

2008-09 Governor's Report on State Performance

Edward G. Rendell
Governor



**GOVERNMENT
EFFICIENCY**



ENVIRONMENT



EDUCATION

**CONSUMER
PROTECTION**



**HEALTH &
HUMAN SERVICES**

PUBLIC SAFETY



**ECONOMIC
DEVELOPMENT**





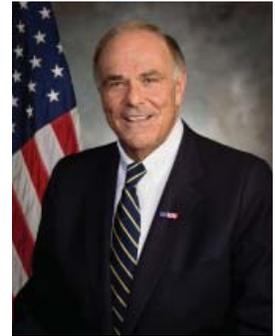
COMMONWEALTH OF PENNSYLVANIA
OFFICE OF THE GOVERNOR
HARRISBURG

April 2010

To the People of Pennsylvania:

I am pleased to present to you the 2008-09 Governor's Report on State Performance, which provides information on the key objectives, accomplishments and challenges of 31 commonwealth agencies from July 2008 through June 2009.

This report should be considered in the context of the extremely difficult economic climate that prevailed during that fiscal year and that continues to be felt in Pennsylvania and across the nation. We were in the first quarter of the 2008-09 fiscal year when the country — and the world — faced the grim prospect of the collapse of the credit markets. That collapse was averted, but the economic crisis remained and intensified. Here in Pennsylvania, business sales declined, unemployment rose and state revenues fell well below estimates.



As a result, the agencies under my jurisdiction carried out their work in 2008-09 in the shadow of severe budget constraints, which included a general hiring freeze, a freeze on cabinet and non-union salaries, and a halt to nearly \$500 million in planned spending across the agencies.

In the pages of this report, you will learn of the many challenges agencies faced in reaching their objectives. For example, patient access to primary health care in underserved areas is increasing, but the demand continues to be greater than the funding available to support that care. Schools without adequate funding struggle to raise student achievement levels. And even as those in the juvenile justice system seek to increase the number of young offenders who successfully complete supervision, state funding to support county probation officer positions has decreased.

But you will also see measurable successes. In 2008-09 the commonwealth repaired 1,041 state bridges; provided more than 580,500 property tax or rent rebates to older people and people with disabilities; and, through investments in public education, helped improve student performance. The percentage of students proficient or advanced in math and reading rose from 55 percent in 2002 to nearly 75 percent in 2009.

Best of all, we accomplished all this while cutting the administrative costs of running state government and producing substantial annual savings. In terms of actual dollars, administrative spending in 2008-09 was 3.8 percent lower than it was in 2002-03. In addition to cutting administrative costs, through the end of 2008-09 state agencies were able to deliver \$1.75 billion in annual recurring savings across all state programs.

The findings of this report will help with decisions on future budgets. We will continue to face daunting economic challenges for the next several years, and we need to know that the money we invest in commonwealth programs is being spent wisely and well and achieving the goals we have set. The better we are able to measure our own performance, the more secure we can be about the value of those investments.

Sincerely,

Edward G. Rendell

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Commonwealth of Pennsylvania

Governor's Report on State Performance Fiscal Year 2008-09 (July 1, 2008 - June 30, 2009)

Edward G. Rendell
Governor

Requests for copies and/or comments on the Governor's Report on State Performance 2008-09 should be sent to GBOpublishations@state.pa.us. Additional information on the Governor's Executive Budget can be found at www.budget.state.pa.us.



www.pa.gov

Table of Contents

Letter From the Governor	i
About This Report.....	vi
Executive Summary	vii

Education: Build a World-Class Public Education System

Contributing Agencies.....	1
Subject Area:	
Pre-K through 12 Education.....	2
Higher Education	5
Library Resources.....	10
Awareness and Advocacy for Women.....	11

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

Contributing Agencies.....	13
Subject Area:	
Employment and Business Development.....	15
Worker Protection.....	21
Community Development	23
Transportation	24
Housing.....	27

Health & Human Services: Increase Access to High-Quality Health Care and Assist Our Most Vulnerable Citizens to Live Independently

Contributing Agencies.....	31
Subject Area:	
Family Support Services.....	32
Nutrition and Food Safety.....	34
Access to Quality Health Care Services.....	36
Long-Term Care Services and Support.....	42
Lottery Proceeds Benefit Older Pennsylvanians	44
Veterans Homes and Services	45
Smoking Prevention.....	46
Animal Health and Diagnostic Services	47

Environment: Protect Our Natural Resources

Contributing Agencies.....	49
Subject Area:	
Natural Resource Conservation and Management	50
Outdoor Recreation.....	55
Mine and Dam Safety	59

Table of Contents

Public Safety: Ensure the Safety of Our Citizens

Contributing Agencies.....	61
Subject Area:	
Prevention, Preparedness and Response.....	63
Incarceration, Rehabilitation and Reentry of Offenders.....	74
Compensation, Victim Notification and Restitution.....	82

Consumer Protection: Ensure the Consumer Protection of Our Citizens

Contributing Agencies.....	85
Subject Area:	
Consumer Education and Assistance.....	86
Licensing, Registration and Oversight.....	87
Civil Rights and Equal Opportunity.....	92

Government Efficiency: Deliver Greater Value and Efficiency in Government

Contributing Agencies.....	95
Subject Area:	
Tax Filing and Delinquent Tax Collection.....	96
Commonwealth Budget.....	97
Workforce and Operations.....	99
Contracting.....	102
Oversight and Investigation.....	103

About This Report

Why This Report Was Prepared

- To offer the citizens of Pennsylvania a better understanding of the major services provided by the commonwealth from July 1, 2008 to June 30, 2009.
- To increase state government's accountability to those who live and work in Pennsylvania.
- To document data, trends and the status 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?***

How This Report Is Structured

Executive Summary:

This Governor's Report on State Performance offers Pennsylvanians information on key objectives, accomplishments and challenges of 31 agencies from July 2008 through June 2009.

The executive summary of this report includes a description of each Administration Goal, the status of key initiatives under that Goal and specific agency examples.

Administration Goals:

Following the Executive Summary, the report information is grouped by the following Administration Goals:

- 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 and Assist Our Most Vulnerable Citizens to Live Independently
- Environment—Protect Our Natural Resources
- Public Safety—Ensure the Safety of Our Citizens
- Consumer Protection—Ensure the Consumer Protection of Our Citizens
- Government Efficiency—Deliver Greater Value and Efficiency in Government

Subject Area:

Information under each Administration Goal is grouped by a general subject that identifies the focus of the objective(s) and related information under that heading. Any commonwealth agency with a featured initiative pertaining to that subject will have those initiatives grouped under that subject. Many commonwealth agencies have initiatives under more than one Administration Goal and multiple Subject Areas.

Key Objective, Why This Objective is Important and How We Are Doing:

Under each Subject Area all contributing agencies provide information on the following:

- Key Agency Objective describes what the agency is focusing on and why it is important.
- How We Are Doing provides information on the status of achieving that objective—including accomplishments and challenges.

How This Report Was Prepared

The Governor's Office of the Budget worked collaboratively with state agencies to collect and compile information into a consistent and informative report. Each agency validated the reported data for accuracy.

Executive Summary

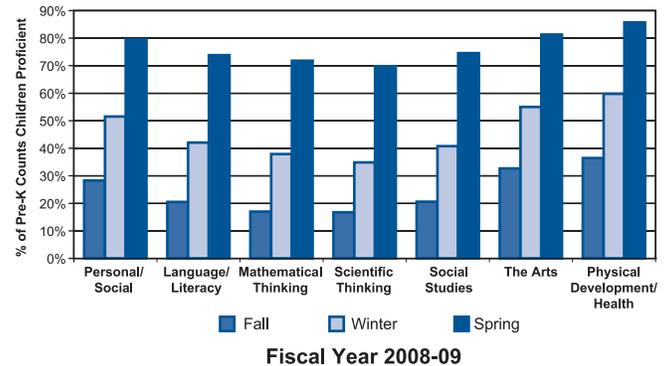
Education – Build a World-Class Public Education System

Pennsylvania is committed to: providing all students with an education that prepares them for high-skills careers, funding educational practices proven to boost student achievement, empowering students to succeed and establishing an adequate long-term school funding system.

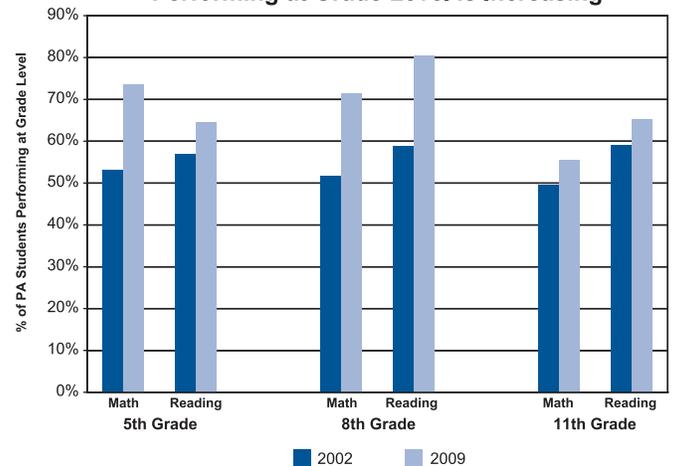
WHAT WE ARE ACCOMPLISHING:

- Preparing children for school with early learning programs.** In 2008-09, Pennsylvania’s nationally recognized Pre-K Counts program provided pre-kindergarten services to 11,800 three- and four-year-olds.
- Increasing investment in public education so all students have the resources to meet the academic standard for their grade level.** By increasing investments in public education, Pennsylvania increased the percentage of students performing at grade level (proficient or advanced in math and reading on the state assessment) from 55 percent in 2002 to nearly 75 percent in 2009. Only three states scored higher than Pennsylvania on national assessments in fourth grade reading and only four states scored higher in eighth grade reading. Only four states scored higher on national assessments in fourth grade math and only seven states scored higher in eighth grade math.
- Increasing graduation rates at Pennsylvania’s colleges and universities.** Pennsylvania’s 64.9 percent completion rate for bachelor’s degrees exceeded the national average of 56.1 percent.
- Preparing students for the occupations in greatest demand in the workforce.** In 2008-09, Pennsylvania awarded \$5,081,311 in Sci-Tech and Technology Scholarships to 3,136 students. Pennsylvania is also working to ensure that our career and technical education programs are aligned with high-priority occupations. In 2008-09, more than 1,200 career and technical education programs educated more than 44,900 students in high-priority occupations and provided living wages across the commonwealth.

PA Pre-K Counts Improved Proficiency in Key Areas



The Percentage of Pennsylvania Students Performing at Grade Level is Increasing



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

Pennsylvania is committed to: stimulating economic investment, growth and employment opportunities; developing innovative public-private partnerships; supporting the development and training of workers; providing adequate housing for those in need and improving the state’s transportation system.

WHAT WE ARE ACCOMPLISHING:

- Creating a business climate that encourages the creation, expansion and retention of businesses and jobs.** In 2008-09, more than \$7.5 billion in public and private funds were invested in 17,852 businesses to create or maintain an estimated 185,155 jobs.

Executive Summary

- **Increasing the employment potential and independence of persons with disabilities.** In 2008 the commonwealth provided vocational rehabilitation to more than 80,284 persons with disabilities to improve their employment potential and personal independence.
- **Maintaining a safe and secure transportation system.** In 2008-09, Pennsylvania repaired 1,041 state bridges. And with 168 of 242 highway, bridge and public transportation projects under way, PennDOT exceeded the national goal of committing half of American Recovery and Reinvestment Act (ARRA) funding by June 30, 2009.
- **Reducing the number of homes in foreclosure and providing property tax/rent rebates.** In 2008-09, the Pennsylvania Housing Finance Agency approved loans through three foreclosure-prevention programs that saved 2,779 homes from foreclosure. And Pennsylvania's property tax and rent rebate program provided more than 580,500 rebates to older Pennsylvanians and people with disabilities – 2.9 percent more rebates than in 2007 and 79.1 percent more rebates than in 2002.

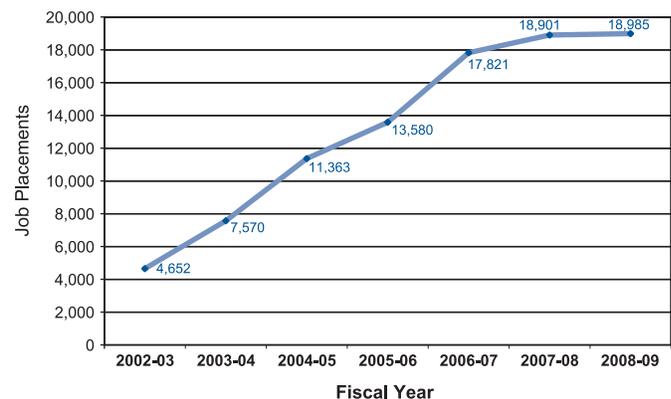
Health and Human Services – Increase Access to High-Quality Health Care and Assist Our Most Vulnerable Citizens to Live Independently

Pennsylvania is committed to: increasing access to affordable health care, providing eligible families and senior citizens the medical care necessary to live healthy and independent lives, ensuring that eligible veterans receive the appropriate assistance and providing opportunities for the most vulnerable Pennsylvanians.

WHAT WE ARE ACCOMPLISHING:

- **Assisting out-of-home children to find permanent homes.** In 2008-09, Pennsylvania helped 4,124 dependent children find permanent homes through adoption, legal custody and placement with relatives.
- **Assisting families to increase financial stability and self-sufficiency.** Pennsylvania has increased job placements by employment and training contractors through the Temporary Assistance for Needy Families (TANF) program by more than 300 percent between 2002-03 and 2008-09.
- **Increasing access to food for nutritionally at-risk Pennsylvanians.** Demand for emergency food has grown by more than 50 percent since 2007. In 2008-09, the State Food Purchase program provided more than 33 million pounds of food, yielding approximately 26.5 million meals, to 1.03 million households. And the Farmer's Market Nutrition program provided vouchers for more than \$4.8 million in fresh, local produce to seniors and Women Infant & Children (WIC) program recipients.
- **Providing access to health insurance, medications and primary medical and dental care services.** In 2008-09, the number of children enrolled in the Children's Health Insurance Program (CHIP) reached 183,591 – an increase of more than 31,500 children since 2006-07. The PACE and PACENET programs funded more than 11.6 million prescriptions. And Community Primary Care Challenge grants provided medical care to more than 54,000 new patients in federally designated health shortage areas.

TANF Job Placement by Contractors Increases



Data Source: Department of Public Welfare,
Commonwealth Workforce Development System

Environment – Protect Our Natural Resource

Pennsylvania is committed to: making our air and waterways cleaner; supporting the development of alternative energy sources; preserving and expanding open spaces, recreational and cultural amenities; and protecting our food supply and the environment.

WHAT WE ARE ACCOMPLISHING:

- **Increasing the development of alternative energy sources in Pennsylvania.** The Alternative Energy Investment Act of 2008 will provide \$650 million for new investments in alternative and renewable energy; energy efficiency projects for residents, businesses and local governments; and conservation and weatherization measures to reduce energy consumption. In 2009, the PA Sunshine Solar program received applications from more than 200 businesses for rebates available to residents and small businesses for solar photovoltaic and solar thermal projects.
- **Conserving farmland, forest lands and open space.** In 2008-09, Pennsylvania preserved 23,681 acres on 253 farms and 10,435 acres of forest land and open space.
- **Reducing unhealthy levels of pollution in the air, water and land.** In 2008-09, Pennsylvania's nutrient management plans protected 589,450 acres by controlling nutrients beneficial to crops and pastures but harmful to streams and rivers.
- **Creating outdoor connections for citizens and visitors.** In 2008-09, 36.6 million people visited Pennsylvania's state parks, a 10 percent increase from 2007-08. And Pennsylvania certified 13,735 students in boating safety education courses and educated students in 95 classrooms about watersheds through the Trout in the Classroom program.

Public Safety – Ensure the Safety of Our Citizens

Pennsylvania is committed to: protecting the lives and property of individuals and organizations from natural and man-made disasters and criminal activity and providing protection to Pennsylvanians from illegal and unfair actions.

WHAT WE ARE ACCOMPLISHING:

- **Reducing traffic fatalities.** Through the combined enforcement and safety efforts of the Pennsylvania State Police and the Department of Transportation, traffic fatalities continued to decline. In 2008, highway crashes in Pennsylvania claimed the lives of 1,468 motorists, the least since 1994.
- **Decreasing the number of violent crimes and property crimes.** From 2007-08 to 2008-09, violent crimes against persons decreased 4.9 percent and crimes against property decreased 2.6 percent. In 2008, Operation Triggerlock led to 2,444 arrests in 15 communities and the seizure of 43 guns. This program removes violent felons, illegal narcotics and illegal weapons from high-crime and distressed communities.
- **Encouraging Pennsylvanians to prepare and plan for emergencies.** In 2008-09, the Pennsylvania Emergency Management Agency worked with county citizen corps to educate 582,023 Pennsylvanians about emergency preparedness.
- **Providing treatment and rehabilitation to reduce recidivism.** The Commission on Crime and Delinquency supports the use of evidence-based juvenile justice and delinquency prevention programs. These programs supported 25 communities in 2008-09 – nearly double the number of communities supported in 2005-06. Pennsylvania's one-year recidivism rate for adults decreased from 11.9 percent in 2004 to 9.9 percent in 2007. Fifty-three percent of offenders whose parole supervision ended in 2008-09 completed parole successfully and the percentage of parolees who stopped reporting dropped from 7 percent in 2001-02 to 3.5 percent in 2008-09.

Executive Summary

- **Improving the victim compensation process.** In 2008-09, the Commission on Crime and Delinquency received 8,216 claims for victim compensation, resulting in \$14.2 million paid to or on behalf of victims. In addition, the time to process these claims dropped from an average of 52 weeks in 1986-87 to 6.5 weeks in 2008-09.

Consumer Protection – Ensure the Consumer Protection of Our Citizens

Pennsylvania is committed to: protecting the public from discrimination, fraud and financial abuse; ensuring that only qualified professionals are working in the commonwealth; and ensuring the accuracy, integrity and security of the electoral process.

WHAT WE ARE ACCOMPLISHING:

- **Increasing efforts to protect and seek restitution for consumers in the financial marketplace.** In 2008-09, the Department of Banking's consumer hotline handled inquiries and complaints from 6,351 consumers, resulting in refunds of \$3.4 million. In addition, the department's examinations of 906 companies resulted in 96 fines totaling \$834,534; the identification and correction of 1,091 compliance violations; \$330,699 in refunds to consumers; 10 licenses suspended or revoked; and 23 prohibition orders issued.
- **Decreasing the risk to Pennsylvania consumers who engage in commercial transactions.** In 2008-09, the Department of Agriculture inspected 98,979 devices such as parking meters, fuel dispensers, retail scanners and commercial scales, nearly 16 percent more than in 2007-08. The department also fielded more than 500 consumer complaint hotline calls.
- **Reducing the number of Pennsylvania homeowners losing their homes.** Legislation enacted in 2008 is designed to protect consumers and strengthen oversight of the mortgage industry. For the first time, all mortgage salespeople (originators) in Pennsylvania must be licensed. Since the law took effect in December 2008, the Department of Banking has granted licenses to nearly 7,000 originators.

Government Efficiency – Deliver Greater Value and Efficiency in Government

Pennsylvania is committed to: mobilizing resources to eliminate waste and ensure maximum service to Pennsylvanians, increasing the efficiency and effectiveness of state government and administering the state's tax laws fairly and equitably.

WHAT WE ARE ACCOMPLISHING:

- **Increasing the use of electronic tax filing and collection of delinquent taxes.** More than 3.5 million Pennsylvanians filed personal income tax returns electronically in 2009 and 82 percent of new businesses submitted their business registration applications electronically in 2008. Electronic filing saves Pennsylvania more than \$1.8 million each year. In 2008-09, Pennsylvania collected \$700 million in delinquent taxes. The Department of Revenue has increased its delinquent tax collection 29 percent since 2003-04 and in 2008-09 collected more than \$11 in delinquent taxes for every dollar spent on enforcement.
- **Improving the commonwealth's accounting and financial reporting systems.** The Office of Comptroller Operations began a finance transformation project in early 2008; changes in 2008-09 included a shift to electronic invoicing. By eliminating thousands of paper invoices received each year, the commonwealth saves on paper and processing costs, while vendors save on paper and postage and receive their payments faster.
- **Reducing the administrative costs of government.** The Governor's Budget Office works with agencies to control administrative costs so more resources can be invested in programs and services that directly benefit residents. In 2008-09, costs to operate state government were actually 3.8 percent lower than in 2002-03, despite increased costs per employee for salaries/wages, health benefits and pensions.

Executive Summary

- **Maintaining a manageable debt level and an excellent credit rating.** 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 double-A credit rating from the Wall Street rating agencies based on its relatively low debt burden and sound financial management practices.
- **Increasing savings by strategically purchasing goods and services.** By using Strategic Sourcing to purchase approximately \$4 billion in goods and services annually, the Department of General Services has saved the state approximately \$320 million.
- **Preventing, detecting and deterring fraud, waste and abuse involving agencies, employees, contractors or program beneficiaries.** In 2008-09, the Department of Public Welfare referred 25,802 questionable applications for benefits to the Office of Inspector General for investigation. Investigations identified that 10,897 of those questionable applications did contain fraudulent information and prevented those ineligible applicants from receiving benefits, saving Pennsylvania more than \$57.3 million.

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Education – Build a World-Class Public Education System

Contributing Agencies & Mission Statements

Department of Education

Dr. Gerald L. Zahorchak
www.education.state.pa.us
Complement Level: 760
Total Budget: \$14.143 B

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

Pennsylvania Higher Education Assistance Agency

James L. Preston, President
www.pheaa.org
Complement Level: 2,148
Total Budget: \$474.436 M

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.

Commission for Women

Leslie Stiles, Executive Director
www.pcw.state.pa.us
Complement Level: 3
Total Budget: \$325 K

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.

Education – Build A World-Class Public Education System

Pre-K through 12 Education

Key Objective: Make high-quality early learning programs available to Pennsylvania children, particularly those at risk of academic failure.

Why this objective is important: High-quality early childhood education helps prepare children for school, especially those at risk of academic failure due to poverty or other circumstances. Children who benefit from high-quality early education are more likely to be better students, graduate from high school and attend college.

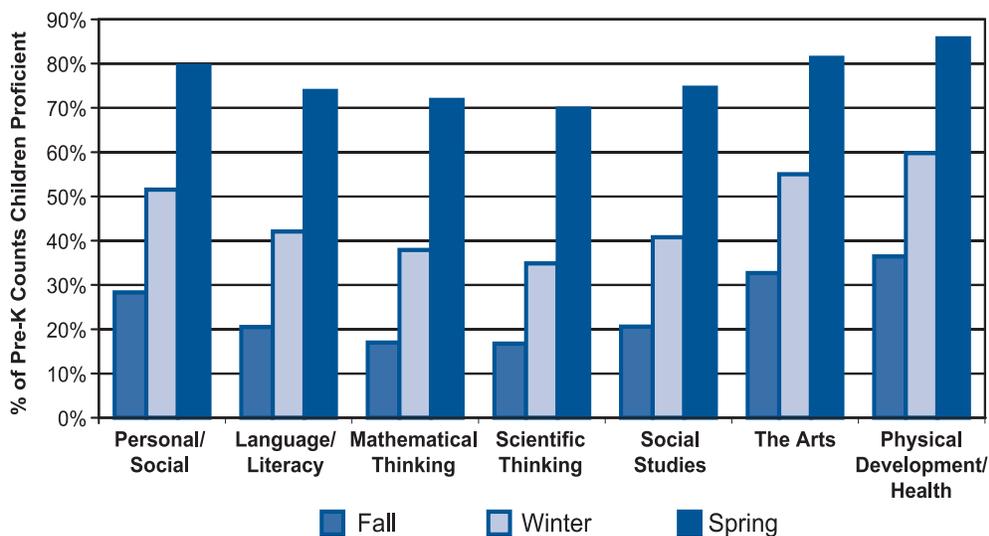
How we are doing: The Department of Education has played a key role in creating an effective early childhood education system that sets high standards, provides the supports to meet those standards and fosters accountability and community engagement.

In 2008-09:

- Pennsylvania Pre-K Counts provided high-quality pre-kindergarten services to 11,800 three- and four-year-olds.
- The department provided early intervention services to more than 40,000 preschoolers with developmental delays or risks of developmental delays.

Pennsylvania's investments are getting results, with President Barack Obama and others taking note of the commonwealth's leadership and success. Last year's Pennsylvania Pre-K Counts graduates are succeeding in kindergarten and this year's students have made remarkable progress during the 2008-09 school year. Because of our investments, more children are entering kindergarten ready to learn.

PA Pre-K Counts Improved Proficiency in Key Areas



Fiscal Year 2008-09

Pennsylvania is already a national model of success, but more must be done to provide access. As of June 2008, more than 7,800 children were on waiting lists for early education programs. Increased investment and public support are needed to expand these services. To learn more, visit http://www.portal.state.pa.us/portal/server.pt/community/pre_k-12/7209.

Education – Build A World-Class Public Education System

Pre-K through 12 Education (continued)

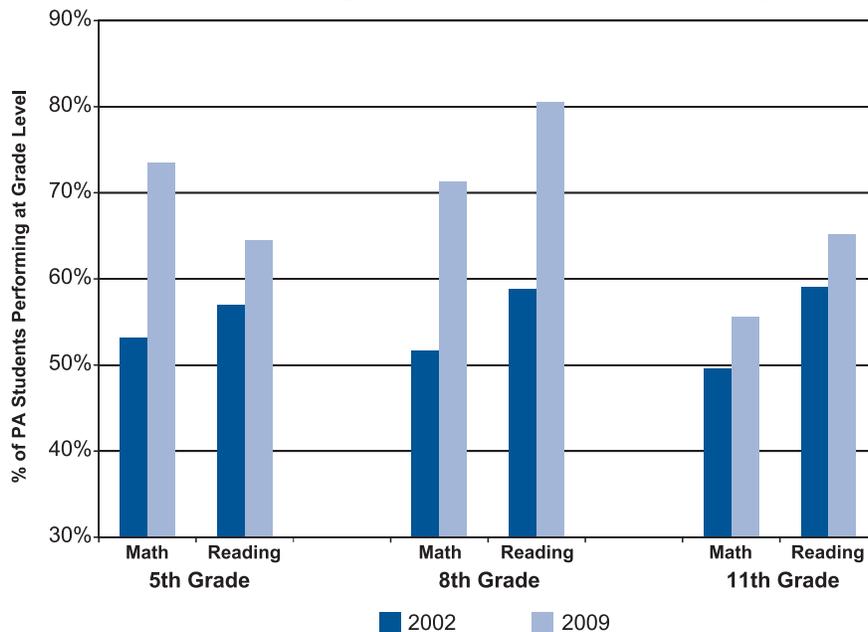
Key Objective: Ensure that every K-12 student acquires essential skills in math, English, science and social studies.

Why this objective is important: Success beyond high school, whether in college or in the workplace, requires a strong foundation in math, English, science and social studies. Highly skilled, engaged citizens are the foundation for Pennsylvania’s economic success in a global economy.

How we are doing: The Department of Education has made substantial investments in public education over the past seven years and is getting results. The percentage of students performing at grade level (proficient or advanced in math and reading on the state assessment) has increased significantly since 2002.

The Center for Education Policy, a leading national educational research organization, identified Pennsylvania as the only state to see increases in student achievement in each of elementary, middle and high school grades from 2002 to 2008.

The Percentage of Pennsylvania Students Performing at Grade Level is Increasing



Pennsylvania continued this progress in 2009, with nearly three-quarters of Pennsylvania students performing on grade level in reading and math, compared to 55 percent in 2002.

The federal No Child Left Behind Act of 2001 requires all students to be proficient in math and reading by 2014. States are required to set annual targets to ensure that schools are making progress toward this goal. The achievement of students in each school in math and reading compared to these targets is called Adequate Yearly Progress (AYP). AYP is one indicator for parents, educators and the public about the quality of each school. Nearly 500 more schools met AYP targets in 2009 than in 2008. Nearly 70 percent of the schools that were in “warning” status in 2008 met the 2009 AYP targets. More than 77 percent of all Pennsylvania schools met the 2009 AYP targets.

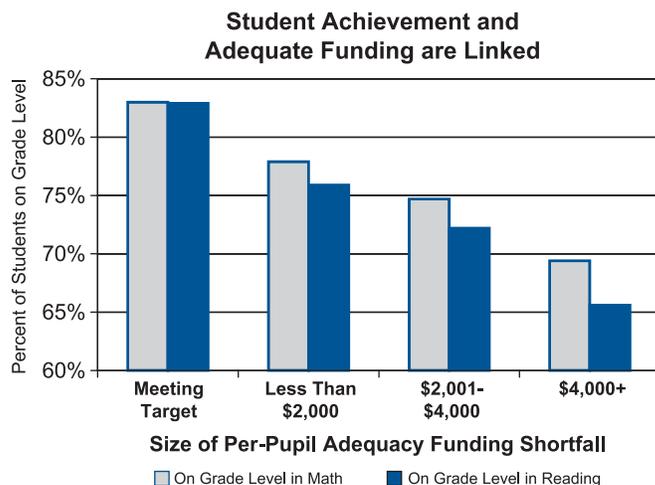
According to the U.S. Department of Education’s study of 2007 student national test data, only three states scored higher than Pennsylvania in fourth grade reading and only four states scored higher in eighth grade reading. Four states scored higher in fourth grade math and seven states scored higher in eighth grade math. Pennsylvania is well on its way to its goal of 100 percent student proficiency by 2014, as the federal No Child Left Behind Act requires. However, there is still much work to be done.

Education – Build A World-Class Public Education System

Pre-K through 12 Education (continued)

Pennsylvania's struggling students – those at greatest risk of not reaching proficiency by 2014 – continue to be concentrated in under-funded school districts. The districts that have made the greatest gains in student achievement since 2002 also have received some of the most significant state investments toward student success but may still have large adequacy gaps. There is a correlation between adequate funding and student achievement.

In all, 81 percent of students are performing at grade level in schools with adequate funding, while only about 65 percent are performing at grade level in schools with funding adequacy gaps of greater than \$4,000 per pupil.



Department-led efforts to assist districts include:

- Implementing a standards-aligned system that includes clear standards, fair assessments, curriculum framework, instruction, materials and resources, and interventions for students who need help.
- Decreasing the funding adequacy gap – the difference between what school districts should spend and what they actually spend. The General Assembly's 2007 "Costing-Out Report" provided the first-ever Pennsylvania-specific school funding targets for every school district. In 2008-09, Pennsylvania took the first step toward building a new school funding formula and provided \$291.3 million as a down payment on a six-year plan toward adequacy.
- Increasing the high quality of instruction and rigor of curriculum in core subject areas through the development of voluntary model curricula, professional development and teacher preparation, and investments in career and technical education. In 2008-09:
 - 1,332 administrators participated in the Pennsylvania Inspired Leadership program in order to learn how to support effective instruction by their teachers.
 - The department issued new guidelines for teacher, principal and superintendent preparation programs with a greater emphasis on connecting coursework to real-world application; increased field experience requirements; and a focus on child development and 21st century standards.
 - \$52 million supported the efforts of local districts and career and technical centers to enhance career and technical education programs to meet industry standards through updated curriculum, professional development and state-of-the-art equipment purchases.
- Continuing state investments in school districts for programs proven to raise student achievement. In 2008-09:
 - \$271 million in Accountability Block Grants was provided to school districts to support early childhood education, full-day kindergarten, teacher training, tutoring, reduced class size and other practices proven to increase student performance.
 - \$66 million in Educational Assistance Program funding was provided to school districts and career and technical centers to provide tutoring to ensure that these students achieve reading and mathematics proficiency and graduate prepared for college and the high-skills workforce.

Education – Build A World-Class Public Education System

- Science: It's Elementary, a hands-on program for science learning in the classroom, provided intensive teacher training, coaching and fully stocked science kits to more than 72,000 students and their teachers in kindergarten through eighth grade.
- More than 18,500 juniors and seniors enrolled in postsecondary courses at a reduced cost and received college credit for their work through the Dual Enrollment program, a 154 percent increase in student participation since the program's inception in 2005-06.
- Tracking the progress of public school students and teachers through the Pennsylvania Information Management System and the Teacher Information Management System.

To learn more, visit:

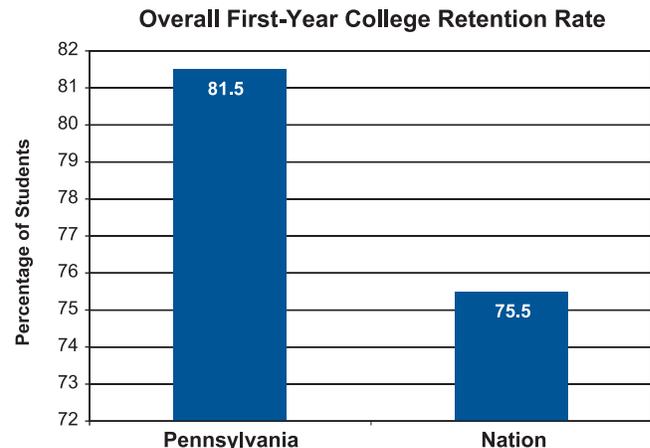
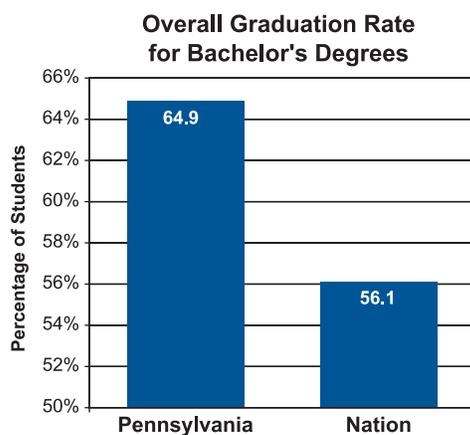
http://www.portal.state.pa.us/portal/server.pt/community/child_development__early_learning/7200.

Higher Education

Key Objective: Increase enrollment and graduation rates at Pennsylvania's colleges and universities, especially among economically disadvantaged students and first-generation college students.

Why this objective is important: Pennsylvania must create a highly skilled workforce to be competitive in the global marketplace. Most living-wage jobs increasingly require postsecondary training or education. Workers who lack the skills or education to obtain these jobs are more likely to rely on government aid programs, increasing costs to taxpayers. Making higher education more accessible and affordable benefits the state's economy and all of its citizens.

How we are doing: The Department of Education is working to make higher education more accessible and affordable by offering multiple options for postsecondary learning, 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 vocational and technical schools. Pennsylvania's completion rate for bachelor's degrees is well above the national average, and Pennsylvania has an above-average first-year retention rate – an important indicator of whether a student will graduate.



2007 Source: www.higheredinfo.org

2007

Note: 2007 is the latest year for which state-by-state comparisons were done.

Despite these positive indicators, more can be done to increase college access and completion rates, especially for minority students. According to higheredinfo.org, while about 66 percent of white Pennsylvanians graduate from Pennsylvania's four-year institutions within six years, only 44 percent of African-Americans and 57 percent of Hispanics graduate from college within six years.

The high cost of higher education could account for these disparities between white and minority students, and it could also be a barrier to higher education for all students. Pennsylvania received an 'F' for affordability in higheredinfo.org's latest national higher education report card. The report found that

Education – Build A World-Class Public Education System

Higher Education (continued)

families contribute an increasingly larger share of their income for their children to attend Pennsylvania's two-year and four-year institutions, and families often accumulate burdensome debt.

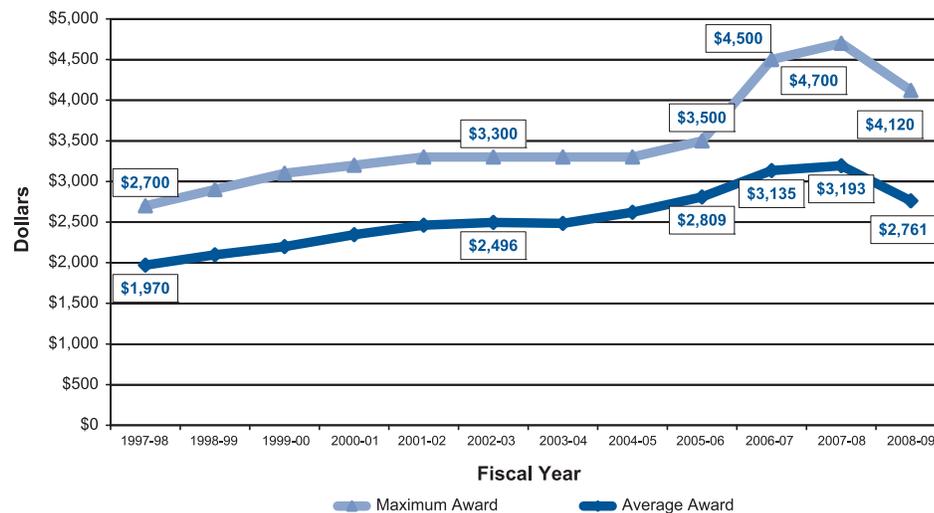
The Department of Education is working to make higher education accessible and affordable to all by:

- Assisting students and families with the cost of higher education through the Pennsylvania Higher Education Assistance Agency (PHEAA).
- Investing in the commonwealth's community colleges and state universities.
- Administering the College Access Challenge Grant Program.
- Making it easier for students to transfer credits.
- Conducting prior-learning assessments.
- Accurately tracking Pennsylvania's postsecondary students through the expansion of the Pennsylvania Information Management System.
- Adopting workforce development strategies to train students for occupations in high demand, including adult education initiatives.
- Offering Dual Enrollment Grants to provide a pathway to affordable college for high school students.

To learn more, visit <http://www.pdehighered.state.pa.us/>.

The Pennsylvania Higher Education Assistance Agency provided meaningful State Grants to nearly 165,000 students in 2008-09 and helped ensure that eligible students seeking low-cost federal Stafford loans obtained them. Maintaining this level is particularly impressive in light of the extensive budget reductions Pennsylvania was forced to make.

**Average and Maximum State Grant Awards
Academic Years 1997-98 through 2008-09**



The state-funded **Pennsylvania State Grant Program** continues to provide financial aid to thousands of students. The number and value of grant awards is tied directly to funding appropriated to the programs administered by the agency.

The state-funded **Institutional Assistance Grant Program** provides formula grants to 85 independent, nonprofit Pennsylvania colleges and universities, ensuring strong public and private postsecondary options for students.

Education – Build A World-Class Public Education System

Higher Education (continued)

Pennsylvania State Grant Program		
	Annual Expenditure	Number of Awards
2001-02	\$337,000,000	163,300
2002-03	\$346,700,000	166,200
2003-04	\$357,900,000	175,100
2004-05	\$361,000,000	167,900
2005-06	\$400,000,000	175,100
2006-07	\$452,900,000	178,500
2007-08	\$454,400,000	175,000
2008-09	\$374,900,000	165,000

Institutional Assistance Grant Program		
	Annual Expenditure	Number of Schools
2001-02	\$42,700,000	84
2002-03	\$40,600,000	84
2003-04	\$38,600,000	84
2004-05	\$39,500,000	84
2005-06	\$40,500,000	83
2006-07	\$41,600,000	85
2007-08	\$42,300,000	85
2008-09	\$42,100,000	85

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 internationally.

How we are doing: To increase and maintain a strong workforce in Pennsylvania, the Pennsylvania Higher Education Assistance Agency administers several aid programs in collaboration with the Department of Education and the Pennsylvania Workforce Investment Board. Additionally, the Department of Education aligns career and technical education with those occupations most in demand in Pennsylvania, such as health care professionals, technology experts and engineers. In 2008-09, more than 1,200 career and technical education programs educated more than 44,900 students in high-priority occupations and provided living wages across the commonwealth.

The **New Economy Technology Scholarship Program** provides SciTech and Technology scholarships to students who agree to work in Pennsylvania following graduation for at least one year for each scholarship year.

SciTech Scholarship		
	Number of Recipients	Value of Awards
2005-06	1,152	\$3,222,250
2006-07	1,085	\$3,044,327
2007-08	1,019	\$2,875,250
2008-09	1,125	\$3,178,384

Technology Scholarship		
	Number of Recipients	Value of Awards
2005-06	1,510	\$1,412,665
2006-07	1,648	\$1,555,282
2007-08	1,833	\$1,716,146
2008-09	2,011	\$1,902,927

The **Technology Work Experience Internship Program** provides matching funds to approved postsecondary schools, supporting students completing internships or work experiences with emerging technology companies throughout Pennsylvania. This program received a one-time appropriation in 2004-05.

Technology Work Experience Internship Program		
	Number of Recipients	Value of Awards
2005-06	7	\$18,171
2006-07	23	\$55,078
2007-08	17	\$18,054
2008-09	10	\$20,577

Education – Build A World-Class Public Education System

Higher Education (continued)

The **Federal Work-Study On-Campus**, and **Community Service** and **State Work-Study Programs** provide matching funds to institutions to support both on-campus and off-campus student employment programs. As the minimum wage increased and available funding decreased, less students could be served.

Community Service Program		
	Number of Recipients	Value of Awards
2005-06	2,594	\$1,270,192
2006-07	1,711	\$914,089
2007-08	1,374	\$768,827
2008-09	1,258	\$721,029

Federal Work-Study On-Campus Program		
	Number of Recipients	Value of Awards
2005-06	39,500	\$7,461,262
2006-07	40,945	\$8,319,426
2007-08	36,940	\$8,593,833
2008-09	33,096	\$7,198,707

State Work-Study Program		
	Number of Recipients	Value of Awards
2005-06	5,554	\$3,782,728
2006-07	5,523	\$3,771,026
2007-08	6,327	\$4,473,816
2008-09	5,768	\$4,344,563

Key Objective: Increase beneficial partnerships to increase available student aid funding.

Why this objective is important: Establishing partnerships with other agencies maximizes available student aid funding and makes it easier for Pennsylvanians to pursue postsecondary education.

How we are doing: The Pennsylvania Higher Education Assistance Agency administers various partnership aid programs:

The **Educational Assistance Program**, in partnership with the Pennsylvania Department of Military and Veterans Affairs, provides aid to National Guard members in Pennsylvania. Recipients and value declined significantly in 2008-09 because more PA National Guard members were placed on active duty in Iraq and Afghanistan.

Educational Assistance Program		
	Recipients	Dollars
2005-06	2,669	\$8,234,585
2006-07	2,983	\$10,928,155
2007-08	2,543	\$9,290,594
2008-09	1,865	\$6,319,529

The **Pennsylvania Chafee Education and Training Grant Program**, in partnership with the Pennsylvania Department of Public Welfare, offers grant assistance to Pennsylvania undergraduates who are aging out of foster care.

Pennsylvania Chafee Education and Training Grant Program		
	Recipients	Dollars
2005-06	435	\$1,518,518
2006-07	457	\$1,727,487
2007-08	470	\$1,805,654
2008-09	573	\$2,163,575

Education – Build A World-Class Public Education System

Higher Education *(continued)*

The **Partnerships for Access to Higher Education Program**, in partnership with 35 nonprofit organizations and foundations in Pennsylvania, provides need-based scholarship aid to eligible students, matching up to \$3,500 of partner-provided aid.

Partnerships for Access to Higher Education Program		
	Recipients	Dollars
2005-06	1,447	\$1,559,114
2006-07	1,613	\$1,848,316
2007-08	1,454	\$1,792,646
2008-09	1,512	\$1,699,031

The **Federal Robert C. Byrd Honors Scholarship Program**, in partnership with the Pennsylvania Department of Education, provides federal funds to high school seniors who have demonstrated academic excellence.

Federal Robert C. Byrd Honors Scholarship Program		
	Recipients	Dollars
2005-06	1,095	\$1,594,077
2006-07	1,082	\$1,567,379
2007-08	1,073	\$1,536,376
2008-09	1,061	\$1,512,940

The **Pennsylvania State Gaining Early Awareness and Readiness for Undergraduate Programs**, in partnership with the Pennsylvania State System of Higher Education, provide federal scholarships to inner-city youth going on to postsecondary education. More than 190 recipients received a total of \$717,002 in 2008-09 – the first year of scholarship disbursements.

Key Objective: Increase the awareness of elementary, middle and high school students about the importance of higher education.

Why this objective is important: Introducing elementary and middle school students to the importance of higher education increases the number of high school students who pursue higher education. Early awareness prevents disengagement, offers career path exploration and encourages parental involvement.

How we are doing: The Pennsylvania Higher Education Assistance Agency provides free resources to elementary and middle school students, educating them on the importance of higher education.

- EducationPlanner.org, the agency’s higher education planning Web site, registered more than 900,000 visits during the 2008-09 year – 200,000 more than in 2007-08.
- The agency conducts more than 600 financial aid nights and Free Application for Federal Student Aid completion sessions at Pennsylvania high schools and community centers, providing parents and students with in-depth information on the college planning process and available student aid.

The ever-increasing cost of higher education, unfavorable market conditions and limited appropriations from the General Assembly, however, have limited the agency’s ability to provide aid to all deserving students and have limited award amounts.

Education – Build A World-Class Public Education System

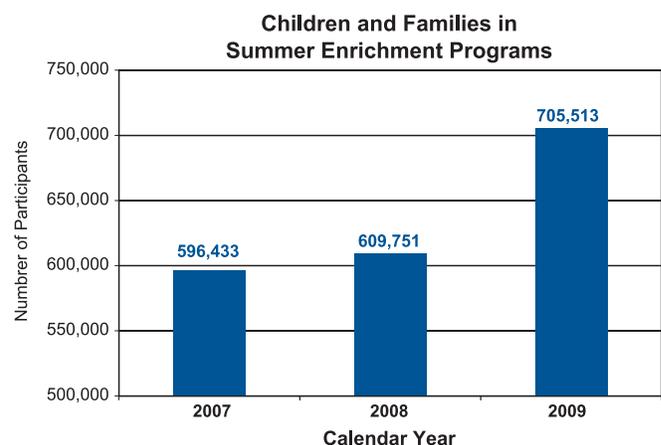
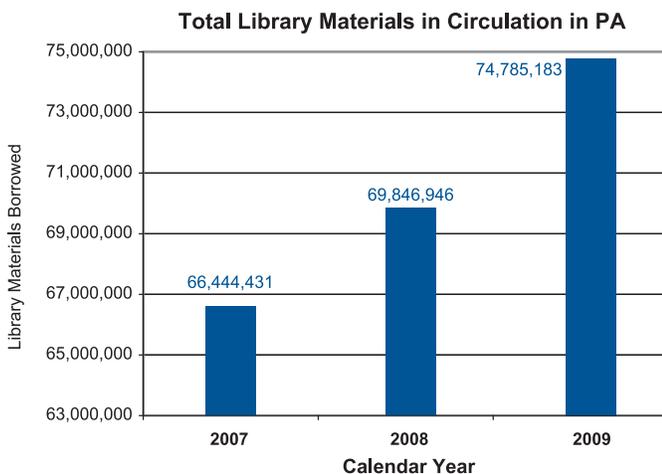
Library Resources (continued)

Library Resources

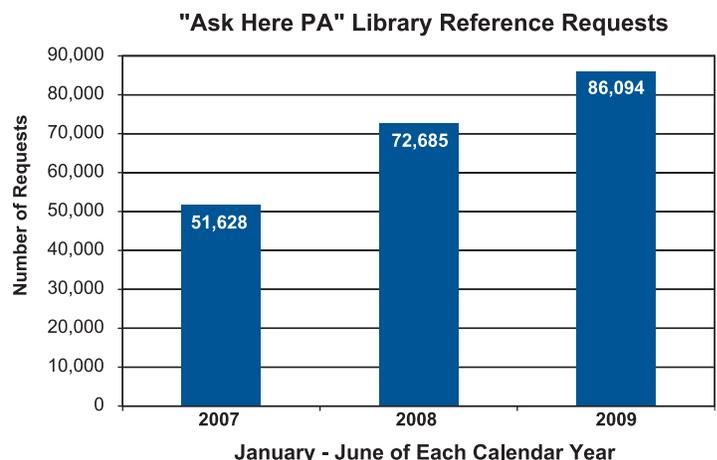
Key Objective: Provide library resources to inform and educate children and adults at home, in school and in the workplace.

Why this objective is important: Public libraries provide lifelong learning opportunities for Pennsylvanians and measurably affect the development of a literate, prepared workforce. Public libraries provide students with computers and resources to complete homework assignments and enrich learning. They help adults make informed health, financial and recreational decisions. Public libraries provide access to the Internet and online government resources, job retraining information, job postings, and free books and materials. For every dollar in public funds invested in libraries, communities receive a \$5.50 return in support of education, enhanced communities and strengthened economies.

How we are doing: The Department of Education is committed to providing access to libraries for all Pennsylvanians, with a focus on student-oriented afterschool and summer enrichment programs and homework help. These efforts have resulted in an increase in the number of library materials borrowed and increased participation in the Summer Reading Program, which encourages students to improve their reading skills between school years.



Pennsylvanians have around-the-clock, online access to resources through the POWER Library and access to a reference librarian through **Ask Here PA**. POWER Library searches increased 58.4 percent since last year. Ask Here PA requests have increased 67 percent since its inception in 2007, with the total number of requests exceeding 226,000. Pennsylvania has the most heavily used virtual reference services of the 15 states with similar services. In early 2009, the department began a pilot program in Philadelphia to offer access to a reference librarian via text messaging.



Education – Build A World-Class Public Education System

Awareness and Advocacy for Women *(continued)*

Awareness and Advocacy for Women

Key Objective: Increase awareness of critical issues that affect women and families and educate Pennsylvanians about these issues.

Why this objective is important: Of the 12.4 million people in the commonwealth, nearly 5 million are women over the age of 18. National surveys have shown that, compared to many other states, Pennsylvania lags behind in key areas that directly affect women and children. Areas where Pennsylvania needs improvement include: the number of women holding elected office, ready access to health care services for women and children, the availability of paid family leave and sick leave, and reducing the persistent pattern of violence against women. By educating the public on these issues, the Pennsylvania Commission for Women hopes to make the state a more welcoming place for women and families.

How we are doing: The commission initiated many activities to empower women and families through education. Specifically, the commission:

- Launched a statewide marketing campaign to educate women on the power that they could wield by voting in the 2008 presidential election. Women constituted a majority of Pennsylvania voters (53 percent) in the 2008 presidential election.
- Portrayed the devastating effects of osteoporosis in a statewide campaign targeting women in rural areas through advertising in local movie theaters. The osteoporosis message reached an estimated 875,000 to 900,000 people during an eight-week period.
- Honored Pennsylvania women in the military and featured educational and inspirational content during Women’s History Month in March, culminating with seven Women’s History Month Awards. At the time, 400 women in the Pennsylvania National Guard were stationed around the world.
- Organized the sixth annual Pennsylvania Governor’s Conference for Women, which more than 5,000 attended and which served as an extraordinary day of personal and professional development for Pennsylvania women.
- Placed 13 Women’s Wellness Guides for free in grocery stores; prison waiting rooms; women, infant and children centers; county assistance offices and health clinics across Pennsylvania.

Bilingual, touch-activated women’s health kiosks, the Women’s Wellness Guides target under-served women who lack Web access and consistent health care providers. Data from one kiosk placed in the Allegheny County Prison waiting room indicated 7,811 total hits after one year of use, with 56 percent of kiosk users expressing that they were likely to consequently adopt lifestyles changes.

- Produced “Voices: African American and Latina Women Share Their Stories of Success,” an award-winning museum exhibit modeled after the commission’s book of the same name. The commission displayed “Voices” for six months at the Heinz History Center in Pittsburgh, where an estimated 20,000 children viewed the exhibit. The exhibit will reside until March 2010 at the State Museum of Pennsylvania, where an estimated 60,000 children will see it.
- Published the Status of Pennsylvania Women Report in 2004 and 2009, providing a unique snapshot of what it is like to be a woman in Pennsylvania. Organizations and individuals can use the report as an educational tool.

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

Contributing Agencies & Mission Statements

Department of Agriculture

Russell C. Redding, Secretary
www.agriculture.state.pa.us
Complement Level: 690
Total Budget: \$265.619 M

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.

Department of Community and Economic Development

George Cornelius, Secretary
www.newpa.com
Complement Level: 365
Total Budget: \$993.635 M

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.

Department of General Services

James P. Creedon, Secretary
www.dgs.state.pa.us
Complement Level: 1,334
Total Budget: \$117.868 M

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.

Pennsylvania Housing Finance Agency

Brian Hudson, Executive Director
www.phfa.org
Complement Level: 287
Total Budget: \$17.234 M

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.

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

Contributing Agencies & Mission Statements

Department of Labor & Industry

Sandi Vito, Secretary
www.dli.state.pa.us
Complement Level: 5,573
Total Budget: \$1,493.6 M

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.

Department of Revenue

C. Daniel Hassell, Secretary
www.revenue.state.pa.us
Complement Level: 2,385
Total Budget: \$1,007.4 M

The mission of the Department of Revenue is to fairly, efficiently and accurately administer the tax laws and other revenue programs of the commonwealth to fund necessary government services.

Department of Transportation

Allen D. Biehler, P.E., Secretary
www.dot.state.pa.us
Complement Level: 12,011
Total Budget: \$5,292 M

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.

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

Employment and Business Development

Key Objective: Increase the number of jobs created and retained in Pennsylvania.

Why this objective is important: Creating new jobs lowers unemployment and reinvigorates business development. It also supports families, increases local tax revenues and improves quality of life.

How we are doing: The Department of Community and Economic Development is:

- Ensuring the availability of capital for the creation, retention and expansion of private enterprise.
- Lowering capital costs as an incentive for businesses to invest and grow in Pennsylvania.
- Creating a business climate that encourages small business creation, expansion and retention.
- Coordinating programs to ensure that job creation and retention efforts make financial sense.

Jobs Created and Retained in Pennsylvania			
	2006-07	2007-08	2008-09
Jobs created or pledged to be created	155,912	77,002	65,659
Jobs retained or pledged to be retained	126,479	105,582	119,496
Businesses assisted	19,065	17,068	17,852
Private or Public Dollars Invested	\$6.71 Billion	\$7.27 Billion	\$7.53 Billion

Source: Department of Community and Economic Development

The decline in jobs created and pledged to be created in 2007-08 and 2008-09 can be attributed to fewer jobs executed after implementing the Governor's economic stimulus in previous years and the general economic slowdown

Key Objective: Improve the employment potential and personal independence of persons with disabilities.

Why this objective is important: People with disabilities need more opportunities to achieve well-paying, career-oriented employment, and a highly skilled workforce promotes growth.

How we are doing: The Department of Labor & Industry's Office of Vocational Rehabilitation (OVR) served more than 80,284 Pennsylvanians in federal fiscal year 2008, 9,219 of whom obtained or maintained employment. OVR customers average 24 months from intake to successful employment. The average cost for those placed in the labor market is \$4,301.

Earnings and Estimated Taxes Paid by Individuals Obtaining Employment after Vocational Rehabilitation Services						
	2006		2007		2008	
	Before OVR Services	After OVR Services	Before OVR Services	After OVR Services	Before OVR Services	After OVR Services
Average Annual Earnings Per Person	\$5,163	\$18,446	\$5,717	\$19,417	\$5,971	\$19,466
Total Earnings	\$55,422,068	\$198,022,032	\$61,212,944	\$207,896,780	\$55,043,092	\$179,453,924
Average Taxes Paid Per Person	\$1,451	\$5,183	\$1,610	\$5,470	\$1,672	\$5,450
Total Taxes Paid	\$15,573,601	\$55,644,191	\$17,243,083	\$58,562,473	\$15,412,066	\$50,247,099

Source: Commonwealth Workforce Development System (CWDS).

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

Employment and Business Development *(continued)*

The Business Enterprise Program licenses persons who are legally blind to operate gift, food and vending businesses in public facilities. Through 2008, 50 licensed blind vendors operated 55 vending facilities with annual sales of \$9,298,477, producing more than \$266,000 in state sales taxes and employing more than 145 people, including 24 with disabilities. The average vendor earned \$49,992. OVR is challenged in improving program outcomes because they are directly correlated with available funds

Key Objective: Provide high-quality training and career information to increase the availability of career opportunities and make targeted industries more competitive.

Why this objective is important: Employment opportunities and competitive industries strengthen Pennsylvania's economy and improve the quality of life for all Pennsylvanians.

How we are doing: The Department of Labor & Industry created Job Ready PA in 2005 to support and align state workforce programs. In 2008-09, Job Ready PA provided training to approximately 47,800 workers. The state also received \$114.6 million in American Recovery and Reinvestment Act (ARRA) funds for training, career services and summer jobs for youth.

Strengthening Pennsylvania Industries

- Approximately 25,680 people trained in 2008-09 through 76 industry partnerships comprised of more than 6,000 employers.
- 3,300 individuals trained to work in the financial and bio-pharma industries through Workforce Innovation in Regional Economic Development (WIRED) federal grants.

Increasing Opportunities for Pennsylvania Residents

- Approximately 18,500 people enrolled in training through PA CareerLink.
- 1.9 million job searches were conducted, 111,060 unemployed persons received services and 33,155 individuals qualified for Veteran or Trade Act Services through PA CareerLink.
- \$5 million was provided to Workforce Investment Boards for grants to train 2,200 people.

Preparing our Youth for the Careers of Tomorrow

- The Science, Technology, Engineering and Math (STEM) initiative developed a comprehensive Pre-K-to-workplace strategy to attract students and working professionals to these fields.
- 320,000 youths ages 14-21 served through Regional Career Education Partnerships.
- The PA Conservation Corps employed and educated 307 youths at public works projects.

Implementing Rigorous Accountability Standards

- PA Performance Management Plan provided measurement standards for all workforce development programs serving adults, adults with barriers to employment and youths.
- The department provided ARRA data to state and federal agencies and lawmakers.

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

Employment and Business Development (continued)

Key Objective: Increase the number of new technology companies in Pennsylvania.

Why this objective is important: New technology companies in the biosciences, energy, manufacturing, nanotechnology, telecommunications and information technology sectors can be highly profitable and offer high growth potential. They also positively affect other economic sectors.

How we are doing: The Department of Community and Economic Development is:

- Ensuring that technology-based economic development organizations work together to leverage the research, capital and support services available to support company formation and growth.
- Serving early-stage, emerging and mature technology companies; university research and development; community technology organizations, training and facilities; and investment partners.

	2006-07	2007-08	2008-09
New Technology Companies Established	334	384	299

Source: Department of Community and Economic Development

Key Objective: Increase foreign direct investment and export sales in Pennsylvania.

Why this objective is important: Opening new markets for Pennsylvania companies helps to strengthen those companies and the state's economy, and provides Pennsylvanians with new, high-paying jobs.

How we are doing: The Department of Community and Economic Development is:

- Offering cost-effective ways for international investors to back companies and help them expand.
- Helping companies develop exports and expand foreign market presence by providing transaction-based technical assistance and marketing services.
- Using Pennsylvania ports to strengthen the economy and increase business development capacity.

	2006-07	2007-08	2008-09
Export Sales Facilitated	\$ 253,580,000	\$364,780,000	\$454,480,000

Source: Department of Community and Economic Development

Key Objective: Increase access to capital for Pennsylvania farmers, processors, farm markets and agribusinesses by expanding agricultural loan opportunities.

Why this objective is important: Through the PAgrows program, farmers and agribusinesses have access to business resources long valued by traditional companies, allowing our food, fiber and fuel sectors to expand and enhance their businesses. Because one in seven jobs in Pennsylvania relates to agriculture, expanding and enhancing farms, food processors, farm markets and agribusinesses directly support the state's economic development.

How we are doing: PAgrows has expanded to include new and established farmers, food production and processing companies, farm markets and agribusinesses.

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

Employment and Business Development *(continued)*

Projects Funded in 2008-09 by the PAgrows Program			
	Projects Funded	State Dollars Invested	Private Dollars Invested
Small Business First	124	\$24,998,739	\$76,171,355
Machine and Equipment Loan Fund (MELF)	28	\$13,336,525	\$18,797,628
First Industries Fund (FIF) Total	174	\$38,335,264	\$95,150,983
Penn Industrial Development Authority (PIDA) Totals	4	\$4,539,100	\$9,111,358

Source: Department of Agriculture

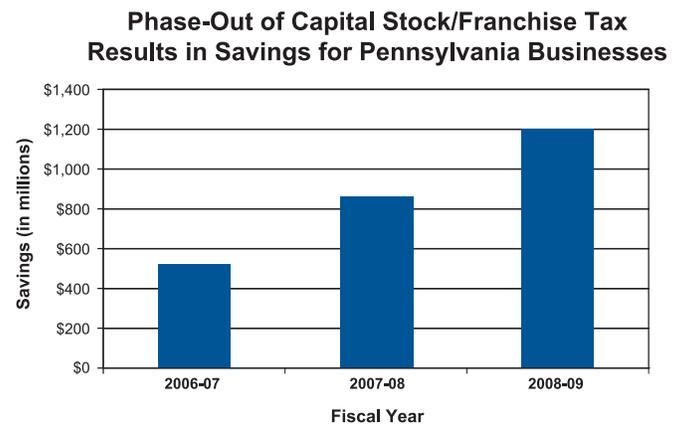
The First Industries Fund's reliance on the expedient repayment of agriculture loans remains a challenge. Because the availability of funding depends on loan repayment, the Department of Agriculture is working to increase repayment rates.

Key Objective: Target changes in business tax rates and bases that save Pennsylvania businesses money.

Why this objective is important: Targeted changes to business tax rates and bases help make Pennsylvania more competitive in attracting and retaining business investments.

How we are doing: The Department of Revenue targeted changes to business tax rates and bases since 2003 that have resulted in cumulative business tax cuts of \$4.2 billion through 2008-09. These changes have included:

- Continuing the phase-out of the capital stock/foreign franchise tax, reducing the tax rates from 7.24 mills in 2003 to 2.89 mills in 2008. This rate reduction saved business taxpayers \$1.2 billion in 2008-09, a 28 percent increase in savings since 2007-08. At 2.89 mills, this tax remains at its lowest level since the tax was enacted in 1844.
- Increasing the sales factor in the corporate net income tax apportionment formula from 60 percent to 70 percent. Savings for Pennsylvania businesses in 2008-09 totaled \$45.7 million, an increase over the 2007-08 savings of \$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 cyclical businesses and high-tech companies and saved Pennsylvania businesses \$66.2 million in 2008-09, a \$1.3 million increase since 2007-08.



Source: Department of Revenue

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

Employment and Business Development *(continued)*

Key Objective: Increase tourism and related activities in Pennsylvania.

Why this objective is important: Tourism is one of Pennsylvania’s core industries and boasts a record number of jobs. Tourism dollars help to revitalize small towns and cities.

How we are doing: The Department of Community and Economic Development is:

- Informing visitors about Pennsylvania’s unique destinations, activities and attractions.
- Effectively marketing, through advertising, tradeshow attendance, outreach and tourism activities.
- Providing incentives such as tax credits, an online film database, and one-to-one customer support, in order to attract film promotion and production companies.

Tourism and Related Activities in Pennsylvania			
	2006-07	2007-08	2008-09
Dollars Spent Promoting Tourism	\$71.78 million	\$69,10 million	\$70,10 million
Dollars Spent by Travelers	\$26.80 billion	\$26.82 billion	\$26.10 billion

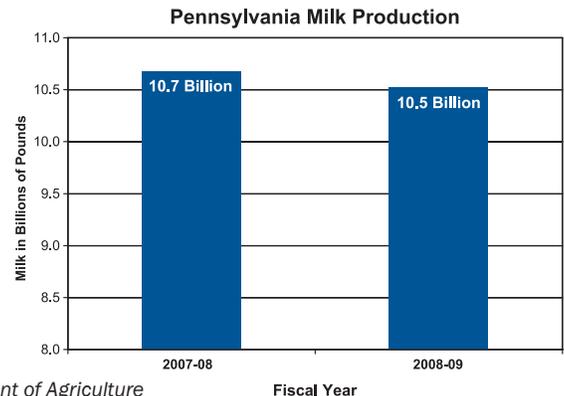
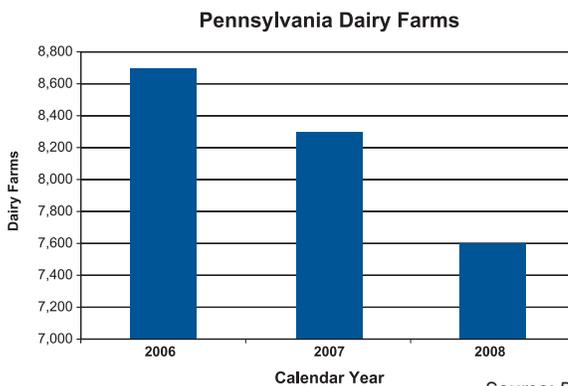
Source: Department of Community and Economic Development

Key Objective: Improve profitability and maintain dairy farms and cows in Pennsylvania.

Why this objective is important: The dairy industry leads Pennsylvania’s agricultural economy, generating more than \$1.6 billion in on-farm cash receipts, or 42 percent of the state’s total agricultural receipts. Dairy farmers spend about 85 percent of their income locally, with each farm dollar recycling two and a half times in the community. As a result of this local “multiplier” effect, dairy farms contribute more than \$4.2 billion to Pennsylvania’s economy. Dairy farmers are also stewards of our land and animals and milk producers, making dairy farms good for our community, our environment and our health.

How we are doing:

- In 2008-09 the Center for Dairy Excellence deployed 153 traditional profit teams, 55 operational area teams and 27 succession or transition teams.
- Helping dairy producers become more profitable and better prepared for transitions is critical as milk prices decrease, feed and fuel costs increase, and pressure on farmland from growing urban communities becomes increasingly severe. These financial and resource stresses have reduced the number of Pennsylvania dairy farms from 8,700 in 2006 to just over 7,600 at the start of 2009. Consequently, milk production has also declined, although supply continues to exceed demand.



Source: Department of Agriculture

- As an active member of the NorthEast Dairy Leadership Team (NEDLT), the Pennsylvania Department of Agriculture works with regional partners to advocate for dairy producers at the local, state and federal levels.

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

Employment and Business Development *(continued)*

Key Objective: Increase assistance to Pennsylvania farmers preparing for transitions such as starting a farm, retiring, expanding operations or leaving the agriculture industry.

Why this objective is important: According to the United States Department of Agriculture (USDA), the average Pennsylvania farmer is almost 53 years of age. Three quarters of Pennsylvania farmers live on the farms they operate, yet more than 50 percent have a primary occupation other than farming. More than 70 percent of those on Pennsylvania farms have lived there for at least 10 years. In addition to being self-employed entrepreneurs, farmers are also caretakers of a family business and a vital part of community economic development. Helping farmers manage transitions is critical to ensuring that our farms and farm families continue to thrive.

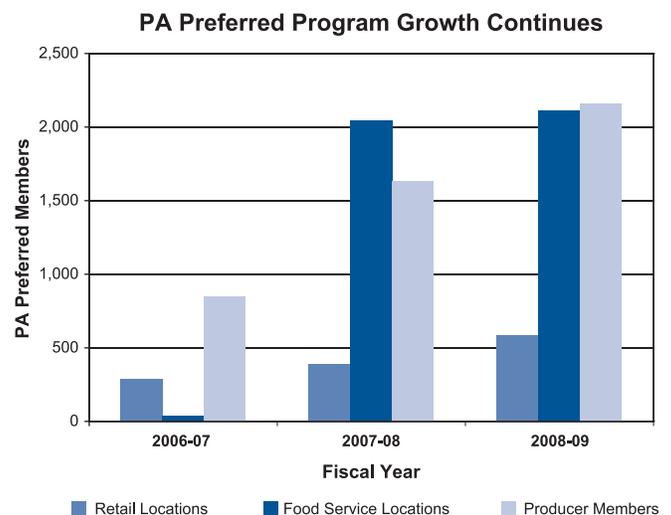
How we are doing: In 2008-09 the Department of Agriculture provided 216 referrals to lawyers, accountants and other professionals, and assisted in writing 58 succession plans. These efforts resulted in:

- 7,830 acres retained in farming,
- \$75,980,000 worth of farmland transferred to the next generation of farmers, and
- \$14,347,198 in economic development funds spent to expand farm enterprises.

Increasing awareness among farmers of the need for succession planning and the value of outside transition experts remains a challenge. The Center for Farm Transitions (CFT) has begun to strengthen its network of partners, which includes the Center for Dairy Excellence and the Center for Beef Excellence, through the CFT Advisory Board. CFT is also collaborating with the Pennsylvania Department of Agriculture’s Bureau of Farmland Preservation in order to preserve Pennsylvania farmland.

Key Objective: Increase awareness and consumption of food and fiber grown, harvested, processed and produced in Pennsylvania.

Why this objective is important: Third in the nation in direct agricultural sales for human consumption, Pennsylvania is a growing culinary hotbed with nearly 12.5 million citizens and millions of visitors eating and drinking in our state. Through PA Preferred, the Department of Agriculture links the farm with the fork, helping consumers support local farms, food processors, retail stores and restaurants. The PA Preferred program encourages consumers to put their money where their mouth is by purchasing locally produced goods and supporting local establishments.



Source: Department of Agriculture

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

Employment and Business Development *(continued)*

Key Objective: Decrease potential financial losses to farmers from natural disasters and market catastrophes.

Why this objective is important: Risk management ensures that farmers have a safety net if natural disasters or extreme weather strikes. More than 70 percent of Pennsylvania farms are small, family operations. Like most small businesses, farms often find it difficult to immediately recover from catastrophic disasters. Most small businesses, however, are not at the mercy of the weather.

How we are doing:

Crop Insurance				
	2005	2006	2007	2008
Number of Crop Insurance Policies Sold	16,000	16,000	13,200	13,149
Value of Crop Insurance Policies Sold (millions)	\$282	\$282	\$425	\$408

Source: Department of Agriculture

The 13,149 crop insurance policies sold in 2008 covered more than one million Pennsylvania farm acres.

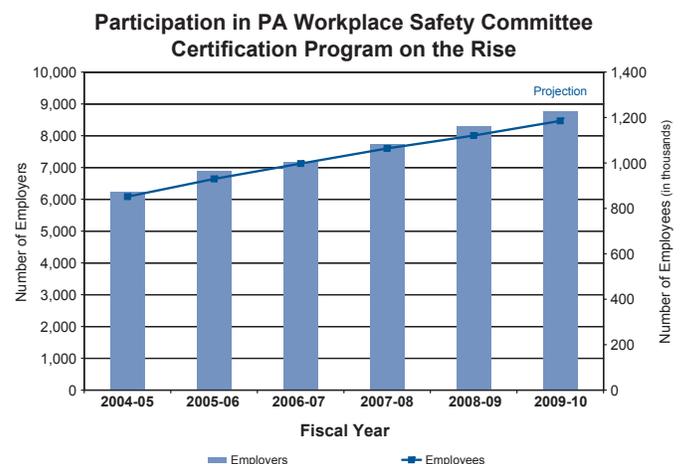
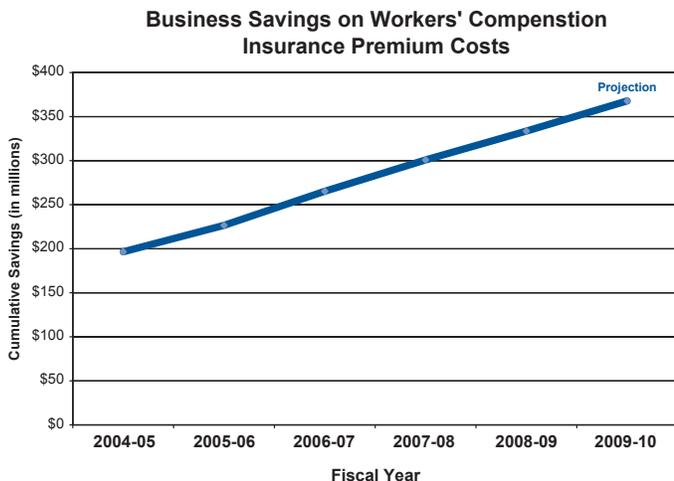
In 2008, the federal government mandated that producers take out crop insurance in order to receive disaster relief funding. The Department of Agriculture has been working with producers and the crop insurance industry to increase awareness of these changes and ensure that Pennsylvania farmers are not adversely impacted.

Worker Protection

Key Objective: Increase participation in the Department of Labor & Industry's PA Workplace Safety Committee Certification Program, which provides a 5 percent workers' compensation insurance premium discount for businesses with certified workplace safety programs.

Why this objective is important: Worker injuries and fatalities negatively impact workers and their families and increase the cost of doing business through medical and rehabilitation costs, compensation and legal fees.

How we are doing:



Source: Department of Labor and Industry

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

Worker Protection (continued)

Key Objective: Reduce the number of employers that misclassify workers.

Why this objective is important: Employers who avoid taxes by misclassifying workers as independent contractors or by transferring workers to a shell corporation or employee leasing company reduce the amount of unemployment compensation available to workers who have lost a job through no fault of their own.

How we are doing: The number of employers attempting to reduce costs and gain an unfair competitive advantage through tax avoidance schemes continues to grow. In 2007-08, the Department of Labor & Industry's enhanced ability to target employers that misclassify workers using Internal Revenue Service information significantly increased recovery. In 2008-09, staffing limitations decreased completed audits by 55 percent and reduced recovery.

Funds Recovered from Employers (nearest tenth of a million)				
	2005-06	2006-07	2007-08	2008-09
Misclassified Worker	\$2.2 million	\$3.1 million	\$6.5 million	\$2.2 million
Entity Transfer	\$1.4 million	\$4.0 million	\$6.0 million	\$3.5 million

Source: Department of Labor & Industry, Office of Unemployment Compensation Tax Services.

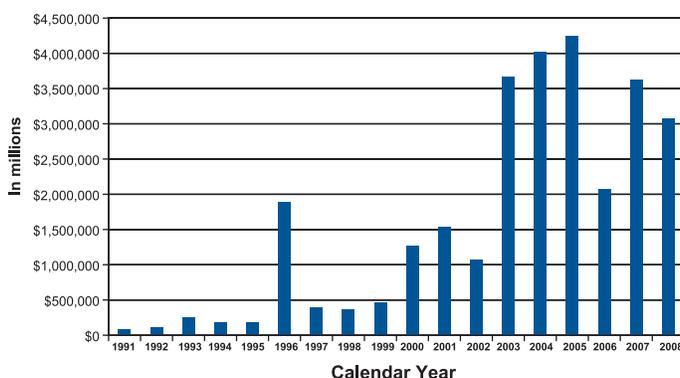
Although the economic downturn limits staffing for tax operations, the department anticipates that as the economy recovers it will meet the 2009-10 target of \$6.5 million in recovery of unemployment taxes avoided by employers. Legislative clarification of the misclassified worker definition may also increase recovery.

Key Objective: Increase collection of wages owed to Pennsylvania workers.

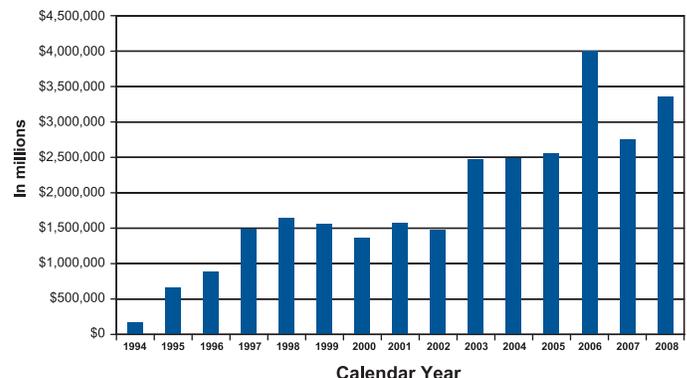
Why this objective is important: Many workers have no one to represent them when they are illegally underpaid or unpaid for their work. Retrieving and returning lawfully earned wages to workers reduces dependence on government financial assistance to cover basic needs.

How we are doing: The Department of Labor & Industry has significantly increased collection of wages owed to workers during the last six years by decreasing the time from complaint filing to wage receipt, educating employers about labor laws and compliance, and using technology to more rapidly recover funds. Since 2003, the department has collected more than \$21.2 million in prevailing wage settlements, with more than \$17.6 million collected in labor standards cases involving the minimum wage, wage payment and child labor law violations. Approximately 34,200 workers received refunds from these collection efforts.

Prevailing Wage Settlement Collections, 1991-2008



Labor Standards Collections, 1994-2008



Source: Department of Labor and Industry

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

Community Development

Key Objective: Increase community revitalization efforts by increasing the number of Community Action Team (CAT) projects that impact core communities in Pennsylvania.

Why this objective is important: The CAT is the point of contact for communities implementing projects to eliminate blight; clean contaminated sites; provide affordable housing; rehabilitate older homes; restore commercial corridors, storefronts and streetscapes; and create thriving and sustainable neighborhoods. The CAT cuts through the red tape that often impedes projects and provides critical resources for the transportation, housing, recreational and commercial needs of Pennsylvania’s cities and towns.

How we are doing: The Department of Community and Economic Development is:

- Designing assistance packages to eliminate gaps, coordinate funds and move to implementation.
- Advocating for local governments and eliminating red tape by solving problems at the local level.
- Providing funds, tax credits and technical assistance to nonprofits, local governments and businesses to improve the quality of life for low-income residents and revitalize communities.
- Improving communities by supporting housing and residential development, downtown and business improvement, and the construction of community facilities and infrastructure.

Community Projects			
	2006-07	2007-08	2008-09
Community Action Team (CAT) Active Projects	77	85	88
Local Government or Municipalities Assisted	1,265	2,108	2,466
Main Street or Elm Street Projects	118	126	121

Source: Department of Community and Economic Development

Key Objective: Maintain programs that foster community revitalization, providing opportunities for local governments and other entities to reduce their costs.

Why this objective is important: Programs and initiatives to help cut costs, create jobs, and increase revenue to communities benefit local governments and residents.

How we are doing: The Department of General Services’ Downtown Relocation policy relocates state employees to downtown locations whenever possible and economically feasible. All state office buildings are located in downtown areas and the percentage of leased office space in downtown areas continues to increase.

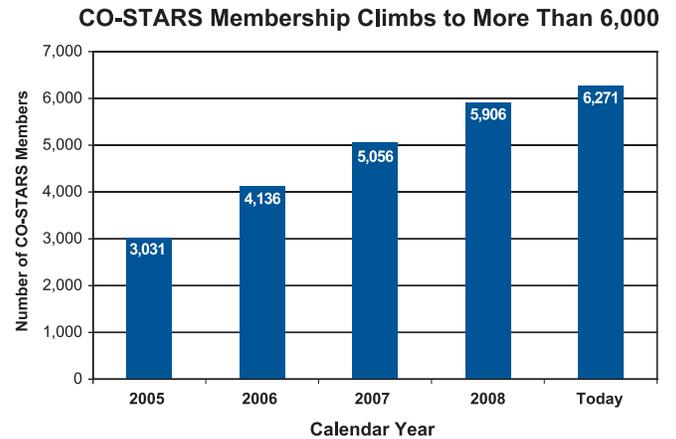
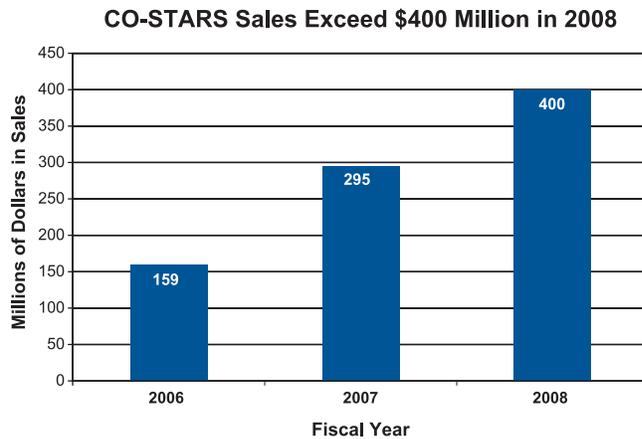
Downtown Relocation Policy				
	2005-06	2006-07	2007-08	2008-09
Percentage of leases executed during the fiscal year for state leased office space located in downtown areas:	93%	91%	90%	92%
Percentage of total leased office space located in downtown areas:	64%	70%	74%	73%

Source: Department of General Services

The Cooperative Sourcing to Achieve Reductions in Spending (CO-STARS) program allows municipalities and school districts to piggyback on state contracts to purchase commodities, such as playground equipment, at pre-negotiated prices. In 2008, CO-STARS saved members more than \$82 million. For more information, visit www.dgs.state.pa.us.

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

Community Development *(continued)*



Source: Department of General Services

Transportation

Key Objective: Reduce the percentage of structurally deficient state bridges by reconstructing or replacing 1,145 bridges by 2010.

Why this objective is important: Despite record investment since 2003, structurally deficient bridges remain a threat to the mobility of Pennsylvanians. With almost 6,000 of 25,000 state bridges, or nearly 25 percent, classified as structurally deficient (SD), Pennsylvania ranks first in bridges with deterioration to one or more major components, such as the deck, supports or beams, that requires extensive work to restore. This classification does not mean that a bridge is unsafe for travel. The Department of Transportation (PennDOT) inspects all state-maintained bridges at least once every two years and SD bridges more frequently to ensure their safety. If PennDOT determines that the bridge conditions have deteriorated, it will require weight restrictions or closure in order to ensure the safety of the traveling public.

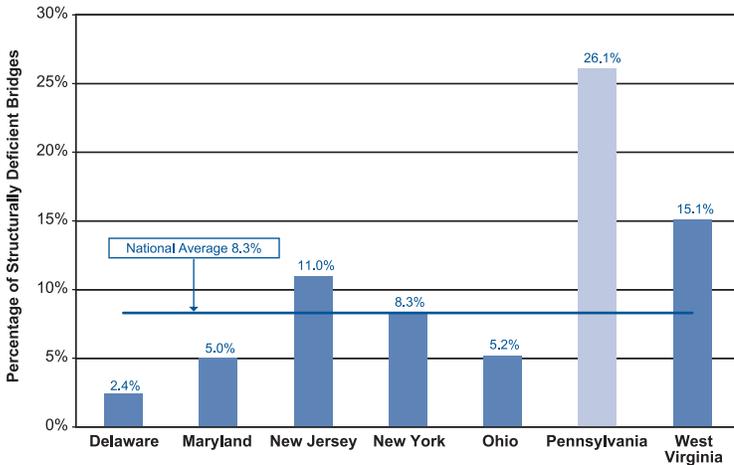
How we are doing: As part of the Accelerated Bridge Program (ABP), PennDOT bid a record 470 bridges for \$723.5 million in 2008-09, with the goal of repairing 1,145 bridges by 2010. The state received almost \$1.4 billion in American Recovery and Reinvestment Act (ARRA) funds for highways, bridges, and public transportation systems, \$1.026 billion of which is designated for road and bridge repair. With 168 of 242 projects under way, PennDOT exceeded the national goal of committing half of ARRA funding by June 30, 2009, and will commit the remainder by March 2010. Projects released for bid by June 30, 2009 include:

- 74 bridge projects,
- 68 resurfacing projects,
- 10 safety projects,
- 6 Intelligent Transportation System projects to relieve congestion, and
- 10 accessible curb cut and other enhancement projects.

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

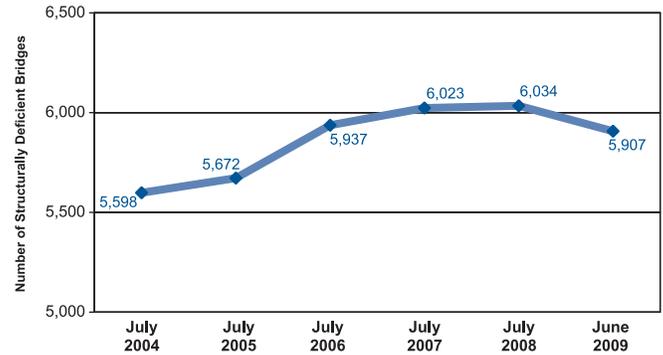
Transportation (continued)

Structurally Deficient Bridge Comparison with Neighboring States



Source: US Department of Transportation

PennDOT Structurally Deficient Bridges with Lengths Greater than 8 Feet



Source: Pennsylvania Department of Transportation

State Bridges Repaired - 2008-09

	Bridge Projects
Accelerated Bridge Program	470
Bridge Preservation Program	299
ARRA Program: preservation of non-SD bridges	205
ARRA Program: repair of SD bridges	67
Total	1,041

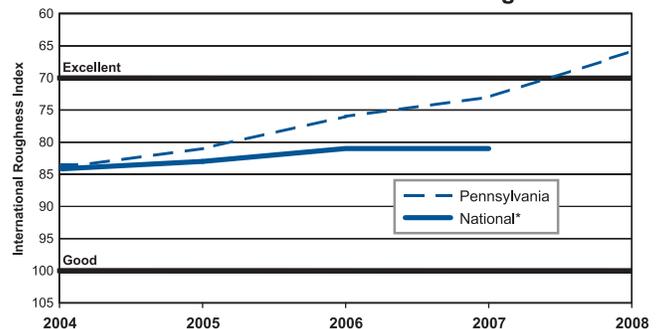
Source: Pennsylvania Department of Transportation

Key Objective: Maintain current pavement smoothness levels.

Why this objective is important: Safe, smooth roads are vital to our transportation system.

How we are doing: With aging bridges in need of increased investment, PennDOT is focused on maintaining current pavement smoothness levels. The International Roughness Index (IRI) measures pavement roughness, where a lower rating means a smoother road. In 2008-09, PennDOT improved nearly 5,600 of the state's 40,000 miles of state highways. Over the last three years, the percentage of state roads that the IRI rated as poor also decreased from 21 percent to 16 percent.

Pennsylvania Interstates Smoother than National Average



Source: US Department of Transportation

*National Median Average for 2008 was not available at the time of this publication.

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

Transportation (continued)

Percentage of Pennsylvania Road Miles with Poor IRI*			
	2006	2007	2008
Interstates	5%	4%	3%
Other National Highway System (NHS) Routes	9%	7%	6%
Non-NHS Routes with an ADT** of at least 2000	11%	8%	7%
Non-NHS Routes with an ADT** of less than 2000	32%	28%	26%

*IRI = International Roughness Index. Pennsylvania's interstates rank 15th nationally with a median IRI of 66. The national average is 81.

**ADT = Average Daily Traffic

Source: US Department of Transportation

Miles of State Highways Improved	
Year	Miles
2006-07	6,339
2007-08	5,865
2008-09	5,630

Source: Pennsylvania Department of Transportation

Key Objective: Improve traveler mobility by making accessible reliable, real-time information.

Why this objective is important: The ability of motorists to reach their destinations timely and consistently continues to grow in importance. Whether it is a morning commute to work or a weekend vacation, motorists expect travel that is free from major delays and congestion.

How we are doing: To cope with the changing landscape related to traveler information, the Department of Transportation (PennDOT) is collecting and managing multiple sources of information regarding weather and incidents. Traffic management centers control fixed and moveable message signs, monitor traffic cameras and dispatch assistance to motorists and information to emergency managers. In 2008, PennDOT also began to develop 511 PA, a statewide traveler information system to inform travelers about traffic, road closures, regional weather and traffic speeds. 511 PA, which launched in 2009, can be accessed for free by dialing "511" or by visiting 511PA.com. Online visitors can access more than 400 department traffic camera images and register for traveler alerts.

Key Objective: Maintain funding to public transportation agencies across the commonwealth so that they can deliver effective and efficient public transportation service.

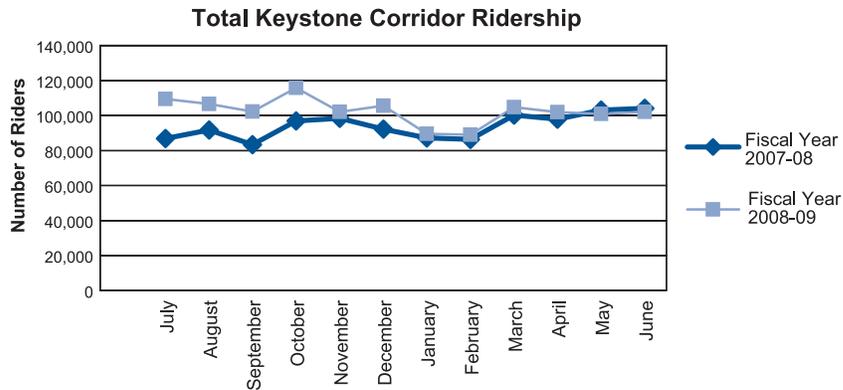
Why this objective is important: Public transit systems provide mobility and enhanced travel options. Increased public transportation usage also reduces vehicle miles traveled, enhances air quality, reduces gasoline consumption and increases access to jobs.

How we are doing: The Department of Transportation distributed \$1.2 billion in state funds for public transit in 2008-09. Pennsylvania public transportation systems also received \$346 million in ARRA funding. Of the 122 projects eligible for ARRA funding, 67 are either approved or ready for federal approval. Those 67 projects represent \$290 million, or 84 percent, of total ARRA transit funds.

Keystone Corridor Ridership Sets New Record: The Keystone Service from Philadelphia to Harrisburg surpassed its previous ridership record with more than 1.2 million riders in 2008-09, an increase of 100,000 riders since 2007-08. Both the Harrisburg and Lancaster stations rank in the top 25 Amtrak stations in the nation for ridership with approximately 500,000 riders each. The Keystone Corridor, which recently underwent a \$145 million upgrade, offers riders a 90-minute commute from Philadelphia to Harrisburg.

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

Transportation (continued)



Source: Pennsylvania Department of Transportation

Rural Transportation Program for Persons with Disabilities: In October 2008, PennDOT celebrated its one millionth rider in this program – a significant accomplishment in creating available, accessible and affordable public transportation for persons with disabilities. The program offers reduced rates on shared-ride, curb-to-curb and advance-reservation transportation services for persons with disabilities in all counties except Allegheny and Philadelphia. Persons with disabilities pay 15 percent of the regular fare and the program pays the remainder of the fare for trips that are not eligible for any other funding. Riders must provide proof of disability. Act 44 of 2007 authorized this as a statewide program.

Housing

Key Objective: Increase the number of homes saved from foreclosure.

Why this objective is important: Preventing foreclosure reduces homelessness and encourages neighborhood stability, keeping families in their homes during difficult times.

How we are doing: The Pennsylvania Housing Finance Agency operates three foreclosure-prevention programs:

- Since it began, the Homeowners Emergency Mortgage Assistance Program (HEMAP) has saved 42,000 homes from foreclosure with \$222 million from the state and \$246 million from loan repayments. Nearly 20,000 HEMAP loans have been fully repaid.
- The Refinance to an Affordable Loan (REAL) and Homeowners' Equity Recovery Opportunity (HERO) programs feature attractive, 30-year, fixed-rate refinancing. Combining 100-percent financing with flexible-credit underwriting, they offer relief to homeowners who might not qualify for typical refinancing programs. The agency has refinanced 110 unaffordable mortgage loans into affordable fixed-rate loans. Repayments have been impressive; only one loan entered foreclosure in 2008.

Homeowners Emergency Mortgage Assistance Program		
Applications	2007	2008
Loan Disbursements	\$21,477,843	\$20,027,591
Repayments	\$12,965,027	\$10,350,040
Applications Received	10,592	12,121
Approval	2,678	2,779
Payoffs	1,010	738
Loans Closed	2,041	1,772

Source: Pennsylvania Housing Finance Agency

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

Housing (continued)

Key Objective: Increase opportunities for Pennsylvanians to buy homes.

Why this objective is important: Homeownership is one of the best ways to build wealth and financial security.

How we are doing: The Pennsylvania Housing Finance Agency helps families that might not be able to afford a home become homeowners. Using funds from the sale of mortgage revenue bonds, the agency provides affordable home mortgage loans, closing-cost and down-payment assistance, loans for repairs and accessibility modifications, and credit counseling. Since 1982, the agency has provided \$8.7 billion in financing for 130,000 homes.

PHFA Loans			
	2006	2007	2008
Total Number of Loans	6,944	6,959	5,076
Total Dollars Loaned	\$731,824,561	\$750,068,601	\$508,051,095

Source: Pennsylvania Housing Finance Agency

In 2008, the agency funded 5,076 home purchase loans with more than \$500 million. A total of 4,636 loans went to first-time homebuyers. In addition, 1,633 households received closing-cost and down-payment assistance, 259 received home improvement loans and 10 received access modification funding. The agency services its more than 50,000 loans, which have an unpaid principal balance of \$3.7 billion. Repayments in 2008 exceeded industry standards, with mortgage delinquency rates less than half of the Federal Housing Administration (FHA) state average for FHA and more than four times lower than that of conventional loans.

Key Objective: Increase the number of affordable rental housing units and preserve existing rental units through innovative, cost-effective and efficient means.

Why this objective is important: Rental units lost across the state need to be replaced with affordable units in order to provide decent places to live for older Pennsylvanians, families of modest means and persons with disabilities.

How we are doing: The Pennsylvania Housing Finance Agency provides money and tax credits for the acquisition, construction, rehabilitation and preservation of affordable rental apartments. The agency performs physical and fiscal monitoring and compliance activities for approximately 92,000 units annually. The agency also provides housing services program support for 18,200 PennHomes units each year. Through the PennHomes program, the agency offers interest-free deferred payment loans to support development of affordable rental housing for residents who meet income guidelines.

PennHomes Low-Income Housing Development Program				
	2005-06	2006-07	2007-08	2008-09 (allocated)
Loans	\$13.2 million	\$11.6 million	\$15.6 million	\$12.5 million
Tax Credits	\$26.8 million	\$26.9 million	\$32 million	\$27.1 million
Tax-Exempt Volume Cap	0	\$12.5 million	0	\$43.7 million
Number of Developments	54	57	60	48
Total Units	2,200	3,104	3,132	2,300

Source: Pennsylvania Housing Finance Agency

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

Housing (continued)

Key Objective: Increase educational opportunities to help consumers make informed choices when buying houses and to help homeowners prevent foreclosure.

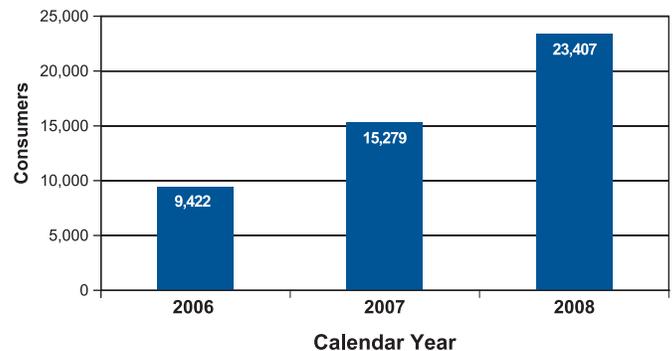
Why this objective is important: Clear, consistent and widely available information creates knowledgeable buyers, especially for those who have limited housing choices.

How we are doing: The Pennsylvania Housing Finance Agency's Comprehensive Homeownership Counseling Initiative (CHCI) trains and certifies organizations to provide homebuyer workshops, pre-settlement counseling and pre-purchase counseling to prospective homeowners throughout the state. The agency offers homeownership education, budgeting, credit, financial and technical assistance, property inspections, rehabilitation and maintenance. More than 100 organizations participate.

In 2008, CHCI training sessions served 77 percent more prospective borrowers having problems securing or maintaining affordable housing. Since CHCI expanded in 2004, CHCI housing counseling agencies have educated more than 46,900 consumers.

In 2009, NeighborWorks America awarded the agency \$7 million for loss mitigation and foreclosure prevention counseling that will help more than 19,000 homeowners this year.

Number of Consumers Receiving Comprehensive Homeownership Counseling Continues to Rise



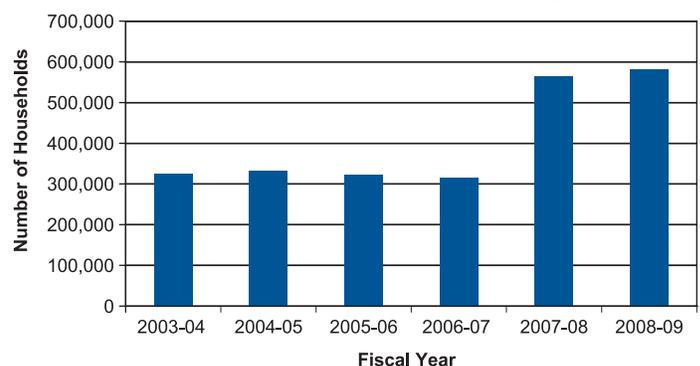
Source: Pennsylvania Housing Finance Agency

Key Objective: Provide property tax or rent assistance to more Pennsylvania households.

Why this objective is important: The Department of Revenue's Property Tax/Rent Rebate program helps eligible Pennsylvanians 65 years old and older, widows and widowers 50 years old and older, and people with disabilities 18 years old and older afford to pay their property taxes.

How we are doing: The Property Tax/Rent Rebate program provided more than 580,500 rebates to older Pennsylvanians and people with disabilities in 2008 for property taxes or rent paid in calendar year 2007. The program provided 2.9 percent more rebates in 2008 than in 2007 and 79.1 percent more rebates than in 2002.

More Pennsylvanians Benefit from Property Tax/Rent Rebate Program



Note: Fiscal year figures are from prior program year (calendar year).

Source: Department of Revenue

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Health & Human Services – Increase Access to High-Quality Health Care and Assist Our Most Vulnerable Citizens to Live Independently

Contributing Agencies & Mission Statements

Department of Aging

John Michael Hall, Secretary
www.aging.state.pa.us
Complement Level: 119
Total Budget: \$1,073.388 M

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.

Department of Agriculture

Russell C. Redding, Secretary
www.agriculture.state.pa.us
Complement Level: 690
Total Budget: \$265.619 M

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.

Department of Health

Everette James, Secretary
www.health.state.pa.us
Complement Level: 1,613
Total Budget: \$879.168 M

The mission of the Department of Health is to promote healthy lifestyles, prevent injury and disease, and assure the safe delivery of quality health care for all Pennsylvanians.

Pennsylvania Insurance Department

Joel Ario, Commissioner
www.insurance.state.pa.us
Complement Level: 403
Total Budget: \$951.839 M

The mission of the Insurance Department is to protect and educate Pennsylvanians in order to safeguard consumer rights and ensure access to health and other vital insurance products.

Department of Military and Veterans Affairs

Major General Jessica L. Wright,
Adjutant General
www.dmva.state.pa.us
Complement Level: 2,474
Total Budget: \$459.675 M

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.*

Department of Public Welfare

Harriet Dichter, Acting Secretary
www.dpw.state.pa.us
Complement Level: 18,871
Total Budget: \$24.428 B

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.

Department of Revenue

C. Daniel Hassell, Secretary
www.revenue.state.pa.us
Complement Level: 2,385
Total Budget: \$1,007.4 M

The mission of the Department of Revenue is to fairly, efficiently and accurately administer the tax laws and other revenue programs of the commonwealth to fund necessary government services.

Health & Human – Increase Access to High-Quality Health Services

Care and Assist Our Most Vulnerable Citizens to Live Independently

Family Support Services

Key Objective: Increase permanency for out-of-home children.

Why this objective is important: Safety, permanency and well-being are primary goals of the Department of Public Welfare in placing children out-of-home and connecting them with legal, permanent families. In addition, the department helps juvenile offenders safely transition back into the home and community after discharge.

How we are doing: The Department of Public Welfare continues to find permanent homes for out-of-home children. Continued improvement in increasing permanency rates for out-of-home children will be based on the availability and accessibility of evidence-based community services and agency attitudes toward engaging families in case planning and service delivery. Initiatives to improve performance include:

- Working with 16 counties through the National Governor’s Association Policy Academy to safely reduce by 15 percent the number of children placed out of home.
- Collaborating with the Administrative Office of Pennsylvania Courts to change local agency and court practice in order to find permanent homes for children in a timely manner.

Out of Home Care Children in Pennsylvania		
Permanency Outcome Measures	2007-08	2008-09
The number of dependent children placed out of home	37,613	34,728
The number of dependent children who found permanent homes through adoption, legal custodianship and placement with relatives	3,674	4,124
The percentage of youth participating in the State Reintegration Program who have not re-entered the juvenile justice system within six months of discharge	89%	87%

Data Source: Pennsylvania’s Adoption and Foster Care Analysis and Reporting System (AFCARS)

Key Objective: Increase the percentage of families seeking child support for whom the courts order support.

Why this objective is important: Child support is the court-ordered payment of funds by one parent to the custodial parent of a minor child after divorce or separation. It is a critical source of income for families headed by single parents. When combined with work and work-related income, child support reduces reliance on tax-funded benefits and promotes economic self-sufficiency.

How we are doing: In 2008-09, Pennsylvania exceeded national benchmarks for paternity cases with orders, as it has since 2005-06.

Percentage of Families Awarded an Order for Support by Courts Continues to Increase					
Paternity Cases with Orders, by Fiscal Year	Pennsylvania 2005-06	Pennsylvania 2006-07	Pennsylvania 2007-08	Pennsylvania 2008-09	National Benchmark 2008-09
Percentage of families seeking child support for whom the courts ordered support	84.5%	88.4%	88.9%	89.3%	78%

Data Source: Department of Public Welfare

Unfavorable economic conditions will likely increase the number of non-custodial parents who are unemployed, increasing the percentage of custodial parents seeking court-ordered support in coming years.

Health & Human – Increase Access to High-Quality Health Care and Assist Our Most Vulnerable Citizens to Live Independently

Family Support Services *(continued)*

Initiatives to improve performance include:

- Two fatherhood programs, the federally funded Access and Visitation Grant Program and the state-funded New Employment Opportunities for Parents. Both programs provide funding to local agencies that establish programs to help families in which the parents are not married, are separated or are divorced.
- Electronic disbursement of support, which ensures delivery within three business days and eliminates paper checks and postage.
- A child support Web site open to the public.

Key Objective: Increase the financial stability and self-sufficiency of Temporary Assistance for Needy Families (TANF) recipients through job placements.

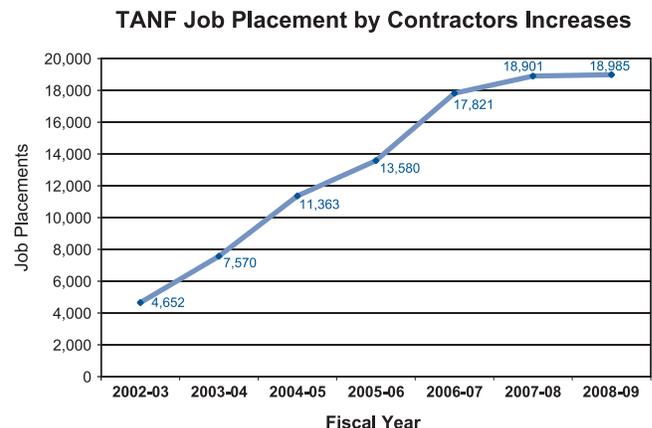
Why this objective is important: TANF provides cash assistance to families for a limited time, based upon strict income and resource limits. Able parents must agree to participate in work programs or education designed to provide them with the skills necessary to find and maintain employment.

How we are doing: Job placements by employment and training contractors have increased each year since 2002-03. The Department of Public Welfare validates job placements through on-site monitoring and case reviews.

Unfavorable economic conditions have diminished the number of job opportunities available to TANF clients seeking employment.

Initiatives to improve performance include:

- Move Up, a program which targets individuals participating in employment and training programs who do not have a high school diploma.
- Employment Advancement Retention Network (EARN), which provides case management, job readiness and placement services to persons transitioning into long-term employment.



Data Source: Department of Public Welfare, Commonwealth Workforce Development System

Key Objective: Maintain assistance for low-income families to locate and pay for child care.

Why this objective is important: Child care subsidies promote longer employment durations among women, regardless of marital status or educational attainment. Moreover, single mothers of young children who receive child care assistance are 40 percent more likely to still be employed after two years and former welfare recipients are 60 percent more likely to still be employed after two years than those who do not receive any help paying for child care.

How we are doing: The Department of Public Welfare serves more than 130,000 children through Child Care Works subsidies to Temporary Assistance for Needy Families (TANF), former TANF and low-income families. The percentage of TANF families who choose regulated care for their children while they attend

Health & Human – Increase Access to High-Quality Health Services

Care and Assist Our Most Vulnerable Citizens to Live Independently

Family Support Services *(continued)*

an approved employment or training program increased from 57 percent in 2007-08 to a record high 71 percent in 2008-09. The department is currently:

- Developing strategies and improving investments to address the low-income waiting list, which reached an unprecedented 16,000 children in 2008-09.
- Planning to use additional child care funds provided by the American Recovery and Reinvestment Act of 2009.

Data Source: Pennsylvania's Enterprise to Link Information for Children Across Network (PELICAN).

Nutrition and Food Safety

Key Objective: Increase access to food for nutritionally at-risk Pennsylvanians.

Why this objective is important: State and federal programs provide food for people at risk for hunger. The Department of Agriculture is working to ensure that all Pennsylvanians know about these programs and can secure the food they need to remain healthy and productive.

How we are doing: Demand for emergency food has grown throughout Pennsylvania by more than 50 percent since 2007. The Department of Agriculture works with nearly 1,800 agencies to bridge the gap between what Pennsylvanians can afford and the nutrition they need. In addition, the department provides funding to 1,520 sub-recipient agencies.

Between 2008 and 2009:

- The State Food Purchase Program provided more than 33 million pounds of food, yielding approximately 26.5 million meals, to 1.03 million households.
- The Farmer's Market Nutrition Program (FMNP) provided vouchers to seniors and Women Infant & Children (WIC) program recipients so that they could buy more than \$4.8 million worth of fresh, local produce at farmers markets across the state. Seniors redeemed FMNP vouchers at a rate of 87 percent, or \$3,124,800.
- The Commodity Supplemental Food Program served 14,583 seniors and WIC recipients each month. The program provided seniors and WIC recipients with 2.1 million pounds of food worth \$1.575 million.
- The National School Lunch Program served almost 57 million pounds of food to students in 886 schools or school districts. Studies have shown that a full stomach is an important part of the learning process, making critical these free or reduced-cost meals.

State and Federal Food Programs for At-Risk Individuals				
	2005-06	2006-07	2007-08	2008-09
State Food Purchase Program - Individuals Served	2.6 million	2.6 million	2.8 million	3.2 million
National School Lunch Program - Students Served	962,000	956,000	988,000	1,030,000
Emergency Food Assistance Program - Individuals Served	2.7 million	2.7 million	2.9 million	3.1 million
Participating Farmer's Markets and Farm Stands	847	849	950	1,125
Farmer's Market Nutrition Program - Women, Infant & Children Redemption Rates	58%	57%	59%	60%

Source: Department of Agriculture

Health & Human – Increase Access to High-Quality Health Services

Care and Assist Our Most Vulnerable Citizens to Live Independently

Nutrition and Food Safety (continued)

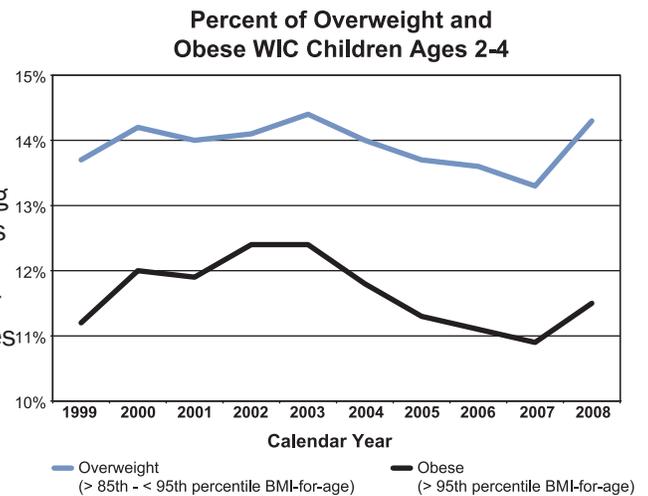
Key Objective: Increase the availability of more nutritious foods and nutrition information to those eligible for Women, Infants & Children (WIC) assistance and decrease the percentage of overweight and obese WIC children between the ages of two and five.

Why this objective is important: Better eating habits during the critical stages of fetal and early childhood development result in improved health and prevent obesity.

How we are doing: The Department of Health’s WIC program serves more than 260,000 participants monthly. WIC’s target population has consistently grown over the past three years and is expected to increase during difficult economic times.

The premier public health nutrition program in the country, WIC is primarily a preventive program, not a direct intervention program. Since 2000, WIC has incorporated obesity prevention messages into daily operations. In conjunction with food package tailoring to reduce milk and juice quantities based on a child’s age, that effort helped to decrease the prevalence of overweight and obese children ages two through four from 2003 through 2007. Pennsylvania WIC continues to have lower prevalence rates for overweight and obese children than the national average.

The major challenge WIC faced in reducing obesity was the inability to provide participants with specific foods, such as fruits and vegetables, that supported the nutrition message. On October 1, 2009, foods such as fruits and vegetables, whole grains, soy beverages and tofu became available to eligible participants, which will hopefully lead to reductions in obese and overweight children. The United States Department of Agriculture (USDA) regulates the types and amounts of foods provided while WIC offers nutrition education and information about the benefits of the new foods and quantities provided.



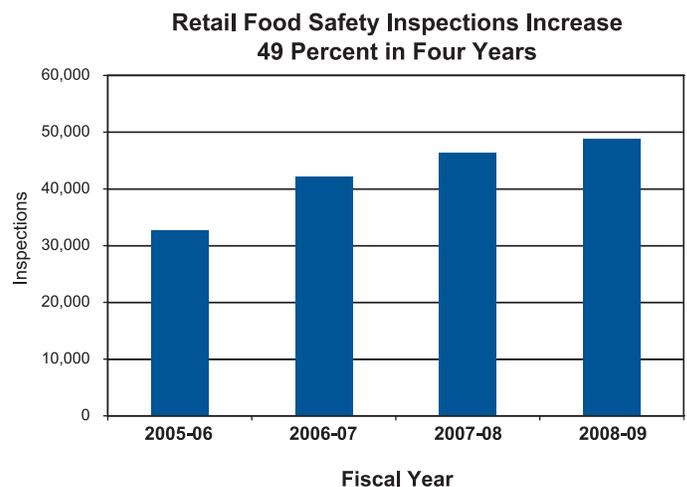
Source: PA PedNSS, 2008

Key Objective: Reduce food-borne illness threats through more efficient inspections.

Why this objective is important: Protecting our food supply is a critical part of keeping Pennsylvania growing. Through inspections and laboratory services, the Department of Agriculture helps eating and drinking establishments, food wholesalers, retailers and processors, and farmers better understand their role in Pennsylvania’s food safety efforts.

How we are doing: In 2008, the Department of Agriculture launched the Strategy for Agriculture and Food Excellence, or SAFE, initiative. This initiative looks at food safety from the farm through to the fork, highlighting the role of the department in protecting consumers and farmers.

In early 2009, Governor Rendell announced the creation of the Food Safety Council. Comprised of 33 stakeholders from the public and private



Health & Human – Increase Access to High-Quality Health Care and Assist Our Most Vulnerable Citizens to Live Independently

Nutrition and Food Safety (continued)

sectors and co-chaired by the Secretaries of Agriculture and Health, the Food Safety Council advises the Governor on state, local and federal efforts to improve food safety.

PDA Retail Food Safety Inspections Per Inspector Have Increased				
	2005-06	2006-07	2007-08	2008-09
Inspections per Food Inspector	563	704	747	729

Source: Department of Agriculture

Access to Quality Health Care Services

Key Objective: Provide access to health insurance to Pennsylvanians to whom coverage is not available.

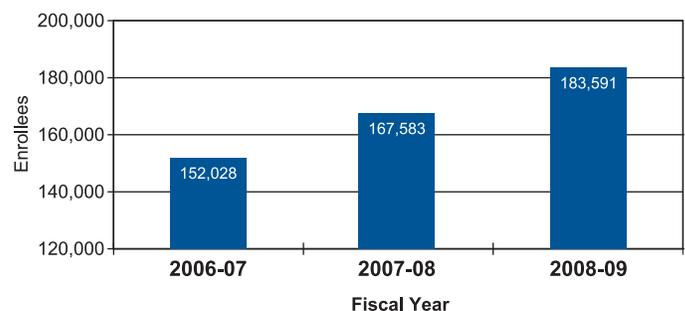
Why this objective is important: According to the Pennsylvania Insurance Department's recent Health Insurance Status Survey, 4.6 percent of children in Pennsylvania are uninsured, a 0.6 percent increase since 2004. In 2007, the Governor's *Cover All Kids* initiative expanded the Children's Health Insurance Program (CHIP) to include all income levels of uninsured children and teens not eligible for Medical Assistance. More than 11,000 children currently enrolled in CHIP would not have been eligible before the expansion.

Recognizing the need to provide accessible and affordable health care coverage to the state's uninsured adults, the commonwealth launched adultBasic in 2002 to cover the basic health care needs of eligible Pennsylvanians 19 to 64 years old who have no health insurance.

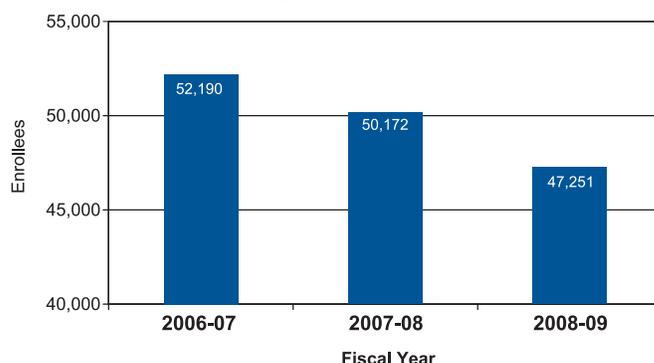
How we are doing: The CHIP Web site, www.chipcoverspakids.com, includes new information and resources, such as an e-tool kit for legislators, school districts, health clinics and other organizations, and now is completely available in Spanish. The site averages more than two million hits per month.

adultBasic provides a basic health insurance package for eligible adults 19 to 64 years old whose incomes exceed Medical Assistance limits but who still face difficulty affording health insurance. Those enrolled pay a monthly premium that averages approximately \$35. Due to limited funding and extraordinary demand for adultBasic, the department implemented a waiting list just six months after adultBasic started. Those on the waiting list may purchase coverage at the state rate.

CHIP Enrollment Increased By More Than 31,500 Children Since 2006-07



Average adultBasic Enrollment



adultBasic Average Monthly Waiting List	
2006-07	74,702
2007-08	91,550
2008-09	164,633

Source: Insurance Department

Note: The decrease in annual enrollment is a result of increased insurance provider costs and a decrease in available funding.

Health & Human – Increase Access to High-Quality Health Care and Assist Our Most Vulnerable Citizens to Live Independently

Access to Quality Health Care Services *(continued)*

Key Objective: Ensure that eligible older Pennsylvanians who need help in paying for medications are enrolled in PACE/PACENET.

Why this objective is important: Assisting older Pennsylvanians with the cost and proper use of medications helps them to stay healthy, independent and productive.

How we are doing: The Department of Aging administers the Pharmaceutical Assistance Contract for the Elderly (PACE) and PACE Needs Enhancement Tier (PACENET) programs that provide pharmaceutical assistance for qualified Pennsylvania residents 65 years of age and over who meet certain income requirements. Nearly all older Pennsylvanians enrolled in the program rely primarily on Social Security for their annual income and in most years receive annual cost-of-living adjustments that increase their income. Each year, enrollees whose income rises sufficiently lose PACE coverage and move into PACENET. Such transfers accounted for significant decreases in PACE enrollments in 2007-08 and 2008-09, and corresponding increases in PACENET enrollments.

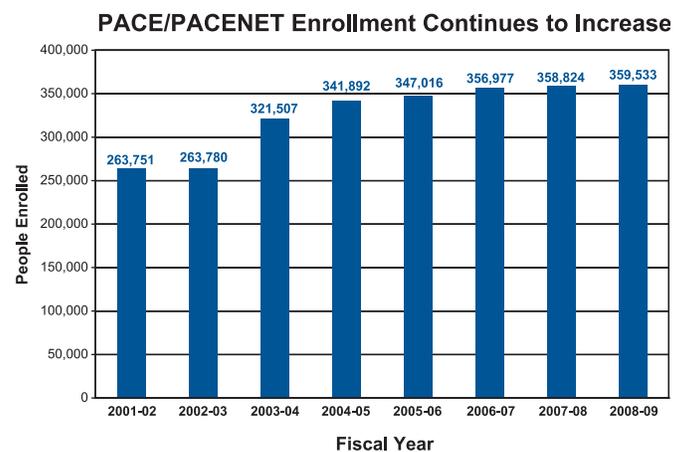
Comprehensive PACE Program	2005-06	2006-07	2007-08	2008-09
Total Prescriptions per year	9,119,960	7,705,695	6,509,484	5,562,809
Average PACE cost per prescription	\$44.42	\$27.00	\$26.10	\$23.69

PACENET Program	2005-06	2006-07	2007-08	2008-09
Total Prescriptions per year	5,155,308	5,319,789	5,635,783	6,043,171
Average PACENET cost per prescription	\$38.20	\$25.62	\$27.12	\$25.91

The PACE/PACENET programs enrolled 709 more Pennsylvanians in 2008-09 than in 2007-08, a small but significant increase given the shrinking enrollment pool.

Maintaining the comprehensive benefit structure remains a challenge. Medicare Part D, a catastrophic benefit structure requiring out-of-pocket payments that are much higher than in PACE or PACENET, covers 80 percent of Pennsylvanians enrolled in PACE or PACENET. Ensuring that these enrollees pay only their PACE or PACENET co-payment at the pharmacy, while the state pays the balance of the Part D billing, is a sizeable challenge.

In 2003, the commonwealth coordinated its PACE/PACENET benefit with the new federal outpatient prescription drug benefit known as Medicare Part D. The implementation of the Pennsylvania Price Finder Web site in 2008 further enhanced the PACE program. The Price Finder Web site offers consumers up-to-date drug price comparisons for virtually all Pennsylvania pharmacies so Pennsylvania consumers can find the least expensive options.



Health & Human – Increase Access to High-Quality Health Care and Assist Our Most Vulnerable Citizens to Live Independently

Access to Quality Health Care Services (continued)

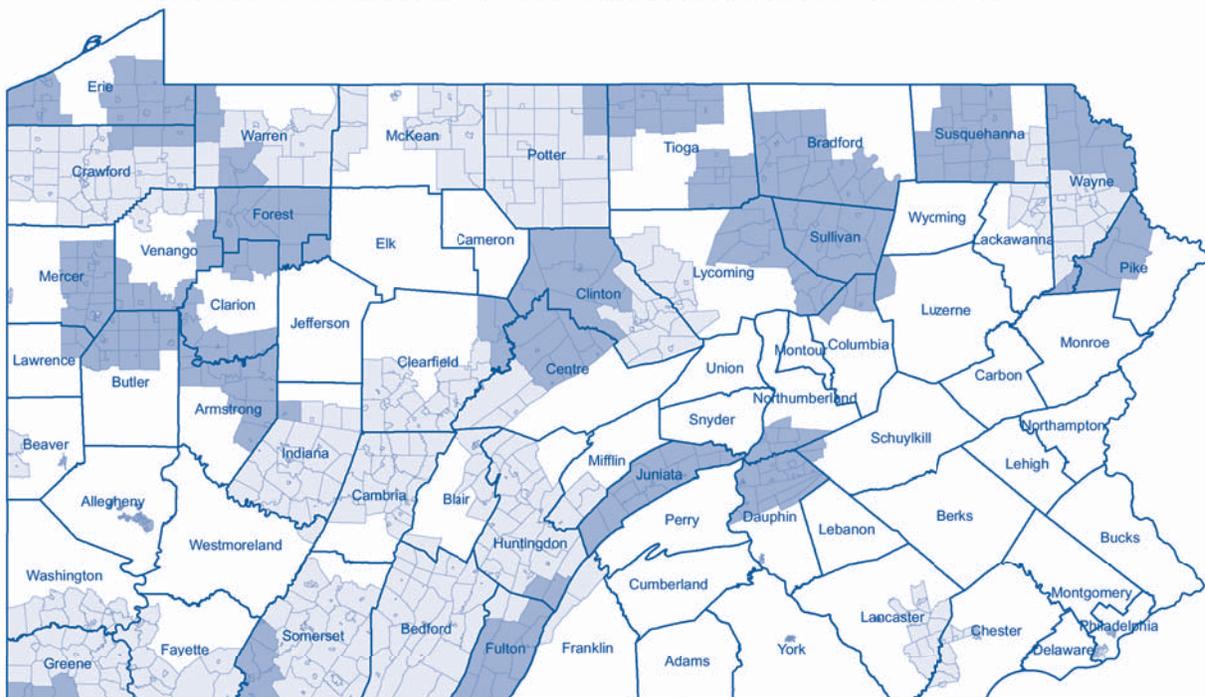
Key Objective: Increase access to primary medical and dental care services in underserved areas of the state.

Why this objective is important: Increasing primary health care services to underserved areas allows more Pennsylvanians to receive high-quality health care. Pennsylvania has approximately 880,000 uninsured adults and the Department of Health’s funded grantees must accept every patient regardless of ability to pay.

How we are doing: The department targets funding to federally designated health shortage areas through the Community Primary Care Challenge Grant program. These grants increase access to primary care. To ensure primary health care services continue beyond department funding, the department requires grantees to provide sustainability plans that identify potential continued funding sources. In 2008-09, all 22 organizations whose Community Challenge Grant funding ended within the past three years continue to provide health care services to underserved communities. Between 2005-06 and 2008-09, new patient visits at Community Challenge Grant sites averaged 53,322 annually. New patient visits reached 62,700 in 2006-07 because there were more grantees and two grantees were in high-population areas.

New Patients at Community Challenge Grant Sites				
Fiscal Year	2005-06	2006-07	2007-08	2008-09
Number of New Patients	39,760	62,700	56,740	54,089

Pennsylvania's Currently Designated Primary Care Health Professional Shortage Areas (HPSA)

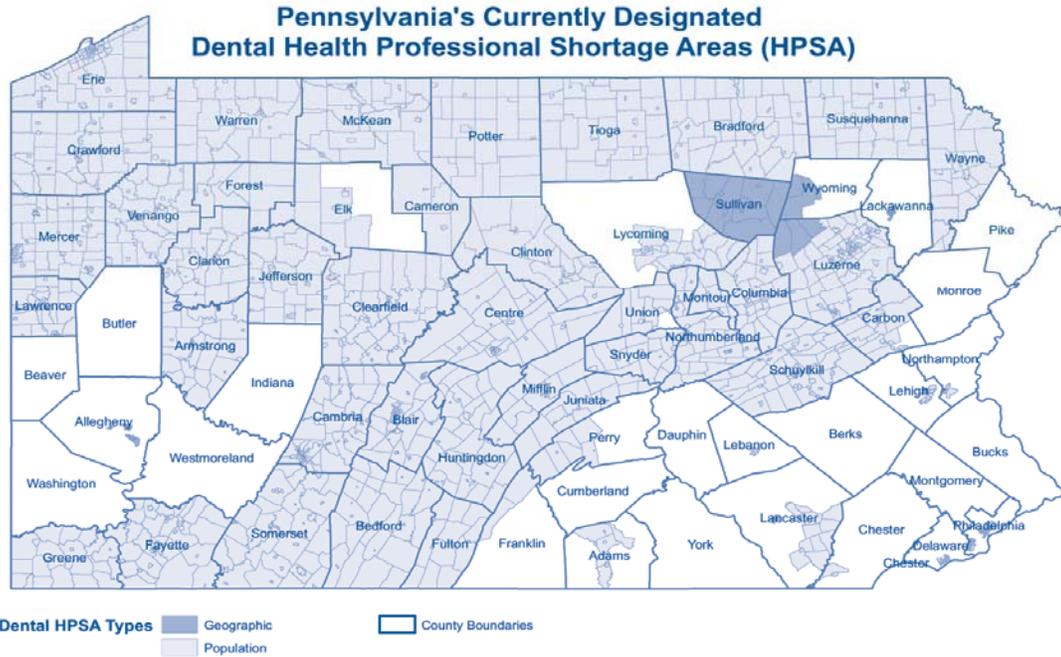


Primary Care HPSA Types

- Geographic
- County Boundaries
- Population

Health & Human – Increase Access to High-Quality Health Care and Assist Our Most Vulnerable Citizens to Live Independently

Access to Quality Health Care Services (continued)



Community Primary Challenge Grants				
Health Professional Shortage Areas (as of 07/20/2009)	Primary Care	Dental	Mental Health	Medically Underserved Area
Number of designated areas	177	139	95	139
Total population in designated areas	1,433,375	1,597,121	1,850,876	1,814,633
Underserved population in designated areas	731,437	1,114,063	1,230,268	1,814,633

Source: Department of Health

Demand for new community challenge grants is much greater than available funding. Demand for education loan repayment programs, which offer incentives for providers to work in medically underserved areas, also exceeds available funding. Prescription for PA funding helped by providing funds for additional grants. The department continues to search for additional resources.

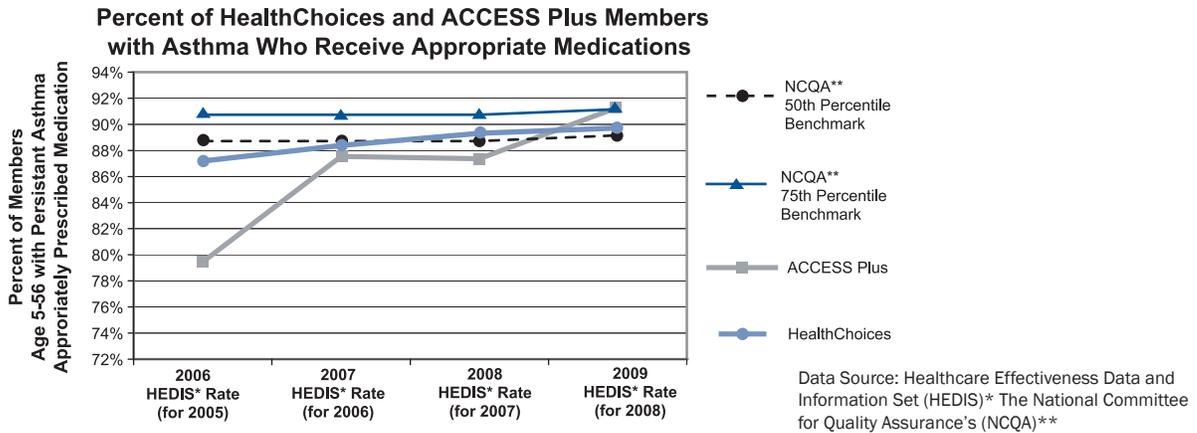
Key Objective: Increase the use of appropriate medications for people with asthma in the Medical Assistance program.

Why this objective is important: Proper management and medication therapy can greatly reduce the risks associated with asthma. Improved patient adherence to appropriate medications may lead to improvements in quality of life, avoidance of asthma-related hospitalizations and emergency room visits, and a reduction in costs arising from poor control.

How we are doing: The Department of Public Welfare has set a goal of reaching or exceeding the National Committee for Quality Assurance's (NCQA) 75th percentile benchmark for use of appropriate asthma medications. 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). Of HealthChoices and ACCESS Plus program members identified as having persistent asthma, 89.71 percent of the HealthChoices program members and 91.29 percent of ACCESS Plus program members were prescribed appropriate medications in calendar year 2008.

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Access to Quality Health Care Services (continued)

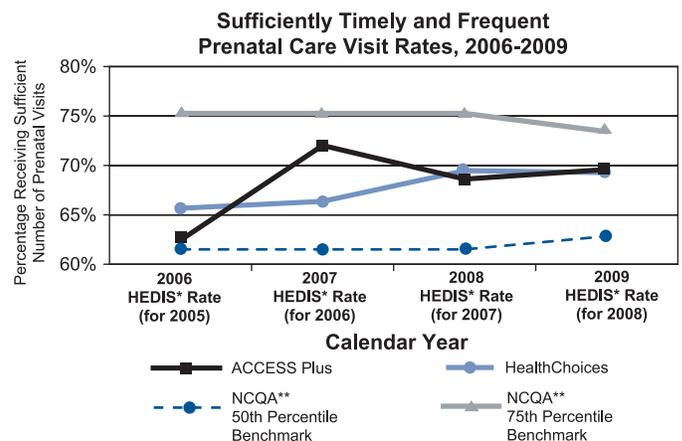
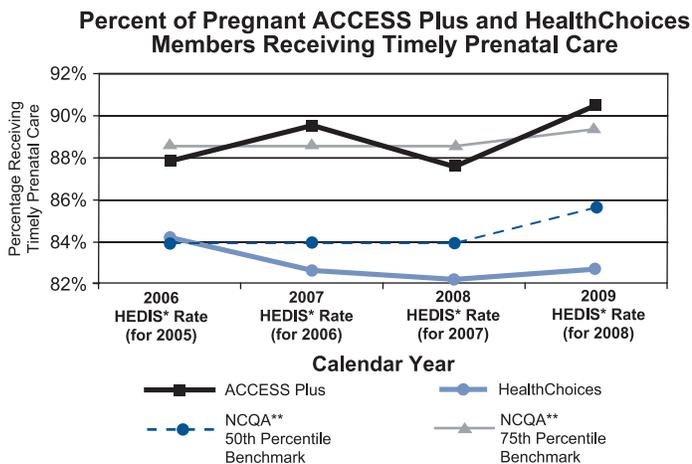


Key Objective: Increase the percentage of pregnant women in the Medical Assistance program who obtain timely prenatal care.

Why this objective is important: Access to timely prenatal care is essential to improving birth outcomes, reducing preterm delivery rates and creating a positive prenatal experience for the mother. Timely and frequent prenatal visits can prevent many pregnancy complications, resulting in lower health care costs.

How we are doing: The Department of Public Welfare has set a goal of reaching or exceeding the National Committee for Quality Assurance's (NCQA) 75th percentile benchmark for timely prenatal care, defined as within the first trimester or within 42 days of enrollment in HealthChoices or ACCESS Plus. The HealthChoices program rate of 82.73 percent falls just short of the 50th percentile while the ACCESS Plus rate of 90.51 percent exceeds the 75th percentile. Both HealthChoices and ACCESS Plus exceed the 50th percentile for sufficiently frequent prenatal care, defined as receiving at least 81 percent of expected prenatal visits.

Challenges to providing timely and adequate prenatal care include access to obstetrics and gynecology providers and specialists and lack of knowledge about the importance of prenatal care. The department has identified opportunities to improve performance through improved access to obstetricians and specialists by increasing reimbursements in 2008-09, implementing more stringent contract requirements and allowing consumers, particularly those in rural areas, to use telemedicine to access fetal maternal medicine specialists.



Data Source: Healthcare Effectiveness Data and Information Set (HEDIS)* The National Committee for Quality Assurance's (NCQA)**

Health & Human – Increase Access to High-Quality Health Care and Assist Our Most Vulnerable Citizens to Live Independently

Access to Quality Health Care Services *(continued)*

Key Objective: Increase the state’s ability to serve the health needs of those with Limited English Proficiency in order to decrease health disparities in Pennsylvania.

Why this objective is important: According to the U.S. Census 2007 American Community Survey, 13 percent of Pennsylvania households speak a language other than English. Of these 542,925 households, 108,739 are classified as linguistically isolated, which means that no one in the household over age 14 is fluent in English. These households represent 419,112 Pennsylvania residents with limited or no ability to communicate in English.

Household Languages in PA, 2007	
Total Households in PA	4,873,482
English-Speaking	4,330,557
Non-English-Speaking	542,925 (13%)
Spanish:	209,666
Linguistically isolated	45,677 (22%)
Asian and Pacific Island languages:	79,439
Linguistically isolated	25,464 (32%)
Other languages:	253,820
Linguistically isolated	37,598 (14%)

Source: U.S. Census Bureau, 2007 American Community Survey

How we are doing: In 2008-09, the Department of Health:

- 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 professional schools.

With department funding, Penn State created a Medical Interpreter training program that enrolled 34 students its first semester and hopes to train 50 students by the end of 2009.

- Awarded multi-year grants to four organizations in Pennsylvania and one-time, mini-grants to 12 organizations to increase workforce diversity by increasing the number of minority students and faculty in health professions schools. With department funding, the University of Pennsylvania increased the number of minority faculty in the School of Medicine and has enrolled ten minority students in the clinical education track.

Demand for interpretive services by health care providers and institutions continues to increase. Lack of funding for the Medical Interpreter/Cultural Competency programs will affect the department’s ability to train and certify interpreters.

Key Objective: Decrease the rate of healthcare-associated infections.

Why this objective is important: Healthcare-associated infections (HAIs) significantly increase both hospital in-patient stays and related costs. The likelihood that a patient will die as a result of hospitalization is six times higher if that patient contracts an HAI. In 2007, the average cost for a patient who contracted an HAI was more than five times that of the uninfected: \$191,872 vs. \$35,168.

Source: Pennsylvania Health Care Cost Containment Council, www.phc4.org/reports/hai/07

How we are doing: Nineteen states, including Pennsylvania, have mandatory HAI reporting requirements. However, Pennsylvania requires more kinds of health care facilities to report more infection types than any other state. In 2008-09, all hospitals in Pennsylvania enrolled in the National Healthcare Safety Network to ensure accurate reporting. In addition, the Department of Health:

- Phased nursing home HAIs into the Patient Safety Reporting System in June 2009.
- Identified potential reporting errors for each health care facility.
- Made \$493,000 in mini-grants available to nursing homes for infection control and surveillance training.

Future initiatives include establishing an HAI baseline and working with health care providers to reduce hospital and nursing home HAIs by 10 percent. The department applied for federal funds to expand HAI efforts to track bacteria like Methicillin-resistant Staphylococcus Aureus (MRSA).

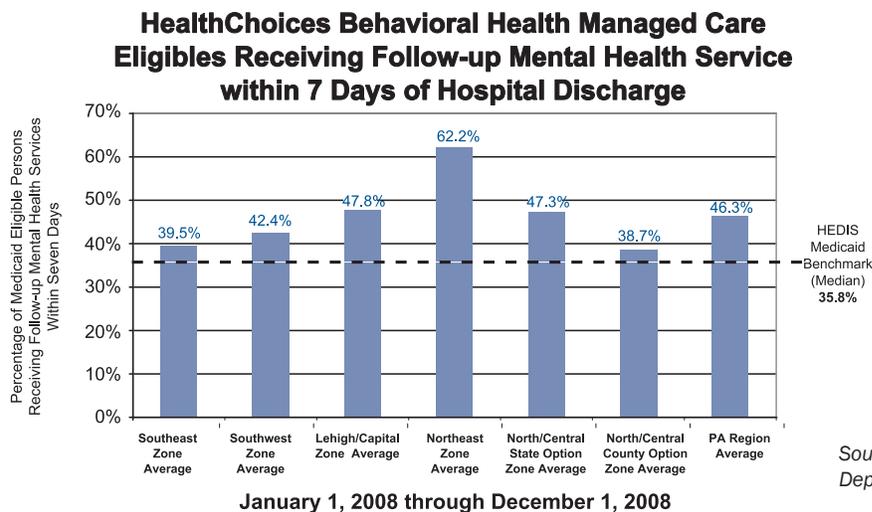
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Access to Quality Health Care Services (continued)

Key Objective: Increase the percentage of Medicaid-eligible children, adolescents, adults and older adults who receive community mental health services after psychiatric hospitalization.

Why this objective is important: For persons with serious mental illnesses, continuity of care leads to better outcomes and promotes long-term recovery. Shortening the time between psychiatric hospital discharge and the first day of outpatient care improves continuity of care.

How we are doing: The Department of Public Welfare measures progress by the percentage of persons over the age of six eligible for behavioral health care services who receive any community mental health services within seven days following discharge from psychiatric hospitalization. Pennsylvania’s average of 46.3 percent exceeds the Healthcare Effectiveness Data and Information Set (HEDIS) Medicaid national median benchmark of 35.8 percent.



Community mental health services vary and consumers may reject follow-up care due to stigma. To help overcome these challenges, the department will focus on:

- Actively promoting and supporting mobile mental health treatment, case management, Assertive Community Treatment and other service delivery models that effectively use community outreach, especially in rural areas.
- Collaborating with county governments, community mental health providers and behavioral health managed-care organizations to expand the provider network for peer support services and other mental health service modalities, especially in underserved regions.

Long-Term Care Services and Support

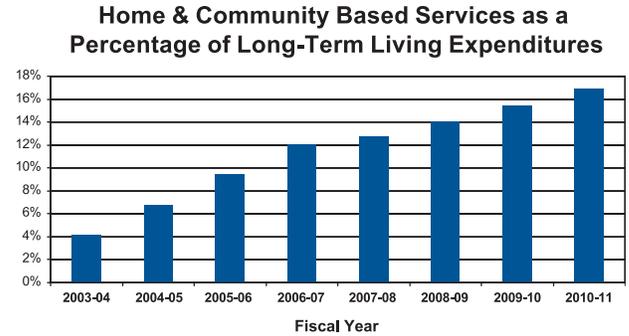
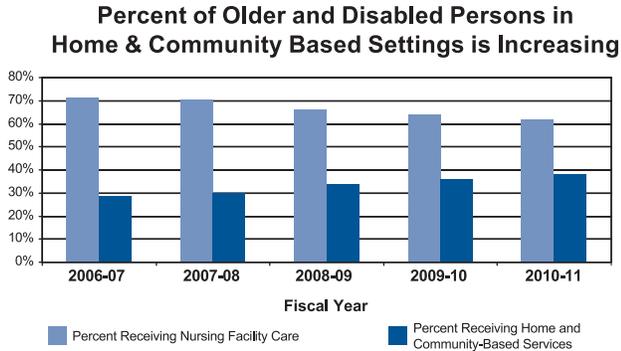
Key Objective: Increase long-term care options so that older Pennsylvanians and Pennsylvanians with physical disabilities can choose how and where they receive services.

Why this objective is important: A statewide survey by the Pennsylvania State University found that more than 90 percent of consumers prefer to receive long-term care services in home and community-based settings.

How we are doing: Almost 40 percent of people receiving Medical Assistance-funded long-term living services reside in their homes or in community-based settings. From 2006 to 2010, the projected number of older Pennsylvanians and Pennsylvanians with disabilities receiving services in their home or community-based settings will grow by nearly 50 percent – from 20,000 to 29,000.

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Long-Term Care Services and Support (continued)



Source data: Annual reports to the Centers to Medicare and Medicaid Services

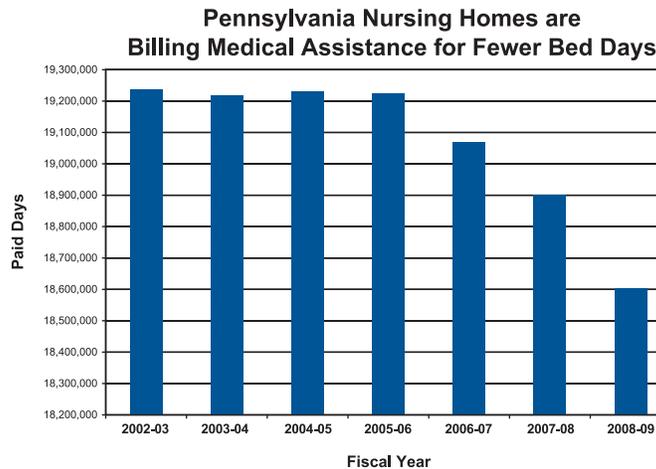
Expenditures for home and community-based services have grown from four percent of total Medical Assistance long-term living expenditures to almost 17 percent.

- Compared to other states, Pennsylvania has a higher percentage of residents in nursing homes than in community-based services, but securing funding for increased home and community-based care remains a challenge.

Key Objective: Increase efforts to assist nursing home residents who can move out of the nursing home and receive services in their home or community.

Why this objective is important: Entering a nursing home does not automatically mean that a person has to stay there permanently. Consumers prefer home and community-based services, which are also more cost-effective than nursing home care. One year of nursing home care costs taxpayers, on average, \$57,000. In comparison, the average yearly cost of community-based care is \$23,000.

How we are doing: Since 2006, the Department of Aging’s Nursing Home Transition Program has helped more than 5,000 nursing home residents return to their homes or communities. The number of bed days that Pennsylvania nursing homes have billed for Medical Assistance has declined by more than 600,000 since 2002.



Source: Department of Aging

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Long-Term Care Services and Support *(continued)*

Key Objective: Increase the number of recent high school graduates with developmental disabilities who receive employment services and supports.

Why this objective is important: Providing employment services and supports to recent high school graduates with developmental disabilities can make it possible for those individuals to continue to live at home, reducing future costs associated with residential placements and other more expensive options.

How we are doing: From 2007-08 to 2008-09, the number of 18- to 22-year-olds with developmental disabilities receiving employment services increased from 35 percent to 40 percent, moving closer to the department’s target of 45 percent.

More 18-to-22-Year-Old People with Developmental Disabilities are Receiving Employment Services			
State Fiscal Year	Developmental Disability Waiver* Consumers Age 18-22	Waiver* Consumers Age 18-22 with Employment Services	Percentage of Waiver* Consumers Age 18-22 Who Received Employment Services
2007-08	2,406	841	35%
2008-09	2,261	897	40%
2009-10	2,233 (estimated)	1,005 (target)	45% (target)

Source: Department of Public Welfare

*The federal government waives Medical Assistance/Medicaid rules for institutional care in order for Pennsylvania to use these federal funds to provide supports and services for people closer to home in their own communities.

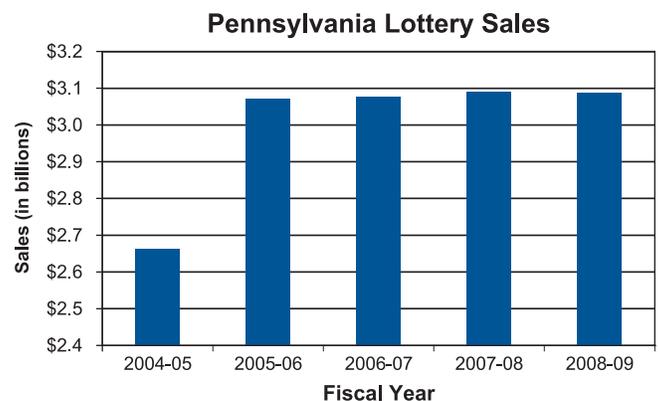
Limited funding for community-based services for those turning 21 is a challenge to making employment services for high school graduates a priority. Consequently, the department created a special waiting list category in 2008-09 for high school graduates and will continue to focus on high school graduates as funds permit.

Lottery Proceeds Benefit Older Pennsylvanians

Key Objective: Increase Lottery revenues for the support of programs for older Pennsylvanians.

Why this objective is important: Increasing Lottery revenues results in increased funding for programs benefiting older Pennsylvanians. The Pennsylvania Lottery remains the only state lottery that designates all proceeds to programs that benefit older residents. In the last 37 years, the Pennsylvania Lottery has contributed more than \$19.2 billion to programs that include property tax and rent rebates, free and reduced-fare transit, the low-cost prescription drug programs PACE, PACENET and PACE Plus Medicare, long-term care services and more than 600 senior community centers throughout the state.

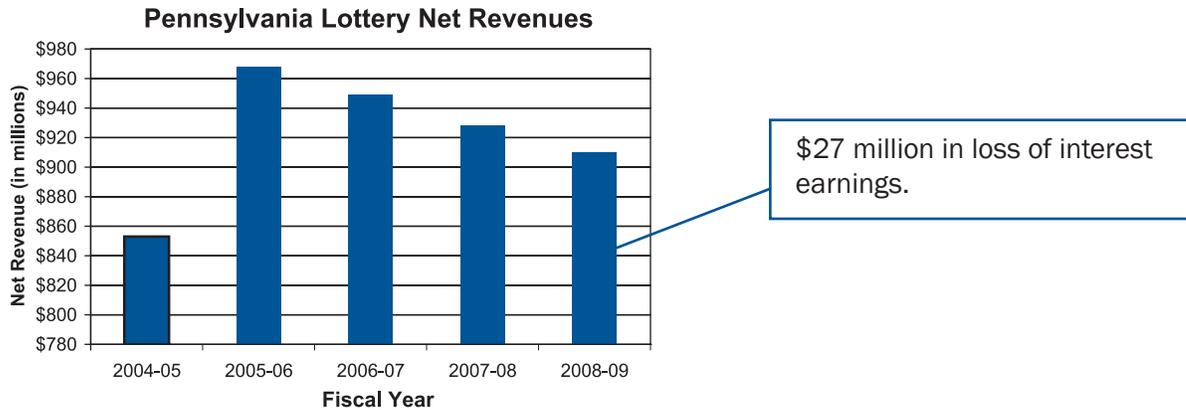
How we are doing: 2008-09 was the second-best year for Lottery ticket sales in the Lottery’s 37-year history and the best year for instant ticket sales. Ticket sales totaled \$3.088 billion, only \$1.1 million less than the previous year’s record. Ranked sixth nationally in annual sales and fifth in annual profits, the Pennsylvania Lottery in 2008-09 sold 59.7 percent more tickets and yielded 21.7 percent more in net revenues than in 2001-02.



Source: Department of Revenue

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Lottery Proceeds Benefit Older Pennsylvanians (continued)



Source: Department of Revenue

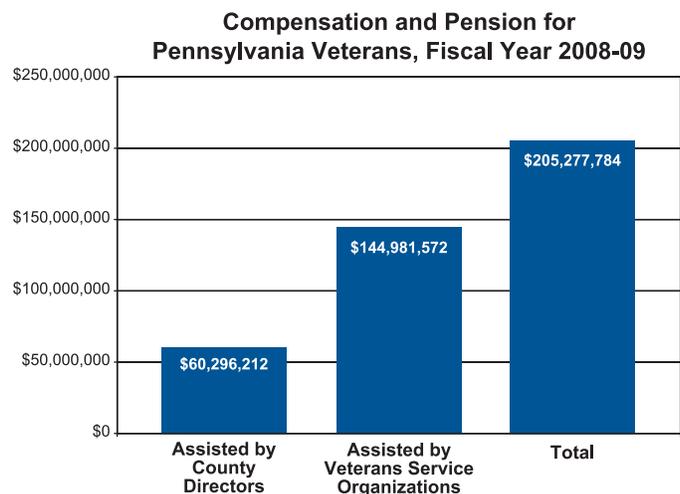
Veterans Homes and Services

Key Objective: Increase the number of eligible Pennsylvania veterans receiving services and benefits.

Why this objective is important: Veterans’ quality of life improves when they receive the benefits to which they are entitled. Applying for and receiving federal veterans benefits is complex. Claims filed with the assistance of capable veteran service officers stand the best chance of success. The Department of Military and Veterans Affairs expects the return of service personnel from Iraq and Afghanistan, including 6,000 members of the Pennsylvania National Guard, to increase the number of claims. Also, more than 60 percent of the commonwealth’s veteran population is over the age of 65.

How we are doing: In 2008-09:

- The Department of Military and Veterans Affairs assisted more than 20,000 veterans with compensation and pension claims.
- 106,742 Pennsylvania veterans received compensation and/or a pension.
- Sixty of 67 counties increased their financial awards from the United States Department of Veterans Affairs.



Source: Veterans Benefits Administration, Office of Performance, Analysis & Integrity

Key Objective: Improve veteran and family satisfaction at the state’s six veterans homes by providing resident-centered care and excellent customer service.

Why this objective is important: Providing the highest quality care possible for Pennsylvanians who have served our country at great personal sacrifice is at the core of the Department of Military and Veterans Affairs’ mission.

Health & Human – Increase Access to High-Quality Health Care and Assist Our Most Vulnerable Citizens to Live Independently

Veterans Homes and Services *(continued)*

How we are doing: In 2008-09, the Department of Military and Veterans Affairs received a customer satisfaction survey score of 94 percent. The national average was 82. Pennsylvania's veterans homes maintained a 94 percent occupancy rate, eight points higher than the national average.

State Veterans Homes: Some Key Performance Indicators			
	State Veterans Homes Average	State Average for All State Nursing Homes	National Average
Residents who spend most of their time in a bed or chair	<1 percent	4.5 percent	5 percent
High risk residents with pressure sores	4.9 percent	13.5 percent	13 percent
Residents that have become more depressed or anxious	11 percent	19.9 percent	14.9 percent
Residents with urinary tract infections	5.3 percent	9.1 percent	10 percent

Source: Center for Medicaid & Medicare Services

Smoking Prevention

Key Objective: Decrease adult and youth tobacco use.

Why this objective is important:

- Tobacco use is the most preventable cause of death and disease.
- An estimated 300,000 Pennsylvania youth alive today will die prematurely from smoking.
- An estimated 20,000 Pennsylvania adults die every year from a tobacco-related illness.
- Health care costs in Pennsylvania directly caused by smoking amount to \$5.19 billion annually, \$1.7 billion of which is covered by the Pennsylvania Medicaid program.
- Smoking causes annual productivity losses in Pennsylvania estimated at \$4.73 billion.

Source: Centers for Disease Control, www.tobaccofreekids.org

How we are doing: The adult smoking rate decreased from 25 percent in 2001 (an estimated 2.4 million smokers) to 21 percent in 2008 (an estimated 2.1 million smokers). Smoking by students in grades 9-12 declined from 27 percent in 2000 to 18.4 percent in 2008. The rate of illegal sales of tobacco to minors decreased from 41 percent in 1999 to 5 percent in 2008.

Key Facts on Tobacco Consumption: 2008			
	National Average	Pennsylvania	Pennsylvania Ranking*
Cigarette Excise Tax	\$1.27 per pack	\$1.35 per pack	22nd
Smokeless Tobacco Tax	34% of price	no tax	50th
Adult Smoking	20.6%	21.3%	39th
Youth Smoking (9 th - 12 th grade)	19.7%	18.4%	3 rd of 13 states conducting the Youth Tobacco Survey in 2006

*Out of 50 states and the District of Columbia except for youth smoking.

Health & Human – Increase Access to High-Quality Health Care and Assist Our Most Vulnerable Citizens to Live Independently

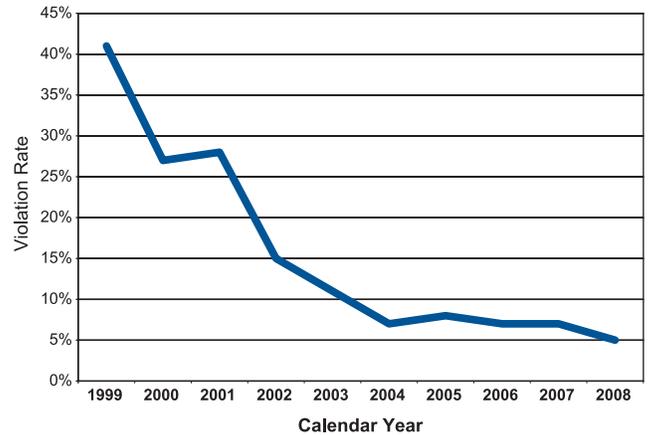
Smoking Prevention (continued)

The percentage of illegal sales to minors is reported by the federally required annual state sample survey (Synar), which involves having minors attempt to purchase cigarettes at randomly selected retail establishments across the state.

The Department of Health's Tobacco Control program seeks to:

- Decrease the rate of illegal sales of tobacco to minors.
- Decrease adult tobacco use to 17 percent by 2013.
- Achieve parity with other states in taxing cigarettes and other tobacco products. For example, every state except Pennsylvania taxes non-cigarette (smokeless) tobacco products.

Rate of Illegal Sales of Tobacco to Minors Decreases



Source: Annual Synar Survey conducted by PA Department of Health

One of the challenges in reducing tobacco use is that African-American males have fewer successful quit attempts than any other population group. To address this, the department developed and promoted radio and TV ads specifically targeting African Americans in media markets accessed by African Americans.

Future initiatives to improve performance include:

- Continuing to offer free Nicotine Replacement Therapy to Quitline callers as funds permit and to provide referrals to community-based cessation resources.
- Expanding a pilot initiative in Allegheny County supported by a March of Dimes grant to other regions, in order to prevent postpartum women from resuming tobacco use.
- Developing cessation resources specific to veterans through military Web sites and local organizations such as the American Legion and Veterans of Foreign Wars.

Animal Health and Diagnostic Services

Key Objective: Decrease threats to animal and human health in Pennsylvania through inspections and laboratory testing.

Why this objective is important: Protecting the health, safety and welfare of animals and citizens is critical because animal agriculture accounts for \$5.9 billion, or 68 percent, of Pennsylvania's total agricultural receipts.

How we are doing:

- The Pennsylvania Animal Diagnostic Laboratory System (PADLS) is a joint venture of the Department of Agriculture, Penn State and the University of Pennsylvania to monitor and investigate animal disease in the state.
- During the H1N1 virus pandemic, PADLS played a key role in planning and testing for the virus. Between 2008 and 2009, PADLS tested samples from more than 25 swine for influenza virus. All tested negative.

PADLS Animal Disease Laboratory Testing		
	2007-08	2008-09
Samples Tested	593,353	789,000
Avian Influenza Samples	314,000	319,609
Rabies Tests	1,661	2,008
Chronic Wasting Disease Tests	4,500	10,082

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Environment – Protect Our Natural Resources

Contributing Agencies & Mission Statements

Department of Agriculture

Russell C. Redding, Secretary
www.agriculture.state.pa.us
Complement Level: 690
Total Budget: \$265.619 M

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.

Department of Conservation and Natural Resources

John Quigley, Secretary
www.dcnr.state.pa.us
Complement Level: 1,407
Total Budget: \$360.473 M

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.

Department of Environmental Protection

John Hangar, Secretary
www.dep.state.pa.us
Complement Level: 3,018
Total Budget: \$663.374 M

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.

Fish & Boat Commission

Douglas Austen, Ph.D., Executive Director
www.fish.state.pa.us
Complement Level: 432
Total Budget: \$57.734 M

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.

Pennsylvania Infrastructure Investment Authority

Paul Marchetti, Executive Director
www.pennvest.state.pa.us
Complement Level: 27
Total Budget: \$478.507 M

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.

Environment – Protect Our Natural Resources

Natural Resource Conservation and Management

Key Objective: Reduce energy consumption by developing clean, renewable forms of energy generation and promoting Pennsylvania-based energy resources.

Why this objective is important: The Alternative Energy Investment Act of 2008 positioned Pennsylvania to build a new, renewable energy economy by providing \$650 million for new investments in alternative energy and renewable energy. The fund will also support energy efficiency projects for residents, businesses and local governments, and will help consumers reduce energy consumption through conservation and weatherization measures. Together with the Alternative Energy Portfolio Standard Act of 2004, the law will encourage alternative energy expansion by leading to the creation of at least 10,000 jobs and \$3.5 billion in new private investment.

How we are doing: The Department of Environmental Protection’s new programs include:

- Keystone HELP (Home Energy Loan Program) – Approximately 1,300 contractors signed up to participate in the program, which helps individual homeowners secure low-cost loans for home energy efficiency projects, reflecting potential market growth.
- Small Business Energy Efficiency Program – Small business award recipients, who have an average annual energy bill of \$26,360, project an average 50 percent reduction to \$13,575.
- PA Sunshine Solar Program – Begun in May 2009, this program is providing \$100 million in rebates to residents and small businesses for solar photovoltaic and solar thermal projects on their homes and small business facilities. PA Sunshine Solar is now processing applications from more than 200 businesses that total 3.3 megawatts of solar energy, 2 megawatts of which are fully approved. The program is dramatically affecting the solar market and creating jobs in Pennsylvania.

Key Objective: Manage state park and forest lands based on the highest standards.

Why this objective is important: The Department of Conservation and Natural Resources manages 2.4 million acres of state park and forest lands, balancing the needs of many users. These lands are valuable to local economies, the health of our citizens, the diversity of plants and wildlife, and the beauty of our commonwealth.

How we are doing: Pennsylvania is one of only 11 states certified by an independent source as managing its state forests sustainably according to guidelines established by the Forest Stewardship Council.

State Park and Forest Lands			
	2006-07	2007-08	2008-09
Percentage of Forest Stewardship Council certification criteria met	100%	100%	100%
Acreage of state park and forest lands enrolled in deer management	871,493	920,000	824,558
Number (percentage) of forestry staff trained in environmentally sensitive maintenance practices (<i>cumulative</i>)	197 (12%)	250 (18%)	267 (21%)
Standard tons of carbon sequestered in state forest timber resources (<i>cumulative</i>)	108,500,000	112,000,000	116,600,000

Sources: Department of Conservation and Natural Resources, Forest Stewardship Council, Smartwood Program

Environment – Protect Our Natural Resources

Natural Resource Conservation and Management *(continued)*

To improve and add to state park and forest lands, the department relies on the Keystone Fund and Growing Greener I and II, which have been depleted or are dwindling because of the economy. Timber sale revenues are declining, and the Oil and Gas Lease Fund is supporting other state budget needs. Without additional revenue sources, the department is limited in its ability to maintain and improve the state park and forest system.

To allow state forests to regenerate, the department continues to use the Game Commission’s Deer Management Assistance Program to focus hunting in selected areas to limit the damage done when deer browse. The department also continues to explore the possibility of storing carbon dioxide underground as a way to offset the pollution that is causing the planet to warm and affecting our forests and wildlife.

Key Objective: Help communities and private landowners conserve forest lands and open space.

Why this objective is important: The Department of Conservation and Natural Resources manages only a small portion of Pennsylvania’s natural areas, lands and waters. Local communities, private landowners, non-profit conservation organizations, and state and federal agencies are all critical to the conservation of our natural resources. Funding sources and readily accessible information are important tools for conservation, smart development planning and natural resource management.

How we are doing: The amount of funds available to support open space acquisition and conservation easements is declining. A new designated funding stream is needed. The department continues to work with a broad range of partners to support land and forest conservation, locally driven planning and community revitalization that protects Pennsylvania’s natural and cultural assets.

Key Measures of Land and Forest Conservation			
	2006-07	2007-08	2008-09
Acres of land conserved through acquisition and easement	18,490	31,051	10,435
Community members trained in LandChoices curriculum ¹	500	600	3,000
Pennsylvania Natural Heritage Program online environmental reviews conducted ²	45,887	47,026	49,908

¹PA LandChoices is a curriculum that addresses communities, natural resource partnerships and sustainable land development. LandChoices measure does not include subsequent classroom use by administrators and secondary educators trained in its use.

²The Pennsylvania Natural Heritage Program is a member of NatureServe, an international network of natural heritage programs that gather and provide information on the location and status of important ecological resources.

The department and its partners have conserved these important lands:

- With the Conservation Fund, Federal Forest Legacy funds and Adams County, the 2,500-acre Glatfelter Tree Farm #1 is being added to the Michaux State Forest.
- With the Natural Lands Trust and Berks County, French Creek State Park is being connected to the Schuylkill River Trail through property purchases.
- With the City of Bethlehem, acquisition of 45.9 acres and approximately 8 miles of right of way will continue development of the South Bethlehem Greenway.

Environment – Protect Our Natural Resources

Natural Resource Conservation and Management *(continued)*

Key Objective: Increase agricultural resource conservation through farmland preservation.

Why this objective is important: Preserving farmland is critical to conserving Pennsylvania’s natural resources. The Department of Agriculture, along with state, federal and local partners, funds farmland preservation in Pennsylvania.

How we are doing: Between 2008 and 2009, the Department of Agriculture preserved 23,681 acres on 253 Pennsylvania farms. There remains a waiting list of 240,000 acres that Pennsylvanians want to preserve. Funding for 2008-09 farmland preservation breaks down as follows:

Funding for 2008-09 Farmland Preservation			
State Funds	County Funds	Township Funds	Federal Funds
\$44,536,165	\$38,597,977	\$1,599,317	\$1,783,450

Since Governor Rendell took office, more than \$527 million has been spent to preserve 178,276 acres of Pennsylvania farmland, a key reason why the state leads the nation in farmland preservation.

Key Objective: Decrease nutrient runoff and conserve Pennsylvania’s natural resources through the use of Best Management Practices.

Why this objective is important: With 7.8 million acres of farmland, 17 million acres of forest and 83,000 miles of rivers and streams, Pennsylvania has abundant natural resources. Farmers and the agriculture industry play key roles as stewards of these environmental resources, protecting them through best management practices and using conservation techniques to ensure that Pennsylvania agriculture is successful and sustainable. Because Pennsylvania contributes more than 50 percent of the fresh water that enters the Chesapeake Bay, conservation efforts reap rewards downstream as well.

How we are doing: The State Conservation Commission, a joint venture of the departments of Agriculture and Environmental Protection, oversees nutrient management in Pennsylvania. Between 2008 and 2009, nutrient management plans protected 589,450 acres, controlling nutrients beneficial to crops and pasture but harmful to streams and rivers. Nutrient management plans and nutrient balance sheets together retained nutrient resources on 748,628 Pennsylvania farm acres.

The Department of Agriculture’s Resource Enhancement and Protection (REAP) program allows farmers to earn tax credits in exchange for implementing production and conservation Best Management Practices (BMPs) in order to conserve natural resources. Best Management Practices are the foundation for environmental stewardship and natural resource conservation.

Resource Enhancement and Protection Program			
	Number of BMPs	Total Project Cost	Total REAP Tax Credit
2007-08	635	\$23.46 Million	\$9.8 Million
2008-09	961	\$23.50 Million	\$10 Million

Environment – Protect Our Natural Resources

Natural Resource Conservation and Management *(continued)*

Key Objective: Improve knowledge, protection and management of the commonwealth’s aquatic resources and habitats.

Why this objective is important: Pennsylvania has more than 83,000 miles of rivers and streams, 5,266 acres of flat-water lakes, 200,000 acres of reservoirs, and 735 square miles of Lake Erie waters. Approximately 170 species of fish, 79 species of amphibians and reptiles, and countless aquatic invertebrates call these waters home.

How we are doing: In 2008-09, the Pennsylvania Fish and Boat Commission:

- Established the Sinnemahoning Creek Watershed Restoration Grant program and awarded \$1.36 million to 14 grantees for projects that benefit aquatic resources and recreational boating and fishing.
- Investigated 283 pollution and disturbance incidents in or along commonwealth waters and successfully prosecuted 170 cases.
- Reviewed and commented on permits for activities impacting commonwealth waters and aquatic habitats, including: 194 mining, 159 drawdown, 267 triploid grass carp, 1,225 aquatic herbicide, 7 hydropower, 82 water allocation, 3,550 threatened and endangered species impact reviews, and more than 1,000 applications for Department of Environmental Protection water obstruction and encroachment permits, U.S. Army Corps of Engineers Clean Water Act permits, solid waste, and transportation projects.
- Convened the 2nd Susquehanna River Smallmouth Bass symposium to develop collaborative solutions to fish disease and water quality issues.
- Repaired and upgraded state fish hatchery facilities using Growing Greener II funds, improving water quality. Specifically, the commission improved wastewater treatment at Bellefonte, Huntsdale and Benner Spring. The commission also made major dam upgrades at Opossum and Leaser Lakes and secured \$10.7 million for high-hazard dam renovations.
- Removed 30 small dams, reopened and restored nearly 100 miles of stream habitat for migratory and resident fishes, and assisted more than 200 projects for lake and stream habitat improvement on private lands.

Key Objective: Increase the number of drinking water and wastewater facilities that comply with safe drinking water requirements, improve system treatment capacity and take other steps to improve water quality.

Why this objective is important: Many economically distressed communities cannot afford to make necessary improvements to their drinking water and wastewater facilities. Not making these improvements would jeopardize the quality of Pennsylvania’s streams and the health of its citizens. Contaminated drinking water can cause illnesses that threaten the health of Pennsylvanians and create economic costs through lost employment and productivity. Contaminated streams are aesthetically undesirable, cause fish and waterfowl to suffer, and reduce recreational opportunities for fishing, swimming, boating and related pastimes. Stream contamination negatively affects tourism and other industries that benefit from recreational activities.

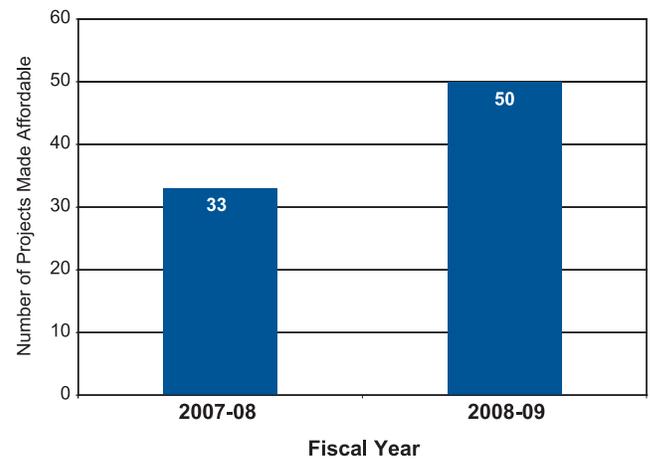
How we are doing: The Pennsylvania Infrastructure Investment Authority (PENNVEST) helps economically distressed communities afford projects that they could not otherwise afford. PENNVEST leverages drinking water and wastewater improvement grants from the U.S. Environmental Protection Agency by combining them with commonwealth general obligation bond proceeds. These financial resources, however, constitute only a fraction of the water-related funding needs in Pennsylvania.

Environment – Protect Our Natural Resources

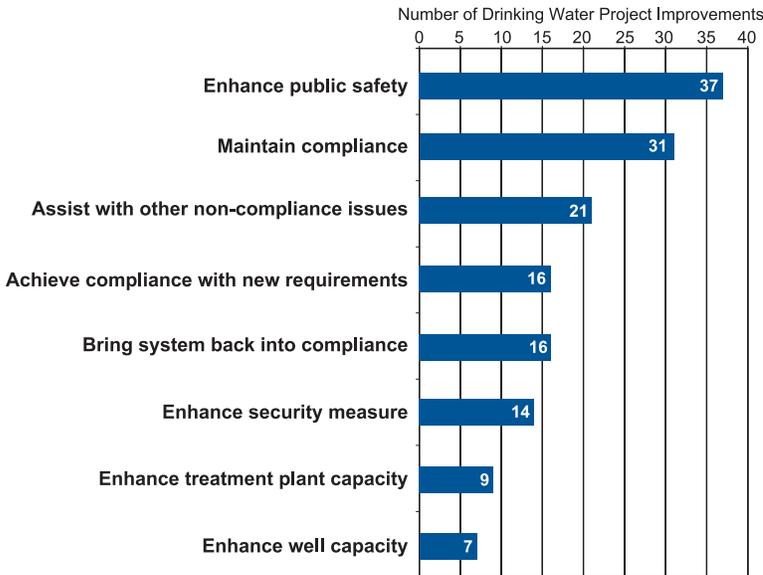
Natural Resource Conservation and Management *(continued)*

PENNVEST's biggest challenge is insufficient funding to meet all of the requests that the agency receives from financially needy communities. Many financially needy communities face expensive challenges to fix their water infrastructure problems and need both low-interest loans and grant funding to make improvements affordable. PENNVEST analyzes affordability and allocates scarce grant resources to those cases where funding will have the greatest impact and most substantially reduce user rates.

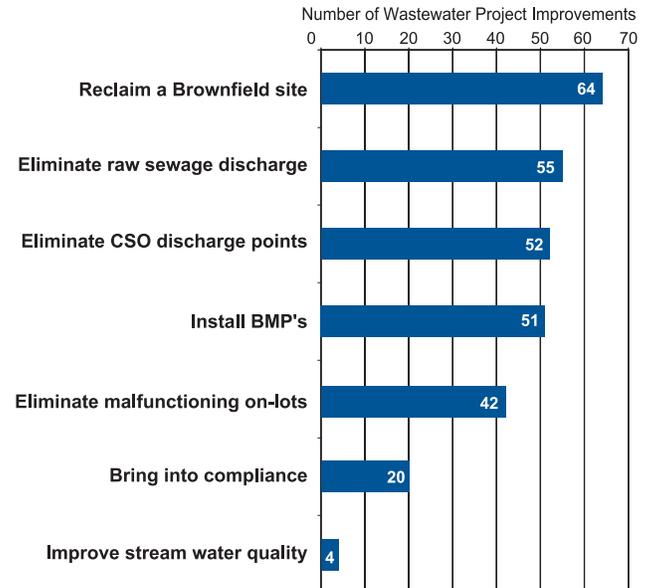
PENNVEST Makes More Projects Affordable



**PENNVEST Improves Drinking Water Quality
2008-09 Fiscal Year**



**PENNVEST Improves Wastewater Quality
2008-09 Fiscal Year**



Key Objective: Increase the number of approved projects that are constructed and verified as complete in order to improve efficiency and loan repayments.

Why this objective is important: PENNVEST provides loans to communities to fund wastewater and drinking water projects. Because PENNVEST uses loan repayments to fund new loans, loans must be amortized and principal repayments must begin as soon as possible. PENNVEST works with borrowers and with the Department of Environmental Protection to regularly review projects, verify completion and move toward amortization.

How we are doing: PENNVEST has been increasing the number of projects that go to final amortization in each of the past two years. Although borrowers often control when projects move toward final amortization, PENNVEST effectively works with borrowers and encourages them to move as quickly as possible.

PENNVEST Completed Projects		
2006-07	2007-08	2008-09
98	147	150

Environment – Protect Our Natural Resources

Natural Resource Conservation and Management *(continued)*

Key Objective: Clean the air by limiting exposure to unsafe levels of air pollutants.

Why this objective is important: The Department of Environmental Protection protects public health and the environment by controlling emissions and limiting exposure to unsafe levels of air pollutants. Pollutants of primary concern include ground-level ozone (smog), fine particulate matter that can lead to heart and respiratory problems, and toxic air pollutants.

How we are doing: With the exception of the Philadelphia and Pittsburgh-Beaver Valley areas, the state is meeting the 1997 federal standard for ozone. The department asked the Environmental Protection Agency (EPA) to designate 32 counties as “attainment areas” because air quality in those counties met national standards. However, in March 2008, the EPA tightened the air quality standards, lowering the ozone limit. In 2009, the department asked the EPA to designate many of the 32 counties as “nonattainment areas” based on the revised standard. The department is working with the EPA, which will issue new ozone designations in 2010, to continue to improve air quality. For more information, visit www.dep.state.pa.us/dep/deputate/airwaste/aq/.

During 2007 and 2008, the department worked closely with industry representatives and the citizens in the Collegeville area of Montgomery County to investigate and reduce elevated levels of trichloroethylene, an industrial solvent which can cause neurological and respiratory symptoms when inhaled at high concentrations.

Pennsylvania implemented its revised Clean Vehicles Program in resulting in cleaner, healthier air across the commonwealth. Early studies in 2005 and 2006 found that the program will significantly reduce levels of pollution. Cleaner-burning cars get better gas mileage, so drivers have to fill up less often. Reducing air pollution from vehicles also benefits businesses because greater reductions in car and light-duty truck emissions mean factories, power plants and manufacturers may reduce emissions by less and still meet overall air quality standards.

Outdoor Recreation

Key Objective: Increase the number of vibrant urban and suburban communities that use trails, developed riverfronts, parks and open spaces to connect people to the outdoors and build local economies.

Why this objective is important: Helping communities create outdoor connections improves quality of life and can help reduce sprawl. “Green infrastructure” is fueling new economic development in small towns across the state. Having natural amenities in urban or suburban settings also helps the 72 percent of Pennsylvania residents who live in these areas connect with nature.

How we are doing: The Department of Conservation and Natural Resources continues to advance its landscape approach to conservation, working regionally with partners on sustainable community initiatives. The department has expanded its award-winning TreeVitalize program to help 14 metropolitan areas restore tree cover as an act of stewardship, citizen involvement and economic investment.

The department’s grant program is going “green” with grant criteria to encourage better conservation practices and an online grant application process that reduces mailing and paper use and improves reporting and performance evaluation.

A decline in the funds available from the Keystone Fund, Growing Greener I and II and other revenue sources will slow down these efforts.

Environment – Protect Our Natural Resources

Outdoor Recreation (continued)

Key Outdoor Recreation Performance Measurements			
	2006-07	2007-08	2008-09
TreeVitalize – total trees planted	20,000	40,000	130,000
Number of grants (amount) awarded for community recreation and conservation	418 (\$61,900,000)	464 (\$54,500,000)	415 (\$54,600,000)
PA Managing Forestry Communities ¹	236	241	238
PA communities that received forestry assistance	501	525	650

¹Managing Forestry Communities are municipalities with management plans, dedicated forest assistance staff, a forest ordinance and advocacy.

Key Objective: Increase the ability of residents and visitors to experience the outdoors.

Why this objective is important: Connecting Pennsylvanians to the outdoors contributes to their enjoyment, health and well-being, and increases their appreciation of the state’s natural resources. Experiencing nature helps people make choices that protect these resources.

How we are doing: More people are visiting our award-winning state parks. The Department of Conservation and Natural Resources has doubled its outdoor recreation programs and expanded its environmental education offerings. Operational efforts to become more efficient and green inspire Pennsylvanians to practice conservation in their own lives. The iConservePA initiative, which connects people to conservation ideas and tips, is becoming increasingly popular.

Outdoor Recreation Programs			
	2006-07	2007-08	2008-09
State park attendance ¹	35,800,000	33,200,000	36,600,000
Percentage of available state park family cabins rented on peak weekends	92%	92%	92%
Percentage of available state park campsites rented on peak weekends	66%	66%	68%
LEED registered buildings under construction or completed (park and forest)	5	6	6
Number of people enrolled in the iConservePA database ²	N/A	1,000	52,000
Get Outdoors PA recreation programs conducted	1,053	1,783	2,904
Environmental education and interpretive program attendance	364,368	362,888	401,907

¹Point State Park reopened May 2008; attendance is slightly up system-wide.

²Launched in April 2008.

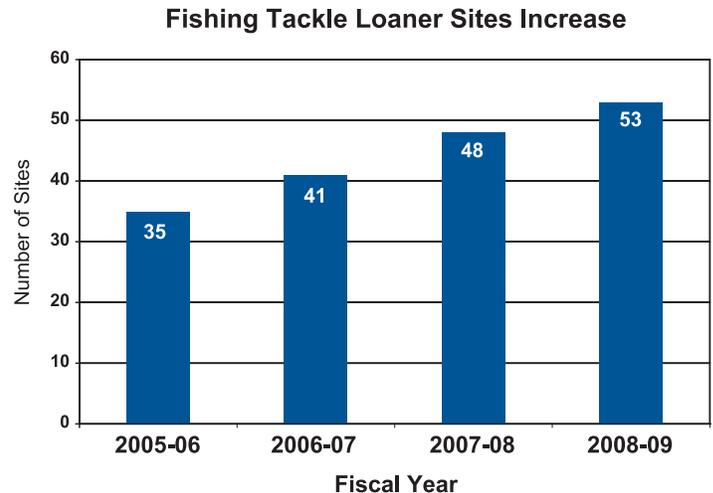
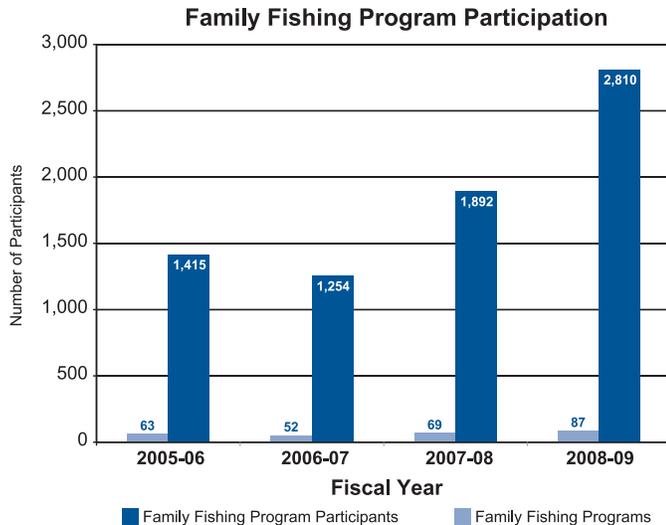
The department is expanding the Urban Youth Adventure Camps and creating follow-up programs with urban community partners for continued contact. The department completed its five-year update to the state recreation plan and will begin to implement the recommendations in 2009-10, with emphasis on creating a statewide trail system and interactive Web site. Continuing and expanding these programs is dependent on funding.

Environment – Protect Our Natural Resources

Outdoor Recreation (continued)

In addition, the Pennsylvania Fish and Boat Commission in 2008-09:

- Awarded nearly \$51,000 to 10 organizations to implement programs to increase fishing and boating knowledge and participation, and also conducted 87 Family Fishing programs that served 2,810 people.
- Registered 5 new Fishing Tackle Loaner Sites that loan, for no charge, fishing rods, reels and terminal tackle, and provide free instructional material.



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.

How we are doing: In 2008-09, the Pennsylvania Fish and Boat Commission:

- Completed easements or acquisitions on 10 properties at a cost of \$595,650, of which the commission contributed \$474,516, providing 6.96 miles of access to Lake Erie and tributary streams.
- Awarded 14 grants totaling \$1,060,500 to local governments and conservancies to design, engineer, develop and rehabilitate public boat launch facilities, and improved access at 14 facilities.
- Reared and stocked more than 3.4 million adult trout averaging 11 inches, 32 million walleye fry, 3.8 million American shad, and 15 other species of fish. The commission also conducted trout opening day angler counts to examine the cost-benefit ratio of stocking, with only one negative result.
- A telephone survey of 1,562 Pennsylvania trout anglers revealed that 84 percent were satisfied with trout fishing in the state, 61 percent release the trout they catch, 93 percent fish in trout-stocked waters at least half of the time, and 49 percent typically travel no more than 15 miles one way to trout fish.
- Added GIS Web site applications for use with interactive mapping, stocking lists, fishing hot spots, steelhead fishing and public fishing easements and acquisitions, biologists' reports, regulatory information, state fish hatchery locations, and driving directions. In addition, replaced county guides and stocking lists with Web GIS applications.

Environment – Protect Our Natural Resources

Outdoor Recreation (continued)

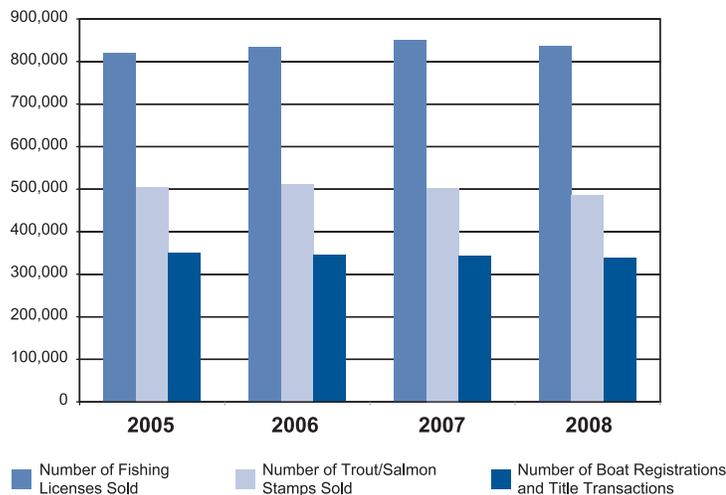
- Issued 32 Aids-to-Navigation plans for bridge construction and demolition projects and tentatively secured five new “primitive” access areas.
- Convened six regional stakeholder meetings to develop a new Statewide Fishing and Boating Access Plan.

Key Objective: Improve marketing and communications to the public about fishing and boating opportunities.

Why this objective is important: An informed public is vital to the protection and management of the commonwealth’s aquatic resources. Residents and visitors take 40 million fishing and boating trips in the commonwealth annually and contribute nearly \$3.4 billion per year to the economy. Sportfishing in Pennsylvania supports 23,000 jobs and generates \$53 million in annual revenue for the state’s general fund through state sales and income taxes.

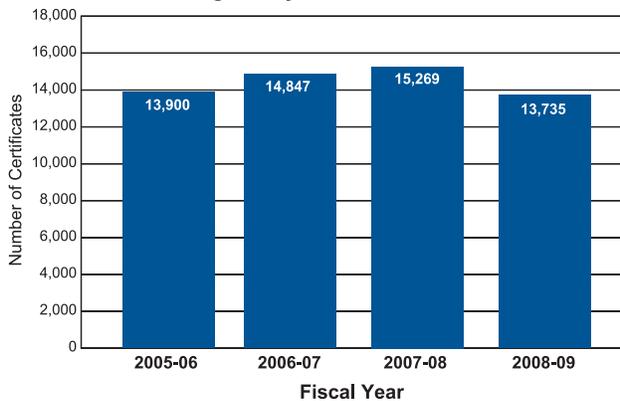
How we are doing: The Pennsylvania Fish and Boat Commission sold 5,078 new fishing license/permit gift vouchers in 2008. Overall, annual fishing license sales decreased 1.8 percent to 834,836 units and trout/salmon permits decreased 3.6 percent to 484,803 units in 2008. Boat registration and title transactions decreased 1.1 percent to 338,058 registered boats.

License Sales and Boat Registrations Decline Slightly

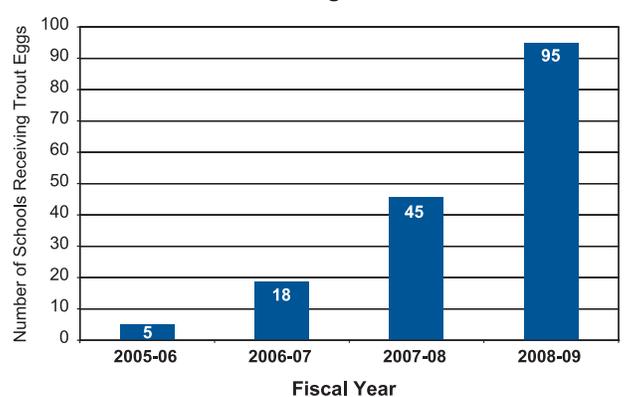


The commission also certified 13,735 students in boating safety education courses approved by the National Association of State Boating Law Administrators, and educated students in 95 classrooms about watersheds through the commission’s Trout in the Classroom program.

Boating Safety Education Certifications



Trout in the Classroom Program Educates More Students



Environment – Protect Our Natural Resources

Mine and Dam Safety

Key Objective: Provide for dams and flood protection projects that protect life, property and the environment.

Why this objective is important: A leader in dam safety, Pennsylvania has one of the only state flood protection programs in the country. During 2009, the state continued to take great strides to offer increased security to communities and residents.

How we are doing: The Governor made dam safety and flood protection a cornerstone of the Rebuild Pennsylvania initiative. The H2O PA grant program will provide \$800 million over the next 10 years for critical water, sewer and flood-control projects, and repairs to unsafe dams. The Department of Environmental Protection has awarded nearly \$14 million in grants for flood-control projects and approximately \$47 million in grants to address state and municipally owned dams in need of repair. The Governor also released \$25 million, or more than double the amount typically released, for seven capital flood-protection projects to protect flood-prone communities.

The department has also extended resources to communities that might not otherwise have the funding to purchase equipment to operate and maintain existing flood-control projects. The department invested approximately \$1.1 million in grants, or more than double the amount typically awarded, to reimburse flood-control sponsors for up to 65 percent of project improvements and non-routine maintenance costs and 50 percent for specialized equipment to monitor, operate and maintain their flood-protection projects.

State laws require that high-hazard dam owners maintain current emergency action plans that define the responsibilities of dam owners, government agencies and emergency personnel in responding to threats or concerns ranging from heavy rain forecasts to the discovery of structural problems. When the Governor took office, only one in four high-hazard dams had a current emergency action plan. Today, because of an aggressive enforcement initiative launched in 2004, the state has an 81 percent compliance rate and is on track to reach a 97 percent compliance rate. The national average compliance rate is 53 percent.

Key Objective: Eliminate fatalities and reduce mining accidents by providing mine safety training and inspections.

Why this objective is important: To ensure safe working conditions for Pennsylvania's miners, the Governor and the legislature enacted the first comprehensive overhaul of the state's outdated mine safety law in nearly half a century.

How we are doing: The new law, which took effect in January 2009, incorporates recommendations made following the 2002 Quecreek accident in Somerset County. It allows Pennsylvania mines to remain competitive while holding mine operators responsible for the safety of their mines. Most significantly, the law creates a seven-member Board of Coal Mine Safety chaired by the secretary of Environmental Protection and with equal representation of mine owners and mine workers. The board will have the authority to write new mine safety regulations, which the department is barred from doing and which will ensure the latest technology and up-to-date practices can be implemented swiftly to protect the state's 4,200 underground bituminous coal miners.

The department also made a major investment in mine safety in order to comply with the federal 2006 Mine Improvement and New Emergency Response Act's requirements. The department completed an additional mine rescue and training facility in Marion Center to provide equipment and mine rescue and safety training to local mines. The department also upgraded mine rescue apparatus and equipment at the Uniontown, Ebensburg and Tremont mine rescue stations.

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Public Safety – Ensure the Safety of Our Citizens

Contributing Agencies & Mission Statements

Office of Administration

Naomi Wyatt, Secretary
www.oe.state.pa.us
Complement Level: 680
Total Budget: \$208.089 M

The Office of Administration serves the Governor and the citizens of Pennsylvania by providing leading technologies and a dedicated workforce to all state agencies.

Commission on Crime and Delinquency

Walter M. Phillips, Jr., Chairman
Michael J. Kane, Executive Director
www.pccd.state.pa.us
Complement Level: 81
Total Budget: \$175.666 M

The mission of the Pennsylvania Commission on Crime and Delinquency is to enhance the quality of criminal and juvenile justice systems, facilitate the delivery of services to victims of crime and assist communities to develop and implement strategies to reduce crime and victimization.

Department of Corrections

Jeffrey A. Beard, Ph.D., Secretary
www.cor.state.pa.us
Complement Level: 15,750
Total Budget: \$1,697 M

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.

Pennsylvania Emergency Management Agency

Robert P. French, Director
www.pema.state.pa.us
Complement Level: 191
Total Budget: \$467.059 M

The mission of the Pennsylvania Emergency Management Agency is to provide for the safety and security of the commonwealth's citizens and property through leadership, coordination and support of governmental, non-governmental and private sector entities in a comprehensive and dynamic emergency management program.

Juvenile Court Judges' Commission

James E. Anderson, Executive Director
www.jcjc.state.pa.us
Complement Level: 28
Total Budget: \$21.012 M

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.

Public Safety – Ensure the Safety of Our Citizens

Contributing Agencies & Mission Statements

Department of Military and Veterans Affairs

Major General Jessica L. Wright,
Adjutant General
www.dmv.state.pa.us
Complement Level: 2,474
Total Budget: \$459.675 M

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.*

Board of Probation and Parole

Catherine C. McVey, Chairman
www.pbpp.state.pa.us
Complement Level: 1,117
Total Budget: \$132.014 M

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.

Pennsylvania State Police

Colonel Frank E. Pawlowski, Commissioner
www.psp.state.pa.us
Complement Level: 6,413
Total Budget: \$818.883 M

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.

Department of Transportation

Allen D. Biehler, P.E., Secretary
www.dot.state.pa.us
Complement Level: 12,011
Total Budget: \$5,292 M

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.

Public Safety – Ensure the Safety of Our Citizens

Prevention, Preparedness and Response

Key Objective: Reduce traffic-related fatalities.

Why this objective is important: The Department of Transportation (PennDOT) and Pennsylvania State Police are dedicated to improving the safety of all motorists by reducing crashes, injuries and deaths on Pennsylvania’s highways.

How we are doing: In 2008-09, PennDOT implemented 960 low-cost safety improvements, such as removing fixed objects along the road, installing rumble strips and increasing sight distance. PennDOT performed maintenance activities such as replacing missing signs, fixing potholes, repairing damaged guide rails and painting lines. The fatality rate dropped from 1.38 fatalities per 100 million vehicle miles traveled in 2007 to 1.37 fatalities per 100 million vehicle miles traveled in 2008.

Pennsylvania Highway Fatalities	
2005	1,616
2006	1,525
2007	1,491
2008	1,468

Source: PennDOT

In 2008-09, PennDOT also worked with more than 40 partners to provide safer roadways, with the goal of saving 100 more lives each year and reducing traffic fatalities statewide to 1,150 or less by 2011. Because crash data shows that the main contributing factors involve driver behavior, PennDOT worked with the Pennsylvania State Police and municipal police departments to increase enforcement. The state’s aggressive driving program resulted in more than 303,000 traffic citations and arrests in 2008-09, of which approximately 53 percent involved speeding. For highway safety information, visit PennDOT’s new Web site, www.DriveSafePA.org.

In 2008, highway crashes in Pennsylvania claimed the lives of 1,468 motorists, the lowest number since 1994.

Traffic crashes, DUI (driving under the influence of alcohol or drugs) crashes and fatal crashes investigated by State Police all decreased in 2008-09 for the third year in a row. According to the National Highway Safety Administration, Pennsylvania had 12.08 fatalities per 100,000 persons in 2008, which is below the national average of 14.63 fatalities per 100,000 persons. State Police stepped up enforcement of laws against driving under the influence of alcohol or drugs, arresting 14.28 percent more offenders in 2008-09 than the average for the previous four years. DUI arrests by State Police troopers increased in each of the last five years.

Accidents and DUI Offenses Investigated by the Pennsylvania State Police							
	2004-05	2005-06	2006-07	2007-08	2008-09	2008-09 compared to 2007-08	2008-09 compared to prior 4-year average
Motor Vehicle Crashes	87,071	82,674	84,450	83,254	78,771	-5.83%	-6.63%
DUI Crashes	4,458	4,536	4,863	4,687	4,610	-1.64%	-0.56%
Fatal Crashes	764	646	707	699	674	-3.58%	-4.26%
Individuals Arrested for DUI	13,317	13,816	15,631	15,982	16,831	+5.31%	+14.60%

Source: Pennsylvania State Police

The Selective Traffic Enforcement Against Drunk Driving program (STEAD-D) increased high visibility enforcement, targeting times and locations with an unusually high incidence of speeding and DUI offenses. From October 1, 2008 to September 1, 2009, each troop conducted one sobriety checkpoint per week in addition to roving DUI patrols.

Public Safety – Ensure the Safety of Our Citizens

Prevention, Preparedness and Response (continued)

STEAD-D Enforcement (October 1, 2008 – September 1, 2009)					
	QTR 1	QTR 2	QTR 3	QTR 4	Total
DUI Checkpoints	138	135	144	142	559
Checkpoint Contacts	18,092	15,562	19,977	22,758	76,209
Checkpoint DUI Arrests	355	395	389	405	1,544
Roving DUI Patrols	194	183	132	219	728
Roving Patrol Contacts	3,492	4,122	2,124	3,662	13,400
Roving Patrol DUI Arrests	234	303	146	185	868
Total Contacts	21,584	19,684	22,101	22,240	89,609
Total DUI Arrests	589	698	535	590	2,412

Source: Pennsylvania State Police

The Selective Traffic Enforcement Program (Operation STEP) targeted areas with a high incidence of crashes involving serious injury or death and also increased traffic enforcement during holiday travel periods and special events. Traffic congestion, which breeds aggressive driving, is a growing problem in urban areas.

Aggressive driving, which causes two-thirds of all crashes, continues to be a major concern. The Ticketing Aggressive Cars and Trucks (TACT) program stepped up enforcement against aggressive driving in high crash corridors identified by the Department of Transportation. TACT efforts resulted in 2,125 citations and 1,180 warnings in 2008-09. The state also partnered with municipalities in the Aggressive Driving Enforcement and Education Project, which combats aggressive driving through education and enforcement in four defined time periods (October - December 2008, January - March 2009, April - June 2009 and July - September 2009).

OPERATION STEP 2008-09

- Speeding Citations 34,647
- Speed Warnings 7,450
- Other Citations 27,812
- Other Warnings 11,151
- DUI Arrests 1,268

Pennsylvania Aggressive Driving and Enforcement Project Results				
	2008		2009	
	Citations/Arrests	Warnings	Citations/Arrests	Warnings
Speeding Citations	21,095	5,523	21,614	6,647
Other Aggressive Driving Citations	5,676	1,497	7,374	1,516
Occupant Restraint Violations	1,123	1,809	1,549	2,729
Other Citations	6,629	0	8,362	0
Felony Arrests	42	0	57	0
DUI Arrests	273	0	360	0
Drug Arrests	94	0	109	0
Other Arrests	390	0	509	0

Source: Pennsylvania State Police

Key Objective: Increase anti-drug training of law enforcement, emergency responders, communities and schools and reduce the training cost per student without sacrificing the quality of training.

Why this objective is important: Stopping the flow of illegal drugs and educating children about the dangers of these drugs greatly benefits the commonwealth and society as a whole.

Public Safety – Ensure the Safety of Our Citizens

Prevention, Preparedness and Response (continued)

How we are doing: The Department of Military and Veterans Affairs increased the number of schools participating in the National Guard Drug Demand Reduction program from 34 in 2007-08 to 52 in 2008-09. The Northeast Counterdrug Training Center’s cost to train a student dropped from \$966 in 2005-06 to \$474 in 2008-09, reflecting a reduction of almost 50 percent and the best ratio yet of dollars spent to students trained. In 2008-09, the center met all 183 compliance standards of the Commission on Accreditation for Law Enforcement Agencies (CALEA) and remains the only accredited National Guard counterdrug school.

Key Objective: Reduce the number of violent crimes and property crimes.

Why this objective is important: Declining crime rates make people feel more secure in their homes, increase residential development, and attract businesses and visitors to our state.

How we are doing: Violent crimes investigated in Pennsylvania in 2008 dropped 7.98 percent from 2007 while property crimes dropped 3.9 percent. According to the preliminary 2008 FBI Uniform Crime Report, violent crime dropped 2.5 percent and property crimes dropped 1.6 percent nationally last year. In 2007, 27 states had violent crime rates lower than Pennsylvania and six states had lower property crime rates.

To be effective, the State Police workforce needs to be as diverse as the communities it serves. In coalition with community organizations and leaders, State Police stepped up recruitment.

- In 2000, only 12.3 percent of State Police cadet applicants were minorities.
- In 2008, 24.1 percent of cadet applicants were minorities.

Violent Crime Rates and Property Crime Rates Continue to Decline

	2004-05	2005-06	2006-07	2007-08	2008-09	2008-09 compared to 2007-08	2008-09 compared to prior 4-year average
Violent Crimes Against Persons	3,859	4,652	4,634	4,464	4,244	-4.9%	-3.6%
Crimes Against Property	37,918	38,593	37,623	38,984	37,973	-2.6%	-0.8%

Source: Pennsylvania State Police

In addition to working with federal, state and local law enforcement officers on regional gang task forces, State Police assisted local police in high-crime and distressed communities, removing violent felons, illegal narcotics, and illegal weapons through Operation Triggerlock. Efforts in 15 communities in 2008 resulted in 2,444 arrests and 43 guns seized.

The Pennsylvania Instant Check System (PICS) prevents violence by keeping guns out of the hands of criminals. Firearms dealers and sheriffs call a toll-free number to determine whether a potential purchaser can legally obtain a firearm. PICS conducted more than 5.7 million background checks over the past decade, preventing more than 110,000 people from illegally obtaining firearms and enabling police to capture nearly 1,200 fugitives.

Firearms Background Checks Prevent Crimes

	2004-05	2005-06	2006-07	2007-08	2008-09	2008-09 compared to 2007-08	2008-09 compared to prior 4-year average
Checks Done	514,287	512,785	568,258	583,425	681,516	+16.8%	+25.1%
Purchases Denied	9,705	10,084	8,236	7,571	8,548	+12.9%	-3.9%

Source: Pennsylvania State Police

Public Safety – Ensure the Safety of Our Citizens

Prevention, Preparedness and Response (continued)

State Police forensic laboratories assist investigators in solving crime through ballistics and document examination, fingerprint identification, multimedia services, drug identification and analysis of DNA, blood alcohol content, serology and trace evidence. As the convicted offender DNA database grows, it will be increasingly helpful in identifying criminal suspects.

Forensic Identification Solves Crimes							
	2004	2005	2006	2007	2008	2009*	2009 compared to prior 5-year average
Convicted Offender DNA Submissions	7,872	55,754	36,766	32,162	25,529	23,391	-26.01%
DNA Evidence Submissions	1,275	1,221	1,282	1,814	2,016	2,084	+39.96%
Offenders Identified Through DNA	250	208	301	678	479	571	+49%

*Projection based on established target.

To increase public awareness of the presence of sex offenders in their communities, State Police maintains at www.psp.state.pa.us a registry of sex offenders who live, work or go to school in Pennsylvania. The registry had 14,393 registered offenders in 2008-09, an increase of nearly 50 percent over the past five-year average.

Number of Registered Sex Offenders							
2003-04	2004-05	2005-06	2006-07	2007-08	5-year average	2008-09	2008-09 compared to 5-year average
6,787	7,305	9,852	11,391	12,870	9,641	14,393	+49.28%

State Police is the central repository for all criminal records in Pennsylvania. To make it more difficult for convicted offenders to hide their criminal backgrounds, State Police conducts criminal records checks for a variety of employment-related purposes.

Criminal Records Checks						
	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
Checks for Employment	1,035,678	1,090,575	1,176,285	1,192,601	1,231,489	1,199,839

Source for above tables: Pennsylvania State Police

Key Objective: Increase the collection rate of arrestee fingerprints and photographs.

Why this objective is important: Identifying individuals who have been arrested for a crime using inked fingerprints is labor-intensive and time-consuming. Often, law enforcement agencies never fingerprint suspects being booked. Lack of prints delays identification, threatens officer safety and can hide previous convictions. Lack of prints and delayed identification can also hide previous convictions during sentencing. Technology exists to electronically capture fingerprints, hand impressions and photographs and submit them online to the Pennsylvania State Police for identification. This can significantly reduce processing time, resulting in lower costs and higher levels of fingerprint compliance.

How we are doing: The Commission on Crime and Delinquency provides funding to purchase and locate electronic identification technology across Pennsylvania. The commission also organized an oversight committee to monitor fingerprint submission compliance rates by municipal police

More Fingerprints Submitted Electronically		
Fiscal Year	Number of Locations	% Fingerprints Submitted Electronically
2007-08	160	70.0%
2008-09	207	82.9%

Source: Commission on Crime and Delinquency

Public Safety – Ensure the Safety of Our Citizens

Prevention, Preparedness and Response (continued)

departments. In 2008-09, 47 new electronic fingerprinting locations were established and electronic submission rates increased nearly 13 percent. The commission seeks federal dollars to expand these technologies to all law enforcement agencies.

Key Objective: Ensure that intelligence information obtained regarding criminal activity and possible terrorism is shared with law enforcement agencies throughout the state.

Why this objective is important: Intelligence information sharing helps law enforcement agencies prevent criminal activity. Sharing information avoids duplication of efforts, making more resources available for detecting and preventing crime and terrorism.

How we are doing: State Police operates a criminal intelligence center that provides 24-hour analytical assistance to law enforcement agencies and a crime and terrorism tip line for the public. State Police assigns Intelligence Task Forces to investigate every terrorism tip.

Criminal Intelligence Center Investigations						
	2004-05	2005-06	2006-07	2007-08	2008-09	2008-09 compared to 2007-08
Terrorism Hotline Tips	976	525	487	499	408	-18.24%
Credible Terrorism Hotline Tips	460	324	254	228	180	-21.05%
Drug Hotline Tips	243	222	340	333	369	+10.81%
Credible Drug Hotline Tips	184	144	192	168	212	+26.19%

State Police’s Hazardous Device and Explosive Section (HDES) improves homeland security by protecting critical infrastructure and responding to incidents involving explosive chemicals, incendiary devices, pyrotechnics, ammunition and other suspected explosives.

State Police’s Hazardous Device and Explosive Section							
	2004-05	2005-06	2006-07	2007-08	4-year average	2008-09	2008-09 compared to 4-year average
HDES Responses	139	212	217	260	207	218	+5.3%

Source for above tables: Pennsylvania State Police

Key Objective: Ensure the rapid collection and appropriate dissemination of accurate information on emergency situations anywhere in the state.

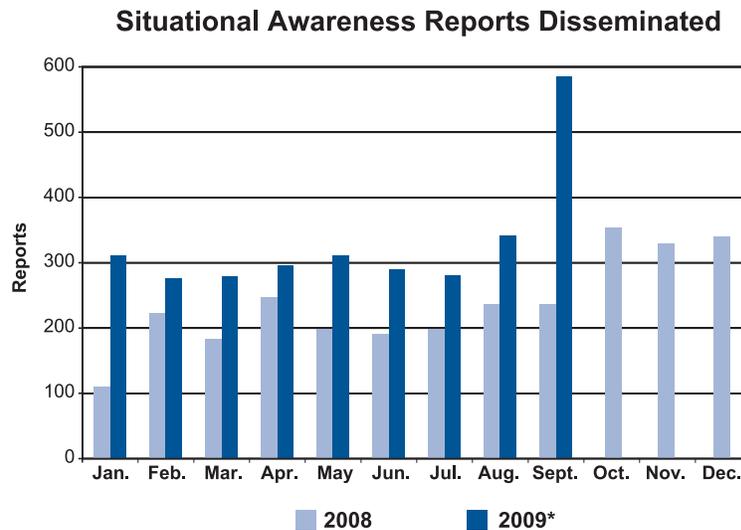
Why this objective is important: Having accurate information on a timely basis enables emergency responders to take necessary actions to deal with any emergency situation.

How we are doing: Opened in 2007, the State Police Watch Center collects information on homeland security and hazardous incidents and disseminates the information using conventional and cellular telephones, mobile data terminals, e-mail and 800 MHz radios. In times of heightened alert, Watch Officers relocate to the Emergency Operations Center for centralized emergency response. During large-scale, pre-planned operations, Watch Officers relocate to the incident location to ensure that accurate and timely situational awareness reports are disseminated to federal, state and local police commanders. These reports provide current information about active incidents, road closures and other unusual occurrences. With this information, command-level personnel are better equipped to make informed operational decisions. The number of these reports disseminated from January through

Public Safety – Ensure the Safety of Our Citizens

Prevention, Preparedness and Response (continued)

September 2009 increased 62.76 percent compared to the same period in 2008. Reports sent by Watch Center personnel at the G-20 Summit in Pittsburgh to federal, state, and local commanders contributed to this increase.



* 2009 data available only through September.
Source: Pennsylvania State Police

Key Objective: Provide to wireless 9-1-1 callers the enhanced 9-1-1 benefits traditionally available to landline 9-1-1 callers.

Why this objective is important: Enhanced 9-1-1 service identifies a caller’s location in a 9-1-1 emergency.

How we are doing: The number of 9-1-1 centers that have the ability to receive both the caller’s wireless phone number and location has increased from 37 in 2006-07 to 66 in 2008-09, out of a total of 69 9-1-1 centers. The table below shows the number of 9-1-1 centers in each phase of enhanced wireless 9-1-1 implementation for the past three fiscal years.

Number of 9-1-1 Centers with Wireless Enhanced 9-1-1 Service			
	2006-07	2007-08	2008-09
Phase 0: The most basic phase of 9-1-1. A call taker answers the call; caller information is not available	21	11	3
Phase I: Provides the call taker with the wireless phone call-back number but not the caller’s location.	11	3	0
Phase II: Provides the call taker with the ability to receive both the caller’s wireless phone number and location.	37	55	66

Source: Pennsylvania Emergency Management Agency

Public Safety – Ensure the Safety of Our Citizens

Prevention, Preparedness and Response (continued)

Key Objective: Increase coverage and usage of the Pennsylvania Statewide Radio Network.

Why this objective is important: A radio system that provides reliable communication among public safety agencies statewide is critical to ensuring a rapid response to emergencies.

How we are doing: The Office of Administration is replacing the state’s multiple analog mobile radio systems with the centrally managed, digital Pennsylvania Statewide Radio Network (PA-STARNET). PA-STARNET uses public safety standards for reliability and functionality, takes into account topography and will have interoperability with all local public safety responders. Each county will have its own integrated radio control station. The completed system is expected to cover 95 percent of Pennsylvania’s land area and at least 95 percent of the land in each county.

Statewide Radio Network Use			
	2006-07	2007-08	2008-09
Percentage of Land Area Covered	91.1%	93.0%	94.7%
Percentage of Roads Covered	91.7%	94.3%	95.9%
Number of County 9-1-1 and Emergency Operations Interoperable with Network	11	28	59
Percentage of Total Target Number of Radios (22,500) on the Network	60.7%	75.5%	80.1%
Average Monthly Radio Transmissions	2,570,526	3,406,888	3,508,813

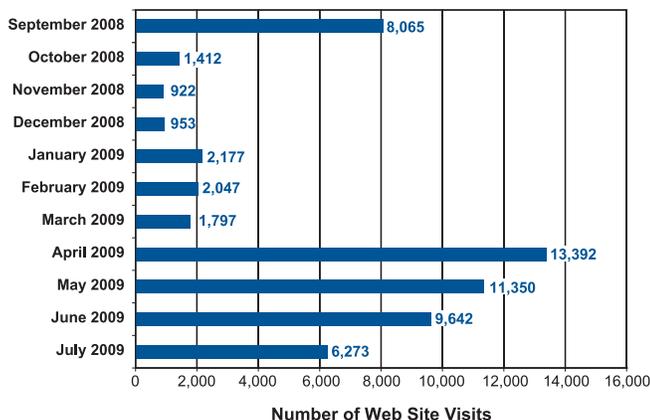
Source: Office of Administration

PA-STARNET can increase coverage by building more towers but that requires permission for land use and access to electric power and telecommunications. Site location and construction takes 12 to 16 months. At the same time, efforts are underway to improve radio performance without building additional infrastructure, such as refining frequency and software technology and reducing the effects of radio interference from commercial cellular carriers.

Key Objective: Encourage Pennsylvanians to prepare and plan for emergencies.

Why this objective is important: The tragedy of September 11, 2001 highlighted the need for a nationwide initiative to encourage emergency preparation.

ReadyPA Web Site Visits, Sept. 2008 - July 2009



Source: Pennsylvania Emergency Management Agency

How we are doing: Launched in 2008, ReadyPA is a statewide emergency preparedness campaign encouraging Pennsylvanians to be informed and prepared. The campaign includes brochures, the Web site www.readypa.org, public service announcements and a toll-free information number. The Pennsylvania Emergency Management Agency (PEMA) is monitoring Web site hits, earned media, electronic toolkit downloads, number of calls to the information number and print piece requests.

PEMA plans to increase Citizens Corps (citizens trained to assist with emergency response) efforts by developing an interactive children’s education and outreach program. PEMA will develop a tiered training program, establish Teen County Emergency Response Team trainings and organize

a business preparedness summit. Exercises will test the preparedness capabilities of volunteers. Lack of staff and funding continue to challenge the agency, which is working to mitigate this by teaming with county Citizen Corps Councils on projects.

Public Safety – Ensure the Safety of Our Citizens

Prevention, Preparedness and Response (continued)

Citizen Corps Efforts			
Fiscal Year	Community Emergency Response Teams (CERT): Residents Trained	Other Emergency Preparedness (Red Cross, Damage Assessment, etc.): Residents Trained	Emergency Preparedness Outreach (Fairs, Schools, Senior Centers, etc.): Residents Trained
2006-07	3,441	8,427	179,000
2007-08	5,673	9,513	212,795
2008-09	7,348	10,689	563,986

Source: Pennsylvania Emergency Management Agency

Key Objective: Maintain the state’s ability to prevent, respond to and recover from any all-hazard event.

Why this objective is important: The ability to respond to needs during emergencies or disasters requires skilled, trained staff that can coordinate with all levels of government.

How we are doing: In 2008-09, the Pennsylvania Emergency Management Agency (PEMA) continued an aggressive training and exercise plan to ensure that highly trained state employees staff the State Emergency Operations Center during disasters or emergencies. Activities included:

- 814 hours dedicated to State Emergency Operations Center training in 2008-2009.
- 130 hours dedicated to State Emergency Operations Center support personnel and county emergency management staff training on new incident management software.
- 580 applications processed for 580 students to attend Department of Homeland Security consortium schools or National Emergency Management Institute courses.
- 28 radiological training programs conducted for 359 hospital and provider students.
- 12 radiological officer initial and refresher courses conducted for 199 students.
- Five nuclear power plant exercises coordinated, including full-scale exercises for Susquehanna Steam Electrical Station and Three Mile Island involving 17 counties.
- Three nuclear power plant hostile action exercises conducted to test the coordination of plant and off-site law enforcement, fire-fighting and EMT services for Three Mile Island, Beaver Valley Power Station and Peach Bottom Atomic Power Station.
- 15 hospital exercises conducted for 350 participants to test the abilities of medical services to assess, treat and decontaminate radiologically contaminated personnel.

Incident response is critical to meeting the needs of Pennsylvanians by facilitating timely responses to disasters and emergencies in an efficient and effective manner.

- Nine of 36 certified Hazardous Materials Response Teams inspected to ensure compliance with state and federal standards regarding safety, training and actions.
- 67 Hazardous Material Safety Program county reports reviewed to ensure compliance with state and federal laws, which require annual review of more than 3,200 plans.
- Pennsylvania and all 67 counties reported 100 percent completion of National Incident Management System compliance objectives. Failure jeopardizes federal funding.

Incidents Reported Through Pennsylvania Emergency Incident Reporting System	
2006-07	10,136
2007-08	11,265
2008-09	10,515

Source: Pennsylvania Emergency Management Agency

Public Safety – Ensure the Safety of Our Citizens

Prevention, Preparedness and Response *(continued)*

- 10,515 incidents coordinated by the State Emergency Operations Center in 2008-09, a decrease in incidents from 2007-08 that could be due to less severe weather.

Pennsylvania Task Force One (PA-TF 1) is one of 27 Urban Search and Rescue Task Forces established by the Federal Emergency Management Agency. These teams are deployed in support of highly complex or large-scale structural collapses, explosions and similar events.

- PA-TF 1 has 176 deployable and 213 total personnel, more than the national average.
- PA-TF 1 mobilized for Hurricane Gustav and Hurricane Ike in 2008. Although deployed by the Federal government, PA-TF 1 always maintains in-state support for regional needs.

When PA-TF 1 deployed to New York City during the attacks of September 11, 2001, Pennsylvania was left without its most highly trained emergency response personnel. As a result, a second “Pennsylvania only” team was created. The second team is identical to PA-TF 1 and is pre-deployed statewide based on populations and threats, cutting in-state response time.

Training conducted by these teams in 2008-09 include:

- 69 students participated in an Urban Search and Rescue team orientation program.
- 49 students participated in a weapons of mass destruction class with 1,568 hours of instruction.
- Regional partners participated in an exercise involving the Little League World Series.

Key Objective: Improve the ability of first responders to safely and effectively respond to emergencies in their communities by increasing the number of certified firefighters.

Why this objective is important: The state’s first responders – fire, Emergency Medical Service and rescue – are the first line of defense in most emergencies. Helping these organizations remain operationally viable with members prepared to do their jobs safely is essential to incident response.

How we are doing: The Office of State Fire Commissioner (OSFC) offers a voluntary firefighter certification program that validates training and allows organizations to benefit from community recognition and increased funding, based on certified members, from the Volunteer Fire Company and Volunteer Ambulance Service Grant Program.

Volunteer Fire Company and Volunteer Ambulance Service Grant Program			
	Fire Grant Applications	Applications Claiming Certified Members	Number of Certified Members Claimed
2007-08	2,157	1,431	8,177
2008-09	2,150	1,520	8,779
% Change	-0.32%	+6.22%	+7.36%

Source: Pennsylvania Emergency Management Agency

Public Safety – Ensure the Safety of Our Citizens

Prevention, Preparedness and Response *(continued)*

Key Objective: Reduce the risks associated with critical infrastructure from acts that would severely diminish the ability of government to perform essential health and safety missions.

Why this objective is important: Protecting critical infrastructure and key resources is necessary to the state's security, public health and safety, economic stability and way of life. Direct terrorist attacks and natural or man-made hazards could produce human casualties, destroy property, hurt the economy and profoundly damage public morale and confidence.

How we are doing: The Pennsylvania Office of Homeland Security has identified six steps that need to be taken in order to protect infrastructure and key resources:

- Set protection goals and objectives.
- Identify assets.
- Assess risk to those assets.
- Prioritize funding initiatives for infrastructure and key resources.
- Implement protective measures to increase infrastructure and resource resiliency.
- Measure program effectiveness.

To complete these steps, the office developed the Commonwealth Critical Infrastructure Protection Program, which has identified agency responsibilities. So far, the office has:

- Set the state's critical infrastructure protection goals and objectives.
- Identified all known critical infrastructure and key resources, an ongoing process based on potential human health, economic and psychological consequences.
- Used the Pennsylvania Emergency Management Agency's regional capability assessment to identify challenges that first responders face covering more than 600 critical infrastructure and resource assets.
- Worked with the nine regional task forces to review gaps and set specific goals.

Key Objective: Maintain the strength and readiness of the Pennsylvania Army National Guard and the Pennsylvania Air National Guard.

Why this objective is important: All facets of the Department of Military and Veteran Affairs' operations depend on recruiting and retaining qualified, motivated and trainable men and women.

How we are doing:

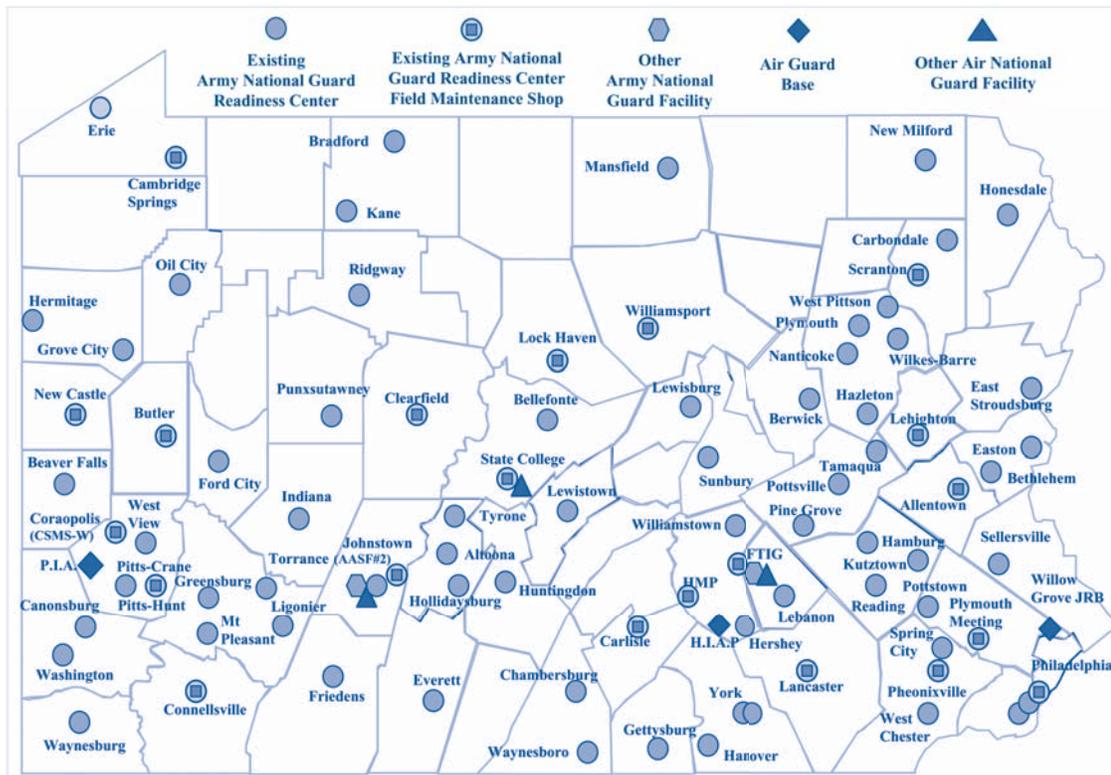
- The Pennsylvania National Guard had 19,231 members as of July 1, 2009.
- The Army Guard component had 15,037 soldiers, or 99 percent of the assigned yearly mission.
- The Air Guard component had 4,194 airmen, or 103 percent of the assigned yearly mission.
- Pennsylvania units have been deployed in Iraq in support of Operation Iraqi Freedom, in Afghanistan in support of Operation Enduring Freedom, and in other locations in support of other global missions. More than 20,000 Guard units have deployed since September 11, 2001.

Public Safety – Ensure the Safety of Our Citizens

Prevention, Preparedness and Response (continued)

Key Objective: Maintain and improve Pennsylvania National Guard facilities at Fort Indiantown Gap and throughout the state to ensure readiness for any national defense or homeland security mission.

Why this objective is important: Many Department of Military and Veterans Affairs facilities are antiquated, including hundreds of “temporary” World War II era buildings at Fort Indiantown Gap and early 20th century armories statewide. State and federal funds for new construction, repairs and operations are limited.



How we are doing: The department secured American Recovery and Reinvestment Act and other federal funds in 2008-09 for dozens of projects, including 80 minor construction projects and a new military training center at Fort Indiantown Gap.

Energy use reduction is a key criterion in the selection of minor construction/repair projects and process improvements. The department saved more than \$200,000 in energy costs in Army Guard facilities in each of the last two years. The 171st Air Refueling Wing reduced energy consumption by nearly 19 percent since 2006, surpassing its energy reduction goal by nearly 10 percent.

The department continues to improve regulatory compliance and best practices regarding hazardous materials and waste management, recycling and facility demolition. For example, Army Aviation Support Facility conversion to an “as needed” system has reduced hazardous solvents and other materials by more than 50 percent, eliminated floor storage violations, reduced hazardous waste and reduced maintenance costs by \$30,000 per year. Using this system, mechanics request only what they need to complete a project and return any unused materials.

Public Safety – Ensure the Safety of Our Citizens

Incarceration, Rehabilitation and Reentry of Offenders

Key Objective: Operate all state prisons securely, safely and humanely by creatively and efficiently managing inmate populations and facilities.

Why this objective is important: Operating state prisons securely, safely and humanely is essential for the safety of prison staff, inmates and the public.

How we are doing: The Department of Corrections' inmate population increased from 40,090 in 2002 to 49,307 in 2008 – an increase of 23 percent. An October - December 2008 parole moratorium contributed to the increase.

Despite increasing population, which can lead to overcrowding and disturbances, there have been no major disturbances since 1989 and there has been only one breach escape in the past decade. Some contributing factors include:

- Incident Command System (ICS): Department officials plan for emergencies using ICS, which standardizes chain of command, terminology and agency responsibility.
- Physical Security: Prison improvements include strengthening perimeters and adding personal employee emergency alarms, cut-resistant window bars and security layers.

The department has a zero-tolerance drug policy and monitors and randomly searches inmates, visitors and employees for potential drug contraband.

The department's efforts to make prisons safer by reducing contraband and weapons have, since 2005, lowered the rate of inmate assaults on staff by 18 percent and inmate assaults on inmates by 21 percent.

Inmate Population Continues to Grow		
Year	Number of Inmates	% Change
2001	37,995	
2002	40,090	+5.5%
2003	40,817	+1.8%
2004	40,965	+0.4%
2005	42,446	+3.6%
2006	44,365	+4.5%
2007	46,028	+3.7%
2008	49,307	+7.1%
7-year % change		+23.0%

Inmate Drug Screening, 2005-2008				
	2005	2006	2007	2008
Random Drug Screens	48,251	48,505	48,366	49,127
Positive Random Drug Screens	119	109	107	88
% Positive Random Drug Screens	0.25%	0.22%	0.22%	0.18%

Inmate Assaults on Staff 2005 - 2008				
	2005	2006	2007	2008
Incidents	N/A	574	531	589
Major	25	37	30	41
Minor	745	572	535	591
Total	770	609	565	632
Rate per 1,000 Inmates	18	14	12	13

Inmate Assaults on Inmates 2005 - 2008				
	2005	2006	2007	2008
Incidents	N/A	456	494	491
Major	21	19	18	26
Minor	640	487	506	499
Total	661	506	524	525
Rate per 1,000 Inmates	16	11	11	11

Source for all tables above: Department of Corrections

Two new safety initiatives involve inmate transport and preventing inmate sexual assault:

- Global Positioning Systems (GPS): GPS units are located on all inmate transport buses and can be monitored by the Pennsylvania State Police during emergencies.
- Prison Rape Elimination Act (PREA): The PA Coalition against Rape (PCAR) and the department are testing a sexual assault response team at three state institutions.

Public Safety – Ensure the Safety of Our Citizens

Incarceration, Rehabilitation and Reentry of Offenders *(continued)*

Key Objective: Reduce county jail costs by providing alternatives to incarceration for nonviolent offenders.

Why this objective is important: With county jail and prison populations at record highs, alternatives to jail incarceration for nonviolent offenders save money by freeing up jail space for more serious or repeat offenders without building new prisons. Simply releasing people or reducing sentences, however, can increase crime unless coupled with requiring offenders to complete programs that decrease their likelihood of offending again.

How we are doing: The Commission on Crime and Delinquency funds County Intermediate Punishment programs for nonviolent offenders that combine liberty restrictions such as house arrest, work release and day reporting with restorative sanctions such as community service to facilitate offender rehabilitation.

County Intermediate Punishment Programs			
Fiscal Year	Counties Participating	Average Jail Days Saved per Offender	% Offenders Completing Program
2006-07	58	107	79%
2007-08	58	95	84%
2008-09	58	103	80%

The commission also funds Drug and Alcohol County Restrictive Intermediate Punishment programs. These programs treat addiction as part of an alternative to incarceration.

Drug and Alcohol County Restrictive Intermediate Punishment Programs			
Fiscal Year	Counties Participating	Average Jail Days Saved per Offender	% Offenders Completing Program
2006-07	27	336	51%
2007-08	33	339	60%
2008-09	33	293	64%

Source for above tables: Commission on Crime and Delinquency

Key Objective: Increase the use and efficacy of evidence-based juvenile justice and delinquency prevention programs.

Why this objective is important: Juvenile delinquency victimizes Pennsylvanians and can be a prelude to adult criminality. Because resources for delinquency prevention programs are limited, tax dollars must be used for programs and approaches that scientific evaluations have shown to be effective. Likewise, programs must adhere to the original program model.

How we are doing: To verify each program's efficacy and implementation statewide, the Commission on Crime and Delinquency uses goals and objectives from the program creators to ensure they adhere to stringent standards. These programs have been tested and proven to work, utilizing the highest standards of research available. In 2008-09, the commission supported more than 70 programs that assisted 36 counties in preventing juvenile delinquency. The commission also began focusing support on 10 specific programs, resulting in increased oversight and more programs supported with less money.

- 713 youths served in intensive, research-based programs.
- 30,553 youths served in non-intensive, research-based programs.
- 73 percent of 384 families served functioned better.
- 82 percent of 209 youths improved school attendance.

Public Safety – Ensure the Safety of Our Citizens

Incarceration, Rehabilitation and Reentry of Offenders *(continued)*

- 95 percent of 537 youths served received no new charges while in program.
- 96 percent of 537 youths served avoided residential placement, saving \$12 million.

In 2008-09, the commission partnered with the Department of Public Welfare’s Office of Children, Youth and Families to develop the Resource Center for Evidence-Based Prevention and Intervention Programs and Practices. The resource center helps communities define their issues and select and implement programs to address them.

Collecting high-quality data is a challenge for all agencies and partners involved – especially if each agency or partner collects different data. The commission continues to refine the methods used to collect data, up to and including Web-based reporting.

Evidence-Based Programs Help Communities		
Fiscal Year	Program Awards	Communities Supported
2005-06	20	13
2006-07	15	14
2007-08	15	17
2008-09	25	25

Source: Commission on Crime and Delinquency

Key Objective: Increase the number of county Criminal Justice Advisory Boards to improve justice system efficiency and efficacy through interagency planning and collaboration.

Why this objective is important: Pennsylvania’s county criminal justice system has many components that operate independently but affect each other. For example, a police initiative that leads to more arrests ultimately requires more court, prosecution, jail and probation resources. To enhance effectiveness and decrease costs, it is essential that local decision-makers communicate and collaborate in developing a formal structure.

How we are doing: The Commission on Crime and Delinquency used funding to encourage the formation of county Criminal Justice Advisory Boards to address criminal justice issues on a systemic level. Boards study best practices in administering and delivering services, and recommend ways to improve effectiveness and efficiency. The commission’s efforts led to an increase in the number of county boards, from 58 to 63 – a gain of nearly 9 percent.

Criminal Justice Advisory Boards	
Fiscal Year	Counties Participating
Prior to 2007-08	52
2007-08	58
2008-09	63

Source: Commission on Crime and Delinquency

Key Objective: Reduce recidivism by giving inmates appropriate and timely treatment that is based upon their potential to commit future crimes and their treatment needs.

Why this objective is important: Using exceptional assessment tools and providing inmates with evidence-based treatment programs reduces inmates’ likelihood of committing future crimes.

How we are doing: Using national Association of State Correctional Administrators (ASCA) standards for counting and reporting recidivism, the Department of Corrections continues to reduce recidivism rates. The department reduces recidivism and addresses reentry needs using a three-pronged strategy focusing on assessment, treatment and reentry.

- Assessment identifies an offender’s treatment needs, the probability of committing future crimes and specific issues that may result in criminal behavior.
- Treatment is based on risk level and needs. Low-risk offenders, who do not benefit much from treatment, receive little while high-risk offenders receive intensive treatment.

Public Safety – Ensure the Safety of Our Citizens

Incarceration, Rehabilitation and Reentry of Offenders (continued)

Pennsylvania Continues to Reduce Recidivism Rates				
Year of Release	Inmates Released	Percent of Inmates Returning to Prison		
		1 Year	2 Years	3 Years
2004	12,662	11.9%	25.3%	32.5%
2005	12,919	11.0%	23.6%	31.7%
2006	12,126	10.6%	22.1%	N/A
2007	13,077	9.9%	N/A	N/A

Source: Department of Corrections

Key Objective: Prepare inmates for successful reentry into the community.

Why this objective is important: Providing inmates with treatment and educational programs prepares them for a successful return to their communities and reduces future victimization.

How we are doing: Reentry is the third component of the Department of Corrections' three-pronged release preparation strategy. Preparing an offender for reentry begins when he/she first enters state prison. Recently introduced initiatives aimed at assisting reentry include:

- **Recidivism Risk Reduction Incentive:** This public safety initiative is intended to reduce recidivism and victimization by permitting eligible nonviolent offenders to receive a reduction of their minimum sentence upon completion of treatment programs. Research shows that evidence-based programs enhance public safety.
- **Education:** Research on department education and vocational programs shows that they reduce recidivism by approximately 5 percent. In 2008, more than 11,000 inmates enrolled in academic programs and 4,000 enrolled in vocational programs. All education programs are accredited by the Corrections Education Association.
- **Treatment Services:** The department created 35 new treatment specialist positions to ensure that programs are delivered to prison inmates in a timely manner. This is reducing treatment program waiting lists and streamlining the reentry process.
- **Joint Initiatives:** The department is working with the Pennsylvania Department of Transportation to provide state prisons with access to PennDOT's database so inmates can obtain non-driver's license photo IDs for use upon release from prison.

GED Graduation Rates Continue to Rise				
	2005	2006	2007	2008
Total % of inmates attending GED classes that graduated	69%	62%	70.5%	71%

Source: Department of Corrections

Key Objective: Maintain 100 percent completion rate for sexual offender assessments ordered by adult and juvenile courts and requested by the Board of Probation and Parole.

Why this objective is important: By law, the Sexual Offenders Assessment Board must provide assessments to the court within 90 days after conviction for adults and within 90 days after a juvenile's 20th birthday. The assessment provides a professional opinion regarding whether or not the convicted offender has a mental abnormality or personality disorder that makes him or her likely to engage in predatory sexually violent offenses. If the judge agrees that the criteria have been met, the court designates the offender a sexually violent predator. The board requests an assessment prior to parole consideration. This assessment is a highly specialized evaluation determining the risks posed to the community. The board's assessment may include recommendations for treatment and supervision in the community.

Public Safety – Ensure the Safety of Our Citizens

Incarceration, Rehabilitation and Reentry of Offenders *(continued)*

How we are doing: In 2008-09, the Sexual Offenders Assessment Board completed all court ordered assessments on time, as required by law. The challenge for the board is that it does not have the complement of investigators needed to meet both the present workload of board-requested cases in a timely manner and the projected workload of court and board requests. From 2007-08 to 2008-09, the number of assessments increased 16 percent.

As of July 2009, there were almost 400 board-requested assessments in progress and scheduled to be completed by December 2009. During this time, more requests will be received. Extensive staff overtime is being used to handle the current workload and there is no capacity for more overtime use. Assessment delays mean that offenders may not be considered for parole. If the offender is not paroled, the offender will complete the maximum sentence in prison and be released without any community supervision, which does not align with best practices of sex offender management and risk reduction.

The board will also continue to identify potential opportunities to electronically obtain relevant data and documents from state criminal justice entities, such as receiving juvenile records from the courts electronically to improve the efficiency of the investigative process.

Key Objective: Increase the number of offenders identified as appropriate for parole based on the reduced risk of committing another crime.

Why this objective is important: Offenders participate in treatment and programming in prison designed to change their behavior and attitudes toward crime. Making Pennsylvania safer requires determining if an individual's risk of reoffending has actually been reduced.

How we are doing: The Pennsylvania Board of Probation and Parole has increased the percentage of parolees who successfully complete parole. The parole rate decreased for offenders at all risk levels over three years, which reflects the impact of the October-to-December 2008 parole moratorium.

Despite efforts to change offender behavior, several tragic murders by parolees and pre-release inmates occurred in 2008. In response, the Department of Corrections placed a hold on the release of offenders in October 2008 while Dr. John Goldkamp conducted an independent review of the parole process. Dr. Goldkamp's initial review included several recommendations to manage violent offenders. His final report is expected to include recommendations on predicting offenders with the highest risk of reoffending and those likely to do so violently.

Offenders Granted Parole by Level of Risk			
	2006-07	2007-08	2008-09
High	47%	45%	32%
Med	64%	62%	47%
Low	70%	70%	57%
Overall	58%	59%	46%

Source: Board of Probation & Parole

Key Objective: Increase the percentage of parolees who successfully complete parole.

Why this objective is important: Making Pennsylvania safer requires that each offender released on parole be provided with the support and services needed to live crime free.

How we are doing: Of those offenders whose supervision ended in 2008-09, 53 percent completed parole successfully. These offenders did not have their parole revoked at any time while under supervision. They were successfully managed in the community. The Board of Probation and Parole's target for 2009-10 is 55 percent.

The board faces many challenges to encouraging parolees to act lawfully. When an inmate is released on parole, specialized agents work closely with the parolee during the first 90 days, a critical period for stabilizing the offender in the community. Adequate community resources are needed, such as drug and alcohol treatment, sex offender treatment, mental health services, affordable housing and available jobs. The parole agent

Successful Parole Completions		
Fiscal Year	Total	Percent
2005-06	5,498	47
2006-07	6,054	51
2007-08	6,382	54
2008-09	6,629	53

Source: Board of Probation & Parole

Public Safety – Ensure the Safety of Our Citizens

Incarceration, Rehabilitation and Reentry of Offenders *(continued)*

works with the parolee on all of these issues, but if the parolee cannot find a job, a place to live and necessary treatment, it is difficult for agents to help parolees change their behavior.

The board seeks to expand the number of parole agents certified to deliver programs to parolees in order to fill the gap in programming needs. Currently, the board is able to deliver Anger Management, Life Skills, Substance Abuse and Employment programming in each district. Other treatment and needs are met by community programs, where available.

Key Objective: Decrease the number of offenders who stop reporting to their parole agent.

Why this objective is important: Parolees who flee parole supervision, known as absconders, can be a danger to public safety. Absconders are typically offenders who leave community correction centers or drug users who avoid supervision because they are using drugs again. Individuals on parole are completing their sentence in the community. If they stop reporting for supervision, they are not completing the sentence imposed by the court and must be held accountable. The Board of Probation and Parole issues a warrant for their arrest and pursues them. Once a warrant is issued, it remains in effect until that person is found.

How we are doing: The state’s 3.5 percent absconder rate for 2008-09 is significantly less than the national rate of 7 percent. The board continues to seek additional ways to prevent parolees from fleeing supervision and continues to partner with local police to expeditiously track down absconders. Fugitive Apprehension Search Teams in Philadelphia, Pittsburgh, Erie and Harrisburg focus solely on hunting down and arresting absconders.

Number and Percentage of Absconders Continues to Drop			
Fiscal Year	Absconders	Parolee Population	Percent of Population
2001-02	1,668	23,901	7.0%
2002-03	1,596	24,538	6.5%
2003-04	1,653	26,836	6.2%
2004-05	1,727	28,372	6.1%
2005-06	1,592	29,143	5.5%
2006-07	1,538	29,568	5.2%
2007-08	1,347	32,097	4.2%
2008-09	1,099	31,179	3.5%

Source: Board of Probation & Parole

Key Objective: Decrease the percentage of individuals whose parole is revoked within one year of release from prison.

Why this objective is important: Reducing recidivism, or the number of parolees recommitted to prison after committing another crime or violating conditions of parole, is a vital part of the mission of the Board of Probation and Parole. Offenders may participate in treatment and programming in prison, but it is in the community where they put into practice what they have learned. Fewer crimes mean fewer victims and safer neighborhoods.

How we are doing: The reduction in the one-year recidivism rate is promising. The challenge is to achieve a three-year, sustained reduction—the nationally recognized measure of recidivism. The state’s three-year rate is 45 percent and the national rate is 51.8 percent. *(Source: Bureau of Justice Statistics Special Report 2002 Recidivism of Prisoners Released in 1994)*

Many factors affect the board’s ability to reduce recidivism. Offenders often return to communities with high unemployment, crime, poverty rates and drug prevalence. These are difficult obstacles for offenders — who often have limited education and job skills and often have substance abuse problems to overcome. The board will continue to incorporate supervision and case management strategies that have been proven to reduce recidivism.

Recidivism Rate Reductions Continue			
Release Cohort	1-year	2-year	3-year
2004-05	26%	43%	49%
2005-06	23%	39%	45%
2006-07	22%	36%	N/A
2007-08	21%	N/A	N/A

Source: Board of Probation & Parole

Public Safety – Ensure the Safety of Our Citizens

Incarceration, Rehabilitation and Reentry of Offenders *(continued)*

Key Objective: Decrease the number of technical parole violators (parolees who break their conditions of parole) recommitted to prison and maintain the current low number of convicted parole violators (parolees who commit a new crime while on parole) recommitted to prison.

Why this objective is important: Offenders able to be effectively managed in the community through a graduated sanctioning process and those who receive treatment and programming are more likely to complete parole successfully and not commit further crimes. The goal is to keep parolees under community supervision when possible to do so safely.

How we are doing: For the past three years, the percentage of technical parole violators has steadily declined and the percentage of convicted parole violators remained stable. In 2008-09, the percentage of both types of parole violators recommitted to prison increased slightly. The Board of Probation and Parole’s 2009-10 targets are 260 or fewer technical parole violators and 159 or fewer criminal parole violators recommitted per month.

Technical Parole Violators as Percent of State Sentenced Population			
Fiscal Year	Annual TPVs	State Sentenced Population	TPVs as % of State Sentenced Population
2005-06	3,808	21,567	1.47%
2006-07	3,247	21,888	1.25%
2007-08	2,846	22,310	1.06%
2008-09	3,089	22,274	1.16%

Criminal Parole Violators as Percent of State Sentenced Population			
Fiscal Year	Annual CPVs	State Sentenced Population	CPVs as % of State Sentenced Population
2005-06	1,626	21,567	0.63%
2006-07	1,648	21,688	0.63%
2007-08	1,738	22,310	0.65%
2008-09	1,924	21,724	0.72%

Source for tables: Board of Probation & Parole

This year, the board implemented a new Violation Sanctioning Grid to guide parole agents in determining the most appropriate type of sanction to impose. Not all parole violations result in a return to prison. An offender’s addiction to illegal drugs and alcohol, family problems, lack of jobs and lack of resources can limit an agent’s ability to safely and effectively manage a parolee in the community. The Violation Sanctioning Grid ensures every response is consistent with proven strategies and every violation is met with a swift, appropriate response.

The Reentry Drug Court pilot initiated in York County in 2005 has already shown success in reducing recidivism. The reentry courts are focused on providing individually tailored continuity of service for each parolee. One court session per month is conducted at a county courtroom with a team of parole, drug and alcohol managers, other community agencies and a Common Pleas Judge. Offenders are called to the bench by the Board Member or Common Pleas Judge to address their progress, concerns and problems. At this time, sanctions or incentives are administered to the participant. The board has added two additional courts and plans to add three more Reentry Drug Courts in 2010 if funding is available.

Key Objective: Increase the percentage of juveniles who successfully complete supervision without committing a new offense.

Why this objective is important: Juveniles who do not commit a new offense while under court supervision more often remain crime free.

How we are doing: The Juvenile Court Judges’ Commission has collected and published case closing data from county juvenile probation departments since 2004. Only Arizona, South Carolina and Utah collect and publish similar data.

Since 2004, Pennsylvania’s juvenile justice system has closed slightly fewer cases successfully. In Pennsylvania, a successful case closing is defined as no new adjudications or convictions during the

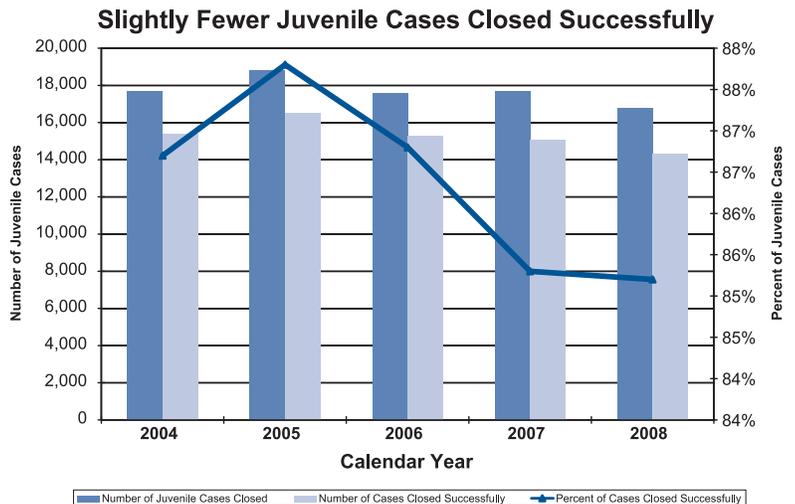
Public Safety – Ensure the Safety of Our Citizens

Incarceration, Rehabilitation and Reentry of Offenders (continued)

period of supervision. The proportion of successful case closings declined from a high of 87.7 percent in 2005 to a low of 85.2 percent in 2008. Over the same period, funding to support county juvenile probation officer positions declined by 8.5 percent.

By comparison, Arizona reported a successful closing rate of approximately 70 percent for 2006, 2007 and 2008, and Utah's Supreme Court reported a 69 percent success rate for 2007. South Carolina's Department of Justice reported an 86 percent success rate for 2007-08. The Juvenile Court Judges' Commission seeks to increase successful case closings to 90 percent by the end of 2012. Decreasing state grant funds to support county probation officer positions and reduced technical assistance to counties present challenges to achieving the commission's goal.

The commission, together with the Pennsylvania Council of Chief Juvenile Probation Officers, has undertaken an initiative to effectively assess the risks and needs of juvenile offenders and increased screening of delinquent youth for mental illness and mental health services. The commission continues to provide assistance to juvenile courts and probation departments to improve supervision, especially of released offenders. The commission expects these initiatives to lead to more efficient and focused allocation of resources and, consequently, more successful case closings.



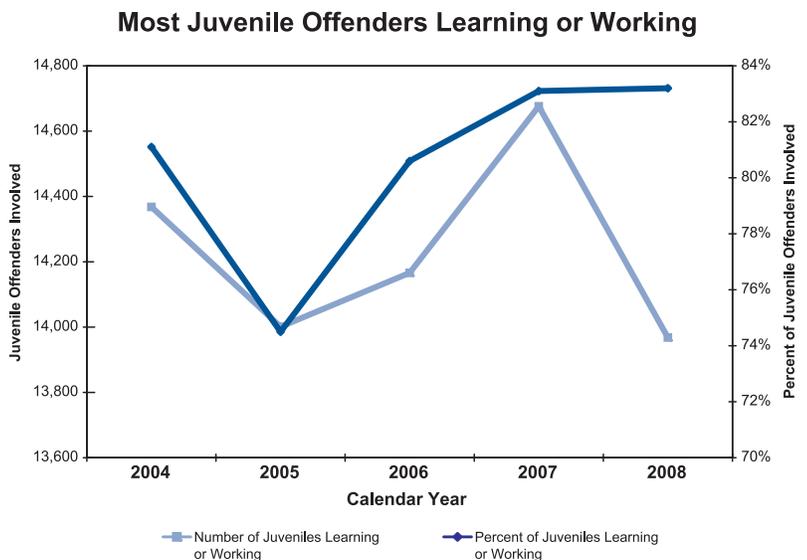
Source: Juvenile Court Judges' Commission

Key Objective: Increase the percentage of juvenile offenders going to school or working.

Why this objective is important: Juveniles who either work or go to school are much less likely to belong to a gang or engage in criminal behaviors such as theft, assault, selling drugs and carrying a handgun.

How we are doing: The Juvenile Court Judges' Commission works with the Department of Education and county juvenile probation departments to encourage school attendance and to remove barriers to re-enrollment following release from placement. The commission also works with juvenile courts, private facilities and vocational organizations to develop meaningful and certificate-based vocational opportunities for all juveniles.

Most juvenile offenders in Pennsylvania continue to work or go to school, with more than 83 percent of offenders working or going to school in 2008. By comparison, Arizona reported a 73.3 percent educational/GED participation rate in 2008 and South Carolina reported an 86 percent participation rate for 2006-07 and 2007-08.



Source: Juvenile Court Judges' Commission

Public Safety – Ensure the Safety of Our Citizens

Incarceration, Rehabilitation and Reentry of Offenders *(continued)*

Key Objective: Of parolees able to work, increase the percentage employed.

Why this objective is important: Employment is an important factor in parole success. Employed parolees are less likely to become involved in criminal activity. Parolees able to work are required to work, search for a job, participate in job training or attend school. They are expected to be contributing members of society who support themselves and can pay restitution owed.

How we are doing: The percentage of parolees employed has remained essentially stable for the past three years. The Board of Probation and Parole’s desired employment rate for 2009-10 is 71 percent — slightly higher than the 2008-09 rate of 70.2 percent. In comparison, New York’s 2008 parolee employment rate was 52 percent.

The challenge is that individuals with criminal records are barred from certain jobs because of their criminal history. Many parolees are low or unskilled workers who need job training and funding is often not available. With a rising unemployment rate, it is even more difficult for parolees to find jobs. The board has applied for federal funds to expand the Philadelphia Blueprint Program, which puts parolees in programs with high post-training employment.

Employment Rate of the Parole Population		
Fiscal Year	Monthly Employed	Employment Rate
2006-07	12,182	67.8%
2007-08	13,356	68.4%
2008-09	13,973	70.2%

Source: Board of Probation & Parole

Compensation, Victim Notification and Restitution

Key Objective: Reduce the time and effort required for victims to receive compensation.

Why this objective is important: Victims of violent crime need assistance to rebuild and restore their lives as much as possible. The Commission on Crime and Delinquency’s Crime Victims Compensation Fund helps victims in that process by paying certain costs and expenses, including uncompensated medical, funeral and counseling expenses, and lost earnings. By making it easier to file a claim and shortening the time from filing the claim to receiving payment, Pennsylvania can help victims begin the recovery process more quickly.

How we are doing: In 2007, Pennsylvania became the first state to allow victims to file compensation claims online. From 2007-08 to 2008-09, online applications increased 89 percent, from 346 to 654. The commission continued to decrease the time from filing to payment approval, while processing a steadily increasing number of claims.

Compensation Claims for Victims Increased			
Fiscal Year	Claims Submitted	Amount Paid to or on Behalf of Victims	Average Time to Process Claim
1976-77	199	\$90,000	44 weeks
1986-87	2,234	\$2,800,000	52 weeks
1996-97	2,468	\$4,200,000	26 weeks
2006-07	7,617	\$13,100,000	8 weeks
2007-08	7,625	\$12,400,000	Just under 8 weeks
2008-09	8,216	\$14,200,000	6.5 weeks

Source: Commission on Crime and Delinquency

Public Safety – Ensure the Safety of Our Citizens

Compensation, Victim Notification and Restitution *(continued)*

Key Objective: Reduce the time and streamline the process of notifying victims of crime of the release, escape or custody status change of an offender.

Why this objective is important: Victims of violent crimes, particularly those involving domestic violence and sexual assault, are at risk when an offender is released, escapes, or is otherwise no longer confined. The Crime Victims Act requires county jails to immediately notify a victim if such an event occurs. Often, notification is delayed because notifying victims through telephone calls or correspondence is largely a manual process.

How we are doing: The Commission on Crime and Delinquency is implementing technology to automatically notify victims when an offender’s status changes. In partnership with the Pennsylvania District Attorneys Institute, the commission began working with county jails to make this technology available in each county. The Statewide Automated Victim Information and Notification (PA SAVIN) system makes real-time notifications to victims twenty-four hours a day, seven days a week, through telephone or e-mail. The system automatically calls every fifteen minutes until the message is delivered. The process for victims to receive information is simpler and, if the victim chooses, anonymous. In 2008-09, 27 counties became part of the system, bringing to 58 the number of counties using PA SAVIN. The commission anticipates that the remaining seven counties with jails will have implemented PA SAVIN by December 2009.

Statewide Automated Victim Information and Notification (PA SAVIN)			
Fiscal Year	Offender Status Notifications by Phone	Offender Status Notifications by E-mail	Total New Registration
2007-08	6,573	1,506	3,070
2008-09	21,368	9,245	12,269

Source: Commission on Crime and Delinquency

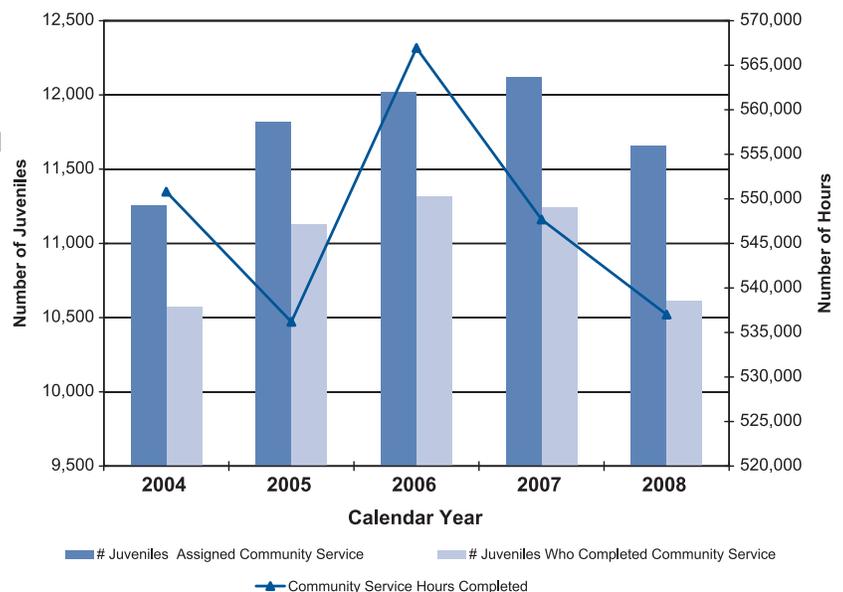
Key Objective: Maintain the high rate of completion of community service assignments by juvenile offenders.

Why this objective is important: Juvenile offenders have an obligation to repair the harm done to their victims and their community.

How we are doing: The Juvenile Court Judges’ Commission funds community-based probation officers and a statewide insurance program for community service programs, and helps counties develop meaningful community service programs.

Since 2004, juvenile offenders have completed between 536,000 and 567,000 community service hours each year. The value of community service hours completed from 2004 to 2008 equates to services worth approximately \$19,581,179, based on a minimum wage of \$7.15 per hour.

Fewer Juveniles Complete Community Service



Source: Juvenile Court Judges’ Commission

Public Safety – Ensure the Safety of Our Citizens

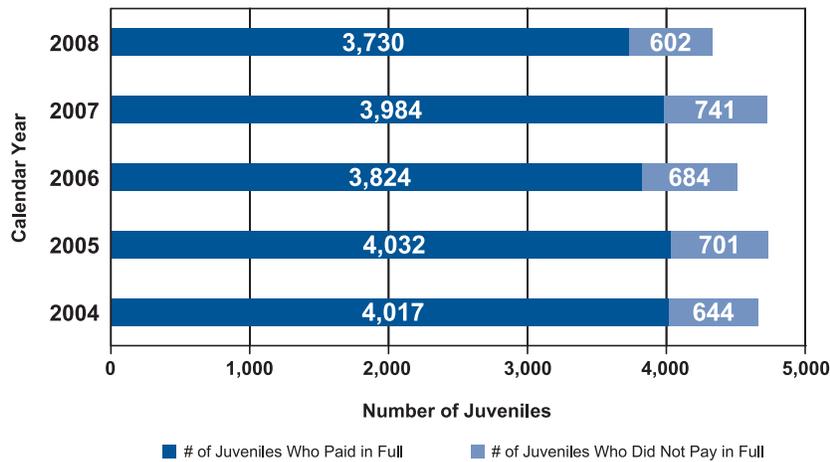
Compensation, Victim Notification and Restitution (continued)

Key Objective: Increase the percentage of juvenile offenders who make full restitution to their victims.

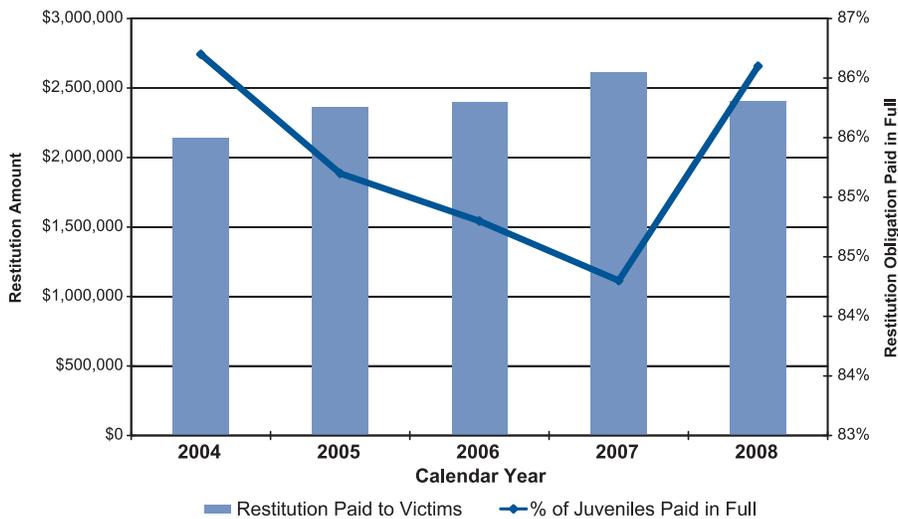
Why this objective is important: Victims of juvenile crime are entitled to be restored, to the extent possible, to their pre-crime economic status.

How we are doing: Most juvenile offenders continue to make full restitution to their victims. Since 2004, the amount of restitution paid to victims has increased by \$265,630, and the total amount of restitution paid from 2004 to 2008 was \$11,929,766. The Juvenile Court Judges’ Commission will continue to work with counties to facilitate the development and continuation of responsive county-based restitution programs.

Juvenile Offenders with a Restitution Obligation



Restitution Paid by Juvenile Offenders



Consumer Protection – Ensure the Consumer Protection of Our Citizens

Contributing Agencies & Mission Statements

Department of Agriculture

Russell C. Redding, Secretary
www.agriculture.state.pa.us
Complement Level: 690
Total Budget: \$265.619 M

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.

Department of Banking

Steven Kaplan, Secretary
www.banking.state.pa.us
Complement Level: 204
Total Budget: \$21.917 M

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.

Pennsylvania Human Relations Commission

Stephen A. Glassman, Chairperson
Homer C. Floyd, Executive Director
www.phrc.state.pa.us
Complement Level: 132
Total Budget: \$14.123 M

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.

Pennsylvania Insurance Department

Joel Ario, Commissioner
www.insurance.state.pa.us
Complement Level: 403
Total Budget: \$951.839 M

The mission of the Insurance Department is to protect and educate Pennsylvanians in order to safeguard consumer rights and ensure access to health and other vital insurance products.

Department of State

Pedro A. Cortés, Secretary
www.dos.state.pa.us
Complement Level: 532
Total Budget: \$36.670 M

The mission of the Department of State is to promote the integrity of the electoral process; to provide the initial infrastructure for economic development through corporate organizations and transactions; and to protect the health, safety, and welfare of the public. The department will encourage the highest standards of ethics and competence in the areas of elections, campaign finance, notarization, professional and occupational licensure, charitable solicitation, and professional boxing and wrestling. Through the implementation of the latest technology, the department will provide exceptional public service and will remain a leader in all regulatory and enforcement policies and practices aimed at protecting every resident of the Commonwealth of Pennsylvania.

Consumer Protection – Ensure the Consumer Protection of Our Citizens

Consumer Education and Assistance

Key Objective: Increase efforts to protect and seek restitution for consumers in the financial marketplace.

Why this objective is important: Consumers can experience various forms of harm and loss in the financial marketplace, ranging from an inflated home appraisal to an unfairly assessed bounced check fee. The Department of Banking advocates and even litigates on behalf of consumers, seeking remedies, refunds or restitution.

How we are doing: In 2008-09, more than 6,300 consumers contacted the Department of Banking with inquiries and complaints through its toll-free consumer hotline, 1-800-PA-BANKS, and Web site, www.banking.state.pa.us, resulting in \$3.4 million in refunds to 125 consumers.

In June 2009, Pennsylvania announced its participation in a first-of-its-kind settlement between 14 state mortgage regulators and Taylor, Bean & Whitaker Mortgage

Corporation (TBW), in which the lender agreed to pay \$9 million in fines and modify loans for struggling homeowners. The settlement resulted from a department-led review of TBW loans.

The department continues to seek restitution for customers of Advance America, the nation’s largest payday lender, for illegal interest and fees. The department sued the company in 2006 over its “Choice Line of Credit,” which charges a \$149.95 monthly fee and 5.98 percent interest on a \$500 loan. The Pennsylvania Supreme Court ruled in favor of the department in May 2008.

The department scored a second important victory over the payday lending industry in July 2009 when the Commonwealth Court agreed with the department that the Consumer Discount Company Act (CDCA) applies to any company that makes consumer loans to Pennsylvania residents, not only to those with offices or employees physically in the state. The decision allows the department to enforce the CDCA interest and fee limits to lenders located out of state or on the Internet.

Banking Consumer Hotline Results		
Fiscal Year	Refunds	Inquiries & Complaints
2006-07	\$2.1 Million	6,922
2007-08	\$1.2 Million	7,572
2008-09	\$3.4 Million	6,351

Source: Department of Banking

Key Objective: Increase consumer knowledge in day-to-day financial transactions.

Why this objective is important: Many people lack the knowledge to navigate an increasingly complex financial marketplace. Provided with sound information about personal finance and money management, Pennsylvanians will be better equipped to make decisions and avoid scams and fraud.

How we are doing: In 2008-09, the Department of Banking reached more than 1,700 financial education providers through events such as the Governor’s Institute for Financial Education and the Common Wealth Symposium, teacher in-service training, outreach to community organizations and presentations to businesses interested in offering financial education to their workers. Twenty-four businesses with nearly 11,000 employees now offer financial education in the workplace. More than 35,000 people visited the Office of Financial Education’s Web site, www.moneysbestfriend.com, in 2008-09.

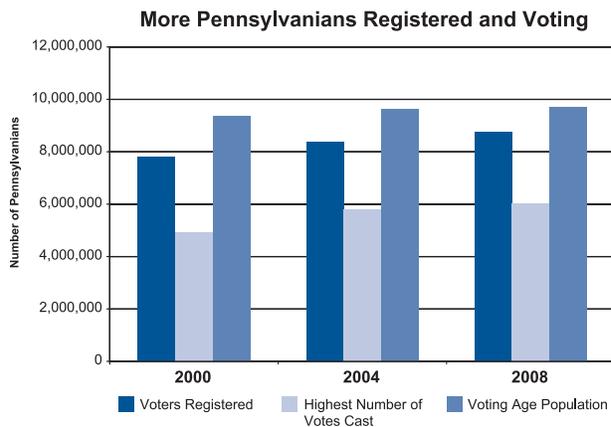
Key Objective: Increase participation of registered voters in presidential elections.

Why this objective is important: Voting affirms our right to elect our government and take part in democracy. Increasing participation helps ensure that every eligible citizen will have his or her voice heard.

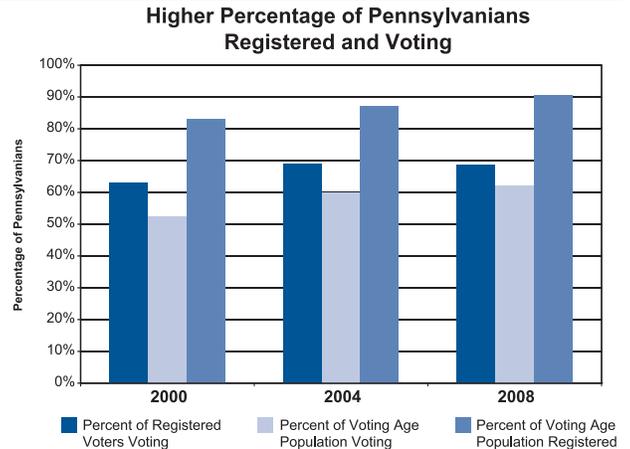
How we are doing: The Department of State is committed to eliminating barriers to voting and to conducting fair, accurate, accessible and secure elections. Since 2000, the number of registered voters and the percent of registered voters participating in presidential elections have increased.

Consumer Protection – Ensure the Consumer Protection of Our Citizens

Consumer Education and Assistance (continued)



Source: Department of State



In 2008, the department implemented Ready.Set.Vote, an interactive voter education campaign, to ensure that Pennsylvania voters are familiar with voting processes, rights and technology. A key component is VotesPA.com, an online voting information and resource center where Pennsylvanians can find information about voting rights and procedures, watch voting systems videos, locate directions to their polling place and sign up to have election-related reminders sent to their mobile devices. The Pew Center on the States rated VotesPA.com one of the top five voting education sites in the country.

In conjunction with the Governor’s Cabinet and Advisory Committee for People with Disabilities, the department developed an Election Officials Training Program DVD to teach poll workers how to assist voters with different types of disabilities and help decrease election day barriers for people with disabilities.

To reduce barriers for military voters and overseas citizens, the department allowed and encouraged counties to use an innovative, secure online tool offered by the Federal Voting Assistance Program at the Department of Defense that provides military and overseas civilian voters the option of requesting and receiving absentee ballots electronically. Thirty-four counties participated in 2008.

Licensing, Registration and Oversight

Key Objective: Decrease the risk to Pennsylvania consumers when engaging in commercial transactions.

Why this objective is important: Protecting Pennsylvania consumers from inaccurate transactions keeps money in people’s pockets and consumer confidence high. By inspecting and certifying parking meters, fuel dispensers, retail scanners and commercial scales, the Department of Agriculture ensures the accuracy of commercial transactions.

How we are doing: Because of shrinking local government budgets, counties have increasingly relied upon the Department of Agriculture for Weights and Measures inspections. Assuming the duties of two additional counties, the department completed 13,591 more inspections during 2008-09 than during 2007-08. In 2009, the City of Philadelphia turned their Weights and Measures program over to the commonwealth, further stretching the department’s inspection team.

As Pennsylvanians have become more vigilant about getting what they pay for and more proactive in reporting concerns, consumers have made more calls to the department’s Consumer Complaint Hotline.

State Device & System Inspections	
2007-08	85,388
2008-09	98,979

Consumer Complaint Hotline Activity (Calls)	
2006-07	94
2007-08	248
2008-09	501

Source: Department of Agriculture

Consumer Protection – Ensure the Consumer Protection of Our Citizens

Licensing, Registration and Oversight *(continued)*

Key Objective: Enforce the commonwealth’s Dog Law through licensing, inspections and citations.

Why this objective is important: Many aspects of the Dog Law affect the health and well-being of the millions of dogs, kennel owners and dog breeders in Pennsylvania. From dog and kennel licensing to dangerous-dog monitoring, the Department of Agriculture protects Pennsylvanians through its regulatory actions.

How we are doing: In 2008-09:

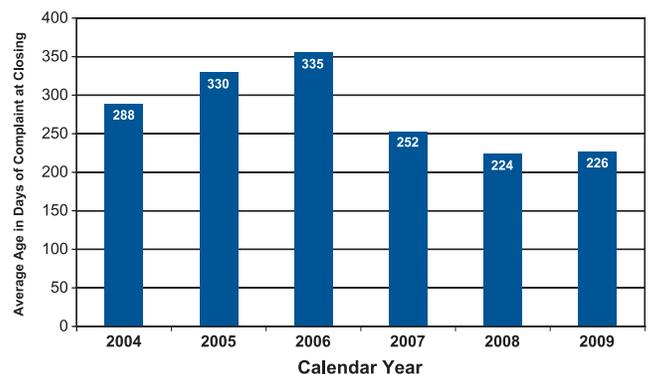
- 2,674 kennels licensed
- 3,798 citations issued
- 5,652 kennels inspected
- 829,847 dog licenses sold

Key Objective: Reduce the time it takes to resolve professional licensing complaints.

Why this objective is important: Timely resolution of complaints helps to protect Pennsylvanians from unethical or unlicensed conduct, predatory practices or unscrupulous licensees.

How we are doing: The Department of State created a charging unit in 2006 to expedite complaint handling and made other improvements to more quickly resolve disciplinary cases. The department has reduced complaint investigation time from six months to four months, despite temporary staff reductions due to the commonwealth hiring freeze. The average age of a complaint at closure in 2009 decreased 33 percent from the age in 2006.

Average Age in Days of Complaints Has Decreased



Source: Department of State

Key Objective: Increase the number of charitable organizations and professional fundraisers that register as required by law.

Why this objective is important: The Department of State maintains financial and other relevant information about organizations soliciting charitable contributions in Pennsylvania in order to help potential donors make informed giving decisions and to protect the public from solicitation fraud. Registration provides transparency and leads to greater awareness.

How we are doing: Registrations of charitable organizations and professional fundraisers increased from 2004 to 2008.

In 2008, the department created the Division of Registration and Compliance to improve efficiency and better assist the nonprofit community. The division engages in outreach efforts to inform organizations that may not be aware of the state requirements. The division also monitors professional solicitors and professional fundraising counsels who contract with charitable organizations that solicit contributions and requires them to provide documentation of their activities.

Charitable Organization and Professional Fundraiser Registrations Continue to Increase



Source: Department of State

Consumer Protection – Ensure the Consumer Protection of Our Citizens

Licensing, Registration and Oversight *(continued)*

Key Objective: Reduce the number of Pennsylvania homeowners losing their homes.

Why this objective is important: Many Pennsylvanians are at risk of losing their homes through foreclosure caused, in large part, by relaxed lending standards and widespread use over the past decade of non-traditional products such as adjustable-rate and low- and no-documentation mortgages. As a result, many homebuyers received loans they could not afford or did not understand.

How we are doing: In July 2008, the Governor signed five bills designed to protect consumers and strengthen oversight of the mortgage industry by:

- Requiring, for the first time, all mortgage salespeople (originators) in Pennsylvania to be licensed. Since the law took effect in December 2008, the Department of Banking has granted licenses to nearly 7,000 originators.
- Requiring all mortgage companies and originators to register with the Nationwide Mortgage Licensing System, an online database used by regulators in most states to monitor mortgage industry members who operate across state lines.
- Banning prepayment penalties on mortgages of \$217,873 or less. These fees can make it prohibitively expensive for homeowners to refinance their loans.
- Allowing the department to notify the public of fines and other disciplinary actions against mortgage companies sooner, leading to more informed consumers.
- Requiring mortgage companies to notify the state when they intend to foreclose, making it easier for state agencies to monitor foreclosure activity.
- Forcing real estate appraisers to pay higher fines for professional misconduct such as inflating appraisals, which saddle borrowers with loans exceeding the property value.

In March 2009, the Department of Banking implemented a new regulation designed to protect consumers by:

- Requiring mortgage companies to document income, fixed expenses and other information relevant to determining a borrower's ability to repay and restricting low- and no-documentation loans, known as stated-income loans, in which borrowers do not have to provide proof of income, employment and other information.
- Requiring mortgage companies to provide borrowers with a simple, one-page form that discloses key features, such as a variable interest rate or prepayment penalty, which can increase monthly payments or make it difficult to refinance.

In June 2009, the Governor signed two bills designed to combat mortgage fraud by:

- Prohibiting a mortgage broker or originator from being the only recipient of communications from lenders. The borrower must also receive all communications from lenders.
- Protecting mortgage company employees who report illegal activity from retaliation by their employer.

Key Objective: Improve the quality of examinations of state-chartered banking institutions.

Why this objective is important: Public confidence is critical to the stability of the nation's banking system. Consumers trust that when they deposit their hard-earned money in a bank or credit union, that money will be safe and available when they need it.

Consumer Protection – Ensure the Consumer Protection of Our Citizens

Licensing, Registration and Oversight *(continued)*

How we are doing: The Department of Banking regulates 234 banks, savings associations and credit unions. In 2008-09, the department conducted 199 examinations and visitations to review capital protection, asset quality, management competence, earnings strength, liquidity and market risk. The department works with institutions to correct negative trends.

The department also implemented modeling technology to analyze the impact of various scenarios, enabling the department to be forward-looking rather than reactive to industry trends. For example, the department analyzed how a dramatic drop in value of preferred shares of Fannie Mae and Freddie Mac would affect the capital levels of state-chartered institutions. This analysis prompted discussions with several institutions with large exposures to Fannie Mae and Freddie Mac, both of which were subsequently seized by the federal government.

Key Objective: Increase financial service licensee compliance with state statutes and regulations.

Why this objective is important: Consumers expect financial service providers to treat them fairly and comply with the law. Companies that fail to do this must be held accountable.

How we are doing: The Department of Banking licenses and regulates more than 14,000 financial companies and professionals, including mortgage lenders and brokers, check cashers, money transmitters, debt management companies and automobile dealers who make their own loans. In 2008-09, the department examined 906 companies, resulting in:

- 96 fines levied, totaling \$834,534.
- 1,091 compliance violations identified and corrected.
- \$330,699 refunded to Pennsylvania consumers.
- 10 licenses suspended or revoked and 23 prohibition orders issued.

The department implemented new examination standards in 2008-09, resulting in fewer, but more comprehensive, examinations that include greater scrutiny of corporate relationships, more in-depth questions and customer surveys. The department is also using new technology to analyze larger portions of companies' loan portfolios and other records.

The department is also working to protect consumers from unlicensed loan modifications by firms that offer to negotiate with lenders to modify loan terms or refinance with lower monthly payments. Most charge high up-front fees with no guarantee of success; others are scams. Since April 2009, the department has ordered more than 20 loan modification companies to end their unlicensed business with Pennsylvania consumers.

Examinations of Companies		
Fiscal Year	Number of Exams	Violations Corrected
2005-06	4,621	2,688
2006-07	4,117	3,433
2007-08	3,143	2,863
2008-09	906	1,091

Source: Department of Banking

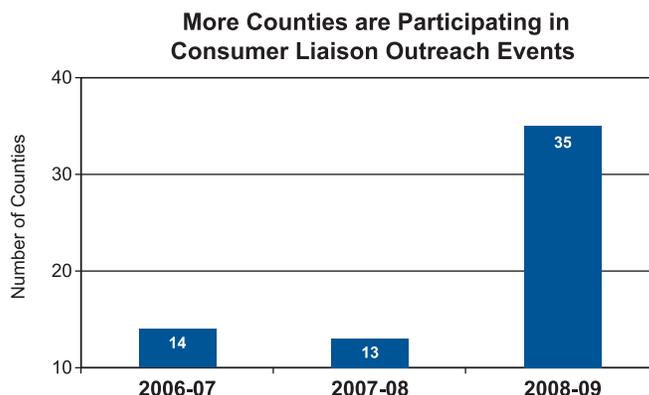
Key Objective: Increase the number of outreach events in order to provide consumers with timely and useful insurance information.

Why this objective is important: Consumers can be better protected from financial loss through educational programs that help them understand what they are purchasing and give them a place to call with questions about policy coverage, complaints against insurance companies and requests for educational materials.

Consumer Protection – Ensure the Consumer Protection of Our Citizens

Licensing, Registration and Oversight (continued)

How we are doing: The Insurance Department continues traditional educational events such as health fairs and senior citizen expos. The department recently developed new presentations and materials to help consumers understand the options available if they lose their job, including the federal COBRA stimulus plan and new laws regarding adult-child health insurance and the Mini-COBRA. The number of outreach events increased significantly in 2008-09 due to the unusual economic times. The department teamed up with the Department of Labor & Industry for a program called “Here to Help” aimed at consumers who have lost their jobs.

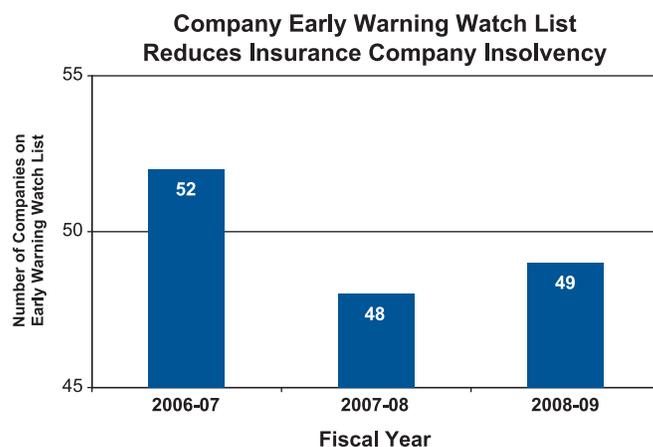


Source: Insurance Department

Key Objective: Reduce the number of insurance companies that become insolvent.

Why this objective is important: Entities that sell, solicit or negotiate insurance in Pennsylvania must be licensed by the Insurance Department and must be financially solvent in order to conduct business and pay claims to policyholders. Monitoring the insurance industry to minimize the number of insolvent insurance companies is an important regulatory task.

How we are doing: The department has been diligent and unrelenting in the financial monitoring process, using early detection methods to find insurance companies that could be in a hazardous financial condition and working with them to improve their financial condition and prevent insolvency.

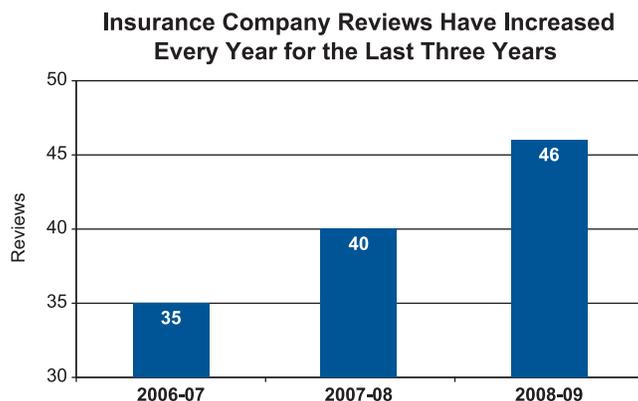


Source: Insurance Department

Key Objective: Reduce the number of insurance industry incidences of abuse.

Why this objective is important: The Insurance Department analyzes market trends to identify industry abuses and protect consumers against them. The department examines policy language to promote fairness in insurance contracts (market regulation), promotes compliance with laws and regulations (product regulation), and conducts on-site financial examinations of insurance companies (financial regulation).

How we are doing: The department recently restructured its Market Surveillance and Analysis and Market Conduct sections, making it possible to more quickly identify areas of concern and proactively review insurance companies in the marketplace for industry abuses.



Source: Insurance Department

Consumer Protection – Ensure the Consumer Protection of Our Citizens

Civil Rights and Equal Opportunity

Key Objective: Increase case settlement rate in comparison to peer agencies at the state and federal level.

Why this objective is important: The Human Relations Commission has statutory authority to encourage settlements involving monetary compensation for illegal discrimination and non-monetary measures intended to end illegal discrimination and prevent it in the future. Non-monetary settlement terms sometimes include changes in policies or practices, employee and management training, and building modifications or other accommodations for people with disabilities.

How we are doing: The commission's settlement rate far exceeds all other state Fair Employment Practices Agencies and is more than twice that of the federal Equal Employment Opportunity Commission. More than 23,800 victims of illegal discrimination were awarded benefits in 2008-09, including monetary benefits of \$12.4 million, an increase of \$2 million since 2007-08.

Case Settlement Rate Comparison			
	2006-07	2007-08	2008-09
Settlement Rate – PA Human Relations Commission	28%	36%	41%
Settlement Rate – Other (48) State Fair Employment Practice Agencies	Not Available	21% (Five-Year Average)	24% (Five-Year Average)
Settlement Rate – Federal Equal Employment Opportunity Commission	Not Available	17% (Five-Year Average)	18% (Five-Year Average)
Monetary Settlements – Pennsylvania Human Relations Commission	\$9,326,208	\$10,300,000	\$12,400,000

Source: Human Relations Commission

Key Objective: Improve quality control standards for investigations in order to reduce the percentage of cases returned by the commission for further investigation.

Why this objective is important: The Human Relations Commission seeks to investigate cases thoroughly and close cases in a timely fashion. Returning cases for further investigation lengthens the life of a case, increasing administrative costs and delaying relief to both complainants who have suffered illegal discrimination and respondents not liable for claims made against them.

How we are doing:

Total Number of Cases Closed by Regional Office Investigators		
2006-07	2007-08	2008-09
3,047*	4,328	4,148

*Data not available prior to October 1, 2006

Number of Cases Returned at Closing for Further Review or Investigation			
	2006-07	2007-08	2008-09
Pittsburgh Region	56 (7.6%)	26 (2.7%)	38 (3.9%)
Harrisburg Region	34 (2.4%)	25 (1.3%)	29 (1.7%)
Philadelphia Region	44 (5.0%)	28 (2.1%)	23 (1.5%)
Agency Total	134 (4.4%)	79 (1.9%)	90 (2.2%)

Source: Human Relations Commission

Consumer Protection – Ensure the Consumer Protection of Our Citizens

Civil Rights and Equal Opportunity (continued)

Key Objective: Reduce the number of Human Relations Commission cases under investigation for more than two years.

Why this objective is important: The commission believes that “justice delayed is justice denied.”

Discrimination Cases by Fiscal Year			
	2006-07	2007-08	2008-09
Beginning Case Inventory July 1	4,489	4,624	4,370
Received and Docketed Complaints	4,300	3,956	3,922

Source: Human Relations Commission

How we are doing: The commission closed 50 percent of its cases this year, including resolutions, settlements, and cases withdrawn or filed in court (closed for administrative reasons).

Cases Under Investigation			
	2006-07	2007-08	2008-09
Number of Cases Closed	4,225	4,339	4,148
Number of Cases Closed within One Year	2,667	2,365	2,132
Percent of Cases Closed within One Year	63%*	55%	52%

*The large percentage of cases closed within one year in 2006-07 was due to a significant number of cases closed for administrative reasons by one of the regional offices. Number of cases closed is directly tied to the number of trained investigators on staff.

Average Case Age in Days			
	2006-07	2007-08	2008-09
Pittsburgh Region	372	362	436
Harrisburg Region	424	405	385
Philadelphia Region	277	315	321
Pending Number of Cases more than 2 Years Old	677 cases	587 cases	604 cases

Source: Human Relations Commission

Consumer Protection – Ensure the Consumer Protection of Our Citizens

Civil Rights and Equal Opportunity *(continued)*

Key Objective: Increase public awareness of civil rights and equal opportunity laws through educational outreach.

Why this objective is important: The commission's job is not only to enforce the laws that prohibit discrimination but to educate people on their rights and responsibilities under the law. If our businesses, schools and communities are prepared to welcome a more diverse population, Pennsylvania will be positioned to grow and succeed economically. By the same token, if we do not prepare for conflicts that come with change and work to resolve them or avoid them, Pennsylvania will not attract new residents, students and businesses.

How we are doing: The commission organizes monthly meetings of the Pennsylvania Interagency Task Force on Civil Tension, a partnership with the State Police, Attorney General's office and other civil rights, law enforcement and advocacy groups. The commission notifies the group when incidents are reported in the state that might create civil tension. The group uses grassroots organizational strategies to equip communities to deal appropriately with each situation as it arises.

The commission's Disability Stakeholders' Task Force meets quarterly and recommends ways to help people with disabilities enjoy their right to live, work and learn free from illegal discrimination.

Educational outreach staff made 49 presentations around the state, reaching 2,300 attendees. Commission attorneys, fair housing specialists, regional directors and other staff offered their civil rights expertise to attorneys, housing lenders, home buyers, educators, law enforcement officers and others. Staff also offered training and presentations on topics including predatory lending, cyber bullying, hate crimes, accessible buildings and diversifying the workforce.

Government Efficiency – Deliver Greater Value and Efficiency in Government

Contributing Agencies & Mission Statements

Office of Administration

Naomi Wyatt, Secretary
www.oe.state.pa.us
Complement Level: 680
Total Budget: \$208.089 M

The Office of Administration serves the Governor and the citizens of Pennsylvania by providing leading technologies and a dedicated workforce to all state agencies.

Office of the Budget

Mary A. Soderberg, Secretary
www.budget.state.pa.us
Complement Level: 781
Total Budget: \$68.098

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.

Department of General Services

James P. Creedon, Secretary
www.dgs.state.pa.us
Complement Level: 1,334
Total Budget: \$117.868 M

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.

Office of Inspector General

Donald L. Patterson, Inspector General
www.oig.state.pa.us
Complement Level: 349
Total Budget: \$27.168 M

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.

Department of Revenue

C. Daniel Hassell, Secretary
www.revenue.state.pa.us
Complement Level: 2,385
Total Budget: \$1,007.4 M

The mission of the Department of Revenue is to fairly, efficiently and accurately administer the tax laws and other revenue programs of the commonwealth to fund necessary government services.

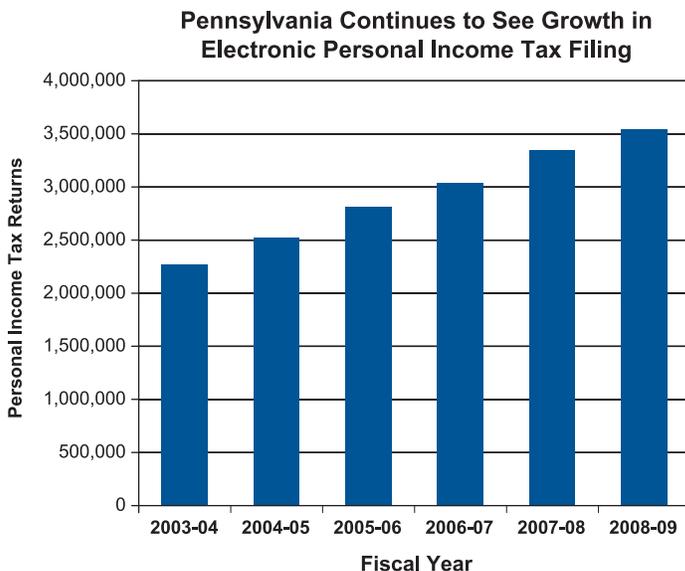
Government Efficiency – Deliver Greater Value and Efficiency in Government

Tax Filing and Delinquent Tax Collection

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. Electronic filing dramatically reduces common filing errors and is the most cost-efficient method for the Department of Revenue to process the millions of tax returns it receives every year. Each electronically filed return saves state government \$3.19 in processing costs.

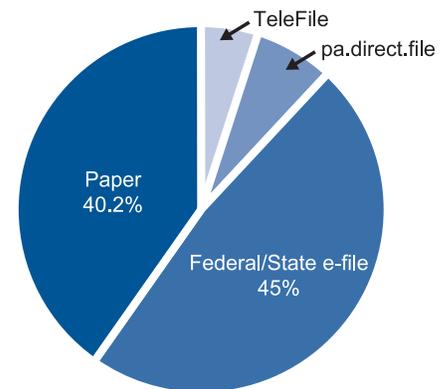
How we are doing: More than 3.5 million, or 58 percent, of Pennsylvanians filed personal income tax returns electronically in 2009, a 6 percent increase since 2008. The number of new businesses registering electronically with the state also continues to increase. Eighty-two percent of businesses submitted electronic applications in 2008, an increase of 36 percent since 2003. Electronic filing saves Pennsylvania more than \$1.8 million each year.



Note: Tax returns filed may include prior year or amended returns.

Source: Department of Revenue

2008 Personal Income Tax Returns Processed in 2009



Note:

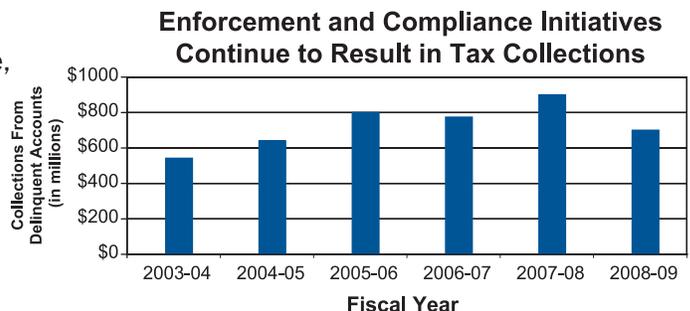
TeleFile is a free service that allows you to file your tax return over the telephone.

pa.direct.file is a free service that allows you to complete your Personal Income Tax return over the Internet and transmit the return directly to the Department of Revenue.

Key Objective: Increase delinquent tax collection.

Why this objective is important: By equitably enforcing the tax laws of the commonwealth, the Department of Revenue not only collects more money for state programs and services but also levels the playing field for individuals and businesses that responsibly pay taxes in a timely manner.

How we are doing: Through increased enforcement and initiatives encouraging voluntary compliance, the Department of Revenue collected a record \$900 million in delinquent taxes in 2007-08 and another \$700 million in 2008-09. The department has increased its delinquent tax collection 29 percent since 2003-04 and in 2008-09 collected more than \$11 in delinquent taxes for every dollar spent on enforcement.



Source: Department of Revenue

Government Efficiency – Deliver Greater Value and Efficiency in Government

Commonwealth Budget

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.

How we are doing: The severe national recession, marked by rising unemployment and declining consumer spending, caused state government revenues across the country to plummet during the 2008-09 fiscal year. Pennsylvania was not immune to this drop-off in revenues. In 2008-09, the commonwealth's General Fund revenue collections were \$3.25 billion or 11.3 percent less than originally estimated and \$2.39 billion or 8.6 percent less than actual revenue collections in the 2007-08 fiscal year.

Given such a dramatic reduction in revenues, it was not possible for the commonwealth's General Fund to end the 2008-09 fiscal year in balance. However, action by the commonwealth to freeze nearly \$500 million of spending during the year, along with the enactment of fiscal relief for the states by the federal government, kept the 2008-09 year-end General Fund budget deficit to \$2 billion. In accordance with the Pennsylvania Constitution, this deficit was accounted for and corrected in the enactment of the 2009-10 budget.

Key Objective: Improve the commonwealth's accounting and financial reporting systems.

Why this objective is important: The financial affairs of government must be properly accounted for and reported to the taxpayers.

How we are doing: The Office of Comptroller Operations kicked off a finance transformation project in February 2008 to: improve the commonwealth's procurement-to-payment process; improve its revenue and cash-management processes; and restructure comptroller operations. These changes led to significant improvements in 2008-09, including achieving the project's goals of greater efficiency, increased accuracy and reduced costs – both within Comptroller Operations and in other commonwealth agencies. Improvements include the following:

- Imaging invoices at a central location has eliminated the need for paper invoices to travel across the state and potentially get delayed. This new technology has saved both time and costs for the commonwealth and its vendors.
- Each year the commonwealth receives thousands of invoices from utility companies. Formerly, each paper invoice was processed manually and mailed to the state Treasury for review and payment. With electronic invoicing, the commonwealth saves on paper and processing costs, while vendors save on paper and postage costs and receive their payments faster.
- As part of its restructuring, Comptroller Operations created a new Vendor Call Center. This center is a single point of contact for vendors to ask questions about vendor registration, payments, 1099 forms and other topics. In addition, vendors can now check on the status of invoices they submitted for payment by going to the Vendor Services Section of the Office of the Budget Web site at www.budget.state.pa.us.

With the restructuring, comptroller operations has standardized processes and procedures across its organization. This has made it much easier to respond to changing situations. For example, the standardization of invoice processing has allowed management to shift staff and resources from one area or team to another with little difficulty as workload demands change. This flexibility is especially

Government Efficiency – Deliver Greater Value and Efficiency in Government

Commonwealth Budget (continued)

crucial given the current uncertain economic conditions. These improvements have allowed Comptroller Operations to provide better service to vendors, agencies and therefore the commonwealth as a whole.

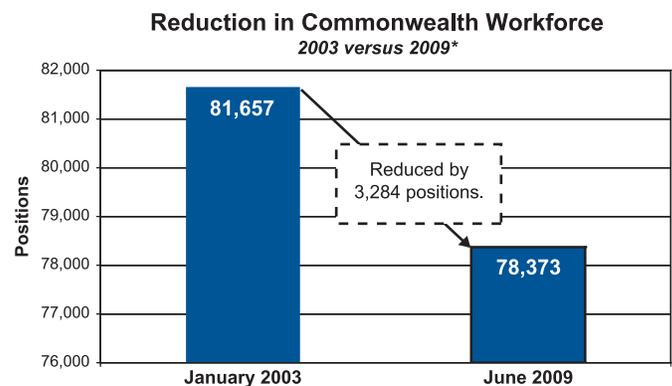
Key Performance Measurement	2006-07	2007-08	2008-09
Total number of invoices processed	1,442,752	1,471,951	1,500,134

Key Objective: Reduce the administrative costs of government.

Why this objective is important: The Governor’s Budget Office continuously works with commonwealth agencies to control the administrative costs of operating state government so that more of the commonwealth’s critical resources can be directed to investments in education, economic development, public safety and human services.

How we are doing: In 2008-09, costs to operate state government were actually 3.8 percent lower than in 2002-03, despite increased costs per employee for salaries/wages, health benefits and pensions.

In addition, total filled positions in agencies under the Governor’s jurisdiction have declined from 81,657 in 2002-03 to 78,373 in 2008-09 – a reduction of 3,284 positions that has saved money and enabled more state funds to be redirected toward necessary services for Pennsylvania’s citizens.



Key Objective: Maintain a manageable debt level and an excellent credit rating.

Why this objective is important: 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 level of debt outstanding must never exceed the commonwealth’s ability to pay that debt, given the many other programs and services funded by the commonwealth’s budget.

How we are doing: Wall Street rating agencies have consistently recognized the commonwealth’s sound debt management practices by giving the commonwealth favorable credit ratings. These favorable credit ratings reduce the commonwealth’s interest costs on its debt.

- Since 2003, the commonwealth has refinanced \$2.7 billion in outstanding debt and achieved more than \$280 million in savings through 2008-09 that have been redirected to fund key state programs and initiatives.
- 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 December 2008, 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 23rd out of the 50 states in debt per capita and 27th in debt as a percent of personal income.

Key Performance Measurement	2006-07	2007-08	2008-09
Commonwealth credit rating	AA	AA	AA

Government Efficiency – Deliver Greater Value and Efficiency in Government

Workforce and Operations

Key Objective: Maintain a highly trained state workforce by increasing training course completion rates.

Why this objective is important: In order to carry out their job duties and provide high-quality services, state employees must be well trained.

How we are doing: Launched in 2006, the Office of Administration’s Enterprise Learning Management System (E-LMS) supports instructor-led courses and delivers Web-based training while enhancing reporting capabilities; provides valuable desktop training with minimal disruption to the workday; and cuts costs by reducing travel and downtime associated with off-site and classroom training. Using E-LMS has saved the state approximately \$17 million annually.

Commonwealth Workforce Training		
	2007-08	2008-09
Percentage of mandatory courses completed	75%	73%
Percentage of optional courses completed	61%	78%
Enterprise Learning Management System courses offered	1,364	1,155

Source: Office of Administration

Note: Chart data reflects course information housed in the Office of Administration’s E-LMS system and may not reflect all training offered and completed in all agencies.

Key Objective: Maintain and improve the health of the workforce.

Why this objective is important: Reducing absenteeism due to workplace injuries and other health issues improves workforce productivity.

How we are doing:

The Office of Administration’s Get Healthy health management program, started in 2007, helps employees improve their health while reducing the state’s health care expenses. Get Healthy members identify personal risk factors by completing an individual health assessment and enroll in appropriate health management programs to control disease and promote wellness. Get Healthy offers members a waiver of a portion of the employee contribution as an incentive to take the health assessment and participate in health management programs. These health management programs saved more than \$11 million in employee health care costs in 2008-09.

Commonwealth Absentee Reduction		
	2007-08	2008-09
Percentage of employees earning a Get Healthy waiver	42%	62%
Workers’ compensation claims filed	6,758	6,401
Absentee hours related to workers’ compensation claims	1,644,316	1,652,429
Hours dedicated by agencies and vendors to safety programs	6,800	13,400
Dollar value of hours dedicated to safety programs	\$484,324	\$1,063,567

Source: Office of Administration

Government Efficiency – Deliver Greater Value and Efficiency in Government

Workforce and Operations *(continued)*

Key Objective: Maintain targeted response times and low number of processing days for agency requests to support workforce needs (23 days or less).

Why this objective is important: Delays in meeting state workforce needs can adversely affect services and programs. In July 2008, the Office of Administration implemented a semi-annual customer survey of agencies to help identify areas that need improvement.

How we are doing:

Commonwealth Human Resources Processing Times	
	2008-09
Time required to review and approve requests to classify vacancies	20 days
Average processing time for temporary clerical staffing (clerks) work orders	6.82 days
Average processing time for temporary clerical staffing (typists) work orders	6.41 days

Source: Office of Administration

Key Objective: Reduce government operating costs.

Why this objective is important: The Office of Administration promotes efficiency and innovation in order to control costs and improve the quality of public services.

How we are doing: Since 2003, efforts to better manage state resources have focused on strategic sourcing, complement reduction, new technology and business process streamlining. In 2008-09, agencies reduced annual recurring costs by an estimated \$1.75 billion, including:

- \$94 million saved by overhauling the Retired Employees Health Program,
- \$30.5 million saved by internally issuing Supplemental Security Income checks, and
- \$16.2 million saved by avoiding change orders on major construction projects.

Key Objective: Maintain the lowest operating costs possible for state buildings and vehicles.

Why this objective is important: Controlling costs enables savings to be redirected to critical programs. Aggressive measures will benefit the state as non-renewable electricity rates rise.

How we are doing: The Department of General Services is saving \$1.3 million annually by:

- Increasing green energy purchasing from 0 percent in 2003 to 30 percent in 2008.
- Striving to increase green energy purchasing by another 20 percent over the next two years.
- Reducing energy costs through better management of state facilities.
- Reducing energy costs 18 percent since 2006, saving taxpayers \$2.2 million.
- Reducing state fuel consumption, downsizing state vehicles, decreasing the use of SUVs and reducing fuel consumption by 5 percent statewide.

The department is also facilitating similar energy conservation in agency contracting through the Guaranteed Energy Savings Act program. With 10 state agencies participating:

- 28 projects are under contract, saving \$336.6 million over the next 15 years and reducing annual greenhouse gas emissions by 112,406 tons.
- The Rachel Carson office building has reduced monthly energy use by 35 percent and the Governor's Residence has reduced winter monthly energy use by 30 percent.
- 13 additional building energy reduction projects are under contract for 2008-09.

Government Efficiency – Deliver Greater Value and Efficiency in Government

Workforce and Operations *(continued)*

Key Objective: Continue to increase savings by strategically purchasing goods and services.

Why this objective is important: Using a centralized, strategic purchasing business model reduces the cost of goods and services and saves money for other government programs.

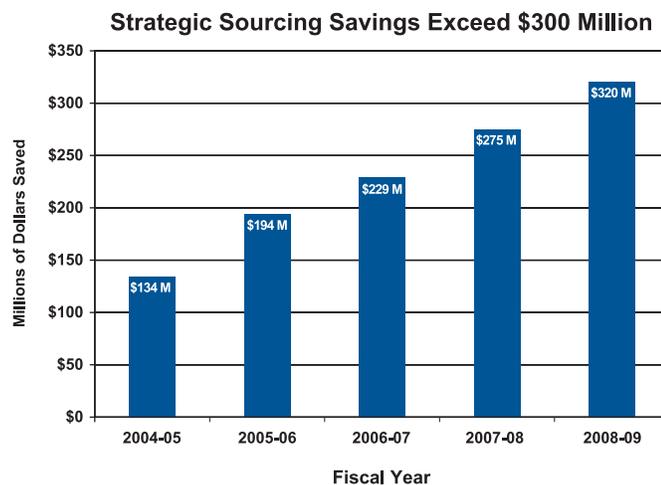
How we are doing: By using Strategic Sourcing to purchase approximately \$4 billion in goods and services annually, the Department of General Services has saved the state approximately \$320 million. With the new Web site eMarketplace enhancing procurement, the state remains a leader in Strategic Sourcing and a benchmark for other states.

- \$15 million saved over five years on integrated offender case management.
- \$8.7 million saved during the 2009 paving season on bituminous materials.
- \$5 million saved over two years on information technology servers.
- \$4.3 million saved over three years on peripherals/IT network equipment.
- \$1.7 million saved annually on dump trucks.
- \$10 million saved during the 2008-09 winter season on road salt.

The state uses green procurement, a cost-effective approach to purchasing goods and services, to minimize environmental impacts. This strategy is:

- Maximizing post-consumer and total recycled content,
- Minimizing waste,
- Conserving energy and water,
- Reducing the use of toxic materials,
- Minimizing global warming pollution, and
- Promoting reusable and recyclable behavior.

The state's energy strategy generates competition among power sources. This new strategy lowers future energy rates by combining use of the future commodities market, electronic bidding and electric grid membership.



Source: Department of General Services

Government Efficiency – Deliver Greater Value and Efficiency in Government

Workforce and Operations *(continued)*

Key Objective: Maintain Security Monitoring (Goal is 100%).

Why this objective is important: The Office of Administration is responsible for establishing the state’s information technology security strategy, technical standards and policies. It does so by coordinating the agency security offices and communicating with external entities. The office also monitors security needs, stays current on best practices and responds to cyber incidents.

How we are doing:

Commonwealth Information Technology Security		
	2007-08	2008-09
Percentage of cyber attacks thwarted	98%	99.99%
Percentage of virus events activity blocked	99.7%	99.99%
Percentage of spam messages blocked	94%	95%

Source: Office of Administration

Key Objective: Increase the percentage of agency participation in the State Records Management Program through policy, training initiatives and auditing.

Why this objective is important: Updating records management policies makes state record management more efficient, minimizing costs while increasing access to public records.

How we are doing:

Record Management Efficiency	
	2008
Percentage of records management policies updated	75%
Number of records management and Right to Know Law trainings offered	15

Source: Office of Administration

Note: The Office of Enterprise Records Management was created and staffed in 2007 to oversee records management and directives.

Contracting

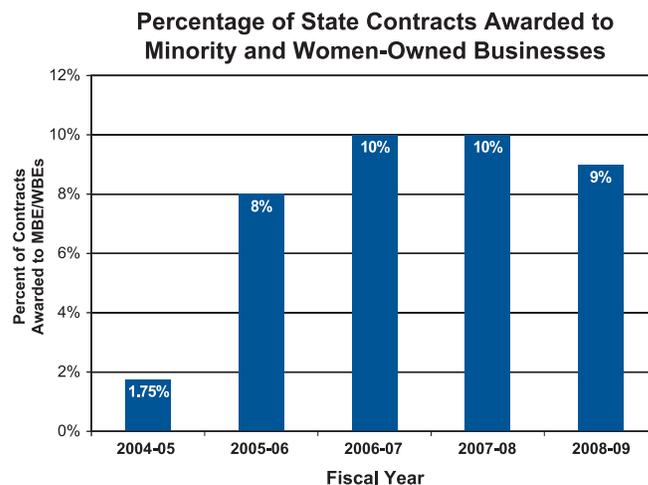
Key Objective: Increase the percentage of state contracts awarded to minority and women-owned businesses.

Why this objective is important: More participation by minority and women-owned businesses in state contracts increases diversity and supports small businesses.

How we are doing: Expanding opportunities for Minority Business Enterprises (MBEs) and Women Business Enterprises (WBEs) continues to be a key priority. In 2008-09, the Department of General Services:

- Streamlined the process to become a certified MBE/WBE, resulting in a 5.5 percent increase in the number of eligible firms, from 1,850 to 1,957.
- Increased the MBE/WBE percentage of annual spending in state contracts from less than 2 percent to nearly 10 percent over the last three years.
- Achieved MBE/WBE participation levels as high as 22 percent in construction, real estate and energy services.

For information about contracting opportunities, visit the “How Do I” section on www.dgs.state.pa.us.



Source: Department of General Services

Government Efficiency – Deliver Greater Value and Efficiency in Government

Contracting (continued)

Key Objective: Reduce change order rates to less than 5 percent of construction costs.

Why this objective is important: The Department of General Services oversees approximately \$3 billion annually in approximately 450 non-highway construction projects. Meeting budget constraints for construction requires strict management of change orders and timelines.

How we are doing: Since 2003, the department has been reducing change order costs and generating significant savings through an aggressive construction management program that is:

- Maintaining a change order rate of 4.5 percent or less,
- Processing 90 percent of payments to contractors in 45 days, and
- Completing 90 percent of construction projects on time.

The department also uses best value contracting, a procurement method that considers qualification and performance factors in addition to lowest cost during the contractor selection process, to ensure the quality of construction work. The Pennsylvania Judicial Center, a nine-story, 438,784 square-foot facility completed ahead of schedule, under budget and with no significant claims, was built using the best value contracting concept.

Savings from Reducing Change Orders Exceed \$16 Million



Source: Department of General Services

Key Objective: Increase savings available through contracts.

Why this objective is important: The Office of Administration’s Shared Infrastructure Services initiative reduces costs by sharing existing information technology infrastructure.

How we are doing: It is anticipated that the commonwealth will save more than \$245 million through 2014 by negotiating shared service technology contracts.

Oversight and Investigation

Key Objective: Increase government agencies’ awareness of the investigative services and resources available from the Office of Inspector General.

Why this objective is important: Public confidence in state government hinges on hard-earned tax dollars being put to good use by government agencies and recipients of public-benefit programs.

How we are doing: The Inspector General and Chief Counsel have met with and continue to meet with various agency heads to promote Office of Inspector General investigative services. Additionally, the Office of Inspector General continues with its investigative work in the following areas:

Government Efficiency – Deliver Greater Value and Efficiency in Government

Oversight and Investigation (continued)

Office of Inspector General Investigations			
	2006-07	2007-08	2008-09
General/Administrative Investigations – Investigating allegations of fraud, waste, or abuse involving state agencies, employees, and/or vendors and contractors.	296	243	268
Arrest Investigations – Monitoring cases, at an agency’s request, proceeding through the judicial system involving commonwealth employees who have been charged with a crime or crimes.	13	14	20
Background Investigations – Conducting background checks, at an agency’s request, of new hires and commonwealth employees under consideration for promotion.	191	210	145

Source: Office of Inspector General

Key Objective: Prevent, detect and deter fraud prior to an agency’s authorization of an individual for program benefits.

Why this objective is important: The receipt of public benefits based on fraudulent information detrimentally affects both the quality and the availability of governmental programs and services.

How we are doing: The Office of Inspector General works with the Department of Public Welfare to investigate questionable applications for benefits. Using a field investigation program, the office identifies fraudulent applications before benefits are authorized and prevents ineligible applicants from receiving benefits, saving the commonwealth from paying ineligible applicants. Investigations in 2008-09 identified that 10,897 of those questionable applications did contain fraudulent information and prevented those ineligible applicants from receiving benefits, saving Pennsylvania more than \$57.3 million.

Questionable Applications for Benefits Investigated			
	2006-07	2007-08	2008-09
Application Referrals Received	21,390	22,948	25,802
Cost Savings	\$58,277,108	\$57,612,937	\$57,300,545

Source: Office of Inspector General

Key Objective: Hold accountable those individuals who fraudulently obtain public benefits.

Why this objective is important: By investigating overpaid benefits to determine fraudulent intent, the Office of Inspector General seeks to prosecute individuals who defraud the public, ensure that benefits are repaid and disqualify those found guilty of fraud. Imposing penalties deters others from attempting to obtain benefits illegally.

How we are doing: For every dollar spent on welfare fraud investigative and collection activities, the Office of Inspector General saves the commonwealth taxpayers approximately \$11.29. Collections and cost savings cumulatively average more than \$832,000 per Claims Investigation Agent and Welfare Fraud Investigator.

Government Efficiency – Deliver Greater Value and Efficiency in Government

Oversight and Investigation (continued)

Fraudulent Recipients Investigated			
	2006-07	2007-08	2008-09
Criminal Complaints Filed	836	1,002	1,399
Criminal Complaint Monetary Values	\$2,856,730	\$3,555,802	\$4,374,429
Administrative Disqualification Hearing Letters Sent	39	106	92
Administrative Disqualification Hearing Monetary Values	\$40,756	\$95,431	\$150,079
Disqualification Actions			
Administrative Disqualification Hearings	60	64	157
Administrative Disqualification Hearings: Resulting Cost Savings	\$106,838	\$85,576	\$142,941
Prosecutions	1,152	1,182	1,248
Prosecutions: Resulting Cost Savings	\$1,148,153	\$1,274,739	\$1,586,217

Source: Office of Inspector General