than the home's current appraised value. Income and residency requirement are the same as those for the REAL program. Approved borrowers must attend in-person financial counseling at a PHFA-approved agency.

- HERO provides an affordable fixed rate mortgage for up to 30 years.
- Homeowners may borrow up to 100 percent of the home's current value.
- The HERO loan may be used to finance item such as the current mortgage debt, closing costs, prepayment penalties (although efforts should be made to have the lender/servicer waive them), and delinquent property taxes.
- Property taxes and insurance (mortgage, homeowners, and flood if applicable) are included in your monthly payment amount so borrowers don't have to worry about budgeting for them on their own.
- If the borrower owes more than the home's current value, PHFA may be able to negotiate with the current lender to reduce the amount owed on the loan.
- HERO loan must be in first lien position.

## Pennsylvania Housing Finance Agency *continued*

### **PA KEY OBJECTIVE: Increase the opportunities for Pennsylvanians to become first-time homeowners.**

**Why this objective is important:** Without financial assistance, many Pennsylvanians would be unable to achieve the American dream of homeownership. Fair and affordable home loan products, such as home-purchase mortgage financing, closing-cost and downpayment assistance and financing for home repairs and access modifications, are available to help Pennsylvanians become and remain successful homeowners.

To make homeownership a possibility, the agency has:

*PHFA's foreclosure rate during 2007 was almost four times lower than the statewide foreclosure average.*

- ✓ Provided home-purchase financing for more than 120,000 households since 1982 for more than \$7.5 billion in financing.
- ✓ Funded 6,960 home purchase loans for a total of more than \$750 million in 2007. Closing-cost and down-payment assistance were provided on 1,214 of those loans.
- ✓ Provided home-repair loans to 99 households and access-modification funding to eight households.

The agency's total unpaid principal balance is more than \$3.6 billion on just under 49,000 loans. Repayment is above industry standards.

### **PA KEY OBJECTIVE: Maintain an adequate supply of safe, affordable rental housing.**

**Why this objective is important:** The availability of adequate and affordable rental housing is essential for providing an option for older adults, persons of modest means, and persons with special housing needs who are unable to purchase their own home.

Multi-family programs provide funds for the acquisition, construction, rehabilitation or preservation of affordable rental housing in the form of conventional or PennHOMES loan funding (zero percent soft debt), and/or an allocation of federal Low Income Housing Tax Credits. The agency also allocates tax exempt volume cap for qualified developments in conjunction with the tax credit program.

In 2007-08, the agency:

- ✓ Conducted ongoing monitoring of the physical and fiscal condition of approximately 95,000 units;
- ✓ Committed \$27.8 million in PennHOMES funding, \$25.1 million in tax credits and \$80 million in tax-exempt volume cap authority to finance 46 developments totaling approximately 2,800 units; and
- ✓ Provided staff support to make needed resident services available to 255 PennHOMES funded developments (17,000 units).

## Pennsylvania Housing Finance Agency *continued*

**PA KEY OBJECTIVE: Increase the number of quality single-family homes developed or rehabilitated in urban communities while at the same time providing municipalities with an opportunity to address blight.**

**Why this objective is important:** The presence of long-term investors builds optimism and hope in communities and signals that urban neighborhoods hold promise for becoming healthier, more attractive places in which to live, raise families, shop and work.

The **Homeownership Choice Program (HCP)** provides funding for:

- Development and/or rehabilitation of single-family homes for purchase in urban communities, and
- Rehabilitation of the upper floors of storefronts in the commercial corridors of urban neighborhoods and core communities to provide either rental or ownership housing opportunities.

HCP development is required to be:

- A part of a municipality's comprehensive approach to increase the net investment in housing in urban areas while building mixed-income communities and encouraging diversity of homeownership;
- A joint effort of the municipality, a for-profit builder/developer and a nonprofit builder/developer community partnership; and
- Matched at least dollar for dollar with half of the matching funds being dedicated by the municipal entity.

Homeownership Choice Programs:

- ✓ Invested approximately \$75 million in its first seven years, leveraging more than \$462 million in additional housing, infrastructure and economic development in 62 Pennsylvania communities.
- ✓ Approved sites anticipated to produce approximately 2,442 new or rehabilitated housing opportunities.

**PA KEY OBJECTIVE: Increase the availability of educational opportunities for individuals looking to purchase a home.**

**Why this objective is important:** Educating potential homeowners about all aspects of home ownership – including their financial responsibilities prior to signing a sales agreement – provides them with the information they need to make informed decisions and increases the likelihood of them being successful long-term homeowners.

The agency's **Comprehensive Homeownership Counseling Initiative** trains and certifies organizations to provide homebuyer workshops, pre-settlement counseling and pre-purchase counseling to help prospective homeowners throughout Pennsylvania.

Offerings include education about:

- Homeownership,
- Budgeting,
- Credit,
- Financial and technical assistance,
- Property inspections,
- Rehabilitation and
- Maintenance.

*Currently more than 100 separate organizations comprise the Comprehensive Homeownership Counseling Initiative network.*

### Pennsylvania Housing Finance Agency *continued*

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In 2007-08:

- ✓ Training sessions have increased by 185 percent as counselors provide services to many prospective borrowers having problems securing or maintaining affordable housing.
- ✓ In March 2008, the agency received an award of \$3.4 million from NeighborWorks America to provide loss mitigation and foreclosure prevention counseling services to 9,581 homeowners by December 2008.
- ✓ The agency has educated more than 33,000 consumers.
- ✓ Because of the counseling education buyers have received, the delinquency rate for open loans has decreased from 12 percent in 2004 to 5 percent in December 2007.

## Department of Labor & Industry

Sandi Vito, Acting Secretary  
www.dli.state.pa.us

### Mission Statement

The mission of the Department of Labor & Industry is to improve the quality of life and the economic security of Pennsylvania's workers and businesses, encourage labor-management cooperation and prepare the commonwealth's workforce for the jobs of the future.

### Overview of Programs and Services:

- Administers programs that promote, maintain and strengthen economic development and growth.
- Protects the health, welfare and safety of workers.
- Enforces a statewide building code.
- Provides meaningful job training and placement services.
- Stabilizes the incomes of injured, disabled or unemployed workers.
- Facilitates labor-management cooperation.

### Fiscal Year 2007-08

**Complement Level:** ..... 5,573

**Total Budget:** ..... \$1,340.250M

*(Includes state, federal and other funds.)*

### High-Level Goals for the Department

- Develop a highly skilled and educated workforce.
- Create economic security for workers and businesses.
- Improve labor-management relations.
- Create safer working environments.

### Key Objectives, Strategies and Accomplishments in 2007-08:

 **KEY OBJECTIVE: Increase the number of people being trained and obtaining or retaining a job.**

**Why this objective is important:** Increased employment opportunities for residents and strengthen Pennsylvania's industries and economy.

Job Ready PA is the strategic restructuring of Pennsylvania's workforce development system. Much more than a series of independent initiatives, Job Ready PA implements and integrates industry-led strategies across many departments, thus enabling Pennsylvania workers to receive better training and education to acquire careers with family-sustaining wages and advancement opportunities.

#### **Strategy: Strengthen Pennsylvania industries and create industry-led training strategies.**

An Industry Partnership is a multi-employer collaboration that brings together management and employees to improve the competitiveness of key Pennsylvania industries. Partnerships help companies identify and work together to address common organizational and human resource challenges: recruiting new workers, retaining incumbent workers, implementing high-performance work organizations, adopting new technologies, and fostering experiential on-the-job learning.

More than 6,100 employers are participating in 90 Industry Partnerships across multiple industries. Since inception in 2004, Pennsylvania's Industry Partnerships have:

- ✓ Provided training to over 61,000 employees;
- ✓ Increased wages 6.62 percent for those receiving training;
- ✓ Increased employee retention in participating companies by 69 percent; and
- ✓ 84 percent of participating employers reporting significant productivity gains.

#### **Strategy: Increase opportunities for Pennsylvania residents.**

The **Pennsylvania CareerLink System** helps match workers with jobs by providing employment search and placement assistance, career counseling and planning, occupational skills training, and customized job training. During 2007:

- ✓ 221,000 unemployed Pennsylvanians received critical services from CareerLink.

## Economic Development: Create Jobs and Build a Vital Economy/Boost the Skills of Our Workers

### Department of Labor & Industry *continued*

- ✓ Of those receiving comprehensive skills assessment, counseling, case management or other intensive services, 63.2 percent entered employment after completing training.

The **Pennsylvania Center for Health Careers** develops action-oriented strategies to respond to Pennsylvania's short and long-term health care workforce challenges, responded in a comprehensive way to the commonwealth's projected shortage of nurses. Since 2005, the center has invested in simulated laboratory training, equipment, and faculty development.

- ✓ This targeted focus has led to a twelve percent increase in the number of graduating nursing students in over 42 institutions:

Students of Nursing & Health-Related Occupations	2004-05	2005-06	2006-07
Enrollment	8,324	8,686	9,060
Graduating Students	2,813	3,078	3,189

Two regions in Pennsylvania have received Workforce Innovation in Regional Economic Development (WIRED) Grants, awarded by the U.S. Department of Labor. WIRED Grants support:

- **Wall Street West:** A regional workforce and economic development collaboration in Northeast Pennsylvania that invests in an innovative and comprehensive strategy to strengthen the region's human capital infrastructure, especially in business and information technology services.
- **Delaware Valley Innovation Network:** A three-state and regional collaboration in Southeast Pennsylvania, Delaware and South Jersey to develop a strong and vibrant workforce to support the growth and retention of the biopharma industries and their associated businesses.

#### **Strategy: Prepare our youth for the Careers of Tomorrow.**

**Regional Career Education Partnerships for Youth (RCEPs)** work with schools, students, and employers to form a statewide youth services and support network, giving young people better opportunities to gain the knowledge and skills critical for success in college and careers. Currently:

- ✓ 323,000 students are involved in career awareness activities, including orientation to Pennsylvania's high-demand/high-growth occupations, career and job fairs, company tours, job shadowing, mentoring, paid and unpaid internships and youth leadership activities;
- ✓ 14,000 employers are involved in career awareness activities, which also include classroom visits;
- ✓ 28,000 students are involved in paid and unpaid internships and other work-based experiences; and
- ✓ 3,000 teachers have participated in Educator in the Workplace Programs.

## Department of Labor & Industry *continued*

**Equipment Grants** targeted towards Pennsylvania’s high growth industries are allowing **Career and Technical Education Centers (CTCs)** to become more relevant to local industry, and are helping students enrolled in these schools compete for higher-wage, higher-skilled jobs. These grants are focused primarily on Pennsylvania’s educationally underserved areas.

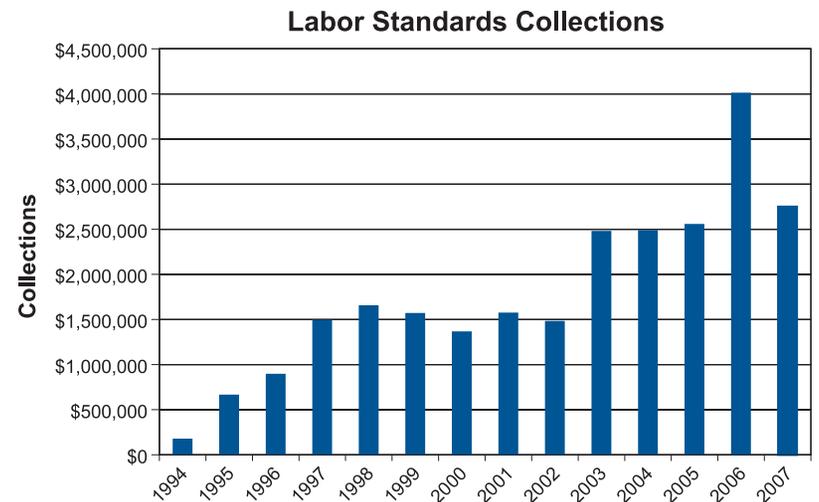
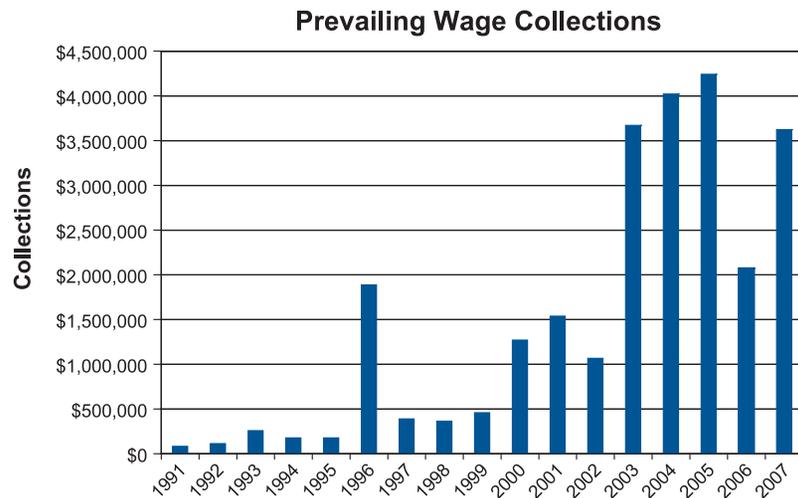
- ✓ 88 equipment grants were administered in 2007.
- ✓ Institutions in 34 counties are currently being served through these grants.

### **KEY OBJECTIVE: Increase efforts to collect wages owed to Pennsylvania’s workers.**

**Why this objective is important:** The collection of wages owed to Pennsylvania’s workers who have not been compensated fairly is vital to the economy to ensure workers have their complete earnings to be able to spend on goods and services and maintain a healthy flow of commerce.

**Strategy:** Decrease the resolution time for wage complaints, and educate Pennsylvania’s employers about labor laws, regulations and compliance.

The average resolution time for a complaint is about 2 weeks. Prevailing wage collections increased from \$2.1 million in 2006 to \$3.6 million in 2007. Labor standards collections totaled \$2.7 million in 2007; while this was a decrease from 2006, the total from 2006 included two large settlements that skewed that year’s numbers. (See charts below.)



- ✓ Since March 2003, \$19.9 million in prevailing wage settlements have been collected. Since January 2003, more than \$15.7 million was collected in labor standards cases (minimum wage, wage payment and collection and child labor law violations).
- ✓ Approximately 33,200 Pennsylvania workers have received refunds from these collection efforts.

### Department of Labor & Industry *continued*

#### **KEY OBJECTIVE: Reducing the cost of doing business while making workplaces safer.**

**Why this objective is important:** Worker injuries and fatalities increase the cost of doing business. The costs associated with workers' compensation claims may include medical and rehabilitation costs, workers' compensation benefit payments, legal fees, and so forth.

The following four strategies outline efforts to reduce direct and indirect workers' compensation costs ultimately paid for by businesses.

#### **Strategy: Increase participation in the 5 percent workers' compensation premium discount for businesses that create and maintain certified workplace safety committees/programs.**

- ✓ Nearly 7,800 Pennsylvania businesses participate in the state-certified workplace safety committee program, resulting in safer workplaces and increased productivity of over one million workers.
- ✓ The average cost of a workers' compensation claim for employers participating in the certified safety committee program is 24-28 percent lower than that for eligible employers not participating in the program.
- ✓ As of June 2008, Pennsylvania employers with state-certified workplace safety committees saved more than \$300 million in workers' compensation premiums as a result of the 5 percent premium discount.

#### **Strategy: Enable businesses to complete workplace safety certification and related services online.**

- ✓ In its first full year of operation, the HandS (Health and Safety) online system improved the certification application approval rate from 65 percent to more than 96 percent, making the 5 percent workers' compensation premium program more attainable to employers.
- ✓ The online system has streamlined the 5 percent discount program and resulted in more timely decisions being made, while electronic filing has eliminated the exchange of paper and mailing time delay.
- ✓ The increased convenience for new and existing program filers has resulted in continued long-term program participation.

#### **Strategy: Provide workers' compensation benefits to employees who sustain work-related injuries and whose employers do not have workers' compensation insurance.**

- ✓ Since the initiation of the **Uninsured Employers Guarantee Fund** in 2007, 72 claim petitions have been successfully resolved. More than 25 percent of these petitions were resolved under agreements with the employer to pay all workers' compensation benefits.

#### **Strategy: Improve adjudication case management with a focus on timeliness and use of Alternate Dispute Resolution (ADR) services that avoids litigation.**

Litigation can be a long and costly process, especially with a limited number of judges to hear an ever-increasing number of cases. The use of Alternative Dispute Resolution services by employers and claimants enables them to determine a mutually agreeable outcome and avoid the time and costs involved with litigation.

- ✓ Between June 2007 and June 2008, the statewide average time to hear and decide workers' compensation cases was reduced from 7.4 month to 6.8 months (see chart on next page).

# Economic Development: Create Jobs and Build a Vital Economy/Boost the Skills of Our Workers

## Department of Labor & Industry *continued*

Time Period	Average Time Between Petition and Decision	Number of Alternative Dispute Resolution Sessions Conducted
2005-06	8.4 months to 8.0 months	1,493
2006-07	8.0 months to 7.4 months	4,175
2007-08	7.4 months to 6.8 months	7,530

### **KEY OBJECTIVE: Improve employers' compliance with unemployment compensation tax law.**

**Why this objective is important:** The commonwealth continues its efforts to ensure all employers pay unemployment compensation taxes fairly by identifying tax avoidance schemes by employers that reduce the amount of funding available to pay unemployment compensation benefits to workers who have lost a job through no fault of their own.

- From the period June 2007 - July 2008, 585,127 claimants received a unemployment compensation payment and the average duration was 16.4 weeks.
- Pennsylvania assisted in reemployment of 325,404 out of 473,623 claimants seeking services, a 68 percent reemployment rate.

#### **Strategy: Partner with the Department of Revenue to educate employers on compliance with unemployment compensation tax law.**

- ✓ In the past three years, the departments conducted 27 seminars designed to educate employers on topics including misclassification of workers for unemployment compensation tax purposes.

A growing number of employers are attempting to reduce their costs of doing business, and to gain an unfair competitive advantage, through various tax avoidance schemes. The department is concentrating investigation and audit activity to address the following unemployment compensation tax avoidance schemes:

Transferring workforce to another entity – like a shell corporation or employee leasing company.		
Fiscal Year	Investigations Completed	Underpaid Unemployment Compensation Taxes Recovered
2005-06	17	\$1,398,422
2006-07	26	\$3,971,187
2007-08	27	\$6,029,218

Misclassifying workers as independent contractors rather than employees.			
Fiscal Year	Employers Audited	Number of misclassified workers discovered	Underpaid Unemployment Compensation Taxes Recovered
2005-06	5,531	6,383	\$2.2 million
2006-07	5,101	7,557	\$3.1 million
2007-08	4,614	8,516	\$6.5 million

**Department of Labor & Industry** *continued*

**KEY OBJECTIVE: Reduce the costs of paying unemployment compensation (UC) claims while increasing security for claimants.**

**Why this objective is important:** To save processing costs and increase security and convenience for claimants, Pennsylvania delivers unemployment benefits via debit card and direct deposit. Administrative savings and fraud reduction help keep unemployment taxes down.

- ✓ Pennsylvania’s UC debit card program began in October 2007 and was fully implemented in February 2008 when all claimants who had been receiving checks were enrolled in one of the electronic payment methods. Payment statistics as of July 2008 were: 52 percent direct deposit, 45 percent debit card, and 3 percent check.
- ✓ The department’s costs of paying claims were reduced by \$750,000 in just nine months for 2007-08. Future savings will be higher now that the program is fully implemented.

**KEY OBJECTIVE: Increase the employment and independence of persons with disabilities.**

**Why this objective is important:** Individuals with disabilities can contribute greatly to our workforce. Census data indicate only 35 percent of working age individuals with disabilities in Pennsylvania report being employed. Federal law requires services be provided to individuals with the most significant impediments to employment first, which represents more than 95 percent of those served by the department.

The department helps Pennsylvanians with disabilities secure and maintain employment and independence. State and federal funds are used for employment training, placement, and related support services for all persons with disabilities, including those with blindness and visual impairments. On average, it takes a person 28 months from intake to successful employment. The average cost for persons placed in the competitive labor market is \$5,248. In federal fiscal year 2007:

- ✓ Employment related services were provided to more than 82,000 Pennsylvanians.
- ✓ 11,228 obtained or maintained employment.

*On average, it takes less than 12 months to recoup the investment for persons with disabilities via taxes paid and public support no longer needed.*

Earnings & Estimates Taxes Paid	Before Rehabilitation	After Rehabilitation
Average Annual Earnings per person	\$5,717	\$19, 417
Total Earnings	\$61,212,944	\$ 207,896,780
Averages Taxes Paid per Person	\$1,610	\$5,470
Total Taxes Paid	\$17,243,083	\$ 58,562,473

The Business Enterprise Program helps people who are blind in all aspects of operating vending facilities on federal and state properties. It is funded through the Randolph-Sheppard Act (federal) and Little Randolph-Sheppard Act (state). The department manages the development of vending contracts and provides consultation, on-site development and operations of the business.

## Department of Labor & Industry *continued*

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- ✓ In 2007, 49 vendors operated 58 sites across Pennsylvania.
- ✓ The average earnings of a vending facility operator was \$43,781.

**The Hiram G. Andrews Center (HGAC)**, a specialized office in Johnstown, provides training and support needed by customers to obtain and maintain quality jobs and is considered a national leader in rehabilitation services. The center provides a comprehensive program of services featuring the integration of education, counseling, evaluation, and physical restoration in a barrier-free residential school environment.

- ✓ An average of 70 percent of HGAC graduates become employed annually in their chosen fields.

The department receives additional funds specifically for specialized services for children and adults who are blind or visually impaired to promote independence.

- ✓ In 2007, 5,600 individuals received services to promote independence and 1,635 successfully completed their service plans with 50 seeking employment services.



### **KEY OBJECTIVE: Improve labor-management relations.**

**Why this objective is important:** Work stoppages adversely affect employers, employees, and their families, and, in some cases, the community at large. Private sector disputes can result in permanent loss of business for manufacturers accompanied by worker layoffs. In worst-case scenarios, companies may decide to close or relocate operations resulting in unemployment and the erosion of local tax bases. Public sector disputes can disrupt government services on which citizens rely.

#### **Strategy: Work with 12 area labor management committees to:**

- Identify organizations that would benefit from proactive labor management services, such as work-site committees, and coordinate with mediators to facilitate implementation of committees.
- Identify organizations with best workplace labor management practices and share with other organizations.
- Address common issues of concern to the labor management community such as health care, workforce development and workplace safety.

#### **Strategy: Serve as a neutral party during labor negotiations to assist labor and management in the public and private sector to:**

- Utilize the department's proactive services, such as Internet-based bargaining, worksite labor management committee facilitation, steward supervisor training and grievance mediation.
- Successfully reach a collective bargaining agreement.
  - ✓ In 2007-08, the bureau successfully assisted employers and unions in the negotiation of more than 600 labor agreements.

### Department of Labor & Industry *continued*

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#### Awards and Recognition:

- The Pennsylvania Digital Summit, in June 2008, recognized the department for the following awards:
  - Best IT Collaboration – a strategic project that highlights the cooperation of several large commonwealth agencies to implement a customer authentication solution that can be expanded to all agencies. The project has helped the agencies realize significant operational cost savings due to the efficiencies in user management and shared technology architecture. The department has already realized a cost savings of approximately \$1.8 million.
  - Best of Pennsylvania Technology – a new Commonwealth Workforce Development System (CWDS) unifies three separate legacy systems by establishing common goals, tools and systems, and supports the critical components of Pennsylvania’s workforce development strategy.
- Pennsylvania earned the National Network of Sector Partners Trailblazer Award in 2007 for expanding career employment opportunities while meeting businesses’ workforce needs. Sandi Vito, then Pennsylvania’s deputy secretary for workforce development, was chosen by her peers around the nation as the first policy leader to receive this award.
- Strategic Early Warning Network (SEWN) program won accolades from the federal Department of Labor, the Economic Development Administration, the National Governors Association and many other prestigious institutions as perhaps the “best practices state model” for early warning, layoff aversion and business retention programs in the nation.
- The department’s Office of Equal Opportunity received the 2008 William J. Harris Equal Opportunity Award, given by the National Association of State Workforce Agencies, and is the only state equal opportunity office honored by the association in 2008. The award is given annually and recognizes a state workforce agency administrator and equal opportunity director for excellence in the field of equal opportunity.

## Department of Transportation

Allen D. Biehler, P.E., Secretary  
www.dot.state.pa.us

### Mission Statement

Through the active involvement of customers, employees and partners, the Department of Transportation provides services and a safe intermodal transportation system that attracts businesses and residents and stimulates Pennsylvania's economy.

### Overview of Programs and Services:

- Operates and maintains the commonwealth's highway and bridge infrastructure.
- Serves as a funding agency for aviation, rail freight, passenger rail and public transit services.
- Oversees all driver licensing and vehicle registration services.

### Fiscal Year 2007-08

Complement Level: ..... 12,011

Total Budget: .....\$5.601B  
(Includes state, federal and other funds.)

### High-Level Goals

- Infrastructure Investment - Ensure a well-maintained transportation system that maximizes available resources.
- Reduce Highway Fatalities - Provide a safe, secure transportation system.
- Coordinate land use and transportation – Coordinate land use and transportation to support sustainable and livable communities.
- Maximize the use of technology to better manage transportation - Improve traveler mobility and system reliability.

#### An overview of the transportation system that falls under the responsibility of the Department of Transportation:

- Ranked fifth for number of state-maintained miles of roadways – 40,000 miles.
- Ranked third for number of state-maintained bridges – 25,000 over 8-feet long, with more than 15,000 of those being over 20-feet long.
- 63 freight railroads operating on 6,052 rail miles, 113 public-use general aviation airports, 14 public-use airports that provide passenger service and 7 public-use heliports.
- 38 urban and rural public transit systems and more than 30 community transit systems that serve all 67 counties of the commonwealth and provide more than 425 million rides annually.

### Key Objectives, Strategies and Accomplishments in 2007-08:

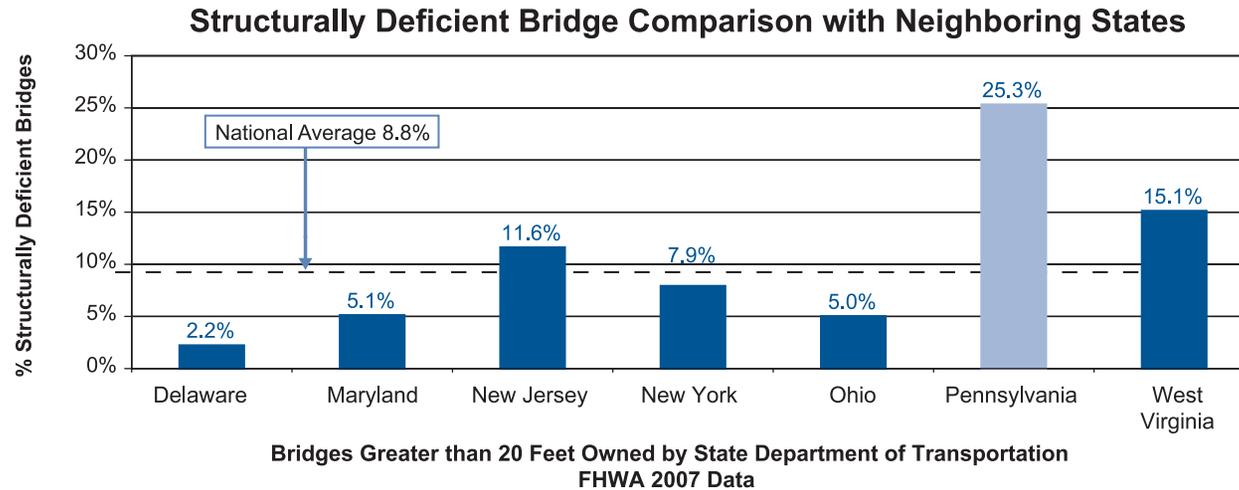


**KEY OBJECTIVE: Reduce the percentage of structurally deficient state-owned bridges by reconstructing or replacing 1,145 bridges by 2010.**

**Why this objective is important:** Despite a record level of investment since 2003, structurally deficient bridges continue to be a threat to the everyday mobility upon which Pennsylvanians rely.

Pennsylvania sits at the top of the list nationally with more than 6,000 of its 25,000 state-owned bridges, nearly 25 percent, classified as structurally deficient. Structurally deficient describes bridges with deterioration to one or more of its major components such as its deck, supports or beams that require extensive work to restore.

**Department of Transportation** *continued*



While the department inspects these bridges regularly to ensure they are safe for travel, structurally deficient bridges can present problems if they are not repaired or replaced in a timely fashion. If the bridge continues to deteriorate and needs to be weight-restricted or closed, it could impact mobility of people getting to their jobs and goods to the global marketplace.

To reduce the number of structurally deficient bridges and prevent other bridges from deteriorating to structurally deficient status, the department continues to focus its efforts on several key strategies.

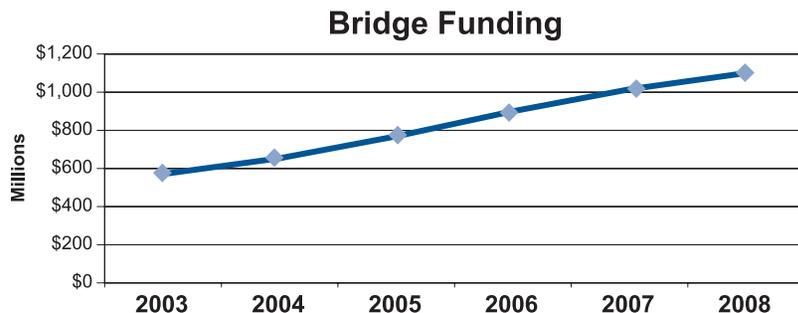
- Use of a risk assessment tool to ensure repairs are targeted to bridges with the most need. This tool helps the department in evaluating the importance of a bridge to the community and the entire transportation network when considering when it should be replaced. The rankings are based on information from bridge inspection reports that examine factors such as risk of failure due to natural disasters and structural problems, risk posed by critical maintenance, and the risk of not doing critical work in timely manner.
- Focus on preserving and rebuilding large bridges (greater than 500 feet) to extend the life of our more costly assets. Nearly 70 percent of the department’s 676 large bridges carry traffic of interstates and major highways. As such, these bridges are the most heavily traveled and represent key connections for our businesses and citizens.
- Continue an aggressive bridge preservation program to prevent bridges from reaching the point where they need expensive reconstruction.

**Department of Transportation** *continued*

- Promote 100-year bridge life through improved design, materials, construction and maintenance. One example of this relates to expansion joints. Many older bridges were built with expansion joints in the bridge decks to allow the bridge to expand and contract with changing temperatures. These deck joints leak and allow salt-contaminated deck drainage in winter months to drain onto beams and concrete foundations, causing corrosion and deterioration. Recent advancements in bridge design allow for elimination of these deck joints on many bridges, which will help in achieving a 100-year life.
- Expanding the use of innovative contracting procedures to reduce costs and improve project delivery times. One example of this is design-build contracts that allow work to progress while parts of the project are still under design. In addition to design-build, the department is beginning to group similar bridges into larger contracts.
  - ✓ By successfully adopting these strategies, the department was able to repair or reconstruct 645 bridges in 2007-08.

Construction Costs for State Bridges Reconstructed/Repaired in 2007-08			
Project Type	Number of Bridges	Cost	Comment
Improvements	219	\$474 Million	Replacements, rehabilitation or new bridges
Preservation	426	\$142 Million	Painting, overlays, expansion dams, etc.
Total	645	\$616 Million	

Along with existing strategies, new initiatives continue to be developed. The **Accelerated Bridge Program** kicked off in July 2008 when Governor Rendell signed legislation authorizing the commonwealth to invest an additional \$350 million to speed the repair of 411 structurally deficient bridges this fiscal year, with a target goal of 1,145 structurally deficient bridges improved by 2010.



To learn more about the department's Bridge Program visit: [www.dot.state.pa.us](http://www.dot.state.pa.us)

## Department of Transportation *continued*

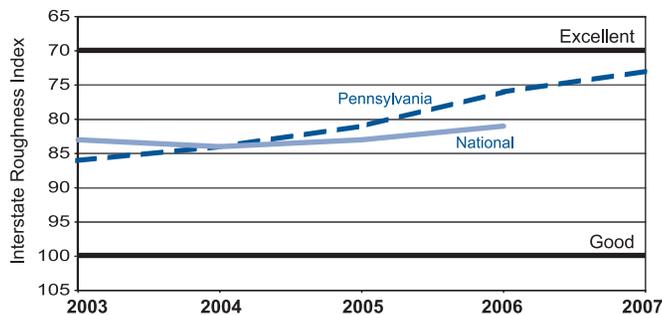
### **KEY OBJECTIVE: Maintain current pavement smoothness levels.**

**Why this objective is important:** Safe, smooth roads are a vital component to Pennsylvania’s transportation system and the department is committed to ensuring the safety and quality of Pennsylvania’s highways.

With an aging bridge inventory in need of increased investments, the department is focused on maintaining current levels of rideability on its roadways. Rideability is defined in terms of the **International Roughness Index (IRI)**, which is a worldwide standard for measuring pavement roughness where a lower rating means a smoother road.

- ✓ In 2007-08, the department completed surface improvements on nearly 6,000 miles of Pennsylvania’s 40,000 miles of state-maintained highways.
- ✓ Although the department’s focus is on maintaining current pavement smoothness levels, it has, at the same time, reduced the percentage of state roads rated as poor with respect to IRI from 22 percent to 17 percent over the past three years.

### Pennsylvania Interstates Smoother than National Average



*Pennsylvania’s interstates currently have a median IRI of 73, which is better than the most recent national value of 81, and ranks 17th nationally.*

Percentage of Roads with Poor IRI	2005	2006	2007
Interstates	6%	5%	4%
Other National Highway System (NHS) routes	9%	9%	7%
Non-NHS routes with an ADT* of at least 2000	12%	11%	8%
Non-NHS routes with an ADT* less than 2000	35%	32%	28%
<b>Total</b>	<b>22%</b>	<b>21%</b>	<b>17%</b>

\*Average Daily Traffic

Miles of State Maintained Highways Improved	
2005-06	6,883
2006-07	6,339
2007-08	5,865

**Department of Transportation** *continued*

To maintain current pavement smoothness levels, the department is emphasizing maintenance activities that extend the life of pavement by prioritizing its pavement needs so that the right treatment is applied to the right road at the right time. All districts within the department adhere to statewide standards to ensure uniformity across the commonwealth.

 **KEY OBJECTIVE: Reduce traffic-related fatalities.**

**Why this objective is important:** As the owner of Pennsylvania’s transportation system, the department is dedicated to improving the safety for all motorists and reducing traffic fatalities. An examination of Pennsylvania’s crash data shows the main contributing factors are related to driver behavior.

To reduce traffic-related fatalities, the department:

- Worked with Pennsylvania State Police and municipal police departments to increase enforcement.
  - ✓ The state’s aggressive driving program, Smooth Operator, resulted in more than 208,000 traffic citations and arrests in 2007-08.
  - ✓ The DUI checkpoint program resulted in more than 3,800 DUI arrests and more than 20,000 other citations and arrests.
  - ✓ Alcohol-related fatalities reached a 10-year low of 525 in 2007.
- Increased the number of low-cost safety improvement projects such as removing fixed objects along the road or increasing sight distance to reduce fatalities in run-off-the-road and head-on crashes.
  - ✓ Completed 959 projects in 2007-08, which marked an increase from the 600 projects finished in 2006-07.
- Performed maintenance activities such as replacing missing signs, fixing potholes, repairing damaged guide rail and line painting to improve safety.
  - ✓ Pennsylvania’s fatality rate dropped from 1.41 fatalities per 100 million vehicles traveled in 2006 to 1.38 during 2007.

*Highway crashes in Pennsylvania claimed the lives of 1,491 motorists in 2007, a decrease of 34 from 2006.*

Pennsylvania Highway Fatalities	
2005	1,616
2006	1,525
2007	1,491

**Department of Transportation** *continued*

 **KEY OBJECTIVE: Improve traveler mobility through reliable, real-time information available all the time.**

**Why this objective is important:** As traffic volume continues to grow across Pennsylvania, the ability of motorists to reach their destinations in a timely and consistent fashion becomes increasingly important. Whether it is a morning commute to work or a weekend vacation, motorists expect travel that is free from major delays and congestion.

To cope with these changes, the department is collecting and managing multiple sources of information to overcome challenges presented by weather and incidents. Traffic management centers controlling fixed and moveable variable message signs, monitoring traffic cameras and dispatching assistance to motorists and information to emergency managers are integral to this new landscape.

- ✓ In 2007, the department took steps to improve traveler mobility by creating a traveler information web page. Motorists can find news releases, interstate road closures, construction information and access to traffic camera images at [www.dot.state.pa.us](http://www.dot.state.pa.us). The cameras show real-time images and are updated every five seconds.

To address the growing congestion in the state’s urban areas, another service the department provides is expressway service patrols. Dedicated trucks patrol major highways and are fully equipped to change flat tires, supply a few gallons of gas or tow a vehicle to a safe area.

- ✓ Started in 1996, the expressway service patrol program has served more than 120,000 motorists throughout Allentown, Philadelphia, Harrisburg and Pittsburgh. (See table.)

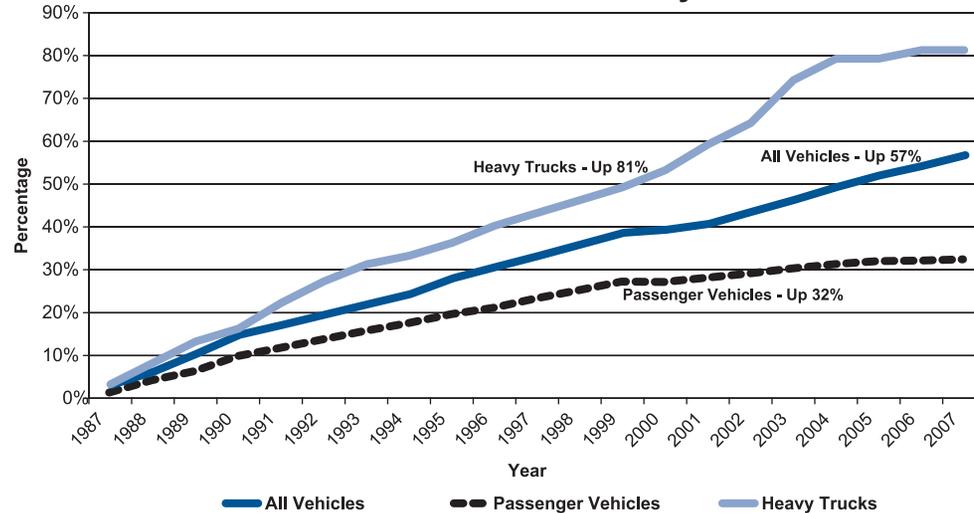
Number of Expressway Service Patrol Assists	2005-06	2006-07	2007-08
Allentown	1,406	1,595	1,297
Harrisburg	3,132	3,360	4,623
Philadelphia	8,232	13,435	13,145
Pittsburgh	2,568	2,307	2,472
<b>Totals</b>	<b>15,338</b>	<b>20,697</b>	<b>21,537</b>

## Department of Transportation *continued*

As traffic continues to grow on our roads, the use of **Intelligent Transportation Systems** will be expanded to improve safety, reduce congestion and increase mobility of the traveling public. The department will:

- ✓ Establish three regional traffic management centers (RTMCs), which allow for 24/7 operational capabilities across the state by December 2008.
- ✓ Create a 511 system for Pennsylvania
  - Phone- and web-based systems providing road congestion, incidents, closures, conditions, video images, construction activities, and access to intermodal transportation information.
  - The initial launch is scheduled for June 2009, with complete service enhancements by November 2010.

**Traffic Growth in Pennsylvania**



### Investment in Aviation and Rail

As part of the Rebuild Pennsylvania initiative, Governor Rendell has increased the state’s investment in aviation and rail freight. The Rail Transportation Assistance Program will grow by \$10 million to \$30 million. This grant program will fund projects aimed at constructing and reestablishing rail lines, preserving rail lines and improving safety. Under this program, \$3 million will be invested into the preservation of railroad bridges.

The Aviation Transportation Assistance Program doubled from \$5 million to \$10 million and will fund projects such as airfield safety improvements, hangar construction and terminal improvements. To assist with the funding prioritization of runway extension projects at general aviation airports, a tool was developed to measure and evaluate each project’s associated benefits and costs.

**Department of Transportation** *continued*

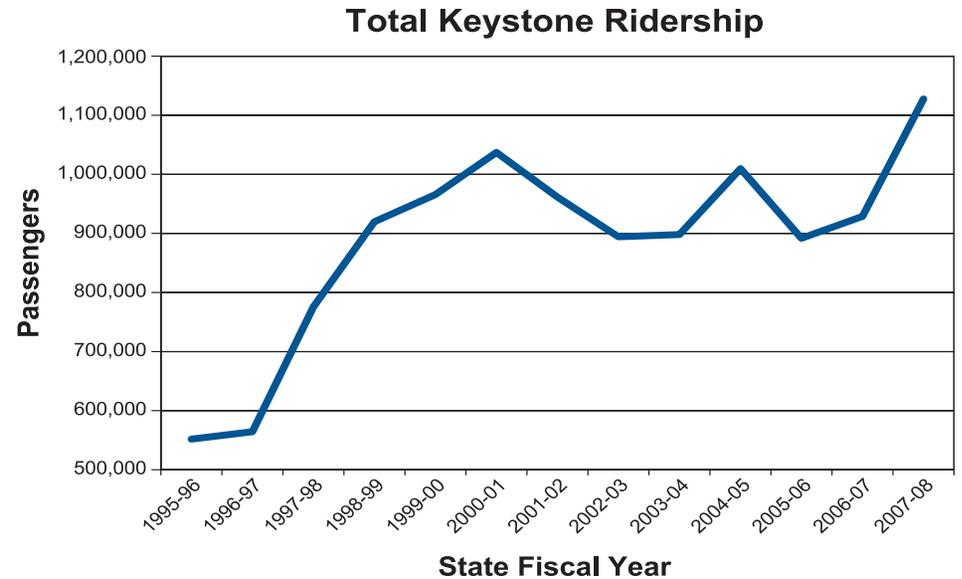
**Keystone Corridor Ridership**

The commonwealth invested \$145 million in infrastructure upgrades to Amtrak’s Keystone Corridor between Philadelphia and Harrisburg, which served more than 1.1 million passengers in 2007-08. This marked a 21 percent increase from the previous year. The improved service offers riders a 90-minute commute from Philadelphia to Harrisburg.

**Pennsylvania Transit Agencies**

Record-high gas prices in 2008 encouraged many citizens to try transit. Pennsylvania’s transportation providers experienced steep ridership growth in 2007-08.

Transit Ridership	
2005-06	398.9 million trips
2006-07	410.6 million trips
2007-08	426.8 million trips



**New Technology at Photo License Centers**

To make products more secure and help mitigate the risk for fraud, the department completed implementation of new photo technology and equipment at its photo license centers across the commonwealth in February 2008. With this implementation, all driver’s license products, including photo identification cards, are outfitted with a new overlay and security features.

In addition, the department is issuing temporary driver’s licenses and photo identification cards to individuals who have never held a Pennsylvania driver’s license or photo identification, (i.e. new drivers and new residents). The temporary driver’s license is valid for 15 days. During that period, the department uses state-of-the-art technology to validate the individual’s photograph does not match another photograph in its database under a different driver name(s).

Drivers	2005-06	2006-07	2007-08
New Licensed Drivers	321,352	320,751	308,874
Renewed Licensed Drivers	2,023,959	1,954,115	2,124,102

# Department of Agriculture

Dennis C Wolff, Secretary  
www.agriculture.state.pa.us

## Mission Statement

The mission of the Department of Agriculture is to encourage, protect and promote agriculture and related industries throughout the commonwealth while providing consumer protection through inspection services that impact the health and financial security of Pennsylvania's citizens..

## Overview of Programs and Services:

- Ensures wholesome and safe agricultural products for consumers.
- Expands and develops domestic and international markets for Pennsylvania's agriculture industry.
- Develops and encourages sustainable farming and conservation practices.
- Prevents, controls and eradicates livestock, poultry and plant diseases.
- Regulates the conduct of horse racing.
- Improves the quality of life in rural Pennsylvania.
- Provides regulatory services related to food safety and manages Pennsylvania's charitable food system.

## Fiscal Year 2007-08

**Complement Level:** .....690

**Total Budget:** .....\$250.546M

*(Includes state, federal and other funds.)*

## High-Level Goals

- Promote profitable, sustainable farms and farmland.
- Ensure a safe food supply from farm to fork.
- Ensure continued access to food for all Pennsylvanians.
- Provide timely inspection reports to inform consumers.

## Key Objectives, Strategies and Accomplishments in 2007-08:



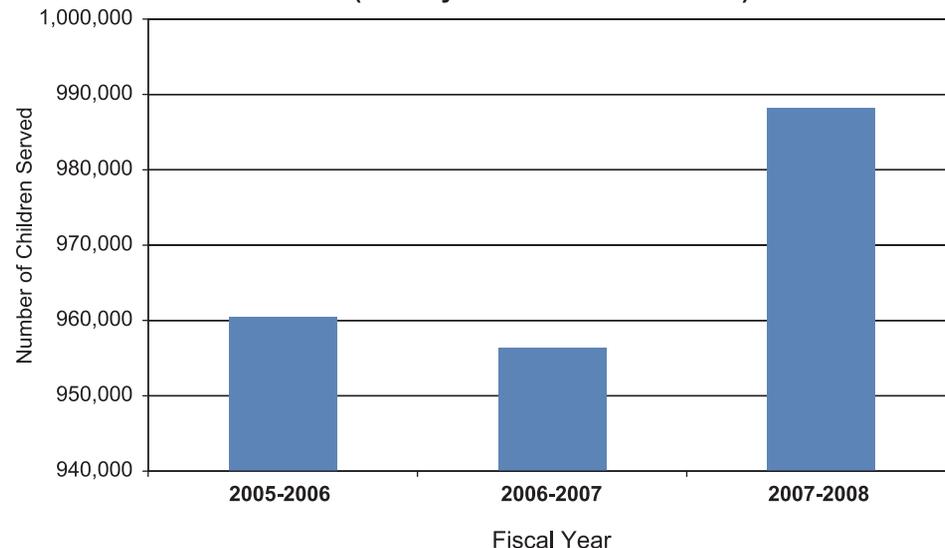
### KEY OBJECTIVE: Increase access to safe, affordable food for all Pennsylvanians.

**Why this objective is important:** State and federal programs provide food for people that are at-risk for hunger. It is important to ensure that all citizens know about these programs and have equal access to purchase the food that they need to remain healthy and productive. As the economy struggles, these programs play an even more critical role in filling the gap between what citizens can afford and the nutrition they need.

The department administers the following programs to increase access to safe and affordable food:

- ✓ **National School Lunch Program** – In 2007-08, approximately \$46 million was provided to support free and reduced-cost meals for nearly 1 million school children. (See chart.)

**National School Lunch Program - Average Daily Participation (Pennsylvania Children Served)**



## Economic Development: Create Jobs and Build a Vital Economy/Boost the Skills of Our Workers

### Department of Agriculture *continued*

- ✓ **The Emergency Food Assistance Program** – In 2007-08, nearly \$11 million in food commodities was provided to support emergency feeding programs for 2.9 million people.

Emergency Food Assistance Program	2005-06	2006-07	2007-08
Individuals Served	2,700,000	2,700,000	2,915,000

- ✓ **Commodity Supplemental Food Program** – In 2007-08, supplied 17,541 at-risk seniors, mothers and children with food boxes throughout the year.
- ✓ **Farmer's Market Nutrition Program** – In 2007-08 more than 319,000 eligible individuals received and redeemed \$4.7 million in vouchers from 950 participating Pennsylvania farmers at farm stands and farm markets across the commonwealth.

Farmer's Market Nutrition Program	2005-06	2006-07	2007-08
Number of participating farm markets	847	849	950
Percentage of farmer's market coupons redeemed	2005-06	2006-07	2007-08
Women/Infants/Children Program recipients	58%	57%	59%

- ✓ **State Food Purchase Program** - Provided \$18 million in state funding to purchase, store and deliver food to Pennsylvania's hungry, providing supplemental nutrition assistance.

State Food Purchase Program	2005-06	2006-07	2007-08
Individuals Served	2,600,000	2,600,000	2,810,000

- ✓ **Healthy Farms and Healthy Schools Program** - Provided \$500,000 in grant support to 44 school districts across the commonwealth. These funds helped more than 200 educators, 5,300 kindergarten students and 2,900 family members learn about Pennsylvania agriculture and the importance of making healthy food choices.

### Department of Agriculture *continued*

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#### **KEY OBJECTIVE: Increase the profitability and sustainability of production agriculture in Pennsylvania.**

**Why this objective is important:** The term “agriculture” encompasses many pieces of Pennsylvania’s heritage and our economy.

- The agriculture industry in Pennsylvania brings in more than \$45 billion and provides 400,000 jobs.
- Each of Pennsylvania’s 58,200 farms provides food for 146 people, making agriculture an economic driver and a vital part of the fabric of our townships, boroughs, municipalities and counties.

#### **Strategy: Assist farmers with planning for current and future business needs.**

The **Center for Farm Transitions** celebrated its first year in 2007, and expanded its ability to assist farmers in planning for the various stages of transition – from starting a farm to creating new products or preparing for the next generation to take over the farm.

In 2007-08, the Center:

- ✓ Provided information to more than 250 farm families, helping many family business partners manage complex financial relationships.
- ✓ Worked in more than 29 counties to reach farms and farm families that were not properly prepared to see their farm transition from one generation to the next.
- ✓ Assisted more than 80 farms with succession plans for keeping the farms in production agriculture and profitable.

**PAgrows** is a program that provides financial support to assist the agriculture community to expand, sustain or diversify operations.

In 2007-08:

- ✓ More than \$28 million funded 145 loans to leverage private funding of more than \$56 million.
- ✓ A PAgrows program, the **Next Generation Farmer Loan Program**, supported 12 projects in two counties using \$2.9 million in state funds to leverage more than \$5.3 million in private funding.

The **Center for Dairy Excellence** provides support, innovation and outreach for Pennsylvania’s \$4.2 billion dairy industry.

- ✓ As the fifth largest state in terms of milk production, it is critical that Pennsylvania continue to help dairy producers find ways to remain profitable.
- ✓ Dairy cows in Pennsylvania provide more than \$13,700 per cow in local economic impact.

## Economic Development: Create Jobs and Build a Vital Economy/Boost the Skills of Our Workers

### Department of Agriculture *continued*

In 2007-08, 125 farms formed “**Dairy Profit Teams**” focused on higher production, better herd health and greater profits. These 125 farms:

- ✓ Averaged 25 percent higher milk production.
- ✓ Increased the added annual income per cow by \$249.99.

Dairy Profit Teams	2005-06	2006-07	2007-08
Total Number of Dairy Profit Teams	58	135	180

**Strategy:** Encourage farmers to purchase crop insurance so they can endure during difficult times.

**Risk Management** is an important tool for farmers to help ensure that their businesses have a safety net if natural disasters or extreme weather strike. With the amount of insurance premiums paid by farmers increasing from \$6 million in 2005 to \$14 million in 2007, financial support provided by the commonwealth is an important part of making crop insurance affordable for producers.

In 2008, the federal government will change its policy on payouts in times of disasters, making it mandatory that producers have crop insurance policies in order to receive funding.

In 2007, 47 counties in Pennsylvania were declared drought disaster areas, and this new federal policy would have left many producers without the critical income needed to restart their operations and provide for their families.

- ✓ In 2007, more than \$26 million in payments to purchase over 13,200 policies were made to keep Pennsylvania’s farms producing food and fiber.
- ✓ Farmer-paid premiums were at \$14.5 million, and were leveraged into \$425 million in coverage.

Crop Insurance	2005	2006	2007
Department of Agriculture’s crop insurance policies sold	16,000	16,000	13,200
Value of crop insurance protection policies (in millions)	\$282	\$282	\$425

Department of Agriculture *continued*

 **KEY OBJECTIVE: Increase opportunities and incentives available for the conservation of Pennsylvania’s natural resources.**

**Why this objective is important:** Pennsylvania is rich in natural resources – rolling hills, fertile soil, more than 83,000 miles of rivers and streams, 17 million acres of forest and 7.65 million acres of farmland. Additionally, Pennsylvania provides 50 percent of the fresh water flowing into the Chesapeake Bay, meaning that the work Pennsylvania does to reduce erosion and sedimentation, properly handle nutrients, use best management practices on farms and enact core conservation practices, improves land and water quality here at home and nearby states.

The following programs aid in conservation efforts:

- The **Resource Enhancement And Protection (REAP)** program enacted in 2007 uses tax credits to encourage farmers to use conservation best management practices to reduce erosion and sedimentation impacting Pennsylvania’s streams and watersheds.
  - ✓ In just 10 days, the REAP program received applications for its \$10 million in funding.
  - ✓ During the first year of the program, 284 applications were approved in 49 counties; 644 new best management practices were developed and enacted across the commonwealth; and more than \$3.4 million additional in private funding invested in conservation.
  
- **Farmland Preservation** is a critical piece of conserving our natural resources. Farmland preservation in Pennsylvania is funded by the state, as well as a number of counties, townships and non-profit partners. It is a tribute to what can be accomplished when state, county and local entities work together with a common goal.
  - ✓ In 2007-08, 361 farms and a total of 35,385 acres were preserved. In April of 2008, Pennsylvania reached a milestone, preserving its 3,500th farm.
  - ✓ As of August 2008, the department has preserved more than 400,000 acres, a feat no other state has accomplished.

*Pennsylvania leads the nation in acres of farmland preserved.*

Farmland Preservation	2005-06	2006-07	2007-08
Farm acreage preserved	24,126	50,000	35,385

**Department of Agriculture** *continued*

 **KEY OBJECTIVE: Increase access to real-time data for citizens and partnering organizations.**

**Why this objective is important:** Understanding the important role that the department plays in regulating everyday components of our lives – gas pumps, scales and scanners at the grocery store, eating and drinking establishments – it is important to help consumers make informed decisions from where they purchase fuel to where they go for dinner. Responding to possible reports of contaminated food in a timely manner is also very important to maintain consumer confidence.

The department ensures the safety of food grown and consumed in Pennsylvania by inspecting eating and drinking establishments, food wholesalers, food processors, food manufacturers, frozen deserts operations, retail stores, school cafeterias, camps and summer food sites, eggs, fruits and vegetables, dairies, seafood and shellfish. From the farm to the fork, the department’s specially trained food safety staff are the front line for protecting Pennsylvania consumers.

- **Hallmark/Westland Beef Recall** – This was the first large-scale recall effort for the department. While the meat product was not known to have caused any sicknesses, the process of tracking and securing the food highlighted the importance of accurate product tracking and quick reaction to recalls and threats to the safety of the food supply – especially in schools.

In March of 2008, the department:

- ✓ Tracked down more than 529,000 pounds of meat,
  - ✓ Identified 260 school districts/schools with the meat in question,
  - ✓ Confirmed more than 78,000 pounds of the product had been consumed, and
  - ✓ Secured and destroyed more than 450,000 pounds of product still in schools.
- **Eating and drinking establishment inspections** - Moving from a paper-based inspection report system to a Web-based, real-time inspection report system provides field-based inspectors with the ability to enter inspection reports to the department and the Internet ([www.agriculture.state.pa.us/pafoodsafety](http://www.agriculture.state.pa.us/pafoodsafety)) on the same day the inspection is completed.
    - ✓ Automating the inspection and reporting process decreased the inspection backlog by more than 1,800 in 2007-08 while conducting a total of 46,292 inspections. (See chart below.)

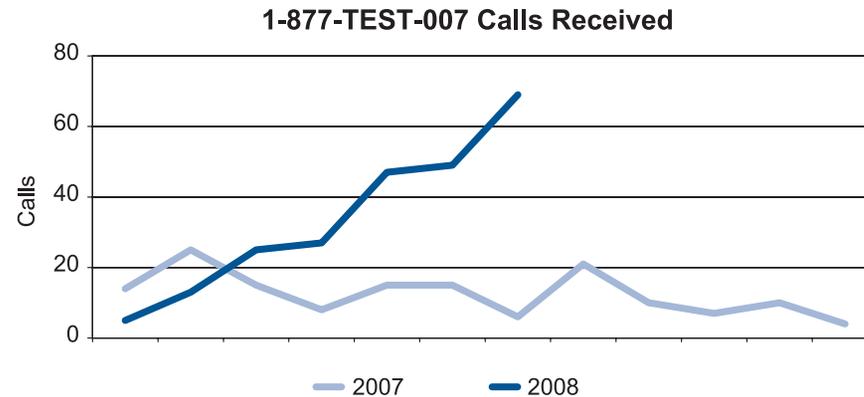
Eating & Drinking Establishment Inspections	2005-06	2006-07	2007-08
Number of Inspections	32,682	42,226	46,292
Inspections per Food Inspector	563	704	747

- **Device Inspections** – The increased number of inspections on gas pumps, scales and timers allows for greater consumer confidence that they are getting what they pay for.
  - ✓ The department conducted 487,069 device inspections in 2007-08, representing a 58 percent increase over 2006-07.

**Department of Agriculture *continued***

A new ‘tested and approved’ sticker was implemented to more clearly convey to consumers when the last gas pump inspection occurred. This sticker included the department’s toll-free complaint hotline, 1-877-TEST-007.

- ✓ As a result, 2008 saw a significant increase in the number of consumer tips, questions and complaints about gas pumps.



- **Animal Diagnostic Database** – Fiscal Year 2007-08 was the first full year for a laboratory inventory system that draws on laboratory samples and work being done through a network of labs at the Department of Agriculture in Harrisburg, Penn State University and the University of Pennsylvania’s New Bolton Center. This system provides:
  - Real-time information on laboratory samples that is available to staff at all three facilities.
  - Streamlined data tracking and report generation capability.
  - ✓ In 2007-08, 593,353 samples were tested with more than 888,000 samples inventoried in the system since its creation in 2006-07. The volume of samples processed in 2007-08 included:
    - 314,000 Avian Influenza samples processed and tracked,
    - 1,661 rabies tests conducted, and
    - 4,500 tests for Chronic Wasting Disease, a serious threat to Pennsylvania’s deer population.
- **Dog Kennel Inspection Reports** – 2007-08 is the first full year for the online dog kennel inspection database.
  - ✓ During 2007-08, 6,289 inspections were conducted, a five percent increase over the previous year.

The Web site is updated daily by the department’s 59 dog law wardens and provides information on the 2,771 kennels licensed in 2007.

*Pennsylvania was the first state in the nation to make Dog Kennel Inspection Reports available online, [www.agriculture.state.pa.us/padoglaw](http://www.agriculture.state.pa.us/padoglaw).*

## Department of Agriculture *continued*

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 **KEY OBJECTIVE: Increase awareness across the commonwealth about the important role agriculture plays in feeding and supporting our 12.5 million citizens.**

**Why this objective is important:** It is important to sustain the agriculture industry within Pennsylvania through outreach and education to the non-farm public since 1 in 7 jobs in Pennsylvania are related to the food and agriculture system and it continues to be an economic driver of many of our rural communities.

Some programs and initiatives to promote the benefits of the agriculture industry include:

- **Hosts the Pennsylvania Farm Show:** Each year more than 400,000 visitors come to Harrisburg for the largest indoor agricultural event in North America. For 92 years the Pennsylvania Farm Show has brought all ages and backgrounds together to learn more about the agricultural industry.
- **Supports 117 local fairs:** A great opportunity for the general public to learn about agriculture and its impact on their communities.
  - ✓ Provided more than \$2.8 million in reimbursements to the fairs to cover the awards and ribbons given to exhibitors in the agriculture contests.
  - ✓ Provided \$722,829 for capital improvements to the fairs to help enhance, expand and secure the facilities used by the more than 5.3 million visitors.
- **Ag & Rural Youth Grant Program:** provides funding for everything from equipment purchases to the creation of new curriculum.
  - ✓ In 2007, 31 agricultural and rural youth organizations received \$108,902 to support their education and outreach programs. These grants helped 25 counties and more than 19,600 agricultural and rural youth in Pennsylvania.
- **Farm City Day:** a free educational event held at the Farm Show Complex which provides hands-on learning activities for students in grades 2 through 5 to help children learn more about where their food comes from and the importance of Pennsylvania's farms and farmers.
  - ✓ In 2007, more than 40 groups donated time and materials to help educate 1,500 students and 200 adults about Pennsylvania agriculture.
- **www.MarketplaceForTheMind.com:** a Web site for educators that provides lesson plans, classroom activities, agricultural career information and other educational resources.
- **4-H and FFA Programs:** Provides financial support to provide students with experiences to expand their career horizons. In 2007:
  - ✓ \$242,680 supported 105,000 Pennsylvania 4-H members.
  - ✓ More than \$70,000 was provided to 8,000 FFA members in 143 chapters.
  - ✓ \$104,000 was provided to the FFA Foundation.

# Health and Human Services: Increase Access to High Quality Health Care

## Pennsylvania State Government is Committed to:

- Employing innovative strategies for improving the affordability, accessibility and quality of health care;
- Offering families and senior citizens the medical care necessary for healthy and independent lives;
- Supporting people seeking self-sufficiency;
- Providing assistance to veterans; and
- Maximizing opportunities for the most vulnerable individuals and families to participate in society.



## State of the State

Data in tables and charts is reported with varying years due to the use of numerous data sources. (1 = highest unless otherwise indicated.)



Poverty Level	2002	2006
Percent of People Below Poverty	11%	12%
State Rank (out of 50)	14	22
Competitor/Neighboring States Rank (out of 13)*	6	6

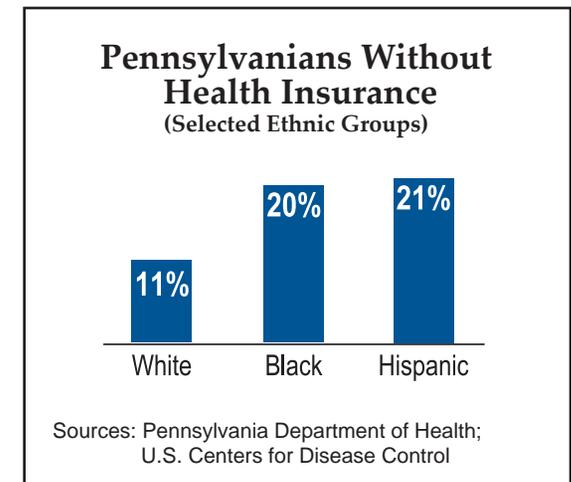
Source: U.S. Census Bureau

\* Other states include: Connecticut, Illinois, Maryland, Massachusetts, Michigan, New Jersey, New York, North Carolina, Ohio, South Carolina, Texas and Virginia.



Private Health Insurance Coverage – 2007	United States (percent)	Pennsylvania (percent)
Total (all persons)	68	76
Employer-based	59	64
Self-Employed	31	33
Direct purchase	9	12

Sources: Pennsylvania Department of Health; U.S. Census Bureau



## Health and Human Services: Increase Access to High Quality Health Care



### Mortality

The leading cause of death in Pennsylvania is heart disease, followed by cancer and stroke.

Mortality in Pennsylvania (Totals for 2004-2006) Selected Major Causes of Death, Number and Average Annual Age-Adjusted Death Rate (per 100,000)					
Cause	Total	Rate	Cause	Total	Rate
Heart Disease	105,373	229	Diabetes Mellitus	10,537	23
Cancer	87,528	195	Alzheimer's Disease	9,960	21
Stroke	22,405	49	Nephritis/Nephrosis	9,189	20
Chronic Lower Respiratory Disease	17,641	39	Influenza/Pneumonia	8,648	19
Accidents	15,548	39	Septicemia	7,456	17

Source: Pennsylvania Department of Health

Infant Mortality in Pennsylvania in 2006	All Races	White	Black	Asian/Pacific Islander	Hispanic (any race)
Number of Infant Deaths (< 1 Year of Age)	1,122	689	367	28	77
Infant Death Rate per 1,000 Live Births	8	6	17	5	6
Average Annual Infant Death Rate (2003-2005)	7	6	16	5	7

Source: Pennsylvania Department of Health

## Health and Human Services: Increase Access to High Quality Health Care



### Morbidity

Chlamydia is the highest incidence of disease in Pennsylvania.

Morbidity in Pennsylvania Reported Incidence and Average Annual Rate (per 100,000) for Selected Notifiable Diseases (2004-2006)								
	Total	Rate		Total	Rate	Total	Rate	
Chlamydia	114,773	308	AIDS	3,934	11	Shigellosis	426	1
Gonorrhea	33,924	91	Giardiasis	2,733	7	Hepatitis: Type A	302	1
Lyme Disease	11,514	31	Tuberculosis	989	3	Measles	2	.01
Salmonellosis	5,397	15	Hepatitis: Type B	670	2			
Campylobacteriosis	4,063	11	Syphilis	581	2			

Source: Pennsylvania Department of Health



### Child Abuse

For every 1,000 children, Pennsylvania has 1.4 substantiated cases of child abuse.

Source: 2007 Annual Pennsylvania Child Abuse Report



### Elderly Population

15.2 percent of Pennsylvania's population is 65 years of age or older, the third-largest percentage in the nation. This high percentage of older people places a heavy demand on Pennsylvania's health and human services programs.

Source: U.S. Census Bureau 2007 Population Estimate



### Disability

7.2 percent of Pennsylvanians over age 5 have one type of disability and 9 percent have two or more types of disability.

Source: American Community Survey for PA 2006 – U.S. Census Bureau

## Health and Human Services: Increase Access to High Quality Health Care

### Contributing Agencies:

Department of Public Welfare.....	85
Department of Health.....	93
Department of Aging.....	98
Office of Long Term Living.....	103
*Department of Military and Veterans Affairs.....	170
*Pennsylvania Insurance Department.....	190

\* Many agencies contribute to more than one goal category, but in this report we listed each agency under its primary goal category defined by the agency's mission statement.

- The **Department of Military and Veterans Affairs** which supports both Public Safety (by overseeing the National Guard) and Health and Human Services (by administering veterans programs), is included in the **Public Safety** goal category.
- The **Pennsylvania Insurance Department**, which supports both Consumer Protection (by regulating insurance companies) and Health and Human Services (by administering health insurance programs), is included in the **Consumer Protection** goal category.

# Department of Public Welfare

Estelle B. Richman, Secretary  
www.dpw.state.pa.us

### Mission Statement

The mission of the Department of Public Welfare is to promote, improve and help maintain the highest quality of life for Pennsylvania families; support families' efforts to break the cycle of dependence, find permanent employment and move from welfare to work; provide access to the highest quality services that help keep Pennsylvania's most vulnerable citizens safe and healthy; and wisely and carefully manage taxpayers' investment in programs and services.

### Overview of Programs and Services:

- Provides health care and family support services that directly affect the lives of one in six Pennsylvanians including:
  - ✓ Health care and mental health services through the Medical Assistance program;
  - ✓ Substance abuse prevention and treatment services;
  - ✓ Services to persons with developmental disabilities, including autism;

### High-Level Goals

- Improve the health of low income, chronically ill and elderly citizens.
- Mitigate the impact of rising health care costs and federal budget cuts without reducing coverage to those in need.
- Support people with mental illness to live, work and contribute to their communities.
- Support individuals with developmental disabilities and their families, including persons with autism, to more fully participate in their communities.
- Increase the number of individuals and families that achieve self-sufficiency and financial independence.
- Improve the health, well-being and safety of all Pennsylvania's children.

### Key Objectives, Strategies and Accomplishments in 2007-08:

#### **PA** KEY OBJECTIVE: Increase the health profile of Medical Assistance clients.

**Why this objective is important:** The Medical Assistance program is designed to assist members in establishing medical homes with a primary care practitioner. This relationship helps the member improve his or her health outcomes by following a plan of care that includes routine preventative screenings. Research shows that the establishment of a medical home can decrease patient's reliance on hospital emergency departments for routine care.

Most Pennsylvanians enrolled in the Medical Assistance program receive their services either through **HealthChoices** (managed care plan) or **ACCESS Plus** (a fee-for-service system).

*The Medical Assistance program provides funding for health care services for more than 1.9 million Pennsylvanians with low incomes and/or high medical expenses.*

# Department of Public Welfare

(continued):

## Overview of Programs and Services (continued):

- ✓ Supports for families including temporary cash assistance; employment and training programs; assistance with child care; and assistance with essential purchases like food and home heating;
- ✓ Adoption and foster care services and protection services for children at risk of abuse, neglect, and/or delinquency.
- Monitors and enhances programs to ensure that taxpayer dollars are being used efficiently and effectively while continuing to meet people's needs.
- Conducts inspections and licenses more than 10,200 facilities that provide services to more than 500,000 Pennsylvanians.

### Fiscal Year 2007-08

Complement Level: ..... 18,871

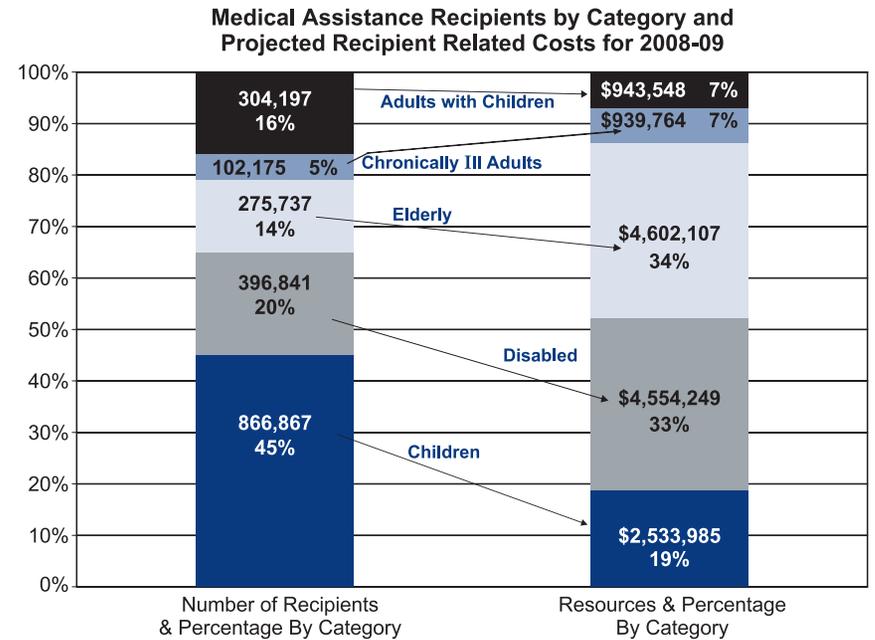
Total Budget: .....\$22.650B\*

(Includes state, federal and other funds.)

\*Includes funding for the Office of Long Term Living and the Office of Child Development and Early Learning.

*The elderly and persons with disabilities represent 34 percent of those enrolled in Medical Assistance but account for 67 percent of all Medicaid expenditures.*

## Seniors and People with Disabilities Use the Greatest Share of Medical Assistance Resources



**Strategy:** Use financial incentives for health care providers to improve quality and access to care for Medical Assistance clients.

- ✓ **HealthChoices program** - Managed care organizations can earn up to an additional 2.5 percent in reimbursement based on their ability to improve or control the health of clients who are being treated for:
  - High blood pressure
  - Diabetes
  - Cholesterol management - to reduce the risk of heart disease
  - Asthma - to help clients stay healthy and avoid the need for more expensive health care service
- ✓ **ACCESS Plus program** - In the ACCESS Plus program, the vendor can earn up to an additional 5 percent in reimbursement based on improving care in the following areas:
  - Prenatal care to reduce the likelihood of complications during pregnancy and childbirth
  - Cervical cancer, breast cancer and childhood blood lead screenings
  - Children's and adolescents' well care screenings

## Health and Human Services: Increase Access to High Quality Health Care

### Department of Public Welfare *continued*

Program	2006	2007	2008 (projected)	National 50th Percentile Benchmark 2006
<b>HealthChoices:</b>				
Percent of pregnant patients that received ongoing prenatal care	69.47%	71.52%	73.52%	62.92%
Percent of patients with cardiovascular conditions managing their cholesterol (LDL-C cholesterol level less than 100 mg/dL)	42.52%	44.95%	46.00%	36.74%
Percent of members (5 to 56 years old) with asthma who appropriately used their medications	88.38%	89.31%	90.15%	88.42%
<b>ACCESS Plus:</b>				
Percent of pregnant patients that received ongoing prenatal care	72.02%	68.61%	70.00%	62.92%
Percent of patients with cardiovascular conditions managing their cholesterol (LDL-C cholesterol level less than 100 mg/dL)	36.98%	49.15%	50.00%	36.74%
Percent of members (5 to 56 years old) with asthma who appropriately used their medications	87.54%	87.37%	88.00%	88.42%

**PA KEY OBJECTIVE: Increase administrative efficiencies and program savings as health care costs increase and federal funding support decreases.**

**Why this objective is important:** As health care costs increase and federal funds for programs decrease, DPW has taken steps to find administrative and program cost savings to maintain quality services, especially for children, persons with disabilities and older Pennsylvanians. The ability to achieve cost savings avoids the alternative of cutting critical services to those in need.

**Strategy: Decrease pharmacy costs.**

The department has demonstrated a positive track record for managing both the utilization and the cost of pharmacy services while maintaining access to quality care for Medical Assistance consumers by:

- ✓ Moving to competitive pricing by bringing department pharmacy payment rates in line with other third-party payers;
- ✓ Increasing the use of generic brands to 65 percent;
- ✓ Implementing a Preferred Drug List with state-supplemental rebates;

*Pharmacy costs per member, per month decreased by 26 percent in three years—\$101.22 to \$74.51.*

### Department of Public Welfare *continued*

- ✓ Expanding clinical prior authorizations designed to assure that consumers obtain the appropriate medications; and
- ✓ Setting quantity limits consistent with U.S. Food and Drug Administration recommended limits.

Other cost-saving initiatives and administrative efficiencies:

- ✓ Improved the claims processing system to prevent payment for services when third-party coverage is available, allowing recoveries of more than \$108.4 million in 2007-08.
- ✓ Pursued the recoveries of funds due to fraud and abuse from Medical Assistance providers, which amounted to \$29.7 million in 2007-08.
- ✓ Increased contractor savings and performance through active contract negotiations and the use of performance-based contracting, resulting in a \$14 million savings in 2007-08.
- ✓ Increased the timeliness and accuracy of benefit eligibility determinations by implementing new management strategies in the County Assistance Offices. This resulted in a 6 percent reduction in processing time from January 2007 to May 2008.

*Pennsylvania is ranked as the overall best large state (more than one million individuals enrolled) by the U.S. Department of Agriculture based on having the smallest number of cases involving errors for Food Stamp eligibility. The department has been able to maintain this ranking while managing an 11 percent reduction in County Assistance Office staff.*

#### **PA KEY OBJECTIVE: Increase access to, and availability of, behavioral health services.**

**Why this objective is important:** Fundamental components of the Behavioral HealthChoices program are designed to:

- Provide consumers better access to health care providers for quality treatment;
- Develop a service delivery system where providers partner with individuals to maintain wellness and support recovery;
- Increase performance monitoring requirements related to provider network development and accessibility so more providers are available, both geographically (especially in rural areas) and for special populations that require additional outreach and support (such as older adults).

**Strategy: Expand availability of Behavioral HealthChoices programs across the state.**

- ✓ Behavioral HealthChoices programs were expanded to all counties in Pennsylvania in 2007-08 to ensure greater accessibility to behavioral health care and related services for individuals in need of treatment. This change to the behavioral health HealthChoices programs was a significant achievement for the commonwealth.

Other initiatives that are expanding access for specific populations include: the training of older adult peer specialists and an increase in the number of specialty courts for persons with mental illness or substance abuse problems.

### Department of Public Welfare *continued*

The department was selected as one of 11 states to receive a federal grant through the federal Substance Abuse & Mental Health Services Administration for a pilot program to enhance transformation of mental health systems. The project will improve results for both mental health and aging systems by developing two specialized training curricula for certified peer specialists working with older adults. The results of the training will be:

- Increased access and utilization of services;
- Decreased isolation for older adults with depression; and
- Creation of an effective support network for this population.

The department recently partnered with the Pennsylvania Commission on Crime and Delinquency to fund an increase – from five to 14 – in the number of Mental Health Specialty Courts in Pennsylvania. The purpose of this partnership is to support the development of specialty courts to place individuals with behavioral health issues in an appropriate court setting within the criminal justice system and prevent costly incarceration by providing mental health treatment.

**PA KEY OBJECTIVE: Increase the number of persons with developmental disabilities receiving services in home and community-based settings instead of large institutional settings.**

**Why this objective is important:** Supporting people with developmental disabilities in community settings allows them to receive – through a network of family, friends and community – the services and supports needed for living healthy, safe, meaningful and productive lives.

The department is committed to supporting people with developmental disabilities in community settings where they can receive services and supports in their homes and/or closer to their families, instead of in large institutional settings.

- ✓ During the past 10 years funding priorities have shifted from facility-based programs to the supports that people need to live healthy, safe, meaningful and productive lives outside of institutions. These supports are meant to enhance each person’s existing support network of family, friends and community.

Mental Retardation Services	2005-06	2006-07	2007-08
Persons receiving mental retardation services in the community	41,341	45,328	47,174
Persons receiving mental retardation services in private Intermediate Care Facilities	2,623	2,635	2,591
Persons receiving mental retardation services in state-operated state centers	1,447	1,382	1,320

## Department of Public Welfare *continued*

**Strategy:** Provide home and community-based services specifically for adults diagnosed with autism.

In May 2008, Pennsylvania was approved by the federal Centers for Medicare and Medicaid Services for a first-of-its-kind program to provide home and community-based services specifically for adults diagnosed with autism and at risk of being institutionalized.

In anticipation of the start of services, the department provided a number of professional development opportunities, including:

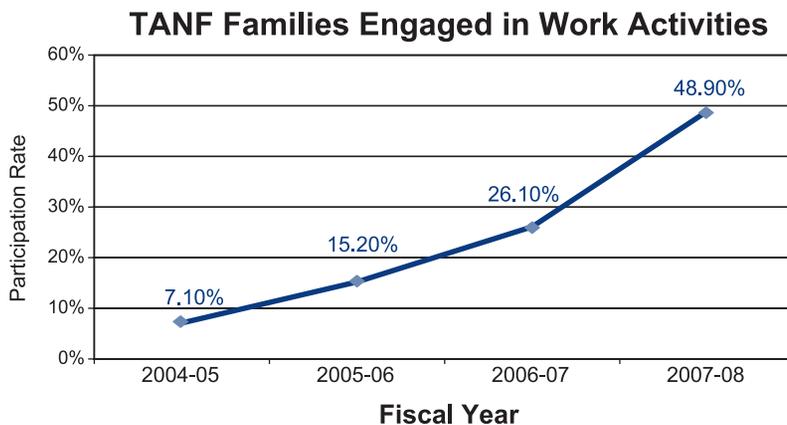
- Workshops and seminars on assessment, addressing challenging behaviors and basic information about autism.
- Hosting an inaugural Autism Training Conference in May 2008.
- Hosting training sessions for professionals and service providers who serve people with autism, individuals with autism and their family members. More than 500 professionals and family members participated.

*Before May 2008, no dedicated services existed for adults with autism in Pennsylvania. A 2007 study issued by the federal Centers for Disease Control and Prevention indicates that one in 150 children has some form of autism.*

**PA KEY OBJECTIVE: Increase the financial stability and self-sufficiency of families receiving Temporary Assistance for Needy Families.**

**Why this objective is important:** The Temporary Assistance for Needy Families (TANF) program provides cash assistance to families for a limited time when deprivation exists for a child or children and income is insufficient to meet the family’s needs. In return for TANF funds, the parent(s) must agree, if able, to participate in work programs or education designed to provide them with a self-sufficient career. The welfare-to-work programs have been a major focus area during the past several years.

- ✓ The percent of parents in TANF families who are engaged in work activities has increased significantly since 2003-04. (See chart.)



## Health and Human Services: Increase Access to High Quality Health Care

### Department of Public Welfare *continued*

**Child Support** is a critical source of income to help maintain financial stability for families headed by single parents. When combined with income from work and work-related supports, child support reduces reliance on tax-funded benefits and fosters family economic self-sufficiency. In 2007-08, Pennsylvania exceeded the national standard for the following federal measures:

Child Support Measures	Pennsylvania in 2007-08	National Average in 2007-08
Paternity Establishment—Percent of children born out-of-wedlock for whom the father has been identified by genetic testing or other means.	100 %	91 %
Paternity Cases with Orders—Percent of families seeking support who are awarded an order for support by the courts.	88.4 %	78 %
Five-Dollar Measure for Cost Effectiveness—Average amount collected in support for each dollar spent on costs. (higher dollar amount indicates greater program effectiveness)	\$6.58	\$4.73
Percent of Child Support Collected—Percent of support actually collected compared to what is supposed to be paid.	78%	61%
Percent of Cases With Arrears Paying on Arrears	76%	61%

### **KEY OBJECTIVE: Increase permanency and educational achievements for out-of-home care of children.**

**Why this objective is important:** Assuring that children have a permanent, safe home allows children to reach their potential and a better quality of life. Because children placed out of the home – even temporarily – can face difficulties with regular school attendance, it is important to focus attention on school attendance and achievement for these children.

#### **Permanency**

Pennsylvania continues to see a decrease in the total number of children in the child welfare system served in out-of-home care throughout the year because of a greater focus on the use of evidence-based practices, which assist in keeping children in their own homes.

- ✓ Because of these efforts there was a 4 percent decrease in children placed out of home in 2007-08.

Pennsylvania continues to make permanent life connections for children in the custody of local child welfare agencies who are not able to return home.

- ✓ In 2007-08, 3,674 children found permanent homes through adoption, legal guardianship and placement with relatives.

#### **Educational Achievements**

To better monitor the educational achievements of youth in out-of-home care, the department and its providers began collecting information in 2007-08 regarding children who are truant while in care, and children who continue successful school attendance following

## Health and Human Services: Increase Access to High Quality Health Care

### Department of Public Welfare *continued*

their discharge from care. These outcomes will assist the department and its providers in addressing truancy behaviors in young adults before their discharge.

Pennsylvania has also continued its commitment to former foster care youth by providing support for their postsecondary education.

- ✓ In 2007-08, 470 youth were supported by this program, 13 more than in the previous year.

The state's Youth Development Centers and Youth Forestry Camps, which serve juvenile offenders, have continued their emphasis on educational achievements and reducing recidivism. Youth discharged from these programs receive reintegration services to ensure a smooth transition back into their communities.

- ✓ In 2007-08, 255 youth in these programs received a high school diploma or GED.
- ✓ In 2007-08, 89 percent of the youth in the reintegration program had not re-entered the juvenile justice system within six months of discharge, a 14 percent increase from the previous year.

Performance Measure	2005-06	2006-07	2007-08
<b>Mental Health and Substance Abuse</b>			
Total persons provided mental health services	418,749	517,440	521,943
Total persons receiving department-administered substance abuse services	91,508	100,303	100,336
Total persons provided with services in state mental hospitals	3,611	3,575	3,539
Percent of adults re-admitted to state mental hospitals within one year of last discharge	11%	10%	9%
Percent of adults re-admitted to community inpatient unit within 30 days (HealthChoices Only)	17.2%	16.4%	15.8%
<b>Income Assistance, Food Stamps, and Employment and Training</b>			
Persons receiving cash assistance (monthly average)	278,496	250,687	225,846
<b>Medical Assistance</b>			
Inpatient admissions per 1,000 HealthChoices enrollees:			
General Hospital	218	218	218
Rehabilitation Hospital	2	2	2
Private Psychiatric Hospital	10	10	10
	2006	2007	2008 (projected)
Percent of children from birth to 15 months visiting a physician three or more times	91.66%	93.27%	94.27%
Percent of children age 12 to 24 months visiting a doctor or nurse	94.05%	94.65%	95.00%
Percent of children 25 months to 6 years visiting a doctor or nurse	83.54%	84.15%	85.15%

# Department of Health

Everette James, Acting Secretary  
www.health.state.pa.us

### Mission Statement

Promote healthy lifestyles, prevent injury and disease, and assure the safe delivery of quality health care for all Pennsylvanians.

### Overview of Programs and Services:

- Assesses the health care needs of the citizens of Pennsylvania.
- Administers health promotion and disease prevention programs.
- Monitors compliance with federal and state regulations in institutions and programs in order to assure the provision of quality care in various health care settings.
- Provides essential information through collection and interpretation of surveillance data to provide direction for statewide health planning.
- Assures the readiness of Pennsylvania's public health systems to respond to public health emergencies.

### Fiscal Year 2007-08

**Complement Level:** ..... 1,613

**Total Budget:** ..... \$852.509M

*(Includes state, federal and other funds.)*

### High-Level Goals

- Monitor the health status of the population.
- Identify and eliminate preventable illness and injury.
- Reduce the severity of illness and disability.
- Promote healthy behaviors.
- Improve health care quality, access, continuity and accountability.
- Lead the development of sound health policy and planning.

### Key Objectives, Strategies and Accomplishments in 2007-08:



#### **KEY OBJECTIVE: Decrease the rate of health care associated infections.**

**Why this objective is important:** Health care associated infections have been shown to significantly increase both hospital in-patient stays and related costs. Patients with such infections died nearly six times more often than their uninfected counterparts. The average bill for a patient who contracted a health care associated infection was more than five times those of the uninfected.

#### **Strategies:**

- Track trends in infection data related to health care associated infections.
- Establish criteria for facilities to decrease health care associated infections in health care settings. In the case of the initial startup, facilities must demonstrate a 10 percent reduction in infections reported as compared to baseline data.
- Create a public awareness campaign on health care associated infections.

#### **Results:**

- ✓ A total of 1,228 infection control plans have been reviewed from the state's ambulatory surgical facilities, hospitals and nursing homes and will be compared to practices observed during annual licensing and complaint investigation surveys.

*Pennsylvania is the only state requiring nursing homes to report health care associated infections.*

## Department of Health *continued*

**KEY OBJECTIVE:** Increase access to primary medical and dental health care services in underserved areas of the state.

**Why this objective is important:** Increasing primary health care services to underserved areas allows more Pennsylvanians to receive quality health care. Pennsylvania has approximately 767,000 uninsured adults, and the medical and dental services supported by the Pennsylvania Department of Health accept every patient regardless of ability to pay.

**Strategies:**

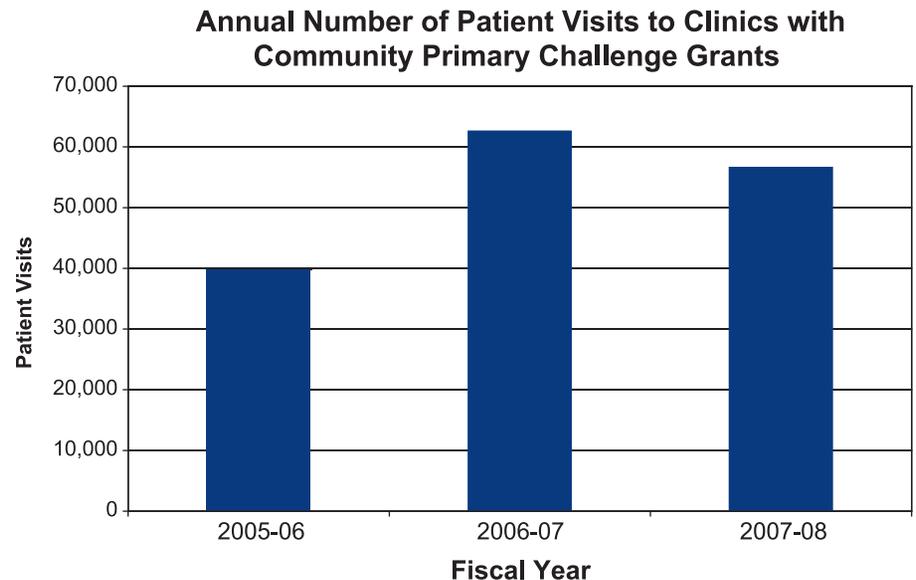
- Target funding to the areas that need it most, which are federally designated health shortage areas.
- Promote community support by requiring matching funds to support the health care project.
- Require sustainability plans and funding from all participants to ensure primary health care services continue to be provided beyond department funding.

*Since 2001, the Pennsylvania Department of Health has provided funds for increasing primary health and dental services in 35 of 67 counties (52 percent).*

**Results:**

The department annually surveys organizations that receive health care services support.

- ✓ As a result of the 2007 survey, 26 out of 27 clinics, whose Community Challenge Grants funding had ended within the past three years, were still providing health care services to underserved communities.
- ✓ Between 2003-04 and 2007-08, the average number of patient visits at Community Primary Challenge Grant sites is approximately 44,000 annually.
- ✓ In 2007-08, Community Primary Challenge Grant sites had more than 55,000 patient visits. (See graph.)



**Department of Health** *continued*

**KEY OBJECTIVE: Decrease youth smoking and tobacco use.**

**Why this objective is important:** Tobacco use is the most preventable cause of death and disease. Of the roughly 416,000 children in the United States who become new, regular, daily smokers each year, almost a third will ultimately die from it.

To promote healthy lifestyles and disease prevention by preventing youth from starting a lifetime addiction to tobacco, the following initiatives are being implemented in the commonwealth's 67 counties:

- On-going enforcement of all tobacco retailers selling tobacco to minors to reduce access to tobacco.
- Statewide media targeting youth and tobacco retailers through the major media markets.
- Education efforts for policy makers on the prevention impact of possible legislation like increasing tobacco excise taxes or clean indoor air requirements. A 10 percent increase in cigarette excise tax will prevent 10 percent of youth from starting tobacco use.
- Statewide, peer-led anti-tobacco campaign to educate youth on the teen influence of tobacco companies' marketing tactics.
- Cessation services through a statewide 24-hour quit line and community-based cessation programs.

*Smokers lose an average of 13 to 14 years of life because of their smoking. According to the Centers for Disease Control and Prevention, roughly one third of kids who become regular smokers by age 18 will ultimately die prematurely from smoking.*

**Results:**

- ✓ Youth tobacco use is down. In 2000, 27.6 percent of Pennsylvania high school students (grades 9-12) smoked cigarettes; in 2006 the rate declined to 17.5. National rate: 20 percent. (CDC, 2006)
- ✓ Illegal sales of tobacco products to minors are down. In 2001, Pennsylvania survey results reported a 27.9 percent rate for illegal sales of tobacco products to minors, and in 2007 the rate was down to 7 percent. National rate: 10.5 percent. (Substance Abuse and Mental Health Services Administration, 2007)

PA Youth Tobacco Survey Prevalence 2000 – 2006			
Past 30 Day Cigarette Use	2000	2002	2006
Middle Schools (6 - 8)	13% (CI:11-15)	8% (CI:7-9)	4% (CI:3-6)
High Schools (9 -12)	27.6% (CI:26-30)	23% (CI:21-25)	17.5% (CI:15-20)
High Schools (12)	37% (CI:32-41)	28% (CI:25-32)	23% (CI:16-31)

NOTE: CI is the 95% confidence interval.

## Health and Human Services: Increase Access to High Quality Health Care

### Department of Health *continued*

Tobacco Program Results	2005-06	2006-07	2007-08
Tobacco Prevention and Cessation Calls to PA Free Quitline	9,168	17,500	6,700
Percentage of Adults Who Smoke	23%	22%	21%

*The Campaign for Tobacco Free Kids estimates that more than \$554 million is spent annually by the tobacco industry in Pennsylvania to market its products.*

**Interesting Facts:**

- Almost 90 percent of cigarette smokers started at or before age 18, according to the Substance Abuse and Mental Health Services Administration of the U.S. Department of Health and Human Services.
- Research studies have found that kids are three times as susceptible to tobacco advertising than adults and are more likely to be influenced to smoke by cigarette marketing than by peer pressure; and that a third of underage experimentation with smoking is attributable to tobacco company advertising.

 **KEY OBJECTIVE: Increase cultural competency to address health disparities in Pennsylvania.**

**Why this objective is important:** Under-representation of culturally and linguistically competent health professionals creates a barrier to quality health care services to non-English-speaking Pennsylvanians. One way to overcome cultural barriers is to provide access to medical providers who speak their language and are sensitive to their cultures.

According to the 2000 census, approximately 47 million people in the United States speak a language other than English at home and more than 21 million have limited English-language skills. Language barriers have been found to adversely affect the quality of medical care that patients receive, resulting in longer hospital stays, more medical errors, and lower patient satisfaction.

RACE	2006 Licensed Physicians Providing Direct Patient Care in PA	2005 Licensed Dentists Providing Direct Patient Care in PA	2004-05 Licensed Registered Nurses Employed in Health Care in PA
White	79.9%	89.1%	93.7%
Black	3.1%	2.4%	3.5%
Hispanic	2.6%	1.2%	0.9%
Asian	12.5%	5.8%	1.8%

## Department of Health *continued*

### Strategies:

- Provided multi-year grants to five organizations in Pennsylvania to increase the number of foreign language interpreters working in primary care and to establish cultural competency training as part of the curriculum in health professions schools.
- Awarded multi-year grants to four organizations in Pennsylvania and one time, mini-grants to eleven organizations to:
  - Increase the number of minority students who enroll in and complete a program in an accredited health professions school (medical, dental, nursing school); and
  - Increase the number of minority faculty in health professions school, especially those that have programs to mentor and support minority health professions students.

Health Disparities Results:	2005	2006	2007
Diabetes prevalence rate per 1,000 population for white non-Hispanic adults aged 18+	69 (CI: 63-75)	70 (CI: 62-78)	65 (CI: 59-71)
Diabetes prevalence rate per 1,000 population for black non-Hispanic adults aged 18+	123 (CI: 92-154)	120 (CI: 77-163)	159 (CI: 112-206)
Diabetes prevalence rate per 1,000 population for Hispanic adults aged 18+	78 (CI: 17-149)	144 (CI: 61-227)	115 (CI: 45-185)
Percentage obesity among non-Hispanic whites	24% (CI: 23-26)	24% (CI: 23-26)	27% (CI: 26-29)
Percentage obesity among non-Hispanic blacks	34% (CI: 29-40)	32% (CI: 27-37)	38% (CI: 32-44)
Percentage obesity among Hispanics	29% (CI: 21-38)	28% (CI: 21-36)	30% (CI: 20-43)

NOTE: CI is the 95% confidence interval.

### **Interesting Facts:**

- While most people go to a hospital to get well, nationally 1.7 million patients will become sicker due to a health care associated infection according to the Centers for Disease Control and Prevention (CDC).
- Not washing one’s hands is the leading cause of health care associated infections.
- In most situations, alcohol-based sanitizers are more effective than plain soap or antimicrobial soap in reducing the number of organisms on the hands.

# Department of Aging

John Michael Hall  
Acting Secretary  
www.aging.state.pa.us

## Mission Statement

The mission of the Department of Aging is to enhance the quality of life of all older Pennsylvanians by empowering diverse communities, the family and the individual.

## Overview of Programs and Services:

- Oversees the provision of vital services and benefits to older Pennsylvanians through a network of Area Agencies on Aging (AAAs) that operates in all counties across the commonwealth.
- Partners with advocacy groups in support of safety, security and an improved quality of life for older Pennsylvanians.
- Provides a system of home and community-based services for eligible older Pennsylvanians in cooperation with the Department of Public Welfare.
- Provides pharmaceutical assistance programs (PACE and PACENET) to eligible state residents age 65 or older.

## Fiscal Year 2007-08

**Complement Level:** ..... 116

**Total Budget:** ..... \$752.648M\*

*(Includes state, federal and other funds.)*

*\*includes funding for the Office of Long Term Living*

## High-Level Goals

- Ensure older Pennsylvanians feel safe and secure with an enhanced quality of life.
- Provide eligible older Pennsylvanians with appropriate pharmaceutical assistance.

## Key Objectives, Strategies and Accomplishments in 2007-08:

### **PA KEY OBJECTIVE: Increase the number of eligible seniors enrolled in PACE/PACENET.**

**Why this objective is important:** Assisting older Pennsylvanians with the cost of prescriptions helps to ensure that they are able to maintain healthy and independent lives.

PACE/PACENET programs provide pharmaceutical assistance for qualified state residents 65 years of age and over who face the burden of paying for their prescription drugs, which averages about \$3,000 annually. Revenues from the Pennsylvania Lottery and the Tobacco Settlement Fund support the program.

- PACE (Pharmaceutical Assistance Contract for the Elderly) is a comprehensive assistance program for seniors with income at or below \$14,500 for single persons and \$17,700 for married couples.

Comprehensive PACE Program	2005-06	2006-07	2007-08
Older Pennsylvanians enrolled during the year	214,742	219,350	195,162
Total prescriptions per year	9,119,960	7,705,695	6,510,386
Average PACE cost per prescription	\$44.42	\$27.00	\$26.09

- PACENET (PACE Needs Enhancement Tier) is a companion to PACE with higher consumer cost-sharing and income limits of \$23,500 for single persons and \$31,500 for married couples.
  - ✓ These income limits reflect a major eligibility expansion for seniors that occurred in 2004, leading to an enrollment growth of 147,000 since 2002-03. (See chart.)

PACENET Program	2005-06	2006-07	2007-08
Older Pennsylvanians enrolled during the year	143,897	170,857	191,963
Total prescriptions per year	5,155,308	5,319,789	5,613,447
Average PACENET cost per prescription	\$38.20	\$25.62	\$27.24

## Department of Aging *continued*

The steady growth of PACENET reflects both the influx of PACE enrollees whose incomes increase beyond the PACE limits and the competitive coverage offerings from Medicare Part D plans, particularly for people who use few prescription drugs.

The federally funded Medicare Part D pharmacy program – with its built-in initial deductible phase and coverage gap after \$2,700 in total drug costs – has reinforced the need for comprehensive pharmaceutical assistance services for older adults.

The department relieved the anxiety of thousands of Pennsylvania seniors by revamping the PACE program so there is full, seamless integration between PACE and Medicare Part D.

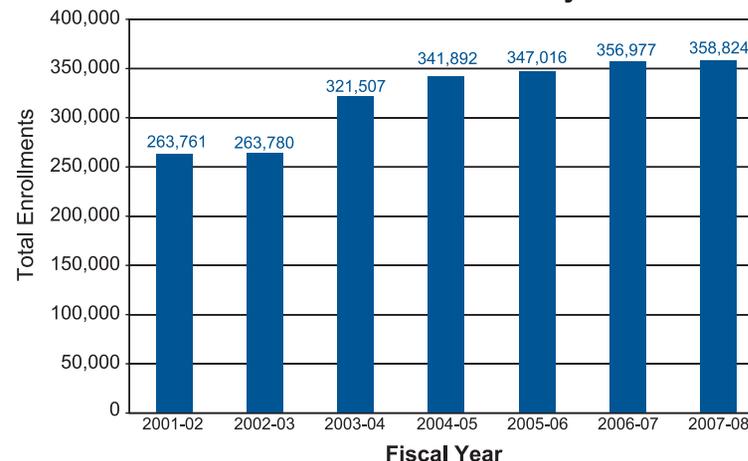
The department has been able to maximize the number of older Pennsylvanians currently enrolled in the PACE program while saving valuable state resources by wrapping PACE around the Medicare drug benefit. Coordination between the two benefit programs is done through online claims adjudication. The program intends to continue to offset approximately half of the total drug benefit cost with the coverage from the federal drug benefit.

- ✓ In 2007-08, the department supported a net enrollment increase of 95,000 people compared to 2002-03.
- ✓ State savings are estimated to be \$300 million as a result of the PACE “wrap-around.”

The department conducts ongoing outreach activities to enroll eligible seniors in the PACE program. This targeted outreach effort begins with the culling of likely eligible seniors who are enrolled in other benefit programs, including Property Tax and Rent Rebate, Food Stamps, and the Low Income Home Energy Assistance programs.

- ✓ Over the past three years, more than 500,000 outreach letters have been sent to likely eligible seniors. This targeted mailing is followed by telephone calls and assistance to complete online applications for PACE benefits.

**PACE / PACENET Enrollment by Fiscal Year**



### **PA KEY OBJECTIVE: Increase community-based services for older individuals across Pennsylvania.**

**Why this objective is important:** Maintaining healthy lifestyles is central to helping older adults remain in their own homes and communities for as long as they wish.

Through Pennsylvania’s network of 650 senior centers, the department sponsors health and wellness programs as well as a vast array of social and community programs that enrich and diversify the lives of older persons living in their own homes and communities.

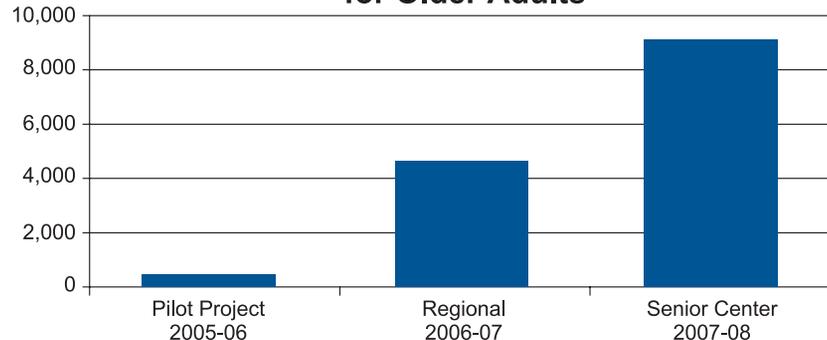
## Department of Aging *continued*

Falls are the leading cause of injury for older adults, and one out of three older adults over the age of 65 falls each year. Half of those who break a hip enter a nursing home and do not fully recover. **In 2005, the hospital cost of a fall-related injury in Pennsylvania was \$34,904 per case.**

**Healthy Steps for Older Adults** is a falls risk-reduction program that has enjoyed growing participation by older adults. The program was developed in 2004 by the Department of Aging in collaboration with the University of California at Berkley. A pilot project began in 2005-06, followed by three 10-county regional efforts in 2006-07.

- ✓ In 2007-08 more than 9,000 seniors enrolled in the program.
- ✓ 14,199 individuals completed the Healthy Steps program over the three-year period.

**Growing Participation in Healthy Steps for Older Adults**



**PA KEY OBJECTIVE: Maintain meaningful education to older residents of Pennsylvania about their health insurance options – especially options pertaining to the new Medicare Part D program.**

**Why this objective is important:** Pennsylvania’s Medicare beneficiaries and their families must navigate a maze of health insurance benefits and options that are very complex. Education is needed to assist them with making informed decisions.

The **APPRISE Health Insurance Assistance** program helps provide effective education to 2.1 million commonwealth Medicare beneficiaries about their health insurance options – especially options pertaining to the new Medicare Part D program. The program helps older Pennsylvanians understand their choices and make critical, well-informed decisions.

- ✓ During 2007-08, 654 APPRISE counselors helped more than 120,421 individuals select their Medicare Part D prescription drug plan by holding 1,802 enrollment clinics, with 74 clinics provided in languages other than English.
- ✓ The APPRISE statewide helpline has responded to more than 44,481 calls, and local APPRISE programs assisted an additional 38,604 individuals with Medicare and other health insurance problems.

**PA KEY OBJECTIVE: Maintain inclusion of diverse communities and cultures in all aspects of the aging network.**

**Why this objective is important:** As the size and diversity of Pennsylvania’s older population grows, the Pennsylvania aging network must respond effectively. “Cultural inclusion” refers to efforts to reach and include people from diverse cultures and communities in all aspects of the aging network, including employment, workforce training and leadership development.

In 1994, the department established the **Cultural Diversity Advisory Council** to advise the department in addressing cultural diversity in the aging network. Currently there are 27 members appointed by the Secretary of Aging; they include representatives from the Area Agencies on Aging and members of the Latino, African-American, Asian and various other ethnic communities.

### Department of Aging *continued*

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Since 2004, the department and the council have worked together on the following activities:

- ✓ Reviewed the Pennsylvania State Plan on Aging 2004-2008 to ensure that objectives were focused on cultural diversity. New recommendations were also included in the State Plan for 2008-2012.
- ✓ Awarded two grants to the Asian community and five grants to the Latino community to increase access to aging services.
- ✓ Provided funding in two counties to educate 50 Limited English Proficiency/Nursing Aide Assistant graduates.
- ✓ Conducted Medicare Limited English Proficiency information/enrollment meetings.
- ✓ Printed brochures/literature in different languages (traditional Chinese, Korean, Vietnamese and Spanish) and made them available on the department's Web site.
- ✓ Posted Limited English Proficiency signage in Forum Place and the department lobby in five languages (Korean, Russian, Vietnamese, Chinese and Spanish).
- ✓ Provided diversity training to department staff on cultural awareness, including sensitivity training.

In 2007-08 the department:

- ✓ Supported the innovative, accredited Vocational English as a Second Language/Nursing Assistant project in Lehigh Valley that trained and provided career ladders for Limited English Proficiency Latino students.
- ✓ Expanded its Asian-American outreach projects by establishing a senior center in Philadelphia to specifically address the needs of Asian-Americans.

### **PA** KEY OBJECTIVE: Decrease the number of older Pennsylvanians victimized by fraud and abuse.

**Why this objective is important:** According to the U.S. Census, the number of Pennsylvanians over age 60 increased by approximately 45,000, or 1.8 percent, from 2000 to 2005. During this same period, the number of protective service reports of need per year increased by more than 18 percent.

For 2006-07, the number of protective service reports of need totaled 11,962. Of these reports, 2,484 cases (21 percent) were substantiated as needing protective services.

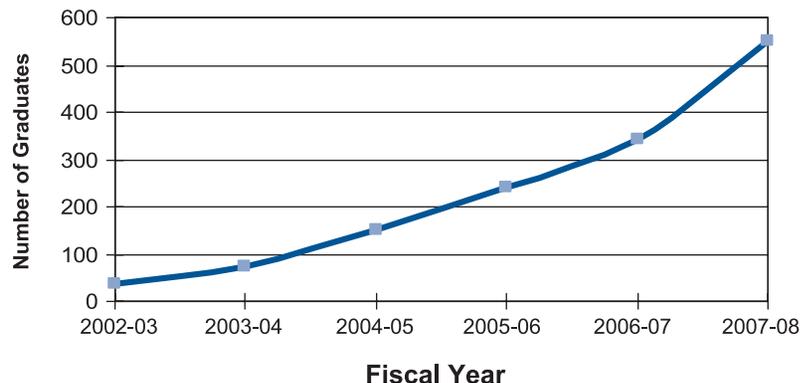
The department protects older Pennsylvanians from fraud and abuse by developing effective methods to detect, investigate and refer for prosecution all reported cases.

Between July 1, 2000 and July 1, 2007, Pennsylvania's Area Agencies on Aging received more than 86,807 reports of need for protective services, of which 18,091 cases (20 percent) were substantiated as needing protective services.

In each substantiated case, the Area Agency on Aging developed a comprehensive plan of care and services tailored to the needs of the older adult.

## Department of Aging *continued*

**Growth in PEER Graduates**



The Pennsylvania Empowered Expert Residents (PEER) program, started by the department in 2002, trains residents living in a long-term care setting to be advocates within their long-term care facility. PEERs work with facility staff and other residents to enhance the quality of care and the quality of life for residents.

The chart shows the exponential increase in residents who have become PEER-certified, allowing them to be proactive voices for the rights of the elderly in the facilities where they live.

### **Awards and Recognition:**

The department's APPRISE program was awarded the Social Security Administration's Public Service Award for its exceptional work in educating consumers about the Medicare Prescription Drug Benefit Program.

The department received the following awards for the Healthy Steps for Older Adults program:

- In 2006, the first-place Public Health Education Award from the American Public Health Association for public health education and health promotion.
- In 2007, the National Health Information Award from the National Health Information Center, for using a public-health approach in raising awareness and taking positive steps to lower the risk of falls for older adults.
- In 2007, the Council of State Government Silver Award for an exemplary program that addresses healthy aging.
- In 2008, the National Mature Media Bronze Award in the Consumer Education Program by the Mature Market Resource Center, a national clearinghouse for the senior market that recognizes the country's finest advertising, marketing and educational materials targeting older adults.

## Health and Human Services: Increase Access to High Quality Health Care

### Office of Long Term Living

Department of Public Welfare  
Estelle B. Richman  
Secretary of Public Welfare  
www.dpw.state.pa.us

Department of Aging  
John Michael Hall  
Acting Secretary of Aging  
www.aging.state.pa.us

Office of Long Term Living  
Jennifer Burnett  
Acting Deputy Secretary

#### Mission Statement

To improve coordination across state departments in support of long-term living reform and to achieve a balanced, consumer-driven system that ensures choice.

#### Overview of Programs and Services:

- Administers programs that invest in essential home and community-based services that provide older people and people with disabilities ready access to an array of home and community-based services.
- Maximizes available resources to serve as many eligible consumers in the aging and disability communities as possible, while ensuring the provision of high-quality care and services.

#### Fiscal Year 2007-08

Complement Level:.....188\*

\*Included in departments of Public Welfare and Aging complement totals.

Funding for the Office of Long Term Living is provided by the departments of Public Welfare and Aging.

*In 2007, Governor Rendell signed an Executive Order creating the Office of Long Term Living within the departments of Aging and Public Welfare to focus on the management and coordination of Pennsylvania's long-term care programs. This was done to assure that a robust array of high-quality services, in both nursing homes and community-based settings, is available to consumers in every part of the state.*

#### High-Level Goals

- Provide older people and people with physical disabilities the ability to remain independent in the community.
- Make Pennsylvania the best state in the nation in which to grow old or live with a disability by providing enhanced consumer choice.
- Build community based alternatives that will provide Pennsylvania residents with more choices in where they receive long term care services.

#### Background:

According to U.S. Census data, between 2000 and 2004 Pennsylvania's over-85 population grew by nearly 13 percent at the same time that the state's overall population increased by less than one percent. The Pennsylvania State Data Center estimates that by 2010 this older population segment will grow an additional 18 percent, to 365,000. It is also estimated that more than 162,000 people under age 60 in Pennsylvania are in need of long-term living services. Given the rapid growth in the number of older Pennsylvanians, state government is focused on more effectively managing resources to meet the increased demand for long-term living services.

#### Key Objectives, Strategies and Accomplishments in 2007-08:



**KEY OBJECTIVE: Increase long-term care options so older people and people with physical disabilities can choose how and where they receive services.**

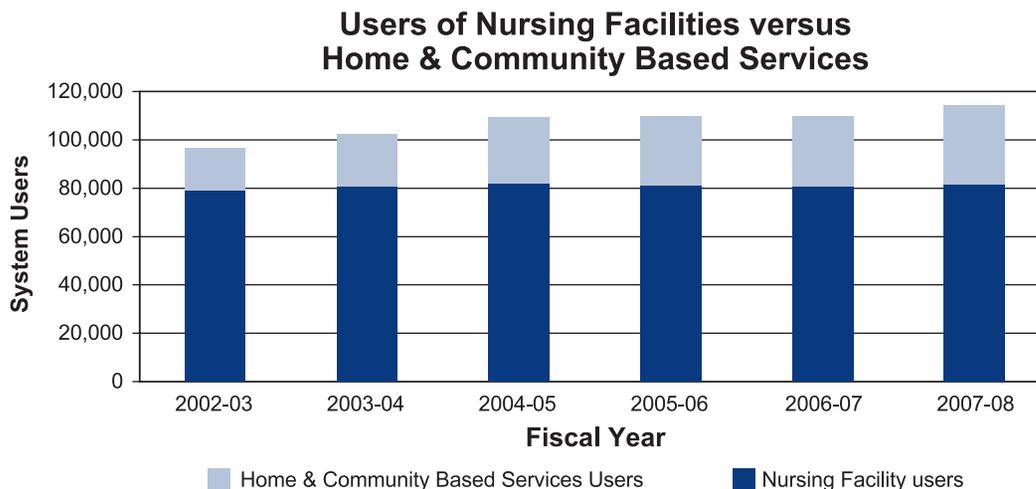
**Why this objective is important:** A recent statewide survey by the Pennsylvania State University showed that more than 90 percent of consumers prefer to receive long-term care services in home and community-based settings.

Listed below are the office's initiatives and results in 2007-08:

- ✓ Began the creation of a system to license, certify and inspect assisted-living residences in the commonwealth. Pennsylvania is one of just a few states that does not provide for assisted living, which is a cornerstone in providing alternatives to nursing facility placement. Draft regulations were published in August, with final regulations expected in early 2009.

## Office of Long Term Living *continued*

- ✓ Increased in-home supports available for people in need through a significant financial investment in home and community-based services.
- ✓ From 2002-03 to 2007-08, the number of older Pennsylvanians and persons living with disabilities receiving care in their home or the community grew by nearly 90 percent, from 17,487 to 32,712 (see chart).
- ✓ Today, approximately 20 percent of individuals receiving state-funded long-term living services reside in homes or community-based settings. This compares to approximately 16 percent in 2002-03.



Philadelphia is one of ten counties that will participate in a pilot program for tenant-based rental assistance (TBRA) due to the high number of people (82) living in nursing homes who would transition if housing was available. The Philadelphia Housing Authority has indicated a willingness to participate by providing housing vouchers to 75 people who use state-funded TBRA for two years. The ideal model is to partner with housing authorities to create the bridge, and Philadelphia has agreed to this arrangement. The Pennsylvania Housing Finance Agency will be identifying other counties in which to partner. The Philadelphia pilot is the first state-funded tenant-based rental assistance program to support an alternative to nursing facilities. This project will help people to move out of nursing homes back into the community by providing housing options.

### Future Initiatives:

- Expansion of adult daily-living centers in targeted counties to help people to stay at home longer while giving their families the support they need.
- Implementation of a process that helps older adults and those with disabilities to enroll in home-based services quickly, statewide.
- Expansion of “Domiciliary Care,” which provides a homelike living arrangement in the community for adults age 18 and older who need assistance with activities of daily living and are unable to live independently.

Office of Long Term Living *continued*

**KEY OBJECTIVE:** Increase efforts to help nursing home residents who can move out of the nursing home and receive services in their own home or community.

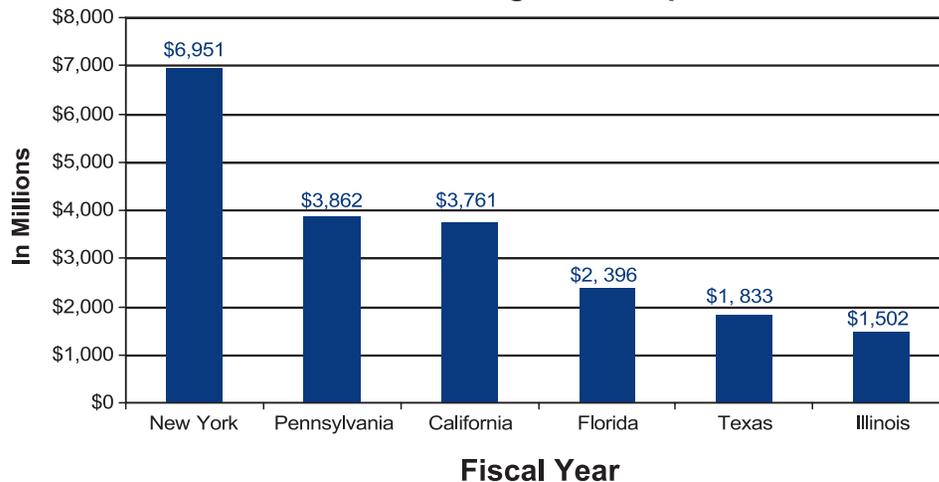
**Why this objective is important:** Pennsylvania ranks sixth in the nation for nursing home population, behind California, Texas, New York, Florida and Illinois, but second in nursing home expenditures. Medicaid reimbursement rates for Pennsylvania’s nursing home industry are 25 percent above the national average. Only New York spends more on nursing homes than Pennsylvania. In fact, Pennsylvania spends \$500 million more on nursing homes than Illinois and Texas combined.

Entering a nursing home does not automatically mean that a person has to stay there permanently. Home and community-based services are much more cost-effective than nursing home care and are in line with what consumers want—and provide Pennsylvanians more for their tax dollars.

- ✓ One year of nursing home care costs \$67,000, of which \$52,000 is borne by taxpayers.
- ✓ The average yearly cost of community-based care is \$21,000.

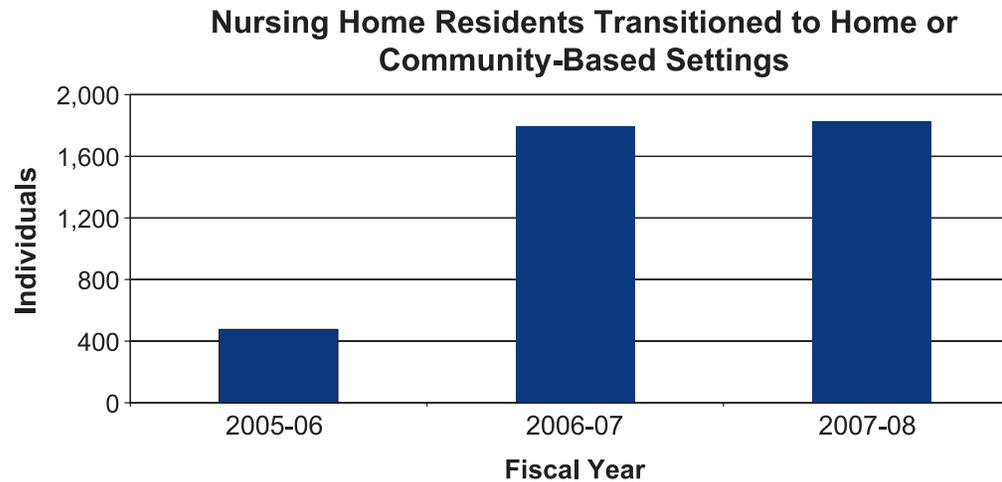
*Total state payments to Pennsylvania’s nursing home industry grew 34 percent faster than the rate of inflation over the last five years.*

**Payments to Nursing Homes For Top Six States  
Based on Nursing-Home Population**



Office of Long Term Living *continued*

Established in 2004-05 and expanded statewide in 2006-07, the **Nursing Home Transition** program works with county Area Agencies on Aging and other partner agencies to identify and support nursing home residents who seek help returning to a community setting or their own home. As a result of the Nursing Home Transition program, more than 4,000 nursing home residents have returned to the community. (See chart below.)



*Community based services are much less costly than services in nursing homes. Before creation of the Office of Long Term Living, almost 90 percent of long term living expenditures in Pennsylvania went to the nursing home industry. Today, that percentage is 80 percent.*

## Environment: Protect our Natural Resources

### Pennsylvania State Government is Committed to:

- Supporting clean air and waterways;
- Increasing the development of alternative energy sources;
- Developing agriculture policies that protect our environment;
- Protecting our food supply and supporting nutritionally at-risk persons;
- Preserving open spaces by promoting sound land-use policies;
- Improving the quality of life through enhancement of our recreational and cultural amenities; and
- Ensuring that residents and visitors can explore the diversity of cultural traditions, the creativity of our artistic community and the bountiful history of our state.



### State of the State

Data is reported with varying years due to the use of numerous data sources. (1 = highest unless otherwise indicated.)



#### Energy Sources in Pennsylvania

- **Nuclear Energy:** Pennsylvania has five operating nuclear power plants and nine nuclear reactors generating 76,000 kilowatt hours of power.
- **Wind Farms: In 2007-08, Pennsylvania had:**
  - Ten operating wind farms.
  - Four wind farms under construction.



## Environment: Protect our Natural Resources

- **Solar Power:** Pennsylvania has 4 megawatts of both residential and non-residential installed solar systems and one project under construction (nearly 1 megawatt) indicating a strong generation capacity. Pennsylvania is one of the largest mandated solar markets in the country.
- **Biofuels:** Pennsylvania has established a requirement that, when instate production of biodiesel (made wholly or partially from organic products) reaches 40 million gallons per year, all diesel fuel sold within the state must have an average content of 2 percent biodiesel. The requirements, which include the nation's first state-specific cellulosic ethanol mandate, will spur new economic development in renewable biofuels and add as much as one billion gallons of biofuels to the state's fuel supply.

PA

Energy Consumption per Capita	2002	2005
State Rank (out of 50)	35	21
Competitor/Neighboring States Rank (out of 13) *	21	9

Source: Corporation for Enterprise Development (2007 Development Report Card)

\* Other states include: Connecticut, Illinois, Maryland, Massachusetts, Michigan, New Jersey, New York, North Carolina, Ohio, South Carolina, Texas and Virginia.

PA

### State Parks & Forests

- 36 million visitor days per year on average
- 117 state parks
- 2.1 million acres of certified forest land.

Pennsylvania is one of only 11 states whose state forests undergo annual certification to verify that they are managed in an environmentally responsible, sustainable manner which helps to provide economic, cultural and quality-of-life benefits to our citizens. Well-managed state forests support Pennsylvania's \$5 billion forest products industry, which employs nearly 100,000 people.





### Game Lands

For more than 100 years, Pennsylvania has managed its wildlife resources, providing a host of benefits to wildlife, state residents and visitors. A diversity and abundance of large and small wildlife, including large elk, black bear, and wild turkey population has always been an important part of Pennsylvania's cultural heritage.

Pennsylvania's state game lands system contains about 300 separate tracts comprising more than 1.4 million acres. This system is funded primarily by hunting and furtaker license sales, state game lands timber, mineral and oil/gas revenues and a federal excise tax on sporting arms and ammunition.



### Fishing and Boating

Pennsylvania has:

- 83,261 miles of rivers and streams ranging from headwaters to major river systems;
- 76 natural lakes that provide 5,266 acres of flatwater;
- An additional 200,000 acres of water (e.g. reservoir) surrounded by enclosures such as a dam;
- Lake Erie with 63-plus miles of shoreline and 735 square miles of waters within Pennsylvania's boundaries; and
- Approximately 170 species of fish and 79 species of amphibians and reptiles.



## Environment: Protect Our Natural Resources

### Contributing Agencies:

*Department of Agriculture.....	73
Department of Environmental Protection.....	111
Pennsylvania Infrastructure Investment Authority.....	118
Department of Conservation and Natural Resources .....	121
Fish and Boat Commission.....	130

\* Many agencies contribute to more than one goal category, but in this report we listed each agency under its primary goal category defined by the agency's mission statement.

- The **Department of Agriculture**, which supports Economic Development (by promoting the agricultural industry), Consumer Protection (by administering food and animal safety programs) and Environment (by monitoring conservation practices), is included in the **Economic Development** goal category.

# Department of Environmental Protection

John Hanger, Acting Secretary  
www.dep.state.pa.us

## Mission Statement

The mission of the Department of Environmental Protection is to protect Pennsylvania's air, land and water from pollution and to provide for the health and safety of its citizens through a cleaner environment. The department partners with individuals, organizations, governments and businesses to prevent pollution and restore the commonwealth's natural resources.

## Overview of Programs and Services:

- Administers programs to evaluate and control sources of contaminants in the environment. This includes issuing permits, conducting inspections and enforcement actions, and providing assistance to encourage pollution prevention and energy efficiency;
- Restores contaminated land and protects and restores land affected by mining and oil and gas development; and

## High-Level Goals

- Eliminate or prevent unhealthy levels of pollution in the air, water and land.
- Improve the safety of mines and dams.
- Restore the commonwealth's natural resources.

## Key Objectives, Strategies and Accomplishments in 2007-08:



### KEY OBJECTIVE: Reduce unsafe levels of air and water pollutants.

**Why this objective is important:** To protect public health and the environment, it is important to control emissions, limit exposure to unsafe levels of air pollutants, and reduce unsafe levels of mercury in water. High levels of ground-level ozone (smog) and fine particulate matter can lead to heart and respiratory problems. Mercury is a dangerous reproductive and neurological toxicant that can affect the brain, spinal cord, kidneys and liver. Mercury exposure in humans is primarily the result of consumption of fish and seafood.

### Air Quality

In 2004, the U.S. Environmental Protection Agency (EPA) determined that 37 counties in Pennsylvania, with a total population of 10.8 million people, did not meet the 1997 federal health-based eight-hour ozone national ambient air quality standard (NAAQS) for ground-level ozone.

- ✓ In 2007-08, 32 of the 37 counties (with the exception of Philadelphia and Pittsburgh Beaver Valley Areas) were re-designated as meeting the eight-hour ozone NAAQS.

### Clean Air Programs and Initiatives

- **Clean Vehicles Program:** Starting with the 2008 model year, new passenger cars and light-duty trucks (8,500 pounds gross vehicle weight or less) offered for sale or lease, sold or leased, registered or titled in Pennsylvania must be either certified for use in California by the California Air Resources Board or certified for use in all 50 states.
- **Heavy Duty Diesel Emission Program:** Requires new model year 2005 and beyond heavy-duty highway diesel engines and vehicles sold in Pennsylvania to meet California Air Resource Board (CARB) standards. Diesel engines produce nitrogen oxides (NOx) that contribute to smog, acid rain and pollution in waterways and fine particles that penetrate deep into lungs.
- **Nitrogen Oxides Control Program:** Controls emissions for large electric generating units, large stationary internal combustion engines and cement kilns.
- **Volatile Organic Compounds Program:** Monitors volatile organic compounds from products such as portable fuel containers, architectural and industrial coatings, and solvent cleaning.

# Department of Environmental Protection

(continued):

## Overview of Programs and Services (continued):

- Provides grants and incentives to promote waste recycling, clean up rivers and streams and finance the development of energy projects that promote renewable energy.

### Fiscal Year 2007-08

Complement Level: ..... 3,079

Total Budget: ..... \$668.350M

(Includes state, federal and other funds.)

### Water Quality

#### **Strategy: Reduce mercury levels in water bodies.**

In 2007, Pennsylvania adopted a state-specific regulation to reduce the amount of mercury that is released from coal-fired electric generating plants and deposited on land and in water. Accumulation of mercury in aquatic ecosystems has resulted in 45 states, including Pennsylvania, issuing fish consumption advisories.

- By January 1, 2010, the owners and operators of coal-fired electric generating plants will have mercury emissions controls in place as required by the department.
- The regulation will reduce mercury emissions 80 percent by 2010 and 90 percent by 2015.

*Pennsylvania has fish-consumption advisories for mercury in 80 water bodies, including the Delaware, Ohio, Potomac and Susquehanna River Basins and the Lake Erie Basin.*

#### **Strategy: Improve the effectiveness of the public notification process for possible contaminated public water systems.**

Most Pennsylvanians receive their drinking water from public water systems. While serious contamination incidents are infrequent, the public must be notified immediately when events such as water treatment process malfunctions or disruption of the water distribution system occur. Adverse health effects can occur within hours or days of drinking contaminated water.

The public notification rule is being strengthened to require:

- Emergency response plans have a communication strategy;
- Appropriate information on health effects and technical issues be readily available; and
- The public is notified directly, such as through hand delivery, e-mail or an automatic telephone dialing system.

The department has developed guidance to assist users in determining when a water supply warning is necessary, what the notice should contain, and when the notice may be lifted. The guidance covers boil water advisories, as well as “do not drink” and “do not use” notices.

#### **Strategy: Preserve open space and revitalize communities.**

Pennsylvania’s communities and environment continue to benefit from the historic investments made possible in May 2005 when voters overwhelmingly approved the Growing Greener II referendum. The \$625 million initiative has made critical investments that are improving water quality and protecting the public.

### Department of Environmental Protection *continued*

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To date, Growing Greener II has invested:

- ✓ \$64.03 million to reclaim dangerous abandoned mines that also hinder economic development;
- ✓ \$39.1 million for watershed protection projects;
- ✓ \$5.1 million to help municipalities provide safe water to their residents by innovative technologies; and
- ✓ \$700,000 to ensure the public's safety by funding projects that improve the effectiveness and integrity of dams and flood-protection measures.

Pennsylvania's counties have also benefited from \$36.1 million through Growing Greener II that they can use to address pressing local issues.

Pennsylvania is experiencing extraordinary growth in the number of clean water permits related to construction projects:

- ✓ More than 100 percent growth from 1,325 permits in 2002 to 2,661 permits in 2006.

This is an impressive sign that our economy is thriving and that investors see Pennsylvania as an attractive place to do business. The department has responded by providing enhanced guidance and training on permit applications and prompt and effective reviews that ensure the highest environmental standards.

- ✓ Since 2003, more than 22,000 acres of forested buffers have been installed along streams in Pennsylvania to prevent erosion and protect water quality.

#### **Strategy: Effective use of nutrient trading to improve water quality.**

Created in 2005, the nutrient-trading program allows nutrient reductions generated through sound environmental practices to be traded as credits in a free market system so dischargers can meet permit conditions.

The program helps to keep bills low for the state's wastewater treatment facility customers, while also creating a new mechanism by which farmers can generate revenue while cleaning Pennsylvania's streams and rivers.

- As of July 2008, the department received 56 proposals to generate nutrient credit. Thus far, 29 of the proposals have been approved, generating:
  - ✓ 659,448 nitrogen credits
  - ✓ 79,887 phosphorus credits
  - ✓ 35,593 sediment reductions
  - ✓ Four contracts (two with developers and two with treatment facilities) have been signed whereby the credits purchased will help meet water quality standards.

Department of Environmental Protection *continued*

- Pennsylvania’s farmers are answering the call to help improve and protect the condition of the state’s waterways. The **Conservation Reserve Enhancement Program**, or CREP, is a U.S. Department of Agriculture program that is designed to improve water quality by improving conservation practices on certain croplands and pasturelands within 180 feet of a stream.
  - ✓ The commonwealth is supporting these conservation practices with \$30 million invested in the program since 1999, the majority of which – \$16.75 million – was provided through Growing Greener II dating back to 2005.
- Mount Joy Borough Authority in Lancaster County was the first wastewater treatment facility to use the trading program as a means of complying with nutrient limits more cost-effectively while using credits generated locally.
  - ✓ The borough invested \$2.9 million to upgrade its treatment plant and partnered with a local farmer, who will generate credits by converting more than 900 acres to continuous no-till agriculture.
  - ✓ Mount Joy reduced its annual projected cost for nutrient treatment from \$382,500 per year to \$248,000 per year – a 35 percent reduction.
- Fairview Township, York County:
  - ✓ Reduced the cost of upgrading the municipality’s sewage treatment plant by 68 percent through the use of nutrient credit trading, which enabled it to avoid a substantial increase in sewer rates and the need to assume additional debt.

*Pennsylvania’s CREP program is one of the largest in the nation with 265,000 acres authorized for enrollment and more than 198,000 acres already under contract.*

Since 2006, ten county conservation districts have been implementing best management practices to generate nutrient-reduction credits such as:

- Installing riparian forest buffers
- Planting cover crops
- Developing no-till practices
- Providing storage and containment structures for animal waste
- Reusing mine reclamation sites to grow hybrid poplar

 **KEY OBJECTIVE: Increase the development of alternative energy sources in Pennsylvania.**

**Why this objective is important:** The double-digit rate increases for electricity service pending for millions of Pennsylvanians and volatile gasoline prices demonstrate the need to reduce our dependence on fossil fuels in favor of alternative sources of energy and fuels. Alternative sources of energy can be more environmentally friendly, affordable and more plentiful than fossil fuels.

The following legislation will push Pennsylvania into the top tier of states taking steps to reduce consumer energy costs and will significantly expand the alternative fuel, clean energy and conservation sectors:

Department of Environmental Protection *continued*

- The **Alternative Energy Portfolio Standards Act** passed in 2004 requires that at least 18 percent of all retail electricity sold in Pennsylvania be generated by alternative and renewable energy sources by 2021. This includes an aggressive solar requirement, called the Solar Share, that will amount to the installation of 850 megawatts of solar energy capacity.
- Pennsylvania also positioned itself to build a new energy economy when Governor Rendell signed into law the **Alternative Energy Investment Act** on July 9, 2008. This act provides for:
  - New strategic investments in alternative energy and renewable energy industries,
  - Support of energy efficiency, and
  - Help for consumers to reduce their energy consumption.
- The **Biofuels Development and In-State Production Incentive Act** will spur the development of homegrown fuel alternatives, thus helping the commonwealth reduce its dependence on foreign oil. The state has established biofuel production requirements that will go into effect once in-state production reaches certain levels. The requirements, which include what is believed to be the nation’s first state-specific cellulosic ethanol mandate, will spur new economic development in renewable biofuels by directing that more of the money spent each year by Pennsylvanians on imported fuels stay in the state. This measure will add as much as one billion gallons of biofuels to the state’s fuel supply.
- **Special Session Senate Bill 22** will help spur production and improve competition among producers in other states. Pennsylvania will invest \$5.3 million in its in-state biodiesel producers annually through June 30, 2011. These companies will be able to take advantage of a 75 cents-per-gallon subsidy that will be capped at \$1.9 million per year per producer.

The above initiatives complement the following DEP programs:

- ✓ Since 2004, the **Pennsylvania Energy Development Authority (PEDA)** has directed \$32.2 million in grants and loans for 81 clean energy projects that are leveraging another \$362 million in private investment.
- ✓ Since 2006-07, the **Energy Harvest Grant program** has invested nearly \$26 million and leveraged \$66 million in private investments in the deployment of alternative energy projects.
- ✓ Since its inception in 1992, the **Alternative Fuels Incentive Grant (AFIG) program** has provided nearly \$42 million for more than 1,000 projects in almost every county of the commonwealth. The AFIG funds have leveraged more than \$225 million from public and private fleet operators, fuel providers and the federal government.

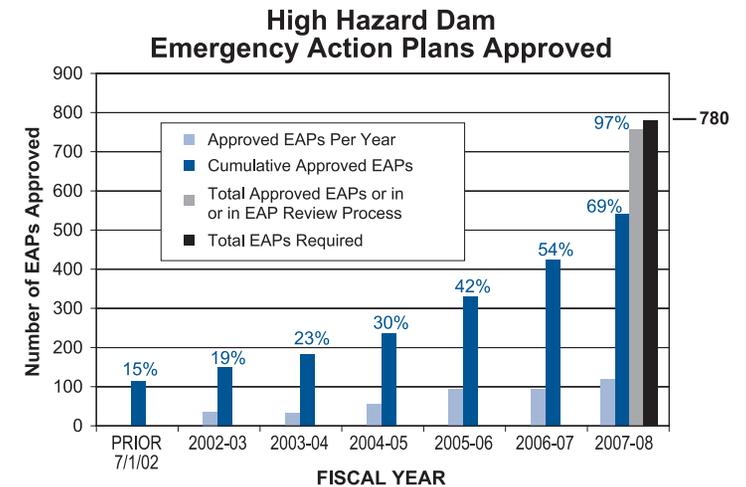
 **KEY OBJECTIVE: Increase the number of high-hazard (structurally deficient) dam owners who have approved emergency action plans.**

**Why this objective is important:** Emergency Action Plans (EAP) for high-hazard dams are critical to defining the responsibilities of dam owners, government agencies and emergency personnel in responding to various threats or concerns, ranging from heavy rain forecasts to the discovery of structural problems.

Department of Environmental Protection *continued*

While state laws require that high-hazard dam owners maintain current emergency action plans, just six years ago only one in four high-hazard dams had a current plan in place.

- ✓ Due to an aggressive enforcement initiative launched in 2004, by the end of 2007-08, 72 percent of high-hazard dams had an approved Emergency Action Plan in place, which exceeds the national average of 54 percent for compliance.



**KEY OBJECTIVE: Reduce the number of mining accidents.**

**Why this objective is important:** The 2002 Quecreek mine accident in Somerset County highlighted the importance of protecting the 4,200 bituminous coal miners who work in the commonwealth by updating an outdated mine safety law.

In 2008, the General Assembly enacted the first comprehensive revision of the state’s outdated mine safety law in nearly half a century. The state’s new deep-mine safety law:

- Incorporates recommendations to improve safety conditions by holding mine operators responsible for miners’ safety while allowing mines to be competitive in the national and international markets;
- Creates a seven-member Board of Coal Mine Safety chaired by the Secretary of Environmental Protection and with equal representation of mine owners and workers with the authority to write new mine safety regulations; and
- Ensures that the latest technology and most up-to-date practices can be implemented swiftly.

The department increases safe mine operations by:

- Performing mandated health and safety inspections;
  - Investigating all serious mine accidents;
  - Distributing safety alerts on a periodic basis to inform miners and operators of potential hazards;
  - Certifying miners and mine officials; and
  - Conducting safety-training courses.
- ✓ As a result of these efforts the lost-time accident frequency rates have been reduced from 7.3 accidents per 200,000 hours in 2000 to only 4.29 accidents per 200,000 hours in 2007 – a reduction of approximately 42 percent.

**Department of Environmental Protection** *continued*

 **KEY OBJECTIVE: Increase recycling efforts across the commonwealth.**

**Why this objective is important:** Sound waste management practices, particularly recycling, keep more materials out of landfills, thus preserving available space and reducing costs associated with disposal.

To increase recycling, the department:

- ✓ Invested more than \$710,000 in 2007-08 to help counties to revise, update and improve their integrated waste management plan for the municipal waste generated within their boundaries.
- ✓ Provided more than \$1 million in 2007-08 to assist local governments and other groups to pay for recycling events for residents to drop off household hazardous wastes and electronics that can create human health or environmental problems if improperly disposed of. In 2007-08 these programs were able to collect and divert more than 7.3 million pounds of household hazardous waste.

Pennsylvania Household Hazardous Waste Diverted			
	2005-06	2006-07	2007-08
Pounds Diverted	4.8 million	5.15 million	7.3 million

Since 1988, the commonwealth has been encouraging the establishment of permanent electronic collection programs and multi-county electronics and household hazardous waste collection efforts.

- ✓ Currently, there are 17 permanent electronic collection programs and eight multi-municipal electronics and household hazardous waste collection programs involving 25 communities. These programs provide services to at least 80 percent of Pennsylvanians.

# Pennsylvania Infrastructure Investment Authority (PENNVEST)

Paul K. Marchetti  
Executive Director

www.pennvest.state.pa.us

## Mission Statement

The mission of the Infrastructure Investment Authority is to serve the communities and citizens of Pennsylvania by funding sewer, storm water, drinking water, and various other types of projects that solve water problems not associated with traditional infrastructure systems, such as brownfields, acid mine drainage and homeowner septic problems.

## Overview of Programs and Services:

- Provides low-cost loan financing and supplemental grants to communities and private entities to construct water-related infrastructure.
- Improves public health, benefits the environment and promotes economic development and community revitalization.

## High-Level Goals

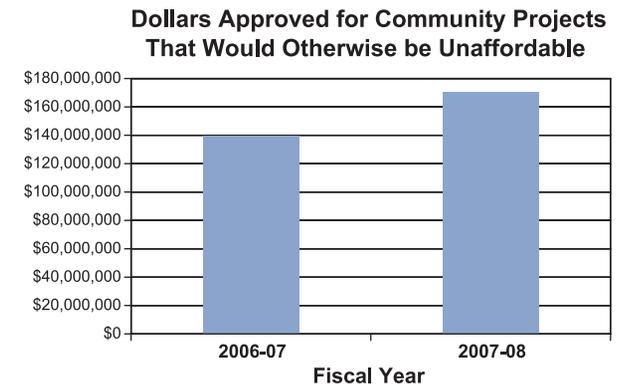
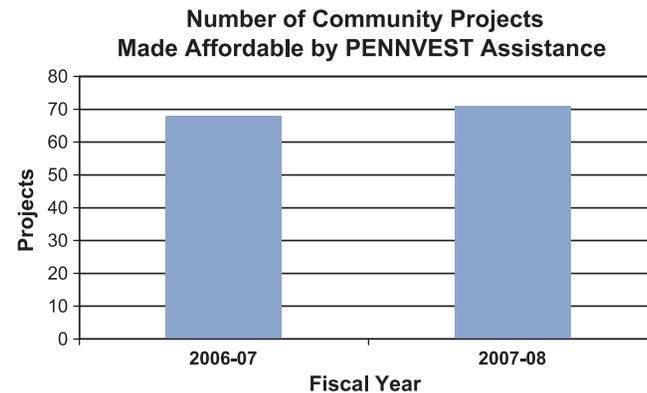
- Improve the quality of drinking water and water in Pennsylvania’s streams.
- Assist communities with reclaiming contaminated industrial sites.
- Provide access to affordable potable drinking water, waste water and storm water facilities.

## Key Objectives, Strategies and Accomplishments in 2007-08:



**KEY OBJECTIVE: Increase the number of drinking water and wastewater facilities that comply with safe drinking water requirements, improve system treatment capacity, and make other water-quality-related improvements.**

The authority has focused its funding as much as possible on projects that communities wouldn’t be able to afford were it not for the subsidies that the PENNVEST program has to offer. By leveraging PENNVEST funding with other available funding to finance projects, the authority was able to stretch its financial resources as much as possible. The following charts demonstrate the results of employing these strategies.



# Pennsylvania Infrastructure Investment Authority (PENNVEST)

(continued):

## Overview of Programs and Services (continued):

- Disburses grants in addition to loans to the most economically disadvantaged applicants whose ability to pay for the improvements being funded is very limited, making necessary projects too expensive to implement without financial assistance.
- Evaluates and monitors projects throughout construction and after project completion to assure that the funded projects achieve the anticipated public health and environmental benefits.

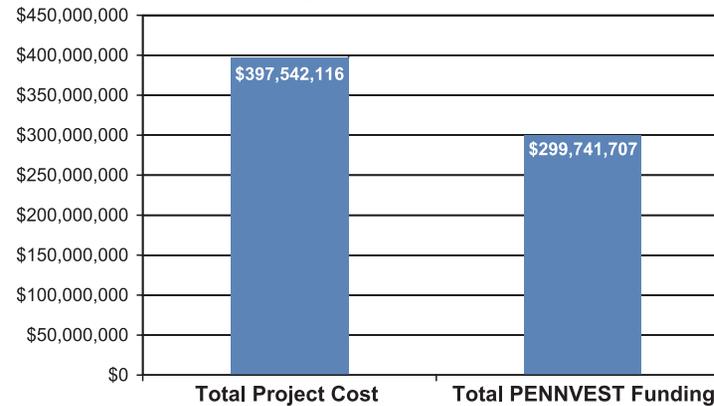
### Fiscal Year 2007-08

**Complement Level:** ..... 27

**Total Budget:** ..... \$466.687M

(Includes federal and other funds.)

**PENNVEST funded over 75% of the total project cost for those projects completed in 2007-08.**



Below is a list of benefits that will be realized through wastewater and drinking water projects funded by the authority:

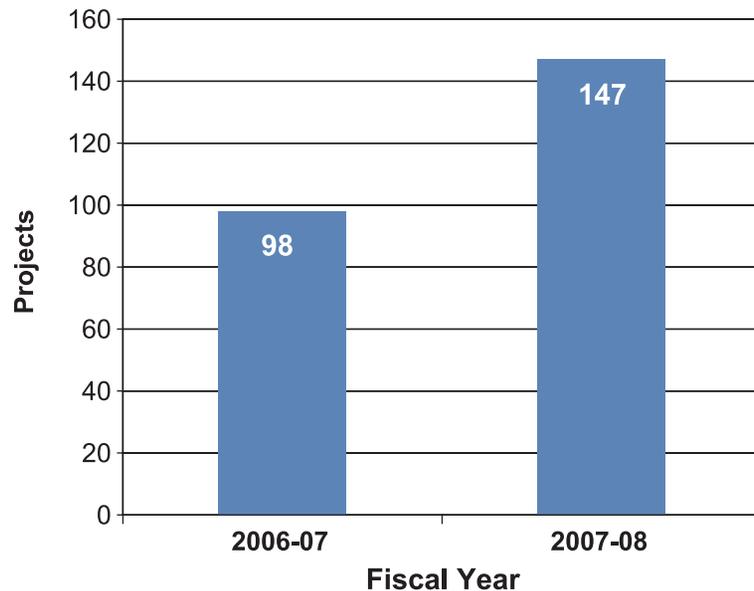
Benefit: Waste Water	Number of Projects Funded in 2007-08	Benefit: Drinking Water	Number of Projects Funded in 2007-08
Bring into compliance	11	Bring system back into compliance	17
Eliminate combined sewer overflow discharge points	22	Maintain compliance	14
Improve stream water quality	4	Achieve compliance with new requirements	16
Eliminate homeowner septic systems that are not adequately treating waste	11	Assist with other non-compliance issues	17
Eliminate raw sewage discharge	18	Enhance well capacity	31
Install best management practices to reduce discharges into streams	14	Enhance treatment plant capacity	28
Reclaim a brownfield site	21	Enhance security measures	20
		Enhance public safety	4

**Pennsylvania Infrastructure Investment Authority (PENNVEST) *continued***

**KEY OBJECTIVE:** Increase the number of approved projects that are constructed and verified as complete (full closeout) in order to improve operational efficiency and loan repayments.

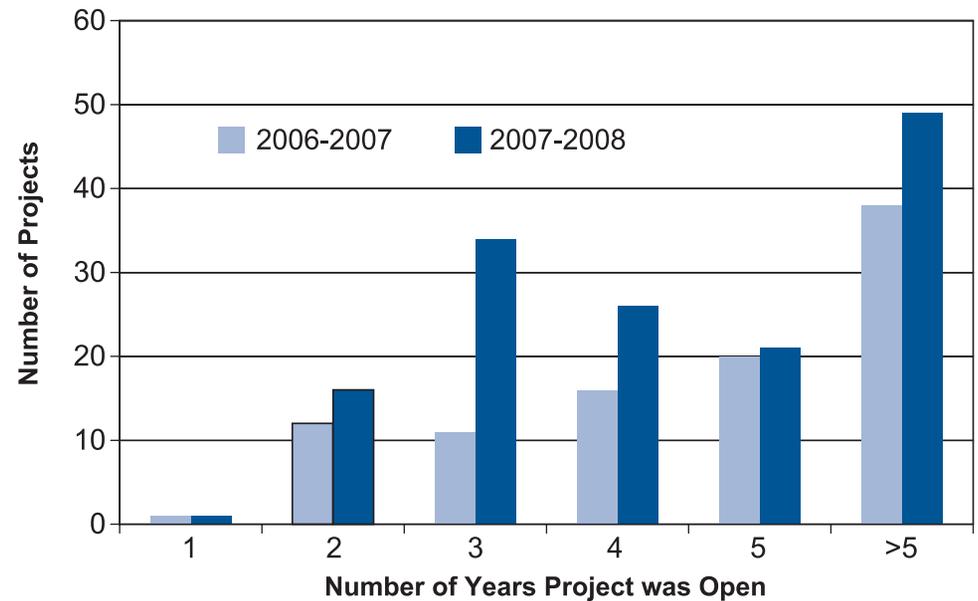
By working with the Department of Environmental Protection and with our borrowers to regularly review the status of their projects, the authority was able to identify those projects that could move toward full closeout.

**Projects Closed**



PENNVEST closed out 147 projects in 2007-08, a 50 percent increase over the year before.

**Number of Years Projects Were Open**



The time it takes for projects to be constructed and then verified as complete by PENNVEST and the Department of Environmental Protection (called the “close out period”) can take up to five years and sometimes longer. Both agencies have worked to shorten that period from last year to this year.

# Department of Conservation & Natural Resources

Michael DiBerardinis, Secretary  
www.dcnr.state.pa.us

## Mission Statement

The mission of the Department of Conservation and Natural Resources is to conserve and sustain Pennsylvania's natural resources for present and future generations' use and enjoyment.

## Overview of Programs and Services:

- Manages a system of 117 state parks and 2.1 million acres of state forestlands.
- Manages programs that support economic development through the wise use of natural resources and increased tourism opportunities.
- Acquires additional land that protect or enhance the existing park and forest systems or provide other ecological or recreational benefits.
- Helps communities plan, manage their growth, protect special lands and reduce the loss of open space, and helps landowners to understand the conservation values of their properties.
- Assists private forest owners in improving the health, biodiversity and growth of their forests .

## High-Level Goals

- Improve stewardship and management of state parks and forests.
- Promote statewide land conservation.
- Create outdoor connections for citizens and visitors.
- Build and maintain sustainable and attractive communities.

## Key Objectives, Strategies and Accomplishments in 2007-08:

### **PA KEY OBJECTIVE: Manage our lands based on the highest standards.**

Conserve healthy ecosystems; support economic development through the sound management of natural resources; and, improve the agency's ability to make resource management decisions.

**Why this objective is important:** The Department of Conservation and Natural Resources manages nearly 2.4 million acres of state park and forest lands, balancing the needs of multiple uses. These lands provide economic, recreational, ecological, geological and aesthetic values to the commonwealth.

### **Strategy: Maintain annual third-party certification of the department's sustainable state forest management, and learn and adjust practice based on this and other tools.**

- Pennsylvania is one of only 11 states with certified sustainable state forest lands. Certification ensures forests are sustained as naturally functioning ecosystems while providing economic, cultural, and quality of life benefits to those dependent on them. Annual audits by teams of outside experts (usually scientists from forestry, wildlife and social science fields) include random inspections of facilities, timber sales and other land management activities, as well as interviews with user groups, local community members and other stakeholders.
  - ✓ The department updated its **State Forest Resource Management Plan** in 2007-08 incorporating input from more than 300 citizens who attended public meetings, and more than 200 Web and mail comments.
- The certification process identified over-browsing by white-tailed deer as an ongoing forest management concern. The department initiated a peer review process that brought together 10 outside reviewers from five states, including federal and state agency staff, academics, and consultants, with backgrounds in either wildlife biology or forest ecology. These reviewers examined data collected through three separate studies in-order to gauge the effectiveness of deer management practices on state forests, and to make short- and long-term recommendations for future practices.

# Department of Conservation & Natural Resources

(continued):

## Overview of Programs and Services (continued):

- Promotes creation and maintenance of trails, greenways, river trails, boating and hunting access, and encourages outdoor recreation and heritage based business development.
- Creates connections with the outdoors by continually improving visitor experiences and increasing awareness of available recreational and educational resources.

### Fiscal Year 2007-08

**Complement Level:** ..... 1,407

**Total Budget:** ..... \$364.410M  
(Includes state, federal and other funds.)

Key Performance Measurements	2005-06	2006-07	2007-08
Percent of state forest land sustainably certified	100%	100%	100%
Acreage of state park and forest lands enrolled in Deer Management Assistance Program (DMAP), which focuses hunting opportunities in selected areas	907,875	871,493	920,000
Number of park and forestry staff trained in environmentally sensitive maintenance practices	14	197	250

### Strategy: Increase agency knowledge about climate change and the role of public land management in addressing aspects of state and national energy policy.

- Convened and chaired the **PA Wind and Wildlife Collaborative**, which produced the first collaboratively developed wind power siting standard in the nation. The PA Game Commission adopted the work of the collaborative, setting siting standards and pre- and post-construction wildlife monitoring protocols for wind power projects on state game lands.
  - ✓ To date, 20 wind companies, ranging in scope from international to local, have signed the agreement. Ohio officials are adopting the Pennsylvania model of collaboration on wind power siting standards.
- Convened the **Carbon Management Advisory Group**, which completed a two-year study analyzing the potential of Pennsylvania’s forest, geologic, and biomass resources to offset a significant portion of the commonwealth’s greenhouse gas emissions, thereby providing Pennsylvania with a competitive advantage in a future carbon-constrained world.

Key Performance Measurement	2005-06	2006-07	2007-08
Total carbon sequestered (not released into the atmosphere) in state forest timber resources. (million standard tons, cumulative)	105,000,000	108,500,000	112,000,000

- Released the department’s guidelines for harvesting forest biomass (woody material that includes trees, tree branches and other vegetation) as an alternative energy source. The guidelines, prepared with comments from various stakeholder groups, balance the need for alternative energy sources with the need to protect our forests for all citizens and future generations.

### Department of Conservation & Natural Resources *continued*

- ✓ Convened a symposium of 19 natural resource leaders from across the United States to discuss land management and conservation practices as powerful instruments for achieving sustainability in a carbon-constrained world. The gathering sought to understand current, new and innovative state conservation practices, and explore opportunities and challenges for state natural resource agencies. A follow-up meeting occurred in November 2008, and the group is exploring a 2009 gathering and formation of a national alliance of state natural resource agencies.

#### **PA KEY OBJECTIVE: Protect and enhance existing state parks and forests, large forested watersheds and riparian corridors.**

Conserve biologically important areas; and/or create connections with other public lands, open spaces, and outdoor recreation and education opportunities.

**Why this objective is important:** Occasionally, lands that serve these conservation and recreation values become available. As the commonwealth's chief land conservation entity, the department evaluates these opportunities and acquires suitable parcels.

#### **Strategy: Increase state park and forest acreage with appropriate acquisitions.**

- ✓ In the past year, the department acquired 260 acres of additional park land through the donation or purchase of five parcels, and 17,937 acres of additional forest land. Examples include:
  - A 177 acre parcel in Berks County was purchased through Natural Land Trust with Growing Greener II funds, as an addition to French Creek State Park for future connection with the nearby Thun Trail. The parcel and park are located within the Hopewell Big Woods, the largest unbroken forest block and last functioning oak forest in southeastern Pennsylvania, providing forest interior habitat for birds and mammals, and protecting water supply for nearby metropolitan areas.
  - More than 3,300 forested acres were acquired with Growing Greener II funds in Bedford, Cumberland, Fulton, Huntingdon and York counties. Of that total, 3,319 acres were purchased from the Glatfelter Pulpwood Company through The Conservation Fund, and 45 acres were donated by the Western Pennsylvania Conservancy. Connecting to state forest and game lands, these lands are open to an array of recreational uses, improve public access, protect watershed lands and at least one high quality stream, and open numerous small waterfalls and spectacular views of the Susquehanna River to state forest visitors.

#### **PA KEY OBJECTIVE: Help communities manage growth and reduce the loss of open space.**

Empower county governments and regional planning entities to conserve natural and heritage resources and promote recreational activities through cooperative planning; advance projects and planning that demonstrate sustainable growth and green infrastructure network development and conservation.

**Why this objective is important:** The department owns only a small percentage of Pennsylvania's lands and waters. The long term sustainability of our natural resources is in the hands of local communities, state and federal agencies, nonprofit conservation organizations and private landowners.

**Department of Conservation & Natural Resources** *continued*

**Strategy:** Foster natural resource stewardship and advocacy in key landscapes through the department’s Conservation Landscape Initiative. Work collaboratively within the agency and with external partners on land conservation, locally-driven planning, and community economic revitalization efforts that are tied to the protection of Pennsylvania’s natural resources and cultural assets.

- In the Laurel Highlands, the department is working with the Borough of Ohiopyle and the Department of Community and Economic Development on a joint planning effort with the adjacent state park. This plan will address cross-cutting issues such as stormwater, sewage infrastructure and connections between the Great Allegheny Passage trail and the borough.

**Strategy:** Increase conserved lands in Pennsylvania through appropriate acquisitions.

- In the past year, the department funded conservation of 12,854 acres. One example:
  - ✓ Provided a matching grant of \$661,000 to the Lancaster County Conservancy toward the acquisition of approximately 74 acres and a trail easement that connects the property to the existing Conewago Rail Trail in Mount Joy Township, Lancaster County. The conserved land preserves open space and provides for passive recreation.

Key Performance Measurement	2005-06	2006-07	2007-08
Land conservation through acquisition and easement (acres)	16,820	18,490	31,051

**PA KEY OBJECTIVE:** Work with private landowners and others to encourage responsible stewardship on lands with significant conservation value. Provide information and educational programs to help protect important ecological lands, wildlife habitat, geologic features and recreational lands. Provide educational, technical and financial assistance to protect and sustain privately owned working forests.

**Why this objective is important:** Good, readily accessible information is an important tool for conservation, smart development planning, and natural resource management. Sustainability is important for public and private lands throughout the commonwealth.

**Strategy:** Provide a variety of information, education and assistance.

- Expanded the reach of PA Land Choices, an educational initiative to promote civic responsibility toward land use in Pennsylvania. PA Land Choices has been embraced by a multitude of state and national agencies and organizations including Pennsylvania Land Trust Association, American Planning Association, Project Learning Tree, and the National Park Service. It meets Pennsylvania academic standards for civics, geography, environment and ecology, provides Act 48 credit to teachers, and is part of the annual Governor’s Institute for Social Studies.
  - ✓ Trained more than 100 state park education staff to deliver the workshops.
  - ✓ Averaging about 12 dedicated workshops per year since 2004, the program is also introduced at state and national conferences.

**Department of Conservation & Natural Resources** *continued*

- Completed a three year cycle, in collaboration with county and local governments, to produce PAMAP – high resolution aerial maps and detailed topographic information for the entire state (44,000 square miles). A tool for communities to plan for public safety and growth, the data is available for public use on Google Earth and Google Maps.
- Completed the 2007 update of Pennsylvania’s flora and fauna database and incorporated into an online environmental review system, which the Department of Environmental Protection uses to evaluate projects requiring permits, to ensure that economic development occurs in an environmentally sustainable manner. Also began identifying and quantifying the geographic areas necessary for the continued survival of many of the state’s at-risk species, to inform conservation planning and to guide economic development.

Key Performance Measurements	2005-06	2006-07	2007-08
Community members trained in LandChoices curriculum	200	500	600
Pennsylvania Natural Heritage program (online environmental reviews)	35,861	45,887	47,026
PAMAP - Square miles flown for aerial photographs to complete topographic maps	14,000	5,553	15,035

**PA KEY OBJECTIVE: Bring our stewardship expertise and educational programs to urban and suburban communities.**

Make reinvestment in our established communities a priority by targeting department programs and leveraging other state and federal agency program activity.

**Why this objective is important:** Seventy-two percent of Pennsylvania residents live in urban or suburban settings and may not have everyday opportunities to connect with nature. Helping communities create connections to nature improves quality of life for their citizens and can help Pennsylvania to lessen sprawl.

**Strategy: Increase the impact of TreeVitalize by extending the effort to metropolitan areas across the state.**

- TreeVitalize began in the five-county area of southeastern Pennsylvania (Bucks, Chester, Delaware, Montgomery and Philadelphia) as a public-private initiative to restore tree cover to urbanized areas to address the impact of tree-loss: increased storm water runoff, lower air quality and increased energy costs. TreeVitalize is expanding to new communities. In the Pittsburgh/Allegheny County area, the program will plant 50,000 trees on streets, parks and riparian areas.
  - ✓ Planted more than 20,000 trees, trained 2,100 citizen volunteers, and planted more than 300 acres of streamside buffers in Southeastern Pennsylvania.
  - ✓ 250 trees were planted this spring to help celebrate Pittsburgh’s 250th Anniversary.

**Department of Conservation & Natural Resources** *continued*

Key Performance Measurements	2005-06	2006-07	2007-08
PA Managing Forestry communities (Municipalities with management plans, dedicated forest assistance staff, a forest ordinance and, advocacy)	230	236	241
PA communities that have received state forestry assistance	430	501	525

**Strategy:** Increase important local community outdoor connections through community open space, ballparks, trails and other recreation facilities.

Forty-three percent of the facilities used for recreation in Pennsylvania are locally owned, 28 percent are private or commercial, 19 percent are state owned and 10 percent are federally owned.

- ✓ Awarded grants totaling \$24,967,140 in 2007 to meet local community needs.

**PA KEY OBJECTIVE: Increase citizens' and visitors' ability to experience the outdoors.**

Increase citizens' awareness and knowledge of natural resources and create inspiring experiences in the outdoors to inform their decisions on important conservation issues.

**Why this objective is important:** Connecting citizens to the outdoors contributes to their enjoyment, health and well being, and increases their appreciation of the outdoors. Enhanced understanding of our natural resources will help citizens make choices that protect these resources.

**Strategy:** Expand outdoor recreation and outdoor learning opportunities on state park and forest lands and in local communities.

- Expanded **Urban Youth Adventure Camps** designed to connect youth with limited outdoor experience to exciting outdoor recreation activities in state and local parks and forests and create in them a lasting outdoor connection.
  - ✓ Grew from two camps and 30 youth in 2007 (Philadelphia and Harrisburg) to eight camps with over 115 youth in 2008 (Erie, Pittsburgh, Williamsport, York, Harrisburg, Scranton, Lehigh Valley and Philadelphia).
  - ✓ Increased the capacity of our urban community partners to provide recreation programs. Nine community partnerships were formed in 2008 (from two in 2007), including: Big Brothers/Big Sisters of Lycoming County, Boys and Girls Clubs of Erie and Bethlehem, Pittsburgh CitiParks, Philadelphia Recreation Department, Harrisburg Parks and Recreation, York Parks and Recreation and the United Neighborhood Centers of Scranton.
- Future plans include expanding into two-three additional urban areas and creating follow-up programs with each community partner for continued contact with these youth.

**Department of Conservation & Natural Resources** *continued*

- Expanded the **Get Outdoors PA** program, first piloted in 2005. Every state park with programming staff (about 50 parks and over 100 staff) now conducts outdoor recreation-based programs that seek to enhance public use of natural resources by guiding them on excursions such as kayaking, snowshoeing, fishing and more.
  - ✓ Increased programs offered by more than 700.
  - ✓ Increased program attendance from about 15,000 in 2007 to about 50,000 in 2008.
  - ✓ Restructured internal management to focus on recreation programming and dedicated four full-time staff positions to support the effort.
  - ✓ Continued dedicated funding for the purchase of outdoor recreation programming-related equipment, training and support materials to be used by state parks and forests.

Key Performance Measurements	2005-06	2006-07	2007-08
Get Outdoors PA – recreation programs conducted	797	1,053	1,783
Environmental Education and interpretive programming attendance	320,050	364,368	362,888

- Published the **Governor’s Outdoor Task Force Report**, which presents recommendations to strengthen the bond between citizens and the natural world. The Governor named the task force after hosting a two-day conference in March 2007. The report summarizes the findings of the conference and the five public gatherings that followed. More than 500 people provided input and ideas, which were then formulated into key themes and recommendations by the task force. In addition to the recommendation to establish a commission to address the issue, the report suggested 42 other action items under three broad themes – connecting in schools, connecting in communities, and connecting in nature – worthy of further pursuit by the commission, government agencies, organizations, businesses and educational institutions. Action items include:
  - Create and support opportunities for outdoor physical play on school property and in the neighborhood.
  - Develop local public transportation routes to nearby parks, outdoor areas, nature centers and trails, especially those near urban areas.
  - Redefine outdoor experience to embrace technologies that may have greater relevance for younger generations, like geocaching and podcasts.
  - Expand commonwealth business support programs to include the many businesses that make up the outdoor economy.

More information on the report can be found at <http://www.connectoutdoors.state.pa.us>.

**Department of Conservation & Natural Resources *continued***

- Launched **iConservePA**, a program designed to build a constituent base that will understand the value of the conservation and invigorate a culture of environmental stewardship by helping people learn, engage, and “live lightly.” iConservePA uses a Web site and e-newsletter to inform and entertain people on how to incorporate conservation into their lives through simple tips, events and activities. Since the program launched at the Philadelphia Flower Show and Harrisburg Garden Expo in March 2008:
  - ✓ More than 30,000 people have signed up to become a part of the program.
  - ✓ A fall “Elect to Conserve” promotion generated close to 20,000 people visiting the site in one month, 1,000 of which opted in.
  - ✓ Nearly 120 people have entered personal profiles on the Web site on how they engage in conservation practices. These “PA iCons” serve as role models for those visiting this Web site searching for ideas and information, furthering the goal of making the program centered on people helping people.
- Increased knowledge of forest recreation use by conducting a year-long study with the Pennsylvania State University, measuring recreation use on the Tiadaghton and the Tioga state forests (Districts 12 and 16, respectively). The study represents the initial phase of a planned three-year project that will encompass six state forest districts in north central Pennsylvania. The study will provide the department with a better understanding of customer expectations, help to assess the success of recreation management programs, and provide a better understanding of the economic impact of state forest visitor spending in adjacent rural communities. This information will aid the department in future planning, budgeting and measuring customer satisfaction.
- Expanded riding opportunities for ATV riders in Pennsylvania through a \$2.25 million investment in trail improvement and “strategic connectors” that will develop five key trail connections, adding 29 miles of new trails to the existing 247 miles of state forest trails. These short links will connect to existing state forest and private ATV trails, as well as township roads legally open to ATVs. A program geared toward improving the existing trail system today:
  - Protects adjacent natural resources;
  - Saves maintenance funds in the future;
  - Creates a more enjoyable, safer trail system for riders; and
  - Eases enforcement problems by enticing enthusiasts to stay on the designated trail system, reducing the amount of unauthorized riding on private and public lands.
- Awarded 80 grants to help build new trails, connect existing trails to communities, and maintain/revitalize existing trails. Pennsylvanians use a variety of different trails including destination trails (to get from place to place), local trails (for leisure walking), nature trails, rail-trails, water trails, equestrian trails, mountain bike trails, and snow and ATV trails. Funded trail projects include the Great Allegheny Passage, the Greater Hazelton Area Rail-Trail and the Schuylkill River Trail.
- Invested in visitor amenities at state parks and forests. Examples:
  - ✓ A nearly \$6 million investment at Pine Grove Furnace State Park in Cumberland County to replace pit latrines with modern restroom and beach house facilities throughout the park. Sustainable and “green” building practices were incorporated into the structures and site work, and in the new on-lot sewage disposal systems that feature innovative treatment practices such as spray irrigation and wetland filtration.

**Department of Conservation & Natural Resources** *continued*

- ✓ A new centrally located Resource Management Center for Loyalsock State Forest in Sullivan County that will allow for more efficient day-to-day operations and improved visitor contact and support services. The facility is designed to achieve a LEED (Leadership in Energy and Environmental Design Green Building Rating System) rating, reflecting the facility’s “green” design and sustainable practices.
- ✓ A \$35 million investment to repair and reconstruct more than 50 miles of the historic Delaware Canal that had been decimated by three major floods in less than two years. The work is funded by FEMA (75 percent) and state funds and includes significant towpath and canal bed reconstruction as well as repairs at many of the canal’s locks and control structures.

Key Performance Measurements	2005-06	2006-07	2007-08
State park attendance	36,295,873	35,800,000	33,200,000
Percentage of available state park family cabins rented during peak weekends	92%	92%	92%
Percentage of available state park campsites rented during peak weekends	65%	66%	66%
LEED registered buildings under construction or completed (park and forest)	5	5	6

## Fish and Boat Commission

Douglas J. Austen, Ph.D.  
Executive Director  
www.fish.state.pa.us

### Mission Statement

The mission of the Fish and Boat Commission is to protect, conserve and enhance the commonwealth's aquatic resources and provide fishing and boating opportunities.

### Overview of Programs and Services:

- Coordinates protection and management programs for game, non-game, threatened and endangered fish, amphibians, reptiles and aquatic invertebrates.
- Restores fisheries and provides enhanced recreational opportunities through fish propagation, stocking and habitat improvement projects.
- Provides informational, educational and recreational services to individuals, families, groups, schools and communities regarding the commonwealth's aquatic resources.
- Increases fishing and boating opportunities through grant funds for fish passage and habitat restoration, aquatic resource and boating safety education, and boating and fishing access acquisition and infrastructure improvement.

### High-Level Goals

- Protect and manage aquatic resources and fishing and boating activities.
- Increase boating and fishing participation in the commonwealth.
- Enhance partnerships.

### Key Objectives, Strategies and Accomplishments in 2007-08:

#### **PA** KEY OBJECTIVE: Improve boating and fishing access and opportunities.

**Why this objective is important:** More than 1.5 million people fish and an estimated 2.5 million people boat in Pennsylvania each year and they generate an overall estimated annual economic benefit of nearly \$3.4 billion. To ensure the protection and management of our aquatic resources and meet the public demand for fishing and boating opportunities, it is essential that boaters and anglers be provided with adequate access to the high-quality public boating and fishing resources that Pennsylvania offers.

In 2007:

- ✓ The **Lake Erie Access Improvement Program** completed easements or acquisitions on 12 properties at a cost of \$1,829,600, of which the commission contributed \$701,600. The properties will provide about 16,245 linear feet (or 3.08 miles) of access on Lake Erie and tributary streams.
- ✓ The commission's **Boating Facilities Grant Program** awarded 21 grants totaling \$1,732,000 to local governments to design, engineer, develop and rehabilitate public boat-launch facilities in the commonwealth.
- ✓ The commission operated its 13 state fish hatcheries that reared and stocked more than 3.4 million rainbow, brook and brown trout, each averaging 11 inches and almost 2/3-pound.
- ✓ The commission conducted trout opening day angler counts and interviews on 76 stream sections. Seventy-three percent of the anglers interviewed in the 18-county regional opening day area and 56 percent of the anglers interviewed in the traditional opening day area agreed with expanding trout fishing opportunities by having two opening days of trout season.
- ✓ The commission improved the quality of water leaving its hatcheries and entering receiving streams by installing new effluent filtration systems at both Tylersville and Pleasant Gap State Fish Hatcheries, contributing to a 60 percent to 70 percent decrease in the average annual total suspended solids in the effluent.
- ✓ The commission convened a Trout Work Group consisting of commission staff, commissioners and 19 members of the general public to assist in developing a new statewide trout management plan.

# Fish and Boat Commission

(continued):

## Overview of Programs and Services (continued):

- Assists communities, organizations and individuals with creating connections to the commonwealth's waterways through access, easement and land conservation programs.
- Protects aquatic resources and provides safe recreational opportunities through the promulgation and enforcement of fishing and boating laws and regulations.
- Assists communities and partnering organizations with habitat restoration, enhancement and management, including technical guidance on dam removal and fish passage.

## Fiscal Year 2007-08

Complement Level: .....432

Total Budget: ..... \$58.847M

(Includes state, federal and other funds.)

**PA KEY OBJECTIVE:** Increase the number of specific marketing and public relations initiatives targeted at key audiences.

**Why this objective is important:** An informed public is vital to the protection and management of the commonwealth's aquatic resources and to the heritage of fishing and boating.

In 2007, commission marketing and public relations efforts focused on Internet license sales, Web information resources, tourism relationships, trout-salmon and combination permit sales, brand awareness, and streamlining processes and procedures in communicating with the public.

These activities included:

- ✓ The development of the first standardized manual for sports show management and procedures
- ✓ Multi-media campaigns promoting:
  - The two opening days of trout and bigger stocked fish,
  - Pennsylvania water trails,
  - Safe-boating awareness,
  - Steelhead fishing opportunities in Erie, and
  - The availability of combination trout-salmon/Lake Erie permits.

In 2007, the commission accomplished the following:

- ✓ Sold more than 843,357 fishing licenses and 593,547 trout/salmon and Lake Erie fishing permits.
- ✓ Issued more than \$67,000 in Sport Fishing and Aquatic Resource Education Grants to 18 organizations to develop or expand programs that increase fishing and boating knowledge and/or participation.
- ✓ Conducted resource education training workshops to more than 400 teachers.
- ✓ Expanded the **Trout in the Classroom** educational program and other classroom-based aquarium programs that connect students with their watersheds and introduce them to environmental concepts.
- ✓ Conducted more than 81 **Family Fishing Programs** that provide a family-friendly opportunity to learn the basics of fishing, improve existing fishing skills, and provide a chance to fish to almost 1,700 participants.
- ✓ Trained 200 new fishing skills instructors and offered angler education programs that reached more than 2,300 participants.

**Fish and Boat Commission** *continued*

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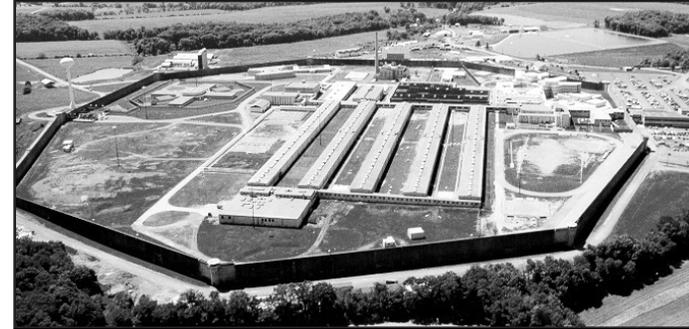
- ✓ Provided instruction, materials or use of commission-owned fishing equipment to more than 15,000 youth. There are 48 fishing tackle loaner sites in Pennsylvania that offer fishing rods, reels and terminal tackle for loan.
- ✓ Certified more than 14,600 students in boating safety education courses.

*The Pennsylvania Fish and Boat Commission is an independent state government agency that receives no General Fund revenue. The commission is funded primarily through the sale of fishing licenses, permits and boat registrations.*

# Public Safety: Ensure the Safety of Our Citizens

## Pennsylvania State Government is Committed to:

- Linking traditional law enforcement activities with new infrastructure necessary to address homeland security issues;
- Developing new cross-agency and cross-jurisdictional partnerships to deliver enhanced public safety;
- Protecting the lives and property of individuals and organizations from natural and man-made disasters;
- Maintaining the strength of the National Guard to protect citizens and the national interest; and
- Keeping our communities and neighborhoods safe from crime, including illegal guns and sex offenders.



State Correctional Institution at Graterford, PA

## State of the State



### Crime Rate

The crime rate per 100,000 people in Pennsylvania dropped from 2,995 in 2002 to 2,826 in 2005.



Percent of Murders Committed with Handguns*	2002	2003	2004	2005	2006	2007
United States	51.1%	53.5%	51.3%	50.6%	51.9%	49.6%
Pennsylvania	57.1%	59.0%	56.8%	53.4%	65.9%	61.1%

Source: FBI, Uniform Crime Reports 2002-2007

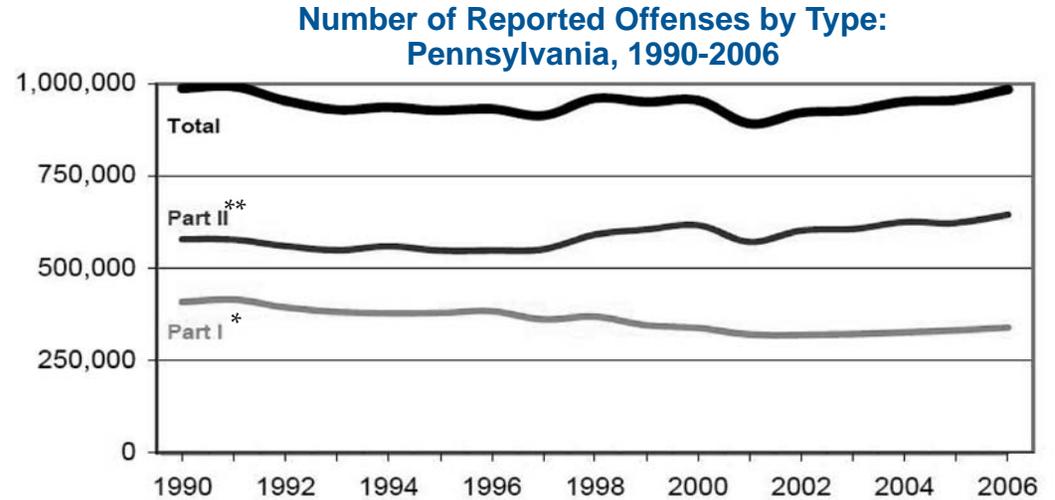
\* Where weapon is known.

# Public Safety: Ensure the Safety of Our Citizens



## Criminal Offenses

During 2006, reported offenses totaled 984,187 in Pennsylvania.

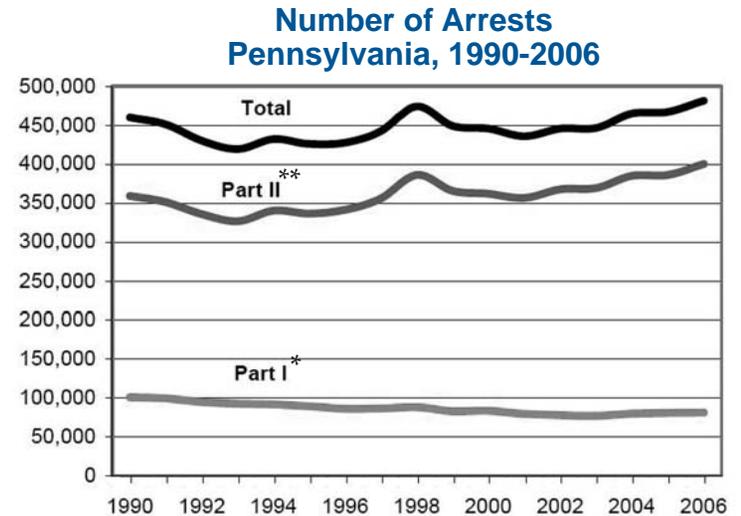


Source: Pennsylvania State Police, Uniform Crime Report.



## Criminal Arrests

Arrests totaled 481,552 during 2006 in Pennsylvania. Total arrests have increased 13 percent over ten years, from 1996.



NOTE: \* Part I Offenses include murder, manslaughter, forcible rape, robbery, aggravated assault, burglary, larceny, theft and arson.

\*\* Part II Offenses are all criminal offenses other than Part I: e.g., disorderly conduct; driving under the influence; drug violations.

## Public Safety: Ensure the Safety of Our Citizens

Percent of Offenders Arrested for Part II Offenses by Offense and Age: Pennsylvania, 2006									
Offense	Total Arrests	14 and Younger	15 to 17	18 to 20	21 to 29	30 to 39	40 to 49	50 to 59	60 and Older
Drug Violations	57,157	1%	11%	21%	33%	17%	13%	4%	1%
DUI	49,338	<1%	1%	10%	35%	22%	21%	9%	3%
Weapon Offenses	5,216	14%	22%	17%	29%	10%	6%	2%	<1%
Curfew / Loitering	30,001	27%	73%	Not Applicable					
Runaway	2,180	24%	76%	Not Applicable					
Other Part II	263,271	6%	14%	19%	24%	16%	14%	5%	2%
Total Part II	407,163	6%	17%	17%	25%	16%	14%	5%	1%

*Source: PA State Police, Uniform Crime Report query 3/13/2008.*



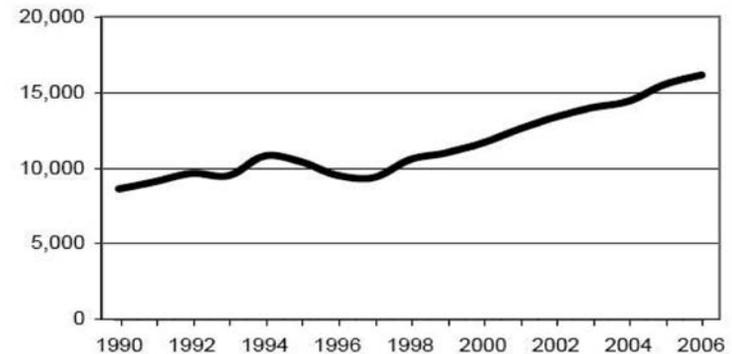
### Prison Admissions

Pennsylvania experienced a total of 16,160 admissions to state prisons during 2006. This represents a 4 percent increase from 2005. The increase from 1996 totaled 70 percent and from 2000, 38 percent.

Admissions to state prison were due primarily to court commitments or to parole violations. During 2006, 59 percent of admissions were attributed to court commitments.

### Number of State Prison Admissions: Pennsylvania, 1990-2006

Number of State Prison Admissions: Pennsylvania, 1990 to 2006



*Source: Pennsylvania Department of Corrections.*



### Military

Pennsylvania had over one million veterans and 21,000 National Guard personnel in 2007-08.



### Vulnerability to Disasters

Because of topography (many rivers, streams and flatlands), Pennsylvania is one of the most flood prone states in the nation.

## Public Safety: Ensure the Safety of Our Citizens

### Contributing Agencies:

Pennsylvania State Police .....	137
Department of Corrections .....	143
Board of Probation & Parole .....	149
Commission on Crime & Delinquency .....	155
Juvenile Court Judges' Commission .....	160
Pennsylvania Emergency Management Agency .....	163
*Department of Military and Veterans Affairs .....	170

\* Many agencies contribute to more than one goal category, but in this report we listed each agency under its primary goal category defined by the agency's mission statement.

- The **Department of Military and Veterans Affairs**, which supports both Public Safety (by overseeing the National Guard) and Health and Human Services (by administering veterans programs), is included in the **Public Safety** goal category.

# Pennsylvania State Police

Colonel Frank E. Pawlowski  
Commissioner  
www.psp.state.pa.us

## Mission Statement

The mission of the State Police is to promote traffic safety, effectively investigate crime, reduce criminal activity and provide investigative assistance and support services to all law enforcement agencies within the commonwealth.

## Overview of Programs and Services:

- Assists local municipal police departments at their request.
- Enforces all traffic and criminal laws.
- Identifies, analyzes and addresses negative crime and traffic trends.
- Provides statewide forensic and laboratory services.
- Maintains a registry of sex offenders that is easily accessible to the public.
- Provides personal protection for the Governor and other dignitaries.

## Fiscal Year 2007-08

**Complement Level:** ..... 6,413

**Total Budget:** .....\$817.386M  
(Includes state, federal and other funds.)

## High-Level Goals

- To keep Pennsylvania’s highways and communities safe.
- To effectively deter, detect, investigate and prosecute crime.

## Key Objectives, Strategies and Accomplishments in 2007-08:

### **PA KEY OBJECTIVE: Reduce crashes, injuries and deaths on Pennsylvania’s highways.**

**Why this objective is important:** In protecting our citizens, the State Police recognizes that its principle task is to prevent crashes, rather than merely respond to them after the fact.

**Strategy: Patrol and protect all of Pennsylvania’s interstate highways.**

The Pennsylvania State Police provides primary police service to 85 percent of the commonwealth’s land area and they patrol 63 percent of the commonwealth’s highways, including all of the interstates.

The State Police first assumed responsibility for patrolling Philadelphia’s interstates in January 2007, when Troop K began patrolling I-76 from City Line Avenue to Montgomery Avenue. By August 2007, troopers started patrolling I-95 from Broad Street to the Delaware County line. Finally, on March 1, 2008, troopers took over patrol duties on the rest of I-95 in Philadelphia County and on I-676. Throughout this transition, our troopers have handled numerous incidents. (See table.)

Throughout 2007, the State Police was in the process of building, testing, training and deploying an automated crash reporting system to electronically report crashes to the Pennsylvania Department of Transportation. A pilot project was implemented at the Troop H station in Harrisburg on October 31, 2007, and the system was deployed statewide on January 9, 2008. As a result, there has been a significant decrease in submission times and a profound reduction in reporting errors. (See table on next page.)

PA State Police Activity in Philadelphia	CY 2007	Jan. - Sept. 2008
Motorists Assisted	2,221	6,973
Traffic Citations Issued	3,980	10,577
Traffic Accident Responses	1,274	2,830
<b>Arrests:</b>		
Crime Code Violations	379	675
Drug Law Violations	64	124
Outstanding Traffic Warrants	159	145
Criminal Warrants	190	302
Driving Under the Influence of Alcohol or Drugs	114	261

**Pennsylvania State Police** *continued*

Pre/Post Crash Reporting System Implementation Time/Quality Results				
	Jan. - March 2007 Paper Submission to PennDOT	Jan. - March 2008 Electronic Submission to PennDOT	Number Change	Percent Change
All Reportable Crashes	13,444	12,097	1,347	10.02%
Average Days for Submission of All Reportable Crashes	47	11	36	76.60%
Commercial Vehicle Crashes	1,357	1,121	236	17.39%
Average Days for Submission Commercial Vehicle Crashes	50	13	37	74%
Average Errors (All Submissions)	8.5	0.5	8	94.12%

**Strategy: Focus on commercial vehicle safety.**

In 2005, the State Police and the Department of Transportation consolidated their Motor Carrier Enforcement programs so that Troopers and Motor Carrier Enforcement Officers now work together on Commercial Vehicle Enforcement Teams. These teams have conducted numerous operations to ferret out unsafe drivers and commercial vehicles.

In 2007, through **Operation Seatbelt and Fatigue Enforcement (SAFE)**, the State Police:

- ✓ Inspected the licenses of 7,893 commercial drivers as well as their medical certificates, duty records, hours of service, driver vehicle inspection reports and seat belt usage which resulted in:
  - 4,867 traffic citations, 5,987 written warnings, and 505 commercial drivers and 782 vehicles being taken out of service.

In commercial vehicles, poorly adjusted or defective air brakes are the primary reason large vehicles are taken out of service. Defective air brakes pose a serious threat because, even under ideal conditions, a commercial vehicle takes twice as long to stop as a car.

In **Operation Air Brake**, the State Police coordinated statewide efforts to address this issue:

- ✓ 4,048 commercial vehicles were inspected and 965 were taken out of service.

Every June, the State Police participates in **Operation Roadcheck**, the largest commercial vehicle enforcement program in the world. During a 72-hour period, approximately 14 trucks or buses are inspected every minute from Canada to Mexico.

- ✓ In Pennsylvania alone, 2,795 vehicles were inspected, and 195 drivers and 785 commercial vehicles were taken off the road.

*Nationally, almost 60 percent of crashes involving commercial vehicles are the result of driver error.*

**Pennsylvania State Police** *continued*

**Strategy:** Implement programs designed to improve passenger vehicle safety.

**Problem Specific Policing**, implemented in 2003, gives officers computerized access to real-time data to make informed decisions about how to best allocate and deploy limited resources.

Additionally, the State Police has worked hard to educate the public in the importance and proper use of safety belts and child safety seats through the **“Click It or Ticket Campaign,” “National Child Passenger Safety Week,”** and aggressive enforcement of occupant restraint violations.

- ✓ As a result, we have seen significant reductions in the number of vehicle crashes and injuries across the state. (See table.)

Category	Change from 2007 to 2008
All Crashes	-7.38%
DUI Crashes	-3.80%
DUI Fatalities	-6.02%
Injuries	-3.74%

**PA KEY OBJECTIVE: Maintain safe communities.**

**Why this objective is important:** An adequate, well-trained police presence helps maintain safer communities by deterring criminal activity.

Since Governor Rendell took office, the enlisted ranks of the State Police have grown to the highest levels in Pennsylvania’s history. (See table.)

State Police Enlisted Ranks	2006	2007	2008
Authorized Enlisted Positions*	4,660	4,660	4,674
Filled Enlisted Positions*	4,296	4,446	4,380
Troopers Graduated from the Academy	237	243	200

*The number of authorized enlisted positions for the State Police is the highest in Pennsylvania’s history.*

\*As of October 31 of each calendar year.

The State Police also administers the Municipal Police Officers’ Education and Training Commission (MPOETC).

- ✓ In 2007, MPOETC certified 959 new municipal police officers and recertified 22,809 officers. By the end of September 2008, MPOETC had certified 328 new officers. (See table.)

	2005	2006	2007	2008
Newly certified officers	781	908	959	328
Recertifications (odd-numbered years only)	22,940	N/A	22,809	N/A

**Pennsylvania State Police** *continued*

**Strategy: Provide round-the-clock analytical assistance to help solve crimes.**

The criminal intelligence center also houses the **State Police Watch Center**, which first became operational in December 2007.

The Watch Center, which is open 24 hours a day every day of the year, is designed to ensure all State Police personnel have timely, accurate situational awareness information and a common

operating picture of homeland security and hazardous incidents as they occur throughout the state. Five corporals are assigned to the Center as Department Watch Officers. They are in constant, direct communication with Watch Officers located at State Police Stations through various methods, including conventional and cellular telephones, mobile data terminals, e-mail and 800 MHz radio.

In times of heightened alert, the Department Watch Officers will relocate to the Pennsylvania Emergency Management Agency’s Emergency Operations Center to provide seamless support to a centralized emergency response. At all times, the State Police Watch Center is the link providing appropriate law enforcement gleaned situational awareness to other non-law enforcement state and local agencies.

**Strategy: Target criminal activity due to gangs, gun violence and illegal gun trafficking.**

Gangs, gun violence, and drugs remain a scourge on our society. Consequently, gang suppression is now one of the department’s top law enforcement priorities.

Firearms Related Incidents	2006	2007	As of 09/30/08
Firearms Arrests	70	93	69
Firearms Confiscated	242	133	117

**Regional Gang Task Forces** comprised of federal, state, and local law enforcement officers have been established throughout the state. Through close collaboration with the federal Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF), our troopers have worked hard to get illegal guns off our streets.

Illegal gun trafficking has evolved into a “currency” flowing throughout illicit transactions. It is critical to take every step possible to keep guns out of the hands of criminals.

Since 1998, the State Police has been operating the **Pennsylvania Instant Check System (PICS)**. Firearms dealers and sheriffs use PICS to determine whether an individual can legally obtain a firearm or carry a concealed firearm. Over the past decade, PICS has conducted more than 5 million background checks, preventing more than 79,300 convicts from illegally obtaining firearms and enabling police to capture more than 1,000 fugitives who were attempting to acquire a firearm.

Firearms Related Incidents	2006	2007	2008
PA Instant Check System Checks	512,785	568,856	583,425

Pennsylvania State Police *continued*

**Strategy: Improve response to homeland security threats.**

In 2004, the department created its first ever Hazardous Device and Explosive Section to improve homeland security by assisting in hardening critical infrastructure against terrorist attacks and responding to incidents involving explosive chemicals, explosive devices, incendiary devices, pyrotechnics, ammunition, and other suspected explosives.

Homeland Security	2006	2007	As of 10/08
Hazardous Device and Explosive Incidents	233	228	232

*Information about 10,114 sex offenders, including 280 sexually violent predators, is currently available on the State Police provided public Web site at [www.psp.state.pa.us](http://www.psp.state.pa.us).*

**Strategy: Increase public awareness of criminals and criminal activity.**

The State Police maintains a registry of sex offenders who live, work, or go to school in Pennsylvania.

To assist the community in determining whether a particular sex offender is still in prison, the State Police has included links to federal and state inmate locators. The Web site includes a “submit a tip” function, enabling the public to provide information about offenders who are not complying with Megan’s Law requirements.

The State Police serves as the central repository for all criminal records in Pennsylvania. To make it more difficult for convicted offenders to hide their criminal backgrounds, the department conducts criminal records checks for a variety of employment-related purposes, including checks for:

- Prospective teachers, people who work with or around children, foster or adoptive parents, medical professionals and individuals working in long-term care facilities.

In 2007, the State Police received:

- ✓ 243,257 criminal history records check request forms through the mail and another 1,011,108 requests over the internet through the Pennsylvania Access to Criminal History, or PATCH, system.
- ✓ In the first ten months of 2008, 171,159 criminal history record checks requests were received by mail and 906,139 over the Internet.

**Pennsylvania State Police** *continued*

**PA KEY OBJECTIVE: Increase percentage of solved crimes employing cutting-edge science and technology.**

**Why this objective is important:** The State Police operates seven forensic laboratories across Pennsylvania, providing services in:

- Ballistics examination, document examination, latent print development, fingerprint identification, multimedia services, drug identification, blood alcohol content, trace evidence, serology and DNA analysis.

The department also provides training to hundreds of law enforcement officers annually in crime scene processing and collection of evidence.

In late 2004, legislation was enacted to require every convicted felon to submit a DNA sample.

- ✓ The department’s laboratory received 57,000 DNA samples in 2005 and another 90,493 samples between 2006 and October 2008. (See chart.)

Forensic Activity	2006	2007	As of 10/08
Convicted Offender Samples Received	36,766	32,162	21,565
Convicted Offender Samples Uploaded into the national Combined DNA Index System	26,380	85,485	20,521
Investigations Aided	301	678	415
Forensic Cases Received	49,573	50,364	46,172

Through outsourcing and the use of in-house, high-throughput robotics, the majority of convicted offender samples have been processed.

*Services by the Pennsylvania State Police are provided at no cost to the municipal, state and federal law enforcement agencies that use the results to solve thousands of crimes each year and remove dangerous criminals from our streets.*

# Department of Corrections

Jeffrey A. Beard, Ph.D., Secretary  
www.cor.state.pa.us

## Mission Statement

The mission of the Department of Corrections is to protect the public by confining persons committed to its custody in safe, secure facilities and providing opportunities for inmates to acquire the skills and values necessary to become productive, law-abiding citizens; while respecting the rights of crime victims.

## Overview of Programs and Services:

- Oversees the housing and rehabilitation of more than 46,000 inmates at 26 state correctional prisons, 13 community corrections centers, 36 private community corrections facilities, and one motivational boot camp.
- Ensures the safety and security of inmates, department employees, and the surrounding communities.
- Provides for inmate health care and treatment of addictions/ behaviors that contribute to crime.
- Provides educational and vocational training to develop the skills necessary for successful reentry into the community.

## Fiscal Year 2007-08

Complement Level: ..... 15,750

Total Budget: .....\$1,672.921M

(Includes state, federal and other funds.)

## High-Level Goals

- Safe and secure prisons.
- Reduce recidivism rates.

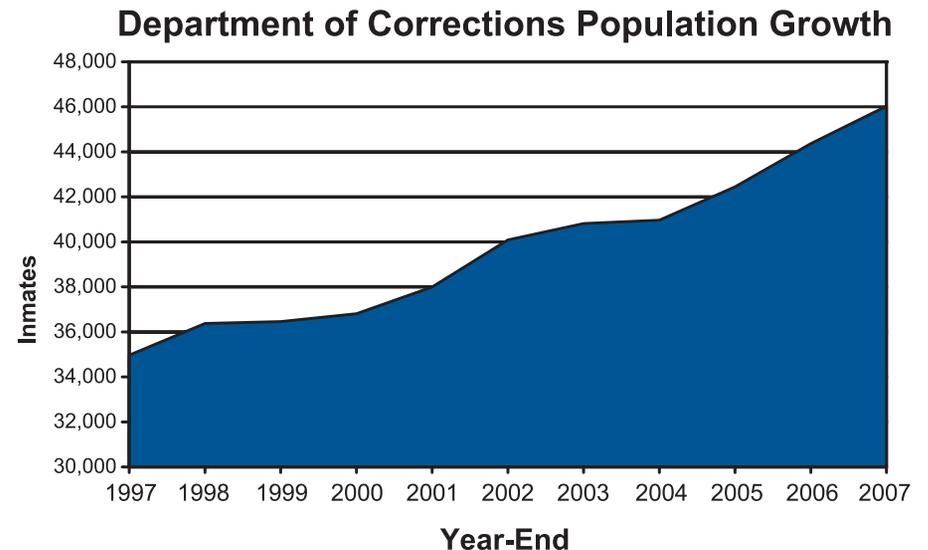
## Key Objectives, Strategies and Accomplishments in 2007-08:

**PA KEY OBJECTIVE: Maintain the safety and security of inmates, staff and the public and operate each prison in a fair and humane manner.**

### Why this objective is important:

Recognizing that inmate population increases result in overcrowding that can lead to unrest and other disturbances, it is important to maintain the safety and security of inmates, staff and the public by creatively and efficiently managing the populations and facilities for which it is responsible.

The total inmate population housed in the department's correctional facilities has increased by 28 percent over the past decade, from 34,964 inmates in 1997 to more than 46,000 in 2007. There were 10,222 new inmates added to the system in 2007.



## Portrait of a New Inmate in 2007

- The average inmate was 33 years old
- 31 percent had committed a drug-related crime
- 18 percent had some degree of mental illness
- 43 percent had no high school diploma or GED
- 80 percent were unemployed 6 months prior to incarceration
- 65 percent were alcohol or drug-dependent

## Department of Corrections *continued*

Despite a significantly increasing prison population:

- ✓ There have been no major disturbances since 1989,
- ✓ Less than four percent of all assaults have been major assaults since 2003,
- ✓ General assaults on both staff and inmates have declined more than 30 percent since 2003,
- ✓ Based upon random inmate drug testing in 2007, prisons have remained more than 99 percent drug-free since 1999, and
- ✓ There was one breach escape in 2007, the first since 1999.

Department initiatives and results include:

- **Drug and alcohol testing** – Drugs and alcohol in prisons are a significant threat to staff and inmate safety and institution security. The department has a zero-tolerance drug policy, targeting all sources of potential drug contraband by monitoring inmates, visitors and employees. Through continual drug testing, canine searches and electronic drug detection, the department has been successful in keeping drugs out of its prisons.
  - ✓ Of the 48,382 random drug tests conducted in 2007, only **105 (0.22 percent)** were positive.
- **WebTAS** (Web enabled Temporal Analysis System) – Through this program, assaults, incidents and sexual violations related to the Federal Prison Rape Elimination Act (PREA) are all tracked using real-time data. This allows the department to:
  - Monitor trends and take a proactive approach in curtailing possible occurrences, and
  - Link offenders through gang relations, sex offenses and filed grievances.
- **Sexual assault hotline** – In August 2007, the department established a toll free sexual assault hotline for inmates or the general public to use to anonymously report sexual harassment or sexual contact with an inmate. Call reports are sent to the appropriate state prison for investigation by its security staff. If staff is involved, the department's Office of Professional Responsibility is charged with investigating the incident. In addition, the department's Central Office Security Division tracks all reports.
  - ✓ Preliminary analysis of the sexual assault hotline has shown that inmates are using the hotline and providing correctional staff with valuable information pertaining to prohibited sexual activities inside each prison.
- **National Incident Management System & Emergency Preparedness** – The department now uses the National Incident Management System (NIMS) for all emergency situations. NIMS provides a standardized chain of command among various emergency response agencies so that there is one centralized command to coordinate the efforts of all responders. In addition, the department's security office held unannounced incident command system drills at every state prison to allow staff an opportunity to use the system and to identify their strengths and weaknesses in the area of handling major emergencies.

Department of Corrections *continued*

**PA KEY OBJECTIVE: Reduce recidivism by giving inmates treatment in a timely manner that is appropriate for their criminogenic risk and needs.**

**Why this objective is important:** In 2007, 16,832 inmates were released back into the community. Recent studies indicate that many of these inmates will return to prison within three years. Many inmates return to prison as a result of a technical parole violation as opposed to committing a new crime.

More than 90 percent of the inmates incarcerated in Pennsylvania state prisons will eventually return to the community. The department prepares inmates for reentry into the community by conducting the following:

- **Risk assessments** – to determine the likelihood that an offender will commit additional offenses, and
- **Needs assessments** – to identify specific problems that drive an offender’s criminal behavior — these are known as criminogenic needs.

Criminogenic needs are risk factors that can be altered by treatment programs, many of which have been shown to effectively reduce recidivism rates. Recidivism is defined as the tendency to relapse into a previous condition or mode of behavior. Consequently, relapse among inmates into a previous mode of criminal behavior often leads to re-offending, which in turn leads to re-imprisonment. Findings from numerous studies have concluded that those programs which assess criminogenic risk and need, target high-risk offenders, and treat criminogenic needs will effectively reduce recidivism and promote public safety.

- Approximately 73 percent of inmates received in 2007 were assessed as needing some type of treatment program.
- More than 65 percent had serious alcohol or drug dependencies, 43 percent did not have a high school diploma or GED, and 18 percent had some degree of mental illness.

Effective programming works within the context of proven, evidence-based theories of criminal behavior. Research shows that because thinking and behavior are linked, effective treatment programs first address the criminal thinking of offenders and attempt to alter their thoughts, values, attitudes, and expectations, while discouraging anti-social behaviors.

Recidivism 2001 – 2006				
Year of Release	Inmates Released	Percent of Inmates Returning		
		6 Months	1 Year	3 Years
2001	11,506	14.7%	25.8%	46.5%
2002	11,670	13.8%	24.8%	46.3%
2003	13,814	13.7%	25.8%	47.5%
2004	14,708	14.0%	25.9%	47.9%
2005	14,553	14.5%	26.1%	N/A
2006	14,518	12.3%	23.1%	N/A

Department of Corrections *continued*

The department has partnered with university-based researchers, who are experts in the field of correctional treatment, to determine whether current rehabilitative programs effectively address critical factors known to reduce recidivism (the principles of effective intervention) and to offer suggestions for change. Therefore, the department attempts to reduce recidivism rates and approaches the re-entry needs of inmates through a **three-pronged release preparation strategy**:



**Assessment**

The department conducts a thorough, objective, and rigorous assessment of each offender’s treatment needs and risk of committing additional offenses upon release. High risk offenders receive high priority for treatment, as they are most likely to recidivate if left untreated. The department uses a standard set of tools:

- To assess alcohol and other drug needs.
- To assess other criminogenic needs, such as criminal thinking and hostility.
- To conduct a thorough assessments of educational and vocational aptitude and achievement.
- To conduct a mental health evaluation.
- To explore other background variables, as required.

These assessments are the basis for development of an individualized treatment plan for offenders, which provides a “road map” for the offender that, if followed, will significantly increase the probability that the inmate will reintegrate into society as a responsible, law abiding citizen.

**Treatment**

The department’s current treatment strategy is guided by research such as its own parole violator study, as well as other department-initiated evaluations and national research on what constitutes an effective reentry strategy.

During the past two decades, there has been renewed interest in examining correctional research. Much evidence has been generated, leading to the conclusion that many rehabilitation programs have, in fact, produced significant reductions in recidivism due to a number of common characteristics. These characteristics are the principles that guide effective intervention and treatment to successfully lower recidivism rates.

In response to these findings, the department has implemented and evaluated a number of programs incorporating these principles.

- **Reinforcing Positive Behavior (RPB) (Staff evaluation)**  
Analysis conducted in late 2007 revealed that RPB training increased staff support of inmate treatment and rehabilitation programs.

Department of Corrections *continued*

- **Quehanna Boot Camp Study**

The 2007 report showed boot camp graduates had lower recidivism rates than the overall department population. Overall, risk for re-offending and levels of criminal thinking and hostility decreased among boot camp graduates.

- ✓ **Changing Offender Behavior (COB) & Thinking for a Change**

Both program evaluations were conducted in 2007. Overall, facilitators and inmates liked the program, and preliminary data analysis suggests that these programs effectively decreased criminal thinking and behavior.

- ✓ **Parenting Program**

Analysis conducted in late 2007 illustrated that inmates completing the parenting program showed positive increases in knowledge, attitude, and behavior about parenting. Furthermore, these inmates increased their level of interaction with their children and their children’s primary caregiver.

**State Intermediate Punishment** – For less serious drug offenders, this program provides treatment addressing the underlying cause of the offenders’ crime. Inmates serve at least seven months in prison, at least two months at a community-based therapeutic facility and the remainder of the standard 24-month sentence at a halfway house or group home while receiving addiction treatment.

- ✓ Currently, over 700 inmates at three prisons (Cambridge Springs, Chester and Quehanna Boot Camp) are participating in this program.

**PA KEY OBJECTIVE: Prepare inmates for re-entry into the community.**

**Why this objective is important:** While reentry is the third component of the department’s three-pronged release preparation strategy, it is viewed by the department as a process that begins when an offender enters prison.

In recent years, the department has introduced several initiatives and strategies specifically targeted to assist in reentry planning from the end of an offender’s stay in prison to his or her return to the community.

- The department’s “**Reentry team**” originated with recognition that the barriers existing in the reintegration process for inmates coming out of Pennsylvania’s prisons was largely contributing to the overall recidivism rates in the state. As more and more barriers to reentry were discovered, it became necessary for the department to develop a network of resources to improve the reintegration process. It was identified that, to promote a smoother transition for inmates into the community, it would be necessary to involve many stakeholders from various agencies and organizations across the state. Therefore, the department hired a person to specifically focus on reentry strategies. As the need for additional collaboration and cooperation increased, it became necessary to devote more man hours to the department’s efforts. The end result is the current three-person “**Reentry Team**” that operates under the Bureau of Treatment Services.

Department of Corrections *continued*

- The **Erie Pennsylvania reentry project** is a demonstration reentry partnership in Erie County among multiple state and county agencies as well as non-profit organizations and community leaders to provide comprehensive transitional services for offenders returning to the Erie area. Presently, the Erie reentry project is being evaluated by the federal government as part of a national study of similar reentry programs funded by the Department of Justice. Results of this evaluation will be interpreted and discussed in next year's report.
- Academic programs are designed to help inmates gain the skills necessary to obtain a GED or commonwealth secondary diploma. Vocational programs offer development of entry level employment skills through classroom instruction and hands-on training. Completion of the vocation training programs may lead to trade-based certificates or registration in an apprenticeship program. The department, in collaboration with the Department of Labor and Industry, is focusing its vocational programs on meaningful, family-sustaining entry-level jobs that have been identified as having a high demand in the workforce investment area where the inmate will be released. Special education programs are available to all inmates who qualify and have assessed special needs.
  - ✓ In December 2007, there were 11,315 inmates enrolled in academic programs and 3,756 enrolled in vocational programs. Research on department education and vocational programs has determined that they reduce recidivism rates by approximately 15 percent.

**Awards and Recognition**

- All department prisons, the department's staff training academy and the central office are fully accredited by the American Correctional Association (ACA). Pennsylvania remains as one of only a few states to earn full ACA accreditation.
- The department won the 2008 Council of State Governments (CSG) Innovations Award for its Program Evaluation Research System, which leverages external research expertise and funding in support of the department's program evaluation agenda. The department is already recognized as a national leader in correctional research and is pleased to have earned this award.

# Board of Probation & Parole

Catherine C. McVey, Chairman  
www.pbpp.state.pa.us

## Mission Statement

The Pennsylvania Board of Probation and Parole is committed to protecting the safety of the public, addressing the needs of crime victims, improving county adult probation and parole services, and assisting in the fair administration of justice by ensuring the custody, control, and treatment of offenders under the jurisdiction of the board.

## Overview of Programs and Services:

- Makes informed decisions regarding whom to release on parole.
- Provides solid supervision in the community for individuals granted parole.
- Supervises offenders from other states and from the county courts.
- Increases the number of persons who successfully complete parole to become productive, law-abiding citizens.

## Fiscal Year 2007-08

**Complement Level:** ..... 1,117  
**Total Budget:** .....\$129.870M  
*(Includes state, federal and other funds.)*

## High-Level Goals

- Safer communities.
- Fewer victims of crime.
- Increased offenders successfully reintegrating into society.

## Key Objectives, Strategies and Accomplishments in 2007-08:



### KEY OBJECTIVE: Increase the percent of parolees who successfully complete parole.

**Why this objective is important:** Making our communities safer requires that each offender who is released to parole supervision be provided with the support and services he or she needs to successfully complete parole.

Many offenders face serious challenges when they enter prison, such as drug abuse, lack of an education, lack of employment skills, mental illness and poor thinking patterns that relate to wrong decisions and actions. Through effective decision-making by the board and problem-solving case management by the parole agent, the offender continues to address these challenges in order to foster behavioral change that will lead to a law-abiding life.

### Strategy: Continue to enhance the practice of parole decision-making.

The board has the responsibility to make decisions about whether to grant or deny an individual parole. To enhance the safety of the public, the board uses the latest research and actuarial data in conjunction with its professional judgment to guide its decisions and determine if the offender's risk of future re-offending has been reduced.

The practice of parole decision-making identifies inmates prepared for reentry through programming and treatment participation, as well as proper behavior and adjustment to incarceration that results in positive behavioral and cognitive changes.

- ✓ The board made more than 20,000 parole decisions in 2007-08.
- ✓ This year, the board continued its practice of periodically refining its decisional instrument, which facilitates decision-making, and revalidated its risk-assessment instrument.

*The parole decisional instrument considers the likelihood of parolees re-offending and it also distinguishes between violent and non-violent offenders.*

Offenders Under Supervision by Year	
As of 6/30/2005	28,372
As of 6/30/2006	29,143
As of 6/30/2007	29,568
As of 6/30/2008	32,097

Board of Probation & Parole *continued*

Important to the practice of decision-making is the consideration of victim input in cases where the victim desires to do so.

In 2007-08:

- ✓ 2,224 victims provided comments to the board, either in a written letter or in testimony, for consideration regarding the parole of an offender.
- ✓ The Office of Victim Advocate sent notifications to 19,859 registered crime victims, which included notifications that an inmate is eligible for parole.

**Sex Offenders Assessments**

The **Sexual Offenders Assessment Board** is comprised of psychologists, psychiatrists and criminal justice experts. Sex offender assessments are included in the review by the parole board as part of its decision-making process.

- ✓ There were 1,734 assessments in 2007-08, that were either ordered by the court or requested by the parole board. This total represents a 7 percent increase over the previous year.

The commonwealth’s **Criminal Justice System Network (JNET)** is also used to share sex offender information. Through the migration of three separate information systems, the Sexual Offenders Assessment Board has been able to increase efficiencies and information reporting as well as further victim and community safety. Communication among all partners involved with individual sex offenders is the key to successful sex offender containment.

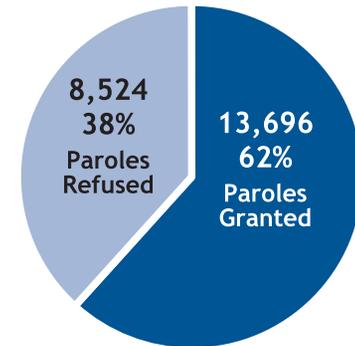
- ✓ Thus, as part of this information sharing, a repository for completed sex offender assessments has been created for these reports. These technological changes will allow all appropriate criminal justice agencies at the state and county level to have access to this detailed report.

**Evidence-based practices**

The board is experiencing positive results from our efforts to continue to enhance the parole process through the use of the latest thinking in evidence-based practice.

- ✓ The three year recidivism rate (parolees returning to prison) for Pennsylvania is 49 percent.
- ✓ The one-year recidivism rate for parolees released from state prison was 28 percent in 2003, 2004 and 2005. In 2006 it dropped to 23 percent.

**In 2007-08 More Paroles Were Granted than Refused**



Number of Sex Offender Assessments Conducted	
Fiscal Year	Assessments
2005-06	1,534
2006-07	1,616
2007-08	1,734

One-Year Recidivism Rate	
Calendar Year	Percentage
2003	28%
2004	28%
2005	28%
2006	23%

Board of Probation & Parole *continued*

Victim safety has been enhanced through victim wrap-around services, which is a proactive approach to connect victims with safety concerns to parole supervision staff before the release of the offender. This connection:

- Creates a direct line of communication between the victim and the parole agent, which helps the victim understand the nature of community supervision and provide a single point of contact if problems should arise.
- Assists the agent by providing additional details of the crime and specific victim concerns, which can influence conditions of supervision and the level of supervision.

A key component is ensuring that crime victims are connected with local victim service programs for safety planning and preparation for the return of the offender to the community.

**Training for Parole Agents**

Effective case management and problem solving requires training to help agents develop the necessary skills on new reentry strategies and approaches.

Parole agents participated in 28 reentry training sessions, with a total of 790 participants.

In particular, the board is developing the capacity for specialty agents who intensively work to stabilize newly released offenders and to deliver cognitive training programs in-house to groups of offenders. The board is also helping to restabilize offenders who experience ongoing adjustment issues.

A comprehensive approach to sex offender management is explained in the commonwealth’s **Sex Offender Containment Plan**. The manual, on-line trainings and other materials were developed by criminal justice professionals and community stakeholders involved in sex offender management, including victim advocacies and treatment providers. The containment plan details the specialized knowledge, expertise and essential partners necessary to form successful containment teams at the local level

**Supervision of Parolees**

The first three to six months on supervision are critical to the success or failure of an offender on parole. To insure parolee success, specialized agents provide intensive transitional case support to mid- to high-risk offenders, up to the first 90 days of parole (on average), when parolees are most likely to commit a crime. The agents begin working with the offenders prior to their release to

**Training Sessions for Parole Agents:**

**Evidence-Based Practices and Effective Staff/Offender Interactions**

- Research on effective practices for parole populations - what works.

**Risk-Reduction Strategies**

- Strategies for successful correctional/probation programming to reduce risk – the likelihood of re-offending.

**Cognitive Behavioral Programming**

- Fostering positive, pro-social behavior change in offenders – poor thinking leads to poor decisions.

**Motivational Interviewing**

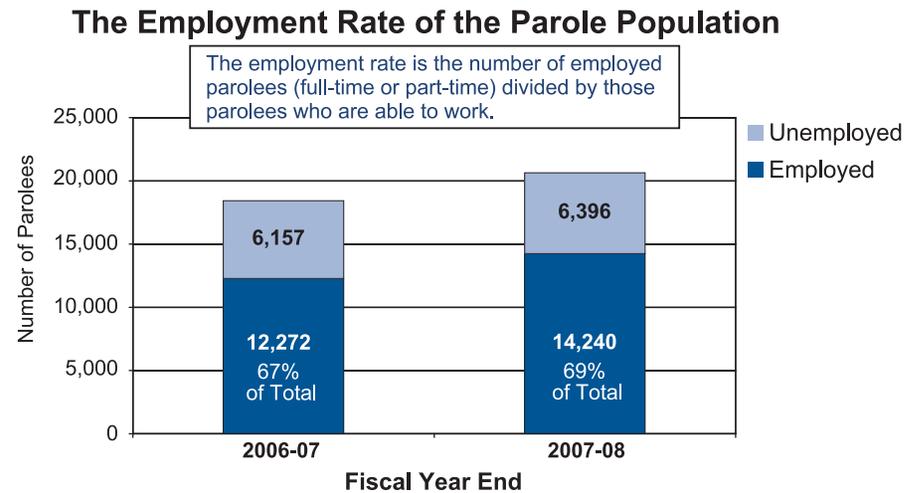
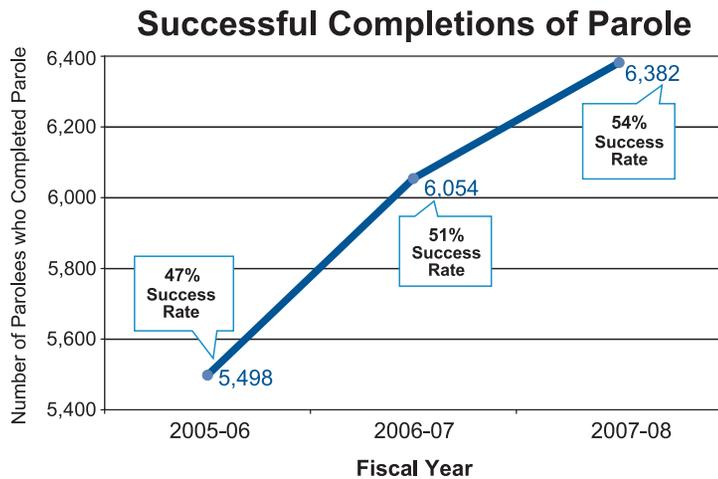
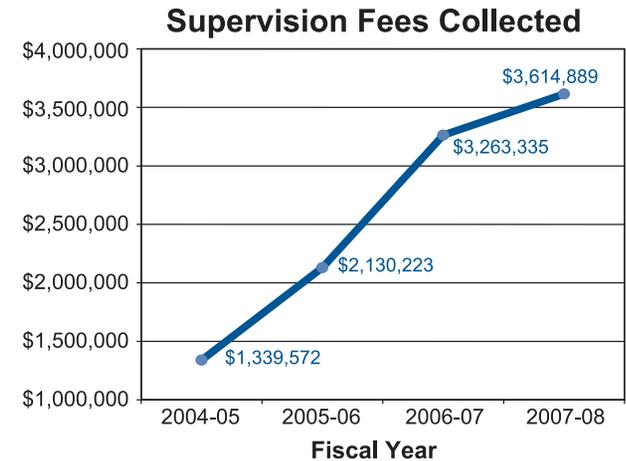
- Mobilizing the offender’s intrinsic values and goals in order to stimulate behavior change.

Board of Probation & Parole *continued*

address the issues of continuity of care and treatment, employment and assist with especially hard-to-place offenders seeking housing arrangements. After the offender has been successfully stabilized in the community, the parolee is assigned to a general supervision caseload. Further, accountability is an important part of successful reentry. Offenders are required, where no hardship is found, to pay a portion of the cost of their supervision through a supervision fee.

The board has several relationships with county probation and parole offices and other county-based agencies. Many of the same training opportunities offered to board employees are extended to county personnel. In addition, state and county employees often jointly manage certain special-needs cases. This is especially true for mental health offenders. State parole agents work with mental health case workers to manage the offender with a mental health diagnosis.

High risk drug offenders from the state and county participate in reentry courts in York and Lackawanna counties. The reentry court program is a team approach with a judge, board member, drug and alcohol treatment providers, and other special resources to address an offender's drug and alcohol dependence, which is contributing to the criminal behavior. The board is in the planning stages with Allegheny County for the creation of a reentry court.



Board of Probation & Parole *continued*

 **KEY OBJECTIVE: Increase effective management of parolees who violate conditions of parole.**

**Why this objective is important:** One of the most important duties of the parole agent is to monitor compliance with the conditions of parole and take steps to either bring the parolee back into compliance or to remove him from the community.

Offenders may participate in programming in prison, but in the community they learn how to put what they have learned into practice. The reality is that many offenders lack the basic life skills that most citizens have learned during their lives.

To encourage successful completion of parole, the board uses a tiered sanctioning process and community-based programs and services if the offender can continue to be safely and effectively supervised in the community. Parolees who are serious threats to themselves or others, or who have protracted and escalating violations or have a new criminal arrest are quickly returned to prison.

Many strategies are used to assist and manage the parolee who is having difficulty adjusting to life outside of prison. The Assessment, Sanctioning and Community Resource Agent provides technical assistance to parole agents by providing case review for offenders who have not responded positively to sanctions for parole violations and are therefore at risk of recommitment to prison. The board has access to community-based residential programs such as:

- Community-based inpatient and outpatient treatment programs;
- **Back on Track** – behavior modification programs to change criminal thinking patterns;
- **Halfway Back** – non-confinement housing options to address alcohol or drug relapse issues; and
- **PennCAPP** – secure environment for offenders with serious behavior or drug relapse issues.
  - ✓ As a percent of the population, technical parole violators were 1.5 percent in 2005-06 in comparison with 1.1 percent in 2007-08, even as the parole population continued to increase.
  - ✓ 2,846 technical parole violators were returned to state prison in 2006-07. This is 962 fewer than two years ago. The proportion of the population returned as convicted parole violators remained relatively flat at a .65 percent monthly average over the last three years.

Average Percentage of State-Sentenced Cases Revoked for Technical Parole Violations (TPV)					
Fiscal Year	Monthly TPVs	Annual TPVs	State-Sentenced Population	Total Population	TPVs as % of State Population
2005-06	317	3,808	21,567	29,211	1.47%
2006-07	271	3,247	21,688	29,734	1.25%
2007-08	237	2,846	22,310	32,097	1.06%

**Board of Probation & Parole** *continued*

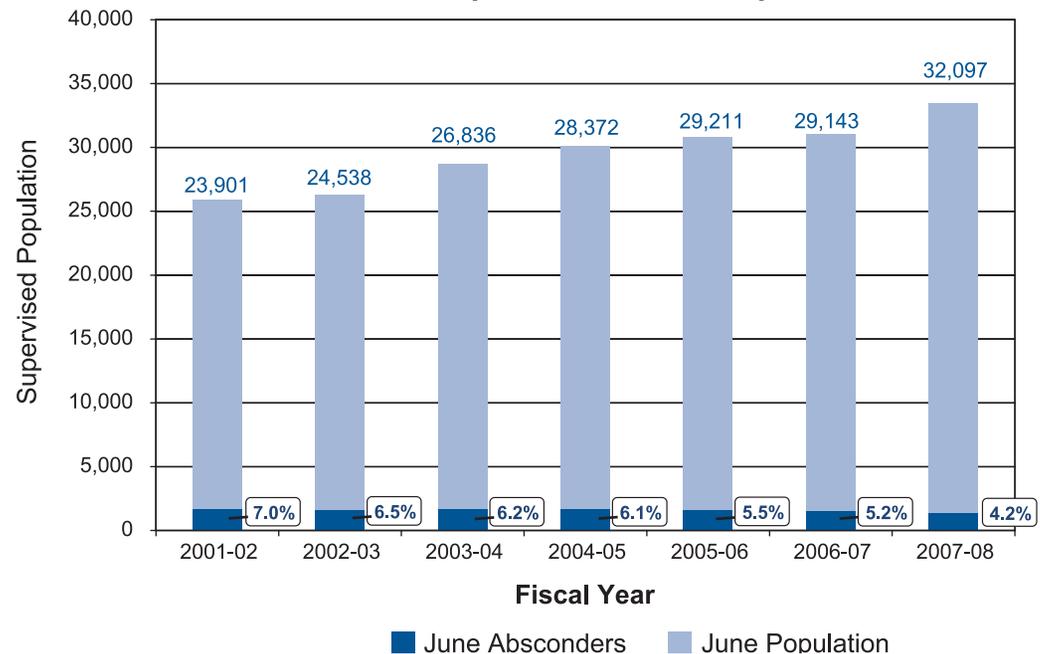
Average Percentage of State-Sentenced Cases Revoked for Criminal Parole Violations (CPV)					
Fiscal Year	Monthly CPVs	Annual CPVs	State-Sentenced Population	Total Population	CPVs as % of State Population
2005-06	136	1,626	21,567	29,211	0.63%
2006-07	137	1,648	21,688	29,734	0.63%
2007-08	145	1,738	22,310	32,097	0.65%

**Response to Absconders**

Absconders are parolees who fail to report as instructed or move without permission to an unknown address. If a diligent search for the offender is unsuccessful, the case is transferred to a team of specially trained agents who aggressively pursue the offender. This work is often done in coordination with local, state and federal law enforcement authorities. The agency has a 24-hour monitoring center that receives information from the public and notifications from law enforcement about absconders. The percentage of absconders has dropped considerably despite the increase in the parole population.

- ✓ In 2002, absconders were 7 percent of the parole population. This percentage dropped to 4.2 percent in 2008, well below the national average of 10 percent.

**The Percentage of Absconders Compared to the Total Supervised Parole Population**



# Commission on Crime & Delinquency

Walter M. Phillips, Jr., Chairman  
 Michael J. Kane  
 Executive Director  
 www.pccd.state.pa.us

## Mission Statement

The mission of the Pennsylvania Commission on Crime and Delinquency is to promote a collaborative approach to enhance the quality of justice through guidance, leadership and resources by empowering citizens and communities and influencing state policy.

## Overview of Programs and Services:

- Develops innovative programs to combat crime and delinquency in Pennsylvania.
- Fosters collaboration among public officials to find solutions to criminal justice issues.
- Provides research on and analysis of criminal justice data.
- Distributes and administers state and federal dollars for grant programs across Pennsylvania.

## Fiscal Year 2007-08

**Complement Level:** ..... 81

**Total Budget:** ..... \$210.949M

*(Includes state, federal and other funds.)*

## High-Level Goals

- Prevent crime and juvenile delinquency.
- Revitalize distressed and high-crime communities.
- Restore victims of crime to pre-crime status.
- Improve criminal justice and juvenile justice systems to enhance public safety.

## Key Objectives, Strategies and Accomplishments in 2007-08:



### KEY OBJECTIVE: Improve and expand offender identification and processing capabilities.

**Why this objective is important:** In 2007, the Pennsylvania Commission on Crime & Delinquency provided funding to upgrade the Commonwealth Photo Imaging Network to be compliant with Pennsylvania's Megan's Law and provide the public faster access to the information. These upgrades allow law enforcement to easily capture the required information on sex offenders and forward to Pennsylvania State Police online, which enables them to quickly process and update the Megan's Law database.

The commission partnered with the Pennsylvania Chiefs of Police Association to enable the use of technology to electronically record and submit information on defendants or criminals, such as hand impressions and photographs, in order to reduce the processing time for arrest information. It also saves the commonwealth considerable personnel costs and reduces processing backlogs.

- ✓ Through these efforts, more than 160 locations in Pennsylvania can electronically capture an offender's fingerprints and photographs and transmit them to State Police online. Currently, 70 percent of arrest fingerprints are submitted electronically.



### KEY OBJECTIVE: Increase and expand alternatives to jail incarceration.

**Why this objective is important:** With violent crimes on the rise and prison populations at all-time highs, alternatives to jail incarceration for non-violent offenders free up jail space for more serious or repeat offenders. While the top priority of alternative programs is community safety, an underlying goal is to reduce recidivism by helping offenders become law-abiding citizens.

The **County Intermediate Punishment (CIP)** program provides support to participating counties for programs offering intermediate punishments for non-violent offenders, such as house arrest, community service, work release and day reporting.

- ✓ Fifty-seven counties received support to develop intermediate punishment programs. For the first half of 2007-08, 83 percent of the offenders successfully completed the program.

**Commission on Crime & Delinquency** *continued*

 **KEY OBJECTIVE: Expand evidence-based juvenile justice and delinquency prevention programs in Pennsylvania.**

**Why this objective is important:** Investing in young people is investing in the foundation of Pennsylvania’s future.

Since 1998, more than \$60 million in grant funds has been invested to implement more than 150 programs in communities across the state to focus on reducing youth violence and delinquency.

The commission contracted with the Prevention Research Center (PRC) at Pennsylvania State University to conduct a cost-benefit analysis to determine the effectiveness of delinquency prevention programs such as: mentoring opportunities for at-risk youth, school-based and family building initiatives, substance abuse prevention efforts, and individual and family therapy for juvenile offenders.

- ✓ The study concluded that these programs significantly reduced crime and violence, and also resulted in a \$317 million return to the commonwealth. Each of the programs had a positive cost-benefit ratio – from \$54/youth to nearly \$80,000/youth – resulting in an estimated average return of up to \$12 million per community for a single program. (See table.)

**Effectiveness of Delinquency Prevention Programs**

	Per Dollar Return on Investment	Benefits Minus Costs Per Person Served	Estimated Number of Programs Statewide	Estimated Average Economic Benefit	Total Potential Economic Benefit Statewide
Big Brothers/Big Sisters	\$1.01	\$54	28	\$13,500	\$378,000
LifeSkills Training	\$25.72	\$808	100	\$161,600	\$16,160,000
Multidimensional Treatment Foster Care	\$11.14	\$79,331	3	\$475,986	\$1,427,958
Multisystemic Therapy	\$3.61	\$16,716	12	\$2,570,400	\$30,088,800
Functional Family Therapy	\$14.56	\$32,707	11	\$12,395,953	\$136,355,483
Nurse Family Partnership	\$3.59	\$37,367	25	\$4,782,976	\$119,574,400
Strengthening Families Program	\$7.82	\$6,541	15	\$872,133	\$13,082,000

Source: Prevention Research Centers, the Pennsylvania State University, 2008, [www.prevention.psu.edu](http://www.prevention.psu.edu)

 **KEY OBJECTIVE: Improve and streamline the victims’ compensation claim filing process.**

**Why this objective is important:** The Victims Compensation Assistance Program helps victims and their families through the emotional and physical aftermath of a crime by easing the financial impact of the crime upon them, by assisting with medical and funeral expenses, counseling and loss of earnings.

Prior to 2007, victims could only file a claim themselves by completing and submitting a paper claim form. In 2007, Pennsylvania became the first state in the nation to allow victims to file a claim for

*In 2007, Pennsylvania became the first state in the nation to allow victims to file a claim for compensation online.*

Commission on Crime & Delinquency *continued*

compensation online. While filing with the help of a victim advocate is the best way when filing a claim online, this option is particularly useful to victims who are not able to or have difficulty traveling to a victim service provider’s office.

- ✓ From July 2007 to May 2008, 290 victims filed a claim online without assistance, representing an average of about one victim per day.

Year	Number of Claims Submitted to Office of Victims Services	Amount Money Paid To/On Behalf of Victims	Office of Victims Services Average Time to Process Claim
2008	7,606	\$12.4 million	Just under 8 weeks
2006	7,564	\$12 million	8 weeks
1996	2,468	\$4.2 million	26 weeks
1986	2,234	\$2.8 million	52 weeks
1976	199	\$90,000	44 weeks

The commission’s future goals are to further reduce the processing time of victims’ compensation claims submitted to the Office of Victims Services and increase the number of claims filed online.

 **KEY OBJECTIVE: Increase community involvement in efforts to reduce crime and revitalize neighborhoods.**

**Why this objective is important:** When drugs, guns and violence take over a neighborhood, social deterioration is inevitable. Families move. Businesses close. Schools struggle to educate already at-risk children. The community’s own residents are more easily able to identify the problems that are harming the community, help mobilize their neighbors and local leaders, and craft a revitalization plan to turn things around.

The commission administers the **Weed and Seed** program, which seeks to “weed” the neighborhoods of drugs, guns, nuisance bars and violent offenders through intensive law enforcement efforts, and then “seed” the community with a blend of economic and social programs that are designed to attack the underlying causes of crime such as poverty, unemployment, illiteracy and lack of job-skills training.

Since becoming a Weed and Seed site in 2002, the Harrisburg site has experienced significant growth in areas of community involvement, economic investment and public safety through the commission’s funding support. One program in particular that’s designed to help residents in this community is the Center for Education, Employment and Entrepreneurial Development. Nine locally based agencies and sponsors pool resources to help residents with job placement, training and career counseling. Participants and sponsors say it’s truly a “one-stop shop” in promoting economic self-sufficiency and sustainability for the community.

**Commission on Crime & Delinquency** *continued*

**Center for Education, Employment and Entrepreneurial Development (Harrisburg)**

**Number of Clients Served in 2007-08**.....301  
**Number of Clients Placed in a Job** .....20

Type of Classes	Number Enrolled
GED	30
Entrepreneurial	8
Financial	9
ESL	10

The Center’s sponsors include the YWCA of Harrisburg, Goodwill Keystone Area, Firm Foundation of Pennsylvania, Inc., and the South Central Workforce Investment Board.

 **KEY OBJECTIVE: Reduce juvenile delinquency by decreasing student truancy.**

**Why this objective is important:** Much research has demonstrated a link between habitual truancy and juvenile delinquency. While all incidents of truancy do not result in delinquent conduct, students who are not in school have more opportunity to engage in illegal activity, particularly burglaries and vandalism, and those who repeatedly miss school often do. Habitual truancy is also related to other risky behaviors, such as substance abuse, which can contribute to increases in delinquency and later failure in adulthood.

The Norristown Area School District has one of the highest incidences of truancy in the commonwealth, with more than 56,000 reports of truancy in 2005-06 for a student population of nearly 7,000 students. Truancy has been shown to have negative effects on the community. Habitually truant students engage in daytime delinquent behaviors, which place significant burdens on local law enforcement. In addition, truancy can adversely affect the safety and quality of life within a community, impacting its residents and visitors. Research indicates a link between truancy and rates of retail theft, vandalism, other property crimes and assaults. Truancy in youth can also be an indicator of future criminal behavior.

In an effort to combat this problem, Norristown municipal leaders, residents and community groups worked together and formed the **Norristown Truancy Abatement Initiative**. It’s a four-pronged approach aimed at reducing truancy by:

- Prevention through parent education and youth outreach.
- Timely intervention.
- Enforcement.
- Follow-up.
  - ✓ As a result, 72 percent of youngsters who were previously truant decreased the number of unexcused absences from school by more than 25 percent.

Commission on Crime & Delinquency *continued*

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- ✓ 85 percent of parent education and counseling participants report an increased ability to prevent or reduce at-risk behavior among youth.
- ✓ School district officials reported a 20 percent decrease in the rate of unexcused absences in the 2006-07 school year, compared to 2005-06 rates.



**KEY OBJECTIVE: Increase survivors' ability to heal and help others.**

**Why this objective is important:** Victims services providers and advocates say one of the best ways to help a victim of crime heal from their trauma is for them to help others who have experienced a similar situation. One way survivors can accomplish this is by publicly sharing their stories with others in a community group or organizational setting.

With that in mind, the Office of Victims Services recently created the Survivor's Speakers bureau, with two key goals in mind: helping survivors of crime continue to recover and empowering other victims of crime. By sharing their experiences, speakers can assist other victims in the healing process – physically, emotionally and mentally.

Once a survivor has successfully completed the training, opportunities will be made available to them and may include in-service trainings, legislative hearings, victim impact panels, victims' rights rallies, media interviews and participation in intra-agency committees and work groups.

Currently, there are 28 survivors of crime within the Survivor's Speakers bureau. The commission's goal is to expand the current number of speakers to 35. The focus of the bureau in the next year will be to build additional awareness of the program and develop partnerships with various agencies and organizations, including police academies, universities, juvenile facilities and prisons. In addition, the Office of Victims Services is building a prototype of this project to promote it as a national model.

## Juvenile Court Judges' Commission

James E. Anderson  
Executive Director  
www.jcjc.state.pa.us

### Mission Statement

The mission of the Juvenile Court Judges' Commission (JCJC) is to provide the leadership, advice, training and support to enable Pennsylvania's juvenile justice system to achieve its goals related to community protection, offender accountability, restoration of crime victims and youth competency development.

### Overview of Programs and Services:

- Advise the juvenile court judges of the commonwealth in all matters pertaining to the proper care and maintenance of delinquent and dependent children; examine the administrative methods and judicial procedure used in juvenile courts; and establish standards and make recommendations on the same to courts.
- Provide the leadership, training, and technical assistance required to achieve balanced and restorative justice within the juvenile justice system.

### High-Level Goals

- Pennsylvania citizens are protected from crime committed by known juvenile offenders.
- Juvenile offenders are held accountable for repairing the harm caused to the victims of their crimes and their communities.
- Victims of crime are restored to their pre-crime status to the greatest extent possible.
- Juvenile offenders acquire the knowledge and skills to become productive, contributing and law-abiding members of their communities.

### Key Objectives, Strategies and Accomplishments in 2007-08:

**PA KEY OBJECTIVE: Increase the percentage of juveniles who successfully complete supervision without committing a new offense.**

**Why this objective is important:** The juvenile justice system has a responsibility to protect the community from known juvenile offenders. Juveniles who do not commit a new offense while under court supervision have a higher probability of remaining crime free.

The Juvenile Court Judges' Commission provides fiscal support and technical assistance to county juvenile courts and probation departments to enhance their ability to supervise juvenile offenders, with an emphasis on those released from facilities. This assistance includes:

- Grant funds for juvenile probation officer salaries and benefits;
- Drug testing of juvenile offenders;
- Risk/needs assessment of juvenile offenders including screening for mental illness;
- Professional development for juvenile probation officers;
- Information technology support for a common data management system in 62 counties; and,
- In partnership with the Pennsylvania Justice Network (JNET) staff, a centralized database of juvenile offender information.

# Juvenile Court Judges' Commission

(continued):

## Overview of Programs and Services (continued):

- Provide assistance and technical support to enable counties to achieve the goals set forth in the Juvenile Act.

### Fiscal Year 2007-08

Complement Level: ..... 28

Total Budget: .....\$22.111M  
(Includes state funds.)

The performance of the commonwealth's juvenile justice system in achieving its community protection goal is measured by the number and percentage of juveniles who successfully completed supervision without a new offense resulting in a Consent Decree, Adjudication of Delinquency, ARD (pre-conviction diversion), Nolo Contedere (the defendant does not admit guilt but does not contest the criminal charges with which he or she is charged and found guilty), or finding of guilt in a criminal proceeding.

Year	Number of Juveniles	Percentage
2004	(15,353 successful/17,709 cases closed)	86.7% successful
2005	(16,501 successful/18,803 cases closed)	87.8% successful
2006	(15,257 successful /17,576 cases closed)	86.8% successful
2007	(15,053 successful /17,657 cases closed)	85.3% successful

**PA KEY OBJECTIVE: Maintain a high rate of completion of community service assignments by juvenile offenders.**

**Why this objective is important:** The juvenile justice system has a responsibility to ensure that juvenile offenders meet their obligation to repair the harm caused by their crimes. It is important that juvenile offenders make and fulfill a commitment to living crime-free lives. Through the completion of meaningful community service, juvenile offenders demonstrate their commitment to making amends for the harm their actions have caused.

The commission provides funding to support community based probation officers and a statewide insurance program for community service programs. It also provides technical assistance to counties for the development and maintenance of meaningful community service programs.

The number and percentage of juveniles who complete assigned community service obligations and the number of community service hours completed are the primary measures of success. Most juvenile offenders complete their community service assignments, and the community receives valuable service from these juveniles.

Year	Number of Juveniles Completed/Assigned	Percentage Completed	Community Service Hours Completed
2004	(10,573 / 11,256)	93.9%	550,799
2005	(11,128 / 11,816)	94.2%	536,196
2006	(11,316 / 12,023)	94.1%	566,941
2007	(11,243 / 12,123)	92.7%	547,685

Juvenile Court Judges' Commission *continued*

**PA KEY OBJECTIVE: : Increase the percentage of juvenile offenders that make full restitution to their victims.**

**Why this objective is important:** Victims of juvenile crime are entitled to be restored, to the extent possible, to their pre-crime economic status. The payment of restitution by the juvenile offender is one of the most important outcomes sought by victims.

The commission works with counties to facilitate the development and continuation of responsive county based restitution programs. The number and percentage of juveniles who make full restitution to their victims, and the amount of restitution paid are measures of how successful the system is in achieving offender accountability and victim restoration. (See table.)

Year	Number of Juveniles Paid in Full/Ordered	Percentage Paid in Full	Amount of Restitution Paid to Victims
2004	4,017 / 4,661	86.2%	\$2,144,884
2005	4,032 / 4,733	85.2%	\$2,362,067
2006	3,824 / 4,508	84.8%	\$2,397,438
2007	3,984 / 4,725	84.3%	\$2,614,863

**PA KEY OBJECTIVE: Increase the percentage of juvenile offenders who are in school, are employed, or are engaged in a vocational activity at the time of case closing.**

**Why this objective is important:** Juveniles who are either in school or working have a significantly greater chance of not belonging to a gang, and avoiding criminal behaviors such as theft, assault, selling drugs, and carrying a handgun.

The commission has worked with the Department of Education and county juvenile probation departments to establish policies that encourage school attendance and to remove barriers to re-enrollment following release from placement. The commission will work with juvenile courts, private facilities, and community based vocational organizations to develop and implement meaningful and certificate based vocational opportunities for all juveniles.

The number and percentage of juveniles employed or engaged in an educational or vocational activity at case closing is an additional measure of the success of the juvenile justice system. (See table below.)

Year	Number of Juveniles Employed or In School / Total Cases Closed	Percentage Employed or In School
2004	14,368 / 17,709	81.1%
2005	14,001 / 18,803	74.5%
2006	14,166 / 17,576	80.6%
2007	14,676 / 17,657	83.1%

# Pennsylvania Emergency Management Agency (PEMA)

Robert P. French, Director  
www.pema.state.pa.us

## Mission Statement

The mission of the Pennsylvania Emergency Management Agency is to coordinate the state agency response, including the Office of the State Fire Commissioner and the Office of Homeland Security to support county and local governments in the areas of emergency preparedness planning, critical infrastructure protection, disaster mitigation and response to and recovery from all-hazards disasters in the commonwealth.

## Overview of Programs and Services:

- Leads commonwealth agencies in response and resolution during emergencies.
- Builds strong partnerships with state agencies, local governments, private sector and the educational community.
- Develops and maintains a statewide emergency response plan of action in the event of an all-hazards disaster to ensure response-oriented regions and counties.

## High-Level Goals

- Train and educate state, county and local personnel for civil preparedness and emergency response readiness.
- Maximize the commonwealth's capability to prevent, protect against, respond to and recover from any all-hazard event.
- Provide training and financial assistance to the commonwealth's volunteer fire and emergency medical response organizations.

## Key Objectives, Strategies and Accomplishments in 2007-08:

### **PA KEY OBJECTIVE: Maintain timely assistance to communities and citizens of the commonwealth.**

**Why this objective is important:** Timely assistance is critical in restoring essential infrastructure, replacing personal property and restoring communities to pre-disaster conditions as soon as possible.

Following any disasters, the agency works with local government entities, businesses and individuals to evaluate and address key infrastructure needs and provide the appropriate resource assistance.

In 2007-08, PEMA provided:

- ✓ Over \$37 million to local and state government entities to complete 2,996 projects for the repair and replacement of infrastructure damaged during a disaster including roads, bridges, water treatment and sanitary sewer systems, and
- ✓ More than \$936,000 in low interest loans to individuals and businesses through the U.S. Small Business Administration (SBA).

In the period 2005-2007:

- ✓ PEMA has overseen \$8.9 million in state aid and \$32 million in federal aid to victims of tropical storms and flooding. This aid is in the form of planning, technical assistance and projects to recover and/or improve flood resistance to Pennsylvania residents.

Homeowners and renters can learn more about disaster preparedness and assistance from [www.pema.state.pa.us](http://www.pema.state.pa.us) or [www.fema.gov](http://www.fema.gov). Homeowners, renters and small businesses can learn more about SBA loans at [www.sba.gov](http://www.sba.gov).

# Pennsylvania Emergency Management Agency (PEMA)

(continued):

## Overview of Programs and Services (continued):

- Maintains civil preparedness for all-hazards emergencies.
- Provides state loans and grants to volunteer fire, ambulance and rescue companies, coordinates state fire services and administers federal funds including the State Homeland Security Grant Program.

## Fiscal Year 2007-08

Complement Level: ..... 165

Total Budget: .....\$469.278M

(Includes state, federal and other funds.)

**PA KEY OBJECTIVE: Increase public awareness of emergency preparedness and recruitment of qualified applicants to the emergency management field.**

**Why this objective is important:** The tragedy of September 11, 2001 brought to the forefront the need for a nationwide initiative to encourage our citizens to prepare for emergencies.

**Strategy: Partner with other organizations and businesses to promote emergency preparedness.**

In 2007-08, PEMA launched the first-ever statewide emergency preparedness campaign called **ReadyPA** which encourages all Pennsylvanians to be informed, prepared and involved. The campaign includes an informative and engaging Web site, [www.readypa.org](http://www.readypa.org), brochures, television public service announcements, radio ads and public relations efforts.



- September 2008, Wal-Mart promoted ReadyPA in more than 80 stores across the state. Each store had a display that featured recommended kit supplies and the ReadyPA Web site.
- In October 2007, PEMA hosted an open house and job fair designed to recruit qualified and highly motivated applicants to join its emergency management team. Over 200 people attended the event.

PEMA Pointers, a quarterly e-newsletter:

- Is distributed to a wide audience including the General Assembly, county emergency management agencies, 911 centers, county and public information officers, and
- includes information on important programs and deadlines, training opportunities, and other safety information.

**PA KEY OBJECTIVE: Maintain the commonwealth’s capability to prevent, protect against, respond to and recover from any all-hazard event.**

**Why this objective is important:** The ability to respond quickly to emergencies requires a highly trained and proficient team and the effective coordination of state, county and local governments.

### Training

In 2007-08, an aggressive training and exercise plan was developed to ensure a highly trained and proficient force of state employees is prepared to respond to disasters. All new emergency response team members are required to complete a 240-hour basic training program over a six week period.

**Pennsylvania Emergency Management Agency (PEMA) *continued***

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- ✓ Overall, there were 1,230 hours dedicated to training state emergency operations center support personnel in 2007-08.
- ✓ More than 2,300 students received specialized classroom and field training including: leadership, communications/media relations, mass fatality response, radiological preparedness and response, mitigation, weather preparedness, and exercise design and evaluation.
- ✓ More than 73,000 on-line emergency management preparedness, response, recovery, and mitigations courses were completed by commonwealth career and volunteer first responders, first receivers, and support personnel.
- ✓ Helped develop and host the first U.S. Department of Energy's Radiation Specialist response course in the country. Thirty-two students successfully completed this course which included participants from the private sector and other state agencies.
- ✓ Conducted 132 municipal, county and regional task force exercises with participation from approximately 634,646 emergency first responders, first receivers and support personnel. These exercises included: Severe Weather, Hazardous Material/Radiological, Avian Flu/Pandemic, School Shooter, Search and Rescue, Flooding and Evacuation, and High-Rise Fires.
- ✓ Participated with five nuclear power plants in 17 drills and exercises which involved 13 counties, 79 municipalities, 31 school districts and hundreds of volunteer emergency services personnel.
- ✓ Conducted two Nuclear Power Plant Hostile Action Based Exercises to test the coordination activities of plant security personnel and the off-site law enforcement, fire fighting and emergency medical services and rescue entities.

**Incident Response**

PEMA works directly with the U.S. Department of Homeland Security to administer funding to nine regional task forces and commonwealth agencies charged with public safety responsibilities to support all-hazards disaster preparedness and response programs.

- ✓ In 2007-08, \$61 million was received and granted in support of first responders and public safety initiatives to acquire specialized personal protective equipment, interoperable communications and response resources as well as to fund planning, training and exercises at the state, county and local government levels.

Within the commonwealth there are 3,258 facilities that store or use hazardous materials. Federal and state regulations require off-site emergency response plans for each of the facilities in order to protect the public in the event of a leak, spill, fire or other incident at any of the facilities. State law requires that the plans be reviewed and updated on an annual basis. In 2007:

- ✓ 3,230 emergency response plans were reviewed and updated.
- ✓ 19 state certified Hazardous Materials Response Teams were recertified. There are 38 state teams with four-year certification.

**Pennsylvania Emergency Management Agency (PEMA) *continued***

The **Pennsylvania Emergency Incident Reporting System** (PEIRS) is a database of incident information that is shared with key state, local and federal agencies, as appropriate, 24 hours a day, seven days a week to provide them real time awareness on what is happening around the state or possibly other places in the country.

- ✓ The State Emergency Operations Center assisted in the coordination of 11,265 incidents in 2007-08. (See table.)

Incidents Reported Through Pennsylvania Emergency Incident Reporting System	
2005-06	7,303
2006-07	10,136
2007-08	11,265

*The top incident types reported included transportation, fire and hazardous materials emergencies.*

The following resource teams are available to assist with responding to emergencies, as appropriate:

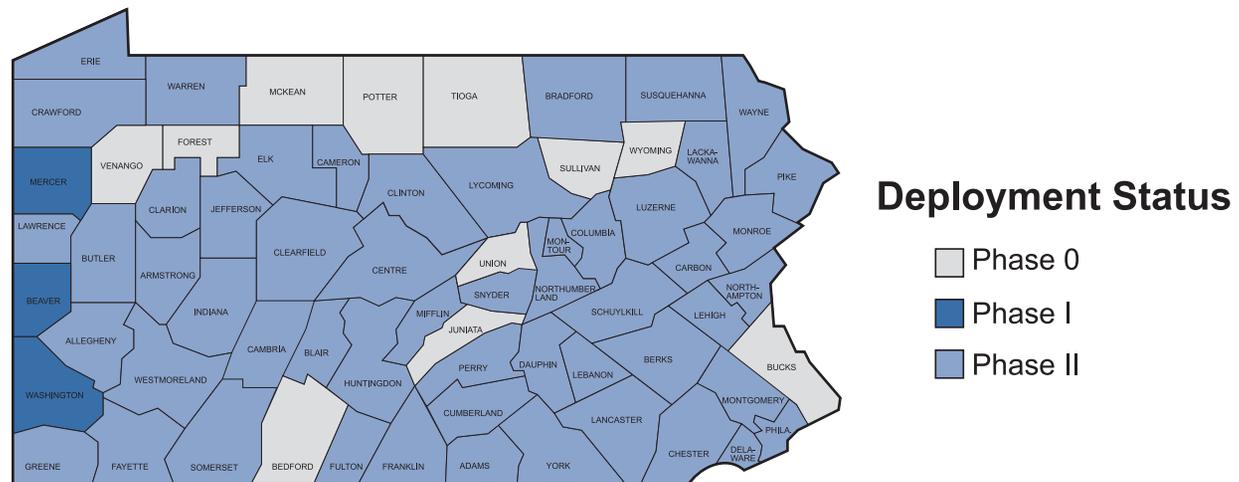
- **The Pennsylvania Urban Search and Rescue:** A highly trained team with specialized tools and equipment for rescuing persons in danger. They are available 24 hours a day, 7 days a week and they must be able to respond with specialized tools and equipment within six hours of notification, and sustain themselves fully in the field for 72 hours.
- **Pennsylvania All-Hazard Incident Management Team:** A team of personnel from state agencies within the commonwealth who have trained together to manage all-hazard incidents.
- **The Pennsylvania Citizen Corps:** Almost 11,000 citizens trained to assist with emergency response in the community. They are also involved in the implementation of a multi-year Public Education and Outreach Strategic Plan targeted at all levels of government, special populations, children, and businesses.

**Pennsylvania Emergency Management Agency (PEMA) *continued***

**PA KEY OBJECTIVE: Provide enhanced 9-1-1 benefits traditionally available to wireline 9-1-1 callers to wireless 9-1-1 callers.**

**Why this objective is important:** Enhanced 9-1-1 service identifies a caller’s location in an emergency.

The three phases implementing Enhanced Wireless 9-1-1:	Accomplishment in 2007-08
<b>Phase 0</b>	
The most basic phase of 9-1-1, a call taker answers the call – no information on the caller is available to the call taker.	The number of 9-1-1 call center(s) offering only Phase 0 service was reduced from 17 to 11.
<b>Phase I</b>	
Provides the call taker with the wireless phone call-back number but not information on the caller’s location.	Three additional 9-1-1 call center(s) achieved Phase I level service.
<b>Phase II</b>	
Provides the call taker the ability to receive both the caller’s wireless phone number and information on their location.	The number of 9-1-1 call center(s) with Phase II service increased from 37 to 55.



Pennsylvania Emergency Management Agency (PEMA) *continued*

**PA KEY OBJECTIVE: Maintain support for the commonwealth’s fire and emergency response personnel.**

The Office of the State Fire Commissioner makes a program of basic to mid-level firefighter training available throughout the state by working with the State Fire Academy and a number of community colleges and county emergency training organizations. In 2006 the State Fire Academy introduced a four-module basic Entry Level Fire training program.

- ✓ In 2007-08, more than 6,700 students completed training modules beyond the basic entry level module, representing a 25 percent increase in the number of firefighters benefiting from the program.

During 2007-08, the academy’s resident fire and rescue training programs at the Lewistown facility:

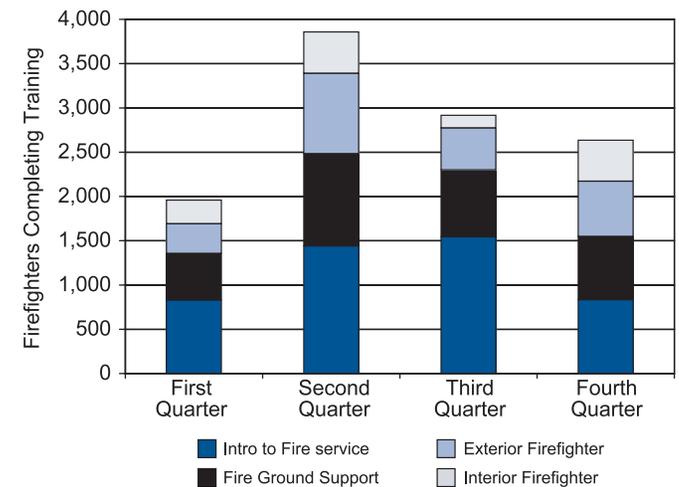
- ✓ Provided mid-level and advanced hands-on and/or live-firefighting training experiences for more than 550 firefighters and fire officers, and intensive live-fire training for 50 new firefighting instructor candidates.
- ✓ Provided intensive firefighter safety and survival training to firefighters in more than 45 county and regional training sessions.
- ✓ Certified more than 2,900 firefighters at one of 17 professional certification levels.

During 2007-08, the Office of the State Fire Commissioner provided assistance to fire and Emergency Medical Services organizations in the form of:

- ✓ \$14,676,691 in low-interest loans to volunteer fire, rescue and ambulance organizations for the purchase of apparatus, equipment and buildings.
- ✓ 2,157 fire company grants totaling \$44 million, and 626 ambulance company grants totaling \$6 million.

During 2007-08, the Office of the State Fire Commissioner conducted a series of eight workshops to foster the development of **Multidisciplinary Juvenile Fire Setter Intervention Teams**. These county or regional teams are made up of fire service, mental health and juvenile justice personnel and are intended to assist local authorities in dealing with this complex problem. Regional teams are currently providing juvenile fire setter intervention assistance in 32 counties.

**2007 Entry Level Firefighter Training**



**Pennsylvania Emergency Management Agency (PEMA) *continued***

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**Awards and Recognition**

- A Pennsylvania Emergency Management Agency radio telecommunications specialist has been named a recipient of Federal Computer Week's Federal 100 Award for 2007. The honor is given to top executives from government, industry and academia that have had the greatest impact on the government information systems community in 2007. The award was received for PEMA's work to transform the satellite warning system/rapid notification network into a statewide, multi-agency Internet protocol over the satellite communications network. Moving to an IP-based system enabled PEMA to select communications technologies that would be interoperable inside the PEMA network, as well as with external federal, state and local agencies.

# Department of Military and Veterans Affairs

Major General Jessica L. Wright  
Adjutant General  
www.dmva.state.pa.us

## Mission Statement

The Department of Military and Veterans Affairs has two missions:

- To provide quality services to Pennsylvania veterans and
- To prepare soldiers and airmen for combat.

## Overview of Programs and Services:

- Provides assistance to more than 1 million Pennsylvania veterans and their dependents.
- Operates six veterans homes.
- Administers the Veterans Educational Gratuity Program, Blind Veterans Pension, Paralyzed Veterans Pension, Veterans Emergency Assistance Program, Burial Detail Honor Guard, Veterans Real Estate Tax Exemption Program, Discharge Papers Program, Pennsylvania Veterans Memorial and Persian Gulf Conflict Veterans Bonus.

## High-Level Goals

- All eligible Pennsylvania veterans receiving the appropriate services and benefits.
- National Guard soldiers and airmen prepared for service in wartime operations and domestic emergencies.

## Key Objectives, Strategies and Accomplishments in 2007-08:



**KEY OBJECTIVE: Increase the number of eligible Pennsylvania veterans receiving services and entitlement benefits.**

**Why this objective is important:** It is anticipated that there will be an increase in need due to the return of service personnel from the conflict in Iraq and Afghanistan. Assisting veterans to receive the benefits they have earned improves their quality of life. The process of applying for and receiving federal veterans benefits is complex, and studies show that claims filed with the assistance of capable veterans' service officers stand the best chance of success.

**Strategy: Insure that eligible veterans are receiving the appropriate benefits.**

- Provide continued customer service to veterans by ensuring that they receive the most up-to-date information about state and federal benefits.
- Create a standardized referral system that will make it easier for veterans and their beneficiaries to access their benefits and services.
- Increase the number of trained and accredited veteran service officers to advise veterans on programs and eligibility criteria.
- Improve communication with stakeholders by enabling them to address critical needs directly with state and county veteran service officers.
- Develop and support legislation that enhances the veteran's support system.

The department continues to increase education and outreach to veterans to insure that they are receiving the benefits they deserve. In 2007-08:

- ✓ The department assisted veterans with filing claims to the United States Department of Veterans Affairs (USDVA) to increase participation and the number of claims awarded to Pennsylvania veterans.
- ✓ Sixty of Pennsylvania's 67 counties have shown an increase in financial awards from the USDVA.
- ✓ Total income for Pennsylvania veterans has increased more than 177 percent in the last two years.

# Department of Military and Veterans Affairs

(continued):

## Overview of Programs and Services (continued):

- Provides oversight and support of the Scotland School for Veterans Children, a state residential school that provides elementary and secondary curriculum to eligible children of veterans
- Provides oversight and support to the Pennsylvania National Guard, which is one of the largest and most frequently deployed National Guards in the nation.
- Provides well-trained personnel and well-equipped units to work effectively and efficiently in either combat or civil missions. Armories and air bases are located in 90 communities and 52 counties throughout the commonwealth.

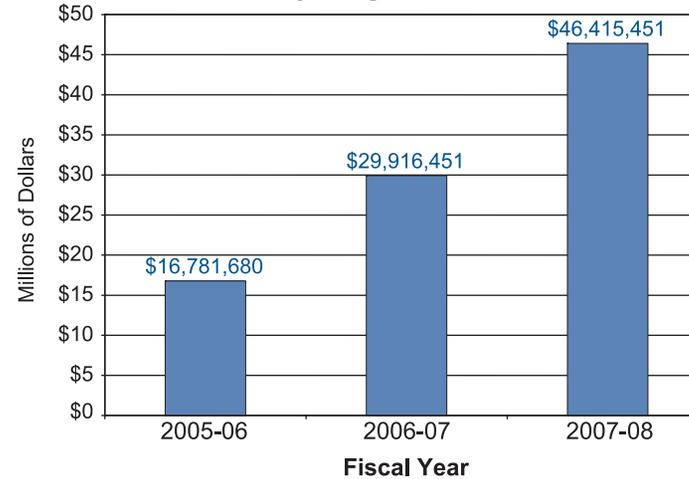
### Fiscal Year 2007-08

Complement Level: ..... 2,474

Total Budget: ..... \$465.263M

(Includes state, federal and other funds.)

### Federal Compensation and Pensions Received by Eligible Veterans in PA



Additional information regarding veterans programs in Pennsylvania can be found at [www.milvet.state.pa.us](http://www.milvet.state.pa.us).

Pennsylvania Veterans as of September 30	
2006	1,088,730
2007	1,057,073
2008	1,025,770

The department continued distribution of bonus checks for the **Persian Gulf Conflict Veterans Benefit Program**. Legislation passed in 2006 established this bonus program and funded \$20 million for the bonuses through 2015.

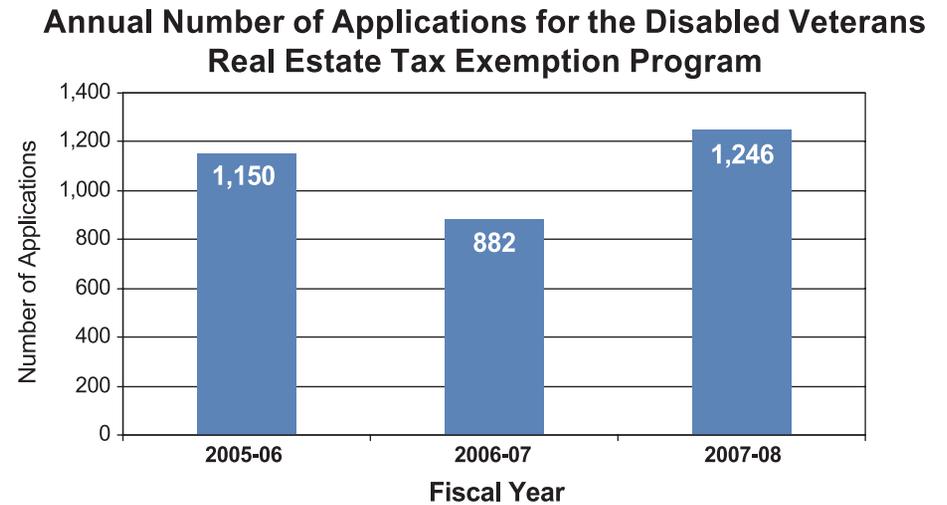
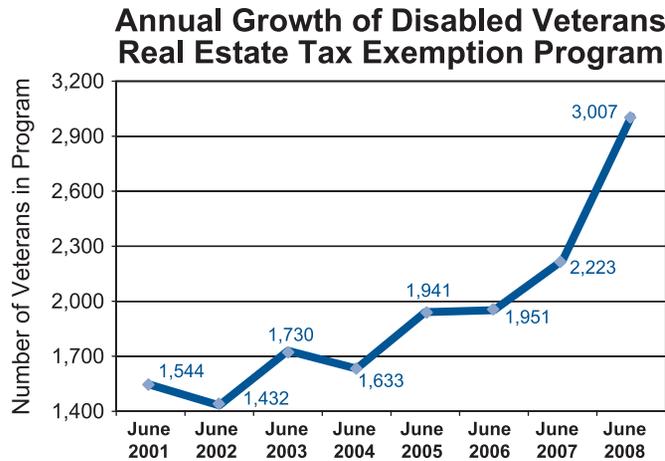
- ✓ As of June 2008, 3,621 applications were received and processed and payments totaling \$1,135,925 to 1,389 Pennsylvania veterans had been issued.

More information can be found online at [www.persiangulfbonus.state.pa.us](http://www.persiangulfbonus.state.pa.us) or by calling toll-free 866-458-9182.

In 2006, legislative changes to the **Disabled Veterans Real Estate Tax Exemption** increased the period an individual is exempt from two years to five years before they have to reapply.

Military and Veterans Affairs *continued*

- ✓ This resulted in an increase in enrollees by 784, for a total of 3,007 at the end of June, 2008. (See chart.)



The department continuously improves veteran and family satisfaction in the state **Veterans Homes** by promoting resident-centered care and excellent customer service.

- ✓ In 2007-08, the homes received a 92 percent score on a satisfaction survey, compared to the 82 percent commercial national average. The veterans homes provide quality care to residents including therapeutic activities such as softball, fishing trips, field trips, gardening and outdoor walking programs.

**Scotland School for Veterans Children** held its 113th commencement June 7, 2008, with 25 graduates receiving a high school diploma.

- ✓ Twenty-one of the seniors plan on attending a four-year university, three others have enrolled in a trade or technical school, and one graduate joined the United States Marine Corps.

**Military and Veterans Affairs *continued***



Students of the Scotland School for Veterans Children are the natural or adopted child, grandchild, niece, nephew, or sibling of an “eligible veteran.” Within this preference, first priority is given to children of parents/guardians who are members of Armed Forces in a pre-deployed or deployed status.

Scotland School for Veterans Children Graduation Rates			
School Year	Graduating	Graduation %	Enrollment
2007-08	25/25	100%	266
2006-07	42/43	98%	275
2005-06	29/30	97%	267

Military and Veterans Affairs *continued*

 **KEY OBJECTIVE: Maintain the strength and readiness of the Pennsylvania Army National Guard and Air National Guard.**

**Why this objective is important:** The recruitment and retention of qualified, motivated and trainable men and women is essential to all facets of the department's operations.

**Strategy: Ensure that current service members are retained for as long as possible and new members are recruited to maintain sufficient staffing.**

- Ensure that recruiting programs produce sufficient numbers of enlistees to maintain assigned strength in all units.
- Expand retention opportunities for current service members to maintain assigned strength.
- Expand outreach to minority and female communities to ensure demographic diversity in all units.
- Conduct center-of-influence programs to advertise the National Guard and open doors of opportunity with civic leaders.
- Perform community service and participate in youth programs to publicize opportunities available through National Guard service.
  - ✓ Recruitment goals for 2008 were exceeded, with 101 percent of the goal achieved in the Army National Guard and 104 percent of the goal achieved in the Air National Guard.

The Pennsylvania National Guard has units deployed around the world in support of the global war on terror.

- ✓ Over 17,000 members of the Pennsylvania National Guard have deployed since September 11, 2001, to serve in Operation Iraqi Freedom and Operation Enduring Freedom.
  - Over 6,000 guardsmen and women will deploy in support of these operations over the next three years.

Military Readiness	2005-06	2006-07	2007-08
Pennsylvania National Guard Personnel	19,923	18,946	19,094
Percentage of authorized strength level	91%	92%	93%

*With the deployment of the 56th Stryker Brigade and 28th Combat Aviation Brigade in early 2009, as well as the 171st Air Refueling Wing, 193rd Special Operations Wing and 111th Fighter Wing Air National Guard deployments, the Pennsylvania National Guard will have more soldiers and airmen in mobilized status than at any time since World War II.*

**Military and Veterans Affairs** *continued*

 **KEY OBJECTIVE: Maintain a network of facilities and bases that provide a professional working environment, assure cost effectiveness and establish the National Guard as a “good neighbor” in the local community.**

**Why this objective is important:** The future of the department’s operations, including the ability to adapt to new missions, requires that our facilities meet current and future needs in terms of new equipment or changes in complement.

**Strategy:** Ensure that the network of bases and facilities are adequate to meet existing needs yet adaptable to future needs.

- Develop and implement a joint long-term plan for the anticipated armory replacement and air base modernization and development of future sites through the existing state/federal construction processes.
- Transform Willow Grove Naval Air Station to a Joint Interagency Installation under the control of the commonwealth.
- The Joint Interagency Installation and its adjacent military enclave are poised to become a key location to support federal, state and local governments in performing homeland security, national defense and emergency preparedness missions.

During the next few years, there will continue to be an unprecedented number of construction projects that will greatly benefit the Pennsylvania National Guard and local communities. The impact of military and veterans’ operations on Pennsylvania’s economy continues to grow.

- ✓ Last year, the military and veterans’ operations generated a total economic impact of \$1.48 billion, which stemmed from more than \$800 million in expenditures. This is an increase of just over 10 percent from the previous year.

The first Stryker Brigade Combat Readiness Center and the Field Maintenance Shop have been completed and occupied. All 2007-08 projects are under construction with many to be completed in 2009. (See table.)

2007-08 Construction Projects		
New		Addition/Alteration
<b>Readiness Centers in:</b>	<b>Field Maintenance Shops in:</b>	<b>Readiness Centers in:</b>
Bradford	Easton	Punxsutawney
Easton	Elizabethtown	Butler
Elizabethtown	Carlisle	Reading
		Lewistown
		Chambersburg

**Military and Veterans Affairs *continued***

All 2008-09 Stryker projects have been awarded (except Coatesville) to design/build contractors for final design and construction. Several are on schedule to start construction by the end of 2008 with the balance to start in the spring of 2009. (See table.)

2008-09 Construction Projects		
New		Addition/Alteration
<b>Readiness Centers in:</b> South Mountain Huntingdon Coatesville Holidaysburg Hanover Carlisle Willow Grove	<b>Field Maintenance Shops in:</b> Graterford Philadelphia Southampton Road	<b>Readiness Centers in:</b> Kutztown Lebanon Philadelphia Southampton Road Hazleton

The department has received other military construction projects—the Waynesburg Readiness Center in Greene County was awarded this summer and construction has started. The department will be assigned the new Williamsport Armed Forces Center (combined Army Reserve and Army National Guard units). Design and construction funds are available in 2009.

Federal legislation has authorized funds to initiate designs for military construction projects at the Pittsburgh Combined Surface Maintenance Shop located at Pittsburgh International Airport (new), the Honesdale Readiness Center (addition/alteration), York Readiness Center (new) and Wilkes-Barre Readiness Center (addition/alteration).

Armories and Field Sites	2005-06	2006-07	2007-08
Percentage of armories and field sites rated adequate	36%	37%	24%
Armories and field sites under major repair	113	35	38

Fort Indiantown Gap is the second busiest National Guard Training Center in the country with more than 140,000 Soldiers, Airmen, Sailors and Marines trained in the last fiscal year alone. The base recently dedicated a new, state-of-the-art Battalion Training Complex, Battle Command Training Center, Combined Arms Collective Training Facility, and Urban Assault Course as well as six live fire range facilities. In addition to this construction, thirteen other facilities have been completed; in all more than \$150 million has been invested in new facilities and range complexes to better support service members from not only the National Guard, but from the active and reserve components of the Army, Air Force, Marine Corps and Navy.

*Fort Indiantown Gap is the second busiest National Guard Training Center in the country with more than 140,000 Soldiers, Airmen, Sailors and Marines trained in the last fiscal year alone.*

Military and Veterans Affairs *continued*

The state of the art virtual simulations center at Fort Indiantown Gap is the premier facility in the National Guard for virtual and constructive training. Fort Indiantown Gap is the only National Guard Training Center in the country that can provide commanders with the ability to conduct, simultaneously, live, virtual and constructive training. Although many of these facilities and ranges were built to support the 56th Stryker Brigade Combat Team, the only elite rapid mobilization brigade in the National Guard, Fort Indiantown Gap has also supported other Pennsylvania units as well as National Guard units from Maryland, Virginia, Arkansas, Louisiana, New York and New Jersey and will host units from New Mexico and Kentucky in 2009. Fort Indiantown Gap is also host to Army National guard, Army Reserve and Air National Guard military schoolhouses.

	2005-06	2006-07	2007-08
Personnel trained at Fort Indiantown Gap	131,251	123,876	142,102

The Eastern Army National Guard Aviation Training Site is a national level aviation training site tasked to conduct individual aviation qualification and professional development courses. In 2007, the training site once again was fully accredited by the Army School System as a “Learning Institution of Excellence” and strives to provide America’s Army the best possible instruction and support in formal courses of instruction. The training site also provides helicopter flight simulation training on the UH-60, CH-47, UH-1, AH-64A, and in the Army’s newest airframe, the UH-72 Lakota. The training curriculum consists of more than 36 formal courses providing technical and functional training to over 1300 soldiers annually from all 54 states and territories, the active Army, Army Reserves, federal agencies, and various international military students. The training site is a keystone of readiness for the Army aviation training program, ensuring readiness to the Commonwealth and Country in a cost- effective manner. It carries out its mission of truly “Training for Excellence.”

**The Gap’s Army Aviation Support Facility** trains aviators on the 900-gallon-capacity container called a Bambi Bucket. The Guard has a total of 10 buckets of various sizes that can be used on the CH-47 Chinook Helicopter and the UH-60 Blackhawk Helicopters for emergency response. The unit has responded to several wildfires in recent history.

**The Northeast Counterdrug Training Center** – continues to expand its efforts to assist communities in dealing with illegal drugs by providing no-cost training to law enforcement and emergency responders.

- ✓ Counterdrug Program Service members used the Ion Scan, a device that detects particles of illegal drugs on money and objects, to help state and local police seize more than \$6 million from drug dealers and manufacturers in 2007-08.

Many counterdrug personnel have been deployed in the global war on terror and are applying the skills they have learned to assist in the war on drugs.

- ✓ Their efforts in intelligence analysis, surveillance and overall case support helped law enforcement take more than \$1 million in cocaine off the streets and make approximately 700 arrests in 2007-08.



## Military and Veterans Affairs *continued*

The department launched the National Guard-sponsored drug prevention program **Stay on Track** as a state pilot during the 2006 school year. Stay on Track is a community-based program at the middle school level that promotes healthy living and provides alternate activities aimed at keeping youth drug-free.

- ✓ During this pilot period, 24 schools and three after-school programs participated, reaching some 3,500 youth.
- ✓ During 2007-08, the department assisted 14 community-based organizations in hosting summer programs on post. More than 800 youth got to experience military and team-building activities in which Guardsmen provided positive role models.

The Pennsylvania National Guard continues to assist local and state agencies in numerous high visibility events throughout the Commonwealth. Pennsylvania deployed troops and equipment in support of Louisiana in the preparation and response to Hurricanes Gustav, Hanna and Ike. The Guard continues to prepare for and plan responses for disaster that may affect the Commonwealth. The Civil Support Team and the Chemical Biological Radiological and Nuclear Emergency Response Force teams conducted exercise and coordination in all three Pennsylvania Emergency Management Agency (PEMA) regions in the last 12 months.

### Awards:

- Pennsylvania National Guard service members continue to exceed expectations. Necessity was the mother of invention for Master Sgt. David R. Austin of the 111th Maintenance Squadron, who developed an A-10 external fuel system replacement tester after the current tester became unavailable for purchase. After developing it, Austin submitted his idea to the National Guard Bureau's suggestion program and was subsequently awarded \$10,000. Officials found the cost savings to be almost \$600,000.
- The 193rd Mission Support Flight earned the 2007 Air National Guard Outstanding Mission Support Flight of the Year. Located at Harrisburg International Airport, Middletown, they support the 193rd Special Operations Wing. The men and women of the 193rd Mission Support Flight had a banner year, which included the deployment processing of approximately 700 personnel, almost 50 percent of the wing's strength. In addition, the flight's recruiting team achieved a 30 percent increase in enlistments during the fiscal year.
- In 2007, Fort Indiantown Gap's Natural Resources Conservation Team was recognized for its management of natural resources by winning the Department of Army and the Department of Defense conservation award in the team category. The team consisted of both environmental and training staff who manage the 17,000 acres of land at Ford Indiantown Gap.

## Consumer Protection: Ensure the Consumer Protection of Our Citizens

### Pennsylvania State Government is Committed to:

- Providing an environmental and social system to protect our citizens from:
  - Illegal and unfair actions;
  - Unscrupulous business practices, including mortgage foreclosure;
  - Unsafe agricultural products; and
  - Diseases among livestock.



### State of the State

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#### Mortgage Foreclosure

According to the RealtyTrac 2007 Year-End U.S. Foreclosure Market Report, Pennsylvania ranked 34th in the nation (1 being the worst) with more than 34,000 foreclosure filings on more than 16,000 properties, a decrease of approximately 11 percent from 2006.

The Mortgage Bankers Association National Delinquency Survey, for the second quarter of 2008, shows that the commonwealth had approximately 195,000 subprime loans; 18 percent were 30 days or more past due. Of the 195,000 subprime loans, 63,400 were adjustable rate mortgages (ARMs); 24 percent were delinquent as of June 2008.



#### Automobile Insurance Rates

Pennsylvania's Auto Rate Index shows that Pennsylvania's insurance rates are increasing at a rate of two percent annually, below the Consumer Price Index increases. This results, at least in part, from lower costs associated with automobile repairs and medical goods and services in Pennsylvania.



#### Food Supply

More than half of the population of North America is within a day's drive of Pennsylvania, and protecting our food supply is critical to keeping consumers safe. Pennsylvania inspects and licenses public eating and drinking establishments, wholesale processing facilities, warehouses, retail food stores and shellfish establishments.



#### Dog Protection

Pennsylvania has a large number of dog kennels with nearly 854,000 dogs housed during 2007-08. Dog wardens responded to 19,000 incidents during 2007-08 (includes dogs running at large, rabies concerns, dog bites and damage claims).

## Consumer Protection: Ensure the Consumer Protection of Our Citizens

### Contributing Agencies:

*Department of Agriculture.....	73
Department of Banking.....	181
Department of State .....	186
Pennsylvania Insurance Department.....	190
Public Utility Commission .....	195
Pennsylvania Human Relations Commission.....	200

\* Many agencies contribute to more than one goal category, but in this report we listed each agency under its primary goal category defined by the agency’s mission statement.

- The **Pennsylvania Insurance Department**, which supports both Consumer Protection (by regulating insurance companies) and Health and Human Services (by administering health insurance programs), is included in the **Consumer Protection** goal category.
- The **Department of Agriculture**, which supports Economic Development (by promoting the agricultural industry), Consumer Protection (by administering food and animal safety programs) and Environment (by monitoring conservation practices), is included in the **Economic Development** goal category.

# Department of Banking

Steven Kaplan, Secretary  
www.banking.state.pa.us

### Mission Statement

The Department of Banking protects the public from financial abuse, promotes financial education, ensures the safety and soundness of depository institutions and fosters a strong economy for all Pennsylvanians.

### Overview of Programs and Services:

- Ensures the safety and soundness of more than 244 depository institutions—banks, credit unions, etc.—that hold more than \$135 billion in assets.
- Licenses and regulates more than 13,000 non-depository entities, including, but not limited to, mortgage bankers, mortgage brokers, check cashers and pawn shops.
- Develops and advocates for policies to make the financial marketplace more robust and fair to consumers.
- Increases the quality and availability of financial education in the commonwealth's schools, communities and workplaces.

### High-Level Goals

- Ensure the safety and soundness of state-chartered banking institutions and proper conduct in the provision of other financial services in accordance with Pennsylvania law.
- Protect and educate Pennsylvania consumers in day-to-day financial transactions.
- Assist banking institutions in using Pennsylvania's economic development programs to create and retain jobs.

### Key Objectives, Strategies and Accomplishments in 2007-08:



#### KEY OBJECTIVE: Increase oversight of the mortgage industry.

**Why this objective is important:** The roots of the current global financial crisis can be traced back to the mortgage industry. Over the past decade, relaxed lending standards and a proliferation of non-traditional products such as adjustable-rate and low- and no-documentation mortgages has resulted in millions of homebuyers receiving loans they could not afford or did not fully understand. As a result, national foreclosure rates are soaring and many Pennsylvania families are at risk of losing their homes.

On July 8, 2008, Governor Edward G. Rendell signed five bills to protect homebuyers, strengthen oversight of the mortgage industry and end lending practices that leave homeowners vulnerable to foreclosure.

#### The New Laws:

- Require loan salespeople to be licensed by the Department of Banking;
- Allow the department to more quickly inform the public about enforcement activities against mortgage companies;
- Restrict prepayment penalties;
- Increase fines for misconduct by real estate appraisers; and
- Require mortgage companies to notify the state when they intend to foreclose.

The loan originator licensing requirement included in the legislation will result in an additional 20,000 licenses – more than double the number of licenses the department issues across all business categories.

All Pennsylvania mortgage licensees must also register this year in the Nationwide Mortgage Licensing System, a centralized, online system that:

- Allows current licensees and new applicants to apply for or renew licenses in multiple states through a single application, and
- Includes information on enforcement actions in participating states, making it easier to keep track of loan agents who move across state lines, or from company to company.

## Consumer Protection: Ensure the Consumer Protection of Our Citizens

# Department of Banking *(continued)*:

### Overview of Programs and Services *(continued)*:

- Connects financial professionals to government economic development programs to create and retain jobs in the commonwealth.
- Provides one-on-one assistance to consumers who have questions or concerns regarding financial transactions.

### Fiscal Year 2007-08

Complement Level: ..... 173

Total Budget: .....\$18.760M  
*(Includes special funds.)*

	2005-06	2006-07	2007-08
<b>Number of institutions supervised and regulated</b>			
Banks	172	171	170
Savings and loan associations	8	8	8
Credit Unions	71	69	66
<b>Consumer credit agencies:</b>			
First mortgage bankers/brokers	4,717	4,638	3,764
Second mortgage lenders/brokers/brokers agents	4,872	5,048	3,348
Sales finance companies	1,057	1,042	1,013
Consumer discount companies	483	478	432
Pawnbrokers	53	57	56
Money transmitters	26	26	26
Collectors-repossesors	158	158	175
Installment sellers	3,614	3,452	3,316
Check cashers	551	555	454



### KEY OBJECTIVE: Increase the number of compliance violations resulting in positive actions.

**Why this objective is important:** To demonstrate that the department is taking stronger enforcement actions that will provide greater protection for the public.

The department examines 'non-depository' entities to analyze company records, past performance, consumer complaints, database information and other factors to ensure proper conduct under the law. These entities include but are not limited to mortgage bankers and brokers, check cashers and pawnshops.

**Strategy:** Expand scope of exams to include greater scrutiny of internal controls, affiliate relationships and surveying customers.

- ✓ The department's investigations unit completed 29 cases in 2007-08.

In 2007-08, using this new criteria, the department examined 2,041 'non-depository' entities resulting in:

- ✓ The identification and correction of 4,135 compliance violations;
- ✓ The levying of 487 fines totaling nearly \$715,000;

### Department of Banking *continued*

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- ✓ The suspension or revocation of 47 licenses; and
- ✓ More than \$152,000 refunded to consumers.

#### **KEY OBJECTIVE: Increase refunds, reimbursements and restitution to consumers.**

**Why this objective is important:** Many forms of consumer harm in the financial marketplace result in a monetary loss, from an inflated home appraisal to an unfairly assessed non-sufficient funds fee.

**Strategy:** Seek refunds or restitution on behalf of affected consumers whenever possible.

In 2007-08, the Office of Consumer Services answered nearly 7,000 inquiries and complaints through the department's toll-free consumer helpline, 1-800-PA-BANKS and Web site: [www.banking.state.pa.us](http://www.banking.state.pa.us).

- ✓ This generated refunds totaling \$1,152,959 to 209 consumers.

After a two year court battle that went all the way to the Pennsylvania Supreme Court, the department is seeking restitution on behalf of customers of Advance America, the nation's largest payday lender, for interest and fees charged in excess of state law.

In May 2008, the high court upheld a lower court ruling against the company's "Choice Line of Credit," which allowed customers to borrow up to \$500 if they paid a \$149.95 monthly fee and 5.98 percent interest.

The department is also taking aim at payday lending by out-of-state entities and via the Internet. In July 2008, the department announced by notice in the Pennsylvania Bulletin that the licensing provisions of the Consumer Discount Company Act would be interpreted to apply to any person or business that negotiates or makes non-mortgage loans or advances of money or credit of \$25,000 or less to Pennsylvania consumers. The law had previously been construed to apply only to individuals and entities physically located in the commonwealth. With the exodus of "brick-and-mortar" payday lenders and increasing delivery of financial services through the Internet, the department felt it was necessary to revise its position.

The department will begin enforcement on February 1, 2009 and lenders could face fines of up to \$10,000 per violation.

#### **KEY OBJECTIVE: Increase consumer knowledge in day-to-day financial transactions.**

**Why this objective is important:** Providing Pennsylvanians with the basic information on personal finance is key to assisting them in managing and protecting their finances.

**Strategy:** Increase the quality and availability of financial education in Pennsylvania's schools, communities and workplaces.

In 2007-08, the Office of Financial Education:

- ✓ Helped more than 1,400 teachers from all grade levels and subject areas learn how to integrate concepts like budgeting, investing, credit and entrepreneurship into curriculums.

### Department of Banking *continued*

- ✓ Brought together more than 120 community-based educators to share best practices and learn new techniques to improve the quality and delivery of personal finance education.
- ✓ Provided information on personal finance topics to more than 165,540 unique visitors via [www.MoneysBestFriend.com](http://www.MoneysBestFriend.com).
- ✓ Distributed more than 10,000 consumer brochures on topics such as avoiding foreclosure, identity theft and common financial scams.
- ✓ Partnered with the Penn State Cooperative Extension and the Heinz Endowments to develop a family-oriented financial education curriculum for use by community organizations.
  - **Right on the Money** is a four-session course that uses fun children’s books to introduce children to key financial concepts and provides parents with tools and information to reinforce their own financial knowledge and influence their children’s future money management skills. It is available for download from [MoneysBestFriend.com](http://MoneysBestFriend.com).
- ✓ Developed an 18-month planner with monthly financial topics, suggested activities and conversation starters for parents and children. The office will distribute 12,000 copies of the planner by end of 2008.
- ✓ Identified best practices in providing financial education to employees and researching, via a survey, what employers and employees want in workplace financial education.

#### **KEY OBJECTIVE: Increase the knowledge and awareness of lending institutions within the commonwealth of various state and federal assistance programs in order to foster job creation, job retention and economic development within Pennsylvania.**

**Why this objective is important:** Pennsylvania offers nearly 100 programs to help businesses start, grow, locate and prosper. These programs help businesses increase their likelihood of survival and success.

The department’s Office of Economic Development has experts based in Harrisburg and Pittsburgh who travel the state to help banking professionals sort through the myriad of government grants, loans and guarantee programs that can help their clients.

- ✓ In 2007-08, the office reached out to over 300 lending and economic development professionals through nearly 100 presentations, roundtables and meetings and assisted with more than 100 specific financing deals.

#### **KEY OBJECTIVE: Maintain a staff of examiners with at least 10 years of experience and with at least 90 percent holding professional certifications.**

**Why this objective is important:** Staff with adequate experience and certification will help ensure the safety and soundness of state-chartered banking institutions during regular examinations and visitations.

Banking examiners review each institution’s capital protection, asset quality, management competence, earnings strength, liquidity risk and market risk. If any of these factors presents cause for concern, the department works with the institution to correct the negative trend and protect consumers’ hard-earned deposits.

### Department of Banking *continued*

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In a constantly-evolving and increasingly complex financial services industry, highly-trained and knowledgeable examiners are critical to achieving the department's mission. This is even truer in an economic climate in which banks are struggling with lower earnings due to loan delinquencies, instability in the real estate market and other factors.

- ✓ In 2007-08, examiners conducted 217 examinations and visitations.

**Strategy: Increase mentoring, professional development and recruitment efforts.**

- ✓ Currently, the department's bank examiners have an average of 11.25 years of experience and 96 percent have earned the highest certifications available from the Conference of State Bank Supervisors. However, the department will be challenged in the coming years to replace the experience and training lost to the retirements of baby boomers.

# Department of State

Pedro A. Cortés, Secretary  
www.dos.state.pa.us

### Mission Statement

The Department of State promotes the integrity of the electoral process; provides the initial infrastructure for economic development through corporate organizations and transactions; and protects the health, safety, and welfare of the public. The department encourages the highest standards of ethics and competence in the areas of elections, campaign finance, notarization, professional and occupational licensure, charitable solicitation, and professional boxing and wrestling.

### Overview of Programs and Services:

- Administers the electoral process, which encompasses everything from voter and candidate registration to candidates' campaign finance reports
- Works closely with every county year-round to prepare for primary and general elections
- Collects registrations for lobbyists, firms and principals
  - almost 2,800 registrations in 2007-08
- Licenses 62 occupations through 27 boards and commissions

### High-Level Goals

- The electoral process is trusted by and accessible to all voters.
- Only qualified professionals are working in the commonwealth.
- All professional sporting events are conducted properly.
- Only ethical charitable organizations and professional fundraisers solicit donations in the commonwealth.

### Key Objectives, Strategies and Accomplishments in 2007-08:

**PA KEY OBJECTIVE: Maintain the accuracy, integrity, and accessibility of the electoral process for voters and candidates.**

**Why this objective is important:** To encourage new voters and maintain existing voters, it is important to ensure polling place accessibility, trust in the electoral process and ballot secrecy.

The department worked with all 67 counties to prepare them for the 2008 presidential primary.

- Voter registration climbed from 8,136,506 registered voters on January 1, 2008, to a final tally for the April 22 primary of 8,328,123 registered voters, a record number for a primary election.
- A record number of Pennsylvanians registered to vote in the 2008 Presidential election (8,758,031). Nearly 68 percent of all Pennsylvanians registered to vote cast a ballot in the 2008 Presidential election – the highest number of Pennsylvania citizens ever to vote in an election.

Improvements to the election process occur on an ongoing basis to implement the goals of the federal Help America Vote Act (HAVA), which significantly changed the voting process for all federal elections in the United States. One of the main efforts of HAVA is to expand the opportunities for participation in the electoral process by citizens with disabilities. These efforts primarily include the distribution of federal funds to assist with:

- Providing accessible voting machines, and
- Improving voting precincts to make them completely accessible.

To prepare the 50,000 poll workers at more than 9,300 voting precincts for the November 2008 election, the department:

- Produced a new DVD, **Election Officials Training Program**, which was made available to all counties in the spring of 2008 to supplement their training efforts,
- Produced a video in September 2008 with emphasis on training election officials to assist voters with disabilities, and
- Provided educational documents that have been translated into seven alternative languages.

# Department of State *(continued)*

### Overview of Programs and Services *(continued)*

- Inspects and regulates more than one million professionals practicing in the commonwealth, ranging from doctors and pharmacists to funeral directors and accountants, barbers, realtors, architects and engineers
- Oversees more than 85,000 individuals who hold notary public commissions
- Licenses more than 1,000 sports professionals and regulates sporting events, including professional boxing, kickboxing and wrestling, as well as all athletic agents doing business in the commonwealth
- Serves as the centralized filing office for Uniform Commercial Code financing statements from companies registered in Pennsylvania
- Oversees more than 10,500 charities and 430 professional fundraisers that solicit donations from Pennsylvanians

### Fiscal Year 2007-08

Complement Level: ..... 532

Total Budget: ..... \$88.788M

*(Includes state, federal and other funds.)*

In addition to the training videos, the department emphasizes voter preparedness through its multimedia education campaign, **Ready.Set.Vote**. The cornerstone of the campaign was the redesign of the voter information Web site, **VotesPA.com**, in April.

- ✓ The Pew Center for the States ranked the revised site as fourth out of 50 states and the District of Columbia for its ease of navigation and homepage design.

The Statewide Uniform Registry of Electors, or SURE, system is a centralized voter registration and election management system used by all 67 Pennsylvania counties. It enhances the accuracy and integrity of voter registration rolls by providing statewide access to voter registration rolls to aid county registration offices in:

- Eliminating duplicate records,
- Promoting consistent data management practices across counties,
- Making the registration process more transparent, and
- Improving the quality of voter services.

As the SURE system developed, it became apparent that many areas of voter registration and election management could be accommodated outside of the primary SURE system to provide the public with more convenient information. As a result, the department developed a way to use data and information from SURE to support a number of voter service features, such as:

- Polling place location,
- Voter registration information modification,
- An election events calendar, and
- The ability for voters to learn the status of their absentee ballot application requests and provisional ballots.

Further enhancements to the SURE system are being undertaken during 2008-09 and are being partly funded by a special federal grant of \$2 million. The U.S. Election Assistance Commission expects the states receiving these grants to serve as models for other states and share best practices with them.

The department was charged in 2007 with overseeing lobbying disclosure as mandated by state legislation passed in November 2006. It developed registration, reporting and termination forms for lobbyists, lobbying firms and principals.

*Pennsylvania was one of only five states nationwide to receive a federal grant to improve voter registration and election statistics reported to the federal government and provided to the public.*

Department of State *continued*

- ✓ In the first year, 112 lobbying firms, 1,183 lobbyists and 1,504 principals registered.
- ✓ Information submitted by these entities is available for public review on the department’s Web site, providing transparency and opening the system to all citizens.

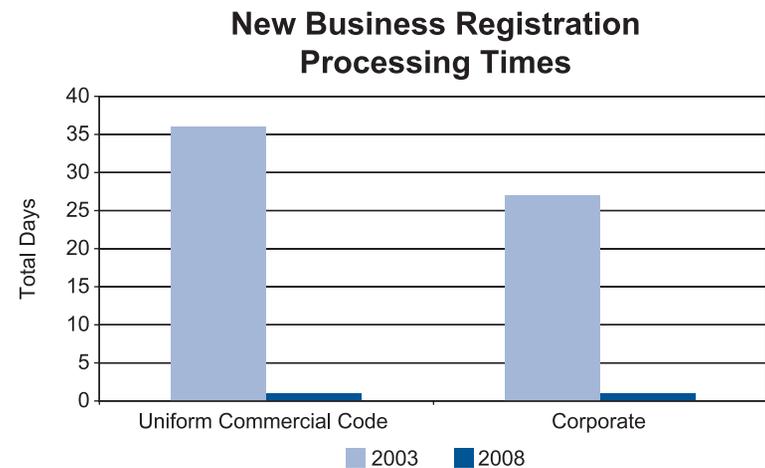
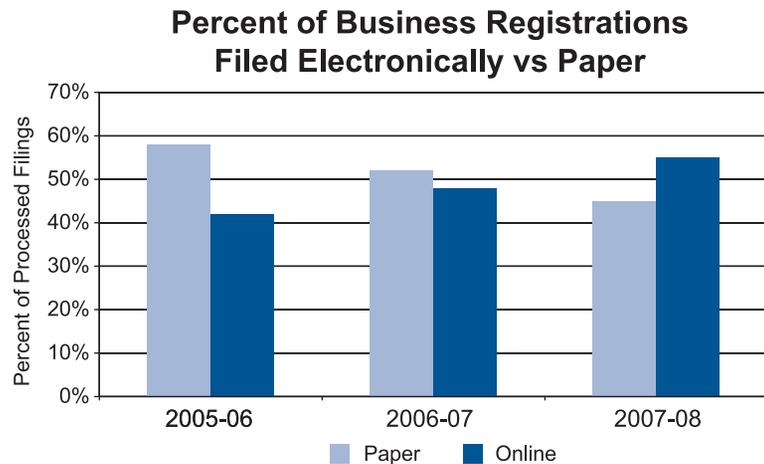
**PA KEY OBJECTIVE: Maintain the processing times and workflow for business and Uniform Commercial Code registration.**

**Why this objective is important:** More than 2.4 million Pennsylvania companies are registered with the department, which serves as the centralized filing office for Uniform Commercial Code financing statements and the initial registration point for new businesses. Timely registration processing promotes economic development within Pennsylvania by allowing organizations to begin conducting business as soon as possible.

- ✓ To streamline work production and achieve a consistently low processing time, the department implemented a customer friendly business registration system which includes an online option that has grown in popularity every year since inception. (See chart below.)

With the system’s implementation, the department significantly decreased processing times. (See chart below.)

- ✓ In 2003, the Uniform Commercial Code section processing time was 36 days and the Corporate processing section was 27 days.
- ✓ As of June 2008, processing times had been reduced to less than one day for the Uniform Commercial Code section and between one and two days for the business processing section.



Department of State *continued*

**PA KEY OBJECTIVE: Protect the public through licensing and oversight of medical and business professionals.**

**Why this objective is important:** Professional licensing protects the health, safety and welfare of Pennsylvania residents from fraudulent and unethical practitioners.

To make its licensing process more efficient, the online licensing system, through the department’s Web site, allows a licensee to renew his or her license, obtain a duplicate license, check the status of an application or change an address.

Year	Total Licenses Renewed	Online License Renewal	Percentage Renewed Online
2007	382,440	298,333	78%
2006	312,286	240,469	77%
2005	324,984	197,986	61%

In addition to issuing licenses to 62 occupational classifications, the department is also charged with protecting the public’s health, safety and welfare from unethical or unlicensed conduct, predatory practices or unscrupulous licensees.

- ✓ The department conducted 19,969 inspections of licensee facilities, including funeral homes, pharmacies, barber and beauty shops, vehicle dealerships and real estate offices.

In 2006, the department created a process to expedite the handling of complaints and made other improvements to more quickly resolve disciplinary cases against licensees. This was significant as legislation passed in 2002 added several thousand cases on an annual basis to the existing caseload and the process provided for more resolution of more cases each year. Although new cases continue to come in at a substantially higher rate than had been experienced up until 2002, these new procedures effectively address those incoming cases.

**PA KEY OBJECTIVE: Increase the percentage of registered charities and professional fundraisers that solicit donations from the citizens of Pennsylvania and protect the public from solicitation fraud.**

**Why this objective is important:** The public is protected from fraud through the department’s emphasis on accountability and disclosure, as well as investigating and prosecuting individuals and organizations that violate the public trust in soliciting, spending or reporting charitable donations received from Pennsylvania citizens.

The department is widely regarded as an innovative and highly effective state charity oversight entity and oversees approximately 10,500 charitable organizations and 430 professional fundraisers.

- ✓ To date, the department’s legal actions have resulted in 128 consent agreements and adjudications, including more than \$1,098,500 in fines and penalties returned to the commonwealth, as well as the ordering of more than \$4 million in restitution or other payments directed to charitable organizations.
- ✓ The department’s compliance efforts have resulted in an increase in registrations by more than 7,000 since 1995, and efforts are underway to increase compliance even further, providing additional tools to protect the public and strengthen the nonprofit community.

# Pennsylvania Insurance Department

Joel Ario, Commissioner  
www.insurance.state.pa.us

## Mission Statement

To protect and educate Pennsylvanians by enforcing insurance laws and providing access to quality health insurance.

## Overview of Programs and Services:

- Regulates an industry that generates over \$75 billion in insurance policies annually.
- Protects consumers through programs and services designed to educate and reach out to consumers, educate and license insurance professionals, monitor and promote a competitive insurance marketplace and assure that insurance companies remain financially stable (solvent).
- Administers health care programs for uninsured Pennsylvanians.

## Fiscal Year 2007-08

Complement Level: .....403

Total Budget: ..... \$832.307M

(Includes state, federal and other funds.)

## High-Level Goals

- Administer programs to ensure access to quality health care coverage for all Pennsylvanians.
- Educate and protect consumers.
- Protect policyholders, consumers and creditors from financial loss.
- Provide effective, uniform and streamlined industry regulation.

## Key Objectives, Strategies and Accomplishments in 2007-08:



**KEY OBJECTIVE: Increase access to affordable quality health care coverage and health care providers for all Pennsylvanians.**

**Why this objective is important:** Many adults cannot afford health insurance for themselves or for their children. Incomes are too high to qualify them for Medical Assistance, but not high enough to enable them to afford health insurance coverage. Having health care insurance is important but it is equally important to be able to recruit and retain qualified health care providers throughout the commonwealth to ensure the availability of necessary services.

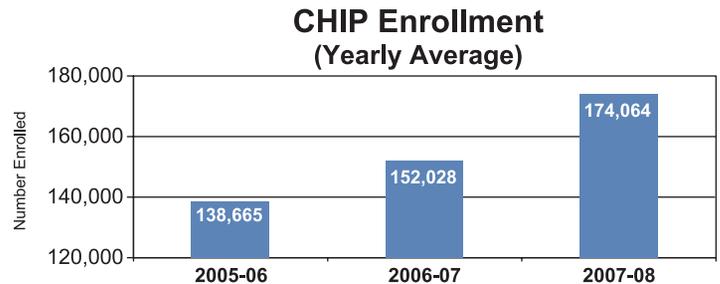
**Strategy: Administer affordable health care programs.**

Pennsylvania has intensified its commitment to providing affordable access to quality health care coverage for uninsured children and adults through the Children’s Health Insurance Program (CHIP) and the adultBasic® Program.

- **Children’s Health Insurance Program (CHIP)** – provides a comprehensive benefits package – including dental, vision, doctor visits, prescriptions and more – to uninsured children and teens up to age 19. Depending on the family income, CHIP is either free or available at low-cost, based on a sliding scale.

In 2007, Governor Rendell’s *Cover All Kids* initiative expanded the CHIP program to all uninsured kids and teens who are not eligible for Medical Assistance.

*Each month the CHIP Web site—[www.chipcoverspakids.com](http://www.chipcoverspakids.com) gets over three million hits.*

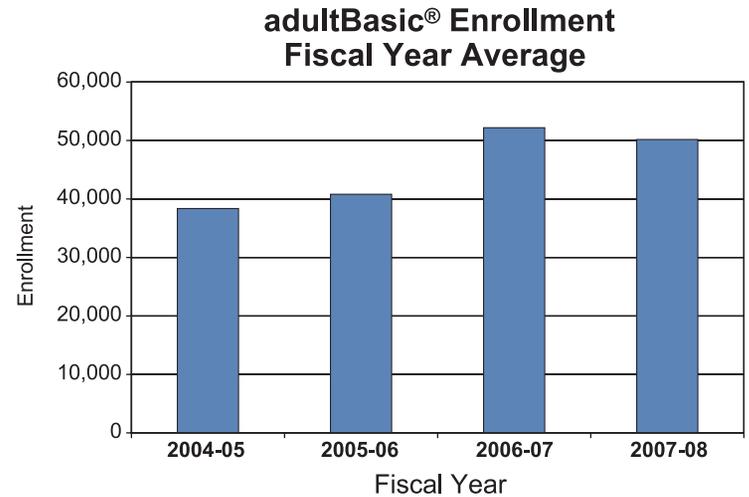


**Pennsylvania Insurance Department** *continued*

- **adultBasic® Program** – provides a basic health insurance package for eligible adults, 19 through 64 years of age, whose incomes are too high to qualify them for Medical Assistance, yet still face difficulty affording health insurance coverage. Enrollees pay a monthly premium that averages around \$35.

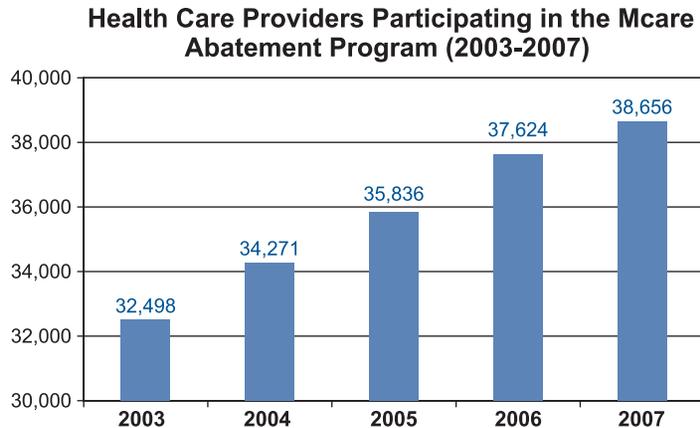
Due to the limited funding stream and the extraordinary public response to adultBasic®, a waiting list had to be implemented just six months after adultBasic® started. (See table.) Those who are on the waiting list have the option of purchasing the coverage at the state rate.

adultBasic® Average Monthly Waiting List	
2005-06	97,082
2006-07	74,702
2007-08	96,194



**Strategy: Retain qualified health care providers.**

The Insurance Department administers the **Medical Care Availability and Reduction of Error Fund (Mcare)**, which covers the catastrophic layer of medical malpractice insurance.



An abatement program was implemented in 2003 to help keep health care providers in the state and ensure access to quality health care in Pennsylvania, as a medical malpractice crisis was looming. Under the abatement program, high-risk specialists had 100 percent of their Mcare assessment abated, and all other physicians received 50 percent abatements. Podiatrists, nursing homes and emergency physicians employed in accredited trauma centers were added to the Mcare abatement program since 2003.

- ✓ The number of health care providers accessing the abatement program has increased every year since 2003. (See chart.)
- ✓ The number of health care providers has remained steady, an indication that the medical malpractice climate in the commonwealth is improving.

**Pennsylvania Insurance Department** *continued*

**KEY OBJECTIVE:** Maintain programs for consumers that protect them from financial loss and provide education/outreach opportunities.

**Why this objective is important:** Protecting consumers from financial loss can be achieved through educational programs that help the consumer understand what they are purchasing by providing a place for customers to call with questions or complaints and by monitoring businesses to reduce the number of failed insurance companies.

**Strategy:** Educate and protect consumers through many outreach, monitoring and enforcement initiatives.

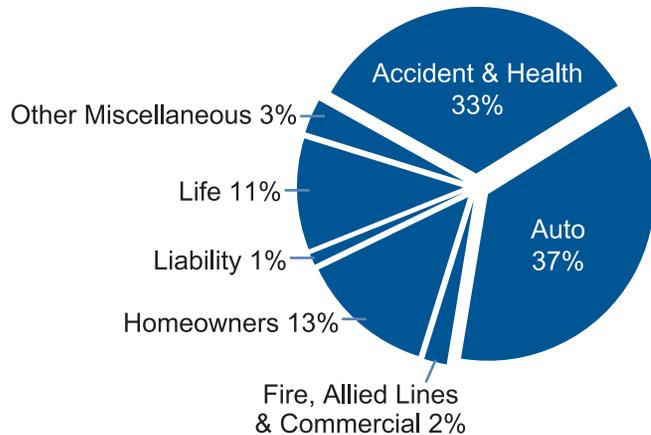
The department’s Bureau of Consumer Services handles thousands of complaints and inquiries each year and serves as a resource for consumers who have a question about their policy coverage or wish to file a complaint against their insurance company or agent. These complaints can result in monetary awards for the consumer.

The bureau also helps staff disaster recovery centers and promotes consumer education through outreach activities, such as senior fairs, consumer events and speaking engagements.

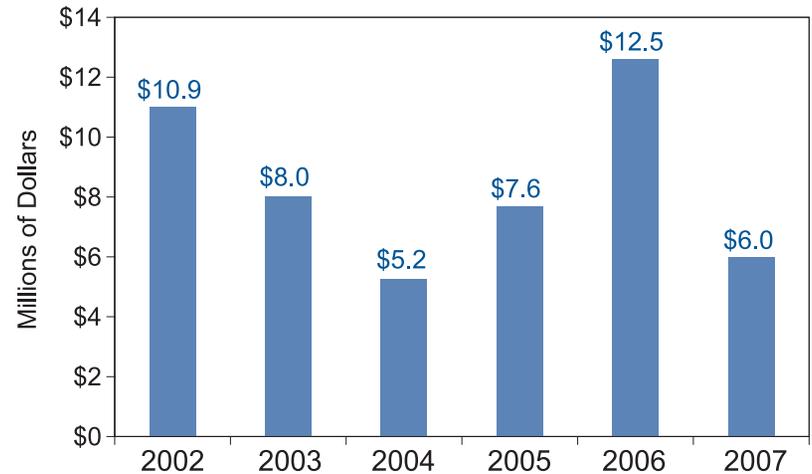
Additionally, the Office of Consumer Liaison conducts consumer outreach events and publishes a quarterly online newsletter.

The charts below provide a breakout of consumer complaints by type and the amount of money rewarded for consumers by year.

**2007 Complaints Received by Line of Business**  
Total Complaints 16,045



**Money Recovered from Consumer Complaints**



## Pennsylvania Insurance Department *continued*

**Strategy:** Maintain the department’s commitment to protecting policyholders, consumers and creditors from financial loss.

Consumer protection is the goal in the department’s solvency and monitoring enforcement activities. Entities that are selling, soliciting or negotiating the business of insurance in Pennsylvania must be licensed by the department.

- ✓ The Bureau of Producer Services is responsible for 185,365 licensed individuals.
- ✓ The Office of Corporate and Financial Regulation oversees 1,850 insurance entities.

The department monitors the financial condition of insurance companies organized in Pennsylvania (domestic insurance companies) to identify, at the earliest possible stage, insurance companies in a weak or deteriorating financial position and take corrective actions to protect policyholders, consumers and creditors from financial loss. The goal is to minimize the number and size of failed insurance companies (insolvencies).

In 2007:

- ✓ There were no insolvencies of domestic insurance companies.
- ✓ Seven domestic insurance companies were saved from imminent financial difficulties.
- ✓ For the first time in 46 years, there have been no insolvencies of Pennsylvania domestic insurance companies for three consecutive calendar years.
- ✓ Conducted review 15,705 rate and form filings. (See table below.)

Number of Rate and Form Filings Reviewed	2005-06	2006-07	2007-08
Insurance rate filings reviewed (A rate filing offers the factors and methods used to calculate insurance policy payment.)	6,590	6,500	7,113
Insurance form filings reviewed (language that is in an insurance policy)	8,711	7,900	8,592

**Pennsylvania Insurance Department** *continued*

**Strategy:** Monitor the financial solvency of insurance carriers, identify potentially problematic situations and recommend corrective actions.

The department’s enforcement investigations in 2007 resulted in:

- ✓ 194 finalized consent orders, settlement agreements and adjudications, resulting in the recovery of \$3,608,986 in restitution for Pennsylvania consumers, and
- ✓ The assessment of \$11,411,539 in civil penalties to be paid into the commonwealth’s General Fund.

<b>Program Abatement</b>	<b>2005-06</b>	<b>2006-07</b>	<b>2007-08</b>
Insurance company market conduct examinations completed	35	35	40
Companies in liquidation	16	11	9
Administrative hearings held	195	203	208

**OTHER KEY PROGRAMS:**

The Insurance Department also manages and oversees several other insurance-related funds.

- The Underground Storage Tank Indemnification Fund paid \$65.3 million to close 224 sites with leaking underground tanks, while managing an additional 1,610 non-leaking sites.
- The Workers’ Compensation Security Fund provided more than \$49.7 million in benefits to 1,959 injured workers covered by 28 insolvent insurance companies, in calendar year 2007, without having to assess solvent workers’ compensation insurance companies.

# Public Utility Commission

James H. Cawley, Chairman  
www.puc.state.pa.us

## Mission Statement

The Pennsylvania Public Utility Commission balances the needs of consumers and utilities to ensure safe and reliable utility service at reasonable rates; protect the public interest; educate consumers to make independent and informed utility choices; further economic development; and foster new technologies and competitive markets in an environmentally sound manner.

## Overview of Programs and Services:

- **Electricity:** regulates electric distribution rates, ensures service reliability and fosters the development of competitive electricity markets
- **Natural Gas:** inspects the state's more than 40,000 miles of natural gas pipelines while regulating natural gas distribution company base rates
- **Telecommunications:** ensures local telephone service and reasonable local rates.
- **Transportation:** ensures safe rail and motor carrier service, including taxi cabs. Resolves complaints about unsafe conditions at rail crossings and enforces common carrier compliance with safety and insurance requirements.
- **Water/Wastewater:** regulates the rates and service of many water and wastewater companies.

## Fiscal Year 2007-08

**Complement Level:** ..... 509

**Total Budget:** ..... \$52.656M

*(Includes state and federal funds.)*

# Consumer Protection: Ensure the Consumer Protection of Our Citizens

## High-Level Goals

- Safe, reliable and reasonably priced utility service.
- Advances in new technology compatible with the environment.
- Competitive utility markets.
- Consumers making informed utility choices.
- Enhanced public access.

## Key Objectives, Strategies and Accomplishments in 2007-08:

**PA KEY OBJECTIVE: Increase efforts to prepare Pennsylvania electricity customers for potentially significant price increases.**

**Why this objective is important:** On January 1, 1997, the Electricity Generation Customer Choice and Competition Act went into effect and began the process for creating a competitive marketplace for electricity in the commonwealth. This Act provided the framework for how electric generation would proceed in Pennsylvania, breaking down electric service into distribution, transmission and generation services. Under the Act, distribution and transmission services continued to be regulated, generation services became unregulated and the price of electricity became frozen at 1996 levels. During the subsequent implementation of the law, a schedule was set for the expiration of the rate caps for each electric distribution company.

Company	Generation Rate Cap Status	Percent of PA Ratepayers
Citizens Electric Co.	Expired	0.1
Duquesne Light Co.	Expired	10.6
Pennsylvania Power Co.	Expired	2.8
Pike County Light & Power Co.	Expired	0.1
UGI Utilities Inc.	Expired	1.1
Wellsboro Electric Co.	Expired	0.1
PPL Electric Utilities Inc.	Dec. 31, 2009	24.6
Metropolitan-Edison Co.	Dec. 31, 2010	9.5
Pennsylvania Electric Co.	Dec. 31, 2010	10.6
PECO Energy Co.	Dec. 31, 2010	27.8
West Penn Power Co.	Dec. 31, 2010	12.7

### Public Utility Commission *continued*

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To address this objective, the commission is actively engaged in the approval, monitoring and implementation of electric utility consumer education plans. To mitigate the higher costs of electricity the consumers are provided information on:

- Ways to reduce usage;
- Pending default service rate increases and utility mitigation programs;
- How to shop for electricity; and
- Where to go to seek assistance to maintain service.

Information the commission is providing to the consumer on ways to increase energy efficiency:

- Installing high efficiency lighting, such as compact fluorescent bulbs;
- Replacing old appliances with newer higher efficiency models;
- Replacing older heating or cooling systems;
- Weatherizing homes and businesses; and
- Shifting usage from periods when demand and prices for electricity are high, to periods when demand and prices are low.

The commission provides technical and legal advice to the General Assembly concerning proposed energy policy legislation that would expand the commission's oversight responsibilities and imposes new requirements on electric distribution companies, with the overall goal of reducing energy consumption and demand, enhancing default service procurement and expanding alternative energy sources.

This portfolio approach will help insulate customers from large fluctuations in market electricity prices. The commission is exploring energy procurement rules that would reduce default service rate volatility by directing electric utilities to acquire a portfolio of energy products of different contract lengths and at different points in time.

#### **Other important activities include:**

- **Rate Mitigation Programs:** The commission has approved some electric utilities' rate-mitigation plans such as phase-in or pre-payment plans and directed all utilities to file such programs if electric rates increase by more than 25 percent when rate caps expire.
- **Update Low-Income Programs:** Since electricity prices are likely to change with market rates, low-income programs that provide customer assistance and load reduction must be adjusted accordingly to ensure that low income customers are able to afford basic utility service.
- **Remove Barriers to Retail Choice:** The commission is establishing a Retail Markets Working Group to examine existing barriers to the development of retail electricity markets in order to enhance to opportunities for customers to have viable options for their supply of electricity when rate caps expire.

### Public Utility Commission *continued*

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#### **PA KEY OBJECTIVE: Increase annually the percentage of electricity, derived from alternative energy resources, sold to retail customers.**

**Why this objective is important:** Legislation passed in 2004 charges the commission with implementing the requirement that a certain percentage of all electric energy sold to retail customers within the commonwealth be derived from alternative energy sources. The amount of alternative energy required gradually increases according to a 15-year schedule. The requirement applies to both electric distribution companies and electric generation suppliers, who must demonstrate their compliance on an annual basis.

**In 2007, the legislation was amended to:**

- Expand the alternative energy sources to include energy derived from solar photovoltaic sources.
- Increase the maximum size of alternative energy generators that can interconnect and net meter with a distribution system.
- Change the amount of compensation net-metered customer generators receive for excess generation and when they receive the compensation.

**Accordingly, in 2007-08 the commission:**

- ✓ Worked to establish regulations required by law that govern the verification and tracking of energy efficiency and demand side response measures, including benefits to all customer classes.
- ✓ Approved regulations relating to interconnection and net metering of distributed generation systems that rely on alternative energy sources.
- ✓ Delivered to the General Assembly the first annual report on the implementation and effect of the Act, demonstrating the progress made so far in conjunction with the state Department of Environmental Protection.

A legislative audit released in February 2007 found that the commission “made good progress” in implementing the requirements of the legislation governing sources of alternative energy.

#### **PA KEY OBJECTIVE: Enhance public access to commission information and enable the public to make electronic filings.**

**Why this objective is important:** The commission desires to provide real time access by external users to information the commission maintains, improve the tracking and sharing of information, and permit electronic filings by the public.

In 2007-08, the commission began operating with a new case and document management system called **InfoMAP** (Information Management and Access Project) that replaced an antiquated system designed in 1978. The new system improves the commission’s docketing, tracking and sharing of information. It also provides a single-entry point to submit and access information, initiate transactions and conduct business, thereby permitting electronic filings and giving the public electronic access to information filed with and produced by the commission.

InfoMAP will allow the commission to automate work flows. Access by external users to information the commission maintains has improved significantly, with most filings being scanned and published to the Web site. The second phase of this project will allow for electronic filings and improve public access to commission information by early 2009.

### Public Utility Commission *continued*

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On April 3, 2006, the commission initiated a pilot program where insurance companies could electronically file proof of insurance on behalf of PUC-certificated carriers. The year long program found that electronic filing provided more timely filings and saved money for both the insurers and the commission; further evaluation is ongoing. Once completed, InfoMAP is designed to provide easier access to the commission through systems such as electronic filing, as well as electronic payment systems.

#### **PA KEY OBJECTIVE: Increase development and access to broadband service statewide.**

**Why this objective is important:** Pennsylvania is home to one of the country's most aggressive high-speed Internet deployment initiatives. By 2015, every city, town and village will have access to high-speed Internet service, even in the most rural areas.

The **Bona Fide Retail Request Program** established by Act 183 of 2004 provides a means for customers to obtain advanced or broadband services sooner than they may otherwise receive them through their local telephone company's deployment schedule.

Through this program:

- Customers may demonstrate that there is sufficient demand for advanced or broadband services in their area by submitting special applications to their local telephone company.
- When a minimum of 50 retail access lines or 25 percent of the retail access lines within a Carrier Serving Area (whichever is less) commit to purchase advanced or broadband services for a minimum of one year, the local telephone company must make those services available in that area within 12 months.

Carrier Serving Areas are geographic areas where a central office or remote terminal provides advanced or broadband services to all lines within that specific area. Typically, a Carrier Serving Area will be all the homes and businesses within approximately two miles of one of these terminals or central offices.

The commission is required to:

- Monitor and enforce the compliance of the participating companies with their obligations to offer and administer a broadband program.
- Review semiannual reports from the companies consisting of the number of requests for advanced or broadband services received during the reporting period by Carrier Serving Area and the actions taken on those requests.

The commission also:

- Developed a new brochure for distribution by commission consumer-outreach specialists and by company field representatives to raise awareness among consumers about this program.
- Provided direction to the telecommunications companies to make their Web sites more user-friendly.

Verizon PA, Verizon North, Embarq PA and Windstream are required to offer broadband services under the provisions of Act 183. Each of the above companies is required to maintain a toll-free telephone number and a Web site containing information about their broadband program.

### Public Utility Commission *continued*

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Consumers can also find more information about the broadband program through Pennsylvania's Department of Community and Economic Development Web site at [www.newpa.com/broadband](http://www.newpa.com/broadband).

- A legislative audit released in February 2007 found that the commission's implementation of the law and this program are creating benefits for consumers. The audit also noted that, "At least 58 percent of Pennsylvania access lines were broadband capable as of 2004, substantially ahead of the aggregate goal of 45 percent." This speaks to the commission's implementation of Chapter 30, enacted in 2004.

### Awards and Recognition

Pennsylvania's Distribution System Improvement Charge (DSIC), used to repair critical water infrastructure, is a model for other states and other utility infrastructures.

# Pennsylvania Human Relations Commission

Stephen A. Glassman  
Chairperson

Homer C. Floyd  
Executive Director  
www.phrc.state.pa.us

## Mission Statement

The mission of the Pennsylvania Human Relations Commission is to administer and enforce the Pennsylvania Human Relations Act and the Fair Educational Opportunities Act of the Commonwealth of Pennsylvania through the investigation, identification and elimination of unlawful discrimination and the promoting of equal educational opportunity for all persons.

## High-Level Goals

- Strengthen the commission’s enforcement efforts with a focus on customer service.
- Promote equal opportunity through education, technical assistance and proactive community outreach.

## Key Objectives, Strategies and Results in 2007-08:

**PA KEY OBJECTIVE: Reduce the number of cases under investigation that are more than two years old.**

**Why this objective is important:** To ensure that the citizens of Pennsylvania receive timely, fair and thorough investigations of discrimination complaints.

One measure of how well the commission is performing in the face of increasingly more complex case investigations is the average amount of time it takes to close a case.

During 2007-08, the commission processed approximately 16,000 formal complaints. At the beginning of the year, the commission had just over 7,000 total cases under investigation, including approximately 2,750 pending that are dual filed with both Equal Employment Opportunity Commission and the Human Relations Commission (HRC). The HRC must maintain these cases and review them upon closing to ensure that an individual’s state rights are met.

Discrimination Cases	2006-2007 Actual	2007-2008 Actual
Docketed Complaints	4,300	3,953
Average Case in Days		
Pittsburgh Regional Office	372	362
Harrisburg Regional Office	424	405
Philadelphia Regional Office	277	315
Number of Aged Cases Closed	3,519	3,620
Pending Number of Aged Cases	677	587
Number of Case Closings	4,225	4339

It is anticipated that in 2008-09, approximately 4,750 new complaints will be filed and over 4,500 cases will be closed, leaving the same number of cases open at the end of the fiscal year as last year.

Between 2002 – 2008, the commission reduced the average age of open cases assigned to Regional Offices from 555 days to 360 days and greatly reduced the number of aged cases under investigation during that same time period from 2,062 to 608.

# Pennsylvania Human Relations Commission

(continued):

## Overview of Programs and Services:

- Administer and enforce the Pennsylvania Human Relations Act and the Pennsylvania Fair Educational Opportunities Act.
- The commission's jurisdiction covers employment, housing and commercial property, public accommodation, education and monitoring of community tension situations.

## Fiscal Year 2007-08

Complement Level: .....132

Total Budget: .....\$14.419M

(Includes state, federal and other funds.)

**PA KEY OBJECTIVE: Increase public awareness of the many services offered by the commission.**

**Why this objective is important:** Businesses and community groups are becoming more aware of civil rights issues and are working to ensure that their communities are free of illegal discriminatory practices.

The number of cases moving to a public hearing in the areas of employment, disability and housing discrimination, has increased over the past few years. This growth in litigation continues to generate requests from citizen groups, employers, trade associations and housing providers for information and assistance in training and educating individuals about civil rights. They are exploring ways to understand and better communicate with their employees and customers proper practices and procedures that meet the spirit and letter of the law to provide a discrimination-free environment.

Employers are also becoming more aware of the importance of a diverse workforce in today's global economy and are calling on the commission to assist them in developing programs to recruit such a workforce.

Public Awareness Efforts	2006-2007 Actual	2007-2008 Actual
Meetings/Trainings - Police and Community Relationship	3	22
Meetings/Trainings - Education and Community Outreach Trainings	49	96
Compliance Related Diversity Training and Meetings	3	10
Civil Tension Task Force Meetings	12	12
Disability Stakeholders Task Force Meetings	4	4

The commission's Web site has become an increasingly popular method of obtaining information about the requirements of the act, the purpose of the commission and procedures on how to file a complaint.

The Web site also includes:

- A variety of popular pamphlets/posters;
- Decisions reached by the commission following public hearings; and
- Information on mandatory employment.

The commission received approximately 27,000 inquires this past year about possible discrimination and/or acts of community tension. These inquires were received from telephone calls, e-mails, walk-ins to the office, or through written correspondence and are separate from Web site contacts. (See table.)

Commission Inquiries	2006-2007 Actual	2007-2008 Actual
In Office	2,412	2,788
Mail	2,776	3,080
Fax / E-mail	681	977
Telephone	21,491	24,797
Web site: Downloads	126,673	205,444

**Pennsylvania Human Relations Commission** *continued*

**PA KEY OBJECTIVE: Maintain a courteous, responsive and professional manner in order to ensure excellent customer service.**

**Why this objective is important:** Individuals served by the commission feel that they are victims of discrimination—or have been wrongly accused of discrimination—so the failure to provide courteous, responsive and professional service would exacerbate an already emotional situation.

In matters of civil rights enforcement the commission is divided into three components: investigatory, prosecutorial and adjudicatory. The investigative and adjudicatory components must focus on objectivity and neutrality to ensure public confidence and trust in the process. Complainants and respondents expect competence, courtesy and impartiality in the processes of investigation and adjudication.

Following a neutral investigation, approximately 50 percent of the complainants are told that there is insufficient cause to believe they have a case. The commission values feedback and provides each complainant with the opportunity to complete a customer service survey and 75 percent of the individuals completing the survey rated the commission’s services satisfactory or outstanding/commendable.

**PA KEY OBJECTIVE: Increase the number of voluntary settlements between Respondents and Complainants.**

**Why this objective is important:** The commission encourages complainants and respondents to participate in open and honest discussions which may produce voluntary settlements. Facilitation of such discussions may serve to clarify miscommunications and differing points of view and reduce misunderstandings.

The commission brings the parties together in such a way as to reduce the number of complaints early in the process rather than protracted investigations and possibly litigation. Early settlements are to everyone’s benefit. From the time a complaint is filed the commission works towards a reasonable, voluntary settlement between the parties. Settlements can result in a monetary or non-monetary impact. In monetary settlements, the complainant can receive lost wages, insurance contributions, health benefits or cash settlements.

Non-monetary impacts can result in such things as a change in policies or practices, training, a building being made accessible or a reasonable accommodation being made to accommodate a disability. In 2007-08:

- ✓ The commission’s settlement rate was 36 percent as compared to 28 percent in 2006-07.
- ✓ Monetary remedies for persons who have experienced discrimination reached was \$8,244,199.

The increase is a result of the reduction of older cases that had been open for more than two years and are always the more difficult cases to settle. This is up from last year, due to the increase in settlements.

Cases Closed by Type	2006-2007 Actual	2007-2008 Actual
Cases Adjusted after a Finding of Probable Cause	100	90
Cases Adjusted Prior to a Finding of Probable Cause	1,150	1,479
Other Cases Settled as a result of Mediation	2	5
Administrative Closures	1,081	709
No Probable Closures	1,953	2,061

# Government Efficiency: Deliver Greater Value and Efficiency in Government

## Pennsylvania State Government is Committed to:

- Identifying new ways to mobilize resources to eliminate waste;
- Redirecting under-utilized resources to ensure maximum service to our citizens; and
- Providing for greater efficiency and effectiveness to the taxpayers in the operation of state government.

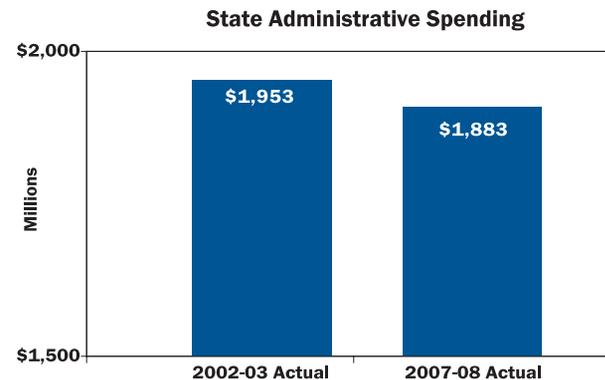


## State of the State



### Administrative Spending

State administrative spending is \$70 million lower in 2007-08 than in 2002-03 despite five years of inflation and contractually mandated salaried and benefit cost increases.

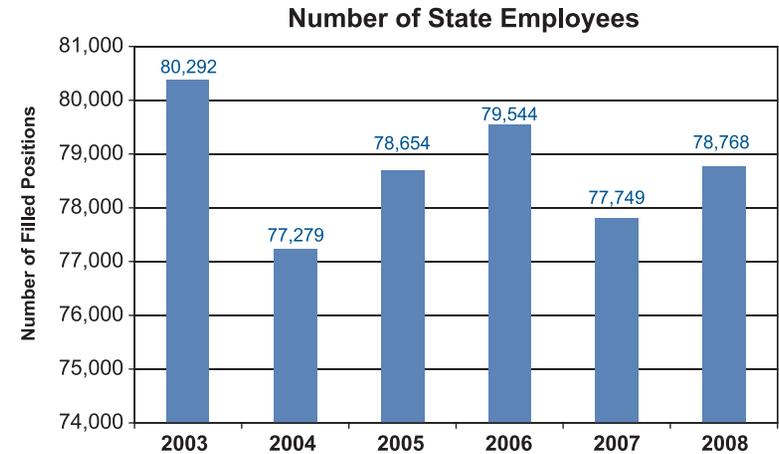




**State Employees**

The number of state employees was reduced by 3,066 positions from January 2003 to June 2008.

Only two states can claim a lower number of state employees as compared to population than Pennsylvania.



Rank and Rate of State Employees to State Population		
State	1 = Most	State Employees / 10,000 Population
Connecticut	22	214
South Carolina	23	209
New Jersey	24	206
Virginia	28	200
North Carolina	31	185
Michigan	35	176
Maryland	38	172
Massachusetts	39	171
Ohio	42	156
New York	43	144
Texas	44	209
Pennsylvania	48	127
Illinois	49	124
Florida	50	119

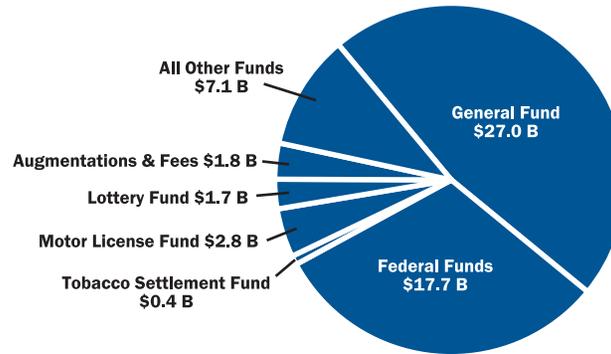
# Government Efficiency: Deliver Greater Value and Efficiency in Government



## 2007-08 Budget Highlights

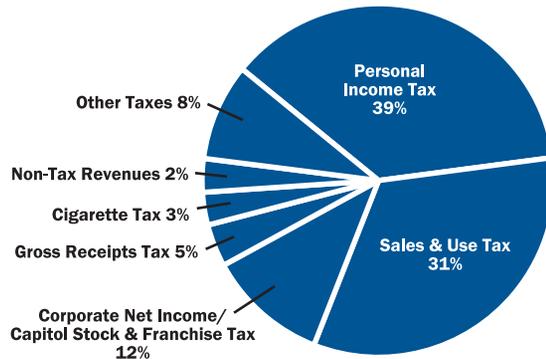
Total expenditures in 2007-08 Pennsylvania operating budget, including all commonwealth funds, were \$58.5 billion. The 2007-08 General Fund total was \$27.0 billion.

**Total Operating Budget**  
\$58.5 Billion Total

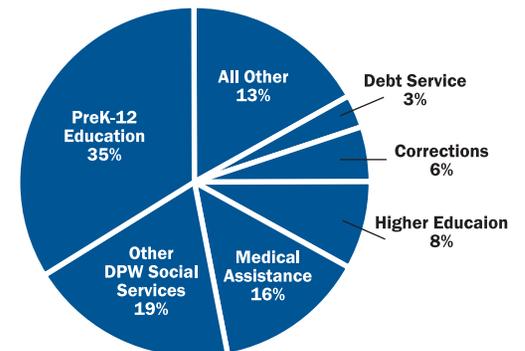


In the 2007-08 budget, 39 percent of the General Fund revenues were from personal income tax and 30 percent from sales tax. Seventy percent of the General Fund expenditures were in three program areas: education (35 percent); Social Services (19 percent) and Medical Assistance (16 percent).

**General Fund Revenue Sources**



**General Fund Expenditures**  
\$27 Billion Total



## **Government Efficiency: Deliver Greater Value and Efficiency in Government**

### **Contributing Agencies:**

Department of Revenue .....	207
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Office of Administration .....	218
Office of Inspector General .....	223

# Department of Revenue

Stephen H. Stetler  
Acting Secretary  
www.revenue.state.pa.us

### Mission Statement

The mission of the Department of Revenue is to administer the tax laws of the commonwealth in a fair and equitable manner. The department also administers the state lottery, which generates funds for programs that benefit older Pennsylvanians.

### Overview of Programs and Services:

- Collects all tax levies as well as various fees, fines and other monies due the commonwealth.
- Supervises the administration and collection of monies for Philadelphia and Allegheny counties' local sales tax and various special funds.
- Promotes expanded use of electronic tax filing, providing for more efficient return processing and faster deposit of funds.
- Audits and verifies tax returns to detect fraud and non-filers.
- Pursues and collects delinquent taxes to provide funding for state programs and services, and to level the playing field for the majority of taxpayers who pay their taxes on time and in full.

### High-Level Goals

- Collect revenues due the commonwealth in an efficient and effective manner.
- Increase Lottery net revenues to support programs for older Pennsylvanians.
- Process and issue Property Tax/Rent Rebates expediently and accurately.

### Key Objectives, Strategies and Accomplishments in 2007-08:

#### **R** KEY OBJECTIVE: Maintain a fair and competitive business tax climate in Pennsylvania.

**Why this objective is important:** Targeted changes to business tax rates and bases help make Pennsylvania more competitive in attracting and retaining business investments.

- ✓ Cumulative business tax cuts of \$2.5 billion in 2007-08.
- Business tax reductions since January 2003 include the following:
  - ✓ Continuing phase-out of the capital stock and franchise tax, reducing the tax rates from 7.24 mills in 2003 to 2.89 mills in 2008 -- a 60 percent reduction. This rate reduction saved business taxpayers \$862.2 million in 2007-08.
  - ✓ Increasing the sales factor in the corporate net income tax apportionment formula from 60 percent to 70 percent. This change helps businesses with large investments in property and employees in Pennsylvania. Savings for Pennsylvania-based businesses in 2007-08 were \$44.8 million.
  - ✓ Increasing the annual cap on net operating loss carry-forward deductions from \$2 million to the greater of \$3 million or 12.5 percent of taxable income. This change primarily benefits high-tech companies, which tend to have losses in their first years, and cyclical businesses. This change saved Pennsylvania businesses \$64.9 million in 2007-08.
  - ✓ Providing sales tax processing exemptions for cellular telephone companies and a sales tax credit for certain call centers. More than 400 telecommunications companies have benefited from this change, with an estimated savings of \$296.9 million through 2007-08.
  - ✓ Expanding of the research and development tax credit for businesses. Credits of up to \$40 million may now be issued in a fiscal year, with \$8 million allocated for small businesses. In 2003, state research and development tax credits were limited to \$15 million per year. More than five out of every 10 business taxpayers receiving the research and development tax credit are manufacturers, claiming 67.5 percent of the total amount of approved credits.

# Department of Revenue *(continued):*

## Overview of Programs and Services *(continued):*

- Administers the Pennsylvania Lottery – the only state lottery in the country that designates all of its net proceeds to programs that benefit older residents.
- Collects slots gaming-related taxes and assessments.
- Administers the Property Tax/Rent Rebate program that provides rebates to senior and disabled homeowners and renters.

### Fiscal Year 2007-08

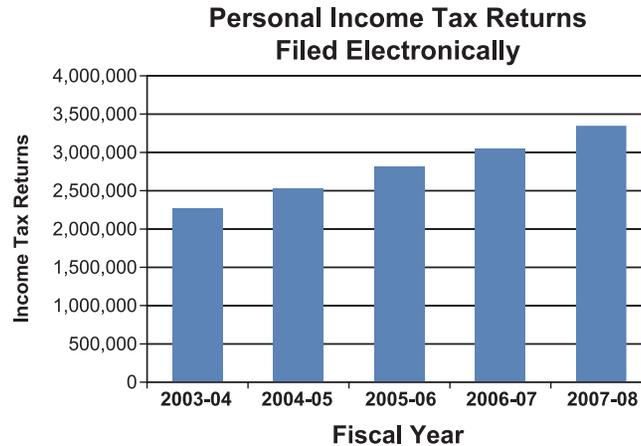
**Complement Level:** ..... 2,385

**Total Budget:** .....\$984.441M  
*(Includes state, federal and other funds.)*

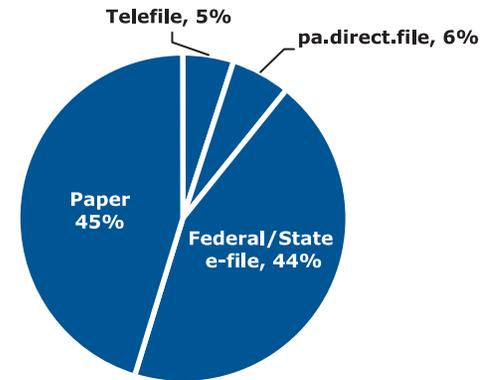
## **R** KEY OBJECTIVE: Increase the use of electronic tax filing.

**Why this objective is important:** The use of electronic filing increases efficiency and eases the burden on taxpayers in filing state tax returns and paying taxes. It also dramatically reduces common filing errors and is the most cost-efficient method for processing the millions of tax returns the department receives every year.

- ✓ In 2007, nearly 3.3 million taxpayers filed their 2007 personal income tax returns electronically, bringing the number of electronically-filed returns to a record 55 percent last year.
- ✓ The number of electronically filed returns in 2007 was 10 percent higher than in 2006.



## Personal Income Tax Returns Received 2007-08



The number of new businesses registering electronically with the state has been increasing steadily over the last several years.

- ✓ Overall, the number of business applications submitted electronically increased from 25 percent in 2001 to 81 percent in 2007-08.
- ✓ Savings from these e-filing initiatives are estimated to exceed \$1.8 million annually.
- ✓ For the first time in 2007-08, the 320,000 Pennsylvania businesses that file corporate net income and capital stock and franchise tax reports could electronically file their state corporate tax reports, schedules and payments.
- ✓ Pennsylvania joined six other states, including neighboring New York and Maryland, in partnering with the IRS and software vendors to provide a single-point electronic filing method that allows federal and state corporate tax returns to be filed simultaneously.

### Department of Revenue *continued*

#### **R** KEY OBJECTIVE: Increase delinquent tax collections.

**Why this objective is important:** By enforcing the tax laws of the commonwealth, the Department of Revenue not only provides more money for state programs and services, but it also levels the playing field for the majority of individuals and businesses who responsibly pay taxes voluntarily and in a timely manner. Businesses that do not pay taxes gain an unfair financial advantage over law-abiding competitors.

Through increased enforcement and initiatives encouraging voluntary compliance:

- ✓ An additional \$125 million in delinquent taxes was collected from 2006-07 to 2007-08. This increase represents a 40 percent improvement since 2004-05.

*For each \$1 spent on delinquent tax enforcement, the department has collected \$14 in delinquent taxes.*

#### **R** KEY OBJECTIVE: Increase Lottery net revenues for the support of programs for older Pennsylvanians.

**Why this objective is important:** More lottery revenue will help provide more support to programs for seniors such as property tax and rent rebates; free and reduced-fare transit; the low-cost prescription drug programs PACE and PACENET; long-term care services; and the 52 Area Agencies on Aging, including more than 600 full- and part-time senior centers throughout the state.

According to the most recent industry reports, the **Pennsylvania Lottery** ranks sixth among the 44 U.S. lotteries in annual sales and fifth in net revenue for 2007-08.

Since its inception 36 years ago, the Pennsylvania Lottery has contributed more than \$18.3 billion to programs that benefit older residents and since 2001-02, the Lottery has generated \$5.3 billion for the Lottery Fund.

In 2007-08, the lottery:

- ✓ Set a new all-time sales record, with sales totaling \$3.089 billion – an increase of \$12.8 million over the previous year.
- ✓ Grew by more than \$1.16 billion since fiscal year 2001-02, when Lottery sales were \$1.95 billion.
- ✓ Exceeded 2006-07 instant games sales by more than \$3.3 million with total sales of more than \$1.7 billion. Instant game sales comprise 55 percent of all Lottery ticket sales.

*The Pennsylvania Lottery remains the only state lottery that designates all of its net proceeds to programs that benefit older residents.*

### Department of Revenue *continued*

- ✓ Totaled \$1.38 billion in sales for terminal-based games – including The Daily Number, BIG 4, Treasure Hunt, CASH 5, Match 6 Lotto, Mix & Match, Millionaire Raffle and Powerball – \$9.5 million more than in 2006-07.
- ✓ Lottery sales netted \$928 million in revenues to the Lottery fund.

The Pennsylvania Lottery continued to grow its retailer network in 2007-08 as well.

- ✓ The Lottery partnered in sales with 8,526 retailers, up 21 percent from 7,023 retailers in 2003.
- ✓ Lottery retailers, many of them family-owned small businesses, earned \$170 million in commissions in 2007-08.



*Gus, the Lottery's instant ticket mascot.*

### **R** KEY OBJECTIVE: Provide assistance to eligible homeowners and renters through Property Tax/Rent Rebate program.

**Why this objective is important:** The Property Tax/Rent Rebate Program helps provide financial relief to eligible Pennsylvanians age 65 and older; widows and widowers age 50 and older; and people with disabilities age 18 and older.

In 2007, the **Property Tax/Rent Rebate Program:**

- ✓ Provided 564,393 rebates to senior and disabled households for property taxes or rent paid in calendar year 2006. This represents a 78 percent increase over the 313,907 rebates issued in the prior year.

In April 2008, the Secretary of the Budget certified that the balance in the Property Tax Relief Fund was high enough that statewide property tax relief would become available to all Pennsylvania homeowners and supplemental Property Tax/Rent Rebates would be provided to seniors in high-tax areas in summer 2008.

### **Awards and Recognition:**

- The Department of Revenue received the “*Best of Pennsylvania 2008 Technology*” award at the Pennsylvania Digital Government Summit on June 16 for its Data Warehouse Project. The Data Warehouse Project has provided the technology infrastructure to enable collections of more than \$450 million over the last four years, and the honor was awarded for the “most innovative use of technology.”

# Office of the Budget

Mary A. Soderberg, Secretary  
www.budget.state.pa.us

## Mission Statement

The mission of the Office of the Budget is to develop, coordinate and oversee the execution of a balanced financial plan for the commonwealth that reflects the policies and priorities of the Governor, promotes the efficient allocation and use of resources, and ensures that all funds received and disbursed for commonwealth programs are accounted for in accordance with current laws, regulations and policies.

## Overview of Programs and Services:

- Prepares the Governor’s proposed budget and implements the enacted budget.
- Maintains the commonwealth’s accounting, payroll and financial reporting systems.
- Provides fiscal analysis of key policy issues facing the commonwealth and the fiscal impact of pending legislation.
- Manages the issuance of bonds used to fund the commonwealth’s capital projects.

## Fiscal Year 2007-08

**Complement Level:** ..... 791

**Total Budget:** ..... \$71.894M

*(Includes state, federal and other funds.)*

## High-Level Goals

- Stewardship of the public’s resources.
- Helping government work smarter.

## Key Objectives, Strategies and Accomplishments in 2007-08:

### **PA** KEY OBJECTIVE: Maintain a balanced commonwealth budget.

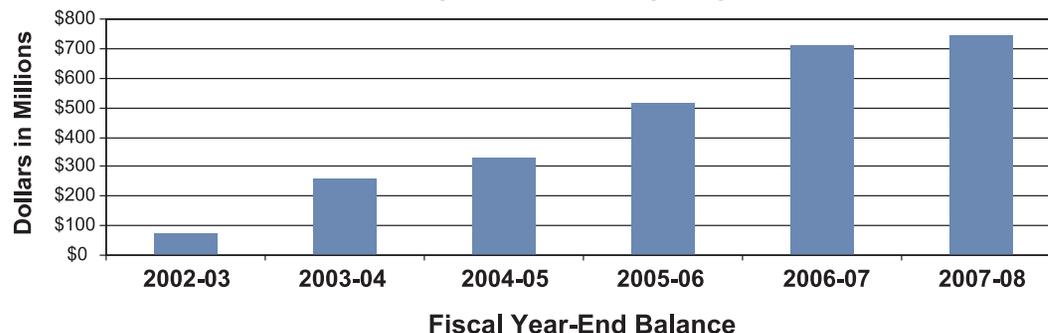
**Why this objective is important:** In accordance with the Pennsylvania Constitution, the commonwealth must maintain a balanced budget. The Governor’s Budget Office works to ensure that commonwealth revenues and expenditures remain aligned as the agencies deliver programs and services to the public. The Governor’s Budget Office works with the agencies to identify ways to expand and improve key services to the citizens of the commonwealth while implementing administrative cost-containment strategies. This helps to ensure that taxpayer dollars are spent effectively and efficiently.

### **Strategy: Restore fiscal stability.**

In January 2003, Governor Rendell inherited a \$2.4 billion General Fund deficit, a near-bankrupt Pennsylvania Employees Benefit Trust Fund and a depleted Rainy Day Fund. By the end of 2007-08, the commonwealth had seen:

- ✓ Five enacted balanced budgets since 2003;
- ✓ A restored Pennsylvania Employees Benefit Trust Fund with a \$178 million reserve balance – the highest since 2001-02; and
- ✓ A replenished Rainy Day Fund of \$742 million – the highest amount since 2001-02. These achievements helped restore Pennsylvania to fiscal stability.

**Pennsylvania's Rainy Day Fund**



## Office of the Budget *continued*

### **Strategy: Constrain budget growth while maintaining vital state services.**

The Governor’s Budget Office has worked to keep the growth of the General Fund budget as low as possible, consistent with the fulfillment of the commonwealth’s responsibilities to its citizens, businesses and taxpayers.

- ✓ The 2007-08 General Fund total was \$26.97 billion – an increase of \$670 million, or 2.5 percent, over 2006-07.

### **PA KEY OBJECTIVE: Improve the commonwealth’s accounting and financial reporting systems.**

**Why this objective is important:** It is imperative that the financial affairs of government are properly accounted for and reported to the taxpayers.

To identify savings opportunities and ensure that public funds are used effectively, efficiently and in compliance with the law, the Office of Comptroller Operations performs the following financial functions for all commonwealth agencies under the Governor’s jurisdiction, as well as various other independent agencies, boards and commissions:

- general accounting;
- accounts payable;
- accounts receivable;
- payroll;
- travel reimbursement;
- internal audit;
- professional services contract review; and
- other related functions.

The Office of Comptroller Operations kicked off a finance transformation project in February 2008 to:

- Improve the commonwealth’s procure to pay process and cycle time;
- Improve the commonwealth’s revenue and cash management processes; and
- Centralize and functionalize the Comptroller organization to increase capacity and efficiencies.

### **Excellence in Reporting:**

For 22 consecutive years, the Office of Comptroller Operations has been awarded the Government Financial Officers Association **Certificate of Achievement for Excellence in Financial Reporting** for the commonwealth’s Annual Financial Report. This results in higher bond ratings, which lead to lower interest rates on capital debt and millions of dollars of savings that can be used to fund critical programs.

For the last 11 years, the commonwealth has received the Distinguished Budget Presentation Award from the Government Financial Officers Association. This award denotes approval of the budget process by an outside professional agency and informs management and citizens that the budget is prepared according to accepted standards.

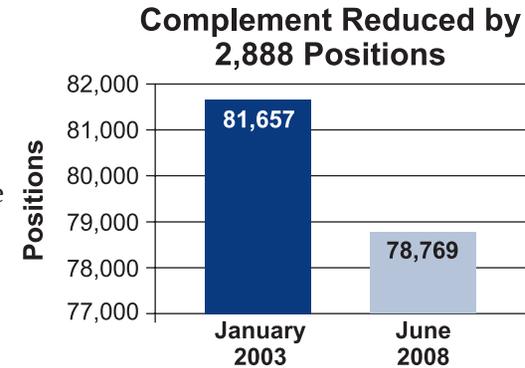
Key Performance Measurements	2005-06	2006-07	2007-08
Total number of invoices processed	1,430,245	1,442,752	1,471,951
Commonwealth’s bond rating	AA	AA	AA

Office of the Budget *continued*

**PA KEY OBJECTIVE: Reduce the administrative costs of government.**

**Why this objective is important:** So that more of the commonwealth’s critical resources can be directed to investments in education, economic development, public safety and human services, the Governor’s Budget Office continually works with the agencies to control the administrative costs of operating state government.

- ✓ In 2007-08, costs to operate state government were actually 3.5 percent lower than in 2002-03, despite increased costs per employee for salaries/wages, health benefits and pensions.
- ✓ Since 2003, the commonwealth has refinanced \$2.7 billion in outstanding debt and achieved more than \$270.6 million in savings that have been redirected to fund key state programs and initiatives.
- ✓ Total filled positions in agencies under the Governor’s jurisdiction have declined from 81,657 in 2002-03 to 78,769 in 2007-08 – a reduction of 2,888 positions that has saved money and enabled more state funds to be redirected toward necessary services for Pennsylvania’s citizens. (See chart.)



The commonwealth issues debt in the form of tax-exempt general obligation bonds to fund its capital budget and other voter-approved bond programs.

- ✓ The commonwealth has maintained a sound credit rating from the Wall Street rating agencies based on its relatively low debt burden and sound financial management practices. In a recent report, Moody’s Investors Service – one of the leading credit-rating agencies – said the commonwealth has “an established record of good financial management, reflected in strong actions to preserve budget balance in recent years.”
- ✓ Moody’s ranks the commonwealth 27th out of the 50 states in terms of its debt burden.

Key Performance Measurements	2005-06	2006-07	2007-08
Debt as a percentage of PA personal income	1.7%	1.8%	1.8%
Debt as a percentage of total commonwealth revenue	3.1%	3.2%	3.3%

# Department of General Services

James P. Creedon, Secretary  
www.dgs.state.pa.us

### Mission Statement

The mission of the Department of General Services (DGS) is to provide high-quality services at a fair price to support the operation of state government. As the state's central purchaser of commodities and services, the manager of the state's public works program that builds and repairs the commonwealth's buildings and infrastructure, and the manager of most state owned facilities, it is imperative that DGS make cost-effective service its primary mission. DGS also works to make state government friendlier to the citizens and suppliers, expand opportunities for minorities and women-owned businesses and reduce operating costs for all state agencies.

### Overview of Programs and Services:

- Controls escalating energy costs.
- Procures goods and services.
- Administers non-highway construction projects.
- Oversees commonwealth facilities and other assets.
- Provides space management consulting in commonwealth facilities.

### High-Level Goals

- Promote green initiatives in state operations.
- Reduce the operating cost of state government.
- Maximize participation of women and minority-owned businesses.

### Key Objectives, Strategies and Accomplishments in 2007-08:



#### **KEY OBJECTIVE: Maintain the lowest operating costs possible for state-owned buildings and vehicles.**

**Why this objective is important:** Controlling costs allows savings that can be redirected to other program areas such as education, health care, the economy, and the environment. This early investment in controlling costs will benefit the commonwealth as rates for non-renewable electricity rise in the near future.

The department has implemented many measures that have already resulted in significant savings, and initiatives that will produce even more savings in the years to come. These include:

- Purchasing green energy such as methane, solar, wind, hydro and geo-thermal that will also reduce our carbon footprint.
  - ✓ Thirty percent of the department's energy purchases in 2008 were green compared to zero percent in 2003. The goal is to increase green energy purchases by 20 percent over the next two years.
- Reducing energy costs through better management of state-owned facilities.
  - ✓ Energy costs have been reduced by 10 percent since 2006 by applying strict temperature controls, reducing lighting units, replacing incandescent light bulbs and eliminating unnecessary appliances.
- Reducing commonwealth fuel consumption, downsizing state vehicles, decreasing the use of SUVs, while increasing the use of hybrid and alternative fuel vehicles and reducing fuel consumption by five percent enterprise-wide.
  - ✓ These efforts are estimated to save the commonwealth \$1.3 million annually.
- Facilitating agency contracting for similar energy conservation measures in existing buildings through the commonwealth's Guaranteed Energy Savings Act (GESA) Program. Ten state agencies are currently participating in the program:
  - ✓ Twenty-eight projects currently under contract, total guaranteed savings of \$336.6 million over the next 15 years, and anticipated annual greenhouse gas reductions of 112,406 tons.

# Department of General Services

(continued):

## Overview of Programs and Services (continued):

- Manages the commonwealth's minority and women business program.
- Coordinates Commonwealth Media Services and the Pennsylvania Capitol Police's support services.
- Serves as the commonwealth's insurance broker and real estate agent.

### Fiscal Year 2007-08

**Complement Level:** ..... 1,334

**Total Budget:** .....\$155.288M  
(Includes state and other funds.)

- ✓ One state office building has reduced its energy use by more than 25 percent and the Governor's Residence has reduced its energy consumption by more than 30 percent.
- ✓ Seventeen additional building energy reduction projects will be under contract in late 2008 and early 2009.



### KEY OBJECTIVE: Increase savings through the effective use of strategic purchasing of goods and services.

**Why this objective is important:** The commonwealth purchases approximately \$3 billion in goods and services annually. Capitalizing on bulk purchasing reduces the cost of essential goods and services and allows the savings to be used for other effective government programs.

In the past five years, the department's Strategic Sourcing initiative has:

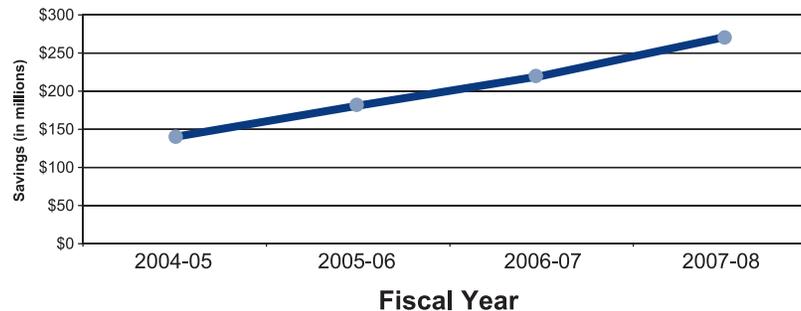
- ✓ Saved the commonwealth approximately \$271 million in savings (see chart), and
- ✓ Maximized the commonwealth's purchasing power by creating a sole purchasing agency.

A number of large procurements have saved the taxpayers even more money. For example:

- ✓ A contract for personal computers will save the commonwealth an additional \$35 million over the next three years
- ✓ A contract for computer peripherals and wireless voice services will save an additional \$4.2 million annually.

*Through strategic sourcing, the cost of a standard PC has been reduced from a high of \$1,274 to approximately \$550, a savings of 57 percent per computer.*

**Strategic Sourcing Related Savings**



For more information on Strategic Sourcing, go to [www.dgs.state.pa.us](http://www.dgs.state.pa.us), "Doing Business with the Commonwealth," and click on "Procurement."

### Department of General Services *continued*



#### **KEY OBJECTIVE: Reduce the percentage of change order rates to less than 5 percent of construction allocation.**

**Why this objective is important:** The department oversees approximately \$2 billion in non-highway construction which represents approximately 450 active projects. Keeping construction costs within budget requires the strict management of change orders and timelines. Since 2003, to reduce additional costs for building construction projects the department has worked to reform the management of the construction program by setting goals to:

- ✓ Maintain a change order rate of 4.5 percent or less.
- ✓ Process 90 percent of payments to contractors in 45 days.
- ✓ Complete 90 percent of construction projects on time.

**Best Value Contracting (BVC)** is a program that allows a contractor to be selected for other criteria rather than just being the lowest responsible bidder. Allowing additional contractor qualifications such as technical expertise to be considered during the selection process has proven to be the best tool for ensuring quality construction work.

- ✓ Since 2006, the Judicial Center building project, a 9-story, 423,000 square-foot facility that is scheduled for occupancy in 2009 has a change order rate of under 2.5 percent, virtually zero claims, and is under the budget allocation.

For more information on DGS construction projects, please go to [www.dgs.state.pa.us](http://www.dgs.state.pa.us), and click on “Construction and Public Works.”



#### **KEY OBJECTIVE: Maintain programs that assist community revitalization and cost reductions.**

**Why this objective is important:** Using state funded programs and initiatives to help cut costs, create more revenue or jobs in local communities benefits local government and residents.

The **Downtown Relocation policy**, implemented in 2004, involves relocating state employees to downtown locations whenever possible and economically feasible.

In 2007-08:

- ✓ Thirteen new state office facilities were located in downtown areas, for a total of 74 percent of all office space.

Since 2005-06:

- ✓ Newly executed leases for office space downtown have increased from 80 to 92 percent resulting in an influx of approximately 1,100 state employees into downtown locations, such as Altoona, Lancaster and Pittsburgh.

The **CO-STARS** program (Cooperative Sourcing to Achieve Reductions in Spending) helps local municipalities and school districts gain a competitive advantage through pre-negotiated prices by the commonwealth.

## Department of General Services *continued*

CO-STARS allows local procurement units to piggyback on state contracts that are not traditionally used by the state, such as playground equipment for local parks and other recreation areas.

- ✓ Currently, more than 5,000 local procurement units are working with about 500 suppliers in various commodities, such as vehicles, road salt, and fuel.

For more information on Real Estate and CO-STARS, go to [www.dgs.state.pa.us](http://www.dgs.state.pa.us), click on the “How Do I” section of the homepage.

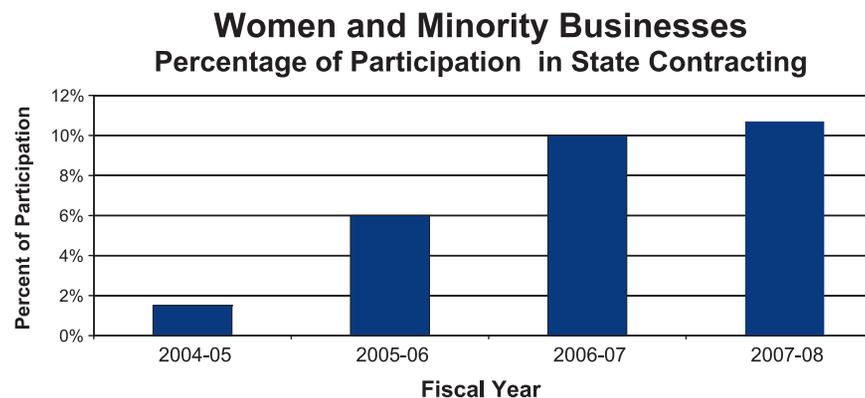


### **KEY OBJECTIVE: Expand meaningful opportunities for women and minority businesses in state contracting.**

**Why this objective is important:** Small businesses can be supported through the successful and increased participation of women and minority owned business in state contracts.

Expanding opportunity for women owned enterprises (WBE) and minority owned enterprises (MBE) continues to be a priority. In 2007-08, the department:

- ✓ Streamlined the process to become a certified WBE/MBE resulting in an increased number of eligible firms, from approximately 1,850 to 1,957, a 5.5 percent increase.
- ✓ Increased the WBE/MBE percentage of annual spending from under 2 percent to nearly 10 percent over the past three years (see chart). Areas of particular success include construction, real estate and energy service companies, reaching as much as 22 percent participation in these commodity fields.



For more information on minority and women business opportunities, go to [www.dgs.state.pa.us](http://www.dgs.state.pa.us), click on the “How Do I” section of the homepage.

# Office of Administration

Naomi Wyatt, Secretary  
www.oe.state.pa.us

### Mission Statement

The Office of Administration serves the Governor and the citizens of Pennsylvania by providing leading technologies and a dedicated workforce to all state agencies.

### Overview of Programs and Services:

- Provides information technology services, including networks and system security.
- Administers human resources programs, such as compensation, benefits, training, workplace safety, diversity and labor relations.
- Manages the public safety radio system to provide reliable statewide communications among all of Pennsylvania's critical public safety agencies.
- Oversees continuity of government planning to ensure that critical services continue to operate in the event of an emergency.
- Conducts analysis and provides strategic services designed to improve quality, reduce costs and streamline the way state government does business.

### High-Level Goals

- Standardize the information technology infrastructure.
- Maintain a highly trained and healthy workforce.

### Key Objectives, Strategies and Accomplishments in 2007-08:

#### **KEY OBJECTIVE: Increase the operational efficiency of state government and achieve cost savings.**

**Why this objective is important:** Through economic downturns and tightened budgets, it becomes increasingly important for state government to be as efficient and innovative as possible while continuing to provide critical services to citizens. By reducing the overall cost of operating government, the commonwealth is ultimately able to provide even more services to Pennsylvanians.

Since 2003, the commonwealth has promoted innovation and efficiency while introducing productivity improvements throughout state government. Efforts include, but are not limited to:

- Strategic sourcing;
- Complement reduction;
- Deployment of new technology; and
- Streamlining of business processes.
  - ✓ In 2007-08, commonwealth agencies saved \$1.5 billion in recurring annual savings – an increase of 25 percent over the previous fiscal year.

The following is a small sample of the cost-control initiatives undertaken to achieve \$1.5 billion in recurring savings:

- ✓ Agencies under the Governor's jurisdiction saved \$242 million in 2007-08 by controlling staffing compared to 2003 levels.
- ✓ The Pennsylvania Employee Benefit Trust Fund saved \$48 million in 2007-08 by competitively bidding its prescription drug plans for active employees and retirees.
- ✓ The commonwealth saved an estimated \$17 million (partial year) due to Retired Employee Health Program changes.

# Office of Administration

(continued):

## Overview of Programs and Services (continued):

- Guides the records management system to ensure consistent and effective agency implementation of records management policies and programs.
- Offers travel services such as managing booking and ticketing contracts and establishing preferred vendor agreements; develops travel-related policies.

### Fiscal Year 2007-08

**Complement Level:** ..... 680

**Total Budget:** .....\$190.463M  
(Includes state, federal and other funds.)

 **KEY OBJECTIVE: Improve the commonwealth’s information technology infrastructure through consolidation and standardization.**

**Why this objective is important:** As more and more services become automated, it is important that a comprehensive approach to implementing new and maintaining all IT services be coordinated across like agencies to maximize efficiency and keep costs manageable.

Over the past two years, the Office of Administration has completed the consolidation of five agency Information Technology (IT) departments and initiated the consolidation of an additional four. Moving forward, the department will continue to merge agency IT departments and decrease the number of disparate and duplicative IT systems. When determining possible IT departments for consolidation, the department:

- ✓ Assesses the broad IT environment,
- ✓ Proposes optimized operations, and
- ✓ Works with impacted agencies to establish Service Level Agreements, standard measurements and tools to track the effectiveness of consolidated functions.

The IT consolidation initiative is a significant transformation that is improving Pennsylvania state government’s collective ability to maximize cost-effective and high-quality IT services.

Information Technology (New Measures)	2006-07	2007-08
Percentage of IT departments consolidated against those identified for consolidation	100%	75%
Service Level Agreements maintained or increased based on quarterly reviews.	2 of 2	3 of 3

 **KEY OBJECTIVE: Maintain a secure information technology network and defend against cyber attacks on the commonwealth’s critical information technology infrastructures.**

**Why this objective is important:** As a custodian of a vast amount of sensitive and valuable data, it is the department’s responsibility to ensure that every agency’s and private citizen’s information is protected. The department maintains secure access to data and blocks malicious or unauthorized activity on the commonwealth’s IT network through proactive security measures designed to reduce security incidents and assist users in reporting and responding to events.

**Office of Administration** *continued*

Data security is provided by establishing enterprise technology standards for critical areas of cyber security, including:

- ✓ Network intrusion detection and prevention systems,
- ✓ Internet access control and content filtering, and
- ✓ User auditing and monitoring.

Intelligence and real-time monitoring is provided to safeguard the information systems that manage and maintain critical business resources and data. Data security assures the commonwealth’s ability to provide services to citizens while maintaining their privacy and trust.

Data Security (New Measures)	2007-08
Percentage of cyber attacks thwarted	98.0%
Percentage of virus events actively blocked	99.7%
Percentage of SPAM messages blocked	94.0%

 **KEY OBJECTIVE: Maintain a well-trained commonwealth workforce.**

**Why this objective is important:** In order to provide quality service to the citizens of the commonwealth, state employees must be provided with the training necessary to effectively carry out their job duties.

The **Enterprise Learning Management System**, launched in 2006, was designed to support instructor-led courses and deliver Web-based training while enhancing reporting capabilities; provide valuable desktop training with minimal disruption to the workday; and cut costs by reducing travel and downtime associated with off-site/ classroom training.

- ✓ The department estimates an annual savings of \$17 million as a result of the Enterprise Learning Management System.

Workforce Training (New Measures)	2007-08
Enterprise Learning Management System courses offered at both the enterprise and agency level	1,364
Completion rate for mandatory courses	75%
Completion rate for optional courses	61%

 **KEY OBJECTIVE: Maintain and improve the health of the commonwealth workforce.**

**Why this objective is important:** One way to improve workforce productivity is to reduce absenteeism due to health issues or workplace injuries.

In 2005, **Get Healthy**, an innovative statewide health management program was launched to improve the health of commonwealth employees and reduce health expenses.

Through Get Healthy, members identify personal risk factors by completing an individual health assessment and enrolling in appropriate health management programs to control disease and promote wellness.

Get Healthy Program (New Measures)	2007-08
Pennsylvania Employee Benefit Trust Fund members (PEBTF) earning Get Healthy waiver (includes dependents)	52,308
Percentage of commonwealth employees earning Get Healthy waiver	42%

**Office of Administration** *continued*

The Get Healthy program offers members an incentive – a waiver of half of the employee contribution – to take the health assessment and to become actively engaged in health management programs.

Additional information on the Get Healthy program can be found at <https://healthatoz.myuhc.com/portal/bridge/pebtf>.

Employee Safety (New Measures)	2007-08
Workers' compensation claims (3Q and 4Q only)	3,064
Absentee hours (3Q and 4Q only)	81,853
Total cost (3Q and 4Q only)	\$9,157,726

The department invests significant resources in safety programs aimed at reducing workers' compensation claims and related absenteeism and costs. The department has established a goal of reducing workers' compensation claims two percent and absenteeism related to workers' compensation by five percent each year.

 **KEY OBJECTIVE: Maintain targeted response times and rates for processing agency requests to support workforce needs.**

**Why this objective is important:** Delays in meeting workforce needs can adversely affect services and programs upon which the commonwealth's citizens rely.

The department tracks the processing time of agency requests for temporary clerical staffing needs to ensure timely human resource services necessary to support the agency missions. Opportunities to improve human resource services and customer satisfaction are accomplished through interaction with agencies and an internal review of processes. In July 2008, the department implemented a semi-annual customer satisfaction survey of agencies to help identify areas that need improvement.

Human Resource Services (New Measures)	2007-08
Length of time required to review and approve agency requests for centralized classification actions of vacant positions	23 days
Number of Temporary Clerical Pool billable hours to agencies	283,886
The turnaround time required to process agency work orders	Clerks – 2.74 days Typists – 8.38 days

 **KEY OBJECTIVE: Increase the overall coverage and use of the Pennsylvania Statewide Radio Network.**

**Why this objective is important:** To ensure a quick response to emergencies, it is critical to have a public safety radio system that provides reliable statewide communications among all of Pennsylvania's critical public safety agencies.

The commonwealth's disparate, incompatible and aging mobile radio system is being replaced with a flexible, centrally-managed statewide system. Using the most reliable and effective wireless communications technology available, the department provides 93 percent of Pennsylvania's 46,056 square miles of land and water with radio coverage.

Ongoing efforts are underway to improve the interoperability and integration of the Pennsylvania Statewide Radio Network with each of the 67 county 9-1-1 centers and in each of the 17 participating state agencies.

## Office of Administration *continued*

- ✓ Overall radio coverage has increased from 81 percent in 2005-06 to 93 percent in 2007-08.
- ✓ The number of registered radios on the network has increased by nearly 20 percent in the past fiscal year.

In the future, the department will undertake the following tasks to further the Pennsylvania Statewide Radio Network:

- Identify and implement the best available locations for additional tower and microcell sites, focusing on the remaining counties that are below 95 percent coverage;
- Develop frequency and software technology improvements, including making existing radio subscriber units work at lower signal strengths – thereby expanding the coverage footprint without the expense of building additional infrastructure;
- Work closely with the Federal Communications Commission to eliminate performance-degrading frequency interference from other carriers, including cell phones, televisions and other public safety agencies;
- Support agency transition to the radio system through planning, training and the deployment of a centralized 24-hour help desk and a tactical emergency response unit.

Statewide Radio Network (New Measures)	2005-06	2006-07	2007-08
Percentage of statewide land area radio coverage	81.1%	91.1%	93.0%
Percentage of statewide road coverage	N/A	91.7%	94.3%
Integrated county interoperability connections (67 counties and 72 911 call centers)	N/A	11	28
Percentage of registered radios on the network (OA estimates that 22,500 radios will be required to complete the transition of commonwealth agencies from legacy systems)	N/A	60.7%	75.5%
Average monthly push-to-talk transmissions	N/A	2,570,526	3,406,888

### Additional Programs/Initiatives

**Continuity of Government** – The department ensures the continuity of essential government functions under all circumstances that may disrupt normal operations. The changing threat environment since the September 11, 2001 terrorist attacks and recent emergencies – including localized acts of nature, domestic terrorist incidents, power outages, technological emergencies and accidents – have increased awareness that governments must continue their essential functions during a broad spectrum of emergencies.

### Awards and Recognition:

- **National Association of Chief Information Officers** – The Pennsylvania Information Security Architecture received the National Association of Chief Information Officers’ 2007 Recognition Award for Outstanding Achievement in the category of information security and privacy. The program developed a multifaceted approach to information security that encompasses efficient and effective technology solutions, policy development and employee awareness.

## Office of Inspector General

Donald L. Patterson, Inspector General  
www.oig.state.pa.us

### Mission Statement

The mission of the Office of Inspector General is to initiate, supervise, and coordinate investigative activities related to fraud, waste, misconduct or abuse in executive agencies, and, when invited, in independent agencies; recommend policies for and to conduct, supervise and coordinate activities designed to deter, detect, prevent, and eradicate fraud, waste, misconduct, and abuse in executive agencies; to refer violations of criminal law or matters requiring civil actions by the commonwealth involving executive agencies to the Governor's General Counsel; to cooperate with federal, state and local law enforcement agencies in the prosecution of criminal violations of federal and state benefit programs; to prevent, detect and deter fraud prior to authorization of program benefits; to recover overpaid program benefits; to promote public awareness of effective government; and to ensure proper distribution of benefits to citizens in need.

### Overview of Programs and Services:

#### Bureau of Special Investigations

- Conducts independent investigations relating to fraud, waste, misconduct or abuse in all executive agencies, and other agencies upon request.
- Conducts pre-employment background investigations.
- Investigates vendor/contract misconduct involving state funds.

### High-Level Goals

- Reduce fraud in federal and state benefit programs.
- Reduce fraud, waste and abuse in executive agencies of state government.

### Key Objectives, Strategies and Accomplishments in 2007-08:

**PA KEY OBJECTIVE: Increase government agency awareness of the investigative services and resources available to them through the Office of Inspector General.**

**Why this objective is important:** To ensure that hard-earned tax dollars are being put to good use by government agencies and recipients of public-benefit programs, to maintain the integrity of their programs, and to increase the public's confidence in state government.

Executive Direction	2007-08
General Investigations	243
Arrest Investigations	14
Background Investigations	210

**PA KEY OBJECTIVE: Prevent, detect and deter fraud before an individual's authorization for program benefits.**

**Why this objective is important:** When public benefits are received based on fraudulent information, it ultimately affects both the quality and the availability of governmental programs and services. By preventing benefits from being given to those who knowingly try to defraud the system, the office helps to ensure the availability of the services for those truly in need.

The office works with the Department of Public Welfare to investigate questionable applications for benefits. Using a field investigation program, the office strives to identify fraudulent applications before benefits are authorized, thereby providing cost savings to the commonwealth.

- ✓ Application Referrals Received in 2007-08: 22,948
- ✓ Cost Savings in 2007-08: \$57,612,937

# Office of Inspector General

(continued):

- Conducts program reviews on commonwealth administered programs.

## Bureau of Fraud Prevention and Prosecution

### Investigations:

- Investigates questionable applications for benefits and conducts other prevention activities.
- Conducts overpayment investigations, which can lead to prosecutions and/or administrative disqualification hearings.
- Conducts Medical Assistance provider compliance reviews for pharmacy and durable medical equipment vendors.
- Conducts Food Stamp trafficking investigations.

### Collections and Recovery:

- Oversees recoupment and repayment of overpaid benefits.
- Administers the Refund Intercept Program.
- Monitors toll-free call lines for collections and tip complaints.
- Oversees the Office of Inspector General Avoidance and Recovery System (OARS).

### Fiscal Year 2007-08

**Complement Level:** .....349

**Total Budget:** ..... \$29.793M

(Includes state, federal and other funds.)

**PA KEY OBJECTIVE: Ensure that individuals are held accountable when they are overpaid public benefits that were received by fraudulent means.**

By investigating overpaid benefits to determine fraudulent intent, the Office of Inspector General seeks to prosecute public benefit fraud, ensure that benefits are repaid and that disqualification penalties are issued against those found guilty of fraud. These consequences aid in deterring others from attempting to obtain benefits illegally.

Fraudulent Investigation Results for 2007-08	
Criminal Complaints Filed	1,002
Criminal Complaint Monetary Values	\$3,555,802
Administrative Disqualification Hearing Letters Sent	106
Administrative Disqualification Hearing Monetary Values	\$95,431

Disqualification Actions 2007-08	Disqualifications	Cost Savings
Administrative Disqualification Hearings	64	\$85,576
Prosecutions	1,182	\$1,274,739

*For every dollar spent on welfare fraud investigative and collection activities, the Office of Inspector General saves commonwealth taxpayers \$11.34 – an average of more than \$778,000 per Claims Investigation Agent and Welfare Fraud Investigator.*