



COMMONWEALTH OF PENNSYLVANIA
OFFICE OF THE GOVERNOR
HARRISBURG

THE GOVERNOR

February 9, 2010

To the People of Pennsylvania:

These are hard times for governments, whether they are small towns or large states like Pennsylvania. As we enter this new decade, we are emerging from the most prolonged economic downturn since the Great Depression. And this downturn has increased the pressure on state budgets, in the form of rising demand for human service programs, higher levels of unemployment and declining tax revenues.

And yet Pennsylvanians have reason for optimism. We are strong enough to deal with the economy of the present and we are strategically positioned to lead our competitor states and nations in the future, but only if we act as a commonwealth, rather than a collection of political caucuses or special interests.

Since I took office in 2003, we have worked diligently to establish a record of strong fiscal management that protects the state in lean times as well as good ones. This record has been broadly recognized: A recent national study ranked Pennsylvania seventh in the nation for fiscal stability when measured against the factors that led to California's current acute budget crisis. In addition, the study found that the commonwealth's revenue decline was only half the national average and that 35 states had a steeper drop in revenue than Pennsylvania.

This record of fiscal responsibility will allow the commonwealth to maintain essential public services in this time of national economic distress – including preserving the social safety net for children, older Pennsylvanians and families, and continuing to fund a broad range of vital public safety programs.

At the same time, we will build upon our past strong record of success in the areas of education and economic development. By doing so, we will position Pennsylvania and its citizens to take advantage of opportunities that will arise when the national economy rebounds. In that way, we will protect the progress we have made in the past seven years.

As we look to the future, we know that many challenges will remain even after the economy improves. Federal fiscal relief that has supplemented our budget since 2008-09 will end in 2011, and the commonwealth will need to close that \$2.3 billion gap through a combination of ongoing management and productivity initiatives, budget cuts and new revenue. Doing so will require more tough choices – but they will be less wrenching if we prepare for them now.

The 2010-11 budget that I introduce today is a budget that works. It balances the needs of our citizens with the financial pressures the national economic downturn has imposed. It readies our young people and businesses for the opportunities that a reviving economy will bring. It also provides a road map to prepare for future fiscal challenges by setting aside new revenue to help balance the 2011-12 budget.

It has been my great honor and privilege to be your Governor for the past seven years. And it is my sincere hope that we will work together this year not only to protect the progress we have made, but also to prepare the commonwealth for continued prosperity in the decade ahead.

Pursuant to Article VIII, Section 12 of the Constitution of Pennsylvania, and Section 613 of the Administrative Code of 1929 (71 P.S. Section 233), I am transmitting to your representatives in the General Assembly my proposed budget for Fiscal Year 2010-11.

Sincerely,

Edward G. Rendell



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GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

Commonwealth of Pennsylvania

For the Fiscal Year Beginning

July 1, 2009

President

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented an award of Distinguished Presentation to the Commonwealth of Pennsylvania for its annual budget for the fiscal year beginning July 1, 2009. This award is valid for a period of one year.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communication device.

To view the 2010-11 Governor's Executive Budget online or learn more about the Pennsylvania Office of the Budget, go to www.budget.state.pa.us. To learn more about the Commonwealth of Pennsylvania, go to www.state.pa.us.



Overview of Sections within the Budget

Preface

Includes the Governor's letter, Distinguished Budget Presentation Award, an overview of sections within the budget, table of contents and a reader's guide which explains the budget process, structure of the budget and various terms used in the budget.

A. Overview and Summaries

Provides an overview of program and financial goals and administration policies. It discusses the economic outlook, major operating funds and overall complement. It summarizes the budget for several major commonwealth funds including the General Fund, Motor License Fund, Lottery Fund, Tobacco Settlement Fund and Budget Stabilization Reserve (Rainy Day) Fund. It also provides summary information regarding Program Policy Direction and Budget Themes, Federal Block Grants, Public Information & Communications and selected other summaries.

B. Program Budget Summary

Provides a summary of the budget by major revenue source and provides information for each major program by component categories and subcategories (subdivisions of programs).

C. Summary by Fund

Provides a summary for the General Fund, the major operating fund of the commonwealth, and eleven selected special funds. Detailed data regarding revenues and a summary of expenditures for each individual fund is presented. Detailed expenditure and program information is found within Section E: Department Presentations.

D. Tax Expenditures

Provides information regarding tax expenditures for the General Fund, Motor License Fund and selected other funds. These are tax credits, deductions, exceptions and exclusions provided in law which result in a significant reduction in revenues that would otherwise be received at current tax rates.

E. Department Presentations

Provides detailed expenditure information by agency, program and funding source. Program performance measures including outcome/effectiveness indicators, output/activity indicators, efficiency measures and need/demand estimators for those programs administered by the agency are presented.

F. Capital Budget

Provides detailed information by agency regarding proposed capital budget projects. In addition, proposed funding sources and amounts needed to support the entire capital program for the next five years are listed.

G. Public Debt

Provides data on the debt obligations of the commonwealth used to fund capital programs, voter-approved bond referendums and certain disaster relief programs.

H. Other Special Funds

Provides a brief description and financial data for all commonwealth funds not given an expanded treatment in other sections of the budget.

I. Complement

Provides a summary by department of salaried complement on a full-time equivalent (FTE) basis. It also provides a brief description by agency and appropriation of the changes recommended in the budget.

J. Statistical Data

Provides historical data for various Pennsylvania economic indicators.



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READER'S GUIDE

This section of the budget is intended to assist readers with interpreting and understanding the content of the Governor's annual recommended budget.

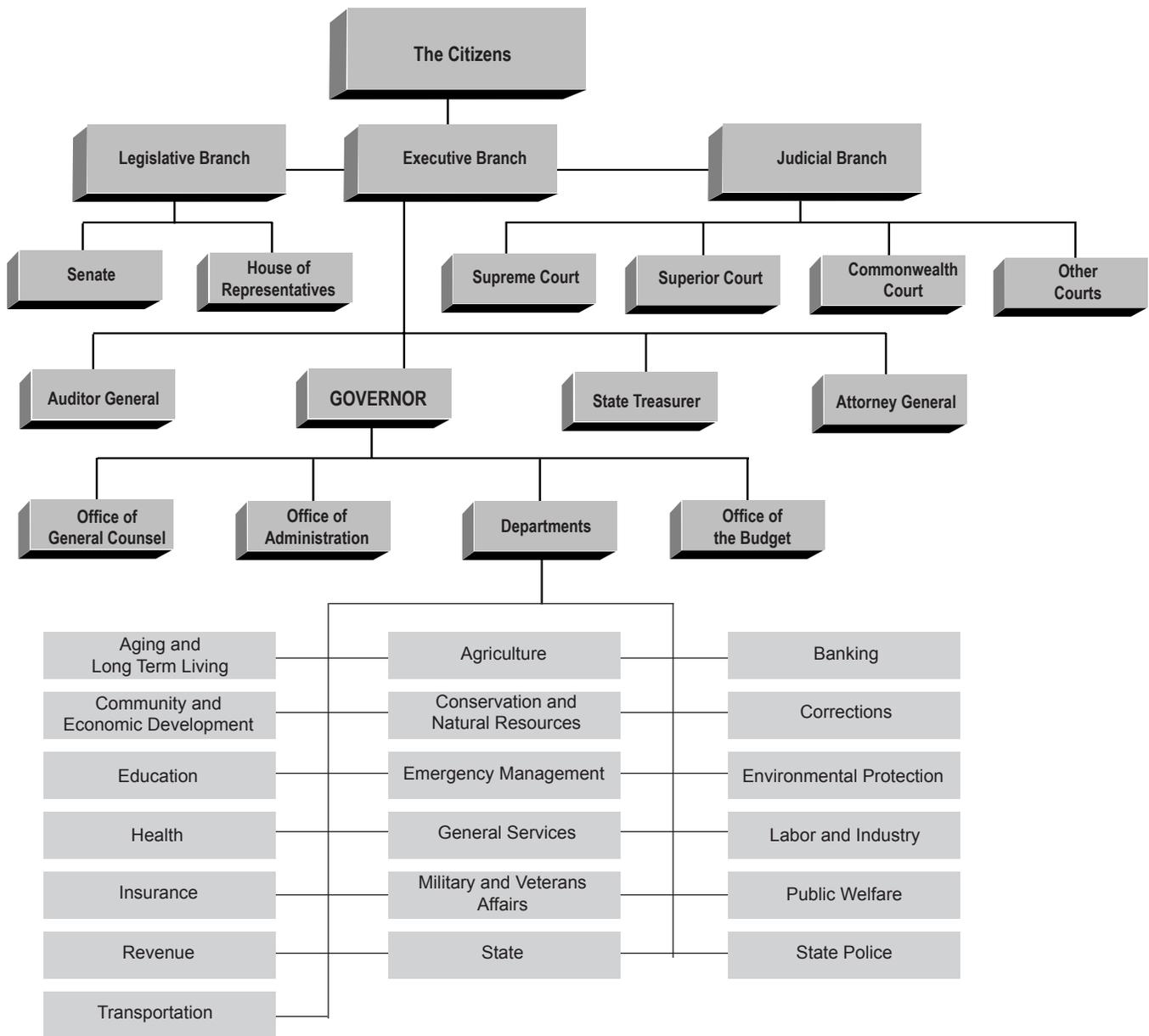
It contains an organization chart of the commonwealth, descriptions of the operating and capital budget processes, an explanation of the accounting basis, terms used in the budget process and a list of the most common abbreviations used to identify federal funds.

The government of the commonwealth is composed of three separate branches: Executive, Legislative and Judicial. The general organization chart of commonwealth government shown on the following page provides additional details.

To view the 2010-11 Governor's Executive Budget online or learn more about the Pennsylvania Office of the Budget, go to www.budget.state.pa.us. To learn more about the Commonwealth of Pennsylvania, go to www.state.pa.us.



Commonwealth of Pennsylvania Organization Chart



AGENCIES

Higher Education Assistance
Housing Finance
Interstate Agencies

AUTHORITIES

Commonwealth Financing
Energy Development
Higher Education Facilities
Industrial Development
Infrastructure Investment
Minority Business Development
Public School Building

BOARDS

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

COMMISSIONS

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



The Budget Process

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

The Governor's Budget is developed with a focus on the results of government programs and provides information about program goals, objectives, accomplishments and effects.

The Governor's Budget is a statement of the commonwealth's program plan, the resources necessary to support that plan, a description of how resources are to be used, and an assessment of the effects of programs on people and the environment. This information is presented so that the levels of expenditure are associated with levels of government services and, ultimately, with the resulting effects on important public policy issues and concerns faced by the commonwealth.

PHASES OF THE BUDGET PROCESS

The state budget process can be divided into four stages: gubernatorial preparation and submission to the General Assembly; approval (involving the executive and legislative branches); execution; and program performance evaluation and financial audit.

PREPARATION

The preparation stage of the budget process begins nearly twelve months prior to the start of that fiscal year. The first step of the preparation stage is the distribution of the budget instructions by the Governor's Budget Office and program policy guidance by the Governor's Office. The program policy guidance defines major policy issues, spells out priorities and provides policy direction to the agencies for budget preparation.

Agency budget requests are submitted to the Governor's Budget Office beginning in early October. Agencies prepare and submit their requests electronically. The Agency Program Plan, the programmatic presentation of agency budget requests, and the appropriation level information are prepared and submitted in the format and manner specified in budget instructions issued annually by the Governor's Budget Office.

During December, the Governor apprises Legislative leaders of anticipated spending and revenue levels and major fiscal issues expected to be addressed in the upcoming budget.

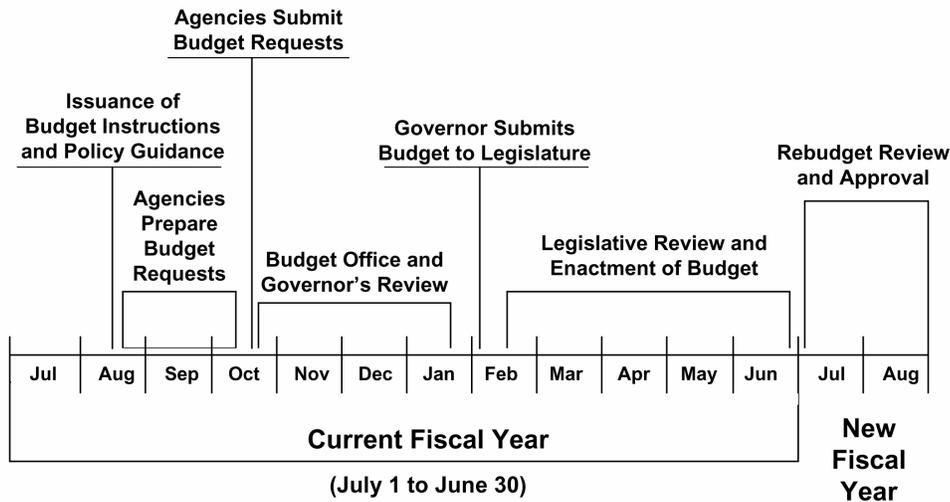
The Secretary of the Budget and his staff review agency budget requests for accuracy and for adherence to the policy guidance. The Agency Program Plan and appropriation templates are used by the Governor's Budget Office to analyze the agency requests and prepare funding recommendations for the Secretary of the Budget and the Governor. Total agency requests must be brought into balance with total funds estimated to be available from existing sources and any new revenue sources that are recommended. The Secretary of the Budget makes recommendations to the Governor on the expenditure proposals contained in each agency budget request and, in conjunction with the Secretary of Revenue, provides revenue estimates. The Governor reviews these recommendations and makes final budget decisions. The Governor's Executive Budget document is then completed and submitted to a joint session of the General Assembly by the Governor through the budget address.

APPROVAL

Shortly after receiving the Governor's budget request, the Appropriations Committees of the House of Representatives and Senate hold public hearings to review individual agency requests for funds. The appropriations hearings provide the legislators with an opportunity to review the specific programmatic, financial and policy aspects of each agency's programs. The legislators' decisions on the budget are reflected in the annual General Appropriation Bill and individual appropriation bills. The General Appropriation Bill contains appropriations for the executive, legislative and judicial departments, public schools and for public debt. All other appropriations are made individually by separate special bills.



Budget Cycle in Pennsylvania



Appropriations made to institutions not under the absolute control of the commonwealth are considered nonpreferred appropriations and require a two-thirds vote of each House of the General Assembly for passage. The passage of the General Appropriation Bill and other appropriation bills by the General Assembly and the passage of any revenue measures which may be required to ensure a balanced budget constitute the legislative approval phase of the budget process.

At the time that the General Appropriation Bill and other appropriation bills are presented to the Governor for approval, the official revenue estimates for the budget year are established by the Governor. If the appropriations passed by the Legislature exceed the revenue estimates plus any available surplus, the Governor has the authority and duty either to veto entire appropriation bills or to reduce the amount of appropriations in order to produce a budget that is in balance with total resources available. The Governor also has the power to reduce or item veto any appropriation he thinks excessive or unnecessary even if the total appropriations passed by the legislators do not exceed estimated resources available. A Governor's item veto may be overridden by a two-thirds vote of each House of the General Assembly.

The signing of the appropriations bills and any revenue bills by the Governor is the last step in the approval stage of the budget process.

On occasion, additional appropriations are made subsequent to the enactment of the General Appropriation Act. These additional appropriations are made for a purpose for which either no appropriation was originally made or where the General Assembly deems it desirable or necessary that an original appropriation be increased in the current fiscal year period. These appropriations are made in supplemental appropriation bills that are passed in the same manner as regular appropriation bills.

EXECUTION

The Governor's Budget Office has the authority to request and approve agency spending plans, commonly referred to as rebudgets, and to establish authorized levels for agency's full-time equivalent (FTE) salaried complement, i.e., personnel. The rebudgets are based primarily on the enacted appropriations. The Governor's Budget Office electronically enters allocation amounts into the accounting system based upon the approved rebudget. Program managers and administrators are responsible for operating their programs within the resources that are available and for producing the results cited in the budget.

AUDIT

The last stage of the budget cycle, which occurs after the close of the fiscal year, encompasses audit and review of program and financial performance. The Governor's Budget Office informally reviews program and financial performance and performs formal evaluations of selected programs. In addition, the Auditor General performs a financial post audit.

The Capital Budget Process

The capital budget process in Pennsylvania is similar to the process for the operating budget. It has a preparation and submission to the General Assembly phase, an approval phase involving both the executive and legislative branches and an execution phase.

The preparation phase follows the operating budget preparation cycle for a fiscal year beginning July 1. When agencies submit the budget requests to the Secretary of the Budget beginning in early October, a capital budget request itemizing the projects the agencies want to undertake is also submitted. The requests are reviewed and recommendations developed based on the Governor's financial parameters and policies.

Final decisions on the capital budget are made by the Governor at the same time as the operating budget. The Governor's final recommendations are contained in a separate capital budget section in the Governor's Executive Budget document which is submitted to the General Assembly.

The recommendations in the budget document along with any additions or deletions made by the General Assembly are contained in a separate bill usually known as the Capital Budget Project Itemization Act. This bill, along with the Capital Budget Act which contains the maximum debt limitations for the next fiscal year beginning July 1, must be passed by both Houses of the General Assembly and presented to the Governor for signature. The Governor reviews the projects contained in the Capital Budget Project Itemization Act taking into consideration his priorities, the importance of the project and the impact on operating budgets. The Governor may approve the bill as is or item veto parts or all of the amounts contained in the bill. Any item veto may be overridden by a two-thirds vote of each House of the General Assembly.

The Governor's approval of the Capital Budget Project Itemization Act is the final stage of the capital budget approval process.

Each year, even if a capital project itemization bill is not passed, legislation establishing limitations on the debt to be incurred for capital projects is passed and signed into law. This legislation is known as the Capital Budget Act. The act establishes a debt ceiling for each major category of the capital program and remains in force for a single fiscal year.

After projects have been approved in an enacted Project Itemization Act, in order for a project to be activated, the Department of General Services must request that it be implemented. All requests for project activation are reviewed by the Governor's Budget Office for consistency with the Governor's priorities and policies. Projects approved by the Governor's Budget Office are scheduled for release — first for design and, when design is complete, then for construction. These releases are made in accordance with certain fiscal guidelines in order to keep the entire capital budget at affordable levels each year.

The reader is referred to Section F Capital Budget, which contains the Governor's recommended capital budget and five-year capital program, including funding sources and amounts needed to support capital programs. Pages F3 and F4 briefly describe the seven categories of capital projects and the contents of the three subsections: 2010-11 New Project Authorizations; Forecast of Future Projects; and Estimate of Capital Expenditures.

The Structure of the Budget

THE COMMONWEALTH PROGRAM PLAN

The budget presentation for each department or agency is shown on an appropriation basis and also on a programmatic basis. Program explanations, analyses and measures are shown by program subcategory within individual departments in Section E of the document. A summary presentation by commonwealth program in Section B shows program costs according to eight major program classifications. These program classifications are each defined in terms of broadly stated goals of state government. One of these commonwealth programs, Direction and Supportive Services, includes the costs of supporting administrative functions which affect the overall operations of the commonwealth. Debt Service includes the resources to meet the timely payment of commonwealth debt obligations. The remaining commonwealth programs are substantive in nature and deal with costs related to the following areas:

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

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

THE DEPARTMENTAL PRESENTATION

Recommendations for the continuation of current programs are shown within departmental program subcategories. Recommendations for major program changes are identified as departmental Program Revision Requests (PRRs) which provide explanations and justification for the change.

Beyond the budget year, four-year projections of financial data and program measures show the future implications of the budget recommendations and policies. Consequently, the five-year plan is a base line which represents the future program effort and financial resources needed to sustain the budgeted level of commitment.

To assist in understanding the individual agency presentations, descriptive information and detailed samples are shown in the following pages.

Summary By Fund And Appropriation

This part of the presentation identifies the state appropriations and those federal funds, augmentations and other funds which supplement the activities funded by that individual state appropriation for each department. The following key will help to identify individual items:

General Government Operations — A title which identifies a specific appropriation by the General Assembly or an executive authorization (EA) by the Governor to spend state monies.

For purposes of this presentation, state funds include the General; Motor License; Banking Department; Boat; Environmental Stewardship; Farm Products Show; Fish; Game; Keystone Recreation, Park and Conservation; Lottery; Racing and Tobacco Settlement Funds and the appropriations or executive authorizations made from those funds.

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

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

For the sake of brevity and ease of identification, common abbreviations are used in the federal titles. The most common are listed at the end of this Reader's Guide.

“(A)” Identifies monies which augment a state appropriation. Institutional collections is an example of an augmentation.

“(EA)” After the title of an appropriation identifies an executive authorization made in the name of the Governor to spend monies previously appropriated through blanket action of the General Assembly. General Operations in the Farm Products Show Fund is an example of an executive authorization.

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

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

Program Presentation

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

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

Narrative — Describes program services and activities.

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

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

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

Program Measures — Indicates the activities and outcomes funded by the program and the expected impact of the proposed budget on those activities and outcomes.

Section H Other Special Funds Appendix provides brief descriptive and financial data for those special funds of the commonwealth not given an expanded treatment in other sections of this document.

The Summary by Fund and Appropriation

A summary by fund and appropriation (SFA) is shown at the beginning of each agency presentation in Section E. The SFA identifies all state appropriations within the agency and those federal funds, augmentations and other funds which supplement the activities within the respective state appropriation.

General Fund — The fund into which the general (non-earmarked) revenues of the state are deposited and from which monies are appropriated to pay the general expenses of the state.

General Government — A character of expenditure which is a classification of appropriations according to their general purpose. Other characters of expenditure are institutional, grants and subsidies, capital improvements and debt service.

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

"(F)" Identifies a federal appropriation by the General Assembly or an executive authorization by the Governor to spend federal monies.

"(A)" Identifies other monies which augment a state appropriation.

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

Summary by Fund

GENERAL FUND:

General Government:

General Government Operations

(F) Surface Mine Conservation

(A) Department Services

Subtotal

Environmental Program Management

(F) Coastal Zone management

(F) Storm Water Permitting Initiative

(A) Safe Drinking Water Revolving Fund Administration

(R) Sewage Facilities Program Administration (EA)

Subtotal

Subtotal - State Funds

Subtotal - Federal Funds

Subtotal - Augmentations

Subtotal - Restricted Revenues

Total - General Government

Grants and Subsidies:

Flood Control Projects

Storm Water Management

Delaware River Master

Ohio River Basin Commission

Susquehanna River Basin Commission

Delaware River Basin Commission

Chesapeake Bay Commission

Total - Grants and Subsidies

STATE FUNDS

FEDERAL FUNDS

AUGMENTATIONS

RESTRICTED REVENUES

GENERAL FUND TOTAL

ENVIRONMENTAL STEWARDSHIP FUND:

Grants and Subsidies:

Watershed Protection and Restoration (EA)

ENVIRONMENTAL STEWARDSHIP FUND TOTAL

OTHER FUNDS:

GENERAL FUND:

Safe Drinking Water Account

ACID MINE DRAINAGE ABATEMENT AND TREATMENT FUND:

Acid Mine Drainage Abatement and Treatment (F) (EA)

DEPARTMENT TOTAL - ALL FUNDS

GENERAL FUND

SPECIAL FUNDS

FEDERAL FUNDS

AUGMENTATIONS

RESTRICTED

OTHER FUNDS

TOTAL ALL FUNDS



Environmental Protection

and Appropriation

(Dollar Amounts in Thousands)

2008-09 ACTUAL 2009-10 AVAILABLE 2010-11 BUDGET

\$ 14,800 \$ 15,000 \$ 15,200
 413 630 680
 154 75 75
\$ 15,367 \$ 15,705 \$ 15,955

21,325 21,424 21,524
 4,700 4,700 4,700
 2,300 2,300 2,300
 91 85 85
 1,500 1,500 1,500
\$ 29,916 \$ 30,003 \$ 30,109

\$ 36,125 \$ 36,424 \$ 36,724
 7,413 7,630 7,680
 245 160 160
 1,500 1,500 1,500
\$ 45,283 \$ 45,714 \$ 46,064

\$ 2,793 \$ 3,000 \$ 3,900
 3,100 3,200 3,300
 94 94 94
 10 14 16
 490 500 510
 1,000 1,000 1,000
 190 200 190
\$ 7,677 \$ 8,008 \$ 9,010

\$ 43,802 \$ 44,432 \$ 45,734
 7,413 7,630 7,680
 245 160 160
 1,500 1,500 1,500
\$ 52,960 \$ 53,722 \$ 55,074

\$ 14,000 \$ 14,000 \$ 14,000
\$ 14,000 \$ 14,000 \$ 14,000

\$ 549 \$ 658 \$ 470

\$ 5,500 \$ 5,500 \$ 5,500

\$ 43,802 \$ 44,432 \$ 44,734
 14,000 14,000 14,000
 7,413 7,630 7,680
 245 160 160
 1,500 1,500 1,500
 6,049 6,158 5,970
\$ 73,009 \$ 73,880 \$ 74,044

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

Identifies one of a group of special funds which are presented fully in Section C: Summary by Fund. For purposes of this presentation, State funds include the General, Motor License, Banking Department, Boat, Environmental Stewardship, Farm Products Show, Fish, Game, Keystone Recreation, Park and Conservation, Lottery, Racing and Tobacco Settlement funds.

Identifies selected restricted accounts.

Identifies one of a group of special funds which are presented on a limited basis in Section H: Other Special Funds Appendix.

Program Presentation

Each Program Presentation provides a written and financial explanation of the activities of the program. Recommendations for the continuation of current programs at essentially current levels of commitment are shown within department program subcategories. Recommendations for major program changes are identified as department Program Revision Requests (PRRs) which provide explanations and justification for the change.

Program Recommendations — Identifies the increases or decreases over the available year funds as presented in the Summary by Fund and Appropriation.

General Government Operations — Identifies a specific appropriation.

PRR — A Program Revision Request identifies a major program change and is explained in more depth in a presentation following the program.

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

PROGRAM OBJECTIVE: To protect and improve the health and safety of the citizens of the commonwealth from unnecessary radiation from natural and man-made sources, to manage water and mineral resources and to prevent destruction and depletion while allowing economic development.

Program: Environmental Protection

This program encompasses the major program elements that help to protect the health and safety of the citizens of the commonwealth as well as the quality of their environment and economic health. These activities are all associated with the department's goals for Clean Air, Clean Water, Land Protection, Community Health and Safety and Sustainable Energy.

Act 68 of 1999, the Environmental Stewardship and Watershed Protection Act, authorized the beginning of the "Growing Greener" program. The goal of this program is to ensure citizens their rights to clean air, to pure water and to the preservation of the natural, scenic, historic and esthetic values of the environment. Expanded activities include the reclamation of abandoned mines, plugging of certain oil and gas wells, protection and restoration of watersheds, and improvements to drinking water and sewer systems.

Program Recommendations:

This budget

\$	200	General Government Operations —to continue current program.
\$	100	Environmental Program Management —to continue current program.
\$	1,000	Flood Control Projects —PRR—Rebuilding Pennsylvania's Infrastructure. To provide increased assistance to communities for flood control projects.
	-100	—nonrecurring projects.
\$	900	<i>Appropriation Increase</i>

Appropriations within this Program:

	2008-09 Actual	2009-10 Available
GENERAL FUND:		
General Government Operations	\$ 14,800	\$ 15,000
Environmental Program Management.....	21,325	21,424
Flood Control Projects	2,793	3,000
Storm Water Management	3,100	3,200
Delaware River Master	94	94
Ohio River Basin Commission	10	14
Susquehanna River Basin Commission ..	490	500
Delaware River Basin Commission	1,000	1,000
Chesapeake Bay Commission	190	200

Program

	2008-09	2009-10
Protection of Air Quality		
Air quality-staff hours per permit.....	193	172
Air quality permits in effect	1,666	1,800
Air emission inspections performed.....	10,656	11,000
Percentage of population in counties attaining the ambient ozone standard.....	67%	67%
Percentage of population in counties attaining the ambient PM-2.5 (fine particulate) standard	44%	44%



Environmental Protection

Identifies the agency being presented.

to improve the quality of the air, water and environment for the Commonwealth, to protect the people from dangerous man-made sources, including occupational and medical sources in a way which ensures against their undue economic benefits from their use.

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

Program and Management

Program — The agency program focuses upon objectives which can be measured in terms of quantifiable impact.

CLEAN AIR

Program Element: Protection of Air Quality

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

Emissions of air contaminants are closely monitored and controlled by the department to protect public health as required by the Federal Clean Air Act, the Pennsylvania Air Pollution Control Act of 1960 and regulations adopted under the acts. Pollutants of primary concern include ground-level ozone, suspended particulates, sulfur and nitrogen oxides, volatile organic compounds and toxic air pollutants. Only 66 percent of the population of Pennsylvania lives in counties attaining the 8-hour National Ambient Air Quality Standard for ground-level ozone. Forty-four percent of the population lives in counties attaining the federal ambient standard for fine particulate pollution. Small particles and toxic air pollutants they carry with them can aggravate or cause respiratory ailments.

Narrative — Describes program services and activities.

It recommends the following changes: (Dollar Amounts in Thousands)

\$	100	Storm Water Management —to continue current program.
\$	2	Ohio River Basin Commission —to continue current program.
\$	10	Susquehanna River Basin Commission —to continue current program.
\$	-10	Chesapeake Bay Commission —nonrecurring projects.

(Dollar Amounts in Thousands)

2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
\$ 15,200	\$ 15,200	\$ 15,200	\$ 15,200	\$ 15,200
21,524	21,524	21,524	21,524	21,524
3,900	3,900	3,900	3,900	3,900
3,300	3,300	3,300	3,300	3,300
94	94	94	94	94
16	16	16	16	16
510	510	510	510	510
1,000	1,000	1,000	1,000	1,000
190	190	190	190	190

Measures

2010-11	2011-12	2012-13	2013-14	2014-15
172	172	172	172	172
2,000	2,350	2,600	2,850	2,850
11,000	11,000	11,000	11,000	11,000
67%	68%	100%	100%	100%
48%	48%	90%	90%	90%

Program Measures — Indicates the expected impact of the proposed budget on services, costs, etc., involved in all programs within the entire agency.

Basis of Budgeting and Basis of Accounting for Financial Reporting

Basis of Budgeting For Control and Compliance – Modified Cash Basis

The commonwealth's budgets are prepared on a modified cash basis that is used to establish and ensure compliance with enacted budgets according to applicable commonwealth statutes and administrative procedures. For each commonwealth operating fund, the total amount appropriated by the General Assembly for a fiscal year may not exceed the fiscal year's estimated revenues available for appropriation, as developed by the Governor, plus the unappropriated surplus fund balance (or less a deficit) of the preceding fiscal year, except for constitutionally authorized debt service payments.

With modified cash basis of budgeting, tax receipts, non-tax receipts, augmentations and all other receipts are recorded at the time cash is received. At fiscal year-end an adjustment is made to include in the receipts total certain revenues of the General Fund and the Motor License Fund estimated to be earned but not yet collected. Expenditures are recorded at the time payment requisitions and invoices are submitted to the Treasury Department for payment. Expenditures include appropriated amounts reserved for payment of contracts for the future delivery of goods and services to the commonwealth through an encumbrance process. Also, appropriated funds are retained at fiscal year-end to pay direct expenditures such as salaries, wages, travel and utility costs payable against a fiscal year's appropriation authority but expended in the subsequent fiscal year.

Budgetary control is exercised at the appropriation level (legislative spending authority level). Encumbrances and expenditures cannot exceed appropriated amounts. Appropriation transfers between departments and any supplemental appropriations require both executive and legislative branch approval. Uncommitted and unexpended appropriations return to the fund balance (lapse) at fiscal year-end and become available for appropriation in the subsequent fiscal year. Over-estimates of amounts required to meet current year obligations are lapsed in the subsequent year and under-estimates are paid from subsequent year appropriations.

Budgets are statutorily adopted each fiscal year for the General Fund and the following special revenue funds: Banking Department, Ben Franklin Technology Development Authority, Emergency Medical Services Operating, Energy Conservation and Assistance, Hazardous Material Response, HOME Investment Trust, Milk Marketing, Motor License, and Workmen's Compensation Administration. However, not all special revenue funds are controlled by statutorily adopted budgets. Controls over spending in such special revenue funds are maintained by use of spending limits (executive authorizations) established by the Governor, within parameters established by the General Assembly. Budgets are also statutorily adopted for the administration of the State Employees' Retirement and Public School Employees' Retirement Funds and for portions of the State Stores, Tobacco Settlement and Tuition Account Guaranteed Savings Program Funds.

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

Basis of Accounting for Financial Reporting – GAAP Modified Accrual Basis

In addition to the budgetary basis financial information maintained by the commonwealth to monitor and enforce budgetary control, special account balances, principally receivable and payable items, are maintained to provide and report information in conformity with generally accepted accounting principles (GAAP) applicable to state and local governments. GAAP requires a modified accrual basis of accounting for governmental fund types. With modified accrual basis accounting, revenues are recognized when they become both measurable and available to finance expenditures. Expenditures are generally recognized and recorded when a liability to make a payment is incurred, regardless of when the cash disbursement is to be made. For proprietary and fiduciary fund types, GAAP requires a full accrual basis of accounting.

Accounting Differences in GAAP Financial Reporting versus Budgetary Reporting

Revenues and expenditures reported and included in GAAP financial statements differ from those reported in the commonwealth's budgeting system. Among other differences, the GAAP statements generally recognize revenues when they become measurable and available rather than when cash is received; report expenditures when goods and services are received and a liability incurred rather than when cash is disbursed; include government-wide statements, representing aggregate governmental activities of the commonwealth, along with fund statements, including individual major and aggregate nonmajor funds grouped by GAAP fund type rather than by commonwealth funds; and include activities of all funds in the financial reporting entity, including agencies and authorities usually considered as independent of the commonwealth for budgetary accounting and reporting purposes. GAAP financial accounting generally requires sales/use, personal income, corporation and other tax revenue accruals as well as tax refunds payable and tax credits to be subtracted from reported tax revenues; and expenditures not covered by appropriations to be included as expenditures.

Significant Financial Policies

A summary of significant financial management policies of the commonwealth is presented below. More detail on the financial management policies and implementation is found in other sections of this document especially the Section A Overview and Summaries, Section F Capital Budget, Section G Public Debt and Section H Other Special Funds Appendix.

Accounting – As noted above, in addition to the budgetary basis financial information maintained by the commonwealth to monitor and enforce budgetary control, special account balances, principally receivable and payable items, are maintained to provide and report information in conformity with accounting principles generally accepted in the United States applicable to governments. The Governmental Accounting Standards Board (GASB) establishes accounting and financial reporting requirements for state and local governments.

Budget Stabilization Reserve Fund – Act 91 of 2002 provided for this fund effective July 1, 2002 to eventually establish a reserve fund amounting to 6 percent of the revenues of the General Fund. For the fiscal year beginning July 1, 2002 and in any fiscal year thereafter in which the Secretary of the Budget certifies that there is a surplus in the General Fund, 25 percent of the surplus is to be deposited by the end of the next succeeding quarter into this fund. In certain fiscal years legislation has provided for a transfer of an amount not equal to 25 percent for that fiscal year. Act 50 of 2009, signed October 9, 2009, transferred \$755,000,000 to the General Fund. Additional information is found in Section A.1 of this budget document.

Investments – Investment Pools – The Fiscal Code provides the Treasury Department with investment control over most commonwealth funds. The Treasury Department uses a variety of sophisticated internal investment pools that seek to provide preservation of principal, liquidity, diversification and income for commonwealth funds. All participating funds report amounts invested in such pools as temporary and/or long-term investments; the pools themselves are not financially reported.

Debt Issuances – The commonwealth constitution permits debt to be issued for (1) capital projects in approved capital budgets; (2) purposes approved by voter referendum and (3) response to disasters. The constitution limits outstanding capital budget debt to 1.75 times the average tax revenues during the previous five fiscal years. Voter approved and disaster relief debt are not subject to the constitutional debt limit. Capital projects addressing health, safety and public protection receive top priority for activation. Additional information on public debt and debt policies is found in the Section G Public Debt of this budget document.

Terms Used in the Budget Process

Accrual: The accounting recognition of revenue or expenditures/expense amounts prior to cash receipt of revenue or cash disbursements for expenditures/expenses. Accruals are based on the delivery of a good or completion of a service by a specific date for which related cash receipts or disbursements have not yet occurred. Accruals are typically posted at the end of an accounting period and are reversed during a subsequent accounting period.

Agency Program Plan: The aggregation of program and financial information projected over a five-year period which serves as the agency input into the Commonwealth Program Plan.

Appropriation: Legislation requiring the Governor's approval authorizing an agency, department, board, commission or institution to spend a specified amount of money for a stated purpose or purposes during a particular period of time, usually one fiscal year.

Augmentation: Monies such as institutional billings or fees credited to a specific appropriation of state revenues. An augmentation can usually be spent for those purposes authorized for the appropriation it augments. Although augmentations usually are appropriated in general terms with no specific dollar limits, federal aid monies must be appropriated specifically.

Balanced Budget: A budget in which proposed expenditures equal actual and estimated revenues and surplus. The Constitution of Pennsylvania requires the Governor to submit a balanced budget and prohibits the General Assembly from appropriating monies in excess of actual and estimated revenues and surplus.

Budget: A statement of the state's program plan, the resources necessary to support that plan, a description of how and for what purposes the resources are to be used and a projection of the effects of the programs on people and the environment.

Budget Subtype: A term used to describe the components of various funding sources and status of the funding sources that determine the total funds available for each Commonwealth appropriation or executive authorization. Budget Subtypes include:

- **Appropriation or Executive Authorization** – The amount provided in an enacted appropriation bill or executively authorized and issued in approved Expenditure Symbol Notification letters.
- **Estimated Augmentations** – The amount made available in an approved allocation or allocation amendment to supplement an Appropriation or Executive Authorization from non-Federal sources.
- **Federal Transfers** – The amount of expenditures anticipated to occur in the State Appropriation or Executive Authorization in the first instance and then transferred to a related Federal Appropriation or Executive Authorization.

- **Non-Federal Transfers** – The amount of expenditures anticipated to occur in the State Appropriation or Executive Authorization in the first instance, and then transferred to another State Appropriation or Executive Authorization or Other Funds source within the same or a different Commonwealth Fund.
- **Pending Budget** – Authorization to commit or expend funds not yet formally approved. This budget subtype is also used for preliminary allocations of funds to provide for essential funding needs until the Rebudget allocations are approved. Pending budget must be approved by the Deputy Secretary of the Budget.
- **Lapse** – The amount of funds from the Appropriation or Executive Authorization for which a lapse has been processed and approved. These funds are no longer available for expenditure or commitment.
- **Federal Expiration** – The amount of lapse of Appropriation or Executive Authorization authority from a Federal Appropriation or Executive Authorization.
- **Budget Carry Forward** – The amount of prior year available funds that have carried forward to a new fiscal year.

Capital Authorization: The appropriations and/or debt authorization enacted in an annual capital budget to fund any permitted capital program.

Capital Budget: The capital budget is that portion of the state budget that deals with projects for the construction, renovation, improvement, acquisition and original furniture and equipment of any building, structure, facility, land or land rights. Projects must have an estimated useful life in excess of five years and an estimated cost in excess of \$100,000 or more if bond funds are used and \$300,000 or more when current revenues are used. Those projects under these thresholds are not considered capital and are funded from operating budgets. Most of the capital budget projects in the past have been paid from monies obtained by the sale of bonds.

Character of Expenditure: A classification of appropriations according to their general purpose: general government, institutional, grants and subsidies, capital improvements and debt service.

Commonwealth Program Plan (CPP): The aggregation of all of the Agency Program Plans (APP) within the framework of the Commonwealth's program structure.

Current Commitment: Current level of services; when used in projecting costs, the future cost consequences of current program policy. Also referred to as "Cost to Carry."

Deficit: A fiscal operating result for an individual fund that may occur at the end of a fiscal year, whereby expenditures for a fiscal year exceed the actual revenues during the same period plus the prior year surplus. The deficit must be paid from the next year's revenues.

Encumbrance: That portion of an appropriation representing a commonwealth obligation or commitment pursuant to a contract, a purchase order, a grant or another known obligation but where an actual disbursement has not been made.

Executive Authorization: An authorization made in the name of the Governor to spend money from funds which had been previously appropriated through blanket action of the General Assembly. Usually this term is used in connection with the special funds. An example of this would be the operations of the Vocational Rehabilitation Fund.

Expenditure: An accounting entry indicating a disbursement has been made.

Federal Fiscal Year (FFY): A twelve-month period beginning October 1 and ending September 30 of the following calendar year which is used as the federal accounting and appropriation period. Referred to by the year in which the fiscal year ends. For example, October 1, 2009 to September 30, 2010 would be FFY 2010.

Federal Funds Appropriation: An appropriation of monies received from the federal government. All monies, regardless of source, deposited in the state treasury must be appropriated. Federal funds are appropriated for a specific time period.

Fiscal Year: A twelve-month period beginning July 1 and ending June 30 of the following calendar year which is used as the state's accounting and appropriation period. In the accounting system, referred to by the year in which the fiscal year begins, for example, July 1, 2009 to June 30, 2010 would be Fiscal Year 2009. In the budget document, referred to by using both calendar years in which the fiscal year spans, for example, July 1, 2009 to June 30, 2010 would be Fiscal Year 2009-10.

- **Actual Year** – Includes all expenditures and encumbrances chargeable to that fiscal year as of June 30 of the previous year plus available balances held for certain commitments and any supplemental appropriations enacted after June 30. In the case of continuing appropriations, the actual figure will also include any available balances. For non-appropriated and non-executively authorized restricted receipts and restricted revenues, it reflects expenditures only.
- **Available (Current) Year** – For state funds, includes amounts appropriated to date and supplemental appropriations recommended in this budget. For non-appropriated and non-executively authorized restricted receipts and restricted revenues, the best estimate of expenditures currently available is used.
- **Budget Year** – Reflects the amounts being recommended by the Governor in this document for the next fiscal year.
- **Planning Years 1, 2, 3 and 4** – Reflects only the cost of the budget year projected into the future and the implementation of legislatively mandated increases which may be effective in a future year.

Fund: An independent fiscal and accounting entity comprising a source of money set aside by law for the purpose of carrying on specific activities in accordance with special regulations, restrictions or limitations. A fund is created by legislation. The General Fund is the fund from which most state programs are financed.



Fund Balance: The beginning balance is the ending balance brought forward from the previous year. The ending balance (positive or negative) is the sum of the beginning balance, revenues/receipts and lapses less expenditures within the fiscal year.

General Appropriation Act: A single piece of legislation containing numerous individual appropriations. The General Appropriation Act contains only appropriations for the executive, legislative and judicial departments of the commonwealth, for the public debt and for public schools. All other appropriations are made by separate acts, each concerning one subject.

General Fund: The fund into which the general (non-earmarked) revenues of the state are deposited and from which monies are appropriated to pay the general expenses of the state.

Goal: A goal is a desired state of affairs based upon current knowledge and values. It is timeless in the sense that as achievement approaches, goals tend to be restated at a higher level of aspiration or new goals are projected. Goals reflect the basic values of society and are therefore always culture bound and subjective.

Initiative: (see also the definition of Program Revision Request) Changes in program purpose, level or activity as the result of changes in policy, statute, regulation or court direction which result in dollar increases or decreases too low to require submission of a Program Revision Request (i.e., less than \$200,000 or 15 percent of an appropriation, whichever is greater) are identified as Initiatives. Cost increases to operate an existing program without change in policy, law or regulation such as increased fuel costs at an institution or increased rental costs for regional offices are current commitment costs and are not identified as Initiatives.

Item Veto: The constitution of Pennsylvania empowers the Governor to disapprove part or all of any item or items of any bill making appropriations of money. The part or parts of the bill approved become law and the item or items disapproved become void. This power is known as the item veto.

Lapse: The return of unencumbered or unexpended monies from an appropriation or executive authorization to the fund from which the money was appropriated. Most appropriations are for one fiscal year and any unencumbered and unexpended monies usually lapse automatically at the end of that fiscal year.

Mandated Expenditures: Expenditures that are authorized and required by legislation, other than appropriation acts, or required by the state constitution. Such expenditures include payment of public debt.

Nonpreferred Appropriations: An appropriation to any charitable or educational institution not under the absolute control of the commonwealth which requires the affirmative vote of two-thirds of the members elected to each House of the General Assembly.

Objective: A statement of program purposes in terms of desired accomplishments measured by outcome indicators. Ideally accomplishments are intended effect (impact) upon individuals, the environment and institutions. The intended effect should be quantifiable and achievable within a specific time and stated resources, and contribute toward pursuing the goals of the commonwealth. Objectives are found at the program subcategory level.

Official Revenue Estimate: The estimate of revenues for the coming fiscal year determined by the Governor at the time he signs the General Appropriation Act. This revenue estimate is used to determine whether appropriations are in balance with available revenues.

Operating Budget: The operating budget is that portion of the state budget that deals with the general day to day activities and expenses of state government, paid out of revenues derived from taxes, fees for licenses and permits, etc.

Organization Element: The agency activity or set of activities which produce an output or group of related outputs which contributes to the accomplishment of the objective of a single program subcategory. Organization elements are the basic units of the program structure of the budget.

Preferred Appropriation: An appropriation for the ordinary expenses of state government which only requires the approval of a majority of the Senators and Representatives elected to the General Assembly.

Program: A general term applied to any level of program aggregation defined in the Agency Program Plan. Included are the Commonwealth Program, the Program Category and the Program Subcategory.

Program Budgeting: A method of budgeting that relates expenditures to government program accomplishments. Program budgeting generally includes the identification of programs and their objectives, a system of measuring and reporting program results and the allocation of funds with a consideration of program effectiveness.

Program Category: The first major subdivision of the commonwealth program. The program category is defined in terms of desired goals, e.g., clean air environment.

Program Performance Measure: A general term applied to any of the substantive measures found in the agency programs. Included are impacts, outcomes, output/activity indicators, efficiency measures and need and/or demand estimators.

Program Policy Guidelines (PPG): Issued by the Governor, the policy guidelines identify those problems confronting the commonwealth which are of major concern. The guidelines initiate the budget process in that they ask for a preliminary assessment of alternative program changes which respond to the Governor's concerns.

Program Revision Request (PRR): The PRR is the means by which the agency proposes a new program or a major change in an existing program. A PRR is required when an agency is requesting an increase or decrease of more than 15% of an appropriation, but a PRR is not required if that 15% does not exceed \$200,000. The PRR reflects the guidance provided by the

Governor's annual Program Policy Guidelines, results obtained from special analytic studies, and needs or demands considered relevant by the Governor.

Program Structure: The system used to organize goals and objectives within a logical framework so that activities of different organizational units designed to accomplish similar results can be reviewed for decision purposes within the appropriate program context. Program structure also provides the means for determining what information is required in order to identify the needs and demands on government and what information is required for the management and evaluation of program operations.

Program Subcategory: A subdivision of a program category. The subcategory focuses upon objectives which can be measured in terms of quantifiable impact. Program subcategories within agencies are called programs within the Governor's Budget.

Restricted Receipts: Monies received by a state fund (usually the General Fund) from a source outside of the state which may be used only for a specific purpose. The funds are held in a trust capacity for a period of time and then are disbursed to authorized recipients including other state agencies. Restricted receipts do not augment an appropriation. Usually the state makes no other appropriation for the purpose specified for the restricted receipt.

Restricted Revenue: Monies designated either by law or by administrative decision for specific purposes. The revenues are deposited in the General Fund or in certain special funds but reported separately. Restricted revenue accounts continue from one year to the next and finance a regular operation of state government. Disbursements from restricted revenue accounts must be accounted for as expenses of state government.

Revenue: Monies received from taxes, fees, fines, federal grants, bond sales and other sources deposited in the state treasury and available as a source of funds to state government.

Special Fund: A fund in which revenues raised from special sources named by law are deposited (earmarked revenue). Such revenues can be spent only for purposes prescribed by law and for which the revenues were collected. Examples are: Motor License Fund, Game Fund and Boat Fund.

Surplus: A fiscal operating result that may occur in a fund at the end of a fiscal year, whereby expenditures are less than the fund's beginning balance, revenues/receipts and lapses during the same period. The surplus funds become available for appropriation during the following fiscal year.

Federal Funds Identification

The most common abbreviations used to identify federal funds in this document are:

ADA	Americans with Disabilities Act
ARC	Appalachian Regional Commission
ARRA	American Recovery and Reinvestment Act
BG	Block Grant
CCDFBG	Child Care and Development Fund Block Grant
COPS	Community Oriented Policing Services
CSBG	Community Services Block Grant
DCSI	Drug Control and Systems Improvement
DFSC	Safe and Drug Free Schools and Communities
DOE	Department of Energy
EDA	Economic Development Administration
EEOC	Equal Employment Opportunity Commission
EMAC	Emergency Management Assistance Compact
EMS	Emergency Medical Services
EPA	Environmental Protection Agency
EPCA	Energy Policy and Conservation Act
ESEA	Elementary and Secondary Education Act
FEMA	Federal Emergency Management Agency
FFY	Federal Fiscal Year (October 1 to September 30)
FHWA	Federal Highway Administration
FTA	Federal Transit Administration
HIPAA	Health Insurance Portability and Accountability Act
HHS	Health and Human Services
HUD	Department of Housing and Urban Development
JAG	Justice Assistance Grants
LIHEABG	Low-Income Home Energy Assistance Block Grant
LSTA	Library Services and Technology Act
LWCF	Land and Water Conservation Fund
MA	Medical Assistance
MAGLOCLEN	Middle Atlantic Great Lakes Organized Crime Law Enforcement Network
MCH	Maternal and Child Health
MCHSBG	Maternal and Child Health Services Block Grant
MH/MR	Mental Health/Mental Retardation Services
MHSBG	Mental Health Services Block Grant
MR	Mental Retardation
NCHIP	National Criminal History Improvement Program
NEA	National Endowment for the Arts
NSF	National Science Foundation
OEP	Office of Emergency Preparedness
OSM	Office of Surface Mining
PHHSBG	Preventive Health and Health Services Block Grant
RSAT	Residential Substance Abuse Treatment
SABG	Substance Abuse Block Grant
SAFETEA	Safe, Accountable, Flexible and Efficient Transportation Equity Act
SCDBG	Small Communities Development Block Grant
SDA	Service Delivery Area
SSA	Social Security Act
SSBG	Social Services Block Grant
SSI	Supplemental Security Income
TANFBG	Temporary Assistance to Needy Families Block Grant
USFWS	United States Fish and Wildlife Service
VA	Veterans Administration
VOCA	Victims of Crime Act
WIA	Workforce Investment Act
WIC	Women, Infants and Children Program
YDC	Youth Development Center



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Commonwealth of Pennsylvania

Governor's Executive Budget

OVERVIEW
AND
SUMMARIES

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OVERVIEW OF PROGRAM AND FINANCIAL GOALS AND POLICIES

Pennsylvania is going to reclaim its place as a leader among the states. The success of this state will be measured by the success of our communities. As such, the commonwealth will work to strengthen communities throughout Pennsylvania by working in partnership with localities to stimulate their economies and create new jobs, boost the performance of their public schools, improve access to quality health care, guarantee the highest level of protection for natural resources and provide for a safe and secure community. The revitalization of Pennsylvania's communities is the key to the revitalization of Pennsylvania. The Rendell Administration will allocate available state resources in the manner best suited to bring about the revival of our economy, the renewal of our communities and the rekindling of our belief that we can chart a better future for the next generation.

GOAL: CREATE JOBS AND BUILD A VITAL ECONOMY

Pennsylvania will craft innovative public/private partnerships and invest new capital in small and large communities seeking a competitive edge in the global economy. State Government resources will be strategically linked with private capital to support economic development opportunities that offer the greatest potential for new jobs that pay a family-sustaining wage. Pennsylvania will fashion new financial tools to attract businesses that increasingly link Pennsylvania's economy to the industries of the future.

GOAL: BUILD A WORLD CLASS PUBLIC EDUCATION SYSTEM

Pennsylvania will offer its children an invigorated public education system that delivers a high quality education to every child regardless of where that child lives. Driven by high standards of achievement for every child, this public education system will offer the supports necessary to prepare every child academically to succeed in college or his/her chosen career after graduation.

GOAL: INCREASE ACCESS TO HIGH QUALITY HEALTH CARE

Pennsylvania is home to some of the nation's finest health care facilities and caregivers. The state will employ innovative quality improvements, cost controls and financial strategies to bring down the cost of insurance and thereby free up resources to increase access to affordable high quality health care. These reforms will offer children, families and senior citizens the medical care necessary for healthy and independent lives.

GOAL: BOOST THE SKILLS OF OUR WORKERS

Pennsylvania's greatest untapped resource - its dedicated working men and women - must be prepared for the demanding new jobs that increasingly rely on new technologies to compete in the global economy. Pennsylvania's workforce training and development system will be streamlined and focused to give employers and workers the resources to take full advantage of every opportunity to boost the number of jobs and the wages of workers.

GOAL: PROTECT OUR NATURAL RESOURCES

The goal of building a vibrant economy in the commonwealth will be married with a commitment to the preservation and maintenance of Pennsylvania's natural resources. With an eye toward the future, Pennsylvania will support clean air and waterways, agricultural policies that protect our environment and sound land use policies that preserve open spaces.

GOAL: ENSURE THE SAFETY OF OUR CITIZENS

Every state in the union faces greater challenges in ensuring the safety of our communities. Public safety planning must be coordinated and comprehensive; linking traditional law enforcement activities and the new infrastructure necessary to address homeland security issues. Pennsylvania will develop new cross-agency and cross-jurisdictional partnerships to ensure that this state is able to deliver on the promise of safety in a thriving democracy.

GOAL: DELIVER GREATER VALUE AND EFFICIENCY IN GOVERNMENT

The role of government is to add value to efforts made by individuals, localities and organizations to enhance the quality of our lives. This government will identify new ways to mobilize resources to eliminate waste and redirect under-utilized resources to ensure maximum service to our citizens. Taxpayers will see greater efficiency and a higher return on the investment made to support the operation of this government.

ECONOMIC OUTLOOK

In constructing their tax revenue estimates, the Pennsylvania Department of Revenue and the Office of the Budget are assisted by economic forecasts provided by two main sources of forecast data: 1) IHS Global Insight, Inc., of Lexington, Massachusetts, and 2) Moody's Economy.com, Inc., of West Chester, Pennsylvania. Both of these firms are private economic forecasting and consulting firms that provide forecast data to the commonwealth and other customers. Various projections from IHS Global Insight's national forecast, as well as a recent forecast produced by Moody's Economy.com, were used to develop the revenue estimates in this document for the budget year and other future fiscal years. Analyses and discussion in this section, as well as the revenue estimates used in the budget, are based on a combination of data from each source and further analysis from the Department of Revenue and the Office of the Budget.

Recent Trends

As the curtain closed on the first decade of the 21st century, early indications are that it was a decade worth forgetting, at least from an economic perspective. During that decade, the national economy weathered the bursting of two economic bubbles. The first was the dot-com technology bubble, which burst in 2001 and wrought a considerable amount of economic damage. More recently, the bursting of the housing bubble has crippled our economy and shaken the financial base of the country. The years from 2000 to 2009 brought forth: two recessions – the short one of 2001 and the current one, or the “Great Recession,” which is the longest and deepest recession since the Great Depression; a terrorist attack on the World Trade Center – the heart of the financial world; separate wars in Iraq and Afghanistan; and a seemingly never-ending “global war on terror.” Net employment growth was virtually non-existent, as the decade produced just 0.1 percent net new jobs, or a mere 100,000 net new jobs. The minimal level of growth in net new jobs during the decade occurred despite a nearly 8 percent increase in the national labor force – more than 10 million people.

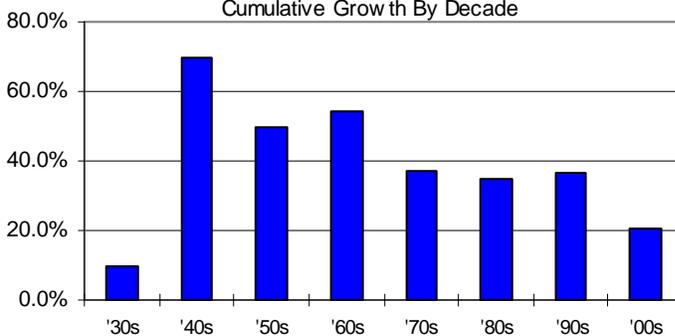
Moreover, economic growth for the decade, as measured by change in real gross domestic product (GDP), was anemic, reaching only 2 percent annually or 20 percent in total for the full decade. This sluggish rate of growth makes 2000-2009 the decade with the slowest economic growth since the 1930s, as seen in Chart 1. Despite the impact of the Great Depression, the 1930s were still able to manage growth at about 10 percent for the decade. Further, annual economic growth in the post-World War II period averaged 4.75 percent through 1969 and 3.5 percent from

1970 through 1999. Finally, the total return of the S&P 500 Index from the end of 1999 to December 2009 was minus 9 percent and the S&P 500 has lost more of its value than it did in the 1930s. All in all, an economic decade well worth forgetting.

The U.S. economy, which had been slowing since 2004, officially entered recession in December 2007. Chart 2 displays actual growth in real GDP from 2001 to 2008 and projected growth for 2009-2013.

By the fall of 2007, the U.S. economy was beginning to feel the first effects of the housing and financial crisis that was about to unfold. Housing construction and sales of new and existing houses began to slide precipitously. In 2008 new home construction saw its largest decline in fifty years, off 40.5 percent from 2007 levels. The declines in new home construction in 2007, 2008 and 2009 are the three largest declines since the government began keeping such records in 1959. Existing home

Chart 1
REAL GROSS DOMESTIC PRODUCT
Cumulative Growth By Decade



sale prices fell in 2007 for the first time on record, and then plunged another 12 percent in 2008. New home starts peaked at 1.7 million units annually in 2005; since then, new home starts plunged to 439,000 new starts in 2009 – a decline of nearly 75 percent over the same period.

Problems related to housing construction, housing sales and housing finance spread to other areas of the economy, infecting the credit markets and ravaging Wall Street in late 2008 and early 2009. The

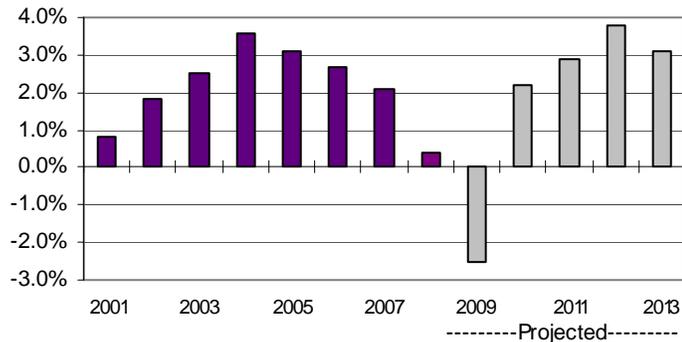
availability of easy and cheap credit since 2001 had led to a housing boom, aggressive consumer spending and rising debt levels. Home values increased by double-digit rates seemingly every year and housing construction exploded. Historically low interest rates led to many mortgages that were approved for borrowers with less-than-perfect credit (also known as “subprime” mortgages), based on the assumption that home values would continue to rise. Subprime mortgages were peddled extensively in high-growth areas such as California, Arizona, Nevada, Florida and Texas. Invariably, the subprime mortgages were adjustable-rate mortgages, which were affordable to the borrowers only because of their the low introductory rates. As interest rates rose and mortgages began to reset at higher rates, many homeowners could no longer afford to make their payments. Defaults and foreclosures began to accelerate in late 2006 and continued through 2009.

As the housing crisis deepened, it rippled through other areas of the economy. Formerly attractive asset-backed securities and mortgage-backed bonds began to lose value as the underlying cash flows from homeowners started to wane. Investment banks and the broader financial markets have been hardest hit by the bursting of the housing bubble, as they have been forced to write down more than \$1.7 trillion dollars in losses -- primarily based on the crashing values of these asset-backed housing securities. In response to mounting losses associated with housing, financial institutions have significantly tightened their lending standards and access to credit has virtually dried up for all but the top consumer and business borrowers. Unprecedented losses by financial institutions have resulted in either the merger, bankruptcy or government bailout of such venerable Wall Street firms as Bear Stearns, Merrill Lynch, Lehman Brothers and Wachovia. Similarly, major mortgage firms such as Countrywide, Washington Mutual, IndyMac and AIG Insurance have faced bankruptcy only to be sold at fire-sale prices or rescued by the U.S. government.

Perhaps most important, housing finance giants Freddie Mac and Fannie Mae were placed in conservatorship by the U.S. government to prevent their collapse in September 2008. Combined, these two government-created firms have lent or underwritten more than \$5.3 trillion of the estimated \$12 trillion in U.S. mortgages – or roughly 45 percent of the mortgage market. These events, combined with the collapse of Lehman Brothers investment bank on September 15, 2008 and the federal rescue of AIG Insurance two days later sent the financial markets into a harrowing dive. By December 1, 2008, the National Bureau of Economic Research announced what was already painfully obvious – the U.S. economy had been in a recession since December 2007.

At 25 months as of January 2010, the current contraction is the longest recession since the Great Depression, which lasted 43 months. It is also more than double the 10-month length of the average postwar recession. Furthermore, the depth of this recession is much steeper than the two most recent recessions of 2001 and 1991. If forecasters are correct, peak-to-trough declines in real GDP have exceeded those of the 1973-75 and 1980-82 recessions, when the peak-to-trough declines in real GDP were 3.1 percent and 2.6 percent, respectively. In addition, unlike many other recessions, the current recession was not caused by a downturn in a few specific industries. It started

Chart 2
REAL GROSS DOMESTIC PRODUCT
Annual Growth



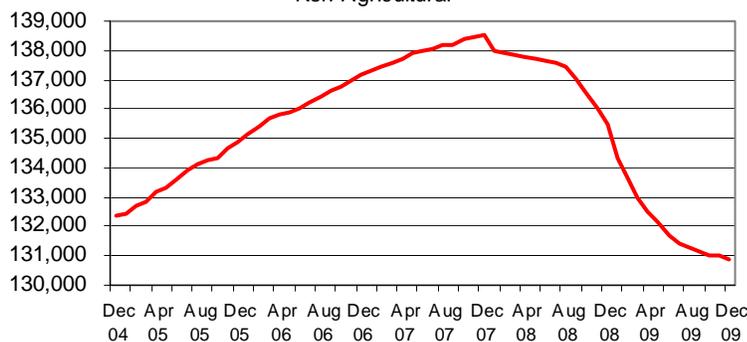
with a housing bust and metastasized into a full-blown credit crisis that eventually threatened to destabilize the entire U.S. financial system.

The credit boom of the past decade masked a troubling trend: During that time, strong U.S. productivity growth coincided with declining real incomes for most Americans. The credit crisis has likely dispelled the notion that the U.S. economy can expand while its manufacturing base dwindles. Before the current crisis, the presumption had been that innovation and productivity gains would create wealth and new jobs. Over the past 10 years, growth in real GDP has averaged 2.7 percent annually but, according to many calculations, U.S. consumers rang up nearly \$3 trillion in excess borrowing and spending over the same period. Thus, the consumption that occurred over the past decade and that supported the economic expansion was made possible not by income growth but by consumer borrowing. Without this artificial boost to spending, real GDP would likely have been considerably lower.

Similarly, the global economic boom was fueled by unsupported and out-of-control borrowing by consumers, businesses and nations. As such, the housing market was not the only sector of the global economy that was not in balance with its underlying fundamentals. Essentially, the entire economy was outspending its resources. Data from the federal Bureau of Labor Statistics supports this premise. Over the past 10 years, U.S. productivity has risen a total of 29.7 percent while real wages have grown only 2 percent. Real wages and salaries peaked in the U.S. in early 2003. Historically, real wages and productivity have gone up in tandem. Rampant borrowing and spending by consumers masked underlying problems in the economy. Excluding personal consumption, real economic growth averaged only 1.3 percent during the 10 years ending in 2007 – the slowest rate since the 1950s. Therefore, if consumption had not been artificially inflated with excess borrowing, the economy would have appeared much weaker.

From 2001 through 2007, the three main pillars of the U.S. economy were consumer spending, business investment and exports. Consumers continued spending following the bursting of the dot com bubble around 2000. They increased their spending following the terrorist attacks and recession of 2001, and continued straight through to the first two quarters of 2008, as seen in Chart 8 below. However, it appears that American consumers have finally been overwhelmed by the erosion of their financial base – the value of their homes – because consumer spending has fallen dramatically since the summer of 2008. It is estimated that households have lost more than \$14 trillion in net worth since the fall of 2007 due to falling home equity and stock prices. That drop exceeds the \$4.2 trillion decline after the 2000 stock market plunge. The result has been a dramatic drop in consumer spending. What started as a housing-led recession is now a full-scale consumer-led recession, which brings all of the textbook problems of prior recessions: decreased demand, the slashing of inventories and capital investment, layoffs and so on.

Chart 3
US EMPLOYMENT
Non-Agricultural

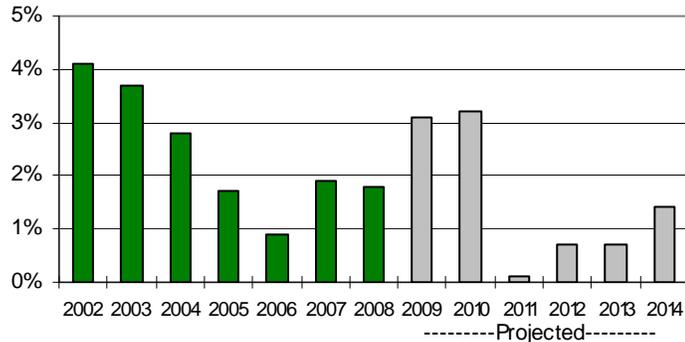


The recovery from the 2001 recession created more than 8.2 million jobs. Chart 3 shows that there was significant growth in U.S. employment from January 2004 to late 2007. Since peaking in December 2007, employment levels have been declining significantly. By the summer of 2008, job losses began to occur more frequently. Monthly claims for unemployment compensation have averaged 400,000 nationally since September 2008. All told, the U.S. economy has lost 7.6 million jobs since December 2007. The growth in the U.S. unemployment rate

accelerated significantly during 2009, rising from 7.4 percent in January 2009 to 10.1 percent by October 2009, before declining to 10.0 percent by December 2009

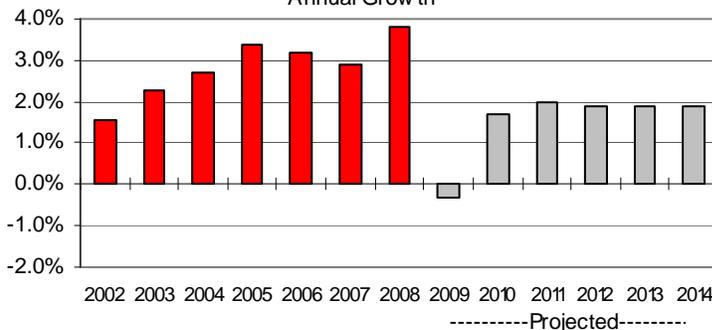
As the national economy entered recession in December 2007, businesses again were looking to gains in productivity to soften the impact. Chart 4 provides data on productivity gains from 2002 through 2008 and a forecast of productivity gains for 2009 through 2014. Gains in productivity achieved in 2007 and 2008 were well below the 3 percent to 4 percent annual gains seen during the last “jobless recovery” of the 2002-04 period. Once again, productivity gains are occurring at the expense of job creation, as productivity reached 3.1 percent in 2009 and similar such growth is forecast for 2010.

Chart 4
PRODUCTIVITY GAINS
Annual Growth



Gains in productivity combined with declining wages, massive job losses and declines in consumer and business spending have rendered moot any discussion of inflation in the near term. However, rising energy prices in 2007 and early 2008 contributed greatly to the current recession. Every postwar recession has been preceded by a spike in oil prices, and the current recession is no different, as the price of a barrel of oil reached \$150 by mid-2008. Led by surging energy costs, inflation peaked at 3.8 percent in 2008, as shown in Chart 5. The 2008 peak level of inflation was the highest rate since the 1991 recession, when it was 5.4 percent. Since the collapse of the credit and equity markets in the fall of 2008, consumption has declined, wages are depressed and oil prices have moderated, resulting in an inflation rate of -0.3 percent in 2009.

Chart 5
INFLATION-CONSUMER PRICE INDEX
Annual Growth



A slowing economy, lower job growth and a significant recession in the housing market led the Federal Reserve Board to restart its interest rate cuts in an attempt to keep the broader U.S. economy out of recession during 2007. That year, the Fed lowered the federal funds rate by a full percentage point late in the year. The Fed started with a half-point reduction in the federal funds rate in September, followed by quarter-point reductions in October and December. These reductions were

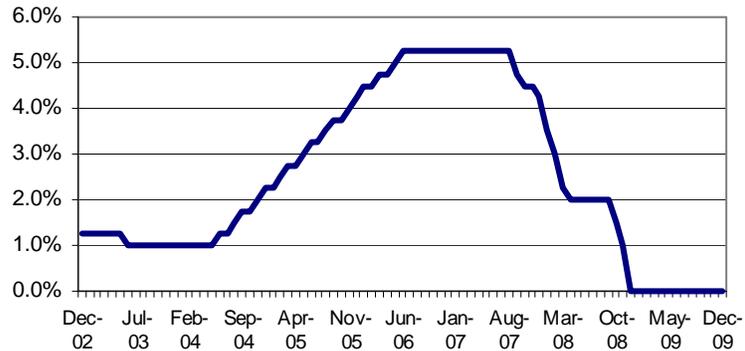
combined with corresponding reductions in the discount rate – the rate the Federal Reserve charges to make direct loans to banks. Further, the Fed and the European Central Bank have injected trillion of dollars and euros into the world financial markets to try to ease liquidity constraints and avoid a depression. By January 2008, the Fed dramatically lowered the federal funds rate by three-quarters of a point, in response to the deepening housing recession, the continued credit crunch and plunging global financial markets. The same day, the Fed also lowered the discount rate by a corresponding three-quarters of a point. The surprise rate cut is the first monetary policy action taken by the Federal Open Markets Committee between scheduled meetings since September 17, 2001. Chairman Ben



Bernanke and the Federal Reserve continued to lower the federal funds rate throughout 2008, finally reaching “a target rate” of between 0.0 and 0.25 percent in December 2008, as shown in Chart 6.

Further, the Federal Reserve and other central banks throughout the world have been injecting massive amounts of liquidity into the global financial system in an effort to avoid a depression. The amount of this fiscal stimulus is staggering. To date, the Fed and other U.S. agencies have lent, spent or guaranteed \$8.2 trillion in emergency funds to stimulate the economy. The Fed has dramatically expanded its balance sheet to inject more than \$2 trillion in liquidity into the financial markets in order to stem the credit crisis. U.S. public debt has surged to \$7.7 trillion, up \$1.3 trillion from a year ago and from an average of \$5 trillion in 2007. All of this fiscal stimulus has been a coordinated attempt to mitigate the adverse effects of the current recession.

**Chart 6
FEDERAL FUNDS RATE**



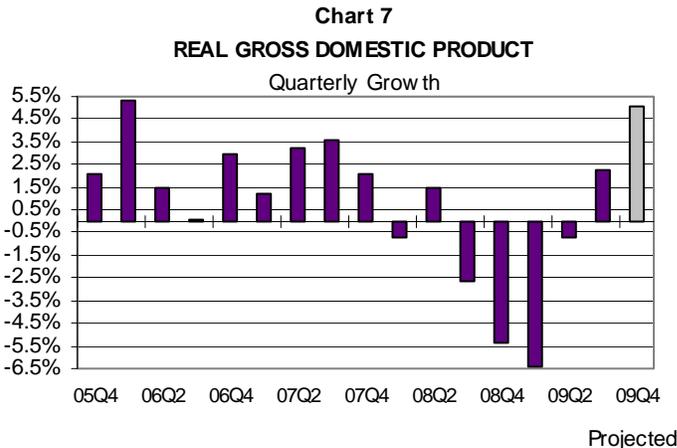
In addition to extensive monetary policy moves orchestrated by the Federal Reserve, the federal government was also aggressive in enacting new legislation to combat the recession. These actions began under President George W. Bush in 2008 and continued with the Obama administration in 2009. With the U.S. economy in recession in early 2008, Congress enacted the Economic Stimulus Act of 2008. The act provided an estimated \$152 billion in tax breaks and tax incentives for individuals and businesses. Additionally, the act attempted to assist the housing market by expanding the upper limit on home mortgages eligible for government insurance. Shortly after the stunning collapse of Lehman Brothers on September 15, 2008, Congress enacted the Emergency Economic Stabilization Act of 2008, which created the Troubled Assets Relief Program or TARP. This program authorized the U.S. Treasury to purchase up to \$700 billion in “troubled assets” – largely mortgage-backed securities – and to make direct investments into banks. Additional provisions of the act permitted the Federal Reserve to make higher interest payments to banks for deposits held in reserve. In response, banks immediately began to increase their reserves, from \$10 billion in August 2008 to \$880 billion by January 2009. Other programs enacted by Congress provided for mortgage and foreclosure assistance and an increase in federal insurance on bank deposits. Finally, in February 2009 Congress enacted the \$787 billion American Recovery and Reinvestment Act to assist the economy. The act provides: \$288 billion in tax relief (\$237 billion for individuals and \$51 billion for businesses); \$144 billion in state and local government fiscal relief; \$111 billion in enhanced infrastructure and science spending; \$147.7 billion for health care benefits and programs; and \$90 billion for enhanced education programs.

Current Conditions

The U.S. economy entered the current recessionary period in December 2007. The economic slowdown was triggered by a nationwide crash in the housing market, which caused a dramatic tightening of credit. This credit crunch sapped consumer spending power, leading to a rapid decline in consumer consumption. The slowdown in spending and the lack of available credit affected the business community, which responded by laying off workers. At the same time, the crises in housing and credit were quickly reflected in the financial markets, with investors ranging from multi-billion-dollar municipal pension funds to individual workers saving for retirement suffering huge losses in their investment portfolios. This sharp decline in the value of investments further reduced consumer spending, leading to more business closings and more layoffs in many sectors of the economy. So

goes the circular pattern of a classic recession in which various recessionary forces build strength, feeding off each other as the economy slides downward. For all the talk of a new economic paradigm having developed over the past two decades, the underlying fundamentals of the U.S. economy remain the same: jobs, income and wealth, and consumer spending.

Overall real GDP growth for 2009 is expected to finish at -2.5 percent for the year, as shown in Chart 2 earlier. The contraction of the U.S. economy during 2009, as measured by annual growth in real GDP, was the deepest such contraction since the Great Depression. Only eight other times since



the Great Depression has annual real GDP growth been negative for a full year, and each such occurrence was associated with a recession. However, in seven of the eight instances, the annual contraction of real GDP was -0.5 percent or less. Only during the recession of 1982 did the annual loss in real GDP rival the -2.5 percent loss of 2009. In the depths of the 1982 recession, annual real GDP growth was -1.9 percent for 1982. An examination of real GDP on a quarterly basis, as shown in Chart 7, reveals that the depths of the 2009 recession may have been reached in

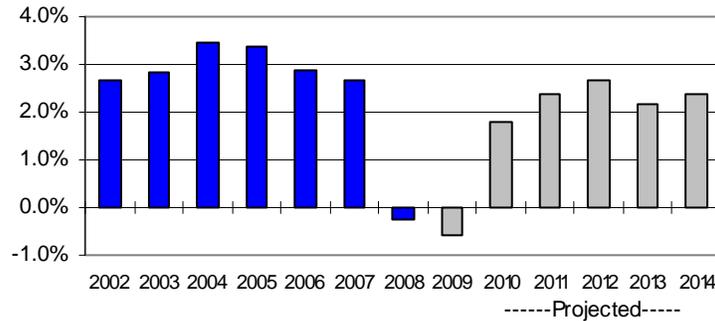
early 2009. Discounting the short-term effects of the 2008 tax rebates, the U.S. economy has contracted in five of the past six quarters between January 2008 and June 2009. In particular, the economy experienced a 5.4 percent contraction in the fourth quarter of 2008 and a 6.4 percent contraction in the first quarter of 2009. The contraction of -6.4 percent during the first quarter of 2009 was the third-highest quarterly level since the Great Depression, and the 5.4 percent loss was the seventh-highest quarterly loss. The four continuous quarters of losses from September 2008 to June 2009 are the first time since the Great Depression that real GDP declined for four quarters.

Employment in the U.S. peaked in December 2007 just as the recession was beginning, as shown in Chart 3. Since that time, job losses have been mounting. During all of 2009, U.S. employers eliminated 4.5 million jobs, cutting 3.7 million in the first six months of the year alone. These staggering job losses pushed the October 2009 unemployment figure to 10.1 percent, the highest figure since June 1983. As result, the labor markets have not been this gloomy since the 1980-82 recession, when unemployment hit 10.8 percent. The loss of jobs has been widespread throughout the economy but the manufacturing and construction sectors have been hardest hit. During 2009, more than 1.5 million manufacturing jobs have been lost and construction jobs are down nearly 1 million from 2008 levels. Slumping retail sales have led to the loss of nearly 600,000 retail jobs since December 2008. The professional and business services sector lost nearly 1 million jobs in 2009. Employment in the financial services area has fallen by 400,000 jobs in 2009. In fact, the only major economic sector adding jobs in 2009 was health care, which added nearly 400,000 positions in the past 12 months.

Job losses, declines in household wealth and tighter credit are just a few of the factors adversely affecting consumer spending. Widely regarded as the main engine of the U.S. economy and accounting for fully two-thirds of GDP, consumer spending has been in a tailspin since the recession deepened in the summer of 2008. It is estimated that households had lost more than \$14 trillion in net worth since the summer of 2007 due to falling home equity and stock prices. These stunning losses account for the large-scale retreat in consumer spending as shown in Chart 8, which shows the annual average growth in real personal consumption expenditures for the period 2002 through 2008, with forecasts for 2009 to 2014. With consumers no longer able to tap into growing equity in their homes and unemployment levels at 10 percent, consumer spending plunged in both 2008 and 2009. The 2009 decline was the largest since 1974. Furthermore, annual growth in real

consumer expenditures has declined only twice before in the post-war period. Declines also occurred in 1974 and 1980, but in the post-war period there have never been two consecutive years of declines before. When looking at real consumer spending on a monthly basis, consumption has declined in 14 of the past 22 months – making it the worst-performing period since the Great Depression.

Chart 8
REAL PERSONAL CONSUMPTION EXPENDITURES
Annual Growth



Early data from 2009 shows that the U.S. housing market may have bottomed out during 2009. New home starts peaked at 1.7 million units annually in 2005, and since then new home starts have plunged to 439,000 new starts in 2009, a decline of nearly 75 percent over the same period. The enactment of – and then an extension to – the federal first-time homeowner tax credit boosted home sales and new housing starts during the second half of 2009. New single-family residential housing starts jumped 73.4 percent, as measured on an annual basis, during the third quarter of 2009 and then grew another 24 percent during the fourth quarter. Further, sales of existing homes grew 11.2 percent during the third quarter of 2009 and 14.8 percent during the fourth quarter of 2009,

Monetary policy efforts by the Federal Reserve to date have been aimed at the financial markets generally and the mortgage industry in particular. Reductions to the federal funds rate, as shown in Chart 5, have been extraordinary in scale and frequency. The Fed’s December 2008 announcement that it was lowering its target federal funds rate to a range of 0.0 to 0.25 percent is the lowest in the history of the Federal Reserve, which was founded in 1913. Additionally, the Fed has bought large volumes of “tainted mortgages” in an effort to stabilize the mortgage industry.

Previously, the Federal Reserve had concentrated on interest rate reductions as its main monetary policy tool. Now the Fed has adopted a policy it calls “quantitative easing,” which pumps massive volumes of money into the financial system, \$2.2 trillion to date, affecting the rates of interest on virtually all credit instruments. The implied goal of the Fed is to provide cheaper credit to all parts of the economy, starting with housing. While the federal funds rate cannot go below zero, the Fed has virtually unlimited power to stimulate the economy with monetary policy by buying up mortgage-backed securities, Fannie Mae and Freddie Mac corporate debt and other assets. Such actions have dramatically driven up the Fed’s balance sheet, which currently stands at \$2.2 trillion, up from \$900 billion in September 2008. Expectations are that the Fed’s balance sheet could reach \$5 trillion by the end of 2010.

The elevated level of public debt will undoubtedly complicate any recovery. That is because, as the government participates at ever-increasing levels in the bond markets, it will be harder for private companies to issue debt of their own, either to expand or simply to get through the lingering effects of the credit crisis. This “crowding-out” dynamic, together with rising borrowing costs, could adversely affect job growth.

The Forecast

Since December 2007, the U.S. economy has been in the longest and most severe economic recession since the Great Depression. During 2009, the economy is estimated to have contracted 2.5 percent – the largest such contraction in the post-war period. The economy contracted during five of the six quarters between January 1, 2008 and June 30, 2009, as shown in Chart 7. Moderate growth of 2.25 percent returned during the third quarter of 2009 and strong growth of 5.1 percent is estimated to have occurred during the fourth quarter of 2009. Economic growth in the range of 2.0 to 2.5



percent is forecast for the national economy through at least the first quarter of 2011, according to a combination of data from both IHS Global Insight and Moody's Economy.com economic forecasts.

Annual growth in real GDP is projected to be 2.2 percent in 2010. A combination of data from both forecasting sources is highlighted in Table 1. This table presents actual data for 2008 and forecasts for the 2009-2011 period for several national economic indicators. As noted, both real and nominal GDP contracted during 2009. Similarly, corporate profits and real personal consumption expenditures also contracted in 2009. The current forecast anticipates that the recession will likely have ended in mid-to-late 2009 but the recovery will likely be subdued, as it was during the 2001 recession. Modest growth is forecast for 2010 and beyond.

Table 1
Forecast Change in
Key US Economic Indicators
Annual Percentage Growth*

Indicator	2008	2009p	2010p	2011p
Nominal GDP	2.6	-1.4	3.4	4.5
Real GDP	0.4	-2.5	2.2	2.9
Real Personal Consumption	-0.2	-0.6	1.8	2.4
Corporate Profits (After Tax)	-11.5	-6.3	14.3	2.7
Unemployment Rate (Rate)	5.8	9.3	10.2	9.6
CPI	3.7	-0.3	1.7	1.9
Federal Funds (Rate)	1.9	0.2	0.2	1.7

*Assumptions in this chart, as well as other assumptions, are incorporated in the 2010-11 fiscal year revenue estimates.

p=projected

Declines in housing construction and housing finance led the economy into recession. Until the housing markets stabilize, any recovery will be uneven. Residential housing construction experienced annual declines of 23.2 percent and 20.4 percent in 2008 and 2009, respectively. However, enactment of federal tax breaks for first-time homebuyers boosted activity during the third and fourth quarters of 2009. The extension of these tax breaks into 2010 will likely boost activity during the first half of 2010 before a slowdown in the latter half of the year. For all of 2010, residential construction is expected to grow just 5.8 percent on an annual basis. Further, sales of existing homes rose in 2009 for the first time in four years. Still, median existing housing prices plunged more than 12 percent last year – the sharpest fall since the Great Depression. Overall median existing housing prices are expected to continue to grow minimally in 2010 and 2011, at annual rates of 1.3 percent and 1.2 percent, respectively.

Declining wealth from home values and stock market losses in 2008 had erased an estimated \$14 trillion in household wealth since 2007, although 2009 stock market gains likely recouped about one-third of that loss. Nevertheless, the lingering effects of those losses, combined with declining real wages and dramatically rising unemployment, have caused U.S. consumers to drastically reduce their spending since the middle of 2008, as shown in Chart 8. Real consumer spending is expected to have declined for two straight years through December 2009. During the post-war period, the nation has witnessed only two other years in which real consumer spending declined – 1974 and 1980 – and the decline in each of those years was precipitated by an energy crisis. While spending declined on an annual basis during 2009, the last two quarters of 2009 did provide positive growth as real consumer spending grew an estimated 2.9 percent and 1.7 percent, respectively. The forecast for 2010 includes projected growth of 1.8 percent in real consumer expenditures. Beyond 2010, real consumer spending is expected to grow only moderately, in the low 2.0 percent range through 2014. These levels are well below the average annual growth in real consumer spending of 3.6 percent experienced from 1992-2007. It is expected that consumer spending will be constrained by chronically high unemployment, tight credit, diminished household wealth and potentially rising federal income tax rates in 2011.

Personal income growth experienced similar annual declines in 2008 and 2009, declining 0.4 percent and 1.6 percent, respectively. Despite rising unemployment, growth in real personal income is expected to rebound in 2010, growing 1.7 percent annually. Stronger personal income growth is forecast from 2011 through 2013, as shown in Chart 11 below, as unemployment eases.

The U.S. economy has shed nearly 7.6 million jobs during the current recession. More than 4.5 million jobs were lost in 2009, with most of the losses occurring during the first two quarters. The U.S. unemployment rate in December 2009 was 10.0 percent; economists estimate it will peak at 10.4 percent during the first quarter of 2010. As during the previous recession, job growth will likely be minimal during the recovery. Unemployment rates are expected to remain elevated at 10.2 percent and 9.6 percent in 2010 and 2011, respectively. December 2007 saw peak employment at 138 million people; economists estimate that it will be at least until 2012 before that figure is reached again.

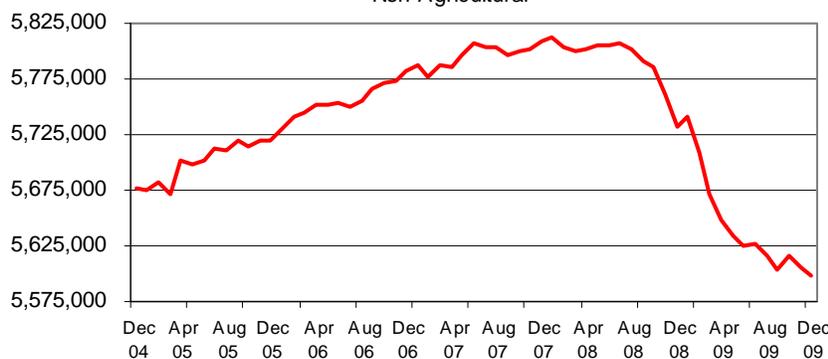
As trillions of dollars have been spent trying to keep the global economy from sinking into depression, fears are now growing that massive debt accumulated during the Great Recession will complicate any recovery for years to come. A consensus of economists believes that the Fed will not begin to raise interest rates until at least the third quarter of 2010. At present, the recovery is too weak to risk raising interest rates, which could kill off any growth. The problem with raising interest rates in the current environment is knowing when to pull the trigger. Doing so too early would undermine the recovery and bring about a greater possibility of a double-dip recession. Wait too long to raise interest rates and the flood of cheap money could again fuel a new asset bubble. In addition, the Fed must begin to unwind more than a half-dozen lending and market-support programs currently in place. It also must drain more than a trillion dollars in excess reserves it has added to the system in the past year to avoid inflationary pressures. The first such indicator of any tightening will likely come in March 2010 when the Fed is expected to end its program to purchase up to \$1.45 trillion in mortgage-backed securities and other such debt.

Pennsylvania Outlook

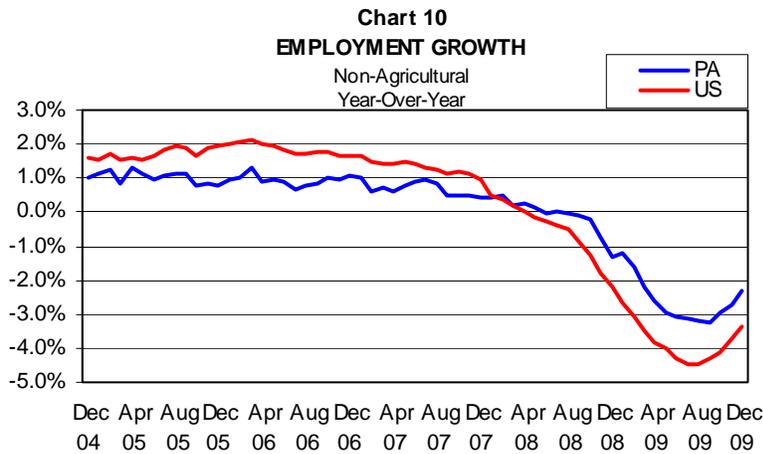
The commonwealth's economic performance is largely dependent upon job growth. Pennsylvania's labor market, specifically the non-agricultural sectors, experienced considerable growth from January 2004 through December 2007 as nearly 200,000 jobs were created within the commonwealth. Continued job creation, combined with somewhat slower growth in the overall labor force, produced a decline in Pennsylvania's unemployment rate, to a low of 3.8 percent in March 2007. As the U.S. and state economies entered into recession in late 2007, employment in the commonwealth peaked in January 2008 at 5.811 million non-agricultural jobs.

Since December 2007 and the start of the national recession, Pennsylvania has lost more than 212,000 jobs. The loss of jobs in Pennsylvania started slowly in early 2008 and initially was measured in a few thousand per month, as shown in Chart 9. Beginning in the fall of 2008, job losses began to accelerate, with 26,000 jobs lost in November and 28,000 jobs lost in December 2008. This reduction in jobs is the largest 12-month drop since the 1991 recession. Heavy job losses continued during February through April 2009, as an average of 31,000 jobs were lost in the commonwealth monthly. However, Pennsylvania's 12-month job loss (as measured from August 2008 to October 2009) rate of -3.2 percent is still better than the national average of -3.9 percent. Nationally, Pennsylvania ranked 23rd best in terms of fewest job losses during the current recession. In December 2009, the commonwealth's unemployment rate was 8.9 percent, its highest level since August 1984. The national unemployment for December 2009 was 10 percent.

Chart 9
PENNSYLVANIA EMPLOYMENT
Non-Agricultural



Pennsylvania's unemployment rate has now been equal to or below the national average for 83 of the past 84 months.

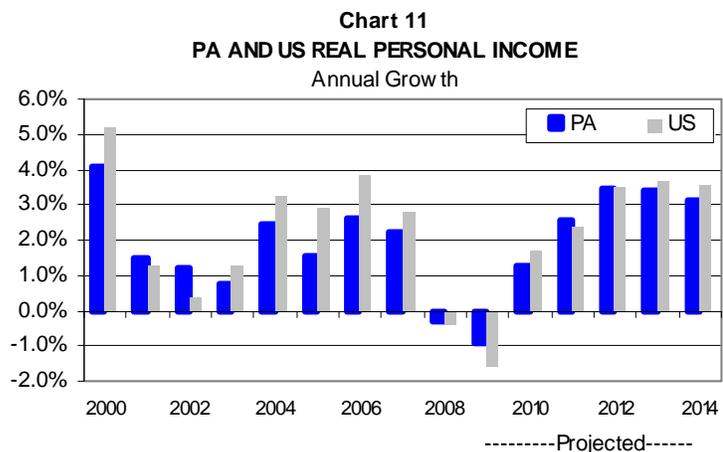


Pennsylvania's fiscal year 2009 job losses were lower than the national average, and remained less steep than those of the surrounding states of New Jersey, Delaware and Ohio. Further, among the ten largest states, only Texas, New York and Pennsylvania lost jobs at rates lower than the national average. As job losses were more subdued in Pennsylvania in 2008 and 2009, the commonwealth moved up to 19th in the ranking of average annual state growth in

employment (with the first being the best). Pennsylvania has traditionally been around 40th or below in this ranking, even during periods of strong job creation. The comparatively low ranking, however, is somewhat deceptive: While the state does not generally produce as many new jobs when the economy is going strong, the commonwealth also does not suffer as much as the rest of the country as a whole during periods of economic contraction, as shown in Charts 10 and 11.

This pattern has been evident since the 1990s, following the significant diversification of the Pennsylvania economy in the previous 30 years. A reduced reliance upon manufacturing and mining employment has been part of this trend, along with the expansion of education and health care-related jobs in the commonwealth. Both of these sectors are less prone to recessions.

Employment in the commonwealth saw job losses across all sectors in 2009 except for the educational and health services sectors – which had job growth of 2.0 percent in 2009, and the government sector – which had job growth of 0.1 percent in 2009. The manufacturing and information technology sectors had the worst year-over-year rate of job losses in Pennsylvania in 2009, with manufacturing jobs down 10.3 percent and information technology jobs down 6.6 percent. The construction, natural resources and mining; financial services; and professional and business services sectors also saw significant job losses in 2009, with each sector experiencing year-over-year job losses in excess of 5.4 percent.



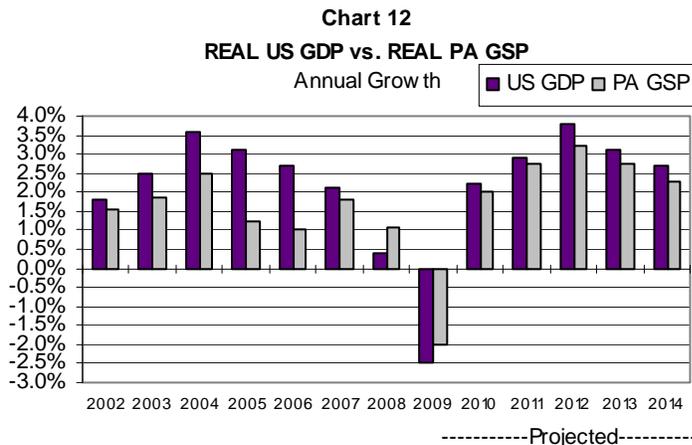
The annual change in employment levels in Pennsylvania is forecast at around -0.4 percent in 2010, while positive job growth is expected to return in 2011 at a rate of 1.5 percent annually. Slightly more robust job growth is forecast for the commonwealth in 2012, with job growth forecast at 2.2



percent. As the national economy begins to recover in 2010, the rate of job growth in Pennsylvania is expected to again lag behind the national average. Total peak-to-trough job losses for the commonwealth are expected to reach 231,000 and the state unemployment rate is expected to peak at 9.3 percent during early 2010, according to forecasts from IHS Global Insight.

Housing construction continued to slow in Pennsylvania in 2009, down from a high of 45,000 new units in 2005 to just under 20,000 units in 2009. Economic forecasts project that housing starts will rebound strongly in 2010 at an annual growth rate of 37.7 percent. Sales of existing homes, which declined by 17.5 percent during 2008 and 5 percent in 2009, are expected to also rebound, growing at an annual rate of nearly 10 percent from 2010 through 2012. Further, while home prices have been falling dramatically throughout the nation, home price appreciation in Pennsylvania has simply stalled since 2007. Home prices in the commonwealth are not forecast to grow more than a percentage point annually until 2012.

The inverse relationship of the U.S. and the commonwealth growth in personal income has re-emerged during the current recession. Chart 11 plots actual and projected annual real personal income growth for Pennsylvania and the United States for the years 2000 through 2014. As shown, growth in Pennsylvania real personal income exceeded the national average during the 2001 recession and the subsequent “jobless-recovery” period through mid-2003. As the national economy gained traction in late 2003, personal income in the U.S. began to exceed the Pennsylvania average – although Pennsylvania’s personal income growth remained strong and positive. As the current recession has deepened, the rate of growth in real personal income plunged for the nation as a whole, as it did for the commonwealth. However, the decline in the rate of growth was less severe for Pennsylvania than for the rest of the nation. In fact, the commonwealth ranked 12th in the nation in terms of the percent change in personal income during 2008. Economists expect that the rate of growth in Pennsylvania real personal income will exceed the national average in 2011 and 2012. This strong performance is partially the result of the diversification of the Pennsylvania economy and a stronger state labor market. The growth of less recession-prone industries such as health care, pharmaceuticals, education and government has aided the commonwealth.



The short-term outlook for Pennsylvania is that its economy remains heavily dependent on the national economy. Economic growth in Pennsylvania has a high correlation with growth in the U.S. economy, as illustrated in Chart 12. As with trends in real personal income during expansionary periods, Pennsylvania’s gross state product lags behind the rate of growth in U.S. gross domestic product. The greatest recent gap between the two rates of growth was in 2006. Since then, the commonwealth’s rate of growth in gross state product has steadily

gained on the rate of growth in U.S. gross domestic product. The commonwealth actually outperformed the national economy during 2008, growing at an annual rate of 1.1 percent while the national economy grew at a rate of only 0.4 percent. Similarly, during 2009, the state economy again outperformed the national economy by recording a lower loss – negative 2.0 percent for the commonwealth versus negative 2.5 percent for the broader U.S. economy. Beginning in 2010 through 2012, the gap between the two rates of growth is expected to re-emerge as the national economy expands.

SUMMARY OF MAJOR OPERATING FUNDS

The total 2010-11 operating budget for the commonwealth is \$66.4 billion. It includes nearly \$26.3 billion in the General Fund, more than \$2.7 billion in the Motor License Fund, nearly \$25.8 billion in federal funds and \$11.6 billion in fees and other special fund revenues. The amounts for the General Fund and federal funds reflect the use of almost \$2.8 billion in federal American Recovery and Reinvestment Act (ARRA) funds that this budget uses in lieu of General Fund monies.

The majority of the commonwealth's operating expenses are paid from the General Fund, Motor License Fund and Lottery Fund. The following provides an overview of major revenues and expenditures. More details regarding these funds may be found in Section C – Summary by Fund and Section E – Department Presentations.

General Fund

Revenue

The General Fund is the commonwealth's largest operating fund. It receives all tax revenue, non-tax revenue and federal grants and entitlements not specified by law to be deposited elsewhere. The General Assembly makes appropriations of specific amounts from tax revenue and certain non-tax revenue of the General Fund. These amounts are contained in this budget as General Fund Revenue Sources.

Tax revenue in the General Fund constitutes over 99 percent of annual General Fund revenue. Four taxes account for the majority of General Fund tax revenue. The personal income tax, the sales and use tax, the corporate net income tax and the capital stock and franchise tax together provide approximately 82.7 percent of annual General Fund revenue. For non-tax revenue, the largest sources of revenue are profit transfers from the Pennsylvania Liquor Control Board, earnings of investments, and the escheats or "unclaimed property" program.

Recent Revenue Trends: For the five fiscal years ending with 2008-09, total General Fund revenue grew by 5.02 percent, an annual rate of 1.2 percent. The rate of growth for revenue during the period has been adversely affected by recent economic recession as well as the enactment of several tax rate and tax base changes that have enhanced receipts. Without adjusting for tax rate and base changes, the major tax revenue sources experiencing the largest growth during this period were the public utility tax and the personal income tax. Each had five-year total increases of over 26 percent and 16 percent respectively. Revenue from some tax sources declined over the period. Receipts from the corporate tax fell by an average annual amount of 1.6 percent and the cigarette tax fell by an average annual amount of 3.9 percent. Non-tax revenue sources during this period decreased by 60.5 percent overall or an average of 20.7 percent annually. Decreased interest earnings accounted for most of the decrease during the period.

Receipts from the personal income tax in recent fiscal years had been steadily improving since the recession of 2001. However, the current recession has most recently resulted in a year-over-year decline in personal income tax receipts from fiscal year 2007-08 to fiscal year 2008-09, a decline of 6.5 percent. Notwithstanding the one year decline in personal income tax revenues and without adjusting for changes in the tax rate, personal income tax collections over the past five completed fiscal years have averaged 3.9 percent annual growth. An upward revision in the personal income tax rate enacted in December 2003 impacted the average annual growth rate calculated above. Prior to the increase in the tax rate, receipts from the personal income tax had experienced successive years of decline in 2002 and 2003 as Pennsylvania struggled to recover from the 2001 recession. The national economy likely remains in recession and personal income tax receipts continue to be perform below estimate. Through December 2009, personal income tax receipts are 2.5 percent below the certified revenue estimate for fiscal year 2009-10. Personal income tax receipts are also 6.4 percent below 2008-09 collections through the same period. Personal income tax receipts for all of 2009-10 are projected to decrease by 1.9 percent below 2008-09 actual receipts. For fiscal year 2010-11, personal income tax receipts are anticipated to grow 3.7 percent above the Revised 2009-10

Estimate. Estimates for the personal income tax are developed from a regression equation that uses forecasts of wages, salaries, interest, dividends and rents.

The sales and use tax is levied on taxable property and services used by consumers and by businesses. Recently, annual growth rates for this tax have been modest during the most recent decade when compared to pre-2000 levels. Sales and use tax receipts over the past five completed fiscal years have averaged just 1.7 percent annual growth. The national economic recession continues to adversely impacted sales and use tax receipts which declined on a year-over-year basis in 2007-08, an annual decline of 1.1 percent, for the first time since 1990-91. Sales and use tax receipts experienced a second consecutive year of negative growth during 2008-09 when receipts declines 4.3 percent on a year-over-year basis. This negative trend continues during the current fiscal year. Through December 2009, sales and use tax receipts are 5.9 percent below 2008-09 levels. Sales and use tax receipts for all of 2009-10 are projected to decrease by 0.6 percent below 2008-09 actual receipts. For 2010-11, the resumption of consumer spending is expected to produce a growth rate of 6.6 percent above the Revised 2009-10 Estimate. Estimates for the sales and use tax are developed from a regression equation that uses forecasts of national consumer expenditures on durable goods, business investment, and national consumption on new and used motor vehicles.

The largest General Fund tax on business is the corporate net income tax. Annual receipts from the corporate net income tax can vary significantly from year-to-year and may experience a year-over-year decline. This variability is due to fluctuations in corporate profitability, including losses, the availability and use of tax credits and net operating loss deductions, and the timing of estimated and final state tax payments based on when a corporation's tax year begins. Corporate tax receipts, including both the corporate net income tax and the capital stock and franchise tax, have been slowing since 2005-06. In addition, previously enacted tax rate reductions to the capital stock and franchise tax continue to be implemented which annually reduce the tax rate imposed until it will be entirely eliminated in 2011. More recently, the current economic recession has been very hard on corporate profits. Corporate tax receipts over the past five completed fiscal years have decreased by total of 6.1 percent, as corporate profits plunged in 2008-09. During the last two fiscal years, corporate tax receipts have declined 1.6 percent and 19.5 percent respectively. As result, corporate tax receipts averaged a loss of 1.6 percent annually for each of the past five fiscal years. Current fiscal year-to-date corporate tax receipts are 19.3 percent below 2008-09 levels through December 2009 as the national economic recession continues. Corporate tax receipts for all of 2009-10 are projected to grow by 4.9 percent above 2008-09 actual receipts. The continued effects of the national economic recession are expected to continue to adversely impact corporate receipts in 2010-11. Additionally, the effects of the continued rate reduction for the capital stock and franchise tax will likely result in a decline of 2.5 percent from this source of corporate taxes in 2010-11. These growth rates reflect improving economic conditions in Pennsylvania. Estimates for the corporate net income tax are developed from a regression equation that uses forecasts of national before-tax corporate profits.

Expenditures

The General Fund is the primary funding source for most state agencies and institutions. More than three quarters of every dollar is returned to individuals, local governments, institutions, school districts, among others, in the form of grants and subsidies. The remainder pays operating expenses and debt service.

The total General Fund budget proposed for 2010-11 is \$26.3 billion. General Fund expenditure growth is projected to increase 4.1 percent after accounting for the use of nearly \$2.7 billion of federal ARRA funds in 2009-10 and \$2.8 billion in 2010-11. Major program expenditures occur in the areas of education, public health and welfare and state correctional institutions.

PreK-12 Education (Basic Education): The financial responsibility for public education in Pennsylvania is shared by the commonwealth and 500 local school districts. Funds provided by the commonwealth supplement funds raised locally. State aid to local school districts is provided through various school subsidy payments for basic instruction, career and technical education, debt service, pupil transportation, employee retirement programs including social security and various special education programs.

The largest such subsidy is the Basic Education subsidy, which provides commonwealth aid to local school districts. This budget proposes more than \$5.88 billion for the Basic Education subsidy in state and federal ARRA funds in 2010-11, an increase of more than 6.4 percent. This budget also proposes an increase of \$12.6 million, to more than \$186 million, in state funds for Early Intervention services, which is an increase of 7.2 percent. In total, state funding for basic education increased by more than \$448 million, to \$9.5 billion.

Higher Education: Higher education in Pennsylvania is provided through 271 degree-granting institutions, which include the 14 universities of the State System of Higher Education, four state-related universities, community colleges and various other independent institutions. The budget proposes nearly \$2.0 billion for higher education institutions and students in state and federal ARRA funds. This includes nearly \$424 million for student financial assistance.

Public Health and Welfare: The commonwealth provides support for its residents who are seeking to achieve and sustain independence. It also provides care, treatment and rehabilitation to persons with mental and physical disabilities and supports programs to prevent or reduce social, mental and physical disease and disabilities. For 2010-11, the total public health and human services expenditures from all sources is \$28.7 billion; the amount from the General Fund will be \$9.5 billion, which is an increase of \$421 million or 4.6 percent.

The largest component of the public health and welfare expenditures is the Medical Assistance program. In the last ten years, the program grew at an annual rate of 6 percent. Caseload growth has increased over the last two years after a period of relatively low growth due to current economic conditions. Technological advances in medicine and general medical inflation, including increases in pharmaceutical prices, result in an increase in overall Medical Assistance expenditures in 2010-11. In an effort to continue to contain costs and operate efficiently, while maintaining the necessary services, this budget continues 2009-10 cost containment initiatives and proposes additional cost containment strategies in 2010-11. Total funding in 2010-11 increases \$1.2 billion from \$16.4 billion to \$17.6 billion. This increase would have been higher if not for cost containment efforts. State funds are anticipated to increase from \$4.4 billion in 2009-10 to \$4.7 billion in 2010-11, which is an increase of \$374 million or 8.6 percent. The enhanced Federal Medical Assistance Percentage provides \$1.5 billion in 2009-10 and nearly \$1.6 billion in 2010-11 and directly offsets state fund costs.

Income maintenance, including cash assistance payments and child care services for families in transition to independence and self-sufficiency, totaled \$3.0 billion from all sources for 2009-10. The 2010-11 budget maintains total resources of \$3.0 billion while the commonwealth's General Fund share is increased from \$1.16 billion to \$1.18 billion. Of the \$3.0 billion, the budget provides a total of \$822 million for child care services. This more than doubles the amount of child care funding since 2000-01.

The 2010-11 budget continues the policy of supporting independence for people with mental retardation and mental health disabilities. In June 2002, the state supported 5,098 institutional beds. By June 2010, that will be reduced to 2,995, a reduction of 41 percent. Over that period, the community budgets will have grown by \$855 million in total funds, an increase of nearly 50 percent.

State Correctional Institutions: The 2010-11 budget proposed for the state correctional system is \$1.9 billion, including nearly \$173 million in federal ARRA funds. From 2006-07 to 2010-11, total costs have grown from \$1.4 billion to \$1.9 billion. This is due to the continuing rise in the inmate population in the state correctional system, which has grown from 45,484 inmates in 2006-07 to an estimated 55,427 inmates in 2010-11.

Motor License Fund

The Motor License Fund is one of the special revenue funds of the commonwealth and a major operating fund of the commonwealth. It is the fund that receives most of the revenues required by the Constitution of Pennsylvania to be used only for costs of construction, reconstruction, maintenance and repair of and safety on highways and bridges in the commonwealth and for the payment of debt service on obligations incurred for such purposes. The major sources of revenue to the Motor License

Fund are from motor fuels taxes, vehicle registration fees, license and operators' license fees and excise taxes imposed on products used in motor transportation. Certain of these revenues are further restricted to specific highway uses and are not included in the Motor License Fund estimate of revenue.

Taxes on various fuels provided approximately 46 percent of total Motor License Fund revenues in 2008-09. Revenue from liquid fuels taxes, which had only been growing minimally over the past several years, decreased significantly during 2008-09. Revenues from liquid fuels taxes declined 6 percent during 2008-09. Current fiscal year-to-date liquid fuels receipts are 1.7 percent above 2008-09 levels through December 2009. For 2009-10 an increase of 1.4 percent is projected while the budget for 2010-11 projects an increase in liquid fuels tax receipts of 0.1 percent over 2009-10.

Beginning in 2007-08, the commonwealth and the Pennsylvania Turnpike Commission reached an agreement for the Turnpike Commission to provide annual contributions for an expanded highway and bridge program and for local maintenance of roads and bridges. In 2008-09 and in 2009-10, the agreement calls for the Turnpike Commission to provide \$500 million, increasing to \$512.5 million in 2010-11. This budget assumes the federal government will approve Pennsylvania's request to institute tolling of Interstate 80, which will enable the Turnpike to make this payment in 2010-11.

The Budget for 2010-11 recommends \$5.2 billion for construction, reconstruction and maintenance of highways and bridges in the commonwealth. Looking to the future, the department is researching highway systems technology in such areas as intelligent transportation systems, advanced maintenance technologies and high performance pavement markings. In addition, the department will provide quality services that are user-friendly and customer-focused and will remain responsive and accountable to the citizens of the commonwealth.

The Department of Transportation will continue to establish and maintain a first-rate infrastructure, which unites roads, rails, waterways, airports and information networks linking goods, services, people and ideas to our community, state and world markets.

Lottery Fund

The Lottery Fund is a special revenue fund that receives the proceeds of lottery sales. It provides funding for lottery prizes and for programs supporting older Pennsylvanians. These programs include assistance in the purchase of pharmaceuticals, property tax and rent assistance, community care programs and public transportation subsidies.

The largest program funded by the Lottery Fund is the Property Tax and Rent Rebate (PTRR) program within the Department of Revenue. This program allows older Pennsylvanians, surviving spouses over age 50 and permanently disabled citizens to lead fuller lives by restoring a portion of their income through property tax and rent rebate assistance.

Act 1 of Special Session No. 1 of 2006 dramatically expanded the current Property Tax / Rent Rebate program to give more Pennsylvanians a rebate while also increasing the amounts of the rebates. The expansion includes increasing the household income limit from \$15,000 to \$35,000 and increasing the maximum rebate from \$500 to \$650.

The PENNCARE program is the second largest in the Lottery Fund. It provides home and community-based services to older Pennsylvanians to enrich their lives and enable them to delay or avoid moving to a nursing home. For 2010-11, \$243.6 million is provided for the PENNCARE appropriation. For additional details, see the Department of Aging and Long Term Living presentation.

The Pharmaceutical Assistance Contract for the Elderly (PACE) program is the third largest program in the Lottery Fund. This program provides pharmaceutical benefits to qualified older Pennsylvanians who face a growing burden from the cost of drugs required to maintain healthy and productive lives.

Act 111 of 2006 created PACE Plus Medicare, which enables cardholders to take advantage of the features of both PACE and Medicare Part D. PACE Plus fills the coverage gaps encountered by cardholders in Medicare Part D, including deductibles, the doughnut hole phase of no Medicare coverage, drugs excluded under Medicare Prescription Drug, Improvement and Modernization Act (MMA) of 2003, drugs not on a plan's formulary and copayment differentials between the Part D plan coverage and the PACE and PACENET copayments. PACE Plus pays the Medicare premiums for Part D coverage for PACE cardholders, while PACENET cardholders must pay the Part D premiums. The budget proposes to include the PACE/PACENET program in the National Medicaid Pooling Initiative to receive additional pharmaceutical rebates. This budget also anticipates that federal reform for Medicare Part D will reduce the amount the program pays for doughnut hole coverage for its participants. For additional details, see the Department of Aging and Long Term Living presentation in Section C.

Act 44 of 2007 provides a transfer to the Public Transportation Trust Fund for distribution to transit systems providing free rides to older Pennsylvanians.

Tobacco Settlement Fund

On December 17, 1999, Pennsylvania finalized its contractual agreement with the five major tobacco companies under the Master Settlement Agreement (MSA). The MSA provides a perpetual reimbursement to states for the costs incurred as a result of tobacco use.

The Tobacco Settlement Act 77 of 2001 established the Tobacco Settlement Fund as the special revenue fund that receives the proceeds from the MSA for the commonwealth. It provides funding for programs such as health care insurance for the uninsured, home and community-based care, tobacco use prevention and cessation, broad-based health research, medical care for workers with disabilities, contributions to the PACENET program and uncompensated care.

The fund also maintains an endowment component to preserve a portion of the receipts to ensure funds for future generations, sustain critical programs if tobacco allocations decrease and provide ongoing revenue if tobacco allocations cease. The initial payment from the MSA of \$142 million was deposited into the endowment account. In addition, strategic contribution payments, earnings from investments and 8 percent of the annual payment from the MSA have been deposited into the endowment account.

The 2005-06 budget initiated a resource redirection to take into consideration the escalating cost of long-term care services for Pennsylvania seniors and persons with disabilities. At the same time, a significant new revenue stream, the Community Health Reinvestment Agreement with the Blue Cross/Blue Shield plans, became available for this fund's program of health insurance for the uninsured. In 2009-10, Act 50 of 2009 redirected 25 percent of the funds allocated to tobacco use prevention and cessation activities, 33 percent of the funds allocated to health care insurance for uninsured adults, 100 percent of the funds allocated for the Endowment Account, tobacco revenue interest and earnings and the annual strategic contribution payment to offset the cost of long term care. In addition, Act 50 of 2009 redirected 37.5 percent of the funds allocated to tobacco use prevention and cessation to the General Fund and transferred \$150 million from the Endowment Account to the General Fund. This budget proposes to continue these same percentage redirects in 2010-11 and transfers \$250 million from the Endowment Account to the General Fund. For additional details on the programs funded from the Tobacco Settlement Fund, see the Health Investment Plan portion of the Tobacco Settlement Fund presentation in Section C. Agencies participating in Tobacco Settlement Fund programs include Aging and Long Term Living, Community and Economic Development, Health, Insurance and Public Welfare.

Rainy Day Fund

Act 91 of 2002 created the Budget Stabilization Reserve Fund to replace the Tax Stabilization Reserve Fund as the commonwealth's Rainy Day Fund. The purpose of the Rainy Day Fund is to provide financial assistance to counterbalance downturns in the economy that result in revenue shortfalls in order to promote greater continuity and predictability in the funding of vital government services.

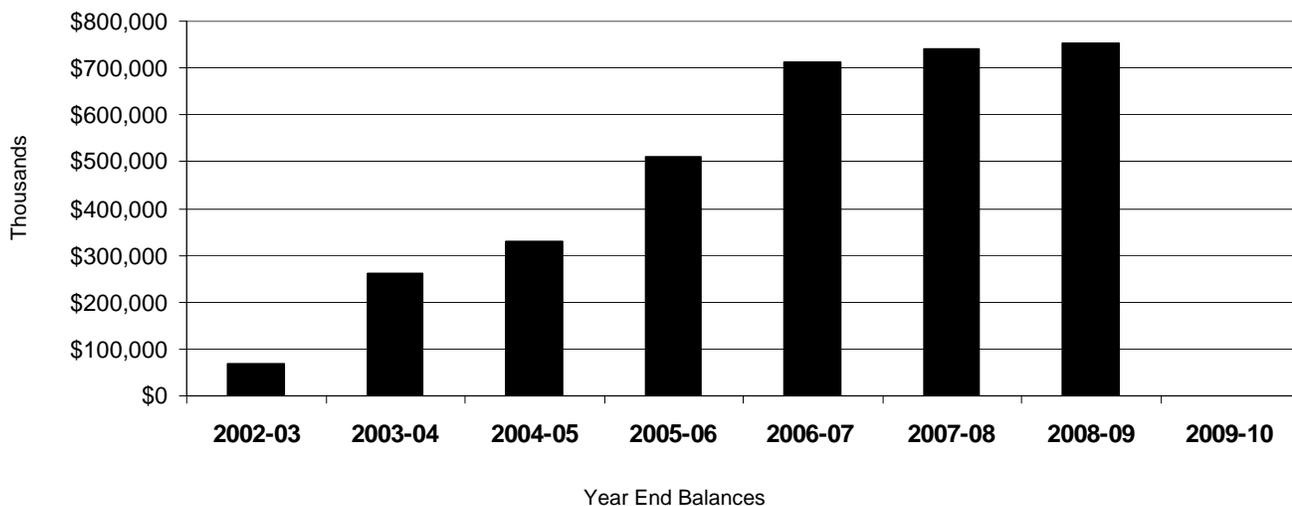
The Budget Stabilization Reserve Fund is to receive an annual transfer of 25 percent of the General Fund's fiscal year ending balance. The transfer requirement is reduced to 10 percent of the General Fund's ending balance if the balance of the Budget Stabilization Reserve Fund equals or exceeds 6 percent of actual General Fund revenues received for the fiscal year.

At the close of the 2001-02 fiscal year, the balance of the former Tax Stabilization Reserve Fund was nearly \$1.04 billion. In order to balance the 2001-02 and 2002-03 General Fund budgets, Act 91 of 2002 repealed the Tax Stabilization Reserve Fund and by law the entire balance was transferred to the General Fund. The General Appropriation Act of 2002 transferred \$300 million from the General Fund as an initial deposit into the new Budget Stabilization Reserve Fund. Subsequently, the General Appropriation Act of 2003 repealed this transfer and the \$300 million reverted back to the General Fund. In accordance with Act 91 of 2002, 25 percent of the General Fund's 2002-03 fiscal year ending balance, or \$69.8 million, was transferred to the Rainy Day Fund after the close of the fiscal year.

The transfer from the 2003-04 General Fund balance to the Budget Stabilization Reserve Fund of \$190 million exceeded the 25 percent statutory minimum and increased the balance in the Fund to more than \$260 million, bringing it slightly higher than the balance in 1996-97. In accordance with Act 41 of 2005, the transfer from the General Fund balance for the fiscal year 2004-05 was 15 percent of the balance; the amount transferred was \$64.4 million. Transfers of 25 percent of the General Fund balance amounted to \$171.4 million in 2005-06 and \$177 million in 2006-07. Act 53 of 2008 suspended the transfer of surplus funds to the Budget Stabilization Reserve Fund for 2007-08.

The downfall in the national economy has negatively impacted the commonwealth's revenues. To help balance the 2009-10 budget, Act 50 of 2009 authorized the transfer of \$755 million from the Budget Stabilization Reserve Fund to the General Fund.

Rainy Day Fund

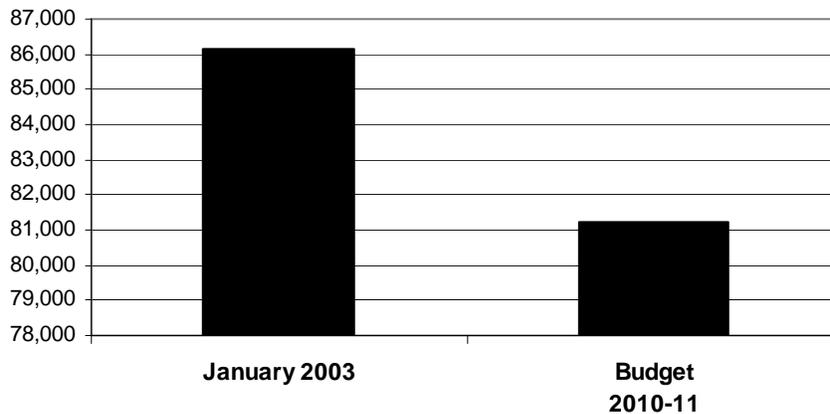


Complement

A major component of any budget is the size of its workforce or complement. In Pennsylvania, a complement level (the number of full-time equivalent (FTE) salaried positions) is authorized by appropriation for each agency under the Governor's jurisdiction. A summary of authorized salaried complement by department is included in Section I of this budget document.

The Rendell Administration has reduced commonwealth complement through disciplined complement management. The commonwealth's total authorized complement level was 86,125 positions when the Rendell Administration took office in January 2003. This level has been reduced thus far to 81,334 – a reduction of 4,791 positions. This budget proposes an additional reduction in the commonwealth's current authorized FTE salaried complement level in 2010-11 of 352 positions. Additions to several agency complements, primarily in support of public safety initiatives, will ensure the successful implementation of the Governor's plan for 2010-11, while retaining a net reduction of 4,887 positions since the administration took office.

Authorized Complement



In conjunction with this reduction in authorized position levels, filled positions have also been declining. The number of filled salaried positions in agencies under the Governor's jurisdiction was 81,657 when the Rendell Administration took office in January 2003. As of January 2010, the number of filled salary positions was 77,168. This represents a reduction of 4,489 filled positions, or a reduction of more than 5 percent.

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STATEMENTS

This section summarizes the budget for the General Fund and selected Special Funds. It includes seven year financial statements for each of these funds, a seven year summary by agency and fund, summaries by the seven commonwealth programs, and several summaries for the General Fund including income by major source and outgo by program.

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Seven Year Financial Statements By Fund

The following financial statements are a summary of the General Fund and selected Special Fund revenues and expenditures for the 2008-09 actual year, 2009-10 available year, 2010-11 budget year, as well as future year estimates. Additional information on revenues and expenditures is detailed in subsequent tables and in Section C of this budget.

General Fund

(Dollar Amounts in Thousands)

	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
Beginning Balance.....	\$ 582,796	\$ -2,030,417	\$ 37,479	\$ 4,185	\$ -2,442,419	\$ -5,624,144	\$ -9,129,185
Revenues.....	\$ 25,529,805	\$ 28,299,700 ^a	\$ 27,515,100	\$ 28,629,700	\$ 29,786,500	\$ 30,911,100	\$ 32,124,500
Adjustments ^p	-1,058,663	-1,190,000	-1,275,000	-1,290,000	-1,320,000	-1,350,000	-1,370,000
Funds Available.....	\$ 25,053,938	\$ 25,079,283	\$ 26,277,579	\$ 27,343,885	\$ 26,024,081	\$ 23,936,956	\$ 21,625,315
Total Spending ^c	-28,323,830	-27,739,870	-29,029,507	-30,284,567	-31,648,225	-33,066,141	-34,379,855
Federal ARRA Offset.....	1,239,475	2,698,066	2,756,113	498,263	0	0	0
Total State Expenditures.....	-27,084,355	-25,041,804	-26,273,394	-29,786,304	-31,648,225	-33,066,141	-34,379,855
Ending Balance.....	\$ <u>-2,030,417</u>	\$ <u>37,479</u>	\$ <u>4,185</u>	\$ <u>-2,442,419</u>	\$ <u>-5,624,144</u>	\$ <u>-9,129,185</u>	\$ <u>-12,754,540</u>

ADD: Stimulus Transition Reserve Fund

Revenue collected during 2010-11 ^d	\$ 0	\$ 0	\$ 0	\$ 874,040	\$ 0	\$ 0	\$ 0
Severance Tax.....	0	0	0	260,010	320,040	396,180	475,560
Vendor Sales Tax Discount.....	0	0	0	76,000	79,100	81,800	84,500
Other Tobacco Products Tax.....	0	0	0	46,800	49,800	53,100	56,600
Sales and Use Tax.....	0	0	0	863,300	922,700	986,300	1,036,500
Combined Reporting.....	0	0	0	167,300	181,000	188,400	195,900
Total Revenue.....	\$ 0	\$ 0	\$ 0	\$ 2,287,450	\$ 1,552,640	\$ 1,705,780	\$ 1,849,060
Revised Ending Balance.....	\$ <u>-2,030,417</u>	\$ <u>37,479</u>	\$ <u>4,185</u>	\$ <u>-154,969</u>	\$ <u>-1,784,054</u>	\$ <u>-3,583,315</u>	\$ <u>-5,359,610</u>

^a FY 2009-10 revenues includes \$755 million transferred from the Budget Stabilization Reserve Fund.

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

^c Includes State General Fund appropriations and Federal ARRA funds appropriated from the enhanced

Federal Medical Assistance Percentage and the State Fiscal Stabilization Fund.

^d See page C1.6 for additional information regarding the proposed Stimulus Transition Reserve Fund.



Seven Year Financial Statements By Fund

Motor License Fund^a

	(Dollar Amounts in Thousands)						
	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
Beginning Balance.....	\$ 110,726	\$ 57,684	\$ 105,557	\$ 15,649	\$ 4,770	\$ 16,177	\$ 25,517
Receipts.....	2,672,068	2,691,990	2,619,060	2,735,020	2,803,560	2,851,420	2,881,280
Funds Available.....	\$ 2,782,794	\$ 2,749,674	\$ 2,724,617	\$ 2,750,669	\$ 2,808,330	\$ 2,867,597	\$ 2,906,797
Less Expenditures.....	-2,725,110	-2,644,117	-2,708,968	-2,745,899	-2,792,153	-2,842,080	-2,895,049
Ending Balance.....	<u>\$ 57,684</u>	<u>\$ 105,557</u>	<u>\$ 15,649</u>	<u>\$ 4,770</u>	<u>\$ 16,177</u>	<u>\$ 25,517</u>	<u>\$ 11,748</u>

Banking Department Fund

	(Dollar Amounts in Thousands)						
	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
Beginning Balance.....	\$ 28,785	\$ 9,842	\$ 9,082	\$ 4,664	\$ 246	\$ -4,172	\$ -8,590
Receipts.....	17,979	19,835	16,420	16,420	16,420	16,420	16,420
Funds Available.....	\$ 46,764	\$ 29,677	\$ 25,502	\$ 21,084	\$ 16,666	\$ 12,248	\$ 7,830
Less Expenditures.....	-36,922	-20,595	-20,838	-20,838	-20,838	-20,838	-20,838
Ending Balance.....	<u>\$ 9,842</u>	<u>\$ 9,082</u>	<u>\$ 4,664</u>	<u>\$ 246</u>	<u>\$ -4,172</u>	<u>\$ -8,590</u>	<u>\$ -13,008</u>

Boat Fund

	(Dollar Amounts in Thousands)						
	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
Beginning Balance.....	\$ 16,558	\$ 16,973	\$ 13,842	\$ 10,063	\$ 7,413	\$ 4,763	\$ 2,113
Receipts.....	17,860	16,851	12,963	12,963	12,963	12,963	12,963
Funds Available.....	\$ 34,418	\$ 33,824	\$ 26,805	\$ 23,026	\$ 20,376	\$ 17,726	\$ 15,076
Less Expenditures.....	-17,445	-19,982	-16,742	-15,613	-15,613	-15,613	-15,613
Ending Balance.....	<u>\$ 16,973</u>	<u>\$ 13,842</u>	<u>\$ 10,063</u>	<u>\$ 7,413</u>	<u>\$ 4,763</u>	<u>\$ 2,113</u>	<u>\$ -537</u>

^a Excludes restricted revenue.

Seven Year Financial Statements By Fund

Environmental Stewardship Fund

(Dollar Amounts in Thousands)

	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
Beginning Balance.....	\$ 5,458	\$ 3,471	\$ 4,000	\$ 0	\$ 0	\$ 0	\$ 0
Receipts.....	67,936	68,426	66,000	66,000	66,000	66,000	66,000
Funds Available.....	\$ 73,394	\$ 71,897	\$ 70,000	\$ 66,000	\$ 66,000	\$ 66,000	\$ 66,000
Less Expenditures.....	-69,923	-67,897	-70,000	-66,000	-66,000	-66,000	-66,000
Ending Balance.....	<u>\$ 3,471</u>	<u>\$ 4,000</u>	<u>\$ 0</u>				

Farm Products Show Fund

(Dollar Amounts in Thousands)

	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
Beginning Balance.....	\$ 504	\$ 80	\$ 67	\$ 24	\$ 19	\$ 14	\$ 9
Receipts.....	9,109	9,210	9,221	9,259	9,259	9,259	9,259
Funds Available.....	\$ 9,613	\$ 9,290	\$ 9,288	\$ 9,283	\$ 9,278	\$ 9,273	\$ 9,268
Less Expenditures.....	-9,533	-9,223	-9,264	-9,264	-9,264	-9,264	-9,264
Ending Balance.....	<u>\$ 80</u>	<u>\$ 67</u>	<u>\$ 24</u>	<u>\$ 19</u>	<u>\$ 14</u>	<u>\$ 9</u>	<u>\$ 4</u>

Fish Fund

(Dollar Amounts in Thousands)

	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
Beginning Balance.....	\$ 27,446	\$ 30,734	\$ 26,345	\$ 20,613	\$ 16,081	\$ 11,549	\$ 7,017
Receipts.....	43,553	38,888	35,701	35,701	35,701	35,701	35,701
Funds Available.....	\$ 70,999	\$ 69,622	\$ 62,046	\$ 56,314	\$ 51,782	\$ 47,250	\$ 42,718
Less Expenditures.....	-40,265	-43,277	-41,433	-40,233	-40,233	-40,233	-40,233
Ending Balance.....	<u>\$ 30,734</u>	<u>\$ 26,345</u>	<u>\$ 20,613</u>	<u>\$ 16,081</u>	<u>\$ 11,549</u>	<u>\$ 7,017</u>	<u>\$ 2,485</u>

Seven Year Financial Statements By Fund

Game Fund

(Dollar Amounts in Thousands)

	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
Beginning Balance.....	\$ 33,461	\$ 27,744	\$ 20,444	\$ 2,972	\$ 900	\$ -1,172	\$ -3,244
Receipts.....	68,412	70,880	63,104	68,174	68,174	68,174	68,174
Funds Available.....	\$ 101,873	\$ 98,624	\$ 83,548	\$ 71,146	\$ 69,074	\$ 67,002	\$ 64,930
Less Expenditures.....	-74,129	-78,180	-80,576	-70,246	-70,246	-70,246	-70,246
Ending Balance.....	<u>\$ 27,744</u>	<u>\$ 20,444</u>	<u>\$ 2,972</u>	<u>\$ 900</u>	<u>\$ -1,172</u>	<u>\$ -3,244</u>	<u>\$ -5,316</u>

Keystone Recreation, Park and Conservation Fund

(Dollar Amounts in Thousands)

	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
Beginning Balance.....	\$ 9,754	\$ 6,158	\$ 6,379	\$ 0	\$ 0	\$ 0	\$ 0
Receipts.....	56,684	50,590	55,171	63,518	70,859	76,506	81,482
Funds Available.....	\$ 66,438	\$ 56,748	\$ 61,550	\$ 63,518	\$ 70,859	\$ 76,506	\$ 81,482
Less Expenditures.....	-60,280	-50,369	-61,550	-63,518	-70,859	-76,506	-81,482
Ending Balance.....	<u>\$ 6,158</u>	<u>\$ 6,379</u>	<u>\$ 0</u>				

Lottery Fund

(Dollar Amounts in Thousands)

	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
Beginning Balance.....	\$ 351,041	\$ 113,189	\$ 127,757	\$ 116,365	\$ 112,147	\$ 67,630	\$ 23,423
Add Reserve From Prior Year.....	100,000	0	0	0	0	0	0
Receipts.....	1,410,994	1,592,271	1,582,201	1,618,826	1,628,888	1,646,353	1,662,121
Funds Available.....	\$ 1,862,035	\$ 1,705,460	\$ 1,709,958	\$ 1,735,191	\$ 1,741,035	\$ 1,713,983	\$ 1,685,544
Less Expenditures.....	-1,748,846	-1,577,703	-1,593,593	-1,623,044	-1,673,405	-1,690,560	-1,706,574
Less Reserve for Current Year.....	0	0	0	0	0	0	0
Ending Balance.....	<u>\$ 113,189</u>	<u>\$ 127,757</u>	<u>\$ 116,365</u>	<u>\$ 112,147</u>	<u>\$ 67,630</u>	<u>\$ 23,423</u>	<u>\$ -21,030</u>

Seven Year Financial Statements By Fund

Racing Fund

(Dollar Amounts in Thousands)

	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
Beginning Balance.....	\$ 3	\$ 358	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Receipts.....	17,209	16,899	18,165	18,165	18,165	18,165	18,165
Funds Available.....	\$ 17,212	\$ 17,257	\$ 18,165	\$ 18,165	\$ 18,165	\$ 18,165	\$ 18,165
Less Expenditures.....	-16,854	-17,257	-18,165	-18,165	-18,165	-18,165	-18,165
Ending Balance.....	<u>\$ 358</u>	<u>\$ 0</u>					

Tobacco Settlement Fund

(Dollar Amounts in Thousands)

	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
Beginning Balance.....	\$ 396,213	\$ 433,443	\$ 368,016	\$ 369,837	\$ 369,914	\$ 370,003	\$ 370,105
Receipts.....	484,238	378,815	370,641	370,723	370,819	370,927	371,049
Funds Available.....	\$ 880,451	\$ 812,258	\$ 738,657	\$ 740,560	\$ 740,733	\$ 740,930	\$ 741,154
Less Expenditures.....	-447,008	-444,242	-368,820	-370,646	-370,730	-370,825	-370,932
Ending Balance.....	<u>\$ 433,443</u>	<u>\$ 368,016</u>	<u>\$ 369,837</u>	<u>\$ 369,914</u>	<u>\$ 370,003</u>	<u>\$ 370,105</u>	<u>\$ 370,222</u>

Overview and Summaries

Seven Year Department Summary by Fund

The following is a summary by department of 2008-09 actual expenditures, the 2009-10 amounts available, the 2010-11 amounts budgeted and future year estimates for the General Fund and selected Special Funds.

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
Governor's Office							
General Fund.....	\$ 7,293	\$ 6,900	\$ 6,831	\$ 6,831	\$ 6,831	\$ 6,831	\$ 6,831
Executive Offices							
General Fund.....	\$ 254,299	\$ 204,486	\$ 183,989	\$ 182,088	\$ 181,989	\$ 181,989	\$ 182,088
Motor License Fund.....	21,634	23,030	24,662	24,662	24,662	24,662	24,662
Department Total.....	\$ 275,933	\$ 227,516	\$ 208,651	\$ 206,750	\$ 206,651	\$ 206,651	\$ 206,750
Lieutenant Governor							
General Fund.....	\$ 1,428	\$ 1,075	\$ 1,053	\$ 1,053	\$ 1,053	\$ 1,053	\$ 1,053
Attorney General							
General Fund.....	\$ 94,509	\$ 86,522	\$ 85,657	\$ 85,657	\$ 85,657	\$ 85,657	\$ 85,657
Auditor General							
General Fund.....	\$ 54,520	\$ 48,303	\$ 48,070	\$ 47,820	\$ 47,820	\$ 47,820	\$ 47,820
Treasury							
General Fund.....	\$ 955,348	\$ 976,792	\$ 1,071,673	\$ 1,192,927	\$ 1,325,652	\$ 1,361,101	\$ 1,343,498
Lottery Fund.....	50	50	50	50	50	50	50
Racing Fund.....	10	10	10	10	10	10	10
Environmental Stewardship Fund.....	25,113	31,901	36,833	42,506	47,425	47,407	47,416
Motor License Fund.....	35,931	36,826	37,145	36,276	29,430	25,857	25,026
Game Fund.....	5	5	5	5	5	5	5
Fish Fund.....	5	25	5	5	5	5	5
Banking Department Fund.....	5	5	5	5	5	5	5
Farm Products Show Fund.....	5	5	5	5	5	5	5
Boat Fund.....	5	5	5	5	5	5	5
Tobacco Settlement Fund.....	5	5	5	5	5	5	5
Keystone Recreation, Park and Conservation Fund.....	5	5	5	5	5	5	5
Department Total.....	\$ 1,016,487	\$ 1,045,634	\$ 1,145,746	\$ 1,271,804	\$ 1,402,602	\$ 1,434,460	\$ 1,416,035
Aging and Long Term Living							
General Fund.....	\$ 836,236	\$ 806,484	\$ 842,979	\$ 1,308,020	\$ 1,460,519	\$ 1,504,152	\$ 1,549,093
Lottery Fund.....	825,251	660,822	652,831	665,408	711,221	721,221	731,221
Tobacco Settlement Fund.....	213,150	213,401	174,624	175,392	175,431	175,474	175,523
Department Total.....	\$ 1,874,637	\$ 1,680,707	\$ 1,670,434	\$ 2,148,820	\$ 2,347,171	\$ 2,400,847	\$ 2,455,837
Agriculture							
General Fund.....	\$ 76,085	\$ 67,830	\$ 62,435	\$ 62,435	\$ 62,435	\$ 62,435	\$ 62,435
Racing Fund.....	16,669	17,002	17,916	17,916	17,916	17,916	17,916
Environmental Stewardship Fund.....	6,632	5,327	4,909	3,477	2,749	2,752	2,750
Motor License Fund.....	3,089	4,689	3,975	3,975	3,975	3,975	3,975
Farm Products Show Fund.....	6,668	7,000	6,499	6,499	6,499	6,499	6,499
Department Total.....	\$ 109,143	\$ 101,848	\$ 95,734	\$ 94,302	\$ 93,574	\$ 93,577	\$ 93,575
Banking							
Banking Department Fund.....	\$ 21,917	\$ 21,054	\$ 20,833	\$ 20,833	\$ 20,833	\$ 20,833	\$ 20,833
Civil Service Commission							
General Fund.....	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1



Overview and Summaries

Seven Year Department Summary by Fund

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
Community and Economic Development							
General Fund.....	\$ 579,753	\$ 275,848	\$ 297,304	\$ 315,905	\$ 319,575	\$ 319,564	\$ 319,560
Tobacco Settlement Fund.....	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Department Total.....	\$ 582,753	\$ 278,848	\$ 300,304	\$ 318,905	\$ 322,575	\$ 322,564	\$ 322,560
Conservation and Natural Resources							
General Fund.....	\$ 113,369	\$ 92,369	\$ 91,375	\$ 91,375	\$ 91,375	\$ 91,375	\$ 91,375
Environmental Stewardship Fund.....	10,799	8,675	7,993	7,993	7,993	7,993	7,993
Motor License Fund.....	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Keystone Recreation, Park and Conservation Fund.....	41,050	31,511	40,005	41,283	46,055	49,725	52,960
Department Total.....	\$ 166,218	\$ 133,555	\$ 140,373	\$ 141,651	\$ 146,423	\$ 150,093	\$ 153,328
Corrections							
General Fund.....	\$ 1,605,505	\$ 1,612,329	\$ 1,749,168	\$ 1,952,356	\$ 2,024,745	\$ 2,036,932	\$ 2,048,734
Education							
General Fund.....	\$ 11,273,477	\$ 10,633,324	\$ 11,076,117	\$ 12,044,680	\$ 12,989,541	\$ 14,061,240	\$ 15,079,621
Motor License Fund.....	1,130	1,125	1,103	1,103	1,103	1,103	1,103
Keystone Recreation, Park and Conservation Fund.....	11,015	0	13,539	13,973	15,588	16,830	17,925
Department Total.....	\$ 11,285,622	\$ 10,634,449	\$ 11,090,759	\$ 12,059,756	\$ 13,006,232	\$ 14,079,173	\$ 15,098,649
Emergency Management Agency							
General Fund.....	\$ 22,142	\$ 15,494	\$ 12,448	\$ 12,448	\$ 12,448	\$ 12,448	\$ 12,448
Environmental Protection							
General Fund.....	\$ 219,225	\$ 160,764	\$ 157,013	\$ 157,013	\$ 157,013	\$ 157,013	\$ 157,013
Environmental Stewardship Fund.....	16,759	13,463	12,404	12,404	12,404	12,404	12,404
Motor License Fund.....	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Department Total.....	\$ 239,984	\$ 178,227	\$ 173,417				
Fish and Boat Commission							
General Fund.....	\$ 17	\$ 17	\$ 17	\$ 17	\$ 17	\$ 17	\$ 17
Fish Fund.....	31,671	32,565	34,095	32,895	32,895	32,895	32,895
Boat Fund.....	13,437	12,641	13,119	11,990	11,990	11,990	11,990
Department Total.....	\$ 45,125	\$ 45,223	\$ 47,231	\$ 44,902	\$ 44,902	\$ 44,902	\$ 44,902
Game Commission							
Game Fund.....	\$ 58,768	\$ 59,449	\$ 62,352	\$ 52,022	\$ 52,022	\$ 52,022	\$ 52,022
General Services							
General Fund.....	\$ 117,868	\$ 120,175	\$ 123,249	\$ 123,249	\$ 123,249	\$ 123,249	\$ 123,249
Motor License Fund.....	12,754	12,754	12,779	12,779	12,779	12,779	12,779
Department Total.....	\$ 130,622	\$ 132,929	\$ 136,028				
Health							
General Fund.....	\$ 272,938	\$ 239,147	\$ 232,183	\$ 232,183	\$ 232,183	\$ 232,183	\$ 232,183
Tobacco Settlement Fund.....	99,724	92,298	77,452	92,794	92,816	92,841	92,869
Department Total.....	\$ 372,662	\$ 331,445	\$ 309,635	\$ 324,977	\$ 324,999	\$ 325,024	\$ 325,052



Overview and Summaries

Seven Year Department Summary by Fund

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
Higher Education Assistance Agency							
General Fund.....	\$ 472,873	\$ 455,170	\$ 455,170	\$ 455,170	\$ 455,170	\$ 455,170	\$ 455,170
Historical and Museum Commission							
General Fund.....	\$ 31,895	\$ 22,105	\$ 19,348	\$ 19,348	\$ 19,348	\$ 19,348	\$ 19,348
Keystone Recreation, Park and Conservation Fund.....	8,210	0	8,001	8,257	9,211	9,945	10,592
Department Total.....	\$ 40,105	\$ 22,105	\$ 27,349	\$ 27,605	\$ 28,559	\$ 29,293	\$ 29,940
Infrastructure Investment Authority							
Environmental Stewardship Fund.....	\$ 10,620	\$ 8,531	\$ 7,861	\$ 5,568	\$ 4,402	\$ 4,407	\$ 4,404
Insurance							
General Fund.....	\$ 117,432	\$ 123,635	\$ 126,570	\$ 145,403	\$ 160,407	\$ 176,969	\$ 195,251
Tobacco Settlement Fund.....	38,796	37,878	15,587	0	0	0	0
Department Total.....	\$ 156,228	\$ 161,513	\$ 142,157	\$ 145,403	\$ 160,407	\$ 176,969	\$ 195,251
Labor and Industry							
General Fund.....	\$ 120,650	\$ 92,045	\$ 88,961	\$ 88,961	\$ 88,961	\$ 88,961	\$ 88,961
Military and Veterans Affairs							
General Fund.....	\$ 127,000	\$ 111,276	\$ 115,646	\$ 115,646	\$ 115,646	\$ 115,646	\$ 115,646
Probation and Parole							
General Fund.....	\$ 111,605	\$ 117,664	\$ 125,842	\$ 127,219	\$ 127,219	\$ 127,219	\$ 127,219
Public Welfare							
General Fund.....	\$ 8,590,121	\$ 7,921,349	\$ 8,309,228	\$ 10,024,871	\$ 10,577,073	\$ 10,815,375	\$ 11,061,977
Tobacco Settlement Fund.....	70,364	79,987	83,321	99,455	99,478	99,505	99,535
Department Total.....	\$ 8,660,485	\$ 8,001,336	\$ 8,392,549	\$ 10,124,326	\$ 10,676,551	\$ 10,914,880	\$ 11,161,512
Revenue							
General Fund.....	\$ 181,509	\$ 198,602	\$ 203,881	\$ 207,042	\$ 195,682	\$ 195,807	\$ 187,021
Lottery Fund.....	763,535	801,383	771,013	787,887	792,435	799,590	805,604
Racing Fund.....	172	244	238	238	238	238	238
Motor License Fund.....	24,211	26,842	27,218	27,218	27,218	27,218	27,218
Department Total.....	\$ 969,427	\$ 1,027,071	\$ 1,002,350	\$ 1,022,385	\$ 1,015,573	\$ 1,022,853	\$ 1,020,081
Securities Commission							
General Fund.....	\$ 1,782	\$ 1,400	\$ 1,386	\$ 1,386	\$ 1,386	\$ 1,386	\$ 1,386
State							
General Fund.....	\$ 12,465	\$ 10,148	\$ 9,648	\$ 9,648	\$ 9,678	\$ 9,648	\$ 9,648
State Employees' Retirement System							
General Fund.....	\$ 4	\$ 4	\$ 4	\$ 4	\$ 4	\$ 4	\$ 4



Overview and Summaries

Seven Year Department Summary by Fund

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
State Police							
General Fund.....	\$ 182,305	\$ 182,664	\$ 184,697	\$ 184,697	\$ 184,697	\$ 184,697	\$ 184,697
Motor License Fund.....	487,747	518,900	533,455	533,455	533,455	533,455	533,455
Department Total.....	\$ 670,052	\$ 701,564	\$ 718,152				
Tax Equalization Board							
General Fund.....	\$ 1,207	\$ 1,159	\$ 1,147	\$ 1,147	\$ 1,147	\$ 1,147	\$ 1,147
Transportation							
General Fund.....	\$ 11,720	\$ 11,013	\$ 12,033	\$ 12,033	\$ 12,033	\$ 12,033	\$ 12,033
Lottery Fund.....	77,850	80,186	81,500	81,500	81,500	81,500	81,500
Motor License Fund.....	2,133,614	2,057,951	2,063,631	2,101,431	2,154,531	2,208,031	2,261,831
Department Total.....	\$ 2,223,184	\$ 2,149,150	\$ 2,157,164	\$ 2,194,964	\$ 2,248,064	\$ 2,301,564	\$ 2,355,364
Legislature							
General Fund.....	\$ 330,633	\$ 303,850	\$ 301,411	\$ 300,811	\$ 300,811	\$ 300,811	\$ 300,811
Judiciary							
General Fund.....	\$ 307,141	\$ 276,860	\$ 276,860	\$ 276,860	\$ 276,860	\$ 276,860	\$ 276,860
COMMONWEALTH TOTALS:							
General Fund.....	\$ 27,084,355	\$ 25,176,804	\$ 26,273,394	\$ 29,786,304	\$ 31,648,225	\$ 33,066,141	\$ 34,379,855
Lottery Fund.....	1,666,686	1,542,441	1,505,394	1,534,845	1,585,206	1,602,361	1,618,375
Racing Fund.....	16,851	17,256	18,164	18,164	18,164	18,164	18,164
Motor License Fund.....	2,725,110	2,687,117	2,708,968	2,745,899	2,792,153	2,842,080	2,895,049
Game Fund.....	58,773	59,454	62,357	52,027	52,027	52,027	52,027
Fish Fund.....	31,676	32,590	34,100	32,900	32,900	32,900	32,900
Banking Department Fund.....	21,922	21,059	20,838	20,838	20,838	20,838	20,838
Farm Products Show Fund.....	6,673	7,005	6,504	6,504	6,504	6,504	6,504
Boat Fund.....	13,442	12,646	13,124	11,995	11,995	11,995	11,995
Keystone Recreation, Park and Conservation Fund.....	60,280	31,516	61,550	63,518	70,859	76,505	81,482
Tobacco Settlement Fund.....	425,039	426,569	353,989	370,646	370,730	370,825	370,932
Environmental Stewardship Fund.....	69,923	67,897	70,000	71,948	74,973	74,963	74,967
GRAND TOTAL.....	\$ 32,180,730	\$ 30,082,354	\$ 31,128,382	\$ 34,715,588	\$ 36,684,574	\$ 38,175,303	\$ 39,563,088



General and Special Funds

This table shows a summary by Commonwealth Programs of 2008-09 expenditures, the 2009-10 amounts available, the 2010-11 amounts budgeted and future year estimates for the General Fund and selected Special Funds.

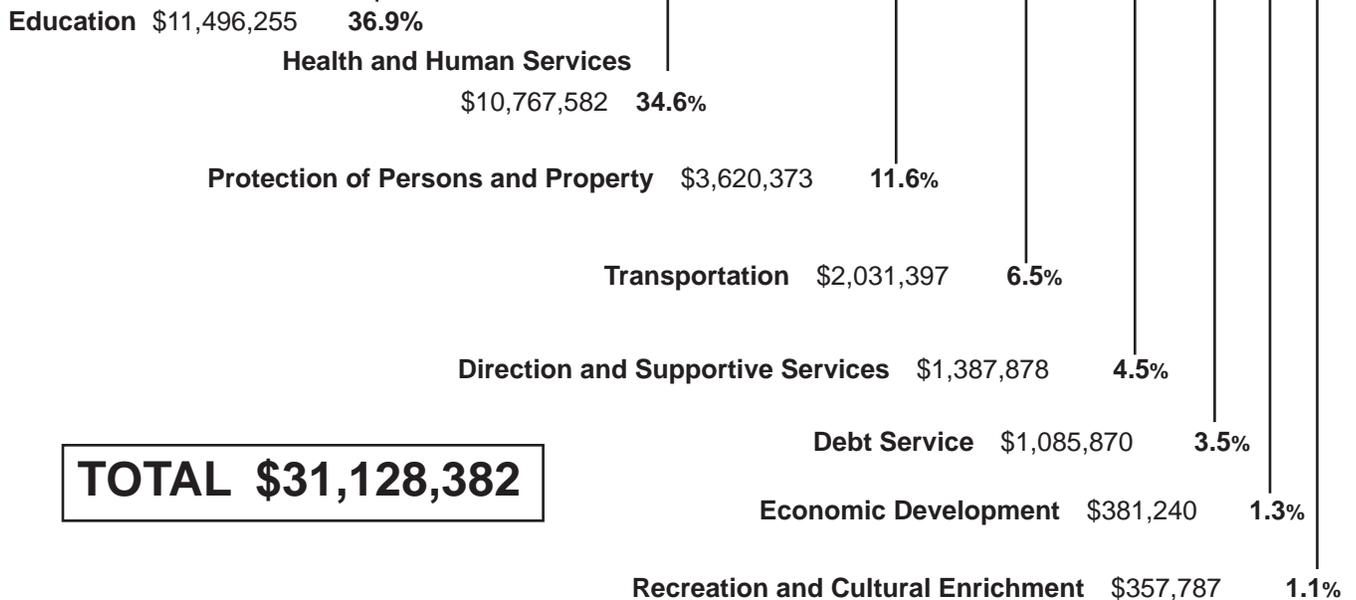
Seven Year Commonwealth Program Summary

Commonwealth Program	(Dollar amounts in Thousands)						
	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
Direction and Supportive Services.....	\$ 1,426,343	\$ 1,419,735	\$ 1,387,878	\$ 1,412,151	\$ 1,403,550	\$ 1,409,055	\$ 1,404,518
Protection of Persons and Property.....	3,587,843	3,501,089	3,620,373	3,826,752	3,913,447	3,942,169	3,972,251
Education.....	11,680,135	11,040,162	11,496,255	12,466,107	13,413,270	14,487,014	15,507,373
Health and Human Services.....	11,312,570	10,404,708	10,767,582	12,992,987	13,743,585	14,035,615	14,337,265
Economic Development.....	694,590	362,832	381,240	398,224	401,438	402,178	402,953
Transportation	2,103,858	2,020,787	2,031,397	2,069,197	2,122,297	2,175,797	2,229,597
Recreation and Cultural Enrichment.....	421,858	343,746	357,787	346,742	352,761	357,391	361,472
Debt Service.....	953,533	989,295	1,085,870	1,203,428	1,334,226	1,366,084	1,347,659
GENERAL FUND AND SPECIAL FUNDS TOTAL.....	\$ 32,180,730	\$ 30,082,354	\$ 31,128,382	\$ 34,715,588	\$ 36,684,574	\$ 38,175,303	\$ 39,563,088

Distribution of the Commonwealth Dollar

GENERAL FUND AND SPECIAL FUNDS

2010-11 Fiscal Year
(Dollar Amounts in Thousands)



This presentation shows the amount and portion of the total General Fund and selected special funds allocated to major program areas.

General Fund

This table shows a summary by Commonwealth Program of 2008-09 expenditures, the 2009-10 amounts available, the 2010-11 amounts budgeted and future year estimates.

Seven Year Commonwealth Program Summary

	(Dollar amounts in Thousands)						
	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
Commonwealth Program							
Direction and Supportive Services.....	\$ 868,222	\$ 819,777	\$ 816,226	\$ 823,525	\$ 810,376	\$ 808,726	\$ 798,175
Protection of Persons and Property.....	2,867,724	2,744,837	2,876,430	3,099,828	3,187,251	3,215,970	3,246,054
Education.....	11,670,515	11,039,037	11,484,074	12,453,572	13,399,413	14,472,141	15,491,604
Health and Human Services.....	9,827,681	9,081,700	9,502,854	11,683,538	12,388,239	12,670,174	12,961,717
Economic Development.....	680,970	351,301	370,379	389,656	394,036	394,771	395,549
Transportation	10,236	9,589	10,631	10,631	10,631	10,631	10,631
Recreation and Cultural Enrichment.....	254,398	197,905	188,761	188,761	188,761	188,761	188,761
Debt Service.....	904,609	932,658	1,024,039	1,136,793	1,269,518	1,304,967	1,287,364
GENERAL FUND TOTAL.....	\$ 27,084,355	\$ 25,176,804	\$ 26,273,394	\$ 29,786,304	\$ 31,648,225	\$ 33,066,141	\$ 34,379,855

Distribution of the Commonwealth Dollar

GENERAL FUND

2010-11 Fiscal Year



Education 43.7¢

Health and Human Services 36.2¢

Protection of Persons and Property 10.9¢

Debt Service 3.9¢

Direction and Supportive Services 3.1¢

Economic Development 1.4¢

Other Programs .8¢

This presentation shows the portion of each General Fund dollar spent in each major program area.



General Fund

The following is a summary by Commonwealth Program of the 2009-10 amounts available and the 2010-11 amounts budgeted and the percent each program represents of the General Fund.

Program Summary

(Dollar Amounts in Thousands)

	<u>2009-10</u>		<u>2010-11</u>	
Commonwealth Program				
Direction and Supportive Services.....	\$ 819,777	3.3%	\$ 816,226	3.1%
Protection of Persons and Property.....	2,744,837	10.9%	2,876,430	10.9%
Education.....	11,039,037	43.8%	11,484,074	43.7%
Health and Human Services.....	9,081,700	36.1%	9,502,854	36.2%
Economic Development.....	351,301	1.4%	370,379	1.4%
Other Programs.....	207,494	0.8%	199,392	0.8%
Debt Service.....	932,658	3.7%	1,024,039	3.9%
GENERAL FUND TOTAL.....	<u>\$ 25,176,804</u>	<u>100.0%</u>	<u>\$ 26,273,394</u>	<u>100.0%</u>

GENERAL FUND

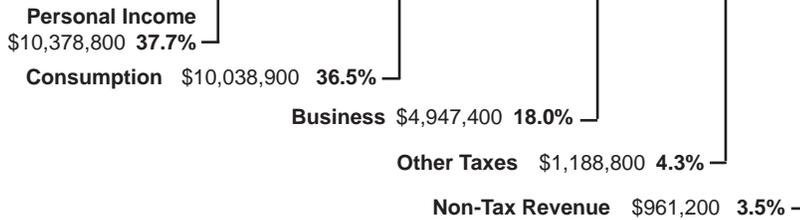
2010-11 Fiscal Year



Income

(Dollar Amounts in Thousands)

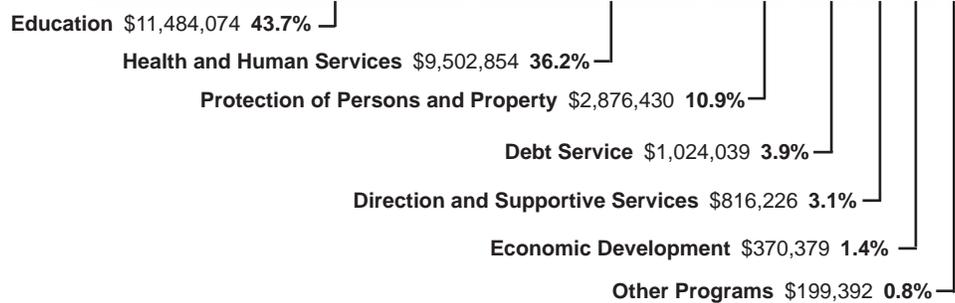
TOTAL INCOME	\$27,515,100
Refunds	-1,275,000
Beginning Balance.....	37,479
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TOTAL	\$26,277,579



Outgo

(Dollar Amounts in Thousands)

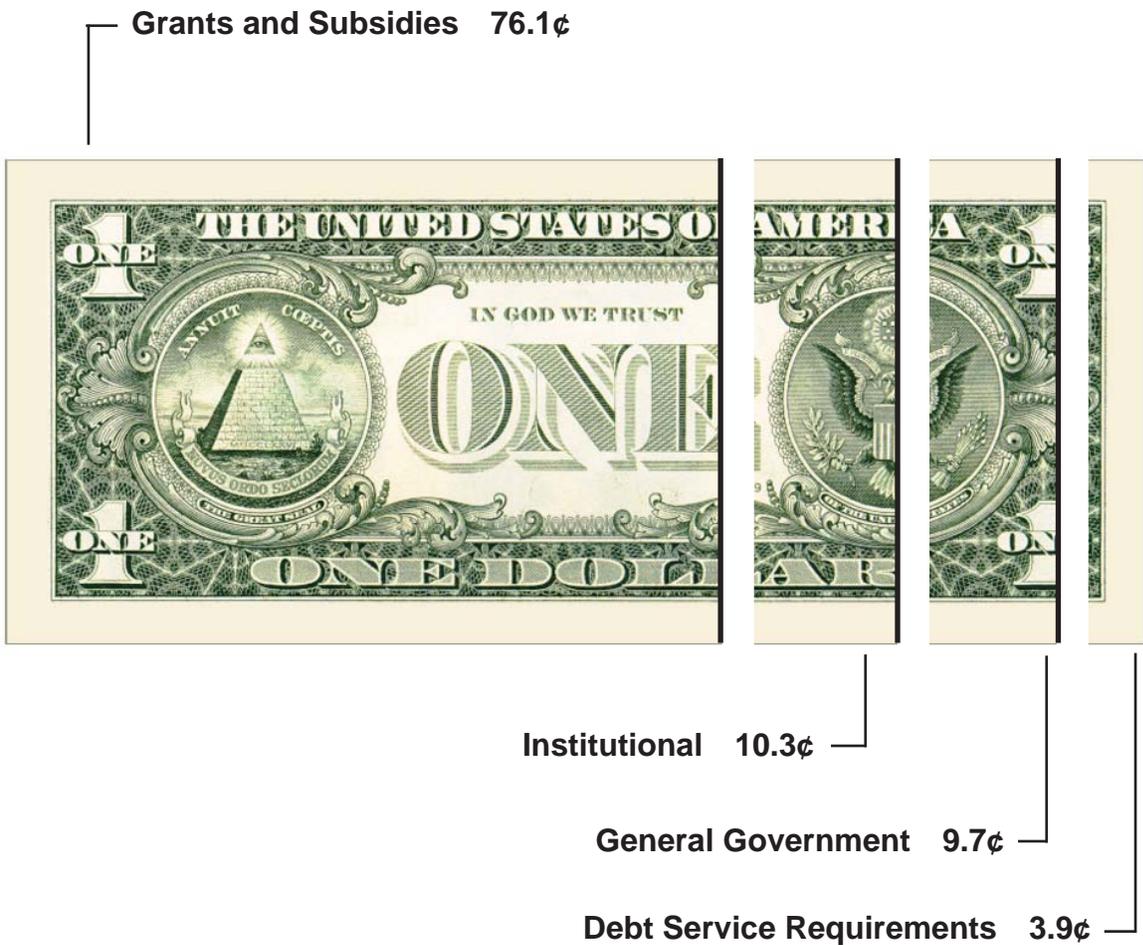
TOTAL OUTGO	\$ 26,273,394
Plus Ending Surplus	4,185
<hr/>	
TOTAL	\$ 26,277,579



This presentation shows the amount and proportion for the major revenue sources and major program areas for the total General Fund.

USE OF THE GENERAL FUND DOLLAR

2010-11 Fiscal Year



Over three quarters of each General Fund dollar is returned to individuals, local governments, institutions, school districts, etc. in the form of grants and subsidies.



2010-11 FISCAL AND PROGRAM POLICY DIRECTION AND BUDGET THEMES

The 2010-11 Fiscal and Program Policy Direction section immediately following this page presents the fiscal and program policies that guided the development of the Governor's Executive budget. The revenue and expenditure recommendations included in this Budget seek to provide a solid fiscal foundation for the Governor to successfully address his vision, goals and program priorities for Pennsylvania.

This section summarizes the Governor's recommended budget initiatives within the following budget theme presentations: Adopting a Pennsylvania Budget That Works; Making Government Work Smarter; Creating a Fairer Tax Structure and Education – Investing in Our Children, Preparing for the Future. Theme topics vary from year to year based on the funding priorities established by the Governor and the recommended budget initiatives proposed in the budget. Themes may include program revision budget recommendations. If so, detailed program revision presentations, including discussion of the program revision and its associated program measures, funding recommendations and costs by appropriation can be found in Section E. Department Presentations within the agency responsible for leading the program revision implementation.

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2010-11 Fiscal and Program Policy Direction

This section presents the fiscal and program policies that guided the development of the 2010-11 Governor's Executive Budget. The commonwealth faced significant financial challenges during the past two fiscal years and in response instituted many operating and program reductions to help address significant budget shortfalls. The ongoing weak national and state economy coupled with projections of a slow recovery will again impact state revenues and program spending levels in 2010-11. Nonetheless, agencies are expected to rise to the challenge to continue to efficiently and effectively provide quality services to Pennsylvania citizens.

In August 2009, the Governor's Budget Office issued the annual budget instructions, a key budget development policy document, to assist agencies develop their 2010-11 budget requests.

The 2010-11 Budget Instructions directed agencies to prepare budget requests consistent with the Governor's policy guidance and seek responses to the specific issues that the Governor wished to address in the 2010-11 Governor's Executive Budget. Agencies were to develop plans and policies designed to make government more efficient and effective. In addition, agency budget requests were to reflect each agency's ongoing critical evaluation of its current programs and activities and include proposed reductions, revisions, reorganizations and expansions in programs consistent with that critical evaluation. Agencies were to prepare 2010-11 budget requests building upon the administrative spending constraints and operational efficiencies initiated during the past seven budget planning cycles and make every possible effort to eliminate nonessential spending and deliver essential services at reduced cost.

In addition, agencies were not to propose new information technology projects unless the projects were approved through the "Community of Practice" review process managed by the Office for Information Technology. As part of that process, all major IT requests must first be reviewed by OIT and the Governor's Budget Office, and approved by the Initiative Compliance Committee. Major IT project requests not approved by the ICC would not be funded through the budget process.

The budget instructions directed agencies to strengthen their multi-year planning efforts to realistically reflect future-year consequences of actions proposed in their 2010-11 budget requests. Expected trends in eligible populations served, mandated service levels and the potential for improved program and/or administrative efficiencies were among the factors agencies were to consider when preparing multi-year projections.

The 2010-11 budget planning process continued the Governor's efforts to emphasize performance measurement goal-setting as the core component of budget planning. Agencies were to highlight in their budget submissions their overall approach to programming within the framework of a strategic plan to implement the commonwealth's mission statement and program goals. Highlights were to include specific proposals to improve the efficiency and effectiveness of program operations, initiatives and changes in program direction, and the way agency proposals relate to the Governor's policy guidance and the agency mission, goals and objectives. Agencies also were told to refine and improve program performance measures so that the agency, the Governor's Budget Office and the Governor's Office of Policy and Planning could better assess agency program effectiveness, efficiency and base program activity levels. The primary goal of the budget review process was to evaluate the impact each agency's proposed expenditure levels would have on the achievement of its mission and programmatic goals, utilizing the most efficient methods possible.

The budget instructions also provided guidance on the submission of Capital Budget project requests. In proposing capital projects, agencies were to consider the broader objectives and measures of outcome for the operating program the capital project was intended to serve. Agencies were directed to quantify the additional annualized operating costs including new positions required and savings that would be incurred as a result of the completion of the project.

The Governor's Budget Office provided additional budget guidance to agencies in September 2009. The Governor's Budget Office noted that growing state pension liabilities, increasing state correctional institution offender populations and an aging Pennsylvania population requiring more costly services would continue to place significant pressure on the commonwealth's 2010-11 budget and the demand for state government programs and services.

The Governor's Budget Office also provided direction on the continued development and submission of program performance measures. Agencies were to reexamine current program performance measures and modify measures as appropriate. Agencies also were to submit performance measures that would measure levels of organizational activity, qualitative and quantitative outcomes resulting from program activities and the efficiency with which resources were used to produce program outcomes. Agency were told that results-based plans and program performance data would be considered as decisions were made on statewide spending priorities and resource allocation between various agency budgets.

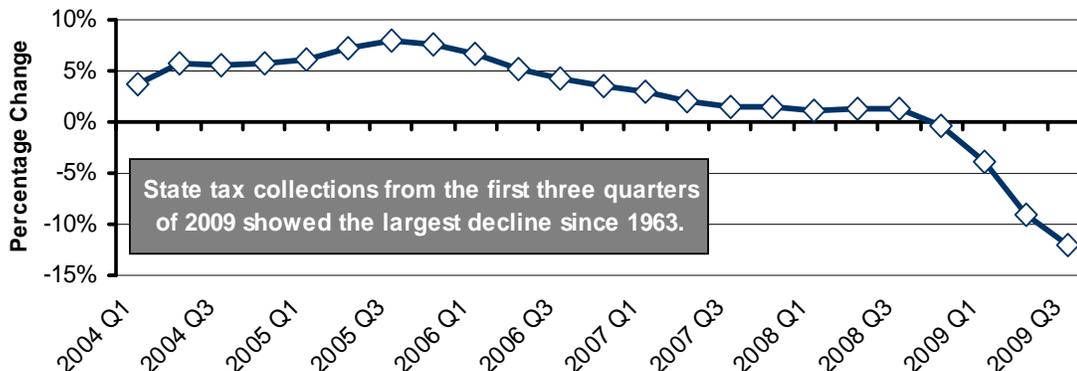
The Governor's Budget Office also directed agencies to submit budget proposals to manage operations as efficiently as possible and to reallocate positions within existing filled complement levels to support critical activities. Agencies were to budget for mandatory costs only, such as legal, contractual, statutory and other required costs, and for current filled positions only. Agencies were not to budget for vacant authorized positions on state General Fund appropriations without providing a legal or statutory program mandate justification. In addition, agencies were to partially offset savings from reductions in filled positions by budgeting for unemployment compensation costs.

The reader is referred to the Overview of Program and Financial Goals and Policies in this section for a summary of Governor Rendell's vision and goals for Pennsylvania. Specific budget recommendations for each program appropriation can be found in the agency Program Presentations in Section E, Department Presentations. The reader is also referred to the 2010-11 Budget in Brief, a separate booklet, for summary information on the 2010-11 Governor's Executive Budget, including recommended program changes and funding levels in pursuit of the administration's mission and goals for the commonwealth.

Adopting a Pennsylvania Budget That Works

Since the start of the national recession in December 2007, the commonwealth has faced one of the most challenging economic climates since the Great Depression. State governments across the country have experienced increasing budgetary pressure from growing prison populations, higher levels of unemployment, declining sales and income tax revenues, and greater demands on human services programs. A recent independent study showed that across the nation, the year-over-year change in inflation-adjusted state tax collections has averaged negative 12.5 percent over the most recent four quarters. The \$80 billion decline in the tax receipts of the 50 states during the first three quarters of 2009 represented the most rapid reduction in 46 years.¹

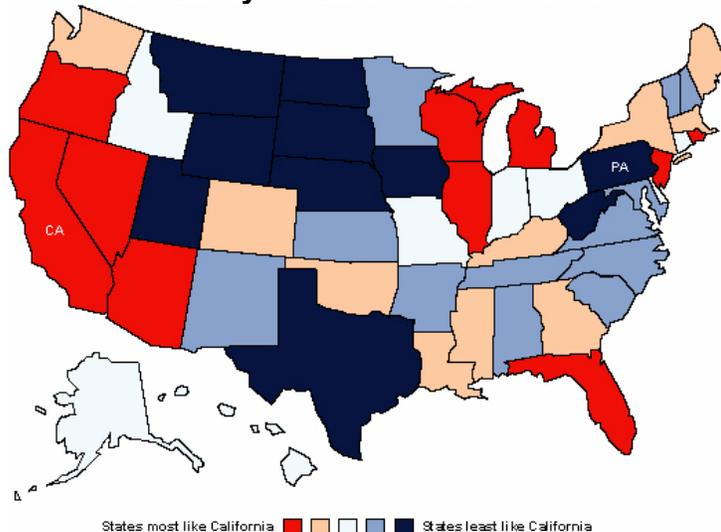
**Year-Over-Year Percent Change in State Tax Collections:
Nationwide Four-Quarter Moving Average**



Source: Nelson A. Rockefeller Institute of Government. Original Sources - U.S. Census Bureau (tax revenue) and Bureau of Economic Analysis (GDP price index).

Although the fiscal consequences of the recent economic downturn have been unprecedented, a Pew study of the fiscal status of the states ranked Pennsylvania seventh in the nation for fiscal stability when assessed against the factors that led to California's acute budget crisis.² The commonwealth is the only state in the northeast and the only large industrial state to appear in the study's top 10. Further, the commonwealth's revenue decline was only half the national average: 35 states experienced a steeper drop in revenue than Pennsylvania did.

Pennsylvania Is the Only Major Industrial State to Be Ranked in the Top 10 in a Recent Pew Study on State Fiscal Crises



¹ Source: *State Revenue Report, January 2010*. Nelson A. Rockefeller Institute of Government, Albany, NY.

² Source: *Beyond California: States in Fiscal Peril*. The Pew Center on the States, Washington, D.C., November 2009. The states highlighted as being most similar to California were those that Pew identified as being in the greatest fiscal peril when assessed against the factors that led to California's acute financial distress.

Overview: Adopting a Pennsylvania Budget That Works

Protecting Funding for Essential Services and Preparing for Future Fiscal Challenges

Despite the serious financial situation for state governments all across the nation, the 2010-11 budget reflects the commonwealth's continuing resolve to maintain essential public services in times of national economic distress – especially the social safety net and essential funds for public safety programs. Pennsylvania's efforts to minimize the recession's impact on state services has been augmented by the federal government's recovery program, which has provided new funds for targeted investments in education, public infrastructure and clean energy programs. In addition, the management and productivity initiatives that have been a priority of the Rendell administration will help set the stage for strong performance by the commonwealth during the economic recovery.

However, the 2010-11 budget also anticipates several major challenges facing the commonwealth in the new decade: the ending of federal stimulus support for the states after a short-term extension, and the sharp increase in contributions to the two statewide pension systems that is anticipated in 2012-13. This budget continues the Rendell administration's efforts to identify feasible solutions to the looming pension crisis by presenting a funding methodology that – if enacted by the General Assembly – would allow the commonwealth and school employers to gradually absorb the impact of increased pension contributions over a period of several years.

Preserving the Safety Net

Helping Children, Older Pennsylvanians and Families Survive Tough Economic Times

Although Pennsylvania's economy has fared better than the economies of many other states, the commonwealth's social safety net needs to be protected to help children, families and vulnerable adults in tough economic times.

- **Supplemental Nutrition Assistance Program.** The demand for nutrition assistance (food stamps) is at an all-time high in Pennsylvania and across the nation. In December 2009, the number of Pennsylvania children and adults eligible for SNAP reached approximately 1.5 million, a 19 percent increase from 2008's monthly average.
- **Cash Assistance.** The number of people receiving Temporary Assistance for Needy Families cash assistance increased by 9 percent between December 2008 and December 2009, reversing an almost four-year trend of caseload declines. Although approximately 1,700 individuals continue to leave cash assistance each month, the recent caseload increases reflect the acute impact of the national economic climate on the ability of low-income Pennsylvanians to obtain and keep jobs.
- **Medical Assistance.** In 2010-11, the Medical Assistance program will provide health care and long-term care services to more than 2.1 million Pennsylvanians, a 3 percent increase over the prior year.
- **adultBasic.** The number of uninsured adults seeking adultBasic health care coverage grew to nearly 370,000 in January 2010, more than double the number in January 2009. In an effort to address this increasing need, this budget assumes the continuation of the Community Health Reinvestment Contribution and Tobacco Settlement funds to provide health care coverage to 50,000 people.

The Commonwealth Provides Vital Services to Children, Older Pennsylvanians and Others in Need

	People Served 2009-10*	People Served 2010-11*
Medical Assistance – Health Care for Low-Income Elderly, Disabled, Children, Adults and Chronically Ill Adults	2,068,699	2,130,785
Pharmaceutical Assistance Contract for the Elderly (PACE)/PACENET	360,011	364,400
Protection for Children at Risk Due to Abuse, Neglect and Delinquency	285,077	288,480
Cash Assistance (TANF, General Assistance and State Blind Pension)	244,371	257,615
Child Care for Low-Income Families	231,085	242,665
Children's Health Insurance Program	198,240	208,555
Community Mental Retardation and Autism Services	49,921	50,336
Community Behavioral Health Services	195,465	196,105
adultBasic	50,000	50,000

* Eligible individuals may receive services in more than one category.



Overview: Adopting a Pennsylvania Budget That Works

Maintaining the Safety Net Depends on Additional Cost Containment

Separate from the current national economic challenges, sustained increases in health care costs continue to exert pressure on the state budget. The commonwealth's cost-management efforts have held the rate of increase in health care expenditures to a level significantly below the national trend. Given the recent pattern of declining revenues, however, any increased costs are difficult to meet.

The commonwealth has approached the recent budgetary pressures with a focus on efficiency and a commitment to careful stewardship of state dollars. Some of the Department of Public Welfare's most significant cost-containment efforts have been focused on the Medical Assistance program. For example, the implementation of the AccessPlus program – which provides members with a primary care provider and disease management services – has resulted in more than \$80 million in savings since 2004. Pennsylvania's effective administration of its human service programs has yielded numerous performance bonuses from the federal government, and management improvements in the pharmacy program have resulted in more than \$300 million in savings over the past five years.

Pennsylvania's cost-containment strategy has also focused on preventing and prosecuting fraud in DPW programs. These efforts have resulted in the annual recovery of \$110 million through third-party liability collections and recovery of \$28 million a year in erroneous and fraudulent payments. Improvements in the contracting process have resulted in more than \$100 million in savings over the lifetimes of the agreements, and streamlining the auditing process has increased collections and cost avoidance by more than \$20 million.

The 2010-11 budget includes several new cost-containment initiatives for DPW that are designed to save millions of dollars in state funds while having a minimal impact on older Pennsylvanians, children, families and other vulnerable citizens. These initiatives include:

- **Increased Pharmaceutical Rebates** – Pending federal legislation, the department can realize additional revenues by collecting federal rebates on drug expenditures of Medicaid managed care organizations, resulting in substantial savings to the commonwealth. (\$102.5 million in savings)
- **Increased Pharmacy Efficiencies** – The department plans to further refine its pharmacy utilization management to ensure patient safety and enforce appropriate medication prescribing. The modifications planned are consistent with commercial coverage of pharmacy services and will increase medication compliance rates, improve clinical outcomes and further control expenditures. Changes include expansion of both automated prior authorization and the Specialty Pharmacy Drug Program. (\$4.6 million in savings)
- **Reduced Fraud and Abuse and Expanded Third-Party Liability** – The department will introduce legislation for a State False Claims Act and strengthen the Recipient Restriction Program. In addition, several administrative changes will be implemented to strengthen current efforts to identify and pursue cases of provider and recipient fraud, abuse and waste as well as increase third-party payer recoveries. (\$4.4 million in savings)

Restructuring Pennsylvania's Long-Term Living System

As a key component of Pennsylvania's efforts to control costs and improve the efficiency of state service delivery, the commonwealth is proposing a significant reorganization of the long-term living system by integrating several programs managed by the departments of Aging and Public Welfare. The 2010-11 budget proposes to combine these activities in a Department of Aging and Long Term Living to more efficiently coordinate Pennsylvania's efforts to balance the use of home and community-based and nursing facility services.

The commonwealth's plan for long-term living services is designed around three central principles:

- Consumers should have options to receive appropriate long-term living services in cost-effective settings that promote quality care.
- The long-term living system should be balanced so that home and community-based care – as well as institutional services – are accessible and available.
- Financial resources should be prudently managed and leveraged to help ensure that the commonwealth can help persons with disabilities maintain their independence and dignity and can meet the future needs of Pennsylvania's aging population.

Establishing a single entity for the administration of long-term living services will rebalance long-term living resources by consolidating policy, quality management and administration into one department. The new department will improve the commonwealth's ability to offer cost-effective services to persons with disabilities and to



Overview: Adopting a Pennsylvania Budget That Works

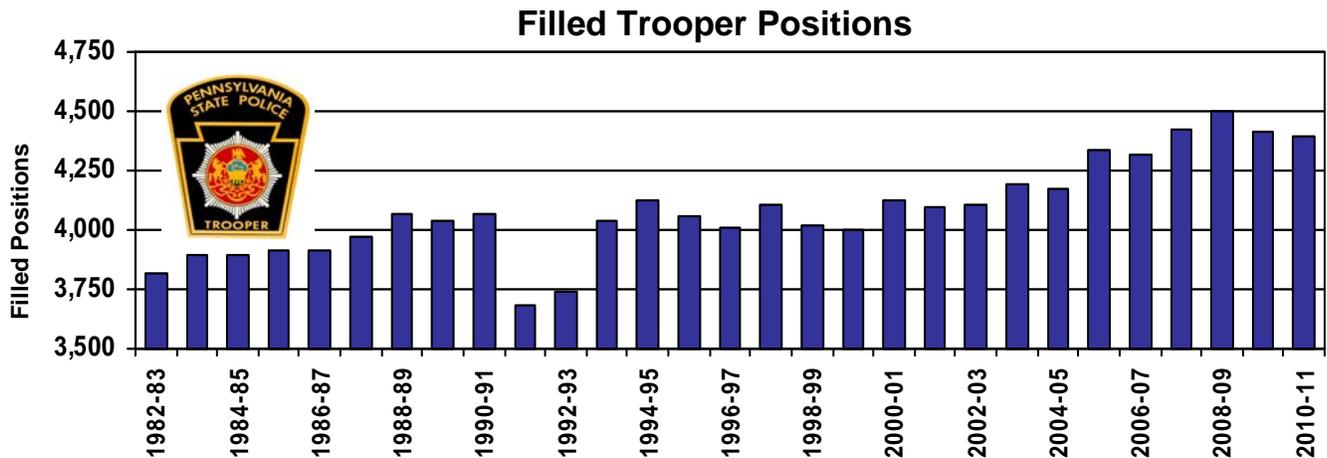
older Pennsylvanians, who together are responsible for nearly two-thirds of Medical Assistance expenditures. The 2010-11 budget proposes to provide home and community-based services for an additional 1,524 persons with disabilities and 1,692 additional older Pennsylvanians.

Making Pennsylvania Safer

Even with the significant budgetary pressures resulting from the economic downturn, the commonwealth is continuing its comprehensive and proactive approach to keeping Pennsylvanians safe in their homes and communities. This budget maintains the Rendell administration's commitment to public safety by continuing to ensure a historically high complement of State Police Troopers, providing the Department of Corrections and the Board of Probation and Parole with funding to help improve public safety, enhancing the security of Pennsylvania's driver's licenses and photo identification, and strengthening our ability to monitor and inspect oil and gas drilling.

- **Continued Funding for a Historically High State Police Trooper Complement**

Recognizing the vital role played by Pennsylvania's State Troopers in protecting communities across the commonwealth, the Rendell administration has supported significant increases in the statewide Trooper complement to historically high levels. This budget maintains that commitment by funding a new State Police cadet class that will commence its training program in October 2010. The 100 graduates from the class of 2010-11 will augment the Pennsylvania State Police's critical role in keeping communities safe, patrolling the commonwealth's highways, investigating crimes and improving the quality of life for Pennsylvanians.



- **An Expanded Capacity to Safely House Inmates**

Pennsylvania's prison population continues to rise. To address this growth trend, the 2010-11 budget provides \$13 million in funding to the Department of Corrections for more than 2,000 additional beds at nine corrections facilities. The budget also provides \$2 million for additional parole officer positions to improve parolee supervision and to reduce the likelihood of repeat offending.

- **Enhanced Security for Driver and Vehicle Documentation**

Pennsylvania's driver's licenses and ID cards are often the primary method for verifying personal identity across the commonwealth and throughout the nation. Safeguarding license holders from identity theft is therefore central to the commonwealth's public safety objectives.

Although Pennsylvania's driver's licenses, ID cards and vehicle title documents are currently among the most secure in the nation, the latest ID technologies and processing improvements will help make state identification and vehicle title documents even more difficult to counterfeit. The budget allocates \$334,000 to PennDOT to continue implementing these security enhancements.

- **Increased Staffing to Monitor and Inspect Oil and Gas Drilling**

Drilling for new natural gas wells in Pennsylvania's Marcellus Shale region is increasing at a record pace. The Department of Environmental Protection has issued permits for 2,500 Marcellus wells as of December 31, 2009, and current estimates are that the number of permits will double in 2010. To support the safe



Overview: Adopting a Pennsylvania Budget That Works

extraction of gas from the Marcellus Shale region, prevent land contamination and ensure the continued protection of Pennsylvania's water supply, the 2010-11 budget provides an additional 68 positions to strengthen the Department of Environmental Protection's oil and gas program. These additional positions will be fully funded by gas drilling permit fees. In addition, 12 new positions will be created in the Department of Conservation and Natural Resources to provide increased oversight of gas drilling in state forests.

Future Challenges

The 2010-11 budget is a balanced plan that responds to the difficult fiscal environment that will affect state revenues and expenditures in the coming fiscal year. It also positions Pennsylvania to confront a series of major financial challenges. Chief among these are the expiration of federal stimulus funding in 2011 after a short-term extension and the sharp increase in pension contributions anticipated in 2012-13.

Federal Fiscal Relief Funds Will Expire in 2011

The American Recovery and Reinvestment Act of 2009 (ARRA) is a concerted effort by the federal government and the states to preserve and create jobs, protect essential public services and make priority investments in clean energy, infrastructure, technology and education that will transform the nation. In Pennsylvania, the Recovery Act has provided funds for critical programs that benefit local businesses, individuals and families – in areas as varied as targeted tax incentives, highway construction, supplemental nutrition and weatherization assistance.

This budget includes funding from two major components of the federal stimulus program: budget stabilization funds to prevent cuts in education, public safety and other critical government programs; and temporary increases in the federal government's matching funds for the Medical Assistance program. These funds have been vitally important in counteracting the most rapid decline in state revenues in decades.

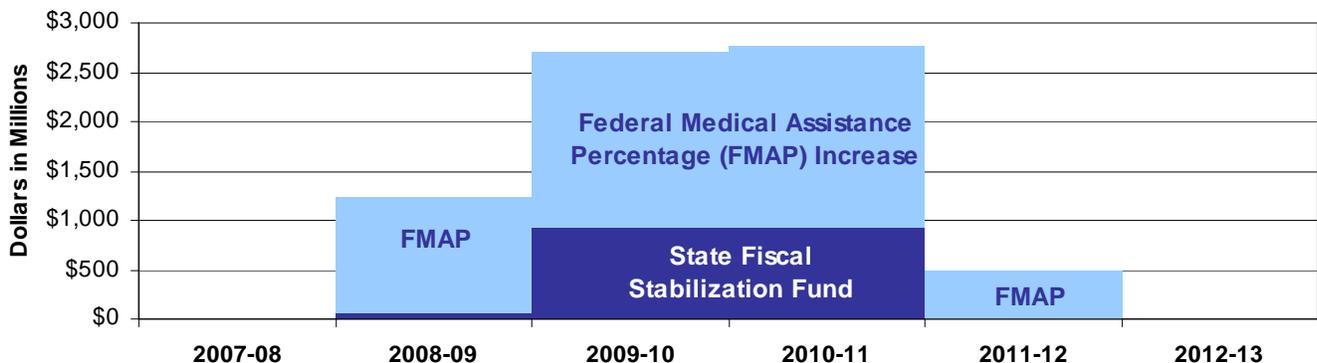
At the time of this budget's publication, Congress was considering a short-term extension to the federal government's increased share of Medical Assistance matching funds as originally enacted in ARRA. The 2010-11 commonwealth budget anticipates that the states will receive an additional three quarters of enhanced federal Medical Assistance program (FMAP) funds through September 30, 2011.

As a result of existing and anticipated federal action, \$921 million in fiscal stabilization funds and approximately \$1.8 billion in enhanced Medical Assistance matching funds will mitigate the need for drastic service cuts or broad-based tax increases that would otherwise be required to present a balanced budget in 2010-11. Federal fiscal relief has also provided the opportunity for the commonwealth to implement accountability measures that place Pennsylvania in a prominent position among the states as the nation returns to sustained economic growth.

However, 2011 will likely be the final year for which state fiscal stabilization and enhanced FMAP funds are available. Although this supplemental funding has greatly enhanced the commonwealth's ability to maintain critical services during the recession and its immediate aftermath, the expiration of the stimulus program will leave Pennsylvania in a precarious financial situation in budget year 2011-12. The lack of these funds will create a \$2.3 billion gap that will need to be closed by further service efficiencies, program cuts or new state revenue growth.

The Impact of Recovery Act Funds on the Commonwealth's General Fund Budget

The commonwealth anticipates that state fiscal stabilization and enhanced FMAP funds will expire in 2011. The expiration of these funds creates a \$2.3 billion gap that will need to be closed through service efficiencies, program cuts or increased state revenue.



Overview: Adopting a Pennsylvania Budget That Works

The Pension Rate Spike – A Huge Increase in Employer Contributions Is Due in 2012

In 2012-13 the commonwealth will face a sharp increase in employer contributions to the Public School Employees' Retirement System (PSERS) and to the State Employees' Retirement System (SERS). This widely reported "rate spike" is the commonwealth's second major financial challenge that must be faced in the new decade. Implementing an effective response to this challenge will be critical in preserving Pennsylvania's progress out of the national economic downturn.

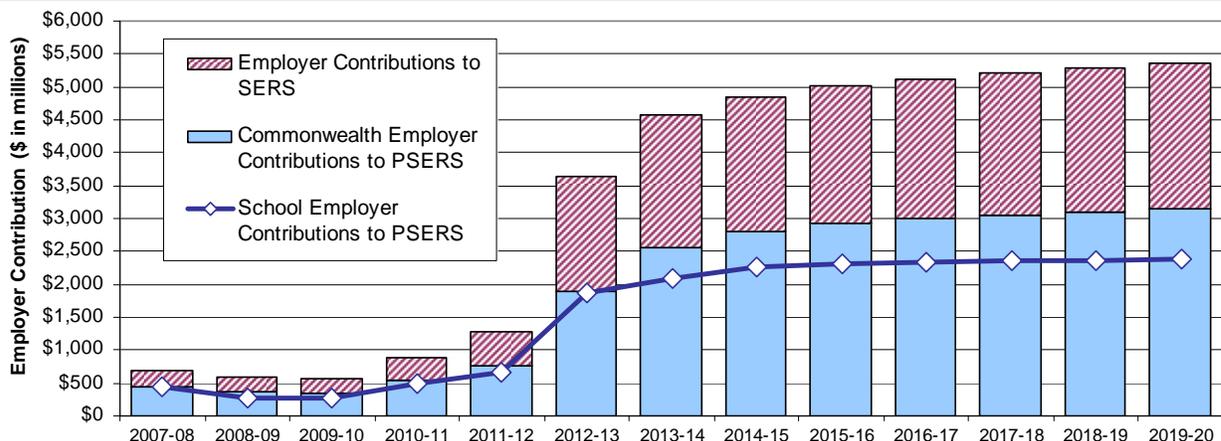
For PSERS, under current law and using the system's annual earnings assumption (8 percent per year), the commonwealth contribution is now projected to increase from \$758 million in 2011-12 to \$1.88 billion in 2012-13 (148 percent). That represents a single-year increase of \$1.13 billion. School districts' costs for retirement will spike at the same rate, with their contribution increasing from \$658 million to \$1.86 billion (183 percent).³

For SERS, also assuming 8 percent investment returns between now and 2012, employer contributions are forecast to increase from \$531 million in 2011-12 to \$1.77 billion in 2012-13, a single-year increase of \$1.24 billion, or 233 percent.

The rate spike is a result of retirement benefit enhancements approved by the General Assembly before Governor Rendell took office, actuarial adjustments to both systems enacted in 2002 and 2003 that postponed large short-term increases in employer contributions, and significantly lower-than-anticipated stock market returns in 2001-02 and during the most recent market downturn in 2008-09.

Projected Employer Contributions to PSERS and SERS

In 2012-13, the commonwealth budget and school district budgets will be hit by significant increases in pension contribution costs. Projections indicate that by 2012-13 the commonwealth's contribution to SERS and PSERS will reach \$3.7 billion – representing a \$2.4 billion single-year increase over 2011-12.



The Plan to Mitigate the 2012-13 Rate Spike

The 2010-11 budget proposes a pension funding method that will insulate the commonwealth and school districts from the employer rate spike in a manner that still recognizes the need for state and school employers to contribute significant additional funds to both systems over the next decade. The proposal would require the commonwealth to adopt a new policy to determine the annual pension contribution rate for SERS and PSERS. The purpose of this change would be to:

- 1) Take the first steps to returning the pension systems to actuarial soundness this year by funding significant increases in employer contributions over 2009-10 levels;
- 2) Mitigate the projected 2012-13 rate spike;
- 3) Deliver a funding schedule that makes contribution increases more incremental and predictable for the commonwealth and school employers, allowing time to absorb the impact of changes in retirement costs; and
- 4) Retain features of the current law wherever possible, including the five-year smoothing of actuarial gains and losses, as well as level-dollar contributions.

³ Percentage increases for state and school employers are different because they account for the one-quarter delay in commonwealth payments to PSERS pursuant to Act 29 of 1994.



Overview: Adopting a Pennsylvania Budget That Works

The plan consists of two interrelated components: a “Fresh Start” for the Pension Systems’ Liabilities and an Incremental Phase-in to Higher Contributions.

In the same way as refinancing a mortgage, a fresh start would allow the commonwealth to start anew and begin an incremental upward ascent in funding retirement costs. Based on their most recent actuarial valuations, the retirement systems would undertake a fresh start that would reamortize liabilities over 30 years. The systems would retain both their more-conservative level-dollar amortization schedules and their ability to recognize each year’s investment gains and losses incrementally over five years.

A fresh start goes some way toward mitigating the rate spike, but still results in a substantial one-time increase in the employer contributions required for both pension systems. Therefore, the proposal adds to the fresh start solution a series of incremental steps that would limit annual contribution increases to sustainable amounts over a period of approximately 10 years. In conjunction with this incremental system, a fresh start could offer a meaningful medium-term solution for the commonwealth’s pension challenges.

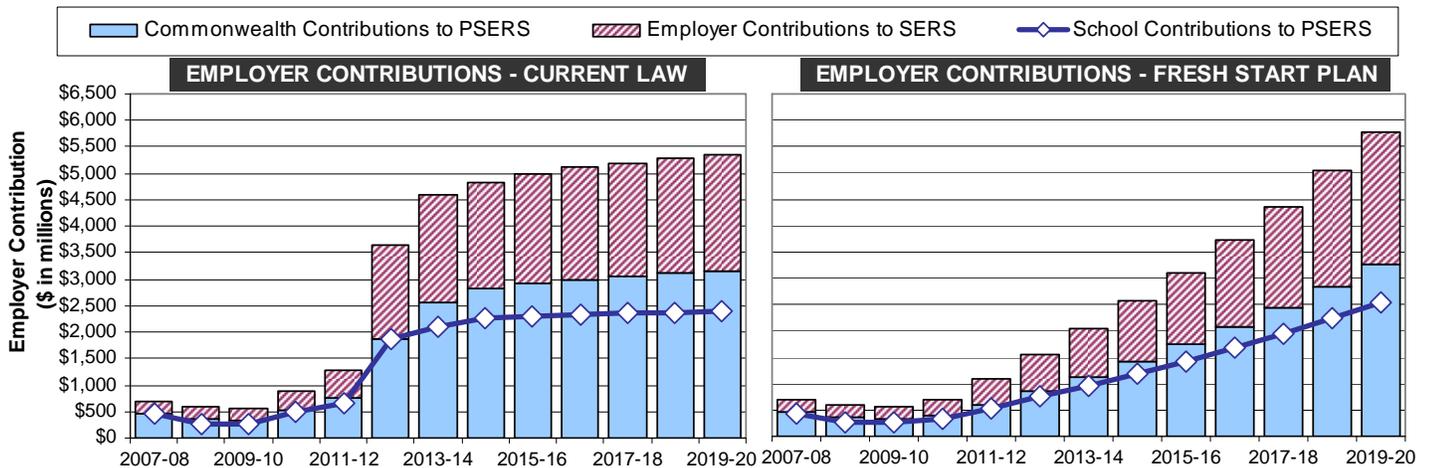
In 2010-11, the commonwealth and school district employers would begin to fund the incremental step-up in pension costs by increasing employer contribution rates to PSERS and SERS by one percent of payroll. This represents an additional all-employer investment in our pension systems of \$200 million – or 24 percent – over 2009-10 levels. Thereafter, contribution amounts would be scheduled to increase annually by a maximum of 3 percent of payroll.

This proposal would allow for incremental but sizeable increases in employer funding for SERS and PSERS to a point where contributions would meet a target of paying the systems’ normal cost and amortizing their unfunded liabilities within the 30-year amortization time frame of the fresh start.

The resulting funding schedule would introduce a new contribution schedule that increases the commonwealth’s and school districts’ employer contributions in a graduated and predictable manner over the next 10 to 11 years. Higher-than-expected investment returns would reduce the number of years of phase-in required. Finally, any increase in benefits, such as new COLAs, would add to the unfunded liability and would therefore require immediate additional employer contributions to be appropriated for the systems.

Projected Employer Contributions to PSERS and SERS Under the Fresh Start Plan

The 2010-11 budget will take the first steps to returning our pension systems to actuarial soundness, with \$200 million in additional employer contributions to the pension systems over 2009-10 levels. Future Increases will be significant but incremental, allowing state and school district budgets to absorb the impact of increased pension costs over a period of 10 years.



This pension funding strategy meets the immediate challenges facing the commonwealth’s two statewide public pension systems head on. It offers a solution that both addresses the 2012-13 rate spike and provides a road map back to long-term actuarial soundness for the pension systems, providing greater security that the commonwealth and school districts will be able to meet all future pension funding obligations for both current and future retirees.

Overview: Adopting a Pennsylvania Budget That Works

Adopting a Pennsylvania Budget That Works

Along with other state and local governments, families and businesses all across the nation, the commonwealth is grappling with the consequences of the largest economic downturn in decades. In Pennsylvania, however, prudent management of state taxpayer dollars and federal fiscal relief have kept the commonwealth prominent among the 50 states in fiscal stability. In addition, our ongoing investments in education, economic development, clean energy and infrastructure have positioned Pennsylvania's economy to compete even more strongly as the nation continues its economic recovery.

The 2010-11 budget is a prudent and balanced plan in a time of hard choices. The budget provides funds to protect the social safety net for Pennsylvania's older residents, families, children and vulnerable citizens. It also makes additional key investments to maintain the commonwealth's commitment to public safety.

However, despite this balanced plan in 2010-11 and Pennsylvania's advancements over the last seven years, the commonwealth faces significant challenges in 2011-12 as a result of continued weaknesses in state revenue collections, unemployment at higher-than-average levels, a phase-out of federal fiscal relief and the spike in contributions to the two statewide pension systems that is due in 2012-13. Our collective response to these challenges will be critical in preserving Pennsylvania's progress in this new decade.

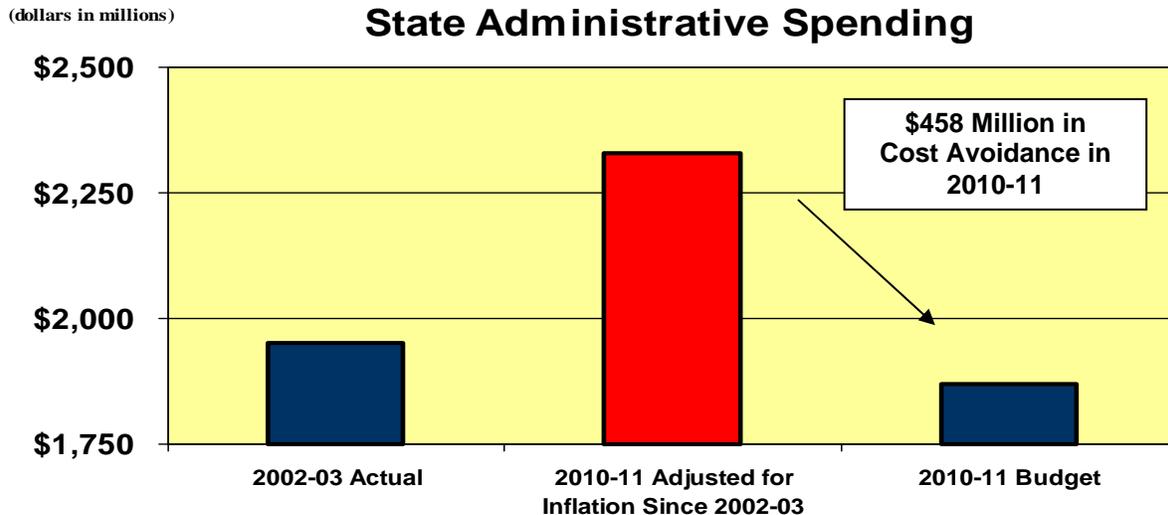


Making Government Work Smarter

Despite recent declines in state revenue, Governor Rendell's administration has been able to sustain critical programs by finding innovative ways to drive down the cost of operating Pennsylvania state government.

Cutting Administrative Costs

Governor Rendell's 2010-11 budget proposal features his fifth consecutive call for level or reduced funding for most general operating appropriations. Since 2002-03, state agencies have reduced their operating costs by 4 percent. If state administrative spending had been allowed to grow with the rate of inflation, commonwealth agencies would spend \$458 million more in this budget to operate state government.



The Governor has ordered a broad range of cost-containment measures as a response to a slower-than-anticipated recovery from the global recession. These actions include:

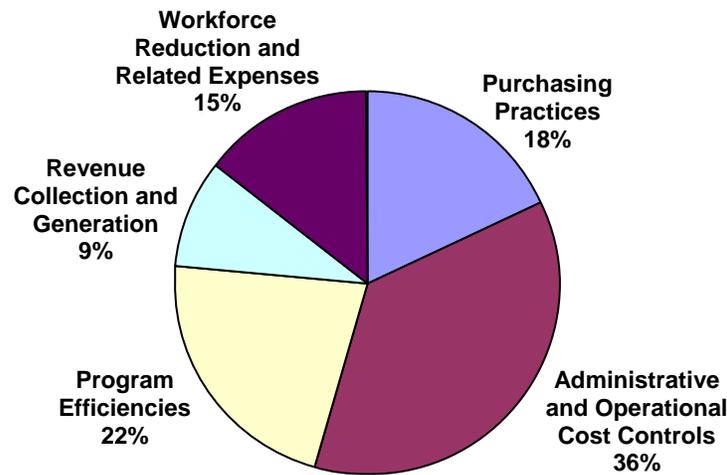
- Extending a freeze on management and non-union salaries in 2009-10, saving \$87.3 million
- Restricting out-of-state travel to save \$14 million annually

The continuation of the commonwealth's hiring freeze and the elimination of another 500 vehicles from the state's vehicle fleet have also significantly contributed to the administration's efforts to further reduce administrative spending. As a result of the hiring freeze and a series of other initiatives designed to streamline government, the state has 5.5 percent fewer workers than it had in January 2003.

Exceeding Savings Goals

In 2003, the Governor pledged to Pennsylvanians that he would dramatically reduce the cost of government by achieving \$1 billion in annual recurring savings during his first term. After fulfilling this promise, he challenged his cabinet in early 2007 to identify an additional \$500 million worth of efficiencies during his final four years in office. Through the end of the 2008-09 fiscal year, state agencies were able to deliver \$1.75 billion in annual recurring savings. These administrative savings will be used to support programs that directly affect Pennsylvania's citizens. In this period of economic uncertainty and declining state revenues, these savings are even more important as the administration looks to safeguard those programs that protect Pennsylvania's neediest citizens.

Components of the \$1.75 Billion in Management and Productivity Savings



All agencies have contributed to this success by thoroughly reviewing their operations and pursuing all viable opportunities for savings. Savings have resulted from agencies making their programs more efficient, reducing administrative and operating costs and improving their purchasing practices. For example: PennDOT extended the average life of its traffic signs by five years by making them more durable. This reduced annual replacement costs by \$768,000 in the first year of the program. The Department of Environmental Protection cancelled 25 cell phone contracts and adopted a program that enables its employees to share their minutes with each other, saving \$22,000 annually. The State Police saved \$2,000 by removing unnecessary pay phones from the grounds of its Training Academy. Although agency-driven efforts such as these rarely make the spotlight, they clearly illustrate the Rendell administration's dedication to the responsible stewardship of public funds.

Improving Government Operations

In addition to those projects that have largely yielded program-specific savings, the state's central administrative agencies have developed a series of enterprise-wide initiatives that are cutting costs, eliminating paperwork and delivering higher-quality services for state agencies, their suppliers and constituents. Several of these projects are variations on the same "shared-services" theme. Consolidating administrative functions in this way not only cuts costs but also leaves the agencies free to focus on their core programs.

Procurement

The Rendell administration first put this shared-services model to the test when it transferred most of the responsibility for the state's purchasing activities from dozens of distinct agency administrative offices to the Department of General Services. By bringing state government's buyers together, the administration has reduced the number of positions dedicated to this work and improved service delivery through specialization and enhanced training.

This reorganization is one of the reasons why Governor Rendell's Strategic Sourcing Initiative has been so successful. In the past, purchasing agents scattered across multiple agencies would purchase the same commodity through separate contracts with one or more vendors. Now, DGS is buying on behalf of all state agencies. By consolidating demand, Pennsylvania has significantly improved its negotiating power with vendors. Through the end of 2009, the Strategic Sourcing Initiative was generating \$325 million in annual savings.

Overview: Making Government Work Smarter

Information Technology Consolidation

In 2004, Governor Rendell signed Executive Order 2004-8, which directed the Office for Information Technology to begin a multi-year process of consolidating the state's Information Technology resources by aligning agencies' existing investments, planning activities and technical strategies with the state's overall vision for information technology. For each agency, this process begins with a detailed review of staffing, planning, applications and infrastructure, and it results in a customized consolidation assessment. Each agency's report includes a transition plan to address any identified gaps in existing IT capabilities. Most agencies that complete this process elect to turn these functions over to OIT, but others have opted to merge with peer agencies instead. For instance, the Board of Probation and Parole folded its IT operation into that of the Department of Corrections.

The IT consolidation initiative is not designed to eliminate positions, but to improve services. In the past, most agency IT offices had only a few employees, which meant that smaller agencies lacked access to the commonwealth's full range of expertise. The consolidation program is gradually chipping away at this compartmentalization, and is now enabling state government to make optimal use of its employees' skills and experience.

Finance Transformation

Pennsylvania state government is a multi-billion dollar organization, purchasing goods and services from tens of thousands of organizations each year. When Governor Rendell took office, the commonwealth was in the midst of a multi-year implementation of its enterprise resource planning system – an information system that integrates the commonwealth's separate administrative databases. After this project was completed during the Governor's first term, the need to overhaul the state's business practices relating to purchasing and payment became apparent. The Governor commissioned an exhaustive inventory of Pennsylvania's relevant procedures and asked for a set of recommendations that would reduce processing time, improve cash management practices and eliminate red tape.

The study that resulted served as the basis of the Finance Transformation project. Much like the overhaul of procurement in the Governor's first term, this project consisted of two main components – a comprehensive update of outdated procedures coupled with a reorganization of the offices that provide the relevant services. Over an 18-month period during 2008 and 2009, the Office of the Budget restructured its Comptroller Operations group to establish consolidated offices for accounting, auditing, financial management, payables, quality assurance and other key roles. This represented a significant departure from Comptroller Operations' previous structure, in which agencies were served by six distinct comptroller organizations.

This restructuring eliminated redundancies and made the commonwealth a more attractive business partner for current and prospective vendors. In the past, there was no standardized way for suppliers to check on the status of their pending payments from the state. As a result, vendors often had to make many phone calls over several days. Now, the Payable Services Call Center is a one-stop shop for questions about vendor registration or payment status. Also, to eliminate paperwork and accelerate the payment process, many of the state's suppliers are now participating in an electronic invoicing initiative. As this initiative expands, the increased automation will further reduce costs, delays and manual errors.

Human Resources Shared Services

One of the benefits of the enterprise resource planning system is that many paperwork-intensive processes, such as requesting and approving vacation time, became paperless for most employees. Although the responsibilities of agencies' human resources offices changed with the new system, many offices were slow to adjust. In 2009, the Office of Administration launched an initiative to develop a Human Resource Shared Services Center. During the first half of 2010, the center will gradually become responsible for managing common personnel transactions such as transfers or promotions. This will allow each agency's human resources office to concentrate on those tasks that require agency or program-specific expertise, such as recruitment. The efficiencies realized as a result of this consolidation will reduce operating costs by more than \$1 million per year.

Managing With the Help of Data

To help agencies confront the challenges presented by weak revenue collections caused by the national recession, the Office of Administration has created a series of reports that agencies are using to review current, accurate data on their personnel, budget and procurement activities. Combining records from several sources, these reports give agency executives the details they need to make informed decisions about how to best allocate



Overview: Making Government Work Smarter

their scarce resources. Centralized IT employees in the Office of Administration build reports for government-wide use. In addition, developers from more than a dozen agencies have received training that enables them to use this technology in their own agencies. For instance, the Department of Corrections now uses this system to track and forecast changes in prison population. This technology is also crucial to Pennsylvania's tracking and reporting of its investments of federal funds from the American Recovery and Reinvestment Act.

Managing Smarter to Serve Better

The Rendell administration's management and productivity improvement initiatives have reduced operating costs by more than \$1.75 billion annually and are streamlining key administrative functions relating to personnel, finance, information technology and procurement. These efforts have not only saved money but also have vastly improved the commonwealth's operations, thereby ensuring that taxpayer dollars are spent wisely and directed to programs that benefit Pennsylvania's residents.



Creating a Fairer Tax Structure

Over the past seven years, Governor Rendell's administration has enacted tax cuts that have substantially reduced property taxes for Pennsylvania families, generated billions of dollars in tax savings for Pennsylvania businesses and improved the commonwealth's overall economic competitiveness. The Governor is proposing additional tax reforms in 2010-11 that will build on this record and create a fairer tax structure for both families and businesses.

Continuing Property Tax Relief for Pennsylvania Homeowners

The 2010-11 budget marks the fourth year of historic property tax relief for Pennsylvania homeowners. The Taxpayer Relief Act – signed into law in 2006 – has eliminated school property taxes for more than 123,000 senior citizens and has greatly reduced property taxes for low-income seniors and those with a high tax burden. Each Pennsylvania homeowner will continue to receive an average of nearly \$200 in state-funded property tax relief, with even more savings for older adults. In addition to the \$1.7 billion in relief provided to date, Pennsylvania homeowners are projected to receive an additional \$770 million in savings in 2010-11, for a total of \$2.5 billion in property tax relief. Families and individuals have also benefited from \$1.4 billion in tax saving due to the special poverty exemption, inheritance tax reform and deductions to qualified 529 college savings plans. Altogether, property tax and other savings for households total \$3.9 billion.

\$3.9 Billion in Tax Relief for Pennsylvania Families Since 2003

Category of Tax Relief	Amount of Tax Relief
PROPERTY TAX RELIEF (2007-08 to 2009-10)	\$1.70 billion
PROPERTY TAX RELIEF (Projected 2010-11)	\$.77 billion
Property tax relief for all homeowners from gaming revenue (including wage tax relief in Philadelphia)	\$613.7 million
Enhanced property tax rebates of up to \$650 for senior citizens earning up to \$35,000 a year	\$129.1 million
Higher rebates for senior citizens with a high tax burden or those living in cities with a high tax burden	\$26.9 million
SUBTOTAL - PROPERTY TAX RELIEF	\$2.47 billion
OTHER TAX SAVINGS* (2003-04 to 2010-11)	\$1.40 billion
TOTAL SAVINGS	\$3.87 billion

* Other tax savings include the special poverty exemption, the state inheritance tax recoupe to the federal estate tax, and 529 college savings plan deductions.

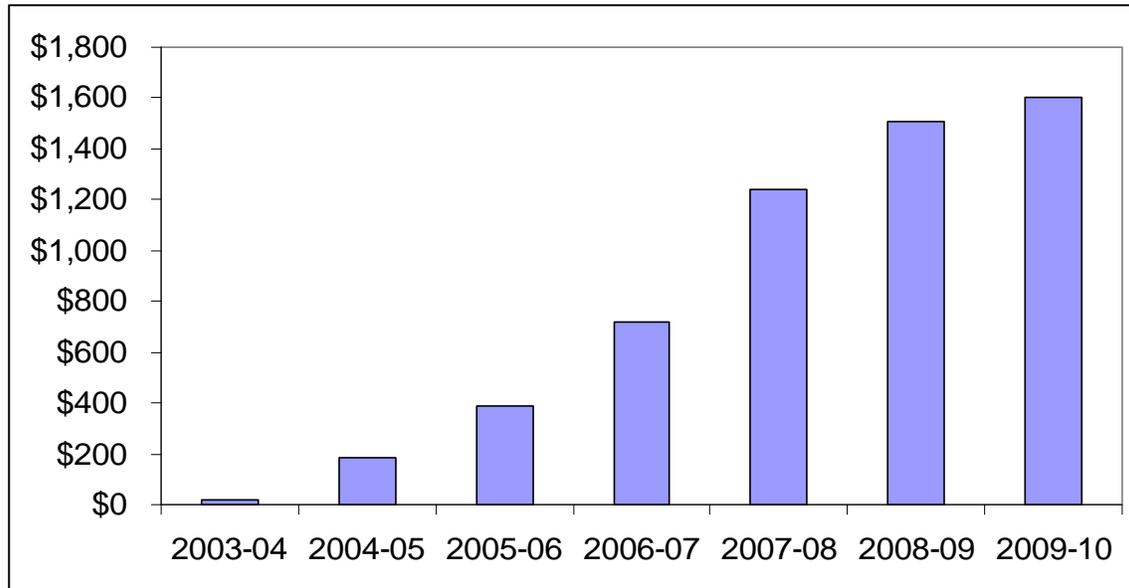
Pennsylvania's Businesses Gain \$5.7 Billion in Tax Savings

Since 2003, business tax cuts have reduced the cost of doing business in Pennsylvania by a total of \$5.7 billion. These savings have strengthened the commonwealth's business climate, improving the bottom line for companies and increasing their ability to create and retain jobs. Specific tax cuts include major reductions in the capital stock and franchise tax, targeted new tax credits and an expansion of the net operating loss deduction.

Overview: Creating a Fairer Tax Structure

\$5.7 Billion in Total Business Tax Savings Since 2003

(in millions of dollars)



Independent studies confirm that Pennsylvania's tax climate is competitive with and in many cases is better than the tax climates in surrounding and other competitor states:

- A 2007 study by the financial services firm Ernst & Young, in conjunction with the Council on State Taxation, showed that Pennsylvania businesses pay a smaller share of total state and local taxes than the national average and pay lower taxes than businesses in three of six surrounding states.
- The non-partisan, business-funded Tax Foundation rates the commonwealth's business tax climate as more favorable than that of five of the six surrounding states – New Jersey, New York, Maryland, Ohio and West Virginia. In that same ranking, Pennsylvania is near the middle nationally, at 28th best out of 50 states.
- The Tax Foundation also concluded that the total state and local business tax burden in Pennsylvania is lower than in New Jersey, New York, Maryland and West Virginia.
- Pennsylvania's overall tax rankings may improve when the latest round of tax changes are factored into the comparisons. The recession sharply reduced state revenues across the nation, and many states responded by increasing their sales taxes or personal income taxes or both to balance their budgets. Pennsylvania's 2009-10 budget did not include any broad-based tax increases.

The Governor's Tax Reform Package: Creating a Fairer Tax System That Prepares Pennsylvania for Future Fiscal Challenges

Despite this record of accomplishment, Pennsylvania tax rates are still too high. Governor Rendell is proposing a tax reform package that will lower the Sales and Use Tax and the Corporate Net Income Tax rates to create a fairer tax structure for both families and businesses. The budget also eliminates the Vendor Sales Tax Discount, extends the tobacco tax to include cigars and smokeless tobacco, and proposes a new severance tax on natural gas extraction. These measures will give Pennsylvania a more reliable tax base that grows with the economy while at the same time improving the commonwealth's competitive position.

All revenues from these measures raised during the 2010-11 fiscal year will be placed in a new **Stimulus Transition Reserve Fund** to help balance Pennsylvania's 2011-12 budget when federal stimulus funding from the American Recovery and Reinvestment Act ends and the state's pension obligations begin to increase. In 2010-11, the federal government is projected to provide Pennsylvania with \$2.8 billion in stimulus funding, but only \$500 million of these funds will be available in 2011-12. Unless we start taking steps today, Pennsylvania will have no good options when the federal stimulus program ends and will be faced with the choice of drastic spending cuts or massive tax increases.



Overview: Creating a Fairer Tax Structure

2010-11 Stimulus Transition Revenue Package Summary

Type of Revenue	Additional Revenue September 2010 to June 2011	Resulting Revenue Used for 2010-11 Budget	Transfer to Stimulus Transition Reserve Fund
Sales and Use Tax Reform (cut sales tax rate to 4% and eliminate 74 tax exemptions)	\$531.5 million	\$0	\$531.5 million
Eliminate the Vendor Sales Tax Discount	\$73.6 million	\$0	\$73.6 million
Extend Tobacco Products Tax to Cigars and Smokeless Tobacco	\$41.6 million	\$0	\$41.6 million
Natural Gas Severance Tax	\$160.7 million	\$0	\$160.7 million
Business Tax Package (combined reporting, single sales factor, uncap the NOL deduction)	\$66.6 million	\$0	\$66.6 million
Total	\$874.0 million	\$0	\$874.0 million

Pennsylvania Can Cut the Sales and Use Tax Rate From 6 Percent to 4 Percent

Governor Rendell proposes to reduce Pennsylvania's Sales and Use Tax rate from 6 percent to 4 percent and to eliminate 74 categories of tax exemptions, many of which have been added to the Tax Code over the last half century. As a result, Pennsylvania's sales tax rate will be reduced by one-third, making it the second-lowest rate among states that have a sales tax. Vital necessities such as food, clothing and prescription medicine will continue to be exempt from the sales tax, and the average Pennsylvania household will be largely unaffected by this plan. The Governor's plan preserves the original exemptions for manufacturers that cover processing, agriculture and machinery and equipment. These changes will be effective on September 1, 2010.

Pennsylvania adopted its first sales tax in 1953. As originally enacted, the sales tax applied to nearly all categories of tangible goods, with only a limited number of exemptions. However, Pennsylvania's sales tax law has been amended numerous times over the last half century, and those amendments have chipped away at the tax base: A total of 100 categories of goods and services have been removed from the base over the years. Many of these exemptions singled out narrowly defined goods that benefitted relatively few businesses.

While exempting the basic necessities of food, clothing and prescription medicine that benefit virtually all Pennsylvanians can be justified on economic and tax fairness grounds, it is hard to make a case for many of the other exemptions that have been added over the years. One exemption added in 1982 exempts the sale of certain types of trout while purchases of all other kinds of fish are taxed. An exemption for horses added in 1979 exempts the sale of a horse if the seller is directed to deliver the horse to an out-of-state location. There are also exemptions for direct mail advertising, airline catering, investment metal bullion, investment coins and helicopters. These exemptions benefit a relatively small number of taxpayers and do not have a clear public policy purpose. In other cases, the tax code is inconsistent in how it treats similar items. For example: Magazine subscriptions are tax exempt, while magazines purchased at stores are taxed. A broader base with fewer exemptions is simpler and makes for a fairer tax.



Overview: Creating a Fairer Tax Structure

Tax Exemptions Have Eroded Pennsylvania's Sales Tax Base Over the Last 50 Years

Exemption	Year Exemption Enacted in PA
Wrapping and Packing Supplies	1956
Coal	1957
Commercial Vessels (Equipment, Maintenance)	1957
Dry-Cleaning & Laundry Services	1959
Caskets and Burial Vaults	1963
Magazines	1963
Flags	1963
Rail Transportation Equipment	1963
Catalogs and Direct Mail Advertising	1963
Fish Feed	1980
Trout	1982
School Buses	1982
Firewood	1983
Construction of Memorials	1985
Personal Hygiene Products	1991
Candy/Gum	1997
Airline Catering	2001
Investment Metal Bullion & Investment Coins	2006
Helicopters	2009

Pennsylvania's current sales tax is applied to tangible goods while services are left largely untaxed. This broad exclusion is increasingly hard to justify as services have grown steadily as a share of the US economy. Spending on services represented less than half of total consumption during the 1950s, but now it accounts for more than two-thirds of consumption. Because the sales tax base excludes so much of the economy, a higher tax rate is needed to raise the same amount of revenue. The Governor's proposal would add nearly all services into the tax base except for health care services and educational tuition. By realigning the sales tax base to make it more closely match the mix of goods and services in the economy, Pennsylvania can significantly lower the sales tax rate and create a more equitable tax system.

Many other states, including neighboring states, already tax many of the goods and services that Pennsylvania excludes. For example, more than 30 states already tax candy and gum, magazines and residential telephone service. The fact that so many other states already include the goods and services that Pennsylvania has eliminated from its tax base suggests that Pennsylvania can add these categories to the tax base without doing damage to its competitive position.



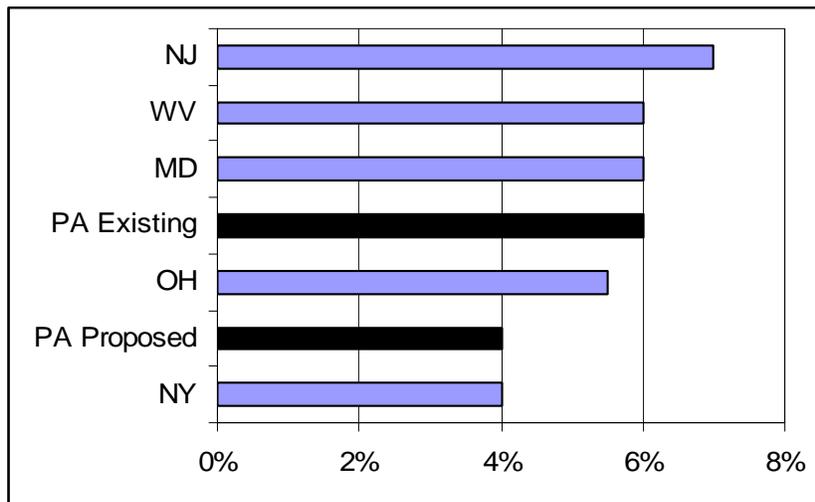
Overview: Creating a Fairer Tax Structure

Other States Already Tax Goods and Services That Pennsylvania Exempts

Category	Number of Other States That Tax This Category
Personal Hygiene Products	43
Telephone – Residential	35
Caskets and Burial Vaults	37
Magazines	32
Flags	31
Candy/Gum	31
Coal	23
Firewood	23
Dry-Cleaning & Laundry Services	20
Basic Television	19
Wrapping and Packing Supplies	11
Rail Transportation Equipment	11
Water and Sewage Services	11

Governor Rendell's plan will also bring Pennsylvania's sales tax rate below the rates in nearly all of our neighboring states. Other than New Jersey, all of Pennsylvania's surrounding states have tax rates that are either the same as or lower than Pennsylvania's. Under the Governor's plan, Pennsylvania's rate will move below the rates in Maryland, West Virginia and Ohio and will be the same as New York's. The lower sales tax rate will benefit many retailers located near the Pennsylvania border who have previously expressed concern about customers traveling across state lines to shop. Nationally, in comparison to all states that rely on a sales tax, only Colorado will have a lower state sales tax rate than Pennsylvania.

Pennsylvania's Sales Tax Rate Will Fall From 6 Percent to 4 Percent



Additional Common Sense Tax Measures

The Governor is proposing three additional revenue enhancement measures that will take effect July 1, 2010. As with the changes in the Sales and Use Tax, the additional revenue generated from these measures will be directed to the Stimulus Transition Reserve Fund to balance future budgets.

- **Eliminating the Vendor Sales Tax Discount.** This budget will eliminate an archaic Tax Code provision called the "Vendor Sales Tax Discount." This discount, which dates back to the 1950s, currently offers a 1 percent discount to companies that file their Sales and Use Tax payments on time. The original justification for the discount was that sales tax calculations done by hand were burdensome. In the 1950s, businesses had to manually calculate what they owed to the state. Today, more than 90 percent of companies electronically file their sales tax records to the state, and even very small companies are likely to use computers. Consequently, the original justification for the Vendor Sales Tax Discount no longer applies. Removing the discount will not unduly burden businesses, since more than half receive a discount of only \$9 a year and two-thirds of all filers receive less than \$100 a year.
- **Other Tobacco Products Tax.** Pennsylvania remains the only state in the nation that does not tax tobacco products such as smokeless tobacco and cigars. Governor Rendell is again proposing that we end this anomaly. Polls show that 90 percent of the public supports taxing these products, especially if the taxes are used to fund health care programs. Adopting this proposal will bring Pennsylvania in line with every other state by closing this loophole.
- **Marcellus Shale Severance Tax.** Pennsylvania has immense natural gas reserves in a geologic formation known as the Marcellus Shale. Large corporations in the oil and gas industry have already expanded their Pennsylvania operations to extract these reserves, and the industry is growing at a rapid pace. The Department of Environmental Protection has issued permits for 2,500 Marcellus wells as of December 31, 2009, and current estimates are that the number of permits will double in 2010. In a recent Marcellus Shale land lease sale, the commonwealth received more than twice the revenue it expected. These results convincingly demonstrate that the industry can bear a tax and remain profitable. Pennsylvania is one of just six states in the nation that does not tax natural gas, and there is broad public support for this kind of an energy tax.

The Business Tax Reform Package Will Cut Taxes and Improve Competitiveness

Governor Rendell is also proposing a set of business tax reforms that will level the playing field for Pennsylvania businesses, reduce Pennsylvania's Corporate Net Income Tax rate, and help Pennsylvania companies add more jobs. Today, approximately three out of four Pennsylvania companies subject to the tax pay no Corporate Net Income taxes in Pennsylvania. Because so many businesses today pay nothing, the remaining firms are subject to a higher corporate tax rate than would otherwise be the case, making other pro-business tax reforms unaffordable. The Governor's business tax reform package will put an end to tax avoidance strategies that are being used today and will make Pennsylvania the 24th state to adopt a process called combined reporting. The Governor's business tax reform package will also:

- Reduce the Corporate Net Income Tax rate from 9.99 percent to 8.99 percent;
- Adopt a single sales factor for the apportionment of income; and
- Remove the cap on net operating losses prospectively, and retain the current cap of \$3 million, or 20 percent, of taxable income for prior years' losses.

These changes will become effective for tax years beginning on or after January 1, 2011.

Combined reporting is not a new proposal, but it is an idea whose time has come. In 2004, Governor Rendell established a twelve-member Business Tax Reform Commission that endorsed the concept of combined reporting along with reductions in the Corporate Net Income Tax, implementation of a single sales factor, and the uncapping of the net operating loss deduction. At that time 17 states had enacted mandatory combined reporting. Since 2005, six more states, including neighboring New York and West Virginia, have implemented this reform. If Pennsylvania had moved more quickly, it would have been able to lower its corporate tax rate and adopt other pro-growth reforms years sooner.

Overview: Creating a Fairer Tax Structure

States That Have Adopted Combined Reporting Since 2005

State	Year Adopted
Texas	2006
West Virginia	2007
New York	2007
Michigan	2007
Massachusetts	2008
Wisconsin	2009

The case for combined reporting is well established. The current law requires separate company reporting, which allows businesses to shelter profits through the use of legal tax avoidance strategies. Some companies establish passive investment companies, such as Delaware holding companies, to shift income outside the commonwealth to no- or low-tax states. Other businesses reduce or eliminate their tax bill through transfer pricing strategies that have no economic rationale other than to minimize corporate tax bills. Mandatory combined reporting will put an end to these tax avoidance strategies.

Pennsylvania's Corporate Net Income Tax rate is currently the second-highest in the nation and the highest among surrounding states. Companies looking for a location may be deterred by the published rate before finding out the advantages of coming to Pennsylvania. Reducing the Corporate Net Income Tax rate by one percentage point to 8.99 percent will bring Pennsylvania's rate closer to rates in nearby states and will make Pennsylvania a more attractive location for businesses.

The Governor's plan also adopts a single sales factor model, which will benefit manufacturers and other firms that sell to national and global markets. Under the single sales factor system, Pennsylvania will no longer calculate taxes based on a firm's workforce or physical presence but will instead consider only the share of a company's sales that take place in Pennsylvania. The single sales factor model is good for employers, including manufacturers that already have a significant presence in Pennsylvania but sell most of their goods and services in other markets. Supporting the existing manufacturing job base and creating incentives for new firms to locate in Pennsylvania will create and retain jobs. Ten other states already use the single sales factor model.

Finally, under the Governor's proposal, Pennsylvania will join 44 other states that do not have a dollar limit on the amount of net operating losses that can be carried forward to offset future earnings. By lifting the cap on net operating loss deductions, Pennsylvania will become a more attractive place for entrepreneurs to start new businesses and create new jobs. Many companies, including technology and biotech firms, do not record profits for the first few years of operation. Uncapping the net operating loss deduction will help create more jobs in these industries as well as support new job growth by alternative energy, clean transportation and environmental cleanup companies. These sectors represent significant opportunities for job growth in Pennsylvania's green economy, which is forecast to generate 115,000 new jobs between 2010 and 2020.

Creating a Fairer Tax Structure

Governor Rendell's tax package will lower tax rates for individuals, families and business and will improve Pennsylvania's overall tax climate. These measures will give Pennsylvania a reliable tax base that grows with the economy while at the same time improving the commonwealth's competitive position. The Governor has proposed a balanced 2010-11 budget that does not utilize any revenues from these measures and instead prudently reserves the additional revenue to help balance future budgets and offset both the loss of federal stimulus funds and increasing pension costs.



Education - Investing in Our Children, Preparing for the Future

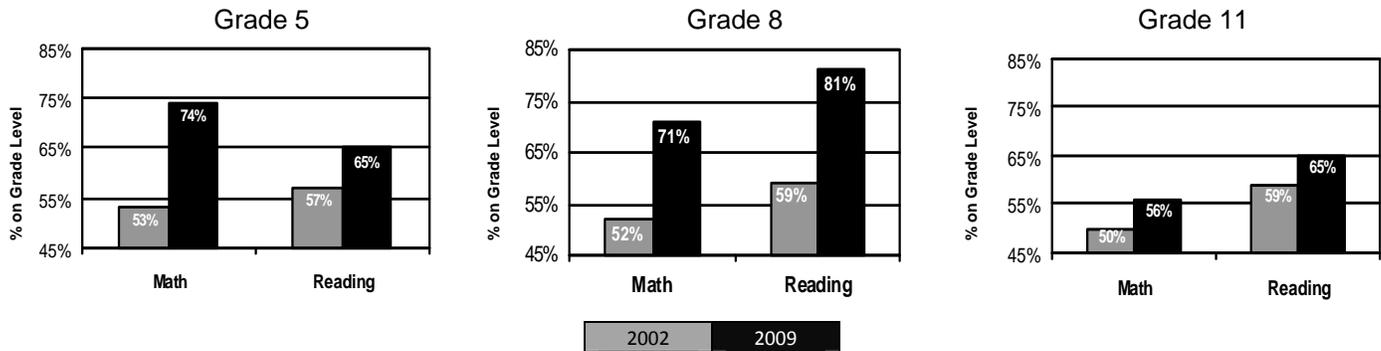
Governor Rendell has made education a top priority for Pennsylvania – championing new investment and greater accountability as critical to the commonwealth’s economic development strategy and in fulfillment of our moral imperative to ensure that today’s students have the opportunity to succeed in the competitive, high-skills knowledge economy of the future.

Throughout his administration, the Governor has consistently followed a path toward constructive and active partnership between the state and Pennsylvania’s school districts. Hand in hand with the General Assembly, he has built the nation’s best early childhood infrastructure, enacted a school funding formula based on reaching funding adequacy in every district and helped districts raise student achievement with support for targeted interventions of evidence-based strategies.

Pennsylvania is now a real investor in the state’s public schools. Our funding formula recognizes the actual number of students in each district, geographic price differences and the additional costs of English-language learners and children from low-income families. In addition to increases in the Basic Education Subsidy, the Governor and the legislature have provided an additional \$2.5 billion over the past seven years in funds for specific targeted programs, including the highly successful Classrooms for the Future program, Pre-K Counts, the Accountability Block Grant, the Educational Assistance Program and Dual Enrollment.

These programs and resources have had a dramatic and sustained effect on student achievement, with greater student achievement across the state in every grade and subject.

Nearly 30 Percent More Students Are on Grade Level Than in 2002



Beyond the dramatic overall achievement gains that have taken place since 2002, it is important to note that many of the most academically challenged school districts and student populations are making strong progress:

- Nearly three-quarters of Pennsylvania students performed on grade level in reading and math in 2009.
- The number of school districts with at least half of their students *below* grade level dropped from 125 school districts in 2002 to just 18 school districts in 2009.
- 490 school districts had a majority of students on grade level in 2009, compared to 375 districts in 2002.
- Since 2002, the number of African American and Latino students on grade level in reading and math has increased by approximately 48,000 students statewide.
- Today, 54,000 more students are on grade level in reading and math in grades 5, 8 and 11 (the three grades tested the longest) than in 2002.

Pennsylvania can be especially proud of these accomplishments because we are leading the nation in the scope and depth of our student achievement results. The Center for Education Policy, a leading national educational research organization, identified Pennsylvania as the only state to see increases in student achievement in elementary, middle and high school from 2002 to 2008. Center President Jack Jennings said of Pennsylvania, “Not only is it impressive that Pennsylvania schools have made such consistent improvement since 2002, but they also show gains at the high school level where nationally there is a serious problem.”

Overview: Education – Investing in Our Children

We cannot afford to lose momentum now. The national economic crisis continues to put enormous pressure on state budgets, and Pennsylvania is no exception. But the commonwealth's substantial investments – in early childhood education, driving resources to schools and classrooms, supporting teacher effectiveness, and increasing rigor in high schools – have resulted in significant improvement in the academic achievement of Pennsylvania's students. It is essential that we continue to recognize educational investment as a core component of our economic recovery strategy.

In fact, the better prepared Pennsylvania students are when they graduate from high school, the more likely they are to be employed, the more they will earn and generate in tax revenue, and the less the government will have to spend to support them.

Growing Pennsylvania's economy by developing a world-class education system starts with the first day of pre-kindergarten and lasts through the final day of high school and a student's transition to college or the workforce. Pennsylvania faces four essential challenges that it must meet in order to ensure that our students are prepared to compete in the global economy:

- We know that high-quality early childhood education is an essential head start to long-term academic success. For this reason, Pennsylvania has made a strong and substantial commitment to building our early education framework, including establishing a state-funded, quality pre-kindergarten system that includes both school-based and community-based early education programs. Pennsylvania has also provided substantial resources to school districts to provide full-day kindergarten, increasing the number of children in full-day kindergarten from 35 percent in 2003 to 65 percent today. Pennsylvania must continue to provide resources and supports to our youngest learners.
- Every student needs to attend a school that has adequate resources in order to obtain the student achievement results we demand. The commonwealth must ensure that schools have sufficient resources to meet this challenge and that taxpayer dollars are invested in the programs most likely to boost student learning.
- Teacher effectiveness is the key to student achievement. High-quality supports for teachers are essential to developing and retaining effective teachers in every classroom. Pennsylvania is implementing a comprehensive system of supports for teachers, including ensuring that teacher preparation programs are aligned with Pennsylvania's academic standards. This system also ensures that new teachers receive high-quality assistance, including first-year mentoring and classroom support, and relevant and timely professional development such as coaching and peer mentoring. Pennsylvania must continue to assist school districts in providing strong supports to all teachers in the commonwealth.
- Our schools need to be responsive to the changing world economy so that when Pennsylvania students graduate from high school, they are ready for the high-tech, high-skills workplace that awaits them. The commonwealth must provide the accountability, leadership and resources needed to ensure that Pennsylvania high schools provide the rigorous coursework across the curriculum that is essential to post-secondary success and that every Pennsylvania high school student has access to those opportunities.

Investing in Student Success

In 2006, the Pennsylvania General Assembly commissioned the commonwealth's first study to determine the actual level of resources schools need in order for students to achieve at grade level. The report concluded that Pennsylvania faced a \$4 billion education funding shortfall.

In February 2008, Governor Rendell proposed a \$2.6 billion, six-year plan to address the shortfall. In July 2008, the legislature: enacted a new school funding law that set an "adequacy target" for each school district based on the formula set forth in the legislature's report; delivered the first-year installment of the state's contribution; and stated in law that "...in order to enable students to attain applicable Federal and State academic standards, it is the goal of this commonwealth to review and meet state funding targets by fiscal year 2013-2014."

In October 2009, despite the dramatic economic downturn that caused Pennsylvania's General Fund revenue to decline by 11.3 percent, the Governor and the General Assembly funded a significant portion of year two of the six-year plan to continue Pennsylvania's commitment to adequate school funding for all children. This ongoing investment in education continues to reap substantial rewards:

- The 50 districts where the state invested the most since 2002 showed an average 41 percent increase in the number of students performing on grade level in grades 5, 8 and 11 (the grades tested the longest).



Overview: Education – Investing in Our Children

- Just as significant as the increase in proficiency is the decrease in the percentage of students testing below basic – the lowest performance level. The largest *decreases* in students testing at this level occurred in districts that have benefited from the greatest *increases* in state investments since 2002.
- As we work toward closing the “adequacy gap” in school funding, we also are closing the “achievement gap” in student performance.

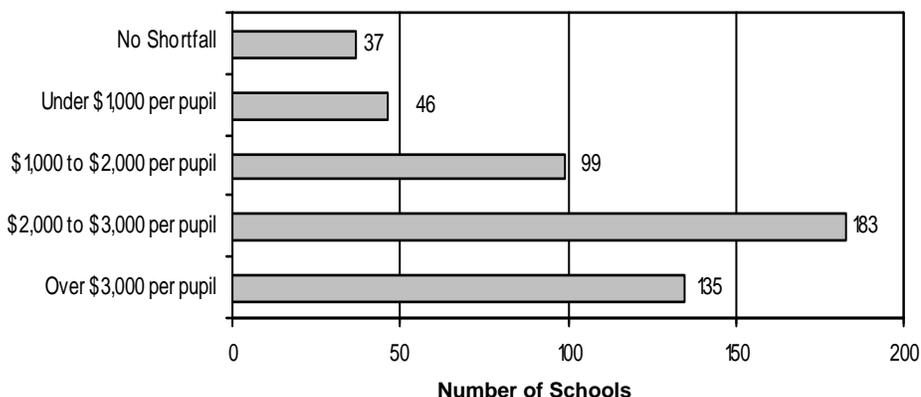
The federal mandate to bring all students to grade level by 2013-14 is now just three years away. This makes closing the adequacy gap in every district an urgent priority. Pennsylvania has just one more year until the next increase in statewide academic targets that all schools are required to meet: The 2010-11 goals are 72 percent of all students on grade level in reading and 67 percent of students on grade level in math. If that standard were in place today, more than 1,500 schools and nearly half of school districts would receive a failing grade.

There is a clear correlation between adequate funding and student achievement. This correlation is made clear by evidence from across the nation as well as by Pennsylvania’s recent experience:

- 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 in support of student success.
- In schools with adequate funding, 81 percent of students are performing at grade level; in schools with per-student adequacy gaps greater than \$4,000, only 55 percent of students are performing at grade level.

Despite implementation of the first two years of the funding formula and Pennsylvania’s ongoing commitment to supporting evidence-based strategies through programs like the Accountability Block Grant, the number of school districts with a significant adequacy gap remains high.

More Than Half of Pennsylvania’s School Districts Need \$2,000 or More per Student to Close Their Achievement Gaps



With the academic pressures faced by school districts, it is clear that if the state does not do its part to close this gap, local property tax hikes will be the result. It would take an average increase in local property taxes of nearly 40 percent to generate the same investment as the state will contribute under the new funding formula by the time it is fully phased in. Alternatively, if the state pays its fair share, then communities can keep their property tax increases to a bare minimum.

In these difficult economic times, it is more important than ever to prioritize the use of state resources to have the greatest possible impact. One of the key features of Pennsylvania’s school funding formula is that the law requires school districts to invest their new resources in a menu of proven academic programs and it gives the Department of Education the authority to reject the investment plans of academically challenged school districts.

As a result, the second year of Pennsylvania’s new school funding formula has created new opportunities for students:

- 59,927 students will get more time to learn – through tutoring, longer school days or an extended school year.

Overview: Education – Investing in Our Children

- 95,964 students will benefit from programs that address social and emotional well-being and school safety.
- 13,755 children will participate in pre-kindergarten and full-day kindergarten.
- 247,500 students will enroll in advanced courses and benefit from new curricula.
- 231,000 students will have teachers who are receiving intensive training.

The **2010-11 basic education subsidy includes a \$354.8 million increase** to continue to provide the state funding necessary to address the adequacy gap using the new funding formula. However, economic conditions remain extremely difficult. As was the case last year, the proposed subsidy increase is less than the amount put forward in the original six-year plan. For this reason, it may take additional years to meet Pennsylvania's original adequacy funding target.

In addition to a substantial increase in the basic education subsidy, the 2010-11 budget maintains Pennsylvania's progress by continuing to support other successful academic programs:

- **\$85.9 million for Pennsylvania Pre-K Counts.** School districts, Head Start programs and other community providers with proven track records of success provide high-quality pre-kindergarten to 11,800 students. Children from every part of the commonwealth have new opportunities for early learning as a result of this investment – with the greatest focus on children who are at risk of future academic failure. This program grows out of a successful public-private partnership of the same name supported by corporate, foundation and public-sector leaders.
- **\$38.7 million for the Head Start Supplemental Assistance program.** For the last five years, Pennsylvania has supplemented federal Head Start funding so this successful program can reach an additional 5,743 children.
- **\$271.4 million for the Accountability Block Grant.** This initiative funds pre-kindergarten, full-day kindergarten, elementary school class-size reduction and other proven educational programs.
- **\$55.3 million for the Education Assistance Program.** In 2008-09, Pennsylvania's hallmark tutoring program provided extra learning time to 172,000 struggling students in 175 school districts and Career and Technical Centers.
- **\$13.5 million for Science: It's Elementary.** During 2008-09, Science: It's Elementary provided hands-on, inquiry-based instructional materials supported by rigorous professional development to 2,700 teachers, enabling 65,000 students to "learn science by doing science" across 52 Pennsylvania counties. Science: It's Elementary is based on an innovative program begun in 2000 by a group of school districts in southwestern Pennsylvania. They proved that American students can compete in science against anyone in the world if they are taught effectively starting in elementary school. The program will reach a total of 72,000 students in 2009-10.

Increasing the Rigor of High School

In order for Pennsylvania students to be prepared for post-secondary success in college or the workplace, high schools must provide them with rigorous coursework in reading, writing, mathematics, science and technology and hold them to high standards of achievement in these subjects. The commonwealth must ensure that schools and teachers have the supports and resources necessary to reach these goals.

In 2009, following overwhelming approval by the State Board of Education and the Independent Regulatory Review Commission, Pennsylvania promulgated final regulations that put in place new high school graduation requirements and provided students with more options – and more support – to meet the new rules. This reform builds on the work of the Governor's Commission on College and Career Success, which conducted an 18-month study to identify the skills and competencies that will enable graduates to succeed in a challenging and changing economy.

Under the new regulations, students must demonstrate proficiency in core academic subjects through a number of options, including passing new end-of-course subject-matter exams as part of a final grade, passing validated local assessments or passing national subject-matter assessments such as Advanced Placement or International Baccalaureate exams.



Overview: Education – Investing in Our Children

To ensure that all high school students stay in school and are ready and able to graduate, Pennsylvania is providing more resources and support to teachers and school districts than ever before:

- Implementing a comprehensive instructional improvement system. Pennsylvania has begun creating a state-of-the-art instruction improvement system that links standards, assessments, curriculum, instruction, materials, resources and interventions. Tools in this online system include a voluntary model curriculum, classroom-level diagnostic assessments and model lesson plans.
- Using state tutoring funds to help students pass Keystone Exams or validated local assessments. The commonwealth is committed to ensuring that all students can meet proficiency levels by providing the resources for appropriate supports, including extended learning time when necessary. For this reason, the commonwealth expects that school districts will target their state tutoring funds – \$55.3 million in 2010-11 – to students who need extra help in meeting the new graduation requirements as the new rules are phased in.
- Helping More High School Students Earn College Credit. Last year, Pennsylvania high school students earned college credits by taking 27,575 courses as a result of the commonwealth's Dual Enrollment program. Dual enrollment provides rigorous college-level work to students, helping to keep them interested and engaged. It often keeps students in school who might otherwise drop out. The 2010-11 budget provides \$8 million to maintain the program, with 22 percent directed toward low-income students to ensure that these students have access to a program that exposes them to college-level work and helps them to understand that college can be a real option for them.

Investing in Our Children, Preparing for the Future

The 2010-11 budget represents the final year in Governor Rendell's administration – one of historic investment in boosting achievement throughout Pennsylvania's public education system, coupled with stronger accountability and increased efficiency. The budget creates new opportunities for students from the first day of pre-kindergarten to the day they receive their college degree.





FEDERAL BLOCK GRANTS

The federal government has two primary types of grants: categorical grants and block grants. Categorical grants are generally distributed for specific purposes. Block grants are distributed to state and local governments based on a distribution formula and are available for an activity that falls within the purposes of the federal authorizing legislation. Generally, block grants provide state and local governments greater flexibility than categorical grants.

The commonwealth implemented eight block grants based on the Federal Omnibus Reconciliation Act of 1981. Since that time, block grants have been added and revised based on changes in federal law. The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 created two new block grants: Temporary Assistance to Needy Families and the Child Care and Development Fund which replaced the Child Care Block Grant.

In addition, three programs have been included in this presentation because the federal government provides flexibility on the activities eligible for funding. These programs are: Workforce Investment, Innovative Education Program Strategies and Anti-Drug Abuse Programs. Beginning in 2005-06, the commonwealth receives funds from the new federal Justice Assistance Grants (JAG) in lieu of the Drug Control and System Improvement (DCSI) grants.

Block grants such as Community Services, Workforce Investment and JAG have received additional dollars from the American Recovery and Reinvestment Act of 2009. These funds are noted on the individual block grant pages.

The tables within this section provide information on the estimated amount to be received from the federal government and an estimated distribution of the funds by program within the block grant. Generally, the amounts shown for administrative costs represent the amount allowable by the federal government. The 2009-10 estimated block grant amounts reflect the current estimate of amounts available and, therefore, may be different from amounts appropriated.

The recommended distribution by program for 2010-11 is a preliminary proposal. Opportunities for public review and comment may result in modifications to the proposed distribution.

SUMMARY OF FEDERAL BLOCK GRANTS

This table shows a summary by federal block grant of 2008-09 expenditures, 2009-10 available and 2010-11 amounts budgeted as presented in the 2010-11 Governor's Executive Budget.

(Dollar Amounts in Thousands)

	2008-09 Actual Block	2009-10 Available Block	2010-11 Recommended Block
Community Services.....	\$ 29,402	\$ 73,417	\$ 31,007
Innovative Education Programs.....	4,213	100	0
Maternal and Child Health Services.....	30,233	31,000	31,000
Preventive Health and Health Services.....	6,614	6,507	6,880
Substance Abuse.....	68,972	68,750	66,409
Workforce Investment.....	342,705	429,254	429,255
Child Care and Development Fund.....	339,997	366,022	385,564
Low-Income Home Energy Assistance.....	336,610	340,535	340,535
Mental Health Services.....	15,451	14,684	14,813
Social Services.....	108,425	108,425	98,425
Temporary Assistance to Needy Families.....	577,889	675,693	640,871
Anti-Drug Abuse.....	65,127	89,175	79,265
TOTAL.....	\$ 1,925,638	\$ 2,203,562	\$ 2,124,024



Community Services

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

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

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

The American Recovery and Reinvestment Act of 2009 (ARRA) has made additional funds available as listed below.

Department / Appropriation	(Dollar Amounts in Thousands)		
	2008-09 Actual Block	2009-10 Available Block	2010-11 Recommended Block
Community and Economic Development:			
CSBG — Administration.....	\$ 1,402	\$ 1,507	\$ 1,507
ARRA — CSBG Administration.....	0	210	0
Community Services Block Grant.....	28,000	29,500	29,500
ARRA — Community Services Block Grant.....	0	42,200	0
TOTAL.....	\$ 29,402	\$ 73,417	\$ 31,007

Innovative Education Programs

This program is authorized by Elementary and Secondary Education Act of 1965, as amended by Title V of the No Child Left Behind Act of 2001, to assist state and local education agencies in the reform of elementary and secondary education.

Block grant funds may be used to support education reform efforts that are consistent with and support statewide education reform. Funding also enables state educational agencies and local educational agencies to implement promising educational reform programs based on scientifically based research and to provide a continuing source of innovation and educational improvement, including support programs to provide library services and instructional and media materials. This program also seeks to meet the educational needs of all students, including at-risk youth, and to develop and implement education programs to improve school, student and teacher performance, including professional development activities and class size reduction programs.

Federal law provides that the commonwealth must distribute at least 85 percent of the funds to local education agencies. The remaining 15 percent is available to the state for state administration and technical assistance.

(Dollar Amounts in Thousands)

Department / Appropriation	2008-09 Actual Block	2009-10 Available Block	2010-11 Recommended Block
Education:			
ESEA Title V — Administration/State.....	\$ 779 ^a	\$ 0	\$ 0
School Districts:			
ESEA Title V — School Districts.....	\$ 3,434	\$ 100	\$ 0
TOTAL.....	<u>\$ 4,213</u>	<u>\$ 100</u>	<u>\$ 0</u>

^a Includes carryover.

Maternal and Child Health Services

This block grant provides funds for planning, promoting and evaluating health care for pregnant women, mothers, infants and children with special health care needs. This is accomplished by providing health services for mothers and children who do not otherwise have access to adequate health care and nutritional resources. Administrative costs cannot exceed 10 percent. These personnel and operational costs are found in the Administration and Operation line item which also contains some programmatic costs. These include outreach, promotional costs, laboratory supplies and help line services.

(Dollar Amounts in Thousands)

Department / Appropriation	2008-09 Actual Block	2009-10 Available Block	2010-11 Recommended Block
Health:			
MCHSBG — Administration and Operation.....	\$ 15,133	\$ 15,718	\$ 15,718
MCHSBG — Program Services.....	15,100	15,282	15,282
TOTAL.....	\$ 30,233	\$ 31,000	\$ 31,000

Preventive Health and Health Services

This block grant provides funds for preventive health services. Programs include activities to affect improvements in health status through achievement of the National Year 2010 Health Objectives; programs for community and school-based fluoridation; feasibility studies and planning for emergency medical services systems and the establishment, expansion and improvement of such systems; services to victims of sex offenders; and related planning, administration and educational activities. Funding also works toward eliminating disparities between the health status of the general population and that of identifiable subpopulations including geographical, racial, ethnic, gender or other groups. Administration is limited to 10 percent.

(Dollar Amounts in Thousands)

Department / Appropriation	2008-09 Actual Block	2009-10 Available Block	2010-11 Recommended Block
Health:			
PHHSBG — Administration and Operation.....	\$ 2,711	\$ 2,849	\$ 3,222
PHHSBG — Block Program Services.....	3,753	3,508	3,508
Subtotal.....	\$ 6,464	\$ 6,357	\$ 6,730
Public Welfare:			
PHHSBG — Domestic Violence.....	\$ 150	\$ 150	\$ 150
TOTAL.....	\$ 6,614	\$ 6,507	\$ 6,880

Substance Abuse

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

(Dollar Amounts in Thousands)

Department / Appropriation	2008-09 Actual Block	2009-10 Available Block	2010-11 Recommended Block
Corrections:			
SABG — Drug and Alcohol Programs.....	\$ 2,100	\$ 2,100	\$ 2,100
Health:			
SABG — Administration and Operation.....	\$ 7,848	\$ 8,193	\$ 8,203
SABG — Drug and Alcohol Services.....	57,041	56,474	54,123
Subtotal.....	\$ 64,889	\$ 64,667	\$ 62,326
Public Welfare:			
SABG — Homeless Services.....	1,983	1,983	1,983
TOTAL.....	\$ 68,972	\$ 68,750	\$ 66,409

Workforce Investment

The Workforce Investment Act of 1998 authorized the Workforce Investment Block Grant. It has three main program components: Adult, Youth and Dislocated Workers. The purpose of the Adult program is to improve the quality of the workforce, reduce welfare dependency and enhance the productivity and competitiveness of the nation's economy by providing workforce investment activities that increase the employment, retention and earnings of participants, and increase occupational skill attainment by the participants. The youth program assists low-income youth between the ages of 14 and 21 to acquire the educational and occupational skills, training and support needed to achieve academic and employment success and successfully transition to careers and productive adulthood. The dislocated worker program shares the same overall purpose of the adult program with emphasis on reemployment of these workers.

The commonwealth distributes funds by formula to 23 local agencies called Local Workforce Investment Areas for the attainment of agreed-upon performance goals.

The American Recovery and Reinvestment Act of 2009 (ARRA) has also made additional funds available as listed below.

Department / Appropriation	(Dollar Amounts in Thousands)		
	2008-09 Actual Block	2009-10 Available Block	2010-11 Recommended Block
Executive Offices:			
<i>Office of the Budget</i>			
WIA — Program Accountability.....	\$ 305	\$ 354	\$ 355
Labor and Industry:			
WIA — Administration.....	\$ 13,500	\$ 11,000	\$ 11,000
ARRA — Workforce Investment Administration.....	0	5,000	5,000
WIA — Adult Employment & Training.....	68,000	60,000	60,000
ARRA — WIA Adult Employment & Training.....	0	16,000	16,000
WIA — Youth Employment & Training.....	70,500	52,000	52,000
ARRA — WIA Youth Employment & Training.....	0	37,000	37,000
WIA — Statewide Activities.....	28,000	23,000	23,000
ARRA — WIA Statewide Activities.....	0	10,000	10,000
WIA — Dislocated Workers.....	161,500	109,000	109,000
ARRA — WIA Dislocated Workers.....	0	105,000	105,000
WIA — Veterans Employment and Training.....	900	900	900
Subtotal.....	<u>\$ 342,400</u>	<u>\$ 428,900</u>	<u>\$ 428,900</u>
TOTAL.....	<u><u>\$ 342,705</u></u>	<u><u>\$ 429,254</u></u>	<u><u>\$ 429,255</u></u>

Child Care and Development Fund

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

The American Recovery and Reinvestment Act of 2009 (ARRA) has made additional funds available as listed below.

(Dollar Amounts in Thousands)

Department / Appropriation	2008-09 Actual Block	2009-10 Available Block	2010-11 Recommended Block
Executive Offices:			
<i>Inspector General - Welfare Fraud</i>			
CCDFBG — Subsidized Day Care Fraud.....	\$ 383	\$ 1,000	\$ 1,000
Public Welfare:			
CCDFBG — Administration.....	\$ 13,480	\$ 13,480	\$ 13,480
CCDFBG — Family Centers.....	461	0	0
CCDFBG — Child Care Services.....	190,316	180,827 ^a	178,535
ARRA — CCDFBG — Child Care Services.....	0	22,151	41,693
CCDFBG — School Age.....	1,260	1,260	1,260
CCDFBG — Child Care Assistance.....	131,492	147,304 ^b	149,596
CCDFBG — Nurse Family Partnership.....	2,605	0	0
Subtotal.....	\$ 339,614	\$ 365,022	\$ 384,564
TOTAL.....	\$ 339,997	\$ 366,022	\$ 385,564

^a Appropriated as \$190,316,000. Amount shown is the best current estimate of the amount available for 2009-10. Additional funds may be received, therefore no reduction to the appropriation authority is recommended.

^b Includes recommended supplemental appropriation of \$9,489,000.

Low-Income Home Energy Assistance

This block grant provides funds to assist eligible low-income individuals and families in meeting the cost of home energy through cash assistance and to alleviate crisis situations. The amounts below include weather-related contingency funding. The Department of Public Welfare's energy assistance program received \$238,000 in supplemental funding from the Energy Conservation and Assistance Fund in 2008-09.

(Dollar Amounts in Thousands)

Department / Appropriation	2008-09 Actual Block	2009-10 Available Block	2010-11 Recommended Block
Community and Economic Development:			
LIHEABG — Administration.....	\$ 535	\$ 535	\$ 535
LIHEABG — Weatherization Program.....	30,000	30,000	30,000
LIHEABG — Weatherization Program (EA).....	10,704 ^a	0	0
Subtotal.....	\$ 41,239	\$ 30,535	\$ 30,535
Public Welfare:			
LIHEABG — Administration.....	\$ 17,382	\$ 20,000	\$ 20,000
LIHEABG — Low-Income Families and Individuals.....	288,693	290,000	290,000
Subtotal.....	\$ 306,075	\$ 310,000	\$ 310,000
TOTAL.....	\$ 336,610	\$ 340,535	\$ 340,535

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

Mental Health Services

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

(Dollar Amounts in Thousands)

Department / Appropriation	2008-09 Actual Block	2009-10 Available Block	2010-11 Recommended Block
Public Welfare:			
MHSBG — Administration.....	\$ 195	\$ 273	\$ 273
MHSBG — Community Mental Health.....	15,256	14,411	14,540
TOTAL.....	\$ 15,451	\$ 14,684	\$ 14,813

Social Services

Funds are provided to help individuals achieve or maintain self-sufficiency; to prevent, reduce or eliminate dependency; to prevent or remedy abuse and neglect of children and adults; and to prevent or reduce institutional care. Most services are delivered by local entities that receive grants or contract with the Department of Public Welfare. These federal allocations serve to augment state appropriations thereby increasing the total level of services provided.

In addition to funds received directly through the Social Services Block Grant, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 authorized transfers from the Temporary Assistance to Needy Families Block Grant.

The Omnibus Reconciliation Act of 1993 included a grant program to states under the Social Services Block Grant for the establishment of empowerment zones and enterprise communities. Federal funds were targeted to specific urban or rural areas in proven economic distress. Funds received by the state go directly to eligible communities. Pennsylvania's share of the one-time grant was \$88,007,000 which was totally committed but is being spent over several years. The amounts shown below represent estimated carryover of commitments from the one-time grant. The program was transferred to the Department of Community and Economic Development in 1997-98.

Department / Appropriation	(Dollar Amounts in Thousands)		
	2008-09 Actual Block	2009-10 Available Block	2010-11 Recommended Block
Public Welfare:			
SSBG — Administration.....	\$ 3,641	\$ 3,641	\$ 3,641
SSBG — County Assistance Offices.....	6,262	6,262	6,262
SSBG — Basic Institutional Programs.....	10,000	10,000	10,000
SSBG — Community Mental Health Services.....	10,366	10,366	10,366
SSBG — Community MR Services.....	6,500	6,500	6,500
SSBG — Child Welfare.....	12,021	12,021	12,021
SSBG — Child Care Services.....	30,977	30,977	30,977
SSBG — Domestic Violence Programs.....	5,705	5,705	5,705
SSBG — Rape Crisis.....	1,721	1,721	1,721
SSBG — Family Planning.....	2,000	2,000	2,000
SSBG — Legal Services.....	5,049	5,049	5,049
SSBG — Homeless Services.....	4,183	4,183	4,183
Subtotal.....	<u>\$ 98,425</u>	<u>\$ 98,425</u>	<u>\$ 98,425</u>
Community and Economic Development:			
Enterprise Communities — SSBG.....	\$ 10,000 ^a	\$ 10,000 ^a	\$ 0
TOTAL.....	<u>\$ 108,425</u>	<u>\$ 108,425</u>	<u>\$ 98,425</u>

^a Estimated carryover.

Temporary Assistance to Needy Families

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 created a block grant that makes funds available to the states to operate the Temporary Assistance to Needy Families (TANF) program. Pennsylvania implemented the TANF program on March 3, 1997. Funds are available to provide temporary cash and other benefits to help needy families participating in activities designed to end dependence on government benefits and to provide services for dependent and abused children. In addition, funds may be used for services designed to prevent future dependency. This block grant requires a state maintenance of effort and establishes mandatory work participation rates. States are allowed to transfer up to a total of 30 percent of their TANF funds to the Child Care and Development Fund and Social Services Block Grants. No more than 10 percent may be transferred to the Social Services Block Grant. These transfers are included in the Child Care and Development Fund and the Social Services Block Grant.

The American Recovery and Reinvestment Act of 2009 (ARRA) has made additional funds available as listed below.

(Dollar Amounts in thousands)

Department / Appropriation	2008-09 Actual Block	2009-10 Available Block	2010-11 Recommended Block
Executive Offices:			
<i>Inspector General - Welfare Fraud</i>			
TANFBG — Program Accountability.....	\$ 1,500	\$ 1,500	\$ 1,500
Community and Economic Development:			
TANFBG — Emergency Mortgage Asst. (EA)....	\$ 5,000 ^a	\$ 0	\$ 0
Education:			
TANFBG — Teenage Parenting Ed. (EA).....	\$ 12,255 ^a	\$ 12,255 ^a	\$ 12,255 ^a
Labor and Industry:			
TANFBG — Youth Employment and Training.....	\$ 15,000	\$ 15,000	\$ 15,000
Public Welfare:			
TANFBG — Administration.....	\$ 4,232	\$ 4,980	\$ 4,980
TANFBG — Information Systems.....	9,327	9,327	9,327
TANFBG — Statewide.....	0	2,150	2,150
TANFBG — County Assistance Offices.....	33,691	44,190	44,190
TANFBG — New Directions.....	136,176	136,202	136,202
TANFBG — Cash Grants.....	277,394	261,775	276,953
ARRA — TANFBG — Cash Grants.....	0	100,000	50,000
TANFBG — Alternatives to Abortion.....	1,000	1,000	1,000
TANFBG — Child Welfare.....	67,883	67,883	67,883
TANFBG — Child Care Services.....	2,000	0	0
TANFBG — Child Care Assistance.....	28,464	31,686	31,686
TANFBG — Nurse Family Partnership.....	1,222	0	0
Subtotal.....	\$ 561,389	\$ 659,193	\$ 624,371
TOTAL.....	\$ 577,889 ^b	\$ 675,693 ^b	\$ 640,871 ^b

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

^b Includes carryover funding.

Anti-Drug Abuse

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

In 2005-06, the federal government combined the Edward Byrne Memorial Formula Grant Program, which was the source of the Drug Control and System Improvement (DCSI) grants with the Local Law Enforcement Block Grant to create the Justice Assistance Grant (JAG) program. The new program continues the DCSI objectives of assisting state and local governments to implement a wide range of drug enforcement and correctional treatment projects as well as providing victim services and juvenile and criminal justice system improvement initiatives throughout the commonwealth.

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

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

The American Recovery and Reinvestment Act of 2009 (ARRA) has made additional funds available as listed below.

(Dollar Amounts in Thousands)

Department / Appropriation	2008-09 Actual Block	2009-10 Available Block	2010-11 Recommended Block
DRUG CONTROL AND SYSTEM IMPROVEMENT FORMULA GRANT PROGRAM (DCSI) and Justice Assistance Grants (JAG)			
Executive Offices:			
<i>Commonwealth Technology Services</i>			
JAG — Electronic Reporting.....	\$ 200 ^a	\$ 0	\$ 0
<i>Commission on Crime and Delinquency</i>			
DCSI — Program Grants.....	\$ 18,000	\$ 10,000	\$ 100 ^b
DCSI — Criminal History Records.....	10	10	0
Justice Assistance Grants.....	30,000	30,000	30,000
ARRA — Justice Assistance Grants.....	0	30,000	30,000
Justice Assistance Grants — Administration.....	1,391	1,239	1,239
ARRA — Justice Assistance Grants Administration.....	0	2,500	2,500
Subtotal — Commission on Crime and Delinquency.....	\$ 49,401	\$ 73,749	\$ 63,839
Subtotal — Executive Offices.....	\$ 49,601	\$ 73,749	\$ 63,839
Attorney General:			
ARRA — JAG Computer Forensics Enhancements.....	\$ 0	\$ 225	\$ 0
Corrections:			
JAG — Cognitive Behavior Therapy.....	\$ 80 ^a	\$ 0	\$ 0
Probation and Parole:			
JAG — Client Identification.....	\$ 125 ^a	\$ 37 ^a	\$ 0
JAG — Violations Sanctioning.....	84 ^a	29 ^a	0
Subtotal.....	\$ 209	\$ 66	\$ 0
Legislature:			
<i>Commission on Sentencing</i>			
JAG — Consolidated Project Grants.....	\$ 1,470 ^a	\$ 1,248 ^a	\$ 1,280 ^a
TOTAL.....	\$ 49,401	\$ 73,749	\$ 63,839



Anti-Drug Abuse (continued)

Department / Appropriation	(Dollar Amounts in Thousands)		
	2008-09 Actual Block	2009-10 Available Block	2010-11 Recommended Block
SAFE AND DRUG FREE SCHOOLS AND COMMUNITIES (DFSC)			
Executive Offices:			
<i>Commission on Crime and Delinquency</i>			
DFSC — Special Programs.....	\$ 4,500	\$ 4,500	\$ 4,500
Education:			
DFSC — Administration.....	\$ 850	\$ 850	\$ 850
DFSC — School Districts.....	10,076	10,076	10,076
Subtotal.....	\$ 10,926	\$ 10,926	\$ 10,926
Health:			
DFSC — Special Programs for Student Assistance (EA).....	\$ 720 ^a	\$ 0	\$ 0
Public Welfare:			
DFSC — Special Program — Juvenile Aftercare.....	\$ 300	\$ 0	\$ 0
DFSC — Juvenile Aftercare Services.....	0	118 ^a	0
Subtotal.....	\$ 300	\$ 118	\$ 0
TOTAL.....	\$ 15,726	\$ 15,426	\$ 15,426
GRAND TOTAL ALL PROGRAMS.....	\$ 65,127	\$ 89,175	\$ 79,265

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

^b Carryover.

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Public Information and Communications

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

	(Dollar Amounts in Thousands)	
	2009-10 Estimate	2010-11 Estimate
Governor's Office.....	\$ 689	\$ 683
Executive Offices.....	216	214
Aging and Long Term Living.....	323	321
Agriculture.....	724	718
Banking.....	310	308
Civil Service Commission.....	51	51
Community and Economic Development.....	396	392
Conservation and Natural Resources.....	363	360
Corrections.....	257	268
Education.....	503	483
Emergency Management Agency.....	182	182
Environmental Protection.....	2,588	2,565
Fish and Boat Commission.....	312	312
Game Commission.....	283	283
General Services.....	108	108
Health.....	664	640
Historical and Museum Commission.....	258	255
Insurance.....	252	250
Labor and Industry.....	584	602
Liquor Control Board.....	397	405
Military and Veterans Affairs.....	353	287
Milk Marketing Board.....	41	41
Probation and Parole Board.....	180	180
Public Utility Commission.....	424	448
Public Welfare.....	304	324
Revenue.....	244	242
Securities Commission.....	71	71
State.....	444	415
State Police.....	281	284
Transportation.....	2,215	2,215
TOTAL	<u>\$ 14,625</u>	<u>\$ 13,907</u>

---- *Lottery sales promotion* - \$37 million will be spent on advertising campaigns to promote lottery sales and to disseminate information on the various lottery programs including property tax and rent assistance for older Pennsylvanians during 2010-11. These expenditures are expected to generate approximately \$3.08 billion in lottery revenues during 2010-11.

---- *Economic development* - A total of \$11.2 million is budgeted in the General Fund to promote tourism and economic development. This will contribute to an estimated \$25.8 billion in 2010-11 travel revenues to Pennsylvania and supports the State's aggressive effort to preserve and create jobs.



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Commonwealth of Pennsylvania

Governor's Executive Budget

*PROGRAM
BUDGET
SUMMARY*

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COMMONWEALTH PROGRAM BUDGET

This section summarizes the budget by major revenue source and major program area of expenditure. This summary includes programs funded from the General Fund, the eleven budgeted special revenue funds, federal funds, and other revenues including augmentations, restricted receipts and revenues, and other special revenue funds.

Detailed supporting information is provided for each major program area of expenditure by component categories and subcategories (subdivisions of activities) which contribute to the commonwealth's total effort in that program. Detailed information on individual revenue sources may be found in the appropriate fund presentation in the Summary by Fund section of this document.



Reader's Guide to the "Summary of Revenues and Expenditures for the Operating Program" Statement

The Summary of Revenues and Expenditures for the Operating Program comprehensive statement shown on page B5 is an "all funds" seven-year summary of revenue and expenditures for the commonwealth operating program. This section is intended to assist readers with interpreting and understanding the revenue and expenditure items presented on the comprehensive statement.

Beginning Balances and Ending Balances

Beginning and Ending Balances are included only for state General Fund and state Special Funds as Federal Funds and Other Funds revenues and expenditures are considered to be self-balancing. While Revenue totals are shown for General Fund, Special Funds, Federal Funds and Other Funds, the Program Expenditures section of the statement aggregates expenditures of these four fund types into the eight Commonwealth Programs for ease of presentation. The General Fund and Special Funds beginning and ending balances are based on their respective financial statements found on pages A2.3 through A2.7 in Section A of this document.

Revenues

All General Fund, Special Funds, Federal Funds and Other Funds revenue contributing toward the commonwealth operating program are shown on the statement.

General Fund – The General Fund is the commonwealth's largest operating fund. It receives all tax revenue, non-tax revenue and Federal grants and entitlements not specified by law to be deposited elsewhere. Tax revenue constitutes over 99 percent of annual General Fund revenue. The largest sources of non-tax revenue are profit transfers from the Pennsylvania Liquor Control Board, earnings of investments and the escheats or "unclaimed property" program. General Fund revenue categories shown on the statement include Corporation Taxes, Personal Income Tax, Sales and Use Taxes, and All Other Revenues/Taxes. A Less Refunds category is also shown as a negative revenue adjustment to account for various tax refunds. Additional information on General Fund revenue sources can be found in Section C1 of this document.

Special Funds – There are 11 Special Funds contributing revenue to the commonwealth operating program. Additional information on Special Funds revenue sources can be found in Sections C2 through C12 of this document.

Federal Funds – All monies received from the federal government are deposited into the State Treasury and thus must be appropriated. The Department of Public Welfare receives the most federal funds. Other agencies receiving significant federal funds include the departments of Education, Aging and Long Term Living, and Transportation. Additional information on federal funds budgeted by agency can be found on page C1.9 (for federal funds related to General Fund budgets) and in Section E, Department Presentations, on each agency's Summary by Fund and Appropriation statement.

Other Funds – There are more than 100 Other Funds contributing revenue to the commonwealth operating program. The State Stores Fund, the Public Transportation Trust Fund and the Property Tax Relief Fund contribute significant revenue to the Other Funds revenue total. Additional information on Other Funds revenues can be found in Section E, Department Presentations, on each agency's Summary by Fund and Appropriation statement.

Program Expenditures

Program expenditures are categorized by the eight Commonwealth Programs beginning with Direction and Supportive Services and ending with Debt Service. These programs include expenditures from all General Fund, Special Funds, Federal Funds and Other Funds contributing to total operating program expenditures as shown on pages B6 and B7. More detailed expenditure breakdowns by program category and subcategory are shown on pages B8 through B17.

Total operating program expenditures are adjusted to include expenditure reductions from General Fund or Special Fund lapses of unspent prior-year funds. Other adjustments, such as fund transfers to the operating program (resulting in expenditure increases) or fund transfers from the operating program (resulting in expenditure decreases) may be shown on the statement and will impact total program expenditures and ending balances.

SUMMARY OF REVENUES AND EXPENDITURES FOR THE OPERATING PROGRAM

The following table is a seven year summary of the revenues and expenditures by Commonwealth Program for the operating budget. Balances are included only for State funds - General Fund and Special Funds - as Federal Funds and Other Funds revenues and expenditures are considered to be self-balancing.

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
BEGINNING BALANCES							
General Fund	\$ 582,796	\$ -2,030,417	\$ 37,479	\$ 4,185	\$ -154,969	\$ -1,784,054	\$ -3,583,315
Adjustment to Beginning Balance.....	2,500	0	0	0	0	0	0
Adjusted Beginning Balance.....	<u>\$ 585,296</u>	<u>\$ -2,030,417</u>	<u>\$ 37,479</u>	<u>\$ 4,185</u>	<u>\$ -154,969</u>	<u>\$ -1,784,054</u>	<u>\$ -3,583,315</u>
Special Funds	<u>\$ 1,079,949</u>	<u>\$ 699,676</u>	<u>\$ 681,489</u>	<u>\$ 540,187</u>	<u>\$ 511,490</u>	<u>\$ 464,792</u>	<u>\$ 416,350</u>
REVENUES							
General Fund:							
Corporation Taxes.....	\$ 4,834,292	\$ 5,072,000	\$ 4,947,400	\$ 5,043,200	\$ 4,927,800	\$ 4,736,600	\$ 4,679,700
Personal Income Tax.....	10,198,646	10,005,400	10,378,800	11,114,200	11,550,700	12,227,200	12,865,300
Sales and Use Tax.....	8,135,508	8,090,500	8,624,000	9,088,300	9,766,000	10,313,100	10,813,500
All Other Revenues/Taxes.....	2,361,359	5,131,800	3,564,900	3,384,000	3,542,000	3,634,200	3,766,000
Less Refunds.....	-1,225,000	-1,250,000	-1,275,000	-1,290,000	-1,320,000	-1,350,000	-1,370,000
Proposed Stimulus Transition Reserve Fund	0	0	0	2,287,450	1,552,640	1,705,780	1,849,060
Total General Fund.....	<u>\$ 24,304,805</u>	<u>\$ 27,049,700</u>	<u>\$ 26,240,100</u>	<u>\$ 29,627,150</u>	<u>\$ 30,019,140</u>	<u>\$ 31,266,880</u>	<u>\$ 32,603,560</u>
Special Funds.....	4,554,275	4,792,022	4,713,686	4,900,587	4,989,651	5,060,720	5,111,451
Federal Funds.....	20,214,830	26,142,909	25,788,722	22,222,078	21,648,738	22,058,497	22,633,455
Other Funds.....	8,978,563	9,631,895	9,527,072	9,421,145	9,425,355	9,505,848	9,581,671
Total Revenues and Balances.....	<u>\$ 59,717,718</u>	<u>\$ 66,285,785</u>	<u>\$ 66,988,548</u>	<u>\$ 66,715,332</u>	<u>\$ 66,439,405</u>	<u>\$ 66,572,683</u>	<u>\$ 66,763,172</u>
PROGRAM EXPENDITURES							
Direction and Supportive							
Services.....	\$ 1,695,826	\$ 2,055,295	\$ 1,992,065	\$ 1,689,869	\$ 1,681,268	\$ 1,688,773	\$ 1,682,236
Protection of Persons and							
Property.....	7,914,899	8,380,852	8,481,537	8,543,876	8,503,244	8,585,723	8,707,822
Education.....	14,537,805	16,346,600	16,108,327	15,384,469	16,331,632	17,405,376	18,425,735
Health and Human Services.....	26,946,282	27,461,342	28,687,508	29,904,035	30,531,722	31,323,289	32,161,478
Economic Development.....	2,732,236	2,928,651	2,760,464	2,255,023	2,155,305	2,063,719	2,064,672
Transportation.....	5,896,140	7,039,323	6,694,247	6,745,798	6,567,274	6,632,460	6,695,307
Recreation and Cultural Enrichment.....	683,335	628,494	591,564	575,302	581,606	586,457	590,733
Debt Service.....	967,600	1,016,601	1,128,464	1,260,439	1,406,616	1,453,851	1,450,231
Less General Fund Lapses.....	-163,837	-195,000	0	0	0	0	0
Less Special Fund Lapses.....	-161,827	-95,341	0	0	0	0	0
Total Operating Expenditures.....	<u>\$ 61,048,459</u>	<u>\$ 65,566,817</u>	<u>\$ 66,444,176</u>	<u>\$ 66,358,811</u>	<u>\$ 67,758,667</u>	<u>\$ 69,739,648</u>	<u>\$ 71,778,214</u>
ENDING BALANCES							
General Fund.....	<u>\$ -2,030,417</u>	<u>\$ 37,479</u>	<u>\$ 4,185</u>	<u>\$ -154,969</u>	<u>\$ -1,784,054</u>	<u>\$ -3,583,315</u>	<u>\$ -5,359,610</u>
Special Funds	<u>\$ 699,676</u>	<u>\$ 681,489</u>	<u>\$ 540,187</u>	<u>\$ 511,490</u>	<u>\$ 464,792</u>	<u>\$ 416,350</u>	<u>\$ 344,568</u>

Program Budget Summary

Seven Year Summary of Commonwealth Programs

The following is a summary for the seven Commonwealth Programs of 2008-09 actual expenditures, 2009-10 amounts available, 2010-11 amounts budgeted and future year estimates for all the operating funds and capital bond authorizations as presented in the 2010-11 Governor's Executive Budget. A breakdown of each Commonwealth Program by Category and Subcategory is shown on subsequent pages.

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
Direction and Supportive Services							
General Fund.....	\$ 868,222	\$ 819,777	\$ 816,226	\$ 823,525	\$ 810,376	\$ 808,726	\$ 798,175
Special Funds.....	558,121	599,958	571,652	588,626	593,174	600,329	606,343
Federal Funds.....	49,050	379,814	367,808	44,808	44,808	44,808	44,808
Other Funds.....	220,433	255,746	236,379	232,910	232,910	234,910	232,910
Total Operating.....	\$ 1,695,826	\$ 2,055,295	\$ 1,992,065	\$ 1,689,869	\$ 1,681,268	\$ 1,688,773	\$ 1,682,236
Protection of Persons and Property							
General Fund.....	\$ 2,867,724	\$ 2,744,837	\$ 2,876,430	\$ 3,099,828	\$ 3,187,251	\$ 3,215,970	\$ 3,246,054
Special Funds.....	720,119	756,252	743,943	726,924	726,196	726,199	726,197
Federal Funds.....	1,216,402	1,681,380	1,662,054	1,503,446	1,334,274	1,338,151	1,378,750
Other Funds.....	3,110,654	3,198,383	3,199,110	3,213,678	3,255,523	3,305,403	3,356,821
Total Operating.....	\$ 7,914,899	\$ 8,380,852	\$ 8,481,537	\$ 8,543,876	\$ 8,503,244	\$ 8,585,723	\$ 8,707,822
Education							
General Fund.....	\$ 11,670,515	\$ 11,039,037	\$ 11,484,074	\$ 12,453,572	\$ 13,399,413	\$ 14,472,141	\$ 15,491,604
Special Funds.....	9,620	1,125	12,181	12,535	13,857	14,873	15,769
Federal Funds.....	2,055,859	4,505,179	3,744,842	2,061,132	2,061,132	2,061,132	2,061,132
Other Funds.....	801,811	801,259	867,230	857,230	857,230	857,230	857,230
Total Operating.....	\$ 14,537,805	\$ 16,346,600	\$ 16,108,327	\$ 15,384,469	\$ 16,331,632	\$ 17,405,376	\$ 18,425,735
Health and Human Services							
General Fund.....	\$ 9,827,681	\$ 9,081,700	\$ 9,502,854	\$ 11,683,538	\$ 12,388,239	\$ 12,670,174	\$ 12,961,717
Special Funds.....	1,484,889	1,323,008	1,264,728	1,309,449	1,355,346	1,365,441	1,375,548
Federal Funds.....	14,195,872	15,439,622	16,344,032	15,376,351	15,280,214	15,779,024	16,313,310
Other Funds.....	1,437,840	1,617,012	1,575,894	1,534,697	1,507,923	1,508,650	1,510,903
Total Operating.....	\$ 26,946,282	\$ 27,461,342	\$ 28,687,508	\$ 29,904,035	\$ 30,531,722	\$ 31,323,289	\$ 32,161,478
Economic Development							
General Fund.....	\$ 680,970	\$ 351,301	\$ 370,379	\$ 389,656	\$ 394,036	\$ 394,771	\$ 395,549
Special Funds.....	13,620	11,531	10,861	8,568	7,402	7,407	7,404
Federal Funds.....	1,086,111	1,479,337	1,323,375	889,730	821,699	728,771	728,844
Other Funds.....	951,535	1,086,482	1,055,849	967,069	932,168	932,770	932,875
Total Operating.....	\$ 2,732,236	\$ 2,928,651	\$ 2,760,464	\$ 2,255,023	\$ 2,155,305	\$ 2,063,719	\$ 2,064,672



Program Budget Summary

Seven Year Summary of Commonwealth Programs

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
Transportation							
General Fund.....	\$ 10,236	\$ 9,589	\$ 10,631	\$ 10,631	\$ 10,631	\$ 10,631	\$ 10,631
Special Funds.....	2,093,622	2,011,198	2,020,766	2,058,566	2,111,666	2,165,166	2,218,966
Federal Funds.....	1,509,697	2,542,085	2,266,606	2,266,606	2,026,606	2,026,606	2,026,606
Other Funds.....	2,282,585	2,476,451	2,396,244	2,409,995	2,418,371	2,430,057	2,439,104
Total Operating.....	\$ 5,896,140	\$ 7,039,323	\$ 6,694,247	\$ 6,745,798	\$ 6,567,274	\$ 6,632,460	\$ 6,695,307
Recreation and Cultural Enrichment							
General Fund.....	\$ 254,398	\$ 197,905	\$ 188,761	\$ 188,761	\$ 188,761	\$ 188,761	\$ 188,761
Special Funds.....	167,460	145,841	169,026	157,981	164,000	168,630	172,711
Federal Funds.....	101,839	115,492	80,005	80,005	80,005	80,005	80,005
Other Funds.....	159,638	169,256	153,772	148,555	148,840	149,061	149,256
Total Operating.....	\$ 683,335	\$ 628,494	\$ 591,564	\$ 575,302	\$ 581,606	\$ 586,457	\$ 590,733
Debt Service							
General Fund.....	\$ 904,609	\$ 932,658	\$ 1,024,039	\$ 1,136,793	\$ 1,269,518	\$ 1,304,967	\$ 1,287,364
Special Funds.....	48,924	56,637	61,831	66,635	64,708	61,117	60,295
Federal Funds.....	0	0	0	0	0	0	0
Other Funds.....	14,067	27,306	42,594	57,011	72,390	87,767	102,572
Total Operating.....	\$ 967,600	\$ 1,016,601	\$ 1,128,464	\$ 1,260,439	\$ 1,406,616	\$ 1,453,851	\$ 1,450,231
Capital Bond Authorizations...	\$ 0	\$ 0	\$ 656,447	\$ 984,416	\$ 994,530	\$ 1,007,361	\$ 1,043,538
Program Total.....	\$ 967,600	\$ 1,016,601	\$ 1,784,911	\$ 2,244,855	\$ 2,401,146	\$ 2,461,212	\$ 2,493,769
COMMONWEALTH TOTALS							
General Fund.....	\$ 27,084,355	\$ 25,176,804	\$ 26,273,394	\$ 29,786,304	\$ 31,648,225	\$ 33,066,141	\$ 34,379,855
Special Funds.....	5,096,375	4,905,550	4,854,988	4,929,284	5,036,349	5,109,162	5,183,233
Federal Funds.....	20,214,830	26,142,909	25,788,722	22,222,078	21,648,738	22,058,497	22,633,455
Other Funds.....	8,978,563	9,631,895	9,527,072	9,421,145	9,425,355	9,505,848	9,581,671
Total Operating.....	\$ 61,374,123	\$ 65,857,158	\$ 66,444,176	\$ 66,358,811	\$ 67,758,667	\$ 69,739,648	\$ 71,778,214
Capital Bond Authorizations...	\$ 0	\$ 0	\$ 656,447	\$ 984,416	\$ 994,530	\$ 1,007,361	\$ 1,043,538
Program Total.....	\$ 61,374,123	\$ 65,857,158	\$ 67,100,623	\$ 67,343,227	\$ 68,753,197	\$ 70,747,009	\$ 72,821,752



Direction and Supportive Services

The goal of this commonwealth program is to provide an efficient and effective administrative support system through which the goals and objectives of the commonwealth programs can be attained. This commonwealth program supports the administration's goal to Deliver Greater Value and Efficiency in Government through the activities of centralized agencies. The Making Government Work Smarter theme in the Overview and Summaries section highlights the administration's achievements in increasing state government's efficiency.

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

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

Contribution by Category and Subcategory

General Fund and Special Funds

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
Administrative and Support Services.....	\$ 182,604	\$ 158,268	\$ 148,845	\$ 146,944	\$ 146,845	\$ 146,845	\$ 146,944
Executive Direction.....	178,153	154,258	144,875	142,974	142,875	142,875	142,974
Personnel Selection.....	1	1	1	1	1	1	1
State Retirement System.....	4	4	4	4	4	4	4
Legal Services.....	4,446	4,005	3,965	3,965	3,965	3,965	3,965
Fiscal Management.....	\$ 781,372	\$ 823,709	\$ 800,615	\$ 827,389	\$ 818,887	\$ 824,392	\$ 819,756
Revenue Collection and Administration.....	665,010	720,046	693,648	712,172	703,670	709,175	704,539
Disbursement.....	61,842	55,360	58,897	67,397	67,397	67,397	67,397
Auditing.....	54,520	48,303	48,070	47,820	47,820	47,820	47,820
Physical Facilities and Commodities Management.....	\$ 130,622	\$ 132,929	\$ 136,028	\$ 136,028	\$ 136,028	\$ 136,028	\$ 136,028
Facility, Property and Commodity Management.....	130,622	132,929	136,028	136,028	136,028	136,028	136,028
Legislative Processes.....	\$ 330,633	\$ 303,850	\$ 301,411	\$ 300,811	\$ 300,811	\$ 300,811	\$ 300,811
Legislature.....	330,633	303,850	301,411	300,811	300,811	300,811	300,811
Interstate Relations.....	\$ 1,112	\$ 979	\$ 979	\$ 979	\$ 979	\$ 979	\$ 979
Interstate Relations.....	1,112	979	979	979	979	979	979
PROGRAM TOTAL.....	\$ 1,426,343	\$ 1,419,735	\$ 1,387,878	\$ 1,412,151	\$ 1,403,550	\$ 1,409,055	\$ 1,404,518

Protection of Persons and Property

The goal of this commonwealth program is to provide an environment and a social system in which the lives of individuals and the property of individuals and organizations are protected from natural and man-made disasters and from illegal and unfair actions. This commonwealth program supports the administration's goal to Ensure the Safety of Our Citizens as well as the goal to Protect Our Natural Resources. The Adopting a Pennsylvania Budget That Works theme in the Overview and Summaries section highlights the administration's achievements and continued emphasis in these areas.

This program deals with the substantive areas of consumer and environmental protection, certain regulatory activities, the criminal justice system and mitigation of the effects of disasters. Within these broad areas, the State Police, Department of Banking, Attorney General, Department of Corrections, Public Utility Commission, Liquor Control Board, Pennsylvania Emergency Management Agency and Homeland Security, Board of Probation and Parole, the Judiciary, Milk Marketing Board, Securities Commission, Department of State and the Insurance Department deal almost entirely with protection of persons and property. Several agencies such as the Executive Offices and the departments of Environmental Protection, Agriculture, Labor and Industry and Military and Veterans Affairs are more diversified and some of their activities are included in this program as well as in other commonwealth programs.

Contribution by Category and Subcategory

General Fund and Special Funds

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
General Administration and Support.....	\$ 72,917	\$ 46,343	\$ 41,049	\$ 41,049	\$ 41,049	\$ 41,049	\$ 41,049
Criminal and Juvenile Justice Planning.....	53,465	30,190	24,943	24,943	24,943	24,943	24,943
Environmental Support Services.....	19,452	16,153	16,106	16,106	16,106	16,106	16,106
Public Protection and Law Enforcement.....	\$ 883,887	\$ 916,449	\$ 929,576	\$ 929,576	\$ 929,576	\$ 929,576	\$ 929,576
State Police.....	670,052	701,564	718,152	718,152	718,152	718,152	718,152
Attorney General.....	94,509	86,522	85,657	85,657	85,657	85,657	85,657
Highway Safety Administration and Licensing.....	119,326	128,363	125,767	125,767	125,767	125,767	125,767
Control and Reduction of Crime.....	\$ 1,717,110	\$ 1,729,993	\$ 1,875,010	\$ 2,079,575	\$ 2,151,964	\$ 2,164,151	\$ 2,175,953
Institutionalization of Offenders.....	1,605,505	1,612,329	1,749,168	1,952,356	2,024,745	2,036,932	2,048,734
Reintegration of Adult Offenders.....	111,605	117,664	125,842	127,219	127,219	127,219	127,219
Juvenile Crime Prevention.....	\$ 21,012	\$ 20,846	\$ 20,764	\$ 20,764	\$ 20,764	\$ 20,764	\$ 20,764
Reintegration of Juvenile Delinquents.....	21,012	20,846	20,764	20,764	20,764	20,764	20,764
Adjudication of Defendants.....	\$ 307,141	\$ 276,860	\$ 276,860	\$ 276,860	\$ 276,860	\$ 276,860	\$ 276,860
State Judicial System.....	307,141	276,860	276,860	276,860	276,860	276,860	276,860
Public Order and Community Safety.....	\$ 40,829	\$ 32,515	\$ 29,799	\$ 29,799	\$ 29,799	\$ 29,799	\$ 29,799
Emergency Management.....	19,301	13,083	10,061	10,061	10,061	10,061	10,061
State Military Readiness.....	21,528	19,432	19,738	19,738	19,738	19,738	19,738
Protection From Natural Hazards and Disasters.....	\$ 220,532	\$ 162,074	\$ 157,311	\$ 157,311	\$ 157,311	\$ 157,311	\$ 157,311
Environmental Protection and Management.....	220,532	162,074	157,311	157,311	157,311	157,311	157,311
Consumer Protection.....	\$ 281,309	\$ 275,737	\$ 249,532	\$ 251,346	\$ 265,652	\$ 282,187	\$ 300,467
Consumer Protection.....	12,465	10,148	9,648	9,648	9,678	9,648	9,648
Financial Institution Regulation.....	21,917	21,054	20,833	20,833	20,833	20,833	20,833
Securities Industry Regulation.....	1,782	1,400	1,386	1,386	1,386	1,386	1,386
Insurance Industry Regulation.....	156,228	161,513	142,157	145,403	160,407	176,969	195,251

Program Budget Summary

Protection of Persons and Property (continued)

Contribution by Category and Subcategory

General Fund and Special Funds

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
Horse Racing Regulation.....	16,669	17,002	17,916	17,916	17,916	17,916	17,916
Protection and Development of Agricultural Industries.....	72,248	64,620	57,592	56,160	55,432	55,435	55,433
Community and Occupational Safety and Stability..... \$	31,351	\$ 29,172	\$ 29,466	\$ 29,466	\$ 29,466	\$ 29,466	\$ 29,466
Community and Occupational Safety and Stability.....	28,510	26,761	27,079	27,079	27,079	27,079	27,079
Fire Prevention and Safety.....	2,841	2,411	2,387	2,387	2,387	2,387	2,387
Prevention & Elimination of Discriminatory Practices. \$	11,755	\$ 11,100	\$ 11,006	\$ 11,006	\$ 11,006	\$ 11,006	\$ 11,006
Prevention & Elimination of Discriminatory Practices.....	11,755	11,100	11,006	11,006	11,006	11,006	11,006
PROGRAM TOTAL.....	\$ 3,587,843	\$ 3,501,089	\$ 3,620,373	\$ 3,826,752	\$ 3,913,447	\$ 3,942,169	\$ 3,972,251



Education

The goal of this program is to ensure that funds for education are spent on proven practices that will boost student achievement. This program includes funding for pre-kindergarten, full-day kindergarten and class size reduction. In addition, this program funds basic education and special education programs and educational support such as tutoring, improving teacher practice and curricula and technology upgrades. This program also ensures high quality career and technical education and higher education experiences. This commonwealth program supports the administration's goal to Build a World Class Public Education System as well as the goal to Boost the Skills of Our Workers. The Education - Investing in Our Children, Preparing for the Future theme in the Overview and Summaries section highlights the administration's priorities in advancing the commonwealth's educational system.

This commonwealth program is financed primarily through the Department of Education. Other agencies providing support are the departments of Revenue, Public Welfare and Labor and Industry, and the Higher Education Assistance Agency and the Tax Equalization Board.

Contribution by Category and Subcategory

General Fund and Special Funds

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
Educational Support Services	\$ 33,019	\$ 31,068	\$ 31,874	\$ 31,874	\$ 31,874	\$ 31,874	\$ 31,874
Education Support Services.....	33,019	31,068	31,874	31,874	31,874	31,874	31,874
Basic Education	\$ 9,614,431	\$ 9,120,255	\$ 9,569,539	\$ 10,445,811	\$ 11,391,652	\$ 12,464,380	\$ 13,483,843
PreK-12 Education.....	9,598,179	9,102,549	9,550,860	10,426,197	11,371,058	12,442,757	13,461,138
Public Utility Realty Payments.....	16,252	17,706	18,679	19,614	20,594	21,623	22,705
Higher Education	\$ 2,032,685	\$ 1,888,839	\$ 1,894,842	\$ 1,988,422	\$ 1,989,744	\$ 1,990,760	\$ 1,991,656
Higher Education.....	1,559,812	1,433,669	1,439,672	1,533,252	1,534,574	1,535,590	1,536,486
Financial Assistance to Students.....	428,442	423,920	423,920	423,920	423,920	423,920	423,920
Financial Assistance to Institutions.....	44,431	31,250	31,250	31,250	31,250	31,250	31,250
PROGRAM TOTAL	\$ 11,680,135	\$ 11,040,162	\$ 11,496,255	\$ 12,466,107	\$ 13,413,270	\$ 14,487,014	\$ 15,507,373

Health and Human Services

The goals of this program are to ensure access to quality medical care for all citizens, support people seeking self-sufficiency, provide military readiness and assistance to veterans and maximize opportunities for individuals and families to participate in society. This commonwealth program includes activities that support the administration's goal to Increase Access to High Quality Health Care. The Adopting a Pennsylvania Budget That Works theme in the Overview and Summaries section highlights the administration's efforts to increase access to high quality health care.

This program addresses the following substantive areas: research; prevention and treatment of physical, mental health and mental retardation disorders; maternal and child health care; financial assistance for older Pennsylvanians, medically needy individuals and families in transition; and other programs to address the various issues individuals encounter in a complex society.

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

Contribution by Category and Subcategory

General Fund and Special Funds

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
Human Services Support.....	\$ 121,924	\$ 115,046	\$ 121,397	\$ 121,397	\$ 121,397	\$ 121,397	\$ 121,397
Human Services Support.....	121,924	115,046	121,397	121,397	121,397	121,397	121,397
Social Development of Individuals.....	\$ 1,688,798	\$ 1,710,387	\$ 1,731,815	\$ 1,798,136	\$ 1,863,400	\$ 1,931,746	\$ 2,003,325
Human Services.....	1,192,362	1,199,755	1,223,886	1,281,488	1,337,771	1,396,868	1,458,919
Child Development.....	496,436	510,632	507,929	516,648	525,629	534,878	544,406
Support of Older Pennsylvanians.....	\$ 2,151,037	\$ 1,957,207	\$ 1,946,934	\$ 2,425,220	\$ 2,623,571	\$ 2,677,247	\$ 2,732,237
Long Term Living.....	1,591,645	1,439,287	1,444,067	1,917,308	2,070,652	2,114,321	2,159,303
Homeowners and Renters Assistance.....	276,400	276,500	276,500	276,400	276,400	276,400	276,400
Pharmaceutical Assistance.....	282,992	241,420	226,367	231,512	276,519	286,526	296,534
Income Maintenance.....	\$ 771,928	\$ 798,945	\$ 818,343	\$ 826,622	\$ 829,661	\$ 832,761	\$ 835,922
Income Maintenance.....	757,591	786,490	805,444	813,723	816,762	819,862	823,023
Workers Compensation and Assistance.....	2,688	2,650	2,330	2,330	2,330	2,330	2,330
Military Compensation and Assistance.....	11,649	9,805	10,569	10,569	10,569	10,569	10,569
Physical Health Treatment.....	\$ 4,813,563	\$ 4,062,784	\$ 4,385,363	\$ 5,834,626	\$ 6,253,434	\$ 6,420,342	\$ 6,592,262
Medical Assistance.....	4,326,852	3,629,074	3,970,163	5,404,084	5,822,870	5,989,753	6,161,645
Health Treatment Services.....	16,420	14,567	13,370	13,370	13,370	13,370	13,370
Health Support Services.....	48,705	48,637	48,417	48,417	48,417	48,417	48,417
Health Research.....	95,516	86,026	69,984	70,330	70,345	70,362	70,381
Emergency Food Assistance.....	20,226	20,226	20,226	20,226	20,226	20,226	20,226
Prevention and Treatment of Drug and Alcohol Abuse.....	42,602	41,750	41,750	41,750	41,750	41,750	41,750
Preventive Health.....	169,419	140,465	136,114	151,110	151,117	151,125	151,134
Veterans Homes.....	93,823	82,039	85,339	85,339	85,339	85,339	85,339
Mental Health.....	\$ 754,254	\$ 784,561	\$ 765,685	\$ 765,853	\$ 765,853	\$ 765,853	\$ 765,853
Mental Health.....	754,254	784,561	765,685	765,853	765,853	765,853	765,853

Program Budget Summary

Health and Human Services (continued)

Contribution by Category and Subcategory

General Fund and Special Funds

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
Mental Retardation.....	\$ 1,011,066	\$ 975,778	\$ 998,045	\$ 1,221,133	\$ 1,286,269	\$ 1,286,269	\$ 1,286,269
Mental Retardation.....	1,011,066	975,778	998,045	1,221,133	1,286,269	1,286,269	1,286,269
PROGRAM TOTAL.....	\$ 11,312,570	\$ 10,404,708	\$ 10,767,582	\$ 12,992,987	\$ 13,743,585	\$ 14,035,615	\$ 14,337,265



Economic Development

The goal of this program is to invest public resources to create jobs for Pennsylvanians. To do so, this program offers a variety of grants, loans and loan guarantees designed to stimulate economic investment, growth and expanded employment. This commonwealth program supports the administration's goal to Create Jobs and Build a Vital Economy as well as the goal to Boost the Skills of Our Workers. The Creating a Fairer Tax Structure and the Adopting a Pennsylvania Budget That Works themes in the Overview and Summaries section highlight the administration's efforts to stimulate Pennsylvania's economy.

This program works in tandem with numerous state authorities and agencies to aggregate and strategically invest resources to expand and retain Pennsylvania-based firms and attract new companies to the commonwealth that will offer Pennsylvania's communities stability, vitality and job opportunities. This program leverages workforce and community development resources that together with business investment enable Pennsylvania to compete on behalf of and for its business partners.

The total efforts of the Department of Community and Economic Development, the Pennsylvania Economic Development Financing Authority and the Infrastructure Investment Authority (PENNVEST) are devoted to this program. The Executive Offices, Auditor General, Housing Finance Agency, and the departments of Education, Labor and Industry and Revenue also contribute to this program.

Contribution by Category and Subcategory

General Fund and Special Funds

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
Economic Development Support Services..... \$	90,605	47,996	42,497	42,497	42,497	42,497	42,497
Economic Development Support Services.....	90,605	47,996	42,497	42,497	42,497	42,497	42,497
Commonwealth Economic Development..... \$	265,749	193,098	220,783	237,091	239,595	239,589	239,582
Business and Job Development.....	181,346	152,042	183,037	201,638	205,308	205,297	205,293
Technology Development.....	73,783	32,525	29,885	29,885	29,885	29,885	29,885
Environmental Infrastructure.....	10,620	8,531	7,861	5,568	4,402	4,407	4,404
Workforce Investment..... \$	89,452	62,634	59,552	59,552	59,552	59,552	59,552
Workforce Development.....	38,735	15,894	12,871	12,871	12,871	12,871	12,871
Vocational Rehabilitation.....	50,717	46,740	46,681	46,681	46,681	46,681	46,681
Community Development..... \$	248,784	59,104	58,408	59,084	59,794	60,540	61,322
Community Development.....	237,019	46,285	44,885	44,885	44,885	44,885	44,885
Public Utility Realty Payments.....	11,765	12,819	13,523	14,199	14,909	15,655	16,437
PROGRAM TOTAL.....	694,590	362,832	381,240	398,224	401,438	402,178	402,953

Program Budget Summary

Transportation

The purpose of this program is to provide a system for the fast, convenient, efficient and safe movement of individuals and goods within the commonwealth that is interfaced with a national and international system of transportation. This commonwealth program supports the administration's goal to Create Jobs and Build a Vital Economy through the establishment of a first-rate infrastructure. The Creating a Fairer Tax Structure and the Adopting a Pennsylvania Budget That Works themes in the Overview and Summaries section support the goals of this program category.

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

Contribution by Category and Subcategory

General Fund and Special Funds

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
Transportation Systems and Services.....	\$ 2,103,858	\$ 2,020,787	\$ 2,031,397	\$ 2,069,197	\$ 2,122,297	\$ 2,175,797	\$ 2,229,597
Transportation Support Services.....	51,754	54,487	54,183	54,183	54,183	54,183	54,183
Highways and Bridges.....	1,723,567	1,641,525	1,652,983	1,690,783	1,743,883	1,797,383	1,851,183
Local Highway and Bridge Assistance.....	240,451	235,000	232,100	232,100	232,100	232,100	232,100
Intermodal Transportation.....	88,086	89,775	92,131	92,131	92,131	92,131	92,131
PROGRAM TOTAL.....	\$ 2,103,858	\$ 2,020,787	\$ 2,031,397	\$ 2,069,197	\$ 2,122,297	\$ 2,175,797	\$ 2,229,597



Recreation and Cultural Enrichment

The goal of this program is to improve the quality of life in Pennsylvania's urban, suburban and rural communities. This program focuses resources on our recreational and cultural amenities ensuring that Pennsylvanians can fully enjoy the natural beauty of the commonwealth. This program also ensures that residents and visitors can explore the diversity of cultural traditions, the creativity of our artistic community and the bountiful history of our state and its prominence in forming the heritage of our nation. This commonwealth program supports the administration's goals to Protect Our Natural Resources and Create Jobs and Build a Vital Economy. The Creating a Fairer Tax Structure theme in the Overview and Summaries section highlights the administration's goals in these areas.

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

In addition, the Fish and Boat Commission, Game Commission and Council on the Arts contribute to this commonwealth category.

Contribution by Category and Subcategory

General Fund and Special Funds

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
Recreation.....	\$ 270,111	\$ 238,227	\$ 249,956	\$ 238,575	\$ 243,347	\$ 247,017	\$ 250,252
Parks and Forests Management.....	166,218	133,555	140,373	141,651	146,423	150,093	153,328
Recreational Fishing and Boating.....	45,125	45,223	47,231	44,902	44,902	44,902	44,902
Wildlife Management.....	58,768	59,449	62,352	52,022	52,022	52,022	52,022
Cultural Enrichment.....	\$ 151,747	\$ 105,519	\$ 107,831	\$ 108,167	\$ 109,414	\$ 110,374	\$ 111,220
State Historical Preservation.....	24,429	19,543	19,348	19,348	19,348	19,348	19,348
Local Museum Assistance.....	15,676	2,562	8,001	8,257	9,211	9,945	10,592
Development of Artists and Audiences.....	15,823	15,092	10,982	10,982	10,982	10,982	10,982
State Library Services.....	95,819	68,322	69,500	69,580	69,873	70,099	70,298
PROGRAM TOTAL.....	\$ 421,858	\$ 343,746	\$ 357,787	\$ 346,742	\$ 352,761	\$ 357,391	\$ 361,472

Program Budget Summary

Debt Service

The goal of this commonwealth program is to provide sufficient financial resources necessary to meet the timely payment of commonwealth debt obligations. Debt financing is used by the commonwealth to finance its capital programs and voter-approved bond referenda and to fund certain disaster relief programs. Most long-term financing of the commonwealth is provided by the issuance of general obligation debt. Debt financing is utilized by all other commonwealth programs to support the goals of each of the commonwealth's program categories.

The agency that participates in this program is Treasury.

Contribution by Category and Subcategory

General Fund and Special Funds

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
Debt Service.....	\$ 953,533	\$ 989,295	\$ 1,085,870	\$ 1,203,428	\$ 1,334,226	\$ 1,366,084	\$ 1,347,659
Debt Service.....	953,533	989,295	1,085,870	1,203,428	1,334,226	1,366,084	1,347,659
PROGRAM TOTAL.....	\$ 953,533	\$ 989,295	\$ 1,085,870	\$ 1,203,428	\$ 1,334,226	\$ 1,366,084	\$ 1,347,659



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Commonwealth of Pennsylvania

Governor's Executive Budget

SUMMARY

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GENERAL FUND

The General Fund is the major operating fund of the commonwealth. It receives all tax receipts and other types of revenue not specified by law to be placed in special funds. Except for certain restricted receipts, the income of the General Fund is appropriated in specific amounts for the ordinary programs of government.

Pennsylvania's major sources of General Fund revenues are corporation taxes, consumption taxes, the Personal Income Tax and nontax revenues.



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FINANCIAL STATEMENT

The following financial statement and accompanying notes are a summary of the General Fund revenues and expenditures for the 2008-09 actual year, 2009-10 available year and 2010-11 budget year. The financial statement excludes augmentations and Federal funds that are detailed in subsequent tables.

	(Dollar Amounts in Thousands)		
	2008-09 Actual	2009-10 Available	2010-11 Estimated
Beginning Balance	\$ 582,796	\$ -2,030,417	\$ 37,479
Adjustment to Beginning Balance.....	2,500	0	0
Adjusted Beginning Balance.....	\$ 585,296	\$ -2,030,417	\$ 37,479
Revenue:			
Revenue Receipts.....	\$ 25,529,805	\$ 28,299,700 ^a	\$ 27,335,100
Proposed Revenue Changes.....	0	0	180,000
Less Refunds.....	-1,225,000	-1,250,000	-1,275,000
Total Revenue.....	\$ 24,304,805	\$ 27,049,700	\$ 26,240,100
Prior Year Lapses.....	163,837	60,000	0
Funds Available.....	\$ 25,053,938	\$ 25,079,283	\$ 26,277,579
Expenditures:			
Appropriations ^b	\$ 28,323,830	\$ 27,870,720	\$ 29,029,507
Supplemental Appropriations.....	0	4,150	0
Less Federal ARRA Funds:			
Enhanced Medical Assistance Percentage.....	-1,176,623	-1,776,682	-1,834,729
State Fiscal Stabilization Fund.....	-62,852	-921,384	-921,384
Less Current Year Lapses.....	0	-135,000	0
Total State Expenditures.....	\$ 27,084,355	\$ 25,041,804	\$ 26,273,394
Preliminary Balance.....	\$ -2,030,417	\$ 37,479	\$ 4,185
Less Transfer to Budget Stabilization Reserve Fund.....	0	0 ^c	0 ^c
Ending Balance	<u>\$ -2,030,417</u>	<u>\$ 37,479</u>	<u>\$ 4,185</u>

^a Includes \$755 million transferred from the Budget Stabilization Reserve Fund in accordance with Act 50 of 2009.

^b Includes State General Fund appropriations and Federal ARRA funds appropriated from the enhanced Federal Medical Assistance Percentage and the State Fiscal Stabilization Fund.

^c Act 50 of 2009 suspended the 25% transfer to the Budget Stabilization Reserve Fund for FY 2009-10 and this budget does not propose a transfer for FY 2010-11.



NOTES ON FINANCIAL STATEMENT
(Dollar Amounts in Thousands)

PROPOSED TAX AND REVENUE MODIFICATIONS

Non-Tax Revenue:	2010-11 Estimated
Transfer from Oil and Gas Lease Fund.....	\$ 180,000
A transfer of the proceeds of the Marcellus Shale Lease Payment to the General Fund is proposed.	
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TOTAL PROPOSED GENERAL FUND CHANGES IN FISCAL YEAR 2010-11	\$ 180,000

STIMULUS TRANSITION RESERVE FUND

A new state fund is proposed to be created to receive certain revenues that will assist the Commonwealth in replacing revenues currently being received in the form of federal fiscal relief as provided through the American Recovery and Reinvestment Act (ARRA). The additional revenue proposed below will not be appropriated in fiscal year 2010-11 but rather will be set-aside as a down payment in anticipation of the end of ARRA funding in fiscal year 2011-12.

Tax Revenue:	2010-11 Estimated
Severance Tax.....	\$ 160,740
A new tax on the severance of natural gas within the commonwealth is proposed.	
Vendor Sales Tax Discount.....	73,600
The one percent discount for the timely remittance of sales tax collected by licensed vendors is proposed to be eliminated.	
Other Tobacco Products Tax.....	41,600
A new tax on other tobacco products, including smokeless tobacco, large cigars and loose tobacco is proposed.	
Sales and Use Tax.....	531,500
Seventy four specific sales and use tax exemptions are proposed to be eliminated and the sales and use tax rate is proposed to be lowered from 6.0 percent to 4.0 percent.	
Combined Reporting.....	66,600
Combined Reporting is proposed to be enacted coupled with a lower corporate net income tax rate of 8.99 percent, a 100 percent sales factor and uncapped group net operating losses.	
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TOTAL PROPOSED STIMULUS TRANSITION RESERVE FUND CHANGES IN FISCAL YEAR 2010-11	\$ 874,040

NOTES ON FINANCIAL STATEMENT

(Dollar Amounts in Thousands)

SUPPLEMENTAL APPROPRIATIONS

	<u>2009-10 Available</u>
Education	
Pupil Transportation.....	\$ 4,150
General Services	
Rental and Municipal Charges.....	\$ 1,500
Utility Costs.....	<u>-1,500</u>
General Services Total.....	<u>\$ 0</u>
Public Welfare	
Payment to Federal Government -Medicare Drug Program.....	\$ 1,645
Medical Assistance - Capitation.....	-58,422
Long-Term Care.....	58,422 ^a
Intermediate Care Facilities - Mentally Retarded.....	<u>-1,645</u>
Public Welfare Total.....	<u>\$ 0</u>
 TOTAL.....	 <u>\$ 4,150</u>

^a This budget proposes to transfer Long-Term Care to the Department of Aging and Long Term Living in 2010-11. See page E7.3 for information on this appropriation.



STATE FUNDS BY DEPARTMENT

The following is a summary, by department, of 2008-09 actual expenditures, the 2009-10 amounts available and the 2010-11 amounts budgeted as presented in the General Fund Budget.

	(Dollar Amounts in Thousands)		
	2008-09 Actual	2009-10 Available	2010-11 Budget
Governor's Office.....	\$ 7,293	\$ 6,900	\$ 6,831
Executive Offices.....	254,299	204,486	183,989
Lieutenant Governor's Office.....	1,428	1,075	1,053
Attorney General.....	94,509	86,522	85,657
Auditor General.....	54,520	48,303	48,070
Treasury.....	955,348	976,792	1,071,673
Aging and Long Term Living.....	836,236	806,484	842,979
Agriculture.....	76,085	67,830	62,435
Civil Service Commission.....	1	1	1
Community and Economic Development *.....	579,753	275,848	297,304
Conservation and Natural Resources.....	113,369	92,369	91,375
Corrections.....	1,605,505	1,612,329	1,749,168
Education**.....	11,273,477	10,633,324	11,076,117
Emergency Management Agency.....	22,142	15,494	12,448
Environmental Protection***.....	219,225	160,764	157,013
Fish and Boat Commission.....	17	17	17
General Services.....	117,868	120,175	123,249
Health.....	272,938	239,147	232,183
Higher Education Assistance Agency.....	472,873	455,170	455,170
Historical and Museum Commission.....	31,895	22,105	19,348
Insurance.....	117,432	123,635	126,570
Labor and Industry.....	120,650	92,045	88,961
Military and Veterans Affairs.....	127,000	111,276	115,646
Probation and Parole Board.....	111,605	117,664	125,842
Public Welfare.....	8,590,121	7,921,349	8,309,228
Revenue****.....	181,509	198,602	203,881
Securities Commission.....	1,782	1,400	1,386
State.....	12,465	10,148	9,648
State Employees' Retirement System.....	4	4	4
State Police.....	182,305	182,664	184,697
Tax Equalization Board.....	1,207	1,159	1,147
Transportation.....	11,720	11,013	12,033
Legislature*****.....	330,633	303,850	301,411
Judiciary.....	307,141	276,860	276,860
GRAND TOTAL.....	\$ 27,084,355	\$ 25,176,804	\$ 26,273,394

* Includes Pennsylvania Housing Finance Agency.

** Includes State System of Higher Education and Thaddeus Stevens College of Technology.

*** Includes Environmental Hearing Board.

**** Excludes refunds.

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

FEDERAL FUNDS BY DEPARTMENT

The following is a summary of Federal funds, by department, of 2008-09 actual expenditures, the 2009-10 amounts available and the 2010-11 amounts budgeted as presented in the General Fund Budget.

	(Dollar Amounts in Thousands)		
	2008-09 Actual	2009-10 Available	2010-11 Budget
Executive Offices.....	\$ 173,861	\$ 527,488	\$ 524,810
Attorney General.....	17,321	18,693	19,016
Treasury.....	-	18,000	-
Aging and Long Term Living.....	2,784,579	2,675,760	2,905,912
Agriculture.....	39,544	39,046	38,571
Community and Economic Development.....	196,325	411,028	219,421
Conservation and Natural Resources.....	64,530	63,773	39,540
Corrections.....	13,431	181,719	180,712
Education.....	2,061,896	4,516,326	3,750,661
Emergency Management Agency.....	290,856	241,610	213,245
Environmental Protection*.....	173,207	384,719	388,919
General Services.....	-	1,203	500
Health.....	483,024	595,561	626,492
Higher Education Assistance Agency.....	1,563	1,563	1,541
Historical and Museum Commission.....	2,347	2,630	3,823
Infrastructure Investment Authority.....	189,517	333,164	361,091
Insurance.....	253,376	294,082	308,235
Labor and Industry.....	804,774	853,647	882,210
Liquor Control Board.....	67	92	-
Military and Veterans Affairs.....	284,576	357,836	352,043
Probation and Parole Board.....	217	255	175
Public Utility Commission.....	2,564	4,457	4,257
Public Welfare.....	10,464,950	11,591,235	12,235,463
State.....	24,205	41,732	40,242
State Police.....	43,704	53,148	53,568
Transportation.....	138,001	344,221	340,701
Legislature.....	1,470	1,248	1,280
Judiciary.....	1,441	1,966	1,966
GRAND TOTAL.....	\$ 18,511,346	\$ 23,556,202	\$ 23,494,394

* Includes Environmental Hearing Board.



AUGMENTATIONS BY DEPARTMENT

The following is a summary of augmentations, by department, of 2008-09 actual expenditures, the 2009-10 amounts available and the 2010-11 amounts budgeted as presented in the General Fund Budget.

	(Dollar Amounts in Thousands)		
	2008-09 Actual	2009-10 Available	2010-11 Budget
Executive Offices.....	\$ 94,499	\$ 92,682	\$ 94,836
Attorney General*.....	5,956	18,822	17,307
Auditor General.....	11,123	12,600	11,000
Treasury.....	8,295	8,353	7,824
Aging and Long Term Living.....	504,550	390,201	426,848
Agriculture.....	5,532	5,430	5,085
Civil Service Commission.....	16,035	14,243	14,101
Community and Economic Development*.....	6,201	7,206	7,548
Conservation and Natural Resources.....	50,449	54,565	62,859
Corrections.....	6,940	2,314	2,076
Education.....	11,529	8,459	8,214
Emergency Management Agency.....	67	27	27
Environmental Protection* **.....	26,204	27,150	30,620
General Services.....	22,692	40,763	38,375
Health*.....	4,930	6,639	7,546
Historical and Museum Commission.....	414	270	950
Insurance.....	2,590	3,717	3,717
Labor and Industry*.....	68,405	58,538	43,948
Military and Veterans Affairs.....	34,552	31,216	31,236
Probation and Parole Board.....	19,684	19,886	20,549
Public Utility Commission*.....	52,162	52,581	56,003
Public Welfare.....	573,735	878,991	732,504
Revenue.....	28,084	42,141	25,685
Securities Commission.....	6,739	7,727	7,727
State*.....	47,451	50,476	51,856
State Police*.....	61,849	58,161	57,495
Transportation*.....	3,800	1,409	-
Legislature.....	-	-	-
Judiciary*.....	61,074	57,048	57,048
GRAND TOTAL.....	\$ 1,735,541	\$ 1,951,615	\$ 1,822,984

* Includes funds appropriated from restricted revenues.

** Includes Environmental Hearing Board.



General Fund Revenue Summary

Seven Year Summary of Revenues

The following tables include all General Fund revenues available for general appropriation. This data does not include special restricted receipts, receipts augmenting appropriations or federal funds.

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Estimated	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
TAX REVENUE							
Corporation Taxes							
Corporate Net Income Tax.....	\$ 1,979,889	\$ 1,854,800	\$ 1,794,200	\$ 1,875,600	\$ 1,988,900	\$ 2,020,300	\$ 2,020,500
Capital Stock and Franchise Taxes..	787,704	960,300	852,200	777,200	462,800	143,300	5,300
Selective Business:							
Gross Receipts Tax.....	1,376,797	1,473,500	1,541,300	1,603,700	1,672,100	1,749,400	1,815,100
Public Utility Realty Tax.....	41,867	45,500	48,200	51,400	53,500	56,000	58,600
Insurance Premiums Tax.....	431,535	515,000	484,900	506,200	520,700	537,500	554,900
Financial Institutions Tax.....	198,505	208,100	211,100	212,800	212,700	212,100	206,400
Other Selective Business Taxes....	17,994	14,800	15,500	16,300	17,100	18,000	18,900
Total — Corporation Taxes.....	\$ 4,834,292	\$ 5,072,000	\$ 4,947,400	\$ 5,043,200	\$ 4,927,800	\$ 4,736,600	\$ 4,679,700
Consumption Taxes							
Sales and Use Tax.....	\$ 8,135,508	\$ 8,090,500	\$ 8,624,000	\$ 9,088,300	\$ 9,766,000	\$ 10,313,100	\$ 10,813,500
Cigarette Tax.....	754,159	979,800	1,091,200	1,092,200	1,093,200	1,094,200	1,095,200
Malt Beverage Tax.....	25,970	26,000	26,000	26,000	26,000	26,000	26,000
Liquor Tax.....	266,540	284,300	297,700	311,700	326,400	341,800	358,000
Total — Consumption Taxes.....	\$ 9,182,177	\$ 9,380,600	\$ 10,038,900	\$ 10,518,200	\$ 11,211,600	\$ 11,775,100	\$ 12,292,700
Other Taxes							
Personal Income Tax.....	\$ 10,198,646	\$ 10,005,400	\$ 10,378,800	\$ 11,114,200	\$ 11,550,700	\$ 12,227,200	\$ 12,865,300
Realty Transfer Tax.....	294,464	295,200	292,800	350,100	381,700	413,700	441,900
Inheritance Tax.....	772,165	779,200	794,800	982,200	1,075,100	1,140,800	1,197,100
Table Games.....	0	0	92,500	95,000	86,000	85,600	85,600
Minor and Repealed Taxes.....	12,819	8,700	8,700	8,700	8,700	8,700	8,700
Total — Other Taxes.....	\$ 11,278,094	\$ 11,088,500	\$ 11,567,600	\$ 12,550,200	\$ 13,102,200	\$ 13,876,000	\$ 14,598,600
TOTAL TAX REVENUE.....	\$ 25,294,563	\$ 25,541,100	\$ 26,553,900	\$ 28,111,600	\$ 29,241,600	\$ 30,387,700	\$ 31,571,000
NONTAX REVENUE							
State Stores Fund Transfer.....	\$ 125,000	\$ 105,000	\$ 105,000	\$ 80,000	\$ 80,000	\$ 80,000	\$ 80,000
Licenses, Fees and Miscellaneous:							
Licenses and Fees.....	120,715	320,800	124,200	124,200	124,200	124,200	124,200
Miscellaneous.....	-30,556	2,312,500	711,800	293,700	320,500	299,000	329,100
Fines, Penalties and Interest:							
On Taxes.....	17,242	17,000	17,000	17,000	17,000	17,000	17,000
Other.....	2,839	3,300	3,200	3,200	3,200	3,200	3,200
TOTAL NONTAX REVENUES.....	\$ 235,242	\$ 2,758,600	\$ 961,200	\$ 518,100	\$ 544,900	\$ 523,400	\$ 553,500
GENERAL FUND TOTAL.....	\$ 25,529,805	\$ 28,299,700	\$ 27,515,100	\$ 28,629,700	\$ 29,786,500	\$ 30,911,100	\$ 32,124,500

Totals may not add due to rounding.



Adjustments to Revenue Estimate

On January 7, 2010, the Official Estimate for fiscal year 2009-10 was re-certified to be \$28,824,700,000. The adjustments detailed below take into account actual revenue collections through the first six months of the fiscal year and projected collections for the remainder of the fiscal year based on current expectations for the economy and revenue trends.

	(Dollar Amounts in Thousands)		
	2009-10 Official Estimate	Adjustments	2009-10 Revised Estimate
TAX REVENUE			
Corporation Taxes			
Corporate Net Income Tax.....	\$ 1,877,500	\$ -22,700	\$ 1,854,800
Capital Stock and Franchise Taxes.....	965,100	-4,800	960,300
Selective Business:			
Gross Receipts Tax.....	1,477,600	-4,100	1,473,500
Public Utility Realty Tax.....	48,000	-2,500	45,500
Insurance Premiums Tax.....	508,700	6,300	515,000
Financial Institutions Tax.....	197,500	10,600	208,100
Other Selective Business Taxes.....	15,000	-200	14,800
Total — Corporation Taxes.....	<u>\$ 5,089,400</u>	<u>\$ -17,400</u>	<u>\$ 5,072,000</u>
Consumption Taxes			
Sales and Use Tax.....	\$ 8,391,300	\$ -300,800	\$ 8,090,500
Cigarette Tax.....	920,400	59,400	979,800
Malt Beverage Tax.....	26,000	0	26,000
Liquor Tax.....	279,100	5,200	284,300
Total — Consumption Taxes.....	<u>\$ 9,616,800</u>	<u>\$ -236,200</u>	<u>\$ 9,380,600</u>
Other Taxes			
Personal Income Tax.....	\$ 10,277,000	\$ -271,600	\$ 10,005,400
Realty Transfer Tax.....	272,100	23,100	295,200
Inheritance Tax.....	772,200	7,000	779,200
Minor and Repealed Taxes.....	8,700	0	8,700
Total — Other Taxes.....	<u>\$ 11,330,000</u>	<u>\$ -241,500</u>	<u>\$ 11,088,500</u>
TOTAL TAX REVENUE.....	<u>\$ 26,036,200</u>	<u>\$ -495,100</u>	<u>\$ 25,541,100</u>
NONTAX REVENUE			
State Stores Fund Transfer.....	\$ 105,000	\$ 0	\$ 105,000
Licenses Fees and Miscellaneous:			
Licenses and Fees.....	317,400	3,400	320,800
Miscellaneous.....	2,346,600	-34,100	2,312,500
Fines, Penalties and Interest:			
On Taxes.....	17,000	0	17,000
Other.....	2,500	800	3,300
TOTAL NONTAX REVENUES.....	<u>\$ 2,788,500</u>	<u>\$ -29,900</u>	<u>\$ 2,758,600</u>
GENERAL FUND TOTAL.....	<u>\$ 28,824,700</u>	<u>\$ -525,000</u>	<u>\$ 28,299,700</u>

General Fund Revenue Sources

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

Corporate Net Income Tax

Tax Base: This tax is paid by all domestic and foreign business corporations for the privilege of doing business, carrying on activities, or employing or owning capital or property in Pennsylvania and is levied on Federal taxable income with Pennsylvania modifications. When the entire business of any corporation is not transacted within Pennsylvania, taxable income usually is determined by a three factor apportionment formula, where the sales factor is given a weight of 83 percent for tax year 2009 and 90 percent for tax year 2010 and beyond.

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

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

Proposed Change: The base of the tax will be changed to mandatory unitary combined reporting, with a lower rate of 8.99%, effective for tax years beginning January 1, 2011 and after. When the entire business of any corporation is not transacted within Pennsylvania, taxable income would be determined by a factor apportionment formula, where the sales factor is given a weight of 100 percent for tax year 2011 and beyond. Group net operating losses would be uncapped. All revenues generated would be deposited into the new Stimulus Transition Reserve Fund.

Capital Stock and Franchise Taxes

Tax Base: The taxes are levied on the capital stock value of domestic and foreign corporations doing business or having property or capital employed in the State on that portion of the capital stock value apportionable to Pennsylvania under a statutory formula. The first \$160,000 of capital stock value is exempt.

Tax Rates:

January 1, 2009 through December 31, 2011	2.89 mills (including \$40 million transfer to the Hazardous Sites Cleanup Fund). Beginning in 2012, the rate declines by one mill per year until the tax is eliminated on January 1, 2014.
January 1, 2008 through December 31, 2008	2.89 mills.
January 1, 2007 through December 31, 2007	3.89 mills
January 1, 2006 through December 31, 2006	4.89 mills
January 1, 2005 through December 31, 2005	5.99 mills
January 1, 2004 through December 31, 2004	6.99 mills
January 1, 2002 through December 31, 2003....	7.24 mills
January 1, 2001 through December 31, 2001	7.49 mills (including 0.25 mill for transfer semiannually to the Hazardous Sites Cleanup Fund referred to as the HSCF).
January 1, 2000 through December 31, 2000....	8.99 mills (including 0.25 mill for transfer semiannually to HSCF).
January 1, 1999 to December 31, 1999	10.99 mills (including 0.25 mill for transfer semiannually to HSCF).
January 1, 1998 to December 31, 1998	11 mills plus a 0.99 mill surtax (including 0.5 mill for transfer semiannually to HSCF).
January 1, 1992 to December 31, 1997	11 mills plus a 1.75 mill surtax (including 0.5 mill for transfer semiannually to HSCF).
January 1, 1991 to December 31, 1991	11 mills plus a 2 mill surtax (including 0.5 mill for transfer semiannually to HSCF and 0.25 mill for transfer semiannually to the State Lottery Fund).
January 1, 1988 to December 31, 1990	9.5 mills (including 0.5 mill for transfer semiannually to HSCF).
January 1, 1987 to December 31, 1987	9 mills.
Prior to January 1, 1987	10 mills.



General Fund Revenue Sources

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

Gross Receipts Tax

Tax Base: This tax is levied on the gross receipts from business transacted within Pennsylvania by specified companies owned, operated or leased by corporations, associations or individuals. Beginning January 1, 2004, interstate and cellular telecommunications services are subject to the gross receipts tax. An exemption from the gross receipts tax for the resale of telecommunication services became effective January 1, 2000. Gross receipts of regulated gas companies from the sale of natural and artificial gas were exempted from the tax effective January 1, 2000. The tax on motor transportation companies was repealed effective January 1, 1998. In fiscal year 1998-99 through fiscal year 2002-03, 0.18 percent of total electric gross receipts was transferred to the Public Transportation Assistance Fund. Beginning with fiscal year 1993-94, 0.25 mill is transferred to the Alternative Fuels Incentive Grant Fund. The revenues shown for the General Fund are net of these transfers.

Tax Rates: July 1, 1991 to Current	45 mills plus a 5 mill surtax (electric utilities pay 44 mills or a rate as adjusted by the revenue neutral reconciliation rate, which was permanently set at 15 mills for 2003 and thereafter). Beginning in 2004, an additional surcharge may apply in the event refunds for Public Utility Realty Tax Appeals exceed \$5 million in the prior fiscal year.
January 1, 1988 to June 30, 1991	44 mills.
Prior to January 1, 1988	45 mills.

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

Public Utility Realty Tax

Tax Base: This tax is levied on the State taxable value of the property owned by utilities furnishing utility service and regulated by the Pennsylvania Public Utility Commission or similar regulatory body. The State taxable value is defined as the current market value of utility realty. Effective January 1, 2000, electric generation assets became subject to local real estate tax and were excluded from the Public Utility Realty Tax base.

Tax Rate: The tax rate is set each year upon determination by the Department of Revenue of the required distribution of the realty tax equivalent to local tax authorities. Revenue from an additional 7.6 mills is deposited in the General Fund. For tax year 2004 and thereafter, the Department of Revenue calculates a Gross Receipts Tax surcharge in the event that refunds for Public Utility Realty Tax appeals exceed \$5 million in the prior fiscal year. No surcharge was required for tax year 2006. The surcharge for tax year 2007 was 1.2 mills and the surcharge for tax year 2008 was 2.8 mills.

Reference: Purdon's Title 72 P.S. §8101-A—§8109-A.

Insurance Premiums Tax

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

Tax Rates: The rate is 2 percent of gross premiums plus a retaliatory tax where applicable. Marine insurance companies pay a 5 percent tax on underwriting profits attributable to Pennsylvania in lieu of the gross premiums tax. A tax of 3 percent is imposed on policies written with surplus lines agents or other nonadmitted insurers.

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

Financial Institutions Taxes

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

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

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



Other Selective Business Taxes

Tax Base: Other selective business taxes include: State Personal Property Tax Act, Act of June 22, 1935, P.L. 414 as amended; Electric Cooperative Law of 1990, 15 Pa.C.S.A. §7301 et seq.; and Agricultural Cooperative Associations Corporate Tax, Act of May 23, 1945, P.L. 893.

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

Reference: Purdon's Title 72 P.S. §3242—§3250-15. State Personal Property Tax
Purdon's Title 72 P.S. §3420-21—§3420-28. Agricultural Cooperative Associations
15 Pa.C.S.A. §7333 – Electric Cooperative Law Tax

Severance Tax on Natural Gas

Proposed Change: A new tax on the severance of natural gas within the commonwealth is proposed. The tax base is the value of the natural gas when severed. The rate is 5% of the value of the natural gas at the wellhead plus \$0.047 per thousand cubic feet of natural gas severed. There is an exemption for marginal wells, defined as wells that produce less than 60 thousand cubic feet per day. The proposed tax would be effective July 1, 2010. All revenues generated from this proposal would be deposited into the new Stimulus Transition Reserve Fund.

Sales and Use Tax

Tax Base: The tax is levied on the sale at retail, including rental, of tangible personal property and certain services, or upon the use within Pennsylvania of tangible personal property, or taxable services purchased at retail if the tax was not paid at time of purchase. A tax on the occupancy of hotel rooms is imposed as part of the sales and use tax law. A transfer of 0.947 percent of revenues from this tax is deposited in the Public Transportation Assistance Fund. Beginning in fiscal year 2007-08, 4.4 percent of receipts are transferred annually to the Public Transportation Trust Fund. The revenues shown for the General Fund are net of these transfers.

Tax Rate: A bracket system based on 6 percent of purchase price for Sales and Use Tax and 6 percent of rent for Hotel Occupancy Tax. The current tax rate was enacted in 1968.

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

Proposed Change: The sales and use tax rate would be lowered from 6 percent to 4 percent and the tax base broadened by eliminating 74 sales and use tax exemptions. The proposed tax would be effective September 1, 2010. All revenues generated from this proposal would be deposited into the new Stimulus Transition Reserve Fund. In addition, the one percent discount for the timely remittance of sales tax collected by licensed vendors is eliminated.

Cigarette Tax

Tax Base: The tax is imposed and assessed on the sale or possession of cigarettes and little cigars weighing less than 4 pounds per 1,000 sticks within Pennsylvania. Only one sale of the cigarette is taxable.

Tax Rates: The rate is 8.00 cents per cigarette. Beginning in January 2004, 18.52 percent of cigarette tax receipts is transferred to the Health Care Provider Retention Account. This transfer was eliminated beginning November 2009. Beginning in fiscal year 2002-03, fixed annual amounts of \$30.73 million and \$20.485 million of Cigarette Tax receipts are transferred to the Children's Health Insurance Program (CHIP) and the Agricultural Conservation Easement Purchase (ACEP) Fund, respectively. The revenues shown for the General Fund are net of these transfers.

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

Other Tobacco Products Tax

Proposed Change: A new tax on other tobacco products, including smokeless tobacco, large cigars, and loose tobacco is proposed. The tax rate would be 30% of the value of the product. The proposed tax would be effective July 1, 2010. All revenues generated from this proposal would be deposited into the new Stimulus Transition Reserve Fund.

Malt Beverage Tax

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

Tax Rates: The tax rate is two-thirds of a cent (2/3¢) per half pint of 8 fluid ounces or fraction thereof, and in larger quantities at the rate of one cent (1¢) per pint or 6 fluid ounces or fraction thereof.

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

Liquor Tax

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

Tax Rate: The rate is 18 percent of the net retail purchase price. The net retail purchase price includes the wholesale cost of the product, plus mark-up, handling charge and federal tax.

Reference: Purdon's Title 47 P.S. §794—§796.

Personal Income Tax

Tax Base: The tax is paid by all residents, resident trust and estates on eight separate classes of income: (1) compensation, (2) net profits, (3) interest, (4) dividends, (5) income from the disposition of property, (6) rents and royalties, (7) gambling and lottery winnings (except Pennsylvania Lottery winnings won after July 20, 1983), and (8) income from estates and trusts. The tax is also paid by non-resident individuals, estates and trusts on the following income from sources within the Commonwealth: compensation for personal services performed in Pennsylvania unless the taxpayer is a resident of a state with which there is a reciprocal agreement; net profits from activity conducted in Pennsylvania; income from the rental, ownership or disposition of any real or personal property, and income from gambling activity in Pennsylvania except prizes of the Pennsylvania State Lottery. A loss in one class of income may not be offset against income in another class, nor may gains or losses be carried back or forward from year to year. A credit is available to those individuals receiving tax forgiveness under the special provisions for poverty. Beginning in 1999, a qualified single individual with eligibility income of \$6,500 or less would receive 100 percent tax forgiveness. The eligibility income limit for each qualifying dependent of a claimant for tax forgiveness under the special tax provisions for poverty is \$9,500 beginning in 2004. The amount of forgiveness declines by 10 percent for each \$250 of income.

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

2004 and thereafter	3.07%
1993 to 2003	2.80%
1992	2.95%
1991	2.60%
1987 to 1990	2.10%
1986	2.16%
1985	2.35%

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

Realty Transfer Tax

Tax Base: The tax is levied on the value of the real estate transferred by a deed, instrument or other writing. Other taxable transfers include long-term leases greater than thirty years, transfers of real estate from industrial development authorities that will not be used primarily for industrial purposes, and "deemed" transfers of real estate because of the acquisition of companies which are in the business of holding or selling real estate. Beginning in July 1994, 15 percent of the revenues are transferred to the Keystone Recreation, Park and Conservation Fund. The transfer rate was reduced to 10 percent of revenues from January 2002 through June 2002, and to 7.5 percent from July 2002 through June 2003. The transfer rate returned to 15 percent for July 2003 through June 2006. The rate reduced to 2.1 percent for July 2006 through June 2007, and returned to 15 percent for July 2007 and thereafter. The revenues shown for the General Fund are net of this transfer.

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

Reference: Purdon's Title 72 P.S. §8101-C—§8113-C.



Inheritance and Estate Taxes

Tax Base: The Inheritance Tax is imposed on the value of property transferred to beneficiaries of a deceased person and certain transfers made during the decedent's lifetime. The value of the transfer is established on the date of the decedent's death. The Estate Tax is levied when the Federal estate tax credit for State death taxes exceeds a decedent's Inheritance Tax liability. The Federal estate tax credit was phased out between 2002 and 2005; the credit is to be fully reinstated in 2011 under current law.

Tax Rates: Rates are based on the relationship of the decedent and the beneficiary. Transfers of non-jointly held property to spouses are taxed at a rate of 0 percent. Transfers to parents of decedents 21 years of age or younger are taxed at a rate of 0 percent (effective July 1, 2000). Transfers to lineal beneficiaries are taxed at 4.5 percent (effective July 1, 2000). Transfers to siblings of the decedents are subject to a 12 percent tax rate (effective July 1, 2000). Transfers to all other beneficiaries are taxed at 15 percent. The Estate Tax equals the Federal credit for State death taxes, less the Inheritance Tax paid.

Reference: Purdon's Title 72 P.S. §9101 et seq.

Minor and Repealed Taxes

Minor Taxes Include: Tax on Legal Documents, Act of April 6, 1830, P.L. 272 (Purdon's Title 72 P.S. §3171) and excess Vehicle Rental Tax, Act of June 16, 1994, P.L. 279 (Purdon's Title 72 P.S. §8601-A). The Spirituous and Vinous Liquors Tax, Acts of December 5, 1933, P.L. 38 (Special Session) and December 22, 1933, P.L. 91 (Special Session) (Purdon's Title 47 P.S. §745) was repealed effective July 1, 2001.

State Stores Fund Transfer

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

Licenses, Fees and Miscellaneous Revenue

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

Miscellaneous revenues include all other income to be used for general appropriation purposes in the General Fund, except monies which are given to the Commonwealth by individuals, or are provided by law to be deposited in the Judicial Computer System Augmentation Account in accordance with Act 1988-79 (Purdon's Title 42 Pa.C.S.A. §3733). Any fines, fees or costs which are allocated to counties and municipalities are not affected by this act.

Fines, Penalties and Interest

This revenue source includes penalties and interest collected in the enforcement of corporation taxes.

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

General Fund Revenue Detail

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Estimated	2010-11 Budget
TAX REVENUE			
Corporate Net Income Tax	\$ 1,979,889	\$ 1,854,800	\$ 1,794,200
Capital Stock and Franchise Taxes			
Capital Stock Taxes — Domestic.....	\$ 219,361	\$ 315,400	\$ 279,900
Franchise Taxes — Foreign.....	568,343	644,900	572,300
SUBTOTAL	\$ 787,704	\$ 960,300	\$ 852,200
Gross Receipts Tax			
Electric, Hydroelectric and Water Power.....	\$ 868,757	\$ 950,100	\$ 993,800
Motor Transportation.....	7	0	0
Telephone and Telegraph.....	502,663	517,900	541,700
Transportation.....	5,369	5,500	5,800
SUBTOTAL	\$ 1,376,796	\$ 1,473,500	\$ 1,541,300
Public Utility Realty Tax	\$ 41,867	\$ 45,500	\$ 48,200
Insurance Premiums Tax			
Domestic Casualty.....	\$ 97,375	\$ 103,400	\$ 106,700
Domestic Fire.....	24,557	17,900	18,500
Domestic Life and Previously Exempted Lines.....	80,975	94,900	85,000
Excess Insurance Brokers.....	24,071	28,800	29,700
Foreign Excess Casualty.....	4,453	5,800	5,900
Foreign Excess Fire.....	1,719	4,500	4,600
Foreign Life.....	186,387	246,000	220,300
Marine.....	215	200	200
Title Insurance.....	4,792	7,400	7,700
Unauthorized Insurance.....	6,991	6,100	6,300
SUBTOTAL	\$ 431,535	\$ 515,000	\$ 484,900
Financial Institutions Taxes			
Federal Mutual Thrift Institutions.....	\$ 1,981	\$ 600	\$ 600
National Banks.....	127,156	147,700	149,900
State Banks.....	45,516	35,200	35,800
State Mutual Thrift Institutions.....	4,382	5,800	5,800
Trust Companies.....	19,470	18,800	19,000
SUBTOTAL	\$ 198,505	\$ 208,100	\$ 211,100
Other Selective Business Taxes			
Corporate Loans — Domestic.....	\$ 11,135	\$ 9,100	\$ 9,500
Corporate Loans — Foreign.....	2,330	3,300	3,500
Miscellaneous Business Taxes.....	598	2,400	2,500
Corporation Taxes — Clearing Accounts Undistributed.....	3,931	0	0
SUBTOTAL	\$ 17,994	\$ 14,800	\$ 15,500
Sales and Use Tax			
Motor Vehicle.....	\$ 959,545	\$ 967,400	\$ 958,200
Non-Motor Vehicle.....	7,175,963	7,123,100	7,665,800
SUBTOTAL	\$ 8,135,508	\$ 8,090,500	\$ 8,624,000

* Less than \$500.



General Fund Revenue Detail

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Estimated	2010-11 Budget
Cigarette Tax	\$ 754,159	\$ 979,800	\$ 1,091,200
Malt Beverage Tax	\$ 25,970	\$ 26,000	\$ 26,000
Liquor Tax	\$ 266,540	\$ 284,300	\$ 297,700
Personal Income Tax			
Non-Withholding.....	\$ 2,400,059	\$ 2,175,100	\$ 2,421,900
Withholding.....	7,798,587	7,830,300	7,956,900
SUBTOTAL	<u>\$ 10,198,646</u>	<u>\$ 10,005,400</u>	<u>\$ 10,378,800</u>
Realty Transfer Tax	\$ 294,464	\$ 295,200	\$ 292,800
Inheritance Tax			
Nonresident Inheritance and Estate Tax.....	\$ 5,606	\$ 5,100	\$ 5,200
Resident Inheritance and Estate Tax.....	766,559	774,100	789,600
SUBTOTAL	<u>\$ 772,165</u>	<u>\$ 779,200</u>	<u>\$ 794,800</u>
Table Games	\$ 0	\$ 0	\$ 92,500
Minor and Repealed Taxes			
Spirituos and Vinous Liquors Tax.....	\$ 1,824	\$ 1,200	\$ 1,200
Unallocated EFT Payments.....	2,057	1,400	1,400
Excess Vehicle Rental Tax.....	7,007	4,800	4,800
Payments of Intergrated Taxes (KITS).....	498	300	300
Tax on Writs, Wills and Deeds.....	1,287	900	900
Clearing of Wage Garnishment Collections.....	146	100	100
SUBTOTAL	<u>\$ 12,819</u>	<u>\$ 8,700</u>	<u>\$ 8,700</u>
TOTAL TAX REVENUE	<u>\$ 25,294,563</u>	<u>\$ 25,541,100</u>	<u>\$ 26,553,900</u>
NONTAX REVENUES			
State Stores Fund Transfer	\$ 125,000	\$ 105,000	\$ 105,000
Licenses, Fees and Miscellaneous			
Governor's Offices			
MISCELLANEOUS REVENUE			
Right To Know.....	*	\$ 0	\$ 0
SUBTOTAL	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Executive Offices			
LICENSES AND FEES			
Attorney Continuing Legal Education.....	\$ 0	\$ 64	\$ 64
MISCELLANEOUS REVENUE			
Miscellaneous.....	\$ -504	0	0
Interest Transferred to Employee Benefits.....	-10,187	0	0
Access to Justice Account.....	-129	-130	-130
Refunds Of Expenditures Not Credited To Appropriations.....	142	142	142
SUBTOTAL	<u>\$ -10,678</u>	<u>\$ 76</u>	<u>\$ 76</u>

* Less than \$500.



General Fund Revenue Detail

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Estimated	2010-11 Budget
Lieutenant Governor's Office			
LICENSES AND FEES			
Board Of Pardons Fees.....	\$ 18	\$ 17	\$ 17
Board Of Pardons — Filing Fees.....	15	15	15
MISCELLANEOUS REVENUE			
Miscellaneous.....	\$ *	\$ *	\$ *
Refunds of Expend Not Credited To Approp.....	*	0	0
SUBTOTAL.....	\$ 33	\$ 32	\$ 32
Auditor General			
LICENSES AND FEES			
Filing Fees — Board of Arbitration of Claims.....	\$ 1	\$ 2	\$ 2
SUBTOTAL.....	\$ 1	\$ 2	\$ 2
Attorney General			
MISCELLANEOUS REVENUE			
Assessed Civil Penalties Payments.....	\$ 389	\$ 336	\$ 336
Miscellaneous Interest Offset for Appropriation 611.....	-647	-438	-438
Miscellaneous.....	0	4	4
Refunds Of Expenditures Not Credited To Appropriations.....	27	27	27
Home Improvement Contractor Fee.....	1,326	1,442	1,442
SUBTOTAL.....	\$ 1,095	\$ 1,371	\$ 1,371
Treasury Department			
MISCELLANEOUS REVENUE			
Allocation Of Treasury Costs.....	\$ 4,356	\$ 0	\$ 0
Depository Adjustments.....	*	0	0
Dividend Income Reinvested - Long Term.....	3,508	0	0
Interest Transferred to Asbestos/Lead Account.....	-46	0	0
Interest Transferred to Hodge Trust Fund.....	-5	0	0
Interest on Average Collected Balance - WIC Program.....	2	0	0
Interest On Deposits.....	229	0	0
Interest On Securities — Liquor License Fund.....	38	0	0
Interest On Securities.....	-199,636	25,572	35,535
Miscellaneous.....	128	0	11,222
Redeposit Of Checks.....	2,888	0	0
Unclaimed Property — Contra Acct Paypal Fees.....	-7	-150	-150
Unclaimed Property — Contra Acct Fin Inst. Fees.....	-1,072	-90	-90
Unclaimed Property — Claim Payments.....	-100,189	148,750	148,750
Unclaimed Property — Financial Institution Deposits.....	35,204	26,250	26,250
Unclaimed Property — Other Holder Deposits.....	136,027	-110,000	-110,000
SUBTOTAL.....	\$ -118,575	\$ 90,332	\$ 111,517
Department of Agriculture			
LICENSES AND FEES			
Abattoir Licenses.....	\$ 6	\$ *	\$ *
Approved Inspectors Certificate And Registration Fees.....	3	3	3
Domestic Animal Dealers' Licenses.....	50	50	50
Eating & Drinking Licenses.....	1,811	1,850	1,860
Egg Certification Fees.....	11	11	12
Farm Products Inspection Fees.....	61	55	57
Garbage Feeders Licenses.....	*	*	*
Ice Cream Licenses.....	113	106	107
Lab Directors' Exam Fees.....	1	1	1
Livestock Branding Fees.....	*	*	*

* Less than \$500.



General Fund Revenue Detail

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Estimated	2010-11 Budget
Department of Agriculture (continued)			
Maple Syrup Program.....	*	*	*
Miscellaneous Licenses And Fees.....	14	13	14
Poultry Technician Licenses.....	5	4	4
Pub Weighmasters (Under Act 155).....	191	196	201
Registration Fee — Food Establishment.....	239	240	242
Rendering Plant Licenses.....	11	11	11
Veterinarian Diagnostic Laboratory Fees.....	531	550	555
MISCELLANEOUS REVENUE			
Miscellaneous.....	\$ 6	\$ 5	\$ 5
Refunds Of Expenditures Not Credited To Appropriations.....	*	\$ *	\$ *
Sale of Surplus Products.....	*	0	0
SUBTOTAL.....	\$ 3,053	\$ 3,095	\$ 3,122
Civil Service Commission			
MISCELLANEOUS REVENUE			
Miscellaneous.....	\$ *	\$ 0	\$ 0
Refunds of Expend Not Credited to Appropriations.....	*	\$ 0	\$ 0
SUBTOTAL.....	\$ 0	\$ 0	\$ 0
Department of Community and Economic Development			
LICENSES AND FEES			
Municipal Indebtedness Fees.....	\$ 269	\$ 270	\$ 250
MISCELLANEOUS REVENUE			
Interest From Grantees.....	\$ 1	\$ 1	\$ 1
Miscellaneous.....	924	925	1,060
General Principal Repayments.....	21	25	25
General Interest on Loans.....	3	3	3
HRA/EDS Interest Repayments.....	201	200	200
HRA/EDS Interest on Loans.....	16	17	15
ID/BID Principal Repayments.....	507	510	575
ID/BID Penalty Charges.....	*	*	*
ID/BID Interest on Loans.....	198	200	210
Refunds of Expenditures Not Credited to Appropriations.....	4	4	*
SUBTOTAL.....	\$ 2,144	\$ 2,155	\$ 2,339
Department of Conservation and Natural Resources			
MISCELLANEOUS REVENUE			
Camp Leases.....	\$ 772	\$ 760	\$ 760
Ground Rents.....	16	16	16
Housing Rents.....	24	24	24
Minerals Sales.....	3	3	3
Miscellaneous.....	100	30	30
Sale of DEP Water Kits.....	2	2	2
Refunds Of Expenditures Not Credited To Appropriations.....	*	*	*
Rights-Of-Way.....	778	800	800
Water Leases.....	1	1	1
SUBTOTAL.....	\$ 1,696	\$ 1,636	\$ 1,636
Department of Corrections			
MISCELLANEOUS REVENUE			
Miscellaneous.....	\$ 20	\$ 20	\$ 20
Refunds Of Expenditures Not Credited To Appropriations.....	1	2	2
Telephone Commissions.....	7,964	8,100	8,100
SUBTOTAL.....	\$ 7,985	\$ 8,122	\$ 8,122

* Less than \$500.



General Fund Revenue Detail

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Estimated	2010-11 Budget
Department of Education			
LICENSES AND FEES			
Fees For GED Transcripts.....	\$ 54	\$ 50	\$ 50
Fees For Licensing Private Schools.....	190	233	234
PDE Fees Transcripts — Closed Private Schools.....	*	*	*
Private Academic School Teacher Certification Fees.....	15	13	13
Fees For Licensing Private Driver Training Schools.....	55	60	60
Secondary Education Evaluation Fees.....	3	3	3
Teacher Certification Fees.....	1,685	1,580	1,580
Fingerprint and FBI Background Check Fees.....	231	131	131
MISCELLANEOUS REVENUE			
Miscellaneous.....	3,124	0	0
Refunds of Expenditures Not Credited to Appropriations.....	*	0	0
SUBTOTAL.....	\$ 5,357	\$ 2,070	\$ 2,071
Emergency Management Agency			
MISCELLANEOUS REVENUE			
Refunds of Expenditures Not Credited to Appropriations.....	\$ 1	\$ 0	\$ 0
SUBTOTAL.....	\$ 1	\$ 0	\$ 0
Department of Environmental Protection			
LICENSES AND FEES			
Anthracite Miners' Examination and Certification Fees.....	\$ *	\$ *	\$ *
Bituminous Miners' Examination and Certification Fees.....	4	4	3
Bituminous Shot Firers and Machine Runners Exam A.....	12	6	6
Blasters' Examination and Licensing Fees.....	25	9	9
Dams and Encroachment Fees.....	118	119	119
Examination and Certification Fees.....	*	4	4
Explosives Storage Permit Fees.....	66	66	66
Hazardous Waste Facility Annual Permit Administration Fees.....	46	46	46
Hazardous Waste Facility Permit Application Fees.....	2	12	12
Hazardous Waste Storage-Disposal Fac-Fee.....	2	24	24
Hazardous Waste Transporter License and Fees.....	40	41	41
Infectious and Chemical Waste Transport Fees.....	11	12	12
Municipal Waste Annual Permit Administration Fees.....	253	225	225
Municipal Waste Permit Application Fees.....	112	132	132
Residual Waste Closure Administration Fees.....	9	9	9
Residual Waste Permit Administration Fees.....	241	230	230
Residual Waste Permit Application/Modification Fees.....	24	59	59
Sewage Permit Fees.....	364	359	359
Submerged Land Fees.....	61	61	61
Water Bacteriological Examination Fees.....	17	16	16
Water Power and Supply Permit Fees.....	103	93	93
MISCELLANEOUS REVENUE			
Ground Rentals.....	\$ 16	\$ 16	\$ 16
Interest Payments — Mine Subsidence.....	*	*	*
Miscellaneous.....	25	26	20
Payment To Occupy Submerged Lands.....	338	301	301
Refunds of Expenditures Not Credited to Appropriations.....	-11	10	5

* Less than \$500.



General Fund Revenue Detail

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Estimated	2010-11 Budget
Department of Environmental Protection (continued)			
MISCELLANEOUS REVENUE			
Rights-of-Way.....	\$ 21	\$ 12	\$ 12
Royalties for Recovery Of Materials — Schuylkill River.....	98	98	98
Sewage Treatment And Waterworks Application Fees.....	0	1	0
Surface Subsidence Assistance Loans — Repayments.....	1	2	2
SUBTOTAL.....	<u>\$ 1,998</u>	<u>\$ 1,993</u>	<u>\$ 1,980</u>
Department of General Services			
MISCELLANEOUS REVENUE			
Allocation Of Purchasing Costs Job 7.....	\$ 3,017	\$ 3,092	\$ 3,169
Miscellaneous.....	31	450	450
Real Estate Services.....	253	259	265
Rebates to be Distributed.....	*	*	*
Refunds of Expenditures Not Credited to Appropriations.....	1	2	2
Rental Of State Property.....	164	100	100
Right To Know.....	1	1	1
Sale Of Publications.....	3	0	0
Sale Of State Property.....	646	33,347	6,433
Sale Of Unserviceable Property.....	297	267	267
Sale Of Property Escrow.....	-4	0	0
Reading State Office Building.....	235	241	247
Scranton State Office Building.....	917	939	963
Altoona State Office Building.....	33	0	0
SUBTOTAL.....	<u>\$ 5,594</u>	<u>\$ 38,698</u>	<u>\$ 11,897</u>
Department of Health			
LICENSES AND FEES			
Bathing Place Program — Application Fees.....	\$ 2	\$ 2	\$ 2
Cre Certification Fees.....	22	18	18
Hospice Licensing Fees.....	32	35	35
Immunization Service Fees.....	21	17	17
Miscellaneous Licensure Fees.....	136	128	128
Nursing Home Licenses.....	307	330	330
Pediatric Extended Care Licensing Fees.....	2	2	2
Profit Making Hospital Licenses.....	216	214	214
Organized Camps Program Fees.....	4	4	4
Registration Fees — Hearing Aid Act.....	102	107	107
Registration Fees — Drugs Devices and Cosmetics Act.....	448	470	494
Vital Statistics Fees.....	5,389	5,812	5,812
Home Care Agency Licensure Fees.....	0	15	30
Wholesale Prescription Drug Distribution Licenses.....	72	75	78
MISCELLANEOUS REVENUE			
Interest Transferred to Share Loan Program.....	-5	-3	-3
Miscellaneous.....	63	61	61
Refunds of Expenditures Not Credited to Appropriations.....	1	2	2
SUBTOTAL.....	<u>\$ 6,812</u>	<u>\$ 7,289</u>	<u>\$ 7,331</u>
Historical and Museum Commission			
MISCELLANEOUS REVENUE			
Refunds of Expenditures Not Credited to Appropriations.....	15	16	17
SUBTOTAL.....	<u>\$ 15</u>	<u>\$ 16</u>	<u>\$ 17</u>

* Less than \$500.



General Fund Revenue Detail

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Estimated	2010-11 Budget
Insurance Department			
LICENSES AND FEES			
Agents' Licenses.....	\$ 27,134	\$ 26,500	\$ 26,500
Brokers' Licenses.....	9,601	9,300	9,300
Division of Companies Certification — Certificates and Filing Fees.....	1,923	2,000	2,000
Examination Fees and Expenses.....	2,578	2,600	2,600
Market Conduct Examination Fees.....	1,091	1,000	1,000
Miscellaneous Fees.....	510	475	475
Valuation of Policies Fees.....	3,663	3,500	3,500
MISCELLANEOUS REVENUE			
Miscellaneous.....	\$ 1	\$ 2	\$ 2
Refunds of Expenditures Not Credited to Appropriations.....	5	5	5
SUBTOTAL.....	\$ 46,506	\$ 45,382	\$ 45,382
Department of Labor and Industry			
LICENSES AND FEES			
Accessibility.....	\$ 62	\$ 62	\$ 58
Approval of Building Plan Fees.....	819	819	850
Approval of Elevator Plan Fees.....	587	587	575
Bedding And Upholstery Fees.....	656	656	650
Boiler Inspection Fees.....	4,186	4,186	4,200
Boiler Plan Fees.....	58	58	55
Elevator Inspection Fees.....	1,528	1,528	1,500
Employment Agency Licenses.....	23	23	22
Employment Agents' Registration Fees.....	2	2	3
Flammable Liquids Storage Fees.....	36	36	35
Industrial Board.....	66	65	65
Liquefied Petroleum Gas Plan Fees.....	8	212	200
Liquefied Petroleum Gas Registration Fees.....	212	8	6
Stuffed Toys Manufacturers' Registration Fees.....	67	67	67
UCC Certifications.....	80	80	78
MISCELLANEOUS REVENUE			
Miscellaneous.....	\$ 35	\$ 35	\$ 35
Refunds of Expenditures Not Credited to Appropriations.....	1	0	0
SUBTOTAL.....	\$ 8,426	\$ 8,424	\$ 8,399
Department of Military and Veterans Affairs			
MISCELLANEOUS REVENUE			
Miscellaneous.....	\$ *	\$ 0	\$ 0
Refunds of Expenditures Not Credited to Appropriations.....	\$ *	\$ 10	\$ 10
Right To know.....	*	*	*
SUBTOTAL.....	\$ 1	\$ 10	\$ 10
Board of Probation and Parole			
MISCELLANEOUS REVENUE			
Miscellaneous.....	\$ 4	\$ 0	\$ 0
Refunds of Expenditures Not Credited to Appropriations.....	*	\$ 0	\$ 0
SUBTOTAL.....	\$ 4	\$ 0	\$ 0

* Less than \$500.



General Fund Revenue Detail

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Estimated	2010-11 Budget
Department of Public Welfare			
LICENSES AND FEES			
Private Mental Hospital Licenses.....	\$ 56	\$ 56	\$ 56
MISCELLANEOUS REVENUE			
Miscellaneous.....	\$ 8	8	10
Refunds of Expenditures Not Credited to Appropriations.....	2	2	23
SUBTOTAL.....	\$ 66	\$ 66	\$ 89
Department of Revenue			
LICENSES AND FEES			
Certification And Copy Fees.....	\$ 32	\$ 33	\$ 33
Cigarette Permit Fees.....	137	130	130
Domestic Violence and Rape Crisis Program Fee.....	1,680	1,550	1,400
MISCELLANEOUS REVENUE			
Exempt Collections Per Act 1992-67.....	\$ 18,234	18,900	19,500
District Justice Costs.....	7,631	7,600	7,600
Miscellaneous.....	135	135	135
Distribution Due Absentee.....	-201	200	200
Donations.....	10	0	0
Conscience Money.....	1	1	1
Refunds of Expenditures Not Credited to Appropriations.....	11	10	10
SUBTOTAL.....	\$ 27,670	\$ 28,559	\$ 29,009
Securities Commission			
LICENSES AND FEES			
Associated Persons — Initial.....	\$ 86	\$ 114	\$ 126
Associated Persons — Renewal.....	365	377	462
Associated Persons — Transfer.....	14	3	4
Brokers, Dealers Registration Fees — Initial.....	59	61	64
Brokers, Dealers Registration Fees — Renewal.....	833	857	899
Costs — Examination, Auditing, Investigation, Prosecution —			
Except Takeover Costs.....	*	1	1
Investment Advisors' Filing Fees — Initial.....	25	28	30
Investment Advisors' Filing Fees — Renewal.....	183	187	193
Investment Advisors' — Notice Filings Initial.....	51	66	73
Investment Advisors' — Notice Filings Renewal.....	553	592	621
Mutual Funds — Increase in Amount of Filing.....	541	850	850
Mutual Funds — Initial Filing.....	492	500	500
Mutual Funds — Renewal Filing.....	3,171	3,500	3,500
506 RD Filings.....	1,126	1,500	1,500
Section 203 (D) — Increase in Amount of Filing.....	0	*	*

* Less than \$500.



General Fund Revenue Detail

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Estimated	2010-11 Budget
Securities Commission (continued)			
LICENSES AND FEES			
Section 203 (D) — Initial Filing.....	8	16	16
Section 203 (I) (O) (II) — Initial Filing.....	0	*	*
Section 203(P) — Initial Filing.....	0	*	*
Section 203(S) — Initial Filing.....	4	7	7
Section 203(T) — Filing.....	2	14	14
Section 205 — Security Registration and Amendment Fees.....	36	50	50
Section 206 — Increase in Amount of Filing.....	2	1	1
Section 206 — Qualification Filing — Initial.....	137	160	160
Securities Agents' Filing Fees — Initial.....	3,243	3,947	4,144
Securities Agents' Filing Fees — Renewal.....	12,399	13,204	14,732
Securities Agents' Filing Fees — Transfer.....	1,474	498	500
Takeover Disclosure Filing Fees + Sct Iv Rgtrn.....	0	6	6
MISCELLANEOUS REVENUE			
Miscellaneous.....	268	0	0
Refund of Expenditures not Credited to Approp.....	*	0	0
SUBTOTAL.....	\$ 25,072	\$ 26,539	\$ 28,453
Department of State			
LICENSES AND FEES			
Charities Bureau Registration Fees.....	\$ 2,086	\$ 1,750	\$ 1,850
Commission and Filing Fees — Bureau Of Elections.....	715	898	898
Commission and Filing Fees — Corporation Bureau.....	21,492	24,366	22,361
Commission Fees.....	57	50	50
Notary Public Commission Fees.....	920	918	918
MISCELLANEOUS REVENUE			
Prof. & Occupational Affairs Credit Card Transfers.....	308	0	0
Interest Transferred to HAVA Program.....	-963	0	0
Refunds of Expenditures Not Credited to Appropriations.....	4	0	0
Refunds of Expenditures Not Credited to Appropriations.....	1	1	1
SUBTOTAL.....	\$ 24,620	\$ 27,983	\$ 26,078
State Police			
MISCELLANEOUS REVENUE			
Miscellaneous.....	313	350	350
Reimbursement For Lost Property.....	7	1	1
Refunds of Expenditures Not Credited to Appropriations.....	18	300	300
SUBTOTAL.....	\$ 338	\$ 651	\$ 651
Department of Transportation			
MISCELLANEOUS REVENUE			
Interest on Securities — Railroad Rehabilitation & Improve.....	\$ -6	\$ -6	\$ -6
SUBTOTAL.....	\$ -6	\$ -6	\$ -6
Other			
LICENSES AND FEES			
Table Games.....	\$ 0	\$ 196,500	\$ 0
MISCELLANEOUS REVENUE			
Payments in Lieu of Taxes — SWIF.....	\$ 5,768	\$ 8,000	\$ 8,000
Public Television - Refunds of Expend Not Credited to Approp	*	0	0
State Ethics Commission - Refunds of Expend Not Credited to Approp	*	0	0
State Tax Equalization Board.....	*	*	0
Supreme Court.....	36	65	65
Transfers From Special Funds.....	45,129	2,134,200	538,378
SUBTOTAL.....	\$ 50,933	\$ 2,338,765	\$ 546,443
Total Licenses, Fees and Miscellaneous.....	\$ 90,161	\$ 2,633,260	\$ 836,021
Fines, Penalties and Interest on Taxes			
Corporation Net Income Tax.....	\$ 7,916	\$ 7,000	\$ 7,000
Interest on Excise Taxes — Corporations (Department of Revenue).....	8,536	9,400	9,400
Penalties on Excise Taxes — Corporations.....	790	600	600
SUBTOTAL.....	\$ 17,242	\$ 17,000	\$ 17,000

* Less than \$500.



General Fund Revenue Detail

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Estimated	2010-11 Budget
Other Fines and Penalties			
Department of Agriculture			
Amusement Rides and Attractions — Fines.....	\$ 1	\$ 1	\$ 1
General Food Fines.....	4	2	2
Harness Racing Fines and Penalties.....	145	140	145
Horse Racing Fines and Penalties.....	153	150	156
Miscellaneous Fines.....	2	3	3
Civil Penalties - Food Establishments.....	*	1	1
Department of Conservation and Natural Resources			
Miscellaneous Fines.....	1	1	1
Department of Environmental Protection			
Miscellaneous Fines.....	*	*	*
Ethics Commission			
Violations-Act 1978-170.....	76	98	98
Gaming Control Board			
Miscellaneous Fines and Penalties.....	112	110	110
Department of General Services			
Traffic Violation Fines.....	2	0	0
Department of Health			
Non-Compliance Fines And Penalties.....	59	88	88
Department of Insurance			
Miscellaneous Fines.....	1,988	2,000	2,006
Department of Labor and Industry			
Minor Labor Law Fines.....	2	1	1
Miscellaneous Fines.....	70	80	80
Public Utility Commission			
Violation Of Order Fines.....	187	190	200
Department of Revenue			
Malt Liquor Fines and Penalties.....	7	7	7
State Gaming Tax Penalties.....	30	30	30
Department of State			
Penalties and Fines - Charities Bureau.....	0	438	250
SUBTOTAL.....	\$ 2,839	\$ 3,340	\$ 3,179
Total Fines, Penalties and Interest.....	\$ 20,081	\$ 20,340	\$ 20,179
TOTAL NONTAX REVENUES.....	\$ 235,242	\$ 2,758,600	\$ 961,200
TOTAL GENERAL FUND REVENUES.....	\$ 25,529,805	\$ 28,299,700	\$ 27,515,100

* Less than \$500.



General Fund Revenue Summary

Revenue History

This table shows six years of actual General Fund revenues available for general appropriation. This data does not include special restricted receipts, receipts augmenting appropriations or federal funds.

(Dollar Amounts in Thousands)

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Actual	2007-08 Actual	2008-09 Actual
TAX REVENUE						
Corporation Taxes						
Corporate Net Income Tax.....	\$ 1,677,998	\$ 1,921,406	\$ 2,301,968	\$ 2,492,482	\$ 2,417,657	\$ 1,979,889
Capital Stock and Franchise Taxes..	984,295	1,025,904	1,080,874	999,954	1,019,942	787,704
Selective Business:						
Gross Receipts Tax.....	1,012,397	1,125,913	1,150,987	1,293,311	1,348,878	1,376,797
Public Utility Realty Tax.....	50,272	41,178	40,209	47,518	44,689	41,867
Insurance Premiums Tax.....	390,768	410,700	390,371	412,490	418,229	431,535
Financial Institutions Tax.....	217,550	208,924	204,657	213,645	191,839	198,505
Other Selective Business Taxes.....	17,825	17,695	21,039	16,893	16,435	17,994
Total — Corporation Taxes.....	\$ 4,351,105	\$ 4,751,720	\$ 5,190,105	\$ 5,476,294	\$ 5,457,670	\$ 4,834,292
Consumption Taxes						
Sales and Use Tax.....	\$ 7,728,542	\$ 7,999,952	\$ 8,334,249	\$ 8,590,769	\$ 8,496,554	\$ 8,135,508
Cigarette Tax.....	856,442	784,371	792,124	778,582	784,055	754,159
Malt Beverage Tax.....	26,201	24,904	26,158	25,171	26,289	25,970
Liquor Tax.....	195,179	212,501	223,036	239,494	251,138	266,540
Total — Consumption Taxes.....	\$ 8,806,364	\$ 9,021,728	\$ 9,375,567	\$ 9,634,016	\$ 9,558,036	\$ 9,182,177
Other Taxes						
Personal Income Tax.....	\$ 7,733,804	\$ 8,746,793	\$ 9,524,139	\$ 10,261,619	\$ 10,907,741	\$ 10,198,646
Realty Transfer Tax.....	400,590	472,539	552,450	570,994	429,540	294,464
Inheritance Tax.....	747,625	716,148	745,245	756,553	828,628	772,165
Minor and Repealed Taxes.....	6,629	3,593	-17,366	-15,461	111,569	12,819
Total — Other Taxes.....	\$ 8,888,648	\$ 9,939,073	\$ 10,804,468	\$ 11,573,705	\$ 12,277,478	\$ 11,278,094
TOTAL TAX REVENUE.....	\$ 22,046,117	\$ 23,712,521	\$ 25,370,140	\$ 26,684,015	\$ 27,293,184	\$ 25,294,563
NONTAX REVENUE						
State Stores Fund Transfer.....	\$ 50,000	\$ 54,900	\$ 80,000	\$ 150,000	\$ 80,000	\$ 125,000
Licenses, Fees and Miscellaneous:						
Licenses and Fees.....	105,176	121,131	115,836	119,587	122,422	120,715
Miscellaneous.....	591,701	387,994	252,798	454,037	383,904	-30,556
Fines, Penalties and Interest:						
On Taxes.....	31,881	24,067	32,584	38,287	36,753	17,242
Other.....	3,203	7,927	2,938	3,410	11,799	2,839
TOTAL NONTAX REVENUES.....	\$ 781,961	\$ 596,019	\$ 484,156	\$ 765,321	\$ 634,878	\$ 235,242
GENERAL FUND TOTAL.....	\$ 22,828,078	\$ 24,308,540	\$ 25,854,296	\$ 27,449,336	\$ 27,928,062	\$ 25,529,805

Totals may not add due to rounding.





MOTOR LICENSE FUND

The Motor License Fund is a special revenue fund composed of monies received from liquid fuels taxes, licenses and fees on motor vehicles, aviation fuel tax revenues, federal aid for highway and aviation purposes, contributions from local subdivisions for highway projects and other miscellaneous highway revenues.

The fund provides for highway and bridge improvement, design, maintenance and purchase of rights-of-way, as well as aviation activities and Department of Transportation licensing and safety activities. It also finances State Police highway patrol operations and pays subsidies to local subdivisions for construction and maintenance of roads.

Financial Statement *

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Beginning Balance.....	\$ 110,726	\$ 57,684	\$ 105,557
Revenue:			
Revenue Receipts.....	\$ 2,556,744	\$ 2,636,060	\$ 2,619,060
Adjustment to Official Estimate.....	0	-35,070	0
Prior Year Lapses.....	115,324	91,000	0
Funds Available	<u>\$ 2,782,794</u>	<u>\$ 2,749,674</u>	<u>\$ 2,724,617</u>
Expenditures:			
Appropriations.....	\$ 2,725,110	\$ 2,687,117	\$ 2,708,968
Less Current Year Lapses.....	0	-43,000	0
Estimated Expenditures.....	\$ -2,725,110	\$ -2,644,117	\$ -2,708,968
Ending Balance	<u>\$ 57,684</u>	<u>\$ 105,557</u>	<u>\$ 15,649</u>

* Excludes restricted revenue.



Summary by Department

	(Dollar Amounts in Thousands)		
	2008-09 Actual	2009-10 Estimate	2010-11 Budget
Executive Offices			
General Government			
Office of the Budget — Comptroller Operations.....	\$ 6,195	\$ 5,827	\$ 5,885
Statewide Public Safety Radio System.....	15,439	14,757	16,224
Commonwealth Technology Services.....	0	2,446	2,553
TOTAL STATE FUNDS.....	\$ 21,634	\$ 23,030	\$ 24,662
Augmentations.....	\$ 306	\$ 441	\$ 441
DEPARTMENT TOTAL.....	\$ 21,940	\$ 23,471	\$ 25,103
Treasury Department			
General Government			
Administration of Refunding Liquid Fuel Tax.....	\$ 470	\$ 490	\$ 547
Refunding Liquid Fuel Tax — Agricultural (EA).....	3,800	3,800	3,800
Refunding Liquid Fuel Tax — State Share (EA).....	1,000	1,000	1,000
Refunding Liquid Fuel Tax — Political Subdivisions (EA).....	3,000	3,000	3,000
Refunding Liquid Fuel Tax — Volunteer Services (EA).....	400	400	400
Refunding Liquid Fuel Tax — Snowmobiles and ATV's (EA).....	1,000	1,000	1,000
Refunding Liquid Fuel Tax — Boat Fund (EA).....	2,300	2,300	2,300
Replacement Checks (EA).....	150	100	100
Subtotal.....	\$ 12,120	\$ 12,090	\$ 12,147
Debt Service Requirements			
Capital Debt — Transportation Projects.....	\$ 12,098	\$ 11,634	\$ 11,379
General Obligation Debt Service.....	11,713	13,052	13,569
Loan and Transfer Agent.....	0	50	50
Subtotal.....	\$ 23,811	\$ 24,736	\$ 24,998
TOTAL STATE FUNDS	\$ 35,931	\$ 36,826	\$ 37,145
Restricted Revenue.....	\$ 14,040	\$ 27,276	\$ 42,574
DEPARTMENT TOTAL.....	\$ 49,971	\$ 64,102	\$ 79,719
Department of Agriculture			
Weights and Measures.....	\$ 3,089	\$ 4,689	\$ 3,975
DEPARTMENT TOTAL.....	\$ 3,089	\$ 4,689	\$ 3,975
Department of Conservation and Natural Resources			
Dirt and Gravel Roads.....	\$ 1,000	\$ 1,000	\$ 1,000
TOTAL STATE FUNDS.....	\$ 1,000	\$ 1,000	\$ 1,000
Restricted Revenue.....	\$ 7,000	\$ 7,000	\$ 7,000
DEPARTMENT TOTAL.....	\$ 8,000	\$ 8,000	\$ 8,000
Department of Education			
Grants and Subsidies			
Safe Driving Course.....	\$ 1,130	\$ 1,125	\$ 1,103
DEPARTMENT TOTAL.....	\$ 1,130	\$ 1,125	\$ 1,103
Department of Environmental Protection			
Dirt and Gravel Roads.....	\$ 4,000	\$ 4,000	\$ 4,000
DEPARTMENT TOTAL.....	\$ 4,000	\$ 4,000	\$ 4,000

Summary by Department (continued)

	(Dollar Amounts in Thousands)		
	2008-09 Actual	2009-10 Estimate	2010-11 Budget
Department of General Services			
Tort Claims Payments.....	\$ 12,500	\$ 12,500	\$ 12,500
Harristown Rental Charges (EA).....	81	78	89
Harristown Utility and Municipal Charges (EA).....	173	176	190
DEPARTMENT TOTAL.....	<u>\$ 12,754</u>	<u>\$ 12,754</u>	<u>\$ 12,779</u>
Department of Revenue			
General Government			
Collections — Liquid Fuels Tax.....	\$ 14,211	\$ 14,842	\$ 15,218
Refunding Liquid Fuels Tax.....	10,000	12,000	12,000
TOTAL STATE FUNDS.....	<u>\$ 24,211</u>	<u>\$ 26,842</u>	<u>\$ 27,218</u>
Federal Funds.....	\$ 0	\$ 342	\$ 0
DEPARTMENT TOTAL.....	<u>\$ 24,211</u>	<u>\$ 27,184</u>	<u>\$ 27,218</u>
State Police			
General Government			
General Government Operations.....	\$ 449,110	\$ 479,018	\$ 493,312
Law Enforcement Information Technology.....	20,439	19,709	19,821
Municipal Police Training.....	4,582	1,028	1,103
Patrol Vehicles.....	7,600	11,000	11,000
Automated Fingerprint Identification System	92	92	92
Commercial Vehicle Inspection.....	5,924	8,053	8,127
TOTAL STATE FUNDS.....	<u>\$ 487,747</u>	<u>\$ 518,900</u>	<u>\$ 533,455</u>
Augmentations.....	\$ 1	\$ 2,000	\$ 2,000
DEPARTMENT TOTAL.....	<u>\$ 487,748</u>	<u>\$ 520,900</u>	<u>\$ 535,455</u>
Department of Transportation			
General Government			
General Government Operations.....	\$ 49,254	\$ 51,987	\$ 51,683
Welcome Centers.....	3,091	3,003	3,064
Highway and Safety Improvement.....	108,251	105,000	101,000
Expanded Highway and Bridge Program.....	465,000	465,000	477,500
Highway Capital Projects (EA).....	206,000	201,000	205,000
Highway Maintenance.....	826,227	764,379	765,379
Secondary Roads — Maintenance & Resurfacing (EA).....	61,354	63,143	61,040
Smoother Roads and Priority Bridges.....	11,990	0	0
Emergency Highway and Bridge Repairs.....	1,354	0	0
Reinvestment — Facilities.....	12,300	12,000	12,000
Safety Administration and Licensing.....	117,842	126,939	124,365
Refunding Collected Monies (EA).....	2,500	2,500	2,500
Subtotal.....	<u>\$ 1,865,163</u>	<u>\$ 1,794,951</u>	<u>\$ 1,803,531</u>

Summary by Department (continued)

	(Dollar Amounts in Thousands)		
	2008-09 Actual	2009-10 Estimate	2010-11 Budget
Grants and Subsidies			
Local Road Maintenance and Construction Payments.....	\$ 200,451	\$ 195,000	\$ 192,100
Municipal Roads and Bridges.....	30,000	30,000	30,000
Maintenance and Construction of County Bridges.....	5,000	5,000	5,000
Supplemental Local Road Maintenance and Construction Payments.....	5,000	5,000	5,000
Payment to Turnpike Commission (EA).....	28,000	28,000	28,000
Subtotal.....	<u>\$ 268,451</u>	<u>\$ 263,000</u>	<u>\$ 260,100</u>
SUBTOTAL STATE FUNDS.....	<u>\$ 2,133,614</u>	<u>\$ 2,057,951</u>	<u>\$ 2,063,631</u>
Federal Funds.....	\$ 1,373,681	\$ 2,204,842	\$ 1,932,183
Augmentations.....	116,314	265,484	268,084
Restricted Revenue.....	904,858	880,701	805,802
DEPARTMENT TOTAL.....	<u>\$ 4,528,467</u>	<u>\$ 5,408,978</u>	<u>\$ 5,069,700</u>
Fund Summary			
State Funds — Transportation.....	\$ 2,133,614	\$ 2,057,951	\$ 2,063,631
State Funds — Other Departments.....	591,496	629,166	645,337
TOTAL STATE FUNDS.....	<u>\$ 2,725,110</u>	<u>\$ 2,687,117</u>	<u>\$ 2,708,968</u>
Motor License Fund Total—All Funds			
State Funds.....	\$ 2,725,110	\$ 2,687,117	\$ 2,708,968
Federal Funds.....	1,373,681	2,205,184	1,932,183
Augmentations.....	116,621	267,925	270,525
Restricted Revenue.....	925,898	914,977	855,376
FUND TOTAL.....	<u>\$ 5,141,310</u>	<u>\$ 6,075,203</u>	<u>\$ 5,767,052</u>

REVENUE SUMMARY

(Dollar Amounts in Thousands)

Five Year Revenue Projections

	2008-09 Actual	2009-10 Estimated	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
Liquid Fuels Taxes.....	\$ 1,163,233	\$ 1,179,290	\$ 1,180,630	\$ 1,183,100	\$ 1,186,740	\$ 1,191,520	\$ 1,197,470
Motor Licenses and Fees.....	883,846	843,460	844,540	896,330	936,360	954,430	964,660
Other Motor License Fund Revenues.....	509,665	578,240	593,890	655,590	680,460	705,470	719,150
TOTAL MOTOR LICENSE FUND REVENUES.....	\$ 2,556,744	\$ 2,600,990	\$ 2,619,060	\$ 2,735,020	\$ 2,803,560	\$ 2,851,420	\$ 2,881,280
Aviation Restricted Revenues.....	\$ 7,944	\$ 7,960	\$ 7,170	\$ 7,920	\$ 8,100	\$ 8,280	\$ 8,570
Highway Bridge Improvement Restricted Revenues.....	\$ 103,723	\$ 100,270	\$ 100,130	\$ 100,050	\$ 100,100	\$ 100,230	\$ 100,450
State Highway Transfer Restricted Revenues.....	\$ 23,836	\$ 23,040	\$ 23,060	\$ 23,110	\$ 23,180	\$ 23,270	\$ 23,390
Oil Company Franchise Tax Restricted Revenues.....	\$ 437,007	\$ 422,400	\$ 422,820	\$ 423,670	\$ 424,940	\$ 426,640	\$ 428,770
Supplemental Maintenance Restricted Revenues.....	\$ 305,905	\$ 295,680	\$ 295,980	\$ 296,570	\$ 297,460	\$ 298,650	\$ 300,140

Adjustments to 2009-10 Revenue Estimate

On October 9, 2009, an official estimate for the 2009-10 fiscal year of \$2,636,060 was certified. The revised estimate detailed below reflects actual revenue collections through the first six months of the fiscal year and expected collections for the balance of the fiscal year.

	2009-10 Official Estimate	Adjustments	2009-10 Revised Estimate
Liquid Fuels Taxes.....	\$ 1,198,780	\$ -19,490	\$ 1,179,290
Motor Licenses and Fees.....	854,400	-10,940	843,460
Other Motor License Fund Revenues.....	582,880	-4,640	578,240
TOTAL.....	\$ 2,636,060	\$ -35,070	\$ 2,600,990

Revenue Sources

Liquid Fuels Taxes

	Actual		Estimated
2003-04.....	\$ 1,113,027	2009-10.....	\$ 1,179,290
2004-05.....	1,159,874	2010-11.....	1,180,630
2005-06.....	1,226,094	2011-12.....	1,183,100
2006-07.....	1,255,361	2012-13.....	1,186,740
2007-08.....	1,236,469	2013-14.....	1,191,520
2008-09.....	1,163,233	2014-15.....	1,197,470

Tax Base and Rates:

Liquid Fuels and Fuels Tax: The Liquid Fuels and Fuels Tax is based on the number of gallons of liquid fuels (primarily gasoline) and fuels (primarily diesel) used, sold or delivered within the commonwealth by distributors. All monies collected are placed in the Motor License Fund, except discounts and an amount equal to one-half cent per gallon which is placed in the Liquid Fuels Tax Fund. The present tax rate is 12 cents per gallon. Prior to October 1, 1997, liquid fuels and fuels were taxed separately under the Liquid Fuels Tax Act and the Fuels Use Tax Act respectively. Both acts were repealed effective October 1, 1997.

Alternative Fuels Tax: The Alternative Fuels Tax became effective October 1, 1997, and is imposed on fuels other than liquid fuels or fuels used to propel motor vehicles on public highways. The tax rate applied to each gasoline gallon equivalent of alternative fuel equals the current total of the liquid fuels and fuels tax and the oil company franchise tax applicable to one gallon of gasoline.

Motor Carriers Road Tax-International Fuel Tax Agreement: The Motor Carriers Road Tax is levied on motor carriers operating vehicles with a gross weight or registered gross weight in excess of 26,000 pounds. The tax is comprised of a 12 cents per gallon tax and an oil company franchise tax element based upon 153.5 mills of the average wholesale price for liquid fuels and 208.5 mills of the average wholesale price for fuels and is imposed on a cents-per-gallon equivalent basis. Previously, the tax rate was 115 mills. Prior to October 1, 1997, an additional tax of 6 cents per gallon was collected through the motor carriers road tax. This tax was repealed and replaced by a 55 mill addition to the oil company franchise tax rate, imposed on fuels effective October 1, 1997. The 55 mill portion of the tax rate is dedicated to the highway bridge restricted account. Credit against the tax is given for liquid fuels and fuels tax and oil company franchise tax paid at the pump or directly remitted. Credit is also given for tax paid on motor fuels purchased in Pennsylvania but consumed elsewhere.

The Motorbus Road Tax which imposed taxes on the amount of motor fuel used by bus companies in their operations on highways within the commonwealth was repealed, effective January 1, 1996, with the enactment of the International Fuel Tax Agreement (IFTA).

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

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

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

Oil Company Franchise Tax. This tax is an excise tax on all fuels taxed pursuant to the Liquid Fuels and Fuels Tax and the Alternative Fuels Tax. The current tax rate is 153.5 mills for liquid fuels and alternative fuels and 208.5 mills for fuels and is imposed on a cents-per-gallon equivalent basis. The tax rate was increased by 38.5 mills effective May 1, 1997. The revenues from this rate increase are dedicated to specific highway maintenance purposes. Of the current tax rate, 57 mills is deposited as unrestricted Motor License Fund revenues. The balance of the tax rate represents revenues restricted to certain highway activities. These dedicated and restricted taxes are not included in the above estimates. Bus companies are entitled to a refund equal to 55 mills of the Oil Company Franchise Tax paid on fuels.

Revenue Sources (continued)

Motor Licenses and Fees

Actual		Estimated	
2003-04.....	\$ 843,174	2009-10.....	\$ 843,460
2004-05.....	876,897	2010-11.....	844,540
2005-06.....	877,813	2011-12.....	896,330
2006-07.....	870,038	2012-13.....	936,360
2007-08.....	872,063	2013-14.....	954,430
2008-09.....	883,846	2014-15.....	964,660

The commonwealth receives revenue from the collection of fees levied for the registration and titling of motor vehicles and for the issuance of learners' permits, operators' licenses, certificates of title and transfers of registration. Various motor vehicle registration fees were increased as of either July 1, 1997, or January 1, 1998, by Act 3 of 1997.

Other Motor License Fund Revenues

Actual		Estimated	
2003-04.....	\$ 129,408	2009-10.....	\$ 578,240
2004-05.....	120,101	2010-11.....	593,890
2005-06.....	161,985	2011-12.....	655,590
2006-07.....	165,377	2012-13.....	680,460
2007-08.....	559,399	2013-14.....	705,470
2008-09.....	509,665	2014-15.....	719,150

Other Motor License Fund revenues include the following sources:

Fines — Aeronautics fines collected under the Liquid Fuels and Fuels Tax Act and certain Vehicle Code fines.

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

Gross Receipts Tax — This excise tax imposed upon the gross receipts of owners and operators of motor vehicles transporting property for hire on public highways was repealed effective January 1, 1998.

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

In addition, the Motor License Fund receives payments from the Pennsylvania Turnpike Commission in accordance with Act 44 of 2007.

Revenue Detail

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

(Dollar Amounts in Thousands)

	<u>2008-09</u> Actual	<u>2009-10</u> Estimate	<u>2010-11</u> Budget
LIQUID FUELS TAXES			
Liquid Fuels Tax			
Liquid Fuels Tax.....	\$ 517,891	\$ 554,570	\$ 555,130
Liquid Fuels Tax Interest.....	43	330	330
Liquid Fuels Tax Penalties.....	2,536	980	980
Subtotal.....	<u>\$ 520,470</u>	<u>\$ 555,880</u>	<u>\$ 556,440</u>
Fuel Use Tax			
Fuel Use Tax.....	\$ 149,627	\$ 145,380	\$ 145,520
Fuel Use Tax Interest.....	0	0	0
Fuel Use Tax Penalties.....	0	0	0
Subtotal.....	<u>\$ 149,627</u>	<u>\$ 145,380</u>	<u>\$ 145,520</u>
Alternative Fuel Tax			
Alternative Fuel Tax.....	\$ 197	\$ 560	\$ 560
Alternative Fuel Tax Penalties and Interest.....	378	0	0
Subtotal.....	<u>\$ 575</u>	<u>\$ 560</u>	<u>\$ 560</u>
Motor Carriers Road Tax — International Fuel Tax Agreement			
Motor Carriers Road/IFTA — Fuels Tax.....	\$ 38,784	\$ 38,710	\$ 38,910
Motor Carriers Road/IFTA — Registration Fees, Special....			
Permit Fees and Fines.....	947	1,000	1,000
Subtotal.....	<u>\$ 39,731</u>	<u>\$ 39,710</u>	<u>\$ 39,910</u>
Oil Company Franchise Tax.....	<u>\$ 452,830</u>	<u>\$ 437,760</u>	<u>\$ 438,200</u>
TOTAL LIQUID FUELS TAXES.....	<u>\$ 1,163,233</u>	<u>\$ 1,179,290</u>	<u>\$ 1,180,630</u>
MOTOR LICENSES AND FEES			
Operators' Licenses.....	\$ 61,361	\$ 62,280	\$ 59,050
Other Fees Collected by Bureau of Motor Vehicles.....	32,442	31,420	32,510
Registration Fees Received from Other States/IRP.....	106,331	72,370	74,440
Special Hauling Permit Fees.....	19,141	18,330	18,800
Vehicle Registration and Titling.....	664,571	659,060	659,740
TOTAL MOTOR LICENSES AND FEES.....	<u>\$ 883,846</u>	<u>\$ 843,460</u>	<u>\$ 844,540</u>
OTHER MOTOR LICENSE FUND REVENUES			
Fines and Penalties			
Department of Revenue			
Vehicle Code Fines.....	\$ 26,627	\$ 25,460	\$ 25,460
Department of Transportation			
Vehicle Code Fines.....	6,028	5,280	5,280
Subtotal.....	<u>\$ 32,655</u>	<u>\$ 30,740</u>	<u>\$ 30,740</u>

Revenue Detail (continued)

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Estimate	2010-11 Budget
Miscellaneous Revenues			
Treasury Department			
Interest on Deposits - Cash Advancement Accounts	\$ 4	\$ 10	\$ 10
Interest Income Reinvested - Long Term.....	660	90	90
Interest on Securities.....	-49,221	23,640	26,840
Interest on Securities - Liquid Fuels Tax Fund.....	176	200	230
Redeposit of Checks.....	-41	10	10
Subtotal.....	<u>\$ -48,422</u>	<u>\$ 23,950</u>	<u>\$ 27,180</u>
Department of General Services			
Rent of State Property.....	\$ 0	\$ 90	\$ 100
Sale of Unserviceable Property.....	1,111	860	870
Subtotal.....	<u>\$ 1,111</u>	<u>\$ 950</u>	<u>\$ 970</u>
Department of Transportation			
Fees for Reclaiming Abandoned Vehicles.....	\$ 39	\$ 60	\$ 60
Highway Bridge Income.....	137	150	150
Highway Encroachment Permits.....	1,110	1,140	1,130
Interest Earned - Restricted Revenue.....	741 ^a	-460 ^a	-450 ^a
Miscellaneous Revenues.....	61	50	50
Recovered Damages.....	34	30	30
Refunds of Expenditures Not Credited to			
Appropriations or Allocations.....	286	30	30
Sale of Inspection Stickers.....	21,132	21,470	21,330
Sale of Maps and Plans.....	99	170	170
Subtotal.....	<u>\$ 23,639</u>	<u>\$ 22,640</u>	<u>\$ 22,500</u>
Department of Revenue			
Miscellaneous.....	\$ 721	\$ 0	\$ 0
Refunds of Expenditures Not Credited to			
Appropriations or Allocations.....	-39	-40	0
Subtotal.....	<u>\$ 682</u>	<u>\$ -40</u>	<u>\$ 0</u>
Pennsylvania Turnpike			
Annual Payments.....	\$ 500,000	\$ 500,000	\$ 512,500
TOTAL OTHER MOTOR LICENSE FUND REVENUES.....	<u>\$ 509,665</u>	<u>\$ 578,240</u>	<u>\$ 593,890</u>
TOTAL MOTOR LICENSE FUND REVENUES.....	<u>\$ 2,556,744</u>	<u>\$ 2,600,990</u>	<u>\$ 2,619,060</u>

^a Amounts transferred to restricted revenue account.

Restricted Revenues Not Included in Department Total

Aviation Revenues

Actual	Estimated
2003-04..... \$ 11,543	2009-10..... \$ 7,960
2004-05..... 11,158	2010-11..... 7,170
2005-06..... 10,574	2011-12..... 7,920
2006-07..... 11,748	2012-13..... 8,100
2007-08..... 9,694	2013-14..... 8,280
2008-09..... 7,944	2014-15..... 8,570

Aviation revenue includes taxes levied on aviation gasoline and jet fuel, and income earned at state-owned airports. Effective January 2, 1998, in accordance with Act 60 of 1997, ownership of these airports was transferred to a local authority. Therefore, starting with 1997-98, aviation revenues exclude state-owned airport revenue. Aviation gasoline and jet fuel tax rates are adjusted annually based on the change in the jet fuel price index. In accordance with Act 164 of 1984, the aviation gasoline rate is not to exceed 6.0 cents per gallon nor be less than 3.0 cents per gallon. The jet fuel tax is not to exceed 2.0 cents per gallon nor be less than 1.5 cents per gallon. The tax rate as of January 1, 2009, is 5.8 cents per gallon on aviation gasoline and 2.0 cents per gallon on jet fuel. Aviation restricted revenues are not included in Motor License Fund revenue totals.

	2008-09 Actual	2009-10 Estimate	2010-11 Budget
AVIATION REVENUES			
Aviation Liquid Fuels Tax.....	\$ 8,685	\$ 7,590	\$ 6,750
Interest.....	-741	370	420
TOTAL AVIATION REVENUES.....	\$ 7,944	\$ 7,960	\$ 7,170

Highway Bridge Improvement Revenues

Actual	Estimated
2003-04..... \$ 85,135	2009-10..... \$ 100,270
2004-05..... 96,956	2010-11..... 100,130
2005-06..... 115,339	2011-12..... 100,050
2006-07..... 118,025	2012-13..... 100,100
2007-08..... 109,171	2013-14..... 100,230
2008-09..... 103,723	2014-15..... 100,450

Highway bridge improvement revenues enacted by Act 56 of 1987, as amended by Act 3 of 1997, include the following: a 55 mill Oil Company Franchise Tax on fuel consumed in Pennsylvania by qualified vehicles; a portion of the registration fee for Pennsylvania based motor vehicles in classes 9-25; and temporary permit fees collected from out-of-state motor carriers for travel in Pennsylvania. Although repealed by Act 3 of 1997, nominal revenues are still received from the motor carrier surcharge.

	2008-09 Actual	2009-10 Estimate	2010-11 Budget
HIGHWAY BRIDGE IMPROVEMENT REVENUES			
Registration Fee Portion-PA-Based Motor Vehicles.....	\$ 12,786	\$ 12,210	\$ 11,970
Temporary Permit Fees.....	311	310	320
Oil Company Franchise Tax.....	90,626	87,750	87,840
TOTAL HIGHWAY BRIDGE REVENUES.....	\$ 103,723	\$ 100,270	\$ 100,130

Restricted Revenues Not Included in Department Total (continued)

State Highway Transfer Revenues

Actual		Estimated	
2003-04.....	\$ 18,009	2009-10.....	\$ 23,040
2004-05.....	20,068	2010-11.....	23,060
2005-06.....	23,433	2011-12.....	23,110
2006-07.....	24,360	2012-13.....	23,180
2007-08.....	23,555	2013-14.....	23,270
2008-09.....	23,836	2014-15.....	23,390

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

Oil Company Franchise Tax Revenues

Actual		Estimated	
2003-04.....	\$ 330,161	2009-10.....	\$ 422,400
2004-05.....	367,952	2010-11.....	422,820
2005-06.....	429,607	2011-12.....	423,670
2006-07.....	446,540	2012-13.....	424,940
2007-08.....	431,835	2013-14.....	426,640
2008-09.....	437,007	2014-15.....	428,770

Oil Company Franchise Tax Restricted Account revenues are provided by 55 mills of the Oil Company Franchise Tax as a result of Act 26 of 1991. Revenues are restricted to the following purposes: 42 percent for maintenance, 17 percent for capital projects, 13 percent for bridges, 12 percent for municipalities, 14 percent for toll roads and 2 percent for county or forestry bridges.

Supplemental Maintenance Revenues

Actual		Estimated	
2003-04.....	\$ 231,113	2009-10.....	\$ 295,680
2004-05.....	257,541	2010-11.....	295,980
2005-06.....	300,728	2011-12.....	296,570
2006-07.....	312,580	2012-13.....	297,460
2007-08.....	302,285	2013-14.....	298,650
2008-09.....	305,905	2014-15.....	300,140

Supplemental Maintenance Restricted Account revenues are provided by 38.5 mills of the Oil Company Franchise Tax as a result of Act 3 of 1997. Revenues are restricted to the following purposes: 12 percent for municipalities and 88 percent for maintenance.



BANKING DEPARTMENT FUND

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

Financial Statement

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Beginning Balance	\$ 28,785	\$ 9,842	\$ 9,082
Receipts:			
Revenue Estimate.....	\$ 16,525	\$ 16,310	\$ 16,420
Prior Year Lapses.....	1,454	3,525	0
Total Receipts.....	<u>\$ 17,979</u>	<u>\$ 19,835</u>	<u>\$ 16,420</u>
Funds Available	<u>\$ 46,764</u>	<u>\$ 29,677</u>	<u>\$ 25,502</u>
Expenditures:			
Appropriated.....	\$ 21,922	\$ 21,059	\$ 20,838
Less: Current Year Lapses	0	-464	0
Transfer to General Fund.....	15,000	0	0
Estimated Expenditures.....	<u>-36,922</u>	<u>-20,595</u>	<u>-20,838</u>
Ending Balance	<u><u>\$ 9,842</u></u>	<u><u>\$ 9,082</u></u>	<u><u>\$ 4,664</u></u>

Summary by Department

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Estimate	2010-11 Budget
Treasury Department			
General Government			
Replacement Checks.....	\$ 5	\$ 5	\$ 5
Banking Department			
General Government			
General Government Operations.....	\$ 21,917	\$ 21,054	\$ 20,833
FUND TOTAL	<u><u>\$ 21,922</u></u>	<u><u>\$ 21,059</u></u>	<u><u>\$ 20,838</u></u>



REVENUE SUMMARY

(Dollar Amounts in Thousands)

Five Year Revenue Projections

	2008-09 Actual	2009-10 Estimated	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
Licenses and Fees.....	\$ 15,766	\$ 15,210	\$ 15,320	\$ 15,320	\$ 15,320	\$ 15,320	\$ 15,320
Fines and Penalties.....	474	750	750	750	750	750	750
Miscellaneous.....	285	350	350	350	350	350	350
TOTAL BANKING DEPARTMENT FUND REVENUES.....	\$ 16,525	\$ 16,310	\$ 16,420	\$ 16,420	\$ 16,420	\$ 16,420	\$ 16,420

Revenue Sources

Licenses and Fees

Actual	Estimated
2003-04..... \$ 14,032	2009-10..... \$ 15,210
2004-05..... 13,945	2010-11..... 15,320
2005-06..... 15,782	2011-12..... 15,320
2006-07..... 15,843	2012-13..... 15,320
2007-08..... 14,760	2013-14..... 15,320
2008-09..... 15,766	2014-15..... 15,320

The commonwealth receives revenue from examination fees based on the actual costs of examining credit unions, savings associations, trust companies, check cashers, consumer discount companies, first mortgage companies, loan correspondents, money transmitters, pawnbrokers and second mortgage companies. Assessment fees, based on total assets, also are charged against all depository institutions (banks, credit unions, savings associations and trust companies). Depository institutions also pay application fees for new charters, branches and mergers. Annual license fees are paid by check cashers, collector-repossessors, consumer discount companies, mortgage companies, installment sellers, loan brokers, money transmitters, pawnbrokers and sales finance companies.

Fines and Penalties

Actual	Estimated
2003-04..... \$ 445	2009-10..... \$ 750
2004-05..... 282	2010-11..... 750
2005-06..... 907	2011-12..... 750
2006-07..... 495	2012-13..... 750
2007-08..... 659	2013-14..... 750
2008-09..... 474	2014-15..... 750

The commonwealth receives fines and penalties collected from companies illegally doing business in the commonwealth, as well as from companies that file required financial reports beyond deadlines established by regulation.



Banking Department Fund

Revenue Sources (continued)

Miscellaneous Revenue

	Actual		Estimated		
2003-04.....	\$ 1,295		2009-10.....	\$ 350	
2004-05.....	1,348		2010-11.....	350	
2005-06.....	2,263		2011-12.....	350	
2006-07.....	2,271		2012-13.....	350	
2007-08.....	1,648		2013-14.....	350	
2008-09.....	285		2014-15.....	350	

Miscellaneous revenues are earned interest.

Revenue Detail

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

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Estimate	2010-11 Budget
Licenses and Fees			
Bank — Application Fees	\$ 104	\$ 55	\$ 60
Savings Associations — Examinations	111	16	22
Savings Associations — Overhead Assessments	34	35	34
Non Depository Examinations.....	857	825	825
Credit Unions — Overhead Assessments	754	750	765
Examinations — Credit Union	616	615	625
Examinations — Trust Companies	276	150	150
Overhead Assessments — Trust Companies	78	75	75
Total Assessment Charges — Banks	8,267	8,692	8,767
Licenses — Application Fees	4,660	3,993	3,993
Miscellaneous	9	4	4
TOTAL	\$ 15,766	\$ 15,210	\$ 15,320
Fines and Penalties			
Banking Law — Fines and Penalties	\$ 474	\$ 750	\$ 750
Miscellaneous Revenue			
Interest on Securities.....	\$ 285	\$ 350	\$ 350
TOTAL REVENUES.....	\$ 16,525	\$ 16,310	\$ 16,420



BOAT FUND

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

Financial Statement

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Beginning Balance	\$ 16,558	\$ 16,973	\$ 13,842
Receipts:			
Revenue Estimate.....	\$ 13,127	\$ 16,851	\$ 12,963
Prior Year Lapses.....	4,733	0	0
Total Receipts.....	<u>\$ 17,860</u>	<u>\$ 16,851</u>	<u>\$ 12,963</u>
Funds Available	<u>\$ 34,418</u>	<u>\$ 33,824</u>	<u>\$ 26,805</u>
Expenditures:			
Appropriated.....	\$ 17,445	\$ 19,982	\$ 16,742
Estimated Expenditures.....	<u>-17,445</u>	<u>-19,982</u>	<u>-16,742</u>
Ending Balance	<u>\$ 16,973</u>	<u>\$ 13,842</u>	<u>\$ 10,063</u>

Summary by Department

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Estimate	2010-11 Budget
Treasury Department			
General Government			
Replacement Checks.....	\$ 5	\$ 5	\$ 5
Fish and Boat Commission			
General Government			
General Operations.....	\$ 13,437	\$ 12,641	\$ 13,119
TOTAL STATE FUNDS	<u>\$ 13,442</u>	<u>\$ 12,646</u>	<u>\$ 13,124</u>
Federal Funds.....	\$ 4,003	\$ 7,311	\$ 3,600
Other Funds.....	0	25	18
FUND TOTAL.....	<u>\$ 17,445</u>	<u>\$ 19,982</u>	<u>\$ 16,742</u>

REVENUE SUMMARY

(Dollar Amounts in Thousands)

Five Year Revenue Projections

	2008-09 Actual	2009-10 Estimated	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
Licenses and Fees.....	\$ 6,898	\$ 6,976	\$ 6,996	\$ 6,996	\$ 6,996	\$ 6,996	\$ 6,996
Fines and Penalties.....	236	250	250	250	250	250	250
Miscellaneous.....	1,990	2,289	2,099	2,099	2,099	2,099	2,099
TOTAL BOAT FUND REVENUES.....	\$ 9,124	\$ 9,515	\$ 9,345	\$ 9,345	\$ 9,345	\$ 9,345	\$ 9,345
Augmentations.....	\$ 4,003	\$ 7,336	\$ 3,618	\$ 3,618	\$ 3,618	\$ 3,618	\$ 3,618
TOTAL BOAT FUND RECEIPTS.....	\$ 13,127	\$ 16,851	\$ 12,963	\$ 12,963	\$ 12,963	\$ 12,963	\$ 12,963

Revenue Sources

Licenses and Fees

Actual	Estimated
2003-04..... \$ 5,454	2009-10..... \$ 6,976
2004-05..... 6,552	2010-11..... 6,996
2005-06..... 6,958	2011-12..... 6,996
2006-07..... 6,724	2012-13..... 6,996
2007-08..... 6,593	2013-14..... 6,996
2008-09..... 6,898	2014-15..... 6,996

The Boat Fund receives revenue from boat registration fees, which were increased with passage of Act 159 of 2004. For motorboats up to 16 feet in length, the annual registration fee is \$26.00. For those between 16 and 20 feet, the fee is \$39.00 per year. The annual fee for motorboats over 20 feet is \$52.00. There is also a voluntary registration fee of \$9.00 per year for all boats not equipped with motors. Other fees, such as duplicate registrations (\$3.00 each) and commercial passenger boat registrations (\$25.00 each), remain unchanged.

Fines and Penalties

Actual	Estimated
2003-04..... \$ 202	2009-10..... \$ 250
2004-05..... 221	2010-11..... 250
2005-06..... 270	2011-12..... 250
2006-07..... 213	2012-13..... 250
2007-08..... 241	2013-14..... 250
2008-09..... 236	2014-15..... 250

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



Revenue Sources (continued)

Miscellaneous Revenue

Actual		Estimated	
2003-04.....	\$ 3,204	2009-10.....	\$ 2,289
2004-05.....	3,123	2010-11.....	2,099
2005-06.....	3,650	2011-12.....	2,099
2006-07.....	3,824	2012-13.....	2,099
2007-08.....	2,896	2013-14.....	2,099
2008-09.....	1,990	2014-15.....	2,099

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

Revenue Detail

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

	(Dollar Amounts in Thousands)		
	2008-09 Actual	2009-10 Estimate	2010-11 Budget
Licenses and Fees			
Motor Boat Registration Fees.....	\$ 6,189	\$ 6,290	\$ 6,290
Boat Mooring Permits — Walnut Creek Access.....	50	45	50
Boating Safety Curriculum Fees.....	204	160	200
Boat Capacity Plate Fees.....	7	6	6
Boat Titling Fees.....	448	475	450
TOTAL.....	\$ 6,898	\$ 6,976	\$ 6,996
Fines and Penalties			
Motor Boat Fines.....	\$ 236	\$ 250	\$ 250
TOTAL.....	\$ 236	\$ 250	\$ 250
Miscellaneous Revenues			
Transfer from Motor License and Liquid Fuels			
Tax Funds.....	\$ 1,688	\$ 2,091	\$ 1,670
Miscellaneous.....	81	77	77
Interest on Securities.....	176	59	300
Sale of Unserviceable Property.....	0	1	1
Sales Tax Agent Fee PFC Share.....	34	50	40
North East Marina.....	11	11	11
TOTAL.....	\$ 1,990	\$ 2,289	\$ 2,099
Augmentations			
Sale of Automobiles.....	\$ 0	\$ 25	\$ 18
U.S. Coast Guard Grant for Boating Safety.....	2,846	2,461	2,500
Boating Infrastructure Grant (BIG).....	0	2,650	100
Sport Fish Restoration.....	1,139	2,180	1,000
Clean Vessel Act.....	18	20	0
TOTAL.....	\$ 4,003	\$ 7,336	\$ 3,618
TOTAL RECEIPTS.....	\$ 13,127	\$ 16,851	\$ 12,963



ENVIRONMENTAL STEWARDSHIP FUND

The Environmental Stewardship Fund is a special revenue fund composed of monies from certain landfill fees. The fund provides for farmland preservation projects, open space protection, abandoned mine reclamation, watershed protection and restoration, water and sewer infrastructure and the improvement and conservation of commonwealth and community parks and recreational facilities.



Environmental Stewardship Fund

Financial Statement

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Beginning Balance	\$ 5,458	\$ 3,471	\$ 4,000
Receipts:			
Revenue Estimate.....	\$ 65,167	\$ 68,426	\$ 66,000
Prior Year Lapses.....	2,769	0	0
Total Receipts.....	<u>\$ 67,936</u>	<u>\$ 68,426</u>	<u>\$ 66,000</u>
Funds Available	<u>\$ 73,394</u>	<u>\$ 71,897</u>	<u>\$ 70,000</u>
Expenditures:			
Appropriated.....	\$ 69,923	\$ 67,897	\$ 70,000
Estimated Expenditures.....	<u>-69,923</u>	<u>-67,897</u>	<u>-70,000</u>
Ending Balance	<u><u>\$ 3,471</u></u>	<u><u>\$ 4,000</u></u>	<u><u>\$ 0</u></u>

Summary by Department

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Estimate	2010-11 Budget
Treasury Department			
Debt Service Requirements			
Debt Service for Growing Greener	\$ 25,113	\$ 31,901	\$ 36,833
Department of Agriculture			
Grants and Subsidies			
Agricultural Conservation Easement Program.....	\$ 6,632	\$ 5,327	\$ 4,909
Department of Conservation and Natural Resources			
Grants and Subsidies			
Community Conservation Grants.....	\$ 9,999	\$ 7,875	\$ 7,193
Natural Diversity Conservation Grants.....	800	800	800
DEPARTMENT TOTAL.....	<u>\$ 10,799</u>	<u>\$ 8,675</u>	<u>\$ 7,993</u>
Department of Environmental Protection			
Grants and Subsidies			
Watershed Protection and Restoration.....	\$ 16,759	\$ 13,463	\$ 12,404
Infrastructure Investment Authority			
Grants and Subsidies			
Stormwater, Water and Sewer Grants.....	\$ 10,620	\$ 8,531	\$ 7,861
TOTAL STATE FUNDS	<u><u>\$ 69,923</u></u>	<u><u>\$ 67,897</u></u>	<u><u>\$ 70,000</u></u>



REVENUE SUMMARY

(Dollar Amounts in Thousands)

Five Year Revenue Projections

	2008-09 Actual	2009-10 Estimated	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
Licenses and Fees.....	\$ 65,201	\$ 67,926	\$ 65,000	\$ 65,000	\$ 65,000	\$ 65,000	\$ 65,000
Miscellaneous.....	-34	500	1,000	1,000	1,000	1,000	1,000
TOTAL ENVIRONMENTAL STEWARDSHIP FUND RECEIPTS.....	\$ 65,167	\$ 68,426	\$ 66,000	\$ 66,000	\$ 66,000	\$ 66,000	\$ 66,000

Revenue Sources

Licenses and Fees

Actual		Estimated	
2003-04.....	\$ 90,078	2009-10.....	\$ 67,926
2004-05.....	71,051	2010-11.....	65,000
2005-06.....	81,554	2011-12.....	65,000
2006-07.....	78,454	2012-13.....	65,000
2007-08.....	74,285	2013-14.....	65,000
2008-09.....	65,201	2014-15.....	65,000

The Environmental Stewardship Fund originally received revenue from a 25 cent per ton, or 25 cent per three cubic yards, fee for all solid waste received at a landfill in the commonwealth. Act 90 of 2002 added an additional \$4 per ton disposal fee for all solid waste disposed of at any municipal waste landfill. For fiscal year 2002-03, the first \$50 million received from this fee was deposited into this special fund. In fiscal year 2003-04, and thereafter, all revenue from these fees is deposited in this special fund.

Miscellaneous Revenue

Actual		Estimated	
2003-04.....	\$ 4,892	2009-10.....	\$ 500
2004-05.....	4,333	2010-11.....	1,000
2005-06.....	5,725	2011-12.....	1,000
2006-07.....	5,576	2012-13.....	1,000
2007-08.....	2,975	2013-14.....	1,000
2008-09.....	-34	2014-15.....	1,000

Miscellaneous revenues are earned interest.



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FARM PRODUCTS SHOW FUND

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

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



Farm Products Show Fund

Financial Statement

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Beginning Balance	\$ 504	\$ 80	\$ 67
Receipts:			
Revenue Estimate.....	\$ 5,981	\$ 6,121	\$ 6,461
Transfer from General Fund.....	2,860	2,760	2,760
Prior Year Lapses.....	268	329	0
Total Receipts.....	<u>\$ 9,109</u>	<u>\$ 9,210</u>	<u>\$ 9,221</u>
Funds Available	<u>\$ 9,613</u>	<u>\$ 9,290</u>	<u>\$ 9,288</u>
Expenditures:			
Appropriated.....	\$ 9,533	\$ 9,765	\$ 9,264
Less Current Year Lapses.....	0	-542	0
Estimated Expenditures.....	<u>-9,533</u>	<u>-9,223</u>	<u>-9,264</u>
Ending Balance	<u><u>\$ 80</u></u>	<u><u>\$ 67</u></u>	<u><u>\$ 24</u></u>

Summary by Department

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Estimate	2010-11 Budget
Treasury Department			
General Government			
Replacement Checks.....	\$ 5	\$ 5	\$ 5
Department of Agriculture			
General Government			
General Operations.....	\$ 6,668	\$ 7,000	\$ 6,499
TOTAL STATE FUNDS	<u><u>\$ 6,673</u></u>	<u><u>\$ 7,005</u></u>	<u><u>\$ 6,504</u></u>
Augmentations.....	<u>\$ 2,860</u>	<u>\$ 2,760</u>	<u>\$ 2,760</u>
FUND TOTAL	<u><u>\$ 9,533</u></u>	<u><u>\$ 9,765</u></u>	<u><u>\$ 9,264</u></u>



REVENUE SUMMARY

(Dollar Amounts in Thousands)

Five Year Revenue Projections

	2008-09 Actual	2009-10 Estimated	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
Licenses and Fees.....	\$ 314	\$ 465	\$ 565	\$ 565	\$ 565	\$ 565	\$ 565
Miscellaneous.....	5,667	5,656	5,896	5,934	5,934	5,934	5,934
TOTAL FARM PRODUCTS SHOW FUND REVENUES.....	\$ 5,981	\$ 6,121	\$ 6,461	\$ 6,499	\$ 6,499	\$ 6,499	\$ 6,499
Augmentations.....	\$ 2,860	\$ 2,760	\$ 2,760	\$ 2,760	\$ 2,760	\$ 2,760	\$ 2,760
TOTAL FARM PRODUCTS SHOW FUND RECEIPTS.....	\$ 8,841	\$ 8,881	\$ 9,221	\$ 9,259	\$ 9,259	\$ 9,259	\$ 9,259

Revenue Sources

Licenses and Fees

Actual	Estimated
2003-04..... \$ 266	2009-10..... \$ 465
2004-05..... 288	2010-11..... 565
2005-06..... 274	2011-12..... 565
2006-07..... 279	2012-13..... 565
2007-08..... 271	2013-14..... 565
2008-09..... 314	2014-15..... 565

The commonwealth receives all competitive exhibitor and commercial exhibitor fees and those fees from departments, boards and commissions of the state government having exhibits at the show.

Miscellaneous Revenues

Actual	Estimated
2003-04..... \$ 5,138	2009-10..... \$ 5,656
2004-05..... 4,946	2010-11..... 5,896
2005-06..... 5,341	2011-12..... 5,934
2006-07..... 5,597	2012-13..... 5,934
2007-08..... 5,570	2013-14..... 5,934
2008-09..... 5,667	2014-15..... 5,934

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



Farm Products Show Fund

Revenue Detail

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

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Estimate	2010-11 Budget
Licenses and Fees			
Exhibit Fees — Competitive — Farm Show.....	\$ 32	\$ 33	\$ 33
Exhibit — Commercial.....	282	282	282
Branding / Advertisement.....	0	150	250
TOTAL.....	\$ 314	\$ 465	\$ 565
Miscellaneous Revenue			
Concession Revenue.....	\$ 939	\$ 898	\$ 896
Service Charges.....	669	635	683
Rentals.....	2,339	2,311	2,447
Miscellaneous Revenue.....	224	158	155
Interest on Securities, Deposits, Returned Checks.....	-114	4	19
Parking Fees.....	1,610	1,650	1,696
TOTAL.....	\$ 5,667	\$ 5,656	\$ 5,896
Augmentations			
Transfer from General Fund.....	\$ 2,860	\$ 2,760	\$ 2,760
TOTAL.....	\$ 2,860	\$ 2,760	\$ 2,760
TOTAL RECEIPTS.....	\$ 8,841	\$ 8,881	\$ 9,221





FISH FUND

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



Financial Statement

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Beginning Balance	\$ 27,446	\$ 30,734	\$ 26,345
Receipts:			
Revenue Estimate.....	\$ 36,662	\$ 38,888	\$ 35,701
Prior Year Lapses.....	6,891	0	0
Total Receipts.....	\$ 43,553	\$ 38,888	\$ 35,701
Funds Available	\$ 70,999	\$ 69,622	\$ 62,046
Expenditures:			
Appropriated.....	\$ 40,265	\$ 43,277	\$ 41,433
Estimated Expenditures.....	-40,265	-43,277	-41,433
Ending Balance	\$ 30,734	\$ 26,345	\$ 20,613

Summary by Department

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Estimate	2010-11 Budget
Treasury Department			
General Government			
Replacement Checks.....	\$ 5	\$ 5	\$ 5
Fish and Boat Commission			
General Government			
General Operations.....	\$ 31,671	\$ 32,565	\$ 34,095
TOTAL STATE FUNDS	\$ 31,676	\$ 32,570	\$ 34,100
Federal Funds.....	\$ 8,218	\$ 9,827	\$ 7,107
Other Funds.....	371	880	226
FUND TOTAL	\$ 40,265	\$ 43,277	\$ 41,433



REVENUE SUMMARY

(Dollar Amounts in Thousands)

Five Year Revenue Projections

	2008-09 Actual	2009-10 Estimated	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
Licenses and Fees.....	\$ 26,481	\$ 26,124	\$ 26,158	\$ 26,158	\$ 26,158	\$ 26,158	\$ 26,158
Fines and Penalties.....	460	440	450	450	450	450	450
Miscellaneous.....	1,132	1,617	1,760	1,760	1,760	1,760	1,760
TOTAL FISH FUND REVENUES.....	\$ 28,073	\$ 28,181	\$ 28,368	\$ 28,368	\$ 28,368	\$ 28,368	\$ 28,368
Augmentations.....	\$ 8,589	\$ 10,707	\$ 7,333	\$ 7,333	\$ 7,333	\$ 7,333	\$ 7,333
TOTAL FISH FUND RECEIPTS.....	\$ 36,662	\$ 38,888	\$ 35,701	\$ 35,701	\$ 35,701	\$ 35,701	\$ 35,701

Revenue Sources

Licenses and Fees

Actual	Estimated
2003-04..... \$ 18,836	2009-10..... \$ 26,124
2004-05..... 21,992	2010-11..... 26,158
2005-06..... 24,187	2011-12..... 26,158
2006-07..... 24,197	2012-13..... 26,158
2007-08..... 26,444	2013-14..... 26,158
2008-09..... 26,481	2014-15..... 26,158

The commonwealth issues resident fishing licenses to persons between the ages of 16 and 64 if the applicant can prove residency within the commonwealth for 60 days. Through the passage of Act 159 of 2004, the annual resident fees were increased to \$21. The commonwealth also issues annual senior resident fishing licenses to persons 65 years of age and older for a fee of \$10. An individual eligible for a senior resident license can purchase a lifetime license for a fee of \$50. Act 159 of 2004 also increased nonresident fees to \$51 and the tourist fishing license for three-days to \$25 and seven-days to \$33. Persons fishing for trout or salmon are required to buy an \$8.00 stamp in addition to their regular fishing licenses. Other sources of revenue include the annual Lake Erie fishing permit or the special combination trout/salmon/Lake Erie permit.

Fines and Penalties

Actual	Estimated
2003-04..... \$ 361	2009-10..... \$ 440
2004-05..... 431	2010-11..... 450
2005-06..... 446	2011-12..... 450
2006-07..... 448	2012-13..... 450
2007-08..... 470	2013-14..... 450
2008-09..... 460	2014-15..... 450

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



Revenue Sources (continued)

Miscellaneous Revenue

Actual		Estimated	
2003-04.....	2,475	2009-10.....	\$ 1,617
2004-05.....	2,139	2010-11.....	1,760
2005-06.....	3,057	2011-12.....	1,760
2006-07.....	3,684	2012-13.....	1,760
2007-08.....	3,471	2013-14.....	1,760
2008-09.....	1,132	2014-15.....	1,760

The commonwealth receives contributions for restocking of streams principally from persons or businesses that pollute, dam or interfere with fish propagation and survival. Monies are received from the Fish and Boat Commission publication, *Pennsylvania Angler & Boater*, from the sale of unserviceable and confiscated property, from the collection of interest on securities and from other miscellaneous sources.

Revenue Detail

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

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Estimate	2010-11 Budget
Licenses and Fees			
Resident Fishing Licenses.....	\$ 16,192	\$ 16,000	\$ 16,000
Resident Senior Fishing Licenses.....	190	180	190
Nonresident Fishing Licenses.....	2,116	2,100	2,100
Tourist Fishing Licenses - 1 Day.....	154	160	150
Tourist Fishing Licenses - 3 Day.....	649	650	650
Tourist Fishing Licenses - 7 Day.....	245	230	230
Lake Erie Licenses.....	1	1	1
Fishing Lake Licenses.....	15	20	20
Miscellaneous Permits and Fees.....	177	150	175
1 Day Fishing Licenses.....	96	65	65
Resident Charter Boat/Fishing Guide Permit.....	32	25	30
Non-Resident Charter Boat/Fishing Guide Permit.....	17	15	15
PA National Guard Fishing License.....	1	1	1
Senior Lifetime Upgrade.....	51	40	50
Scientific Collector's Permits.....	32	20	30
Lifetime Fishing Licenses - Senior Resident.....	746	650	720
PALS Transaction Fee.....	981	980	980
H.R. Stackhouse Facilities User Fees.....	0	2	1
Trout/Salmon Stamp.....	4,786	4,835	4,750
TOTAL.....	\$ 26,481	\$ 26,124	\$ 26,158
Fines and Penalties			
Fish Law Fines.....	\$ 460	\$ 440	\$ 450
TOTAL.....	\$ 460	\$ 440	\$ 450



Revenue Detail (continued)

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Estimated	2010-11 Budget
Miscellaneous Revenue			
Sale of Publications.....	\$ 29	\$ 30	\$ 30
Sale of Unserviceable Property.....	0	1	1
Miscellaneous Revenue.....	15	30	20
Interest on Securities and Deposits.....	-129	15	401
Rental of Fish and Boat Commission Property.....	43	45	45
Income from Sand and Gravel Dredging.....	722	925	750
Sale of Pennsylvania Angler & Boater.....	138	180	140
Sales Tax & Donations Collected.....	11	2	9
Pollution and Stream Disturbance Settlements.....	276	275	275
Sale of Recreational Fishing Promotional Items.....	5	9	9
Royalty Payments.....	5	10	10
Refunds of Expenditures.....	8	50	50
Sale of Patches.....	9	25	20
Sale of Timber.....	0	20	0
TOTAL.....	\$ 1,132	\$ 1,617	\$ 1,760
TOTAL REVENUES.....	<u>\$ 28,073</u>	<u>\$ 28,181</u>	<u>\$ 28,368</u>
Augmentations			
Sale of Automobiles and Other Vehicles.....	\$ 13	\$ 55	\$ 40
Reimbursement for Services - Department of Transportation.....	137	175	186
Reimbursement for Services - Miscellaneous.....	91	0	0
Reimbursement for Services - DEP/EPA Projects.....	90	110	0
Federal Reimbursement - Sport Fish Restoration.....	6,593	6,821	6,000
Federal Reimbursement - Commerce Department.....	234	153	124
Federal Reimbursement - Miscellaneous.....	14	319	30
Federal Reimbursement - Surface Mine Regulation.....	52	60	53
USFWS - Partner for Fish and Wildlife.....	0	833	0
Reimbursement for Services - Habitat Assessments	0	500	0
Wildlife Conservation and Restoration - Non-Game.....	99	0	0
Three River Ecological Center.....	40	40	0
State Wildlife Grant.....	1,226	1,641	900
TOTAL.....	\$ 8,589	\$ 10,707	\$ 7,333
TOTAL RECEIPTS.....	<u>\$ 36,662</u>	<u>\$ 38,888</u>	<u>\$ 35,701</u>



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GAME FUND

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

Financial Statement

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Beginning Balance	\$ 33,461	\$ 27,744	\$ 20,444
Receipts:			
Revenue Estimate.....	\$ 60,439	\$ 63,236	\$ 63,104
Prior Year Lapses.....	7,973	7,644	0
Total Receipts.....	\$ 68,412	\$ 70,880	\$ 63,104
Funds Available	\$ 101,873	\$ 98,624	\$ 83,548
Expenditures:			
Appropriated.....	\$ 74,129	\$ 78,180	\$ 80,576
Estimated Expenditures.....	-74,129	-78,180	-80,576
Ending Balance	<u>\$ 27,744</u>	<u>\$ 20,444</u>	<u>\$ 2,972</u>

Summary by Department

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Estimate	2010-11 Budget
Treasury Department			
General Government			
Replacement Checks.....	\$ 5	\$ 5	\$ 5
Game Commission			
General Government			
General Operations.....	\$ 58,641	\$ 59,299	\$ 62,202
Land Acquisition and Development.....	127	150	150
DEPARTMENT TOTAL.....	\$ 58,768	\$ 59,449	\$ 62,352
TOTAL STATE FUNDS	<u>\$ 58,773</u>	<u>\$ 59,454</u>	<u>\$ 62,357</u>
Federal Funds.....	\$ 14,184	\$ 17,804	\$ 17,538
Other Funds.....	1,172	922	681
FUND TOTAL.....	<u>\$ 74,129</u>	<u>\$ 78,180</u>	<u>\$ 80,576</u>



REVENUE SUMMARY

(Dollar Amounts in Thousands)

Five Year Revenue Projections

	2008-09 Actual	2009-10 Estimated	2010-2011 Budget	2011-2012 Estimated	2012-2013 Estimated	2013-14 Estimated	2014-15 Estimated
Licenses and Fees.....	\$ 29,901	\$ 28,086	\$ 30,052	\$ 30,052	\$ 30,052	\$ 30,052	\$ 30,052
Fines and Penalties.....	1,174	905	1,025	1,025	1,025	1,025	1,025
Miscellaneous.....	14,008	15,519	13,808	18,878	18,878	18,878	18,878
TOTAL GAME FUND REVENUES.....	\$ 45,083	\$ 44,510	\$ 44,885	\$ 49,955	\$ 49,955	\$ 49,955	\$ 49,955
Augmentations.....	\$ 15,356	\$ 18,726	\$ 18,219	\$ 18,219	\$ 18,219	\$ 18,219	\$ 18,219
TOTAL GAME FUND RECEIPTS.....	\$ 60,439	\$ 63,236	\$ 63,104	\$ 68,174	\$ 68,174	\$ 68,174	\$ 68,174

Revenue Sources

Licenses and Fees

Actual	Estimated
2003-04..... \$ 30,457	2009-10..... \$ 28,086
2004-05..... 32,468	2010-11..... 30,052
2005-06..... 29,258	2011-12..... 30,052
2006-07..... 28,728	2012-13..... 30,052
2007-08..... 29,725	2013-14..... 30,052
2008-09..... 29,901	2014-15..... 30,052

Through the passage of Act 166 of 1998, new fees for licenses became effective July 1999. For resident hunting and resident furtaker licenses, the fees are: ages 17 to 64, \$19.00; over age 65, \$12.00; ages 12 to 16, \$5.00. Resident senior lifetime hunting and furtaker licenses are \$50.00 each; and a resident senior lifetime combination hunting and furtaking license is \$100.00. A junior resident combination hunting and furtaker license is \$8.00. Resident bear hunting and archery licenses are \$15.00; a muzzleloading resident license, \$10.00; and a resident antlerless deer license, \$5.00. For nonresidents of the commonwealth, hunting licenses are: over age 17, \$100.00; ages 12 to 16, \$40.00. A junior nonresident combination hunting and furtaker license is \$50.00. In addition, a license for a nonresident to hunt bear is \$35.00; a license for a nonresident to hunt antlerless deer, \$25.00; and a muzzleloading license for a nonresident, \$20.00. Nonresidents are also able to purchase an adult furtaker license for \$80.00; a junior furtaker license for \$40.00; and a seven-day license to hunt small game for \$30.00.

Fines and Penalties

Actual	Estimated
2003-04..... \$ 1,494	2009-10..... \$ 905
2004-05..... 1,319	2010-11..... 1,025
2005-06..... 1,217	2011-12..... 1,025
2006-07..... 1,207	2012-13..... 1,025
2007-08..... 1,112	2013-14..... 1,025
2008-09..... 1,174	2014-15..... 1,025

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

Revenue Sources (continued)

Miscellaneous Revenue

Actual		Estimated	
2003-04.....	\$ 12,856	2009-10.....	\$ 15,519
2004-05.....	23,434	2010-11.....	13,808
2005-06.....	24,495	2011-12.....	18,878
2006-07.....	24,578	2012-13.....	18,878
2007-08.....	18,870	2013-14.....	18,878
2008-09.....	14,008	2014-15.....	18,878

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

Revenue Detail

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

	(Dollar Amounts in Thousands)		
	2008-09 Actual	2009-10 Estimate	2010-11 Budget
Licenses and Fees			
Resident Hunting Licenses.....	\$ 12,780	\$ 12,595	\$ 12,595
Resident Junior Hunting Licenses.....	206	195	195
Nonresident Hunting Licenses.....	5,052	5,117	5,117
Special Game Permits.....	175	175	175
Antlerless Deer Licenses.....	4,056	4,056	4,056
Archery Licenses.....	3,831	3,874	3,874
Landowner Hunting Licenses.....	4	4	4
Resident Senior Hunting Licenses.....	404	369	369
Muzzleloading Hunting Licenses.....	1,833	1,869	1,869
Right-of-Way Licenses.....	2,053	1,600	2,000
Resident Bear Licenses.....	2,061	2,090	2,090
Nonresident Bear Licenses.....	175	175	175
Hunting License Issuing Agents' Application Fees.....	5	7	7
Nonresident Junior Hunting License.....	84	83	83
Nonresident 7-Day Hunting License.....	69	65	65
Senior Resident - Lifetime Hunting License.....	150	151	151
Adult Resident Furtaker License.....	532	532	532
Junior Resident Furtaker License.....	2	1	1
Senior Resident Furtaker License.....	9	8	8
Nonresident Adult Furtaker License.....	19	18	18
Resident Special Wild Turkey.....	201	185	185
Non-Resident Special Wild Turkey.....	17	4	14
PALS Transaction Fee.....	0	0	1,600
Mentor Youth Permit Licenses.....	0	0	9
Junior Combination License.....	388	391	391
Nonresident Archery License.....	273	277	277
Nonresident Muzzleloading Hunting License.....	151	151	151
Nonresident Migratory Game Bird.....	25	21	21
Nonresident Anterless Deer License.....	515	518	518
Senior Resident - Lifetime Combination License.....	395	411	411
Nonresident Junior Combination License.....	29	29	29
Elk License & Bobcat Permit Applications.....	93	76	76
DMAP Harvest Permit.....	274	269	269
Resident Military Personnel Hunting.....	0	1	3
Migratory Game Bird License.....	210	269	214
TOTAL.....	\$ 36,071	\$ 35,586	\$ 37,552
Restricted Revenue			
Transfer to General Habitat Improvement.....	-6,170	-7,500	-7,500
TOTAL.....	\$ -6,170	\$ -7,500	\$ -7,500
Net Licenses and Fees			
TOTAL.....	\$ 29,901	\$ 28,086	\$ 30,052



Revenue Detail (continued)

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Estimate	2010-11 Budget
Fines and Penalties			
Game Law Fines.....	\$ 1,174	\$ 905	\$ 1,025
TOTAL.....	\$ 1,174	\$ 905	\$ 1,025
Miscellaneous Revenue			
Sports Promotional Publications and Materials.....	\$ 5	\$ 3	\$ 2
Wildlife Promotional Publications amd Material.....	207	275	275
Sale of Coal.....	2,398	700	750
Sale of Stone, Sand, Gravel & Limestone.....	33	10	15
Sale of Miscellaneous Mineral Permits.....	0	3	10
Sale of Wood Products.....	4,891	8,100	5,100
Sale of Skins and Guns.....	24	15	15
Rental of State Property.....	10	8	8
Miscellaneous Revenue.....	66	60	50
Interest on Securities.....	-1,360	95	1,000
Gas and Oil Ground Rentals and Royalties.....	4,975	4,700	4,900
Refund of Expenditures Not Credited to Appropriations.....	139	20	20
Miscellaneous Revenue License Division.....	85	39	1
Sale of Game News.....	806	633	630
Sale of Grain and Hay.....	60	10	10
Sale of Nonusable Property.....	48	4	4
Sale of Maps.....	0	1	1
Wildlife Management Promotional Revenue.....	58	40	50
Sale of Wood Products - PR Tracts.....	561	400	400
Howard Nursery.....	173	110	110
Working Together For Wildlife - Non-Game Fund.....	103	75	75
Oil and Gas Recovery Support.....	700	200	350
Waterfowl Management Stamp Sales and Royalties.....	26	18	32
TOTAL.....	\$ 14,008	\$ 15,519	\$ 13,808
TOTAL REVENUES.....	\$ 45,083	\$ 44,510	\$ 44,885
Augmentations			
Sale of Automobiles.....	\$ 104	\$ 100	\$ 100
Federal Reimbursement - Pittman Robinson Act.....	12,954	15,500	16,000
Endangered Species Program.....	0	28	28
Pennsylvania Conservation Corps.....	151	112	112
Federal Reimbursement - Surface Mine Regulation.....	66	90	90
Federal Reimbursement - WCRA/SWG.....	984	950	1,250
Federal Reimbursement - Chronic Wasting Disease.....	76	75	70
Federal Reimbursement - LIP.....	0	0	100
Federal Reimbursement - Other Wildlife Grants.....	103	1,161	0
Private Donations.....	36	30	25
Middlecreek Exhibit Donations.....	0	0	10
Reimbursement of Services.....	541	349	312
PennDot Reimbursement - Deer Roadkill.....	101	115	0
Reimbursement from PA Fish and Boat Commission.....	154	93	0
PennDot Reimbursement - Environmental Assessments.....	36	71	71
Hunter Education	44	46	47
Black Duck Banding.....	6	6	4
TOTAL.....	\$ 15,356	\$ 18,726	\$ 18,219
TOTAL RECEIPTS.....	\$ 60,439	\$ 63,236	\$ 63,104



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KEYSTONE RECREATION, PARK AND CONSERVATION FUND

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



Keystone Recreation, Park and Conservation Fund

Financial Statement

	(Dollar Amounts in Thousands)		
	2008-09 Actual	2009-10 Available	2010-11 Estimated
Beginning Balance	\$ 9,754	\$ 6,158	\$ 6,379
Receipts:			
Revenue Estimate.....	\$ 56,654	\$ 50,590	\$ 55,171
Prior Year Lapses.....	30	0	0
Total Receipts.....	\$ 56,684	\$ 50,590	\$ 55,171
Funds Available	\$ 66,438	\$ 56,748	\$ 61,550
Expenditures:			
Appropriated.....	\$ 60,280	\$ 50,369	\$ 61,550
Estimated Expenditures.....	-60,280	-50,369	-61,550
Ending Balance	\$ <u>6,158</u>	\$ <u>6,379</u>	\$ <u>0</u>

Summary by Department

	(Dollar Amounts in Thousands)		
	2008-09 Actual	2009-10 Estimate	2010-11 Budget
Treasury			
Replacement Checks.....	\$ 5	\$ 5	\$ 5
Department of Conservation and Natural Resources			
General Government			
Parks and Forest Facility Rehabilitation.....	\$ 18,946	\$ 14,544	\$ 18,464
Grants and Subsidies			
Grants for Local Recreation.....	\$ 15,789	\$ 12,119	\$ 15,386
Grants to Land Trusts.....	6,315	4,848	6,155
Subtotal.....	\$ 22,104	\$ 16,967	\$ 21,541
DEPARTMENT TOTAL.....	\$ 41,050	\$ 31,511	\$ 40,005
Department of Education			
Grants and Subsidies			
Local Libraries Rehabilitation and Development.....	\$ 2,525	\$ 0	\$ 2,461
State System of Higher Education —			
Deferred Maintenance	8,490	0	11,078
DEPARTMENT TOTAL.....	\$ 11,015	\$ 0	\$ 13,539
Executive Offices			
General Government			
Transfer to the General Fund.....	\$ 0	\$ 18,853 ^a	\$ 0
Historical and Museum Commission			
Grants and Subsidies			
Historic Site Development	\$ 8,210	\$ 0	\$ 8,001
FUND TOTAL.....	\$ <u>60,280</u>	\$ <u>50,369</u>	\$ <u>61,550</u>

^a Amount transferred to General Fund per Act 10-A of 2009.



Keystone Recreation, Park and Conservation Fund

REVENUE SUMMARY

(Dollar Amounts in Thousands)

Five Year Revenue Projections

	2008-09 Actual	2009-10 Estimated	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
Realty Transfer Tax.....	\$ 54,029	\$ 47,965	\$ 51,671	\$ 60,018	\$ 67,359	\$ 73,006	\$ 77,982
Miscellaneous.....	2,625	2,625	3,500	3,500	3,500	3,500	3,500
TOTAL KEYSTONE RECREATION, PARK AND CONSERVATION FUND RECEIPTS.....	\$ 56,654	\$ 50,590	\$ 55,171	\$ 63,518	\$ 70,859	\$ 76,506	\$ 81,482

Revenue Sources

Realty Transfer Tax

Actual	Estimated
2003-04..... \$ 68,456	2009-10..... \$ 47,965
2004-05..... 81,929	2010-11..... 51,671
2005-06..... 96,879	2011-12..... 60,018
2006-07..... 12,415	2012-13..... 67,359
2007-08..... 77,200	2013-14..... 73,006
2008-09..... 54,029	2014-15..... 77,982

Act 50 of 1993 approved the transfer of 15% of the revenues from the state Realty Transfer Tax to this fund. These monies are distributed to programs according to the formula contained in the act. Act 67 of 2006 decreased the transfer rate from 15% to 2.1% for the 2006-07 fiscal year.

Miscellaneous Revenues

Actual	Estimated
2003-04..... \$ 1,540	2009-10..... \$ 2,625
2004-05..... 3,003	2010-11..... 3,500
2005-06..... 7,221	2011-12..... 3,500
2006-07..... 9,757	2012-13..... 3,500
2007-08..... 7,071	2013-14..... 3,500
2008-09..... 2,625	2014-15..... 3,500

Miscellaneous revenues are earned interest.



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LOTTERY FUND

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



Financial Statement

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Beginning Balance	\$ 351,041	\$ 113,189	\$ 127,757
Reserve from Previous Year.....	100,000	0	0
Total Beginning Balance	<u>\$ 451,041</u>	<u>\$ 113,189</u>	<u>\$ 127,757</u>
Receipts:			
Gross Ticket Sales.....	\$ 3,088,162	\$ 3,028,212	\$ 3,076,905
Less Field Paid Prizes and Commissions.....	-1,720,462	-1,655,098	-1,663,104
Transfers and Earnings.....	21,186	179,200	168,400
Net Revenue Estimate	<u>\$ 1,388,886</u>	<u>\$ 1,552,314</u>	<u>\$ 1,582,201</u>
Prior Year Lapses.....	22,108	39,957	0
Total Receipts	<u>\$ 1,410,994</u>	<u>\$ 1,592,271</u>	<u>\$ 1,582,201</u>
Funds Available	<u>\$ 1,862,035</u>	<u>\$ 1,705,460</u>	<u>\$ 1,709,958</u>
Expenditures:			
Appropriated.....	\$ 1,748,846	\$ 1,629,038	\$ 1,593,593
Current Year Lapses.....	0	-51,335	0
Estimated Expenditures	<u>-1,748,846</u>	<u>-1,577,703</u>	<u>-1,593,593</u>
Reserve for Current Year.....	\$ 0	\$ 0	\$ 0
Ending Balance	<u>\$ 113,189</u>	<u>\$ 127,757</u>	<u>\$ 116,365</u>



Summary by Department

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Estimate	2010-11 Budget
Treasury Department			
General Government			
Replacement Checks.....	\$ 50	\$ 50	\$ 50
Department of Aging and Long-Term Living			
General Government			
General Government Operations.....	\$ 7,338	\$ 7,794	\$ 7,745
Grants and Subsidies			
PENNCARE.....	\$ 240,273	\$ 241,414	\$ 243,560
Pre-Admission Assessment.....	10,206	10,823	10,735
Family Caregiver.....	12,027	12,103	12,103
Medical Assistance - Long-Term Care.....	300,707	178,438	178,438
Alzheimer's Outreach.....	200	250	250
Pharmaceutical Assistance Fund.....	254,500	210,000	200,000
Subtotal.....	<u>\$ 817,913</u>	<u>\$ 653,028</u>	<u>\$ 645,086</u>
TOTAL STATE FUNDS.....	<u>\$ 825,251</u>	<u>\$ 660,822</u>	<u>\$ 652,831</u>
Federal Funds.....	\$ 133,667	\$ 144,605	\$ 135,127
Augmentations.....	8	8	10
DEPARTMENT TOTAL.....	<u>\$ 958,926</u>	<u>\$ 805,435</u>	<u>\$ 787,968</u>
Department of Revenue			
General Government			
General Operations.....	\$ 40,197	\$ 43,494	\$ 40,976
Lottery Advertising.....	32,000	39,000	37,000
Property Tax Rent Rebate - General Operations.....	13,626	13,472	14,046
On-line Vendor Commissions.....	42,318	31,973	32,018
Instant Vendor Commissions.....	19,852	25,977	22,132
Payment of Prize Money.....	339,142	370,967	348,341
Subtotal.....	<u>\$ 487,135</u>	<u>\$ 524,883</u>	<u>\$ 494,513</u>
Grants and Subsidies			
Property Tax and Rent Assistance for Older Pennsylvanians.....	<u>\$ 276,400</u>	<u>\$ 276,500</u>	<u>\$ 276,500</u>
TOTAL STATE FUNDS.....	<u>\$ 763,535</u>	<u>\$ 801,383</u>	<u>\$ 771,013</u>
Augmentations.....	150	3,480	316
DEPARTMENT TOTAL.....	<u>\$ 763,685</u>	<u>\$ 804,863</u>	<u>\$ 771,329</u>



Summary by Department

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Estimate	2010-11 Budget
Department of Transportation			
Grants and Subsidies			
Transfer to Public Transportation Trust Fund.....	\$ 82,160	\$ 86,597	\$ 88,199
Older Pennsylvanians Shared Rides.....	77,850	80,186	81,500
DEPARTMENT TOTAL.....	<u>\$ 160,010</u>	<u>\$ 166,783</u>	<u>\$ 169,699</u>
TOTAL STATE FUNDS.....	<u>\$ 1,748,846</u>	<u>\$ 1,629,038</u>	<u>\$ 1,593,593</u>
Federal Funds.....	\$ 133,667	\$ 144,605	\$ 135,127
Other Funds.....	158	3,488	326
FUND TOTAL.....	<u>\$ 1,882,671</u>	<u>\$ 1,777,131</u>	<u>\$ 1,729,046</u>



REVENUE SUMMARY

(Dollar Amounts in Thousands)

Five Year Revenue Projections

	2008-09 Actual	2009-10 Estimated	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
Collections.....	\$ 1,367,700	\$ 1,373,114	\$ 1,413,801	\$ 1,460,326	\$ 1,470,388	\$ 1,487,853	\$ 1,503,621
Gaming Fund Transfers.....	48,500	176,700	165,900	156,000	156,000	156,000	156,000
Miscellaneous Revenue.....	-27,314	2,500	2,500	2,500	2,500	2,500	2,500
TOTAL LOTTERY FUND REVENUES.....	\$ 1,388,886	\$ 1,552,314	\$ 1,582,201	\$ 1,618,826	\$ 1,628,888	\$ 1,646,353	\$ 1,662,121

Revenue Sources

Net Lottery Collections

	Actual	Estimated
2003-04.....	\$ 1,152,198	2009-10..... \$ 1,373,114
2004-05.....	1,194,007	2010-11..... 1,413,801
2005-06.....	1,430,050	2011-12..... 1,460,326
2006-07.....	1,365,596	2012-13..... 1,470,388
2007-08.....	1,403,742	2013-14..... 1,487,853
2008-09.....	1,367,700	2014-15..... 1,503,621

Net lottery collections consist of the proceeds from lottery ticket sales less commissions and some prizes. Currently prizes of \$2,500 or less for the on-line games and prizes of \$500 or less for instant games can be paid by the ticket agents. The State Lottery is currently operating nine games. The "Daily Number" game introduced in March 1977, the "Big 4" game introduced in November 1980, the "Cash 5" game introduced in April 1992, Mix and Match and Treasure Hunt began in 2007 and Quinto was introduced in 2008. "Super 7" was implemented in 2009. These games utilize computer sales terminals located across the commonwealth. The eighth and ninth games are Powerball and Powerplay which began in 2002 as multi-state games. On December 31, 2005, the Millionaire Raffle was introduced to be run periodically thereafter. Ticket prices are \$1 for "Cash 5" which consists of 1 play to pick 5 of 39 numbers; \$1 dollar for "Treasure Hunt" which is made up of 1 play to pick 5 of 30 numbers as an exclusively "mid-day" game, and "Mix & Match" with 1 play for \$2 to pick five numbers between 1 and 19 in the positions predicted to be drawn, or as a computer randomly chosen quick pick. "Quinto" is \$1 per play and has a mid-day and evening drawing with a five digit base and is similar in play to the "Daily Number" and "Big 4". "Daily Number" and "Big 4" game ticket prices range from \$0.50 to \$5. "Super 7" is \$2 per play where seven numbers from among 1 to 77 are selected. The "Instant Game" ticket prices range from \$1 to \$20. Powerball is played for \$1 per play and Powerplay, which doubles winnings, can be added for \$1 per play as well. The Millionaire Raffle features a ticket price of \$20 for an eight digit raffle number with a limited number of ticket sales.

Powerball is a lotto game which is a combined large jackpot game and a cash game. It involves drawing five out of 49 numbers and one out of 42 numbers. Players win by matching one of nine ways.

Mega Millions is another multi-state jackpot game which is played for \$1 per play and has a beginning jackpot of \$12 million dollars. The game will be implemented in Pennsylvania during calendar year 2010.

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

(Dollar Amounts in Thousands)

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Ticket Sales.....	\$ 3,088,162	\$ 3,028,212	\$ 3,076,905	\$ 3,138,363	\$ 3,169,888	\$ 3,221,310	\$ 3,271,642
Commissions.....	-159,133	-156,027	-158,461	-161,580	-163,250	-165,964	-168,627
Field Paid Prizes.....	-1,561,329	-1,499,071	-1,504,643	-1,516,457	-1,536,250	-1,567,493	-1,599,394
NET LOTTERY COLLECTIONS.....	\$ 1,367,700	\$ 1,373,114	\$ 1,413,801	\$ 1,460,326	\$ 1,470,388	\$ 1,487,853	\$ 1,503,621

Revenue Sources (continued)

Gaming Fund Repayments

Actual		Estimated	
2003-04.....	\$ 0	2009-10.....	\$ 40,000
2004-05.....	0	2010-11.....	9,900
2005-06.....	0	2011-12.....	0
2006-07.....	100,000	2012-13.....	0
2007-08.....	100,000	2013-14.....	0
2008-09.....	0	2014-15.....	0

Under Act 1 of Special Session No. 1 of 2006 the Gaming Fund is required to repay the Lottery Fund for Property Tax and Rent Rebate program expansions under that Act which were initially paid by the Lottery Fund.

Gaming Fund Transfers

Actual		Estimated	
2003-04.....	\$ 0	2009-10.....	\$ 136,700
2004-05.....	0	2010-11.....	156,000
2005-06.....	0	2011-12.....	156,000
2006-07.....	0	2012-13.....	156,000
2007-08.....	0	2013-14.....	156,000
2008-09.....	48,500	2014-15.....	156,000

Under Act 1 of Special Session No. 1 of 2006 the Gaming Fund is required to completely pay for Property Tax and Rent Rebate program expansion costs under that Act beginning in 2009-10 and thereafter.

Miscellaneous Revenue

Actual		Estimated	
2003-04.....	\$ 18,304	2009-10.....	\$ 2,500
2004-05.....	17,909	2010-11.....	2,500
2005-06.....	29,459	2011-12.....	2,500
2006-07.....	33,056	2012-13.....	2,500
2007-08.....	14,692	2013-14.....	2,500
2008-09.....	-27,314	2014-15.....	2,500

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



RACING FUND

The Racing Fund is a special revenue fund composed of monies received from taxes and license fees collected by the State Harness Racing Commission and the State Horse Racing Commission for the regulation of horse and harness racing.



Financial Statement

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Beginning Balance	\$ 3	\$ 358	\$ 0
Receipts:			
Revenue Estimate.....	\$ 16,929	\$ 16,898	\$ 18,164
Prior Year Lapses.....	277	0	0
Total Receipts.....	<u>\$ 17,206</u>	<u>\$ 16,898</u>	<u>\$ 18,164</u>
Funds Available	<u>\$ 17,209</u>	<u>\$ 17,256</u>	<u>\$ 18,164</u>
Expenditures:			
Appropriated.....	\$ 16,851	\$ 17,256	\$ 18,164
Estimated Expenditures.....	-16,851	-17,256	-18,164
Ending Balance	<u>\$ 358</u>	<u>\$ 0</u>	<u>\$ 0</u>

Summary by Department

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Estimate	2010-11 Budget
Treasury Department			
General Government			
Replacement Checks.....	\$ 10	\$ 10	\$ 10
Department of Agriculture			
General Government			
State Racing Commissions.....	\$ 13,139	\$ 13,547	\$ 14,495
Equine Toxicology and Research Laboratory.....	3,275	3,193	3,159
Pennsylvania Fairs—Administration.....	252	262	262
Subtotal	<u>\$ 16,666</u>	<u>\$ 17,002</u>	<u>\$ 17,916</u>
Grants and Subsidies			
Transfer to the General Fund.....	3	0	0
TOTAL STATE FUNDS	<u>\$ 16,669</u>	<u>\$ 17,002</u>	<u>\$ 17,916</u>
Augmentations.....	3	1	1
DEPARTMENT TOTAL.....	<u>\$ 16,672</u>	<u>\$ 17,003</u>	<u>\$ 17,917</u>
Department of Revenue			
General Government			
Collections—Racing.....	\$ 172	\$ 244	\$ 238
TOTAL STATE FUNDS	<u>\$ 16,851</u>	<u>\$ 17,256</u>	<u>\$ 18,164</u>
Other Funds.....	3	1	1
FUND TOTAL.....	<u>\$ 16,854</u>	<u>\$ 17,257</u>	<u>\$ 18,165</u>

REVENUE SUMMARY

(Dollar Amounts in Thousands)

Five Year Revenue Projections

	2008-09 Actual	2009-10 Estimated	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
Tax Revenues.....	\$ 13,939	\$ 13,048	\$ 13,929	\$ 13,929	\$ 13,929	\$ 13,929	\$ 13,929
Licenses and Fees.....	760	700	785	785	785	785	785
Miscellaneous Revenue.....	2,230	3,150	3,450	3,450	3,450	3,450	3,450
TOTAL RACING FUND REVENUES.....	\$ 16,929	\$ 16,898	\$ 18,164	\$ 18,164	\$ 18,164	\$ 18,164	\$ 18,164

Revenue Sources

Tax Revenues

Actual	Estimated
2003-04..... \$ 11,656	2009-10..... \$ 13,048
2004-05..... 11,402	2010-11..... 13,929
2005-06..... 11,684	2011-12..... 13,929
2006-07..... 11,253	2012-13..... 13,929
2007-08..... 10,384	2013-14..... 13,929
2008-09..... 13,939	2014-15..... 13,929

Act 93 of 1983 combined the Harness Racing Fund and the Horse Racing Fund into the Racing Fund. This act amended portions of the Race Horse Industry Reform Act. For licensed racing corporations annually conducting at least 100 days of racing or for two licensed corporations conducting their racing at the same facility with a minimum of 175 combined racing days, the previous sliding wagering tax rate was changed to 1.5 percent effective July 1, 1986, and thereafter. For licensed racing corporations not conducting the minimum number of racing days, the wagering rate was changed to 2.5 percent from July 1, 1984 to June 30, 1986, and 2 percent thereafter. Act 23 of 2000 changed the amount allocated from the State Racing Fund to the Pennsylvania Breeding Fund to 1 percent of the daily amount wagered for thoroughbred horse racing. Act 127 of 1988 permits off-track betting in the Commonwealth.

Licenses and Fees

Actual	Estimated
2003-04..... \$ 384	2009-10..... \$ 700
2004-05..... 456	2010-11..... 785
2005-06..... 510	2011-12..... 785
2006-07..... 485	2012-13..... 785
2007-08..... 878	2013-14..... 785
2008-09..... 760	2014-15..... 785

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



Revenue Sources (continued)

Miscellaneous Revenue

Actual		Estimated	
2003-04.....	\$ 3,892	2009-10.....	\$ 3,150
2004-05.....	3,656	2010-11.....	3,450
2005-06.....	3,523	2011-12.....	3,450
2006-07.....	3,646	2012-13.....	3,450
2007-08.....	3,581	2013-14.....	3,450
2008-09.....	2,230	2014-15.....	3,450

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

Revenue Detail

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

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Estimate	2010-11 Budget
Tax Revenues			
State Admission Tax.....	\$ 65	\$ 70	\$ 70
Wagering Tax.....	13,221	12,308	13,159
Breakage Tax.....	653	670	700
TOTAL.....	\$ 13,939	\$ 13,048	\$ 13,929
Licenses and Fees			
License Fees.....	\$ 760	\$ 700	\$ 785
Miscellaneous Revenues			
Uncashed Tickets.....	\$ 2,634	\$ 2,700	\$ 2,900
Interest on Securities.....	-404	450	550
TOTAL.....	\$ 2,230	\$ 3,150	\$ 3,450
TOTAL REVENUES.....	\$ 16,929	\$ 16,898	\$ 18,164



TOBACCO SETTLEMENT FUND

The Tobacco Settlement Fund is a special revenue fund composed of monies from all tobacco settlements under the Tobacco Master Settlement Agreement. It provides for smoking prevention and smoking cessation programs and other health related programs including home and community based care, venture capital for medical equipment, support for the uninsured and catastrophic and uncompensated care.



Health Investment Plan

Act 77 of 2001 created the Tobacco Settlement Fund to receive the revenues from the Master Settlement Agreement that was reached with the five major tobacco companies on December 17, 1999. The Tobacco Settlement Fund provides funding for health care insurance for the uninsured, home and community-based services for seniors, tobacco use prevention and cessation, broad-based health research, medical care for workers with disabilities and hospital uncompensated care in accordance with the resource allocation plan set forth in Act 77 of 2001. The Tobacco Settlement Fund also maintains an endowment component to preserve a portion of the receipts to sustain critical programs.

Over the past several years, the Governor and the General Assembly agreed to redirect a portion of the tobacco revenue to offset the escalating cost of long-term care services for persons with disabilities and seniors. In 2009-10, Act 50 of 2009 redirected 25 percent of the funds allocated to tobacco use prevention and cessation activities, 33 percent of the funds allocated to health care insurance for uninsured adults, 100 percent of the funds allocated for the Endowment Account and the annual strategic contribution payment and tobacco revenue interest and earnings to offset the cost of long term care. In addition, Act 50 of 2009 redirected 37.5 percent of the funds allocated to tobacco use prevention and cessation and transferred \$150 million from the Endowment Account to the General Fund. This budget proposes to continue these same percentage redirects in 2010-11 and transfers \$250 million from the Endowment Account to the General Fund.

In 2005, the commonwealth entered into the Annual Community Health Reinvestment agreement with Pennsylvania's Blue Cross/Blue Shield plans. The Blue Cross/Blue Shield plans have agreed to an annual commitment of funds to provide affordable basic health care coverage for thousands of low-income and uninsured Pennsylvanians through December 31, 2010. The commonwealth receives 60 percent of the funds for statewide initiatives, and the plans maintain 40 percent of the funds for community-based initiatives. This budget assumes continuation of Community Health Reinvestment contributions and estimates that \$183.6 million of the Community Health Reinvestment funds will be used to provide health insurance for uninsured adults in 2010-11.

Combining the Tobacco Funds of \$354.0 million and the Community Health Reinvestment Funds of \$183.6 million, this budget allocates a total of \$537.6 million in 2010-11 for the following health care related activities:

Dollar Amounts in Millions

<ul style="list-style-type: none"> ➤ Health Care Insurance for the Uninsured: \$249.6 Subsidize health care insurance coverage for uninsured adults with incomes under 200 percent of the federal poverty level, and for workers with disabilities with incomes under 250 percent of the federal poverty level. ➤ Long-Term Living: \$148.2 Provide home and community-based services and nursing home care for persons with disabilities and seniors based on their clinical need and personal preference. ➤ Health Research: \$62.6 Fund health-related research proposals from Pennsylvania-based researchers. The proposals must have been peer reviewed and approved using nationally accepted standards and review boards. ➤ Tobacco Use Prevention and Cessation: \$14.8 Fund community-based prevention and cessation programs that are based on best practices for effective intervention from the national Centers for Disease Control. 	<ul style="list-style-type: none"> ➤ Hospital Uncompensated Care: \$33.0 Support financially distressed hospitals in the provision of uncompensated care and care to Medical Assistance recipients. ➤ Pharmaceutical Benefits for the Elderly: \$26.4 Support the expansion of the pharmaceutical benefits for the elderly program implemented in 2001. ➤ Life Sciences Greenhouses: \$3.0 Continue support for the three Life Sciences Greenhouses that invest in companies focused on the research, development and commercialization of cutting-edge therapies and medical technologies.
TOTAL	
\$537.6	



Financial Statement

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Beginning Balance	\$ 396,213	\$ 433,443	\$ 368,016
Receipts:			
Revenue Estimate.....	\$ 484,238	\$ 378,815	\$ 370,641
Prior Year Lapses.....	0 *	0 *	0
Total Receipts.....	484,238	378,815	370,641
Funds Available	\$ 880,451	\$ 812,258	\$ 738,657
Expenditures:			
Appropriated.....	\$ 447,008	\$ 444,242	\$ 368,820
Estimated Expenditures.....	447,008	444,242	368,820
Ending Balance	\$ 433,443	\$ 368,016	\$ 369,837

* Excludes lapses redistributed within Home and Community-Based Services and Health Investment Insurance programs as prescribed under Act 77 of 2001.



Summary by Department

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Estimate	2010-11 Budget
Executive Offices			
General Government			
Transfer to Health Endowment Account (EA).....	\$ 28,492 ^a	\$ 0	\$ 0 ^b
DEPARTMENT TOTAL.....	<u>\$ 28,492</u>	<u>\$ 0</u>	<u>\$ 0</u>
Treasury Department			
General Government			
Replacement Checks - Tobacco Settlement Fund (EA).....	\$ 5	\$ 5	\$ 5
DEPARTMENT TOTAL.....	<u>\$ 5</u>	<u>\$ 5</u>	<u>\$ 5</u>
Department of Aging and Long Term Living			
Grants and Subsidies			
Home and Community-Based Services.....	\$ 46,300 ^c	\$ 51,058 ^c	\$ 42,846
PACENET Transfer.....	28,492	31,420	26,367
Medical Assistance - Long-Term Care.....	134,112 ^d	130,923 ^d	105,411
TOTAL STATE FUNDS	<u>\$ 208,904</u>	<u>\$ 213,401</u>	<u>\$ 174,624</u>
Federal Funds.....	\$ 71,242 ^e	\$ 75,153 ^e	\$ 57,879
Augmentations.....	\$ 0	\$ 0	\$ 0
DEPARTMENT TOTAL.....	<u>\$ 280,146</u>	<u>\$ 288,554</u>	<u>\$ 232,503</u>
Department of Community and Economic Development			
Grants and Subsidies			
Tobacco Settlement Investment Board.....	\$ 0 ^f	\$ 0 ^f	\$ 0 ^f
Life Sciences Greenhouses.....	3,000	3,000	3,000
DEPARTMENT TOTAL.....	<u>\$ 3,000</u>	<u>\$ 3,000</u>	<u>\$ 3,000</u>
Department of Health			
Grants and Subsidies			
Health Research - Health Priorities (EA).....	\$ 64,108	\$ 70,696	\$ 59,325
Health Research - National Cancer Institute (EA).....	3,562	3,928	3,296
Tobacco Use Prevention and Cessation (EA).....	32,054	17,674	14,831 ^g
Transfer to General Fund (EA).....	0	17,673	14,831
DEPARTMENT TOTAL.....	<u>\$ 99,724</u>	<u>\$ 109,971</u>	<u>\$ 92,283</u>
Insurance Department			
Grants and Subsidies			
Adult Health Insurance (EA).....	\$ 38,796	\$ 37,878	\$ 15,587 ^h
DEPARTMENT TOTAL.....	<u>\$ 38,796</u>	<u>\$ 37,878</u>	<u>\$ 15,587</u>



Summary by Department (continued)

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Estimate	2010-11 Budget
Department of Public Welfare			
Grants and Subsidies			
Medical Care for Workers with Disabilities (EA).....	\$ 32,471 ⁱ	\$ 40,712	\$ 50,363
Uncompensated Care (EA).....	35,616	39,275	32,958
TOTAL STATE FUNDS.....	<u>\$ 68,087</u>	<u>\$ 79,987</u>	<u>\$ 83,321</u>
Federal Funds.....	\$ 98,489	\$ 126,823	\$ 140,894
DEPARTMENT TOTAL.....	<u>\$ 166,576</u>	<u>\$ 206,810</u>	<u>\$ 224,215</u>
TOTAL STATE FUNDS.....	<u>\$ 447,008</u>	<u>\$ 444,242</u>	<u>\$ 368,820</u>
Federal Funds.....	\$ 169,731	\$ 201,976	\$ 198,773
FUND TOTAL.....	<u>\$ 616,739</u>	<u>\$ 646,218</u>	<u>\$ 567,593</u>

^a Funds are actually deposited to the Endowment Account for Long-Term Hope immediately upon receipt of settlement payments.

^b This budget proposes continuing Act 50 of 2009 provisions redirecting the 8 percent Health Endowment Account for Long-Term Hope portion to support health-related expenditures.

^c 2008-09 Actual includes \$20,840,000 and 2009-10 Available includes \$23,783,000 executively authorized as Home and Community-Based Services in the Department of Public Welfare, and excludes redistributed lapses to avoid double counting.

^d Authorized in the Department of Public Welfare.

^e 2008-09 Actual includes \$43,102,000 and 2009-10 Available includes \$45,088,000 executively authorized as Medical Assistance-Community Services in the Department of Public Welfare.

^f Excludes \$903,000 in 2008-09; \$961,000 in 2009-10; and \$714,000 in 2010-11 appropriated to the Tobacco Settlement Investment Board (actually funded by the Health Endowment Account for Long-Term Hope).

^g This budget proposes continuing Act 50 of 2009 provisions reducing the 12 percent Tobacco Use Prevention and Cessation program portion by 25 percent to support health-related expenditures.

^h This budget proposes continuing Act 50 of 2009 provisions reducing the 30 percent Health Investment Insurance portion by 33.3 percent to support health-related expenditures.

ⁱ Authorized as \$34,748,000, but excludes redistributed lapses to avoid double counting.

REVENUE SUMMARY

(Dollar Amounts in Thousands)

Five Year Revenue Projections

	2008-09 Actual	2009-10 Estimated	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
Tobacco Settlement Revenue.....	\$ 419,238	\$ 353,815	\$ 355,641	\$ 355,723	\$ 355,819	\$ 355,927	\$ 356,049
Miscellaneous Revenue.....	65,000	25,000	15,000	15,000	15,000	15,000	15,000
TOTAL TOBACCO FUND REVENUES.....	\$ 484,238	\$ 378,815	\$ 370,641	\$ 370,723	\$ 370,819	\$ 370,927	\$ 371,049

Revenue Sources

Tobacco Settlement Revenue

Actual	Estimated
2003-04..... \$ 370,857	2009-10..... \$ 353,815
2004-05..... 366,258	2010-11..... 355,641
2005-06..... 336,227	2011-12..... 355,723
2006-07..... 351,928	2012-13..... 355,819
2007-08..... 382,003	2013-14..... 355,927
2008-09..... 419,238	2014-15..... 356,049

Tobacco Settlement revenue includes payments from all tobacco settlements under the Master Tobacco Settlement Agreement except for payments set aside in the Health Endowment Account for Long-Term Hope. Act 50 of 2009 redirects the 2009 strategic contribution payment and the eight percent of the annual payment from the Health Endowment Account for Long-Term Hope to the Tobacco Settlement Fund to support health-related expenditures. This budget proposes a similar redirection of the 2010 strategic contribution payment and the eight percent annual payment from the Health Endowment Account for Long-Term Hope to the Tobacco Settlement Fund to support health-related expenditures.

Miscellaneous Revenue

Actual	Estimated
2003-04..... \$ 0	2009-10..... \$ 25,000
2004-05..... 26,454	2010-11..... 15,000
2005-06..... 62,778	2011-12..... 15,000
2006-07..... 14,755	2012-13..... 15,000
2007-08..... 51,250	2013-14..... 15,000
2008-09..... 65,000	2014-15..... 15,000

Miscellaneous Revenue includes investment earnings that would have otherwise been deposited to or retained in the Health Endowment Account for Long-Term Hope, but were specified for retention within the fund itself by Act 41 of 2005, Act 66 of 2006, Act 42 of 2007, Act 53 of 2008 and Act 50 of 2009. This budget proposes a similar retention of those earnings to support health-related expenditures.

Revenue Detail

The following is a detailed list of all Tobacco Settlement Fund revenues.

	(Dollar Amounts in Thousands)		
	2008-09 Actual	2009-10 Estimate	2010-11 Budget
Gross Settlements.....	\$ 392,754 ^a	\$ 329,584	\$ 331,406
Strategic Contributions.....	26,484	24,231	24,235 ^b
NET TOBACCO SETTLEMENT REVENUE.....	\$ 419,238	\$ 353,815	\$ 355,641

^a Includes \$30.070 million disputed payment received February 2009.

^b This budget proposes to continue to redirect strategic contributions from the Health Endowment Account for Long-Term Hope to the Tobacco Settlement Fund.



Restricted Revenues

Health Endowment Account for Long-Term Hope Revenue

(Dollar Amounts in Thousands)

Actual		Estimated	
2003-04.....	\$ 82,631	2009-10.....	\$ -168,267
2004-05.....	37,723	2010-11.....	-250,565
2005-06.....	32,844	2011-12.....	50,046
2006-07.....	120,018	2012-13.....	50,059
2007-08.....	42,841	2013-14.....	50,073
2008-09.....	-71,799	2014-15.....	50,090

Except where otherwise directed by legislation, the Health Endowment Account for Long-Term Hope restricted revenue includes all interest earned in the Tobacco Settlement Fund, the initial payment of Tobacco Settlement funds, strategic contribution payments (beginning in 2007-08), eight percent of each annual payment and lapses from the appropriations in the fund except for moneys provided for the Home and Community-Based Care program and the Health Investment Insurance program, which are reallocated to their respective programs. The 2008-09 actual amount includes the transfers to the Tobacco Settlement Fund per Act 53 of 2008 and net investment earnings. The 2009-10 estimated amount includes the transfers to the Tobacco Settlement Fund per Act 50 of 2009 including the transfer of \$150 million to the General Fund. This budget proposes the redirection of the strategic contribution payment and the eight percent annual payment to the Tobacco Settlement Fund and includes the transfer of \$250 million to the General fund as legislated per Act 50 of 2009.

Tobacco Settlement Investment Board Account

(Dollar Amounts in Thousands)

Actual		Estimated	
2003-04.....	\$ 276	2009-10.....	\$ 961
2004-05.....	276	2010-11.....	714
2005-06.....	376	2011-12.....	714
2006-07.....	659	2012-13.....	714
2007-08.....	813	2013-14.....	714
2008-09.....	903	2014-15.....	714

The Tobacco Settlement Investment Board restricted revenue represents the approved expenses of the overseeing investment board to be paid from the investment earnings in the Health Endowment Account for Long-Term Hope. These funds are appropriated from the account.

Community Health Reinvestment Account

(Dollar Amounts in Thousands)

Actual		Estimated	
2003-04.....	\$ 0	2009-10.....	\$ 125,240
2004-05.....	0	2010-11.....	183,623
2005-06.....	59,159	2011-12.....	209,366
2006-07.....	94,963	2012-13.....	220,974
2007-08.....	109,041	2013-14.....	233,163
2008-09.....	126,348	2014-15.....	245,961

The account is used for the restricted receipt and disbursement of funds received in accordance with the Community Health Reinvestment Agreement entered into February 2, 2005 by the Insurance Department. The Community Health Reinvestment program disburses funds in the Insurance Department in support of basic health care for adults in accordance with Act 77 of 2001. The Community Health Reinvestment Agreement is scheduled to expire December 31, 2010. This budget assumes continuation of Community Health Reinvestment contributions.



Restricted Revenues

Health Venture Investment Account

(Dollar Amounts in Thousands)

Actual		Estimated	
2003-04.....	\$ 0	2009-10.....	\$ 0
2004-05.....	0	2010-11.....	0
2005-06.....	0	2011-12.....	0
2006-07.....	0	2012-13.....	0
2007-08.....	0	2013-14.....	0
2008-09.....	6,000	2014-15.....	0

The Health Venture Investment account revenues were provided by a one-time appropriation of \$60 million from the Tobacco Settlement Fund as a result of Act 77 of 2001 and the transfer of funds from the Machinery and Equipment Loan Fund as a result of Act 53 of 2008. Funds are invested in one or more limited partnerships that make venture capital investments by acquiring debt and equity interests in health care, biotechnology or in other health-related businesses that are expected to grow substantially in the future in accordance with Act 77 of 2001.

Biotechnology Commercialization Account

(Dollar Amounts in Thousands)

Actual		Estimated	
2003-04.....	\$ 0	2009-10.....	\$ 0
2004-05.....	0	2010-11.....	0
2005-06.....	0	2011-12.....	0
2006-07.....	0	2012-13.....	0
2007-08.....	0	2013-14.....	0
2008-09.....	6,000	2014-15.....	0

The Biotechnology Commercialization account revenues were provided by the transfer of funds from the Machinery and Equipment Loan Fund as a result of Act 53 of 2008. Funds are distributed equally to regional biotechnology research centers to continue support for the three Life Sciences Greenhouses that invest in companies focused on research, development and commercialization of cutting-edge therapies and medical technologies in accordance with Act 77 of 2001.



Commonwealth of Pennsylvania

Governor's Executive Budget

TAX
EXPENDITURES

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TAX EXPENDITURES

Tax credits, deductions, exemptions and exclusions are provided in law which result in a significant reduction in revenues that would otherwise be received at current tax rates. These reductions are tax expenditures.



TAX EXPENDITURE ANALYSIS

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

The commonwealth’s tax structure contains many tax expenditures. Examples include items as diverse as the sales and use tax exemption for firewood to the S corporation exemption in the corporate net income tax. In general, they are characterized by the fact that they confer special treatment to specific taxpayers, specific activities, or specific goods or services. The tax expenditures listed in this budget are the accumulation of many prior legislative sessions, and the original intent of certain tax expenditures may no longer be valid or consistent with current policies. A comprehensive tax expenditure analysis permits an on-going evaluation of each tax expenditure.

Act 180 of 1992 revised the requirements for the Governor’s Executive Budget tax expenditure analysis. This act stipulated that the tax expenditure data be revised and updated every two years. Therefore, consistent with this provision, tax expenditures presented in this and subsequent budget documents will be updated and revised biennially. Exceptions include tax expenditures initiated, deleted, or amended by statute, expenditures where improved data allow significant revisions, or items of significant policy interest.

The 2010-11 Governor’s Executive Budget presents this tax expenditure analysis covering commonwealth taxes with annual receipts of at least \$20 million. A complete list of covered taxes is shown in the Table of Contents. The intended purposes of the current analyses are to:

- (1) Identify indirect sources of budgetary support for various activities
- (2) Present estimated costs associated with each tax expenditure
- (3) Present actual or estimated costs of administering each tax expenditure
- (4) Present actual or estimated numbers and descriptions of benefiting taxpayers
- (5) Allow for administration, legislative, and public scrutiny and facilitate discussion on each tax expenditure’s merits

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

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

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

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

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

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

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

There are three primary limitations on the tax expenditure estimates. First, estimated revenue foregone due to a tax expenditure should not be construed as the revenue that could be gained if the tax expenditure provision were to be rescinded in legislation. The impact of any particular piece of legislation will vary depending on how the bill is drafted, how its terms are defined, when it becomes effective, and how it relates to other parts of the tax law. In contrast, tax expenditure estimates are often based on concepts that are defined by the way that government statistics on the subject are made available to the Department. Furthermore, no attempt has been made to account for changes in taxpayer behavior that may occur because of tax law changes. For example, if the sales and use tax exemptions were rescinded for equipment and utilities directly used in manufacturing, it is possible that capital investment in manufacturing would be reduced and that these sales and use tax receipts would be less than the tax expenditure estimate.

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

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

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

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

CREDIT PROGRAMS

NEIGHBORHOOD ASSISTANCE PROGRAMS

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

Description: A tax credit is available to banks, thrift institutions, title insurance and trust companies, and insurance companies (other than foreign fire/casualty insurance companies), corporations doing business in Pennsylvania and subject to the corporate net income tax and the capital stock/foreign franchise tax, and pass-through entities. In order to qualify, the business entity must engage in certain assistance programs in impoverished areas or contribute to neighborhood organizations which provide such activities. The credit is allowed for neighborhood assistance, job training, education for individuals, community services, economic development, or crime prevention in an impoverished area. The program must be approved by the Secretary of Community and Economic Development.

Several parameters of the program were amended by Act 55 of 2007. Pass-through entities will now be eligible for this credit. If the entity cannot use this credit, the entity may elect to transfer the credit to its shareholders, members or partners. Therefore, taxpayers may also apply the credit against personal income tax. The amount of credit that may be awarded to a taxpayer is 55 percent, increased from 50 percent, of the amount contributed by a business firm, or 75 percent, increased from 70 percent, of the amount contributed to special program priorities defined by the Department of Community and Economic Development in regulations. For private companies, the amount is 25 percent, increased from 20 percent, of the amount of qualified investment, or 35 percent, increased from 30 percent, of the amount invested in special program priorities. A credit equal to 75 percent of the contributions made by a business firm during a taxable year for comprehensive service projects with a five-year commitment may be awarded. A credit equal to 80 percent of the contributions made by a business firm during a taxable year for comprehensive service projects with a six-year commitment may be awarded. The amount of the credits awarded annually cannot exceed \$500,000, for contributions or investments for single projects or \$1,250,000 for contributions or investments to four or more projects.

Act 55 of 2007 also provides that credits may now be sold or assigned to other taxpayers. The total amount of credits awarded to all taxpayers remains \$18 million in a fiscal year. However, \$2 million is to be allocated exclusively for pass-through entities. If the \$2 million is not used, then the unused portion is to be available for other taxpayers.

Act 48 of 2009 reduced the amount of tax credit that could be awarded per program in fiscal years 2009-10 and 2010-11 by 50 percent and 55 percent respectively.

The estimate for fiscal year 2008-09 reflects actual credits awarded under the program for that period. The estimates for fiscal years 2011-12 forward reflect the program cap.

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 17.7	\$ 9.0	\$ 8.1	\$ 18.0	\$ 18.0	\$ 18.0	\$ 18.0

Beneficiaries: Approximately 370 companies doing business in Pennsylvania benefit from this tax expenditure.



General Fund Tax Expenditures

EMPLOYMENT INCENTIVE PAYMENTS

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

Description: Any bank, thrift institution, title insurance and trust company, or insurance company, as well as any corporation or person subject to the corporate net income tax or the personal income tax, employing persons formerly receiving welfare benefits, may claim an employment incentive payment as credit against any tax liability in selected taxes. The credit is for a portion of wages paid to a qualifying employee in the first three years of employment. Employment incentive payment credits are available for employees hired up to December 31, 2009. Additional credit is available for financing associated day care costs. Total employment incentive payment credits authorized cannot exceed \$25 million in any fiscal year. Act 48 of 2009 reduced the amount of tax credit that could be awarded per employer in fiscal years 2009-10 by 50 percent. The estimate for fiscal year 2008-09 reflects actual credits awarded under the program for that period.

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-2015</u>
	\$ 25.0	\$ 12.5	\$ --	\$ --	\$ --	\$ --	\$ --

Beneficiaries: Employers of approximately 6,000 qualifying employees in Pennsylvania are expected to benefit from this tax expenditure.

JOB CREATION TAX CREDIT

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

Description: A tax credit is available to businesses and individuals creating and sustaining jobs. The tax credit equals \$1,000 per job for each year in the approved term and may be applied to the corporate net income tax, capital stock/foreign franchise tax, insurance premiums tax, gross receipts tax, bank and trust company shares tax, mutual thrift institution tax, title insurance company shares tax, personal income tax, or any combination thereof. The total amount of funds for tax credits available in a year is \$22.5 million. Act 48 of 2009 reduced the amount of tax credit that could be awarded per job commitment in fiscal years 2009-10 and 2010-11 by 50 percent and 55 percent respectively. The estimate for fiscal year 2008-09 reflects actual credits awarded under the program for that period. The estimates for fiscal years 2011-12 forward reflect the program cap.

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 20.4	\$ 11.3	\$ 10.1	\$ 22.5	\$ 22.5	\$ 22.5	\$ 22.5

Beneficiaries: Approximately 115 companies doing business in Pennsylvania benefit from this tax expenditure.



General Fund Tax Expenditures

RESEARCH AND DEVELOPMENT TAX CREDIT

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

Description: A Research and Development Tax Credit is available for performing qualified research in Pennsylvania. Beginning in December 2007, total credits in any one fiscal year are capped at \$40 million, with \$8 million of the total earmarked exclusively for small businesses. For all credits issued, prior to December 2006 the credit equals 10 percent of the increase in qualified research expenses for the current taxable year over a base period. For credits issued beginning in December 2006, the credit equals 20 percent of the increase in qualified research expenses for the current taxable year over a base period for small businesses. The credit remains at 10 percent for businesses that are not small businesses. Starting in December 2004, unused credits may also be sold or assigned to other taxpayers. The credit may be applied against the corporate net income tax, capital stock/foreign franchise tax, personal income tax, or any combination thereof. Unused credits may be carried forward fifteen taxable years. Credits are available for tax years ending on or before December 31, 2015. Act 48 of 2009 reduced the amount of tax credit that could be awarded in fiscal years 2009-10 and 2010-11 to \$20.0 million and \$18.0 million respectively. The estimate for fiscal year 2008-09 reflects actual credits awarded under the program for that period. The estimates for future fiscal years reflect the program cap including the impact of Act 48 of 2009.

Purpose: This tax credit is intended to encourage businesses in the commonwealth to conduct research, especially research of a technological or scientific nature.

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 40.0	\$ 20.0	\$ 18.0	\$ 40.0	\$ 40.0	\$ 40.0	\$ 40.0

Beneficiaries: Approximately 470 companies performing qualified research and development in Pennsylvania benefit from this tax expenditure.



General Fund Tax Expenditures

KEYSTONE OPPORTUNITY ZONE

Authorization: Act of October 6, 1998 (P.L. 702, No. 92), as amended.

Description: The Department of Community and Economic Development has designated specific areas of deteriorated property as Keystone Opportunity Zones (KOZs), Keystone Opportunity Expansion Zones, and Keystone Opportunity Improvement Zones. The program was last amended by Act 51 of 2003. This Act added a lease-based option allowing companies relocating within Pennsylvania to qualify for zone benefits.

Economic activity occurring in these zones is exempt from most local taxation for a period of up to fifteen years beginning with the creation of the particular zone. In addition to benefiting from a limited state sales and use tax exemption, zone residents and qualified businesses are exempt from the following state taxes: personal income, corporate net income, capital stock/foreign franchise, bank shares, and mutual thrift institutions taxes. In addition, qualified businesses may receive credits against insurance premiums tax for jobs created in a zone. The tax expenditure is the value of all the credits and the state taxes waived within the zone.

Act 72 of 2008 granted KOZs that are set to expire within the next five to ten years the option of extending their associated benefits for seven to ten years. Act 72 of 2008 also allows the department of Community and Economic Development to designate up to fifteen additional KOZs beginning in January 1, 2010. Under this legislation, contractors, pursuant to a contract with a qualified business, landowner or lessee, may purchase, exempt from sales and use tax any tangible personal property or services for use in the zone by the qualified business.

Furthermore, the formula for calculating the taxable income of a corporation in a zone is now based only on the payroll and property factors under Act 72. The sales factor has been eliminated from the calculation.

Purpose: This program provides tax relief to economically distressed urban and rural communities in an attempt to revive these areas.

Administrative Costs: Costs to administer the Keystone Opportunity Zone program are borne by the Department of Revenue and the Department of Community and Economic Development. Estimated costs for both departments total \$0.5 million annually.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 58.9	\$ 21.0	\$ 18.8	\$ 18.7	\$ 16.8	\$ 16.3	\$ 16.0

Beneficiaries: Qualified businesses and residents of the designated zones within this commonwealth benefit from this tax expenditure.



General Fund Tax Expenditures

COAL WASTE REMOVAL AND ULTRACLEAN FUELS TAX CREDIT

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

Description: A tax credit is available for qualifying capital expenditures on facilities producing fuels from coal, culm, or silt. The credit can be used against sales and use tax, corporate net income tax, and capital stock/foreign franchise tax. Unused credits may be sold or assigned to other taxpayers. The total cost of the credit is capped at \$18 million per year.

Purpose: This tax credit provides an incentive for taxpayers to develop facilities dedicated to the production of synthetic fuels within this commonwealth while removing coal waste from the environment.

Administrative Costs: Costs to administer the Coal Waste Removal and Ultraclean Fuels Tax Credit are borne by the Department of Revenue and are considered to be nominal.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	NA						

Beneficiaries: A minimal number of corporate taxpayers are expected to benefit from this credit program.



General Fund Tax Expenditures

EDUCATIONAL IMPROVEMENT TAX CREDIT

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

Description: A tax credit is available to banks, thrift institutions, title insurance and trust companies, and insurance companies, as well as corporations doing business in Pennsylvania and subject to the corporate net income tax and the capital stock/foreign franchise tax, that contribute to nonprofit scholarship organizations or educational improvement organizations approved by the Department of Community and Economic Development (DCED). A tax credit shall be granted to a business firm providing proof of a contribution to a scholarship organization or an educational improvement organization equal to 75 percent of the total amount contributed during the taxable year. The tax credit must be applied in the taxable year the contribution is made. Any unused portion of the tax credit may not be carried forward or back, nor is it refundable or transferable. A tax credit shall be granted equal to 90 percent of the total amount contributed if the business provides a written commitment to DCED to contribute the same amount for two consecutive tax years. A tax credit shall not exceed the tax liability of a business for any given taxable year.

Act 61 of 2008 increased the annual limit per taxpayer from \$200,000 to \$300,000 for scholarship and education improvement organizations and increased the annual credit limit for contributions to pre-kindergarten scholarship organizations from \$100,000 to \$150,000. Act 61 also provided that S corporations and other pass-through entities are eligible for the program.

Through fiscal year 2002-03, the total amount of tax credits approved for all taxpayers was limited to \$30 million in a fiscal year, with \$20 million for contributions to scholarship organizations, and \$10 million for contributions to educational improvement organizations. Beginning in fiscal year 2003-04, the total amount of tax credits approved for all taxpayers cannot exceed \$40 million in a fiscal year, with \$26.7 million for contributions to scholarship organizations and \$13.3 million for contributions to educational improvement organizations. Beginning in fiscal year 2004-05, an additional \$5.0 million per fiscal year is available for contributions to pre-kindergarten scholarship organizations. Beginning in fiscal year 2005-06, the cap on credits awarded increased to \$44 million per fiscal year, including \$29.3 million for contributions to scholarship organizations and \$14.7 million for contributions to educational improvement organizations. Beginning in fiscal year 2008-09, the cap on credits awarded increased to \$75 million per fiscal year, including \$44.7 million for scholarship organizations, \$22.3 million for contributions to educational improvement organizations, and \$8.0 million for contributions to pre kindergarten scholarship organizations. Act 48 of 2009 reduced the amount of tax credit that could be awarded in fiscal years 2009-10 and 2010-11 to \$60.0 million and \$50 million respectively. The estimate for fiscal year 2008-09 reflects actual credits awarded under the program for that period. The estimates for future fiscal years reflect the program cap including the impact of Act 48 of 2009.

Purpose: This program encourages taxpayers to contribute to scholarship organizations or educational improvement organizations in order to promote expanded educational opportunities for students in the commonwealth.

Administrative Costs: Costs to administer the Educational Improvement Tax Credit program are primarily borne by the Department of Community and Economic Development along with the Department of Revenue and the Department of Education. Estimated costs for all departments total \$0.2 million per year.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 75.0	\$ 60.0	\$ 50.0	\$ 75.0	\$ 75.0	\$ 75.0	\$ 75.0

Beneficiaries Approximately 2,930 companies and 630 scholarship organizations, educational improvement organizations, and pre-kindergarten scholarship organizations benefit from this tax expenditure.



General Fund Tax Expenditures

KEYSTONE INNOVATION ZONE

Authorization: Act of February 12, 2004 (P.L. 99, No. 12).

Description: Act 12 of 2004 created the Keystone Innovation Zone (KIZ) program to foster growth in targeted industry segments, namely research and development and other high technology businesses. The zones are defined parcels and are operated by a partnership of business groups and institutions of higher education.

Qualified businesses operating in a zone are entitled to priority consideration for assistance under a number of state programs, as well as a tax credit. A KIZ company may apply to the Department of Community and Economic Development for a tax credit equal to 50 percent of the increase in its gross revenues from the previous year attributable to its activities in a zone. A KIZ company may not claim in excess of \$100,000 in tax credit per year. No more than \$25 million in tax credits may be awarded in any taxable year.

KIZ companies may apply KIZ tax credits against personal income tax, corporate net income tax, or capital stock/foreign franchise tax liabilities.

KIZ companies may apply for KIZ tax credits beginning September 15, 2006, based on expenses from the prior taxable year. The Department of Community and Economic Development began awarding credits during fiscal year 2006-07. The estimate for fiscal year 2008-09 reflects actual credits awarded under the program for that period. The estimates for future fiscal years reflect the program cap.

Purpose: This tax credit provides a financial incentive to foster growth of research and development and other high technology businesses in affiliation with institutions of higher education.

Administrative Costs: Cost to administer the KIZ program, including the review and award of KIZ tax credits, are borne by the Department of Community and Economic Development. The Department of Revenue is responsible for applying credits to taxpayer accounts. Estimated costs for both departments total \$0.2 million per year.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 9.6	\$ 25.0	\$ 25.0	\$ 25.0	\$ 25.0	\$ 25.0	\$ 25.0

Beneficiaries: Approximately 125 taxpayers will benefit from this expenditure.



General Fund Tax Expenditures

FILM PRODUCTION TAX CREDIT

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

Description: Act 95 of 2004 created a tax credit equal to 20 percent of qualified film production expenses incurred in Pennsylvania after June 30, 2004. The total amount of tax credits that could be awarded in any fiscal year was \$10 million. Beginning in fiscal year 2006-07, the credit program was replaced with a grant program. Act 55 of 2007 created a new film tax credit in the amount of 25 percent of qualified film production expenses incurred in Pennsylvania after fiscal year 2006-07. The total amount of tax credits that can be awarded in any fiscal year is \$75 million. The tax credit may be used to offset capital stock/foreign franchise tax, corporate net income tax, or personal income tax. To qualify, the expenses must have been incurred in the production of a film, television commercial, or certain television shows intended for a national audience. At least 60 percent of total production expenses must have been incurred in Pennsylvania. Act 48 of 2009 reduced the amount of tax credits that could be awarded in fiscal years 2009-10 and 2010-11 to \$42 million and \$60 million respectively.

The estimate for fiscal year 2008-09 reflects actual credits awarded under the program for that period. The estimates for future fiscal years reflect the program cap including the impact of Act 48 of 2009.

Purpose: This tax credit provides an incentive for filmmakers to produce films and television shows in Pennsylvania.

Administrative Costs: The Department of Community and Economic Development will incur the costs of awarding, reviewing, and approving the sale or transfer of credit. Annual administrative costs are expected to total \$0.1 million.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 74.3	\$ 42.0	\$ 60.0	\$ 75.0	\$ 75.0	\$ 75.0	\$ 75.0

Beneficiaries: Approximately 75 filmmakers that produce films and television shows in Pennsylvania will benefit from this expenditure.



General Fund Tax Expenditures

ORGAN AND BONE MARROW DONOR TAX CREDIT

Authorization: Act 65 of July 2, 2006

Description: Act 65 of 2006 created the Organ and Bone Marrow Donor Tax Credit for business firms subject to personal income tax, corporate net income tax, capital stock/franchise tax, bank and trust company shares tax, title insurance companies shares tax, or mutual thrift institutions tax. The amount of the credit is equal to the employee compensation paid during the leave of absence, the cost of temporary replacement help, and any miscellaneous expenses authorized by regulation incurred with the leave of absence period. Credits cannot be applied against employer withholding tax under Article III. Credits can be carried forward for three taxable years; however, they cannot be carried back to previous taxable years, and they are not refundable. The credit against personal income tax may be passed through proportionately to the shareholders of S corporations, members of limited liability companies, or partners.

Purpose: The purpose of these provisions is to create a greater willingness to donate organs and/or bone marrow through employer tax credits and public education.

Administrative Costs: Costs to administer the Organ and Bone Marrow Tax Credit program are borne by the Department of Revenue. Estimated costs are expected to total \$0.1 million per year.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	Nominal						

Beneficiaries: A minimal number of taxpayers will benefit from this tax expenditure.

ALTERNATIVE ENERGY PRODUCTION TAX CREDIT

Authorization: Act 1 of the Special Session of July 9, 2008

Description: Act 1 of the Special Session of 2008 created the Alternative Energy Production Tax Credit. Taxpayers that develop or construct energy production projects located within the commonwealth, which have a useful life of at least four years, may apply to the Department of Environmental Protection for a tax credit beginning in September 2009. The amount of the tax credit may be up to 15 percent of the amount paid for the development and construction of alternative energy production projects but may not exceed \$1 million per taxpayer. Unused portions of the tax credit may be carried forward for up to five taxable years from the year in which the credit is awarded. Credits may not be carried back. Additionally, taxpayers may sell or assign unused portions of the tax credit upon approval by the Department of Revenue and the Department of Environmental Protection. The total amount of tax credit that can be awarded is from \$2 million to \$10 million per fiscal year depending on the fiscal year. Act 48 of 2009 prohibits that any amount of tax credit be awarded in fiscal years 2009-10 and 2010-11. The estimates for future fiscal years reflect the program cap.

Purpose: The purpose of this tax credit is to create an incentive to develop alternative energy sources within the Commonwealth.

Administrative Costs: Costs to administer the Alternative Energy Production Tax Credit program are borne by the Department of Environmental Protection and the Department of Revenue.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ --	\$ --	\$ --	\$ 5.0	\$ 7.0	\$ 10.0	\$ 10.0

Beneficiaries: An unknown number of taxpayers will benefit from this tax expenditure.



General Fund Tax Expenditures

STRATEGIC DEVELOPMENT AREAS

Authorization: Act 151 of November 20, 2006

Description: The Strategic Development Areas (SDA) program was established in 2006 to provide incentives for economic development in designated areas. Act 151 of 2006 created the program to provide tax relief and tax credits to qualified companies within the SDA. The designation would be effective for a 15-year period and must be approved by the political subdivision in which it is located. By waiving these taxes for a series of years, the program hopes to foster growth in those areas. The Department of Community and Economic Development administers the program for the commonwealth.

Among the state taxes waived by the program are corporate net income, capital stock/foreign franchise, and personal income. Insurance companies and certain regulated transportation companies may earn tax credits based on the number of jobs created in a zone. Businesses operating in a zone are exempted from paying sales and use taxes on items purchased for consumption in the area. At the local level, property taxes, earned income and net profit taxes, mercantile license tax, and local sales and use tax are waived for area businesses. Tax benefits may not extend beyond December 31, 2022.

Purpose: This program provides incentives for economic development in designated areas to foster growth.

Administrative Costs: Costs to administer the Strategic Development Areas program are borne by the Department of Community and Economic Development and the Department of Revenue. Estimated costs for both departments total \$0.1 million per year.

Estimates:

	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	NA						

Beneficiaries: A minimal number of taxpayers are expected to benefit from this credit program.



General Fund Tax Expenditures

RESOURCE ENHANCEMENT AND PROTECTION TAX CREDIT

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

Description: Act 55 of 2007 created the Resource Enhancement and Protection (REAP) Tax Credit to encourage the development of riparian forest buffers and the remediation of legacy sediment on commonwealth farmland. Depending on the type of development, a taxpayer may receive a credit of up to 75 percent of cost of a project. A maximum of \$150,000 in tax credits may be awarded per eligible applicant, and the total amount of credits awarded in one fiscal year cannot exceed \$10 million. The tax credit may be used against personal income tax, corporate net income tax, capital stock/foreign franchise tax, bank shares tax, title insurance company premiums tax, insurance premiums tax, and mutual thrift institutions tax. Credits for legacy sediment cannot be issued prior to July 1, 2008. Credits will first be awarded in fiscal year 2007-08. Act 48 of 2009 reduced the amount of tax credits to be awarded in fiscal years 2009-10 and 2010-11 by 50 percent and 55 percent respectively.

The estimate for fiscal year 2008-09 reflects actual credits awarded under the program for that period. The estimates for fiscal years 2011-12 forward reflect the program cap.

Purpose: This credit encourages private investment in the implementation of best management practices on agricultural operations, the planting of riparian forest buffers, and the remediation of legacy sediment.

Administrative Costs: Costs to administer the REAP Tax Credit are borne by the State Conservation Commission and the Department of Revenue. Estimated costs total \$0.1 million per year.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 9.1	\$ 5.0	\$ 4.5	\$ 10.0	\$ 10.0	\$ 10.0	\$ 10.0

Beneficiaries: Approximately 350 taxpayers will benefit from this tax expenditure.



CORPORATION TAXES

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	Corporate Net Income Tax and Capital Stock/Foreign Franchise Tax:						
	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 2.3	\$ 2.3	\$ 2.3	\$ 2.4	\$ 2.5	\$ 2.5	\$ 2.6
	Selective Business Taxes:						
	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

CORPORATE NET INCOME TAX

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

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

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

Any deductions, exemptions, or types of special treatment that are reflected in line 28 on the IRS form 1120, and not modified or adjusted by Pennsylvania statute, are not included below.

NONPROFIT CORPORATIONS

Description: Nonprofit corporations are exempt from the corporate net income tax. Act 7 of 1997 provided that any nonprofit corporation or entity that is an exempt organization as defined by section 501 of Internal Revenue Code of 1986 (P.L. 99-514, 26 U.S.C.) is exempt from the corporate net income tax. Corporations organized as a nonprofit but not operating as a nonprofit are excluded from this exemption. Act 4 of 1999 provided that insurance and travel agency activities carried on by an auto club are subject to the corporate net income tax. The same act restored exempt status to homeowners associations and membership organizations. The estimates below are based on unrelated business income taxed by the federal government.

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 25.3	\$ 25.5	\$ 25.7	\$ 26.0	\$ 26.2	\$ 26.5	\$ 26.8

Beneficiaries: Approximately 1,200 nonprofit corporations operating in Pennsylvania with unrelated business income benefit from this tax expenditure.

General Fund Tax Expenditures

SALES FACTOR APPORTIONMENT WEIGHT

Description: Beginning in tax year 1995, corporations apportioned their net income using a three-factor formula (payroll, property, and sales) that double-weighted the sales factor. The sales factor in the numerator of the corporate net income tax apportionment formula was multiplied by two and the denominator was four. Act 4 of 1999 provided for the sales factor to be triple-weighted beginning in tax year 1999. Therefore, the sales factor in the numerator is multiplied by three and the denominator is five. Act 116 of 2006 provided for the sales factor to be weighted 70 percent of the total beginning in tax year 2007. Therefore, the sales factor in the numerator is multiplied by 70, the property and payroll factors are multiplied by 15, and the denominator is 100. Act 48 of 2009 provided for the sales factor to be weighted 83 percent of the total beginning in tax year 2009. The sales factor in the numerator is multiplied by 83 percent, the property and payroll factors are multiplied by 8.5 percent and the denominator is 100. For tax year 2010 and beyond the sales factor will be weighted as 90 percent of the total. The sales factor in the numerator is multiplied by 90 the property and payroll factors are multiplied by 5 and the denominator is 100.

Purpose: Corporations with a higher percentage of property and payroll invested in Pennsylvania (compared to their percentage of sales in Pennsylvania) will have less taxable income apportioned to the commonwealth. Therefore, those corporations will have a reduced tax burden. This encourages business investment in Pennsylvania in the form of property and employment.

(Dollar Amounts in Millions)

Estimates:	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 186.7	\$ 210.0	\$ 225.5	\$ 230.2	\$ 232.2	\$ 233.4	\$ 234.6

Beneficiaries: More than 34,100 corporations are affected by this expenditure. Of those, 12,000 benefit (i.e., have their taxable income reduced) from the expenditure. The estimates shown above reflect the net impact and represent the change in corporate net income tax from corporations who have their taxable income reduced, as well as the impact on corporations that have their taxable income increased as a result of this tax expenditure.

FICA TAX ON TIPS

Description: Eating and drinking establishments can claim a deduction from their Pennsylvania taxable income equal to the amount of FICA (Federal Insurance Contributions Act) tax on employees' tips.

Purpose: This deduction corrects for a change in federal law. In 1993, a credit for the amount of FICA tax paid on employees' tips was created in the Internal Revenue Code. Taxpayers taking the federal credit may not also take a deduction for tax paid. Pennsylvania does not permit the credit and instead allows this additional deduction from federal taxable income.

(Dollar Amounts in Millions)

Estimates:	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 2.1	\$ 2.1	\$ 2.1	\$ 2.2	\$ 2.2	\$ 2.3	\$ 2.3

Beneficiaries: Approximately 2,000 taxpayers representing eating and drinking establishments could benefit from this tax expenditure.



General Fund Tax Expenditures

NET OPERATING LOSS CARRYFORWARD

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

Act 45 of 1998 increased the three-year carryforward period to ten years for tax years 1995 and thereafter. This act provided a phase-in schedule of net loss deductions making the first ten-year carryforward available in tax year 2005. Suspended losses from 1988 through 1994 could be used variously against 1995 through 1997 tax years. Act 4 of 1999 increased the annual cap on deductions to \$2 million in each of the ten years following the loss, effective January 1, 1999. Act 89 of 2002 increased the ten-year carryforward period to twenty years for losses incurred in the 1998 taxable year and thereafter. Act 116 of 2006 increased the annual cap on deductions to \$3 million or 12.5 percent of taxable income, whichever is greater, in each of the twenty years following the loss, effective January 1, 2007. Act 48 of 2009 increased the annual cap on deductions for tax year 2009 to \$3 million or 15% of taxable income, whichever is greater, in each of the twenty years following the loss, effective January 1, 2009. For tax year 2010 and beyond, the annual cap on deductions is amended to \$3 million or 20% of taxable income, whichever is greater, in each of the twenty years following the loss.

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 326.9	\$ 270.1	\$ 284.5	\$ 310.6	\$ 342.4	\$ 374.6	\$ 407.6

Beneficiaries: Approximately 22,700 businesses per year benefit from this tax expenditure.

NON-PROFIT NONSTOCK COMMODITY OR STOCK EXCHANGE

Description: Act 40 of 2005 excluded non-profit nonstock commodity or stock exchanges from the definition of a corporation for corporate net income tax purposes. This provision applies retroactively to taxable years beginning after December 31, 1997.

Purpose: This exemption provides tax relief for non-profit nonstock commodity or stock exchanges.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	NA						

Beneficiaries: A minimal number of corporate taxpayers benefit from this tax expenditure.



General Fund Tax Expenditures

PENNSYLVANIA S CORPORATIONS

Description: Corporations with a valid Pennsylvania S corporation election in effect for the taxable year are subject to corporate net income tax only to the extent that they have net recognized built-in gains. Pennsylvania S corporation shareholders must include their distributive share of Pennsylvania S corporation income for Pennsylvania income tax purposes. The tax expenditure is the difference between what is paid by the shareholders under the personal income tax and what the corporations would have paid had they been fully subject to the corporate net income tax. Act 7 of 1997 provided conformity with the federal Small Business Job Protection Act of 1996 by allowing an increase in the number of shareholders from 35 to 75, effective January 1, 1997. Act 7 also permitted S corporations to have qualified subsidiaries. The subsidiary can be either an S or a C corporation. Act 4 of 1999 eliminated the 25 percent passive income test and waived the five-year waiting period with respect to corporations whose S election was terminated for exceeding the passive income limitation. Act 67 of 2006 requires a federal S corporation to be a PA S corporation unless it files an election. If a small corporation opts out, then its choice shall remain in effect for five years. The Act also links the Pennsylvania definition of an S corporation more closely to the federal law, permitting Pennsylvania S corporations to have as many as 100 unrelated shareholders (formerly 75).

Purpose: Sub-chapter S corporations are closely-held corporations and are believed to be major job creators. This provision allows tax treatment that is similar to that of the Internal Revenue Service and most other states for these businesses.

(Dollar Amounts in Millions)

Estimates:	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 778.8	\$ 711.7	\$ 701.9	\$ 704.9	\$ 712.0	\$ 719.1	\$ 726.3

Beneficiaries: Approximately 165,000 sub-chapter S corporations doing business in Pennsylvania could benefit from this tax expenditure.

LIMITED LIABILITY COMPANIES (LLCs)

Description: Limited liability companies (LLCs) are hybrid business entities that combine the corporate characteristic of limited liability for all owners (members) with the tax treatment of a partnership. LLCs that are not taxed as corporations for federal purposes are exempt from the Pennsylvania corporate net income tax. Act 45 of 1998 clarified that LLCs and business trusts classified by the federal government as "disregarded entities" are not subject to the Pennsylvania corporate net income tax. Members of the LLC must include their share of the LLC's income for Pennsylvania personal income tax purposes or corporate net income tax (if a corporate member). The tax expenditure is the difference between what is paid by the members under the personal income tax and corporate net income tax and what the LLC entities would have paid under the corporate net income tax. Act 124 of 1998 provided that a bank or banking organization may organize as an LLC for the sole purpose of marketing and selling title insurance. An insurance agency may also be organized as an LLC.

Purpose: LLCs are a preferred type of business entity for start-up companies. They combine the limited liability of a corporation with the flexibility of a partnership. This provision allows tax treatment that is similar to that of the Internal Revenue Service and most other states for these businesses.

(Dollar Amounts in Millions)

Estimates:	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 300.5	\$ 287.7	\$ 295.6	\$ 307.6	\$ 321.3	\$ 335.1	\$ 349.0

Beneficiaries: As many as 125,500 companies doing business in Pennsylvania benefit from this tax expenditure.



General Fund Tax Expenditures

POWDERED METALLURGY NEXUS

Description: Act 55 of 2007 created a nexus exemption for the out-of-state customers of Pennsylvania powdered metallurgy parts manufacturers. This nexus exemption applies retroactively to taxable years beginning after December 31, 2004, as well as taxable years to which there is an appeal prior to the effective date.

Purpose: This nexus exemption ensures that Pennsylvania powdered metallurgy parts manufacturers will not lose business due to a concern that out-of-state customers may be unduly subject to Pennsylvania taxation only for contracting with such a company.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.3

Beneficiaries: A minimal number of corporate taxpayers benefit from this tax expenditure.



CAPITAL STOCK/FOREIGN FRANCHISE TAX

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

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

The capital stock/foreign franchise tax is based on capital stock value which is defined as one-half of the sum of the average net income capitalized at the rate of 9.5 percent plus 75 percent of the net worth, less \$150,000. Act 67 of 2006 authorized the increase of the valuation deduction from \$125,000 to \$150,000. Act 89 of 2002 modified the Act 23 of 2000 phase-out schedule by reducing the 2001 rate to 7.24 mills in 2002, further reducing the rate to 6.99 mills in 2003, and by reducing the rate by 1 mill per year thereafter until the tax is eliminated. Act 89 of 2002 also suspended the automatic transfer of 0.25 mill of the tax to the Hazardous Sites Cleanup Fund (HSCF). Beginning in fiscal year 2002-03, the HSCF transfer will only occur if the balance in the HSCF is expected to fall below \$5 million. Act 46 of 2003 further modified the phase-out schedule by setting the 2003 rate to 7.24 mills, the 2004 rate to 6.99 mills, and then reducing the rate by 1 mill per year thereafter until the tax is eliminated. Act 67 of 2006 modified the Act 46 of 2003 phase-out schedule by reducing the 2006 rate to 4.89 mills, and then reducing the rate by 1 mill per year until the tax was to be eliminated for all tax years beginning after December 31, 2010. Act 48 of 2009 modified the Act 67 of 2006 by freezing the rate of tax years 2009 through 2011 at 2.89 mills, and then reducing the rate by 1 mill per year beginning in tax year 2012 until the tax is eliminated for all tax years beginning after December 31, 2013.

Act 77 of 2007 amended the HSCF transfer, setting it at \$40 million per fiscal year, beginning in fiscal year 2008-09. The estimates in this analysis include only the General Fund portion of the tax and reflect the current phase-out of the tax.

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

NONPROFIT CORPORATIONS

Description: Nonprofit corporations are exempt from the capital stock/foreign franchise tax. Act 7 of 1997 provided that any nonprofit corporation or entity that is an exempt organization as defined by section 501 of Internal Revenue Code of 1986 (P.L. 99-514, 26 U.S.C.) is exempt. Act 4 of 1999 provided that insurance and travel agency activities carried on by an auto club are subject to the capital stock/foreign franchise tax. The same act restored exempt status to homeowners associations and membership organizations. The estimates below are based on unrelated business income taxed by the federal government.

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 9.5	\$ 9.3	\$ 9.2	\$ 8.4	\$ 5.7	2.7	0.5

Beneficiaries: Approximately 2,590 nonprofit corporations benefit from this tax expenditure.

General Fund Tax Expenditures

FAMILY FARM CORPORATIONS

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

Act 45 of 1998 specifically defined LLCs and business trusts as corporations for capital stock/foreign franchise tax purposes. As a result, LLCs and business trusts are eligible for the family farm exemption, if appropriate.

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 0.1	\$ 0.1	0.1	0.1	0.1	Nominal	Nominal

Beneficiaries: Approximately 540 family farm corporations operating in Pennsylvania could benefit from this tax expenditure.

ASSETS USED IN MANUFACTURING, PROCESSING, AND RESEARCH AND DEVELOPMENT

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

Act 63 of 1999 modified the manufacturing exemption by disallowing the exemption provided for manufacturing, processing, or research and development activities from the numerator of the sales factor and expanding the exemption by excluding property and payroll attributable to manufacturing, processing, or research and development activities outside of the commonwealth from the numerator of the property and payroll factors.

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 262.5	\$ 256.2	\$ 253.9	\$ 230.3	\$ 157.1	\$ 74.9	\$ 14.1

Beneficiaries: Approximately 5,500 corporations operating in Pennsylvania benefit from this tax expenditure.



General Fund Tax Expenditures

APPORTIONMENT FORMULA

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 176.3	\$ 172.1	\$ 170.6	\$ 154.7	\$ 105.5	\$ 50.3	\$ 9.5

Beneficiaries: Approximately 6,075 corporations doing business in Pennsylvania benefit from this tax expenditure.

POLLUTION CONTROL DEVICES

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	Nominal	Nominal	Nominal

Beneficiaries: Approximately 20 companies doing business in Pennsylvania benefit from this tax expenditure.



General Fund Tax Expenditures

DEDUCTION FROM THE FIXED FORMULA

Description: Act 48 of 2009 establishes that for tax years beginning in 2010 and thereafter, corporations may deduct \$160,000 from the capital stock value which is then subject to apportionment to determine the taxable base. The valuation deduction was \$150,000 for tax years 2007 through 2009. The valuation deduction for tax years 1997 through 2006 was \$125,000. The valuation deduction was \$100,000 for tax years 1995 and 1996.

Purpose: This exemption provides a tax-free portion of capital stock value for corporations, particularly beneficial to new businesses realizing little or no profit during their early years.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 58.8	\$ 61.8	\$ 64.3	\$ 59.8	\$ 41.0	\$ 19.4	\$ 3.7

Beneficiaries: Approximately 224,100 corporations doing business in Pennsylvania benefit from this tax expenditure.

HOLDING COMPANIES

Description: Holding companies may elect, in lieu of a standard apportionment formula, a special apportionment formula that computes the taxable portion of capital stock value by taking 10 percent of the total capital stock value. The single-factor apportionment formula was used as the standard apportionment formula in the estimating process. Holding companies are corporations (1) which derive at least 90 percent of their income from stock or securities and the rendering of administrative or management services to subsidiary corporations and (2) whose assets are at least 60 percent comprised of securities or indebtedness of subsidiary corporations. Act 45 of 1998 clarified that limited liability companies and business trusts are eligible to receive holding company tax treatment.

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 163.2	\$ 159.3	\$ 157.9	\$143.2	\$ 97.6	\$ 46.5	\$ 8.8

Beneficiaries: Approximately 440 companies doing business in Pennsylvania benefit from this tax expenditure.



General Fund Tax Expenditures

REGULATED INVESTMENT COMPANIES/REAL ESTATE INVESTMENT TRUSTS

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

There is a potential revenue loss from regulated investment companies and real estate investment trusts (REITs) organized as business trusts. These entities are not subject to capital stock/foreign franchise tax. No cost estimate is available.

There is also a potential revenue loss associated with corporations that conduct Pennsylvania business activity through an investment in business trust RICs, REITs, and certain other related entities. Generally, a corporation's interest in an entity that is not a corporation is considered to be a direct ownership interest in the assets of the entity rather than an intangible interest. Act 232 of 2002 created exceptions to this general rule for RICs, REITs, and certain other related entities that are organized as business trusts. No cost estimate is available.

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	Nominal	Nominal

Beneficiaries: At least 120 RICs, REITs, and other related entities doing business in Pennsylvania benefit from this tax expenditure. In addition, an unknown number of corporations may benefit from the provisions of Act 232 of 2002.



General Fund Tax Expenditures

RESTRICTED PROFESSIONAL COMPANIES

Description: Restricted professional companies (RPCs) are limited liability companies (LLCs) performing restricted professional services. LLCs are hybrid business entities that combine the corporate characteristic of limited liability for all owners (members) with the tax treatment of a partnership. Restricted professional services include chiropractic, dentistry, law, medicine and surgery, optometry, osteopathic medicine, podiatry medicine, public accounting, psychology, and veterinary medicine. These types of businesses give members the protection of limited liability for the neglect of another member. RPCs are exempt from the capital stock/foreign franchise tax. However, an annual fee of \$380 per resident member is imposed under the Associations Code, \$25 of which is credited to the Corporation Bureau's restricted account. Act 67 of 2006 eliminated single member restricted professional companies from being subject to the capital stock and franchise tax unless they are classified as a corporation for federal income tax purposes, effective for tax years beginning after December 31, 2005.

The cost estimates shown below only reflect the cost of the single member RPC exemption.

Purpose: RPCs perform valuable professional services for citizens of the commonwealth.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 8.8	\$ 8.6	\$ 8.5	\$ 7.7	\$ 5.3	\$ 2.5	\$ 0.5

Beneficiaries: Approximately 2,270 companies doing business in Pennsylvania benefit from this tax expenditure.

EXEMPTION FOR STUDENT LOAN ASSETS

Description: Act 45 of 1998 provided that student loan related assets owned or held by a trust or other entity formed for the securitization of student loans are exempt from capital stock/foreign franchise tax. This provision is effective for tax years beginning on or after January 1, 1998.

Purpose: This program exempts student loan related assets held by loan securitization trusts from the capital stock/foreign franchise tax to conform with the commonwealth public policy of promoting higher education.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	NA						

Beneficiaries: A minimal number of business trusts and other entities formed for the securitization of student loan assets benefit from this tax expenditure.



General Fund Tax Expenditures

FINANCIAL INSTITUTION BUSINESS TRUSTS

Description: Act 23 of 2000 created an exemption from tax for a domestic or foreign business trust that is created or managed by an entity subject to bank shares or mutual thrifts tax, or an 80 percent affiliate thereof. The trust must also be created and managed to facilitate the securitization of intangible assets. For federal tax purposes it is classified as a partnership or disregarded entity. This exemption applies to taxable years beginning after December 31, 1999.

Purpose: This exemption acts as an incentive for these trusts to form and operate in the commonwealth.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	NA						

Beneficiaries: The number of taxpayers benefiting from this expenditure is unknown.

NON-PROFIT NONSTOCK COMMODITY OR STOCK EXCHANGE

Description: Non-profit nonstock commodity or stock exchanges are excluded from the definition of a corporation for capital stock/foreign franchise tax purposes. This provision applies to taxable years beginning after December 31, 1997.

Purpose: This exemption provides tax relief for non-profit nonstock commodity or stock exchanges.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	NA						

Beneficiaries: A minimal number of corporate taxpayers benefit from this tax expenditure.

POWDERED METALLURGY NEXUS

Description: Act 55 of 2007 created a nexus exemption for the out-of-state customers of Pennsylvania powdered metallurgy parts manufacturers. This nexus exemption applies retroactively to taxable years beginning after December 31, 2004, as well as taxable years to which there is an appeal prior to the effective date.

Purpose: This nexus exemption ensures that Pennsylvania powdered metallurgy parts manufacturers will not lose business due to a concern that out-of-state customers may be unduly subject to Pennsylvania taxation only for contracting with such a company.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	Nominal						

Beneficiaries: A minimal number of corporate taxpayers benefit from this tax expenditure.



GROSS RECEIPTS TAX

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

The gross receipts tax is imposed on the following companies conducting business in Pennsylvania: pipeline, conduit, steamboat, canal, slack water navigation and transportation companies; freight or oil transporters; telephone and telegraph companies; express service, palace car or sleeping car companies; and electric light, water power and hydroelectric energy companies and managed care organizations. The tax collected from managed care organizations is not deposited in the General Fund. Municipalities are entitled to exemptions.

A tax is levied at 50 mills on gross receipts from passengers, baggage, freight, and oil transported within the state; as well as intrastate and interstate telephone and telegraph messages transmitted on land line or cellular systems. A tax is levied at 44 mills on the sale of electric energy. The 44 mill tax rate on sales of electric energy was subject to change based on the revenue neutral reconciliation (RNR) tax rate calculated annually pursuant to Act 138 of 1996, which governs the restructuring of the electric utility industry in Pennsylvania. Act 89 of 2002 established the permanent RNR tax rate at 15 mills for tax years beginning January 1, 2003 and thereafter. The sale of natural gas was subject to the gross receipts tax before Act 4 of 1999 repealed these provisions, effective January 1, 2000.

MUNICIPALLY-OWNED PUBLIC UTILITIES

Description: Gross receipts of public utilities owned or operated by a municipality are exempt from tax to the extent the gross receipts are derived from business done inside the limits of the municipality. The figures for this expenditure are at the statutory utilities gross receipts tax rates applicable to the appropriate tax year.

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 9.3	\$ 10.7	\$ 11.0	\$ 11.5	\$ 12.2	\$ 12.9	\$ 13.6

Beneficiaries: The 31 municipally-owned utilities operating in the commonwealth benefit from this tax expenditure.

NUCLEAR GENERATING FACILITY DAMAGE

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	NA						

Beneficiaries: 45 electric suppliers could potentially benefit from this tax expenditure.

General Fund Tax Expenditures

ELECTRIC COOPERATIVES

Description: Gross receipts of electric cooperatives are exempt from the tax. The figures for this expenditure are at the statutory utility gross receipts tax rates applicable to the appropriate tax year.

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 18.6	\$ 19.5	\$ 20.0	\$ 21.1	\$ 22.3	\$ 23.5	\$ 24.8

Beneficiaries: The 13 cooperatives in the commonwealth benefit from this tax expenditure.



PUBLIC UTILITY REALTY TAX

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

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

Act 4 of 1999 fundamentally overhauled PURTA for tax year 1998 and thereafter. The tax rate is annually calculated by the Department of Revenue in order to raise an amount of tax revenue equal to the realty tax equivalent. The commonwealth imposes this tax on public utility realty in lieu of local real estate taxes and distributes revenue to local taxing authorities based on the realty tax equivalent.

Beginning with PURTA tax year 1998, utilities are taxed on the basis of the property's fair market value, which is the local assessed value adjusted by the common level ratio. After December 31, 1999, assets used in the generation of electricity are excluded from the PURTA tax base and the realty tax equivalent.

For fiscal years prior to 2003-04, an additional 7.6 mills of the PURTA tax base was transferred to the Public Transportation Assistance Fund. Beginning in fiscal year 2003-04, the additional 7.6 mills of the PURTA tax base remains in the General Fund. The estimates in this portion of the analysis include the variable tax as well as the additional 7.6 mill levy.

PROPERTY SUBJECT TO LOCAL TAXATION

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 3.2	\$ 3.3	\$ 3.5	\$ 3.7	\$ 3.8	\$ 4.0	\$ 4.2

Beneficiaries: The 320 public utilities could benefit from this tax expenditure.

EASEMENTS

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 2.8	\$ 3.0	\$ 3.1	\$ 3.2	\$ 3.4	\$ 3.5	\$ 3.7

Beneficiaries: The 320 public utilities could benefit from this tax expenditure.

General Fund Tax Expenditures

RAILROAD RIGHTS-OF-WAY

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 6.6	\$ 6.9	\$ 7.2	\$ 7.5	\$ 7.9	\$ 8.2	\$ 8.6

Beneficiaries: The 76 railroad public utilities could benefit from this tax expenditure.

SEWAGE SERVICES

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 5.8	\$ 6.1	\$ 6.3	\$ 6.6	\$ 6.9	\$ 7.3	\$ 7.6

Beneficiaries: The 64 public utilities that provide sewage services benefit from this tax expenditure.

MUNICIPALITIES

Description: Municipalities or municipal authorities furnishing electric, natural gas, telephone, or water public utility services are exempt from tax.

Purpose: The realty used for municipally-furnished utility services is public property used for public purposes. Moreover, taxing such property would result in the municipal government funding the realty tax equivalent distributed to local taxing authorities.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 3.6	\$ 3.7	\$ 3.9	\$ 4.1	\$ 4.3	\$ 4.5	\$ 4.7

Beneficiaries: The 542 municipal authorities and the 35 municipal public utilities benefit from this tax expenditure.



General Fund Tax Expenditures

ELECTRIC GENERATION FACILITIES

Description: After December 31, 1999, land and improvements indispensable to the generation of electricity are subject to local real estate tax and are excluded from the PURTA tax base and the realty tax equivalent.

Purpose: Electric generation facilities were removed from the PURTA tax base because electric generation is no longer regulated as a public utility function. The electric competition statute, Act 138 of 1996, changed the definition of public utility, and generation facilities can be owned by unregulated entities. This exemption allows a level playing field for participants in electricity supply.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 26.2	\$ 27.6	\$ 28.8	\$ 30.1	\$ 31.5	\$ 32.9	\$ 34.4

Beneficiaries: The 22 electric utilities owning generating assets in Pennsylvania benefit from this tax expenditure.

TRANSITION CREDIT

Description: During the transition years 1998 through 2001, the liability of a public utility under PURTA is limited to 250 percent of its immediate prior year's liability with any reduction in the liability capped at \$100,000 per taxable year. The cost of the transition credit in current fiscal years depends on the calculation of the compensating adjustments for the affected tax years.

Purpose: The PURTA transition credit provides limited relief to taxpayers having a significant increase in their PURTA tax base as a result of Act 4 of 1999.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	Nominal						

Beneficiaries: Approximately 70 taxpayers benefit from this tax expenditure.



INSURANCE PREMIUMS TAX

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

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

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

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

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

MUTUAL BENEFICIAL ASSOCIATIONS

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 7.7	\$ 7.9	\$ 8.9	\$ 9.8	\$ 10.0	\$ 10.5	\$ 11.0

Beneficiaries: The 63 mutual beneficial associations doing business in Pennsylvania benefit from this tax expenditure.

NONPROFIT HOSPITAL AND MEDICAL CARE SERVICE ORGANIZATIONS

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

Purpose: These companies are deemed to be charitable and benevolent institutions that provide hospital and/or medical care to their subscribers. The exemption provides indirect tax relief to subscribers to the extent that it is reflected in lower premiums.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 104.3	\$ 109.0	\$ 113.0	\$ 118.1	\$ 124.6	\$ 131.0	\$ 137.2

Beneficiaries: The 12 nonprofit hospital and medical care service organizations doing business in Pennsylvania benefit from this tax expenditure.

General Fund Tax Expenditures

EXTRAORDINARY MEDICAL BENEFIT

Description: An exemption is allowed for premiums collected by automobile insurance companies for optional extraordinary medical benefit coverage from \$100,000 to \$1,100,000. This exemption applies only to premiums collected in association with policies written after June 1, 1989.

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2

Beneficiaries: The 806 automobile insurance companies licensed to do business in Pennsylvania may benefit from this tax expenditure.

LIFE AND HEALTH INSURANCE GUARANTY ASSOCIATION CREDIT

Description: A tax credit is available to companies that are members of the Pennsylvania Life and Health Insurance Guaranty Association. These companies may offset a proportionate part of assessment payments made to the association against the insurance premiums tax. The credit is for the portion of the assessment that is unrecoverable through premiums and must be taken over five years.

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	Nominal						

Beneficiaries: The 466 life, accident, and health insurance companies doing business in Pennsylvania may benefit from this tax expenditure.



General Fund Tax Expenditures

PROPERTY AND CASUALTY INSURANCE GUARANTY ASSOCIATION (PP&CIGA) CREDIT _____

Description: A tax credit is available to companies that are members of the Pennsylvania Property and Casualty Insurance Guaranty Association (PP&CIGA). Companies may claim a credit for assessments paid to the association in a calendar year that exceed one percent of gross premiums collected from policyholders. The credit must be taken proportionately over five years, beginning the year after the assessment is paid. This tax credit was enacted as part of Act 23 of 2000 to allow member companies to recoup a portion of assessments paid to the association in the form of tax credits.

Purpose: The Pennsylvania Property and Casualty Insurance Guaranty Association protects policyholders and claimants by providing for the payment of benefits and claims for property and casualty policies under certain circumstances. Members are assessed to provide funds to carry out the purpose of the association. This credit also provides indirect relief to property and casualty policyholders to the extent that lower premium rates are maintained.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 6.6	\$ 6.5	\$ 7.7	\$ 8.9	\$ 10.2	\$ 11.6	\$ 13.0

Beneficiaries: Approximately 1,050 property and casualty insurers doing business in Pennsylvania benefit from this tax expenditure.



BANK AND TRUST COMPANY SHARES TAX

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

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

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

GOODWILL DEDUCTION

Description: Act 55 of 2007 allows for goodwill generated by a combination to be subtracted from a bank's book value of total equity capital when calculating its shares history.

Purpose: This deduction is intended to avoid the artificial inflation of a bank's tax liability simply because it has combined with another bank.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 28.5	\$ 28.4	\$ 28.6	\$ 28.6	\$ 28.4	\$ 30.3	\$ 30.7

Beneficiaries: Any Pennsylvania bank involved in combination activity could benefit from this tax expenditure.

MUTUAL THRIFT INSTITUTIONS TAX

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

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

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

The current tax rate is 11.5 percent.

NET OPERATING LOSS CARRYFORWARD

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 0.8	\$ 0.8	\$ 0.8	\$ 0.8	\$ 0.8	\$ 0.8	\$ 0.8

Beneficiaries: The 115 mutual thrift companies could benefit from this tax expenditure.

CREDIT UNIONS

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 17.6	\$ 11.8	\$ 11.8	\$ 12.2	\$ 12.6	\$ 13.0	\$ 13.5

Beneficiaries: The 565 state and federal credit unions operating in Pennsylvania benefit from this tax expenditure.

SALES AND USE TAX

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 13.0	\$ 13.2	\$ 13.4	\$ 13.6	\$ 13.8	\$ 14.0	\$ 14.2

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

GENERAL/PERSONAL EXPENDITURES

FOOD

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$1,198.1	\$1,220.9	\$1,266.7	\$1,308.2	\$1,339.8	\$1,368.2	\$1,399.0

Beneficiaries: Virtually all 4.9 million households benefit from this tax expenditure.

General Fund Tax Expenditures

CANDY AND GUM

Description: The purchase at retail or use of candy and gum, regardless of where sold, is exempt from taxation.

Purpose: Candy and gum are considered to be food. Exempting candy and gum regardless of where sold provides for uniformity in the taxation of these items.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 88.0	\$ 89.7	\$ 93.1	\$ 96.1	\$ 98.5	\$ 100.5	\$ 102.8

Beneficiaries: NA

PERSONAL HYGIENE PRODUCTS

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 40.9	\$ 40.4	\$ 41.8	\$ 43.2	\$ 44.3	\$ 45.3	\$ 46.7

Beneficiaries: Virtually all 4.9 million households benefit from this tax expenditure.

NEWSPAPERS

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 52.9	\$ 52.3	\$ 52.3	\$ 52.5	\$ 52.7	\$ 53.0	\$ 53.6

Beneficiaries: The number of taxpayers benefiting from this expenditure is unknown.



General Fund Tax Expenditures

MAGAZINES

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 9.4	\$ 9.3	\$ 9.4	\$ 9.5	\$ 9.6	\$ 9.8	\$ 10.0

Beneficiaries: Approximately 2.5 million households benefit from this tax expenditure.

CLOTHING AND FOOTWEAR

Description: The purchase at retail or use of wearing apparel, footwear, and other articles of clothing worn on the human body is exempt from taxation. Additionally, the purchase at retail or use of clothing patterns and other items that are to be a component part of clothing is exempt from tax. Accessories, ornamental wear, formal day or evening apparel, furs, and sporting goods are taxable.

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 742.6	\$ 735.4	\$ 745.7	\$ 755.1	\$ 763.7	\$ 774.7	\$ 792.3

Beneficiaries: Virtually all 4.9 million households benefit from this tax expenditure.

PRESCRIPTION DRUGS AND ORTHOPEDIC EQUIPMENT

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 589.1	\$ 610.2	\$ 648.2	\$ 697.6	\$ 747.8	\$ 797.6	\$ 855.8

Beneficiaries: The number of taxpayers benefiting from this expenditure is unknown.



General Fund Tax Expenditures

NON-PRESCRIPTION DRUGS

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 54.4	\$ 56.4	\$ 60.0	\$ 64.6	\$ 69.3	\$ 73.9	\$ 79.4

Beneficiaries: Virtually all 4.9 million households benefit from this tax expenditure.

LIQUOR OR MALT BEVERAGE PURCHASED FROM RETAIL DISPENSER

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 148.6	\$ 153.0	\$ 160.6	\$ 168.2	\$ 174.8	\$ 180.6	\$ 186.9

Beneficiaries: Approximately 4.9 million people benefit from this tax expenditure.

CHARGES FOR RETURNABLE CONTAINERS

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 8.1	\$ 8.2	\$ 8.4	\$ 8.5	\$ 8.7	\$ 8.9	\$ 9.1

Beneficiaries: Approximately 273,800 business establishments and an unknown number of households may benefit from this tax expenditure.



General Fund Tax Expenditures

CASKETS AND BURIAL VAULTS

Description: The purchase or use of caskets, burial vaults, markers, cremation urns, and tombstones for human graves, including foundations, is exempt from taxation.

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 15.5	\$ 15.7	\$ 16.1	\$ 16.7	\$ 17.3	\$ 17.9	\$ 18.5

Beneficiaries: As many as 124,000 households benefit from this tax expenditure annually.

FLAGS

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 2.0	\$ 1.9	\$ 2.0	\$ 2.0	\$ 2.1	\$ 2.1	\$ 2.2

Beneficiaries: Approximately 2.5 million households and numerous businesses and organizations benefit from this tax expenditure.

TEXTBOOKS

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 25.4	\$ 25.2	\$ 25.1	\$ 25.2	\$ 25.3	\$ 25.4	\$ 25.7

Beneficiaries: As many as 703,100 college students may benefit from this tax expenditure.



General Fund Tax Expenditures

FOOD STAMP PURCHASES

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 5.2	\$ 5.6	\$ 6.1	\$ 6.6	\$ 7.2	\$ 7.8	\$ 8.4

Beneficiaries: Approximately 551,100 households benefit from this tax expenditure.

GRATUITIES

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 61.2	\$ 63.0	\$ 66.1	\$ 69.3	\$ 71.9	\$ 74.3	\$ 76.9

Beneficiaries: Approximately 4.4 million households and an unknown number of businesses benefit from this tax expenditure.

FUELS AND UTILITIES

COAL

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 129.9	\$ 127.0	\$ 116.2	\$ 119.5	\$ 123.5	\$ 126.7	\$ 128.9

Beneficiaries: Approximately 121,000 households and 6,800 businesses benefit from this tax expenditure.



General Fund Tax Expenditures

FIREWOOD

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

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

(Dollar Amounts in Millions)

Estimates:	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2

Beneficiaries: Approximately 901,900 households that use firewood or wood pellets as their primary heat source benefit from this tax expenditure. Also, there are an estimated 859,300 households with usable, wood burning fireplaces that may benefit from this tax expenditure.

RESIDENTIAL UTILITIES

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

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

(Dollar Amounts in Millions)

Estimates:	Electric:	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
		\$ 382.7	\$ 415.6	\$ 437.4	\$ 453.4	\$ 478.7	\$ 507.8	\$ 532.0
	Fuel Oil/Gas:	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
		\$ 322.6	\$ 268.7	\$ 286.5	\$ 322.7	\$ 337.5	\$ 341.5	\$ 351.4
	Telephone:	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
		\$ 100.5	\$ 101.2	\$ 100.4	\$ 99.1	\$ 97.0	\$ 94.8	\$ 94.1

Beneficiaries: Approximately 4.4 million households (electricity), 3.7 million households (fuel oil/gas), and 4.3 million households (telephone) benefit from this tax expenditure.



General Fund Tax Expenditures

WATER AND SEWAGE SERVICES

Description: The purchase at retail or use of water (including ice) or sewage services is exempt from taxation.

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 121.0	\$ 124.4	\$ 127.3	\$ 130.8	\$ 135.0	\$ 139.4	\$ 143.9

Beneficiaries: Approximately 4.1 million households and about 304,100 businesses benefit from this tax expenditure.

GASOLINE AND MOTOR FUELS

Description: The purchase or use of gasoline and other motor fuels, taxed under the Liquid Fuels and Fuels Tax Act, is exempt from the sales and use tax.

Purpose: Because these items are already subject to fuels taxes, the legislature has provided for their exemption from the sales and use tax.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2013-14</u>
	\$1,019.0	\$1,005.3	\$1,062.8	\$1,145.7	\$1,192.3	\$1,230.2	\$1,257.3

Beneficiaries: Approximately 4.3 million households and owners of more than 1.5 million heavy trucks, buses, etc., benefit from this tax expenditure.

MOTOR VEHICLES / VESSELS

COMMON CARRIERS

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 102.2	\$ 110.4	\$ 119.4	\$ 129.1	\$ 139.5	\$ 150.8	\$ 163.0

Beneficiaries: Approximately 7,500 common carriers could benefit from this tax expenditure.



General Fund Tax Expenditures

COMMERCIAL VESSELS (Construction and Repair)

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

Purpose: This exclusion places Pennsylvania shipbuilders at a competitively neutral position relative to shipbuilders in those states allowing this exemption.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 1.2	\$ 1.2	\$ 1.2	\$ 1.3	\$ 1.4	\$ 1.4	\$ 1.5

Beneficiaries: As many as 9 establishments may benefit from this tax expenditure.

COMMERCIAL VESSELS (Equipment and Maintenance)

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 2.9	\$ 2.8	\$ 2.9	\$ 2.9	\$ 3.1	\$ 3.2	\$ 3.3

Beneficiaries: The number of taxpayers benefiting from this expenditure is unknown.

HELICOPTERS

Description: An exemption is provided for the sale at retail, rental, or lease of helicopters and similar rotorcraft vehicles. In addition, there is an exemption for the sale at retail of repair and replacement parts for helicopters and similar rotorcraft vehicles.

Purpose: This exclusion places Pennsylvania helicopter manufactures at a competitively neutral position relative to manufacturers in those states allowing this exemption.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1

Beneficiaries: Approximately 560 companies may benefit from this expenditure.



General Fund Tax Expenditures

MOTOR VEHICLES (Out-of-State Purchasers)

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	NA						

Beneficiaries: The number of taxpayers benefiting from this expenditure is unknown.

SCHOOL BUSES

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 15.3	\$ 15.5	\$ 15.7	\$ 15.9	\$ 16.1	\$ 16.3	\$ 16.6

Beneficiaries: Approximately 900 private contractors and 5,742 schools benefit from this tax expenditure.

PRODUCTION EXPENDITURES

MANUFACTURING EXEMPTION (Manufacture and Processing)

Description: An exemption is provided for the purchase or use of machinery, equipment, parts and supplies or the use of services or utilities used directly in the manufacturing and processing of personal property. This exemption does not apply to motor vehicles, maintenance facilities, managerial or other nonoperational activities or materials, supplies, or equipment used relative to real estate, obtaining disinfecting or pest control services, or building maintenance and cleaning services.

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 928.8	\$ 887.4	\$ 914.4	\$ 986.1	\$1,075.1	\$1,154.8	\$1,222.6

Beneficiaries: Approximately 14,845 manufacturers and an unknown number of processors and remanufacturers benefit from this tax expenditure.



General Fund Tax Expenditures

MANUFACTURING EXEMPTION (Agriculture)

Description: An exemption is provided for the purchase or use of machinery, equipment, parts and supplies or the use of services or utilities used directly in farming, dairying, horticulture, floriculture, or aquaculture. This exemption does not apply to motor vehicles, maintenance facilities, managerial or other nonoperational activities or materials, supplies, or equipment used relative to real estate, obtaining disinfecting or pest control services, or building maintenance and cleaning services.

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 118.1	\$ 115.9	\$ 117.5	\$ 120.2	\$ 122.7	\$ 124.4	\$ 125.4

Beneficiaries: Approximately 58,000 farm operators benefit from this tax expenditure.

MANUFACTURING EXEMPTION (Public Utility)

Description: An exemption is provided for the purchase or use of machinery, equipment, parts and supplies or the use of services or utilities used directly in producing, delivering, or rendering a public utility service. This exemption does not apply to motor vehicles (except those used as common carriers), maintenance facilities, managerial or other nonoperational activities or materials, supplies, or equipment used relative to real estate, obtaining disinfecting or pest control services, or building maintenance and cleaning services.

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 59.6	\$ 59.4	\$ 60.2	\$ 61.1	\$ 62.2	\$ 63.1	\$ 63.8

Beneficiaries: Approximately 8,000 public utilities could benefit from this tax expenditure.

MANUFACTURING EXEMPTION (Foundations for Machinery and Equipment)

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 2.0	\$ 1.9	\$ 2.0	\$ 2.1	\$ 2.3	\$ 2.4	\$ 2.5

Beneficiaries: Approximately 81,400 entities benefit from this tax expenditure.



General Fund Tax Expenditures

CONTRACT FARMING

Description: The purchase or use of tangible personal property or services that are directly used in farming, dairying, or agriculture for the production of food are exempt from tax even if the purchaser is not the entity directly involved in the agricultural activity. This exemption applies to machinery, equipment, parts, supplies, and utilities used in the production of food.

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 34.0	\$ 36.1	\$ 38.4	\$ 40.8	\$ 43.4	\$ 46.2	\$ 49.1

Beneficiaries: An unknown number of businesses engaged in contract farming benefit from this tax expenditure.

OTHER

AIRLINE CATERING

Description: Airline purchases of catered food and non-alcoholic beverages served to passengers in connection with the airline service are exempt from tax.

Purpose: This tax exemption lowers the cost of catered food and non-alcoholic beverages purchased by airlines, which may also reduce the cost of airline travel for consumers.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.7	\$ 0.7	\$ 0.7	\$ 0.8

Beneficiaries: Approximately 25 airlines may benefit from this expenditure.

COIN-OPERATED FOOD AND BEVERAGE VENDING MACHINES

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 2.4	\$ 2.6	\$ 2.7	\$ 2.9	\$ 3.1	\$ 3.3	\$ 3.5

Beneficiaries: As many as 500 vending machine operators may benefit from this tax expenditure.



General Fund Tax Expenditures

HOTEL-PERMANENT RESIDENT

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4

Beneficiaries: Approximately 5,100 persons benefit from this tax expenditure.

COMMISSION

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 71.5	\$ 71.7	\$ 73.6	\$ 76.0	\$ 79.1	\$ 81.8	\$ 84.5

Beneficiaries: Approximately 194,700 vendors benefit from this tax expenditure.

OUT-OF-STATE CREDIT

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	NA						

Beneficiaries: The number of taxpayers benefiting from this expenditure is unknown.



General Fund Tax Expenditures

TRADE-IN VALUE

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 200.1	\$ 196.7	\$ 217.8	\$ 251.6	\$ 276.7	\$ 287.8	\$ 299.4

Beneficiaries: Approximately 100 purchasers of aircraft, 13,300 purchasers of computers, 11,300 purchasers of boats, and 499,600 purchasers of cars and trucks annually benefit from this tax expenditure.

ISOLATED SALES

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 100.0	\$ 103.2	\$ 105.9	\$ 109.3	\$ 113.8	\$ 117.7	\$ 121.6

Beneficiaries: The number of taxpayers benefiting from this expenditure is unknown.

TEMPORARY USAGE

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	NA						

Beneficiaries: The number of taxpayers benefiting from this expenditure is unknown.



General Fund Tax Expenditures

HORSES

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 3.8	\$ 3.9	\$ 3.9	\$ 3.9	\$ 3.9	\$ 3.9	\$ 3.9

Beneficiaries: Approximately 2,200 Standard bred horse purchasers and an unknown number of purchasers of other types of horses benefit from this tax expenditure.

YOUTH SPORTS PROGRAMS

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	NA						

Beneficiaries: The number of taxpayers benefiting from this expenditure is unknown.



General Fund Tax Expenditures

PURELY PUBLIC CHARITIES

Description: The sale of personal property or services to or for use by any institution of purely public charity as defined by Act 55 of 1997 is exempt from taxation. Act 45 of 1998 extended this exemption to include the purchase or use of certain machinery and equipment used in a construction contract with an exempt entity. The purchase or use may be made by a construction contractor or the exempt entity. Transactions unrelated to the trade or business of such organizations are taxable as are certain materials and supplies purchased for use in connection with real estate.

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	Charitable Organizations:						
	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 141.1	\$ 140.6	\$ 146.5	\$ 156.0	\$ 166.3	\$ 176.2	\$ 186.2
	Volunteer Firemen's Organizations:						
	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 62.6	\$ 62.8	\$ 64.6	\$ 67.3	\$ 70.4	\$ 73.4	\$ 76.6
	Nonprofit Educational Institutions:						
	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 183.1	\$ 185.6	\$ 187.5	\$ 190.0	\$ 193.7	\$ 197.5	\$ 202.4
	Religious Organizations:						
	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 87.5	\$ 87.2	\$ 90.9	\$ 96.7	\$ 103.2	\$ 109.3	\$ 115.5
	Health & Social Assistance Organizations:						
	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 490.2	\$ 500.1	\$ 509.9	\$ 523.1	\$ 538.0	\$ 552.8	\$ 569.4

Beneficiaries: Approximately 31,700 organizations currently benefit from this tax expenditure.

EXEMPT GOVERNMENTAL UNITS

Description: The sale of tangible personal property or services to or for use by the federal government, the commonwealth or its instrumentalities, or political subdivisions is exempt from taxation. Act 45 of 1998 extended this exemption to include the purchase or use of certain machinery or equipment used in a construction contract with a governmental unit. The purchase or use may be by a contractor or governmental unit. Based on the criteria adopted to define tax expenditures, federal transactions are not included in this study. Commonwealth transactions are also excluded because revenues would offset expenditures with no net effect. The estimates, therefore, represent the tax on local government expenditures and construction contractors.

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 414.3	\$ 413.5	\$ 419.9	\$ 429.9	\$ 445.0	\$ 459.8	\$ 471.1

Beneficiaries: Approximately 3,100 governmental units benefit from this tax expenditure.



General Fund Tax Expenditures

SUBSTITUTED TAX BASE

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	NA						

Beneficiaries: The number of taxpayers benefiting from this expenditure is unknown.

OUT-OF-STATE PURCHASES

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	NA						

Beneficiaries: The number of taxpayers benefiting from this expenditure is unknown.

RAIL TRANSPORTATION EQUIPMENT

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 19.6	\$ 19.4	\$ 20.2	\$ 21.5	\$ 22.9	\$ 24.1	\$ 25.3

Beneficiaries: The number of taxpayers benefiting from this expenditure is unknown.



General Fund Tax Expenditures

FISH FEED

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

Purpose: The exemption provides special treatment benefiting organizations that raise fish intended for human consumption.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	Nominal						

Beneficiaries: The 170 cooperative nurseries and an unknown number of other entities benefit from this tax expenditure.

TOURIST PROMOTION AGENCIES

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 0.5	\$ 0.5	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.6

Beneficiaries: All 46 tourist promotion agencies benefit from this tax expenditure.

TROUT

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	Nominal						

Beneficiaries: Approximately 59 entities benefit from this tax expenditure.



General Fund Tax Expenditures

CONSTRUCTION OF MEMORIALS

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1

Beneficiaries: The number of taxpayers benefiting from this expenditure is unknown.

STORAGE

Description: Charges for storage, other than for self-storage, of tangible personal property are exempt from taxation.

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 109.2	\$ 107.4	\$ 111.7	\$ 119.0	\$ 127.1	\$ 134.3	\$ 141.1

Beneficiaries: The number of taxpayers benefiting from this expenditure is unknown.

STAIR LIFT DEVICES

Description: The purchase or use of property or services used in installing or repairing stair lift devices is exempt from taxation when the device is installed or used in the residence of a physically disabled person requiring the device to ascend or descend stairs. The physical disability must be certified by a physician.

Purpose: Stair lift devices could be considered essential for people with a physical disability that prevents them from ascending or descending stairs. This exemption reduces the regressive nature of the tax and eases the tax burden on people requiring the devices.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4

Beneficiaries: As many as 1.2 million residents who have difficulty ascending and descending stairs may benefit from this tax expenditure.



General Fund Tax Expenditures

BAD DEBTS

Description: Sales tax vendors may apply for a refund equal to 100 percent of bad debts associated with sales tax paid to the state for sales written off by the vendor and deducted for federal income tax purposes because the vendor did not receive full payment from the purchaser. Act 55 of 2007 provided that the refund for sales tax remitted and attributable to bad debt is now expanded to private label credit cards. This change will apply to amounts deducted as bad debts on federal income tax returns required to be filed after January 1, 2008. No refund is granted for interest, finance charges, or expenses incurred in attempting to collect receivables.

Purpose: The bad debt refund provision lessens the economic impact experienced by vendors when they extend credit to customers for taxable purchases and subsequently incur uncollectible accounts receivable (bad debts).

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 5.5	\$ 7.4	\$ 8.2	\$ 7.6	\$ 6.9	\$ 6.7	\$ 6.6

Beneficiaries: Any of the 248,800 licensed vendors could benefit from this tax expenditure, if they extend credit or accept checks for payment.

UNIFORM COMMERCIAL CODE FILING FEES

Description: Separately stated Uniform Commercial Code (UCC) filing fees, copy requests, and certification fees paid to a state or local agency are exempt from tax.

Purpose: UCC filing legally identifies the lien holder for personal property collateral. These fees may be perceived as incidental to the purchase or use of the tangible personal property and, as such, are exempt from tax.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 1.6	\$ 1.6	\$ 1.7	\$ 1.7	\$ 1.8	\$ 1.9	\$ 1.9

Beneficiaries: As many as 127,945 entities benefit from this tax expenditure annually.



General Fund Tax Expenditures

CALL CENTER CREDIT

Description: A tax credit is available to call centers for the sales and use tax paid on incoming and outgoing interstate telecommunications. The credit is equal to the gross receipts tax paid by a telephone company on the receipts derived from the incoming and outgoing interstate telecommunications. An eligible call center must be located in Pennsylvania, employ 150 or more employees who initiate or answer telephone calls using at least 200 phone lines, and utilize an automated call distribution system. The total amount of credits awarded is limited to \$30 million per year. The tax credit is available for sales and use tax paid for periods on or after January 1, 2004. Act 48 of 2009 reduced the amount of tax credit that could be awarded per program in fiscal years 2009-10 and 2010-11 by 50 percent and 55 percent respectively. The estimate for fiscal year 2008-09 reflects actual credits awarded under the program for that period. The estimates for fiscal years 2011-12 forward reflect the program cap.

Purpose: This exemption retains jobs by providing an incentive for call centers to maintain and expand operations in Pennsylvania.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 1.0	\$ 15.0	\$ 13.5	\$ 30.0	\$ 30.0	\$ 30.0	\$ 30.0

Beneficiaries: Approximately 20 call centers located in Pennsylvania will benefit from this tax credit.

RENTAL OF FILMS FOR COMMERCIAL EXHIBITION

Description: The purchase at retail or use of motion picture films rented or licensed from a distributor for the purpose of commercial exhibition are exempt from taxation.

Purpose: This provision allows the entertainment services associated with these films to be delivered to the public at a reduced cost. Were these films not exempt, the additional cost would likely be passed through to the ultimate consumer.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 28.9	\$ 28.1	\$ 31.6	\$ 36.0	\$ 40.8	\$ 42.9	\$ 44.2

Beneficiaries: Approximately 200 motion picture and video exhibition companies, 70 television broadcasting stations, and 15 cable and subscription programming companies benefit from this expenditure.



General Fund Tax Expenditures

COPIES OF AN OFFICIAL DOCUMENT

Description: The sale at retail or use of copies of an official document sold by a government agency or court are exempt from taxation. Included in copies of official documents are any copies in tangible form, including compact discs, microfilm, and similar forms of electronic media. Examples of such documents include notes of court testimony, deposition transcripts, driving records, accident reports, birth and death certificates, deeds, divorce decrees, and other similar documents.

Purpose: This provision eases reporting and administrative burdens on state, county, and local governments, including courts and political subdivisions.

(Dollar Amounts in Millions)

Estimates:	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 0.6	\$ 0.7	\$ 0.7	\$ 0.7	\$ 0.7	\$ 0.8	\$ 0.8

Beneficiaries: An unknown number of individuals and businesses benefit from this tax expenditure.

INVESTMENT METAL BULLION AND INVESTMENT COINS

Description: The purchase or use of investment metal bullion and investment coins are exempt from taxation. This exemption includes the purchase or use of precious metals, where the value of the metal is primarily a function of the metal content, or a coin, where the market value exceeds the face value. This exemption does not include jewelry, works of art made from coins, or medallions.

Purpose: These purchases are generally for investment purposes only and, as such, are exempt from tax.

Estimates:	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 2.4	\$ 2.7	\$ 2.9	\$ 3.2	\$ 3.4	\$ 3.7	\$ 4.1

Beneficiaries: An unknown number of individuals and businesses engaged in the purchase and sale of investment bullion and coins benefit from this tax expenditure.

CATALOGS AND DIRECT MAIL ADVERTISING

Description: The purchase or use of a mail order catalog or direct mail advertising literature and materials is exempt from taxation. Effective July 1, 1998, this exemption was extended to the purchase or use of electoral literature or material and certain mailing lists.

Purpose: The purchase of these items may be perceived as incidental to the advertising service being provided.

(Dollar Amounts in Millions)

Estimates:	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 2.5	\$ 2.3	\$ 2.3	\$ 2.4	\$ 2.5	\$ 2.5	\$ 2.6

Beneficiaries: The number of taxpayers benefiting from this expenditure is unknown.



General Fund Tax Expenditures

WRAPPING AND PACKING SUPPLIES

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	NA						

Beneficiaries: Approximately 62,500 retail and wholesale establishments benefit from this tax expenditure.



General Fund Tax Expenditures

SERVICES

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

Purpose: Because the primary basis for the sales and use tax is tangible personal property, the majority of services are not taxed unless they are related to taxable property. Legislation adopted in 1991 imposed the tax on charges for selected business services. Act 7 of 1997 removed computer services from the list of taxable services.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
LODGING							
Recreational parks, camps & campgrounds.....	\$ 42.6	\$ 40.5	\$ 41.7	\$ 42.7	\$ 43.7	\$ 44.7	\$ 45.9
PERSONAL SERVICES							
Dry-cleaning & laundry services.....	\$ 38.1	\$ 38.4	\$ 39.6	\$ 41.3	\$ 43.1	\$ 45.0	46.9
Personal care services.....	119.5	121.3	124.6	128.7	133.1	137.6	142.7
Funeral parlors, crematories & death care services....	47.8	48.6	49.9	51.5	53.3	55.1	57.1
Other: personal services.....	43.6	44.2	45.4	47.1	48.7	50.4	52.3
BUSINESS SERVICES							
Advertising, public relations, & related services.....	\$ 670.2	\$ 665.2	\$ 689.3	\$ 728.8	\$ 771.5	\$ 810.9	\$849.9
Services to buildings and dwellings.....	149.4	148.4	153.1	161.0	169.6	177.4	185.0
Consulting (scientific, environmental, & technical).....	305.0	303.5	314.4	332.4	352.1	370.6	388.8
Scientific research & development services.....	212.8	212.8	220.4	233.5	248.1	262.6	277.7
Information services.....	17.4	17.1	17.4	17.9	18.4	19.0	19.8
Administrative services.....	424.7	422.2	436.1	459.3	484.8	508.4	531.5
COMPUTER SERVICES							
Custom programming, design & data processing.....	\$ 316.6	\$ 313.2	\$ 324.0	\$ 342.7	\$ 363.1	\$ 381.9	\$399.9
AUTOMOTIVE SERVICES							
Parking lots & garages.....	\$ 74.5	\$ 75.5	\$ 77.6	\$ 80.3	\$ 83.2	\$ 86.1	\$89.4
RECREATION SERVICES							
Spectator sports admissions (excludes schools).....	\$ 25.4	\$ 27.1	\$ 29.0	\$ 31.0	\$ 33.1	\$ 35.3	\$37.7
Theater, dance, music & performing arts admissions.....	15.8	17.3	19.0	20.8	22.8	24.9	27.3
Amusement & recreation industries.....	132.3	134.1	137.7	142.5	147.5	152.7	158.4
Museums, historical sites, zoos & parks.....	10.8	10.6	10.4	10.2	9.9	9.7	9.5
HEALTH SERVICES							
Home health care, nursing care, & other ambulatory health care services.....	\$ 382.6	\$ 396.6	\$ 412.0	\$ 429.8	\$ 447.8	\$ 466.2	\$487.9
Hospitals.....	742.8	770.4	800.8	835.7	871.2	907.3	949.8
Physician & dental services.....	896.4	929.7	966.4	1,008.5	1,051.3	1,094.9	1,146.2
Social assistance including day care.....	149.6	155.2	161.3	168.3	175.5	182.7	191.3
PROFESSIONAL SERVICES							
Legal.....	\$ 548.5	\$ 549.4	\$ 565.9	\$ 591.7	\$ 619.3	\$ 645.3	\$671.5
Architectural, engineering, & related services.....	256.6	247.5	252.7	269.4	288.0	302.5	313.2
Accounting, auditing and bookkeeping services.....	261.4	260.0	268.7	283.0	298.5	312.7	326.5
Specialized design.....	62.9	61.8	63.5	67.0	71.0	74.7	78.2
All other professional and technical services.....	158.1	156.3	161.4	170.1	179.8	188.6	197.1
TRANSPORTATION SERVICES							
Transit & ground transportation.....	\$ 44.0	\$ 43.4	\$ 43.9	\$ 45.2	\$ 47.0	\$ 49.1	\$51.0
Air transportation.....	20.7	20.4	20.6	21.1	22.0	22.9	23.8
Truck transportation.....	49.3	48.5	49.9	52.4	55.3	58.0	60.6
Other transportation.....	1.0	0.9	1.0	1.0	1.1	1.1	1.2
MISCELLANEOUS SERVICES							
Basic television.....	\$ 155.5	\$ 155.7	\$ 156.8	\$ 159.0	\$ 160.6	\$ 161.8	\$164.2
Tuition (college, vocational training & instruction).....	616.9	626.0	642.9	664.6	687.2	710.3	736.5
Electrical, plumbing, heating & AC service fees.....	NA						
Veterinary fees.....	43.0	43.6	44.8	46.3	47.9	49.5	51.3
Financial institution fees.....	324.2	332.7	343.3	355.6	371.7	388.2	411.1
Waste management and remediation services.....	121.9	121.7	125.5	131.4	137.7	143.7	149.6

Beneficiaries: Virtually all 4.9 million households and all 304,000 business establishments benefit from one or more of these service tax expenditures.

CIGARETTE TAX

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

The cigarette tax is an excise tax, based on a rate of 8 cents per cigarette, levied on the sale or possession of cigarettes in Pennsylvania. Prior to November 1, 2009, the tax rate was 6.75 cents per cigarette. Effective November 1, 2009, the cigarette tax will also be imposed on little cigars weighing no more than 4 pounds per thousand sticks. Only one sale of cigarettes, whether individual cigarettes, packages, cartons, or cases, is taxable. Beginning in fiscal year 2002-03, fixed annual amounts of \$30.73 million and \$20.485 million of cigarette tax receipts are transferred to the Children's Health Insurance Program (CHIP) and the Agricultural Conservation Easement Purchase (ACEP) Fund, respectively. Transfers of cigarette tax receipts to CHIP began in fiscal year 1992-93 at the rate of two thirty-firsts of receipts. After January 1, 1997, the transfer amount was increased to three thirty-firsts of receipts. Transfers of cigarette tax receipts to the ACEP fund began in fiscal year 1993-94 at the rate of two thirty-firsts of receipts. Beginning January 7, 2004, 18.52 percent of cigarette tax receipts are transferred to the Health Care Provider Retention Account (HCPRA). The HCPRA transfer was repealed beginning November 1, 2009. The analyses below reflect only the General Fund portion of the tax expenditures.

Administrative Costs: Costs to administer the cigarette tax expenditures are nominal.

STATE VETERANS HOMES

Description: Sales to retail dealers located in state veterans homes for resale to residents in such homes are exempt. Federal veterans hospitals are exempt under federal law.

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 0.2	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3

Beneficiaries: Residents in six state veteran's homes benefit from this tax expenditure.

UNSTAMPED CIGARETTES (200 AND UNDER)

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	NA						

Beneficiaries: The number of taxpayers benefiting from this expenditure is unknown.

General Fund Tax Expenditures

COMMISSIONS ON SALES OF STAMPS

Description: Cigarette stamping agents are permitted a commission of 0.87 percent of the value of all cigarette tax stamps purchased from the Department of Revenue or its authorized agents to be affixed to cigarettes for sale within the commonwealth. Prior to November 1, 2009, the commission was equal to 0.98 percent. The commission does not apply to purchases of stamps by a cigarette-stamping agent in amounts of less than one hundred dollars (\$100).

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 9.8	\$ 9.5	\$ 9.6	\$ 9.6	\$ 9.6	\$ 9.6	\$ 9.6

Beneficiaries: Approximately 100 cigarette stamping agents may benefit from this tax expenditure.



MALT BEVERAGE TAX

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

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

Administrative Costs: Costs to administer the malt beverage tax expenditures are nominal.

EMERGENCY TAX CREDIT ---

Description: The emergency tax credit provides manufacturers of malt or brewed beverages, whose annual production of malt or brewed beverages does not exceed 1.5 million barrels, a maximum annual credit of \$200,000 for capital improvement expenditures. Prior to January 1, 2004, the tax credit was limited to manufacturers whose annual production of malt or brewed beverages did not exceed 300,000 barrels. This tax credit cannot exceed the amount of qualifying capital expenditures made during the emergency tax credit period (items of plant, equipment, and machinery intended for use in the manufacture and sale of malt or brewed beverages within the commonwealth). Under current law, the tax credit period expires after December 31, 2008. This tax credit may only be used during the emergency tax credit period.

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 1.1	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --

Beneficiaries: Approximately 10 manufacturers of malt or brewed beverages may benefit from this tax expenditure.

LIQUOR TAX

Authorization: The Liquor Code, Act of June 29, 1987 (P.L. 32, No. 14) and the Emergency Liquor Sales Tax Act, Act of June 9, 1936 (Special Session, P.L. 13).

The liquor tax is imposed on all liquor sold by the Pennsylvania Liquor Control Board. The tax is assessed, since 1968, at the rate of 18 percent of the net price paid by the consumer.

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

PERSONAL INCOME TAX

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

The personal income tax is levied against the taxable income of resident and nonresident individuals, estates and trusts, partnerships, S corporations, business trusts, and limited liability companies that are not taxed as corporations for federal purposes. Pennsylvania taxes eight classes of income: (1) compensation; (2) net profits from the operation of a business, profession, or farm; (3) net gains on income less net losses from dispositions of property; (4) net gains on income from rents, royalties, patents, and copyrights; (5) dividends; (6) interest; (7) gambling and lottery winnings; and (8) net gains on income derived through estates or trusts.

Administrative Costs: Costs to administer the various tax expenditures associated with the personal income tax cannot be separately identified. Additionally, administrative costs for inheritance tax are also included in these estimates. The existence of tax expenditures may result in taxpayer uncertainties, which create an administrative burden on the department relative to additional compliance audits, letter rulings, pronouncements, and bulletins.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 3.0	\$ 2.9	\$ 3.0	\$ 3.1	\$ 3.2	\$ 3.3	\$ 3.4

EXCLUSIONS FROM INCOME

RETIREMENT INCOME ---

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$2,163.4	\$2,246.8	\$2,334.5	\$2,460.7	\$2,593.6	\$2,733.8	\$2,881.5

Beneficiaries: As many as 2.4 million retired residents and their survivors benefit from this tax expenditure.



General Fund Tax Expenditures

RETIREMENT CONTRIBUTIONS BY EMPLOYERS

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

Purpose: This provision lessens the burden of the tax on Pennsylvania wage earners and maintains fairness since the employee often does not have the right to possess the funds in the retirement plan except upon retirement or separation from the company after a set number of years of service.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 904.1	\$ 909.3	\$ 936.1	\$ 973.6	\$1,015.6	\$1,058.1	\$1,100.0

Beneficiaries: As many as 5.8 million employees benefit from this tax expenditure.

NONQUALIFIED DEFERRED COMPENSATION

Description: Following the federal constructive receipt rule, Act 40 of 2005 stipulated that deferrals to nonqualified deferred compensation plans are not includible in compensation. This change applies to appeals which arise prior to or after the effective date of this act, July 7, 2005, and applies to taxable years beginning after December 31, 2002.

Purpose: With certain significant exceptions, Pennsylvania's constructive receipt rules were generally made consistent with the federal constructive receipt rules used to determine when compensation is received by a cash basis taxpayer.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 27.5	\$ 28.3	\$ 29.2	\$ 30.0	\$ 30.9	\$ 31.9	\$ 32.8

Beneficiaries: Approximately 30,000 residents benefit from this tax expenditure.

HEALTH SAVINGS ACCOUNTS/ARCHER MEDICAL SAVINGS ACCOUNTS (ARCHER MSAs)

Description: Act 67 of 2006 provides a personal income tax exemption for contributions made to Health Savings Accounts and Archer Medical Accounts, consistent with the federal treatment of such accounts. Distributions that are not used for qualified medical expenses will be taxable as interest income. These changes will apply to tax years beginning after December 31, 2005.

Purpose: This provision reduces the cost and could improve the quality and availability of health care to Pennsylvanians.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 3.8	\$ 4.0	\$ 4.2	\$ 4.4	\$ 4.7	\$ 5.1	\$ 5.4

Beneficiaries: Individuals filing approximately 41,000 returns are estimated to benefit from this tax expenditure. This number is expected to rise over time.



General Fund Tax Expenditures

EMPLOYEE BENEFIT PROGRAM EMPLOYER CONTRIBUTIONS

Description: Payments made by employers or labor unions for programs covering hospitalization, sickness, disability or death, supplemental unemployment benefits, group life insurance, and strike benefits are exempt from taxation. Effective January 1, 1998, this expenditure also includes personal use of employer provided property and services.

Purpose: This provision lessens the burden of the tax upon Pennsylvania wage earners, along with maintaining fairness, since these payments are not usually based on actual use by each wage earner.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$1,012.0	\$1,036.3	\$1,080.3	\$1,153.2	\$1,237.3	\$1,320.7	\$1,400.7

Beneficiaries: As many as 5.6 million employees benefit from this tax expenditure.

CAFETERIA PLANS

Description: Payments made by employers, on behalf of employees, into a qualifying cafeteria plan are exempt from taxation if the program does not discriminate in favor of highly compensated individuals. This exemption parallels the limited exemption treatment of employee benefit programs covering hospitalization, sickness, disability or death, supplemental unemployment benefits, or strike benefits. Effective January 1, 1998, this expenditure also includes payments made on behalf of employees for personal use of employer provided property and services.

Purpose: This provision lessens the burden of the tax upon Pennsylvania wage earners, along with maintaining fairness, since these payments are not usually based on actual use by each wage earner.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 94.5	\$ 95.5	\$ 98.4	\$ 102.5	\$ 107.0	\$ 111.6	\$ 116.1

Beneficiaries: The number of taxpayers benefiting from this expenditure is unknown.

LIFE INSURANCE PROCEEDS

Description: Amounts paid to beneficiaries or the estate of a decedent due to the death of the decedent are exempt from tax.

Purpose: Life insurance proceeds are not considered compensation for services rendered. Also, premiums are often paid with after-tax dollars.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 98.8	\$ 102.6	\$ 106.4	\$ 110.4	\$ 114.6	\$ 118.9	\$ 123.4

Beneficiaries: The death payment beneficiaries of approximately 180,000 life insurance policies benefit from this tax expenditure.



General Fund Tax Expenditures

SICKNESS OR DISABILITY PROCEEDS

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

Purpose: These payments are excluded because they do not take the place of an employee's regular wages or salary. However, sick pay in the form of regular wages or salary is taxable.

(Dollar Amounts in Millions)

<i>Estimates</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	NA						

Beneficiaries: The number of taxpayers benefiting from this expenditure is unknown.

UNEMPLOYMENT AND SUPPLEMENTAL UNEMPLOYMENT COMPENSATION

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 113.5	\$ 152.9	\$ 163.6	\$ 151.5	\$ 141.3	\$ 133.8	\$ 127.3

Beneficiaries: Approximately 690,000 people benefit from this tax expenditure.

WORKER'S COMPENSATION

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 83.4	\$ 85.4	\$ 87.5	\$ 89.6	\$ 91.7	\$ 93.9	\$ 96.2

Beneficiaries: As many as 105,000 residents benefit from this tax expenditure.



General Fund Tax Expenditures

STRIKE BENEFITS

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	NA						

Beneficiaries: The number of taxpayers benefiting from this expenditure is unknown.

PUBLIC ASSISTANCE

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 12.6	\$ 13.5	\$ 14.2	\$ 15.2	\$ 16.1	\$ 17.1	\$ 18.1

Beneficiaries: Approximately 270,000 people benefit from this tax expenditure.

SALE OF A PRINCIPAL RESIDENCE

Description: Beginning January 1, 1998, the gain from a sale of principal residence is excludable from income. Prior to January 1, 1998, this expenditure was a once in a lifetime exclusion of up to \$100,000 for those 55 and over.

Purpose: A principal residence is typically sold to meet the changing needs of the taxpayer and not in an effort to recognize a capital gain.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 176.4	\$ 175.6	\$ 178.3	\$ 182.2	\$ 185.7	\$ 189.3	\$ 193.0

Beneficiaries: The owners of approximately 174,700 principal residences that are sold each year in Pennsylvania benefit from this tax expenditure.



General Fund Tax Expenditures

COMPENSATION FOR MILITARY SERVICE

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 73.0	\$ 71.6	\$ 73.1	\$ 75.0	\$ 77.3	\$ 79.6	\$ 82.3

Beneficiaries: Approximately 45,000 residents benefit from this tax expenditure.

SCHOLARSHIPS, GRANTS, FELLOWSHIPS, AND STIPENDS

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 90.3	\$ 89.4	\$ 91.3	\$ 94.9	\$ 99.0	\$ 103.4	\$ 107.6

Beneficiaries: The recipients of approximately 230,000 state and federal grants and scholarships, and an unknown number of private scholarships, grants, fellowships, and stipends benefit from this tax expenditure.

REIMBURSEMENTS FOR ACTUAL EXPENSES

Description: Payments by an employer to an employee to reimburse actual expenses incurred by the employee in the conduct of the employer's business are excludable from compensation.

Purpose: This provision ensures that employees incurring business expenses, for which they are later reimbursed in the actual amount of the expenses, are not taxed on the reimbursements. Such expenses and reimbursements are treated as if the employer had made the expenditure directly.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	NA						

Beneficiaries: The number of taxpayers benefiting from this expenditure is unknown.



General Fund Tax Expenditures

UNREIMBURSED EXPENSES

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 99.5	\$ 104.3	\$ 109.3	\$ 114.6	\$ 120.1	\$ 125.9	\$ 131.9

Beneficiaries: Individuals filing approximately 1.3 million returns benefit from this tax expenditure.

BUSINESS INCOME DEDUCTIONS

Description: Ordinary and reasonable expenses necessary to operate a business or profession may be deducted from the gross receipts of that business or profession. This expenditure does not measure the cost of sales and operations or wages and salaries deductions.

Purpose: Businesses and professions are taxed on "net" profits; therefore, expenses necessary to produce the income may be deducted before tax is computed.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<i>Depreciation:</i>						
	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 73.8	\$ 76.8	\$ 79.2	\$ 81.3	\$ 83.2	\$ 85.0	\$ 87.5
	<i>Other:</i>						
	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$1,146.4	\$1,192.5	\$1,230.4	\$1,263.8	\$1,292.5	\$1,321.0	\$1,358.7

Beneficiaries: Approximately 1.3 million businesses and professions benefit from this tax expenditure.

FOSTER CARE

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 4.9	\$ 4.8	\$ 4.6	\$ 4.5	\$ 4.4	\$ 4.3	\$ 4.1

Beneficiaries: The foster parents of approximately 13,000 children benefit from this tax expenditure.



General Fund Tax Expenditures

QUALIFIED TUITION PROGRAMS

Description: Act 67 of 2006 provides a personal income tax deduction for qualified tuition program contributions. Rollovers, undistributed earnings, and distributions used for qualified higher education expenses are not taxable. This applies to taxable years beginning after December 31, 2005.

Purpose: These provisions lessen the burden of tax on families saving for college education.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 16.8	\$ 18.1	\$ 20.0	\$ 22.4	\$ 25.3	\$ 28.6	\$ 32.5

Beneficiaries: At least 79,000 taxpayers benefit from this tax expenditure.

EXEMPTION FOR ELECTION OFFICIALS

Description: Compensation and other payments received by county election officials are exempt from taxation.

Purpose: This exemption provides an incentive to serve as a county election official.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 0.8	\$ 0.8	\$ 0.8	\$ 0.9	\$ 0.9	\$ 0.9	\$ 0.9

Beneficiaries: As many as 104,400 election officials benefit from this tax expenditure.

PENNSYLVANIA LOTTERY WINNINGS

Description: Prizes of the Pennsylvania Lottery are exempt from the state personal income tax. Prior to fiscal year 1999-00, an amount equal to total Lottery prizes paid multiplied by the current PIT rate was transferred from the Lottery Fund to the General Fund. Since the General Fund was reimbursed for the exemption of Lottery prizes, this transfer was considered a Lottery expenditure. Act 4 of 1999 eliminated the transfer, creating an actual General Fund expenditure.

Purpose: This provision provides an additional benefit to individuals winning lottery prizes.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 9.8	\$ 10.6	\$ 11.1	\$ 11.4	\$ 11.8	\$ 12.2	\$ 12.7

Beneficiaries: Approximately 45,000 residents benefit from this expenditure.



General Fund Tax Expenditures

STATE/LOCAL OBLIGATIONS

Description: State and local governments and authorities may issue bonds to raise funds in order to finance a variety of public projects, including infrastructure improvement or construction, and provide essential services. When a bond is issued, the issuer is obligated to repay the borrowed bond proceeds, at a specified rate of interest, by some future date. Interest paid on Pennsylvania government-issued municipal bonds is exempt from Pennsylvania state income taxes.

Purpose: Because of this tax exempt feature, investors will usually accept lower interest payments than on other types of borrowing, lowering the overall cost for the government bond issuer.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 85.6	\$ 80.6	\$ 75.7	\$ 82.5	\$ 91.8	\$ 93.4	\$ 102.2

Beneficiaries: Approximately 270,000 Pennsylvanians benefit from this expenditure.

CREDITS

SPECIAL POVERTY PROVISIONS (TAX FORGIVENESS)

Description: Special tax forgiveness provisions allow eligible claimants to reduce their tax liability depending on the amount of their eligibility income. For tax year 2008, a taxpayer with no dependents and with eligibility income of \$8,750 or less will qualify for some amount of forgiveness. A married couple with no dependents and with eligibility income of \$15,250 or less will also qualify for some amount of forgiveness. The eligibility income limits increase by \$9,500 for each dependent.

Purpose: This provision provides tax relief for taxpayers with low incomes.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 301.1	\$ 292.1	\$ 283.3	\$ 274.8	\$ 266.6	\$ 258.6	\$ 250.8

Beneficiaries: Individuals filing approximately 1.3 million returns benefit from this tax expenditure.

OUT-OF-STATE CREDIT

Description: Pennsylvania residents who have income which is subject to both Pennsylvania personal income tax and the income or wage tax of another state (excluding compensation earned in states with reciprocal agreements) or country may claim the lesser of the actual tax paid to the other state or country, or the tax calculated using Pennsylvania taxable income earned in the other state or country, multiplied by the current Pennsylvania tax rate as a credit against the personal income tax.

Purpose: This provision prevents the double taxation of income earned by a Pennsylvania resident in another state or country.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 277.5	\$ 273.9	\$ 283.0	\$ 295.0	\$ 308.1	\$ 321.3	\$ 333.8

Beneficiaries: Individuals filing approximately 143,990 returns benefit from this tax expenditure.



General Fund Tax Expenditures

VOLUNTEER RESPONDER RETENTION AND RECRUITMENT TAX CREDIT

Description: Act 66 of 2008 created a one-time tax credit awardable for the 2008 taxable year and available to a volunteer for a volunteer ambulance service, volunteer fire company, or volunteer rescue company. Eligibility and credit amount for the credit is determined by a points system and the number of months as an active volunteer. The maximum credit per volunteer is one hundred dollars, which will be awarded in order of applications received until the \$4.5 million credit cap is met. Any unused credits may be carried forward for up to three years; however, they may not be sold, reassigned, carried back, or refunded.

Purpose: The purpose of the tax credit is to recruit and retain active volunteer responders.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 1.9	\$ 0.2	Nominal	Nominal	Nominal	\$ --	\$ --

Beneficiaries: The 85,000 volunteer responders in Pennsylvania could benefit from the tax credit.

ESTIMATED TAXES

ESTIMATED TAXES FOR FIDUCIARIES

Description: Act 40 of 2005 states that fiduciaries are allowed to adopt the federal annualization rules for calculating estimated payments. This change may lower or eliminate one or more estimated payments. These provisions apply to payments made after June 30, 2006.

Purpose: The adoption of annualized federal rules for calculating estimated payments for estates and trusts allow fiduciaries to have consistent payments between state and federal laws.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 2.6	\$ 7.7	\$ 9.1	\$ 6.4	\$ 6.4	\$ 6.4	\$ 6.8

Beneficiaries: Approximately 50,800 fiduciaries are estimated to benefit from this tax expenditure.

ESTIMATED TAXES FOR FARMERS

Description: Individuals having an estimated gross income from farming which is at least two-thirds of their total gross income may file an estimated tax declaration any time on or before January 15 of the succeeding year. If such an individual files a final return and pays the entire tax due by March 1, the return may be considered the declaration due on or before January 15. The estimates measure the interest lost due to delayed estimated payments.

Purpose: This provision provides assistance to farmers by allowing more liberal estimated payment rules, enhancing the farmers' cash flow.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2013-14</u>
	\$ 0.3	\$ 0.3	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2

Beneficiaries: Farmers operating approximately 58,000 farms benefit from this tax expenditure.



General Fund Tax Expenditures

ESTIMATED PAYMENTS FOR SMALL AMOUNTS

Description: Individuals with taxable income of \$8,000 or less not subject to withholding are not required to pay estimated taxes. The threshold was changed from \$2,500 effective January 1, 2000.

Purpose: These provisions reduce paperwork for the Department of Revenue and taxpayers with small amounts of income not subject to withholding.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 0.7	\$ 0.7	\$ 0.8	\$ 0.8	\$ 0.9	\$ 0.9	\$ 1.0

Beneficiaries: Approximately 1.7 million Pennsylvania residents benefit from this tax expenditure.



REALTY TRANSFER TAX

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

The realty transfer tax is a documentary stamp tax on the value of any interest in real estate transferred by deed. The tax rate is 1 percent of the value of the real estate transferred. Each party to a document is jointly and severally liable for the tax imposed, unless the party is an excluded party or the document evidences an excludable transaction. The excluded status of a party does not relieve the other parties to a transaction from the entire tax due. The amounts below represent the General Fund portion of the realty transfer tax expenditures only and do not include expenditures for the portion transferred to the Keystone Recreation, Park, and Conservation Fund pursuant to Act 50 of 1993, as amended by Act 89 of 2002. Prior to Act 89 of 2002, 15 percent of the state levied realty transfer tax was transferred to the Keystone Recreation, Park, and Conservation Fund. Act 89 of 2002 lowered the transfer to 10 percent for January 2002 through June 2002 and to 7.5 percent for July 2002 through June 2003. For July 2003 and thereafter the transfer rate returns to 15 percent. Act 67 of 2006 lowered the transfer rate to 2.1 percent for Fiscal Year 2006-07 only. For July 2007 and thereafter the rate will return to 15 percent.

Administrative Costs: Costs to administer the realty transfer tax expenditures are approximately \$0.3 million annually.

TRANSFERS TO GOVERNMENTAL UNITS ---

Description: A transfer to the commonwealth, the federal government or their agencies, political subdivisions, or instrumentalities by gift, dedication, condemnation or in lieu of condemnation is exempt from taxation.

Purpose: This exemption provides tax relief to the grantor of property to a governmental entity. Without an exemption, the grantor would be required to pay the tax. The exemption may encourage donation of property to a governmental entity.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 2.3	\$ 2.2	\$ 2.4	\$ 2.5	\$ 2.8	\$ 3.0	\$ 3.2

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

PARTITION OF REALTY BY CO-TENANTS ---

Description: A partition of realty, passed by testate or intestate succession and held by co-tenants, into two or more distinctive portions with each party taking shares equal to their undivided interest, is an excluded transaction.

Purpose: Tax relief is given to the heirs to assist in the equitable settlement of the estate. Heirs to realty do not always want joint ownership in the realty willed to them as co-tenants. This exemption enables the parties to partition the realty into two or more distinct portions with each party taking shares equal to their undivided interest without incurring tax.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	Nominal						

Beneficiaries: The number of taxpayers benefiting from this expenditure is unknown.



General Fund Tax Expenditures

TRANSFERS AMONG FAMILY MEMBERS

Description: Transfers between husband and wife, parent and child or the spouse of such child, siblings and/ or the spouse of a sibling, and a grandparent and grandchild or the spouse of such a grandchild are exempt from taxation.

Purpose: This exemption reduces the tax burden on families by exempting transfers to family members.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 45.3	\$ 41.8	\$ 46.4	\$ 49.1	\$ 53.1	\$ 57.2	\$ 61.5

Beneficiaries: The number of taxpayers benefiting from this expenditure is unknown.

TRANSFERS TO SHAREHOLDERS OR PARTNERS

Description: A transfer from a corporation or association to its shareholder or member, where the grantee owns stock or holds an interest in the same proportion as his interest in the real estate being conveyed, is an excluded transaction. The stock or interest must be held by the grantee for more than two years.

Purpose: This exemption recognizes that the grantee has an ownership interest in the realty conveyed to him in the same proportion as stock owned in the corporation or interest in the association.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 1.1	\$ 1.0	\$ 1.1	\$ 1.1	\$ 1.2	\$ 1.3	\$ 1.4

Beneficiaries: The number of taxpayers benefiting from this expenditure is unknown.

TRANSFERS TO OR FROM A NONPROFIT INDUSTRIAL DEVELOPMENT AGENCY

Description: A transfer to a nonprofit industrial development agency or authority is an excluded transaction. A transfer from a nonprofit industrial development agency or authority to a grantee purchasing directly from it is an excluded transaction if (1) the grantee uses such real estate for the primary purpose of manufacturing, fabricating, compounding, processing, publishing, research and development, transportation, energy conversion, energy production, pollution control, warehousing, or agriculture and (2) the authority has full ownership interest in the real estate transferred.

Purpose: These exemptions encourage transfers of realty to nonprofit organizations for industrial development and from nonprofit organizations for use in various activities that may contribute to economic development in the commonwealth.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 2.3	\$ 2.1	\$ 2.4	\$ 2.5	\$ 2.7	\$ 2.9	\$ 3.1

Beneficiaries: The number of taxpayers benefiting from this expenditure is unknown.



General Fund Tax Expenditures

TRANSFERS BETWEEN RELIGIOUS ORGANIZATIONS

Description: A transfer between religious organizations or persons holding title for a religious organization, with both parties possessing tax-exempt status under the Internal Revenue Code, is an excluded transaction. The real estate cannot have been used by such transferor for commercial purposes.

Purpose: This exemption provides tax relief to religious organizations that are perceived to provide social benefits.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 0.9	\$ 0.8	\$ 0.9	\$ 1.0	\$ 1.0	\$ 1.1	\$ 1.2

Beneficiaries: Approximately 16,250 religious organizations could benefit from this tax expenditure.

TRANSFERS TO A CONSERVANCY

Description: A transfer to or from a conservancy that possesses a tax-exempt status pursuant to the Internal Revenue Code and which has as its primary purpose preservation of land for historic, recreational, scenic, agricultural, or open space opportunities is an excluded transaction.

Purpose: This exemption encourages the preservation of realty with historic, recreational, scenic, or agricultural value.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.2

Beneficiaries: Approximately 70 land conservancies could benefit from this tax expenditure.

REAL ESTATE DEVOTED TO AGRICULTURE

Description: A transfer of real estate devoted to the business of agriculture to a family farm corporation or family farm partnership by a member of the same family is an excluded transaction. The family must own at least 75 percent of each class of stock in a family farm corporation. The family farm may also lease the farmland as long as it is used for farming.

Purpose: This exemption provides tax relief for the establishment or expansion of the family farm corporation or family farm partnership thereby recognizing the importance of the family-owned farm.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	NA						

Beneficiaries: Approximately 3,820 family farm corporations or partnerships could benefit from this tax expenditure.



General Fund Tax Expenditures

OWNERSHIP INTEREST IN REAL ESTATE COMPANY OR FAMILY FARM

Description: A transfer between members of the same family of an ownership interest in a real estate company, family farm corporation, or family farm partnership is an excluded transaction.

Purpose: A transfer of ownership interest between members of the same family is not considered a change in ownership of the business. This exemption encourages the preservation of family farm corporations, family farm partnerships, and family-owned real estate businesses by allowing transfers of ownership interests between members of the same family not to count toward the corporation becoming an acquired company.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	NA						

Beneficiaries: Approximately 3,820 family farm corporations or partnerships and an unknown number of real estate companies could benefit from this tax expenditure.

TRANSFERS OF REALTY VALUED AT \$100 OR LESS

Description: A transaction where the tax due is one dollar (\$1.00) or less is an excluded transaction.

Purpose: The administrative costs of collecting the revenue from a transfer of realty valued at one hundred dollars or less are thought to be greater than the revenue.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	Nominal						

Beneficiaries: The number of taxpayers benefiting from this expenditure is unknown.

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

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	NA						

Beneficiaries: Approximately 1,185 companies may benefit from this tax expenditure.



General Fund Tax Expenditures

PUBLIC UTILITY EASEMENTS

Description: A transfer of an easement to a person furnishing public utility service is an excluded transaction if the easement is used in, or useful for, furnishing public utility services.

Purpose: Public utility easements are numerous and the majority of them are conveyed for a small consideration. The administrative costs of collecting the revenue from an easement to a provider of public utility services are thought to be greater than the revenue.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	Nominal						

Beneficiaries: The 320 public utilities could benefit from this tax expenditure.

STANDING TIMBER OR CROPS

Description: Standing timber and crops are not deemed to actually pass with the conveyance of realty when the instrument provides for severance and removal within an immediate ascertainable date.

Purpose: Timber and crops are personal property in this instance, the transfer of which is not subject to realty transfer tax.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	NA						

Beneficiaries: The number of taxpayers benefiting from this expenditure is unknown.



INHERITANCE TAX

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

Administrative Costs: Costs to administer the inheritance tax expenditures are included in the personal income tax administrative cost estimates. Costs incurred to administer the multiple tax expenditures associated with inheritance tax cannot be separately identified.

FAMILY RELATED EXEMPTIONS AND EXCLUSIONS

PREFERENTIAL RATE FOR TRANSFERS TO LINEAL BENEFICIARIES

Description: Effective July 1, 2000, assets transferred to lineal beneficiaries are taxed at a 4.5 percent rate rather than the 15 percent rate for assets transferred to non-lineal heirs. Lineal beneficiaries include grandparents, parents, and lineal descendants (including adopted or step children). Prior to July 1, 2000, transfers to lineal beneficiaries were taxed at a rate of 6 percent.

Purpose: This provision reduces the tax burden on the immediate family members of the decedent.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 968.7	\$ 928.4	\$ 923.5	\$ 932.5	\$ 945.6	\$ 959.7	\$ 973.9

Beneficiaries: Approximately 35,100 estates benefit from this tax expenditure.

TRANSFERS OF PROPERTY TO SPOUSE

Description: Property passing to a spouse of a decedent is exempt from inheritance tax. This estimate is based on the difference between taxing all assets transferred between spouses at the lineal rate of 4.5 percent and the spousal rate of 0 percent.

Purpose: This provision prevents an undue tax burden on a surviving spouse especially when assets cannot be jointly owned. It allows spouses to maintain homes and other assets without being subject to inheritance tax.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$1,302.2	\$1,321.5	\$1,341.1	\$1,361.1	\$1,381.3	\$1,401.8	\$1,422.6

Beneficiaries: Approximately 34,000 estates benefit from this tax expenditure.

General Fund Tax Expenditures

EXEMPTION FOR TRANSFERS OF PROPERTY FROM A CHILD TO PARENT

Description: Property passing from a child twenty-one years of age or younger to a parent is subject to a 0 percent tax rate. This estimate measures the difference between taxing child to parent transfers at the lineal rate of 4.5 percent and the child to parent rate of 0 percent.

Purpose: This provision reduces the tax burden on families receiving assets due to the untimely death of a child. The transfer of assets to parents was previously taxed as a lineal transfer. This rate change, authorized by Act 23 of 2000, is effective for decedents dying July 1, 2000 or later.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 0.9	\$ 0.9	\$ 0.9	\$ 0.9	\$ 0.9	\$ 0.9	\$ 0.9

Beneficiaries: Approximately 150 estates benefit from this tax expenditure.

PREFERENTIAL RATE FOR TRANSFERS TO SIBLINGS

Description: Effective July 1, 2000, assets transferred to siblings, defined as brothers or sisters with at least one parent in common, by blood or adoption, are taxed at a rate of 12 percent rather than the rate of 15 percent for assets transferred to non-lineal heirs. Prior to July 1, 2000, transfers to siblings were taxed at a rate of 15 percent.

Purpose: This provision reduces the tax burden on estates that transfer assets to a sibling of the decedent. It recognizes that a sibling is often a decedent's closest relative and that transfers to siblings should be taxed at a lower rate than transfers to unrelated beneficiaries.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 23.6	\$ 22.6	\$ 22.5	\$ 22.7	\$ 23.0	\$ 23.4	\$ 23.7

Beneficiaries: Approximately 5,300 estates benefit from this tax expenditure.

LIFE INSURANCE PROCEEDS

Description: Life insurance proceeds, whether or not payable to the estate of the decedent, are exempt from inheritance tax.

Purpose: This provision lessens the tax burden on the insurance beneficiaries of the decedent, who are likely to be family members. A common reason for purchasing life insurance is to assist with the payment of inheritance and estate taxes.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 95.2	\$ 100.0	\$ 105.0	\$ 110.2	\$ 115.7	\$ 121.5	\$ 127.6

Beneficiaries: Estates of the decedents associated with approximately 188,000 life insurance policies benefit from this expenditure.



General Fund Tax Expenditures

FEDERAL WAR RISK INSURANCE AND NATIONAL SERVICE LIFE INSURANCE PROCEEDS _____

Description: Proceeds of federal war risk insurance, national service life insurance, or other similar governmental insurance are exempt from inheritance tax.

Purpose: This provision lessens the tax burden on beneficiaries of U.S. military personnel and dependents who receive increased insurance when stationed in an area where military conflict is possible.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 0.3	\$ 0.3	\$ 0.3	NA	NA	NA	NA

Beneficiaries: The families of fallen Pennsylvanians benefit from this tax expenditure.

FAMILY EXEMPTION _____

Description: A \$3,500 family exemption from inheritance tax is permitted for the decedent's surviving spouse, children, or parents living in the decedent's household at the time of death.

Purpose: This provision allows a small tax-free transfer of property to immediate family members residing with the decedent. Smaller taxable estates benefit to a greater extent.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 1.7	\$ 1.6	\$ 1.6	\$ 1.6	\$ 1.6	\$ 1.7	\$ 1.7

Beneficiaries: Approximately 8,200 families benefit from this tax expenditure.

PERSONAL EXCLUSIONS AND DEDUCTIONS

EMPLOYMENT BENEFITS _____

Description: Employment benefits that the decedent did not have the right to possess, enjoy, assign, or anticipate before death are exempt from inheritance tax. Exempt benefits include pensions, stock-bonuses, profit-sharing plans, Keoghs, Individual Retirement Accounts, and other retirement plans. If the decedent did have the right to possess, enjoy, assign, or anticipate the benefits, they are exempt from Pennsylvania inheritance tax only to the same extent they are exempt from the federal estate tax.

Purpose: This provision limits inheritance tax on employment benefits to which the decedent did not have full rights. An individual is presumed to have full rights to these employment benefits after age 59 ½, the age at which someone may utilize at least a portion of these funds without penalty under the Internal Revenue Code.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 14.8	\$ 15.7	\$ 16.6	\$ 17.5	\$ 18.6	\$ 19.6	\$ 20.8

Beneficiaries: Estates of the approximately 7,000 decedents of working age and under 59½ at death may benefit from this tax expenditure.



General Fund Tax Expenditures

ESTATE ADMINISTRATION EXPENSES

Description: Expenses for attorney fees, funeral and burial expenses, tombstones and grave markers, and other expenses incurred in administering the estate are deductible from the taxable estate.

Purpose: This provision allows for the deduction of reasonable and necessary expenses associated with managing the estate.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 61.1	\$ 62.0	\$ 62.9	\$ 63.9	\$ 64.8	\$ 65.8	\$ 66.7

Beneficiaries: Approximately 49,800 estates benefit from this tax expenditure.

DEBTS AND LIABILITIES OF THE DECEDENT

Description: A deduction from the gross estate is allowed for debts and liabilities of the decedent.

Purpose: This provision increases the fairness of the tax by ensuring that property is included in the taxable estate based on its net value. For example, a mortgage is deducted from the value of real property to properly value the decedent's interest in that property.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 49.8	\$ 50.6	\$ 51.3	\$ 52.1	\$ 52.9	\$ 53.6	\$ 54.4

Beneficiaries: Approximately 35,600 estates benefit from this tax expenditure.

SOCIAL SECURITY DEATH PAYMENTS

Description: The lump-sum social security death benefit is exempt from inheritance tax.

Purpose: This provision helps limit the impact of the tax on poorer beneficiaries. The social security death benefit could comprise the majority of assets for many small taxable estates.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0

Beneficiaries: As many as 56,000 estates may benefit from this tax expenditure.



RAILROAD RETIREMENT BURIAL BENEFITS

Description: The lump-sum railroad retirement burial benefit is exempt from inheritance tax.

Purpose: This provision helps limit the impact of the tax on poorer beneficiaries. The railroad retirement burial benefit could comprise the majority of assets for many small taxable estates.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	Nominal						

Beneficiaries: An estimated 300 estates receive lump sum benefit payments from the U.S. Railroad Retirement Board.

ADVANCEMENTS

Description: Transfers made as an advancement of or on account of an intestate share or in satisfaction or partial satisfaction of a gift by will are exempt unless the gift was made within a year of death and gifts to the transferee exceeded \$3,000 during that calendar year.

Purpose: Gifts, as long as they are not made within one year of the date of death, are exempt from inheritance tax. This provision provides that these advancements be treated as gifts that are not intended to avoid the tax.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	NA						

Beneficiaries: Approximately 56,000 estates might benefit from this tax expenditure.

PROPERTY SUBJECT TO POWER OF APPOINTMENT

Description: Property left to a trust by the decedent (grantor) subject to a power of appointment (by a grantee), whether or not exercised and notwithstanding any blending of such property with property of the grantee, is exempt from inheritance tax in the estate of the grantee.

Purpose: Pennsylvania taxes the transfer of these assets subject to a power of appointment at the time the interest is created (when the grantor dies). The grantee may have a life interest in the estate with any remainder passing to some other person. This provision prevents taxation when the property is subsequently distributed upon the death of the grantee, having already been taxed in the estate of the grantor.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	NA						

Beneficiaries: The number of taxpayers benefiting from this expenditure is unknown.

General Fund Tax Expenditures

NOMINAL OWNERSHIP OF PROPERTY

Description: Property held in the name of a decedent who held no beneficial interest in the property is exempt from inheritance tax.

Purpose: This provision prevents property in which the decedent had no real interest from being included in the taxable estate.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	NA						

Beneficiaries: The number of taxpayers benefiting from this expenditure is unknown.

BUSINESS RELATED EXCLUSIONS AND DEDUCTIONS

PREFERENTIAL VALUATION OF FARMLAND

Description: Farmland which was devoted to agricultural use for the three years preceding the death of the decedent, and is not less than ten contiguous acres or has an anticipated yearly gross income derived from agricultural use of \$2,000 or more, is valued based on its current use rather than its highest use.

Purpose: This provision helps to maintain family farms since land currently devoted to agricultural use is often more valuable if developed.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	NA						

Beneficiaries: The number of taxpayers benefiting from this expenditure is unknown.

SMALL BUSINESS INTEREST TRANSFER EXTENDED PAYMENT SCHEDULE

Description: The inheritance tax due on the transfer of a qualified small business interest may be paid in twenty consecutive quarterly installments beginning nine months after the decedent's death. Each installment payment bears interest of 9 percent per annum.

Purpose: This provision helps protect small businesses upon the death of the owner from a sudden tax burden. Payments are spread out over time so that asset sales can be avoided.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	NA						

Beneficiaries: The number of taxpayers benefiting from this expenditure is unknown.



General Fund Tax Expenditures

PREFERENTIAL VALUATION OF AGRICULTURAL CONSERVATION EASEMENTS

Description: An agricultural conservation easement is a deed restriction landowners voluntarily place on their property to protect productive agricultural land. They are used to authorize a qualified conservation organization or public agency to monitor and enforce the restrictions set forth in the agreement. Act 67 of 2006 provided that the value of an agricultural conservation easement is set at 50 percent of what the land would otherwise be valued for purposes of inheritance tax assessments.

Purpose: This provision helps to maintain family farms and increase participation in the preservation of the commonwealth's farmland.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 0.2	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.4	\$ 0.5	\$ 0.6

Beneficiaries: The owners of 63,200 farms might benefit from this tax expenditure.

OTHER EXCLUSIONS

TRANSFERS TO GOVERNMENTS

Description: Intervivos transfers and bequests to governments are exempt from inheritance tax.

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 0.7	\$ 0.8	\$ 0.8	\$ 0.8	\$ 0.8	\$ 0.8	\$ 0.8

Beneficiaries: Approximately 4,200 governmental units could benefit from this tax expenditure.

TRANSFERS TO CHARITABLE AND FRATERNAL ORGANIZATIONS

Description: Intervivos transfers and bequests to charitable and fraternal organizations are exempt from inheritance tax.

Purpose: Charitable and fraternal organizations provide public services that are believed to benefit citizens. This exemption represents an indirect means of assistance to these entities and may increase the money available for charitable purposes.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 114.1	\$ 115.8	\$ 117.6	\$ 119.3	\$ 121.1	\$ 122.9	\$ 124.7

Beneficiaries: An estimated 32,300 charitable and fraternal organizations might benefit from this tax expenditure.



LIQUID FUELS AND FUELS TAX

Authorization: Chapter 90 of Title 75 of the Pennsylvania Consolidated Statutes.

The Act of April 17, 1997 (P.L. 1531, No. 3) established a permanent trust fund tax of 12.0 cents per gallon imposed on all liquid fuels and fuels used or sold and delivered by distributors in the commonwealth. Prior to Act 3, liquid fuels were taxed under the provisions of the Act of May 21, 1931 (P.L. 149, No. 105), as amended, known as the Liquid Fuels Tax Act, and fuels were taxed under the Act of January 14, 1952 (P.L. 1965 No. 550), as amended, known as the Fuels Use Tax Act. Both of these acts were repealed effective October 1, 1997. Aviation gasoline and jet fuel are also taxed under the liquid fuels and fuels tax. However, separate tax rates are set for these fuels. Effective January 1, 2010, the tax rate for aviation gasoline is 5.4 cents per gallon, and the tax rate for jet fuels is 1.6 cents per gallon.

OIL COMPANY FRANCHISE TAX

Authorization: Chapter 95 of Title 75 of the Pennsylvania Consolidated Statutes.

The Act of April 17, 1997 (P.L. 1531, No. 3) of 1997 imposed a tax of 153.5 mills for all taxable liquid fuels and 208.5 mills for all taxable fuels on oil companies conducting business in Pennsylvania. The Oil Franchise tax is calculated annually by multiplying total gallons of fuels and liquid fuels by the average wholesale price established by the Department of Revenue. Minimum and maximum average wholesale prices are statutorily set at \$0.90 and \$1.25 per gallon, respectively. The tax rate for calendar year 2010 is 19.2 cents per gallon for liquid fuels and 26.1 cents per gallon for fuels. Receipts from 57 mills of the tax are deposited as unrestricted Motor License Fund revenue.

ALTERNATIVE FUELS TAX

Authorization: Chapter 90 of Title 75 of the Pennsylvania Consolidated Statutes.

The Act of April 17, 1997 (P.L. 1531, No. 3) imposed a tax on alternative fuels used to propel vehicles on public highways. Alternative fuels include natural gas, compressed natural gas, liquid propane gas and liquefied petroleum gas, alcohols, gasoline-alcohol mixtures containing at least 85 percent alcohol by volume, hydrogen, hythane, electricity, and any other fuel not taxable as liquid fuels or fuels. The tax rate applied to each gasoline gallon equivalent of alternative fuel equals the current liquid fuels tax and oil company franchise tax applicable to one gallon of gasoline.

Administrative Costs: Costs to administer the multiple tax expenditures associated with the liquid fuels and fuels, oil company franchise, and alternative fuels taxes cannot be separately identified. Tax expenditures are a significant factor associated with the need for more compliance audits and the increased complexity of such audits.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.7

Motor License Fund Tax Expenditures

POLITICAL SUBDIVISIONS

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	Liquid Fuels:						
	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 4.2	\$ 4.2	\$ 4.2	\$ 4.2	\$ 4.3	\$ 4.3	\$ 4.4
	Jet Fuel & Aviation Gasoline:						
	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal
	Fuels:						
	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 5.9	\$ 5.9	\$ 6.0	\$ 6.0	\$ 6.0	\$ 6.0	\$ 6.1
	Oil Company Franchise:						
	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 19.5	\$ 19.6	\$ 19.7	\$ 19.8	\$ 19.9	\$ 20.1	\$ 20.3

Beneficiaries: Approximately 3,130 governmental units benefit from these tax expenditures.

VOLUNTEER EMERGENCY VEHICLES

Description: Fuel purchased by a volunteer fire company, volunteer ambulance service, or volunteer rescue squad, and used solely in official vehicles, is exempt from the tax.

Purpose: Volunteer emergency organizations provide public services that are perceived to benefit citizens. This exemption permits these services to be rendered at a reduced cost.

(Dollar Amounts in Millions)

<i>Estimates:</i>	Liquid Fuels:						
	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5
	Jet Fuel & Aviation Gasoline:						
	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal
	Fuels:						
	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 2.3	\$ 2.3	\$ 2.3	\$ 2.4	\$ 2.4	\$ 2.4	\$ 2.4
	Oil Company Franchise:						
	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 5.8	\$ 5.8	\$ 5.8	\$ 5.9	\$ 5.9	\$ 6.0	\$ 6.0

Beneficiaries: Approximately 2,000 volunteer fire departments and an unknown number of other volunteer organizations benefit from these tax expenditures.



Motor License Fund Tax Expenditures

NONPROFIT NONPUBLIC SCHOOLS

Description: Fuel purchased by any nonprofit nonpublic school in which a commonwealth resident may legally fulfill compulsory school attendance requirements is granted an exemption from the tax.

Purpose: Since state government indirectly subsidizes transporting public school children, this exemption provides similar treatment to nonprofit nonpublic schools.

(Dollar Amounts in Millions)

<i>Estimates:</i>	Liquid Fuels:						
	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal
	Jet Fuel & Aviation Gasoline:						
	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal
	Fuels:						
	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal
	Oil Company Franchise:						
	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2

Beneficiaries: As many as 3,000 nonprofit nonpublic schools may benefit from these tax expenditures.

SECOND CLASS COUNTY PORT AUTHORITIES

Description: Purchases of fuel by second class county port authorities are exempt from the tax.

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	Liquid Fuels:						
	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	NA	NA	NA	NA	NA	NA	NA
	Jet Fuel & Aviation Gasoline:						
	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	NA	NA	NA	NA	NA	NA	NA
	Fuels:						
	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	NA	NA	NA	NA	NA	NA	NA
	Oil Company Franchise:						
	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: One second class county port authority benefits from this tax expenditure.

Motor License Fund Tax Expenditures

ELECTRIC COOPERATIVES

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	Liquid Fuels:						
	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal
	Jet Fuel & Aviation Gasoline:						
	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal
	Fuels:						
	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal
	Oil Company Franchise:						
	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2

Beneficiaries: There are 14 electric cooperatives in the commonwealth that benefit from these tax expenditures.

AGRICULTURAL USE

Description: A full refund of tax paid is granted for fuel consumed in agricultural use relating to the actual production of farm products. Fuel used in farm machinery or equipment engaged in the production or harvesting of agricultural products is exempt from taxation under these provisions.

Purpose: This exemption allows farmers to provide agricultural products at a reduced cost.

(Dollar Amounts in Millions)

<i>Estimates:</i>	Liquid Fuels:						
	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 0.8	\$ 0.9	\$ 0.9	\$ 0.9	\$ 0.9	\$ 0.9	\$ 0.9
	Jet Fuel & Aviation Gasoline:						
	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal
	Fuels:						
	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2010-11</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2
	Oil Company Franchise:						
	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 1.9	\$ 1.9	\$ 1.9	\$ 1.9	\$ 1.9	\$ 1.9	\$ 1.9

Beneficiaries: Individuals operating approximately 63,200 farms benefit from these tax expenditures.



Motor License Fund Tax Expenditures

TRUCK REFRIGERATION UNITS

Description: A full refund of tax paid is granted for undyed diesel fuel used in truck refrigeration units when the tank that fuels the refrigeration unit is used solely for that purpose and is separate from that which powers the vehicle.

Purpose: This provision allows a refund for fuel consumed in an off-road manner when such use can be clearly documented.

(Dollar Amounts in Millions)

Estimates:	Liquid Fuels:						
	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	NA	NA	NA	NA	NA	NA	NA
	Fuels:						
	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.7	\$ 0.7	\$ 0.7
	Oil Company Franchise:						
	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 1.4	\$ 1.4	\$ 1.4	\$ 1.4	\$ 1.4	\$ 1.4	\$ 1.4

Beneficiaries: Approximately 275 entities benefit from these tax expenditures.

POWER TAKE-OFF

Description: A full refund of tax paid is granted for undyed fuel consumed in a power takeoff unit used to load or unload farm feed, feed products, lime, or limestone products for agricultural use at a farm. Tax paid will be refunded provided that the fuel usage is documented by an electronic monitoring device used in conjunction with an electronically controlled engine.

Purpose: This provision allows a refund for fuel consumed in an off-road manner when such use can be clearly documented.

(Dollar Amounts in Millions)

Estimates:	Liquid Fuels:						
	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal
	Fuels:						
	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal
	Oil Company Franchise:						
	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

Beneficiaries: Fewer than 20 taxpayers benefit from these tax expenditures.



Motor License Fund Tax Expenditures

DISCOUNT

Description: A distributor is permitted a variable percentage discount based on gross tax due provided the liquid fuels and fuels tax return and payment due are timely filed. Returns and payments are generally due on or before the 20th day of each month for the preceding month's sales.

Purpose: This discount is intended to defray the cost of preparing and remitting the liquid fuels and fuels tax reports and payments.

(Dollar Amounts in Millions)

<i>Estimates:</i>	Liquid Fuels:						
	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 4.2	\$ 4.2	\$ 4.2	\$ 4.3	\$ 4.3	\$ 4.3	\$ 4.4
	Jet Fuel & Aviation Gasoline:						
	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal
	Fuels:						
	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 1.4	\$ 1.4	\$ 1.4	\$ 1.4	\$ 1.4	\$ 1.4	\$ 1.4

Beneficiaries: Approximately 760 distributors benefit from these tax expenditures.

FOREIGN DIPLOMATS

Description: Fuel purchased by foreign diplomats whose countries have entered into a treaty with the United States is exempt from payment of the tax.

Purpose: The commonwealth grants this exemption administratively at the request of the federal government.

(Dollar Amounts in Millions)

<i>Estimates:</i>	Liquid Fuels:						
	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	NA	NA	NA	NA	NA	NA	NA
	Jet Fuel & Aviation Gasoline:						
	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	NA	NA	NA	NA	NA	NA	NA
	Fuels:						
	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	NA	NA	NA	NA	NA	NA	NA
	Oil Company Franchise:						
	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	NA	NA	NA	NA	NA	NA	NA

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



Motor License Fund Tax Expenditures

BUSES

Description: A bus company is entitled to a refund equal to 55 mills of the oil company franchise tax imposed on fuels consumed by motorbuses within this commonwealth.

Purpose: Act 3 of 1997 repealed the 6 cent surtax imposed on all motor carriers and replaced it with a 55 mill increase in the oil company franchise tax imposed on fuels. Since buses were historically exempt from the surtax, they have been granted a refund for the 55 mill surtax replacement effective January 1, 1999.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4

Beneficiaries: Approximately 90 bus companies benefit from this tax expenditure.



Motor License Fund Tax Expenditures

MOTOR CARRIERS ROAD TAX / IFTA

Authorization: Chapter 96 of Title 75 of the Pennsylvania Consolidated Statutes.

The motor carriers road tax is equal to the current Pennsylvania liquid fuels and fuels or alternative fuels tax rate per gallon plus the oil franchise tax currently in effect. Prior to October 1, 1997, an additional tax of 6 cents per gallon was collected through the motor carriers road tax. Effective October 1, 1997, this tax was repealed and replaced by a tax of 55 mills on each gallon of fuels and collected through the oil franchise tax. Effective January 1, 1996, under Act 75 of 1995, Pennsylvania implemented the provisions of the International Fuel Tax Agreement (IFTA). Under IFTA, fuel consumed in "qualified motor vehicles" is subject to taxation at current rates. A qualified motor vehicle is a motor vehicle, other than a recreational vehicle, which is used, designed, or maintained for transportation of persons or property and which has two axles and a registered gross weight exceeding 26,000 pounds, three axles or more regardless of weight, or used in combination when the registered gross weight exceeds 26,000 pounds. IFTA provisions do not distinguish taxable use by vehicle types, only by weight and axle configuration. Therefore, Act 75 of 1995 repealed the motorbus road tax effective January 1, 1996. The following estimates reflect the full tax rate imposed.

Administrative Costs: Costs to administer the multiple tax expenditures associated with motor carrier road tax/IFTA cannot be identified separately. Tax expenditures are not believed to be a significant factor associated with the need for more compliance audits and contribute minimally to the length of time necessary to complete such audits.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.1	\$ 1.1

POLITICAL SUBDIVISIONS

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 15.3	\$ 15.3	\$ 15.4	\$ 15.5	\$ 15.6	\$ 15.7	\$ 15.8

Beneficiaries: Approximately 3,130 governmental units benefit from this tax expenditure.

FARM VEHICLES

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

Purpose: This exemption allows farmers to provide agricultural products at a reduced cost.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 4.4	\$ 4.4	\$ 4.4	\$ 4.5	\$ 4.5	\$ 4.5	\$ 4.6

Beneficiaries: Individuals operating approximately 58,200 farms benefit from this tax expenditure.



Motor License Fund Tax Expenditures

EMERGENCY VEHICLES

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 7.7	\$ 7.8	\$ 7.8	\$ 7.9	\$ 7.9	\$ 8.0	\$ 8.0

Beneficiaries: Approximately 2,400 fire departments and an unknown number of other organizations benefit from this tax expenditure.

SPECIAL MOBILE EQUIPMENT

Description: Vehicles not designed or used primarily for the transportation of persons or property and that only incidentally operate or move over a highway, such as ditch digging apparatus, well-boring apparatus, earth moving and road construction machinery, are exempt from the motor carriers road tax.

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	Nominal						

Beneficiaries: The owners of approximately 2,300 special mobile equipment vehicles benefit from this tax expenditure.

IMPLEMENTS OF HUSBANDRY

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	Nominal						

Beneficiaries: The owners of approximately 200 implements of husbandry vehicles benefit from this tax expenditure.



Motor License Fund Tax Expenditures

CHARITABLE AND RELIGIOUS ORGANIZATIONS

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 1.8	\$ 1.8	\$ 1.9	\$ 1.9	\$ 1.9	\$ 1.9	\$ 1.9

Beneficiaries: Approximately 27,000 charitable and religious organizations may benefit from this tax expenditure.

CHURCHES

Description: A motorbus owned by and registered to a church, exempt under section 1901 of Title 75, is exempt from the motor carriers road tax.

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	NA						

Beneficiaries: As many as 12,500 churches may benefit from this tax expenditure.

ELECTRIC COOPERATIVES

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	NA						

Beneficiaries: There are 14 cooperatives in the commonwealth that benefit from this tax expenditure.



Motor License Fund Tax Expenditures

VEHICLES NEEDING EMERGENCY REPAIRS

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	NA						

Beneficiaries: The number of individuals benefiting from this tax expenditure is unknown.

VEHICLES SECURING REPAIRS OR RECONDITIONING

Description: Exemption from the motor carriers road tax is provided for unladen or towed motor vehicles or unladen trailers entering Pennsylvania solely for the purpose of securing repairs or reconditioning.

Purpose: This exemption was granted so as to not discourage vehicle owners from obtaining repairs or reconditioning of a vehicle from a Pennsylvania business.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	NA						

Beneficiaries: The number of taxpayers benefiting from this tax expenditure is unknown.

SCHOOL BUSES

Description: Buses designed to carry 11 or more passengers used for the transportation of preprimary, primary, or secondary school students to or from public, private, or parochial schools, or school-related activities or events are exempt from the motor carriers road tax.

Purpose: Since state government indirectly subsidizes transporting school children, this exemption decreases state educational subsidy costs.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 8.9	\$ 9.0	\$ 9.0	\$ 9.0	\$ 9.1	\$ 9.2	\$ 9.2

Beneficiaries: Approximately 5,700 schools benefit from this tax expenditure.



Motor License Fund Tax Expenditures

RECREATIONAL VEHICLES

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	NA						

Beneficiaries: The number of taxpayers benefiting from this tax expenditure is unknown.



Motor License Fund Tax Expenditures

MOTOR VEHICLE CODE

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

Administrative Costs: Costs to administer the motor vehicle code tax expenditures are borne by the Department of Transportation and cannot be separately identified.

(Dollar Amounts in Millions)

Estimates:	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1

VEHICLE REGISTRATIONS

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

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

(Dollar Amounts in Millions)

Estimates:	<u>Disabled/Severely Disabled Veterans:</u>						
	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2

Beneficiaries: The owners of approximately 4,600 vehicles benefit from this tax expenditure.

Charitable Organizations:

<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
\$ 1.1	\$ 1.2	\$ 1.2	\$ 1.2	\$ 1.2	\$ 1.2	\$ 1.2

Beneficiaries: The owners of approximately 16,600 vehicles benefit from this tax expenditure.

Former Prisoners of War:

<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
Nominal						

Beneficiaries: The owners of approximately 600 vehicles benefit from this tax expenditure.



Motor License Fund Tax Expenditures

Farm Trucks:

<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
\$ 3.3	\$ 3.3	\$ 3.3	\$ 3.4	\$ 3.4	\$ 3.4	\$ 3.5

Beneficiaries: The owners of approximately 10,600 farm trucks benefit from this tax expenditure.

Emergency Vehicles:

<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
\$ 6.0	\$ 6.4	\$ 6.5	\$ 6.6	\$ 6.6	\$ 6.7	\$ 6.8

Beneficiaries: Approximately 2,500 volunteer fire departments and an unknown number of other organizations benefit from this tax expenditure.

Fire Department Vehicles:

<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
\$ 0.2	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --

Beneficiaries: A limited number of fire departments benefit from this tax expenditure. Fire department plates were discontinued in August 2006 in favor of emergency vehicle plates.

Political Subdivisions:

<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
\$ 17.2	\$ 17.3	\$ 17.5	\$ 17.7	\$ 17.9	\$ 18.0	\$ 18.2

Beneficiaries: Approximately 3,130 governmental units benefit from this tax expenditure.

Older Pennsylvanians:

<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
\$ 5.1	\$ 5.3	\$ 5.4	\$ 5.6	\$ 5.9	\$ 6.2	\$ 6.5

Beneficiaries: Older Pennsylvanians owning approximately 156,700 vehicles benefit from this tax expenditure.

CARNIVAL TRUCKS/TRUCK TRACTORS

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

Purpose: The reduced registration fee provides partial relief for those vehicles being used only between April 1 and September 30.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	Nominal						

Beneficiaries: The owners of approximately 105 carnival vehicles benefit from this tax expenditure.

Motor License Fund Tax Expenditures

CERTIFICATES OF TITLE

Description: Ownership of a particular vehicle is recorded by the issuance of a certificate of title for which a fee is charged. Specific entities exempt from this title fee are political subdivisions, totally disabled veterans, emergency vehicles, and foreign nationals.

Purpose: This exemption provides relief to the organizations or individuals cited above. The General Assembly has provided an exemption for these entities due to their perceived special status.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2

Beneficiaries: The owners of approximately 8,400 vehicles benefit from this tax expenditure.

INSPECTION STICKERS

Description: All vehicles registered in Pennsylvania are required to have periodic safety inspections to insure their roadworthiness. A certificate of inspection is issued for a fee to show the vehicle meets specified safety standards. The commonwealth administratively grants an exemption from the certificate fee to vehicles operated by political subdivisions.

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2

Beneficiaries: Approximately 3,130 governmental units benefit from this tax expenditure.

BRIDGE PERMITS

Description: Bridges on state owned rights-of-way need periodic maintenance and construction work. Permits are issued, for a fee, by the state to perform such work. The commonwealth administratively grants an exemption from the permit fee to political subdivisions who are performing work for the state.

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	Nominal						

Beneficiaries: As many as 3,130 political subdivisions may benefit from this tax expenditure.



Motor License Fund Tax Expenditures

HAULING PERMITS

Description: Permits, for which a fee is charged, are issued to firms that wish to haul loads that exceed the maximum size or weight specifications of certain highways and bridges. The commonwealth administratively grants an exemption from the permit fee to political subdivisions.

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	Nominal						

Beneficiaries: As many as 3,130 political subdivisions may benefit from this tax expenditure.

POLICE ACCIDENT REPORTS

Description: Traffic accident reports are generated as a result of any accident where there is bodily injury or death or if one or more vehicles must be towed from the scene. A fee is charged to obtain a copy of the police accident report. The commonwealth administratively grants an exemption for paying an accident report fee to political subdivisions.

Purpose: This exemption provides local prosecuting officials an aid in law enforcement.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	Nominal						

Beneficiaries: As many as 3,130 political subdivisions may benefit from this tax expenditure.



Racing Fund Tax Expenditures

The Racing Fund, a special revenue fund, is comprised of monies received from taxes, licenses and fees, and miscellaneous revenues collected by the State Racing Commissions derived from the regulation of harness and horse racing. Prior to December 30, 1983, thoroughbred racing tax revenues consisted of wagering, breakage, and admissions taxes. Harness racing tax revenues consisted of wagering and admissions taxes as assessed by the Race Horse Industry Reform Act (Act 135 of December 17, 1981). The Harness Racing Fund and the Horse Racing Fund were combined into the Racing Fund by Act 93 of 1983. This act also amended portions of the Race Horse Industry Reform Act relating to taxation.

Administrative Costs: Administrative costs associated with these tax expenditures are nominal.

WAGERING TAX

Authorization: Act of May 16, 1986 (P.L. 205, No. 63).

NEW CORPORATIONS

Description: Racing corporations licensed after May 16, 1986 are subject to a reduced wagering tax rate of 1 percent rather than the normal 1.5 percent rate for a period of four years.

Purpose: This provision may have been perceived as an incentive to promote the formation of new racing corporations.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	NA						

Beneficiaries: Any racing corporation licensed after the cited date will benefit from this tax expenditure.

ADMISSIONS TAX

Authorization: Department of Revenue letter ruling with concurrence of counsel for Racing Commission.

DARK DAY SIMULCASTS

Description: The minimum admissions tax, currently 5 percent of 50 cents, is waived at events where no admission charge is levied and where simulcasts of races from other facilities are featured rather than live races.

Purpose: This provision may have been perceived as a way to promote simulcast attendance at commonwealth racing facilities.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	NA						

Beneficiaries: All seven racing associations benefit from this tax expenditure.



UNEMPLOYMENT COMPENSATION INSURANCE TAX

Administrative Costs: The costs of administering the tax expenditure associated with the unemployment compensation insurance tax are nominal.

LIMITATION OF THE TAXABLE WAGE BASE _____

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

The purpose of the tax is to provide a fund from which compensation is paid to workers who have become unemployed through no fault of their own. Contributions are required to be made by all employers who pay wages to individuals working in Pennsylvania and whose services are covered under the unemployment compensation law. This tax may include employee contributions withheld by employers from each employee's gross wages. The Pennsylvania Unemployment Compensation Law is administered by the Department of Labor and Industry.

Description: The commonwealth's unemployment compensation law provides for a limitation of the taxable wage base to the first \$8,000 of wages paid to each employee during a calendar year by an employer. Prior to 1984 the limitation on taxable remuneration had been \$7,000. All state governments are required by the federal government to tax at least the first \$7,000 of subject wages. Many states, including Pennsylvania, have chosen to keep their bases close to the federal minimum. The estimate represents the cost of this limitation as measured by the difference between contributions based on taxable wages and contributions based on total wages. In 1988, legislation was enacted which provides for a "trigger" mechanism to regulate employer and employee contributions. The trigger mechanism working in conjunction with the experience rating system would change tax rates in response to a change in the taxable wage base. The methodology used for this estimate does not incorporate the changes that would occur to the tax rates as a result of tax base changes. Projected tax rates were used to estimate contributions based on currently taxable wages. The same tax rates were used to estimate contributions based on total wages paid by contributory employers.

Purpose: The limitation on taxable wages limits growth in employer tax liabilities that would otherwise occur as wages rise.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$7,047.7	\$7,710.6	\$7,815.9	\$9,480.1	\$9,999.2	\$10,524.1	\$11,040.3

Beneficiaries: Pennsylvania's unemployment compensation tax system is legislatively designed to generate a sufficient amount of revenue to meet annual benefit payments and maintain an adequate reserve in the state's Unemployment Compensation Trust Fund. Since the tax rates are a function of taxable wages, an increase in the amount of taxable wages to total wages would result in a decrease in the assigned tax rates (trigger mechanism). Ultimately, this would maintain revenues at a level comparable to the current tax structure. This situation, however, involves special treatment for some employers compared to others based upon the level of wages paid to the employees. This special treatment (tax expenditure) would be different for every contributory employer in each major industry division and would have to be calculated on an individual employer basis. In general, under the current system, an employer with higher wage employees benefits by paying on a small portion of total wages. If the taxable wage base were total wages paid to employees, the employer with higher employee wages would have to pay a greater amount in taxes, even though the rate would be reduced significantly.

As of the first quarter of 2009 there were 268,211 contributory employers to the Unemployment Compensation Fund. The following is a breakdown of these employers according to major industry division¹:

Natural Resources and Mining	2,648	Financial Activities	18,413
Construction	29,615	Professional and Business Services	47,840
Manufacturing	14,463	Education and Health Services	41,027
Trade	49,577	Leisure and Hospitality	25,741
Transportation, Warehousing, Utilities	7,110	Other Services	27,572
Information	3,149	Local Government	982

¹Based on NAICS industry classification. Data may not add to totals due to the unavailability of industry classification for some employers.

PUBLIC TRANSPORTATION ASSISTANCE FUND

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

The Public Transportation Assistance Fund provides for the capital, asset maintenance, and certain other transportation needs of the commonwealth's public transit entities.

Fund revenues are derived from a motor vehicle lease tax; a motor vehicle rental fee; a fee on the sale of new tires; 0.44 percent of total sales and use tax receipts in lieu of the repealed periodicals tax; 0.09 percent of total sales and use tax receipts in lieu of the repealed lease tax on class four and above motor carriers; and 0.417 percent of sales and use tax in lieu of transfers from the public utility realty tax (PURTA) and the utilities gross receipts tax. By provisions of Act 46 of 2003, beginning in fiscal year 2003-04, revenues associated with the 7.6 mills of PURTA, previously transferred to this fund, will remain in the General Fund. Act 138 of 1996 (electric competition) provided for transfers from the utility gross receipts tax to the Public Transportation Assistance Fund beginning in fiscal year 1998-99. Act 46 of 2003 repealed this transfer effective for fiscal year 2003-04 and forward. Certain entities and transactions are exempt from these taxes and fees. With the exception of the fee on tires and the class 4 and above motor carrier tax expenditure, the remaining tax expenditures parallel those in the General Fund sales and use tax expenditures.

Administrative Costs: Administrative costs are believed to be nominal.

MOTOR VEHICLE LEASE TAX AND MOTOR VEHICLE RENTAL FEE

The commonwealth levies a 3 percent tax on the total price charged for each lease of a motor vehicle subject to tax under Article II of the Tax Reform Code of 1971.

A fee of \$2 per day or portion of a day is imposed on each rental of a motor vehicle subject to tax under Article II of the Tax Reform Code of 1971.

COMMON CARRIERS

Description: Vehicles leased or rented by a public utility, engaged in business as a common carrier, to be used in rendering utility services, are exempt from taxation. Since the enactment of the Federal Aviation Act, effective January 1, 1995, Pennsylvania has recognized contract carriers as common carriers. Household goods carriers and private carriers remain taxable.

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	Motor Vehicle Leases:						
	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	NA	NA	NA	NA	NA	NA	NA
	Motor Vehicle Rentals:						
	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: Approximately 7,200 common carriers could benefit from this tax expenditure.



Special Fund Tax Expenditures

SCHOOL BUSES

Description: The lease or rental of school buses is exempt from taxation. These buses must be used exclusively for the transportation of children for school purposes. The provision is extended to persons who have contracts with school districts to transport children. For the purposes of this analysis, the majority of these contracts are assumed to be leases.

Purpose: The costs of transporting school children are directly borne by school districts and indirectly by state government through subsidy programs. This exemption, while limiting state Public Transportation Assistance Fund revenues, decreases state educational subsidy costs.

(Dollar Amounts in Millions)

<i>Estimates:</i>	Motor Vehicle Leases:						
	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 1.8	\$ 1.8	\$ 1.8	\$ 1.8	\$ 1.8	\$ 1.8	\$ 1.8
	Motor Vehicle Rentals:						
	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1

Beneficiaries: Approximately 5,700 schools may benefit from this tax expenditure.

MOTOR CARRIERS (CLASS 4 AND ABOVE)

Description: Motor carriers in vehicle classes 4 and above are exempt from the motor vehicle lease tax.

Purpose: This exemption benefits those entities engaged in commercial leasing. Presumably, many of these vehicles are operated as common carriers that are normally treated as a utility service.

(Dollar Amounts in Millions)

<i>Estimates:</i>	Motor Vehicle Leases:						
	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: The owners of 296,300 motor carrier vehicles (class 4 and above) benefit from this tax expenditure.



Special Fund Tax Expenditures

EXEMPT ORGANIZATIONS

Description: The lease or rental of personal property to or for use by any charitable organization, volunteer fireman's organization, nonprofit educational institution, or religious organization is exempt from taxation. Transactions unrelated to the trade or business of such organizations are taxable.

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

(Dollar Amounts in Millions)

Estimates:

Motor Vehicle Leases:						
<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
NA	NA	NA	NA	NA	NA	NA

Motor Vehicle Rentals:						
<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
NA	NA	NA	NA	NA	NA	NA

Beneficiaries: Approximately 30,700 organizations may benefit from this tax expenditure.

EXEMPT GOVERNMENTAL UNITS

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

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

(Dollar Amounts in Millions)

Estimates:

Motor Vehicle Leases:						
<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
\$ 0.9	\$ 0.9	\$ 0.9	\$ 0.9	\$ 0.9	\$ 0.9	\$ 1.0

Motor Vehicle Rentals:						
<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.5	\$ 0.5

Beneficiaries: Approximately 3,130 political subdivisions may benefit from this tax expenditure.



TIRE FEE

The commonwealth imposes a \$1 fee per tire on each sale of new tires intended for highway use.

EXEMPT GOVERNMENTAL UNITS _____

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
	Nominal						

Beneficiaries: Approximately 3,130 political subdivisions may benefit from this tax expenditure.

Tax Forgiveness

As recommended by Act 180 of 1992, the Department of Revenue has prepared a study and assessment of a tax expenditure. Tax expenditures are tax credits, deductions, exemptions, and exclusions which are provided in law and result in a significant reduction in revenues that would otherwise be received.

The selected study explores the special tax provision for poverty (known as tax forgiveness, or the Tax Back program) for personal income tax.

Expenditure Overview

The special tax provision for poverty affords individual taxpayers with total taxable income below a prescribed threshold a degree of tax forgiveness. The income threshold is based on tax forgiveness filing status and the number of dependents. In determining eligibility income for receiving tax forgiveness, various types of income not considered taxable for PA-40 purposes must be included, such as alimony, gifts, awards, and prizes, and nontaxable interest and dividends. For an unmarried individual with no dependents, the eligibility income for receiving 100% tax forgiveness may not exceed \$6,500; for a married couple, this amount doubles to \$13,000. For each dependent, the eligibility income to receive 100% tax forgiveness increases by \$9,500.

Additionally, an individual may receive partial tax forgiveness; the percentage of tax forgiveness for which one is eligible is phased out by 10% for each \$250 the taxpayer is above the threshold. For example, married claimants with two dependents will receive full tax forgiveness if their eligibility income does not exceed \$32,000, but at \$34,250, the same claimants would receive 10% tax forgiveness. Claimants may not be a dependent of another person, using the federal definition of a dependent in section 151 of the Internal Revenue Code.

When tax forgiveness legislation was first passed in 1974, just \$26.1 million was awarded to 685,706 claimants. The parameters of the provision have been altered ten times since 1987 to keep up with rising compensation and unearned income. Current parameters have been the same since tax year 2004. Table 1 shows historical tax forgiveness participation and total tax forgiven.¹

Table 1. Historical Tax Forgiveness (SP) Figures

Tax Year	Number of SP Returns	Tax Forgiveness (\$millions)
1998	1,189,154	201.4
1999	1,221,122	215.7
2000	1,247,856	241.4
2001	1,324,901	272.8
2002	1,374,134	284.1
2003	1,377,185	284.4
2004	1,354,894	322.3
2005	1,334,905	320.3
2006	1,286,696	312.1
2007	1,298,565	312.3

¹ Estimates in this study are derived from Pennsylvania personal income tax data and federal return data. In the absence of tax law changes, it is estimated that total tax forgiveness benefits will decline by 3% per year due to inflation.

Areas of Interest

In this study, the following issues related to the special tax provision for poverty expenditure will be explored:

- How does the Pennsylvania tax forgiveness program compare to similar programs in other states?
- How do the tax forgiveness parameters compare to the federal poverty guidelines?
- What are the characteristics of the average tax forgiveness claimant?
- How do seniors benefit from tax forgiveness?
- How frequently do tax forgiveness recipients move in and out of eligibility?
- What is the effect of the phase out range of tax forgiveness eligibility?

Comparison to Other States

State personal income tax systems vary widely, though many states follow the federal system, allowing a standard deduction and a personal exemption for each taxpayer. Pennsylvania's original personal income tax provisions enacted as part of the Act of March 4, 1971 sought to piggyback on the federal system, imposing a flat state tax on federal taxable income. However, in *Amidon v. Kane*, the Pennsylvania Supreme Court held that this tax violated the Uniformity Clause of the Pennsylvania Constitution. The exclusions, deductions, and exemptions used to calculate federal taxable income and derive Pennsylvania tax resulted in different effective rates for taxpayers with equal gross incomes. As a result of the *Amidon* decision, a new personal income tax law was enacted.

Although deductions and exemptions are disallowed in Pennsylvania, tax provisions for special tax relief for low-income taxpayers are permissible because of a 1968 Constitutional amendment authorizing the Pennsylvania General Assembly to establish low-income taxpayers as a separate class for taxation purposes. Tax forgiveness differs from many states' income tax provisions by eliminating some or all tax below a certain income amount, so that only those taxpayers determined to be in poverty are eligible for the benefit. In contrast, a personal exemption would be available to all taxpayers.

However, twenty-three states and the District of Columbia have instituted a state credit mirroring the federal Earned Income Tax Credit (EITC), which is more comparable to Pennsylvania's tax forgiveness program than a personal exemption or standard deduction. State EITCs typically are set at a fixed percentage of the federal credit. Filers simply multiply that percentage, which ranges from 3.5% to 50%, depending on the state, by the amount of their federal EITC to determine the amount of their state EITC. In most EITC states, the credit is refundable, which means that the taxpayer receives a check for the difference between the full amount of the state EITC and state income taxes owed. No other state has adopted a formula similar to Pennsylvania's tax forgiveness program.

Comparison to Federal Poverty Guidelines

Federal poverty guidelines are used in determining financial eligibility for certain federal programs such as Head Start, the Low-Income Home Energy Assistance Program, and the Children's Health Insurance Program. The guidelines are not utilized in determining EITC eligibility. Federal poverty guidelines are adjusted annually using the Consumer Price Index for All Urban Consumers. Unlike Pennsylvania's tax forgiveness program, which differentiates between adults and dependents in determining eligibility income, federal poverty guidelines use total household size. The table below compares tax forgiveness eligibility incomes to 2009 federal poverty guidelines for several family types.

Table 2. Comparison of Tax Forgiveness Eligibility Income and Federal Poverty Guidelines

Filing Status	100% SP Level (\$)	Federal Poverty Guideline (\$)
Single	6,500	10,830
Single with 1 Dependent	16,000	14,570
Married	13,000	14,570
Married with 1 Dependent	22,500	18,310
Married with 2 Dependents	32,000	22,050
Married with 3 Dependents	41,500	25,790
Married with 4 Dependents	51,000	29,530

General Fund Tax Expenditure – Special Study

While the maximum eligibility income for single people and married couples without dependents is less than the federal poverty guidelines, families with children may receive tax forgiveness in Pennsylvania at income levels well above the federal poverty guidelines.

The Average Tax Forgiveness Claimant

While limited demographic information is available on a tax return, based on information that can be derived from analysis of return and income data, some general statements may be made about a tax forgiveness claimant.

The average claimant has \$8,794 in PA taxable income and receives \$244 in tax forgiveness. The table below shows the proportion of returns in each taxable income class that receives some level of tax forgiveness. Overall, nearly 22% of all returns receive tax forgiveness. However, when only returns with taxable income of less than \$15,000 are considered, the proportion jumps to nearly 48%. The percentage of tax forgiveness peaks in the \$7,000-\$8,999 range, while the number of claimants is largest in the \$1,000 to \$2,999 range.

The average claimant has \$18,103 of AGI, as compared to \$8,394 in PA taxable income. Adjusted gross income (AGI) for tax forgiveness claimants, as reported on a taxpayer's federal tax return, is also shown in Table 2. This disparity between PA taxable income and AGI is due mostly to federally taxable income components that are not taxable in PA. At the federal level, the average tax forgiveness claimant has \$5,121 in taxable pension, \$1,088 in taxable social security, and \$1,481 in taxable retirement distributions.

Table 3. Proportion of Returns with Tax Forgiveness by Taxable Income

Taxable Income Class	Total Count	Count with SP	Proportion with SP	Average AGI of SP Claimants (\$)
\$0 – \$999	456,471	201,235	44.1%	18,472
\$1,000 – \$2,999	405,583	207,289	51.1%	13,690
\$3,000 – \$4,999	313,004	167,752	53.6%	13,539
\$5,000 – \$6,999	257,219	151,839	59.0%	14,748
\$7,000 – \$8,999	215,241	127,853	59.4%	15,322
\$9,000 – \$10,999	186,058	59,861	32.2%	20,050
\$11,000 – \$12,999	171,259	60,421	35.3%	20,764
\$13,000 – \$14,999	158,517	56,562	35.7%	21,118
\$15,000 – \$16,999	151,559	41,342	27.3%	17,867
\$17,000 – \$18,999	145,915	33,095	22.7%	19,283
\$19,000 – \$21,999	213,626	37,172	17.4%	23,359
\$22,000 – \$24,999	204,869	37,069	18.1%	25,416
\$25,000 – \$29,999	315,283	39,584	12.6%	27,931
\$30,000 – \$34,999	278,366	26,373	9.5%	33,050
\$35,000 – \$39,999	243,751	11,805	4.8%	40,338
\$40,000 – \$49,999	404,470	12,007	3.0%	44,195
\$50,000 or MORE	1,713,206	4,497	0.3%	55,523
TOTAL	5,834,397	1,275,756	21.9%	\$18,103

More than 60% of all claimants report no dependents. Single claimants with no children comprise 37.1% of all claimants. The next largest category of tax forgiveness recipients at 19.0% is comprised of married claimants with no dependents. Regardless of filing status, claimants without dependents comprise 62.1% of all tax forgiveness recipients. Table 4 shows a breakdown of filing status by number of dependents.



Table 4. Filing Status by Number of Dependents

Filing Status by Number of Dependents	Count	Proportion
Married with 0 Dependents	242,481	19.0%
Married with 1 Dependents	40,567	3.2%
Married with 2 Dependents	61,401	4.8%
Married with 3 or More Dependents	64,692	5.1%
Single with 0 Dependents	473,053	37.1%
Single with 1 Dependents	133,680	10.5%
Single with 2 Dependents	129,298	10.1%
Single with 3 or More Dependents	39,735	3.1%
Other Filing Status	90,849	7.1%
TOTAL	1,275,756	100.0%

On average, tax forgiveness recipients receive a greater proportion of their income from compensation than from any other source. Approximately 76.3% of an average claimant's taxable income can be attributed to compensation while 23.7% is from unearned income. This income breakdown is similar to returns not receiving tax forgiveness where compensation comprise 76.5% of taxable income and the remainder is from unearned income.

However, when considering only those tax forgiveness claimants with less than \$15,000 in income, the composition of income shifts. Only 64.0% of taxable income is from compensation, with the remainder being from unearned income. This is more characteristic of senior households who may not work full time, but have income from interest, dividends, and capital gains. **The average age of a tax forgiveness claimant is 52.** The birthdays of the primary taxpayers as reported on their federal tax returns were used to determine the age of tax forgiveness claimants. About 13% of tax forgiveness claimants are less than 25 years old. Just over 8% of claimants are between 55 and 64 years old, while nearly 34% of claimants are 65 and over.

Seniors Receiving Tax Forgiveness

The following section analyzes tax forgiveness claimants who are aged 65 and over. Federal social security and 1099-R (retirement income) data were utilized to obtain a clearer picture of senior tax forgiveness recipients. The personal income tax is particularly generous to seniors, because social security, pension, and retirement income are not taxable in Pennsylvania, nor do these income streams count towards tax forgiveness eligibility income.

In tax year 2006, 427,999 senior claimants benefited from tax forgiveness. This means that 34% of all tax forgiveness claimants were seniors. In 2006, seniors had \$45.7 million in Pennsylvania personal income tax forgiven, 15% of total tax forgiven for that year. The average senior claimant had 88% of his/her tax forgiven. The average AGI of a senior claimant of \$22,521 is considerably higher than the overall average of \$18,103 for all tax forgiveness recipients. Table 5 shows averages of tax forgiveness, taxable income, federal AGI, and average effective tax rate by age of the primary taxpayer. The average effective tax rate is calculated as average tax after tax forgiveness divided by average taxable income.

Table 5. Seniors Receiving Tax Forgiveness by Age Group

Age Group	Return Count	Average Tax Forgiveness (\$)	Average PA Taxable Income (\$)	Average AGI (\$)	Average Interest & Dividends (\$)	Average Effective Tax Rate
65-69	86,679	129	4,772	29,446	1,624	0.37%
70-74	95,348	115	4,199	26,611	1,999	0.34%
75-79	100,134	103	3,766	22,130	2,420	0.33%
80-84	81,477	94	3,447	17,705	2,655	0.36%
85 & over	64,361	88	3,303	13,840	2,861	0.41%
TOTAL	427,999	\$107	\$3,936	\$22,521	\$2,276	0.36%

General Fund Tax Expenditure – Special Study

The income distribution of senior tax forgiveness recipients is unlike the general tax forgiveness population. Compensation makes up less than 30% of total income for seniors, and interest and dividends make up nearly 58% of total taxable income. Other income, which includes the sale or exchange of property, makes up about 9% of a senior's income. These figures are consistent with the retired status of many seniors. Seniors may also rely on other income which is not taxable for PA purposes, such as social security and pension income.

Table 6 distributes tax forgiveness according to retirement distributions as reported on federal form 1099-R. Of those seniors receiving retirement distributions, the average tax forgiveness amount is \$105, compared to \$124 for those seniors not receiving retirement distributions. This may be because those not receiving retirement income are still working and therefore have more taxable income on which to receive tax forgiveness. More than 8,000 senior claimants receive large retirement distributions averaging over \$185,000 annually, yet still qualify for tax forgiveness.

Table 6. Tax Forgiveness by Retirement Distributions

Retirement Distribution Class	Return Count	Average Tax Forgiveness (\$)	Average Retirement Distribution (\$)	Average PA Taxable Income (\$)
\$0	44,249	124	0	4,696
\$1-\$1,000	14,844	102	526	3,853
\$1,001-\$5,000	65,681	98	2,927	3,695
\$5,001-\$10,000	73,693	100	7,462	3,668
\$10,001-\$15,000	58,535	100	12,382	3,635
\$15,001-\$20,000	42,425	102	17,364	3,690
\$20,001-\$30,000	54,268	107	24,501	3,887
\$30,001-\$40,000	28,374	115	34,478	4,166
\$40,001-\$50,000	15,390	119	44,533	4,338
\$50,001-\$75,000	16,541	124	60,198	4,535
\$75,001-\$100,000	5,877	127	85,587	4,709
\$100,001 or MORE	8,122	129	185,348	4,764
TOTAL	427,999	\$107	\$19,179	\$3,936

Social Security data of senior tax forgiveness claimants were also analyzed. Nearly 99% of senior tax forgiveness claimants receive Social Security, though tax forgiveness amounts average more for those who do not. It is possible those not receiving Social Security are still working, generating more tax forgiveness. Average effective tax rates are similar for both groups.

Movement of Tax Forgiveness Claimants

This section of the special study examines the prevalence of claimants who are repeat tax forgiveness recipients. Tax return data from 2001 through 2006 indicate that recurring tax forgiveness claimants have a lower average effective tax rate than first-year recipients. However, a majority of 2006 claimants received tax forgiveness before. The data displayed in Table 7 show that about 19% of 2006 recipients had not received tax forgiveness in any of the previous five tax years. Conversely, nearly 28% of 2006 tax forgiveness claimants received tax forgiveness every year from 2001 through 2006. Thus there is a substantial amount of turnover in the tax forgiveness population.

The relatively high effective tax rate for first-time tax forgiveness recipients in 2006 indicates that more of these claimants are receiving partial tax forgiveness than claimants who receive tax forgiveness in multiple years. Taxpayers with less than 100% tax forgiveness generally have a higher effective tax rate. It should be noted that tax forgiveness parameters changed in 2001, 2002, and 2004, each time increasing the dependent allowance.



Table 7. 2006 Tax Forgiveness Recipient History

Years as Claimant	2006 Count	Proportion of 2006 SP Claimants	Average SP 2006 (\$)	Average Taxable Income 2006 (\$)	Average Effective Tax Rate 2006
2006 Only	243,424	19.1%	195	7,415	0.44%
2005-2006	111,950	8.8%	240	8,783	0.33%
2004-2006	74,600	5.8%	268	9,616	0.28%
2003-2006	64,929	5.1%	278	9,901	0.26%
2002-2006	74,123	5.8%	282	9,976	0.24%
2001-2006	352,996	27.7%	255	8,789	0.17%
Nonconsecutive Years	353,734	27.7%	249	9,126	0.34%

In addition to showing claimants that receive tax forgiveness year after year, the above table offers data on claimants who receive tax forgiveness in nonconsecutive tax years. Some 2006 tax forgiveness recipients move in and out of eligibility. However, averages for tax forgiveness, taxable income, and effective tax rate are similar among claimants regardless of the length of time between years in which a taxpayer receives tax forgiveness. This may indicate that those that fall in and out of the program may have inconsistent employment or income streams.

The Phase Out Range

While the claimant allowance or the dependent allowance has been periodically increased over the years, the phase out range was last modified in 1998 to nine steps of \$250 each. As a result, claimants with rising eligibility income move from 100% forgiveness to 0% forgiveness over an income range of \$2,250.

In comparison to other programs aimed at aiding low-income families, Pennsylvania's tax forgiveness program has a steep phase out range. The phase out range of the Earned Income Tax Credit (EITC), the federal program aimed at alleviating the tax burden on low-income working individuals, is much less abrupt. For tax year 2008, married taxpayers with two children and eligibility income between \$12,050 and \$18,750 receive the maximum EITC credit of \$4,824. However, a family of four can have income up to \$41,645 and still receive a small credit under the federal program. The credit is phased out over \$22,895 in income, compared to Pennsylvania's total phase out amount of \$2,250.

The Pharmaceutical Assistance Contract for the Elderly (PACE) and the PACE Needs Enhancement Tier (PACENET), which offer comprehensive prescription coverage to older Pennsylvanians, are also income based programs. Though there is no true phase out range, the program has two tiers of benefits. PACE is for single individuals with \$14,500 or less in total income, or married couples with total combined income of \$17,700 or less. PACENET is for single individuals with income between \$14,500 and \$23,500 and couples with income between \$17,700 and \$31,500. PACENET beneficiaries pay slightly more for prescription drugs and may have to pay a nominal deductible each month. While a married couple with \$17,700 or less receives the most prescription coverage, a couple can make up to \$31,500 and still receive benefits. This income difference for couples is \$13,800, far more than the phase out range for tax forgiveness.

Under current tax forgiveness parameters, a family of four with \$32,000 in eligibility income pays no income tax. A family of four with \$34,251 in taxable income just misses receiving tax forgiveness and pays \$1,052 in taxes. The marginal tax rate on that additional \$2,251 (the income amount by which the family exceeded 100% tax forgiveness) is therefore 47% within this narrow income range.

As one alternative, consider a scenario where the phase out range is increased to \$500. A family of four with \$32,000 still receives 100% tax forgiveness and pays no tax, and the family of four with \$34,251 in taxable income receives 50% tax forgiveness and has a marginal tax rate just over 23%. A family of four with \$37,001 falls just out of the tax forgiveness limits and owes \$1,136 in tax. The marginal tax rate on the additional \$5,001 in income falls just under 23%. By increasing the phase out range, the effects of inflation since 1998 are lessened and the marginal tax rate is reduced.

General Fund Tax Expenditure – Special Study

Table 8 shows the impact of increasing the phase out range from \$250 to \$500. Married claimants with two children and \$36,500 in eligibility income would still receive 10% tax forgiveness. By increasing the phase out range to \$500, about 360,000 claimants would benefit in 2009 by paying less tax, including 177,000 who previously did not receive any tax forgiveness. The tax year 2009 cost of implementing this phase out range is estimated at \$8.7 million.

Table 8. Returns Benefiting from Increasing Phase Out Range to \$500

Return Type	Returns Benefiting	Average Taxable Income (\$)	Average SP Increase (\$)	Cost (\$)	Effective Tax Rate - Current SP	Effective Tax Rate - New SP
Single 0 Dependents	233,589	8,229	74	3,686,879	2.36%	2.17%
Single 1 Dependent	31,953	17,749	145	1,044,893	2.44%	2.25%
Single 2 Dependents	17,128	26,890	221	641,141	2.39%	2.25%
Single 3 or More	2,706	37,424	309	836,870	2.39%	1.57%
Married 0 Dependents	43,911	14,804	120	1,017,176	2.42%	2.26%
Married 1 Dependent	9,967	24,054	197	448,124	2.44%	2.25%
Married 2 Dependents	12,477	33,294	274	841,970	2.45%	2.25%
Married 3 or More	8,521	46,434	378	3,223,032	2.48%	1.66%
TOTAL	360,251	\$13,191	\$112	\$8,711,811	2.40%	2.22%



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Commonwealth of Pennsylvania

Governor's Executive Budget

DEPARTMENT PRESENTATIONS

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GOVERNOR'S OFFICE

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



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Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2008-09 ACTUAL	2009-10 AVAILABLE	2010-11 BUDGET
<u>GENERAL FUND:</u>			
<i>General Government:</i>			
Governor's Office.....	\$ 7,293	\$ 6,900	\$ 6,831



Program Funding Summary

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
EXECUTIVE DIRECTION							
GENERAL FUND.....	\$ 7,293	\$ 6,900	\$ 6,831	\$ 6,831	\$ 6,831	\$ 6,831	\$ 6,831
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
SUBCATEGORY TOTAL.....	\$ 7,293	\$ 6,900	\$ 6,831	\$ 6,831	\$ 6,831	\$ 6,831	\$ 6,831
ALL PROGRAMS:							
GENERAL FUND.....	\$ 7,293	\$ 6,900	\$ 6,831	\$ 6,831	\$ 6,831	\$ 6,831	\$ 6,831
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
DEPARTMENT TOTAL.....	\$ 7,293	\$ 6,900	\$ 6,831	\$ 6,831	\$ 6,831	\$ 6,831	\$ 6,831

PROGRAM OBJECTIVE: To provide an effective administrative system through which the substantive program goals of the commonwealth can be accomplished.

Program: Executive Direction

The Pennsylvania Constitution vests the executive authority of the commonwealth in the Governor. It is the duty of the Governor to ensure that the laws of the commonwealth are faithfully executed. The Governor also oversees the publication of public information including bulletins of the work of state government. The Governor submits an annual budget to the General Assembly and performs all other functions required of this office as delegated by the State Constitution and in law.

This program also provides for the Governor's Residence. The Residence is used for state functions and to provide a domicile for the Governor and the First Family. The expenses for official functions, as well as those essential to managing a household, are paid from the Governor's Office appropriation. The maintenance of the Residence is primarily the responsibility of the Department of General Services. Equipment, supplies (except food) and housekeeping services are provided by the department.

Program Recommendations:

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

GENERAL FUND
Governor's Office
 \$ -69 —nonrecurring 2009-10 budgetary freeze amount.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
GENERAL FUND:							
Governor's Office	\$ 7,293	\$ 6,900	\$ 6,831	\$ 6,831	\$ 6,831	\$ 6,831	\$ 6,831



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EXECUTIVE OFFICES

To assist the Governor in the administration of state government, the Office of Administration performs the duties of a central management agency and coordinates through the Office of Information Technology the commonwealth's information technology strategies. The Office of the Budget performs the duties of a central financial management agency, prepares the annual Governor's Budget and Five Year Financial Plan based upon the Governor's priorities and analysis of program effectiveness, and provides comptroller services for the maintenance and management of all agency accounts in the commonwealth.

The Office of General Counsel provides legal counsel in matters affecting the operation of state agencies. The Juvenile Court Judges Commission provides technical and financial assistance to the juvenile probation staffs of the county courts. The Inspector General investigates suspected improper use of state resources and investigates and recovers funds disbursed as a result of fraud or overpayment of welfare benefits. The Commission on Crime and Delinquency provides the planning and technical assistance for the improvement of the criminal justice system as well as financial assistance to relieve the financial hardship of individuals who have been victimized by criminal acts.

The Human Relations Commission, the Commission for Women, the African American Affairs Commission, the Latino Affairs Commission and the Asian American Affairs Commission promote equal opportunities for all people in employment, housing, public accommodations and education.

The Governor's Advisory Council on Rural Affairs works to promote rural development in Pennsylvania. The Council on the Arts provides for encouragement and development of the arts in Pennsylvania. The Public Employee Retirement Commission monitors public employee retirement plans to assure their actuarial viability. The Office of Health Care Reform works to improve accessibility, affordability and quality of health and long-term living services in Pennsylvania.

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Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

GENERAL FUND:

General Government:

	2008-09 ACTUAL	2009-10 AVAILABLE	2010-11 BUDGET
Office of Administration	\$ 10,187	\$ 9,566	\$ 9,470
(A)Benefit Administration.....	300	400	400
(A)Classification and Pay Services.....	2,888	2,888	2,888
(A)Workplace Support Division (SEAP).....	2,519	2,539	2,627
(A)Temporary Clerical Pool.....	3,758	3,766	4,091
(A)Office of Strategic Services.....	2,573	2,408	2,403
(A)Executive Board/Directives Management.....	316	300	316
(A)CDL Drug and Alcohol Testing.....	206	300	240
(A)Labor Relations.....	1,600	1,100	3,000
(A)Managing for Government Responsiveness Training.....	90	325	325
(A)Group Life Insurance Program Commissions.....	88	88	88
(A)Leadership Development Institute.....	62	62	67
(A)HR Shared Services Center.....	0	3,930	6,774
Subtotal.....	<u>\$ 24,587</u>	<u>\$ 27,672</u>	<u>\$ 32,689</u>

Unemployment Compensation and Transition Costs	0	2,750	2,000
Medicare Part B Penalties	487	375	366

Commonwealth Technology Services	56,911	45,286	44,833
(F)ARRA - Broadband Technology Opportunities.....	0	291,000	291,000
(F)Centralized Records Management System.....	0	302	0
(F)Electronic Cancer Registry (EA).....	10	0	0
(F)JAG - Electronic Reporting (EA).....	200	0	0
(F)Juvenile Tracking System Development (EA).....	169	0	0
(F)ARRA - Broadband Technology Opportunities - Admin.....	0	9,000	9,000
(F)Electronic Reporting II - Rollout.....	150	150	0
(F)ARRA - Broadband Technology Opportunities - Mapping.....	0	4,500	4,500
(F)Electronic Reporting Probation and Parole (EA).....	281	0	0
(A)Integrated Enterprise System.....	42,225	38,907	38,518
(A)Project Management Resources.....	2	50	50
Subtotal.....	<u>\$ 99,948</u>	<u>\$ 389,195</u>	<u>\$ 387,901</u>

Public Television Technology	3,631 a	1,500	1,000
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Statewide Public Safety Radio System	11,142	9,343	7,635
(F)Public Safety Radio Geospatial Application Project (EA).....	200	0	0
(F)Public Safety Interoperable Communications (EA).....	33,707	32,450	28,800
Subtotal.....	<u>\$ 45,049</u>	<u>\$ 41,793</u>	<u>\$ 36,435</u>

Office of Inspector General	2,982	2,681	2,654
(A)Reimbursements for Special Fund Investigations.....	1,111	1,111	1,111
Subtotal.....	<u>\$ 4,093</u>	<u>\$ 3,792</u>	<u>\$ 3,765</u>

Inspector General - Welfare Fraud	13,303	11,503	11,388
(F)TANFBG - Program Accountability.....	1,500	1,500	1,500
(F)Food Stamps - Program Accountability.....	5,575	7,000	7,000
(F)Medical Assistance - Program Accountability.....	3,425	4,200	4,200
(F)CCDFBG - Subsidized Day Care Fraud.....	383	1,000	1,000
Subtotal.....	<u>\$ 24,186</u>	<u>\$ 25,203</u>	<u>\$ 25,088</u>

Office of the Budget	30,859	29,230	28,938
(F)WIA - Program Accountability.....	305	354	355
(A)Support for Commonwealth Payroll Operations.....	7,856	7,115	6,319
(A)BOA - Single Audit.....	339	393	393
(A)Comptroller Single Audit.....	3,842	2,850	2,850
(A)Support for PLCB Comptroller's Office.....	7,068	5,919	5,919



Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2008-09 ACTUAL	2009-10 AVAILABLE	2010-11 BUDGET
(A)Support for Comptroller Services.....	16,355	16,357	16,357
(A)OAS Support Services.....	8	8	8
Subtotal.....	<u>\$ 66,632</u>	<u>\$ 62,226</u>	<u>\$ 61,139</u>
Audit of the Auditor General.....	99	0	0
Office of Health Care Reform.....	1,945 ^b	1,000	990
(F)Aging and Disability Resource Center.....	135	0	0
(F)Real Choice - Housing Integration.....	190	0	0
Subtotal.....	<u>\$ 2,270</u>	<u>\$ 1,000</u>	<u>\$ 990</u>
Rx for PA - Chronic Care Management.....	2,077	1,167	1,155
Rx for PA - Health Information Exchange.....	51	1,000	990
(F)ARRA - Health Information Technology.....	0	6,815	18,000
Office of General Counsel.....	4,446	4,005	3,965
(A)CLE Registration Fees.....	128	64	64
Subtotal.....	<u>\$ 4,574</u>	<u>\$ 4,069</u>	<u>\$ 4,029</u>
Governor's Advisory Council on Rural Affairs.....	213	160	160
Human Relations Commission.....	10,623	10,262	10,159
(F)EEOC - Special Project Grant.....	2,000	2,000	2,000
(F)HUD - Special Project Grant.....	1,500	1,500	1,500
(A)Miscellaneous Revenues.....	14	25	25
Subtotal.....	<u>\$ 14,137</u>	<u>\$ 13,787</u>	<u>\$ 13,684</u>
Latino Affairs Commission.....	248	184	182
African American Affairs Commission.....	333	248	246
Asian American Affairs Commission.....	226	168	166
Council on the Arts.....	1,245	992	982
(F)NEA - Grants to the Arts - Administration.....	280	360	360
Subtotal.....	<u>\$ 1,525</u>	<u>\$ 1,352</u>	<u>\$ 1,342</u>
Commission for Women.....	325	238	253
Subtotal.....	<u>\$ 325</u>	<u>\$ 238</u>	<u>\$ 253</u>
Juvenile Court Judges Commission.....	2,462	2,320	2,423
(F)ARRA - Juvenile Delinquent Records Improvement (EA).....	0	139	0
Subtotal.....	<u>\$ 0</u>	<u>\$ 139</u>	<u>\$ 0</u>
Public Employee Retirement Commission.....	697	692	750
Commission on Crime and Delinquency.....	4,558	3,534	3,499
(F)Plan for Juvenile Justice.....	268	268	268
(F)DCSI - Program Grants.....	18,000	10,000	100
(F)Justice Assistance Grants.....	30,000	30,000	30,000
(F)ARRA - Justice Assistance Grants.....	0	30,000	30,000
(F)Justice Assistance Grants - Administration.....	1,391	1,239	1,239
(F)ARRA - Justice Assistance Grants - Administration.....	0	2,500	2,500
(F)ARRA - Justice Assistance Grants Competitive.....	0	0	0
(F)ARRA - Justice Assistance Grants Admin Competitive.....	0	0	0
(F)DCSI - Criminal History Records.....	10	10	0
(F)Juvenile Justice - Title V.....	750	700	700
(F)Juvenile Justice - Title V - Administration.....	10	0	0
(F)Statistical Analysis Center.....	150	150	150
(F)Criminal Identification Technology.....	3,200	3,000	3,000
(F)Crime Victims Compensation Services.....	5,134	5,073	7,500
(F)ARRA - Crime Victims Compensation Services.....	0	2,000	100
(F)ARRA - Crime Victims Compensation Services - Administration.....	0	100	100



Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2008-09 ACTUAL	2009-10 AVAILABLE	2010-11 BUDGET
(F)Crime Victims Assistance.....	20,000	20,000	20,000
(F)ARRA - Crime Victims Assistance.....	0	2,000	1,400
(F)Violence Against Women.....	5,500	5,500	5,500
(F)ARRA - Violence Against Women.....	0	5,000	5,000
(F)Violence Against Women - Administration.....	187	196	300
(F)ARRA - Violence Against Women - Administration.....	0	500	500
(F)Residential Substance Abuse Treatment Program.....	2,000	2,000	2,000
(F)DFSC - Special Programs.....	4,500	4,500	4,500
(F)Crime Victims Assistance (VOCA) - Admin/Operations.....	1,094	1,094	1,094
(F)ARRA - Crime Victims Assistance (VOCA) - Admin/Operations.....	0	100	0
(F)Assault Services Program.....	0	1,500	2,000
(F)Incentive Grants Program.....	0	1,000	1,000
(F)Second Chance Act- Reentry.....	0	750	750
(F)Second Chance Act - Mentoring.....	0	625	625
(F)Juvenile Accountability Incentive Program.....	5,000	5,000	5,000
(F)Juvenile Accountability Incentive Program - Administration.....	100	76	119
(F)Combat Underage Drinking Program.....	800	800	800
(F)Pennsylvanians Against Underage Drinking.....	500	500	500
(F)Juvenile Justice and Delinquency Prevention.....	4,500	4,500	4,500
(F)Project Safe Neighborhoods.....	2,200	2,200	2,200
(F)Forensic Science Program.....	710	710	1,000
(F)Victims' Rights Compliance Project.....	200	200	0
(F)Protection Orders.....	1,000	1,000	1,500
(F)Statewide Automated Victim Information Notification.....	2,000	2,000	2,000
(F)Byrne Discretionary Grant Program.....	10,000	10,000	10,000
(F)Byrne National Initiatives.....	1,000	1,000	0
(F)Nickel Mine Shooting First Responders.....	70	0	0
(F)High-Risk Youth Offender Reentry.....	1,000	1,000	1,000
(F)Youth Offender Reentry.....	0	1,700	1,700
(F)Pittsburgh Shooting Response.....	0	100	100
(F)Justice and Mental Health Collaboration.....	250	250	250
(F)NICS Act Record Improvement Program.....	0	2,000	2,000
(F)Adam Walsh Act Implementation.....	300	300	0
(F)Pennsylvania Capital Litigation Training Program.....	0	250	250
(F)Youth Promise Act.....	0	0	1,000
(A)PCCD - Special Projects.....	2	3	3
(A)Center of Excellence.....	0	1,000	0
(A)Police on Patrol.....	375	0	0
Subtotal.....	<u>\$ 126,759</u>	<u>\$ 167,928</u>	<u>\$ 157,747</u>
Victims of Juvenile Crime.....	3,358	1,798	798
Evidence-Based Prevention and Intervention.....	4,661	1,696	696
(A)Resource Center.....	774	774	0
Subtotal.....	<u>\$ 5,435</u>	<u>\$ 2,470</u>	<u>\$ 696</u>
Weed and Seed Program.....	3,020	1,153	450
(F)Office of Homeland Security (EA).....	1,350	750	673
Subtotal - State Funds.....	\$ 170,089	\$ 142,851	\$ 136,148
Subtotal - Federal Funds.....	173,184	526,411	524,133
Subtotal - Augmentations.....	94,499	92,682	94,836
Total - General Government.....	<u>\$ 437,772</u>	<u>\$ 761,944</u>	<u>\$ 755,117</u>
Grants and Subsidies:			
Intermediate Punishment Programs.....	\$ 3,375	\$ 3,375	\$ 3,000
Intermediate Punishment Drug and Alcohol Treatment.....	16,484	16,484	16,000
Drug Education and Law Enforcement.....	925	0	0
Research-Based Violence Prevention.....	3,977	1,500	500



Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2008-09 ACTUAL	2009-10 AVAILABLE	2010-11 BUDGET
Violence Reduction	604	250	0
Police on Patrol	9,600	0	0
Improvement of Juvenile Probation Services	5,574	5,550	5,495
Specialized Probation Services	12,976	12,976	12,846
Public Television Station Grants	7,630 f	1,000	0
Law Enforcement Activities	5,584	6,000	0
Safe Neighborhoods	2,903	400	0
Grants to the Arts	14,578	11,000	10,000
(F)NEA - Grants to the Arts.....	677	677	677
(F)ARRA - NEA - Grants to the Arts.....	0	400	0
Cultural Preservation Assistance	0	3,100	0
Subtotal - State Funds.....	\$ 84,210	\$ 61,635	\$ 47,841
Subtotal - Federal Funds.....	677	1,077	677
Total - Grants and Subsidies.....	<u>\$ 84,887</u>	<u>\$ 62,712</u>	<u>\$ 48,518</u>
STATE FUNDS.....	\$ 254,299	\$ 204,486	\$ 183,989
FEDERAL FUNDS.....	173,861	527,488	524,810
AUGMENTATIONS.....	94,499	92,682	94,836
GENERAL FUND TOTAL	<u>\$ 522,659</u>	<u>\$ 824,656</u>	<u>\$ 803,635</u>
MOTOR LICENSE FUND:			
<i>General Government:</i>			
Office of the Budget	\$ 6,195	\$ 5,827	\$ 5,885
(A)Reimbursement for Comptroller Services.....	306	441	441
Subtotal.....	<u>\$ 6,501</u>	<u>\$ 6,268</u>	<u>\$ 6,326</u>
Statewide Public Safety Radio System	15,439	14,757	16,224
Commonwealth Technology Services	0	2,446	2,553
Subtotal.....	<u>\$ 0</u>	<u>\$ 2,446</u>	<u>\$ 2,553</u>
Subtotal - State Funds.....	\$ 21,634	\$ 23,030	\$ 24,662
Subtotal - Augmentations.....	306	441	441
Total - General Government.....	<u>\$ 21,940</u>	<u>\$ 23,471</u>	<u>\$ 25,103</u>
STATE FUNDS.....	\$ 21,634	\$ 23,030	\$ 24,662
AUGMENTATIONS.....	306	441	441
MOTOR LICENSE FUND TOTAL	<u>\$ 21,940</u>	<u>\$ 23,471</u>	<u>\$ 25,103</u>
OTHER FUNDS:			
GENERAL FUND:			
Victim/Witness Services.....	\$ 9,456	\$ 8,483	\$ 9,456
Crime Victims Reimbursements.....	10,952	10,971	11,032
Constables Education and Training Account.....	2,671	2,388	2,938
Deputy Sheriffs Education and Training Account.....	5,191	4,309	6,385
Drug Abuse Resistance Education.....	7	9	0
Firearms License to Carry Modernization Account.....	0	1,728	407
GENERAL FUND TOTAL	<u>\$ 28,277</u>	<u>\$ 27,888</u>	<u>\$ 30,218</u>



Summary by Fund and Appropriation

SUBSTANCE ABUSE EDUCATION AND DEMAND REDUCTION FUND:			
Substance Abuse Education & Demand Reduction Programs.....	\$ 6,350	\$ 6,350	\$ 6,350
Substance Abuse Education & Demand Reduction - Admin.....	150	150	150
SUBSTANCE ABUSE EDUCATION AND DEMAND REDUCTION FUND TOTAL....	\$ 6,500	\$ 6,500	\$ 6,500
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 254,299	\$ 204,486	\$ 183,989
SPECIAL FUNDS.....	21,634	23,030	24,662
FEDERAL FUNDS.....	173,861	527,488	524,810
AUGMENTATIONS.....	94,805	93,123	95,277
OTHER FUNDS.....	34,777	34,388	36,718
TOTAL ALL FUNDS.....	\$ 579,376	\$ 882,515	\$ 865,456

^a Appropriated as \$3,420,000 for General Government Operations and \$211,000 for Broadcast Standards and Datacasting Upgrade in Public Television Network.

^b Appropriated as \$1,361,000 for Office of Health Care Reform and \$660,000 for Rx for PA - Plan Implementation.

^c Appropriated as \$60,000,000. Amount shown is the best current estimate of the amount available for 2009-10.

^d Appropriated as \$10,000,000. The department received notification that federal funding was not awarded.

^e Appropriated as \$1,000,000. The department received notification that federal funding was not awarded.

^f Appropriated as \$7,630,000 for Public Television Grants in Public Television Network.



Program Funding Summary

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
EXECUTIVE DIRECTION							
GENERAL FUND.....	\$ 147,798	\$ 123,253	\$ 112,329	\$ 110,428	\$ 110,329	\$ 110,329	\$ 110,428
SPECIAL FUNDS.....	21,634	23,030	24,662	24,662	24,662	24,662	24,662
FEDERAL FUNDS.....	47,580	359,021	366,028	43,528	43,528	43,528	43,528
OTHER FUNDS.....	93,512	91,257	95,185	93,185	93,185	95,185	93,185
SUBCATEGORY TOTAL.....	\$ 310,524	\$ 596,561	\$ 598,204	\$ 271,803	\$ 271,704	\$ 273,704	\$ 271,803
LEGAL SERVICES							
GENERAL FUND.....	\$ 4,446	\$ 4,005	\$ 3,965	\$ 3,965	\$ 3,965	\$ 3,965	\$ 3,965
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	128	64	64	64	64	64	64
SUBCATEGORY TOTAL.....	\$ 4,574	\$ 4,069	\$ 4,029	\$ 4,029	\$ 4,029	\$ 4,029	\$ 4,029
PREVENTION AND ELIMINATION OF DISCRIMINATORY PRACTICES							
GENERAL FUND.....	\$ 11,755	\$ 11,100	\$ 11,006	\$ 11,006	\$ 11,006	\$ 11,006	\$ 11,006
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	3,500	3,500	3,500	3,500	3,500	3,500	3,500
OTHER FUNDS.....	14	25	25	25	25	25	25
SUBCATEGORY TOTAL.....	\$ 15,269	\$ 14,625	\$ 14,531	\$ 14,531	\$ 14,531	\$ 14,531	\$ 14,531
DEVELOPMENT OF ARTISTS AND AUDIENCES							
GENERAL FUND.....	\$ 15,823	\$ 15,092	\$ 10,982	\$ 10,982	\$ 10,982	\$ 10,982	\$ 10,982
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	957	1,437	1,037	1,037	1,037	1,037	1,037
OTHER FUNDS.....	0	0	0	0	0	0	0
SUBCATEGORY TOTAL.....	\$ 16,780	\$ 16,529	\$ 12,019	\$ 12,019	\$ 12,019	\$ 12,019	\$ 12,019
CRIMINAL AND JUVENILE JUSTICE PLANNING AND COORDINATION							
GENERAL FUND.....	\$ 53,465	\$ 30,190	\$ 24,943	\$ 24,943	\$ 24,943	\$ 24,943	\$ 24,943
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	121,824	163,391	154,245	146,745	144,945	112,445	112,445
OTHER FUNDS.....	35,928	36,165	36,721	36,721	36,721	36,721	36,721
SUBCATEGORY TOTAL.....	\$ 211,217	\$ 229,746	\$ 215,909	\$ 208,409	\$ 206,609	\$ 174,109	\$ 174,109
REINTEGRATION OF JUVENILE DELINQUENTS							
GENERAL FUND.....	\$ 21,012	\$ 20,846	\$ 20,764	\$ 20,764	\$ 20,764	\$ 20,764	\$ 20,764
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	139	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
SUBCATEGORY TOTAL.....	\$ 21,012	\$ 20,985	\$ 20,764	\$ 20,764	\$ 20,764	\$ 20,764	\$ 20,764



Program Funding Summary

	(Dollar Amounts in Thousands)							
	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	
ALL PROGRAMS:								
GENERAL FUND.....	\$ 254,299	\$ 204,486	\$ 183,989	\$ 182,088	\$ 181,989	\$ 181,989	\$ 182,088	
SPECIAL FUNDS.....	21,634	23,030	24,662	24,662	24,662	24,662	24,662	
FEDERAL FUNDS.....	173,861	527,488	524,810	194,810	193,010	160,510	160,510	
OTHER FUNDS.....	129,582	127,511	131,995	129,995	129,995	131,995	129,995	
DEPARTMENT TOTAL.....	<u>\$ 579,376</u>	<u>\$ 882,515</u>	<u>\$ 865,456</u>	<u>\$ 531,555</u>	<u>\$ 529,656</u>	<u>\$ 499,156</u>	<u>\$ 497,255</u>	

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

Program: Executive Direction

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

Program Element: Administration

The Office of Administration provides administrative support and policy direction of centralized human resource services to all agencies under the Governor's jurisdiction. The Office of Administration provides leadership in transformation of human resource business systems and processes through implementation of the Enterprise Resource Planning initiative, Integrated Enterprise System (IES). The Office of Administration sustains positive working relationships with unions, negotiating and administering collective bargaining agreements between the commonwealth and the various unions representing state employees under the provision of the Public Employee Relations Act of 1970, as well as administering the classification, salary and benefits structures for all employees. The Office of Administration maximizes performance through attracting, developing, training and retaining human resources. In 2010, the Office of Administration will open a new Human Resources Shared Services Center to consolidate transaction processing and generate operating efficiencies for agencies it serves. The Office of Administration also assures a diverse workforce and workplace free from discrimination by administering the commonwealth's Equal Employment Opportunity (EEO) policy and programs.

The Office of Administration also provides overall direction and support for the Governor's cost saving, revenue enhancement and customer service initiatives through the Office of Strategic Services and the Statewide Public Safety Radio System (a two-way wireless communications network for both voice and data, which includes a statewide web of radio towers and smaller cell sites linked together with fiber optics and microwave relays).

Program Element: Information Technology

The Office of Administration is responsible for developing and administering statewide policies and standards governing management and use of the commonwealth's information technology (IT) resources.

The Deputy Secretary for Information Technology/State Chief Information Officer (CIO) is responsible for developing and administering statewide policies and standards governing the management and use of the commonwealth's IT resources. The deputy oversees enterprise-wide initiatives such as enterprise computing,

shared services and Operation Secure Enterprise (OSE). OSE provides the intelligence and real-time monitoring necessary to safeguard the devices that manage and maintain commonwealth critical business resources and data.

A Communities of Practice (CoP) Deputy CIO monitors agency IT project performance, sets strategic direction, approves plans, addresses IT staff and budget issues and drives the CoP agencies toward consolidation, system integration and shared application and maintenance paradigms.

The Deputy CIO for the Health and Human Services Team supports agencies by providing project and contract management for selected projects. This deputy is responsible for identifying, supporting and furthering IT initiatives focused on health care cost containment such as Integrated Behavioral Health, electronic Health Records and Health Information Technology.

The Deputy CIO for Environment supports agencies within the Environmental CoP by providing project and contract management services. This CoP consists of agencies working to preserve and maintain Pennsylvania's natural resources and natural habitats, maintain cultural and historical resources, protect the environment, and promote travel, tourism and recreation. In addition, they are charged with upholding state and federal laws that protect our air, land and waterways.

The Deputy CIO for the Public Safety Team manages the Justice Network (JNET), a secure, virtual system for sharing justice information by authorized users at the federal, state, county and local levels. This team also supports public safety agencies such as the Pennsylvania State Police, the Department of Corrections and Pennsylvania Commission on Crime and Delinquency by providing project oversight and contract management for selected projects.

The Deputy CIO for General Government Operations team and agency members are responsible for developing a coordinated approach for grants management within the commonwealth enterprise and providing information technology services for the Governor's Office, the Office of the Budget and Department of General Services. This team is also responsible for exploring a variety of ways to increase revenues and taking a comprehensive look at the way licensing across agencies can be provided in a more economical, expedient and customer friendly manner.

The Integrated Enterprise System serves to maintain, improve and grow the Enterprise Resource Planning (ERP) system to accommodate the administrative and operational requirements of the commonwealth and to

Program: Executive Direction (continued)

promote standardization of business processes in an effective, efficient manner. The IES team works directly with business owner agencies (Office of the Budget, Comptroller Operations, Department of General Services and the Office of Administration) to refine business processes and system operating efficiencies. In addition, IES has supported the deployment of additional ERP modules like Plant Maintenance with the Pennsylvania Department of Transportation.

Program Element: Fraud Detection and Prevention

The purpose of the Office of Inspector General is to detect, deter and eradicate fraud and waste of state resources and misconduct by state employees; keep the Governor fully informed of problems and deficiencies in executive agencies; and help ensure that executive agencies operate efficiently, with integrity and in accordance with applicable laws and regulations. The Office of Inspector General is designed to maintain public confidence, integrity and efficiency in state government.

The Office of Inspector General's Welfare Fraud Investigations and Recovery Operation is responsible for conducting investigations into suspected welfare fraud and abuse as well as performing collection activities for welfare programs administered by the Department of Public Welfare. The collection activities involve the recovery of benefits provided due to clerical errors, omissions or inaccurate information supplied by applicants, and in the case of Medical Assistance, charges for services exceeding allowable amounts. In addition, the Office of Inspector General recovers the costs of benefits provided to recipients who are eligible for Supplemental Security Income, tort recoveries, unemployment compensation, workers' compensation and veterans' benefits.

Program Element: Commonwealth Budget and Accounting

The Office of the Budget assists the Governor in formulating fiscal policies and procedures and in preparing

the commonwealth budget for delivery to the General Assembly. The establishment of authorized complement levels for those agencies within the scope of authority of the Governor is the responsibility of the Office of the Budget. The office also prepares fiscal notes and reviews proposed regulations as mandated by Act 149 of 1978.

In addition, the Office of the Budget provides accounting, auditing and financial advisory and supportive services to all commonwealth agencies and is responsible for the publishing of the Comprehensive Annual Financial Report.

Program Element: Rural Development

The Governor's Advisory Council on Rural Affairs is responsible for the development and implementation of plans that integrate private expertise and federal, state and local government efforts for the promotion of rural development in Pennsylvania. The council's responsibilities include assessing Pennsylvania's rural development needs, identifying the state's various available resources and compiling and analyzing data to produce insights into rural development.

Program Element: Public Employee Pensions

The Public Employee Retirement Commission, in accordance with Act 66 of 1981, is mandated to provide actuarial analyses to the General Assembly and the Governor in conjunction with their consideration of public pension legislation and to study and advise on public employee pension policy. Under Act 293 of 1972, the commission reviews actuarial valuation reports filed by county employee retirement plans. Under Act 205 of 1984, the commission regulates and enforces the actuarial funding standards governing municipal pension plans and certifies the cost data utilized in allocating General Municipal Pension System State Aid.

Program Recommendations:

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

	GENERAL FUND			
	Office of Administration			Public Television Technology
\$	-96	—nonrecurring 2009-10 budgetary freeze amount.	\$	-500
				—nonrecurring 2009-10 budgetary freeze amount.
	Unemployment Compensation and Transition Costs			Statewide Public Safety Radio System
\$	-750	—reduction in unemployment compensation and transition costs.	\$	-300
				—nonrecurring 2009-10 budgetary freeze amount.
				-1,408
				—reduction in General Fund support to reflect revised funding allocation percentages.
	Medicare Part B Penalties		\$	-1,708
\$	-9	—to continue current program.		<i>Appropriation Decrease</i>
	Commonwealth Technology Services		\$	-27
\$	-453	—nonrecurring 2009-10 budgetary freeze amount.		Office of Inspector General
				—nonrecurring 2009-10 budgetary freeze amount.

Executive Offices

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

<p>Inspector General - Welfare Fraud \$ -115 —nonrecurring 2009-10 budgetary freeze amount.</p> <p>Office of the Budget \$ -292 —nonrecurring 2009-10 budgetary freeze amount.</p> <p>Office of Health Care Reform \$ -10 —nonrecurring 2009-10 budgetary freeze amount.</p> <p>Rx for PA - Chronic Care Management \$ -12 —nonrecurring 2009-10 budgetary freeze amount.</p> <p>Rx for PA - Health Information Exchange \$ -10 —nonrecurring 2009-10 budgetary freeze amount.</p> <p>Public Employee Retirement Commission \$ 58 —to continue current program.</p>	<p>Public Television Station Grants \$ -1,000 —nonrecurring projects.</p> <p>Law Enforcement Activities \$ -6,000 —nonrecurring projects.</p> <p>MOTOR LICENSE FUND Office of the Budget \$ 58 —to continue current program.</p> <p>Statewide Public Safety Radio System \$ 1,467 —increase in Motor License Fund support to reflect revised funding allocation percentages.</p> <p>Commonwealth Technology Services \$ 107 —to continue current program.</p>
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Governor's Advisory Council on Rural Affairs is recommended at the current year funding level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
GENERAL FUND:							
Office of Administration.....	\$ 10,187	\$ 9,566	\$ 9,470	\$ 9,470	\$ 9,470	\$ 9,470	\$ 9,470
Unemployment Compensation and Transition Costs.....	0	2,750	2,000	0	0	0	0
Medicare Part B Penalties.....	487	375	366	366	366	366	366
Commonwealth Technology Services.....	56,911	45,286	44,833	44,833	44,833	44,833	44,833
Public Television Technology.....	3,631	1,500	1,000	1,000	1,000	1,000	1,000
Statewide Public Safety Radio System	11,142	9,343	7,635	7,635	7,635	7,635	7,635
Office of Inspector General.....	2,982	2,681	2,654	2,654	2,654	2,654	2,654
Inspector General - Welfare Fraud.....	13,303	11,503	11,388	11,388	11,388	11,388	11,388
Office of the Budget.....	30,859	29,230	28,938	28,938	28,938	28,938	28,938
Audit of the Auditor General	99	0	0	99	0	0	99
Office of Health Care Reform	1,945	1,000	990	990	990	990	990
Rx for PA - Chronic Care Management	2,077	1,167	1,155	1,155	1,155	1,155	1,155
Rx for PA - Health Information Exchange..	51	1,000	990	990	990	990	990
Governor's Advisory Council on Rural Affairs.....	213	160	160	160	160	160	160
Public Employee Retirement Commission	697	692	750	750	750	750	750
Public Television Station Grants.....	7,630	1,000	0	0	0	0	0
Law Enforcement Activities.....	5,584	6,000	0	0	0	0	0
TOTAL GENERAL FUND	\$ 147,798	\$ 123,253	\$ 112,329	\$ 110,428	\$ 110,329	\$ 110,329	\$ 110,428
MOTOR LICENSE FUND:							
Office of the Budget.....	\$ 6,195	\$ 5,827	\$ 5,885	\$ 5,885	\$ 5,885	\$ 5,885	\$ 5,885
Statewide Public Safety Radio System	15,439	14,757	16,224	16,224	16,224	16,224	16,224
Commonwealth Technology Services.....	0	2,446	2,553	2,553	2,553	2,553	2,553
TOTAL MOTOR LICENSE FUND.....	\$ 21,634	\$ 23,030	\$ 24,662	\$ 24,662	\$ 24,662	\$ 24,662	\$ 24,662



PROGRAM OBJECTIVE: To ensure equal opportunities and participation for all individuals regardless of race, religion, color, creed, handicap or disability, ancestry, national origin, familial status, age or sex in all areas of employment, housing, credit, commercial property, public accommodations and education.

Program: Prevention and Elimination of Discriminatory Practices

The Human Relations Commission is responsible for identifying, preventing and eliminating illegal discriminatory practices as defined by the Pennsylvania Human Relations Act and the Pennsylvania Fair Educational Opportunities Act. The two principal methods used by the commission to secure compliance with the law are processing complaints of discrimination that might result in legal proceedings being initiated and providing technical assistance to organizations, businesses, governmental bodies and individuals to promote voluntary compliance. Processing formal complaints continues to be the major activity of the commission.

Substantial resources are also devoted to providing technical assistance to anyone who requests guidance in avoiding illegal discriminatory acts. The commission coordinates the state's response to racial and ethnic tensions and trains law enforcement officials and local government and community leaders on appropriate responses. The commission is also involved with major outreach programs to provide information to community leaders and public officials regarding the Pennsylvania Human Relations Act and its procedures.

The commission, in conjunction with the Pennsylvania Department of Education, is working with several urban school districts to improve the educational achievement of minority and disadvantaged students.

Federal funds are received for investigating complaints that are dual filed with the commission and with either the Equal Employment Opportunity Commission or the U.S. Department of Housing and Urban Development.

The commission's efforts to identify and remedy systemic discrimination continue in order to address the major problems of discrimination against whole classes of individuals. In addition, litigation remains a significant feature of the commission's workload.

The Latino Affairs Commission functions as an advocate for the Latino community. The commission advises the Governor on policies, procedures, legislation and regulations that impact the Latino community. The commission also assists Latino individuals in making the most of their talents and capabilities and works with local Latino communities in developing strategies and programs that enhance their social and economic status.

The African American Affairs Commission functions as the commonwealth's advocate for the African American community. The commission advises the Governor and legislative caucuses on policies, procedures, legislation and regulations that impact the African American community. The commission also provides information from state government directly to the African American community.

The Asian American Affairs Commission is an advocate agency for the Asian American residents of the commonwealth. It advises the Governor on policies, procedures, legislation and regulations that affect the growing Asian American community in Pennsylvania. The commission also serves as a resource to commonwealth departments and agencies on how to better serve the Asian American community.

The Commission for Women functions as the commonwealth's advocate for women and girls and is responsible for developing and implementing policies and programs that work to ensure equal opportunity. In addition to legislative advocacy, the commission monitors women's employment and educational needs, and promotes health care awareness and political participation. The commission's work includes the dissemination of information through its Web site and hotline, as well as the publication of periodicals and handbooks; news releases to press and broadcast media; and speeches to groups and media appearances.

Program: Prevention and Elimination of Discriminatory Practices (continued)

Program Recommendations:

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

\$	-103	Human Relations Commission —nonrecurring 2009-10 budgetary freeze amount.	\$	-2	Asian American Affairs Commission —nonrecurring 2009-10 budgetary freeze amount.
\$	-2	Latino Affairs Commission —nonrecurring 2009-10 budgetary freeze amount.	\$	15	Commission for Women —to continue current program.
\$	-2	African American Affairs Commission —nonrecurring 2009-10 budgetary freeze amount.			

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
GENERAL FUND:							
Human Relations Commission	\$ 10,623	\$ 10,262	\$ 10,159	\$ 10,159	\$ 10,159	\$ 10,159	\$ 10,159
Latino Affairs Commission	248	184	182	182	182	182	182
African American Affairs Commission.....	333	248	246	246	246	246	246
Asian American Affairs Commission.....	226	168	166	166	166	166	166
Commission for Women	325	238	253	253	253	253	253
TOTAL GENERAL FUND	\$ 11,755	\$ 11,100	\$ 11,006	\$ 11,006	\$ 11,006	\$ 11,006	\$ 11,006

PROGRAM OBJECTIVE: To increase public exposure to quality artistic and cultural programs and to stimulate a climate that offers opportunities and encouragement to artists.

Program: Development of Artists and Audiences

The commonwealth encourages cultural development in the arts through the Pennsylvania Council on the Arts (PCA). The 19-member council supports the arts through grant programs, services and a network of community-based organizations supported by the PCA to provide funding and services. The organizations and artists served are geographically, culturally and ethnically diverse and range from small community organizations that engender and support local arts programs to world-renowned orchestras, museums, dance companies, theatres and festivals.

The council functions with input from more than 40 advisory review panels that provide an evaluation of applications and feedback on program structures.

The council supports and assists the arts in the

commonwealth in several specific areas: 1) a grants program that responds to most applications and program initiatives either directly or through a decentralized network of 17 regional funding partners; 2) partnerships and initiatives developed by the council to seek opportunities and address issues affecting the arts that are beyond the capacity of a single arts institution; and 3) additional services directly provided by staff and through partnerships with state, regional and national service organizations.

Through programs such as Accessibility to the Arts for Individuals with Disabilities, Arts in Education Partnership, Pennsylvania Performing Arts on Tour, Local Government and Preserving Diverse Cultures, ethnically diverse organizations, artists and ensembles are encouraged to participate in the arts.

Program Recommendations:

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

	Council on the Arts			Cultural Preservation Assistance
\$ -10	—nonrecurring 2009-10 budgetary freeze amount.		\$ -3,100	—nonrecurring projects.
	Grants to the Arts			
\$ -1,000	—nonrecurring 2009-10 budgetary freeze amount.			

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
GENERAL FUND:							
Council on the Arts	\$ 1,245	\$ 992	\$ 982	\$ 982	\$ 982	\$ 982	\$ 982
Grants to the Arts.....	14,578	11,000	10,000	10,000	10,000	10,000	10,000
Cultural Preservation Assistance.....	0	3,100	0	0	0	0	0
TOTAL GENERAL FUND	\$ 15,823	\$ 15,092	\$ 10,982	\$ 10,982	\$ 10,982	\$ 10,982	\$ 10,982

PROGRAM OBJECTIVE: To provide criminal and juvenile justice system policy analysis, coordination and planning to improve criminal justice programs.

Program: Criminal and Juvenile Justice Planning and Coordination

Program Element: Planning and Coordination

The Pennsylvania Commission on Crime and Delinquency (PCCD) supports the criminal and juvenile justice systems by providing system-wide criminal statistical and analytical services and by fostering interagency coordination and cooperation, as well as by rendering training and technical assistance. Appointed task forces, advisory groups and planning committees, encompassing commission and non-commission members, advise the commission in addressing specific public policy issues.

The commission also administers a mix of state and federal grant programs that are designed to provide support to local elements of the criminal and juvenile justice system and through selective financing of proposals, demonstrate new solutions to statewide problems.

The commission fosters the development of criminal justice policy by conducting research on timely criminal justice issues and has established a link to Pennsylvania's academic community through the formation of a research and evaluation advisory committee which includes leading criminal justice researchers. In the area of criminal justice record information, PCCD coordinates a multidisciplinary committee that analyzes criminal justice information and develops and implements strategies to improve the quality and value of the information.

The commission is the designated state agency to administer the federal Violence Against Women and Department of Justice Reauthorization Act of 2005. The program provides funding to Pennsylvania to develop a coordinated and integrated approach to improving the criminal justice system's response to violence against women.

Under the guidance of its gubernatorially appointed Juvenile Justice and Delinquency Prevention Advisory Committee, PCCD has responsibility for preparing and updating a comprehensive juvenile justice and delinquency prevention plan on behalf of the commonwealth. PCCD plays a central role in collaborative initiatives involving the Department of Public Welfare, the Juvenile Court Judges Commission, the Department of Education and other agencies in the development and implementation of policy and programming relative to juvenile justice and delinquency prevention—especially research-based prevention and intervention programs. The Research-Based Delinquency and Violence Prevention program has supported these efforts since 1998-99. This program supports the implementation of intensive as well as non-intensive prevention/intervention models. PCCD is the state's focal point for promoting local efforts to implement risk-focused, community mobilization programming

directed toward preventing delinquency, violence, substance abuse and other adolescent problem behaviors. PCCD supports the Communities That Care risk-focused prevention initiative, by providing training and technical assistance to communities. The commission administers the federal Juvenile Justice and Delinquency Prevention Act Formula Grant program, as well as the Juvenile Accountability Block Grant program—both of which provide funds that support treatment/intervention programs and juvenile justice system improvement projects. The commission also administers the Governor's portion of the commonwealth's federal Safe and Drug Free Schools and Communities Act funding allocation that is used to support projects and programs that prevent drug use/abuse and violence among children and youth. The commission also administers federal Enforcing Underage Drinking Laws block grant funds, which support enforcement efforts and the Campus/Community Underage Drinking Prevention Coalition Project.

The commission provides training and technical assistance to county prison boards and local officials through the County Intermediate Punishment Act. This act provided counties with opportunities to develop various intermediate punishment programs for nonviolent offenders to alleviate overcrowding in the county prisons. In addition, PCCD administers the Drug and Alcohol Treatment-Based Restrictive Intermediate Punishment program, which provides support to counties for drug and alcohol assessment, evaluation and treatment services. The projects link drug and alcohol treatment with a combination of restrictive sanctions including residential rehabilitation centers, halfway houses, day reporting centers, work release centers, intensive supervision with electronic monitoring, house arrest with intensive supervision, and house arrest with electronic monitoring. Act 198 of 2002 (amended by Act 36 of 2006) established the Substance Abuse Education and Demand Reduction Fund. State funds are earmarked for research-based approaches to prevention, intervention, training, treatment and education services to reduce substance abuse and implement statewide programs to assist families in accessing such services. Monies for the fund are obtained through offender fines.

Through federal Byrne Memorial Justice Assistance Grant Act (JAG) formula grant funds administered by PCCD, state and local units of government receive start-up monies for projects to improve the justice system. Major priorities for new local projects include juvenile justice initiatives, community-based criminal justice initiatives, corrections, community-based planning initiatives

Program: Criminal and Juvenile Justice Planning and Coordination (continued)

through County Criminal Justice Advisory Boards, new and expanded county criminal justice automation efforts, comprehensive victim services, training and evaluation activities.

PCCD administers a training program for deputy sheriffs, financed through a surcharge on fees levied by the sheriffs for legal services executed. A 760-hour basic training curriculum provides for certification of deputy sheriffs and biennial continuing education provides for re-certification. PCCD also provides training and certification for constables including 80-hour basic training, mandatory 20-hour annual continuing education and basic and annual firearms training. Constables training is funded through a surcharge on constable services.

PCCD provides statewide training and technical assistance for law enforcement personnel to implement community-based crime reduction strategies, coordinates statewide efforts promoting law enforcement's involvement in policing practices and sponsors an annual program to recognize citizen contributions to local crime reduction projects. PCCD also provides funds for School Resource Officers underwriting a statewide Law Enforcement Accreditation program, designed specifically for the multitude of mid-sized and smaller departments.

The commission administers the federal Residential Substance Abuse Treatment program. This program provides funding to develop and implement residential substance abuse treatment programs within state and local correctional facilities in which prisoners are incarcerated for a period of time sufficient to permit substance abuse treatment.

Through Act 30 of 2001, the powers and duties of PCCD were expanded to include the continuing development of comprehensive, community-based youth violence prevention plans, as well as the development and promotion of comprehensive targeted crime prevention efforts and a planning process for the revitalization of high-crime and distressed communities, such as those which had been already established by the Pennsylvania Weed and Seed program.

The Weed and Seed program works in a partnership with members of the community in a target community to eliminate drug-related crime (the "Weed" effort) and to improve the community's social and economic vitality (the "Seed" effort). Each site employs a coordinator, who works with the sites' Assistance Impact Delegation (AID) teams to develop and implement a local revitalization plan while a law enforcement coordinator works with the community's police department and other state and federal law enforcement agencies to develop crime reduction and intervention strategies.

Program Element: Victim Services

PCCD uses county-based policy boards to define local victim service needs and develop cost-effective victim/witness service strategies. Technical and financial

assistance is provided to community-based organizations and district attorney offices in all 67 counties to support comprehensive service to victims of all violent crimes with particular emphasis on services to victims of sexual assault, domestic violence and child abuse. In addition, the Victims of Juvenile Offenders program supports community-based services to assist victims of juvenile offenders through grants to district attorneys, juvenile probation offices and community-based victims' services providers in 66 of the state's 67 counties. Grants are made using court imposed costs authorized by Act 96 of 1984, as amended by Act 85 of 2002, the federal Victims of Crime Act of 1984 and a state appropriation for services for victims of juvenile offenders. Through these grants, the Office of Victims' Services was able to make funding available to organizations in each of the 67 counties, which then provided services to more than 382,000 victims of crime, witnesses and others. In addition, the commission is the state-administering agency for the S.T.O.P. (Services, Training, Officers, and Prosecution) Grant program authorized through the Violence Against Women Act. These funds are made available on a competitive basis and support the efforts of teams in 33 counties comprised of law enforcement, prosecutors and victims' services programs. Act 86 of 2000 amended the Crime Victims Act by adding definitions for adult, juvenile and pre-adjudication disposition. The act provides victims of crimes committed by juvenile offenders with the same rights as victims of crimes committed by adult offenders, including receiving basic information pertaining to victims' assistance, obtaining access to information concerning disposition of cases and receiving reimbursement of losses. Act 85 of 2002 further amended the act to provide victims notification of an adult offender's release from a boot camp or facility and the right to witness the execution of an offender.

The Victims Compensation Assistance program was created by Act 139 of 1976 as a response to the financial losses incurred by victims of crime. The Office of Victims' Services is responsible for the administration of the program. Currently, individuals who are injured during a crime may be compensated for uninsured or unreimbursable medical expenses, counseling, relocation expenses, crime scene clean-up expenses and loss of earnings and monies that are stolen or defrauded from individuals on fixed incomes. In the case of a homicide, funeral expenses, within limits, and loss of support may be compensated to those who qualify. The program does not pay for pain and suffering nor does it pay for property loss, in most instances. The maximum award is \$35,000, including \$20,000 for loss of support and \$15,000 for loss of earnings. Payments for counseling, crime-scene cleanup and certain other costs are over and above the \$35,000 maximum award. The Victims Compensation Assistance program is the payer of last resort for crime victims' losses, and the office is required to verify all aspects of each claim prior to payment.

Program: Criminal and Juvenile Justice Planning and Coordination (continued)

Payments to victims are disbursed from a special non-lapsing restricted revenue account that receives its funding from a penalty assessment of at least \$35 levied against certain offenders who plead guilty or nolo contendere, who are convicted of a crime or who are placed in a diversionary program. Juveniles, when there is a consent decree or an adjudication of delinquency, pay a penalty assessment of at least \$25, which is also paid into the fund.

Payment funds are also provided by the federal Victims of Crime Act of 1984 which allocates federal reimbursements to states for compensation programs based on a formula of prior year payments to victims.

The passage of Act 45 of 2003 became effective on February 21, 2004. Prior to its passage, crime victims' restitution payments unclaimed by rightful owners for more than five years were presumed abandoned and deposited in the commonwealth's General Fund. The act directs the State Treasurer to deposit the unclaimed restitution payments in the Crime Victims Compensation Fund on or before June 30 of each year. For more detailed information on the services provided by the Office of Victims' Services, please see the related Annual Report, available at www.pccd.state.pa.us.

Program Recommendations:

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

<table border="0" style="width: 100%;"> <tr> <td style="width: 10%; text-align: right;">\$</td> <td style="width: 10%; text-align: right;">-35</td> <td>Commission on Crime and Delinquency</td> <td></td> </tr> <tr> <td></td> <td></td> <td>—nonrecurring 2009-10 budgetary freeze amount.</td> <td></td> </tr> <tr> <td></td> <td></td> <td>Victims of Juvenile Crime</td> <td></td> </tr> <tr> <td style="text-align: right;">\$</td> <td style="text-align: right;">-500</td> <td>—nonrecurring 2009-10 budgetary freeze amount.</td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;">-500</td> <td>—program reduction.</td> <td></td> </tr> <tr> <td style="text-align: right;">\$</td> <td style="text-align: right;">-1,000</td> <td><i>Appropriation Decrease</i></td> <td></td> </tr> <tr> <td></td> <td></td> <td>Evidence-Based Prevention and Intervention</td> <td></td> </tr> <tr> <td style="text-align: right;">\$</td> <td style="text-align: right;">-500</td> <td>—nonrecurring 2009-10 budgetary freeze amount.</td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;">-500</td> <td>—program reduction.</td> <td></td> </tr> <tr> <td style="text-align: right;">\$</td> <td style="text-align: right;">-1,000</td> <td><i>Appropriation Decrease</i></td> <td></td> </tr> <tr> <td></td> <td></td> <td>Weed and Seed Program</td> <td></td> </tr> <tr> <td style="text-align: right;">\$</td> <td style="text-align: right;">-500</td> <td>—nonrecurring 2009-10 budgetary freeze amount.</td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;">-203</td> <td>—program reduction.</td> <td></td> </tr> <tr> <td style="text-align: right;">\$</td> <td style="text-align: right;">-703</td> <td><i>Appropriation Decrease</i></td> <td></td> </tr> </table>	\$	-35	Commission on Crime and Delinquency				—nonrecurring 2009-10 budgetary freeze amount.				Victims of Juvenile Crime		\$	-500	—nonrecurring 2009-10 budgetary freeze amount.			-500	—program reduction.		\$	-1,000	<i>Appropriation Decrease</i>				Evidence-Based Prevention and Intervention		\$	-500	—nonrecurring 2009-10 budgetary freeze amount.			-500	—program reduction.		\$	-1,000	<i>Appropriation Decrease</i>				Weed and Seed Program		\$	-500	—nonrecurring 2009-10 budgetary freeze amount.			-203	—program reduction.		\$	-703	<i>Appropriation Decrease</i>		<table border="0" style="width: 100%;"> <tr> <td style="width: 10%; text-align: right;">\$</td> <td style="width: 10%; text-align: right;">-375</td> <td>Intermediate Punishment Programs</td> <td></td> </tr> <tr> <td></td> <td></td> <td>—nonrecurring 2009-10 budgetary freeze amount.</td> <td></td> </tr> <tr> <td></td> <td></td> <td>Intermediate Punishment Drug and Alcohol Treatment</td> <td></td> </tr> <tr> <td style="text-align: right;">\$</td> <td style="text-align: right;">-484</td> <td>—nonrecurring 2009-10 budgetary freeze amount.</td> <td></td> </tr> <tr> <td></td> <td></td> <td>Research-Based Violence Prevention</td> <td></td> </tr> <tr> <td style="text-align: right;">\$</td> <td style="text-align: right;">-500</td> <td>—nonrecurring 2009-10 budgetary freeze amount.</td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;">-500</td> <td>—program reduction.</td> <td></td> </tr> <tr> <td style="text-align: right;">\$</td> <td style="text-align: right;">-1,000</td> <td><i>Appropriation Decrease</i></td> <td></td> </tr> <tr> <td></td> <td></td> <td>Violence Reduction</td> <td></td> </tr> <tr> <td style="text-align: right;">\$</td> <td style="text-align: right;">-250</td> <td>—nonrecurring projects.</td> <td></td> </tr> <tr> <td></td> <td></td> <td>Safe Neighborhoods</td> <td></td> </tr> <tr> <td style="text-align: right;">\$</td> <td style="text-align: right;">-400</td> <td>—nonrecurring projects.</td> <td></td> </tr> </table>	\$	-375	Intermediate Punishment Programs				—nonrecurring 2009-10 budgetary freeze amount.				Intermediate Punishment Drug and Alcohol Treatment		\$	-484	—nonrecurring 2009-10 budgetary freeze amount.				Research-Based Violence Prevention		\$	-500	—nonrecurring 2009-10 budgetary freeze amount.			-500	—program reduction.		\$	-1,000	<i>Appropriation Decrease</i>				Violence Reduction		\$	-250	—nonrecurring projects.				Safe Neighborhoods		\$	-400	—nonrecurring projects.	
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Appropriations within this Program:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
GENERAL FUND:							
Commission on Crime and Delinquency ...	\$ 4,558	\$ 3,534	\$ 3,499	\$ 3,499	\$ 3,499	\$ 3,499	\$ 3,499
Victims of Juvenile Crime	3,358	1,798	798	798	798	798	798
Evidence-Based Prevention and Intervention	4,661	1,696	696	696	696	696	696
Weed and Seed Program	3,020	1,153	450	450	450	450	450
Intermediate Punishment Programs	3,375	3,375	3,000	3,000	3,000	3,000	3,000
Intermediate Punishment Drug and Alcohol Treatment	16,484	16,484	16,000	16,000	16,000	16,000	16,000
Drug Education and Law Enforcement	925	0	0	0	0	0	0
Research-Based Violence Prevention	3,977	1,500	500	500	500	500	500
Violence Reduction	604	250	0	0	0	0	0
Police on Patrol	9,600	0	0	0	0	0	0
Safe Neighborhoods	2,903	400	0	0	0	0	0
TOTAL GENERAL FUND	\$ 53,465	\$ 30,190	\$ 24,943	\$ 24,943	\$ 24,943	\$ 24,943	\$ 24,943

PROGRAM OBJECTIVE: To reduce the recurrence of juvenile delinquency through replacement of criminal behavior with socially acceptable behavior.

Program: Reintegration of Juvenile Delinquents

The Juvenile Court Judges Commission (JCJC) is responsible for the development and improvement of juvenile probation services throughout the commonwealth. These services focus on the provision of balanced attention to the protection of the community, the imposition of accountability for offenses committed and the development of competencies to enable children to become responsible and productive members of the community. The provision of statewide juvenile justice training, graduate education, research, statistical information, and the development and enhancement of specialized intensive probation and aftercare services for juveniles have significantly improved the quality of service within the commonwealth's juvenile justice system.

All 67 of the commonwealth's counties participated in the JCJC's grant-in-aid program in 2009-10, and adopted the JCJC's required Juvenile Court Standards, participated in sponsored training programs and complied with all statistical reporting requirements. The grant-in-aid program is the only source of state funding for juvenile probation services. It supports the JCJC's major programs including training, graduate education and specialized projects, such as the provision of liability insurance for community service programs and software to enable counties to participate in the JCJC's juvenile probation management information system.

The JCJC annually sponsors 40 to 45 state-of-the-art-training programs for juvenile justice practitioners. In addition to the provision of training, the JCJC, in conjunction with Shippensburg University, provides support to enable probation officers to receive Master of Science degrees in the Administration of Justice. By the end of 2010-11, 577 juvenile justice professionals will have

earned graduate degrees through this program since its inception in 1982.

The JCJC continues to support the Specialized Probation Services program, including school-based probation, community-based probation, intensive probation and aftercare services including assistance for drug and alcohol abuse prevention and treatment. The commission provides support for 383 specialized probation officers pursuant to JCJC standards. Of these positions, 98 are for school-based probation, 179 are for community-based probation, 34 are for intensive probation, 45 are for aftercare services and 27 are specialized probation services supervisors. The JCJC will continue this program during 2010-11.

The JCJC's Drug and Alcohol initiative continues to be a priority. Fifty-one of the commonwealth's counties receive funds to support urinalysis drug testing techniques on those juveniles who are known or suspected drug users. Juveniles referred by the court are tested for one or more of the following drugs: THC, cocaine, barbiturates, amphetamines, opiates, PCP, benzodiazepines and alcohol.

Juvenile arrests for violent crimes (murder, forcible rape, robbery and aggravated assault) decreased from 5,399 in 2007 to 5,324 in 2008. The arrest rate per 100,000 juveniles decreased from 408 in 2007 to 403 in 2008.

The JCJC participates in the commonwealth's Justice Network. The JCJC's primary role in the project is to assist in the design, development and implementation of the Juvenile Tracking System (JTS). The JTS is part of the statewide Integrated Criminal Justice System. The system electronically connects criminal justice agencies to facilitate information sharing.

Program Recommendations:

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

	Juvenile Court Judges Commission		Specialized Probation Services	
\$ 103	—to continue current program.		\$ -130	—program reduction.
	Improvement of Juvenile Probation Services			
\$ -55	—program reduction.			

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
GENERAL FUND:							
Juvenile Court Judges Commission	\$ 2,462	\$ 2,320	\$ 2,423	\$ 2,423	\$ 2,423	\$ 2,423	\$ 2,423
Improvement of Juvenile Probation Services	5,574	5,550	5,495	5,495	5,495	5,495	5,495
Specialized Probation Services	12,976	12,976	12,846	12,846	12,846	12,846	12,846
TOTAL GENERAL FUND	\$ 21,012	\$ 20,846	\$ 20,764	\$ 20,764	\$ 20,764	\$ 20,764	\$ 20,764



Program Measures

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Program: Executive Direction							
Office of Administration - Human Resources (HR)							
Time required to review and approve agency requests for classification actions on vacant positions (in days)	23	23	23	23	23	23	23
Time required to process requests for temporary clerical pool workers:							
Clerks (in days)	6.8	6.8	6.8	6.8	6.8	6.8	6.8
Typists (in days)	6.4	6.4	6.4	6.4	6.4	6.4	6.4
Course offerings through the Electronic Management System at both the enterprise and agency level	1,154	1,364	1,364	1,364	1,364	1,364	1,364
Completion rate for E-LMS courses:							
Mandatory courses	73%	75%	77%	79%	81%	83%	85%
Optional courses	78%	80%	82%	84%	86%	88%	90%
Percentage of commonwealth employees earning Get Healthy waiver	59%	61%	63%	65%	67%	69%	71%
Hours dedicated by agency and vendors to safety programs	13,400	13,400	13,400	13,400	13,400	13,400	13,400
Workers' compensation claims filed	6,401	6,300	6,100	6,000	5,900	5,800	5,700
Office of Administration - Office of Public Safety Radio Services (OPRS)							
Percentage of Statewide land area coverage of the radio system	94.7%	95.1%	95.9%	96.2%	96.6%	97.1%	97.3%
Percentage of Statewide road coverage	95.9%	96.2%	96.5%	96.9%	97.3%	97.6%	97.8%
Radio Interoperability with County 911 and Emergency Operations*	59	61	64	67	67	67	72
Percentage of registered radios on the network	80%	82%	87%	91%	96%	100%	100%
Average monthly transmissions	3,508,813	4,095,000	4,791,000	5,606,000	6,559,000	7,674,000	9,000,000
Office of Administration - Office of Enterprise Records Management (OERM)							
Percentage of updated Records Management Policies*	40%	50%	60%	70%	80%	90%	100%
Records Management and Right to Know Law Training Offerings*	15	15	15	15	15	15	15

Program Measures

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Commonwealth Technology Services							
Enterprise savings from the negotiation of shared service technology contracts (in thousands)	\$245,000,000	\$322,560,000	\$364,940,000	\$428,810,000	\$466,030,000	\$465,020,000	\$232,210,000
Percentage of cyber attacks thwarted	100%	99.2%	99.4%	99.6%	99.9%	99.9%	99.9%
Percentage of virus events actively blocked	100%	99.9%	99.9%	99.9%	99.9%	99.9%	99.9%
Percentage of SPAM messages blocked	95%	96%	97%	98%	99%	99%	99%
Office of the Budget							
Agency/Purchasing/Corporate credit card rebates earned	\$2,199,387	\$2,300,000	\$2,400,000	\$2,500,000	\$2,600,000	\$2,700,000	\$2,800,000
Percent of federal funds drawn within seven calendar days	99%	99%	99%	99%	99%	99%	99%
Employee payments issued	2,273,876	2,150,000	2,150,000	2,150,000	2,150,000	2,150,000	2,150,000
Invoices processed	1,500,134	1,450,000	1,450,000	1,450,000	1,450,000	1,450,000	1,450,000
Percentage of internal audit recommendations accepted	93%	94%	95%	96%	97%	98%	99%
Average number of payments issued per processor	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Office of Inspector General							
General investigations	268	250	250	250	250	250	250
Arrest investigations	20	20	20	20	20	20	20
Pre-employment background investigations	145	100	100	175	175	175	175
Office of Inspector General - Welfare Fund							
Fraud Prevention: investigations	25,802	26,000	26,100	26,100	26,500	26,500	26,500
Fraud Prevention: ineligibility determinations	10,897	10,500	10,500	10,500	10,500	10,500	10,500
Fraud investigations	6,035	6,050	6,100	6,100	6,100	6,100	6,100
Average amount of cost savings per welfare fraud investigator*	\$830,443	\$830,000	\$830,000	\$830,000	\$830,000	\$830,000	\$830,000
Amount of overpaid benefits collected through various means*	\$40,889,798	\$40,000,000	\$40,000,000	\$40,000,000	\$40,000,000	\$40,000,000	\$40,000,000
Average amount of collections and cost savings per claims investigation agent	\$835,909	\$835,000	\$835,000	\$835,000	\$835,000	\$835,000	\$835,000
Ratio of cost savings and collections to investigative expenditures	\$11.29	\$11.30	\$11.30	\$11.30	\$11.30	\$11.30	\$11.30

* New Program Measure

Program: Prevention and Elimination of Discriminatory Practices**Human Relations Commission**

Percentage of cases under investigation which are two or more years old*	14%	14%	13%	12%	12%	12%	12%
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Program Measures

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Predetermination case settlement rate	41%	33%	33%	33%	33%	33%	33%
Formal complaint investigation:							
Average complaints active	7,646	7,000	7,000	7,000	7,000	7,000	7,000
Complaints closed	4,148	4,000	4,000	4,000	4,000	4,000	4,000
Financial awards to complainants (in thousands)	\$12,430	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Case settlement rate	41%	33%	33%	33%	33%	33%	33%
Commission for Women							
Attendees at annual PA Governor's Conference for Women	4,800	4,500	5,000	5,500	5,000	6,000	5,000

* New Program Measure

Average complaints active no longer includes all of the cases dual filed with the Equal Employment Opportunity Commission, only cases the Human Relations Commission investigates.

Program: Development of Artists and Audiences**Council on the Arts**

Attendance at supported events (in thousands)	20,950	21,200	21,450	21,700	21,950	22,200	22,450
Grant applications received/reviewed	2,620	2,650	2,675	2,700	2,725	2,750	2,800
Grant awards made	1,520	1,530	1,540	1,550	1,560	1,570	1,580

Program: Criminal and Juvenile Justice Planning and Coordination**Commission on Crime and Delinquency****Planning and Coordination: Youth**

Percentage of youth served in intensive research-based programs with improved school attendance	54%	60%	65%	70%	75%	75%	75%
Percentage of youth participating in research-based programs with a demonstrated improvement related to the program's targeted behavioral outcome	58%	40%	45%	50%	55%	60%	65%

Planning and Coordination: Adult

Percent of active offenders sentenced to the Immediate Punishment Program successfully completing their sentence (as determined by the Court)	84%	78%	78%	78%	78%	78%	78%
Average number of jail days saved per active offender through participation in the Intermediate Punishment Program	97	94	94	94	94	94	94
Active offenders in the program who successfully completed the treatment-based Restrictive Intermediate Punishment portion of their sentence	64%	64%	65%	65%	66%	66%	67%



Program Measures

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Average number of jail days saved per active offender through participation in treatment-based Restrictive Intermediate Punishment	293	320	330	345	354	354	354
Weed and Seed Program							
Youth in afterschool/summer programs in a Weed and Seed site	6,077	3,000	3,000	3,000	3,000	3,000	3,000
Community clean-ups in a Weed and Seed site	56	75	75	75	75	75	75
Victim Services							
Victims compensation claim processing time - new claims (in weeks)	6	6	6	6	6	6	6
Victims compensation claims paid	5,687	5,971	6,200	6,600	6,900	7,300	7,600
Program: Reintegration of Juvenile Delinquents							
Juvenile Court Judges Commission							
Children referred to court	43,753	44,000	44,000	44,000	44,000	44,000	44,000
Commitments as a percentage of referrals	7.6%	7.6%	7.6%	7.6%	7.6%	7.6%	7.6%
Children arrested for violent crime	5,324	5,350	5,350	5,350	5,350	5,350	5,350
Juvenile cases closed that received probation or other services	16,788	17,000	17,000	17,000	17,000	17,000	17,000
Percentage employed or engaged in an educational/vocational activity at case closing	83.2%	83.6%	84%	84.5%	85%	85%	85%
Juvenile offenders who completed supervision without a new offense resulting in a Consent Decree, adjudication of delinquency, or conviction	14,290	14,290	14,290	14,290	14,290	14,290	14,290



LIEUTENANT GOVERNOR

The Lieutenant Governor serves as President of the Senate and Chairman of the Board of Pardons. In case of the death, conviction or impeachment, failure to qualify or resignation of the Governor, the Lieutenant Governor will become Governor for the remainder of the term. In case of the disability of the Governor, the powers, duties and emoluments of the office will transfer to the Lieutenant Governor until the disability is removed.



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Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2008-09 ACTUAL	2009-10 AVAILABLE	2010-11 BUDGET
GENERAL FUND:			
<i>General Government:</i>			
Lieutenant Governor's Office.....	\$ 992	\$ 650	\$ 533
Board of Pardons.....	436	425	520
Total - General Government.....	<u>\$ 1,428</u>	<u>\$ 1,075</u>	<u>\$ 1,053</u>
GENERAL FUND TOTAL.....	<u>\$ 1,428</u>	<u>\$ 1,075</u>	<u>\$ 1,053</u>



Program Funding Summary

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
EXECUTIVE DIRECTION							
GENERAL FUND.....	\$ 1,428	\$ 1,075	\$ 1,053	\$ 1,053	\$ 1,053	\$ 1,053	\$ 1,053
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
SUBCATEGORY TOTAL.....	\$ 1,428	\$ 1,075	\$ 1,053	\$ 1,053	\$ 1,053	\$ 1,053	\$ 1,053
ALL PROGRAMS:							
GENERAL FUND.....	\$ 1,428	\$ 1,075	\$ 1,053	\$ 1,053	\$ 1,053	\$ 1,053	\$ 1,053
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
DEPARTMENT TOTAL.....	\$ 1,428	\$ 1,075	\$ 1,053	\$ 1,053	\$ 1,053	\$ 1,053	\$ 1,053



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

Program: Executive Direction

This program provides for the execution of duties relating to the Office of the Lieutenant Governor. These duties, as prescribed by the constitution, include presiding over the Senate; assuming the Office of the Governor for the remainder of the Governor's term, if necessary, as a result of the death, conviction or impeachment, failure to qualify or resignation of the Governor; and serving as Chairman

of the Pennsylvania Board of Pardons which reviews applications for reprieve, commutation of sentences and pardons. Through statute, the Lieutenant Governor also serves as Chairman of the Local Government Advisory Committee, which advises the Governor's Center for Local Government Services and the administration on the needs and concerns of local government entities.

Program Recommendations:

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

\$	-117	Lieutenant Governor's Office —to continue current program.
\$	95	Board of Pardons —to continue current program.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
GENERAL FUND:							
Lieutenant Governor's Office.....	\$ 992	\$ 650	\$ 533	\$ 533	\$ 533	\$ 533	\$ 533
Board of Pardons.....	436	425	520	520	520	520	520
TOTAL GENERAL FUND	\$ 1,428	\$ 1,075	\$ 1,053	\$ 1,053	\$ 1,053	\$ 1,053	\$ 1,053

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ATTORNEY GENERAL

The state constitution provides that the Attorney General shall be the chief law enforcement officer of the commonwealth and shall exercise such powers and perform such duties as may be imposed by law.

The Commonwealth Attorneys Act establishes the Attorney General as the chief legal and law enforcement officer of the commonwealth and provides the following fundamental duties and responsibilities of the Office of Attorney General:

To be the commonwealth's chief law enforcement officer charged with responsibility for the prosecution of organized crime and public corruption. This law enforcement program includes a criminal investigations unit and drug law enforcement program as well as direction of statewide and multi-county investigating grand juries and a Medicaid Fraud Control Section.

To represent the commonwealth and all commonwealth agencies and, upon request, the Auditor General, State Treasurer and Public Utility Commission in any action brought by or against the commonwealth or its agencies; to furnish upon request legal advice to the Governor or the head of any commonwealth agency.

To review for form and legality all proposed rules and regulations for commonwealth agencies.

To review for form and legality all commonwealth deeds, leases and contracts to be executed by commonwealth agencies.

To collect, by suit or otherwise, all debts, taxes and accounts due the commonwealth which shall be referred to and placed with the Attorney General.

To administer the provisions relating to consumer protection as well as appoint the Advisory Committee.

To represent the commonwealth and its citizens in any action brought for violation of the Antitrust Laws of the United States and the commonwealth.

The Attorney General, in addition, serves as a member of the Board of Pardons, the Joint Committee on Documents, the Hazardous Substances Transportation Board, the Board of Finance and Revenue, the Pennsylvania Commission on Crime and Delinquency, the Civil Disorder Commission and the Municipal Police Officers' Education and Training Commission.



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Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2008-09 ACTUAL	2009-10 AVAILABLE	2010-11 BUDGET
GENERAL FUND:			
<i>General Government:</i>			
General Government Operations.....	\$ 45,261	\$ 40,418	\$ 40,014
(F)Medicaid Fraud.....	4,415	4,482	3,766
(F)MAGLOCLIN.....	9,344	10,219	11,252
(A)Legal Fees Reimbursement.....	61	10	10
(A)Medicaid Fraud Reimbursements.....	0	5	5
(A)Investigative Costs Reimbursements.....	4	50	50
(A)Environmental Crimes Investigative Costs.....	4	10	10
(A)Public Protection Law Enforcement.....	0	5,129	4,000
(A)Continuing Legal Education.....	0	5	5
(A)Miscellaneous Revenue.....	26	6	6
Subtotal.....	<u>\$ 59,115</u>	<u>\$ 60,334</u>	<u>\$ 59,118</u>
(R)Office of Consumer Advocate.....	5,205	5,124	5,071
Drug Law Enforcement.....	26,219	25,694	25,437
(F)High Intensity Drug Trafficking Areas.....	3,375	3,667	3,998
(F)Methamphetamine Control.....	187	100	0
(A)Seized/Forfeited Property - State Court Awarded.....	0	1,983	1,500
(A)Recovery of Narcotics Investigation Overtime Costs.....	60	50	50
Subtotal.....	<u>\$ 29,841</u>	<u>\$ 31,494</u>	<u>\$ 30,985</u>
Local Drug Task Forces.....	10,715	10,501	10,396
Drug Strike Task Force.....	2,230	2,185	2,163
Witness Relocation.....	437	385	381
Joint Local-State Firearm Task Force.....	5,000	3,000	2,970
Violence Reduction Witness Relocation.....	556	500	495
Child Predator Interception Unit.....	1,468	1,439	1,425
(F)ARRA - JAG Computer Forensics Enhancement.....	0	225	0
Subtotal.....	<u>\$ 1,468</u>	<u>\$ 1,664</u>	<u>\$ 1,425</u>
Capital Appeals Case Unit.....	647	569	563
Charitable Nonprofit Conversions.....	1,043	1,022	1,012
Tobacco Law Enforcement.....	785	691	684
Subtotal - State Funds.....	\$ 94,361	\$ 86,404	\$ 85,540
Subtotal - Federal Funds.....	17,321	18,693	19,016
Subtotal - Augmentations.....	155	7,248	5,636
Subtotal - Restricted Revenues.....	5,205	5,124	5,071
Total - General Government.....	<u>\$ 117,042</u>	<u>\$ 117,469</u>	<u>\$ 115,263</u>
Grants and Subsidies:			
County Trial Reimbursement.....	\$ 148	\$ 118	\$ 117
(R)Reimbursement to Counties - Full Time District Attorney (EA).....	596	6,450	6,600
Subtotal - State Funds.....	\$ 148	\$ 118	\$ 117
Subtotal - Restricted Revenues.....	596	6,450	6,600
Total - Grants and Subsidies.....	<u>\$ 744</u>	<u>\$ 6,568</u>	<u>\$ 6,717</u>
STATE FUNDS.....	\$ 94,509	\$ 86,522	\$ 85,657
FEDERAL FUNDS.....	17,321	18,693	19,016
AUGMENTATIONS.....	155	7,248	5,636
RESTRICTED REVENUES.....	5,801	11,574	11,671
GENERAL FUND TOTAL.....	\$ 117,786	\$ 124,037	\$ 121,980



Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2008-09 ACTUAL	2009-10 AVAILABLE	2010-11 BUDGET
OTHER FUNDS:			
GENERAL FUND:			
Seized/Forfeited Property - State Court Awarded.....	\$ 4,572	\$ 4,873	\$ 7,707
Seized/Forfeited Property - U.S. Department of Justice.....	284	917	417
OAG Investigative Funds - Outside Sources.....	4,063	4,653	5,170
Seized/Forfeited Property - U.S. Treasury Department.....	89	240	180
Public Protection Law Enforcement.....	2,542	4,691	6,996
Coroner's Education Board.....	1	65	0
Community Drug Abuse Prevention Program.....	288	458	400
Seized/Forfeited Property - U.S. Homeland Security.....	151	125	290
GENERAL FUND TOTAL.....	\$ 11,990	\$ 16,022	\$ 21,160
STATE GAMING FUND:			
(R) Gaming Enforcement.....	\$ 914	\$ 914	\$ 994
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 94,509	\$ 86,522	\$ 85,657
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	17,321	18,693	19,016
AUGMENTATIONS.....	155	7,248	5,636
RESTRICTED.....	5,801	11,574	11,671
OTHER FUNDS.....	12,904	16,936	22,154
TOTAL ALL FUNDS.....	\$ 130,690	\$ 140,973	\$ 144,134



Program Funding Summary

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
PUBLIC PROTECTION AND LAW ENFORCEMENT							
GENERAL FUND.....	\$ 94,509	\$ 86,522	\$ 85,657	\$ 85,657	\$ 85,657	\$ 85,657	\$ 85,657
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	17,321	18,693	19,016	19,016	19,016	19,016	19,016
OTHER FUNDS.....	18,860	35,758	39,461	39,461	39,461	39,461	39,461
SUBCATEGORY TOTAL.....	\$ 130,690	\$ 140,973	\$ 144,134	\$ 144,134	\$ 144,134	\$ 144,134	\$ 144,134
ALL PROGRAMS:							
GENERAL FUND.....	\$ 94,509	\$ 86,522	\$ 85,657	\$ 85,657	\$ 85,657	\$ 85,657	\$ 85,657
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	17,321	18,693	19,016	19,016	19,016	19,016	19,016
OTHER FUNDS.....	18,860	35,758	39,461	39,461	39,461	39,461	39,461
DEPARTMENT TOTAL.....	\$ 130,690	\$ 140,973	\$ 144,134	\$ 144,134	\$ 144,134	\$ 144,134	\$ 144,134



PROGRAM OBJECTIVE: To enforce the criminal laws of the commonwealth; to protect the interests of Pennsylvania citizens in areas of consumer protection, antitrust enforcement, operation of charitable trusts and organizations, and civil rights; and to provide legal services to commonwealth agencies.

Program: Public Protection and Law Enforcement

The Attorney General, as the chief law enforcement officer of the commonwealth, is charged with the responsibility for the investigation and prosecution of organized crime and public corruption. The agency investigates and prosecutes criminal activity in accordance with Sections 205 and 206 of the Commonwealth Attorneys Act and uses statewide investigative grand juries as appropriate. The Office of Attorney General works with the State Police to curtail drug abuse in the commonwealth by apprehending illegal drug traffickers. Act 166 of 1994 established a section of Insurance Fraud within the Office of Attorney General to prosecute and investigate insurance fraud. Responsibilities also include the investigation and prosecution of Medicaid fraud, environmental crimes and cases referred by district attorneys across the state that have a conflict of interest or lack the resources to prosecute certain crimes.

Other major activities of this program involve decreasing the incidence of fraud and deceptive business practices and securing recovery of damages to the commonwealth and its citizens; encouraging free enterprise and competition; investigating and prosecuting consumer fraud, unfair trade practices, antitrust violations, civil rights violations and charitable scams; and providing for representation of the consumer in utility rate proceedings before the Public Utility Commission through the Office of the Consumer Advocate. The Consumer Advocate also represents the consumer in cases such as competition in the electric, gas and telecommunications industries, filings of alternative regulatory plans by telephone utilities, purchased gas cases and filings by major natural gas pipelines.

This program also provides legal services for governmental agencies of the commonwealth, as required by Section 204 of the Commonwealth Attorneys Act. Specifically, the Office of the Attorney General represents the commonwealth in any action brought by or against the commonwealth or its agencies, particularly tort claims.

Act 57 of 2005 amended the County Code to provide for full-time district attorneys under certain conditions. The salary to be paid the full-time district attorney is set at \$1,000 annually less than a common pleas court judge in that county. The commonwealth annually reimburses counties for 65 percent of the salary for the full-time district attorney which began in calendar year 2006. Act 30 of 2007 established the Criminal Justice Enhancement Account, which provides funding sources for the commonwealth's share.

The Joint Local-State Firearm Task Force is comprised of the Philadelphia District Attorney's Office, the Philadelphia Police Department and the Office of Attorney General and is established to fight increasing gun violence in the Philadelphia area.

Act 42 of 2008, the Cigarette Fire Safety and Firefighter Protection Act, authorizes the office to file actions in state court when the act's requirements are violated. The Straw Purchase Prevention Education program, as created by Act 131 of 2008, authorizes the Attorney General to implement a program of outreach and education for the public and firearms dealers regarding straw purchases. Act 132 of 2008 established the Home Improvement Consumer Protection Act which requires home improvement contractors to register with the Bureau of Consumer Protection. The agency will investigate alleged violations regarding home improvement contractors.

Program Recommendations:

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

<p>GENERAL FUND General Government Operations —funding reduction.</p>	<p>\$ -404</p>	<p>Drug Strike Task Force —funding reduction.</p>	<p>\$ -22</p>
<p>Drug Law Enforcement —funding reduction.</p>	<p>\$ -257</p>	<p>Witness Relocation —funding reduction.</p>	<p>\$ -4</p>
<p>Local Drug Task Forces —funding reduction.</p>	<p>\$ -105</p>	<p>Joint Local-State Firearm Task Force —funding reduction.</p>	<p>\$ -30</p>

Program: Public Protection and Law Enforcement (continued)

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

\$	-5	Violence Reduction Witness Relocation —funding reduction.	This budget also recommends the following for the Office of the Consumer Advocate and the Reimbursement to Counties - Full Time District Attorneys from their restricted accounts in the General Fund.
\$	-14	Child Predator Interception Unit —funding reduction.	
\$	-6	Capital Appeals Case Unit —funding reduction.	\$ -53 Office of the Consumer Advocate —funding reduction.
\$	-10	Charitable Nonprofit Conversions —funding reduction.	\$ 150 Reimbursement to Counties - Full Time District Attorney (EA) —to continue current program.
\$	-7	Tobacco Law Enforcement —funding reduction.	
\$	-1	County Trial Reimbursement —funding reduction.	

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
GENERAL FUND:							
General Government Operations	\$ 45,261	\$ 40,418	\$ 40,014	\$ 40,014	\$ 40,014	\$ 40,014	\$ 40,014
Drug Law Enforcement.....	26,219	25,694	25,437	25,437	25,437	25,437	25,437
Local Drug Task Forces.....	10,715	10,501	10,396	10,396	10,396	10,396	10,396
Drug Strike Task Force.....	2,230	2,185	2,163	2,163	2,163	2,163	2,163
Witness Relocation.....	437	385	381	381	381	381	381
Joint Local-State Firearm Task Force.....	5,000	3,000	2,970	2,970	2,970	2,970	2,970
Violence Reduction Witness Relocation....	556	500	495	495	495	495	495
Child Predator Interception Unit	1,468	1,439	1,425	1,425	1,425	1,425	1,425
Capital Appeals Case Unit.....	647	569	563	563	563	563	563
Charitable Nonprofit Conversions.....	1,043	1,022	1,012	1,012	1,012	1,012	1,012
Tobacco Law Enforcement	785	691	684	684	684	684	684
County Trial Reimbursement.....	148	118	117	117	117	117	117
TOTAL GENERAL FUND	\$ 94,509	\$ 86,522	\$ 85,657	\$ 85,657	\$ 85,657	\$ 85,657	\$ 85,657



Program Measures

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Program: Public Protection and Law Enforcement							
Cases presented to the Statewide Investigating Grand Jury	119	85	85	85	85	85	85
Local drug task force arrests	6,521	6,000	6,000	6,000	6,000	6,000	6,000
Drug arrests resulting from Grand Jury presentments	203	200	200	200	200	200	200
Review of estates, charities, nonprofits, and health care conversions for compliance with rules and regulations	2,908	2,600	2,600	2,600	2,600	2,600	2,600
Consumer complaints concerning business practices investigated and mediated	47,299	43,000	43,000	43,000	43,000	43,000	43,000
Value of recoupment to consumers regarding business practices (in thousands)	\$5,822	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000
Consumer complaints concerning business practices - health care industry	2,093	2,150	2,150	2,150	2,150	2,150	2,150



AUDITOR GENERAL

The Department of the Auditor General post-audits the affairs of state government agencies and certain local government agencies, officials and organizations. The objective is to ensure conformance with established legislative and administrative regulations and to assure that all money has been disbursed legally and properly. In addition, the Auditor General examines the accounts of revenue collecting agents to ensure that all money due the commonwealth was reported and transmitted properly.



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Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2008-09 ACTUAL	2009-10 AVAILABLE	2010-11 BUDGET
GENERAL FUND:			
<i>General Government:</i>			
Auditor General's Office.....	\$ 52,070	\$ 46,499	\$ 46,034
(A)Reimbursement Auditing Services.....	11,123	12,600	11,000
Subtotal.....	\$ 63,193	\$ 59,099	\$ 57,034
Transition - Governor.....	0	0	160
Security and Other Expenses - Outgoing Governor.....	0	0	90
Board of Claims.....	2,050	1,804	1,786
Computer Enhancements.....	400	0	0
Subtotal - State Funds.....	\$ 54,520	\$ 48,303	\$ 48,070
Subtotal - Augmentations.....	11,123	12,600	11,000
Total - General Government.....	\$ 65,643	\$ 60,903	\$ 59,070
STATE FUNDS.....	\$ 54,520	\$ 48,303	\$ 48,070
AUGMENTATIONS.....	11,123	12,600	11,000
GENERAL FUND TOTAL.....	\$ 65,643	\$ 60,903	\$ 59,070
OTHER FUNDS:			
MUNICIPAL PENSION AID FUND:			
Municipal Pension Aid.....	\$ 217,388	\$ 223,000	\$ 223,000
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 54,520	\$ 48,303	\$ 48,070
SPECIAL FUNDS.....	0	0	0
AUGMENTATIONS.....	11,123	12,600	11,000
OTHER FUNDS.....	217,388	223,000	223,000
TOTAL ALL FUNDS.....	\$ 283,031	\$ 283,903	\$ 282,070



Program Funding Summary

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
AUDITING							
GENERAL FUND.....	\$ 54,520	\$ 48,303	\$ 48,070	\$ 47,820	\$ 47,820	\$ 47,820	\$ 47,820
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	11,123	12,600	11,000	11,000	11,000	11,000	11,000
SUBCATEGORY TOTAL.....	<u>\$ 65,643</u>	<u>\$ 60,903</u>	<u>\$ 59,070</u>	<u>\$ 58,820</u>	<u>\$ 58,820</u>	<u>\$ 58,820</u>	<u>\$ 58,820</u>
MUNICIPAL PENSION SYSTEMS							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	217,388	223,000	223,000	223,000	223,000	223,000	223,000
SUBCATEGORY TOTAL.....	<u>\$ 217,388</u>	<u>\$ 223,000</u>	<u>\$ 223,000</u>	<u>\$ 223,000</u>	<u>\$ 223,000</u>	<u>\$ 223,000</u>	<u>\$ 223,000</u>
ALL PROGRAMS:							
GENERAL FUND.....	\$ 54,520	\$ 48,303	\$ 48,070	\$ 47,820	\$ 47,820	\$ 47,820	\$ 47,820
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	228,511	235,600	234,000	234,000	234,000	234,000	234,000
DEPARTMENT TOTAL.....	<u>\$ 283,031</u>	<u>\$ 283,903</u>	<u>\$ 282,070</u>	<u>\$ 281,820</u>	<u>\$ 281,820</u>	<u>\$ 281,820</u>	<u>\$ 281,820</u>



PROGRAM OBJECTIVE: To ensure that all revenue to which the commonwealth is entitled is deposited in the State Treasury and that public money is disbursed legally and properly.

Program: Auditing

The Auditor General is required by the Fiscal Code to audit the financial affairs of state government and certain local government entities. The Auditor General is mandated to perform audits of any entity receiving funds from the commonwealth or any entity collecting funds that belong to the commonwealth. Each year, the department performs thousands of regular and special post-audits of commonwealth agencies, individuals, associations and corporations to ensure money is disbursed legally and properly. The Auditor General also examines accounts of revenue collecting agents to assure that all funds due the commonwealth have been reported and transmitted properly and that the commonwealth's financial statements conform to Generally Accepted Accounting Principles.

The Single Audit, which is a single financial/compliance audit of the commonwealth's federal aid programs, and an audit of the commonwealth's General Purpose Financial Statements are jointly performed each year by the Auditor General and an independent certified public accounting firm.

Special audits may be made when the Auditor General determines they appear to be necessary. Special audits must also be conducted when the Governor calls upon the Auditor General to do them.

The Fiscal Code also requires the Auditor General to audit public assistance payments to determine the eligibility of persons receiving public assistance grants. Recipients are subject to continuous audit. These audits serve to adjust grants to persons either ineligible or receiving overpayments or underpayments.

In addition to fiscal duties, by statute, the Auditor General serves as a member of the State Public School Building Authority and other major commonwealth boards and commissions.

The Board of Claims operates within this program as an independent judicial and administrative body with jurisdiction to hear and determine claims against the commonwealth that equal or exceed \$300.

Program Recommendations:

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

	GENERAL FUND		Security and Other Expenses - Outgoing Governor
	Auditor General's Office		
\$	-465	—funding reduction.	\$ 90
			—to provide security and other expenses for the outgoing Governor.
	Transition - Governor		
\$	160	—to provide transition costs for the new Governor.	\$ -18
			Board of Claims
			—funding reduction.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
GENERAL FUND:							
Auditor General's Office	\$ 52,070	\$ 46,499	\$ 46,034	\$ 46,034	\$ 46,034	\$ 46,034	\$ 46,034
Transition - Governor	0	0	160	0	0	0	0
Security and Other Expenses -							
Outgoing Governor	0	0	90	0	0	0	0
Board of Claims	2,050	1,804	1,786	1,786	1,786	1,786	1,786
Computer Enhancements	400	0	0	0	0	0	0
TOTAL GENERAL FUND	\$ 54,520	\$ 48,303	\$ 48,070	\$ 47,820	\$ 47,820	\$ 47,820	\$ 47,820

PROGRAM OBJECTIVE: To assist municipal pension systems through review and audit of their pension funds.

Program: Municipal Pension Systems

In 1984, the General Assembly passed Act 205, known as the Municipal Pension Plan Funding Standard and Recovery Act. The enactment of this legislation was in response to the solvency problems facing many of the commonwealth's municipal pension systems. The act requires the submission of municipal pension plan actuarial reports to the Public Employee Retirement Commission every two years and establishes criteria for determination of actuarial soundness and the amount of state-financed support that will be provided. The Auditor General is responsible for audits of approximately 1,300 municipal pension funds for nonuniformed employees where municipalities choose to allocate state aid to those funds.

The Auditor General administers the Municipal Pension Systems Aid program, established by Act 205 to distribute funding to municipal pension plans for police officers and paid firefighters. The program is funded through the Municipal Pension Aid Fund, which receives all proceeds of the Foreign Casualty Insurance Premium Tax and a portion of the Foreign Fire Insurance Premium Tax.

The Auditor General is also responsible for distributing proceeds from the Foreign Fire Insurance Tax Fund to municipalities for payment to volunteer firefighter relief associations. Financial statements for the Municipal Pension Aid Fund and the Fire Insurance Tax Fund are presented in the Special Funds Appendix section of this budget.

Program Recommendations:

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

Municipal Pension Aid is recommended at the current year funding level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
MUNICIPAL PENSION AID FUND:							
Municipal Pension Aid	\$ 217,388	\$ 223,000	\$ 223,000	\$ 223,000	\$ 223,000	\$ 223,000	\$ 223,000



TREASURY DEPARTMENT

The Treasury Department is responsible for receiving all commonwealth monies and for depositing such monies in state depositories approved by the Board of Finance and Revenue, for managing all securities in its custody to the best advantage of the commonwealth, for preauditing all requisitions for the expenditures of funds and for disbursement of all state monies upon proper authorization to those entitled to receive payment.



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Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2008-09 ACTUAL	2009-10 AVAILABLE	2010-11 BUDGET
GENERAL FUND:			
<i>General Government:</i>			
General Government Operations.....	\$ 40,932^a	\$ 36,207^b	\$ 35,845
(F)ARRA - Energy Efficiency Program.....	0	18,000	0
(A)Expenses - Unemployment Compensation.....	5,997	6,100	5,795
(A)Administrative Services.....	1,878	1,950	1,805
(A)Unclaimed Property Audit Services.....	110	0	0
(A)Unclaimed Property Reference Fees.....	283	273	204
Subtotal.....	<u>\$ 49,200</u>	<u>\$ 62,530</u>	<u>\$ 43,649</u>
Information Technology Modernization.....	0	0	3,500
Board of Finance and Revenue.....	2,270	2,086	2,065
Tuition Account Program Advertising.....	945	0	0
Intergovernmental Organizations.....	1,112	979	979
Publishing Monthly Statements.....	25	15	15
Replacement Checks (EA).....	4,000	3,500	3,500
Subtotal - State Funds.....	\$ 49,284	\$ 42,787	\$ 45,904
Subtotal - Federal Funds.....	0	18,000	0
Subtotal - Augmentations.....	8,268	8,323	7,804
Total - General Government.....	<u>\$ 57,552</u>	<u>\$ 69,110</u>	<u>\$ 53,708</u>
<i>Grants and Subsidies:</i>			
Law Enforcement & Emergency Response Personnel Death Benefit.....	\$ 1,480	\$ 1,362	\$ 1,745
<i>Debt Service:</i>			
Loan and Transfer Agents.....	\$ 74	\$ 65	\$ 65
Tax Note Expenses (EA).....	0	400	800
Interest on Tax Anticipation Notes (EA).....	0	1,239	10,000
General Obligation Debt Service.....	904,510	930,939	1,013,159
(A)Student Community Building Fees.....	27	30	20
Subtotal - State Funds.....	\$ 904,584	\$ 932,643	\$ 1,024,024
Subtotal - Augmentations.....	27	30	20
Total - Debt Service.....	<u>\$ 904,611</u>	<u>\$ 932,673</u>	<u>\$ 1,024,044</u>
STATE FUNDS.....	\$ 955,348	\$ 976,792	\$ 1,071,673
FEDERAL FUNDS.....	0	18,000	0
AUGMENTATIONS.....	8,295	8,353	7,824
GENERAL FUND TOTAL.....	<u>\$ 963,643</u>	<u>\$ 1,003,145</u>	<u>\$ 1,079,497</u>
MOTOR LICENSE FUND:			
<i>General Government:</i>			
Administration Refunding Liquid Fuels Tax.....	\$ 470	\$ 490	\$ 547
Replacement Checks - Motor License Fund (EA).....	150	100	100
Total - General Government.....	<u>\$ 620</u>	<u>\$ 590</u>	<u>\$ 647</u>
<i>Refunds:</i>			
Refunding Liquid Fuels Taxes - Agriculture (EA).....	\$ 3,800	\$ 3,800	\$ 3,800
Refunding Liquid Fuels Taxes - State Share (EA).....	1,000	1,000	1,000
Refunding Liquid Fuels Taxes - Political Subdivisions (EA).....	3,000	3,000	3,000
Refunding Liquid Fuels Taxes - Volunteer Services (EA).....	400	400	400



Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	2008-09 ACTUAL	2009-10 AVAILABLE	2010-11 BUDGET
Refunding Liquid Fuels Taxes - Snowmobiles & ATV's (EA).....	1,000	1,000	1,000
Refunding Liquid Fuels Taxes - Boat Fund (EA).....	2,300	2,300	2,300
Total - Refunds.....	\$ 11,500	\$ 11,500	\$ 11,500
Debt Service:			
Capital Debt Transportation Projects.....	\$ 12,098	\$ 11,634	\$ 11,379
General Obligation Debt Service.....	11,713	13,052	13,569
(R)Capital Bridge Debt Service (R) (EA).....	14,040	27,276	42,574
Loan and Transfer Agent.....	0	50	50
Subtotal - State Funds.....	\$ 23,811	\$ 24,736	\$ 24,998
Subtotal - Restricted Revenues.....	14,040	27,276	42,574
Total - Debt Service.....	\$ 37,851	\$ 52,012	\$ 67,572
STATE FUNDS.....	\$ 35,931	\$ 36,826	\$ 37,145
RESTRICTED REVENUES.....	14,040	27,276	42,574
MOTOR LICENSE FUND TOTAL.....	\$ 49,971	\$ 64,102	\$ 79,719
<u>BANKING DEPARTMENT FUND:</u>			
<i>General Government:</i>			
Replacement Checks-Banking Department Fund (EA).....	\$ 5	\$ 5	\$ 5
<u>BOAT FUND:</u>			
<i>General Government:</i>			
Replacement Checks-Boat Fund (EA).....	\$ 5	\$ 5	\$ 5
<u>ENVIRONMENTAL STEWARDSHIP FUND:</u>			
<i>Debt Service:</i>			
Debt Service for Growing Greener (EA).....	\$ 25,113	\$ 31,901	\$ 36,833
<u>FARM PRODUCTS SHOW FUND:</u>			
<i>General Government:</i>			
Replacement Checks-Farm Products Show Fund (EA).....	\$ 5	\$ 5	\$ 5
<u>FISH FUND:</u>			
<i>General Government:</i>			
Replacement Checks-Fish Fund (EA).....	\$ 5	\$ 25	\$ 5
<u>GAME FUND:</u>			
<i>General Government:</i>			
Replacement Checks-Game Fund (EA).....	\$ 5	\$ 5	\$ 5
<u>KEYSTONE RECREATION, PARK AND CONSERVATION FUND:</u>			
<i>General Government:</i>			
Replacement Checks-Keystone Recreation, Park, Consv Fund (EA).....	\$ 5	\$ 5	\$ 5
<u>LOTTERY FUND:</u>			
<i>General Government:</i>			
Replacement Checks-Lottery Fund (EA).....	\$ 50	\$ 50	\$ 50



Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	2008-09 ACTUAL	2009-10 AVAILABLE	2010-11 BUDGET
<u>RACING FUND:</u>			
<i>General Government:</i>			
Replacement Checks-Racing Fund (EA).....	\$ 10	\$ 10	\$ 10
<u>TOBACCO SETTLEMENT FUND:</u>			
<i>General Government:</i>			
Replacement Checks - Tobacco Settlement Fund (EA).....	\$ 5	\$ 5	\$ 5
<u>OTHER FUNDS:</u>			
TUITION ACCOUNT GUARANTEED SAVINGS PROGRAM FUND:			
Tuition Account Program Bureau.....	\$ 2,483	\$ 2,887	\$ 3,183
(A)Application Fees.....	588	586	680
TUITION ACCOUNT GUARANTEED SAVINGS PROGRAM FUND TOTAL.....	\$ 3,071	\$ 3,473	\$ 3,863
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 955,348	\$ 976,792	\$ 1,071,673
SPECIAL FUNDS.....	61,139	68,842	74,073
FEDERAL FUNDS.....	0	18,000	0
AUGMENTATIONS.....	8,295	8,353	7,824
RESTRICTED.....	14,040	27,276	42,574
OTHER FUNDS.....	3,071	3,473	3,863
TOTAL ALL FUNDS.....	\$ 1,041,893	\$ 1,102,736	\$ 1,200,007

^a Appropriated as \$25,345,000 for General Government Operations and \$15,587,000 for Escheats Administration.

^b Appropriated as \$23,207,000 for General Government Operations and \$13,000,000 for Escheats Administration.



Program Funding Summary

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
DISBURSEMENT							
GENERAL FUND.....	\$ 49,627	\$ 43,155	\$ 46,655	\$ 55,155	\$ 55,155	\$ 55,155	\$ 55,155
SPECIAL FUNDS.....	12,215	12,205	12,242	12,242	12,242	12,242	12,242
FEDERAL FUNDS.....	0	18,000	0	0	0	0	0
OTHER FUNDS.....	11,339	11,796	11,667	11,667	11,667	11,667	11,667
SUBCATEGORY TOTAL.....	\$ 73,181	\$ 85,156	\$ 70,564	\$ 79,064	\$ 79,064	\$ 79,064	\$ 79,064
INTERSTATE RELATIONS							
GENERAL FUND.....	\$ 1,112	\$ 979	\$ 979	\$ 979	\$ 979	\$ 979	\$ 979
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
SUBCATEGORY TOTAL.....	\$ 1,112	\$ 979	\$ 979	\$ 979	\$ 979	\$ 979	\$ 979
DEBT SERVICE							
GENERAL FUND.....	\$ 904,609	\$ 932,658	\$ 1,024,039	\$ 1,136,793	\$ 1,269,518	\$ 1,304,967	\$ 1,287,364
SPECIAL FUNDS.....	48,924	56,637	61,831	66,635	64,708	61,117	60,295
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	14,067	27,306	42,594	57,011	72,390	87,767	102,572
SUBCATEGORY TOTAL.....	\$ 967,600	\$ 1,016,601	\$ 1,128,464	\$ 1,260,439	\$ 1,406,616	\$ 1,453,851	\$ 1,450,231
ALL PROGRAMS:							
GENERAL FUND.....	\$ 955,348	\$ 976,792	\$ 1,071,673	\$ 1,192,927	\$ 1,325,652	\$ 1,361,101	\$ 1,343,498
SPECIAL FUNDS.....	61,139	68,842	74,073	78,877	76,950	73,359	72,537
FEDERAL FUNDS.....	0	18,000	0	0	0	0	0
OTHER FUNDS.....	25,406	39,102	54,261	68,678	84,057	99,434	114,239
DEPARTMENT TOTAL.....	\$ 1,041,893	\$ 1,102,736	\$ 1,200,007	\$ 1,340,482	\$ 1,486,659	\$ 1,533,894	\$ 1,530,274



PROGRAM OBJECTIVE: To receive and safeguard the monies of the commonwealth, to manage the funds to the best advantage of the commonwealth and to ensure that all disbursements of funds are legal and proper.

Program: Disbursement

The Treasury Department is required by the Fiscal Code to receive and deposit all monies of the commonwealth; to invest in securities any commonwealth monies that accumulate beyond the daily needs of the various funds; to manage to the best possible advantage all securities in its custody; to pre-audit all requisitions for the expenditure of funds; and to disburse all state monies upon proper authorization to those entitled to receive payment. In this capacity, the department is responsible for the receipt, custody and disbursement of billions of dollars each year.

The Treasury Department also pre-audits disbursement records, maintains accounting controls and disburses all checks to recipients of public assistance. Thousands of checks are processed each working day for distribution to recipients. This processing includes pre-auditing, collating, authenticating and mailing the checks to individual recipients and banks. Hundreds of participating banks throughout the commonwealth distribute thousands of checks daily.

The State Treasurer is Chairman of the Board of Finance and Revenue and serves on various state boards and commissions including several public retirement boards.

The Board of Finance and Revenue operates within this program by reviewing and deciding appeals concerning settlements made between the commonwealth and persons, associations and corporations. The board also administers the program for refunding certain monies to which the commonwealth is not legally entitled.

Under the provisions of Act 101 of 1976, as amended by Act 161 of 1994 and Act 59 of 2005, the Treasury Department is required to pay death benefits, adjusted annually for inflation, to the surviving spouse or children of public safety workers, firefighters or law enforcement officers of the commonwealth killed in the performance of their duties and to reimburse political subdivisions for such payments made to survivors of local firefighters or law enforcement officers.

The Treasury Department administers the Tuition Account Program, which provides for two programs for postsecondary educational savings. The Tuition Account Guaranteed Savings Program Fund provides for the advance purchase of tuition credits for students who will attend institutions of higher education. Savings for higher education may also be made through the Tuition Account Investment Program Fund. A cash flow statement for each fund is included in the Special Funds Appendix.

The State Treasurer is responsible for the administration and enforcement of the commonwealth's abandoned and unclaimed property laws. Tangible and intangible property that has remained unclaimed for five or more years is reported and remitted to the Treasury Department by holders in possession of the property. The commonwealth maintains perpetual custody of the property until it is claimed by the rightful owner. Revenues generated by collection of unclaimed property cover the costs of paying claims.

Program Recommendations:

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

<p>GENERAL FUND General Government Operations —funding reduction.</p> <p>\$ -362</p> <p>Information Technology Modernization —Initiative—Information Technology Modernization. To upgrade information technology and streamline processes.</p> <p>\$ 3,500</p> <p>Board of Finance and Revenue —funding reduction.</p> <p>\$ -21</p> <p>Law Enforcement & Emergency Response Personnel Death Benefit —based on projection of funding requirements.</p> <p>\$ 383</p>	<p>MOTOR LICENSE FUND Administration Refunding Liquid Fuels Tax —to continue current program.</p> <p>\$ 57</p> <p>FISH FUND Replacement Checks - Fish Fund (EA) —based on projection of funding requirements.</p> <p>\$ -20</p>
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All other appropriations are recommended at the current year funding levels.



Program: Disbursement (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
GENERAL FUND:							
General Government Operations	\$ 40,932	\$ 36,207	\$ 35,845	\$ 35,845	\$ 35,845	\$ 35,845	\$ 35,845
Information Technology Modernization.....	0	0	3,500	12,000	12,000	12,000	12,000
Board of Finance and Revenue.....	2,270	2,086	2,065	2,065	2,065	2,065	2,065
Tuition Account Program Advertising.....	945	0	0	0	0	0	0
Replacement Checks (EA)	4,000	3,500	3,500	3,500	3,500	3,500	3,500
Law Enforcement & Emergency Response Personnel Death Benefit.....	1,480	1,362	1,745	1,745	1,745	1,745	1,745
TOTAL GENERAL FUND	\$ 49,627	\$ 43,155	\$ 46,655	\$ 55,155	\$ 55,155	\$ 55,155	\$ 55,155
MOTOR LICENSE FUND:							
Administration Refunding Liquid Fuels Tax	\$ 470	\$ 490	\$ 547	\$ 547	\$ 547	\$ 547	\$ 547
Replacement Checks - Motor License Fund (EA)	150	100	100	100	100	100	100
Refunding Liquid Fuels Taxes - Agriculture (EA).....	3,800	3,800	3,800	3,800	3,800	3,800	3,800
Refunding Liquid Fuels Taxes - State Share (EA).....	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Refunding Liquid Fuels Taxes - Political Subdivisions (EA)	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Refunding Liquid Fuels Taxes - Volunteer Services (EA).....	400	400	400	400	400	400	400
Refunding Liquid Fuels Taxes - Snowmobiles & ATV's (EA).....	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Refunding Liquid Fuels Taxes - Boat Fund (EA)	2,300	2,300	2,300	2,300	2,300	2,300	2,300
TOTAL MOTOR LICENSE FUND.....	\$ 12,120	\$ 12,090	\$ 12,147	\$ 12,147	\$ 12,147	\$ 12,147	\$ 12,147
BANKING DEPARTMENT FUND:							
Replacement Checks-Banking Department Fund (EA).....	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5
BOAT FUND:							
Replacement Checks-Boat Fund (EA)	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5
FARM PRODUCTS SHOW FUND:							
Replacement Checks-Farm Products Show Fund (EA)	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5
FISH FUND:							
Replacement Checks-Fish Fund (EA)	\$ 5	\$ 25	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5
GAME FUND:							
Replacement Checks-Game Fund (EA)	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5
KEYSTONE RECREATION, PARK AND CONSERVATION FUND:							
Replacement Checks-Keystone Recreation, Park, Consv Fund (EA)	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5
LOTTERY FUND:							
Replacement Checks-Lottery Fund (EA)....	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50
RACING FUND:							
Replacement Checks-Racing Fund (EA)....	\$ 10	\$ 10	\$ 10	\$ 10	\$ 10	\$ 10	\$ 10
TOBACCO SETTLEMENT FUND:							
Replacement Checks - Tobacco Settlement Fund (EA)	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5



PROGRAM OBJECTIVE: To promote interstate cooperation and progress through participation in various associations and organizations both regionally and nationally.

Program: Interstate Relations

Pennsylvania helps promote interstate progress and cooperation through participation in various organizations, associations and commissions with other states and other units of government. As a member of the Council of State Governments, Education Commission of the States, National Conference of State Legislatures and the National Governors' Association, Pennsylvania helps coordinate ideas on programs, interstate progress, budgets, federal-state relations, education, labor, research, governmental techniques and general information with other states, the Congress and the federal Executive Branch.

The Governmental Accounting Standards Board is also included within this program. The board provides guidance and establishes standards to promote uniformity and

comparability in governmental accounting and financial reporting.

The State and Local Legal Center provides for Pennsylvania's participation in a center to advance and defend the interests of state and local governments in matters involving federal preemption, state taxing and spending powers, the Tenth Amendment to the United States Constitution and other issues.

This program also covers Pennsylvania's cost of the Great Lakes Commission and the Council of Great Lakes Governors. These organizations were established to plan and promote a unified and balanced program for the development, use and conservation of Great Lakes Basin water resources.

Program Recommendations:

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

Intergovernmental Organizations is recommended at the current year funding level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
GENERAL FUND:							
Intergovernmental Organizations	\$ 1,112	\$ 979	\$ 979	\$ 979	\$ 979	\$ 979	\$ 979



PROGRAM OBJECTIVE: To provide for interest and principal requirements of notes and bonds issued by the commonwealth and other expenses related to debt service.

Program: Debt Service

The commonwealth, through the Treasury Department, is obligated to meet principal and interest requirements and other expenses related to debt service.

Long-term bonds are issued by the state to cover the cost of financing public improvements that represent such a heavy financial burden that they cannot be funded through current revenues. These bond issues have provided funds for the acquisition and development of public recreation and historic sites and facilities; payment for disaster recovery costs; economic revitalization efforts; low-cost loans for water supply and sewage treatment

improvements; loans to volunteer fire companies; and a wide variety of construction and renovation projects for hospitals, higher education facilities, state parks, flood control, correctional institutions and various public buildings.

The commonwealth has saved substantial amounts of debt service interest payments through the issuance of refunding bonds to retire debt incurred in prior years when interest rates were considerably higher. The commonwealth continues to monitor its debt for additional refunding opportunities.

Program Recommendations:

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

<p>GENERAL FUND \$ 91,381 —the net effect on principal and interest requirements and other costs relating to General Fund debt service.</p> <p>MOTOR LICENSE FUND \$ 262 —the net effect on principal and interest requirements and other costs relating to Motor License Fund debt service.</p>	<p>ENVIRONMENTAL STEWARDSHIP FUND \$ 4,932 —the net effect on principal and interest requirements and other costs relating to Environmental Stewardship Fund debt service.</p>
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Appropriations within this Program:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
GENERAL FUND:							
Publishing Monthly Statements	\$ 25	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15
Loan and Transfer Agents	74	65	65	65	65	65	65
Tax Note Expenses (EA)	0	400	800	800	800	800	800
Interest on Tax Anticipation Notes (EA)	0	1,239	10,000	10,000	10,000	10,000	10,000
General Obligation Debt Service	904,510	930,939	1,013,159	1,125,913	1,258,638	1,294,087	1,276,484
TOTAL GENERAL FUND	\$ 904,609	\$ 932,658	\$ 1,024,039	\$ 1,136,793	\$ 1,269,518	\$ 1,304,967	\$ 1,287,364
MOTOR LICENSE FUND:							
Capital Debt Transportation Projects	\$ 12,098	\$ 11,634	\$ 11,379	\$ 10,510	\$ 4,322	\$ 749	\$ 0
General Obligation Debt Service	11,713	13,052	13,569	13,569	12,911	12,911	12,829
Loan and Transfer Agent	0	50	50	50	50	50	50
TOTAL MOTOR LICENSE FUND	\$ 23,811	\$ 24,736	\$ 24,998	\$ 24,129	\$ 17,283	\$ 13,710	\$ 12,879
ENVIRONMENTAL STEWARDSHIP FUND:							
Debt Service for Growing Greener (EA)	\$ 25,113	\$ 31,901	\$ 36,833	\$ 42,506	\$ 47,425	\$ 47,407	\$ 47,416



DEPARTMENT OF AGING AND LONG TERM LIVING

This budget proposes to reorganize the commonwealth's long-term living system to improve the efficiency of service delivery and the coordination of services for persons with disabilities and older Pennsylvanians through the integration of programs managed by the Department of Aging and the Department of Public Welfare into a new Department of Aging and Long Term Living.

The mission of the Department of Aging and Long Term Living is to empower persons with disabilities and older Pennsylvanians to live with dignity and independence in the least restrictive setting.

The Department of Aging and Long Term Living coordinates the services and supports the long-term living system for Pennsylvanians with disabilities and for older Pennsylvanians through the Area Agencies on Aging and service providers. The department provides home and community-based services that enable individuals with disabilities and seniors to remain in their homes and communities and provides nursing facility services for those with higher level needs. The department also manages the Pharmaceutical Assistance Contract for the Elderly program, which provides assistance for older Pennsylvanians to meet the cost of prescription drugs.

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Aging and Long Term Living

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2008-09 ACTUAL	2009-10 AVAILABLE	2010-11 BUDGET
GENERAL FUND:			
<i>General Government:</i>			
Long-Term Living - Administration.....	\$ 5,454 a	\$ 5,225 b	\$ 6,103
(F)Medical Assistance - Long-Term Living.....	7,453 c	7,945 d	8,114
Subtotal - State Funds.....	\$ 5,454	\$ 5,225	\$ 6,103
Subtotal - Federal Funds.....	7,453	7,945	8,114
Total - General Government.....	<u>\$ 12,907</u>	<u>\$ 13,170</u>	<u>\$ 14,217</u>
<i>Grants and Subsidies:</i>			
Long-Term Care.....	\$ 672,597 e	\$ 598,688 f	\$ 618,083
(F)Medical Assistance - Long-Term Care.....	2,568,941 e	1,995,293 g	2,155,096
(F)ARRA - Medical Assistance - Long-Term Care.....	0	398,910 h	423,334
(A)Intergovernmental Transfer.....	81,797 e	36,148 e	38,187
(A)Nursing Home Assessment.....	397,134 e	353,000 e	387,608
Subtotal.....	<u>\$ 3,720,469</u>	<u>\$ 3,382,039</u>	<u>\$ 3,622,308</u>
Services to Persons with Disabilities.....	74,268 e	93,150 e	104,443
(F)Medical Assistance - Services to Persons with Disabilities.....	128,899 e	144,996 e	169,055
(F)ARRA -Medical Assistance - Svcs to Persons with Disabilities.....	0	28,988 e	33,164
(A)Intergovernmental Transfer.....	9,256 e	0	0
Subtotal.....	<u>\$ 212,423</u>	<u>\$ 267,134</u>	<u>\$ 306,662</u>
Attendant Care.....	83,917 e	109,421 e	114,350
(F)Medical Assistance - Attendant Care.....	79,286 e	82,925 e	96,802
(F)ARRA - Medical Assistance - Attendant Care.....	0	16,703 e	20,347
(A)Attendant Care Parking Fines.....	103 e	103 e	103
(A)Intergovernmental Transfer.....	15,282 e	0	0
(A)Attendant Care Patient Fee.....	978 e	950 e	950
Subtotal.....	<u>\$ 179,566</u>	<u>\$ 210,102</u>	<u>\$ 232,552</u>
Subtotal - State Funds.....	\$ 830,782	\$ 801,259	\$ 836,876
Subtotal - Federal Funds.....	2,777,126	2,667,815	2,897,798
Subtotal - Augmentations.....	504,550	390,201	426,848
Total - Grants and Subsidies.....	<u>\$ 4,112,458</u>	<u>\$ 3,859,275</u>	<u>\$ 4,161,522</u>
STATE FUNDS.....	\$ 836,236	\$ 806,484	\$ 842,979
FEDERAL FUNDS.....	2,784,579	2,675,760	2,905,912
AUGMENTATIONS.....	504,550	390,201	426,848
GENERAL FUND TOTAL.....	<u>\$ 4,125,365</u>	<u>\$ 3,872,445</u>	<u>\$ 4,175,739</u>
LOTTERY FUND:			
<i>General Government:</i>			
General Government Operations.....	\$ 7,338 i	\$ 7,794	\$ 7,745
(F)Programs for the Aging - Title III - Administration.....	1,817	1,817	1,674
(F)Programs for the Aging - Title V - Administration.....	173	173	177
(F)Medical Assistance - Administration.....	1,652	1,997	1,508
(F)Program for the Aging - Title VII - Administration.....	0	100	100
(A)Day Care Licensure.....	8	8	10
Subtotal.....	<u>\$ 10,988</u>	<u>\$ 11,889</u>	<u>\$ 11,214</u>
Subtotal - State Funds.....	\$ 7,338	\$ 7,794	\$ 7,745
Subtotal - Federal Funds.....	3,642	4,087	3,459
Subtotal - Augmentations.....	8	8	10



Aging and Long Term Living

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2008-09 ACTUAL	2009-10 AVAILABLE	2010-11 BUDGET
Total - General Government.....	\$ 10,988	\$ 11,889	\$ 11,214
Grants and Subsidies:			
PENNCARE.....	\$ 240,273	\$ 241,414	\$ 243,560
(F)Programs for the Aging - Title III.....	52,000	52,000	52,000
(F)ARRA - Programs for the Aging - Title III.....	0	4,486	0
(F)Programs for the Aging - Nutrition.....	10,000	10,000	10,000
(F)Programs for the Aging - Title V - Employment.....	5,300	7,000	7,000
(F)ARRA - Programs for the Aging - Title V-Employment.....	0	1,271	0
(F)Programs for the Aging - Title VII - Elder Rights Protection.....	4,700	4,700	4,700
(F)Medical Assistance - Attendant Care.....	17,128	17,192	15,747
(F)ARRA - Medical Assistance Attendant Care.....	0	3,438	3,124
(F)Medical Assistance - Support.....	13,564	13,564	13,564
(F)Performance Measures Outcome Project.....	40	40	0
(F)Medical Assistance Nursing Home Transition Administration.....	700	700	700
(F)Improving Legal Advocacy Services for Seniors.....	200	200	0
(F)Long Term Housing Supports.....	60	0	0
Subtotal.....	<u>\$ 343,965</u>	<u>\$ 356,005</u>	<u>\$ 350,395</u>
Pre-Admission Assessment.....	10,206	10,823	10,735
(F)Pre-Admission Assessment.....	15,983	15,577	14,483
Subtotal.....	<u>\$ 26,189</u>	<u>\$ 26,400</u>	<u>\$ 25,218</u>
Family Caregiver.....	12,027	12,103	12,103
(F)Programs for the Aging - Title III - Family Caregiver.....	10,000	10,000	10,000
Subtotal.....	<u>\$ 22,027</u>	<u>\$ 22,103</u>	<u>\$ 22,103</u>
Alzheimer's Outreach.....	200	250	250
(F)Alzheimer's Demonstration Grant.....	350	350	350
Subtotal.....	<u>\$ 550</u>	<u>\$ 600</u>	<u>\$ 600</u>
Pharmaceutical Assistance Fund.....	254,500	210,000	200,000
Medical Assistance - Long-Term Care.....	300,707^e	178,438^e	178,438
Subtotal - State Funds.....	\$ 817,913	\$ 653,028	\$ 645,086
Subtotal - Federal Funds.....	130,025	140,518	131,668
Total - Grants and Subsidies.....	<u>\$ 947,938</u>	<u>\$ 793,546</u>	<u>\$ 776,754</u>
STATE FUNDS.....	\$ 825,251	\$ 660,822	\$ 652,831
FEDERAL FUNDS.....	133,667	144,605	135,127
AUGMENTATIONS.....	8	8	10
LOTTERY FUND TOTAL.....	\$ 958,926	\$ 805,435	\$ 787,968
TOBACCO SETTLEMENT FUND:			
Grants and Subsidies:			
Home and Community-Based Services (EA).....	\$ 50,546^j	\$ 51,058^j	\$ 42,846
(F)Medical Assistance - Community Services.....	71,242 ^k	67,763 ^k	53,905
(F)ARRA - Medical Assistance - Community Services.....	0	7,390 ^e	3,974
Subtotal.....	<u>\$ 121,788</u>	<u>\$ 126,211</u>	<u>\$ 100,725</u>
PACENET Transfer (EA).....	28,492	31,420	26,367
Medical Assistance - Long-Term Care.....	134,112^e	130,923^e	105,411
Subtotal - State Funds.....	\$ 213,150	\$ 213,401	\$ 174,624



Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2008-09 ACTUAL	2009-10 AVAILABLE	2010-11 BUDGET
Subtotal - Federal Funds.....	71,242	75,153	57,879
Total - Grants and Subsidies.....	<u>\$ 284,392</u>	<u>\$ 288,554</u>	<u>\$ 232,503</u>
STATE FUNDS.....	\$ 213,150	\$ 213,401	\$ 174,624
FEDERAL FUNDS.....	71,242	75,153	57,879
TOBACCO SETTLEMENT FUND TOTAL.....	<u>\$ 284,392</u>	<u>\$ 288,554</u>	<u>\$ 232,503</u>
 OTHER FUNDS:			
PHARMACEUTICAL ASSISTANCE FUND:			
PACE Contracted Services (EA).....	\$ 0 ^l	\$ 9,280 ^l	\$ 24,230 ^l
Administration of PACE (EA).....	1,012	1,070	1,102
PHARMACEUTICAL ASSISTANCE FUND TOTAL.....	<u>\$ 1,012</u>	<u>\$ 10,350</u>	<u>\$ 25,332</u>
 DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 836,236	\$ 806,484	\$ 842,979
SPECIAL FUNDS.....	1,038,401	874,223	827,455
FEDERAL FUNDS.....	2,989,488	2,895,518	3,098,918
AUGMENTATIONS.....	504,558	390,209	426,858
OTHER FUNDS.....	1,012	10,350	25,332
TOTAL ALL FUNDS.....	<u>\$ 5,369,695</u>	<u>\$ 4,976,784</u>	<u>\$ 5,221,542</u>

^a Includes \$1,911,000 appropriated as a part of General Government Operations and \$3,543,000 appropriated as a part of County Administration - Statewide in the Department of Public Welfare.

^b Includes \$1,831,000 appropriated as a part of General Government Operations and \$3,394,000 appropriated as a part of County Administration - Statewide in the Department of Public Welfare.

^c Includes \$1,676,000 appropriated as a part of Medical Assistance - Administration and \$5,777,000 appropriated as a part of Medical Assistance - Statewide in the Department of Public Welfare.

^d Includes \$1,787,000 appropriated as a part of Medical Assistance - Administration and \$6,158,000 appropriated as a part of Medical Assistance - Statewide in the Department of Public Welfare.

^e Appropriated in the Department of Public Welfare.

^f Appropriated in the Department of Public Welfare and includes recommended supplemental appropriation of \$58,422,000.

^g Appropriated in the Department of Public Welfare and includes recommended supplemental appropriation of \$31,398,000.

^h Appropriated in the Department of Public Welfare and includes recommended supplemental appropriation of \$20,562,000.

ⁱ 2008-09 Actual includes \$130,000 appropriated as Auditor General Audit Costs.

^j 2008-09 Actual includes \$25,086,000 and 2009-10 Available includes \$23,783,000 authorized as Home and Community-Based Services (EA) in the Department of Public Welfare.

^k 2008-09 Actual includes \$43,102,000 and 2009-10 Available includes \$37,698,000 authorized as Medical Assistance - Community Services (EA) in the Department of Public Welfare.

^l Transfer to Pharmaceutical Assistance Fund not added to the total to avoid double counting: 2008-09 Actual is \$254,500,000, 2009-10 Available is \$210,000,000 and 2010-11 Budget is \$200,000,000. PACENET Transfer (EA) also not added to the total to avoid double counting: 2008-09 Actual is \$28,492,000, 2009-10 Available is \$31,420,000 and 2010-11 Budget is \$26,367,000.



Program Funding Summary

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
LONG TERM LIVING							
GENERAL FUND.....	\$ 836,236	\$ 806,484	\$ 842,979	\$ 1,308,020	\$ 1,460,519	\$ 1,504,152	\$ 1,549,093
SPECIAL FUNDS.....	755,409	632,803	601,088	609,288	610,133	610,169	610,210
FEDERAL FUNDS.....	2,989,488	2,895,518	3,098,918	2,818,933	2,778,240	2,855,878	2,935,848
OTHER FUNDS.....	504,558	390,209	426,858	388,671	388,671	388,671	388,671
SUBCATEGORY TOTAL.....	\$ 5,085,691	\$ 4,725,014	\$ 4,969,843	\$ 5,124,912	\$ 5,237,563	\$ 5,358,870	\$ 5,483,822
PHARMACEUTICAL ASSISTANCE							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	282,992	241,420	226,367	231,512	276,519	286,526	296,534
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	1,012	10,350	25,332	28,152	1,102	1,829	4,082
SUBCATEGORY TOTAL.....	\$ 284,004	\$ 251,770	\$ 251,699	\$ 259,664	\$ 277,621	\$ 288,355	\$ 300,616
ALL PROGRAMS:							
GENERAL FUND.....	\$ 836,236	\$ 806,484	\$ 842,979	\$ 1,308,020	\$ 1,460,519	\$ 1,504,152	\$ 1,549,093
SPECIAL FUNDS.....	1,038,401	874,223	827,455	840,800	886,652	896,695	906,744
FEDERAL FUNDS.....	2,989,488	2,895,518	3,098,918	2,818,933	2,778,240	2,855,878	2,935,848
OTHER FUNDS.....	505,570	400,559	452,190	416,823	389,773	390,500	392,753
DEPARTMENT TOTAL.....	\$ 5,369,695	\$ 4,976,784	\$ 5,221,542	\$ 5,384,576	\$ 5,515,184	\$ 5,647,225	\$ 5,784,438

PROGRAM OBJECTIVE: To support a consumer-driven system that empowers persons with disabilities and older persons to live with dignity and independence in settings they prefer, to provide meaningful choice of long-term living services and to ensure that those services are delivered in a high-quality, cost-effective manner.

Program: Long-Term Living

The commonwealth's commitment to supporting people with disabilities and older Pennsylvanians is demonstrated by a growing continuum of services ranging from independent living with the support of home and community-based services through institutional care. Eligible individuals can access the system through a network of 52 Area Agencies on Aging (AAA) for seniors and service providers for adults with disabilities. These organizations can provide information to people who seek assistance in identifying the right resource and can also assist consumers and families in accessing more extensive supports and services for those with greater needs.

Program Element: Support Programs

Pennsylvania's rich array of preventive services includes more than 650 senior centers, nutrition and home delivered meals, transportation, job support and family caregiver support. Senior center and nutrition programs provide older Pennsylvanians with hot, nutritionally balanced meals. Transportation services arranged by the AAAs allow older Pennsylvanians to visit the doctor, shop or attend community events. Job placement services help older Pennsylvanians find unsubsidized private sector employment and offer job training and subsidized part-time community service employment. The Family Caregiver Support program assists families supporting frail elderly relatives in their homes through benefits counseling and, depending on income, financial assistance including supplies, services and home adaptations and devices. Transportation services are also available to people with disabilities for both medical and non-medical purposes.

Program Element: Home and Community-Based Services

For individuals who desire to receive services in the community, the department administers eight home and community-based Medicaid waiver programs in addition to several other programs including the OPTIONS program and the Living Independently for Elders (LIFE) program. Home and community-based services help consumers to live as independently as possible and avoid institutionalization.

The AAA network and service providers meet with individuals to provide information and access to these services. Assistance is provided to develop individual service plans and coordinate with an extensive network of providers. The department, in cooperation with the AAAs

and service providers, is responsible for ensuring that services are being provided in a consistent and efficient manner.

A variety of specialized services are provided to enable people with physical and/or cognitive disabilities, as well as people over 60, to live independently in the community. Attendant care, service coordination, peer counseling, non-medical transportation, community integration and independent living skills training are several of the community-based support services that are provided.

The Attendant Care program provides services to individuals who are between the ages of 18 and 59 and have physical disabilities. Personal assistance and attendant care services, such as bathing, dressing, grooming and other activities of daily living enable recipients to remain in or return to their own homes, rejoin the workforce and maintain independent lifestyles. Attendant care services are provided for adults age 60 and older with disabilities until a change in health status indicates a service level modification. People with certain physical disabilities, such as cerebral palsy and other disabilities (not including mental illness/mental retardation) are served in community residential settings and nursing facilities.

The home and community-based programs support people with developmental disabilities who may have limitations in performing activities of daily living, understanding and/or use of language, learning, mobility, self-direction and capacity for independent living. These services help consumers to function independently in the community. In past years, many consumers with developmental disabilities might have been served in nursing facilities but are now able to reside in the community with services and support.

Similar services are provided to people with cognitive disabilities such as, but not limited to, traumatic brain injury, who do not have other related disabilities. These services enable the consumers to function in the community as independently as possible after they have progressed beyond initial acute rehabilitation. People with cognitive disabilities may require a special mix of services to address short-term memory issues.

Frail older Pennsylvanians often require more extensive and personalized services to remain in their homes and communities and avoid relocating to an institutional setting such as a nursing facility or personal care home. A pre-admission screening program helps older Pennsylvanians

Aging and Long Term Living

Program: Long-Term Living (continued)

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

<table border="0"> <tr> <td style="text-align: right;">\$ 1,009</td> <td>Attendant Care</td> <td></td> </tr> <tr> <td></td> <td>—to continue current program and to annualize a previous expansion of community services.</td> <td></td> </tr> <tr> <td style="text-align: right;">-1,142</td> <td>—revision of federal financial participation from 54.81% to 55.64%.</td> <td></td> </tr> <tr> <td style="text-align: right;">5,062</td> <td>—Initiative – Long-Term Living System Reform. To provide home and community-based services to 780 additional individuals with disabilities as an alternative to institutional care.</td> <td></td> </tr> <tr> <td style="text-align: right;"><u>\$ 4,929</u></td> <td><i>Appropriation Increase</i></td> <td></td> </tr> <tr> <td></td> <td>LOTTERY FUND</td> <td></td> </tr> <tr> <td></td> <td>General Government Operations</td> <td></td> </tr> <tr> <td style="text-align: right;">\$ -49</td> <td>—reduction in administrative costs.</td> <td></td> </tr> </table>	\$ 1,009	Attendant Care			—to continue current program and to annualize a previous expansion of community services.		-1,142	—revision of federal financial participation from 54.81% to 55.64%.		5,062	—Initiative – Long-Term Living System Reform. To provide home and community-based services to 780 additional individuals with disabilities as an alternative to institutional care.		<u>\$ 4,929</u>	<i>Appropriation Increase</i>			LOTTERY FUND			General Government Operations		\$ -49	—reduction in administrative costs.		<table border="0"> <tr> <td style="text-align: right;">\$ 2,871</td> <td>PENNCARE</td> <td></td> </tr> <tr> <td style="text-align: right;">3,008</td> <td>—to continue current attendant care services.</td> <td></td> </tr> <tr> <td></td> <td>—to provide attendant care services to an additional 285 recipients.</td> <td></td> </tr> <tr> <td style="text-align: right;">-3,733</td> <td>—nonrecurring projects.</td> <td></td> </tr> <tr> <td style="text-align: right;"><u>\$ 2,146</u></td> <td><i>Appropriation Increase</i></td> <td></td> </tr> <tr> <td></td> <td>Pre-Admission Assessment</td> <td></td> </tr> <tr> <td style="text-align: right;">\$ -88</td> <td>—nonrecurring projects.</td> <td></td> </tr> <tr> <td></td> <td>TOBACCO SETTLEMENT FUND</td> <td></td> </tr> <tr> <td></td> <td>Home and Community-Based Services</td> <td></td> </tr> <tr> <td style="text-align: right;">\$ -8,212</td> <td>—decrease in Tobacco Settlement funds available for transfer.</td> <td></td> </tr> <tr> <td></td> <td>Medical Assistance - Long-Term Care</td> <td></td> </tr> <tr> <td style="text-align: right;">\$ -25,512</td> <td>—decrease in Tobacco Settlement funds available for transfer.</td> <td></td> </tr> </table>	\$ 2,871	PENNCARE		3,008	—to continue current attendant care services.			—to provide attendant care services to an additional 285 recipients.		-3,733	—nonrecurring projects.		<u>\$ 2,146</u>	<i>Appropriation Increase</i>			Pre-Admission Assessment		\$ -88	—nonrecurring projects.			TOBACCO SETTLEMENT FUND			Home and Community-Based Services		\$ -8,212	—decrease in Tobacco Settlement funds available for transfer.			Medical Assistance - Long-Term Care		\$ -25,512	—decrease in Tobacco Settlement funds available for transfer.	
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All other appropriations are recommended at the current year funding levels.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
GENERAL FUND:							
Long-Term Living - Administration	\$ 5,454	\$ 5,225	\$ 6,103	\$ 6,103	\$ 6,103	\$ 6,103	\$ 6,103
Long-Term Care.....	672,597	598,688	618,083	1,032,788	1,163,438	1,198,341	1,234,291
Services to Persons with Disabilities.....	74,268	93,150	104,443	135,716	148,519	152,975	157,564
Attendant Care	<u>83,917</u>	<u>109,421</u>	<u>114,350</u>	<u>133,413</u>	<u>142,459</u>	<u>146,733</u>	<u>151,135</u>
TOTAL GENERAL FUND.....	<u>\$ 836,236</u>	<u>\$ 806,484</u>	<u>\$ 842,979</u>	<u>\$ 1,308,020</u>	<u>\$ 1,460,519</u>	<u>\$ 1,504,152</u>	<u>\$ 1,549,093</u>
LOTTERY FUND:							
General Government Operations	\$ 7,338	\$ 7,794	\$ 7,745	\$ 7,745	\$ 7,745	\$ 7,745	\$ 7,745
PENNCARE.....	240,273	241,414	243,560	251,137	251,950	251,950	251,950
Pre-Admission Assessment.....	10,206	10,823	10,735	10,735	10,735	10,735	10,735
Family Caregiver	12,027	12,103	12,103	12,103	12,103	12,103	12,103
Alzheimer's Outreach	200	250	250	250	250	250	250
Medical Assistance - Long-Term Care.....	<u>300,707</u>	<u>178,438</u>	<u>178,438</u>	<u>178,438</u>	<u>178,438</u>	<u>178,438</u>	<u>178,438</u>
TOTAL LOTTERY FUND	<u>\$ 570,751</u>	<u>\$ 450,822</u>	<u>\$ 452,831</u>	<u>\$ 460,408</u>	<u>\$ 461,221</u>	<u>\$ 461,221</u>	<u>\$ 461,221</u>
TOBACCO SETTLEMENT FUND:							
Home and Community-Based							
Services (EA).....	\$ 50,546	\$ 51,058	\$ 42,846	\$ 43,083	\$ 43,093	\$ 43,104	\$ 43,117
Medical Assistance - Long-Term Care.....	<u>134,112</u>	<u>130,923</u>	<u>105,411</u>	<u>105,797</u>	<u>105,819</u>	<u>105,844</u>	<u>105,872</u>
TOTAL TOBACCO SETTLEMENT FUND	<u>\$ 184,658</u>	<u>\$ 181,981</u>	<u>\$ 148,257</u>	<u>\$ 148,880</u>	<u>\$ 148,912</u>	<u>\$ 148,948</u>	<u>\$ 148,989</u>



PROGRAM OBJECTIVE: To assist eligible older Pennsylvanians who experience difficulty meeting the cost of prescription drugs necessary to maintain healthy lives.

Program: Pharmaceutical Assistance

The pharmaceutical assistance program provides limited pharmaceutical assistance to qualified older Pennsylvanians who are 65 years of age and older and who face the burden of the cost of drugs required to maintain healthy, productive lives. The Pharmaceutical Assistance Contract for the Elderly (PACE) program is financed by Lottery and Tobacco Settlement Fund revenues and administered by the Department of Aging and Long Term Living.

The PACE program has two components, PACE and PACENET. PACE, the traditional, comprehensive program is for older Pennsylvanians whose annual income is at or below \$14,500 for single persons and \$17,700 for married persons. The PACE Needs Enhancement Tier (PACENET) program is available for older Pennsylvanians whose annual income is between \$14,500 and \$23,500 for single persons and between \$17,700 and \$31,500 for married persons.

The Medicare Prescription Drug, Improvement and Modernization Act (MMA) of 2003 created a new outpatient drug benefit, Medicare Part D which began providing drug coverage in January 2006. Act 111 of 2006 created PACE Plus Medicare, which enables cardholders to take advantage of the features of both PACE and Medicare Part D. With the goal of providing seamless coverage, PACE Plus fills the coverage gaps encountered by cardholders in Medicare Part D, including deductibles, the doughnut hole phase of no Medicare coverage, drugs excluded under MMA, drugs not on a plan's formulary and copayment differentials between the Part D plan coverage and the PACE and PACENET copayments. PACE Plus pays the Medicare premiums for Part D coverage for PACE cardholders, while PACENET cardholders must pay the Part D premiums. Act 111 of 2006 also eliminated the monthly deductible for PACENET cardholders.

The PACE program acts as the enrollees' representative and facilitates PACE cardholder enrollment into the Extra Help/Low-Income Subsidy offering under Part D as well as collaborating with selected prescription drug plans to facilitate enrollment of PACE and PACENET cardholders into Part D. PACE covers all medications requiring a prescription in the commonwealth, as well as insulin, insulin syringes and needles, unless a manufacturer does not participate in the manufacturer's rebate program. PACE does not cover medications that can be purchased without a prescription, cosmetic drugs or less than effective drugs without certification by a physician. PACE cardholders pay a mandatory copayment of \$6 for generic and \$9 for brand-name prescriptions. PACENET cardholders pay a copayment of \$8 for generic and \$15 for brand-name prescriptions.

In accordance with Act 111 of 2006, participating pharmacies are reimbursed at 88 percent of the average wholesale costs of prescription drugs plus a dispensing fee, their usual and customary charge, or the most current Federal upper payment limit established in the Medicaid Program for generic drugs plus a dispensing fee, whichever is less.

The budget proposes to seek approval to include the PACE/PACENET program in the National Medicaid Pooling agreement to receive additional pharmaceutical rebates. This budget also anticipates that federal reform for Medicare Part D will reduce the amount the program pays for doughnut hole coverage for its participants.

The department is responsible for ensuring compliance with the program requirements. In addition to careful review of eligibility, including income verification by matching with Pennsylvania income tax returns, the department audits providers to detect and deter fraud and has established both a prospective and a retrospective drug utilization review system to monitor and correct misuse of drug therapies.

A prudent pharmaceutical purchasing program ensures that the program receives a discount from drug manufacturers. PACE pays for drug products from manufacturers that agree to pay a rebate for brand drugs pursuant to the determination established by section 1927(c) (1) of the Social Security Act and a rebate of 11 percent of the average manufacturer price for generic drugs purchased through the program. In addition, participating manufacturers agree to pay an excessive pharmaceutical price inflation discount equivalent to the difference between the quarterly average manufacturer's price charged for a drug, excluding generics, and the average quarterly price charged for that drug one year earlier inflated by the Consumer Price Index-Urban.

The department also serves as the administrative and fiscal agent for other commonwealth-sponsored drug reimbursement programs. Pharmaceutical claims for the Chronic Renal Disease, Cystic Fibrosis, Spina Bifida, Metabolic Conditions (including Maple Syrup Urine Disease) and the Phenylketonuria programs (all within the Department of Health) and the Special Pharmaceutical Benefits Program (Department of Public Welfare) are processed through the PACE/PACENET system. The department also adjudicates claims for the State Worker's Insurance Fund (Department of Labor and Industry) and collects rebates for the Special Pharmaceutical Assistance and Chronic Renal Disease programs.

Aging and Long Term Living

Program: Pharmaceutical Assistance (continued)

Program Recommendations:

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

LOTTERY FUND		TOBACCO SETTLEMENT FUND	
Pharmaceutical Assistance Fund		PACENET Transfer (EA)	
\$ 9,839	—increase in Lottery Funds needed to support the PACE program due to increases in cost and number of enrollees.	\$ -5,053	—decrease in Tobacco Settlement Funds available for transfer.
-14,850	—Initiative – PACE Reform. Decrease in Lottery Funds needed to support the PACE program as a result of participating in national pharmaceutical pooling agreement.		
-4,989	—Initiative – PACE Reform. Decrease Lottery Funds needed to support the PACE program as a result of anticipated federal changes to the Medicare Part D program.		
\$ -10,000	<i>Appropriation Decrease</i>		

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
LOTTERY FUND:							
Pharmaceutical Assistance Fund	<u>\$ 254,500</u>	<u>\$ 210,000</u>	<u>\$ 200,000</u>	<u>\$ 205,000</u>	<u>\$ 250,000</u>	<u>\$ 260,000</u>	<u>\$ 270,000</u>
TOBACCO SETTLEMENT FUND:							
PACENET Transfer (EA)	<u>\$ 28,492</u>	<u>\$ 31,420</u>	<u>\$ 26,367</u>	<u>\$ 26,512</u>	<u>\$ 26,519</u>	<u>\$ 26,526</u>	<u>\$ 26,534</u>



Program Measures

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Program: Long-Term Living							
Pennsylvanians 60 years and older	2,595,000	2,633,485	2,671,970	2,728,365	2,784,755	2,841,150	2,897,545
Pennsylvanians 85 years and older	284,648	291,345	298,045	302,140	306,235	310,335	313,890
Persons served in the community who are clinically nursing home eligible	44,798	48,110	52,326	52,326	52,326	52,326	52,326
Pre-Admission Assessment							
Assessments/recertifications	100,749	106,152	112,410	112,410	112,410	112,410	112,410
Referrals to nursing homes	30,401	31,425	31,660	31,660	31,660	31,660	31,660
Referrals to community services	36,460	39,770	43,085	43,085	43,085	43,085	43,085
Persons Receiving Assistance							
Congregate meals	130,368	130,370	127,765	127,765	127,765	127,765	127,765
Personal assistance services	1,549	1,550	1,580	1,580	1,580	1,580	1,580
Attendant care services	1,515	1,815	1,950	1,950	1,950	1,950	1,950
Home delivered meals	49,058	49,060	50,040	50,040	50,040	50,040	50,040
Home support services	7,460	7,460	7,310	7,310	7,310	7,310	7,310
Personal care services	14,118	14,120	14,120	14,120	14,120	14,120	14,120
Protective services	18,633	19,275	20,155	20,155	20,155	20,155	20,155
Families receiving caregiver support	8,244	8,245	8,245	8,245	8,245	8,245	8,245
Long-Term Care							
Recipients under age 60 receiving institutional care (annual unduplicated users)	7,659	7,259	7,210	7,155	7,100	7,050	7,000
Recipients over age 60 receiving institutional care (monthly average)	74,784	75,614	75,820	76,025	76,235	76,440	76,645
Percentage of long-term care recipients receiving institutional care	68.3%	67.6%	65.5%	63.9%	62.4%	60.9%	59.5%
Average monthly cost of nursing home care	\$5,116	\$5,167	\$5,220	\$5,270	\$5,325	\$5,375	\$5,430
Recipients over age 60 receiving home and community-based waiver services	21,000	22,884	24,770	26,650	28,535	30,420	32,305
Average monthly cost of home and community-based waiver services (age 60 age over)	\$1,700	\$1,679	\$1,679	\$1,679	\$1,679	\$1,679	\$1,679
Percentage of long-term care recipients receiving services in the community	30.4%	31.4%	33.5%	35.1%	36.6%	38.1%	39.5%
Recipients receiving services through the LIFE program	1,889	2,430	3,210	3,210	3,210	3,210	3,210
Other Long-Term Living Services							
Recipients under age 60 receiving attendant care services (Waiver and Act 150)	7,451	7,898	8,680	8,680	8,680	8,680	8,680



Program Measures

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Persons with developmental disabilities served in the community	5,045	5,887	6,630	6,630	6,630	6,630	6,630
Program: Pharmaceutical Assistance							
Comprehensive PACE Program							
Older Pennsylvanians enrolled (average)	144,465	134,714	130,675	124,140	117,930	112,035	106,435
Total prescriptions per year	5,562,809	6,264,201	6,141,630	5,896,605	5,660,735	5,433,700	5,215,265
Average PACE cost per prescription	\$23.69	\$20.60	\$21.22	\$21.86	\$22.52	\$23.20	\$23.90
PACE Needs Enhancement Tier (PACENET)							
Older Pennsylvanians enrolled (average)	168,451	178,435	189,140	200,490	212,515	225,270	238,785
Total prescriptions per year	6,043,171	4,924,751	5,220,235	5,533,440	5,865,470	6,217,395	6,590,440
Average PACENET cost per prescription	\$25.91	\$30.98	\$31.91	\$32.87	\$33.86	\$34.88	\$35.93

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DEPARTMENT OF AGRICULTURE

The mission of the Department of Agriculture is to encourage and promote agriculture and related industries throughout the commonwealth.

The department's mission is accomplished through four major programs: consumer protection, property protection, farmland preservation and farmers and agribusiness development. The department provides a full range of services to farmers and consumers from Harrisburg and through seven regional offices located around the state.

The Department of Agriculture carries out activities to ensure wholesome and safe agricultural products for consumers; to expand existing and develop new domestic and foreign markets for Pennsylvania's farmers to compete in the global economy; to develop and encourage proper farming and conservation practices; to prevent, control and eradicate diseases among livestock, poultry and plants; to regulate the conduct of horse racing; and to improve the quality of life in rural Pennsylvania.



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Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2008-09 ACTUAL	2009-10 AVAILABLE	2010-11 BUDGET
GENERAL FUND:			
<i>General Government:</i>			
General Government Operations.....	\$ 29,780	\$ 28,295	\$ 28,012
(F) Plant Pest Detection System.....	1,300	1,300	1,300
(F) Poultry Grading Service.....	100	100	100
(F) Medicated Feed Mill Inspection.....	35	50	50
(F) National School Lunch Administration.....	700	1,700	1,700
(F) Emergency Food Assistance.....	5,275	4,000	4,000
(F) ARRA - Emergency Food Assistance.....	0	2,000	2,000
(F) Pesticide Control.....	1,000	1,000	1,000
(F) Agricultural Risk Protection.....	1,000	1,000	1,000
(F) Commodity Supplemental Food.....	1,500	1,500	1,500
(F) Organic Cost Distribution.....	180	180	180
(F) Animal Disease Control.....	2,000	2,000	2,000
(F) Food Establishment Inspections.....	300	300	300
(F) Integrated Pest Management.....	250	250	250
(F) Johnes Disease Herd Project.....	2,000	2,000	2,000
(F) Avian Influenza Surveillance.....	2,000	2,000	2,000
(F) Oral Rabies Vaccine.....	100	100	100
(F) Exotic Newcastle Disease Control.....	300	300	300
(F) Scrapie Disease Control.....	60	60	60
(F) Foot and Mouth Disease Monitoring.....	150	150	150
(F) Wildlife Services.....	800	800	800
(F) Animal Identification.....	2,000	2,000	2,000
(F) Specialty Crops.....	500	1,000	1,000
(F) Emerald Ash Borer Mitigation.....	3,000	800	800
(F) ARRA - Aquaculture Assistance.....	1,900	1,900	1,900
(F) Mediation Grant.....	0	0	200
(F) Bioterrorism Preparedness (EA).....	1,244	675	0
(F) Epidemiology and Laboratory Capacity (EA).....	0	31	31
(A) Lime Inspection.....	30	28	28
(A) Feed Inspections and Registrations.....	553	535	537
(A) Milk Plant Inspections.....	24	22	22
(A) Mailing List Production.....	7	6	6
(A) Special Conferences and Projects.....	0	5	2
(A) Administrative Services.....	2,824	2,536	2,536
(A) Pesticide Regulation.....	721	800	800
(A) Training Rides and Attractions.....	19	34	25
(A) Food Site Inspection.....	70	120	120
(A) Apiary Registration and Fees.....	13	10	10
(A) Weights and Measures Inspection Services.....	15	15	15
(A) Food Employee Certification Fees.....	173	110	110
(A) Transfer from Fertilizer Account.....	57	51	51
(A) Consumer Fireworks License.....	303	280	315
(A) Transfer from Growing Greener Programs.....	62	0	0
(A) Taxidermy Permit Registrations.....	116	100	90
(A) Transfer from Motor License Fund.....	0 ^a	0 ^a	0 ^a
(A) Transfer from Other State Agencies.....	381	595	235
(A) Farm Show Revenue.....	0	42	42
(A) Company Sponsorships.....	0	8	8
Subtotal.....	\$ 62,842	\$ 60,788	\$ 59,685
Agricultural Excellence.....	313	313	310
Farmers' Market Food Coupons.....	2,226	2,226	2,226
(F) Farmers' Market Food Coupons.....	3,500	3,500	3,500
(F) Senior Farmers' Market Nutrition.....	2,200	2,200	2,200
Agricultural Conservation Easement Administration.....	509	280	277
(F) Farmland Protection.....	4,000	4,000	4,000
(A) Transfer From Environmental Stewardship Fund.....	103	133	133
Agricultural Research.....	1,640	1,000	0
Agricultural Promotion, Education, and Exports.....	1,000	250	0
(A) Farm Show Revenue.....	56	0	0
(A) Trade Show Booth Fee.....	3	0	0



Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2008-09 ACTUAL	2009-10 AVAILABLE	2010-11 BUDGET
(A)Conference Registration Fees.....	2	0	0
Hardwoods Research and Promotion.....	706	240	0
Farm Safety.....	89	89	0
Nutrient Management.....	368	314	311
Subtotal - State Funds.....	\$ 36,631	\$ 33,007	\$ 31,136
Subtotal - Federal Funds.....	37,394	36,896	36,421
Subtotal - Augmentations.....	5,532	5,430	5,085
Total - General Government.....	<u>\$ 79,557</u>	<u>\$ 75,333</u>	<u>\$ 72,642</u>
Grants and Subsidies:			
Animal Health Commission.....	\$ 5,150	\$ 5,150	\$ 4,901
Animal Indemnities.....	10	5	5
Transfer to State Farm Products Show Fund.....	2,860	2,860	2,760
Payments to Pennsylvania Fairs.....	3,617	2,000	0
Livestock Show.....	213	205	184
Open Dairy Show.....	213	205	184
Junior Dairy Show.....	47	40	36
4-H Club Shows.....	52	50	45
State Food Purchase.....	18,000	18,000	18,000
Food Marketing and Research.....	1,750	800	0
Transition to Organic Farming.....	450	0	0
Product Promotion and Marketing.....	518	0	0
(F)Market Improvement.....	150	150	150
Future Farmers.....	83	60	54
Agriculture & Rural Youth.....	54	48	0
Transfer to Nutrient Management Fund.....	3,138	3,100	3,000
Transfer to the Conservation District Fund.....	1,660	1,650	1,080
Crop Insurance.....	1,146	600	1,000
(F)Crop Insurance.....	2,000	2,000	2,000
Farm-School Nutrition.....	493	50	50
Subtotal - State Funds.....	\$ 39,454	\$ 34,823	\$ 31,299
Subtotal - Federal Funds.....	2,150	2,150	2,150
Total - Grants and Subsidies.....	<u>\$ 41,604</u>	<u>\$ 36,973</u>	<u>\$ 33,449</u>
STATE FUNDS.....	\$ 76,085	\$ 67,830	\$ 62,435
FEDERAL FUNDS.....	39,544	39,046	38,571
AUGMENTATIONS.....	5,532	5,430	5,085
GENERAL FUND TOTAL.....	<u>\$ 121,161</u>	<u>\$ 112,306</u>	<u>\$ 106,091</u>
ENVIRONMENTAL STEWARDSHIP FUND:			
Grants and Subsidies:			
Transfer to Agricultural Conservation Easement Program (EA).....	\$ 6,632	\$ 5,327	\$ 4,909
FARM PRODUCTS SHOW FUND:			
General Government:			
General Operations (EA).....	\$ 6,668	\$ 7,000	\$ 6,499
(A)Transfer from General Fund.....	0 ^b	0 ^b	0 ^b
Subtotal - State Funds.....	\$ 6,668	\$ 7,000	\$ 6,499
Total - General Government.....	<u>\$ 6,668</u>	<u>\$ 7,000</u>	<u>\$ 6,499</u>
STATE FUNDS.....	<u>\$ 6,668</u>	<u>\$ 7,000</u>	<u>\$ 6,499</u>



Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2008-09 ACTUAL	2009-10 AVAILABLE	2010-11 BUDGET
FARM PRODUCTS SHOW FUND TOTAL	\$ 6,668	\$ 7,000	\$ 6,499
<u>MOTOR LICENSE FUND:</u>			
<i>General Government:</i>			
Weights & Measures Administration.....	\$ 3,089	\$ 4,689	\$ 3,975
<u>RACING FUND:</u>			
<i>General Government:</i>			
State Racing Commissions (EA).....	\$ 13,139	\$ 13,547	\$ 14,495
Equine Toxicology and Research Laboratory (EA).....	3,275	3,193	3,159
(A)Reimbursements - Out of State Testing.....	3	1	1
Pennsylvania Fairs - Administration (EA).....	252	262	262
Subtotal - State Funds.....	\$ 16,666	\$ 17,002	\$ 17,916
Subtotal - Augmentations.....	3	1	1
Total - General Government.....	<u>\$ 16,669</u>	<u>\$ 17,003</u>	<u>\$ 17,917</u>
<i>Grants and Subsidies:</i>			
Transfer to General Fund (EA).....	\$ 3	\$ 0	\$ 0
STATE FUNDS.....	\$ 16,669	\$ 17,002	\$ 17,916
AUGMENTATIONS.....	3	1	1
RACING FUND TOTAL	\$ 16,672	\$ 17,003	\$ 17,917
<u>OTHER FUNDS:</u>			
GENERAL FUND:			
Agriculture Farm Operations.....	\$ 105	\$ 100	\$ 1,000
Dog Law Administration.....	8,534	10,175	9,935
Pesticide Regulation.....	3,213	3,591	3,941
Plant Pest Management.....	275	458	458
National School Lunch.....	665	60	60
Agronomic Regulatory Account.....	497	422	319
GENERAL FUND TOTAL	\$ 13,289	\$ 14,806	\$ 15,713
AGRICULTURAL CONSERVATION EASEMENT PURCHASE FUND:			
Purchase of County Easements (EA).....	\$ 45,000	\$ 28,000	\$ 28,000
CONSERVATION DISTRICT FUND:			
Conservation District Grants (EA).....	\$ 1,660	\$ 1,650	\$ 1,080
NUTRIENT MANAGEMENT FUND:			
Planning, Loans, Grants, and Technical Assistance (EA).....	\$ 534	\$ 570	\$ 530
Nutrient Management - Administration (EA).....	412	420	459
NUTRIENT MANAGEMENT FUND TOTAL	\$ 946	\$ 990	\$ 989
GROWING GREENER BOND FUND:			
Purchase of Agricultural Easements.....	\$ 10,176 c	\$ 2,286 c	\$ 3,227 c
RACING FUND:			
Sire Stakes Fund.....	\$ 11,209	\$ 12,961	\$ 12,961
Breeders' Fund.....	21,543	18,415	22,000
PA Standardbred Breeders Development Fund.....	7,574	7,311	9,282
RACING FUND TOTAL	\$ 40,326	\$ 38,687	\$ 44,243



Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2008-09 ACTUAL	2009-10 AVAILABLE	2010-11 BUDGET
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 76,085	\$ 67,830	\$ 62,435
SPECIAL FUNDS.....	33,058	34,018	33,299
FEDERAL FUNDS.....	39,544	39,046	38,571
AUGMENTATIONS.....	5,535	5,431	5,086
OTHER FUNDS.....	111,397	86,419	93,252
TOTAL ALL FUNDS.....	<u>\$ 265,619</u>	<u>\$ 232,744</u>	<u>\$ 232,643</u>

^a Not added to the total to avoid double counting. See Motor License Fund section of this summary for dollar amount.

^b Not added to the total to avoid double counting: 2008-09 Actual is \$2,860,000, 2009-10 Available is \$2,860,000 and 2010-11 Budget is \$2,760,000.

^c Appropriated as an \$80,000,000 continuing executive authorization in 2005-06. Amount shown is an estimate of program disbursements within the fiscal year based on remaining monies available.



Program Funding Summary

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
PROTECTION AND DEVELOPMENT OF AGRICULTURAL INDUSTRIES							
GENERAL FUND.....	\$ 55,859	\$ 47,604	\$ 42,209	\$ 42,209	\$ 42,209	\$ 42,209	\$ 42,209
SPECIAL FUNDS.....	16,389	17,016	15,383	13,951	13,223	13,226	13,224
FEDERAL FUNDS.....	24,209	24,986	24,511	20,611	20,611	20,611	20,611
OTHER FUNDS.....	76,603	53,162	54,094	51,467	51,467	51,467	51,467
SUBCATEGORY TOTAL.....	\$ 173,060	\$ 142,768	\$ 136,197	\$ 128,238	\$ 127,510	\$ 127,513	\$ 127,511
HORSE RACING REGULATION							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	16,669	17,002	17,916	17,916	17,916	17,916	17,916
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	40,329	38,688	44,244	44,244	44,244	44,244	44,244
SUBCATEGORY TOTAL.....	\$ 56,998	\$ 55,690	\$ 62,160	\$ 62,160	\$ 62,160	\$ 62,160	\$ 62,160
EMERGENCY FOOD ASSISTANCE							
GENERAL FUND.....	\$ 20,226	\$ 20,226	\$ 20,226	\$ 20,226	\$ 20,226	\$ 20,226	\$ 20,226
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	15,335	14,060	14,060	14,060	14,060	14,060	14,060
OTHER FUNDS.....	0	0	0	0	0	0	0
SUBCATEGORY TOTAL.....	\$ 35,561	\$ 34,286	\$ 34,286	\$ 34,286	\$ 34,286	\$ 34,286	\$ 34,286
ALL PROGRAMS:							
GENERAL FUND.....	\$ 76,085	\$ 67,830	\$ 62,435	\$ 62,435	\$ 62,435	\$ 62,435	\$ 62,435
SPECIAL FUNDS.....	33,058	34,018	33,299	31,867	31,139	31,142	31,140
FEDERAL FUNDS.....	39,544	39,046	38,571	34,671	34,671	34,671	34,671
OTHER FUNDS.....	116,932	91,850	98,338	95,711	95,711	95,711	95,711
DEPARTMENT TOTAL.....	\$ 265,619	\$ 232,744	\$ 232,643	\$ 224,684	\$ 223,956	\$ 223,959	\$ 223,957

PROGRAM OBJECTIVE: To strengthen the agricultural economy and related enterprises.

Program: Protection and Development of Agricultural Industries

Program Element: Protection and Development of Agricultural Industries

The stewardship and sustainability of the agricultural industry is integral to the competitiveness of Pennsylvania's overall economy and the quality of life for its citizens. The Department of Agriculture facilitates an environment in which small, medium and large farming operations can be profitable and related industries can thrive. The department administers these programs through crop insurance programs, the Centers for Dairy Excellence and Farm Transitions, the Farm Show Complex and Expo Center, preservation of farmland, funding agricultural research projects, and the PennSecurity Fuels program.

The state's crop insurance program supports farmers as they manage crop loss risk. The Pennsylvania legislature began funding crop insurance after the devastating drought of 1999. The program provides funds if crop failures occur due to weather or other disaster-related conditions.

The Center for Dairy Excellence provides coordination of the Pennsylvania dairy industry's direction, leadership and resources to strengthen the industry and profitability of our dairy producers. The Center for Farm Transitions assists new farmers in getting started and existing farmers who wish to make changes to their operations.

The Farm Show Complex and Expo Center in Harrisburg provides a venue for agricultural families and businesses to exhibit their products, promote Pennsylvania agriculture, and educate the public.

The Agricultural Land Preservation Program, through the Agricultural Conservation Easement Purchase Fund which was created by Act 64 of 1988, purchases easements on prime agriculture land to ensure its continued use for agricultural production. Funding comes from a dedicated portion of the cigarette tax that is directed to this program. Growing Greener reestablished permanent funding for the agricultural easements by providing a yearly percentage (14.8 percent) of the Environmental Stewardship Fund revenues.

Agricultural research grants provide for scientific research into plant and animal health. This research identifies prevention mechanisms for disease and proactive mechanisms for enhancement of the quality and quantity of agricultural products and industry technology.

The PennSecurity Fuels program will increase the use of biofuels in retail gasoline and diesel fuel. Every gallon of diesel fuel must include an increasing percentage of biodiesel starting at 2 percent on May 1, 2010 triggered by 40 million gallons of in-state production. Presently in-state production is rapidly increasing to trigger additional volume requirements of biodiesel. Legislative efforts are underway to expand the PennSecurity Fuels program to

include requirements for biodiesel in home heating fuel, as well as off-road biodiesel. If this piece of legislation is passed, there will be significant expansion of biodiesel production and consumption in the commonwealth which will further require the department to expand its oversight duties to ensure a quality product is maintained and distributed throughout the commonwealth. Additionally, gasoline must include at least 10 percent cellulosic ethanol once production reaches 350 million gallons annually. New investments of up to \$5.3 million per year are being made available to biofuel producers through June 2011 to encourage the production of biodiesel and ethanol. Developing our alternative fuel sector provides companies with the confidence they need to invest and expand and creates new markets for Pennsylvania farmers.

Program Element: Consumer Commodity Inspections

The department is committed to protecting the health and safety of consumers and assuring the availability of quality agriculture products to consumers through regulatory efforts.

Among the department's protection activities are efforts in food safety. In 2008-09 the Bureau of Food Safety and Laboratory Services conducted 50,977 total inspections; 3,410 wholesale inspections; licensed and inspected 30,115 permanent public eating and drinking places, 5,669 retail food stores, 2,915 temporary event eating and drinking establishments, and 4,508 frozen dessert operations, inspected 4,289 unlicensed retail (mostly schools) and 533 camps and summer food sites; and permitted and inspected approximately 341 seasonal farm labor camps and 94 shellfish facilities. In 2008-09 the bureau also issued 876 milk permits and inspected 956 dairy processing, manufacturing and distribution facilities. The bureau issues approved inspector permits, approved dairy sampler's licenses and dairy laboratory director's certificates. Dairy equipment, bulk milk tank and tanker inspections are also performed. The agency inspects egg processing plants, grocery stores and warehouses in relation to eggs, fruits and vegetables grading and is a third-party monitor for the Pennsylvania Egg Quality Assurance Program in the state.

The department's focus in achieving compliance has been through training and education. Training classes have been given to restaurants, schools and camps. The department has developed a food safety training course curriculum, a booklet entitled "Food, Fundraising and You" and a School Food Service Food Safety booklet. PA Food Code Training courses are offered to agencies and local jurisdictions within the commonwealth.

Program: Protection and Development of Agricultural Industries (continued)

The agency is responsible for the regulation and maintenance of uniform standards of legal weights and measures of commonwealth products. The Weight and Measures division of the Bureau of Ride and Measurement Standards performed 100,712 inspections of devices at 18,177 locations in 2008 and provided oversight in the inspection of another 119,209 devices at 12,764 locations performed by county, city and approved programs, for a statewide total of 219,921 inspections at 30,941 locations. Devices inspected include fuel dispensers, small/medium/large capacity scales, vehicle tanks' meters, propane meters, timing devices, scanners, UPC systems, grain moisture meters and livestock scales. The Amusement Ride division completed 5,436 quality assurance inspections at 1,324 sites in 2008, overseeing the safety inspections of 7,923 rides and attractions performed by 1,412 certified ride inspectors. Additional activities guarantee the quality of animal feeds, fertilizers, liming materials, plant materials and pesticides. Act 53 of 1996 transferred the responsibility for enforcement of the Seasonal Farm Labor Act from the Department of Environmental Protection to the Department of Agriculture. Act 97 of 2001 updated the licensing and registration requirements relating to the sale and distribution of fertilizers, soil conditioners and plant growth substances in the commonwealth.

To protect the consumer and ensure the availability of quality agriculture products, the department regulates the sale of feed, fertilizer, lime and seeds by requiring certain label information and by sampling and analyzing products in its Harrisburg laboratories. During 2008-09, 2,400 agribusiness inspections were conducted, and 2,176 feed, fertilizer and lime samples were analyzed. In addition, 7,791 seed samples were tested. The department inspects stone fruit trees for the plum pox virus to control the disease and reduce the potential harm to the fruit industry. As a result of these efforts, the department was able to declare this virus eradicated from Pennsylvania.

The department inspects all ornamental nurseries and greenhouses periodically to determine the presence of new plant pests. This activity is intended to ensure correct diagnosis of the pest and to quarantine or prescribe proper treatment. During 2008 more than 4,944 dealer, nursery and greenhouse inspections were conducted, along with the issuance of more than 1,713 phytosanitary certificates for the exportation of plant material. The department also inspected 1,597 apiaries involving 15,092 colonies of bees owned by 962 beekeepers in 2008 for disease problems. The Pesticide Control Law provides for the regulation of the sale, use, handling, storage and transportation of pesticides. The department fulfills its statutory responsibilities by requiring registration of all pesticide products, testing and certification or registration of all private, commercial, and public pesticide applicators to insure minimum competency levels, licensing pesticide application business and dealers. The department periodically inspects those

who manufacture, distribute, use or transport pesticides and investigates complaints about misuse. This program strives to provide for the optimum use of pesticides while minimizing their adverse effects on human life and the environment. Pesticide expenditures are reflected in this program as Other Funds.

The department is improving the process to protect Pennsylvania's food production system from agro-terrorism. Fertilizer, feed and pesticide manufacturers, dealers and distributors are advised on preventing the use of agricultural production tools for terrorist activities.

The State Conservation Commission, whose chairmanship alternates each year between the Secretary of Agriculture and the Secretary of Environmental Protection, is the primary implementation authority for the Nutrient Management Act. The law is designed to minimize surface and ground water pollution from agricultural operations. The program provides support for plan reviews, grant applications for best management practices along with certification for nutrient management specialists. The hauler certification program for commercial manure haulers was implemented in early 2007. Act 55 of 2007 created the Resource Enhancement and Protection Program (REAP). REAP allows farmers and businesses to earn tax credits in exchange for best management practices on agricultural operations that will enhance farm production and protect natural resources.

Program Element: Animal Health

The department is committed to maintaining the health of domestic animals in order to protect human health, to protect the quantity, quality and safety of food of animal origin and to provide for the general welfare of domestic animals. Pennsylvania agriculture is a national leader in livestock and poultry production.

The Bureau of Animal Health and Diagnostic Services is responsible for the containment and eradication of livestock and poultry diseases that affect animal and human health or cause significant economic loss to agriculture. The bureau provides services such as evaluating certificates of veterinary inspection for both interstate and intrastate movement to ensure that animals in Pennsylvania have met necessary health requirements. The bureau provides quality assurance programs that increase the value of Pennsylvania's animal agriculture, including an annual diagnostic herd program for brucellosis-free herds; tuberculosis-free herds; the Avian Influenza Monitored Flock program; Johne's Disease National Status program; the Dairy Quality Assurance program; and the Chronic Wasting Disease Monitored Herd program. Promotion of animal health, public health and the production of safe animal origin products are achieved through on-farm testing enforcement of animal health regulations and ongoing communications with producers and health professionals.

Program: Protection and Development of Agricultural Industries (continued)

The Pennsylvania Veterinary Laboratory (PVL) at the Department of Agriculture is one of three laboratories participating in the Pennsylvania Animal Diagnostic Laboratory System (PADLS). The other two laboratories are affiliated with the University of Pennsylvania and the Pennsylvania State University. The PVL is part of a nationwide network of state and federal laboratories dedicated to identifying and combating animal diseases. The laboratory provides animal health services to producers' domestic animals with emphasis on infectious, nutritional and toxic diseases. The Pennsylvania Veterinary Laboratory conducts test programs for diseases such as brucellosis, bovine tuberculosis, pseudorabies, Johne's disease, scrapie, avian influenza and chronic wasting disease. The agency licenses and inspects domestic animal auctions.

The Bureau of Animal Health and PADLS have a joint information system, known as PAHerds, which combines an animal tracking information system and a laboratory information system to allow entities to perform detailed

analysis of animal disease and provides the capability to effectively locate and eradicate disease outbreaks.

The Bureau Director of Animal Health and Diagnostic Services is the State Veterinarian and is the Executive Director of the Animal Health and Diagnostic Commission. The commission coordinates and funds the PADLS, field investigations, research grants, quality assurance programs and disease surveillance programs designed to protect the livestock, poultry, wildlife, food chain and human population of Pennsylvania.

Also included in this program category is dog law enforcement. Primary functions include the investigation and prosecution of dangerous dog incidents, investigation of dog bites, enforcement of licensing and rabies vaccination requirements for dogs and kennels, control and regulation of the sale and transportation of dogs, annual kennel inspections, reimbursement of law enforcement agencies for the detention and disposition of stray dogs and reimbursement to owners of livestock and poultry for damage caused by dogs and coyotes.

Program Recommendations:

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

<p>GENERAL FUND</p> <p>General Government Operations</p> <p>\$ -508 —nonrecurring 2009-10 budgetary freeze amount.</p> <p>225 —to continue current program.</p> <hr/> <p>\$ -283 <i>Appropriation Decrease</i></p> <p>Agricultural Excellence</p> <p>\$ -3 —nonrecurring 2009-10 budgetary freeze amount.</p> <p>Agricultural Conservation Easement Administration</p> <p>\$ -3 —nonrecurring 2009-10 budgetary freeze amount.</p> <p>Agricultural Research</p> <p>\$ -1,000 —program elimination.</p> <p>Agricultural Promotion, Education and Exports</p> <p>\$ -250 —program elimination.</p> <p>Hardwoods Research and Promotion</p> <p>\$ -240 —program elimination.</p> <p>Farm Safety</p> <p>\$ -89 —program elimination.</p> <p>Nutrient Management</p> <p>\$ -3 —nonrecurring 2009-10 budgetary freeze amount.</p> <p>Animal Health Commission</p> <p>\$ -249 —nonrecurring 2009-10 budgetary freeze amount.</p>	<p>Transfer to State Farm Products Show Fund</p> <p>\$ -100 —nonrecurring 2009-10 budgetary freeze amount.</p> <p>Payments to Pennsylvania Fairs</p> <p>\$ -2,000 —program elimination.</p> <p>Livestock Show</p> <p>\$ -21 —nonrecurring 2009-10 budgetary freeze amount.</p> <p>Open Dairy Show</p> <p>\$ -21 —nonrecurring 2009-10 budgetary freeze amount.</p> <p>Junior Dairy Show</p> <p>\$ -4 —nonrecurring 2009-10 budgetary freeze amount.</p> <p>4-H Club Shows</p> <p>\$ -5 —nonrecurring 2009-10 budgetary freeze amount.</p> <p>Food Marketing and Research</p> <p>\$ -800 —program elimination.</p> <p>Future Farmers</p> <p>\$ -6 —nonrecurring 2009-10 budgetary freeze amount.</p> <p>Agriculture and Rural Youth</p> <p>\$ -48 —program elimination.</p> <p>Transfer to the Nutrient Management Fund</p> <p>\$ -100 —nonrecurring projects.</p>
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Program: Protection and Development of Agricultural Industries (continued)

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

\$	-570	Transfer to the Conservation District Fund —nonrecurring projects.	\$	-501	FARM PRODUCTS SHOW FUND General Operations (EA) —reduction in administrative costs.
\$	400	Crop Insurance —to continue current program.			
\$	-418	ENVIRONMENTAL STEWARDSHIP FUND Transfer to Agricultural Conservation Easement Purchase Fund (EA) —to continue current program.	\$	-714	MOTOR LICENSE FUND Weights & Measures Administration —nonrecurring projects.

The Animal Indemnities appropriation and the Farm-School Nutrition appropriation are recommended at current year funding levels.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
GENERAL FUND:							
General Government Operations	\$ 29,780	\$ 28,295	\$ 28,012	\$ 28,012	\$ 28,012	\$ 28,012	\$ 28,012
Agricultural Excellence	313	313	310	310	310	310	310
Agricultural Conservation Easement							
Administration	509	280	277	277	277	277	277
Agricultural Research	1,640	1,000	0	0	0	0	0
Agricultural Promotion, Education, and							
Exports.....	1,000	250	0	0	0	0	0
Hardwoods Research and Promotion.....	706	240	0	0	0	0	0
Farm Safety.....	89	89	0	0	0	0	0
Nutrient Management.....	368	314	311	311	311	311	311
Animal Health Commission	5,150	5,150	4,901	4,901	4,901	4,901	4,901
Animal Indemnities	10	5	5	5	5	5	5
Transfer to State Farm Products Show							
Fund.....	2,860	2,860	2,760	2,760	2,760	2,760	2,760
Payments to Pennsylvania Fairs	3,617	2,000	0	0	0	0	0
Livestock Show.....	213	205	184	184	184	184	184
Open Dairy Show	213	205	184	184	184	184	184
Junior Dairy Show	47	40	36	36	36	36	36
4-H Club Shows.....	52	50	45	45	45	45	45
Food Marketing and Research	1,750	800	0	0	0	0	0
Transition to Organic Farming.....	450	0	0	0	0	0	0
Product Promotion and Marketing.....	518	0	0	0	0	0	0
Future Farmers.....	83	60	54	54	54	54	54
Agriculture & Rural Youth	54	48	0	0	0	0	0
Transfer to Nutrient Management Fund	3,138	3,100	3,000	3,000	3,000	3,000	3,000
Transfer to the Conservation District Fund	1,660	1,650	1,080	1,080	1,080	1,080	1,080
Crop Insurance	1,146	600	1,000	1,000	1,000	1,000	1,000
Farm-School Nutrition.....	493	50	50	50	50	50	50
TOTAL GENERAL FUND	\$ 55,859	\$ 47,604	\$ 41,659	\$ 42,209	\$ 42,209	\$ 42,209	\$ 42,209
ENVIRONMENTAL STEWARDSHIP FUND:							
Transfer to Agricultural Conservation							
Easement Purchase (EA)	\$ 6,632	\$ 5,327	\$ 4,909	\$ 3,477	\$ 2,749	\$ 2,752	\$ 2,750



Program: Protection and Development of Agricultural Industries (continued)

Appropriations within this Program: (continued)

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
FARM PRODUCTS SHOW FUND:							
General Operations (EA).....	\$ 6,668	\$ 7,000	\$ 6,499	\$ 6,499	\$ 6,499	\$ 6,499	\$ 6,499
MOTOR LICENSE FUND:							
Weights & Measures Administration.....	\$ 3,089	\$ 4,689	\$ 3,975	\$ 3,975	\$ 3,975	\$ 3,975	\$ 3,975



PROGRAM OBJECTIVE: To prevent consumer fraud in the racing industry.

Program: Horse Racing Regulation

Activities in this program area include the development and implementation of rules, regulations and procedures to ensure the public and harness and horse owners of honest, safe and competitive pari-mutuel harness and horse racing.

Horse racing in Pennsylvania is governed by Act 93 of 1983. This act merged the State Harness Racing Fund and the State Horse Racing Fund into the Racing Fund, adjusted the tax schedule and revised the distribution of funds in order to assist the racing industry by increasing the funds retained by the tracks.

The Racing Fund pays all expenses of the State Racing Commissions. After these obligations have been met, percentages of the amount wagered as specified by law are credited to the Breeder's Fund and to the Sire Stakes Fund. Act 23 of 2000 amended the Race Horse Industry Reform Act to increase the percentage credited to the Breeder's Fund from 0.7 percent to 1.0 percent of the amount wagered on thoroughbred races. The Sire Stakes Fund is credited with 1.5 percent of wagers on harness races. All remaining monies in the Racing Fund are then

transferred to the General Fund in the subsequent fiscal year.

Act 71 of 2004 established the Race Horse Development Fund, which receives revenue generated by licensed gaming facilities. Proceeds are distributed to licensees conducting live horse racing. Track owners deposit 80 percent of the proceeds into a purse account. Thoroughbred tracks commit the remaining proceeds to the Breeder's Fund and a Horsemen's Organization Fund. Standardbred tracks commit proceeds to the Sire Stakes Fund, the PA Standardbred Fund and a Horsemen's Organizational Fund. Act 1 of 2010 provides for a transfer from the Race Horse Development Fund to the General Fund for fiscal years 2009-10, 2010-11, 2011-12 and 2012-13.

The Equine Toxicology and Research Laboratory tests for the presence of foreign substances in the blood and urine of race horses following all races to ensure that no foreign substances have been administered prior to a race.

Program Recommendations:

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

<p>RACING FUND State Racing Commissions (EA)</p> <p>\$ 948 —to continue current program.</p>	<p>Equine Toxicology and Research Laboratory (EA)</p> <p>\$ -34 —reduction in administrative costs.</p>
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Pennsylvania Fairs - Administration (EA) is recommended at the current year funding level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
RACING FUND:							
State Racing Commissions (EA)	\$ 13,139	\$ 13,547	\$ 14,495	\$ 14,495	\$ 14,495	\$ 14,495	\$ 14,495
Equine Toxicology and Research Laboratory (EA)	3,275	3,193	3,159	3,159	3,159	3,159	3,159
Pennsylvania Fairs - Administration (EA) ..	252	262	262	262	262	262	262
Transfer to General Fund (EA)	3	0	0	0	0	0	0
TOTAL GENERAL FUND	\$ 16,669	\$ 17,002	\$ 17,916	\$ 17,916	\$ 17,916	\$ 17,916	\$ 17,916



PROGRAM OBJECTIVE: To distribute surplus and donated food through institutions and counties or designated lead agencies to individuals and families who are dependent or disadvantaged to support minimum standards of living and economic independence.

Program: Emergency Food Assistance

The State Food Purchase Program provides grants to counties or a designated lead agency for the purchase and distribution of food to needy individuals. Funding is allocated to each of the commonwealth's 67 county lead agencies based on unemployment and non-public assistance food stamp and medical assistance-eligible individuals. These agencies are authorized to expend up to 8 percent of the grant for administrative costs.

Food acquired and donated by the United States Department of Agriculture (USDA) is distributed through

the Emergency Food Assistance Program (TEFAP). TEFAP provides USDA commodities for household use, specifically for unemployed and low-income individuals who meet established eligibility criteria.

TEFAP commodities are allocated to each of the commonwealth's 67 lead agencies based on the number of eligible participants. TEFAP administrative monies, provided by the USDA, are allocated based on each county's relative share of unemployment and poverty statistics.

Program Recommendations:

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

State Food Purchase and the Farmers' Market Food Coupons appropriations are recommended at the current year funding levels.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
GENERAL FUND:							
Farmers' Market Food Coupons.....	\$ 2,226	\$ 2,226	\$ 2,226	\$ 2,226	\$ 2,226	\$ 2,226	\$ 2,226
State Food Purchase.....	18,000	18,000	18,000	18,000	18,000	18,000	18,000
TOTAL GENERAL FUND	\$ 20,226	\$ 20,226	\$ 20,226	\$ 20,226	\$ 20,226	\$ 20,226	\$ 20,226

Program Measures

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Program: Protection and Development of Agricultural Industries							
Development of Pennsylvania's Agriculture Industry							
Dollar value of food and agricultural exports excluding hardwoods (in millions)	\$1,910	\$2,000	\$2,225	\$2,350	\$2,450	\$2,550	\$2,600
Dollar value of Pennsylvania hardwood exports (in millions)	\$915	\$824	\$820	\$860	\$860	\$860	\$860
Value of the loan portfolio for the PA Grows Program (in thousands)	\$45,835	\$27,047	\$27,600	\$28,000	\$28,700	\$29,300	\$30,000
Number of vendors participating in the PA Preferred program	2,242	2,400	2,500	2,600	2,600	2,700	2,800
Value of crop insurance protection policies (in millions)	\$408	\$384	\$422	\$464	\$511	\$562	\$618
Farm acreage preserved	23,681	20,000	20,000	20,000	20,000	20,000	20,000
Occupancy rate at the farm show complex	38.10%	40.70%	41.40%	42%	42.20%	42.20%	42.20%
Farms participating in dairy profit teams program	228	265	295	340	380	420	460
Consumer Commodity Inspections							
Number of amusement rides inspected	5,436	5,500	5,500	5,500	5,500	5,500	5,500
Number of gasoline pumps certified	55,645	55,700	62,200	62,200	62,200	62,200	62,200
Number of restaurant inspection reports available online	44,308	51,100	55,200	60,700	63,700	67,000	67,000
Nutrient Management							
Number of farm acres covered by approved Nutrient Management Plans (in thousands)	589	600	600	600	600	600	600
Nutrient management plans approved	524	550	600	600	600	600	600
Animal Health							
Animal health diagnostic tests performed at the Pennsylvania veterinarian labs (in thousands)	401	362	340	340	340	340	340
Animal health inspections	2,586	2,600	2,650	2,700	2,750	2,800	2,850
Program: Horse Racing Regulation							
Participant licenses issued: harness and horse racing	15,147	15,800	15,800	15,800	15,800	15,800	15,800
Investigations to ensure compliance with established rules and regulations: harness and horse racing	28,671	28,600	28,600	28,600	28,600	28,600	28,600
Licenses suspended for noncompliance of rules and regulations: harness and horse racing	725	730	730	730	730	730	730



Program Measures

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Samples processed at the Equine Toxicology and Research Lab (in thousands)	50	55	65	70	80	85	90
Program: Emergency Food Assistance							
Improving Participant Access to Pennsylvania fruits and vegetables							
Dollar value of commodities distributed (in thousands)	\$41,550	\$41,600	\$41,650	\$41,700	\$41,750	\$41,800	\$41,850
Persons receiving donated or surplus foods							
Traditional program (in thousands)	1,000	1,000	1,000	1,000	1,000	1,000	1,000
The Emergency Food Assistance Program (TEFAP) (in thousands)	3,100	3,200	3,200	3,200	3,200	3,200	3,200
State Food Purchase Program (in thousands)	3,200	3,250	3,300	3,300	3,300	3,300	3,300
Percentage of farmers' market coupons redeemed							
WIC recipients	60%	60%	60%	60%	60%	60%	60%
Seniors	87%	90%	90%	90%	90%	90%	90%



DEPARTMENT OF BANKING

The mission of the Department of Banking is to ensure the safety and soundness of state-chartered deposit-taking institutions; to ensure compliance with state laws and regulations that impact other financial service entities; and to provide a regulatory environment that will facilitate development of a sound financial services industry that adequately meets the needs of industry and the public.

The Department of Banking protects the public through the supervision, regulation and examination of records, accounts and policies of state-chartered financial institutions.



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Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

2008-09 ACTUAL	2009-10 AVAILABLE	2010-11 BUDGET
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BANKING DEPARTMENT FUND:

General Government:

General Government Operations.....	\$ 21,917	\$ 21,054	\$ 20,833
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Program Funding Summary

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
REGULATION OF FINANCIAL INSTITUTIONS							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	21,917	21,054	20,833	20,833	20,833	20,833	20,833
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
SUBCATEGORY TOTAL.....	\$ 21,917	\$ 21,054	\$ 20,833	\$ 20,833	\$ 20,833	\$ 20,833	\$ 20,833
ALL PROGRAMS:							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	21,917	21,054	20,833	20,833	20,833	20,833	20,833
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
DEPARTMENT TOTAL.....	\$ 21,917	\$ 21,054	\$ 20,833	\$ 20,833	\$ 20,833	\$ 20,833	\$ 20,833

PROGRAM OBJECTIVE: To ensure the maintenance of an economically sound and competitive system of state-chartered financial institutions.

Program: Financial Institution Regulation

This program involves supervision, regulation and examination of the records, accounts and policies of state-chartered banking institutions, trust companies, savings banks and associations, credit unions, state-licensed sales finance companies, installment sellers, money transmitters, consumer discount companies, collector-repossessors, pawnbrokers, mortgage lenders, bankers, brokers and brokers' agents, check cashers, debt management companies, and loan originators and correspondents. In addition to these activities, the department responded to approximately 6,300 consumer inquiries during 2008-09.

As of June 30, 2009, there were 161 banking institutions under the department's supervision: 54 commercial banks, 40 bank and trust companies, 48 savings banks, one private bank and 18 non-depository trust companies. There were 65 credit unions and 5 savings associations chartered and supervised by the department. Also operating in the commonwealth were 90 bank holding companies.

The department renews non-depository institution licenses annually and issues new licenses upon review and approval of license applications. The 14,882 non-depository entities at the end of June 2009 included: 6,806 loan originators; 3,148 installment sellers; 2,566 mortgage lenders, bankers, brokers and discount companies; 898 sales finance companies; and 93 consumer discount companies. The remaining 1,371 licenses were held by pawnbrokers, money transmitters, check cashers, loan correspondents, collector-repossessors, and debt management companies.

The Office of Financial Education was established in April 2004 to promote financial literacy and help consumers avoid financial abuse. This office has developed consumer education materials, trained teachers to incorporate financial education in the classroom, started a workplace pilot program and created a financial education website. The department provides Internet-based licensing and reporting of complaints toward institutions under the department's purview. In 2007, electronic filing of annual reports began.

Act 22 of 1998, as amended by Act 200 of 2002, requires the annual licensing, or for certain retail food stores, the registration and regulation of all check cashers doing business in Pennsylvania.

Act 89 of 2000 provides state-chartered commercial and savings banks with parity in activities permitted for national banks and federally chartered savings banks and savings associations. It also provides parity in activities permitted

for state-chartered banks located in other states when the activity has been approved by the Federal Deposit Insurance Corporation (FDIC) (under Section 24 of the FDIC Act).

Act 55 of 2001, the Mortgage Bankers and Brokers and Consumer Equity Protection Act, provides the department with broad regulatory and enforcement authority over financial entities that make covered or "predatory loans" in the commonwealth; strengthens industry bonding requirements; authorizes the department to obtain criminal background information from applicants; and provides licensing exemption for religious organizations that meet certain requirements.

Act 186 of 2002, which amended the Motor Vehicle Sales Finance Act, provides increased exam and enforcement authority and additional consumer disclosures and permits incidental items relating to automobile sales to be financed under the Act.

Act 207 of 2002, commonly referred to as the Credit Union Parity Legislation, authorized state-chartered credit unions to engage in activities permitted by federally chartered credit unions subject to conditions of the department.

Act 209 of 2002, which amended the Department of Banking Code, authorized the department to receive criminal history record information from other state and federal agencies when evaluating initial applicants for departmental licensure; permitted the publishing of final orders for violation of departmental licensing statutes; clarified the department's ability to share examination and regulatory information with other state and federal securities and insurance regulatory agencies; and provided increased enforcement authority, injunctive authority, fining authority and clarification of departmental authority to promulgate regulations, statements of policy and interpretive letters.

Act 56 of 2008 (the "Mortgage Act"), created a consolidated mortgage loan industry licensing and regulatory model in Pennsylvania. The Mortgage Act combines the separate licenses required to conduct the first mortgage loan business and the secondary mortgage loan business under which both mortgage businesses can be conducted, and it requires the licensure of all "mortgage originators" employed by licensees under the Mortgage Act and the Consumer Discount Company Act.

Act 57 of 2008, which amended the Loan Interest and Protection Law (LIPL), increases the dollar threshold for LIPL coverage on residential mortgage loans from \$50,000



Program: Financial Institution Regulation (continued)

to \$217,873, which will be adjusted annually for inflation; eliminates the maximum interest rate under residential mortgage interest rates on business loans of any principal amount; and provides the department with enforcement authority under the LIPL.

Act 58 of 2008 allows the department to require licensees to use the Nationwide Mortgage Licensing System (NMLS) and pay licensing processing fees associated with the NMLS; permits the department to disclose whether a licensee is subject to an issued fine or order; expands the department's ability to request and receive criminal background history information regarding licensees; and creates a new statutory framework for protest hearings

regarding depository institution applications and certain notices similar to those procedures applicable to federally-chartered depository institutions.

Act 117 of 2008, known as the Debt Management Services Act, requires the department to license and regulate providers of debt management services and debt settlement services.

Act 10 of 2009 prohibits a mortgage broker or originator from being the exclusive recipient of communications from lenders. The borrower must also receive all communications from the lender.

Program Recommendations:

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

	BANKING DEPARTMENT FUND
	General Government Operations
\$ -221	—reduction in administrative costs.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
BANKING DEPARTMENT FUND:							
General Government Operations	\$ 21,917	\$ 21,054	\$ 20,833	\$ 20,833	\$ 20,833	\$ 20,833	\$ 20,833

Program Measures

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Program: Financial Institution Regulation							
Depository Institutions							
Average years of regulatory experience for depository examiners*	N/A	10.5	10.5	10.5	10.5	10.5	10.5
Percentage of depository examiners with the highest certification available for their level of experience*	N/A	100%	100%	100%	100%	100%	100%
Average days for turnaround of Department of Banking institutions examinations*	N/A	19	19	19	19	19	19
Average days for turnaround of Department of Banking and Federal joint depository examinations*	N/A	36	36	36	36	36	36
Compliance							
Percentage increase in the ratio of violations resulting in revocation or suspension of licenses and individual prohibition orders to total cited violations*	30%	30%	30%	30%	30%	30%	30%
Percentage of consumer complaints resulting in refunds paid to consumer and/or orders to be filed as restitution*	10%	10%	10%	10%	10%	10%	10%
Financial Education							
First-time attending educators participating in sponsored programs and receiving technical assistance*	1,035	964	1,000	1,000	1,000	1,000	1,000
First-time attending educators receiving agency information through non-sponsored programs*	1,227	1,254	1,200	1,200	1,200	1,200	1,200
Economic Development							
Economic development professionals directly exposed to available services*	1,430	1,430	1,430	1,430	1,430	1,430	1,430
Dollar amount of loan/credit enhancement activity facilitated (in thousands)*	\$188,601	\$194,000	\$200,000	\$206,000	\$212,000	\$219,000	\$225,000

* New Program Measure



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CIVIL SERVICE COMMISSION

The mission of the Civil Service Commission is to provide greater efficiency and economy in the government of the commonwealth by establishing conditions of employment that will attract to the service of the commonwealth qualified persons of character and ability and appointing and promoting all persons on the basis of merit and fitness.

The Civil Service Commission administers the commonwealth's merit system. The responsibilities of the commission include recruitment of qualified candidates; evaluation of applicants' education and experience to determine if minimum requirements have been met; development and administration of examinations; and certification of eligible candidates to the appointing agencies.



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Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2008-09 ACTUAL	2009-10 AVAILABLE	2010-11 BUDGET
GENERAL FUND:			
<i>General Government:</i>			
General Government Operations.....	\$ 1	\$ 1	\$ 1
(A) Fees From Agencies.....	15,133	13,388	13,255
(A) Special Merit System Services.....	902	855	846
Subtotal - State Funds.....	\$ 1	\$ 1	\$ 1
Subtotal - Augmentations.....	16,035	14,243	14,101
Total - General Government.....	<u>\$ 16,036</u>	<u>\$ 14,244</u>	<u>\$ 14,102</u>
STATE FUNDS.....	\$ 1	\$ 1	\$ 1
AUGMENTATIONS.....	16,035	14,243	14,101
GENERAL FUND TOTAL.....	<u>\$ 16,036</u>	<u>\$ 14,244</u>	<u>\$ 14,102</u>

Program Funding Summary

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
PERSONNEL SELECTION							
GENERAL FUND.....	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	16,035	14,243	14,101	14,101	14,101	14,101	14,101
SUBCATEGORY TOTAL.....	\$ 16,036	\$ 14,244	\$ 14,102	\$ 14,102	\$ 14,102	\$ 14,102	\$ 14,102
ALL PROGRAMS:							
GENERAL FUND.....	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	16,035	14,243	14,101	14,101	14,101	14,101	14,101
DEPARTMENT TOTAL.....	\$ 16,036	\$ 14,244	\$ 14,102	\$ 14,102	\$ 14,102	\$ 14,102	\$ 14,102

PROGRAM OBJECTIVE: To provide a sufficient number of qualified, available persons to meet agency merit system staffing needs.

Program: Personnel Selection

Through this program, the Civil Service Commission provides qualified persons to meet merit system staffing needs.

The commission ensures the commonwealth's merit system is in full compliance with all state laws and regulations concerning employee selection procedures and the Federal Uniform Guidelines on Employee Selection Procedures. This includes job analysis and implementation of a program to identify and correct adverse impacts of examinations on protected groups.

Goals of the commission include development of valid examinations, identification and elimination of discrimination in merit-system-covered human resource systems, increased efficiency in meeting personnel needs of state and local client agencies, and prompt and accurate

resolution or adjudication of complaints, grievances and appeals.

In recent years, the commission has increased operating efficiency with the implementation of computerized application, applicant self-scheduling, examination, and imaging and workflow systems. These improvements have reduced the time required to apply for and take an exam, receive an examination score, and be placed on a candidate eligibility listing. These enhancements have increased the commission's ability to provide real-time candidate eligibility listings to client agencies seeking to fill vacancies.

The majority of funds supporting this program are received from billing state and local client agencies.

Program Recommendations:

This budget recommends the following changes in augmentations received from agency billings: (Dollar Amounts in Thousands)

General Government Operations
 \$ -142 —reduction in administrative costs.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
GENERAL FUND:							
General Government Operations	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1

Program Measures

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Program: Personnel Selection							
Total eligibles on list	157,758	158,000	180,000	180,000	180,000	180,000	180,000
Persons scheduled for exams	123,881	140,000	140,000	140,000	140,000	140,000	140,000
Persons taking computerized exams	67,381	67,500	75,000	75,000	75,000	75,000	75,000
Certifications audited of eligible individuals for civil service positions	11,546	10,000	10,000	10,000	10,000	10,000	10,000
Test-taker satisfaction rating (based on a 5-point scale)	4.70	4.70	4.70	4.70	4.70	4.70	4.70
Appeal requests received and processed	354	500	500	500	500	500	500
Agency client satisfaction rating (based on a 5-point scale)	3.90	3.90	3.90	3.90	3.90	3.90	3.90
Annual cost of merit system per covered employee	\$217	\$197	\$197	\$197	\$197	\$197	\$197



DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT

The mission of the Department of Community and Economic Development is to foster opportunities for businesses and communities to succeed and thrive in a global economy, thereby enabling Pennsylvanians to achieve a superior quality of life.

The Department of Community and Economic Development administers programs that recognize that community development and economic development are linked. This includes expanding and providing for more efficient delivery of local services; coordinating community and economic development resources to restore and maintain the vitality of our communities; advancing the economic well-being of communities through the maximization of community and economic development resources; and promoting housing and community revitalization in conjunction with economic development activities.



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Community and Economic Development

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

GENERAL FUND:

General Government:

	2008-09 ACTUAL	2009-10 AVAILABLE	2010-11 BUDGET
General Government Operations.....	\$ 19,934	\$ 17,000	\$ 16,830
(F)ARC - Technical Assistance.....	235	178	192
(F)DOE - Weatherization Administration.....	735	812	812
(F)ARRA - DOE Weatherization Administration.....	0	4,353	4,400
(F)SCDBG - Administration.....	2,000	2,000	1,536
(F)SCDBG - Neighborhood Stabilization Administration.....	200	2,400	1,884
(F)CSBG - Administration.....	1,402	1,507	1,507
(F)ARRA - CSBG Administration.....	0	210	0
(F)LIHEABG - Administration.....	535	535	535
(F)ARRA - Homelessness Prevention Administration.....	0	240	662
(F)ARRA - SCDBG Administration.....	0	150	150
(F)ARRA - Neighborhood Stabilization Administration.....	0	0 ^a	0
(F)Americorps Training and Technical Assistance.....	156	128	128
(F)ARRA - Broadband Technology Opportunity Administration.....	0	0 ^b	0
(F)ARRA - Broadband Technology Opportunity.....	0	0 ^c	0
(A)Pennsylvania Industrial Development Authority.....	1,005	948	980
(A)Pennsylvania Economic Development Financing Authority.....	467	457	553
(A)Environmental Training Partnership.....	1,069	1,300	1,300
(A)Local Area Transportation.....	197	300	300
(A)Community Development Bank.....	83	78	87
(A)Economic Stimulus.....	1,688	2,073	2,257
(A)Centralia Mine Fire.....	70	0	0
(R)Small Business Advocate - Utilities.....	1,020	1,040	1,061
Office of Open Records.....	851	1,250	1,237
World Trade PA.....	12,853	7,500	6,750
Marketing to Attract Tourists.....	15,767	6,246	5,496
(F)National Scenic Byways Program.....	200	0	0
(F)WIA - PA Workforce Development Awareness.....	500	500	0
(A)Reimbursement for Travel Advertisements.....	602	1,010	1,010
Marketing to Attract Business.....	2,593	895	886
Cultural Expositions and Exhibitions.....	5,500	0	0
Marketing to Attract Film Business.....	489	0	0
Business Retention and Expansion.....	2,948	1,000	990
PennPORTS Operations.....	378	398	394
PennPORTS-Port of Pittsburgh.....	1,286	775	767
PennPORTS-Port of Erie.....	2,453	895	886
PennPORTS-Delaware River Maritime Council.....	925	0	0
PennPORTS-Philadelphia Regional Port Authority Operations.....	5,333	2,628	2,602
PennPORTS-Philadelphia Regional Port Authority Debt Service.....	4,525	4,606	4,606
PennPORTS-Piers.....	272	0	0
PennPORTS-Navigational System.....	363	100	99
Goods Movement and Intermodal Coordination.....	1,600	250	247
Land Use Planning and Technical Assistance.....	3,747	375	371
Base Realignment and Closure.....	32	0	0

Subtotal - State Funds.....	\$ 81,849	\$ 43,918	\$ 42,161
Subtotal - Federal Funds.....	5,963	13,013	11,806
Subtotal - Augmentations.....	5,181	6,166	6,487
Subtotal - Restricted Revenues.....	1,020	1,040	1,061

Total - General Government..... **\$ 94,013** **\$ 64,137** **\$ 61,515**

Grants and Subsidies:

Transfer to Municipalities Financial Recovery Revolving Fund.....	\$ 1,480	\$ 1,000	\$ 990
Transfer to Ben Franklin Tech. Development Authority Fund.....	50,700	20,000	20,000
Transfer to Industrial Sites Environmental Assessment Fund.....	493	0	0
Transfer to Commonwealth Financing Authority.....	62,473	65,039	83,293
Intergovernmental Cooperation Authority-2nd Class Cities.....	600	500	495
Opportunity Grant Program.....	13,268	18,268	25,000
Customized Job Training.....	18,240	9,000	11,000



Community and Economic Development

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2008-09 ACTUAL	2009-10 AVAILABLE	2010-11 BUDGET
Keystone Innovation Zones	543	0	0
Workforce Leadership Grants	2,699	0	0
Emergency Responder and Training	4,800	0	0
Infrastructure Development	21,000	15,000	19,000
Housing & Redevelopment Assistance	32,058	20,000	20,000
(F)DOE - Weatherization.....	43,079	24,590	24,590
(F)ARRA - DOE Weatherization.....	0	200,000	120,000
(F)Emergency Shelter for the Homeless.....	75	75	75
(F)ARRA - SCDBG Neighborhood Stabilization.....	0	0 ^d	0
(F)LIHEABG - Weatherization Program.....	30,000	30,000	30,000
(F)SCDBG - HUD Disaster Recovery.....	2,000	2,000	2,000
(F)SCDBG - Neighborhood Stabilization Program.....	59,800	57,600	0
(F)Centralia Recovery (EA).....	300	600	0
(F)Homelessness Study Grant (EA).....	74	0	0
(F)LIHEAP Weatherization (EA).....	10,704	0	0
Accessible Housing	2,961	1,111	1,100
PHFA - Homeowners Emergency Mortgage Assistance	11,000	11,000	10,890
(F)TANFBG - Emergency Mortgage Assistance.....	5,000	0	0
PHFA - Early Childhood Education Capital	1,234	0	0
Family Savings Accounts	900	0	0
(F)Assets for Independence.....	1,000	1,000	1,000
Shared Municipal Services	2,150	500	495
Local Government Resources and Development	9,000	0	0
New Communities	15,405	11,250	10,000
(F)Enterprise Communities - SSBG.....	10,000	10,000	0
Appalachian Regional Commission	859	859	850
Community Action Team (CAT)	644	309	306
Industrial Development Assistance	3,922	1,556	1,540
Local Development Districts	5,606	3,300	2,970
Small Business Development Centers	6,788	4,000	3,600
Tourist Promotion Assistance	14,937^e	8,000	5,750
Tourism - Accredited Zoos	1,900	1,200	0
Community Revitalization	39,550	0	0
Urban Development	18,750	0	0
Community and Business Assistance	2,000	0	0
Economic Growth & Development Assistance	6,200	0	0
Community & Municipal Facilities Assistance	5,500	0	0
Market Development	96	0	0
Rural Leadership Training	136	190	188
Flood Plain Management	59	59	58
(F)FEMA Technical Assistance.....	260	200	200
(F)FEMA - Mapping.....	70	250	250
Community Conservation and Employment	40,000	0	0
(F)Community Services Block Grant.....	28,000	29,500	29,500
(F)ARRA - Community Services Block Grant.....	0	42,200	0
Super Computer Center	700	200	0
Infrastructure Technical Assistance	3,526	1,225	0
Minority Business Development	2,600	1,000	0
Fay Penn	500	300	0
Tourist Product Development	1,730	0	0
Industrial Resource Centers	14,100	7,650	6,885
Early Intervention for Distressed Municipalities	740	740	733
Manufacturing and Business Assistance	900	0	0
PENNTAP	65	0	0
Agile Manufacturing	600	300	0
Powdered Metals	192	150	0
Regional Development Initiative	12,000	0	0
Infrastructure & Facilities Improvement Grants	25,500	28,000	30,000
Digital & Robotic Technology	1,700	224	0
Cultural Activities	3,400	0	0
Economic Advancement	16,800	0	0
Community and Regional Development	14,900	0	0



Community and Economic Development

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2008-09 ACTUAL	2009-10 AVAILABLE	2010-11 BUDGET
Subtotal - State Funds.....	\$ 497,904	\$ 231,930	\$ 255,143
Subtotal - Federal Funds.....	190,362	398,015	207,615
Total - Grants and Subsidies.....	\$ 688,266	\$ 629,945	\$ 462,758
STATE FUNDS.....	\$ 579,753	\$ 275,848	\$ 297,304
FEDERAL FUNDS.....	196,325	411,028	219,421
AUGMENTATIONS.....	5,181	6,166	6,487
RESTRICTED REVENUES.....	1,020	1,040	1,061
GENERAL FUND TOTAL.....	\$ 782,279	\$ 694,082	\$ 524,273
<u>TOBACCO SETTLEMENT FUND:</u>			
General Government:			
(R)Tobacco Settlement Investment Board.....	\$ 0 ^f	\$ 0 ^f	\$ 0 ^f
Grants and Subsidies:			
Life Sciences Greenhouses.....	\$ 3,000	\$ 3,000	\$ 3,000
STATE FUNDS.....	\$ 3,000	\$ 3,000	\$ 3,000
TOBACCO SETTLEMENT FUND TOTAL.....	\$ 3,000	\$ 3,000	\$ 3,000
<u>OTHER FUNDS:</u>			
GENERAL FUND:			
Industrial Sites Environmental Assessment Fund.....	\$ 163	\$ 493	\$ 0
Industrialized Housing.....	378	400	445
GENERAL FUND TOTAL.....	\$ 541	\$ 893	\$ 445
BEN FRANKLIN TECHNOLOGY DEVELOPMENT AUTHORITY FUND:			
Ben Franklin Technology.....	\$ 60,077	\$ 76,077	\$ 50,000
Telecommunications Infrastructure (F).....	2,000	2,000	2,000
Telecommunication Projects (F).....	500	0	0
BEN FRANKLIN TECHNOLOGY DEVELOPMENT AUTHORITY FUND TOTAL.....	\$ 62,577	\$ 78,077	\$ 52,000
BROADBAND OUTREACH AND AGGREGATION FUND:			
Broadband Outreach Administration (EA).....	\$ 46	\$ 58	\$ 54
Broadband Outreach Grants (EA).....	2,045	2,300	1,746
BROADBAND OUTREACH AND AGGREGATION FUND TOTAL.....	\$ 2,091	\$ 2,358	\$ 1,800
GROWING GREENER BOND FUND:			
Main Street and Downtown Redevelopment.....	\$ 13,973 ^g	\$ 7,840 ^g	\$ 9,354 ^g
Industrial Sites Reuse Program.....	3,271 ^h	4,281 ^h	5,336 ^h
GROWING GREENER BOND FUND TOTAL.....	\$ 17,244	\$ 12,121	\$ 14,690
HOME INVESTMENT TRUST FUND:			
HOME Investment Partnership.....	\$ 1,009	\$ 1,009	\$ 1,170
INDUSTRIAL SITES CLEANUP FUND:			
Industrial Sites Cleanup - Administration (EA).....	\$ 235	\$ 288	\$ 300
Industrial Sites Cleanup - Projects (EA).....	6,000	6,000	3,000
INDUSTRIAL SITES CLEANUP FUND TOTAL.....	\$ 6,235	\$ 6,288	\$ 3,300
LOCAL GOVERNMENT CAPITAL PROJECT LOAN FUND:			
Local Government Capital Project Loans (EA).....	\$ 1,000	\$ 1,000	\$ 1,000
MACHINERY AND EQUIPMENT LOAN FUND:			
General Operations (EA).....	\$ 569	\$ 597	\$ 647
Machinery and Equipment Loans (EA).....	40,000	40,000	40,000
Transfer to the Biotechnology Commercialization Account.....	6,000	0	0



Community and Economic Development

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2008-09 ACTUAL	2009-10 AVAILABLE	2010-11 BUDGET
Transfer to the Health Venture Account.....	6,000	0	0
MACHINERY AND EQUIPMENT LOAN FUND TOTAL.....	\$ 52,569	\$ 40,597	\$ 40,647
MINORITY BUSINESS DEVELOPMENT FUND:			
General Operations (EA).....	\$ 312	\$ 237	\$ 250
Minority Business Development Loans (EA).....	2,700	2,300	2,500
MINORITY BUSINESS DEVELOPMENT FUND TOTAL.....	\$ 3,012	\$ 2,537	\$ 2,750
MUNICIPALITIES FINANCIAL RECOVERY REVOLVING AID FUND:			
Distressed Community Assistance (EA).....	\$ 3,300	\$ 3,450	\$ 3,440
SMALL BUSINESS FIRST FUND:			
Administration (EA).....	\$ 1,661	\$ 1,692	\$ 1,727
Loans (EA).....	28,000	28,000	28,000
Pollution Prevention Loans (EA).....	700	1,500	1,500
EDA - Loans (EA).....	3,187	3,000	3,000
Transfer to the Machinery & Equipment Loan Fund (EA).....	0	12,000	0
Community Economic Development Loans (EA).....	5,000	5,000	5,000
SMALL BUSINESS FIRST FUND TOTAL.....	\$ 38,548	\$ 51,192	\$ 39,227
TOBACCO SETTLEMENT FUND:			
Biotechnology Commercialization Account.....	\$ 0 ⁱ	\$ 0	\$ 0
Health Venture Investment Account.....	0 ^j	0	0
TOBACCO SETTLEMENT FUND TOTAL.....	\$ 0	\$ 0	\$ 0
UNDERGROUND STORAGE TANK INDEMNIFICATION FUND:			
Underground Storage Tank Administration (EA).....	\$ 24	\$ 24	\$ 24
Upgrade Loans (EA).....	1,000	1,000	1,000
UNDERGROUND STORAGE TANK INDEMNIFICATION FUND TOTAL.....	\$ 1,024	\$ 1,024	\$ 1,024
WATER SUPPLY AND WASTE WATER TREATMENT FUND:			
Commonwealth Financing Authority - Public Projects.....	\$ 29,680 ^k	\$ 22,300 ^k	\$ 29,920 ^k
Commonwealth Financing Authority - Private Projects.....	4,022 ^k	3,000 ^k	4,080 ^k
WATER SUPPLY AND WASTE WATER TREATMENT FUND TOTAL.....	\$ 33,702	\$ 25,300	\$ 34,000
WORKMEN'S COMPENSATION ADMINISTRATION FUND:			
Small Business Advocate - Workers' Compensation (R).....	\$ 183	\$ 190	\$ 190
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 579,753	\$ 275,848	\$ 297,304
SPECIAL FUNDS.....	3,000	3,000	3,000
FEDERAL FUNDS.....	196,325	411,028	219,421
AUGMENTATIONS.....	5,181	6,166	6,487
RESTRICTED.....	1,020	1,040	1,061
OTHER FUNDS.....	223,035	226,036	195,683
TOTAL ALL FUNDS.....	\$ 1,008,314	\$ 923,118	\$ 722,956

^a Appropriated at \$300,000. The department received notification that federal funding was not awarded.

^b Appropriated at \$150,000. The department received notification that federal funding was not awarded.

^c Appropriated at \$3,000,000. The department received notification that federal funding was not awarded.

^d Appropriated at \$29,700,000. The department received notification that federal funding was not awarded.

^e Appropriated as \$8,260,000 for Regional Marketing Partnerships and \$6,677,000 for Tourist Promotion Assistance.

^f In all years, program funded by the Health Endowment Account for Long-Term Hope.



Community and Economic Development

Summary by Fund and Appropriation

^g Appropriated as \$50,000,000 continuing executive authorization in 2005-06. Amount shown is estimate of program disbursements within the fiscal year.

^h Appropriated as \$10,000,000 continuing executive authorization in 2005-06. Amount shown is estimate of program disbursements within the fiscal year.

ⁱ Not added to the total to avoid double counting. 2008-09 Actual is \$6,000,000.

^j Not added to the total to avoid double counting. 2008-09 Actual is \$6,000,000.

^k Appropriated as \$200,000,000 continuing executive authorization in 2005-06. Amount shown is estimate of program disbursements within the fiscal year.



Community and Economic Development

Program Funding Summary

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
COMMUNITY AND ECONOMIC DEVELOPMENT							
SUPPORT SERVICES							
GENERAL FUND.....	\$ 90,605	\$ 47,996	\$ 42,497	\$ 42,497	\$ 42,497	\$ 42,497	\$ 42,497
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	6,037	13,013	11,806	8,194	6,594	6,594	6,594
OTHER FUNDS.....	45,448	39,335	48,874	9,538	9,538	9,538	9,538
SUBCATEGORY TOTAL.....	\$ 142,090	\$ 100,344	\$ 103,177	\$ 60,229	\$ 58,629	\$ 58,629	\$ 58,629
BUSINESS AND JOB DEVELOPMENT							
GENERAL FUND.....	\$ 181,346	\$ 152,042	\$ 183,037	\$ 201,638	\$ 205,308	\$ 205,297	\$ 205,293
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	330	450	450	450	450	450	450
OTHER FUNDS.....	101,551	102,131	86,948	86,948	86,948	86,948	86,948
SUBCATEGORY TOTAL.....	\$ 283,227	\$ 254,623	\$ 270,435	\$ 289,036	\$ 292,706	\$ 292,695	\$ 292,691
TECHNOLOGY DEVELOPMENT							
GENERAL FUND.....	\$ 70,783	\$ 29,525	\$ 26,885	\$ 26,885	\$ 26,885	\$ 26,885	\$ 26,885
SPECIAL FUNDS.....	3,000	3,000	3,000	3,000	3,000	3,000	3,000
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	62,577	78,077	52,000	52,000	52,000	52,000	52,000
SUBCATEGORY TOTAL.....	\$ 136,360	\$ 110,602	\$ 81,885	\$ 81,885	\$ 81,885	\$ 81,885	\$ 81,885
COMMUNITY DEVELOPMENT							
GENERAL FUND.....	\$ 237,019	\$ 46,285	\$ 44,885	\$ 44,885	\$ 44,885	\$ 44,885	\$ 44,885
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	189,958	397,565	207,165	87,165	87,165	87,165	87,165
OTHER FUNDS.....	19,660	13,699	15,409	6,055	6,055	6,055	6,055
SUBCATEGORY TOTAL.....	\$ 446,637	\$ 457,549	\$ 267,459	\$ 138,105	\$ 138,105	\$ 138,105	\$ 138,105
ALL PROGRAMS:							
GENERAL FUND.....	\$ 579,753	\$ 275,848	\$ 297,304	\$ 315,905	\$ 319,575	\$ 319,564	\$ 319,560
SPECIAL FUNDS.....	3,000	3,000	3,000	3,000	3,000	3,000	3,000
FEDERAL FUNDS.....	196,325	411,028	219,421	95,809	94,209	94,209	94,209
OTHER FUNDS.....	229,236	233,242	203,231	154,541	154,541	154,541	154,541
DEPARTMENT TOTAL.....	\$ 1,008,314	\$ 923,118	\$ 722,956	\$ 569,255	\$ 571,325	\$ 571,314	\$ 571,310



Community and Economic Development

PROGRAM OBJECTIVE: To utilize state economic development resources in a cohesive and cost-effective manner in order to assist in the job creation and retention process within the commonwealth.

Program: Community and Economic Development Support Services

The Department of Community and Economic Development works in partnership with hundreds of local, community and regional service providers to deliver resources to businesses, communities and individuals in need of assistance. Because of the complexity of the delivery system, the department plays a key role to ensure that the system delivers maximum effectiveness and efficiency. The department's role ensures that Pennsylvania's businesses and communities provide the opportunity for all residents to achieve a high quality of life.

The Governor's Action Team is the major component of the Support Services program. The team works directly with Pennsylvania companies to preserve and expand job opportunities and recruits out-of-state companies to locate or expand their operations in the commonwealth. The Governor's Action Team also serves as the Governor's interagency economic development group for individual projects that require the involvement of two or more agencies.

Marketing and local planning assistance efforts further supplement the daily operations of the department. Marketing promotes Pennsylvania to individuals as an attractive destination in order to maximize Pennsylvania's share of the tourism dollar as well as to companies and organizations as a preferred location with a good business climate and a vibrant place to live and work. Toward these ends, the department operates two separate extensive multi-media advertising campaigns. One targets economic development and the other targets tourism.

The department also focuses on interactive marketing to highlight Pennsylvania's economy and quality of life.

The economic development marketing component includes efforts to increase foreign and domestic investments in Pennsylvania and to expand the markets for products of Pennsylvania firms overseas. Trade missions and trade shows provide venues for companies to develop their export potential and expand their export base. In collaboration with 23 contracted trade offices, small businesses are provided support to overcome the many legal, financial and logistical problems inherent in doing business internationally. The World Trade PA initiative, established in 2006, provides additional assistance to businesses that seek to enter and compete in international markets. Domestically, the current marketing program targets the promotion of Pennsylvania's Economic Stimulus Package, Energy Independence Strategy and water and sewer investments.

The tourism marketing component involves the Tourist Promotion Assistance (TPA) Grant program, which assists county and regional tourist promotion agencies in Pennsylvania by providing grants as matching assistance for advertising and promotion expenses. A key element of tourism marketing is the coordination of the commonwealth's tourism program with the TPA's efforts. Act 189 of 2002 further supports these efforts through the Pennsylvania Travel and Tourism Partnership which ensures the commonwealth's strategic tourism plan is continually evaluated and advanced.

Program Recommendations:

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

	GENERAL FUND				
	General Government Operations				
\$	-170	—nonrecurring 2009-10 budgetary freeze amount.	\$	-750	Marketing to Attract Tourists —nonrecurring 2009-10 budgetary freeze amount.
	Office of Open Records				
\$	-13	—nonrecurring 2009-10 budgetary freeze amount.	\$	-9	Marketing to Attract Business —nonrecurring 2009-10 budgetary freeze amount.
	World Trade PA				
\$	-750	—nonrecurring 2009-10 budgetary freeze amount.	\$	-9	Appalachian Regional Commission —program reduction.
			\$	-16	Industrial Development Assistance —program reduction.



Community and Economic Development

Program: Community and Economic Development Support Services (continued)

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

\$ -330	Local Development Districts —program reduction.	\$ -1,200	Tourism - Accredited Zoos —nonrecurring projects.
\$ -2,250	Tourist Promotion Assistance —nonrecurring 2009-10 budgetary freeze amount.	\$ -2	Rural Leadership Training —nonrecurring 2009-10 budgetary freeze amount.

Appropriations within this Program:

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
GENERAL FUND:							
General Government Operations	\$ 19,934	\$ 17,000	\$ 16,830	\$ 16,830	\$ 16,830	\$ 16,830	\$ 16,830
Office of Open Records	851	1,250	1,237	1,237	1,237	1,237	1,237
World Trade PA.....	12,853	7,500	6,750	6,750	6,750	6,750	6,750
Marketing to Attract Tourists	15,767	6,246	5,496	5,496	5,496	5,496	5,496
Marketing to Attract Business	2,593	895	886	886	886	886	886
Cultural Expositions and Exhibitions	5,500	0	0	0	0	0	0
Regional Marketing Partnerships	8,260	0	0	0	0	0	0
Marketing to Attract Film Business	489	0	0	0	0	0	0
Base Realignment and Closure.....	32	0	0	0	0	0	0
Appalachian Regional Commission.....	859	859	850	850	850	850	850
Industrial Development Assistance.....	3,922	1,556	1,540	1,540	1,540	1,540	1,540
Local Development Districts	5,606	3,300	2,970	2,970	2,970	2,970	2,970
Tourist Promotion Assistance	6,677	8,000	5,750	5,750	5,750	5,750	5,750
Tourism - Accredited Zoos	1,900	1,200	0	0	0	0	0
Market Development	96	0	0	0	0	0	0
Rural Leadership Training	136	190	188	188	188	188	188
Tourist Product Development	1,730	0	0	0	0	0	0
Cultural Activities	3,400	0	0	0	0	0	0
TOTAL GENERAL FUND	\$ 90,605	\$ 47,996	\$ 42,497	\$ 42,497	\$ 42,497	\$ 42,497	\$ 42,497



Community and Economic Development

PROGRAM OBJECTIVE: To ensure that capital for the creation, location, retention and expansion of private business is available at each step of the business life cycle for all types and sizes of business and to make possible lower capital costs as an attraction for businesses to invest or reinvest in Pennsylvania.

Program: Business and Job Development

The department has a broad array of programs available to create the best possible climate for business start-ups and development. The newpa.com website links customers to general information, publications, specific program guidelines and the department's electronic Single Application for Assistance. The proprietary electronic single application process allows customers to apply for funds via the online application process.

Program Element: Economic Development

The Business Retention and Expansion Program (BREP) works with the commonwealth's 10 marketing regions to promote job retention, expansion and creation. BREP representatives contact Pennsylvania businesses to identify their needs in an effort to retain and improve their Pennsylvania operations. Information gathered is entered into a database to provide an efficient means for the development of customized action plans. The database also allows BREP to access, analyze and acquire in-depth information on Pennsylvania's community and economic assets.

The PennPorts office provides for the development of Pennsylvania's ports, which include the Erie Port, the Philadelphia Regional Port Authority and the Pittsburgh Port Commission. Funds are used to aid in the development of these assets, which not only generate port and shipping-related jobs but also assist Pennsylvania firms in the export of their products.

The PA Export Network, an integrated and customer-focused group of key export assistance partners, consolidates efforts and coordinates more effective export assistance initiatives to meet the needs of commonwealth companies. The Export Network links the regions to our overseas offices, which offer assistance to support the international trade activities of Pennsylvania businesses.

The Opportunity Grant program is a tool used by the Governor's Action Team and Business Assistance Office to secure job creation and economic development opportunities through the preservation and expansion of existing industries. The program also serves to attract economic development prospects to the commonwealth. The program's flexibility is the key to its usefulness. Eligible reimbursable costs may include job training, infrastructure improvements, land and building acquisition and/or improvement costs, machinery and equipment purchase, working capital, environmental assessment and remediation. Grants are based on the total project cost, private capital investment and job creation or retention.

The Small Business First Fund is a single multi-purpose fund that can make loans to small businesses for a wide range of needs. Eligible uses include funds for environmental needs like air quality, storage tank replacement, recycling and water quality, as well as defense conversion and hospitality industry projects. In addition, the Small Business First Fund provides financial assistance for export-related projects. Act 213 of 2002 expanded the definition of a small business to include agricultural producers. The department began the Community and Economic Development Loan program in 1999 for small businesses located in distressed areas that have social or economic disadvantage. Act 100 of 1998 allows the fund to provide pollution prevention loans. Act 213 of 2002 increased the maximum loan from \$50,000 to \$100,000.

The Infrastructure Development Program provides grants and loans to develop and improve business sites. Funds may be provided for specific infrastructure improvements necessary to complement planned industrial investment by private companies, to restore blighted land to productive use and to develop the restored land, or to develop local infrastructure at business sites. Local public and nonprofit sponsors may receive grants and loans on behalf of industrial, manufacturing, research and development, agriculture-related and export service enterprises for improvements such as energy facilities, fire and safety facilities, sewer and water systems, transportation and waste disposal facilities. Private real estate developers are also eligible if they develop sites for eligible private companies.

The Pennsylvania Industrial Development Authority (PIDA) was established in 1956 to make long-term, low-interest business loans for job creation or retention to firms engaged in manufacturing or industrial enterprises. PIDA funds may be used for land and buildings. Current policy targets PIDA funds to small and advanced technology businesses and areas of high unemployment. A qualified business may receive up to \$2.25 million at interest rates that range from 4 3/4 percent to 5 3/4 percent, depending upon the unemployment rate in the county where the project is located.

The Machinery and Equipment Loan Fund (MELF), redefined in Act 213 of 2002, provides low-interest loans to manufacturing, industrial, medical, information technology, biotechnology mining companies and production agriculture. The loans are used to acquire and install new



Program: Business and Job Development (continued)

or used machinery and equipment. Interest rates are similar to PIDA and vary depending on the county and municipality unemployment levels. The applicant must agree to create or preserve jobs as a criterion of the program.

Job Creation Tax Credits, authorized by Act 23 of 2001, provide tax credits for each approved job created. Tax credits are also approved for businesses that agree to create jobs in the commonwealth within three years. Businesses must agree to create at least 25 new jobs or new jobs to equal at least 20 percent of the current workforce. Twenty-five percent of the tax credits allocated each year are reserved for businesses with less than 100 employees and may not be utilized until the jobs are actually created. Credits not fully utilized or recaptured from any fiscal year may be reissued by the department.

The Industrial Sites Reuse Program provides grants and low-interest loans to companies, private real estate developers, and municipalities that perform environmental site assessment and remediation work at former industrial sites. Funds are not available for companies that caused the environmental contamination on the property.

The Commonwealth Financing Authority (CFA), created by Act 22 of 2004, is authorized to issue debt to support a full cadre of new economic development programs and to capitalize some existing programs such as MELF. Programs include: Business in Our Sites, which creates shovel-ready sites for business expansion; the First Industries program, which offers grant, loan and loan guarantees through several different programs to support tourism and agricultural projects; PennWorks, which provides grants and loans for water and wastewater infrastructure development; the Second Stage Loan Guarantee program which provides guarantees for successful Pennsylvania businesses that seek working capital from banks; and the Tax Increment Financing Guarantee program which enables local governments to achieve more favorable borrowing terms and allows the debt to be repaid with future revenues. Act 22 also created Building PA, the New Pennsylvania Venture Guarantee program and the Venture Capital Investment program.

Act 1 of Special Session 1 of 2008, the Alternative Energy Investment Act, authorizes the CFA to issue a total of \$500 million in debt for alternative energy development programs. Of those funds, \$335 million is designated as follows: \$40 million to the Ben Franklin Technology Development Authority (BFTDA) for energy-related investments to support early-stage activities such as research, incubator support and investments in companies; \$165 million to businesses, nonprofit economic development organizations and political subdivisions for clean and alternative energy projects such as buildings, equipment and land development activities; \$25 million to individuals and small businesses for high-performance,

energy-efficient building projects; \$25 million for geothermal and wind energy projects; and \$80 million for alternative energy production projects that involve solar technologies. In addition, another \$150 million will be available over seven years to help consumers and small businesses weatherize their homes and adopt conservation tools and offer tax credits to businesses that develop and build alternative energy projects in Pennsylvania.

H2O PA, Act 63 of 2008, authorizes CFA to issue \$800 million in debt to fund flood control projects, high hazard unsafe dam projects and water, sanitary sewer and storm sewer projects. CFA will administer the programs in conjunction with DCED, DEP and PENNVEST.

The Core Industries Stimulus program, also created by Act 22 of 2004, enhances the MELF loan program. It provides an additional \$75 million in revolving loan funds to increase the maximum loan amount from \$500,000 to \$5 million. Information technology companies and licensed hospitals are now also eligible to receive funds, and \$25 million will be targeted to aid hospitals with the purchase and installation of FDA-required pharmaceutical management technology.

The Infrastructure and Facilities Grant program established in Act 23 of 2004, awards multi-year grants to debt-issuing authorities toward the payment of debt service and related costs for economic development projects. Grant awards are calculated based on the expected sales tax, hotel occupancy tax or personal income tax to be generated by the identified project.

The Pennsylvania Race Horse Development and Gaming Act of 2004 established the Pennsylvania Local Share Account program at DCED. The purpose of the program is to distribute 2 percent of gross terminal revenues of certain licensed gaming facilities to support and enhance community and economic well-being.

Program Element: Workforce Development

The Customized Job Training (CJT) program provides grant funds to new and existing Pennsylvania companies for customized or advanced training for new, entry-level employees and for retention and upgrade of existing employees to accommodate new technologies. The Guaranteed Free Training (GFT) program, a major part of CJT, provides funds to Pennsylvania companies for basic skills and information technology training. The program guarantees training to meet the standards agreed to by the company and the training provider. The GFT program is critical to ensure that highly-skilled workers are available for Pennsylvania companies. The Job Enhancement Act of 2002 redefined CJT, expanded eligible programs and included private companies and local workforce investment boards as potential applicants.

Community and Economic Development

Program: Business and Job Development (continued)

Program Element: Pennsylvania Economic Development Financing Authority (PEDFA)

The PEDFA provides taxable and tax-exempt bond financing for economic development projects. PEDFA provides funds to finance or refinance buildings, machinery and equipment and working capital. Applications must be submitted through an industrial development authority.

Program Element: Pennsylvania Minority Business Development Authority (PMBDA)

The PMBDA offers low-interest loans to minority-owned businesses for fixed assets, working capital and other financing needs. These efforts can be particularly crucial given the difficulty minority entrepreneurs experience when

they try to secure adequate funds, especially working capital.

Program Element: Capital Access Program (PennCAP)

PennCAP is a loan guarantee program designed to help small-business borrowers that don't meet a bank's normal small business lending requirements. Eligible uses include land and building acquisition, machinery and equipment and working capital. Loans may be guaranteed up to \$500,000. Rates and terms are negotiated with the participant bank. The PEDFA bond program provides the guarantee for bank loans, term loans or lines of credit.

Program Recommendations:

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

<p>General Fund</p> <p>Business Retention and Expansion</p> <p>\$ -10 —nonrecurring 2009-10 budgetary freeze amount.</p> <p>PennPORTS Operations</p> <p>\$ -4 —nonrecurring 2009-10 budgetary freeze amount.</p> <p>PennPORTS - Port of Pittsburgh</p> <p>\$ -8 —nonrecurring 2009-10 budgetary freeze amount.</p> <p>PennPORTS - Port of Erie</p> <p>\$ -9 —nonrecurring 2009-10 budgetary freeze amount.</p> <p>PennPORTS - Philadelphia Regional Port Authority Operations</p> <p>\$ -26 —nonrecurring 2009-10 budgetary freeze amount.</p> <p>PennPORTS - Navigational System</p> <p>\$ -1 —nonrecurring 2009-10 budgetary freeze amount.</p> <p>Goods Movement and Intermodal Coordination</p> <p>\$ -3 —nonrecurring 2009-10 budgetary freeze amount.</p> <p>Transfer to Commonwealth Financing Authority</p> <p>\$ 18,254 —to provide debt service for economic development bonds.</p> <p>Intergovernmental Cooperation Authority-2nd Class Cities</p> <p>\$ -5 —nonrecurring 2009-10 budgetary freeze amount.</p>	<p>Opportunity Grant Program</p> <p>\$ -183 —nonrecurring 2009-10 budgetary freeze amount.</p> <p>6,915 —to continue current program.</p> <hr style="width: 50px; margin-left: 0;"/> <p>\$ 6,732 <i>Appropriation Increase</i></p> <p>\$ 2,000 Customized Job Training —to continue current program.</p> <p>\$ 4,000 Infrastructure Development —to continue current program.</p> <p>\$ -400 Small Business Development Centers —program reduction.</p> <p>\$ -1 Flood Plain Management —nonrecurring 2009-10 budgetary freeze amount.</p> <p>\$ -1,000 Minority Business Development —nonrecurring projects.</p> <p>\$ -300 Fay Penn —nonrecurring projects.</p> <p>\$ 2,000 Infrastructure & Facilities Improvement Grants —to continue current program.</p> <p>\$ -224 Digital & Robotic Technology —nonrecurring projects.</p>
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Community and Economic Development

Program: Business and Job Development (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
GENERAL FUND:							
Business Retention and Expansion.....	\$ 2,948	\$ 1,000	\$ 990	\$ 990	\$ 990	\$ 990	\$ 990
PennPORTS Operations	378	398	394	394	394	394	394
PennPORTS-Port of Pittsburgh.....	1,286	775	767	767	767	767	767
PennPORTS-Port of Erie.....	2,453	895	886	886	886	886	886
PennPORTS-Delaware River Maritime Council.....	925	0	0	0	0	0	0
PennPORTS-Philadelphia Regional Port Authority Operations	5,333	2,628	2,602	2,602	2,602	2,602	2,602
PennPORTS-Philadelphia Regional Port Authority Debt Service	4,525	4,606	4,606	4,606	4,606	4,606	4,606
PennPORTS-Piers	272	0	0	0	0	0	0
PennPORTS-Navigational System.....	363	100	99	99	99	99	99
Goods Movement and Intermodal Coordination	1,600	250	247	247	247	247	247
Transfer to Industrial Sites Environmental Assessment Fund	493	0	0	0	0	0	0
Transfer to Commonwealth Financing Authority.....	62,473	65,039	83,293	101,894	105,564	105,553	105,549
Intergovernmental Cooperation Authority- 2nd Class Cities.....	600	500	495	495	495	495	495
Opportunity Grant Program	13,268	18,268	25,000	25,000	25,000	25,000	25,000
Customized Job Training	18,240	9,000	11,000	11,000	11,000	11,000	11,000
Keystone Innovation Zones.....	543	0	0	0	0	0	0
Workforce Leadership Grants.....	2,699	0	0	0	0	0	0
Emergency Responder and Training.....	4,800	0	0	0	0	0	0
Infrastructure Development	21,000	15,000	19,000	19,000	19,000	19,000	19,000
Small Business Development Centers	6,788	4,000	3,600	3,600	3,600	3,600	3,600
Flood Plain Management.....	59	59	58	58	58	58	58
Minority Business Development	2,600	1,000	0	0	0	0	0
Fay Penn	500	300	0	0	0	0	0
Infrastructure & Facilities Improvement Grants	25,500	28,000	30,000	30,000	30,000	30,000	30,000
Digital & Robotic Technology.....	1,700	224	0	0	0	0	0
TOTAL GENERAL FUND	\$ 181,346	\$ 152,042	\$ 183,037	\$ 201,638	\$ 205,308	\$ 205,297	\$ 205,293



PROGRAM OBJECTIVE: To promote the use of advanced technology in order to help Pennsylvania industries compete successfully in the national and international market places; to encourage research and development of new products and processes that will foster the start-up of new business within the commonwealth; and to fund research centers that will provide an incentive for indigenous business formation, as well as serving to attract investment in Pennsylvania.

Program: Technology Development

Technology-based economic development drives the development of new companies and technologies in the commonwealth. This enables businesses and individuals to develop the skills and opportunities necessary to remain competitive. Technology development allows Pennsylvania to build the infrastructure necessary to continue to grow new businesses and interconnect in a global marketplace.

The Ben Franklin Technology Development Authority (BFTDA) was established by Act 38 of 2001 to continue the promotion of advanced technology in Pennsylvania's traditional and emerging manufacturing industries, as well as small businesses. The authority provides a vital vehicle for investment in economic, community and university-based innovation. The financial and technical assistance provided by BFTDA includes the Venture Investment program, which provides capital to venture partnerships that invest in Pennsylvania companies; the Technology Development Grant program, which helps to position groups or consortia of Pennsylvania companies at the cutting edge of emerging technologies and to establish a competitive advantage through advanced e-business systems; and the University Research Grant program, which promotes stronger synergy between university-based research and development and the transfer of technology in economic and workforce development.

Keystone Innovation Zone (KIZ) operational grants, also funded through the Authority, drive economic development partnering between universities and entrepreneurial organizations. The grant funds generate job growth through technology transfer and entrepreneurship. There are two companion programs to the KIZ program: the Keystone Innovation Grant (KIG) and the Keystone Innovation Starter Kit (KISK). KIG provides funds to encourage the technology transfer and commercialization of intellectual property between Pennsylvania's technology-oriented businesses and entrepreneurs and KIZ-participating institutions of higher education. KISK is designed to recruit new, top-level research faculty to Pennsylvania's academic

medical centers and institutions of higher education to accelerate the development of a cluster of companies and employees in emerging and growing technology areas. BFTDA will also manage the deployment of energy funds to the Ben Franklin Technology Partners over the next several years.

The Broadband Outreach and Aggregation Fund, created by Act 183 of 2004, sustains activities to accelerate broadband deployment across the commonwealth for economic development purposes. The program provides grant funds for outreach, the use and procurement of broadband services, and seed grants to aggregate customer demand in communities with limited service.

The Pennsylvania Life Sciences Greenhouse Initiative, funded by Tobacco Settlement dollars, supports early-stage life sciences risk capital and is a catalyst for the development and creation of new life-sciences-related products and companies. Three regional organizations focus on increasing the formation and growth of Pennsylvania's life science companies.

The Industrial Resource Centers' focus is to improve the competitive ability of Pennsylvania's traditional and emerging manufacturing firms. This network of seven private, nonprofit economic development corporations located throughout the commonwealth assists small and medium-sized manufacturers with implementation of manufacturing technologies and sound management practices. The program has a two-fold strategy of implementing cost saving measures and enabling company growth to assist Pennsylvania manufacturers as they compete in a global economy.

The Pennsylvania Infrastructure Technical Alliance integrates university-based technology research with business and economic development. The alliance creates an environment that links Pennsylvania companies with students to create high-paying jobs and retain highly-educated students.

Community and Economic Development

Program: Technology Development (continued)

Program Recommendations:

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

	GENERAL FUND	TOBACCO SETTLEMENT FUND
\$ -200	Super Computer Center —nonrecurring projects.	Life Sciences Greenhouses is recommended at the current funding level.
\$ -1,225	Infrastructure Technical Assistance —nonrecurring projects.	
\$ -765	Industrial Resource Centers —nonrecurring 2009-10 budgetary freeze amount.	
\$ -300	Agile Manufacturing —nonrecurring projects.	
\$ -150	Powdered Metals —nonrecurring projects.	

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
GENERAL FUND:							
Transfer to Ben Franklin Technical Development Authority Fund	\$ 50,700	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
Super Computer Center	700	200	0	0	0	0	0
Infrastructure Technical Assistance	3,526	1,225	0	0	0	0	0
Industrial Resource Centers	14,100	7,650	6,885	6,885	6,885	6,885	6,885
Manufacturing and Business Assistance...	900	0	0	0	0	0	0
PENNTAP	65	0	0	0	0	0	0
Agile Manufacturing	600	300	0	0	0	0	0
Powdered Metals	192	150	0	0	0	0	0
TOTAL GENERAL FUND	\$ 70,783	\$ 29,525	\$ 26,885	\$ 26,885	\$ 26,885	\$ 26,885	\$ 26,885
TOBACCO SETTLEMENT FUND:							
Life Sciences Greenhouses	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000



Community and Economic Development

PROGRAM OBJECTIVE: To enhance the total environment of Pennsylvania's communities through improvements in the areas of housing, community development, job training and human services.

Program: Community Development

Program Element: Housing and Redevelopment

The department administers one state and three federally-funded programs that target affordable housing for low- and moderate-income Pennsylvanians and the comprehensive revitalization of communities.

The state Housing and Redevelopment Assistance program provides grants to communities, redevelopment authorities and nonprofit organizations to improve blighted neighborhoods through redevelopment, to revitalize central business districts in aging communities and to provide low- and moderate-income housing. The program provides funds for projects that enhance reinvestment in and rebuilding of communities. Act 45 of 2005 established the Growing Greener Bond Fund, which allocates up to \$5 million dollars to fund brownfields remediation. The "Core Communities Housing" component of this program provides funds for counties on a formula basis to rehabilitate and develop housing on previously developed sites.

The federal HOME Investment Partnerships program provides funds to expand the supply of affordable housing for low-income families. A variety of options are available to meet this objective: incentives to develop and support rental housing and home ownership through acquisition, construction or rehabilitation; funds to finance relocation of displaced persons; rental assistance; and rehabilitation of substandard housing. Federal funds for both the Small Communities Development Block Grant and HOME program are provided directly to recipients through the U.S. Department of Housing and Urban Development's Integrated Disbursement and Information System. Funds are appropriated to the department to administer the program.

The federal Weatherization Assistance program is designed to reduce energy costs and improve living conditions for low-income persons through the addition of energy-conservation measures to their homes. The U.S. Department of Energy component supports activities such as the installation of insulation, shell repairs and heating system improvements. The Low Income Housing Energy Assistance Block Grant funds home weatherization efforts but also supports a heating crisis program that operates during the winter in close coordination with the Department of Public Welfare's LIHEAP program. In 2009, the department created the Office of Energy Conservation and Weatherization to organize and administer a \$252 million statewide energy reduction program funded by the federal American Recovery and Reinvestment Act. The mission is

to reduce energy consumption and costs to nearly 30,000 low-income homeowners with high-energy use. This program will generate nearly 1,000 jobs in the state. The department, working in conjunction with the Department of Labor and Industry, will institute a new state certification requirement for all workers in the program.

Program Element: New Communities

The department's New Communities program provides funds for both planning and direct project grants to communities. Funds are targeted to projects that rebuild depressed inner city neighborhoods and rural areas. These projects help stabilize communities so that economic and social growth can occur.

The New Communities program includes the state Enterprise Zone, Main Street and Elm Street programs that provide flexibility to address community needs such as downtown revitalization, residential improvements or economic development. The state-funded Enterprise Zones receive grants for business development projects that stimulate private investment and create jobs in state-designated Enterprise Zones. These efforts are supported by the use of Enterprise Zone Tax Credits through the Neighborhood Assistance Act. This act also includes three other components: the Neighborhood Assistance program, the Neighborhood Partnership program and the Special Program Priorities. The goal of these programs is to encourage investments by business firms in projects for affordable housing programs, community services, crime prevention, education, job training or neighborhood assistance in partnership with neighborhood organizations that provide such assistance.

The Main Street component of the New Communities program helps restore downtown commercial areas through a four-point approach: enhance the area's physical appearance; market the area to shoppers, businesses and tourists; create partnerships and a local organizational structure; and strengthen and diversify downtown businesses. The program helps restore the physical appearance of downtowns through Downtown Reinvestment grants and Anchor Buildings grants that reuse older buildings to draw tourists, shoppers, workers and others to downtown business districts. The Growing Greener Bond Fund, as part of Act 45 of 2005, allocates up to \$50 million for main street and downtown redevelopment related to smart growth, to include improvements to existing water and wastewater infrastructures.



Program: Community Development (continued)

The Elm Street component of the New Communities program, established in Act 7 of 2004, is a Main Street companion to promote the revitalization of residential areas that are physically and programmatically connected to downtown improvement efforts. The program fosters the creation of local nonprofits to revitalize the neighborhood; the promotion of real estate and special events; the enhancement of the physical appearance of buildings; the development and implementation of a strategy for revitalization; and the maintenance of public spaces. The program also addresses threats of crime.

A related federal program under the New Communities program – the Empowerment Zone/Enterprise Community program – provides a combination of grants and tax incentives to rebuild poor inner cities and rural distressed areas. Five Pennsylvania communities are involved in this federal effort: Philadelphia, Harrisburg, Pittsburgh, Lock Haven and Fayette County.

Program Element: Pennsylvania Housing Finance Agency

The Pennsylvania Housing Finance Agency (PHFA) operates programs to increase and protect the supply of safe and affordable multi-family rental and single family homeownership housing. These programs are financed with proceeds from the sale of securities to private investors.

The Single Family Homeownership program is the PHFA homebuyer assistance program which offers below-market-rate mortgage loans to first time buyers of single-family houses. Funds to operate the program come from the sale of mortgage revenue bonds. In 2009, PHFA provided mortgage financing for approximately 4,077 families totaling \$414 million. In addition, PHFA has committed \$8.3 million in secondary funding and \$24.6 million in tax credits to finance 43 developments totaling 1,998 units. The PHFA operates the Homeowners Emergency Mortgage Assistance Program (HEMAP), a program to protect distressed homeowners from foreclosure. HEMAP was established by Act 91 of 1983 and amended by Act 160 of 1998 to protect citizens who, through no fault of their own, are in danger of losing their homes to foreclosure. Eligible applicants receive assistance in an amount sufficient to bring mortgage payments current and may also receive continuing assistance for up to 36 months. HEMAP payments are loans upon which repayment begins and interest starts to accrue when the recipient is financially able to pay. Current law requires HEMAP loan recipients to repay their loans only when the recipient's housing expense (mortgage, taxes, utilities and insurance) does not exceed 35 percent of net household income (gross income minus federal, state and local income taxes).

PHFA has channeled more than \$222 million of General Fund monies and \$249 million of repayments into HEMAP to save more than 43,000 homes from foreclosure.

Program Element: Community Development

The federal Small Community Development Block Grant program provides assistance to expand low- and moderate-income housing opportunities, enhance economic development and job opportunities for low- and moderate-income individuals, repair public facilities such as water and sewer systems and improve public facilities that affect public health and safety.

Act 92 of 1998 established the Keystone Opportunity Zones (KOZ). The KOZs are community development initiatives to revive economically-distressed urban and rural communities. These zones are defined, limited areas in communities with greatly reduced or no tax burdens for residents and businesses located within the zones. Twelve zones are designated for this one-time program. Act 119 of 2000 extended the life of a KOZ from 12 to 15 years and authorized DCED to establish 12 smaller Keystone Opportunity Expansion Zones (KOEZ). The act extended the expiration date of the program until 2013 and increased the eligible tax-exempt activity. Act 217 of 2002 provided for designation of subzones within KOZs and KOEZs to enable acreage that remained undesignated within the original limitation to be designated for state and local tax exemption. In accordance with the act, the Keystone Opportunity Improvement Zones (KOIZ) were designated by Executive Order in 2002.

The Land Use Planning and Technical Assistance program (LUPTAP) helps communities prepare, update and implement multi-municipal, municipal and county plans to address issues such as economic revitalization and expansion; municipal infrastructure, services and transportation needs; commercial and neighborhood rehabilitation efforts; land use controls; municipal capital improvement programs and budgets; and housing solutions. The program is coordinated by the Center for Local Government Services. Many LUPTAP-funded plans provide project information and rationale to support state investment strategies through the Community Action Team or other agencies' programs.

The Shared Municipal Services program helps communities improve operational efficiencies through cooperative activities. Typical projects include combined police records administration; shared data processing operations; municipal insurance pools; shared public works operations; regional recreation activities; shared uniform code enforcement activities; purchase of vehicles and other inter-municipal projects that will reduce local government costs; and implementation of more efficient and coordinated local government services. DCED has established a priority to fund activities related to the implementation of the Earned Income Tax Consolidation Act – Act 32 of 2008.

The Early Intervention program provides grants to municipal and county governments to develop and

Community and Economic Development

Program: Community Development (continued)

implement multi-year financial management plans. The plans enable governments with both short-term and long-term direction to address fiscal difficulties before they reach a crisis point. Communities declared financially distressed in accordance with the provisions of Act 157 of 1988 receive assistance in the form of grants, loans and extensive technical assistance through the development and implementation of a comprehensive recovery plan.

The Job Enhancement Act, as amended by Act 100 of 1998 and by Act 29 of 2005, established and further defined the Community Development Bank program. The participant banks make capital available for community development loans and provide technical assistance grants to promote the creation and ownership of community development financial institutions within distressed communities.

Through Act 166 of 1978, the Flood Plain Management program provides funds for reimbursements to municipalities

which have enacted flood plain management ordinances to meet the minimum requirements for federal and state programs.

The Local Government Capital Loan program provides low-interest loans for municipal facilities. The program gives small local governments that find conventional borrowing prohibitive an opportunity to secure needed funds for necessary equipment and buildings.

Program Element: Community Services

The Community Services Block Grant (CSBG) provides funds for community-based programs that offer health, nutrition, housing, employment/training and asset development services to improve the standard of living for low-income persons. Other CSBG efforts include economic development and revitalization projects that focus on neighborhood preservation and enhance the collaboration of services in communities.

Program Recommendations:

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

	GENERAL FUND				
	Land Use Planning and Technical Assistance		\$	-5	Shared Municipal Services
\$	-4	—nonrecurring 2009-10 budgetary freeze amount.			—nonrecurring 2009-10 budgetary freeze amount.
	Transfer to Municipalities Financial Recovery Revolving Fund		\$	-1,350	New Communities
\$	-10	—nonrecurring 2009-10 budgetary freeze amount.			—nonrecurring 2009-10 budgetary freeze amount.
	Accessible Housing			100	—to continue current program.
\$	-11	—nonrecurring 2009-10 budgetary freeze amount.	\$	-1,250	<i>Appropriation Decrease</i>
	PHFA - Homeowners Emergency Mortgage Assistance		\$	-3	Community Action Team (CAT)
\$	-110	—program reduction.			—nonrecurring 2009-10 budgetary freeze amount.
			\$	-7	Early Intervention for Distressed Municipalities
					—nonrecurring 2009-10 budgetary freeze amount.



Community and Economic Development

Program: Community Development (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
GENERAL FUND:							
Land Use Planning and Technical Assistance.....	\$ 3,747	\$ 375	\$ 371	\$ 371	\$ 371	\$ 371	\$ 371
Transfer to Municipalities Financial Recovery Revolving Fund.....	1,480	1,000	990	990	990	990	990
Housing & Redevelopment Assistance.....	32,058	20,000	20,000	20,000	20,000	20,000	20,000
Accessible Housing	2,961	1,111	1,100	1,100	1,100	1,100	1,100
PHFA - Homeowners Emergency Mortgage Assistance	11,000	11,000	10,890	10,890	10,890	10,890	10,890
PHFA - Early Childhood Education Capital	1,234	0	0	0	0	0	0
Family Savings Accounts.....	900	0	0	0	0	0	0
Shared Municipal Services.....	2,150	500	495	495	495	495	495
Local Government Resources and Development.....	9,000	0	0	0	0	0	0
New Communities	15,405	11,250	10,000	10,000	10,000	10,000	10,000
Community Action Team (CAT)	644	309	306	306	306	306	306
Community Revitalization.....	39,550	0	0	0	0	0	0
Urban Development.....	18,750	0	0	0	0	0	0
Community and Business Assistance.....	2,000	0	0	0	0	0	0
Economic Growth & Development Assistance.....	6,200	0	0	0	0	0	0
Community & Municipal Facilities Assistance.....	5,500	0	0	0	0	0	0
Community Conservation and Employment.....	40,000	0	0	0	0	0	0
Early Intervention for Distressed Municipalities	740	740	733	733	733	733	733
Regional Development Initiative	12,000	0	0	0	0	0	0
Economic Advancement	16,800	0	0	0	0	0	0
Community and Regional Development....	14,900	0	0	0	0	0	0
TOTAL GENERAL FUND	\$ 237,019	\$ 46,285	\$ 44,885	\$ 44,885	\$ 44,885	\$ 44,885	\$ 44,885



Community and Economic Development

Program Measures

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Program: Community and Economic Development Support Services							
Tourist Promotion Assistance							
Traveler expenditures (in millions)	\$26,100	\$25,600	\$25,800	\$26,600	\$27,400	\$28,200	\$29,000
Public/private funds leveraged (in thousands)	\$70,100	\$64,800	\$64,850	\$66,800	\$68,800	\$70,900	\$73,000
Hotel rooms sold (in thousands)	25,670	24,400	24,400	25,100	25,900	26,700	27,500
Tax revenues generated (in thousands)	\$1,425,000	\$1,325,000	\$1,340,000	\$1,380,000	\$1,420,000	\$1,465,000	\$1,509,000
Return on Investment: Export Sales Facilitated							
Export sales facilitated (in thousands)	\$454,481	\$394,000	\$405,000	\$417,000	\$430,000	\$442,000	\$456,000
Ratio of export sales facilitated to DCED cost	68:1	63:1	64:1	66:1	68:1	70:1	72:1
Office of International Business Development (OIBD) businesses assisted	1,368	960	990	1,000	1,050	1,080	1,100
Foreign Direct Investments (FDI) investment projects completed	23	18	20	23	26	26	26
Program: Business and Job Development							
Business Assistance							
Businesses assisted	10,277	10,800	11,000	11,200	11,200	11,200	11,200
Jobs created/pledged to be created	59,268	45,700	45,600	42,700	42,700	42,700	42,700
Jobs retained/pledged to be retained	100,498	79,100	79,100	79,100	79,100	79,100	79,100
Public funds leveraged (in thousands)	\$737,796	\$721,700	\$736,100	\$750,800	\$765,900	\$765,900	\$765,900
Private funds leveraged (in thousands)	\$5,571,879	\$4,239,000	\$4,324,000	\$4,410,000	\$4,498,000	\$4,498,000	\$4,498,000
Persons receiving job training	89,710	40,400	40,400	40,400	40,400	40,400	40,400
Opportunity Grants: projects assisted	62	54	54	54	54	54	54
Brownfield redevelopment projects assisted	57	60	63	67	70	70	70
Program: Technology Development							
Technology Investment							
Businesses assisted	6,207	2,560	2,500	2,500	2,500	2,500	2,500
Jobs created	6,391	3,602	3,600	3,600	3,600	3,600	3,600
Jobs retained	18,998	10,895	10,800	10,800	10,800	10,800	10,800
Private funds leveraged (in thousands)	\$1,022,728	\$591,819	\$591,000	\$591,000	\$591,000	\$591,000	\$591,000
Public funds leveraged (in thousands)	\$197,449	\$77,546	\$77,500	\$77,500	\$77,500	\$77,500	\$77,500
New companies established	299	115	100	100	100	100	100



Community and Economic Development

Program Measures

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Program: Community Development							
Housing and Redevelopment							
Housing units assisted	2,265	1,500	1,500	1,500	1,500	1,500	1,500
Homes weatherized	13,892	9,430	3,100	3,100	4,000	4,000	4,000
Act 47: Designated distressed communities assisted	18	19	20	19	17	16	16
Main Street Program							
Main Street projects	74	40	40	40	40	40	40
Elm Street Program							
Elm Street projects	49	25	25	25	25	25	25
Early Intervention Program							
Local governments assisted	13	14	14	14	14	14	14
Land Use Planning and Technical Assistance							
Municipalities assisted	664	40	40	40	40	40	40
Shared Municipal Services							
Local governments assisted	1,802	275	275	275	275	275	275
Job Training and Human Services							
Persons participating in Community Services Block Grant	325,322	309,000	325,300	331,800	338,500	345,200	352,100
Housing Finance Agency							
Approved mortgage assistance loans	3,129	3,200	3,200	3,200	3,200	3,200	3,200
Annual value of assistance loans recorded (in thousands)	\$33,323	\$34,080	\$34,080	\$34,080	\$34,080	\$34,080	\$34,080





DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES

The mission of the Department of Conservation and Natural Resources is to promote sound stewardship of Pennsylvania's state park and state forest lands, provide education information and technical assistance regarding geologic and ecologic resources of the state and provide funding to help develop and acquire recreation lands and facilities, greenways, river corridors, and to conserve the state's natural and cultural heritage. The department is the state's lead land conservation and outdoor recreation agency and advocate for the wise management of natural resources on both public and private lands. The department's programs support the revitalization of communities, sustainable economic growth, outdoor and nature tourism and help improve the quality of life for all citizens.



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Conservation and Natural Resources

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

GENERAL FUND:

General Government:

	2008-09 ACTUAL	2009-10 AVAILABLE	2010-11 BUDGET
General Government Operations.....	\$ 21,493	\$ 19,850	\$ 19,651
(F)Topographic and Geologic Survey Grants.....	2,055	2,055	2,055
(F)Bituminous Coal Resources.....	150	150	150
(F)Intermodal Surface Transportation Act.....	5,000	5,000	5,000
(F)Land and Water Conservation Fund.....	12,000	12,000	12,000
(F)Economic Action Programs.....	100	0	0
(F)Flood Hazard Mapping - Luzerne County.....	507	0	0
(F)Flood Hazard Mapping.....	510	510	510
(F)Highlands Conservation Program.....	500	500	500
(F)ARRA - Watershed Protection Dam Removal.....	0	0 ^a	0
(A)Payment for Department Services.....	604	569	380
(A)Water Well Drillers.....	40	40	40
(A)Keystone Recreation, Park and Conservation Fund.....	1,105	2,050	2,000
(A)Internet Record Imaging System.....	188	162	189
(A)Environmental Stewardship Fund Admin.....	270	217	172
(A)Oil and Gas Lease Fund.....	0	293	300
Infrastructure Initiative Mapping.....	303	0	0
Subtotal.....	<u>\$ 44,825</u>	<u>\$ 43,396</u>	<u>\$ 42,947</u>

State Parks Operations.....	59,638	50,378	49,874
(F)Recreational Trails.....	6,000	6,000	6,000
(F)PAMAP Geospatial Imaging (EA).....	300	300	300
(F)Tropical Storm Ivan Disaster Assistance (EA).....	9,623	9,623	0
(F)April 2005 Storms Disaster Assistance (EA).....	9,660	9,660	0
(F)June 2006 Summer Floods - Disaster Assistance (EA).....	7,100	7,100	2,000
(F)Save America's Treasures.....	50	50	0
(A)PCC Programs - Parks.....	10	12	10
(A)State Parks User Fees.....	16,500	22,000	22,000
(A)Donations.....	3	386	5
(A)Reimbursement for Services.....	1,029	601	985
(A)Oil and Gas Lease Fund.....	0	1,700	1,700
Subtotal.....	<u>\$ 109,913</u>	<u>\$ 107,810</u>	<u>\$ 82,874</u>

State Forests Operations.....	16,907	17,146	16,975
(F)Forest Fire Protection and Control.....	2,000	2,000	2,000
(F)Forestry Incentives and Agriculture Conservation.....	175	175	175
(F)Forest Management and Processing.....	3,600	3,600	3,800
(F)Cooperative Forest Insect and Disease Control.....	250	0	0
(F)Aid to Volunteer Fire Companies.....	750	750	750
(F)Wetland Protection Fund.....	200	300	300
(A)Reimbursement for Services.....	4,687	365	180
(A)Reimbursement - Forest Fires.....	1,194	500	900
(A)Sale of Vehicles - Forests.....	74	50	60
(A)Private Donations.....	12	5	5
(A)Timber Sales.....	22,446	15,000	23,318
(A)PCC Programs - Forests.....	20	10	10
(A)Miscellaneous Tickets and Fines.....	7	5	5
(A)Oil and Gas Lease Fund.....	0	10,600	10,600
Subtotal.....	<u>\$ 52,322</u>	<u>\$ 50,506</u>	<u>\$ 59,078</u>

Forest Pest Management.....	4,387	1,969	1,849
(F)Forest Insect and Disease Control.....	4,000	4,000	4,000
(A)Reimbursement from Counties.....	2,260	0	0
Subtotal.....	<u>\$ 10,647</u>	<u>\$ 5,969</u>	<u>\$ 5,849</u>

Subtotal - State Funds.....	\$ 102,728	\$ 89,343	\$ 88,349
Subtotal - Federal Funds.....	64,530	63,773	39,540
Subtotal - Augmentations.....	50,449	54,565	62,859



Conservation and Natural Resources

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2008-09 ACTUAL	2009-10 AVAILABLE	2010-11 BUDGET
Total - General Government.....	\$ 217,707	\$ 207,681	\$ 190,748
Grants and Subsidies:			
Heritage and Other Parks.....	\$ 7,668	\$ 0	\$ 0
Annual Fixed Charges - Flood Lands.....	58	65	65
Annual Fixed Charges - Project 70.....	35	35	35
Annual Fixed Charges - Forest Lands.....	2,480	2,526	2,526
Annual Fixed Charges - Park Lands.....	400	400	400
Total - Grants and Subsidies.....	\$ 10,641	\$ 3,026	\$ 3,026
STATE FUNDS.....	\$ 113,369	\$ 92,369	\$ 91,375
FEDERAL FUNDS.....	64,530	63,773	39,540
AUGMENTATIONS.....	50,449	54,565	62,859
GENERAL FUND TOTAL.....	\$ 228,348	\$ 210,707	\$ 193,774
ENVIRONMENTAL STEWARDSHIP FUND:			
Grants and Subsidies:			
Community Conservation Grants (EA).....	\$ 9,999	\$ 7,875	\$ 7,193
Natural Diversity Conservation Grants (EA).....	800	800	800
Total - Grants and Subsidies.....	\$ 10,799	\$ 8,675	\$ 7,993
ENVIRONMENTAL STEWARDSHIP FUND TOTAL.....	\$ 10,799	\$ 8,675	\$ 7,993
KEYSTONE RECREATION, PARK AND CONSERVATION FUND:			
General Government:			
Park & Forest Facility Rehabilitation (EA).....	\$ 18,946	\$ 14,544	\$ 18,464
Grants and Subsidies:			
Grants for Local Recreation (EA).....	\$ 15,789	\$ 12,119	\$ 15,386
Grants to Land Trusts (EA).....	6,315	4,848	6,155
Total - Grants and Subsidies.....	\$ 22,104	\$ 16,967	\$ 21,541
KEYSTONE RECREATION, PARK AND CONSERVATION FUND TOTAL.....	\$ 41,050	\$ 31,511	\$ 40,005
MOTOR LICENSE FUND:			
General Government:			
Dirt and Gravel Roads.....	\$ 1,000	\$ 1,000	\$ 1,000
Grants and Subsidies:			
(R)Forestry Bridges - Excise Tax (EA).....	\$ 7,000	\$ 7,000	\$ 7,000
STATE FUNDS.....	\$ 1,000	\$ 1,000	\$ 1,000
RESTRICTED REVENUES.....	7,000	7,000	7,000
MOTOR LICENSE FUND TOTAL.....	\$ 8,000	\$ 8,000	\$ 8,000
OTHER FUNDS:			
GENERAL FUND:			
Snowmobile & ATV Regulation.....	\$ 3,822	\$ 6,000	\$ 6,500
Forest Regeneration.....	2,972	3,632	1,602
Forestry Research.....	781	0	0



Conservation and Natural Resources

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2008-09 ACTUAL	2009-10 AVAILABLE	2010-11 BUDGET
GENERAL FUND TOTAL.....	\$ 7,575	\$ 9,632	\$ 8,102
ENVIRONMENTAL EDUCATION FUND:			
General Operations (EA).....	\$ 147	\$ 147	\$ 150
GROWING GREENER BOND FUND:			
Parks and Recreation Improvements (EA).....	\$ 5,227 ^b	\$ 11,295 ^b	\$ 7,432 ^b
State Parks and Forests Facility Projects (EA).....	27,052 ^b	20,515 ^b	10,619 ^b
Open Space Conservation (EA).....	16,560 ^b	7,781 ^b	10,043 ^b
GROWING GREENER BOND FUND TOTAL.....	<u>\$ 48,839</u>	<u>\$ 39,591</u>	<u>\$ 28,094</u>
OIL AND GAS LEASE FUND:			
General Operations.....	\$ 11,745	\$ 19,670	\$ 19,087
STATE GAMING FUND:			
Payments in Lieu of Taxes (EA).....	\$ 5,000	\$ 5,084	\$ 5,084
WILD RESOURCE CONSERVATION FUND:			
General Operations (EA).....	\$ 290	\$ 185	\$ 211
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 113,369	\$ 92,369	\$ 91,375
SPECIAL FUNDS.....	52,849	41,186	48,998
FEDERAL FUNDS.....	64,530	63,773	39,540
AUGMENTATIONS.....	50,449	54,565	62,859
RESTRICTED.....	7,000	7,000	7,000
OTHER FUNDS.....	73,596	74,309	60,728
TOTAL ALL FUNDS.....	<u><u>\$ 361,793</u></u>	<u><u>\$ 333,202</u></u>	<u><u>\$ 310,500</u></u>

^a Appropriated as \$2,150,000. The department received notification that federal funding was not awarded.

^b Appropriated as a continuing executive authorization in 2005-06. Amount shown is an estimate of program disbursements within the fiscal year.



Program Funding Summary

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
PARKS AND FORESTS MANAGEMENT							
GENERAL FUND.....	\$ 113,369	\$ 92,369	\$ 91,375	\$ 91,375	\$ 91,375	\$ 91,375	\$ 91,375
SPECIAL FUNDS.....	52,849	41,186	48,998	50,276	55,048	58,718	61,953
FEDERAL FUNDS.....	64,530	63,773	39,540	39,540	39,540	39,540	39,540
OTHER FUNDS.....	131,045	135,874	130,587	133,659	133,896	134,081	134,243
SUBCATEGORY TOTAL.....	\$ 361,793	\$ 333,202	\$ 310,500	\$ 314,850	\$ 319,859	\$ 323,714	\$ 327,111
ALL PROGRAMS:							
GENERAL FUND.....	\$ 113,369	\$ 92,369	\$ 91,375	\$ 91,375	\$ 91,375	\$ 91,375	\$ 91,375
SPECIAL FUNDS.....	52,849	41,186	48,998	50,276	55,048	58,718	61,953
FEDERAL FUNDS.....	64,530	63,773	39,540	39,540	39,540	39,540	39,540
OTHER FUNDS.....	131,045	135,874	130,587	133,659	133,896	134,081	134,243
DEPARTMENT TOTAL.....	\$ 361,793	\$ 333,202	\$ 310,500	\$ 314,850	\$ 319,859	\$ 323,714	\$ 327,111



PROGRAM OBJECTIVE: To maintain and improve state parks; manage state forest lands to assure their long-term health, sustainability and economic use; provide information on ecological and geologic resources; and administer grant and technical assistance programs to benefit rivers conservation, trails and greenways, local recreation, regional heritage conservation and environmental education programs across the commonwealth.

Program: Parks and Forests Management

Program Element: Stewardship and Management of State Parks and Forests

The Department of Conservation and Natural Resources manages nearly 2.4 million acres of state park and forest lands that provide economic, recreational, ecological, geological and aesthetic values to the commonwealth. The commonwealth's 117 state parks offer a variety of outdoor recreation, environmental education and overnight accommodation options to visitors. As it manages these lands and facilities, the department endeavors to provide a high-quality visitor experience, demonstrate exemplary natural resource stewardship and provide opportunities for visitors to learn about Pennsylvania's natural heritage. In addition, the department maintains, restores and upgrades facilities, where needed, to provide quality visitor services, increase tourism and enhance revenue opportunities.

State forests are managed for sustainable timber harvest including fire suppression, insect and disease control, watershed protection and resource extraction and storage. State forests also offer outdoor recreation, environmental education and primitive camping options. The department educates the public about fire prevention and fights fires on public and private forestlands. The department also monitors forest lands for native and non-native invasive pests, including the gypsy moth, emerald ash borer and hemlock wooly adelgid, which threaten our trees.

The department's 2.1 million forest acres comprise one of the largest tracts of forest in North America certified by the Forest Stewardship Council as managed in an environmentally responsible manner. By tracking wood from forest to final product, certification enables consumers to support responsible forestry and provides forest owners with an incentive to maintain and improve forest management practices. The harvest of quality hardwood timber helps support the state's \$5 billion forest products industry that employs nearly 100,000 people.

The department strives to incorporate sustainable building practices in its construction and renovation of facilities on state park and forest lands. This includes pursuing LEED (Leadership in Energy and Environmental Design Green Building Rating System®) certification for large new structures and adopting LEED standards for smaller structures. The LEED assessment framework

includes site development, water savings, energy efficiency, materials selection and indoor environmental quality.

The department's biodiversity and conservation science programs support the management of state parks and forests. One such program, the Pennsylvania Natural Heritage program, is the commonwealth's major program to inventory significant natural features, provide evaluation, rank species of special concern and compile natural features data.

Stewardship of Pennsylvania's state park and forest land at certain times includes acquiring lands that protect and enhance existing state parks and forests, forested watersheds and riparian corridors; conserve biologically important areas; or create connections with other public lands, open spaces and outdoor recreation and educational opportunities. Such acquisitions are carefully considered to ensure that the department can maintain its stewardship and management objectives.

Program Element: Statewide Land Conservation

The long-term sustainability of our natural resources is the responsibility of local communities, counties, state and federal agencies, nonprofit conservation organizations and private landowners. Land conservation is multifaceted, including developing greenway connectors between conserved lands and communities, protecting open space and ecologically and geologically significant lands, supporting Pennsylvania's private forest resource and encouraging more environmentally sensitive growth in developing areas.

The department helps local communities, counties, regional organizations, not-for-profit stakeholders, private landowners and other governmental entities manage growth on private lands and reduce the loss of open space by providing technical assistance, educational information and grant funding for research, planning, project development and land acquisition.

The department also provides management assistance to private forest landowners, who possess three-quarters of all forest land in the state. Conservation of these lands is important to the future health of the forests, protecting water quality and water supplies, providing recreational opportunities and maintaining the state's forest products industry.

Program: Parks and Forests Management (continued)

Program Element: Sustainable and Attractive Communities

The natural, heritage and recreational resources within a community contribute to the local economy and to the quality of life of its citizens. The department serves local communities with scientific data, technical assistance and grant programs focused on these resources.

The department supports regional, county and local planning efforts with ecological and geologic information, technical assistance and funding. The department's conservation science programs and topographic and geologic resources (digital maps, data and Geographic Information Systems) help communities make land use decisions that support sustainable development, such as identifying where unique plant or animal species should be protected or where sinkhole potential might affect a development site choice.

The department offers grants through the Community Conservation Partnerships program, the Wild Resource Conservation program, and through support of the PA Urban and Community Forestry Grants program. The Community Conservation Partnerships program combines state and federal funding sources and programs to provide technical assistance and matching grants for community recreation and recreational trails, snowmobile and ATV trails and parks, land conservation, river conservation and Rails-to-Trails. The Wild Resource Conservation program directs resources and education toward endangered and threatened species, awarding grants for projects that protect or study plants, birds, mammals, fish, reptiles, amphibians and other species. The PA Urban and Community Forestry Grants program offers grants to communities and municipalities for education about trees and natural resources, tree planting and maintenance programs and developing long-term tree-care programs.

Program Element: Outdoor Connections for Citizens and Visitors

While the outdoors is an important part of many Pennsylvanians' lives, some citizens have no connection to the outdoors. The department works to increase enthusiasm for nature, provide life-long conservation learning and generate stewardship activities with our park and forest lands, greenways, heritage areas and scores of community conservation and recreation partnerships.

The department is increasing awareness of outdoor opportunities such as swimming, hiking, camping, bicycling, horseback riding, wildlife watching, skiing, boating,

fishing and hunting, while at the same time encouraging responsible park and forest stewardship. The department is coordinating with tourism partners to promote the state's parks, forests, trails, rivers, greenways and heritage areas; enhance its website; advertise through events, promotions and printed materials; improve signage; develop new overnight accommodations; offer environmental education and interpretive programs; and institute guided recreation programming in concert with interpretive programming.

One example of this approach is the "Get Outdoors PA" program, which the department piloted in western Pennsylvania in 2004 and expanded statewide in 2005. Get Outdoors PA offers visitors guided programs on various recreational activities like kayaking, canoeing, fishing, hiking and biking. Experienced trip leaders teach skills and expose visitors to state parks and forests. Get Outdoors PA will continue to add programs and partners in the coming years.

These various efforts are intended not only to improve visitor experiences and encourage repeat visitation but also to communicate stewardship messages to citizens and visitors and provide economic benefit to surrounding communities. The department's outreach to communities also extends to urban and suburban environmental education outreach and educational and recreational programming.

The Department of Conservation and Natural Resources receives funding from a number of sources to support program operations, including state general funds, federal funds, a variety of user fees, lease and concession charges and revenue distributions from state special funds. A portion of realty transfer tax revenues from the Keystone Recreation, Park and Conservation Fund is used to fund state park and forest rehabilitation, facilities repairs and upgrades and land acquisition, as well as community grants for parks, river, trail and other recreation projects. A portion of landfill fee revenues from the Environmental Stewardship Fund (Growing Greener I) is used to fund state park and forest rehabilitation and land acquisition and community grants for projects such as greenways, recreational trails, various conservation projects and grants to protect and conserve biological diversity. A portion of the revenues from the Growing Greener Bond Fund (Growing Greener II) is used to fund projects to improve state parks and forests, preserve natural areas and open spaces and enhance community parks and recreation areas.

Conservation and Natural Resources

Program: Parks and Forests Management (continued)

Program Recommendation:

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

\$	-199	General Government Operations —nonrecurring 2009-10 budgetary freeze amount.	\$	-682	ENVIRONMENTAL STEWARDSHIP FUND Community Conservation Grants (EA) —nonrecurring projects.
\$	-504	State Parks Operations —nonrecurring 2009-10 budgetary freeze amount.			KEYSTONE RECREATION, PARKS AND CONSERVATION FUND Parks & Forest Facility Rehabilitation (EA) —to continue current program.
\$	-251	State Forests Operations —nonrecurring 2009-10 budgetary freeze amount.	\$	3,920	Grants for Local Recreation (EA) —to continue current program.
	80	—to continue current program.	\$	3,267	Grants for Land Trusts (EA) —to continue current program.
\$	-171	<i>Appropriation Decrease</i>			
\$	-120	Forest Pest Management —nonrecurring 2009-10 budgetary freeze amount.			

All other appropriations are recommended at the current year funding levels.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
GENERAL FUND:							
General Government Operations	\$ 21,493	\$ 19,850	\$ 19,651	\$ 19,651	\$ 19,651	\$ 19,651	\$ 19,651
Infrastructure Initiative Mapping	303	0	0	0	0	0	0
State Parks Operations	59,638	50,378	49,874	49,874	49,874	49,874	49,874
State Forests Operations.....	16,907	17,146	16,975	16,975	16,975	16,975	16,975
Forest Pest Management	4,387	1,969	1,849	1,849	1,849	1,849	1,849
Heritage and Other Parks.....	7,668	0	0	0	0	0	0
Annual Fixed Charges - Flood Lands.....	58	65	65	65	65	65	65
Annual Fixed Charges - Project 70.....	35	35	35	35	35	35	35
Annual Fixed Charges - Forest Lands.....	2,480	2,526	2,526	2,526	2,526	2,526	2,526
Annual Fixed Charges - Park Lands.....	400	400	400	400	400	400	400
TOTAL GENERAL FUND	\$ 113,369	\$ 92,369	\$ 91,375	\$ 91,375	\$ 91,375	\$ 91,375	\$ 91,375
ENVIRONMENTAL STEWARDSHIP FUND:							
Community Conservation							
Grants (EA).....	\$ 9,999	\$ 7,875	\$ 7,193	\$ 7,193	\$ 7,193	\$ 7,193	\$ 7,193
Natural Diversity Conservation							
Grants (EA).....	800	800	800	800	800	800	800
TOTAL ENVIRONMENTAL STEWARDSHIP FUND.....	\$ 10,799	\$ 8,675	\$ 7,993	\$ 7,993	\$ 7,993	\$ 7,993	\$ 7,993
KEYSTONE RECREATION, PARK AND CONSERVATION FUND:							
Park & Forest Facility Rehabilitation (EA) .	\$ 18,946	\$ 14,544	\$ 18,464	\$ 19,054	\$ 21,256	\$ 22,950	\$ 24,443
Grants for Local Recreation (EA)	15,789	12,119	15,386	15,878	17,714	19,125	20,369
Grants to Land Trusts (EA).....	6,315	4,848	6,155	6,351	7,085	7,650	8,148
TOTAL KEYSTONE RECREATION, PARK AND CONSERVATION FUND.....	\$ 41,050	\$ 31,511	\$ 40,005	\$ 41,283	\$ 46,055	\$ 49,725	\$ 52,960
MOTOR LICENSE FUND:							
Dirt and Gravel Roads.....	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000



Conservation and Natural Resources

Program Measures

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Program: Parks and Forests Management							
Stewardship and Management of State Parks and Forests							
State park attendance	37,000,000	36,000,000	36,000,000	36,000,000	36,000,000	36,000,000	36,000,000
State park family campsite nights available to rent	1,578,063	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000
State park family campsite nights rented	333,681	332,000	332,000	332,000	332,000	332,000	332,000
Percentage of available state park family campsites rented during peak weekends	68%	66%	66%	66%	66%	66%	66%
State park family cabin nights available to rent	99,065	98,000	98,000	98,000	98,000	98,000	98,000
State park family cabin nights rented	58,163	58,000	58,000	58,000	58,000	58,000	58,000
Percentage of available state park family cabins rented during peak weekends	92%	92%	92%	92%	92%	92%	92%
LEED registered buildings under construction or completed (park and forest)	8	10	11	13	13	14	15
Sales of certified timber (millions of board feet sold)	78	70	60	50	45	45	45
Statewide Land Conservation							
Land conservation through acquisition and easement (acres) - includes parks & forests and communities	19,695	11,936	3,500	3,500	3,500	3,500	3,500
Sustainable and Attractive Communities							
Total grant funds awarded	\$57,270,000	\$30,400,000	\$29,100,000	\$31,400,000	\$35,270,000	\$38,500,000	\$38,500,000
Community Conservation Partnerships Program (C2P2) grants awarded	322	115	125	125	135	150	150
STATEMAP - square miles mapped	600	180	240	240	240	240	240
Pennsylvania Natural Heritage Program (PNHP) website database searches	49,908	54,000	58,000	62,000	65,000	68,000	71,000
Outdoor Connections for Citizens and Visitors							
Get Outdoors PA recreation programs conducted	2,985	2,390	2,390	2,390	2,390	2,390	2,390
Environmental education and interpretive program attendance	401,907	320,800	320,800	320,800	320,800	320,800	320,800





DEPARTMENT OF CORRECTIONS

The mission of the Department of Corrections is to protect the public by confining persons committed to the department's custody in safe, secure facilities and to provide opportunities for inmates to acquire the skills and values necessary to become productive law-abiding citizens, while respecting the rights of crime victims.

The department maintains a state system for the custody and rehabilitation of convicted criminals. Included within this system are residential programs and pre-release programs to provide inmates with supervision, counseling and treatment to enable them to satisfactorily adjust to society.



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Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2008-09 ACTUAL	2009-10 AVAILABLE	2010-11 BUDGET
GENERAL FUND:			
<i>Institutional:</i>			
General Government Operations.....	\$ 34,845	\$ 32,640	\$ 32,314
(A)County Training.....	274	210	286
(A)Augmentations from State Agencies.....	42	5	41
Subtotal.....	<u>\$ 35,161</u>	<u>\$ 32,855</u>	<u>\$ 32,641</u>
Medical Care.....	214,197	229,520	246,299
(A)Medical Co-payment.....	427	476	479
(A)Miscellaneous.....	2	0	3
Subtotal.....	<u>\$ 214,626</u>	<u>\$ 229,996</u>	<u>\$ 246,781</u>
Inmate Education and Training.....	44,514	42,000	43,900
(F)Youth Offenders Education.....	1,200	1,500	1,088
(F)Correctional Education.....	1,523	1,607	1,338
Subtotal.....	<u>\$ 47,237</u>	<u>\$ 45,107</u>	<u>\$ 46,326</u>
State Correctional Institutions.....	1,311,949	1,308,169	1,426,655
(F)SABG - Drug and Alcohol Programs.....	2,100	2,100	2,100
(F)Second Chance Therapeutic Community.....	0	486	0
(F)JAG - Cognitive Behavior Therapy (EA).....	80	0	0
(F)Reimbursement for Alien Inmates.....	6,488	1,315	1,835
(F)Volunteer Support.....	20	0	40
(F)RSAT - State Prisoners (EA).....	700	450	400
(F)Inmate Reentry Program.....	300	0	0
(F)Changing Offender Behavior.....	250	800	800
(F)Prison Rape Elimination.....	370	300	200
(F)Automated Victim Notification (EA).....	400	250	0
(F)ARRA - Fiscal Stabilization.....	0	172,911	172,911
(F)ARRA - JAG Competitive Projects.....	0	0 ^a	0
(A)Correctional Industries.....	5,000	0	0
(A)Community Service Centers.....	569	695	600
(A)Institutional Reimbursements.....	434	738	462
(A)Social Security.....	192	190	205
Subtotal.....	<u>\$ 1,328,852</u>	<u>\$ 1,488,404</u>	<u>\$ 1,606,208</u>
Subtotal - State Funds.....	\$ 1,605,505	\$ 1,612,329	\$ 1,749,168
Subtotal - Federal Funds.....	13,431	181,719	180,712
Subtotal - Augmentations.....	6,940	2,314	2,076
Total - Institutional.....	<u>\$ 1,625,876</u>	<u>\$ 1,796,362</u>	<u>\$ 1,931,956</u>
STATE FUNDS.....	\$ 1,605,505	\$ 1,612,329	\$ 1,749,168
FEDERAL FUNDS.....	13,431	181,719	180,712
AUGMENTATIONS.....	6,940	2,314	2,076
GENERAL FUND TOTAL.....	<u>\$ 1,625,876</u>	<u>\$ 1,796,362</u>	<u>\$ 1,931,956</u>
OTHER FUNDS:			
LOCAL CRIMINAL JUSTICE FUND:			
County Grants (EA).....	\$ 735	\$ 471	\$ 0
MANUFACTURING FUND:			
General Operations (EA).....	\$ 65,625 ^b	\$ 71,950	\$ 77,231



Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2008-09 ACTUAL	2009-10 AVAILABLE	2010-11 BUDGET
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 1,605,505	\$ 1,612,329	\$ 1,749,168
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	13,431	181,719	180,712
AUGMENTATIONS.....	6,940	2,314	2,076
OTHER FUNDS.....	66,360	72,421	77,231
TOTAL ALL FUNDS.....	\$ 1,692,236	\$ 1,868,783	\$ 2,009,187

^a Appropriated as \$33,739,000. The department received notification that federal funding was not awarded.

^b Not added to the total to avoid double counting: \$5,000,000.



Program Funding Summary

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
INSTITUTIONALIZATION OF OFFENDERS							
GENERAL FUND.....	\$ 1,605,505	\$ 1,612,329	\$ 1,749,168	\$ 1,952,356	\$ 2,024,745	\$ 2,036,932	\$ 2,048,734
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	13,431	181,719	180,712	7,431	6,781	6,381	6,381
OTHER FUNDS.....	73,300	74,735	79,307	82,418	85,653	89,018	92,517
SUBCATEGORY TOTAL.....	\$ 1,692,236	\$ 1,868,783	\$ 2,009,187	\$ 2,042,205	\$ 2,117,179	\$ 2,132,331	\$ 2,147,632
ALL PROGRAMS:							
GENERAL FUND.....	\$ 1,605,505	\$ 1,612,329	\$ 1,749,168	\$ 1,952,356	\$ 2,024,745	\$ 2,036,932	\$ 2,048,734
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	13,431	181,719	180,712	7,431	6,781	6,381	6,381
OTHER FUNDS.....	73,300	74,735	79,307	82,418	85,653	89,018	92,517
DEPARTMENT TOTAL.....	\$ 1,692,236	\$ 1,868,783	\$ 2,009,187	\$ 2,042,205	\$ 2,117,179	\$ 2,132,331	\$ 2,147,632



PROGRAM OBJECTIVE: To decrease the recurrence of crime by replacing criminal behavior with socially acceptable behavior.

Program: Institutionalization of Offenders

The Department of Corrections protects the public by confining law offenders in state correctional institutions for the period of time specified by the courts and the Board of Probation and Parole. The department is charged with maintaining safe and humane prisons and providing opportunities to the inmate population for growth and change. Given that 90 percent of offenders incarcerated in the commonwealth's state prisons will eventually be released into the community, the Department of Corrections emphasizes programs that prepare inmates for responsible, crime-free community living. These re-entry programs include drug and alcohol treatment, education, work skills and community corrections.

The department seeks to provide sufficient and secure permanent housing space for the inmate population. The goal is to operate the state correctional system at or below operational bed capacity, which represents the optimal number of inmates that each facility can safely house. The department considers a number of factors when determining operational capacity including cell size and security level, availability of inmate employment or programming, support services and facility infrastructure. The state-administered correctional system includes 26 correctional institutions, 50 state-operated or contracted community corrections centers and a motivational boot camp. There were 50,622 inmates in the state system at the end of June 2009 and an operational capacity of 43,188. Operational bed capacity is expected to increase in 2010 and in 2011.

Program Element: Institutional Operations

In addition to protecting the public by separating offenders from society, the department emphasizes the safety and security of its staff, volunteers, inmates and visitors to the institutions. Security operations are improved through security assessments, training, structural improvements and use of technology such as biometrics and intrusion detection systems. The department's drug interdiction program has been recognized as a best practice by the American Correctional Association. The percentage of inmates testing positive for drug and alcohol use while in prison is 0.10 percent, which is one of the lowest rates in the country for state correctional systems. The department is fully accredited by the American Correctional Association. All inmates undergo a diagnostic and classification process to determine the inmate's appropriate security classification, medical needs and programs needed for re-entry into society as well as other needs and requirements.

Two of the largest support services needed to operate the institutions are food service and facility maintenance. Staff and inmates perform most of these functions, giving them an opportunity to learn a trade, while constructively occupying their time. Another large support service is health care services. A combination of staff and contractors provides health care services. Renal dialysis, geriatric services, infectious care treatment and other necessary services are offered. Approximately 18 percent of the inmate population requires mental health treatment. To address these needs, mental health services are provided, including special needs units in most institutions and licensed mental health units in six institutions.

Program Element: Inmate Programs and Re-entry

The department releases approximately 16,000 offenders per year with 65 percent exiting to parole supervision. Population projection models predict continued growth for the inmate population, with an increasing number of offenders with shorter sentences. Research has shown that inmate participation in appropriately structured interventions can reduce recidivism. The department provides programming which will enable inmates to leave prison better prepared to adjust to life in the community. A public safety reform package was enacted in Pennsylvania in 2008 to enhance inmate participation in treatment programs to reduce recidivism and reduce the growth of the nonviolent inmate population. In order to increase public safety, the Pennsylvania Board of Probation and Parole (PBPP) has implemented certain changes in parole procedures particularly affecting inmates classified as violent. Both the department and the PBPP continue to review changes to procedures for violent offenders. These changes may increase the length of incarceration for violent offenders.

Preparation for re-entry begins when an offender enters the department's diagnostic and classification centers. The centers conduct a comprehensive assessment of the individual's risk or probability of reoffense and needs or factors related to criminality - such as antisocial attitudes, poor problem solving and decision-making skills, substance abuse and low levels of education and vocational achievement. This assessment data is used by trained staff and shared with the PBPP, which may provide additional input to develop a meaningful correctional plan. The correctional plan details the recommended treatment and education programs for each individual offender and sets expectations for behavior and work performance throughout incarceration.

Program: Institutionalization of Offenders (continued)

Act 112 of 2004 directed the state to create an intermediate punishment program. In this program eligible inmates, including those with less serious offenses, participate in structured alcohol and other drug treatment programs while in prison, followed by treatment in the community. The results from evaluations of programs in other states show a significant reduction in recidivism and drug relapse for offenders who have completed these programs. As this program is fully utilized, it will be able to serve approximately 1,500 inmates per year.

Treatment services are designed to modify the inmate's social behavior to a more acceptable level for institutional management and reduce criminal behavior when released, thus providing a basis for better community protection. All facilities provide alcohol and other drug treatment programs. Approximately 16,200 inmates are recommended to receive alcohol and other drug treatment upon entry into the state prison system, and approximately 3,730 inmates currently receive treatment services. Therapeutic communities provide more intensive alcohol and other drug programming, which is more effective in changing behavior. Approximately 1,905 inmates currently receive this intensive treatment. Other counseling services and programs are available. All facilities offer sex offender treatment, some with special sex offender units.

Educational programs offer inmates the opportunity to obtain high school diplomas or adult basic education skills. A Correctional Education Association study shows that attending educational courses in prison reduces the likelihood of recidivism by 23 percent. New inmates who do not have a high school diploma or GED are required to attend classes. A total of 10,744 inmates are in GED or adult basic education classes, and 1,424 inmates received diplomas within the most recent fiscal year.

Vocational training is dedicated to the development of marketable job skills so that inmates are more employable upon their release. A variety of vocational programs are

offered, including plumbing, auto mechanics, barbering, electronics and machinist training. The department works with the Department of Labor and Industry to match its vocational offerings to jobs available in the community. Almost 80 percent of the vocational training programs offered in institutions provide inmates completing the program and passing examinations with industry-recognized credentials.

Work is another component of inmate programming. The department is continuing its efforts to have inmates perform meaningful work. Employment in institutional jobs and in correctional industries provides inmates with the opportunity to learn responsibility, good work habits and skills that can be used to find employment after release. Approximately 83 percent of inmates assessed as being able and eligible to work are working. Community work programs in which low-risk inmates perform community service projects outside the institutions are available at most institutions.

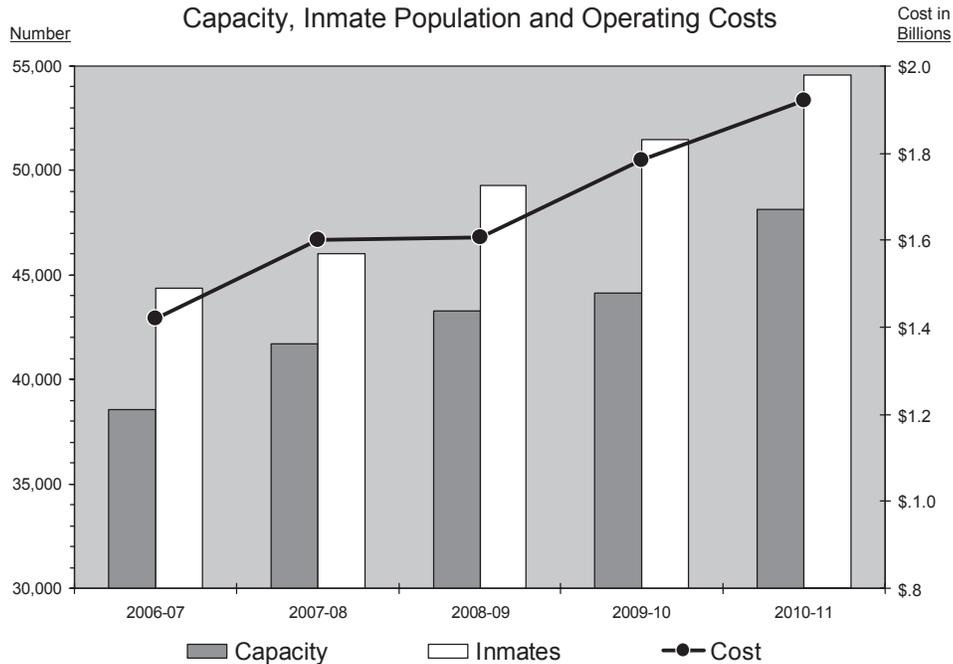
Program Element: Community Corrections

The last step in re-entry treatment is community corrections. Community corrections centers permit highly screened inmates, who meet established criteria, to live in halfway houses in the community. At these centers, inmates receive 24-hour supervision and can utilize counseling services while working or attending school. These centers provide programming reinforcement during the inmate's transition back to the community. The centers also offer alcohol and other drug treatment services, employment assistance, specialized counseling for hard-to-place offenders and other services. Community corrections placement is also available to some parolees as either an alternative to a return to prison or as a transition from prison to the community. In 2011, there will be approximately 3,800 offenders in the community corrections centers, and approximately 58 percent will be parolees.

Program: Institutionalization of Offenders (continued)

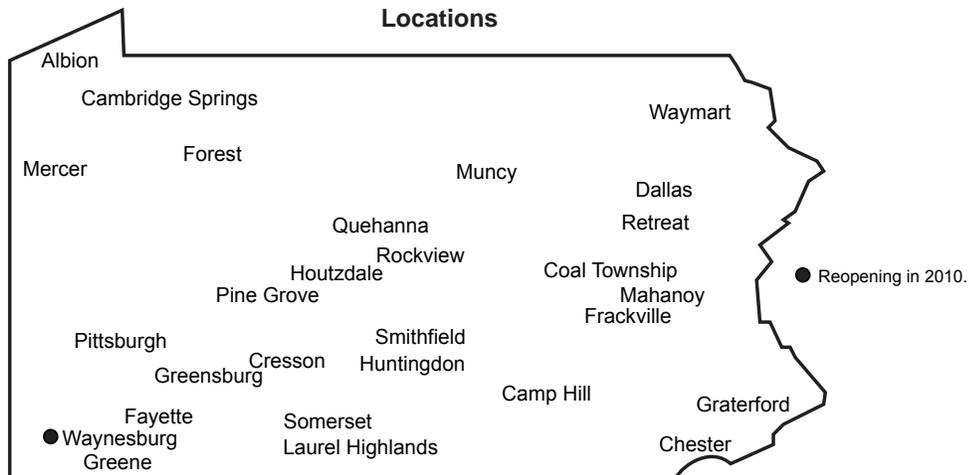
State Correctional Institutions

Capacity, Inmate Population and Operating Costs



The cost of operating the state correctional institution system has increased from more than \$1.4 billion in 2006-07 to more than \$1.9 billion in 2010-11. During this timeframe, the inmate population is projected to increase from 44,365 to 54,566 and the operational capacity from 38,547 to an estimated 48,162.

State Correctional Institutions Locations



Program: Institutionalization of Offenders (continued)

Population and Capacity Institutions	Population Dec 2009	Estimated Population Dec 2010	Capacity Dec 2009	Estimated Capacity Dec 2010
Albion.....	2,412	2,249	1,900	1,900
Cambridge Springs.....	1,025	1,257	1,033	1,183
Camp Hill.....	3,778	3,602	3,200	3,200
Chester.....	1,323	1,355	1,200	1,200
Coal Township.....	2,097	2,245	1,900	1,900
Cresson.....	1,564	1,598	1,450	1,450
Dallas.....	2,157	2,095	1,750	1,750
Fayette.....	2,081	2,197	2,018	2,018
Forest.....	2,298	2,336	2,054	2,054
Frackville.....	1,135	1,067	900	900
Graterford.....	3,652	3,372	2,800	2,800
Greene.....	1,926	1,938	1,823	1,823
Greensburg.....	1,021	1,078	800	950
Houtzdale.....	2,378	2,419	1,900	2,050
Huntingdon.....	2,200	2,038	1,700	1,700
Laurel Highlands.....	1,356	1,541	1,200	1,350
Mahanoy.....	2,376	2,415	1,900	2,050
Mercer.....	1,673	1,584	1,360	1,360
Muncy.....	1,504	1,350	1,242	1,242
Pine Grove.....	919	1,113	786	936
Pittsburgh.....	1,694	1,721	1,500	1,500
Quehanna Boot Camp.....	441	465	464	464
Retreat.....	1,158	1,190	1,111	1,111
Rockview.....	2,117	2,383	1,700	2,000
Smithfield.....	1,247	1,411	1,000	1,179
Somerset.....	2,378	2,271	1,900	1,900
Waymart.....	1,519	1,554	1,470	1,470
Waynesburg.....	0	500	0	500
Community Centers.....	1,523	1,613	1,523	1,613
Other jurisdictions.....	535	2,609	535	2,609
Total.....	51,487	54,566	44,119	48,162

By June 2011, net operational capacity will increase to 48,980 after new housing units at four institutions have opened. Included in capacity are 992 contract beds in December 2009 and 1,070 contract beds in December 2010 that are available to house community corrections inmates. Other jurisdictions capacity includes nine federal beds, beds contracted with other counties in Pennsylvania (526 in December 2009 and 500 in December 2010), and 2,100 beds contracted with correctional institutions in Virginia and Michigan in December 2010.



Program: Institutionalization of Offenders (continued)

Expenditures by Institution: (Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget		2008-09 Actual	2009-10 Available	2010-11 Budget
Albion				Forest			
State Funds.....	\$ 55,687	\$ 53,051	\$ 56,018	State Funds.....	\$ 56,432	\$ 53,857	\$ 57,702
Federal Funds.....	59	6,326	6,313	Federal Funds.....	66	6,736	6,729
Augmentations.....	28	29	30	Augmentations.....	21	28	22
TOTAL.....	<u>\$ 55,774</u>	<u>\$ 59,406</u>	<u>\$ 62,361</u>	TOTAL.....	<u>\$ 56,519</u>	<u>\$ 60,621</u>	<u>\$ 64,453</u>
Cambridge Springs				Frackville			
State Funds.....	\$ 30,977	\$ 31,766	\$ 33,467	State Funds.....	\$ 39,952	\$ 38,688	\$ 41,043
Federal Funds.....	266	3,818	4,311	Federal Funds.....	35	5,018	5,007
Augmentations.....	28	19	32	Augmentations.....	13	21	13
TOTAL.....	<u>\$ 31,271</u>	<u>\$ 35,603</u>	<u>\$ 37,810</u>	TOTAL.....	<u>\$ 40,000</u>	<u>\$ 43,727</u>	<u>\$ 46,063</u>
Camp Hill				Graterford			
State Funds.....	\$ 97,770	\$ 94,242	\$ 96,025	State Funds.....	\$ 111,014	\$ 107,424	\$ 111,658
Federal Funds.....	80	11,326	11,310	Federal Funds.....	332	13,221	12,706
Augmentations.....	61	66	76	Augmentations.....	67	109	72
TOTAL.....	<u>\$ 97,911</u>	<u>\$ 105,634</u>	<u>\$ 107,411</u>	TOTAL.....	<u>\$ 111,413</u>	<u>\$ 120,754</u>	<u>\$ 124,436</u>
Chester				Greene			
State Funds.....	\$ 42,582	\$ 39,742	\$ 41,767	State Funds.....	\$ 64,530	\$ 62,019	\$ 66,165
Federal Funds.....	32	4,500	4,500	Federal Funds.....	53	8,218	8,207
Augmentations.....	29	17	31	Augmentations.....	23	24	25
TOTAL.....	<u>\$ 42,643</u>	<u>\$ 44,259</u>	<u>\$ 46,298</u>	TOTAL.....	<u>\$ 64,606</u>	<u>\$ 70,261</u>	<u>\$ 74,397</u>
Coal Township				Greensburg			
State Funds.....	\$ 53,093	\$ 51,666	\$ 55,677	State Funds.....	\$ 37,564	\$ 36,450	\$ 39,190
Federal Funds.....	162	6,240	6,250	Federal Funds.....	142	4,528	4,513
Augmentations.....	26	37	28	Augmentations.....	14	11	15
TOTAL.....	<u>\$ 53,281</u>	<u>\$ 57,943</u>	<u>\$ 61,955</u>	TOTAL.....	<u>\$ 37,720</u>	<u>\$ 40,989</u>	<u>\$ 43,718</u>
Cresson				Houtzdale			
State Funds.....	\$ 51,637	\$ 48,212	\$ 51,637	State Funds.....	\$ 56,928	\$ 56,364	\$ 58,911
Federal Funds.....	40	6,015	6,014	Federal Funds.....	165	6,534	6,520
Augmentations.....	19	22	22	Augmentations.....	66	41	71
TOTAL.....	<u>\$ 51,696</u>	<u>\$ 54,249</u>	<u>\$ 57,673</u>	TOTAL.....	<u>\$ 57,159</u>	<u>\$ 62,939</u>	<u>\$ 65,502</u>
Dallas				Huntingdon			
State Funds.....	\$ 66,854	\$ 63,314	\$ 65,856	State Funds.....	\$ 58,991	\$ 55,907	\$ 58,977
Federal Funds.....	54	8,015	8,013	Federal Funds.....	55	7,425	7,424
Augmentations.....	39	43	44	Augmentations.....	80	39	86
TOTAL.....	<u>\$ 66,947</u>	<u>\$ 71,372</u>	<u>\$ 73,913</u>	TOTAL.....	<u>\$ 59,126</u>	<u>\$ 63,371</u>	<u>\$ 66,487</u>
Fayette				Laurel Highlands			
State Funds.....	\$ 64,199	\$ 62,978	\$ 67,554	State Funds.....	\$ 52,357	\$ 55,259	\$ 58,106
Federal Funds.....	57	7,615	7,611	Federal Funds.....	23	4,703	4,703
Augmentations.....	29	28	32	Augmentations.....	20	30	21
TOTAL.....	<u>\$ 64,285</u>	<u>\$ 70,621</u>	<u>\$ 75,197</u>	TOTAL.....	<u>\$ 52,400</u>	<u>\$ 59,992</u>	<u>\$ 62,830</u>

Program: Institutionalization of Offenders (continued)

Expenditures by Institution: (Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget		2008-09 Actual	2009-10 Available	2010-11 Budget
Mahanoy				Smithfield			
State Funds.....	\$ 55,162	\$ 56,069	\$ 59,245	State Funds.....	\$ 44,030	\$ 43,986	\$ 46,429
Federal Funds.....	53	6,420	6,412	Federal Funds.....	39	5,521	5,519
Augmentations.....	39	55	42	Augmentations.....	18	13	19
TOTAL.....	<u>\$ 55,254</u>	<u>\$ 62,544</u>	<u>\$ 65,699</u>	TOTAL.....	<u>\$ 44,087</u>	<u>\$ 49,520</u>	<u>\$ 51,967</u>
Mercer				Somerset			
State Funds.....	\$ 39,651	\$ 40,166	\$ 43,454	State Funds.....	\$ 57,548	\$ 55,374	\$ 58,542
Federal Funds.....	38	4,823	4,816	Federal Funds.....	62	6,526	6,517
Augmentations.....	34	39	36	Augmentations.....	25	27	26
TOTAL.....	<u>\$ 39,723</u>	<u>\$ 45,028</u>	<u>\$ 48,306</u>	TOTAL.....	<u>\$ 57,635</u>	<u>\$ 61,927</u>	<u>\$ 65,085</u>
Muncy				Waymart			
State Funds.....	\$ 50,788	\$ 50,754	\$ 57,407	State Funds.....	\$ 65,713	\$ 62,678	\$ 67,580
Federal Funds.....	147	5,833	5,843	Federal Funds.....	168	7,945	7,943
Augmentations.....	31	57	35	Augmentations.....	25	33	26
TOTAL.....	<u>\$ 50,966</u>	<u>\$ 56,644</u>	<u>\$ 63,285</u>	TOTAL.....	<u>\$ 65,906</u>	<u>\$ 70,656</u>	<u>\$ 75,549</u>
Pine Grove				Waynesburg			
State Funds.....	\$ 34,748	\$ 36,367	\$ 37,591	State Funds.....	\$ 0	\$ 2,500	\$ 12,868
Federal Funds.....	120	4,222	4,213	Federal Funds.....	0	0	0
Augmentations.....	8	10	9	Augmentations.....	0	0	0
TOTAL.....	<u>\$ 34,876</u>	<u>\$ 40,599</u>	<u>\$ 41,813</u>	TOTAL.....	<u>\$ 0</u>	<u>\$ 2,500</u>	<u>\$ 12,868</u>
Pittsburgh				Community Centers			
State Funds.....	\$ 47,886	\$ 47,994	\$ 52,198	State Funds.....	\$ 79,450	\$ 94,099	\$ 100,106
Federal Funds.....	14	5,431	5,420	Federal Funds.....	1,681	2,484	2,484
Augmentations.....	21	17	23	Augmentations.....	5,567	695	600
TOTAL.....	<u>\$ 47,921</u>	<u>\$ 53,442</u>	<u>\$ 57,641</u>	TOTAL.....	<u>\$ 86,698</u>	<u>\$ 97,278</u>	<u>\$ 103,190</u>
Quehanna Boot Camp				Training Academy			
State Funds.....	\$ 16,587	\$ 16,119	\$ 17,153	State Funds.....	\$ 6,026	\$ 6,305	\$ 6,673
Federal Funds.....	20	2,207	2,206	Federal Funds.....	1	0	0
Augmentations.....	21	7	23	Augmentations.....	316	210	326
TOTAL.....	<u>\$ 16,628</u>	<u>\$ 18,333</u>	<u>\$ 19,382</u>	TOTAL.....	<u>\$ 6,343</u>	<u>\$ 6,515</u>	<u>\$ 6,999</u>
Retreat				Central Office			
State Funds.....	\$ 37,608	\$ 36,836	\$ 40,030	State Funds.....	\$ 63,621	\$ 59,352	\$ 62,422
Federal Funds.....	55	4,235	4,231	Federal Funds.....	9,258	8,014	7,146
Augmentations.....	19	24	21	Augmentations.....	199	195	213
TOTAL.....	<u>\$ 37,682</u>	<u>\$ 41,095</u>	<u>\$ 44,282</u>	TOTAL.....	<u>\$ 73,078</u>	<u>\$ 67,561</u>	<u>\$ 69,781</u>
Rockview				Other jurisdictions			
State Funds.....	\$ 66,000	\$ 66,998	\$ 69,681	State Funds.....	\$ 120	\$ 25,793	\$ 58,036
Federal Funds.....	154	7,820	7,831	Federal Funds.....	0	0	0
Augmentations.....	54	368	57	Augmentations.....	0	0	0
TOTAL.....	<u>\$ 66,208</u>	<u>\$ 75,186</u>	<u>\$ 77,569</u>	TOTAL.....	<u>\$ 120</u>	<u>\$ 25,793</u>	<u>\$ 58,036</u>

Program: Institutionalization of Offenders (continued)

Program Recommendations:

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

	General Government Operations				State Correctional Institutions	
\$	-326	—nonrecurring 2009-10 budgetary freeze amount.		\$	-15,377	—nonrecurring 2009-10 budgetary freeze amount.
					12,896	—Initiative — Capacity Expansion. To provide operational resources for more than 2,000 beds in nine institutions to address increases in the offender population.
\$	175	Medical Care —Initiative — Capacity Expansion. To provide resources for medical care and treatment for offenders in new housing units.			31,912	—to contract 2,100 beds in correctional institutions in Michigan and Virginia for the entire fiscal year.
	949	—to operate SCI Waynesburg for the entire fiscal year.			9,192	—to operate SCI Waynesburg for the entire fiscal year.
	9,443	—contracted medical services and pharmacy costs.			79,863	—to continue current program.
	6,212	—to continue current program.				
\$	16,779	<i>Appropriation Increase</i>		\$	118,486	<i>Appropriation Increase</i>
		Inmate Education and Training				
\$	-420	—nonrecurring 2009-10 budgetary freeze amount.				
	227	—to operate SCI Waynesburg for the entire fiscal year.				
	2,093	—to continue current program.				
\$	1,900	<i>Appropriation Increase</i>				

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
GENERAL FUND:							
General Government Operations	\$ 34,845	\$ 32,640	\$ 32,314	\$ 32,314	\$ 32,314	\$ 32,314	\$ 32,314
Medical Care	214,197	229,520	246,299	253,390	263,615	270,415	277,234
Inmate Education and Training.....	44,514	42,000	43,900	44,175	45,880	46,100	46,100
State Correctional Institutions.....	1,311,949	1,308,169	1,426,655	1,622,477	1,682,936	1,688,103	1,693,086
GENERAL FUND TOTAL	\$ 1,605,505	\$ 1,612,329	\$ 1,749,168	\$ 1,952,356	\$ 2,024,745	\$ 2,036,932	\$ 2,048,734



Program Measures

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Program: Institutionalization of Offenders							
Total inmate population	50,622	53,147	55,427	57,200	58,870	60,390	61,900
Inmates in institutions	49,294	49,025	51,205	52,980	54,650	56,165	57,680
Inmates in community corrections centers	1,170	1,613	1,613	1,613	1,613	1,613	1,613
Prison operational bed capacity	43,188	46,862	48,980	50,980	54,080	54,080	54,080
Inmates in excess of operational bed capacity	7,434	6,285	6,447	6,220	4,790	6,310	7,820
Inmates in state intermediate punishment program	915	1,050	1,120	1,145	1,165	1,185	1,225
Inmates employed or in educational programs	33,452	33,827	35,331	36,555	37,705	38,755	39,800
Hours worked in community works projects	578,899	564,427	550,317	537,000	523,000	510,000	510,000
Inmates enrolled in academic educational programs	10,744	10,744	10,744	11,060	11,540	11,540	11,540
Inmates enrolled in vocational programs	3,807	3,950	3,990	4,100	4,150	4,150	4,150
Inmates receiving high school diplomas/GED's	1,424	1,384	1,384	1,435	1,550	1,550	1,550
Inmates assessed as having an alcohol or other drug problem	31,323	34,014	35,473	36,610	37,680	38,650	39,620
Inmates currently in alcohol or other drug treatment programs	3,530	3,730	3,970	4,065	4,235	4,235	4,235
Inmates who have completed alcohol or other drug treatment programs	8,133	8,160	8,880	9,115	9,585	9,585	9,585
Percentage of inmates testing positive for drug and alcohol use while in prison (random test)	0.10%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%
Monies collected from inmates to pay for victim restitution and other fines, fees, costs, penalties, and reparations	\$5,332,000	\$5,444,000	\$5,580,000	\$5,675,000	\$5,794,000	\$5,916,000	\$5,995,000
Cost per inmate per year (state funds)	\$32,064	\$30,087	\$31,284	\$33,766	\$34,012	\$33,307	\$32,674
Cost per inmate per year for health care (state funds)	\$4,417	\$4,424	\$4,537	\$4,500	\$4,542	\$4,535	\$4,534
Inmates to custody staff	5.40	5.40	5.70	5.70	5.60	5.70	5.90
Inmates to all Department of Corrections staff	3.10	3.20	3.40	3.40	3.30	3.40	3.50

Openings and closing of correctional institutions in 2011-12 and 2012-13 are reflected in the above measures.

"Inmates assessed as having an alcohol or other drug (AOD) problem" has been revised to reflect inmates who need AOD services at time of reception into a state correctional institution.



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DEPARTMENT OF EDUCATION

The mission of the department is to academically prepare children and adults to succeed in their chosen profession. The department seeks to ensure that the technical support, resources and physical plant are in place for all students, whether children or adults, to receive a high quality education.

The department establishes standards and measures aimed at continuous improvement of school curriculum. The department manages staff development and research dissemination systems to ensure that all educational institutions can select from proven practices to boost student achievement. Local school districts, school boards and other educational institutions receive technical assistance from the department via a network of Intermediate Units. The department supports the improvement of Pennsylvania's higher education and community colleges via educational programs, funding to support students and direct resources for facility development.



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Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2008-09 ACTUAL	2009-10 AVAILABLE	2010-11 BUDGET
GENERAL FUND:			
General Government:			
General Government Operations.....	\$ 27,512	\$ 26,409	\$ 24,862
(F)Adult Basic Education - Administration.....	1,600	1,600	1,400
(F)Education of Exceptional Children.....	10,000	10,000	10,000
(F)Special Education - State Personnel Development.....	2,200	2,200	2,500
(F)ESEA - Title I - Administration.....	8,000	8,000	8,000
(F)State Approving Agency (VA).....	1,200	1,400	1,400
(F)Food and Nutrition Service.....	6,453	6,453	6,554
(F)Migrant Education - Administration.....	600	600	600
(F)Vocational Education - Administration.....	3,910	3,910	3,910
(F)Improving Teacher Quality - Title II - Administration/State.....	5,400	5,400	5,400
(F)Byrd Scholarships.....	1,563	1,563	1,541
(F)ESEA - Title V - Administration/State.....	779	0	0
(F)Homeless Assistance.....	3,426	3,426	3,426
(F)Preschool Grant.....	720	174	0
(F)DFSC - Administration.....	850	850	850
(F)State Literacy Resource Centers.....	110	110	0
(F)School Health Education Programs.....	650	650	600
(F)Learn and Serve America - School Based.....	882	882	882
(F)Environmental Education Workshops.....	350	200	140
(F)Charter Schools Initiatives.....	8,000	7,000	4,100
(F)Educational Technology - Administration.....	1,200	800	800
(F)Advanced Placement Testing.....	206	250	272
(F)Medical Assistance - Nurses' Aide Training.....	300	300	300
(F)State and Community Highway Safety.....	1,200	1,300	1,200
(F)Reading First Initiative - Administration.....	11,000	6,000	4,000
(F)Title IV - 21st Century Community Learning Centers - Admin.....	3,000	4,000	4,000
(F)National Assessment of Educational Progress (NAEP).....	200	200	200
(F)Drug and Violence Prevention Data.....	507	0	0
(F)Striving Readers.....	3,800	0	0
(F)Advanced Placement Initiative.....	1,444	0	0
(F)Refugee School Impact Development (EA).....	434	375	375
(F)Migrant Education Coordination Program.....	100	150	100
(F)Partnerships in Character Education.....	750	0	0
(F)Professional Development for the Arts.....	346	346	0
(F)College Access Challenge Grant Program.....	2,150	2,150	2,105
(F)Jacob Javits Gifted and Talented Students.....	0	394	394
(F)School Improvement Grants.....	22,000	33,000	60,000
(F)Foreign Language Assistance.....	247	250	400
(F)Statewide Longitudinal Data System.....	668	257	0
(A)Management Services.....	5	6	6
(A)Environmental Education.....	261	261	261
(A)Approved Private Schools.....	301	314	323
(A)National Center for Educational Statistics.....	39	61	123
(A)Teenage Parenting.....	5,036	5,186	4,786
(A)EPSDT Administration.....	1,179	1,322	1,322
(A)Services to Nonpublic Schools - Administration.....	891	890	890
(A)Troops for Teachers.....	65	70	70
(A)School Facilities Initiatives.....	225	200	200
(A)International Educators Training.....	12	0	0
(A)National Assn. of State Boards of Education.....	1	10	12
(A)Environmental & Ecology Reading.....	10	10	10
Subtotal.....	\$ 141,782	\$ 138,929	\$ 158,314
Office of Safe Schools Advocate.....	342	0	0
Information and Technology Improvement.....	4,300	3,500	3,465
(F)Medical Assistance - Information Technology Support.....	2,700	0	0
(F)Statewide Data Systems.....	0	6,103	2,618
(F)ARRA - Statewide Longitudinal Data Systems.....	0	25,000	20,000
Teacher Certification.....	0	0	2,400
PA Assessment.....	44,600	38,000	37,620
(F)Title VI - Part A State Assessments.....	12,668	12,668	15,000



Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2008-09 ACTUAL	2009-10 AVAILABLE	2010-11 BUDGET
(F)Grants for Enhanced Assessment Instruments.....	0	1,000	1,000
Subtotal.....	<u>\$ 64,610</u>	<u>\$ 86,271</u>	<u>\$ 82,103</u>
State Library.....	4,570	2,396	2,372
(F)LSTA - Library Development.....	1,950	7,210	7,210
(F)Brownsfield Economic Development Initiative.....	5,500	5,500	0
(F)Save America's Treasures.....	0	0	150
(F)Save America's Treasures (EA).....	150	0	0
(A)Penalties and Reimbursements.....	1	1	1
(A)Photocopy Service.....	9	3	3
(A)Keystone Fund.....	74	0	82
(A)Joint State Government Commission.....	1	0	0
(A)Catalog Services.....	0	7	7
Subtotal.....	<u>\$ 12,255</u>	<u>\$ 15,117</u>	<u>\$ 9,825</u>
Subtotal - State Funds.....	\$ 81,324	\$ 70,305	\$ 70,719
Subtotal - Federal Funds.....	129,213	161,671	171,427
Subtotal - Augmentations.....	8,110	8,341	8,096
Total - General Government.....	<u>\$ 218,647</u>	<u>\$ 240,317</u>	<u>\$ 250,242</u>
Institutional:			
Youth Development Centers - Education.....	\$ 11,502	\$ 11,151	\$ 11,039
Scranton State School for the Deaf.....	6,584	0	0
(F)Individuals with Disabilities Education - Scranton.....	95	0	0
(F)School Milk Lunch.....	50	0	0
(F)ESEA - Scranton.....	452	0	0
(F)Life Long Learning.....	4	0	0
(A)Cafeteria and Other Fees.....	143	0	0
(A)Tuition Recovery.....	882	0	0
Subtotal.....	<u>\$ 8,210</u>	<u>\$ 0</u>	<u>\$ 0</u>
Subtotal - State Funds.....	\$ 18,086	\$ 11,151	\$ 11,039
Subtotal - Federal Funds.....	601	0	0
Subtotal - Augmentations.....	1,025	0	0
Total - Institutional.....	<u>\$ 19,712</u>	<u>\$ 11,151</u>	<u>\$ 11,039</u>
Grants and Subsidies:			
Support of Public Schools:			
Basic Education Funding.....	\$ 5,226,142	\$ 4,871,339	\$ 5,226,142
(F)ARRA - Fiscal Stabilization - Basic Education.....	0	654,747	654,747
Basic Ed Formula Enhancements.....	2,000	2,000	2,000
Dual Enrollment Payments.....	10,000	8,000	8,000
School Improvement Grants.....	22,880	11,440	11,326
Pennsylvania Accountability Grants.....	271,425	271,425	271,425
Pre-K Counts.....	86,412	86,412	85,937
Head Start Supplemental Assistance.....	39,480	39,480	38,696
Education Assistance Program.....	65,142	59,142	55,342
Technology Initiative.....	1,000	0	0
Science: It's Elementary.....	13,625	13,625	13,489
Mobile Science Education Program.....	2,492	1,900	0
Classrooms for the Future.....	44,705	0	0
Teacher Professional Development.....	39,698	25,000	22,750
(A)Governor's Institute - Professional Development.....	118	118	118
Urban and Minority Teacher Development.....	450	0	0
Rx for PA - Physical and Health Education.....	30	0	0
Adult and Family Literacy.....	23,000	17,687	17,510
(F)Adult Basic Education - Local.....	19,000	19,000	19,000



Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2008-09 ACTUAL	2009-10 AVAILABLE	2010-11 BUDGET
Career and Technical Education	62,641	62,000	62,000
(F)Vocational Education Act - Local.....	53,000	53,000	53,000
(A)New Choices / New Options.....	2,276	0	0
Authority Rentals and Sinking Fund Requirements	315,500	330,000	318,500
Pupil Transportation	519,412	526,093^a	542,355
Nonpublic and Charter School Pupil Transportation	79,821	78,876	78,205
Special Education	1,026,815	1,026,815	1,026,815
(F)Individuals with Disabilities Education - Local.....	416,204	439,551	425,823
(F)ARRA - Individuals with Disabilities Education - Local.....	0	411,349	172,883
Early Intervention	173,485	173,585	186,142
(F)Individuals with Disabilities Education.....	14,978	16,000	16,000
(F)ARRA - Individuals with Disabilities Education.....	0	7,248	7,545
Homebound Instruction	748	0	0
Tuition for Orphans and Children Placed in Private Homes	55,805	57,116	58,484
Payments in Lieu of Taxes	179	187	188
Education of Migrant Laborers' Children	1,138	1,142	1,131
Scranton State School for the Deaf - Transition	0	5,400	0
PA Charter Schools for the Deaf and Blind	36,374	36,801	39,401
Special Education - Approved Private Schools	95,779	98,098	98,098
Approved Private Schools - Audit Resolution	3,100	0	0
Intermediate Units	6,311	5,554	5,498
School Food Services	30,021	31,131	31,765
(F)Food and Nutrition - Local.....	440,712	467,155	495,184
(F)ARRA - Food and Nutrition - Local.....	0	2,873	250
Rx for PA - School Food Services	3,400	3,000	3,373
School Employees' Social Security	500,371	523,613	546,155
School Employees' Retirement	360,591	334,476	399,724
School Entity Demonstration Projects	10,000	0	0
Education of Indigent Children	20	0	0
High School Reform	10,734	3,700	3,663
Subtotal.....	\$ 10,087,014	\$ 10,776,078	\$ 10,998,664
(F)ESEA - Title V - School Districts.....	3,434	100	0
(F)ESEA - Title I - Local.....	625,000	625,000	625,000
(F)ARRA - ESEA - Title I - Local.....	0	398,775	96,001
(F)DFSC - School Districts.....	10,076	10,076	10,076
(F)Improving Teacher Quality - Title II - Local.....	152,000	152,000	152,000
(F)Educational Technology - Local.....	16,480	18,000	9,000
(F)Reading First Initiative - Local.....	32,050	20,000	4,291
(F)Title IV 21st Century Community Learning Centers - Local.....	50,000	50,000	50,000
(F)Title III - Language Instruction for LEP & Immigrant Student.....	16,532	16,532	16,532
(F)Title VI - Rural & Low Income School - Local.....	646	1,300	1,300
(F)Adult Basic Education Services (EA).....	6,000	6,000	6,000
(F)ARRA - School Improvement Programs - Education Technology.....	0	25,435	15,303
(F)ARRA - ESEA - Title I - School Improvement.....	0	120,800	80,800
(F)ARRA - Education for Homeless Children and Youths.....	0	1,500	375
(F)ARRA - Innovation Fund.....	0	65,000	43,000
(F)ARRA - Race to the Top.....	0	435,000	335,000
(F)ARRA - Teacher Incentive Fund.....	0	20,000	15,000
(F)ARRA - Teacher Quality Enhancement.....	0	10,000	10,000
(F)ARRA - Pennsylvania Education Network.....	0	149,370	99,580
(F)ARRA - Pennsylvania Public Computer Centers.....	0	15,000	10,000
(F)ARRA - Pennsylvania Sustainable Broadband.....	0	37,500	30,000
(F)Evaluation of State & Local Ed Programs & Policies.....	0	0	1,200
(F)Title 1 Childhood Grants.....	0	0	18,000
Subtotal.....	\$ 912,218	\$ 2,177,388	\$ 1,628,458
Other Grants and Subsidies:			
Lifelong Learning	5,100	0	0
Services to Nonpublic Schools	87,257	89,082	91,933
Textbooks, Materials and Equipment for Nonpublic Schools	26,543	27,243	28,115



Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2008-09 ACTUAL	2009-10 AVAILABLE	2010-11 BUDGET
Teen Pregnancy and Parenthood	1,703	0	0
(F)TANF - Teenage Parenting Education (EA).....	12,255	12,255	12,255
(F)Teenage Parenting - Food Stamps.....	863	0	0
(F)Teenage Parenting - Food Stamps (EA).....	0	863	863
Public Library Subsidy	75,137	60,000	58,800
Library Services for the Visually Impaired and Disabled	2,976	2,926	2,897
Recording for the Blind and Dyslexic	69	0	0
Library Access	7,000	3,000	2,970
Electronic Library Catalog	3,542	0	0
Ethnic Heritage	163	0	0
Governor's Schools of Excellence	3,100	0	0
Job Training Programs	3,706	3,975	0
Reimbursement of Charter Schools	226,936	226,936	226,936
Safe and Alternative Schools	21,523	0	0
Alternative Education Demonstration Grants	16,777	0	0
Consolidation Incentives and Shared Services	487	0	0
Subtotal.....	\$ 495,137	\$ 426,280	\$ 424,769
Higher Education - Other Grants and Subsidies:			
Community Colleges	236,240	214,217	214,217
(F)ARRA - Fiscal Stabilization - Higher Education.....	0	21,524	21,524
Transfer to Community College Capital Fund	44,506	46,369	46,369
Regional Community Colleges Services	650	650	0
Technical College Programs	500	0	0
Higher Education for the Disadvantaged	8,599	3,000	2,700
Higher Education of Blind or Deaf Students	53	53	52
Higher Education Assistance	19,500	400	0
Engineering Equipment Grants	71	0	0
Dormitory Sprinklers	247	0	0
Community Education Councils	2,000	2,000	0
Medical College in NE PA	3,400	4,000	3,850
Postsecondary Education and Training	75	0	0
Thaddeus Stevens College of Technology	10,293	8,550	8,550
(F)ARRA - Fiscal Stabilization - Higher Education.....	407	2,326	2,326
Subtotal.....	\$ 326,541	\$ 303,089	\$ 299,588
State System of Higher Education:			
State Universities	476,441	444,470	444,470
(F)ARRA - Fiscal Stabilization - Higher Education.....	27,068	38,158	38,158
Recruitment of the Disadvantaged	446	446	446
PA Center for Environmental Education (PCEE)	368	368	368
McKeever Center	213	213	213
Affirmative Action	1,152	1,152	1,152
Program Initiatives	18,548	18,548	18,548
Subtotal.....	\$ 524,236	\$ 503,355	\$ 503,355
The Pennsylvania State University:			
General Support	0	304,449	304,449
(F)ARRA - Fiscal Stabilization - General Support.....	16,246	15,115	15,115
Educational and General	251,404	0	0
Agricultural Research	24,058	0	0
Agricultural Extension Services	28,561	0	0
Recruitment of the Disadvantaged	427	0	0
Pennsylvania College of Technology	12,317	13,623	13,623
(F)ARRA - Fiscal Stabilization - PA College of Technology.....	727	676	676
Pennsylvania College of Technology - Debt Service	1,306	0	0
Subtotal.....	\$ 335,046	\$ 333,863	\$ 333,863



Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2008-09 ACTUAL	2009-10 AVAILABLE	2010-11 BUDGET
University of Pittsburgh:			
General Support.....	0	160,490	160,490
(F)ARRA - Fiscal Stabilization - General Support.....	8,644	7,505	7,505
Educational and General.....	156,770	0	0
Student Life Initiatives.....	409	0	0
Recruitment of the Disadvantaged.....	415	0	0
Western Teen Suicide Center.....	492	0	0
Rural Education Outreach.....	2,404	0	0
Subtotal.....	\$ 169,134	\$ 167,995	\$ 167,995
Temple University:			
General Support.....	0	164,974	164,974
(F)ARRA - Fiscal Stabilization - General Support.....	8,930	7,763	7,763
Educational and General.....	164,558	0	0
Recruitment of the Disadvantaged.....	415	0	0
Subtotal.....	\$ 173,903	\$ 172,737	\$ 172,737
Lincoln University:			
General Support.....	0	13,623	13,623
(F)ARRA - Fiscal Stabilization - General Support.....	830	159	159
Educational and General.....	13,623	0	0
Subtotal.....	\$ 14,453	\$ 13,782	\$ 13,782
Non-State Related Universities and Colleges:			
Drexel University.....	6,529	781	0
University of Pennsylvania - Dental Clinics.....	507	0 ^b	0 ^b
University of Pennsylvania - Medical Programs.....	1,891	0 ^b	0 ^b
University of Pennsylvania - Veterinary Activities.....	37,268	30,000	30,000
University of Pennsylvania - Center for Infectious Disease.....	2,999	0	500
University of Pennsylvania - Cardiovascular Studies.....	749	0 ^b	0 ^b
Phila. Health & Educ. Corp. - Medical Programs.....	3,617	0 ^b	0 ^b
Phila. Health & Educ. Corp. - Operations & Maintenance.....	806	0 ^b	0 ^b
Phila. Health & Educ. Cor - Recruitment of the Disadvantaged.....	143	0 ^b	0 ^b
Philadelphia Health and Education Corporation.....	937	0 ^b	0 ^b
Thomas Jefferson University - Doctor of Medicine Instruction.....	2,607	0 ^b	0 ^b
Thomas Jefferson University - Operations & Maintenance.....	1,985	0 ^b	0 ^b
Philadelphia College of Osteopathic Medicine.....	6,132	733	0
Lake Erie College of Osteopathic Medicine.....	1,735	207	0
Salus University.....	1,578	189	0
Philadelphia University of the Arts.....	1,132	135	0
Subtotal.....	\$ 70,615	\$ 32,045	\$ 30,500
Non-State Related Institutions:			
Johnson Technical Institute.....	180	21	0
Williamson Free School of Mechanical Trades.....	66	8	0
Subtotal.....	\$ 246	\$ 29	\$ 0
Subtotal - State Funds.....	\$ 11,174,067	\$ 10,551,868	\$ 10,994,359
Subtotal - Federal Funds.....	1,932,082	4,354,655	3,579,234
Subtotal - Augmentations.....	2,394	118	118
Total - Grants and Subsidies.....	\$ 13,108,543	\$ 14,906,641	\$ 14,573,711



Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2008-09 ACTUAL	2009-10 AVAILABLE	2010-11 BUDGET
STATE FUNDS.....	\$ 11,273,477	\$ 10,633,324	\$ 11,076,117
FEDERAL FUNDS.....	2,061,896	4,516,326	3,750,661
AUGMENTATIONS.....	11,529	8,459	8,214
GENERAL FUND TOTAL.....	\$ 13,346,902	\$ 15,158,109	\$ 14,834,992
MOTOR LICENSE FUND:			
<i>Grants and Subsidies:</i>			
Safe Driving Course.....	\$ 1,130	\$ 1,125	\$ 1,103
KEYSTONE RECREATION, PARK AND CONSERVATION FUND:			
<i>Grants and Subsidies:</i>			
Local Libraries Rehabilitation and Development (EA).....	\$ 2,525	\$ 0	\$ 2,461
SSHE - Deferred Maintenance (EA).....	8,490	0	11,078
Total - Grants and Subsidies.....	\$ 11,015	\$ 0	\$ 13,539
KEYSTONE RECREATION, PARK AND CONSERVATION FUND TOTAL.....	\$ 11,015	\$ 0	\$ 13,539
OTHER FUNDS:			
GENERAL FUND:			
LSTA - Library Grants.....	\$ 4,228	\$ 0 ^c	\$ 0 ^c
Private Licensed Schools.....	642	709	850
Empowerment School Districts.....	4,500	4,500	4,500
Medical Assistance Reimbursements.....	109,711	110,000	175,000
Telecommunications Education Fund Grant.....	13	0	0
GENERAL FUND TOTAL.....	\$ 119,094	\$ 115,209	\$ 180,350
COMMUNITY COLLEGE CAPITAL FUND:			
Community College Capital.....	\$ 0 ^d	\$ 0 ^d	\$ 0 ^d
EDUCATION TECHNOLOGY FUND:			
Broadband Technology Services (EA).....	\$ 9,790	\$ 9,790	\$ 9,790
Administration (EA).....	312	210	210
EDUCATION TECHNOLOGY FUND TOTAL.....	\$ 10,102	\$ 10,000	\$ 10,000
GOV. CASEY ORGAN & TISSUE DONATION AWARENESS FUND:			
Governor Casey Organ and Tissue Donation Awareness Fund (EA).....	\$ 200	\$ 200	\$ 200
PROPERTY TAX RELIEF FUND:			
Property Tax Relief Payments (EA).....	\$ 612,900	\$ 613,200	\$ 613,700
SCHOOL EMPLOYEES' RETIREMENT FUND:			
Administration.....	\$ 42,068	\$ 43,227	\$ 43,528
Directed Commissions.....	0	1,000	1,000
(A)Health Insurance - Administration Reimbursement.....	832	900	953
(A)Health Options - Administration Reimbursement.....	2,224	2,886	2,889
SCHOOL EMPLOYEES' RETIREMENT FUND TOTAL.....	\$ 45,124	\$ 48,013	\$ 48,370
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 11,273,477	\$ 10,633,324	\$ 11,076,117
SPECIAL FUNDS.....	12,145	1,125	14,642
FEDERAL FUNDS.....	2,061,896	4,516,326	3,750,661
AUGMENTATIONS.....	11,529	8,459	8,214
OTHER FUNDS.....	787,420	786,622	852,620
TOTAL ALL FUNDS.....	\$ 14,146,467	\$ 15,945,856	\$ 15,702,254



Summary by Fund and Appropriation

^a Includes recommended supplemental appropriation of \$4,150,000.

^b See Medical Assistance - Physician Practice Plans in the Department of Public Welfare Summary by Fund and Appropriation for 2009-10 and 2010-11 funding.

^c See LSTA - Library Development (F) under State Library funding.

^d Not added to the total to avoid double counting: 2008-09 Actual is \$44,506,000, 2009-10 Available is \$46,369,000, and 2010-11 Budget is \$46,369,000.



Program Funding Summary

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
EDUCATION SUPPORT SERVICES							
GENERAL FUND.....	\$ 31,812	\$ 29,909	\$ 30,727	\$ 30,727	\$ 30,727	\$ 30,727	\$ 30,727
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	86,945	102,293	88,067	68,067	68,067	68,067	68,067
OTHER FUNDS.....	53,791	57,052	57,223	57,223	57,223	57,223	57,223
SUBCATEGORY TOTAL.....	\$ 172,548	\$ 189,254	\$ 176,017	\$ 156,017	\$ 156,017	\$ 156,017	\$ 156,017
BASIC EDUCATION							
GENERAL FUND.....	\$ 9,597,049	\$ 9,101,424	\$ 9,549,757	\$ 10,425,094	\$ 11,369,955	\$ 12,441,654	\$ 13,460,035
SPECIAL FUNDS.....	1,130	1,125	1,103	1,103	1,103	1,103	1,103
FEDERAL FUNDS.....	1,904,499	4,308,097	3,562,008	1,991,524	1,991,524	1,991,524	1,991,524
OTHER FUNDS.....	740,845	738,018	803,518	793,518	793,518	793,518	793,518
SUBCATEGORY TOTAL.....	\$ 12,243,523	\$ 14,148,664	\$ 13,916,386	\$ 13,211,239	\$ 14,156,100	\$ 15,227,799	\$ 16,246,180
LIBRARY SERVICES							
GENERAL FUND.....	\$ 93,294	\$ 68,322	\$ 67,039	\$ 67,039	\$ 67,039	\$ 67,039	\$ 67,039
SPECIAL FUNDS.....	2,525	0	2,461	2,541	2,834	3,060	3,259
FEDERAL FUNDS.....	7,600	12,710	7,360	7,360	7,360	7,360	7,360
OTHER FUNDS.....	4,313	11	93	93	93	93	93
SUBCATEGORY TOTAL.....	\$ 107,732	\$ 81,043	\$ 76,953	\$ 77,033	\$ 77,326	\$ 77,552	\$ 77,751
HIGHER EDUCATION							
GENERAL FUND.....	\$ 1,551,322	\$ 1,433,669	\$ 1,428,594	\$ 1,521,820	\$ 1,521,820	\$ 1,521,820	\$ 1,521,820
SPECIAL FUNDS.....	8,490	0	11,078	11,432	12,754	13,770	14,666
FEDERAL FUNDS.....	62,852	93,226	93,226	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
SUBCATEGORY TOTAL.....	\$ 1,622,664	\$ 1,526,895	\$ 1,532,898	\$ 1,533,252	\$ 1,534,574	\$ 1,535,590	\$ 1,536,486
ALL PROGRAMS:							
GENERAL FUND.....	\$ 11,273,477	\$ 10,633,324	\$ 11,076,117	\$ 12,044,680	\$ 12,989,541	\$ 14,061,240	\$ 15,079,621
SPECIAL FUNDS.....	12,145	1,125	14,642	15,076	16,691	17,933	19,028
FEDERAL FUNDS.....	2,061,896	4,516,326	3,750,661	2,066,951	2,066,951	2,066,951	2,066,951
OTHER FUNDS.....	798,949	795,081	860,834	850,834	850,834	850,834	850,834
DEPARTMENT TOTAL.....	\$ 14,146,467	\$ 15,945,856	\$ 15,702,254	\$ 14,977,541	\$ 15,924,017	\$ 16,996,958	\$ 18,016,434



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

Program: Education Support Services

Education Support Services provides for the administrative and overhead systems that support the operation of programs necessary for the achievement of Department of Education and commonwealth objectives. The success or failure of these supportive efforts can only be indirectly reflected by the effectiveness of the activities they support. The department seeks to minimize these administrative costs in relation to the costs of services provided. As part of its efforts to control administrative costs, the department continues to transfer mainframe applications to client servers that permit departmental employees to perform their responsibilities in a more efficient and effective manner.

In addition to providing operational support to the executive, budget, communications and legal offices of

the department, this program also provides staff support to the State Board of Education and other administrative boards and commissions. These include boards for private, academic, business, trade and correspondence schools, and the Professional Standards and Practices Commission.

This program also includes non-General Fund support from the School Employees' Retirement Fund used for administration of the School Employees' Retirement System. The Pennsylvania School Employees' Retirement Board administers the School Employees' Retirement System and provides benefits for retired school employees and counseling and information services for active employees. The School Employees' Retirement Fund is shown in the Other Special Funds Appendix.

Program Recommendations:

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

<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%;"></td> <td style="width: 10%; text-align: right;">General Government Operations</td> <td style="width: 80%;"></td> </tr> <tr> <td style="text-align: right;">\$ 853</td> <td style="text-align: left;">—to continue current program.</td> <td></td> </tr> <tr> <td style="text-align: right;">-2,400</td> <td style="text-align: left;">—transfer to proposed Teacher Certification appropriation.</td> <td></td> </tr> <tr> <td style="text-align: right; border-top: 1px solid black;">\$ -1,547</td> <td style="text-align: left;"><i>Appropriation Decrease</i></td> <td></td> </tr> </table>		General Government Operations		\$ 853	—to continue current program.		-2,400	—transfer to proposed Teacher Certification appropriation.		\$ -1,547	<i>Appropriation Decrease</i>		<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%;"></td> <td style="width: 10%; text-align: right;">Information and Technology Improvement</td> <td style="width: 80%;"></td> </tr> <tr> <td style="text-align: right;">\$ -35</td> <td style="text-align: left;">—nonrecurring 2009-10 budgetary freeze amount.</td> <td></td> </tr> <tr> <td style="text-align: right; border-top: 1px solid black;">\$ 2,400</td> <td style="text-align: left;">Teacher Certification —transfer from General Government Operations.</td> <td></td> </tr> </table>		Information and Technology Improvement		\$ -35	—nonrecurring 2009-10 budgetary freeze amount.		\$ 2,400	Teacher Certification —transfer from General Government Operations.	
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\$ 2,400	Teacher Certification —transfer from General Government Operations.																					

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
GENERAL FUND:							
General Government Operations	\$ 27,512	\$ 26,409	\$ 24,862	\$ 24,862	\$ 24,862	\$ 24,862	\$ 24,862
Information and Technology Improvement	4,300	3,500	3,465	3,465	3,465	3,465	3,465
Teacher Certification	0	0	2,400	2,400	2,400	2,400	2,400
TOTAL GENERAL FUND	\$ 31,812	\$ 29,909	\$ 30,727	\$ 30,727	\$ 30,727	\$ 30,727	\$ 30,727

PROGRAM OBJECTIVE: To provide students with the skills, attitudes and abilities needed for effective living in our complex society.

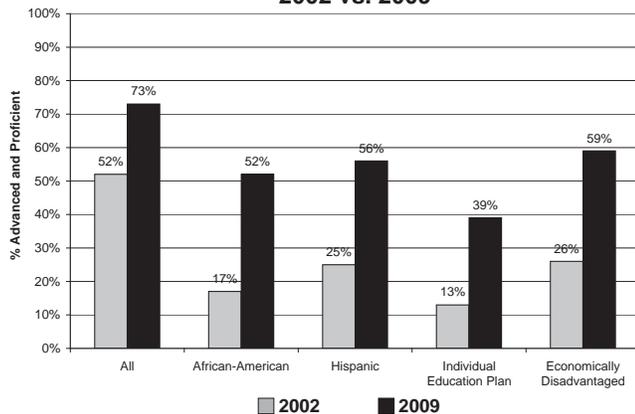
Program: PreK–12 Education (Basic Education)

Program Element: PreK-12 Education (Basic Education)

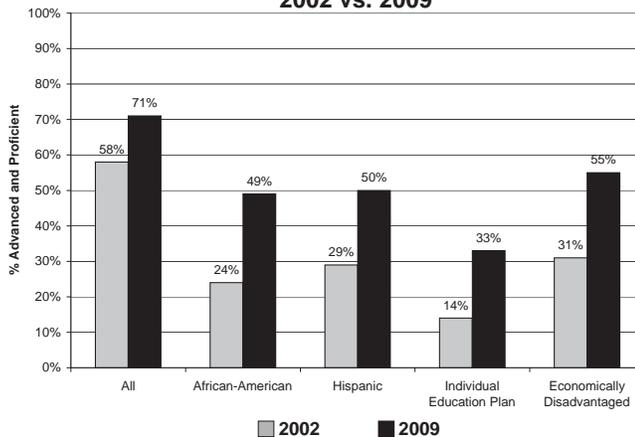
Pennsylvania's preK-12 education system is designed to provide every child in the commonwealth with the skills they need to be active citizens and future leaders in our global economy. In 2008-09, 73 percent of Pennsylvania's students met the state standards in math, and 71 percent met the state standards in reading.

Student achievement has increased since 2001-02 in every subject and grade – and for students of every race and income level.

Percent of PA Students Meeting State Standards in Math 2002 vs. 2009



Percent of PA Students Meeting State Standards in Reading 2002 vs. 2009



Program Element: Basic Education Funding

The commonwealth and local school districts share the financing of public elementary and secondary education in Pennsylvania. There are 500 local school districts.

The Basic Education Funding appropriation is the largest subsidy the commonwealth provides as support to local school districts. The subsidy has two core principles:

- **Help communities achieve school funding adequacy.** Despite significant local tax burdens, too many school districts still cannot achieve an adequate level of school funding to meet their students' academic needs. Pennsylvania's new school funding formula helps move districts towards the adequacy targets set forth in the Legislature's Costing-Out Report.
- **Direct the most state resources to the communities with the greatest need.** Pennsylvania's school districts have dramatically different levels of local wealth and student need. Commonwealth resources are directed to all 500 school districts but are also targeted in order to ensure that students in all communities have the academic opportunities they deserve.

In order to increase academic achievement, school districts are encouraged to invest in early childhood education and other proven programs. The Department of Education supports school improvement through intensive training and other initiatives.

Program Element: Accountability Block Grants

In 2009-10 Pennsylvania's Education Block Grant provides \$271.4 million for school districts to invest in education programs that are proven to help children learn. Of that amount, \$167.9 million is dedicated to the Full-Day Kindergarten initiative which is targeted to districts that establish, maintain or expand full-day kindergarten. Districts, for the sixth year, are choosing to invest about \$3 out of every \$4 in Block Grants in early childhood education that includes high-quality pre-kindergarten, full-day kindergarten and class-size reduction in kindergarten through third grade.

The 2010-11 budget includes \$271.4 million for Accountability Block Grants.

Program Element: Early Childhood Learning

Early learning for Pennsylvania's youngest children is crucial for both their short-term and long-term success. The benefits of a strong foundation in early childhood education have been touted by the Federal Reserve Bank as one of the best economic development investments that a state can make. The benefits of such programming range from \$4 to \$7 for every \$1 invested. In recognition of the importance of early childhood education to Pennsylvania's economic



Program: PreK–12 Education (continued)

well-being, in 2006, the Departments of Education and Public Welfare launched a new initiative to assure a well-coordinated, integrated approach to early childhood development and learning. The departments established the Office of Child Development and Early Learning as one office that is jointly overseen by both agencies. Some of the programs of this office that are funded through the Department of Education appropriations include:

Pre-K Counts. Beginning in 2007-08, this program now provides high-quality early childhood education to about 12,000 Pennsylvania children in a diversity of settings, ranging from school-based programs to Keystone STARS child care centers.

Head Start. By providing first-ever state funding for Head Start in 2004-05 and launching the Accountability Block Grant, Pennsylvania removed itself from the list of nine states in the nation that failed to provide funding for pre-school. The state investment of \$39.5 million is serving more than 5,700 children in 2009-10.

Program Element: Science: It's Elementary

Science: It's Elementary for grades K through 6 provides resources for hands-on learning equipment and intensive teacher training to elementary schools that commit to upgrading their science curriculum. Requested funds go to ASSET Incorporated, an instructional materials resource center in Pittsburgh, which provides participating school districts with professional development, instructional materials (science kits) and reimbursement of costs for participation to support implementation of inquiry-based science instruction in grades K through 6. For 2009-10 the project was funded at more than \$13.6 million, which supports implementation in a total of 132 districts, 141 schools, 2,700 teachers and at least 72,000 students for the Science: It's Elementary program in year three. For the 2010-11 school year, district cohorts 1 and 2 will receive module enrichment on the previous year's inquiry modules. District cohorts 2, 3 and 4 will receive a new classroom module and professional development materials necessary to teach that module. As a result, cohort 1 will have three modules, cohorts 2 and 3 will have a total of two modules and cohort 4 will have one module.

Program Element: Transforming Pennsylvania's High Schools

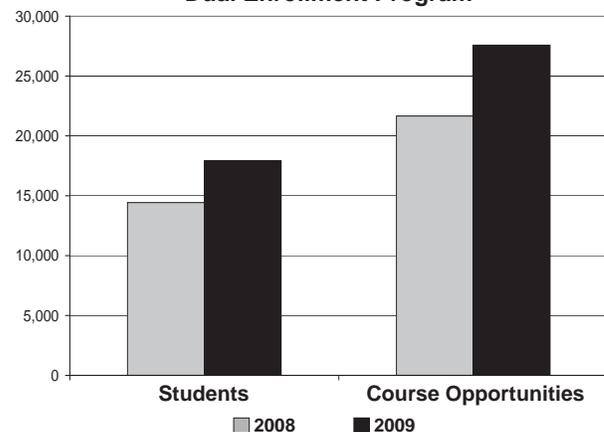
It is critically important that all Pennsylvania students graduate from high school prepared to enter college and the high-skills workforce. According to a national report, only 44 percent of the commonwealth's high school freshmen graduate on time with a college-ready transcript.

Project 720. Project 720 – named for the number of days a student spends in high school from the beginning of 9th grade to the end of 12th grade – is helping transform Pennsylvania's high schools.

In 2009-10, Project 720 will provide \$1 million for a third and final year of funding to 45 high schools to complete implementation of fundamental reform strategies to create rigorous, results-focused, data-informed, and personalized high school environments. A total of \$2.2 million will be used to train teachers on a revised high school curriculum framework specifying Big Ideas, Concepts and Competencies in each subject area at each grade level, in preparation for implementation of the State Board's initiative to require rigorous assessment in core academic disciplines as a threshold graduation requirement. Teachers' understanding of the curriculum framework is important to ensure that all districts adopt a complete and rigorous standards-aligned curriculum, regardless of their individual resource limitations. Approximately \$500,000 will be used to forge an important partnership with the Middle States Commission on Secondary Education and high schools that completed implementation of Project 720 reforms to develop a new gold-standards accreditation model to be known as the Project 720 Credential.

Dual Enrollment. Fiscal year 2009-10 is the fifth year for state-supported Dual Enrollment in Pennsylvania. The commonwealth invested \$8 million in this important program which allows high school students to earn high school and college credits for courses taken through a college or university while they complete their high school graduation requirements. In 2009-10, approximately 15,600 Pennsylvania high school students are taking advantage of 24,000 course enrollments in 2,500 different college courses through this program.

Participation in Pennsylvania's Dual Enrollment Program



Career and Technical Education. Career and Technical Education serves over 77,000 secondary students enrolled in approved career and technical education programs at school districts, charter schools and career and technical centers. Career and Technical Education provides a rigorous high school education to students while delivering skilled technical education designed with input from incumbent workers and employers in high-

Program: PreK–12 Education (continued)

demand employment fields. Wherever possible, students earn real-world, industry-based certifications at the end of their programs, which enhance their employment opportunities. To improve Career and Technical Education, Pennsylvania launched a multi-million dollar program to enhance equipment and curriculum, as well as help boost the academic rigor in every Career and Technical Education program and alignment with local and state economic development needs.

Program Element: 21st Century Teaching and Learning

This initiative, originally funded through Classrooms for the Future, transforms the way high school teachers teach and how students learn by providing funding to equip English, math, science and social studies classrooms with enhanced technology, laptop computers and other state-of-the-art resources, as well as to provide teachers and school leaders extensive training on how to best harness the power of technology to increase student achievement and ensure students are ready for college and the high-tech global job market. In 2008-09, 453 schools and approximately 500,000 students participated in the program, and in 2009-10, the program was sustained and expanded with 545,000 students expected to participate. In 2010-11, professional development will continue for the participating schools, positively impacting more than 25,000 teachers and 588,000 students.

Program Element: Tutoring

Pennsylvania provides tutoring support as a proven way to help students who are struggling in reading and math.

The state funds local tutoring programs and holds tutoring providers accountable for student progress.

The Education Assistance Program. Pennsylvania's state-funded tutoring initiative is targeted to struggling students in 175 school districts and career and technical centers where a school failed to make Adequate Yearly Progress in reading or math as required by the No Child Left Behind Act. The 2010-11 budget includes \$55.3 million for the Education Assistance Program.

Program Element: Special Education

Special education serves approximately 272,000 school-aged students in Pennsylvania school districts, charter schools, intermediate units, approved private schools and private residential facilities (excluding gifted students).

The major special education appropriation provides support for programs for students with disabilities served by the public schools of the commonwealth. Public school special education programs are administered by all school districts and charter schools, where appropriate. These programs may be directly operated by the districts or contracted with other school districts, intermediate units or other providers. When appropriate public education is not available, Individualized Education Plan teams may determine a free, appropriate public education can only be provided by department-approved private schools or other private agency.

Funds are also provided for Early Intervention and Approved Private Schools/Charter Schools for the Deaf and Blind.

Program Recommendations:

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

<p>\$ -380</p> <p>\$ -112</p> <p>\$ 354,803</p> <p>\$ -114</p>	<p>GENERAL FUND</p> <p>PA Assessment —nonrecurring 2009-10 budgetary freeze amount.</p> <p>Youth Development Centers — Education —nonrecurring 2009-10 budgetary freeze amount.</p> <p>Basic Education Funding —Initiative—Improving Student Achievement. To provide an increase for school district basic education programs to continue implementation of a funding approach to assist school districts in reaching a research-based adequate funding level necessary to ensure a quality education.</p> <p>School Improvement Grants —nonrecurring 2009-10 budgetary freeze amount.</p>	<p>\$ -475</p> <p>\$ -784</p> <p>\$ -3,800</p> <p>\$ -136</p> <p>\$ -1,900</p> <p>\$ -2,250</p>	<p>Pre-K Counts —nonrecurring 2009-10 budgetary freeze amount.</p> <p>Head Start Supplemental Assistance —nonrecurring 2009-10 budgetary freeze amount.</p> <p>Education Assistance Program —nonrecurring 2009-10 budgetary freeze amount.</p> <p>Science: It's Elementary —nonrecurring 2009-10 budgetary freeze amount.</p> <p>Mobile Science Education Program —nonrecurring projects.</p> <p>Teacher Professional Development —nonrecurring 2009-10 budgetary freeze amount.</p>
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Program: PreK–12 Education (Basic Education) (continued)

Program Recommendations: (continued)

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

<table border="0" style="width: 100%;"> <tr> <td style="width: 10%; text-align: right;">\$</td> <td style="width: 10%; text-align: right;">-177</td> <td>Adult and Family Literacy —nonrecurring 2009-10 budgetary freeze amount.</td> </tr> <tr> <td></td> <td></td> <td>Authority Rentals and Sinking Fund Requirements —nonrecurring 2009-10 budgetary freeze amount.</td> </tr> <tr> <td style="text-align: right;">\$</td> <td style="text-align: right;">-11,500</td> <td></td> </tr> <tr> <td></td> <td></td> <td>Pupil Transportation —to continue current program.</td> </tr> <tr> <td style="text-align: right;">\$</td> <td style="text-align: right;">16,262</td> <td></td> </tr> <tr> <td></td> <td></td> <td>Nonpublic and Charter School Pupil Transportation —to continue current program.</td> </tr> <tr> <td style="text-align: right;">\$</td> <td style="text-align: right;">-671</td> <td></td> </tr> <tr> <td></td> <td></td> <td>Early Intervention —Initiative—Improving Student Achievement. To continue the new funding methodology that establishes a benchmark payment per child for program services and to expand early intervention services to 1,229 additional children from ages 3 through 5.</td> </tr> <tr> <td style="text-align: right;">\$</td> <td style="text-align: right;">12,557</td> <td></td> </tr> <tr> <td></td> <td></td> <td>Tuition for Orphans and Children Placed in Private Homes —to continue current program.</td> </tr> <tr> <td style="text-align: right;">\$</td> <td style="text-align: right;">1,368</td> <td></td> </tr> <tr> <td></td> <td></td> <td>Payments in Lieu of Taxes —to continue current program.</td> </tr> <tr> <td style="text-align: right;">\$</td> <td style="text-align: right;">1</td> <td></td> </tr> <tr> <td></td> <td></td> <td>Education of Migrant Laborers' Children —to continue current program.</td> </tr> <tr> <td style="text-align: right;">\$</td> <td style="text-align: right;">-11</td> <td></td> </tr> <tr> <td></td> <td></td> <td>Scranton State School for the Deaf-Transition —program funded by PA Charter Schools for the Deaf and Blind appropriation.</td> </tr> <tr> <td style="text-align: right;">\$</td> <td style="text-align: right;">-5,400</td> <td></td> </tr> <tr> <td></td> <td></td> <td>PA Charter Schools for the Deaf and Blind —to continue current program.</td> </tr> <tr> <td style="text-align: right;">\$</td> <td style="text-align: right;">2,600</td> <td></td> </tr> </table>	\$	-177	Adult and Family Literacy —nonrecurring 2009-10 budgetary freeze amount.			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All other appropriations are recommended at the current year funding levels.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
Office of Safe Schools Advocate	\$ 342	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
PA Assessment.....	44,600	38,000	37,620	37,620	37,620	37,620	37,620
Youth Development Centers - Education ..	11,502	11,151	11,039	11,039	11,039	11,039	11,039
Scranton State School for the Deaf.....	6,584	0	0	0	0	0	0
Basic Education Funding.....	5,226,142	4,871,339	5,226,142	5,880,889	6,545,889	7,319,832	8,019,832
Basic Ed Formula Enhancements	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Dual Enrollment Payments	10,000	8,000	8,000	8,000	8,000	8,000	8,000
School Improvement Grants.....	22,880	11,440	11,326	11,326	11,326	11,326	11,326
Pennsylvania Accountability Grants	271,425	271,425	271,425	271,425	271,425	271,425	271,425



Program: PreK–12 Education (Basic Education) (continued)

Appropriations within this Program: (continued)

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
Pre-K Counts	\$ 86,412	\$ 86,412	\$ 85,937	\$ 85,937	\$ 85,937	\$ 85,937	\$ 85,937
Head Start Supplemental Assistance	39,480	39,480	38,696	38,696	38,696	38,696	38,696
Education Assistance Program.....	65,142	59,142	55,342	55,342	55,342	55,342	55,342
Technology Initiative	1,000	0	0	0	0	0	0
Science: It's Elementary	13,625	13,625	13,489	13,489	13,489	13,489	13,489
Mobile Science Education Program	2,492	1,900	0	0	0	0	0
Classrooms for the Future.....	44,705	0	0	0	0	0	0
Teacher Professional Development.....	39,698	25,000	22,750	22,750	22,750	22,750	22,750
Urban and Minority Teacher Development	450	0	0	0	0	0	0
Rx for PA - Physical and Health Education	30	0	0	0	0	0	0
Adult and Family Literacy	23,000	17,687	17,510	17,510	17,510	17,510	17,510
Career and Technical Education.....	62,641	62,000	62,000	62,000	62,000	62,000	62,000
Authority Rentals and Sinking Fund							
Requirements	315,500	330,000	318,500	318,500	318,500	318,500	318,500
Pupil Transportation.....	519,412	526,093	542,355	542,355	542,355	542,355	542,355
Nonpublic and Charter School Pupil							
Transportation.....	79,821	78,876	78,205	78,205	78,205	78,205	78,205
Special Education.....	1,026,815	1,026,815	1,026,815	1,026,815	1,026,815	1,026,815	1,026,815
Early Intervention.....	173,485	173,585	186,142	186,142	186,142	186,142	186,142
Homebound Instruction	748	0	0	0	0	0	0
Tuition for Orphans and Children Placed							
in Private Homes	55,805	57,116	58,484	58,484	58,484	58,484	58,484
Payments in Lieu of Taxes.....	179	187	188	188	188	188	188
Education of Migrant Laborers' Children ...	1,138	1,142	1,131	1,131	1,131	1,131	1,131
Scranton State School for the Deaf -							
Transition	0	5,400	0	0	0	0	0
PA Charter Schools for the Deaf and Blind	36,374	36,801	39,401	39,401	39,401	39,401	39,401
Special Education - Approved Private							
Schools	95,779	98,098	98,098	98,098	98,098	98,098	98,098
Approved Private Schools - Audit							
Resolution.....	3,100	0	0	0	0	0	0
Intermediate Units	6,311	5,554	5,498	5,498	5,498	5,498	5,498
School Food Services.....	30,021	31,131	31,765	31,765	31,765	31,765	31,765
Rx for PA - School Food Services	3,400	3,000	3,373	3,373	3,373	3,373	3,373
School Employees' Social Security	500,371	523,613	546,155	566,992	588,918	612,018	636,384
School Employees' Retirement	360,591	334,476	399,724	599,477	857,412	1,132,068	1,426,083
School Entity Demonstration Projects	10,000	0	0	0	0	0	0
Education of Indigent Children	20	0	0	0	0	0	0
High School Reform	10,734	3,700	3,663	3,663	3,663	3,663	3,663
Lifelong Learning.....	5,100	0	0	0	0	0	0
Services to Nonpublic Schools.....	87,257	89,082	91,933	91,933	91,933	91,933	91,933
Textbooks, Materials and Equipment for							
Nonpublic Schools	26,543	27,243	28,115	28,115	28,115	28,115	28,115
Teen Pregnancy and Parenthood.....	1,703	0	0	0	0	0	0
Ethnic Heritage.....	163	0	0	0	0	0	0
Governor's Schools of Excellence.....	3,100	0	0	0	0	0	0
Job Training Programs	3,706	3,975	0	0	0	0	0
Reimbursement of Charter Schools	226,936	226,936	226,936	226,936	226,936	226,936	226,936
Safe and Alternative Schools.....	21,523	0	0	0	0	0	0
Alternative Education Demonstration							
Grants.....	16,777	0	0	0	0	0	0
Consolidation Incentives and Shared							
Services.....	487	0	0	0	0	0	0
TOTAL GENERAL FUND	\$ 9,597,049	\$ 9,101,424	\$ 9,549,757	\$ 10,425,094	\$ 11,369,955	\$ 12,441,654	\$ 13,460,035
MOTOR LICENSE FUND:							
Safe Driving Course	\$ 1,130	\$ 1,125	\$ 1,103	\$ 1,103	\$ 1,103	\$ 1,103	\$ 1,103



PROGRAM OBJECTIVE: To provide and improve library services to citizens of the commonwealth, special libraries, and government agencies and employees.

Program: Library Services

The proposed 2010-11 budget offers a variety of valued public library services to all Pennsylvanians.

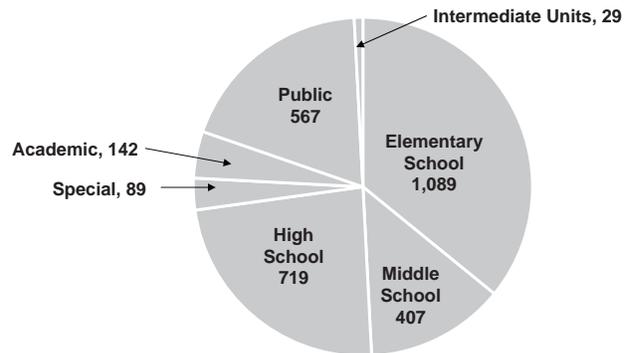
The Public Library Subsidy helps defray the cost of basic operations of local public libraries. This subsidy makes it possible for Pennsylvania's more than 600 public library outlets to meet the information, education and enrichment needs of our children, students and lifelong learners. Pennsylvania is a national leader in family-focused library programming.

The Public Library Subsidy also supports 29 district library centers that are charged with providing deep resources and specialized services to the local libraries and residents of their defined geographic areas. This funding also provides every Pennsylvanian with access to the vast and historic resources of the four major research libraries in the commonwealth: The State Library of Pennsylvania, the Carnegie Library of Pittsburgh, the Free Library of Philadelphia and the libraries of The Pennsylvania State University.

Library Access. Pennsylvania is committed to ensuring that all Pennsylvanians can easily access the library resources that exist not only in their own communities, but across the commonwealth. This funding supports four distinct programs. The Interlibrary Delivery Service makes it affordable for all state-supported libraries to participate in a statewide delivery service that moves library materials across the state in a timely and cost-effective way and encourages sharing of materials. The POWER (Pennsylvania Online World of Electronic Resources) Library Network provides vetted online magazine and reference databases for Pennsylvania residents to use in the library or remotely from home. This program remains a valued resource for classroom students and teachers.

The Electronic Library Catalog, also known as the Access Pennsylvania Database program, gives Pennsylvanians online access to the library holdings of over 3,000 Pennsylvania school, public, college, university and special libraries and intermediate units. Once an item is found, it can be "ordered" from the library online. This is the largest online database of its type in North America. As part of the Library Access Program, Pennsylvanians have online access to professional reference librarians 24 hours a day, 7 days a week through Pennsylvania's virtual reference service called Ask Here PA. Pennsylvanians have logged more than 226,000 sessions, of which approximately half have come from schools. A second tier of service is available for academic reference. This program, which was launched in 2006, has become extraordinarily popular.

Number of Libraries in Access PA Database



Pennsylvania is fortunate to have two libraries providing invaluable services for the visually impaired and disabled. In partnership with the National Library Service for the Blind and Physically Handicapped, recorded and Braille materials are sent by direct mail, or downloaded to students and residents of all ages who are blind or have a physical disability that prevents them from using regular print materials. Pennsylvania pioneered state-level library services to the blind over 100 years ago. In 2007, both of the Pennsylvania libraries for the blind and physically handicapped received national awards for their outreach and services.

The State Library appropriation supports the services and operations of the Office of Commonwealth Libraries and is a primary source of funding for the State Library. Located in Harrisburg, the State Library of Pennsylvania is a major resource library established by statute to provide reference service to all branches of state government, as well as to libraries and residents of the commonwealth. An extensive general and legal reference collection, comprehensive collections of Pennsylvania newspapers, Pennsylvania state and U.S. government publications and 90 databases are available. The State Library is home to the Rare Collections Library, which is organized around the Assembly Collection that was purchased beginning in 1745 by Ben Franklin when he was Clerk of the Assembly. The collection includes newspapers from colonial times through 1860. The Rare Collections Library is the premier library environment in the nation incorporating systems and techniques to preserve historic, paper-based collections.

Program: Library Services (continued)

Program Recommendations:

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

	GENERAL FUND					
	State Library		\$	-30	Library Access	
\$	-24	—nonrecurring 2009-10 budgetary freeze amount.			—nonrecurring 2009-10 budgetary freeze amount.	
	Public Library Subsidy		\$	-1,200		
	—reduction in state support.				KEYSTONE RECREATION, PARK AND CONSERVATION FUND	
	Library Services for the Visually Impaired and Disabled		\$	2,461	Local Libraries Rehabilitation and Development (EA)	
\$	-29	—to continue current program.			—to continue program; this funding was transferred to the General Fund in the 2009-10 fiscal year per Act 10-A of 2009.	

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
GENERAL FUND:							
State Library	\$ 4,570	\$ 2,396	\$ 2,372	\$ 2,372	\$ 2,372	\$ 2,372	\$ 2,372
Public Library Subsidy	75,137	60,000	58,800	58,800	58,800	58,800	58,800
Library Services for the Visually Impaired and Disabled.....	2,976	2,926	2,897	2,897	2,897	2,897	2,897
Recording for the Blind and Dyslexic.....	69	0	0	0	0	0	0
Library Access	7,000	3,000	2,970	2,970	2,970	2,970	2,970
Electronic Library Catalog	3,542	0	0	0	0	0	0
TOTAL GENERAL FUND	\$ 93,294	\$ 68,322	\$ 67,039	\$ 67,039	\$ 67,039	\$ 67,039	\$ 67,039
KEYSTONE RECREATION, PARK AND CONSERVATION FUND:							
Local Libraries Rehab. and Development (Current Year) (EA)	\$ 2,525	\$ 0	\$ 2,461	\$ 2,541	\$ 2,834	\$ 3,060	\$ 3,259

PROGRAM OBJECTIVE: To fulfill Pennsylvania's requirements for graduates of higher education programs, to respond to the demands of students for higher education and to support the public institutions providing those programs.

Program: Higher Education

Higher education in Pennsylvania is provided through 271 degree-granting institutions that include the universities of the State System of Higher Education, the state-related universities, the community colleges, the commonwealth's private colleges and universities, the state-affiliated

Thaddeus Stevens College of Technology and specialized associate degree-granting institutions. Funding for these institutions is through direct grant appropriations and state-funded student grant programs administered by the Pennsylvania Higher Education Assistance Agency.

Table 1
Full-Time Enrollments
at State-Supported Institutions of Higher Education
(Actual and Projected)

Institutional Category	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
State System of Higher Education.....	105,566	107,720	109,720	111,260	112,451	113,695	114,876
Community Colleges	98,988	103,727	106,650	109,277	111,916	114,293	116,583
State-Related Universities	152,678	153,476	153,330	153,751	154,462	154,475	154,803
Non-State Related Universities & Colleges...	49,532	50,048	50,842	51,664	52,466	53,180	53,915
TOTAL	406,764	414,971	420,542	425,952	431,295	435,643	440,177

Program Element: Institutional Support for Pennsylvania's Institutions of Higher Education

State System of Higher Education. Funding for the 14 universities of the State System of Higher Education is distributed through the office of the chancellor to the individual universities in accordance with a formula that consists of student enrollment, programs of the school and the operational cost of the individual campuses. Although each university has an individual mission, they all provide teacher education, a broad liberal arts curriculum and most offer the master degree level of study in their programs.

Community Colleges. Funding is shared by sponsoring counties or school districts, the students, through tuition payments, and the commonwealth. Commonwealth appropriations are based on a formula that ensures predictable base operating funding, provides a supplement for enrollment growth, provides a stipend for students enrolled in economic development programs that focus on high-priority occupations and recognizes the capital costs of the colleges. The colleges offer two-year liberal arts curricula, two-year programs in technologies and other programs in career areas that culminate in an associate degree or certificate as well as non-degree programs. Community colleges play a major role in the commonwealth's workforce development initiative.

State-Related Universities. Funding for the four state-related universities — the Pennsylvania State University,

the University of Pittsburgh, Temple University and Lincoln University — provides basic support for educational programs. The first three of these commonwealth universities are major research universities that provide programs up to the doctoral level in varied academic disciplines and professional schools in podiatry, medicine, dentistry and law. The fourth, Lincoln University, provides programs in numerous disciplines at the baccalaureate and master degree levels.

Impact: Number of Degrees Awarded

The state-supported universities and colleges graduated over 90,251 students in 2008-09 with degrees ranging from the two-year associate degree to doctoral and professional degrees. Pennsylvania degree graduates from both the public and private sectors totaled 143,781.

Program Element: Increasing Access to Higher Education

In 2008, of 130,296 public high school graduates, 94,238, or approximately 72.3 percent, planned to attend an academic degree-granting post-secondary institution. This is a significant improvement over the past decade when only slightly more than half of Pennsylvania high school graduates indicated they planned to attend a post-secondary institution. Participation rates of non-traditional students and part-time students also continue to increase. To better serve the needs of all of Pennsylvania



Program: Higher Education (continued)

Table 2
Higher Education Degrees Awarded
by State-Supported and Private Institutions of Higher Education
(Actual and Projected)

Institutional Category	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
State-Supported:							
State System of Higher Education.....	23,833	24,239	24,530	24,901	25,271	25,586	25,890
Community Colleges.....	14,025	14,663	15,054	15,519	15,891	16,301	16,709
State-Related Universities.....	36,851	37,186	37,302	37,530	37,729	37,890	38,055
Non-State Related Universities & Colleges	15,542	15,580	15,276	15,498	15,768	15,929	16,104
Non-State-Supported:							
Private Universities & Colleges.....	<u>53,530</u>	<u>54,868</u>	<u>56,240</u>	<u>57,646</u>	<u>59,087</u>	<u>60,564</u>	<u>62,078</u>
TOTAL	<u>143,781</u>	<u>146,536</u>	<u>148,402</u>	<u>151,094</u>	<u>153,746</u>	<u>156,270</u>	<u>158,836</u>

students, the Department of Education is overseeing a comprehensive transfer and articulation system to enable all students to easily transfer credits earned at a community college or State System of Higher Education institution to any of these 32 institutions, or to any state-related or independent institution that chooses to participate in the statewide transfer system. To date, an average of 47 courses for each of the 32 participating institutions have been established as transferable statewide, for a total of nearly 1,500 course equivalencies that can be transferred and counted toward graduation across all participating institutions. This total is more than double the minimum number of courses required. In 2009, the statewide transfer system was significantly expanded by enabling students with an AA or an AS degree to transfer to participating four-year institutions with full junior status.

Combined with higher education enrollment size, the diversity of enrollments by discipline will shape the future

of higher education. It reflects the increased choices of career-oriented disciplines with higher employment rates such as business management, data processing, health professions and majors in the STEM fields — science, technology, engineering and math. Expanding access to these professions will be vital to ensuring the long-term economic health of the commonwealth.

Program Element: Support for Educationally Disadvantaged and Minority Students

The Higher Education Equal Opportunity Program, under Act 101 of 1971, provides grants to colleges for tutorial and counseling services for economically and educationally disadvantaged students to aid them in succeeding in college. In 2008-09, the 64 higher education institutions that received Act 101 dollars reported serving over 8,808 students.

Table 3
Full-Time Enrollments by Subject Area
at State-Supported Institutions of Higher Education
(Actual and Projected)

Subject Area	Number and Percent of Total	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	Percent Change
		Actual	Projected	Projected	Projected	Projected	Projected	Projected	
Agricultural and Natural Resources	# %	3,743 0.92%	3,768 0.91%	3,773 0.90%	3,790 0.89%	3,820 0.89%	3,842 0.88%	3,860 0.88%	3.13%
Arts and Letters	# %	77,809 19.13%	80,441 19.38%	81,892 19.47%	83,330 19.56%	84,966 19.70%	85,954 19.73%	87,229 19.82%	12.11%
Business, Management and Data Processing	# %	62,199 15.29%	63,281 15.25%	64,139 15.25%	65,006 15.26%	65,767 15.25%	66,494 15.26%	67,328 15.30%	8.25%
Communications and Related Technologies	# %	14,144 3.48%	14,241 3.43%	14,369 3.42%	14,466 3.40%	14,571 3.38%	14,664 3.37%	14,746 3.35%	4.26%
Computer and Information Sciences	# %	11,680 2.87%	11,979 2.89%	12,139 2.89%	12,316 2.89%	12,473 2.89%	12,621 2.90%	12,761 2.90%	9.26%



Program: Higher Education (continued)

Table 3 (continued)
Full-Time Enrollments by Subject Area
at State-Supported Institutions of Higher Education
(Actual and Projected)

Subject Area	Number and Percent of Total	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	Percent Change
		Actual	Projected	Projected	Projected	Projected	Projected	Projected	
Education	# %	33,884 8.33%	34,317 8.27%	34,864 8.29%	35,562 8.35%	36,088 8.37%	36,560 8.39%	37,036 8.41%	9.30%
Engineering, Architecture and Environmental Design	# %	21,099 5.19%	21,366 5.15%	21,595 5.14%	21,804 5.12%	22,028 5.11%	22,255 5.11%	22,469 5.10%	6.49%
Engineering Technologies and Related Technologies	# %	6,528 1.60%	6,631 1.60%	6,711 1.60%	6,806 1.60%	6,898 1.60%	6,990 1.60%	7,078 1.61%	8.43%
Health Professions, Health Sciences and Biological Sciences	# %	65,559 16.12%	66,714 16.08%	67,805 16.12%	68,651 16.12%	69,557 16.13%	70,270 16.13%	70,947 16.12%	8.22%
Home Economics, Human Services and Public Affairs	# %	32,947 8.10%	33,569 8.09%	33,951 8.07%	34,345 8.06%	34,675 8.04%	35,021 8.04%	35,306 8.02%	7.16%
Industrial, Repair, Construction and Transport Technologies	# %	6,477 1.59%	6,588 1.59%	6,648 1.58%	6,720 1.58%	6,793 1.58%	6,864 1.58%	7,198 1.64%	11.13%
Law	# %	4,489 1.10%	4,681 1.13%	4,732 1.13%	4,797 1.13%	4,860 1.13%	4,924 1.13%	4,984 1.13%	11.03%
Physical Sciences, Mathematics and Related Technologies	# %	17,594 4.33%	17,919 4.32%	18,092 4.30%	18,296 4.30%	18,404 4.27%	18,526 4.25%	18,616 4.23%	5.81%
Social Sciences, Psychology, Area Studies and Foreign Languages	# %	38,038 9.35%	38,582 9.30%	38,898 9.25%	39,159 9.19%	39,438 9.14%	39,651 9.10%	39,564 8.99%	4.01%
Multi-Interdisciplinary Studies/ Military Sciences	# %	10,574 2.60%	10,894 2.63%	10,934 2.60%	10,904 2.56%	10,957 2.54%	11,007 2.53%	11,055 2.51%	4.55%
TOTAL		406,764	414,971	420,542	425,952	431,295	435,643	440,177	8.21%

Percentages in some columns may not total to 100.00% due to rounding.

In 1996, the Pennsylvania Department of Education and the United States Department of Education, Office of Civil Rights, embarked on a cooperative agreement designed to assess and address the continued challenges in providing higher education opportunities for African American students in Pennsylvania. Funding is included in this program subcategory and in the capital budget to further assist with the cost of recruitment and retention of minority students, to provide for an affirmative action program at the universities of the State System of Higher Education and to continue infrastructure improvements at Cheyney and Lincoln Universities. Further funding is provided for a post-baccalaureate scholarship program directed at the achievement of a terminal professional degree for recent graduates of Cheyney University and Lincoln University. Funding for scholarships is made available through a program administered at these universities and disbursed through PHEAA.

Program Element: Research

An essential ingredient for a healthy economy and the creation of new jobs in any region is the existence

of vigorous research universities. Regions with the most dynamic economies are those where research and development investments have been significant. The research university not only provides new ideas, technologies and products to industry, but also educates and motivates graduates to turn those ideas, technologies and products into industry and jobs.

While the University of Pittsburgh and Temple University are also major research universities, the Pennsylvania State University is the primary recipient of direct research funds designated by the commonwealth to support research in agriculture, engineering, biological and physical sciences, earth and mineral sciences, health and human services, and other disciplines. Pennsylvania State University is the commonwealth's federally designated land-grant university, and as such has received funds designated for agricultural research since 1901.

The continued state support for organized research is a means of promoting a responsive position on the constantly changing needs of the commonwealth. In this regard, colleges and universities play a major role in the



Program: Higher Education (continued)

economic development of the commonwealth through the creation of a climate that attracts new high-technology industries to the state.

Program Element: Community Service

Public and community services are provided by all sectors of higher education and include short-term courses, workshops and programs in the arts. The bulk of commonwealth funding in this area supports the Cooperative Extension Service of the Pennsylvania State University. This service offers consultation to any state resident on agricultural or environmental issues. It operates the Agricultural Extension Computer Network with a computer in every county cooperative extension service office and offers a statewide network of information linked to the resources of the main campus.

Program Element: Support Services

The department provides leadership and support services to all sectors of higher education. Responsibilities

include liaison with the national accrediting agencies, the State Board of Education, the State Board of Private Licensed Schools and other governing boards; policy review and development based on comprehensive planning and research; and implementation of the Higher Education Master Plan. The department also partners with other commonwealth agencies on workforce development strategies. Additionally, the department awards teaching certificates to those seeking certification in Pennsylvania.

Pennsylvania has been a national leader in education reform by introducing concepts of quality performance and accountability in basic and secondary education. This budget will continue these efforts through a combined effort of elementary, secondary, post-secondary and higher education, jointly with the United States Department of Education, to fulfill the initiatives of "No Child Left Behind."

Program Recommendations:

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

<p>GENERAL FUND</p> <p>Regional Community Colleges Services —nonrecurring project.</p> <p>\$ -650</p> <p>Higher Education for the Disadvantaged —nonrecurring 2009-10 budgetary freeze amount.</p> <p>\$ -300</p> <p>Higher Education of Blind or Deaf Students —nonrecurring 2009-10 budgetary freeze amount.</p> <p>\$ -1</p> <p>Higher Education Assistance —nonrecurring project.</p> <p>\$ -400</p> <p>Community Education Councils —nonrecurring project.</p> <p>\$ -2,000</p>	<p>Medical College in NE PA —nonrecurring 2009-10 budgetary freeze amount.</p> <p>\$ -150</p> <p>Non-state-related universities and colleges —program reduction.</p> <p>\$ -1,545</p> <p>Non-state-related institutions —elimination of state funding.</p> <p>\$ -29</p> <p>KEYSTONE RECREATION, PARK AND CONSERVATION FUND</p> <p>State System of Higher Education - Deferred Maintenance (EA) —to continue program; this funding was transferred to the General Fund in the 2009-10 fiscal year per Act 10-A of 2009.</p> <p>\$ 11,078</p>
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All other appropriations are recommended at the current year funding levels.

This budget also recommends \$15,942,000 in federal Medicaid funding and \$3,153,000 in federal ARRA Medicaid funding to support physician practice plans affiliated with the Philadelphia Health and Education Corporation, the University of Pennsylvania and Thomas Jefferson University. Please see the Medical Assistance subcategory within the Department of Public Welfare for additional information.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
GENERAL FUND:							
Community Colleges	\$ 236,240	\$ 214,217	\$ 214,217	\$ 235,741	\$ 235,741	\$ 235,741	\$ 235,741
Transfer to Community College Capital Fund.....	44,506	46,369	46,369	46,369	46,369	46,369	46,369
Regional Community Colleges Services ...	650	650	0	0	0	0	0
Technical College Programs.....	500	0	0	0	0	0	0
Higher Education for the Disadvantaged...	8,599	3,000	2,700	2,700	2,700	2,700	2,700



Program: Higher Education (continued)

Appropriations within this Program: (continued)

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
Higher Education of Blind or Deaf							
Students.....	\$ 53	\$ 53	\$ 52	\$ 52	\$ 52	\$ 52	\$ 52
Higher Education Assistance	19,500	400	0	0	0	0	0
Engineering Equipment Grants	71	0	0	0	0	0	0
Dormitory Sprinklers.....	247	0	0	0	0	0	0
Community Education Councils.....	2,000	2,000	0	0	0	0	0
Medical College in NE PA.....	3,400	4,000	3,850	3,850	3,850	3,850	3,850
Postsecondary Training and Education	75	0	0	0	0	0	0
Thaddeus Stevens College of Technology	10,293	8,550	8,550	10,876	10,876	10,876	10,876
State System of Higher Education.....	497,168	465,197	465,197	503,355	503,355	503,355	503,355
Pennsylvania State University	318,073	318,072	318,072	333,863	333,863	333,863	333,863
University of Pittsburgh.....	160,490	160,490	160,490	167,995	167,995	167,995	167,995
Temple University	164,973	164,974	164,974	172,737	172,737	172,737	172,737
Lincoln University	13,623	13,623	13,623	13,782	13,782	13,782	13,782
Non-State-related Universities and Colleges	70,615	32,045	30,500	30,500	30,500	30,500	30,500
Non-State-related Institutions	246	29	0	0	0	0	0
TOTAL GENERAL FUND	\$ 1,551,322	\$ 1,433,669	\$ 1,428,594	\$ 1,521,820	\$ 1,521,820	\$ 1,521,820	\$ 1,521,820
 KEYSTONE RECREATION, PARK AND CONSERVATION FUND:							
State System of Higher Education — Deferred Maintenance (EA)	\$ 8,490	\$ 0	\$ 11,078	\$ 11,432	\$ 12,754	\$ 13,770	\$ 14,666

Program Measures

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Program: PreK-12 Education (Basic Education)							
Basic Education Targeted Investment							
Public school enrollment (preK-12)	1,800,314	1,783,000	1,767,000	1,756,000	1,754,000	1,757,000	1,765,000
Average spending per student	\$11,850	\$12,400	\$13,000	\$13,600	\$14,200	\$14,800	\$15,400
State preK-12 spending per student	\$5,100	\$5,300	\$5,700	\$6,200	\$6,700	\$7,200	\$7,500
Students in districts spending less than \$8,500 per student	0%	0%	0%	0%	0%	0%	0%
Early Childhood Education							
School districts offering pre-kindergarten	123	123	133	133	133	133	133
Students enrolled in pre-kindergarten (excluding Head Start)	29,162	29,162	30,731	30,731	30,731	30,731	30,731
Students in state-funded Head Start expansion	5,743	5,743	5,743	5,743	5,743	5,743	5,743
School districts offering full-day kindergarten	460	480	500	500	500	500	500
Kindergarten students in full-day programs	64%	85%	100%	100%	100%	100%	100%
Students in PA Pre-K Counts program	11,841	11,800	11,800	11,800	11,800	11,800	11,800
Early Intervention							
Children participating in Early Intervention	43,827	46,083	47,312	47,312	47,312	47,312	47,312
Children on their 3rd birthday who transitioned from infant/toddler Early Intervention to preschool Early Intervention	5,754	5,935	6,115	6,115	6,115	6,115	6,115
Children who met their individual goals and no longer need Early Intervention prior to school age	1,290	1,406	1,532	1,532	1,532	1,532	1,532
Early Intervention children included in typical early childhood educational settings such as home, child care or Head Start	64%	66%	68%	68%	68%	68%	68%
Children not participating in Special Education after participating in Early Intervention	23%	25%	25%	25%	25%	25%	25%
Secondary Education-Transforming Pennsylvania's High Schools							
High schools participating in Project 720	161	161	161	161	161	161	161
High schools participating in Project 720	30%	30%	30%	30%	30%	30%	30%
High schools offering at least one Advanced Placement course	99%	99%	99%	99%	99%	99%	99%
Advanced Placement tests given in high schools	62,275	63,775	65,275	66,275	67,275	67,775	68,275



Program Measures

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Advanced Placement tests with scores of "3" or higher demonstrating mastery of the course	67.9%	68.9%	69.9%	70.9%	71.9%	72.9%	73.9%
Secondary Education-Helping High School Students Earn College Credit							
College-credit courses subsidized by the Dual Enrollment Program	27,575	24,000	24,000	24,000	24,000	24,000	24,000
College-credit courses filled by students designated as low income	3,654	4,032	4,032	4,032	4,032	4,032	4,032
Courses passed with a grade of "C" or better	95%	92%	95%	95%	95%	95%	95%
School Improvement							
Average percentage of students who are proficient in math among the lowest performing schools	51%	60%	68%	76%	84%	100%	100%
Average percentage of students who are proficient in reading among the lowest performing schools	50%	61%	69%	77%	85%	100%	100%
Accountability							
Students proficient/advanced in mathematics	73%	76%	78%	81%	89%	100%	100%
Percentage gains in mathematics proficiency from 5th to 8th grade-same students	4%	9%	10%	11%	12%	13%	15%
Students proficient/advanced in reading	71%	76%	78%	81%	91%	100%	100%
Percentage gains in reading proficiency from 5th to 8th grade-same students	20%	15%	16%	17%	18%	19%	20%
Schools making Adequate Yearly Progress	78%	82%	87%	93%	95%	100%	100%
School districts making Adequate Yearly Progress	95%	95%	96%	97%	98%	100%	100%
Career & Technical (Vocational) Education							
Enrollment	77,540	77,900	78,300	78,700	79,100	79,500	79,900
Vocational education program completers	54.7%	55.2%	55.7%	56.2%	56.7%	57.2%	57.7%
Vocational education 11th graders proficient/advanced in math	30.9%	56%	66.5%	78%	85.5%	100%	100%
Vocational education 11th graders proficient/advanced in reading	38.9%	63.5%	73%	82.5%	92%	100%	100%
Skilled workforce--percentage of PA Skills Certificates awarded	42.7%	44.6%	45.5%	46.4%	47.3%	48.2%	50%
Special Education							
Pupils with disabilities enrolled in special education programs	271,309	271,000	270,500	270,000	269,500	269,000	268,500
Special education incidence rate	15.1%	15.1%	15%	15%	15%	14.9%	14.9%



Program Measures

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Children with IEPs ages 6 through 21 spending most of their day in a regular classroom	55.2%	55.2%	55.2%	55.2%	55.2%	55.2%	55.2%
Classrooms for the Future							
Participating schools	453	453	453	453	453	453	453
Core content area teachers participating in the Classrooms for the Future program	20,000	22,500	25,485	25,485	25,485	25,485	25,485
Students participating in the Classrooms for the Future program	490,000	545,000	588,000	588,000	588,000	588,000	588,000
Computers for students in classrooms	140,000	159,000	178,000	178,000	178,000	178,000	178,000
Science: It's Elementary							
Students participating in Science: It's Elementary	65,000	72,000	72,000	72,000	72,000	72,000	72,000
Teachers statewide who received intensive training/inquiry-based science instruction through Science: It's Elementary	2,700	2,700	2,700	2,700	2,700	2,700	2,700
Other Education Programs							
Nonpublic school enrollment	256,617	250,000	244,000	239,000	235,000	232,000	230,000

Pre-kindergarten school district participation and the number of student enrollments include pre-kindergarten and K4 (kindergarten for 4-year-olds) in school districts only.

Student accountability projections for 2009-10 through 2014-15 are based on the rate of progress over the last four years as well as the No Child Left Behind goal of 100 percent proficient by 2014.

Program: Library Services

Items accessed-State Library of Pennsylvania	217,650	108,825	109,913	111,012	112,122	113,244	114,376
Visits to public libraries (in thousands)	45,976	46,436	47,829	48,307	48,790	49,278	49,771
Materials borrowed from public libraries (in thousands)	69,847	70,545	71,251	71,963	72,683	73,410	74,144
Items borrowed from public libraries children's collections- included above (in thousands)	24,977	25,227	25,479	25,734	25,991	26,251	26,514
Materials borrowed from libraries for blind and physically handicapped-included above (in thousands)	1,946	1,975	2,005	2,035	2,066	2,087	2,108
POWER Library use - items examined (in thousands)	35,093	31,584	28,426	28,426	28,426	28,426	28,426
Items loaned under the Statewide Library ACCESS program	139,131	131,292	124,455	116,620	110,786	110,954	110,123
Online inquiries by consumers to professional reference librarians (Ask Here PA)	73,685	79,412	84,146	90,887	96,636	103,393	106,157



Program Measures

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Program: Higher Education							
Access & Affordability							
Minority enrollment at public institutions	70,487	72,000	74,000	76,000	78,000	80,000	82,000
Outcomes							
Six-year graduation rate for full-time, first-time students at state system institutions	56.6%	57.4%	58.3%	59.1%	60%	60.9%	61.8%
Six-year graduation rate for full-time, first-time students at state-related institutions	67.1%	68.2%	69.3%	70.4%	71.6%	72.8%	73.9%
Three-year graduation rate for full-time, first-time students at community colleges	14.2%	14.3%	14.4%	14.5%	14.6%	14.7%	14.8%



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EMERGENCY MANAGEMENT AGENCY

The Pennsylvania Emergency Management Agency develops and maintains a comprehensive plan and program for the civil defense of the commonwealth. Primarily the plan calls for the protection of life and property both prior to and in the event of natural and other disasters. The agency, through the Office of the State Fire Commissioner, provides loans to volunteer fire, ambulance and rescue companies, and coordinates state fire services. The Emergency Management Agency also administers post-disaster aid to affected localities and citizens.



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Emergency Management Agency

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2008-09 ACTUAL	2009-10 AVAILABLE	2010-11 BUDGET
GENERAL FUND:			
<i>General Government:</i>			
General Government Operations.....	\$ 5,867 a	\$ 5,921	\$ 5,921
(F)Civil Preparedness.....	22,000	23,870	21,000
(F)Hazardous Materials Planning and Training.....	405	1,230	692
(F)Flash Flood Project - Warning System.....	65	0	0
(F)Domestic Preparedness - First Responders (EA).....	180,050	180,000	180,000
(A)Nuclear Facility.....	56	0	0
Information Systems Management.....	1,089	1,000	990
Subtotal.....	<u>\$ 209,532</u>	<u>\$ 212,021</u>	<u>\$ 208,603</u>
State Fire Commissioner.....	2,091	2,101	2,080
(F)Fire Prevention.....	6	66	66
(F)Assistance to Firefighters Grant Program.....	8	369	0
(A)Fire Academy Fees.....	11	25	25
(A)Arson Fines.....	0	2	2
Subtotal.....	<u>\$ 2,116</u>	<u>\$ 2,563</u>	<u>\$ 2,173</u>
Security and Emergency Preparedness.....	1,089	1,162	1,150
Subtotal - State Funds.....	\$ 10,136	\$ 10,184	\$ 10,141
Subtotal - Federal Funds.....	202,534	205,535	201,758
Subtotal - Augmentations.....	67	27	27
Total - General Government.....	<u>\$ 212,737</u>	<u>\$ 215,746</u>	<u>\$ 211,926</u>
Grants and Subsidies:			
(F)July 2003 Storm Disaster - Hazard Mitigation (EA).....	\$ 340	\$ 0	\$ 0
(F)August 2004 Storm Disaster - Hazard Mitigation (EA).....	40	0	0
(F)September 2004 Tropical Storm Frances-Hazard Mitigation (EA).....	21	0	0
(F)September 2004 Tropical Storm Ivan - Hazard Mitigation (EA).....	4,700	2,250	237
(F)September 2004 Tropical Storm Ivan - Public Assistance (EA).....	3,255	2,200	120
(F)April 2005 Storm Disaster - Public Assistance (EA).....	3,518	2,000	120
(F)April 2005 Storm Disaster - Hazard Mitigation (EA).....	720	375	70
June 2006 Flood Disaster - Public Assistance.....	2,490	0	0
(F)June 2006 Summer Storm - Public Assistance (EA).....	25,103	17,500	6,375
(F)June 2006 Flood Disaster Hazard Mitigation (EA).....	8,000	4,500	1,600
November 2006 Winter Storm Disaster - Public Assistance.....	300	0	0
(F)November 2006 Winter Storm Disaster - Public Assistance (EA).....	5,625	4,950	1,865
(F)November 2006 Winter Storm - Hazard Mitigation (EA).....	3,000	2,250	1,050
Summer 2008-Hurricane Gustav-EMAC.....	2,500	0	0
Firefighters' Memorial Flag.....	0	10	10
Red Cross Extended Care Program.....	750	300	297
Regional Events Security.....	5,966	5,000	2,000
(F)Public Safety Interoperable Communication Grant Program (EA).....	34,000	50	50
Subtotal - State Funds.....	\$ 12,006	\$ 5,310	\$ 2,307
Subtotal - Federal Funds.....	88,322	36,075	11,487
Total - Grants and Subsidies.....	<u>\$ 100,328</u>	<u>\$ 41,385</u>	<u>\$ 13,794</u>
STATE FUNDS.....	\$ 22,142	\$ 15,494	\$ 12,448
FEDERAL FUNDS.....	290,856	241,610	213,245
AUGMENTATIONS.....	67	27	27
GENERAL FUND TOTAL.....	<u>\$ 313,065</u>	<u>\$ 257,131</u>	<u>\$ 225,720</u>



Emergency Management Agency

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2008-09 ACTUAL	2009-10 AVAILABLE	2010-11 BUDGET
OTHER FUNDS:			
GENERAL FUND:			
VoIP Emergency Services Fund.....	\$ 4,521	\$ 10,180	\$ 10,187
Radiological Emergency Response Planning.....	836	1,000	1,000
Radiation Emergency Response Fund.....	705	750	750
Radiation Transportation Emergency Response Fund.....	0	0	164
GENERAL FUND TOTAL.....	\$ 6,062	\$ 11,930	\$ 12,101
HAZARDOUS MATERIAL RESPONSE FUND:			
General Operations.....	\$ 117	\$ 117	\$ 152
Hazardous Materials Response Team.....	417	417	417
Grants to Counties.....	824	824	1,494
Public and Facilities Owners Education.....	117	117	117
HAZARDOUS MATERIAL RESPONSE FUND TOTAL.....	\$ 1,475	\$ 1,475	\$ 2,180
STATE GAMING FUND:			
Transfer to Volunteer Company Grants Program (EA).....	\$ 25,000	\$ 25,000	\$ 25,000
VOLUNTEER COMPANIES LOAN FUND:			
Volunteer Company Loans.....	\$ 11,458	\$ 17,500	\$ 17,500
WIRELESS E-911 EMERGENCY SERVICES FUND:			
General Operations.....	\$ 2,200	\$ 2,000	\$ 2,100
Wireless E-911 Emergency Services Grants.....	107,800	113,000	106,000
WIRELESS E-911 EMERGENCY SERVICES FUND TOTAL.....	\$ 110,000	\$ 115,000	\$ 108,100
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 22,142	\$ 15,494	\$ 12,448
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	290,856	241,610	213,245
AUGMENTATIONS.....	67	27	27
OTHER FUNDS.....	153,995	170,905	164,881
TOTAL ALL FUNDS.....	\$ 467,060	\$ 428,036	\$ 390,601

^a Appropriated as \$113,000 for Avian Flu/Pandemic Preparedness and \$5,754,000 for General Government Operations



Program Funding Summary

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
EMERGENCY MANAGEMENT							
GENERAL FUND.....	\$ 19,301	\$ 13,083	\$ 10,061	\$ 10,061	\$ 10,061	\$ 10,061	\$ 10,061
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	290,842	241,175	213,179	213,179	213,179	213,179	213,179
OTHER FUNDS.....	28,072	28,225	29,094	29,094	29,094	29,094	29,094
SUBCATEGORY TOTAL.....	\$ 338,215	\$ 282,483	\$ 252,334	\$ 252,334	\$ 252,334	\$ 252,334	\$ 252,334
FIRE PREVENTION AND SAFETY							
GENERAL FUND.....	\$ 2,841	\$ 2,411	\$ 2,387	\$ 2,387	\$ 2,387	\$ 2,387	\$ 2,387
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	14	435	66	66	66	66	66
OTHER FUNDS.....	125,990	142,707	135,814	135,814	135,814	135,814	135,814
SUBCATEGORY TOTAL.....	\$ 128,845	\$ 145,553	\$ 138,267	\$ 138,267	\$ 138,267	\$ 138,267	\$ 138,267
ALL PROGRAMS:							
GENERAL FUND.....	\$ 22,142	\$ 15,494	\$ 12,448	\$ 12,448	\$ 12,448	\$ 12,448	\$ 12,448
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	290,856	241,610	213,245	213,245	213,245	213,245	213,245
OTHER FUNDS.....	154,062	170,932	164,908	164,908	164,908	164,908	164,908
DEPARTMENT TOTAL.....	\$ 467,060	\$ 428,036	\$ 390,601	\$ 390,601	\$ 390,601	\$ 390,601	\$ 390,601

PROGRAM OBJECTIVE: To develop and maintain a statewide emergency force capable of immediate and effective action in the event of natural, technological or other man-made disasters and rapid organizational expansion to assure civil preparedness for war or resource-based emergencies.

Program: Emergency Management

The Pennsylvania Emergency Management Agency (PEMA) was initially created in 1951 to address civil defense related public planning and preparedness. Since its creation, PEMA's responsibilities have evolved, and the agency's mission has grown into a statewide, comprehensive, all-hazards mitigation, preparedness, response and recovery effort. PEMA's responsibilities and mission have grown further following the September 11, 2001 terrorist attack on the nation.

Pennsylvania's public preparedness program is based on inter-governmental and intra-governmental coordination, communication and cooperation and a team approach involving state, county, municipal and federal elected leaders, emergency managers and first responders. At its core is a multi-agency training program which develops and maintains a statewide emergency force composed of state, county and local units jointly capable of prompt and effective action to protect life and property; alleviates human suffering and hardship resulting from natural and man-made disasters; and deploys rapidly when required in the event of war or other resource-based emergencies.

The department's responsibilities also include the programs concerning prison/community safety, 911-program implementation and maintenance, statewide chemical and nuclear power safety and hazardous materials transportation, and individual emergency preparedness.

The commonwealth's civil preparedness and emergency response capability is provided through the maintenance of a statewide system to facilitate hazard assessment, emergency planning, warning and emergency communications. A satellite-based network that monitors actual rainfall amounts provides an early warning system for flooding. To facilitate rapid deployment of resources to protect life and property, an emergency response and command center has been developed. Training and education are provided to county and local entities on an ongoing basis to maintain their civil preparedness and emergency response readiness.

Counties are required to have an approved emergency program plan consisting of a statement of accomplishments, required financial needs, hazard vulnerability and goals indicating projected activity. Federal and state laws mandate conducting exercises to test and update existing emergency preparedness and response plans. This comprehensive exercise program is an extensive and integrated training and testing program that enhances and measures the ability of county and local forces to provide

a comprehensive and coordinated first line of response to emergency conditions.

The department coordinates urban search and rescue capabilities for response to certain types of disasters. Regional rapid assessment teams are trained to provide assessment of needs in disaster areas. The department also coordinates nine regional counter-terrorism task forces and incident support teams. The department acts as the federally designated State Administrative Agency and is responsible for managing congressionally mandated and first responder preparedness support programs.

The department will be responsible for activities required by the U. S. Environmental Protection Agency under the Federal Superfund Amendments and Reauthorization Act. Federal Clean Air Act amendments include upgrading chemical emergency preparedness facility plans and planning and training activities for compliance with the Hazardous Materials Transportation Uniform Safety Act. Responsibilities for preparedness involve state and county governments and chemical manufacturers.

The Public Safety Emergency Telephone Act (Act 78) as amended by Act 56 of 2003 established the Wireless E-911 Emergency Services Fund, which provides for the collection of a one dollar per device monthly surcharge on wireless telephone customers to support a statewide integrated wireless E-911 system. The wireless surcharge funds are disbursed to public safety answering points to upgrade 911 technologies by providing 911 telecommunicators with location information for wireless 911 callers. In addition, Act 78 as amended by Act 72 of 2008 established the Voice over Internet Protocol (VoIP) Emergency Services Fund. The act provides for the collection of a one dollar per month fee for each telephone number assigned by a voice over internet provider to a VoIP service customer that has outbound calling capability. VoIP 911 fees can be remitted to the county or to the commonwealth's VoIP 911 Emergency Services Fund. The fee is for the purpose of assisting counties with the implementation of an agency-approved plan adopted under Section 5 of Act 78.

A recent change in state law has enhanced Pennsylvania's preparedness and response capabilities. Act 42 of 2007 increased the amount of unused appropriated funds the Governor may redirect for disaster relief. These funds are used to provide public assistance, to enable the commonwealth, local communities and municipalities to resume normal function and to assist in the delivery of emergency services and assistance to the citizens of the commonwealth.

Emergency Management Agency

Program: Emergency Management (continued)

Program Recommendations:

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

		Information Systems Management			Regional Events Security
\$	-10	—nonrecurring 2009-10 budgetary freeze amount.	\$	-100	—nonrecurring 2009-10 budgetary freeze amount.
				-2,900	—nonrecurring costs.
\$	-12	Security and Emergency Preparedness	\$	-3,000	<i>Appropriation Decrease</i>
		—nonrecurring 2009-10 budgetary freeze amount.			

All other appropriations are recommended at the current year funding levels.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
	Actual	Available	Budget	Estimated	Estimated	Estimated	Estimated
General Government Operations	\$ 5,867	\$ 5,921	\$ 5,921	\$ 5,921	\$ 5,921	\$ 5,921	\$ 5,921
Information Systems Management.....	1,089	1,000	990	990	990	990	990
Security and Emergency Preparedness....	1,089	1,162	1,150	1,150	1,150	1,150	1,150
June 2006 Flood Disaster - Public Assistance.....	2,490	0	0	0	0	0	0
November 2006 Winter Storm Disaster - Public Assistance.....	300	0	0	0	0	0	0
Summer 2008-Hurricane Gustav-EMAC ...	2,500	0	0	0	0	0	0
Regional Events Security	5,966	5,000	2,000	2,000	2,000	2,000	2,000
TOTAL GENERAL FUND	\$ 19,301	\$ 13,083	\$ 10,061				



PROGRAM OBJECTIVE: To minimize the loss of life and property due to fire by developing and maintaining statewide municipal fire and emergency service capability.

Program: Fire Prevention and Safety

The State Fire Commissioner Act, Act 61 of 1995, places responsibility on the State Fire Commissioner for addressing the diverse training, operational and informational needs of the commonwealth's fire and emergency services community. The commissioner oversees the development and operation of the State Fire Academy's Resident and Local Level Training programs, the Volunteer Loan Assistance program, the Pennsylvania Fire Information Reporting System (PennFIRS), a public education/information program, and the administration of the firefighters' memorial flag program. Act 17 of 2003 established the Volunteer Fire Company and Volunteer Ambulance Service Grant programs which the commissioner's office manages. The State Fire Commissioner is responsible for coordinating federal, state and private fire safety funds; assisting state agencies in the development of plans related to fire safety; reviewing existing or proposed rules and regulations affecting the safety of commonwealth citizens; and providing a cost-effective fire-loss management system for the commonwealth.

Through contacts with government agencies, the business community, consumers and the fire service, the fire commissioner's office provides technical assistance; collects, reviews and disseminates pertinent information about fire death data and fire prevention and control techniques; and conducts statewide fire safety educational programs for the entire fire community.

The State Fire Academy (SFA) at Lewistown is the catalyst for training delivery to the state's fire and emergency response community. The Local Level Training program, a unique system involving the SFA, community colleges and county and local training facilities and organizations, provides a comprehensive curriculum of basic and mid-level fire, rescue, hazardous material, officer development and fire department management courses deliverable to firefighters through county and local fire department programs.

The SFA's training facilities and staff support the Resident Training program of mid-level, advanced and specialty training in fire, rescue, hazardous material and officer development aimed at providing professional

development opportunities for the state's firefighters, fire officers, the academy's cadre of field instructors and employees from other state agencies. The SFA also makes available a Firefighter Certification program that measures individual knowledge and skills against nationally accepted professional standards to assist firefighters in maximizing their training and experience credentials.

The Volunteer Loan Assistance program provides assistance to the volunteer fire fighting, ambulance and rescue community in the form of low-interest loans for the purpose of establishing or modernizing facilities to house apparatus and equipment, purchasing new or rehabilitating old apparatus, and purchasing protective, communications and accessory equipment. Funding for the loan program is reflected in the financial statement for the Volunteer Companies Loan Fund included in the Special Funds Appendix.

The most recent amendments to Act 17 of 2003, Volunteer Fire Company and Volunteer Ambulance Service Grant Program Act, extend this grant program through June 30, 2012. An annual transfer of \$25 million from the State Gaming Fund to the Volunteer Company Grant program provides funds to be used for grants to volunteer fire companies and ambulance services to assist them in maintaining or improving their capability to provide fire, ambulance and rescue services.

Act 168 of 1990 provides for a flag to honor firefighters who have died in the line of duty and assigns the Office of the Pennsylvania State Fire Commissioner the responsibility to implement the provisions of the act. As part of its involvement in this program, the fire commissioner's office provides personal support and assistance to fire departments and surviving relatives immediately following such deaths and attempts to ascertain and use lessons-learned to reduce the number of firefighter deaths in the future.

Act 42 of 2008 established the "Fire Prevention and Safety Fund" within the Office of the Fire Commissioner. The fund is to be credited with penalties levied under the act and will be used to support fire and safety prevention programs.

Emergency Management Agency

Program: Fire Prevention and Safety (continued)

Program Recommendations:

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

<p>State Fire Commissioner</p> <p>\$ -21 —nonrecurring 2009-10 budgetary freeze amount.</p>	<p>Red Cross Extended Care Program</p> <p>\$ -3 —nonrecurring 2009-10 budgetary freeze amount.</p>
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The Firefighters' Memorial Flag appropriation is recommended at the current year funding level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
GENERAL FUND:							
State Fire Commissioner	\$ 2,091	\$ 2,101	\$ 2,080	\$ 2,080	\$ 2,080	\$ 2,080	\$ 2,080
Firefighters' Memorial Flag	0	10	10	10	10	10	10
Red Cross Extended Care Program.....	750	300	297	297	297	297	297
TOTAL GENERAL FUND	\$ 2,841	\$ 2,411	\$ 2,387	\$ 2,387	\$ 2,387	\$ 2,387	\$ 2,387



Emergency Management Agency

Program Measures

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Program: Emergency Management							
Emergency Preparedness and Response							
State and local emergency management personnel trained*	3,897	4,000	4,200	4,400	4,600	4,800	5,100
Percentage of commonwealth residents prepared for a disaster through outreach and training events*	N/A	30%	32%	34%	35%	36%	37%
Percentage of counties that receive federal funds and exceed the required minimum number of community outreach events annually*	N/A	39%	42%	45%	46%	47%	48%
Emergency management grant funds disbursed in federal and state funds (in thousands)	\$62,979	\$80,000	\$70,000	\$70,000	\$70,000	\$70,000	\$70,000

* New Program Measure

Program: Fire Prevention and Safety

Fire departments participating in Fire Department Recognition Program*	498	532	570	610	650	700	750
State Fire Academy Entry Level Training Graduates	10,230	9,000	9,000	9,000	9,000	9,000	9,000
Individuals certified at firefighter or higher at the State Fire Academy	3,902	4,300	4,300	4,300	4,300	4,300	4,300
Incidents reported through the PA Fire Information Reporting System	211,320	212,000	212,000	212,000	212,000	212,000	212,000
Volunteer company loans approved (in thousands)	\$11,736	\$15,500	\$15,500	\$16,000	\$16,000	\$16,000	\$16,000
Volunteer company grants awarded	2,721	2,750	2,750	2,750	2,750	2,750	2,850

* New Program Measure





DEPARTMENT OF ENVIRONMENTAL PROTECTION

The mission of the Department of Environmental Protection is to protect Pennsylvania's air, land and water from pollution and to provide for the health and safety of its citizens through a cleaner environment. The department will work as partners with individuals, organizations, governments and businesses to prevent pollution and restore our natural resources.



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Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

GENERAL FUND:

General Government:

	2008-09 ACTUAL	2009-10 AVAILABLE	2010-11 BUDGET
General Government Operations.....	\$ 17,742	\$ 14,445	\$ 14,301
(A)Reimbursement - EDP Services.....	7,992	9,055	9,055
(A)Department Services.....	256	100	100
Subtotal.....	<u>\$ 25,990</u>	<u>\$ 23,600</u>	<u>\$ 23,456</u>

Environmental Hearing Board.....	1,710	1,708	1,805
(A)Reimbursement for Services.....	2	1	1
Subtotal.....	<u>\$ 1,712</u>	<u>\$ 1,709</u>	<u>\$ 1,806</u>

Environmental Program Management.....	37,664	32,694	32,367
(F)Coastal Zone Management.....	4,700	4,700	4,700
(F)Construction Management Assistance Grants - Administration.....	1,400	1,400	1,400
(F)Storm Water Permitting Initiative.....	2,300	2,300	2,300
(F)Safe Drinking Water Act - Management.....	5,500	5,500	5,500
(F)Water Pollution Control Grants - Management.....	5,500	5,500	5,500
(F)Air Pollution Control Grants - Management.....	2,700	2,700	2,700
(F)Surface Mine Conservation.....	6,500	6,500	6,500
(F)Wetland Protection Fund.....	840	840	840
(F)Diagnostic X-Ray Equipment Testing.....	340	450	450
(F)Water Quality Outreach Operator Training.....	200	200	200
(F)Water Quality Management Planning Grants.....	1,150	1,150	1,150
(F)ARRA - Water Quality Management Planning Grants.....	0	1,567	1,567
(F)Small Operators Assistance.....	2,000	2,000	2,000
(F)Wellhead Protection Fund.....	250	250	250
(F)Indoor Radon Abatement.....	500	500	600
(F)Non-Point Source Implementation.....	12,800	12,800	12,800
(F)Hydroelectric Power Conservation Fund.....	9	51	51
(F)Survey Studies.....	3,000	3,000	3,000
(F)ARRA - Survey Studies.....	0	14,474	14,474
(F)National Dam Safety.....	150	150	150
(F)Training Reimbursement for Small Systems.....	3,500	3,500	3,500
(F)Abandoned Mine Reclamation (EA).....	55,000	55,000	55,000
(F)Nuclear and Chemical Security (EA).....	3,225	3,225	3,225
(F)Homeland Security Initiative (EA).....	1,000	1,000	1,000
(F)State Energy Program.....	4,951	11,000	11,000
(F)ARRA - State Energy Program.....	0	184,000	184,000
(F)Pollution Prevention.....	800	800	800
(F)Energy & Environmental Opportunities.....	1,200	1,200	1,200
(F)Surface Mine Conservation.....	630	680	680
(A)Payments - Department Services.....	92	15	20
(A)Vehicle Sales.....	20	5	6
(A)Clean Water Fund.....	0	52	0
(A)Reimbursement from Water Pollution Control Revolving Fund.....	186	3	3
(A)Safe Drinking Water Account.....	0	0	109
(A)Reimbursement - PENNVEST.....	0	137	212
(A)Safe Drinking Water Revolving Fund Administration.....	214	84	186
(A)Municipalities Sewage Facilities Compliance.....	0	0	137
(R)Sewage Facilities Program Administration (EA).....	1,500	1,500	1,500
(R)Used Tire Pile Remediation (EA).....	0	0	53
Subtotal.....	<u>\$ 159,821</u>	<u>\$ 360,927</u>	<u>\$ 361,130</u>

Chesapeake Bay Agricultural Source Abatement.....	3,214	3,032	3,002
(F)Chesapeake Bay Pollution Abatement.....	6,200	6,200	6,200
Subtotal.....	<u>\$ 9,414</u>	<u>\$ 9,232</u>	<u>\$ 9,202</u>

Environmental Protection Operations.....	98,544	85,069	84,218
(F)EPA Planning Grant - Administration.....	7,800	7,800	8,400
(F)Water Pollution Control Grants.....	5,500	6,000	8,900
(F)Air Pollution Control Grants.....	3,370	4,075	4,075



Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2008-09 ACTUAL	2009-10 AVAILABLE	2010-11 BUDGET
(F)Surface Mine Control and Reclamation.....	9,444	11,344	11,344
(F)Training & Education of Underground Coal Miners.....	1,700	1,700	1,700
(F)Construction Management Assistance Grants.....	350	350	350
(F)Safe Drinking Water.....	2,985	5,100	5,700
(F)Oil Pollution Spills Removal.....	1,000	1,000	1,000
(F)Emergency Disaster Relief (EA).....	213	213	213
(F)Technical Assistance to Small Systems (EA).....	1,000	1,000	1,000
(F)Assistance to State Programs (EA).....	7,000	7,000	7,000
(F)Local Assistance and Source Water Protection (EA).....	6,500	6,500	6,500
(A)Clean Air Fund.....	2,244	2,244	2,244
(A)Clean Water Fund.....	0	0	1,791
(A)Vehicle Sale.....	82	80	80
(A)Reimbursement from Water Pollution Control Revolving Fund.....	273	100	270
(A)Safe Drinking Water Account.....	200	200	200
(A)Solid Waste Abatement.....	500	500	500
(A)Reimbursement - PENNVEST.....	65	40	65
(A)Reimbursement - Department Services.....	78	55	55
(A)PADOT ISTEPA Program.....	738	793	585
(A)Safe Drinking Water Revolving Fund.....	734	500	730
(A)Reimbursement - Laboratory Services.....	8,878	9,866	10,898
(A)Lab Accreditation.....	1,287	1,000	1,000
Subtotal.....	\$ 160,485	\$ 152,529	\$ 158,818
Black Fly Control and Research.....	6,808	5,106	3,692
(A)County Contributions.....	859	820	820
Subtotal.....	\$ 7,667	\$ 5,926	\$ 4,512
West Nile Virus Control.....	6,911	5,193	4,607
(A)Vehicle Sales.....	4	0	0
Subtotal.....	\$ 6,915	\$ 5,193	\$ 4,607
Subtotal - State Funds.....	\$ 172,593	\$ 147,247	\$ 143,992
Subtotal - Federal Funds.....	173,207	384,719	388,919
Subtotal - Augmentations.....	24,704	25,650	29,067
Subtotal - Restricted Revenues.....	1,500	1,500	1,553
Total - General Government.....	\$ 372,004	\$ 559,116	\$ 563,531
Grants and Subsidies:			
Safe Water.....	\$ 11,000	\$ 0	\$ 0
Flood Control Projects.....	5,475	4,175	4,133
Storm Water Management.....	2,079	0	0
Sewage Facilities Planning Grants.....	1,843	1,000	900
Sewage Facilities Enforcement Grants.....	4,935	3,000	2,700
Climate Change Initiatives.....	287	0	0
Consumer Energy Program.....	7,500	0	0
Transfer to Home Efficiency Loan Fund.....	5,000	0	0
Data Center Energy Conservation Projects.....	2,000	0	0
Delaware River Master.....	94	89	88
Ohio River Basin Commission.....	14	13	13
Susquehanna River Basin Commission.....	988	667	660
Interstate Commission on the Potomac River.....	52	49	49
Delaware River Basin Commission.....	1,084	1,030	1,020
Ohio River Valley Water Sanitation Commission.....	170	150	148
Chesapeake Bay Commission.....	285	251	248
Transfer to Conservation District Fund.....	3,600	3,060	3,029



Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2008-09 ACTUAL	2009-10 AVAILABLE	2010-11 BUDGET
Interstate Mining Commission	37	33	33
Sea Grant Program	189	0	0
Total - Grants and Subsidies.....	\$ 46,632	\$ 13,517	\$ 13,021
STATE FUNDS.....	\$ 219,225	\$ 160,764	\$ 157,013
FEDERAL FUNDS.....	173,207	384,719	388,919
AUGMENTATIONS.....	24,704	25,650	29,067
RESTRICTED REVENUES.....	1,500	1,500	1,553
GENERAL FUND TOTAL	\$ 418,636	\$ 572,633	\$ 576,552
<u>ENVIRONMENTAL STEWARDSHIP FUND:</u>			
<i>Grants and Subsidies:</i>			
Watershed Protection and Restoration (EA).....	\$ 16,759	\$ 13,463	\$ 12,404
<u>MOTOR LICENSE FUND:</u>			
<i>General Government:</i>			
Dirt and Gravel Roads.....	\$ 4,000	\$ 4,000	\$ 4,000
<u>OTHER FUNDS:</u>			
GENERAL FUND:			
Safe Drinking Water Account.....	\$ 440	\$ 661	\$ 357
Radiation Protection Fund.....	7,547	10,774	11,490
Clean Water Fund.....	980	5,558	6,424
Solid Waste Abatement Fund.....	2,395	2,406	2,767
Well Plugging Account.....	950	9,920	13,215
Abandoned Well Plugging.....	0	640	300
Orphan Well Plugging.....	1,540	2,163	1,525
Alternative Fuels.....	8,147	18,648	12,070
Industrial Land Recycling.....	123	215	240
Waste Transportation Safety Account.....	0	2,043	2,339
GENERAL FUND TOTAL	\$ 22,122	\$ 53,028	\$ 50,727
ACID MINE DRAINAGE ABATEMENT AND TREATMENT FUND:			
Acid Mine Drainage Abatement and Treatment (F) (EA).....	\$ 8,833	\$ 11,134	\$ 11,292
CLEAN AIR FUND:			
Major Emission Facilities (EA).....	\$ 22,660	\$ 22,939	\$ 24,732
Mobile and Area Facilities (EA).....	7,949	6,641	6,382
CLEAN AIR FUND TOTAL	\$ 30,609	\$ 29,580	\$ 31,114
COAL AND CLAY MINE SUBSIDENCE INSURANCE FUND:			
General Operations (EA).....	\$ 3,439	\$ 3,025	\$ 3,076
Payment of Claims (EA).....	2,000	2,052	2,053
COAL AND CLAY MINE SUBSIDENCE INSURANCE FUND TOTAL	\$ 5,439	\$ 5,077	\$ 5,129
COAL LANDS IMPROVEMENT FUND:			
Coal Lands Restoration.....	\$ 350	\$ 305	\$ 300
CONSERVATION DISTRICT FUND:			
Conservation District Grants (EA).....	\$ 3,600	\$ 3,060	\$ 3,060
ENERGY CONSERVATION AND ASSISTANCE FUND:			
Energy Conservation.....	\$ 195	\$ 0	\$ 0



Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2008-09 ACTUAL	2009-10 AVAILABLE	2010-11 BUDGET
ENERGY DEVELOPMENT FUND:			
Energy Development - Administration (EA).....	\$ 105	\$ 250	\$ 250
Energy Development Loans/Grants (EA).....	250	200	200
ENERGY DEVELOPMENT FUND TOTAL	\$ 355	\$ 450	\$ 450
ENVIRONMENTAL EDUCATION FUND:			
General Operations (EA).....	\$ 915	\$ 982	\$ 545
GROWING GREENER BOND FUND:			
Environmental Improvement Projects (EA).....	\$ 18,349 a	\$ 33,357 a	\$ 33,031 a
Acid Mine Drainage Abatement and Mine Cleanup (EA).....	10,991 a	11,841 a	12,524 a
Authority Projects (EA).....	3,969 a	15,729 a	11,220 a
GROWING GREENER BOND FUND TOTAL	\$ 33,309	\$ 60,927	\$ 56,775
HAZARDOUS SITES CLEANUP FUND:			
General Operations (EA).....	\$ 18,222	\$ 16,457	\$ 18,480
Hazardous Sites Cleanup (EA).....	21,994	27,900	24,554
Host Municipality Grants (EA).....	50	80	80
Transfer to Industrial Sites Cleanup Fund (EA).....	0	2,000	2,000
Small Business Pollution Prevention (EA).....	881	1,000	1,000
Transfer-Industrial Sites Environmental Assessment Fund (EA).....	2,000	2,000	2,000
Transfer to Household Hazardous Waste Account.....	0	1,000	1,000
HAZARDOUS SITES CLEANUP FUND TOTAL	\$ 43,147	\$ 50,437	\$ 49,114
LOW LEVEL WASTE FUND:			
General Operations (EA).....	\$ 352	\$ 166	\$ 198
NON-COAL SURFACE MINING CONSERVATION & RECLAMATION FUND:			
General Operations (EA).....	\$ 2,200	\$ 4,575	\$ 4,700
NUTRIENT MANAGEMENT FUND:			
Education, Research and Technical Assistance (EA).....	\$ 1,590	\$ 1,596	\$ 2,110
RECYCLING FUND:			
Recycling Coordinator Reimbursement (EA).....	\$ 1,300	\$ 1,600	\$ 1,600
Reimbursement for Municipal Inspection (EA).....	821	425	425
Reimburse-Host Municipality Permit Applications Review (EA).....	20	10	10
Administration of Recycling Program (EA).....	896	894	1,408
County Planning Grants (EA).....	994	2,000	2,000
Municipal Recycling Grants (EA).....	20,104	24,000	15,700
Municipal Recycling Performance Program (EA).....	23,000	23,000	23,573
Public Education/Technical Assistance (EA).....	5,155	4,038	2,300
Small Business Pollution Prevention (EA).....	100	0	0
RECYCLING FUND TOTAL	\$ 52,390	\$ 55,967	\$ 47,016
REMINING FINANCIAL ASSURANCE FUND:			
Remining Financial Assurance (EA).....	\$ 125	\$ 185	\$ 150
STORAGE TANK FUND:			
General Operations (EA).....	\$ 8,013	\$ 9,100	\$ 8,600
Underground Storage Tanks (F) (EA).....	1,000	1,250	1,250
Leaking Underground Storage Tanks (F) (EA).....	2,990	2,990	2,990
ARRA - Leaking Underground Storage Tanks.....	0	0	6,163
STORAGE TANK FUND TOTAL	\$ 12,003	\$ 13,340	\$ 19,003
SURFACE MINING CONSERVATION & RECLAMATION FUND:			
General Operations (EA).....	\$ 2,770	\$ 5,157	\$ 3,215
UNDERGROUND STORAGE TANK INDEMNIFICATION FUND:			
Environmental Cleanup Program (EA).....	\$ 2,684	\$ 5,500	\$ 5,500
Pollution Prevention Program (EA).....	370	1,000	1,000
Catastrophic Release Program.....	1,121	5,301	5,301
UNDERGROUND STORAGE TANK INDEMNIFICATION FUND TOTAL	\$ 4,175	\$ 11,801	\$ 11,801



Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2008-09 ACTUAL	2009-10 AVAILABLE	2010-11 BUDGET
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 219,225	\$ 160,764	\$ 157,013
SPECIAL FUNDS.....	20,759	17,463	16,404
FEDERAL FUNDS.....	173,207	384,719	388,919
AUGMENTATIONS.....	24,704	25,650	29,067
RESTRICTED.....	1,500	1,500	1,553
OTHER FUNDS.....	224,479	307,767	296,699
TOTAL ALL FUNDS.....	<u>\$ 663,874</u>	<u>\$ 897,863</u>	<u>\$ 889,655</u>

^a Appropriated as a \$213,000,000 continuing executive authorization in 2005-06. Amount shown is an estimate of program disbursements within the fiscal year.



Program Funding Summary

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
ENVIRONMENTAL SUPPORT SERVICES							
GENERAL FUND.....	\$ 19,452	\$ 16,153	\$ 16,106	\$ 16,106	\$ 16,106	\$ 16,106	\$ 16,106
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	8,250	9,156	9,156	9,156	9,156	9,156	9,156
SUBCATEGORY TOTAL.....	\$ 27,702	\$ 25,309	\$ 25,262	\$ 25,262	\$ 25,262	\$ 25,262	\$ 25,262
ENVIRONMENTAL PROTECTION AND MANAGEMENT							
GENERAL FUND.....	\$ 199,773	\$ 144,611	\$ 140,907	\$ 140,907	\$ 140,907	\$ 140,907	\$ 140,907
SPECIAL FUNDS.....	20,759	17,463	16,404	16,404	16,404	16,404	16,404
FEDERAL FUNDS.....	173,207	384,719	388,919	388,919	188,878	188,878	188,878
OTHER FUNDS.....	242,433	325,761	318,163	304,988	298,825	298,825	298,825
SUBCATEGORY TOTAL.....	\$ 636,172	\$ 872,554	\$ 864,393	\$ 851,218	\$ 645,014	\$ 645,014	\$ 645,014
ALL PROGRAMS:							
GENERAL FUND.....	\$ 219,225	\$ 160,764	\$ 157,013	\$ 157,013	\$ 157,013	\$ 157,013	\$ 157,013
SPECIAL FUNDS.....	20,759	17,463	16,404	16,404	16,404	16,404	16,404
FEDERAL FUNDS.....	173,207	384,719	388,919	388,919	188,878	188,878	188,878
OTHER FUNDS.....	250,683	334,917	327,319	314,144	307,981	307,981	307,981
DEPARTMENT TOTAL.....	\$ 663,874	\$ 897,863	\$ 889,655	\$ 876,480	\$ 670,276	\$ 670,276	\$ 670,276



PROGRAM OBJECTIVE: To provide administrative and technical support for the commonwealth's environmental protection programs.

Program: Environmental Support Services

This program provides the administrative and technical systems that direct and support the department's programs. It includes the executive and administrative offices, the Office of Chief Counsel, information and data processing systems, the Citizens Advisory Council and the Environmental Quality Board.

The Environmental Hearing Board's purpose is to safeguard the environmental rights of Pennsylvania's citizens through appeals of actions taken or instituted by the Department of Environmental Protection and/or the private sector. It is included here for presentation purposes.

Program Recommendations:

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

General Government Operations
 \$ -144 —nonrecurring 2009-10 budgetary freeze amount.

Environmental Hearing Board
 \$ 97 —to continue current program.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
GENERAL FUND:							
General Government Operations	\$ 17,742	\$ 14,445	\$ 14,301	\$ 14,301	\$ 14,301	\$ 14,301	\$ 14,301
Environmental Hearing Board	1,710	1,708	1,805	1,805	1,805	1,805	1,805
TOTAL GENERAL FUND	\$ 19,452	\$ 16,153	\$ 16,106	\$ 16,106	\$ 16,106	\$ 16,106	\$ 16,106

PROGRAM OBJECTIVE: To protect and improve the quality of the air, water and environment for the health and safety of the citizens of the commonwealth, to protect people from dangerous or unnecessary radiation from natural and man-made sources, including occupational and medical exposure and to manage water and mineral resources in a way that protects their undue destruction and depletion while allowing economic benefits from their use.

Program: Environmental Protection and Management

This program encompasses the major program elements that help to protect the health and safety of the citizens of the commonwealth as well as the quality of their environment and economic health. These activities are all associated with the department's goals for Clean Air, Clean Water, Land Protection, Community Health and Safety and Sustainable Energy.

Act 68 of 1999, the Environmental Stewardship and Watershed Protection Act, authorized the beginning of the "Growing Greener" program. The goal of this program is to ensure citizens their rights to clean air, to pure water and to the preservation of the natural, scenic, historic and esthetic values of the environment. In the Department of Environmental Protection, a number of program elements are affected: Water Quality Protection, Water Supply Management, Regulation of Mining and Watershed Conservation. Expanded activities include the reclamation of abandoned mines, plugging of certain oil and gas wells, protection and restoration of watersheds and improvements to drinking water and sewer systems. With the passage of Act 90 of 2002, the primary revenue source for the Environmental Stewardship Fund was restructured from a General Fund contribution to a \$4 tipping fee per ton of solid waste disposed in Pennsylvania's municipal waste landfills. The first \$50 million of revenue from the fee was deposited into the Environmental Stewardship Fund in 2002-03, with the fund receiving all revenue generated by the fee in 2003-04 and thereafter. The act provides a specific, dedicated source of funding for the Growing Greener program and extends the \$4 tipping fee until 2012. The budget includes funds from the Growing Greener II bond initiative, approved by the voters May 17, 2005. Growing Greener II will provide the department with \$230 million over six years to clean up rivers and streams, take on serious environmental problems at abandoned mines and contaminated industrial sites, and finance the deployment of advanced energy projects.

The Bureau of Laboratories provides analytical data for the department that determines and identifies pollution levels in samples from any part of the environment. Samples from streams and lakes, solid wastes, drinking water, industrial wastes and fish are analyzed for toxic chemicals. Milk, food, water and air are examined for radiation. Water from supply systems, beaches and sewage treatment plants is examined for bacteria and

homeowners' water is examined for potability. With the passage of the Environmental Laboratory Accreditation Act (Act 90 of 2002), an accreditation program for environmental laboratories within the department was established to assure the quality of compliance data in all program areas.

CLEAN AIR

Program Element: Protection of Air Quality

Emissions of air contaminants are closely monitored and controlled by the department to protect public health as required by the Federal Clean Air Act, the Pennsylvania Air Pollution Control Act of 1960 and regulations adopted under the acts. Pollutants of primary concern include ground-level ozone, suspended particulates, sulfur and nitrogen oxides, volatile organic compounds and toxic air pollutants. Despite progress, significant challenges remain. Only 66 percent of the population of Pennsylvania lives in counties attaining the 8-hour National Ambient Air Quality Standard for ground-level ozone. Ozone, a bluish gas, irritates the eyes and upper respiratory system. Forty-four percent of the population lives in counties which meet the federal ambient standard for fine particulate pollution. Small particles and toxic air pollutants they carry with them can aggravate or cause respiratory ailments.

Many of the volatile organic compounds and heavy metals resulting from industrial processes and combustion sources are toxic air pollutants. Emissions of these pollutants must be controlled under Federal Maximum Achievable Control Technology requirements.

The department's 55 ambient (outside) monitors measure overall air quality. Sites are chosen primarily for their proximity to populated areas. Source monitoring, by both operators and mobile teams from the department, is used to check individual sources of emissions. Certain large facilities are required to install instruments that continuously monitor emissions.

Permits and inspections ensure that sources of emissions are designed, constructed and operated in accordance with air quality regulations. The department regulates more than 3,000 sources of air emissions. The department approves plans for new construction or modification of existing facilities and issues operating permits for major sources. The department has implemented an initiative to streamline the permit process. Inspections and stack tests

Program: Environmental Protection and Management (continued)

are conducted to assure that facilities conform to approved operating standards. The department uses compliance agreements and abatement orders to correct violations.

The department assists businesses with compliance with state rules for “area” sources such as auto body refinishing and works with other state and federal agencies and regional entities to obtain reductions from mobile sources of pollution.

The department reviews plans for the management and removal of asbestos in schools, regulates companies doing removal work and oversees the safe disposal of the asbestos.

The department provides multimedia assistance to businesses to promote pollution prevention and environmental management systems. These activities protect the environment and promote economic activity. In addition, the department provides small businesses with grants to hire consultants to assess pollution prevention opportunities and a loan program that small businesses can use for equipment that prevents pollution.

CLEAN WATER

Program Element: Protection of Water Quality

The department protects public health and safety and preserves natural aquatic systems for public use in Pennsylvania’s watersheds by monitoring and assessing surface water quality, developing water quality standards, managing non-point sources of pollution, protecting coastal zone resources and regulating mining and oil and gas development.

Water quality assessments have been conducted for more than 82,300 miles of streams and 360 lakes in the commonwealth. A total of 67,883 assessed stream miles and 234 assessed lakes support the federal “fishable/swimmable” goal and the fish and aquatic life use designated in Pennsylvania’s water quality standards. Each year, approximately 50 new stream miles and 10 lakes attain assessed water quality standards.

Water pollution sources are classified into two general categories: point and non-point sources. Point sources are those in which the polluting substances are conveyed into a body of water by a pipe or channel, such as sewage discharges, industrial waste discharges and storm or combined sewage drainage. Non-point sources are generally diffused discharges. Of the 16,121 miles identified as impaired by either point sources or non-point sources in the department’s 2008 Water Quality Assessment, the broadest impacts were caused by non-point sources and remain abandoned mine drainage and agricultural runoff.

Over four years, funding from the Growing Greener II bond will help to restore or improve approximately 1,000 acres of wetlands, install or improve 1,100 miles of riparian buffers and improve 250 miles of streams affected by abandoned mine drainage.

Through its planning, permitting, surveillance, monitoring, enforcement and grant administration activities, the department carries out its duties and responsibilities for regulating water pollution control facilities and maintaining a statewide surface and groundwater quality monitoring program. The National Pollutant Discharge Elimination System, a delegated program under the Federal Clean Water Act, requires the commonwealth to permit and monitor point source discharges.

The department has incorporated a significant effort to bring municipalities into compliance with federal combined sewer overflow discharge requirements. Approximately 90 percent of the commonwealth’s municipalities are in compliance with the nine minimum controls specified by the department.

Under the Sewage Facilities Act (Act 537 of 1965), the department reviews plans from each municipality to meet current and future sewage treatment needs in coordination with their land use plans. These plans are the basis for permit decisions concerning local sewage systems. The department approves about 100 sewage facilities plans each year.

The department provides technical and financial support to Pennsylvania’s 66 county conservation districts, which implement several of the water quality protection programs for the department, including erosion and sedimentation control, wetlands and stream encroachments, agricultural application of sewage sludge and dirt and gravel road maintenance.

The Clean Water State Revolving Fund (CWSRF) program provides low-interest loans to communities for construction of wastewater facilities. The department assists the Pennsylvania Infrastructure Investment Authority (PENVEST) in implementing this program by establishing priorities for funding and managing and inspecting projects during construction. To date, more than 1,100 wastewater projects have been funded through the CWSRF.

Mining activities can degrade water quality through erosion and sediment runoff. The department requires applicants for mining permits to provide detailed information about hydrology, geology and proposed operations, in order to demonstrate that the mining activity will not adversely impact water quality.

The department also regulates oil and gas development. Through a permitting system for drilling activity, inspection of drilling and storage sites, and monitoring and enforcement actions, the department works toward protecting the environment and balancing conflicting interests among the oil, gas and coal industries.

Program Element: Water Allocation

Under the Water Rights Act of 1939, the department protects aquatic life and downstream users by providing surface water allocation permits to water suppliers. These

Program: Environmental Protection and Management (continued)

permits, which grant water rights to public water supply agencies, contain conditions designed to ensure adequate stream flows to protect other in-stream and downstream withdrawal uses and ensure implementation of effective water conservation practices. To date, more than 200 streams have been protected.

The department coordinates interstate management of water resources with other states through agreements covered by the Delaware River Basin Commission, the Susquehanna River Basin Commission, the Interstate Commission on the Potomac River Basin, the Ohio River Valley Water Sanitation Commission, the Chesapeake Bay Commission and the Great Lakes Commission.

The Water Resources Planning Act of 2002 requires the department to complete a State Water Plan. The plan will identify alternatives to assure adequate water supplies in watersheds where demands may exceed availability.

LAND PROTECTION

Program Element: Safe Waste Management

The department encourages waste reduction, promotes recycling and reuse of waste products and protects the public by providing for safe transportation and disposal of the remainder of the waste stream. Its principal programs concern municipal waste, residual waste and hazardous waste.

Act 101 of 1988, the Municipal Waste Planning and Recycling Act, requires mandatory recycling in 408 communities. In 1998, Pennsylvania met the goal set by Act 101 of 1988 by recycling more than 25 percent of its municipal waste. The goal was raised to 35 percent by 2003. Pennsylvanians recycled approximately 5 million tons in 2009. Act 175 of 2002 required the department to develop a plan to assist municipalities in making recycling programs under this act financially self-sufficient. This plan was completed in 2004 and is now used as technical assistance in the development of grant applications. Among the recommendations being implemented is creation of an independent Pennsylvania Recycling Markets Center to encourage the continued growth and economic health of Pennsylvania's recycling industries.

The department regulates new and existing landfills to ensure they are designed, constructed and operated with minimal risk to nearby residents and to the environment. Communities in which landfills or waste-to-energy facilities are located have taken an active role in permitting and inspecting these facilities to assure that they are operated properly.

Residual waste is non-hazardous material from industrial, mining, commercial and other similar operations. The department regulates more than 3,000 residual waste generators and treatment, storage and disposal facilities, 750 municipal waste facilities and more than 7,500 transporters. Approximately 2.7 million tons of this material is disposed in Pennsylvania's municipal waste landfills

annually. The department performs permitting, closure and ongoing monitoring of residual waste management facilities. Act 93 of 1988 established a manifest system to track infectious (hospital) wastes from generation until disposal.

The department licenses hazardous waste transporters and provides permits to waste management facilities under the Solid Waste Management Act of 1980. In addition, the department tracks the movement of hazardous waste from generation to ultimate treatment or disposal through a manifest program run by the Department of Revenue. The department uses this information to identify discrepancies and take enforcement actions against violators.

Program Element: Protection of Land

The department protects land by regulating storage tanks and requiring reclamation at active mining and oil and gas operations. The Storage Tank and Spill Prevention Act, Act 32 of 1989, protects health, safety and the environment by preventing releases of dangerous materials from Pennsylvania's 43,000 regulated above ground and underground storage tanks. This is accomplished through a program of registration, permitting, compliance assistance and inspections. In addition, the department certifies storage tank installers and inspectors.

The Federal Surface Mining Control and Reclamation Act established a comprehensive set of performance standards for mining and reclamation of surface and underground coal mines, coal refuse disposal and coal preparation facilities. Pennsylvania is required to follow a mandatory enforcement and civil penalty program under this law and to inspect each mining operation violator monthly until reclamation is achieved. Industrial mineral mines are regulated under the Non-Coal Surface Mining Conservation and Reclamation Act of 1984 and related statutes. The department oversees more than 1,700 other coal mines and 2,000 industrial mineral mines.

The department offers mine subsidence insurance to residential and small commercial property owners. This insurance program is financially self-supporting and directed by the Coal and Clay Mine Subsidence Insurance Board. The growth in the number and value of policies has steadily increased since the program's inception in 1961. Today, more than 58,000 policies are in effect. A cash flow statement for this fund is included in the Other Special Funds Appendix.

The department regulates more than 100,000 oil and gas wells and gas storage reservoirs under the Oil and Gas Act of 1984, protecting the environment through permits, inspections and enforcement. The department processed 9,091 permits in 2009.

Program Element: Restoration of Land

The department protects health and the environment and promotes community development by restoring sites contaminated by hazardous substances or affected

Program: Environmental Protection and Management (continued)

by historic mining or oil and gas development. Just under 12,000 sites in Pennsylvania are known to be contaminated by hazardous substances. Collectively, the department completed or certified cleanups at more than 844 contaminated sites in 2009.

The department's Land Recycling program, which promotes voluntary cleanups, was established by three statutes passed in 1995: Act 2, the Land Recycling and Environmental Remediation Standards Act; Act 3, the Economic Development Agency, Fiduciary and Lender Environmental Liability Act; and Act 4, the Industrial Sites Environmental Assessment Act. The program identifies risk-based standards for cleanups, simplifying the approval process and limiting future liability. In 1999, the department created the Brownfields Inventory Grant program to encourage cleanups through grants to local government and economic development agencies for brownfields inventories. In 2004, Pennsylvania became the first state in the nation to establish a "one-stop cleanup program" creating a one-stop shop for state and federal brownfield cleanup standards. Since 1995, the department has approved more than 1,500 cleanups, creating or retaining more than 39,000 jobs.

The department's Hazardous Sites Cleanup Program, authorized by the Hazardous Sites Cleanup Act (HSCA), Act 108 of 1988, provides funding to conduct cleanups where there is no known responsible party. HSCA also provides the department with enforcement authorities to force the persons who are responsible for releases of hazardous substances to conduct cleanup actions or repay cleanup funds spent by the department. HSCA funds are also used to pay Pennsylvania's share of cleanup costs for sites in the Federal Superfund program. The program is currently funded through an annual \$40 million transfer from CSFT revenues.

Chapter 9 of HSCA established the Hazardous Sites Cleanup Fund (HSCF), which has been utilized to finance thousands of contaminated site cleanups. A portion (one-half mill) of the Capital Stock and Franchise Tax (CSFT) was deposited annually into the HSCF as the primary funding source for the program. In 1999 this tax was reduced to one-quarter mill and in 2003 the tax was diverted from the HSCF to the General Fund.

The department's Storage Tank Cleanup program, authorized by the Pennsylvania Storage Tank and Spill Prevention Act, Act 32 of 1989, oversees a corrective action program for regulated above and underground storage tanks. More than 550 tank releases were remediated in 2009.

The department's multi-site remediation agreements ensure the investigation and cleanup of the remaining sites contaminated by hazardous materials.

The department resolves environmental degradation and health and safety problems resulting from inactive and abandoned coal mines. The Remining Operator Assistance program provides assistance and funding to coal operators

who mine and reclaim abandoned mine lands by paying for the cost of data collection and permit application. The department also provides direct funding from the Federal Office of Surface Mining for the reclamation of abandoned mines, abatement and treatment of acid mine drainage, control of underground mine fires and refuse bank fires and control of surface subsidence from abandoned deep mines. More than 1,300 acres were reclaimed by the department and permitted operators. There are approximately 50,000 acres in the department's inventory of high-priority abandoned mine land, posing a threat to health, safety and general welfare.

The Oil and Gas Act of 1984 requires oil and gas well operators to plug non-producing wells and authorizes permit surcharges to support the department's orphaned and abandoned well plugging program. An unplugged abandoned well can be a hazard to the health and safety of people living near it and the environment. There are approximately 8,512 oil and gas wells in the department's abandoned or orphaned well inventory. The department plugged 202 orphan and abandoned wells in 2009.

SAFE AND HEALTHY COMMUNITIES

Program Element: Safe Drinking Water

The department implements the Pennsylvania Safe Drinking Water Act of 1984 and protects public health by regulating more than 2,100 community water systems serving 10.5 million residents and 7,400 non-community public water systems generally serving restaurants, industries, schools and motels, which must comply with standards. In 2009, 98 percent of the population was served by water supply systems that met all health-based standards. The department also provides consultative services and inspections for the 700,000 residential water supplies in Pennsylvania. There have been great strides made in reducing waterborne diseases.

As a result of amendments to the Federal Safe Drinking Water Act in 1996, the department is giving increased emphasis to source water protection, operator training and certification and capability enhancements for public water systems to address technical, managerial and financial issues. Community water systems have adopted source water protection strategies covering approximately 20 percent of Pennsylvania's source water areas. The department has assessed nearly 14,000 drinking water sources for susceptibility to contamination. Source water assessments support the development of local, voluntary source water protection strategies.

The amendments also placed additional emphasis on water infrastructure financing programs like the Safe Drinking Water State Revolving Fund, which is jointly administered by the department and PENNVEST. To date, more than 181 drinking water projects have been completed through this program with another 700 projects funded through this program.

Program: Environmental Protection and Management (continued)

Program Element: Radiation Protection

The department protects citizens from exposure to dangerous levels of radiation through licensing and inspection of radiation source users. This includes registering radiation-producing equipment, licensing users of radioactive materials and inspecting facilities to assure compliance. The department inspects more than 10,000 users possessing approximately 30,000 x-ray units and 460 facilities utilizing accelerators and naturally occurring radioactive material. The department inspects almost 390 mammography x-ray facilities under a contract with the Federal Food and Drug Administration. This activity enhances the quality of mammograms and increases the likelihood of early detection of breast cancer.

The department also monitors the environment for radiation, primarily in the vicinity of nuclear power plants. Samples from ambient air, milk produced on local farms, surface waters, vegetation, fish and silt are collected and tested at regular intervals.

The department works with the Federal Nuclear Regulatory Commission (NRC) to provide routine inspection and oversight for all nuclear power generating facilities in the commonwealth. The department also inspects decommissioning and decontamination activities as well as active sites regulated by the NRC for occupational, public and environmental radiation exposures. Surveys and samples are taken to ensure the cleanup levels established for the site have been met.

The department conducts a program of public education and outreach to encourage voluntary measurement and remediation of naturally occurring radon gas in private dwellings and helps to identify effective solutions. The department certifies radon testing and mitigation firms and testing laboratories to ensure accurate test results and effective construction or remedial techniques. Approximately 23,000 buildings are discovered each year in Pennsylvania with unsafe levels of radon, with department-certified firms installing more than 4,000 mitigation systems, preventing 134 potential lung cancer deaths. Up to 40 percent of the buildings in Pennsylvania may have unsafe radon levels.

The department ensures safe disposal of low-level radioactive waste (LLRW), including contaminated soils, filters, gloves and clothing from industries, hospitals and university research centers. The Appalachian Low-Level Radioactive Waste Compact Act of 1985 and the Low-Level Radioactive Waste Disposal Act of 1988 committed Pennsylvania to establish a LLRW disposal facility. The department suspended the siting process in 1998 because of the dramatic reduction in the volume of LLRW being generated in the Appalachian Compact. The department has prepared a siting re-start plan and will monitor national LLRW disposal developments to ensure adequate disposal capacity. The department will

also continue to promote LLRW volume reduction during the suspension period.

Program Element: Nuisance and Vector Control

The department provides surveillance and control to reduce the threat of West Nile Virus in cooperation with the Departments of Health and Agriculture. The department monitors mosquito populations, takes steps to control mosquitoes that may carry the virus and examines unknown vectors and reservoirs involved in the transmission of the virus. The department also provides information, outreach and funding to build a long-term infrastructure for county government. In 2009, more than 114,000 mosquito-breeding areas were sprayed to control the threat of West Nile Virus.

The department reduces the black fly population and gives relief to citizens and visitors of the commonwealth by treating 2,500 stream miles of the Susquehanna, Delaware and Allegheny rivers and their tributaries.

Program Element: Emergency Preparedness and Response

The department's emergency response personnel are available whenever there is an immediate threat to public health, safety or the environment. Each year, the department responds to more than 4,000 environmental releases. While the department's major focus is response to spills to land and water, the department also has significant involvement with air pollution incidents (fires or industrial-transportation-related releases) and leaking underground storage tanks. In addition, the department responds to a smaller number of incidents involving public water supply shortages or contamination, mining-related discharges, oil and gas production-related discharges and waterborne illness outbreaks. The department is developing plans to address any contingencies associated with fuel supply disruptions. In addition, the department is prepared to protect the citizens of Pennsylvania in the event of an accident involving radioactive materials at a power plant or other facility utilizing radioactive materials.

Program Element: Flood Protection and Dam Safety

The department's flood protection and stream improvement programs, in existence for more than 50 years, protect lives and property through the construction of physical structures such as dams, levees, flood walls, channels, culverts and bank stabilization works. Major flood protection projects are generally designed to protect communities from damages during the 100-year flood event.

The department regulates dams and reservoirs under the Dam Safety and Encroachments Act of 1978. The department reviews plans and specifications of dam permit applications and conducts inspections of new dams under



Program: Environmental Protection and Management (continued)

construction as well as existing dams to determine their general condition. There are approximately 3,000 dams under active regulation in the commonwealth. Of this total, there are 780 high-hazard dams and 2,370 other dams that require inspection and monitoring. High-hazard dams are inspected annually to assure proper operation and maintenance because of the significant threat posed by their possible failure. Each year, more than 30 high-hazard dams are upgraded or repaired. In addition, the department regulates construction and maintenance of any obstructions, encroachments and changes to the course and current of streams, as well as the related flood plains.

Program Element: Mine Safety

The department protects the health and safety of miners through safety programs that reduce the possibility of accidents. Mine safety inspections include technical evaluations for explosive use, subsidence, map composition, electrical installations, cleaning plant safety, active refuse banks and safety zones. The department provides safety oversight for more than 3,800 mining operations, in addition to safety and emergency medical training and certifications for underground mine workers.

In the event of an emergency, the department responds in order to rescue the affected mine workers. Additionally, the department investigates all fatal and serious accidents that occur at Pennsylvania mines. A report is made outlining the cause of the accident and possible means of preventing a similar accident. Nearly 70,000 people were reached by the department's educational information on public mine safety and awareness.

Program Element: Explosives Safety

The department regulates the use, handling and storage of explosives in mining and non-mining situations alike. The department worked with the Pennsylvania State Police and the Pennsylvania Office of Homeland Security on regulations that will greatly enhance the security of explosives storage sites from terrorism and other threats.

The department reviews and issues approximately 1,800 licenses and permit applications for blasting activities annually. The department also conducts inspections at the sites where these activities occur. Additional training and public outreach on explosives is frequently provided. In addition, the department responds to approximately 50 incidents each year involving "orphaned" explosives that are found unsecured or improperly stored. Although blasting seldom results in damage to nearby structures, its effects, such as vibrations, often concern neighbors. The department investigates approximately 400 complaints from blasting activities annually.

SUSTAINABLE ENERGY

Program Element: Advanced Energy Development

The department promotes renewable and advanced energy development through grants, financing and technical support for projects that simultaneously protect the environment and support Pennsylvania's economy. Program goals include greater energy security through a distributed power infrastructure as well as the retention of energy dollars in the commonwealth.

The department's Energy Harvest grant program has provided \$21 million for more than 90 advanced energy projects. In 2004, Governor Rendell reestablished the Pennsylvania Energy Development Authority, which has provided \$21 million in grants, loans and loan guarantees for advanced energy projects.

Funding from the Growing Greener II bond is expected to leverage an additional ten trillion BTUs of electricity generation per year from renewable sources and additional capacity from non-renewable advanced energy sources.

The department is also playing a lead role in initiatives to support statewide net metering and interconnection, the acquisition of credit for energy efficiency and renewable energy in the State Implementation Plan and other outreach efforts to promote advanced energy development. The department is collaborating with the Public Utility Commission to implement the Alternative Energy Portfolio Standards Act of 2004 and has promoted and helped to implement the commonwealth's 20 percent green electricity purchase.

In 2005, the department intervened in the Exelon-PSEG merger and negotiated a settlement to provide \$27 million in funding over four years to PEDDA and more than \$200 million in benefits to Pennsylvania's electricity consumers.

The department promotes the use of coal bed and mine methane and coal refuse, which are advanced energy resources. Coal bed methane has long been considered a mining and safety problem but until recently it was overlooked as a resource by the oil and gas industry. The department has issued approximately 63 coal bed and mine permits related to coal bed methane exploration, extraction or production. Coal refuse is generally reclaimed for power generation in cogeneration plants.

Program Element: Energy Conservation and Efficiency

The department provides technical support to more than 40,000 companies and other entities each year for the design and installation of technologies to promote energy conservation and efficiency. Many of these technologies originate as Federal Department of Energy Best Practices for the industrial sector. The State Energy

Program: Environmental Protection and Management (continued)

Program (SEP) is a federal program that provides funding to promote energy efficiency and pollution prevention. SEP activities range from a Pollution Prevention/Energy Efficiency Conference that promotes technology transfer to the Governor's Green Government Council, which commits the commonwealth to set an example by taking the lead in reducing operating costs through energy efficiency, cleaner fleet vehicles and recycling.

Act 166 of 1992 provided for an Alternative Fuels Incentive Grant program, funded by a portion of the Utilities Gross Receipts Tax. The department awards grants to school districts, municipal authorities and other not-for-

profit entities to fund a portion of the expenses to purchase or retrofit vehicles to use fuels other than gasoline as well as the equipment needed to refuel these vehicles.

During 2004, the department became a partner in the Federal Energy Star program. This program provides technical assistance to the commonwealth on energy efficient buildings and appliances. The Department of General Services launched a statewide initiative to benchmark the energy performance of state-owned buildings across the commonwealth.

Program Recommendations:

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

<p>GENERAL FUND</p> <p>Environmental Program Management</p> <p>\$ -327 —nonrecurring 2009-10 budgetary freeze amount.</p> <p>Chesapeake Bay Agricultural Source Abatement</p> <p>\$ -30 —nonrecurring 2009-10 budgetary freeze amount.</p> <p>Environmental Protection Operations</p> <p>\$ -851 —nonrecurring 2009-10 budgetary freeze amount.</p> <p>Black Fly Control and Research</p> <p>\$ -1,414 —nonrecurring 2009-10 budgetary freeze amount.</p> <p>West Nile Virus Control</p> <p>\$ -586 —nonrecurring 2009-10 budgetary freeze amount.</p> <p>Flood Control Projects</p> <p>\$ -42 —nonrecurring 2009-10 budgetary freeze amount.</p> <p>Sewage Facilities Planning Grants</p> <p>\$ -100 —nonrecurring 2009-10 budgetary freeze amount.</p> <p>Sewage Facilities Enforcement Grants</p> <p>\$ -300 —nonrecurring 2009-10 budgetary freeze amount.</p>	<p>Delaware River Master</p> <p>\$ -1 —nonrecurring 2009-10 budgetary freeze amount.</p> <p>Susquehanna River Basin Commission</p> <p>\$ -7 —nonrecurring 2009-10 budgetary freeze amount.</p> <p>Delaware River Basin Commission</p> <p>\$ -10 —nonrecurring 2009-10 budgetary freeze amount.</p> <p>Ohio River Valley Water Sanitation Commission</p> <p>\$ -2 —nonrecurring 2009-10 budgetary freeze amount.</p> <p>Chesapeake Bay Commission</p> <p>\$ -3 —nonrecurring 2009-10 budgetary freeze amount.</p> <p>Transfer to Conservation District Fund</p> <p>\$ -31 —nonrecurring projects.</p> <p>ENVIRONMENTAL STEWARDSHIP FUND</p> <p>Watershed Protection and Restoration (EA)</p> <p>\$ -1,059 —nonrecurring projects.</p>
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All other appropriations are recommended at the current year funding levels.



Environmental Protection

Program: Environmental Protection and Management (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
GENERAL FUND:							
Environmental Program Management.....	\$ 37,664	\$ 32,694	\$ 32,367	\$ 32,367	\$ 32,367	\$ 32,367	\$ 32,367
Chesapeake Bay Agricultural Source							
Abatement.....	3,214	3,032	3,002	3,002	3,002	3,002	3,002
Environmental Protection Operations.....	98,544	85,069	84,218	84,218	84,218	84,218	84,218
Black Fly Control and Research.....	6,808	5,106	3,692	3,692	3,692	3,692	3,692
West Nile Virus Control	6,911	5,193	4,607	4,607	4,607	4,607	4,607
Safe Water.....	11,000	0	0	0	0	0	0
Flood Control Projects.....	5,475	4,175	4,133	4,133	4,133	4,133	4,133
Storm Water Management	2,079	0	0	0	0	0	0
Sewage Facilities Planning Grants.....	1,843	1,000	900	900	900	900	900
Sewage Facilities Enforcement Grants	4,935	3,000	2,700	2,700	2,700	2,700	2,700
Climate Change Initiatives.....	287	0	0	0	0	0	0
Consumer Energy Program.....	7,500	0	0	0	0	0	0
Transfer to Home Efficiency Loan Fund	5,000	0	0	0	0	0	0
Data Center Energy Conservation							
Projects.....	2,000	0	0	0	0	0	0
Delaware River Master.....	94	89	88	88	88	88	88
Ohio River Basin Commission.....	14	13	13	13	13	13	13
Susquehanna River Basin Commission	988	667	660	660	660	660	660
Interstate Commission on the Potomac							
River	52	49	49	49	49	49	49
Delaware River Basin Commission	1,084	1,030	1,020	1,020	1,020	1,020	1,020
Ohio River Valley Water Sanitation							
Commission.....	170	150	148	148	148	148	148
Chesapeake Bay Commission	285	251	248	248	248	248	248
Transfer to Conservation District Fund.....	3,600	3,060	3,029	3,029	3,029	3,029	3,029
Interstate Mining Commission	37	33	33	33	33	33	33
Sea Grant Program	189	0	0	0	0	0	0
TOTAL GENERAL FUND	<u>\$ 199,773</u>	<u>\$ 144,611</u>	<u>\$ 140,907</u>	<u>\$ 140,907</u>	<u>\$ 140,907</u>	<u>\$ 140,907</u>	<u>\$ 140,907</u>
ENVIRONMENTAL STEWARDSHIP FUND:							
Watershed Protection and							
Restoration (EA)	<u>\$ 16,759</u>	<u>\$ 13,463</u>	<u>\$ 12,404</u>	<u>\$ 12,404</u>	<u>\$ 12,404</u>	<u>\$ 12,404</u>	<u>\$ 12,404</u>
MOTOR LICENSE FUND:							
Dirt and Gravel Roads.....	<u>\$ 4,000</u>	<u>\$ 4,000</u>	<u>\$ 4,000</u>	<u>\$ 4,000</u>	<u>\$ 4,000</u>	<u>\$ 4,000</u>	<u>\$ 4,000</u>



Program Measures

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Program: Environmental Protection and Management							
Protection of Air Quality							
Percent of population in counties attaining the ambient ozone standard	69%	69%	69%	69%	69%	69%	69%
Percentage of population in counties attaining the ambient PM-2.5 (fine particulate) standard	65%	65%	65%	65%	65%	65%	65%
Tons of hazardous air pollutants emitted	31,142	31,000	31,000	31,000	31,000	31,000	31,000
Protection of Water Quality							
Cumulative miles of assessed streams attaining water uses	67,883	69,100	69,400	69,600	69,700	69,800	69,900
Percentage of assessed stream miles that are impaired	19%	19%	19%	19%	19%	19%	19%
Annual miles of assessed (and reassessed) streams	1,781	2,800	1,200	1,200	1,200	1,200	1,200
Acres of stream buffers installed	3,748	3,000	3,000	3,000	1,000	1,000	1,000
Safe Waste Management							
Tons of municipal solid waste disposed per capita	1	1	1	1	1	1	1
Tons of municipal solid waste imported into Pennsylvania (in millions)	6.68	6.34	6.17	6.09	6.05	6.05	6.05
Tons of municipal solid waste recycled (in millions)	5.30	5.70	6.10	6.30	6.60	6.90	6.90
Tons of non-wastewater residual waste generated per million dollars of gross state product	43	42	41	40	39	38	37
Tons of hazardous waste generated per million dollars of gross state product	0.84	0.82	0.81	0.79	0.79	0.79	0.79
Restoration of Land							
Cleanups completed at sites contaminated with hazardous substances	340	340	340	340	340	340	340
Known sites contaminated by hazardous substances	13,082	13,100	13,100	13,200	13,300	13,400	13,500
Leaking storage tank cleanups completed	430	471	400	400	400	400	400
Known leaking storage tank sites	3,263	2,992	2,792	2,600	2,500	2,400	2,300
Safe Drinking Water							
People affected by documented waterborne disease outbreaks at public water systems	0	0	0	0	0	0	0
Percentage of population served by water supply systems that meet health-based standards	95%	95%	95%	95%	95%	95%	95%

Program Measures

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Percentage of community water systems with source water protection strategies in place	29%	35%	45%	55%	60%	65%	70%
Radiation Protection							
Buildings with radon mitigated by certified installers (both residential and commercial)	8,040	8,000	8,000	8,000	8,000	8,000	8,000
Nuisance and Vector Control							
New human infections of West Nile Virus	7	3	0	0	0	0	0
Breeding areas treated to control West Nile Virus	145,834	140,000	140,000	140,000	140,000	140,000	140,000
Black fly complaints received	55	50	45	40	30	30	30
Stream miles treated to control black flies	3,000	2,500	2,500	2,500	2,500	2,500	2,500
Flood Protection and Dam Safety							
High Hazard dams upgraded or repaired	23	24	24	15	15	15	15
Dam Emergency Action Plan compliance rate*	67	85	100	100	100	100	100
Mine Safety							
Lost time accidents per 200,000 employee-hours of exposure	3.42	3.30	3.30	3.30	3.30	3.30	3.30
Persons reached for public mine safety education through the "Stay Out Stay Alive" program	111,427	120,000	125,000	125,000	125,000	125,000	125,000
Advanced Energy Development							
Megawatt-hours (MWH) of power generated from alternative energy projects supported by the DEP	15,135	16,000	16,000	16,000	16,000	16,000	16,000
Department-wide Totals							
Complaints received	8,238	8,000	7,500	7,000	6,500	6,500	6,500
Permit applications or requests for authorizations processed	46,584	50,000	48,000	46,000	46,000	46,000	46,000
Enforcement matters executed	11,618	11,500	11,500	11,500	11,000	11,000	11,000
Permits issued for Marcellus Shale gas wells*	476	1,984	5,200	4,000	2,000	2,000	2,000

* New Program Measure



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FISH AND BOAT COMMISSION

The mission of the Fish and Boat Commission is to provide fishing and boating opportunities through the protection and management of aquatic resources.



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Fish and Boat Commission

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2008-09 ACTUAL	2009-10 AVAILABLE	2010-11 BUDGET
GENERAL FUND:			
<i>Grants and Subsidies:</i>			
Atlantic States Marine Fisheries Commission.....	\$ 17	\$ 17	\$ 17
BOAT FUND:			
<i>General Government:</i>			
General Operations (EA)	\$ 13,437	\$ 12,641	\$ 13,119
(F)US Coast Guard Grant - Boating Safety.....	2,845	2,461	2,500
(F)Sport Fish Restoration.....	1,139	2,180	1,000
(F)Boating Infrastructure Grant (BIG) Program.....	0	2,650	100
(F)Clean Vessels.....	19	20	0
(A)Sale of Vehicles.....	0	25	18
Subtotal - State Funds.....	\$ 13,437	\$ 12,641	\$ 13,119
Subtotal - Federal Funds.....	4,003	7,311	3,600
Subtotal - Augmentations.....	0	25	18
Total - General Government.....	\$ 17,440	\$ 19,977	\$ 16,737
STATE FUNDS.....	\$ 13,437	\$ 12,641	\$ 13,119
FEDERAL FUNDS.....	4,003	7,311	3,600
AUGMENTATIONS.....	0	25	18
BOAT FUND TOTAL	\$ 17,440	\$ 19,977	\$ 16,737
FISH FUND:			
<i>General Government:</i>			
General Operations (EA)	\$ 31,671	\$ 32,565	\$ 34,095
(F)Sport Fish Restoration.....	6,593	6,750	6,000
(F)Wildlife Conservation and Restoration - Non-Game.....	99	833	0
(F)Endangered Species.....	0	62	30
(F)Surface Mine Regulation.....	52	60	53
(F)NOAA.....	234	153	124
(F)State Wildlife Grant.....	1,226	1,641	900
(F)Chesapeake Bay Program.....	0	71	0
(F)Federal Reimbursement For Services.....	14	257	0
(A)Sale of Vehicles.....	137	55	40
(A)Reimbursement - DEP/EPA Projects.....	90	110	0
(A)Reimbursement for Services - PennDOT.....	78	675	186
(A)Transportation - Endangered/Threatened Species.....	26	0	0
(A)Three River Ecological Center.....	40	40	0
Subtotal - State Funds.....	\$ 31,671	\$ 32,565	\$ 34,095
Subtotal - Federal Funds.....	8,218	9,827	7,107
Subtotal - Augmentations.....	371	880	226
Total - General Government.....	\$ 40,260	\$ 43,272	\$ 41,428
STATE FUNDS.....	\$ 31,671	\$ 32,565	\$ 34,095
FEDERAL FUNDS.....	8,218	9,827	7,107
AUGMENTATIONS.....	371	880	226
FISH FUND TOTAL	\$ 40,260	\$ 43,272	\$ 41,428
OTHER FUNDS:			
GROWING GREENER BOND FUND:			
Capital Improvement Projects.....	\$ 6,947 ^a	\$ 14,892 ^a	\$ 4,832 ^a



Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2008-09 ACTUAL	2009-10 AVAILABLE	2010-11 BUDGET
STATE GAMING FUND:			
Payments in Lieu of Taxes (EA).....	\$ 17	\$ 40	\$ 40
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 17	\$ 17	\$ 17
SPECIAL FUNDS.....	45,108	45,206	47,214
FEDERAL FUNDS.....	12,221	17,138	10,707
AUGMENTATIONS.....	371	905	244
OTHER FUNDS.....	6,964	14,932	4,872
TOTAL ALL FUNDS.....	\$ 64,681	\$ 78,198	\$ 63,054

^a Appropriated as a \$27,500,000 continuing executive authorization in 2005-06. Amount is an estimate of program disbursements within the fiscal year.

Program Funding Summary

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
RECREATIONAL FISHING AND BOATING							
GENERAL FUND.....	\$ 17	\$ 17	\$ 17	\$ 17	\$ 17	\$ 17	\$ 17
SPECIAL FUNDS.....	45,108	45,206	47,214	44,885	44,885	44,885	44,885
FEDERAL FUNDS.....	12,221	17,138	10,707	10,707	10,707	10,707	10,707
OTHER FUNDS.....	7,335	15,837	5,116	284	284	284	284
SUBCATEGORY TOTAL.....	\$ 64,681	\$ 78,198	\$ 63,054	\$ 55,893	\$ 55,893	\$ 55,893	\$ 55,893
ALL PROGRAMS:							
GENERAL FUND.....	\$ 17	\$ 17	\$ 17	\$ 17	\$ 17	\$ 17	\$ 17
SPECIAL FUNDS.....	45,108	45,206	47,214	44,885	44,885	44,885	44,885
FEDERAL FUNDS.....	12,221	17,138	10,707	10,707	10,707	10,707	10,707
OTHER FUNDS.....	7,335	15,837	5,116	284	284	284	284
DEPARTMENT TOTAL.....	\$ 64,681	\$ 78,198	\$ 63,054	\$ 55,893	\$ 55,893	\$ 55,893	\$ 55,893



PROGRAM OBJECTIVE: To conserve aquatic resources including fish and wildlife populations, to provide recreational opportunities for fishing and boating on commonwealth waters, and to promote safe recreational use of these aquatic resources.

Program: Recreational Fishing and Boating

The Fish and Boat Commission is responsible for the enforcement of the fishing and boating laws and regulations, registration of boats, the state boating and water safety education programs, and the management and promotion of recreational boating. The Boating Advisory Board, a group of knowledgeable boaters appointed by the Governor, advises the commission on boating matters.

In addition to recreational boating, the commission is responsible for recreational fishing in the commonwealth. This includes fish propagation, stocking, fisheries, environmental services, the cooperative nurseries program, research and fish management. The commission also provides for the development, improvement and

maintenance of facilities for lake and access areas. As water quality is a major factor in aquatic recreation, the commission's goals are to protect, conserve and enhance aquatic resources by monitoring the water quality of many streams, lakes and rivers in the commonwealth.

The Fish and Boat Commission is currently implementing an electronic licensing (point of sale) statewide system. The cost to implement the electronic point of sale system may increase the cost to issue a fishing license. However, while the cost per transaction to sell a license may increase, the agency expects that there will be savings derived from operational efficiencies. Also, critical customer information will be made more readily available to the commission.

Program Recommendations:

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

		BOAT FUND
		General Operations (EA)
\$	478	—to continue current program.
		FISH FUND
		General Operations (EA)
\$	1,530	—to continue current program.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
GENERAL FUND:							
Atlantic States Marine Fisheries							
Commission	\$ 17	\$ 17	\$ 17	\$ 17	\$ 17	\$ 17	\$ 17
BOAT FUND:							
General Operations (EA)	\$ 13,437	\$ 12,641	\$ 13,119	\$ 11,990	\$ 11,990	\$ 11,990	\$ 11,990
FISH FUND:							
General Operations (EA)	\$ 31,671	\$ 32,565	\$ 34,095	\$ 32,895	\$ 32,895	\$ 32,895	\$ 32,895



Program Measures

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Program: Recreational Fishing and Boating							
Fishing licenses sold	839,172	900,000	900,000	900,000	900,000	900,000	900,000
Cost per fishing licenses sold	\$0.60	\$0.65	\$0.70	\$0.75	\$0.80	\$0.85	\$0.90
Pounds of fish stocked in commonwealth streams and lakes	2,128,539	2,400,000	2,400,000	2,400,000	2,400,000	2,400,000	2,400,000
Cost per pound of fish stocked in commonwealth streams and lakes	\$5	\$5	\$5.05	\$5.15	\$5.25	\$5.35	\$5.45
Actively registered boats	338,058	350,000	350,000	350,000	350,000	350,000	350,000
Warnings issued for violations of fishing and boating laws	26,214	34,000	34,000	34,000	34,000	34,000	34,000
Convictions for violations of fishing and boating laws	7,498	8,000	8,000	8,000	8,000	8,000	8,000

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GAME COMMISSION

The mission of the Game Commission is to protect, conserve and manage the diversity of wildlife and their habitats, provide wildlife related education and recreational opportunities for both consumptive and non-consumptive uses of wildlife, and maintain and promote Pennsylvania's hunting and trapping heritage.



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Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2008-09 ACTUAL	2009-10 AVAILABLE	2010-11 BUDGET
GAME FUND:			
<i>General Government:</i>			
General Operations(EA)	\$ 58,641	\$ 59,299	\$ 62,202
(F)Pittman-Robinson Act Reimbursements.....	12,954	15,500	16,000
(F)Endangered Species.....	0	28	28
(F)Surface Mine Regulatory Program.....	66	90	90
(F)USFWS - State Wildlife Grants.....	984	950	1,250
(F)Chronic Wasting Disease.....	76	75	70
(F)Federal Reimbursement - Other Wildlife Grants.....	104	1,161	100
(A)Sale of Vehicles.....	103	100	100
(A)Pennsylvania Conservation Corps.....	151	112	112
(A)Donations.....	36	66	25
(A)Reimbursements.....	591	365	373
(A)Transportation Reimbursement - Animal Removal.....	101	115	0
(A)Penndot Reimbursement - Environmental Assessment.....	36	71	71
(A)Reimbursement from PFBC.....	154	93	0
Subtotal.....	<u>\$ 73,997</u>	<u>\$ 78,025</u>	<u>\$ 80,421</u>
Land Acquisition and Development(EA)	127	150	150
Subtotal.....	<u>\$ 127</u>	<u>\$ 150</u>	<u>\$ 150</u>
Subtotal - State Funds.....	\$ 58,768	\$ 59,449	\$ 62,352
Subtotal - Federal Funds.....	14,184	17,804	17,538
Subtotal - Augmentations.....	1,172	922	681
Total - General Government.....	<u>\$ 74,124</u>	<u>\$ 78,175</u>	<u>\$ 80,571</u>
STATE FUNDS.....	\$ 58,768	\$ 59,449	\$ 62,352
FEDERAL FUNDS.....	14,184	17,804	17,538
AUGMENTATIONS.....	1,172	922	681
GAME FUND TOTAL	<u>\$ 74,124</u>	<u>\$ 78,175</u>	<u>\$ 80,571</u>
OTHER FUNDS:			
GAME FUND:			
Resident License Fee-Natural Propagation of Wildlife.....	\$ 6,447	\$ 7,500	\$ 7,500
GROWING GREENER BOND FUND:			
Capital Improvement Projects (EA).....	\$ 3,637 ^a	\$ 3,154 ^a	\$ 3,470 ^a
STATE GAMING FUND:			
Payments in Lieu of Taxes (EA).....	\$ 3,445	\$ 3,468	\$ 3,468
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	58,768	59,449	62,352
FEDERAL FUNDS.....	14,184	17,804	17,538
AUGMENTATIONS.....	1,172	922	681
OTHER FUNDS.....	13,529	14,122	14,438
TOTAL ALL FUNDS	<u>\$ 87,653</u>	<u>\$ 92,297</u>	<u>\$ 95,009</u>

^a Appropriated as a \$20,000,000 continuing executive authorization in 2005-06. Amount shown is an estimate of program disbursements within the fiscal year.



Program Funding Summary

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
WILDLIFE MANAGEMENT							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	58,768	59,449	62,352	52,022	52,022	52,022	52,022
FEDERAL FUNDS.....	14,184	17,804	17,538	17,538	17,538	17,538	17,538
OTHER FUNDS.....	14,701	15,044	15,119	11,649	11,649	11,649	11,649
SUBCATEGORY TOTAL.....	\$ 87,653	\$ 92,297	\$ 95,009	\$ 81,209	\$ 81,209	\$ 81,209	\$ 81,209
ALL PROGRAMS:							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	58,768	59,449	62,352	52,022	52,022	52,022	52,022
FEDERAL FUNDS.....	14,184	17,804	17,538	17,538	17,538	17,538	17,538
OTHER FUNDS.....	14,701	15,044	15,119	11,649	11,649	11,649	11,649
DEPARTMENT TOTAL.....	\$ 87,653	\$ 92,297	\$ 95,009	\$ 81,209	\$ 81,209	\$ 81,209	\$ 81,209



PROGRAM OBJECTIVE: To establish habitats and environments which will sustain wildlife populations for recreational uses and for the perpetuation of species.

Program: Wildlife Management

The main responsibility of the Game Commission is the perpetuation of the species of wildlife found in Pennsylvania. The commission achieves its mission through wildlife research, management of game habitat, operation of programs for endangered and threatened species and enforcement of the Game and Wildlife Code. Wildlife conservation officers enforce the provisions of the Game and Wildlife Code to protect the natural balance of the commonwealth's wildlife population.

The primary means of ensuring the propagation and preservation of wildlife is properly managing land and game habitats. The commission currently administers over 1.4 million acres of State Game Lands and is judiciously acquiring additional lands, including critically important wetlands. The commission also administers cooperative programs to encourage good land use management and habitat improvement by private landowners. Wildlife habitat

assessment techniques are used to develop management plans. These assessments apply to all Pennsylvania State Game Lands, Farm Game Projects and other areas actively managed by the Game Commission.

All species receive mandated protection. However, those species considered game animals, such as deer, turkey and bear, receive the most attention. The number of antlerless deer licenses available for sale is based on the deer population projections. The optimal number of deer is based on acres of forested land in the commonwealth. Hunting, while recreational in nature, is a management tool as well. Future year projection numbers indicate the number of deer that need to be harvested to sustain the population. Also protected by the commission are endangered and threatened species such as river otters, osprey, peregrine falcons and bald and golden eagles.

Program Recommendations:

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

GAME FUND
General Operations (EA)
 \$ 2,903 —to continue current program.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
GAME FUND:							
General Operations(EA).....	\$ 58,641	\$ 59,299	\$ 62,202	\$ 51,872	\$ 51,872	\$ 51,872	\$ 51,872
Land Acquisition and Development(EA)....	127	150	150	150	150	150	150
TOTAL GAME FUND.....	\$ 58,768	\$ 59,449	\$ 62,352	\$ 52,022	\$ 52,022	\$ 52,022	\$ 52,022

Program Measures

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Program: Wildlife Management							
Hunting licenses sold	926,892	925,000	925,000	925,000	925,000	925,000	925,000
Arrests for violation of game laws	6,948	7,000	7,000	7,000	7,000	7,000	7,000
Development of wildlife management plans	3	4	5	2	2	2	2





GAMING CONTROL BOARD

The Gaming Control Board regulates the implementation and operation of gaming intended to generate new revenues that provide assistance to the commonwealth's horse racing industry, tax relief and economic development opportunities.



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Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2008-09 ACTUAL	2009-10 AVAILABLE	2010-11 BUDGET
OTHER FUNDS:			
STATE GAMING FUND:			
Administration - Gaming Control Board.....	\$ 22,184	\$ 25,632	\$ 0
(R)Administration.....	0	0	29,281
(R)General Operations.....	11,088	8,113	8,113
Local Law Enforcement Grants (EA).....	5,000 ^a	2,000 ^a	2,000
STATE GAMING FUND TOTAL.....	\$ 38,272	\$ 35,745	\$ 39,394

^a In accordance with Act 1 of 2010, a total of \$12,500,000 will be transferred from unspent Local Law Enforcement Grants to the General Fund in 2009-10.



Program Funding Summary

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
GAMING REGULATION							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	38,272	35,745	39,394	39,394	39,394	39,394	39,394
SUBCATEGORY TOTAL.....	\$ 38,272	\$ 35,745	\$ 39,394	\$ 39,394	\$ 39,394	\$ 39,394	\$ 39,394
ALL PROGRAMS:							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	38,272	35,745	39,394	39,394	39,394	39,394	39,394
DEPARTMENT TOTAL.....	\$ 38,272	\$ 35,745	\$ 39,394	\$ 39,394	\$ 39,394	\$ 39,394	\$ 39,394



PROGRAM OBJECTIVE: To provide a new revenue stream that supports property tax relief, wage tax reduction in Philadelphia, economic development and the commonwealth's horse racing industry through the implementation and oversight of gaming.

Program: Gaming Regulation

Act 71 of 2004, the Pennsylvania Race Horse Development Act, established the Gaming Control Board to regulate and oversee the implementation and operation of slot machines intended to create new revenue to support property tax relief, wage tax reduction in Philadelphia, economic development and the commonwealth's horse racing industry.

The Gaming Control Board consists of seven members: three gubernatorial appointees, including the chairman of the board, and four legislative appointees. The Secretary of Revenue, the Secretary of Agriculture and the State Treasurer serve as ex officio members.

The State Gaming Fund was established in the act to receive all license fees provided in the act and 34 percent of the gross terminal revenue (GTR) generated by licensed gaming facilities. These proceeds are disbursed on an annual basis as follows:

- \$2 million or .002 multiplied by the GTR, whichever is greater, is allotted to the Compulsive and Problem Gambling Treatment Fund in the Department of Health;
- Payments in Lieu of Taxes by the Department of Conservation and Natural Resources, the Fish and Boat Commission and the Game Commission;
- \$25 million to the Emergency Management Agency for Volunteer Company Grants;
- \$2 million for Local Law Enforcement Grants; and
- \$3 million to the Department of Health for drug and alcohol addiction treatment services.

The remaining balance is used to fund property tax relief as provided in Act 1 of Special Session 1 of 2006. In

addition, 4 percent of GTR is distributed as a local share where gaming facilities are located.

Act 71 of 2004 established two new funds. The Gaming Economic Development and Tourism Fund, administered by the Department of Community and Economic Development, receives 5 percent of the GTR and provides for additional uses of gaming revenues as specified in Act 53 of 2007 and Act 63 of 2008. The second fund established by the act, the Race Horse Development Fund, receives a maximum of 12 percent of the GTR generated at each licensed facility.

Act 1 of 2010 authorizes table games at licensed gaming facilities. Table games license fees and 14 percent of gross table game revenue (GTGR) will be deposited into the General Fund. When the balance in the Budget Stabilization Reserve Fund exceeds \$750 million, the state share of GTGR will then be deposited into the Property Tax Relief Fund. A 2 percent local share distribution of GTGR is also included in Act 1 of 2010. In addition, Act 1 of 2010 establishes a one-time \$12.5 million transfer to the General Fund from unspent Local Law Enforcement Grants.

Several state agencies provide support to the Gaming Control Board. The Department of Revenue manages a centralized computer system, which calculates the state's share of GTR on a daily basis and monitors the operation of all licensed gaming machines. The Pennsylvania State Police and the Attorney General also have enforcement and oversight responsibilities. The State Gaming Fund is shown in the Other Special Funds Appendix section of this budget.

Program Recommendations:

STATE GAMING FUND

This budget recommends a total of \$37,394,000 from restricted accounts in the State Gaming Fund for the operation of the Gaming Control Board in the 2010-11 fiscal year.



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DEPARTMENT OF GENERAL SERVICES

The mission of the Department of General Services is to provide the highest quality services, support, commodities and facilities based on customer needs to get the best value for the taxpayers' money. The department strives to improve operational efficiency, reduce costs and burdens of doing business, and expand government contracting opportunities, while ensuring integrity and accountability in operations and activities.

The Department of General Services administers the leasing, purchasing, transportation, construction, repair and maintenance services for all agencies of the commonwealth.



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Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2008-09 ACTUAL	2009-10 AVAILABLE	2010-11 BUDGET
GENERAL FUND:			
<i>General Government:</i>			
General Government Operations.....	\$ 72,720 a	\$ 72,617	\$ 72,566
(F)ARRA-Fiscal Stabilization-Administration.....	0	500	500
(F)Homeland Security Grant.....	0	703	0
(A)ARRA-Accountability Office.....	0	1,566	1,469
(A)Federal Surplus Property.....	1,619	1,976	1,987
(A)State Surplus Property.....	427	210	211
(A)State Buildings Use.....	77	50	50
(A)Sound Equipment.....	59	40	50
(A)Employee Liability Self Insurance Program.....	299	414	392
(A)Newsroom Services.....	7	8	8
(A)Computer Services.....	133	155	178
(A)Plans Forfeiture.....	20	10	10
(A)Media Center Reimbursements.....	1,381	1,513	1,508
(A)Recycling Program.....	269	451	493
(A)Metrology Services.....	67	60	65
(A)Capitol Police Services.....	146	81	122
(A)CoStar Program.....	391	350	343
(A)Centralized Procurement.....	11,213	11,996	12,000
(A)Management Fees.....	78	55	100
(A)Annex.....	562	411	403
Subtotal.....	\$ 89,468	\$ 93,166	\$ 92,455
Rental and Municipal Charges.....	19,776 b	20,241 c	21,462
(A)Agency Rental Charges.....	138	141	142
(A)Real Estate Services.....	64	15	0
(A)Real Estate Lease Reimbursements.....	5,533	20,688	18,160
Subtotal.....	\$ 25,511	\$ 41,085	\$ 39,764
Utility Costs.....	23,323 d	24,950 e	26,864
(A)ESCO Interest.....	0	140	300
(A)DGS Annex.....	0	192	141
(A)Agency Utility Charges.....	209	241	243
Subtotal.....	\$ 23,532	\$ 25,523	\$ 27,548
Printing the Pennsylvania Manual.....	159	0	0
Asbestos Response.....	148	0	0
Excess Insurance Coverage.....	489	1,367	1,367
Subtotal - State Funds.....	\$ 116,615	\$ 119,175	\$ 122,259
Subtotal - Federal Funds.....	0	1,203	500
Subtotal - Augmentations.....	22,692	40,763	38,375
Total - General Government.....	\$ 139,307	\$ 161,141	\$ 161,134
Grants and Subsidies:			
Capitol Fire Protection.....	\$ 1,253	\$ 1,000	\$ 990
STATE FUNDS.....	\$ 117,868	\$ 120,175	\$ 123,249
FEDERAL FUNDS.....	0	1,203	500
AUGMENTATIONS.....	22,692	40,763	38,375
GENERAL FUND TOTAL.....	\$ 140,560	\$ 162,141	\$ 162,124



Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2008-09 ACTUAL	2009-10 AVAILABLE	2010-11 BUDGET
<u>MOTOR LICENSE FUND:</u>			
<i>General Government:</i>			
Harristown Rental Charges (EA).....	\$ 81	\$ 78	\$ 89
Harristown Utility and Municipal Charges (EA).....	173	176	190
Total - General Government.....	\$ 254	\$ 254	\$ 279
<i>Grants and Subsidies:</i>			
Tort Claims Payments.....	\$ 12,500	\$ 12,500	\$ 12,500
MOTOR LICENSE FUND TOTAL.....	\$ 12,754	\$ 12,754	\$ 12,779
 <u>OTHER FUNDS:</u>			
GENERAL FUND:			
Temporary Fleet Vehicles.....	\$ 325	\$ 415	\$ 469
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 117,868	\$ 120,175	\$ 123,249
SPECIAL FUNDS.....	12,754	12,754	12,779
FEDERAL FUNDS.....	0	1,203	500
AUGMENTATIONS.....	22,692	40,763	38,375
OTHER FUNDS.....	325	415	469
TOTAL ALL FUNDS.....	\$ 153,639	\$ 175,310	\$ 175,372

^a Appropriated as \$68,877,000 for General Government Operations and \$4,565,000 appropriated as part of Facilities Maintenance. Amount shown is net of transfer to Rental and Municipal Charges.

^b Appropriated as \$6,702,000 for Harristown Rental Charges and \$12,352,000 for Harristown Utility and Municipal Charges. Includes \$722,000 appropriated as a part of General Government Operations.

^c Includes recommended supplemental appropriation of \$1,500,000.

^d Includes \$2,600,000 appropriated as part of Facilities Maintenance.

^e Includes recommended appropriation reduction of \$1,500,000.

Program Funding Summary

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
FACILITY, PROPERTY AND COMMODITY MANAGEMENT							
GENERAL FUND.....	\$ 117,868	\$ 120,175	\$ 123,249	\$ 123,249	\$ 123,249	\$ 123,249	\$ 123,249
SPECIAL FUNDS.....	12,754	12,754	12,779	12,779	12,779	12,779	12,779
FEDERAL FUNDS.....	0	1,203	500	0	0	0	0
OTHER FUNDS.....	23,017	41,178	38,844	37,375	37,375	37,375	37,375
SUBCATEGORY TOTAL.....	\$ 153,639	\$ 175,310	\$ 175,372	\$ 173,403	\$ 173,403	\$ 173,403	\$ 173,403
ALL PROGRAMS:							
GENERAL FUND.....	\$ 117,868	\$ 120,175	\$ 123,249	\$ 123,249	\$ 123,249	\$ 123,249	\$ 123,249
SPECIAL FUNDS.....	12,754	12,754	12,779	12,779	12,779	12,779	12,779
FEDERAL FUNDS.....	0	1,203	500	0	0	0	0
OTHER FUNDS.....	23,017	41,178	38,844	37,375	37,375	37,375	37,375
DEPARTMENT TOTAL.....	\$ 153,639	\$ 175,310	\$ 175,372	\$ 173,403	\$ 173,403	\$ 173,403	\$ 173,403



PROGRAM OBJECTIVE: To maintain the commonwealth's real property and facilities; to provide commonwealth agencies with quality commodities in a timely manner; and to settle tort claims in an equitable manner while reducing risks.

Program: Facility, Property and Commodity Management

The Department of General Services (DGS) oversees the procurement of goods and services, manages non-highway capital projects, oversees the commonwealth's minority and women-owned business program and is responsible for numerous core operations of state government, including management of the vehicle fleet, Capitol Police force and state buildings and facilities. DGS also serves as the state's real estate agent and insurance broker and oversees the Commonwealth Media Services.

Public Works

DGS's Public Works coordinates and oversees the design and construction of all non-highway capital construction projects for the commonwealth. Projects and related services include new construction, alteration and repair of commonwealth properties and capital improvement projects for all state agencies. Projects range from dams and sewage treatment plants to buildings such as prisons, offices and laboratories. General Services also administers the selection of architects and engineers, advertises projects for bid, obtains construction bids, executes construction contracts and manages budgets for construction projects.

Public Works maximizes performance through a series of measures designed to reduce change order rates, increase the number of construction projects completed on time and on budget and reduce the number of claims filed against the commonwealth.

Project priorities include the expanded use of competitive Request for Proposals or Best Value contracting to improve the timely delivery of quality multiple prime construction projects by qualified vendors and the development and annual update of the commonwealth's Five Year Capital Plan. The goal of the capital plan is to better manage limited dollars by developing a comprehensive and strategic approach to capital needs and to focus commonwealth resources to deliver projects quicker, on time and on budget.

Procurement

The Bureau of Procurement within General Services is responsible for purchasing or contracting for equipment and supplies for the commonwealth. In total, the bureau purchases more than \$4 billion in goods and services for the commonwealth each year, ranging from office supplies to computers to vehicles. The department has adopted a private sector procurement methodology based on strategic sourcing. Purchasing is now negotiated on the collective volume of all agencies within the commonwealth, rather than as individual agencies.

Real Estate

The Bureau of Real Estate is responsible for the purchase, sale and lease of property and the portfolio management of property and space owned by the commonwealth. Serving as the commonwealth's real estate agency, the department's portfolio includes 108 million square feet of owned space and 8.5 million square feet of leased space. The Leasing Division reviews, analyzes, negotiates and administers leases needed by the commonwealth. The Space Management Division analyzes space requests, prepares space allocations for departments, boards and commissions in state owned and leased facilities. The Land Management Division acquires real property for capital projects and disposes of real property owned by the commonwealth. This division performs all due diligence and recommends approval/disapproval of proposals involving real property. The division also prepares the surplus property plan and administers all leases, licenses and easements involving commonwealth property.

A program priority for the Bureau of Real Estate includes the Downtown Location Initiative to help revitalize Pennsylvania's downtown communities. DGS implemented an original set of guidelines pursuant to the Downtown Location Law and later modified and strengthened those guidelines based upon the authority granted in the Governor's Executive Order 2004-2, which authorizes DGS to take all steps necessary to ensure that the objectives of the Downtown Location Law are met.

Risk and Insurance

The department handles approximately 7,000 tort claims each year, in conjunction with the Attorney General's Office, brought against the commonwealth, its officials and employees. Act 151 of 1986 reaffirmed the commonwealth's use of sovereign immunity as a defense against tort claims, but established criteria for limited amounts of liability in nine specific areas: vehicle liability, medical professional liability, personal property, commonwealth real estate, potholes and other dangerous conditions. These include care, custody and control of domestic animals, liquor store sales, National Guard activities and toxoids and vaccines. The department investigates claims in the pre-litigation stage, while the Office of Attorney General defends against those claims in litigation.

Facilities and Energy Management

The department is responsible for the management and maintenance of 20 state-owned buildings of the Capitol complex and Harrisstown, four regional state office

Program: Facility, Property and Commodity Management (continued)

buildings, as well as two executive residences. These facilities contain nearly 7.5 million square feet of office space, with 111.1 acres of grounds, parking area and roadways. Additionally, in July of 2006, the Department of Public Welfare transferred jurisdiction and responsibility for the Harrisburg State Hospital complex to General Services. This property consists of 53 buildings on 135 acres of land.

A comprehensive energy management program for the commonwealth to conserve and reduce energy usage in commonwealth facilities has been implemented. Energy usage is measured and monitored in these buildings and is compared to usage in the previous year. The department also works with counties, schools and municipalities to give them advice and expertise on the Guaranteed Energy Savings Act programs.

Vehicles

The Bureau of Vehicle Management maintains and oversees the commonwealth automotive fleet. All commonwealth vehicles, with the exception of vehicles owned by the Department of Transportation and the Turnpike Commission, are titled and registered to the Department of General Services. The bureau's responsibilities include the maintenance of title and registration files as well as the maintenance and repairs of all fleet vehicles to ensure compliance with manufacturers' suggested service programs.

The bureau has been spearheading the commonwealth's use of alternative fuel sources by installing biodiesel and ethanol tanks at the commonwealth garage. Unlike gasoline, ethanol and biodiesel are renewable and are more environmentally friendly. Currently, the commonwealth fleet includes 1,403 alternative fuel and 54 hybrid vehicles with the number set to increase with future vehicle purchases.

Minority & Women Business Opportunities

The Bureau of Minority and Women Business Opportunities is focused on significantly increasing the opportunities for minority and women business owners in commonwealth contracts. Duties of the bureau include the administration of the commonwealth's certification program, training and outreach for women and minority businesses and enforcement. In addition, General Services administers the statewide contract compliance program that ensures that suppliers and contractors are not discriminatory.

Commonwealth Media Services

Commonwealth Media Services provides audio, video, photographic multi-media and broadcast services required by state agencies. Services are available on a continuous

basis in the event of emergencies. News conferencing facilities are maintained at the Capitol Media Center. In addition, a full range of creative audio-video services are incorporated into the production of 200 documentaries, educational, promotional, training and public service programs annually.

Federal and State Surplus

The Bureau of Supplies and Surplus Operations administers both federal and state surplus property programs. Federal surplus property is donated to state agencies, local municipalities, nonprofit organizations and law enforcement entities for a nominal service charge. During 2008-09, federal property originally valued at \$17 million was distributed to eligible organizations. The main mission of the State Surplus Division is reutilization within commonwealth and local agencies. Thereafter, goods are sold to the public through on-site auctions and Internet-based sales. This division also conducts private sales of Department of Transportation heavy equipment to municipalities in compliance with Title 4 of the PA Code. Revenue generated from state surplus property was \$6.3 million for 2008-09.

Capitol Police

The Pennsylvania Capitol Police is responsible for protecting and serving state employees, public officials and visitors to the Capitol Complex and outlying areas, including Harrisburg, Pittsburgh, Philadelphia and Scranton. This mission is accomplished with security guards and sworn police officers. The Pennsylvania Capitol Police is a state and internationally accredited law enforcement agency, receiving certifications by the Commission on Accreditation for Law Enforcement Agencies and the Pennsylvania Law Enforcement Accreditation Commission. Capitol Police Officers are certified police officers with the Municipal Police Officers Education and Training Commission.

Publications

The Bureau of Publications provides web graphics, graphic design, printing, mailing and signage services to all state agencies and commissions. Projects include annual reports, brochures, newsletters, logos, stationery, book covers, variable data printing and mass mailings. The printing operation provides lithographic offset and digital printing services as well as booklet making, binding, cutting, folding, drilling, padding and mailing services. The State Sign Shop delivers signage, engraving and banner services. The bureau also produces the Pennsylvania Manual and the Commonwealth Telephone Directory.

Program: Facility, Property and Commodity Management (continued)

Program Recommendation:

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

	GENERAL FUND				
	General Government Operations	\$	-10		Capitol Fire Protection
\$ -726	—nonrecurring 2009-10 budgetary freeze amount.				—funding reduction.
<u>675</u>	—to continue current program.				MOTOR LICENSE FUND
\$ -51	<i>Appropriation Decrease</i>	\$	11		Harristown Rental Charges (EA)
					—increased pro rata share of charges.
	Rental and Municipal Charges				Harristown Utility and Municipal Charges (EA)
\$ 1,221	—increase in lease costs.	\$	14		—increased pro rata share of charges.
	Utility Costs				
\$ 1,914	—increase in energy costs.				

All other appropriations are recommended at the current year funding levels.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2008-099 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
GENERAL FUND:							
General Government Operations	\$ 72,720	\$ 72,617	\$ 72,566	\$ 72,566	\$ 72,566	\$ 72,566	\$ 72,566
Rental and Municipal Charges	19,776	20,241	21,462	21,462	21,462	21,462	21,462
Utility Costs.....	23,323	24,950	26,864	26,864	26,864	26,864	26,864
Printing the Pennsylvania Manual	159	0	0	0	0	0	0
Asbestos Response.....	148	0	0	0	0	0	0
Excess Insurance Coverage.....	489	1,367	1,367	1,367	1,367	1,367	1,367
Capitol Fire Protection	<u>1,253</u>	<u>1,000</u>	<u>990</u>	<u>990</u>	<u>990</u>	<u>990</u>	<u>990</u>
TOTAL GENERAL FUND	<u>\$ 117,868</u>	<u>\$ 120,175</u>	<u>\$ 123,249</u>				
MOTOR LICENSE FUND:							
Harristown Rental Charges (EA)	\$ 81	\$ 78	\$ 89	\$ 89	\$ 89	\$ 89	\$ 89
Harristown Utility and Municipal Charges (EA).....	173	176	190	190	190	190	190
Tort Claims Payments.....	<u>12,500</u>						
TOTAL MOTOR LICENSE FUND.....	<u>\$ 12,754</u>	<u>\$ 12,754</u>	<u>\$ 12,779</u>				

Program Measures

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Program: Facility, Property and Commodity Management							
Public Works							
Construction projects completed within initial scheduled completion date*	66%	90%	90%	90%	90%	90%	90%
Percentage of change order amount to original construction allocation*	3%	4%	4%	4%	4%	4%	4%
Procurement							
Cumulative enterprise-wide procurement related savings (in thousands)	\$324,804	\$366,000	\$408,000	\$450,000	\$500,000	\$500,000	\$500,000
Annual return on investment to agencies for procurement services	339%	315%	320%	325%	330%	330%	330%
Real Estate							
Total square footage of state-occupied space (in thousands)*	119,457	119,300	119,400	119,400	119,400	119,400	119,400
Leases located in downtown areas as percentage of new or renewed contracts	93%	90%	90%	90%	90%	90%	90%
Percentage of new or renewed leased space contracts that are 5% below market rate costs*	80%	90%	90%	90%	90%	90%	90%
Torts							
Claims settled per year	2,391	2,450	2,450	2,450	2,450	2,450	2,450
Average cost per settlement	\$553	\$460	\$460	\$460	\$460	\$460	\$460
Energy							
BTUs consumed in buildings maintained by General Services (in millions)	640,013	568,720	568,720	568,720	568,720	568,720	568,720
Average BTUs consumed per sq. ft. (in thousands)	91.80	81.70	81.70	81.70	81.70	81.70	81.70
Vehicles							
Fuel consumption for commonwealth vehicle fleet (gallons in thousands)*	7,667	7,300	7,300	7,300	7,300	7,300	7,300
Minority and Women Owned Businesses							
Percentage of commonwealth contract spending awarded to minority and women business enterprises	8%	14%	14%	14%	14%	14%	14%

* New Program Measure



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DEPARTMENT OF HEALTH

The mission of the Department of Health is identified through its slogan, “...in pursuit of good health” and all of its activities are defined by its core functions: health needs assessment, resource development, assuring access to health care, promoting health and disease prevention, assuring quality and providing leadership in the area of health planning and policy development.

The department works in active partnership with providers and consumers of health care services to assess, analyze and report on health threats; promote healthy behavior; reduce illness, injury, disability and premature death; support research; and assure the quality and availability of health care services.



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Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2008-09 ACTUAL	2009-10 AVAILABLE	2010-11 BUDGET
GENERAL FUND:			
General Government:			
General Government Operations.....	\$ 26,559	\$ 24,898	\$ 24,649
(F)WIC Administration and Operation.....	13,632	14,887	21,801
(F)Health Assessment.....	500	535	535
(F)PHHSBG - Administration and Operation.....	2,711	2,849	3,222
(F)SABG - Administration and Operation.....	7,848	8,193	8,203
(F)MCHSBG - Administration and Operation.....	15,133	15,718	15,718
(F)Adult Blood Lead Epidemiology.....	20	21	136
(F)EMS for Children.....	129	155	155
(F)TB - Administration and Operation.....	788	793	850
(F)Trauma Planning.....	0	60	60
(F)Lead - Administration and Operation.....	1,092	1,488	1,064
(F)AIDS Health Education - Administration and Operation.....	4,068	4,110	4,110
(F)Primary Care Cooperative Agreements.....	267	343	343
(F)HIV / AIDS Surveillance.....	1,181	1,383	1,383
(F)HIV Care - Administration and Operation.....	1,337	3,637	3,637
(F)Crash Outcomes Data Evaluation.....	0	54	54
(F)Substance Abuse Special Projects- Administration & Operation.....	452	575	717
(F)Rural Access to Emergency Devices.....	110	160	160
(F)Cancer Prevention and Control.....	4,714	7,174	7,699
(F)Environmental Public Health Tracking.....	1,046	3,314	1,707
(F)Health Equity.....	149	225	225
(F)ARRA - Health Information Technology.....	0	3,000	6,500
(F)ARRA - Lead - Administration & Operation.....	0	49	51
(F)Public Health Emergency Preparedness and Response (EA).....	70,188	100,879	104,372
(F)Learning Management System (EA).....	75	75	75
(F)Patient Care Reporting System.....	0	300	300
(A)Data Center Services.....	3	2	12
(A)Departmental Services.....	12	12	2
(A)Reporting Pathology Protocols.....	30	0	0
(A)Rheumatoid Arthritis Project.....	0	15	0
(A)PEBTF - Reimbursement for Influenza Vaccine.....	0	400	400
(A)March of Dimes.....	0	25	0
(A)ACHIEVE.....	0	40	0
(A)NACDD Epidemiologist.....	0	0	113
Subtotal.....	<u>\$ 152,044</u>	<u>\$ 195,369</u>	<u>\$ 208,253</u>
Rx for PA - Health Literacy.....	318	0	0
Organ Donation Awareness.....	103	50	49
Quality Assurance.....	15,500	18,041	18,056
(F)Medicare - Health Service Agency Certification.....	9,146	9,961	11,400
(F)Medicaid Certification.....	6,283	6,438	6,500
(F)ARRA - Ambulatory Surgical Infection Prevention.....	0	337	589
(A)Publication Fees.....	16	20	16
Subtotal.....	<u>\$ 30,945</u>	<u>\$ 34,797</u>	<u>\$ 36,561</u>
Smoke-Free PA Enforcement.....	939	0	0
(A)Enforcement Activities.....	1	0	1
Rx for PA - Health Care Associated Infections.....	2,301	1,250	1,308
Vital Statistics.....	7,072	6,734	7,165
(F)Cooperative Health Statistics.....	1,263	1,425	1,508
(F)Health Statistics.....	53	156	161
(A)Reimbursement for Microfilming.....	98	77	77
(A)Vital-Chek Surcharge.....	290	253	253
(R)County Coroner/Medical Examiner Distribution (EA).....	1,083	1,138	1,091
(R)Vital Statistics Improvement Administration (EA).....	240	1,907	2,805
Subtotal.....	<u>\$ 10,099</u>	<u>\$ 11,690</u>	<u>\$ 13,060</u>



Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2008-09 ACTUAL	2009-10 AVAILABLE	2010-11 BUDGET
State Laboratory	4,027	4,448	4,404
(F)Clinical Laboratory Improvement.....	587	638	638
(F)Epidemiology and Laboratory Surveillance and Response.....	915	1,452	1,452
(F)Food Emergency Response.....	0	250	354
(A)Blood Lead Testing.....	11	11	11
(A)Blood Lead Specimen Testing.....	19	12	19
(A)Erythrocyte Protoporphyrin Testing.....	10	10	10
(A)Alcohol Proficiency Testing.....	57	57	57
(A)Drug Abuse Proficiency.....	142	142	142
(A)Licensure for Clinical Laboratories.....	265	257	265
(A)Low Volume Proficiency Testing.....	145	134	145
(A)Training Course Fees.....	1	1	1
Subtotal.....	<u>\$ 6,179</u>	<u>\$ 7,412</u>	<u>\$ 7,498</u>
State Health Care Centers	22,978	22,887	22,963
(F)Disease Control Immunization.....	10,494	11,571	11,571
(F)ARRA - Disease Control Immunization.....	0	5,385	5,385
(F)PHHSBG - Block Program Services.....	3,753	3,508	3,508
(F)Preventive Health Special Projects.....	4,886	4,937	5,079
(F)Steps to a Healthier US.....	2,120	1,835	88
(F)Sexual Violence Prevention and Education.....	2,199	2,090	2,022
(F)ARRA - Prevention and Wellness.....	0	4,635	10,402
(F)Refugee Health Program.....	2,250	3,000	4,000
Subtotal.....	<u>\$ 48,680</u>	<u>\$ 59,848</u>	<u>\$ 65,018</u>
Antiviral Stockpile	5,501	0	0
Sexually Transmitted Disease Screening and Treatment	2,325	2,000	1,950
(F)Survey and Follow-Up - Sexually Transmitted Diseases.....	2,795	2,823	2,823
Subtotal.....	<u>\$ 5,120</u>	<u>\$ 4,823</u>	<u>\$ 4,773</u>
Subtotal - State Funds.....	\$ 87,623	\$ 80,308	\$ 80,544
Subtotal - Federal Funds.....	172,184	230,418	250,557
Subtotal - Augmentations.....	1,100	1,468	1,524
Subtotal - Restricted Revenues.....	1,323	3,045	3,896
Total - General Government.....	<u>\$ 262,230</u>	<u>\$ 315,239</u>	<u>\$ 336,521</u>
Grants and Subsidies:			
Diabetes Programs	\$ 420	\$ 200	\$ 198
(F)Diabetes Control.....	676	807	0
Subtotal.....	<u>\$ 1,096</u>	<u>\$ 1,007</u>	<u>\$ 198</u>
PA Injury Reporting and Intervention System	1,228	0	0
Rx for PA - Health Equity Strategies	451	0	0
Primary Health Care Practitioner	4,178	4,178	4,136
(F)Loan Repayment Program.....	198	312	312
(F)Rural Hospital Flexibility Program.....	367	558	558
(F)ARRA - Health Professions Workforce Development.....	0	315	315
Subtotal.....	<u>\$ 4,743</u>	<u>\$ 5,363</u>	<u>\$ 5,321</u>
Rx for PA - Primary Care Access	2,834	0	0
Newborn Screening	4,000	4,443	4,399
Expanded Cervical Cancer Screening	718	718	711
Cancer Control Programs	1,971	853	828
Breast and Cervical Cancer Screenings	1,587	1,607	1,591
AIDS Programs	9,575	7,750	7,672
(F)AIDS Health Education.....	1,640	1,640	1,640
(F)HIV Care.....	9,810	12,000	12,000



Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2008-09 ACTUAL	2009-10 AVAILABLE	2010-11 BUDGET
(F)Housing Opportunities for People with AIDS.....	1,868	1,880	1,965
(A)ADAP Rebate Funding.....	381	0	0
Subtotal.....	<u>\$ 23,274</u>	<u>\$ 23,270</u>	<u>\$ 23,277</u>
Regional Cancer Institutes.....	775	1,200	0
Rural Cancer Outreach.....	189	100	0
School District Health Services.....	38,092	38,000	37,620
Local Health Departments.....	28,062	28,062	27,781
Local Health - Environmental.....	7,641	7,638	7,638
Maternal and Child Health.....	2,360	2,473	2,448
(F)MCH Lead Poisoning Prevention and Abatement.....	2,050	1,877	2,945
(F)ARRA - MCH Lead Poisoning Prevention and Abatement.....	0	375	388
(F)MCHSBG - Program Services.....	15,100	15,282	15,282
(F)Women, Infants and Children (WIC).....	211,839	249,454	273,148
(F)ARRA - Women, Infants and Children (WIC).....	0	11,865	1,581
(F)Abstinence Education.....	1,675	2,583	1,693
(F)Traumatic Brain Injury.....	114	380	282
(F)Environmental Assessment - Child Lead Poisoning.....	264	237	209
(F)ARRA - Environmental Assessment - Child Lead Poisoning.....	0	47	22
(F)Family Health Special Projects.....	619	3,284	5,029
(F)Screening Newborns.....	731	1,054	793
(F)ARRA - Screening Newborns.....	0	211	81
(F)Newborn Hearing Screening and Intervention.....	274	380	363
Subtotal.....	<u>\$ 235,026</u>	<u>\$ 289,502</u>	<u>\$ 304,264</u>
Assistance to Drug and Alcohol Programs.....	42,602	41,750	41,750
(F)SABG - Drug and Alcohol Services.....	57,041	56,474	54,123
(F)Substance Abuse Special Project Grants.....	5,655	3,929	2,981
(F)DFSC - Special Programs for Student Assistance (EA).....	720	0	0
(A)State Stores Fund Transfer.....	2,121	2,121	2,121
(A)Community Restitution Payments.....	5	5	5
Subtotal.....	<u>\$ 108,144</u>	<u>\$ 104,279</u>	<u>\$ 100,980</u>
Tuberculosis Screening and Treatment.....	996	996	986
(F)Tuberculosis Control Program.....	199	199	225
Subtotal.....	<u>\$ 1,195</u>	<u>\$ 1,195</u>	<u>\$ 1,211</u>
Renal Dialysis.....	6,409	6,779	6,779
Services for Children with Special Needs.....	1,600	1,580	1,564
Adult Cystic Fibrosis.....	476	676	669
Cooley's Anemia.....	153	153	151
Arthritis Outreach and Education.....	365	168	0
Hemophilia.....	1,409	1,409	1,395
Lupus.....	273	200	0
Sickle Cell.....	1,909	1,784	1,766
Regional Poison Control Centers.....	1,151	1,007	997
Trauma Program Coordination.....	350	300	0
Rural Trauma Preparedness and Outreach.....	188	0	0
Epilepsy Support Services.....	568	396	241
Keystone State Games.....	208	150	0
Bio-Technology Research.....	4,600	2,600	0
Tourette Syndrome.....	96	50	0
Emergency Care Research.....	800	200	0
Newborn Hearing Screening.....	321	322	319
Osteoporosis Prevention and Education.....	90	50	0
Health Research and Services.....	12,400	0	0
Charcot-Marie-Tooth Syndrome Awareness Program.....	237	0	0
Children's Hospital of Pittsburgh.....	418	200	0
Fox Chase Institute for Cancer Research.....	720	172	0



Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2008-09 ACTUAL	2009-10 AVAILABLE	2010-11 BUDGET
The Wistar Institute - Research: Operation and Maintenance	198	47	0
The Wistar Institute - Research: AIDS Research	86	20	0
Central Penn Oncology Group	120	29	0
Lancaster - Cleft Palate Clinic	55	13	0
Burn Foundation	388	93	0
The Children's Institute, Pittsburgh	900	215	0
Children's Hospital of Philadelphia	418	100	0
Phila. Health & Educ Corp - Pediatric Outpatient & Inpatient	661	158	0
Phila. Health & Educ Corp-Med-Handicapped Children's Clinic	69	0	0
Subtotal - State Funds.....	\$ 185,315	\$ 158,839	\$ 151,639
Subtotal - Federal Funds.....	310,840	365,143	375,935
Subtotal - Augmentations.....	2,507	2,126	2,126
Total - Grants and Subsidies.....	<u>\$ 498,662</u>	<u>\$ 526,108</u>	<u>\$ 529,700</u>
STATE FUNDS.....	\$ 272,938	\$ 239,147	\$ 232,183
FEDERAL FUNDS.....	483,024	595,561	626,492
AUGMENTATIONS.....	3,607	3,594	3,650
RESTRICTED REVENUES.....	1,323	3,045	3,896
GENERAL FUND TOTAL	<u>\$ 760,892</u>	<u>\$ 841,347</u>	<u>\$ 866,221</u>
<u>TOBACCO SETTLEMENT FUND:</u>			
<i>Grants and Subsidies:</i>			
Tobacco Use Prevention and Cessation (EA).....	\$ 32,054	\$ 17,674 ^a	\$ 14,831 ^b
Health Research - Health Priorities (EA).....	64,108	70,696	59,325
Health Research - National Cancer Institute (EA).....	3,562	3,928	3,296
Total - Grants and Subsidies.....	<u>\$ 99,724</u>	<u>\$ 92,298</u>	<u>\$ 77,452</u>
TOBACCO SETTLEMENT FUND TOTAL	<u>\$ 99,724</u>	<u>\$ 92,298</u>	<u>\$ 77,452</u>
<u>OTHER FUNDS:</u>			
COMPULSIVE GAMBLING TREATMENT FUND:			
Compulsive and Problem Gambling Treatment.....	\$ 1,700	\$ 2,471	\$ 4,900
Drug and Alcohol Treatment Services.....	0	3,000	3,000
COMPULSIVE GAMBLING TREATMENT FUND TOTAL	<u>\$ 1,700</u>	<u>\$ 5,471</u>	<u>\$ 7,900</u>
EMERGENCY MEDICAL SERVICES OPERATING FUND:			
Emergency Medical Services.....	\$ 11,888	\$ 11,888	\$ 11,888
Catastrophic Medical and Rehabilitation.....	6,000	6,000	6,450
EMERGENCY MEDICAL SERVICES OPERATING FUND TOTAL	<u>\$ 17,888</u>	<u>\$ 17,888</u>	<u>\$ 18,338</u>
GOV. CASEY ORGAN & TISSUE DONATION AWARENESS FUND:			
Implementation Costs (EA).....	\$ 96	\$ 96	\$ 96
Hospital and Other Medical Costs (EA).....	76	122	104
Grants to Certified Procurement Organizations (EA).....	378	609	522
Project Make-A-Choice (EA).....	114	183	157
GOV. CASEY ORGAN & TISSUE DONATION AWARENESS FUND TOTAL	<u>\$ 664</u>	<u>\$ 1,010</u>	<u>\$ 879</u>



Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2008-09 ACTUAL	2009-10 AVAILABLE	2010-11 BUDGET
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 272,938	\$ 239,147	\$ 232,183
SPECIAL FUNDS.....	99,724	92,298	77,452
FEDERAL FUNDS.....	483,024	595,561	626,492
AUGMENTATIONS.....	3,607	3,594	3,650
RESTRICTED.....	1,323	3,045	3,896
OTHER FUNDS.....	20,252	24,369	27,117
TOTAL ALL FUNDS.....	\$ 880,868	\$ 958,014	\$ 970,790

^a Reflects the transfer of \$17.7 million from the Tobacco Settlement Fund - Tobacco Use Prevention and Cessation appropriation to the General Fund in accordance with Act 50 of 2009.

^b Reflects the transfer of \$14.8 million from the Tobacco Settlement Fund - Tobacco Use Prevention and Cessation appropriation to the General Fund in accordance with Act 50 of 2009.



Program Funding Summary

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
HEALTH SUPPORT SERVICES							
GENERAL FUND.....	\$ 48,705	\$ 48,637	\$ 48,417	\$ 48,417	\$ 48,417	\$ 48,417	\$ 48,417
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	142,371	189,053	204,010	204,010	203,959	196,870	196,870
OTHER FUNDS.....	712	1,138	1,194	1,194	1,194	1,194	1,194
SUBCATEGORY TOTAL.....	\$ 191,788	\$ 238,828	\$ 253,621	\$ 253,621	\$ 253,570	\$ 246,481	\$ 246,481
HEALTH RESEARCH							
GENERAL FUND.....	\$ 27,846	\$ 11,402	\$ 7,363	\$ 7,363	\$ 7,363	\$ 7,363	\$ 7,363
SPECIAL FUNDS.....	67,670	74,624	62,621	62,967	62,982	62,999	63,018
FEDERAL FUNDS.....	1,992	2,388	1,669	1,669	1,669	1,669	1,669
OTHER FUNDS.....	1,711	3,375	4,226	4,226	4,226	4,226	4,226
SUBCATEGORY TOTAL.....	\$ 99,219	\$ 91,789	\$ 75,879	\$ 76,225	\$ 76,240	\$ 76,257	\$ 76,276
PREVENTIVE HEALTH							
GENERAL FUND.....	\$ 137,365	\$ 122,791	\$ 121,283	\$ 121,283	\$ 121,283	\$ 121,283	\$ 121,283
SPECIAL FUNDS.....	32,054	17,674	14,831	29,827	29,834	29,842	29,851
FEDERAL FUNDS.....	275,245	343,717	363,709	363,606	345,850	345,535	345,535
OTHER FUNDS.....	381	0	0	0	0	0	0
SUBCATEGORY TOTAL.....	\$ 445,045	\$ 484,182	\$ 499,823	\$ 514,716	\$ 496,967	\$ 496,660	\$ 496,669
HEALTH TREATMENT SERVICES							
GENERAL FUND.....	\$ 16,420	\$ 14,567	\$ 13,370	\$ 13,370	\$ 13,370	\$ 13,370	\$ 13,370
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	20,252	24,369	27,117	27,117	27,117	27,117	27,117
SUBCATEGORY TOTAL.....	\$ 36,672	\$ 38,936	\$ 40,487	\$ 40,487	\$ 40,487	\$ 40,487	\$ 40,487
DRUG AND ALCOHOL ABUSE PREVENTION AND TREATMENT							
GENERAL FUND.....	\$ 42,602	\$ 41,750	\$ 41,750	\$ 41,750	\$ 41,750	\$ 41,750	\$ 41,750
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	63,416	60,403	57,104	57,104	57,104	57,104	57,104
OTHER FUNDS.....	2,126	2,126	2,126	2,126	2,126	2,126	2,126
SUBCATEGORY TOTAL.....	\$ 108,144	\$ 104,279	\$ 100,980	\$ 100,980	\$ 100,980	\$ 100,980	\$ 100,980
ALL PROGRAMS:							
GENERAL FUND.....	\$ 272,938	\$ 239,147	\$ 232,183	\$ 232,183	\$ 232,183	\$ 232,183	\$ 232,183
SPECIAL FUNDS.....	99,724	92,298	77,452	92,794	92,816	92,841	92,869
FEDERAL FUNDS.....	483,024	595,561	626,492	626,389	608,582	601,178	601,178
OTHER FUNDS.....	25,182	31,008	34,663	34,663	34,663	34,663	34,663
DEPARTMENT TOTAL.....	\$ 880,868	\$ 958,014	\$ 970,790	\$ 986,029	\$ 968,244	\$ 960,865	\$ 960,893



PROGRAM OBJECTIVE: To provide effective administration and support systems through which the substantive programs of the health delivery system and the department can be achieved.

Program: Health Support Services

Health Support Services provides administrative and technical systems that support disease prevention and treatment. Also included in this program are quality assurance activities and state laboratory facilities.

The Bureau of Health Statistics and Research is the focal point in Pennsylvania for coordinating the collection, analysis and dissemination of health statistics and information. The bureau collects statistical information on the health status of the population such as infant mortality, births to teens and leading causes of death. The bureau responds to requests for services each year and conducts an annual survey of all hospitals, nursing homes and ambulatory surgery centers in Pennsylvania to obtain information on health resources and health services availability, utilization, staffing and patient characteristics. The bureau operates several statewide data collection systems and registries, such as the Behavioral Risk Factor Surveillance System, the statewide immunization registry and the Pennsylvania Cancer Registry. All of the bureau's publications and statistics are available on the department's Web site, which includes an interactive health statistics Web tool.

The Bureau of Epidemiology administers studies related to the origin, distribution and trends of major diseases. The department provides epidemiologic assessment of health problems that include environmental occupational hazards, health risk behaviors and life styles of the general public or selected populations. The department also provides professional consultation and technical support for other agencies, county health departments and local municipalities.

The Quality Assurance program conducts surveys and inspections of health care facilities, home care agencies, drug and alcohol programs, psychiatric residential treatment facilities and intermediate care facilities to determine compliance with state and federal standards and regulations and as a condition of receiving federal Medicare and Medicaid financial support. The surveys determine compliance with various standards including sanitation, fire safety, health and level of care. If deficiencies are noted, a plan for correction is required. Facilities unable or unwilling to correct deficiencies according to a plan agreeable to the department are subject to various penalties. The public Web component displays completed surveys for public access.

The frequency of inspections varies by type of facility as required by either state or federal law or regulations.

Initial inspections are conducted prior to issuances of licenses. Acute care hospitals are surveyed and licensed on a two-year cycle. Nursing homes are subject to annual inspections. Home care agencies are inspected on a flexible 12 to 36 month schedule; the frequency of inspections is based on the facility's history of compliance. Hospice agencies are inspected on-site every other year. One-third of end-stage renal disease facilities are surveyed annually. Currently, 10 percent of other outpatient facilities providing physical therapy, occupational therapy and speech therapy and rural health clinic services are inspected annually. Birth centers and pediatric extended care centers are also inspected annually. More frequent inspections are made in response to complaints or life-threatening situations. In addition to inspections of health care facilities for compliance with state licensure and federal certification requirements, the Quality Assurance program also conducts formal plan reviews and approval for new construction and remodeling of health care facility projects to assure that the projects will conform to state and federal requirements. Final inspections of the completed construction projects are conducted prior to approval for use and occupancy.

The newly created Healthcare Associated Infection Prevention program will support hospitals, nursing care facilities and ambulatory surgical facilities in reducing the occurrence of health-care-associated infections (HAIs) through implementing effective identification and reporting; reviewing and approving individual facility infection control plans; developing best practices for monitoring, surveillance and response to HAIs; and developing a reporting program that will establish benchmarks and monitor performance in hospitals and nursing homes.

The Bureau of Managed Care is responsible for oversight and regulation of managed care plans including health maintenance organizations (HMOs), gatekeeper preferred provider organizations (PPOs) and point of service products. It licenses new plans, ensures availability and accessibility of health services in plan service areas and monitors quality of care through periodic inspections and external quality reviews. It reviews and approves provider contracts and reimbursement methods. It licenses and oversees capitated dental plans (dental HMOs), traditional PPOs, nonprofit medical-surgical, vision and dental plans (including Pennsylvania Blue Shield). Under Act 68 of 1998, the bureau certifies managed care utilization review organizations and monitors compliance with utilization

Program: Health Support Services (continued)

review standards. The bureau also reviews complaints under Act 68 and coordinates third-level grievance reviews conducted by certified external review entities.

The department operates the state laboratory, which maintains a state of readiness to support the investigation of disease outbreaks or threats to public health. The Bureau of Laboratories performs approximately 185,000 tests each year for diseases including human immunodeficiency virus, rabies, meningitis, influenza, tuberculosis, botulism and drug and alcohol testing. The laboratory supports disease prevention through the provision of investigatory, diagnostic and confirmatory testing for both infectious diseases and non-infectious conditions including lead poisoning, neonatal testing and West Nile Virus. The state laboratory is designated by the Federal Bureau of Investigation as the primary laboratory for the detection and identification of bioterrorism agents and is the state's reference laboratory in the National Laboratory Response Network and the Food Emergency Response Network. It establishes and monitors the performance standards for approximately 9,000 clinical and physician office laboratories in the commonwealth and recommends certification of clinical laboratories under the requirements of the federal Clinical Laboratory Improvement Amendments. The Bureau of Laboratories also houses and supports the federal BioWatch program,

which operates 365 days per year, to ensure the safety of the citizens of Pennsylvania.

The federal Centers for Disease Control and Prevention and the Health Resources and Services Administration provide funding to the department to strengthen public health emergency preparedness and response capabilities through increased infrastructure and program capacity, improved scientific and technical capabilities and enhanced professional training and public education. The Office of Public Health Preparedness coordinates public health preparedness activities across the commonwealth, including hospital and workforce preparedness, works closely with local and other state agencies, and serves as the liaison with the federal Department of Homeland Security. The office supports the department's efforts to prepare for, protect against, respond to and recover from all acts of bioterrorism and other public health emergencies that affect the civilian population and serves as the focal point within the department for these activities. Public health preparedness activities across the commonwealth include upgrading infectious disease surveillance and investigation, expanding public health laboratory capacity, enhancing communications systems and facilitating state and regional hospital preparedness planning and response efforts.

Program Recommendations:

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

	GENERAL FUND			Rx for PA - Health Care Associated Infections
	General Government Operations			State Laboratory
\$	-249	—nonrecurring 2009-10 budgetary freeze amount.	\$	58
				—to continue current program.
			\$	-44
				—nonrecurring 2009-10 budgetary freeze amount.
\$	195	—to continue current program.		
	-180	—nonrecurring 2009-10 budgetary freeze amount.		
\$	15	<i>Appropriation Increase</i>		

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
GENERAL FUND:							
General Government Operations	\$ 26,559	\$ 24,898	\$ 24,649	\$ 24,649	\$ 24,649	\$ 24,649	\$ 24,649
Rx for PA - Health Literacy	318	0	0	0	0	0	0
Quality Assurance.....	15,500	18,041	18,056	18,056	18,056	18,056	18,056
Rx for PA - Health Care Associated Infections	2,301	1,250	1,308	1,308	1,308	1,308	1,308
State Laboratory	4,027	4,448	4,404	4,404	4,404	4,404	4,404
TOTAL GENERAL FUND	\$ 48,705	\$ 48,637	\$ 48,417	\$ 48,417	\$ 48,417	\$ 48,417	\$ 48,417



PROGRAM OBJECTIVE: To develop better basic scientific knowledge of the nature of disease, illness and the environment, which will improve the use of existing and new health resources.

Program: Health Research

The Division of Vital Records in the Bureau of Health Statistics and Research is the central repository for more than 32.5 million records of births, deaths and fetal deaths that occur in the commonwealth. Through automation of this operation, all Pennsylvania birth records from 1921 to the present are available through the department's computer system at the central office and all branch offices. The system processes more than 500,000 requests annually for certified copies of birth and death records for proof of age, citizenship, litigation and genealogy. This system assists in the detection of fraudulent record usage, child support and the report of missing children. Birth and death records are stored on microfilm for preservation and are available for retrieval if required.

The bureau also operates the Commonwealth Universal Research Enhancement (CURE) program, which was established under the Tobacco Settlement Act, Act 77 of 2001. The program provides health research grants to Pennsylvania-based research institutions for biomedical, clinical and health services research designed to improve the health of all Pennsylvania citizens. Health research grants address the research priorities established by the department in conjunction with the Health Research Advisory Committee. Performance reviews are conducted to evaluate the effectiveness of each research project funded by a grant. During 2008-09, the department completed interim performance reviews on the four nonformula (competitive) grants initiated in June 2007 and final performance reviews for 52 grants (159 research projects) that had been completed.

Program Recommendations:

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

<p>GENERAL FUND Vital Statistics \$ 431 —to continue current program.</p> <p>Diabetes Programs \$ -2 —nonrecurring 2009-10 budgetary freeze amount.</p> <p>Regional Cancer Institutes \$ -1,200 —nonrecurring project.</p> <p>Bio-Technology Research \$ -2,600 —nonrecurring project.</p> <p>Emergency Care Research \$ -200 —nonrecurring project.</p> <p>Children's Hospital of Pittsburgh \$ -200 —elimination of state funding.</p> <p>Fox Chase Institute for Cancer Research \$ -172 —elimination of state funding.</p>	<p>The Wistar Institute - Research: Operation and Maintenance \$ -47 —elimination of state funding.</p> <p>The Wistar Institute - Research: AIDS Research \$ -20 —elimination of state funding.</p> <p>Central Penn Oncology Group \$ -29 —elimination of state funding.</p> <p>TOBACCO SETTLEMENT FUND Health Research - Health Priorities \$ -11,371 —based on current estimates.</p> <p>Health Research - National Cancer Institute \$ -632 —based on current estimates.</p>
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Program: Health Research (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
GENERAL FUND:							
Vital Statistics	\$ 7,072	\$ 6,734	\$ 7,165	\$ 7,165	\$ 7,165	\$ 7,165	\$ 7,165
Diabetes Programs.....	420	200	198	198	198	198	198
Regional Cancer Institutes	775	1,200	0	0	0	0	0
Bio-Technology Research.....	4,600	2,600	0	0	0	0	0
Emergency Care Research	800	200	0	0	0	0	0
Health Research and Services.....	12,400	0	0	0	0	0	0
Charcot-Marie-Tooth Syndrome Awareness Program	237	0	0	0	0	0	0
Children's Hospital of Pittsburgh	418	200	0	0	0	0	0
Fox Chase Institute for Cancer Research .	720	172	0	0	0	0	0
The Wistar Institute - Research: Operation and Maintenance	198	47	0	0	0	0	0
The Wistar Institute - Research: AIDS Research	86	20	0	0	0	0	0
Central Penn Oncology Group	120	29	0	0	0	0	0
TOTAL GENERAL FUND	\$ 27,846	\$ 11,402	\$ 7,363	\$ 7,363	\$ 7,363	\$ 7,363	\$ 7,363
TOBACCO SETTLEMENT FUND:							
Health Research - Health Priorities (EA)...	\$ 64,108	\$ 70,696	\$ 59,325	\$ 59,653	\$ 59,667	\$ 59,683	\$ 59,701
Health Research - National Cancer Institute (EA).....	3,562	3,928	3,296	3,314	3,315	3,316	3,317
TOTAL TOBACCO SETTLEMENT FUND.....	\$ 67,670	\$ 74,624	\$ 62,621	\$ 62,967	\$ 62,982	\$ 62,999	\$ 63,018

PROGRAM OBJECTIVE: To reduce morbidity and mortality through the early detection of disease and health defects and the promotion of sound health practices and remedial care.

Program: Preventive Health

A key to the promotion of sound health practices is ensuring that all Pennsylvanians are able to access a range of preventive health and early disease detection services. Outreach and education services facilitated by the department make people aware of the importance of sound health practices and the availability of services to meet their needs.

The department, through its network of six district offices, 60 state health centers, other public health clinical providers and 10 county and municipal health departments, provides public health services. These programs include communicable disease tracking, investigation, intervention and control services, family health and chronic disease prevention, assessment and intervention services and special environmental health services. The six county and four city health departments also provide a range of individual and environmental public health services within their jurisdictions and are funded through grants and contracts awarded by the department.

To improve the availability of health care in underserved rural and urban areas, the department has established grant programs that enhance the recruitment and retention of primary health care physicians, dentists and other health professionals. Programs include grant awards to establish medical and dental clinics (which require matching funds), awards to increase the number of dentists' student intern programs to provide clinic services, educational loan repayment and visa waivers for healthcare professionals practicing in designated shortage areas, and support for the stabilization of small rural hospitals.

In addition to these general activities to promote sound health practices, the department provides a variety of programs targeted to specific populations and diseases that represent significant health risks.

Program Element: Women and Infant Programs

The department administers the federally funded Women, Infants, and Children (WIC) program. WIC serves pregnant, breast-feeding and postpartum women, infants, and children up to five years of age who are at risk due to medical conditions and/or inadequate diet and low income. The program supplies supplemental foods that are rich in nutrients frequently lacking in the diets of the target population. The program ensures that WIC participants receive routine health care and that nutrition education and counseling are made available on a regular basis. Participants are also referred to other appropriate local medical, health and social services. Program benefits promote optimal pregnancy outcomes, improve participant

use of pediatric and obstetrical services and enhance early interventions for potential health problems.

To minimize severe health risks to infants, the department conducts a Newborn Screening and Follow-Up Program. The department assures appropriate follow-up services for all newborns with abnormal or inconclusive test results. In addition, these newborns and their families are linked with treatment specialists who conduct diagnostic testing and coordinate the required care. The department also distributes specialized metabolic products statewide for children and pregnant women with phenylketonuria or maple syrup urine disease to lessen the adverse effects of those conditions.

The Newborn Hearing Screening and Intervention program seeks to ensure that all newborns are screened for hearing loss within the first 30 days, diagnosed within three months, and receive prescribed treatment or intervention services within six months of birth. The department performs follow-up and tracks infants who do not pass their re-screening to assure that appropriate assessment and evaluation are completed.

The department facilitates a number of programs designed to help improve the health status of women. These programs include an HIV and pregnancy initiative and a sexually transmitted disease program targeted to chlamydia and gonorrhea. Additionally, breast and cervical cancer screening services are available for low-income underinsured and uninsured women between the ages of 40 and 49 who are at high risk for breast and cervical cancer; and to all women, aged 50 to 64, who meet certain eligibility criteria through the department's Healthy Women Project.

The department supports a special smoking cessation program for pregnant women. This includes a promotional campaign advising health care and child care providers of the availability of self-help materials and training opportunities to help women quit smoking.

Program Element: Children's Programs

The department's immunization program provides immunizations to infants, children and adolescents to reduce the incidence of vaccine-preventable diseases in the commonwealth. While vaccinations are encouraged for all ages, special emphasis is placed on reaching children less than two years old. The program also coordinates the surveillance of vaccine-preventable diseases, provides consultation during disease outbreaks, assesses immunization levels, conducts professional and public education programs, and initiates, processes, and

Program: Preventive Health (continued)

evaluates the child care and school immunization reporting system. In addition, the program provides vaccine and guidance to school districts for the provision of hepatitis B, measles/mumps/rubella and varicella immunizations for school students.

The department also promotes appropriate adult immunization services. These services range from offering Novel H1N1 immunization clinics and assuring that older citizens and others with chronic illnesses are given priority in accessing annual influenza and pneumococcal immunizations to providing information to fire companies, school districts, ambulance corps, corrections officials, police and other public organizations with regard to the purchase of hepatitis B vaccine at reduced rates.

The health hazards of environmental lead are addressed through the department's Childhood Lead Poisoning Prevention program. The program identifies children with, or at risk for, lead poisoning. It assures timely medical follow-up, environmental investigation and reduction of lead hazards to prevent adverse effects on intellectual functioning, behavior and overall health status attributable to lead exposure. Appropriate educational, medical and environmental follow-up is provided for the family of each child with a positive screening test result.

The School Health program supports health services for all children who are attending elementary or secondary school, either public or private. The program reimburses 500 school districts and 10 vocational technical schools for a portion of the costs associated with providing school nursing and dental services.

Program Element: Other Health Promotion and Disease and Injury Prevention Programs

The department ensures that all residents of the commonwealth are served through an infectious disease epidemiological surveillance, investigation and control system. Reported cases of infectious diseases are investigated by the department to determine the infection source, transmission mode and control measures to prevent additional cases. The department also provides a secure, confidential statewide disease surveillance system. This computerized system compares incidence and prevalence rates and identifies risk factors. Disease trends are determined and corrective action recommended to reduce or ameliorate public health risks. Diseases investigated range from giardiasis, hepatitis, salmonellosis, shigellosis, rabies and Lyme disease, to tuberculosis, AIDS and the other prevalent sexually transmitted diseases.

Chronic diseases and injuries and their associated risk factors remain the leading causes of preventable morbidity and premature mortality within the commonwealth.

The Cardiovascular Health program, including the Nutrition and Physical Activity (Obesity Prevention) Programs, promotes healthy active lifestyles through

systems, policies and environmental changes in four target environments: communities, healthcare systems, schools and worksites. These changes support the development of positive individual behaviors to reduce and control diabetes and hypertension, and to prevent heart disease, overweight/obesity, stroke and related chronic diseases.

Cancer Prevention and Control programs focus on encouraging lifestyle changes to prevent the development of cancer and to support research, routine testing, screening and early interventions to improve the chance of survival for those who have cancer.

The Violence and Injury Prevention program is designed to reduce the incidence of unintentional injuries, violence and injury-related fatalities through the development of surveillance systems, education programs for at-risk populations and training of health professionals. The department provides funding to 10 county and municipal health departments and other providers to raise public awareness of childhood injuries, educate parents and caregivers about safer environments for children and provide prevention programs on fire safety, poisoning, bicycle safety, falls, firearms storage, drowning and violence prevention.

The Asthma Control program provides education and information to persons with asthma, caregivers and health professionals that support the identification of triggers and self-management of asthma.

The mission of the Diabetes Prevention and Control program is to prevent diabetes, improve the lives of Pennsylvanians with diabetes and reduce disparities related to diabetes among minorities and the underserved. The program's objectives are to increase awareness of diabetes, prevent the onset of Type 2 diabetes through the reduction of risk factors, reduce diabetes complications, increase early diagnosis of persons with diabetes, increase the availability of programs and maintain a data and surveillance system to better understand the impact of diabetes in Pennsylvania.

The department's AIDS programs are a coordinated strategy to prevent and change high-risk behaviors and provide resources and direction for sustaining preventive behavior and avoiding infection with HIV. Emphasis is placed on enhancing local decision-making processes and targeting activities to local needs through six regional planning coalitions, county/municipal health departments and other providers. The program includes on-site training, both print and electronic public information services, community intervention projects for at-risk populations and the provision of care, case management and supportive services for persons infected and affected by HIV/AIDS. Confidential and anonymous HIV testing and partner notification services are also provided at over 500 sites statewide.

Program: Preventive Health (continued)

The goal of the Sexually Transmitted Diseases (STD) program is to reduce the incidence of syphilis, gonorrhea, chlamydia and other STDs. The STD program supports a statewide network of clinical service sites that offer testing, treatment and risk-reduction information and conduct contact elicitation interviews and related investigative services. Special attention and follow-up is provided to those ages 15 and under whom have an STD or who are sexual partners of persons who have an STD and, in order to prevent medical complications among newborns, to pregnant women who have an STD or who are a sexual partner of persons who have an STD.

The Tuberculosis Control program provides outpatient examination, diagnosis and appropriate treatment for persons with tuberculosis disease and infection. Key to preventing the spread of the disease is contact examination and treatment of latent tuberculosis infection in close contacts of infectious cases or other high-risk people.

The Oral Health program assesses the status of the oral health of Pennsylvanians, and plans and implements strategies and programs to improve oral health. The program provides oral and dental health educational material primarily in schools and county health offices that are designed to encourage the prevention of tooth decay, periodontal disease and other oral diseases. The program also promotes the beneficial health effects of fluoridation of public water systems.

The focus of the Pennsylvania Osteoporosis Prevention and Education program is to raise public awareness and educate consumers, health care professionals, teachers and human service providers on the causes and effects of osteoporosis, risk factors, early detection and options for diagnosis and treatment. The program supports community-based educational outreach programs statewide and provides information to the public on the osteoporosis link of the department's Web site.

The department maintains a statewide cancer registry to provide important information to better understand and address the cancer burden within the commonwealth. Data describing the occurrence of cancer, types of cancer, extent of disease at the time of diagnosis, treatment and

demographics are included in the registry database. Information derived through the cancer registry is used for planning and evaluating cancer control programs including cancer prevention and early detection, cancer research, surveillance and special studies. The department seeks to control the epidemic of disease, disability and death related to the use of tobacco products by Pennsylvania residents. The goals of the department are to change community norms through state-advised, community-driven systems that create environments where it is uncommon to see, use and be negatively impacted by tobacco products and tobacco smoke pollution, and to reduce the consumption of tobacco by youth and adults.

Act 77 of 2001 established the Tobacco Settlement Fund and programs to improve the health of Pennsylvanians through research and tobacco use prevention and cessation programs. The department was then charged with establishing a program to investigate complaints regarding possible violations, and to enforce provisions, of the Clean Indoor Air Act, Act 27 of 2008, which prohibits smoking in a public place with certain exemptions. The statewide Tobacco Use Prevention and Control program is consistent with best practices as defined by the Federal Centers for Disease Control and Prevention's Best Practices for Comprehensive Tobacco Control Programs. Seventy percent of the Tobacco Settlement funds are provided through grants to regional primary contractors (lead agencies) to implement the components of comprehensive tobacco control programs in all 67 counties. Activities include community and school programs, enforcement of Pennsylvania's youth access to tobacco law and counter-marketing to prevent initiation of tobacco use by youth; cessation programs to help youth and adults quit tobacco use; awareness education and community outreach to protect non-smokers from secondhand smoke, including surveys to determine compliance with the Clean Indoor Air Act; chronic disease programs and initiatives to address tobacco-related health disparities; surveillance and evaluation programs; and administration and management.

Program: Preventive Health (continued)

Program Recommendations:

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

	GENERAL FUND				
	State Health Care Centers				School District Health Services
\$	305	—to continue current program.		\$	-380
	-229	—nonrecurring 2009-10 budgetary freeze amount.			—nonrecurring 2009-10 budgetary freeze amount.
	<hr/>				
\$	76	<i>Appropriation Increase</i>		\$	76
					Local Health Departments
					—to continue current program.
					-357
					—nonrecurring 2009-10 budgetary freeze amount.
					<hr/>
				\$	-281
					<i>Appropriation Decrease</i>
					Maternal and Child Health
\$	-50	—nonrecurring 2009-10 budgetary freeze amount.		\$	-25
					—nonrecurring 2009-10 budgetary freeze amount.
					Tuberculosis Screening and Treatment
\$	-42	—nonrecurring 2009-10 budgetary freeze amount.		\$	-10
					—program reduction.
					Arthritis Outreach and Education
\$	-44	—nonrecurring 2009-10 budgetary freeze amount.		\$	-168
					—nonrecurring project.
					Epilepsy Support Services
\$	-7	—nonrecurring 2009-10 budgetary freeze amount.		\$	-155
					—nonrecurring project.
					Keystone State Games
\$	-25	—nonrecurring 2009-10 budgetary freeze amount.		\$	-150
					—funding elimination.
					Newborn Hearing Screening
\$	-16	—nonrecurring 2009-10 budgetary freeze amount.		\$	-3
					—nonrecurring 2009-10 budgetary freeze amount.
					Osteoporosis Prevention and Education
\$	-78	—nonrecurring 2009-10 budgetary freeze amount.		\$	-50
					—nonrecurring project.
					TOBACCO SETTLEMENT FUND
					Tobacco Use Prevention and Cessation
\$	-100	—nonrecurring project.		\$	-2,842
					—based on current estimates.

The Local Health - Environmental appropriation is recommended at the current year funding level.



Program: Preventive Health (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
GENERAL FUND:							
Smoke-Free PA Enforcement	\$ 939	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
State Health Care Centers	22,978	22,887	22,963	22,963	22,963	22,963	22,963
Antiviral Stockpile	5,501	0	0	0	0	0	0
Sexually Transmitted Disease Screening and Treatment.....	2,325	2,000	1,950	1,950	1,950	1,950	1,950
PA Injury Reporting and Intervention System.....	1,228	0	0	0	0	0	0
Rx for PA - Health Equity Strategies.....	451	0	0	0	0	0	0
Primary Health Care Practitioner.....	4,178	4,178	4,136	4,136	4,136	4,136	4,136
Rx for PA - Primary Care Access.....	2,834	0	0	0	0	0	0
Newborn Screening.....	4,000	4,443	4,399	4,399	4,399	4,399	4,399
Expanded Cervical Cancer Screening.....	718	718	711	711	711	711	711
Cancer Control Programs.....	1,971	853	828	828	828	828	828
Breast and Cervical Cancer Screenings....	1,587	1,607	1,591	1,591	1,591	1,591	1,591
AIDS Programs.....	9,575	7,750	7,672	7,672	7,672	7,672	7,672
Rural Cancer Outreach.....	189	100	0	0	0	0	0
School District Health Services	38,092	38,000	37,620	37,620	37,620	37,620	37,620
Local Health Departments	28,062	28,062	27,781	27,781	27,781	27,781	27,781
Local Health - Environmental	7,641	7,638	7,638	7,638	7,638	7,638	7,638
Maternal and Child Health.....	2,360	2,473	2,448	2,448	2,448	2,448	2,448
Tuberculosis Screening and Treatment.....	996	996	986	986	986	986	986
Arthritis Outreach and Education.....	365	168	0	0	0	0	0
Rural Trauma Preparedness and Outreach.....	188	0	0	0	0	0	0
Epilepsy Support Services.....	568	396	241	241	241	241	241
Keystone State Games.....	208	150	0	0	0	0	0
Newborn Hearing Screening	321	322	319	319	319	319	319
Osteoporosis Prevention and Education ...	90	50	0	0	0	0	0
TOTAL GENERAL FUND	\$ 137,365	\$ 122,791	\$ 121,283	\$ 121,283	\$ 121,283	\$ 121,283	\$ 121,283
TOBACCO SETTLEMENT FUND:							
Tobacco Use Prevention and Cessation (EA).....	\$ 32,054	\$ 17,674	\$ 14,831	\$ 29,827	\$ 29,834	\$ 29,842	\$ 29,851



PROGRAM OBJECTIVE: To maximize the individual's capacity for independent living through the provision of an array of service and support programs.

Program: Health Treatment Services

The department has responsibility for coordinating a variety of specialized medical services for commonwealth patients. The department also pays for these services in cases where all other available resources, including Medical Assistance and the Children's Health Insurance Program (CHIP) have been used.

Program Element: Inpatient Services

One of the principal concerns of patient management is to provide treatment services at the least expensive level of care while remaining consistent with standards of good medical practice. Inpatient hospital and nursing care is provided for only the most acute medical conditions that require the facilities and services available in an inpatient setting. Because inpatient care is very expensive, programs providing this type of care have imposed strict controls on admissions and, where possible, are using outpatient services in lieu of hospital admissions. Inpatient care is provided for the treatment of tuberculosis, cleft palate, cystic fibrosis, spina bifida, children's cardiac conditions, speech and hearing problems and orthopedic conditions.

Program Element: Outpatient Services

Outpatient treatment services are more economical and cost-effective than inpatient care and are used whenever possible to provide needed treatment services for chronic diseases (including respiratory), physical rehabilitation and reconstruction, catastrophic blood disorders and acute conditions.

Clinical services are offered in a variety of settings, including state and community health centers, family planning clinics and participating physicians' offices. Minors may seek and receive care under the treatment of minor's provisions of the Disease Prevention and Control Law.

The Bureau of Family Health facilitates connections to services for children with special needs through its Special Kids Network and supports Children with Special Health Care Needs Consultant staff in each of the department's six district offices. Special Kids Network provides families and health care providers with information and referral services and system of care activities, as well as an on-line searchable database of resources. The network is one of the information and referral help lines that constitute the commonwealth's Health and Human Services Call Center. The information and referral specialists who respond to calls are able to provide callers with access to more than 10,000 local, regional and statewide resources that serve

children with special health care needs. System of care services provide community/population based and family focused services for individuals with special needs and their families by participating in and facilitating activities such as community systems development, service coordination, outreach, resource mapping, coalition building and project development and evaluation. System of care activities reside within local communities and are coordinated through one centrally managed contract. The staff in the department's district offices provide individual and family support services.

The comprehensive specialty care programs provide children and adults with a variety of services including diagnosis, direct medical care, case management, comprehensive evaluations, rehabilitative services including pharmaceuticals and blood products for certain health conditions. In a joint effort to improve utilization of state funds, individuals who appear to be eligible for Medical Assistance and CHIP are referred to those programs.

Medical payment services are available for the following conditions: cardiac, child rehabilitation, cleft palate, hearing and speech impairment, orthopedic, ventilator dependency, cystic fibrosis, spina bifida and hemophilia.

The Home Ventilator program provides statewide case management and support services to children with chronic respiratory failure who are ventilator dependent, allowing them to receive life-support equipment and in-home nursing care.

The Hemophilia program uses seven specialized centers to provide comprehensive evaluation, rehabilitation services and blood products for outpatient or home use. Patients must be registered with a center to receive these benefits and must ensure that third party resources are used before state program funds are expended.

Sickle cell disease is a genetically determined red blood cell disorder that occurs most frequently in African Americans. Comprehensive medical and psychosocial services are available to patients at different service sites.

The adult cystic fibrosis program provides comprehensive treatment and care coordination to an increasing number of adults who survive this chronic childhood condition.

The Chronic Renal Disease Program provides dialysis, kidney transplant, drugs, certain physician fees, medical supplies and transportation services to persons with chronic renal failure. The department's Health Promotion program conducts a public information and education

Program: Health Treatment Services (continued)

program to encourage organ and tissue donation as one means of managing this disease and increasing the quality of life.

The department is the lead agency for the commonwealth emergency medical services system as defined in Act 45 of 1985, known as the Emergency Medical Services Act. This includes planning, developing, implementing and evaluating the system (including emergency preparedness and response) through 16 regional councils and a statewide advisory council. This program is responsible for licensure of ambulances, medical command facility accreditation, medical command physician recognition, training institute

accreditation, certification of pre-hospital practitioners and distribution of funding. With the passage of pre-hospital "Do Not Resuscitate" (DNR) legislation, regulations and implementation of the DNR program are managed through this program as well.

The Head Injury program provides case management services and post-acute head injury rehabilitation services to individuals with traumatic head injury. Services are provided through contractual agreements with head injury rehabilitation providers in the commonwealth. Funding is made available through the Emergency Medical Services Operating Fund included in the Special Funds Appendix.

Program Recommendations:

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

<p>\$ -1 Organ Donation Awareness —nonrecurring 2009-10 budgetary freeze amount.</p> <p>\$ -16 Services for Children with Special Needs —nonrecurring 2009-10 budgetary freeze amount.</p> <p>\$ -7 Adult Cystic Fibrosis —nonrecurring 2009-10 budgetary freeze amount.</p> <p>\$ -2 Cooley's Anemia —nonrecurring 2009-10 budgetary freeze amount.</p> <p>\$ -14 Hemophilia —nonrecurring 2009-10 budgetary freeze amount.</p> <p>\$ -200 Lupus —nonrecurring project.</p> <p>\$ -18 Sickle Cell —nonrecurring 2009-10 budgetary freeze amount.</p>	<p>\$ -10 Regional Poison Control Centers —nonrecurring 2009-10 budgetary freeze amount.</p> <p>\$ -300 Trauma Program Coordination —nonrecurring project.</p> <p>\$ -50 Tourette Syndrome —nonrecurring project.</p> <p>\$ -13 Lancaster - Cleft Palate Clinic —elimination of state funding.</p> <p>\$ -93 Burn Foundation —elimination of state funding.</p> <p>\$ -215 The Children's Institute, Pittsburgh —elimination of state funding.</p> <p>\$ -100 Children's Hospital of Philadelphia —elimination of state funding.</p> <p>\$ -158 Philadelphia Health & Educ Corp - Pediatric Outpatient & Inpatient —elimination of state funding.</p>
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The Renal Dialysis appropriation is recommended at the current year funding level.

Program: Health Treatment Services (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
General Fund:							
Organ Donation Awareness.....	\$ 103	\$ 50	\$ 49	\$ 49	\$ 49	\$ 49	\$ 49
Renal Dialysis.....	6,409	6,779	6,779	6,779	6,779	6,779	6,779
Services for Children with Special Needs..	1,600	1,580	1,564	1,564	1,564	1,564	1,564
Adult Cystic Fibrosis.....	476	676	669	669	669	669	669
Cooley's Anemia.....	153	153	151	151	151	151	151
Hemophilia.....	1,409	1,409	1,395	1,395	1,395	1,395	1,395
Lupus.....	273	200	0	0	0	0	0
Sickle Cell.....	1,909	1,784	1,766	1,766	1,766	1,766	1,766
Regional Poison Control Centers.....	1,151	1,007	997	997	997	997	997
Trauma Program Coordination.....	350	300	0	0	0	0	0
Tourette Syndrome.....	96	50	0	0	0	0	0
Lancaster - Cleft Palate Clinic.....	55	13	0	0	0	0	0
Burn Foundation.....	388	93	0	0	0	0	0
The Children's Institute, Pittsburgh.....	900	215	0	0	0	0	0
Children's Hospital of Philadelphia.....	418	100	0	0	0	0	0
Philadelphia Health & Education Corp - Pediatric Outpatient & Inpatient.....	661	158	0	0	0	0	0
Philadelphia Health & Education Corp - Med-Handicapped Children's Clinic.....	69	0	0	0	0	0	0
TOTAL GENERAL FUND.....	\$ 16,420	\$ 14,567	\$ 13,370	\$ 13,370	\$ 13,370	\$ 13,370	\$ 13,370



PROGRAM OBJECTIVE: To provide education, intervention and treatment programs to reduce drug and alcohol abuse and dependency.

Program: Drug and Alcohol Abuse Prevention and Treatment

This program provides counties with funding to provide drug and alcohol services for Pennsylvanians who do not have insurance or resources to pay for treatment. Single County Authorities prepare prevention, intervention and treatment plans tailored to the needs of their respective geographic areas. The department approves these plans and formulates a statewide plan based on those findings.

Statewide prevention programs provide current information on the effects of drugs and alcohol and assist individuals in developing or improving skills that will enable them to choose a lifestyle free of substance abuse. This is done through educational sessions, workshops, media presentations and an information clearinghouse operated by the department. Primary emphasis has been given to youth, and a special curriculum is now used in all school districts to address drug and alcohol problems.

Intervention services provide support to those individuals affected by drug or alcohol problems. Services include information hotlines, drop-in centers, alcohol safety programs and employee assistance programs.

Treatment services are funded in hospitals, prisons, shelters, residential units and outpatient programs. Treatment often consists of short-term detoxification followed by longer term rehabilitation. Most inpatient services are rendered in a non-hospital setting. Outpatient services may follow discharge from a residential program; however, many persons receive their initial treatment in an outpatient setting. Drug and alcohol education and training programs are provided for substance abuse and human services professionals. Issues such as prevention, intervention and treatment are addressed through a variety of educational initiatives. This program is accompanied by federal drug and alcohol programs totaling \$57 million and \$3 million from the Compulsive and Problem Gambling Treatment Fund.

Program Recommendations:

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

The Assistance to Drug and Alcohol Programs appropriation is recommended at the current year funding level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
GENERAL FUND:							
Assistance to Drug and Alcohol Programs	\$ 42,602	\$ 41,750	\$ 41,750	\$ 41,750	\$ 41,750	\$ 41,750	\$ 41,750



Program Measures

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Program: Health Support Services							
Licensure and/or Federal Certification Surveys Completed Prior to Licensure Expiration by Facility Type							
Hospitals within 24 months	224	247	247	247	247	247	247
Nursing homes within 15 months	744	722	722	722	722	722	722
Intermediate care facilities/MR within 12 months	201	202	202	202	202	202	202
Home health agencies within 12 months	417	430	430	430	430	430	430
Residential drug and alcohol programs licensed/approved	179	179	179	179	179	179	179
Nonresidential drug and alcohol programs licensed/approved	495	495	495	495	495	495	495
Hospices within 12 months*	166	215	215	215	215	215	215
Home Care Agencies/Registries within 12 months*	N/A	650	700	700	700	700	700
Birth Centers within 12 months*	5	11	11	11	11	11	11
Pediatric Extended Care Centers within 12 months*	10	12	12	12	12	12	12
Laboratory Services							
Clinical laboratories licensed	8,675	8,762	8,850	8,850	8,850	8,850	8,850
Specimens tested by the state laboratory per year	80,570	82,000	83,000	83,000	83,000	83,000	83,000
Rabies tests by the state laboratory per year	3,550	3,600	3,425	3,425	3,425	3,425	3,425
West Nile Virus tests by the state laboratory per year	24,300	24,400	23,000	23,000	23,000	23,000	23,000
Activities Related to Bioterrorism							
Grants awarded for hospitals	161	163	163	163	163	163	163
Surge beds available	8,454	8,454	8,454	8,454	8,454	8,454	8,454
Percentage of eligible hospitals registered to use PA-NEDSS	98%	98%	98%	98%	98%	98%	98%
Percentage of eligible laboratories registered to use PA-NEDSS	77%	78%	79%	80%	81%	82%	83%

* New Program Measure

The actual numbers shown under the "Licensure and/or Federal Certification Surveys" measure reflect a 100% completion rate prior to license and/or certification expiration.

Program: Health Research

Health Disparities

Diabetes prevalence rate per 1,000 population for white adults aged 18+	72	69	69	69	69	69	69
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Program Measures

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Diabetes prevalence rate per 1,000 population for black and non-hispanic adults aged 18+	148	129	129	129	129	129	129
Diabetes prevalence rate per 1,000 population for hispanic adults aged 18+	83	109	109	109	109	109	109
Vital Events (births, deaths and fetal deaths)							
Vital events registered and processed	273,381	270,000	270,000	270,000	270,000	270,000	270,000
Percentage of vital events registered and processed within 30 days	95%	95%	95%	95%	95%	95%	95%
Applications for certified copies of birth and death records filled	506,457	510,000	520,000	520,000	520,000	520,000	520,000
Percentage of applications for certified copies of birth and death records filled within five days	99%	90%	90%	90%	90%	90%	90%
Percentage of cancer abstracts processed within 24 months of diagnosis	99%	99%	99%	99%	99%	99%	99%
Tobacco-Funded Research							
New formula and non-formula grants awarded	36	36	36	36	36	36	36
Percentage of completed state-funded research grants that have received a favorable or outstanding performance evaluation from expert peer reviewers	100%	95%	95%	95%	95%	95%	95%
Percentage of completed CURE grants exceeding \$100,000 that have leveraged additional outside funding	64%	70%	70%	70%	70%	70%	70%
Program: Preventive Health							
State Health Care Centers							
Total encounters by State Health Care Centers	555,584	561,140	566,750	566,750	566,750	566,750	566,750
Family health encounters including immunizations, injury prevention, and special health care needs	201,982	204,001	206,040	206,040	206,040	206,040	206,040
Communicable disease encounters including adult immunizations, HIV/AIDS, STD, Tuberculosis, and epidemiology	251,210	253,722	256,260	256,260	256,260	256,260	256,260
Chronic disease encounters including cancer, diabetes, and tobacco	28,678	28,964	28,255	28,255	28,255	28,255	28,255
Primary care physicians receiving loan repayment forgiveness	100	100	100	100	100	100	100
Percentage of primary care practitioners receiving loan repayment forgiveness remaining in practice in Pennsylvania	80%	80%	80%	80%	80%	80%	80%



Program Measures

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Women and Children's Programs							
Average number of persons participating in women, infants, and children (WIC) programs each month	258,744	265,300	266,500	268,000	269,000	269,500	270,000
Average actual food cost per WIC participant, per month	\$43.34	\$46.80	\$59.05	\$60.25	\$61.45	\$62.65	\$63.90
Average Nutrition Services and Administration (NSA) operational costs per WIC participant, per month	\$15.89	\$16.32	\$16.80	\$16.80	\$16.80	\$16.80	\$16.80
Percentage of WIC-enrolled breastfeeding mothers who breastfed their infants for the first six months	15%	16%	16%	16%	16%	16%	16%
Newborns receiving hearing screening	142,000	148,000	148,000	148,000	148,000	148,000	148,000
Newborns receiving state-mandated screening for genetic conditions	150,785	152,217	153,665	153,665	153,665	153,665	153,665
High-risk uninsured women aged 40 to 49 who receive breast and cervical cancer screening as determined by state funding	4,809	4,809	4,809	4,809	4,809	4,809	4,809
Privately owned housing units in targeted geographical areas that are remediated for the presence of lead hazards	96	37	55	56	39	55	55
School Health							
Percentage of school districts, charter schools, and comprehensive vocational technical schools in compliance with certified school nurse coverage requirements	95%	95%	96%	96%	96%	96%	96%
Other Communicable Disease Programs and Incidences Reported							
HIV tests at publicly-funded sites	64,000	64,500	65,000	65,000	65,000	65,000	65,000
Percentage of clients testing positive for HIV at department-supported HIV counseling and testing sites returning for results	91%	92%	92%	92%	92%	92%	92%
Incidences of Gonorrhea	6,075	6,070	6,065	6,065	6,065	6,065	6,065
Incidences of Infectious Syphilis	90	85	80	80	80	80	80
Tuberculosis (per 100,000 in population)	2.8	2.8	2.7	2.7	2.7	2.7	2.7
Injury Prevention							
Children and adults receiving injury prevention education and awareness	27,915	25,650	25,650	25,650	25,650	25,650	25,650



Program Measures

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Tobacco Program							
Percentage of callers to the PA FREE Quitline who received counseling and reported that they have stopped the use of tobacco products at the 6-month follow-up	29%	30%	31%	31%	31%	31%	31%
Percentage of adults (age 18+) who are current cigarette smokers	21%	20%	20%	19%	19%	18%	18%
Percentage of high school students who smoke	17.5%	17.5%	16%	16%	16%	16%	16%

The "Privately owned housing units" measure represents projections as shown in three-year federal grant application.

Program: Health Treatment Services

Minimum Number of Children and Adults Receiving Outpatient Treatment Through Department-Supported Programs

Hemophilia	1,625	1,625	1,625	1,625	1,625	1,625	1,625
Phenylketonuria, Maple Syrup Urine Disease, Galactosemia	1,300	1,310	1,310	1,310	1,310	1,310	1,310
Renal disease	4,640	5,228	5,228	5,228	5,228	5,228	5,228
Cooley's Anemia	52	55	55	55	55	55	55
Sickle Cell disease	4,186	4,190	4,190	4,190	4,190	4,190	4,190
Spina Bifida	1,138	1,380	1,380	1,380	1,380	1,380	1,380
Home ventilators	277	277	277	277	277	277	277
Children's rehabilitation services	3,044	3,055	3,055	3,055	3,055	3,055	3,055

Help Line Activities

Total calls to the help lines	102,303	102,000	122,000	122,000	122,000	122,000	122,000
Calls to Healthy Kids help line	91,478	91,000	91,000	91,000	91,000	91,000	91,000
Calls to Special Kids Network help line	3,875	4,000	4,200	4,200	4,200	4,200	4,200
Percentage of callers who express satisfaction with the services provided by the Special Kids Network	92%	93%	93%	93%	93%	93%	93%

Emergency Medical Services

Ambulances licensed annually	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Quick response services recognized to provide medical command annually	500	500	500	500	500	500	500
Hospitals recognized to provide medical command annually	145	145	145	145	145	145	145



Program Measures

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Program: Drug and Alcohol Abuse Prevention and Treatment							
Admissions to treatment	78,801	77,715	76,930	76,930	76,930	76,930	76,930
Average length of outpatient treatment (days)	60	65	65	65	65	65	65
Average length of inpatient treatment (days)	19	15	15	15	15	15	15





HIGHER EDUCATION ASSISTANCE AGENCY

The mission of the Higher Education Assistance Agency is to provide financial aid to higher education students in the form of grants, loans and employment opportunities through the coordination of state and federal aid programs. In addition, the agency provides Institutional Assistance Grants to private institutions enrolling students who participate in the State Grant program.



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Higher Education Assistance Agency

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2008-09 ACTUAL	2009-10 AVAILABLE	2010-11 BUDGET
GENERAL FUND:			
<i>Grants and Subsidies:</i>			
Grants to Students.....	\$ 407,413	\$ 403,632	\$ 403,632
(F)Byrd Scholarships (EA).....	1,563	1,563	1,541
Matching Payments for Student Aid.....	13,938	13,938	13,938
Institutional Assistance Grants.....	42,013	30,250	30,250
Bond-Hill Scholarships.....	740	740	740
Agricultural Loan Forgiveness.....	84	71	71
SciTech and Technology Scholarships.....	4,293	3,778	3,778
Cheyney Keystone Academy.....	1,974	1,761	1,761
Nursing Shortage Initiative.....	2,418	1,000	1,000
Subtotal - State Funds.....	\$ 472,873	\$ 455,170	\$ 455,170
Subtotal - Federal Funds.....	1,563	1,563	1,541
Total - Grants and Subsidies.....	\$ 474,436	\$ 456,733	\$ 456,711
STATE FUNDS.....	\$ 472,873	\$ 455,170	\$ 455,170
FEDERAL FUNDS.....	1,563	1,563	1,541
GENERAL FUND TOTAL.....	\$ 474,436	\$ 456,733	\$ 456,711
OTHER FUNDS:			
HIGHER EDUCATION ASSISTANCE FUND:			
Educational Training Vouchers Program.....	\$ 2,502	\$ 1,880	\$ 1,918
Leveraging Educational Assistance Partnership.....	3,039	3,141	3,039
Transfers Augmenting Appropriations.....	0	228	253
Primary Health Care.....	1,161	894	1,244
Gear Up.....	473	46	35
HIGHER EDUCATION ASSISTANCE FUND TOTAL.....	\$ 7,175	\$ 6,189	\$ 6,489
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 472,873	\$ 455,170	\$ 455,170
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	1,563	1,563	1,541
OTHER FUNDS.....	7,175	6,189	6,489
TOTAL ALL FUNDS.....	\$ 481,611	\$ 462,922	\$ 463,200



Program Funding Summary

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
FINANCIAL ASSISTANCE TO STUDENTS							
GENERAL FUND.....	\$ 428,442	\$ 423,920	\$ 423,920	\$ 423,920	\$ 423,920	\$ 423,920	\$ 423,920
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	1,563	1,563	1,541	1,541	1,541	1,541	1,541
OTHER FUNDS.....	7,175	6,189	6,489	6,489	6,489	6,489	6,489
SUBCATEGORY TOTAL.....	\$ 437,180	\$ 431,672	\$ 431,950	\$ 431,950	\$ 431,950	\$ 431,950	\$ 431,950
FINANCIAL AID TO INSTITUTIONS							
GENERAL FUND.....	\$ 44,431	\$ 31,250	\$ 31,250	\$ 31,250	\$ 31,250	\$ 31,250	\$ 31,250
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
SUBCATEGORY TOTAL.....	\$ 44,431	\$ 31,250	\$ 31,250	\$ 31,250	\$ 31,250	\$ 31,250	\$ 31,250
ALL PROGRAMS:							
GENERAL FUND.....	\$ 472,873	\$ 455,170	\$ 455,170	\$ 455,170	\$ 455,170	\$ 455,170	\$ 455,170
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	1,563	1,563	1,541	1,541	1,541	1,541	1,541
OTHER FUNDS.....	7,175	6,189	6,489	6,489	6,489	6,489	6,489
DEPARTMENT TOTAL.....	\$ 481,611	\$ 462,922	\$ 463,200	\$ 463,200	\$ 463,200	\$ 463,200	\$ 463,200

Higher Education Assistance Agency

PROGRAM OBJECTIVE: To provide financial assistance to commonwealth residents in order to promote access to institutions of higher education.

Program: Financial Assistance to Students

The Pennsylvania Higher Education Assistance Agency offers financial assistance programs to students in the form of grants, scholarships and work-study awards. Disbursements for the various financial assistance programs are made by PHEAA from its Higher Education Assistance Fund. All General Fund appropriations are transferred to PHEAA's Higher Education Assistance Fund prior to distribution to students and institutions. The Higher Education Assistance Fund is shown in the Other Special Funds Appendix.

Direct grants to students are funded by an annual appropriation from the General Fund, interest earnings from the deposit of that appropriation in the Higher Education Assistance Fund and the Federal Leveraging Educational Assistance Partnership. The PHEAA Board annually determines by regulation the distribution of funds to applicants on criteria including family income, family size and the cost of the institution the student will be attending.

The objective of the program is to reduce financial barriers and thereby provide access to higher education for all commonwealth residents and, within the limits of the resources available, help to provide freedom of choice between public colleges and universities and private universities, colleges and post-secondary schools.

The Matching Funds program provides funds to match federal funds and work-study awards which students earn through several on-campus and off-campus job opportunities. The on-campus jobs program generally

provides employment in campus services; the off-campus jobs program places students in career and course of study related work in local communities. Matching funds also leverage private foundation scholarships, thereby providing increased awards for students.

The Horace Mann Bond-Leslie Pinckney Hill Scholarship program (formerly the Equal Opportunity Professional Education Program) provides grants to graduates of Lincoln University and Cheyney University of Pennsylvania who enter selected graduate programs or the professional programs of law, medicine or dentistry at Temple University, the Pennsylvania State University or the University of Pittsburgh.

The Agricultural Education Loan Forgiveness program provides loan forgiveness for graduates with agriculture degrees who work on family-owned farms, for teachers of an agricultural curriculum and for veterinarians whose practices include the treatment of farm animals.

The SciTech and Technology Scholarships Program, also known as the New Economy Technology Scholarship program, provides scholarships to eligible Pennsylvania students who are enrolled in an approved post-secondary science or technology curriculum. Students participating in this program must maintain all eligibility requirements and meet the post-graduation work obligation or the scholarship reverts to a loan.

The Cheyney Keystone Honors Academy program provides scholarships to attract academically talented students.

Program Recommendations:

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

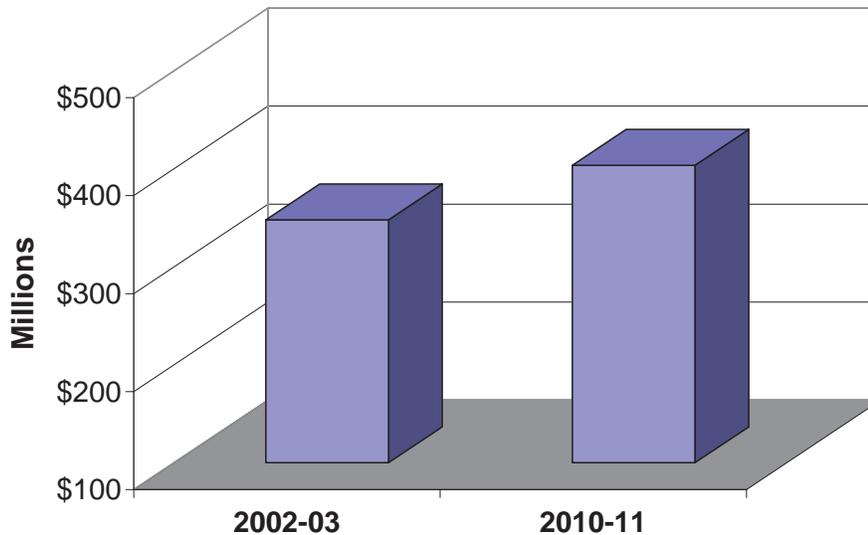
All appropriations are recommended at the current year funding levels.



Higher Education Assistance Agency

Program: Financial Assistance to Students (continued)

Grants to Students



Funding for Grants to Students has increased \$55.7 million or 16 percent since 2002-03.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
Grants to Students.....	\$ 407,413	\$ 403,632	\$ 403,632	\$ 403,632	\$ 403,632	\$ 403,632	\$ 403,632
Matching Payments for Student Aid	13,938	13,938	13,938	13,938	13,938	13,938	13,938
Bond-Hill Scholarships	740	740	740	740	740	740	740
Agricultural Loan Forgiveness	84	71	71	71	71	71	71
SciTech and Technology Scholarships	4,293	3,778	3,778	3,778	3,778	3,778	3,778
Cheyney Keystone Academy.....	1,974	1,761	1,761	1,761	1,761	1,761	1,761
TOTAL GENERAL FUND.....	\$ 428,442	\$ 423,920	\$ 423,920	\$ 423,920	\$ 423,920	\$ 423,920	\$ 423,920



Higher Education Assistance Agency

PROGRAM OBJECTIVE: To assist independent post-secondary institutions to maintain enrollments and stabilize their educational costs thereby promoting access to institutions in all sectors for Pennsylvania students.

Program: Financial Aid to Institutions

The Institutional Assistance Grants program, which began in 1974, provides grants to assist independent post-secondary institutions that are not-for-profit, nondenominational and non-recipients of direct state appropriations.

The program provides equal per capita grants to the schools based on the number of full-time equivalent state grant recipients enrolled during the academic year. Eighty-five institutions are expected to participate in the 2010-11 program.

The program helps to preserve and develop the diverse system of higher education in Pennsylvania by allowing Pennsylvania's independent colleges and universities to stabilize their educational costs and maintain enrollments. It recognizes the desirability of helping independent institutions remain fiscally sound and serves to promote student access to institutions in all sectors.

The Nursing Shortage Initiative program is part of the commonwealth's workforce development efforts and assists to increase the number of nurses in the commonwealth workforce.

Program Recommendations:

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

All appropriations are recommended at the current year funding levels.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
GENERAL FUND:							
Institutional Assistance Grants	\$ 42,013	\$ 30,250	\$ 30,250	\$ 30,250	\$ 30,250	\$ 30,250	\$ 30,250
Nursing Shortage Initiative	2,418	1,000	1,000	1,000	1,000	1,000	1,000
TOTAL GENERAL FUND.....	\$ 44,431	\$ 31,250	\$ 31,250	\$ 31,250	\$ 31,250	\$ 31,250	\$ 31,250



Higher Education Assistance Agency

Program Measures

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Program: Financial Assistance to Students							
Grants to Students							
Applications for grants	557,134	607,000	625,000	644,000	664,000	683,000	704,000
Applications complete and needs tested for eligibility	311,397	322,000	331,000	341,000	352,000	362,000	373,000
Eligible applicants-meeting qualifications	170,392	201,000	207,000	213,000	220,000	226,000	233,000
Eligible applicants enrolled and accepting grants	150,055	172,000	178,000	183,000	189,000	194,000	200,000
Eligible applicants not enrolled at a college/university	20,337	29,000	29,000	30,000	31,000	32,000	33,000
Grant amount as percentage of applicant's total educational cost	11.7%	10.6%	10.9%	10.9%	10.9%	10.9%	10.9%
Students receiving SciTech scholarships	3,896	4,000	4,000	4,000	4,000	5,000	5,000
Work Study							
Students assisted by federal, state and private funds	41,335	43,000	43,000	44,000	44,000	45,000	45,000
Student work study earnings (in millions)	\$55.80	\$65.70	\$66.40	\$67.10	\$67.70	\$68.40	\$69.10
Program: Financial Aid to Institutions							
Eligible grant recipients enrolled at eligible independent institutions	37,958	39,000	41,000	41,000	41,000	41,000	41,000
Per capita grant	\$1,108	\$776	\$738	\$738	\$738	\$738	\$738





HISTORICAL AND MUSEUM COMMISSION

The mission of the Historical and Museum Commission is to preserve the commonwealth's past through leadership, stewardship and service. The commission believes that future generations will be strengthened and inspired by the ideals and traditions of Pennsylvania's heritage.



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Historical and Museum Commission

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2008-09 ACTUAL	2009-10 AVAILABLE	2010-11 BUDGET
GENERAL FUND:			
<i>General Government:</i>			
General Government Operations.....	\$ 24,429	\$ 19,543	\$ 19,348
(F)Historic Preservation.....	1,000	1,167	1,168
(F)Surface Mining Review.....	150	150	190
(F)Environmental Review.....	300	375	415
(F)Pennsylvania Archaeology (EA).....	150	170	170
(F)Institute of Museum Library Services.....	23	150	300
(F)Storm Damages - April 2005 (EA).....	134	0	0
(F)Lumber Museum.....	198	198	198
(F)Historical Records and Advisory Board Administration.....	20	20	0
(F)American Battlefield Protection.....	37	0	37
(F)Preserve America.....	305	325	395
(F)Coastal Zone Management.....	30	50	50
(F)Highway Planning and Construction.....	0	25	25
(F)ARRA - Geothermal Technologies.....	0	0 ^a	0
(F)National Endowment for the Humanities.....	0	0	875
(A)Architectural Services.....	3	0	0
(A)State Records Center.....	0	270	550
(A)Keystone Recreation, Park & Conservation Fund.....	411	0	400
Subtotal.....	<u>\$ 27,190</u>	<u>\$ 22,443</u>	<u>\$ 24,121</u>
Subtotal - State Funds.....	\$ 24,429	\$ 19,543	\$ 19,348
Subtotal - Federal Funds.....	2,347	2,630	3,823
Subtotal - Augmentations.....	414	270	950
Total - General Government.....	<u>\$ 27,190</u>	<u>\$ 22,443</u>	<u>\$ 24,121</u>
<i>Grants and Subsidies:</i>			
Museum Assistance Grants.....	\$ 3,558	\$ 1,779	\$ 0
Historical Education & Museum Assistance.....	1,034	0	0
Regional History Centers.....	329	175	0
University of Pennsylvania Museum.....	236	56	0
Carnegie Museum of Natural History.....	236	56^b	0
Carnegie Science Center.....	236	56^b	0
Franklin Institute Science Museum.....	713	171^b	0
Academy of Natural Sciences.....	437	105^b	0
African American Museum in Philadelphia.....	333	80^b	0
Everhart Museum.....	42	10^b	0
Mercer Museum.....	181	43^b	0
Whitaker Center for Science and the Arts.....	131	31^b	0
Total - Grants and Subsidies.....	<u>\$ 7,466</u>	<u>\$ 2,562</u>	<u>\$ 0</u>
STATE FUNDS.....	\$ 31,895	\$ 22,105	\$ 19,348
FEDERAL FUNDS.....	2,347	2,630	3,823
AUGMENTATIONS.....	414	270	950
GENERAL FUND TOTAL.....	<u>\$ 34,656</u>	<u>\$ 25,005</u>	<u>\$ 24,121</u>
KEYSTONE RECREATION, PARK AND CONSERVATION FUND:			
<i>Grants and Subsidies:</i>			
Historic Site Development (EA).....	\$ 8,210	\$ 0	\$ 8,001



Historical and Museum Commission

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2008-09 ACTUAL	2009-10 AVAILABLE	2010-11 BUDGET
OTHER FUNDS:			
GENERAL FUND:			
Historical Preservation Act of 1966 (F).....	\$ 130	\$ 95	\$ 117
Rent and Other Income.....	171	200	35
GENERAL FUND TOTAL.....	\$ 301	\$ 295	\$ 152
HISTORICAL PRESERVATION FUND:			
Historical Preservation Fund.....	\$ 1,529	\$ 1,925	\$ 1,755
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 31,895	\$ 22,105	\$ 19,348
SPECIAL FUNDS.....	8,210	0	8,001
FEDERAL FUNDS.....	2,347	2,630	3,823
AUGMENTATIONS.....	414	270	950
OTHER FUNDS.....	1,830	2,220	1,907
TOTAL ALL FUNDS.....	\$ 44,696	\$ 27,225	\$ 34,029

^a Appropriated as \$250,000. The department received notification that federal funding was not awarded.

^b Appropriation not enacted at time of publication.



Program Funding Summary

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
STATE HISTORIC PRESERVATION							
GENERAL FUND.....	\$ 24,429	\$ 19,543	\$ 19,348	\$ 19,348	\$ 19,348	\$ 19,348	\$ 19,348
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	2,347	2,630	3,823	3,823	3,823	3,823	3,823
OTHER FUNDS.....	2,244	2,490	2,857	2,870	2,918	2,954	2,987
SUBCATEGORY TOTAL.....	\$ 29,020	\$ 24,663	\$ 26,028	\$ 26,041	\$ 26,089	\$ 26,125	\$ 26,158
MUSEUM ASSISTANCE							
GENERAL FUND.....	\$ 7,466	\$ 2,562	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	8,210	0	8,001	8,257	9,211	9,945	10,592
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
SUBCATEGORY TOTAL.....	\$ 15,676	\$ 2,562	\$ 8,001	\$ 8,257	\$ 9,211	\$ 9,945	\$ 10,592
ALL PROGRAMS:							
GENERAL FUND.....	\$ 31,895	\$ 22,105	\$ 19,348	\$ 19,348	\$ 19,348	\$ 19,348	\$ 19,348
SPECIAL FUNDS.....	8,210	0	8,001	8,257	9,211	9,945	10,592
FEDERAL FUNDS.....	2,347	2,630	3,823	3,823	3,823	3,823	3,823
OTHER FUNDS.....	2,244	2,490	2,857	2,870	2,918	2,954	2,987
DEPARTMENT TOTAL.....	\$ 44,696	\$ 27,225	\$ 34,029	\$ 34,298	\$ 35,300	\$ 36,070	\$ 36,750

Historical and Museum Commission

PROGRAM OBJECTIVE: To manage and safeguard Pennsylvania's historic resources through a comprehensive history and museum program to educate, interpret, research and preserve all areas of Pennsylvania history.

Program: State Historic Preservation

The State Historic Preservation program administered by the Historical and Museum Commission is comprised of four major elements. These elements include Executive Direction and Administration, Pennsylvania State and Local Records, Historic Site and Museum Operations, and Historic Preservation.

Program Element: Executive Direction and Administration

This program provides general policy and direction for administering the commission's operations. It includes legislative, marketing and press relations, human resources management, procurement, information technology and management of the commission's website, financial grant administration, fiscal and revenue management, and other support services.

Program Element: State and Local Records

This program supports the operation of the State Archives and the State Records Center. The State Archives is responsible for identifying, acquiring, preserving and providing public access to the permanently valuable and historical records created by government. This responsibility extends to electronic records and to the use of electronic and web technology to facilitate public access. The archives maintains and preserves program files, maps, correspondence, reports, photographs, minutes, case files and various records that document the significant activities of Pennsylvania's proprietary and state governments, including the records of the land office and hundreds of existing and defunct governmental agencies. The State Records Center is the official repository for inactive records that must be maintained by state agencies for administrative, fiscal or legal purposes.

This program also administers state executive branch and local government records management programs and provides other services to state and local government offices. These services include preparation of records retention schedules, processing of records disposal requests, promulgation of standards for retention of records in different storage media and training and technical assistance to records custodians.

Program Element: Historic Site and Museum Operations

This program supports the operation of numerous historic sites and museums throughout the commonwealth that are open to the public, including the State Museum of Pennsylvania. This program provides educational collections and exhibition programs and living history and other types of tours to interpret Pennsylvania history; it also utilizes cooperative initiatives with associate organizations to further provide for educational and public programs. This program includes facility development and architectural and design activities as part of a preservation maintenance program funded through the Keystone Recreation, Park and Conservation Fund Grant program; collections management; and conservation of historical artifacts, papers and paintings.

In addition, this program supports a property management and lease function through cooperative agreements with management groups, for-profit and not-for-profit organizations to operate, maintain and utilize historic sites, buildings and agricultural lands under the custody of the commission.

Program Element: Historic Preservation

This program is responsible for the identification, protection and enhancement of buildings, structures and districts of historic and architectural significance within the commonwealth. It provides for the infusion of federal funds from the Department of the Interior to enhance the economic base of many communities in Pennsylvania; provides a survey and National Register nomination program; maintains an information network providing direction and assistance to local preservation organizations; administers an archaeological program to protect resources and improve policies and procedures and provide direction to the professional and advocate communities; and preserves and protects endangered historic public and private buildings, structures and landmarks through a not-for-profit statewide revolving fund.



Historical and Museum Commission

Program: State Historic Preservation (continued)

Program Recommendations:

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

GENERAL FUND
General Government Operations
 \$ -195 —nonrecurring 2009-10 budgetary freeze amount.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
GENERAL FUND:							
General Government Operations	\$ 24,429	\$ 19,543	\$ 19,348	\$ 19,348	\$ 19,348	\$ 19,348	\$ 19,348



Historical and Museum Commission

PROGRAM OBJECTIVE: To assure provision of representative artifacts, specimens of history, art and science for all citizens through the support of museums within the commonwealth.

Program: Museum Assistance

This program is comprised of the Keystone Recreation, Park and Conservation Fund Grant program that provides financial assistance designed to enhance the quality of history and museum activities in Pennsylvania.

The Keystone Recreation, Park and Conservation Fund Grant program is a competitive grants process created by Act 50 of 1993. Funding is available to Pennsylvania not-for-profit organizations and public agencies that operate a

publicly accessible historic property listed in or eligible for the National Register of Historic Places, or to organizations that operate a contributing historic property in a National Register Historic District. Grants are awarded on a 50-50 matching basis and support projects in redevelopment, preservation, rehabilitation, restoration and other related areas.

Program Recommendations:

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

<p>GENERAL FUND Museum Assistance Grants \$ -1,779 —program elimination.</p> <p>Regional History Centers \$ -175 —nonrecurring project.</p> <p>State-Aided Museums \$ -608 —elimination of state funding.</p>	<p>KEYSTONE RECREATION, PARK AND CONSERVATION FUND Historic Site Development (EA) \$ 8,001 —to continue program; this funding was transferred to the General Fund in the 2009-10 fiscal year per Act 10-A of 2009.</p>
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Appropriations within this Program:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
GENERAL FUND:							
Museum Assistance Grants.....	\$ 3,558	\$ 1,779	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Historical Education & Museum Assistance.....	1,034	0	0	0	0	0	0
Regional History Centers.....	329	175	0	0	0	0	0
University of Pennsylvania Museum.....	236	56	0	0	0	0	0
Carnegie Museum of Natural History	236	56	0	0	0	0	0
Carnegie Science Center	236	56	0	0	0	0	0
Franklin Institute Science Museum.....	713	171	0	0	0	0	0
Academy of Natural Sciences	437	105	0	0	0	0	0
African American Museum in Philadelphia	333	80	0	0	0	0	0
Everhart Museum	42	10	0	0	0	0	0
Mercer Museum.....	181	43	0	0	0	0	0
Whitaker Center for Science and the Arts .	131	31	0	0	0	0	0
TOTAL GENERAL FUND	\$ 7,466	\$ 2,562	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
KEYSTONE RECREATION, PARK AND CONSERVATION FUND:							
Historic Site Development (EA).....	\$ 8,210	\$ 0	\$ 8,001	\$ 8,257	\$ 9,211	\$ 9,945	\$ 10,592



Historical and Museum Commission

Program Measures

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Program: State Historic Preservation							
State and Local Records							
Pages of archives and historical manuscripts (in thousands)	216,000	219,000	222,000	225,000	228,000	231,000	234,000
Records maintained by the State Records Center (in thousands)	811,000	811,000	811,000	811,000	811,000	811,000	811,000
Savings realized by storing records at the State Records Center (in thousands)	\$4,086	\$4,220	\$4,220	\$4,220	\$4,220	\$4,220	\$4,220
Expired/inactive records destroyed by the State Records Center	87,000	90,000	93,000	93,000	93,000	93,000	93,000
Savings realized through proper disposal of expired records (in thousands)	\$4,764	\$4,929	\$5,093	\$5,093	\$5,093	\$5,093	\$5,093
Historic Site and Museum Operations							
Annual visits to commission historical sites and museums (in thousands)	1,425	1,405	1,340	1,270	1,210	1,150	1,150
Visitors per salaried staff member (in thousands)	10	10	9	9	8	8	8
Historic markers	2,285	2,315	2,345	2,375	2,405	2,435	2,465
Historic Preservation							
Buildings maintained and conserved	506	506	506	506	506	506	506
Evaluations for the National Register of Historic Properties	653	545	600	570	590	580	580
Professional History and Museum Support Services							
Historic artifacts maintained and conserved (in thousands)	4,475	4,600	4,700	4,750	4,800	4,800	4,800
Program: Museum Assistance							
Museum Assistance and Keystone project grants awarded	179	100	170	200	200	200	200
Museum Assistance general operating support grants awarded	168	100	0	0	0	0	0
Non-state dollars generated through matching grants (in thousands)	\$15,000	\$6,800	\$6,800	\$6,800	\$6,800	\$6,800	\$6,800



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INFRASTRUCTURE INVESTMENT AUTHORITY

The mission of the Infrastructure Investment Authority (PENNVEST) is to improve Pennsylvania's water and foster job creation opportunities through the provision of low-interest loans and limited grants to municipalities, municipal authorities and private entities for the construction of drinking water, wastewater, stormwater and brownfields projects.

The Pennsylvania Infrastructure Investment Authority administers the PENNVEST program authorized by Act 16 of 1988.



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Infrastructure Investment Authority

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2008-09 ACTUAL	2009-10 AVAILABLE	2010-11 BUDGET
GENERAL FUND:			
<i>Grants and Subsidies:</i>			
(F)Sewage Projects Revolving Loan Fund.....	\$ 110,853	\$ 56,350	\$ 86,350
(F)Drinking Water Projects Revolving Loan Fund.....	78,664	56,489	75,741
(F)ARRA – Sewage Projects Revolving Loan Fund.....	0	176,319	165,000
(F)ARRA – Drinking Water Projects Revolving Loan Fund.....	0	44,006	34,000
Total - Grants and Subsidies.....	<u>\$ 189,517</u>	<u>\$ 333,164</u>	<u>\$ 361,091</u>
GENERAL FUND TOTAL.....	<u>\$ 189,517</u>	<u>\$ 333,164</u>	<u>\$ 361,091</u>
ENVIRONMENTAL STEWARDSHIP FUND:			
<i>Grants and Subsidies:</i>			
Storm Water, Water and Sewer Grants (EA).....	\$ 10,620	\$ 8,531	\$ 7,861
Total - Grants and Subsidies.....	<u>\$ 10,620</u>	<u>\$ 8,531</u>	<u>\$ 7,861</u>
OTHER FUNDS:			
PENNVEST FUND:			
PENNVEST Operations (EA).....	\$ 3,398	\$ 2,797	\$ 2,145
Grants - Other Revenue Sources (EA).....	2,000	12,000	8,000
Revenue Bond Loan Pool (EA).....	10	10	10
Revolving Loans and Administration (EA).....	51,969	75,000	85,000
Private Revolving Loans.....	13,093	0	0
Growing Greener Grants.....	15,223	16,000	16,000
Revolving Loans - Conditional Funds.....	1,403	500	2,000
Total - Grants and Subsidies.....	<u>\$ 87,096</u>	<u>\$ 106,307</u>	<u>\$ 113,155</u>
PENNVEST WATER POLLUTION CONTROL REVOLVING FUND:			
PENNVEST Water Pollution Control Revolving Fund.....	\$ 1,952	\$ 11,531	\$ 17,676
Additional Sewage Projects Revolving Loans (EA).....	136,000	185,000	185,000
Transfer to Drinking Water Revolving Fund (EA).....	0	10,000	10,000
Sewage Projects Revolving Loan Fund (F)(EA).....	0 ^a	0 ^a	0 ^a
On-lot Sewage Disposal Systems (F)(EA).....	0 ^b	0 ^b	0 ^b
Revolving Loans - Conditional Funds.....	0	250	3,000
Total - Grants and Subsidies.....	<u>\$ 137,952</u>	<u>\$ 206,781</u>	<u>\$ 215,676</u>
PENNVEST DRINKING WATER REVOLVING FUND:			
PENNVEST Drinking Water Project Revolving Fund.....	\$ 5,822	\$ 6,000	\$ 6,000
Additional Drinking Water Projects Revolving Loans (EA).....	33,000	65,000	75,000
Drinking Water Projects Revolving Loan Fund (F)(EA).....	0 ^c	0 ^c	0 ^c
Loan Program Administration (F)(EA).....	0 ^d	0 ^d	0 ^d
Technical Assistance to Small Systems (F)(EA).....	0 ^e	0 ^e	0 ^e
Assistance to State Programs (F)(EA).....	0 ^f	0 ^f	0 ^f
Local Assistance and Source Water Pollution (F)(EA).....	0 ^g	0 ^g	0 ^g
Revolving Loans - Conditional Funds.....	2	50	1,000
Total - Grants and Subsidies.....	<u>\$ 38,824</u>	<u>\$ 71,050</u>	<u>\$ 82,000</u>
PENNVEST NON-REVOLVING FUND:			
Drinking Water Supplies Non-Revolving Fund.....	\$ 3,000	\$ 1,000	\$ 0
WATER SUPPLY AND WASTE WATER TREATMENT FUND:			
Water Supply and Wastewater Projects (EA).....	\$ 4,521 ^h	\$ 4,643 ^h	\$ 1,300 ^h



Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2008-09 ACTUAL	2009-10 AVAILABLE	2010-11 BUDGET
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	10,620	8,531	7,861
FEDERAL FUNDS.....	189,517	333,164	361,091
OTHER FUNDS.....	271,393	389,781	412,131
TOTAL ALL FUNDS.....	<u>\$ 471,530</u>	<u>\$ 731,476</u>	<u>\$ 781,083</u>

-
- ^a Not added to the total to avoid double counting: 2008-09 Actual is \$71,994,000, 2009-10 Available is \$56,300,000 and 2010-11 Budget is \$86,300,000.
 - ^b Not added to the total to avoid double counting: 2008-09 Actual is \$50,000, 2009-10 Available is \$50,000 and 2010-11 Budget is \$50,000.
 - ^c Not added to the total to avoid double counting: 2008-09 Actual is \$27,050,000, 2009-10 Available is \$40,000,000 and 2010-11 Budget is \$60,000,000.
 - ^d Not added to the total to avoid double counting: 2008-09 Actual is \$1,514,000, 2009-10 Available is \$1,989,000 and 2010-11 Budget is \$2,241,000.
 - ^e Not added to the total to avoid double counting: 2008-09 Actual is \$1,000,000, 2009-10 Available is \$1,000,000 and 2010-11 Budget is \$1,000,000.
 - ^f Not added to the total to avoid double counting: 2008-09 Actual is \$7,000,000, 2009-10 Available is \$7,000,000 and 2010-11 Budget is \$6,000,000.
 - ^g Not added to the total to avoid double counting: 2008-09 Actual is \$6,500,000, 2009-10 Available is \$6,500,000 and 2010-11 Budget is \$6,500,000.
 - ^h Appropriated as a \$50,000,000 continuing executive authorization in 2005-06. Amount shown is an estimate of program disbursements within the fiscal year.



Program Funding Summary

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
PENNVEST							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	10,620	8,531	7,861	5,568	4,402	4,407	4,404
FEDERAL FUNDS.....	189,517	333,164	361,091	258,658	192,227	99,299	99,372
OTHER FUNDS.....	271,393	389,781	412,131	387,841	352,940	353,542	353,647
SUBCATEGORY TOTAL.....	\$ 471,530	\$ 731,476	\$ 781,083	\$ 652,067	\$ 549,569	\$ 457,248	\$ 457,423
ALL PROGRAMS:							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	10,620	8,531	7,861	5,568	4,402	4,407	4,404
FEDERAL FUNDS.....	189,517	333,164	361,091	258,658	192,227	99,299	99,372
OTHER FUNDS.....	271,393	389,781	412,131	387,841	352,940	353,542	353,647
DEPARTMENT TOTAL.....	\$ 471,530	\$ 731,476	\$ 781,083	\$ 652,067	\$ 549,569	\$ 457,248	\$ 457,423



PROGRAM OBJECTIVE: To promote public health and a clean environment and to further economic development in the commonwealth by providing a financing program, technical assistance and administrative support for community drinking water systems, municipal sewage treatment facilities and stormwater control projects.

Program: PENNVEST

The PENNVEST Program authorized by Act 16 of 1988 provides an investment pool of capital to rebuild and expand community drinking water systems and municipal sewage treatment facilities in the commonwealth. These systems and facilities are essential for the protection of public health and the promotion of economic development. Many systems and facilities need to be repaired, upgraded or expanded to meet environmental standards and economic development goals. Act 5 of 1992 established a program to fund stormwater control projects. Funding these needed improvements has often proved difficult, especially for small communities. In 2004, the program was further expanded to include the funding of brownfield reclamation and remediation projects to further revitalize Pennsylvania's older, established communities.

Initial funding for the PENNVEST Fund came from several sources: a \$300 million bond issue approved by voter referendum; the balance of approved Water Facilities Loan Fund bonds; federal seed money for a sewage treatment facilities revolving loan fund and a drinking water project revolving loan fund; and some available Capital Facilities bonds. Act 5 of 1992 authorized a \$350 million bond issue, which was approved by referendum, to provide additional funding for the program. In 1990-91, the PENNVEST Revenue Bond Pool program began providing funding. Act 68 of 1999 provided additional grant funds for stormwater, water and sewer projects as part of the Growing Greener initiatives. Act 218 of 2004 established the Water Supply and Wastewater Treatment Fund and authorized an additional \$50 million in funding that the authority used as grants for combined sewer overflow, sanitary sewer overflow and nutrient reduction technology projects. Act 64 of 2008 authorized a \$400 million bond issue, which was approved by referendum, to provide grants and loans to municipalities and public utilities for the acquisition, repair, construction, reconstruction, rehabilitation, extension, expansion and improvement of water supply and sewage treatment systems as well

as the purchase or trading of nutrient credits. Added to this are interest earnings on the fund's cash flow, interest and principal payments made on loans and grant funds received through the Environmental Stewardship Fund, which is primarily funded from tipping fee revenue.

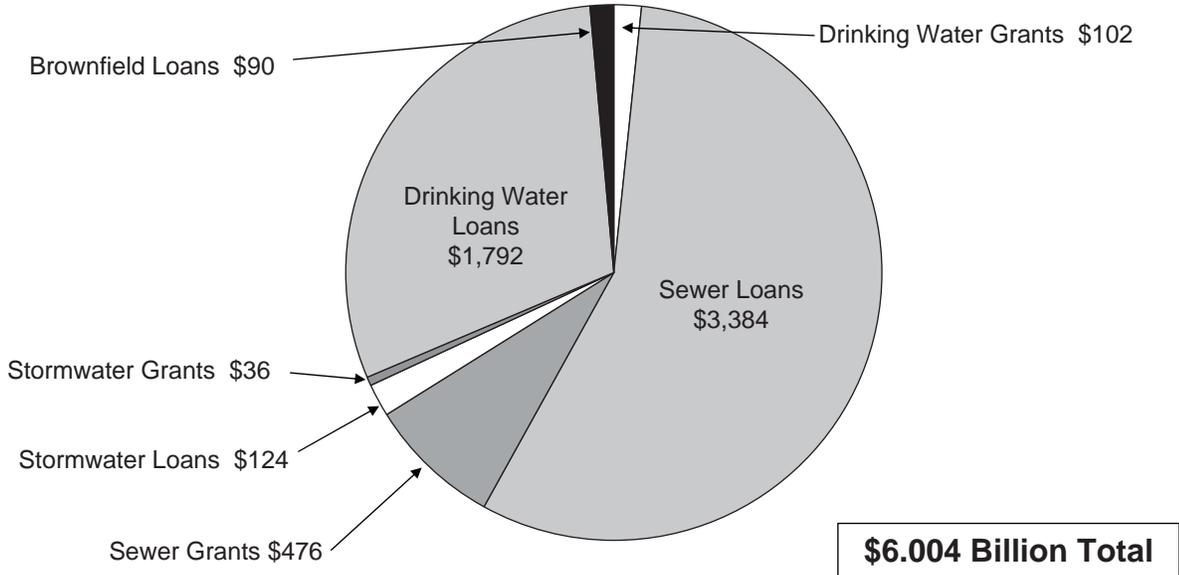
PENNVEST funds are used for loans and grants to municipalities, municipal authorities and private firms to improve water, sewage and stormwater systems they own. Loans are available to individual homeowners to upgrade their on-lot septic systems. The Pennsylvania Infrastructure Investment Authority, supported by the Department of Environmental Protection, helps system owners apply for funding, provides technical assistance in planning and designing projects and, if necessary, reviews applicants' operations to improve efficiency.

To facilitate fund management and accounting, several separate funds have been established. The PENNVEST Fund serves as the repository of interest and investment income and loan repayments. Loans, grants and administrative costs are paid from this fund. The PENNVEST Water Pollution Control Revolving Fund combines federal seed money and the commonwealth's required matching funds to create a revolving loan fund for sewage treatment facilities construction. The PENNVEST Drinking Water Revolving Fund combines federal seed money and the commonwealth's required matching funds to create a revolving loan fund for drinking water projects and technical assistance. The PENNVEST Revolving Fund receives the proceeds from the sale of bonds mentioned above. The PENNVEST revenue bond pool is supported by loan interest and principal repayments from loans and disburses the proceeds from the sale of PENNVEST revenue bonds. The Water and Sewer Systems Assistance Bond Fund will serve as the repository of interest and investment income and loan repayments related to Act 64; loans and grants will be paid from this fund.

Infrastructure Investment Authority

Program: PENNVEST (continued)

Total Loans and Grants Approved 1988 Through December 2009 (millions of dollars)



Program Recommendation:

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

ENVIRONMENTAL STEWARDSHIP FUND
PENNVEST
 \$ -670 —nonrecurring projects.

Administrative costs are to be funded from existing non-General Fund sources.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
ENVIRONMENTAL STEWARDSHIP FUND:							
Storm Water, Water and Sewer							
Grants (EA).....	\$ 10,620	\$ 8,531	\$ 7,861	\$ 5,568	\$ 4,402	\$ 4,407	\$ 4,404



Program Measures

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Program: PENNVEST							
Drinking water projects approved that will maintain or bring customers' water into compliance with commonwealth drinking water standards*	17	22	22	22	22	22	22
Dollars disbursed to drinking water projects that will maintain or bring customers' water into compliance with commonwealth drinking water standards*	\$86,140,468	\$61,000,000	\$61,000,000	\$61,000,000	\$61,000,000	\$61,000,000	\$61,000,000
Sustainable jobs created by PENNVEST - funded projects*	3,843	3,000	3,000	3,000	3,000	3,000	3,000
Grant equivalent subsidy per household served*	\$125	\$125	\$125	\$125	\$125	\$125	\$125
Percent of total project funding allocated to projects that would otherwise have higher financing rates*	31%	31%	31%	31%	31%	31%	31%

* New Program Measure



INSURANCE DEPARTMENT

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.

The Insurance Department executes the insurance laws of the commonwealth, monitors the financial solvency of insurance companies conducting business in Pennsylvania, regulates insurance rates and policy forms, licenses insurance companies and producers to conduct business in the state and liquidates insolvent insurance companies. The department answers consumer inquiries, responds to consumer complaints and produces and distributes educational information on insurance.

The Insurance Department manages the Children's Health Insurance Program (CHIP), the adultBasic program, the Medical Care Availability and Reduction of Error (Mcare) program, the Underground Storage Tank Indemnification Fund, the Catastrophic Loss Benefits Continuation Fund and the Workers' Compensation Security Fund.



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Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2008-09 ACTUAL	2009-10 AVAILABLE	2010-11 BUDGET
GENERAL FUND:			
<i>General Government:</i>			
General Government Operations.....	\$ 21,796	\$ 20,542	\$ 20,337
(A)Companies in Liquidation.....	511	801	801
(A)Duplicating and Mailing Services.....	4	15	15
(A)Reimbursement Examination Fees.....	1,760	2,301	2,301
(A)Reimbursements - Market Conduct Travel.....	315	600	600
Children's Health Insurance Administration.....	2,445	2,907	2,815
(F)Children's Health Insurance Administration.....	6,388	10,087	7,333
Adult Health Insurance Administration.....	3,291	3,074	3,043
Subtotal - State Funds.....	\$ 27,532	\$ 26,523	\$ 26,195
Subtotal - Federal Funds.....	6,388	10,087	7,333
Subtotal - Augmentations.....	2,590	3,717	3,717
Total - General Government.....	<u>\$ 36,510</u>	<u>\$ 40,327</u>	<u>\$ 37,245</u>
<i>Grants and Subsidies:</i>			
Children's Health Insurance.....	\$ 86,900	\$ 97,112	\$ 100,375
(F)Children's Health Insurance Program.....	246,988	283,995	300,902
USTIF Loan Repayment.....	3,000	0	0
Subtotal - State Funds.....	\$ 89,900	\$ 97,112	\$ 100,375
Subtotal - Federal Funds.....	246,988	283,995	300,902
Total - Grants and Subsidies.....	<u>\$ 336,888</u>	<u>\$ 381,107</u>	<u>\$ 401,277</u>
STATE FUNDS.....	\$ 117,432	\$ 123,635	\$ 126,570
FEDERAL FUNDS.....	253,376	294,082	308,235
AUGMENTATIONS.....	2,590	3,717	3,717
GENERAL FUND TOTAL.....	<u>\$ 373,398</u>	<u>\$ 421,434</u>	<u>\$ 438,522</u>
TOBACCO SETTLEMENT FUND:			
<i>Grants and Subsidies:</i>			
Adult Health Insurance Program (EA).....	\$ 38,796	\$ 37,878	\$ 15,587



Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	2008-09 ACTUAL	2009-10 AVAILABLE	2010-11 BUDGET
OTHER FUNDS:			
GENERAL FUND:			
Anti-Fraud Prevention (R).....	\$ 95	\$ 194	\$ 291
Children's Health Insurance Program (R).....	27,114	29,417	36,050
GENERAL FUND TOTAL.....	\$ 27,209	\$ 29,611	\$ 36,341
TOBACCO SETTLEMENT FUND:			
Community Health Reinvestment (R).....	\$ 126,348	\$ 125,240	\$ 183,623
CATASTROPHIC LOSS BENEFITS CONTINUATION FUND:			
CAT Administration (EA).....	\$ 744	\$ 701	\$ 706
CAT Claims (EA).....	7,239	7,239	5,790
CATASTROPHIC LOSS BENEFITS CONTINUATION FUND TOTAL.....	\$ 7,983	\$ 7,940	\$ 6,496
MEDICAL CARE AVAILABILITY AND REDUCTION OF ERROR FUND:			
General Operations (EA).....	\$ 26,956	\$ 18,018	\$ 15,696
Payment of Claims (EA).....	260,000	191,977	192,911
MEDICAL CARE AVAILABILITY AND REDUCTION OF ERROR FUND TOTAL.....	\$ 286,956	\$ 209,995	\$ 208,607
UNDERGROUND STORAGE TANK INDEMNIFICATION FUND:			
Administration (EA).....	\$ 10,707	\$ 12,615	\$ 11,641
Claims (EA).....	80,442	80,442	62,343
UNDERGROUND STORAGE TANK INDEMNIFICATION FUND TOTAL.....	\$ 91,149	\$ 93,057	\$ 73,984
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 117,432	\$ 123,635	\$ 126,570
SPECIAL FUNDS.....	38,796	37,878	15,587
FEDERAL FUNDS.....	253,376	294,082	308,235
AUGMENTATIONS.....	2,590	3,717	3,717
OTHER FUNDS.....	539,645	465,843	509,051
TOTAL ALL FUNDS.....	\$ 951,839	\$ 925,155	\$ 963,160

Program Funding Summary

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
INSURANCE INDUSTRY REGULATION							
GENERAL FUND.....	\$ 117,432	\$ 123,635	\$ 126,570	\$ 145,403	\$ 160,407	\$ 176,969	\$ 195,251
SPECIAL FUNDS.....	38,796	37,878	15,587	0	0	0	0
FEDERAL FUNDS.....	253,376	294,082	308,235	340,176	373,495	410,272	450,871
OTHER FUNDS.....	542,235	469,560	512,768	533,191	544,799	556,988	569,786
SUBCATEGORY TOTAL.....	<u>\$ 951,839</u>	<u>\$ 925,155</u>	<u>\$ 963,160</u>	<u>\$ 1,018,770</u>	<u>\$ 1,078,701</u>	<u>\$ 1,144,229</u>	<u>\$ 1,215,908</u>
ALL PROGRAMS:							
GENERAL FUND.....	\$ 117,432	\$ 123,635	\$ 126,570	\$ 145,403	\$ 160,407	\$ 176,969	\$ 195,251
SPECIAL FUNDS.....	38,796	37,878	15,587	0	0	0	0
FEDERAL FUNDS.....	253,376	294,082	308,235	340,176	373,495	410,272	450,871
OTHER FUNDS.....	542,235	469,560	512,768	533,191	544,799	556,988	569,786
DEPARTMENT TOTAL.....	<u>\$ 951,839</u>	<u>\$ 925,155</u>	<u>\$ 963,160</u>	<u>\$ 1,018,770</u>	<u>\$ 1,078,701</u>	<u>\$ 1,144,229</u>	<u>\$ 1,215,908</u>



PROGRAM OBJECTIVE: To serve Pennsylvania's insurance consumers through fair and efficient regulation of the insurance industry.

Program: Insurance Industry Regulation

The Insurance Department's responsibilities are to protect insurance consumers by providing adequate safeguards; to ensure that appropriate products are available; to provide a fair regulatory climate that will encourage insurance companies to conduct business in the commonwealth; and to administer the Children's Health Insurance Program and the adultBasic program.

Program Element: Protection and Regulation

The Insurance Department regulates all aspects of the insurance industry in Pennsylvania. It supervises the operation of approximately 1,700 insurance companies; authorizes the admission of new insurers to the state; tests and licenses insurance agents, brokers and bondsmen; and reviews and approves approximately 11,000 rate and policy form filings each year. It analyzes annual and quarterly financial statements and other corporate transactions filed by insurance companies and other regulated entities; conducts on-site financial examinations of domestic insurance companies each year; conducts adjudicatory hearings; and handles more than 250,000 consumer and producer interventions and inquiries annually.

The financial condition of insurers licensed to transact business in Pennsylvania is monitored and regulated through the department's examination and financial analysis functions. Because of the concern regarding the number of financially troubled insurers and national attention focused on the quality of state regulation and insurer solvency, the department makes solvency regulation one of its highest priorities. Resources continue to be focused on improving the effectiveness of regulatory actions taken to correct problems before they lead to insolvency. By law, the Insurance Commissioner serves as statutory liquidator/receiver for Pennsylvania domestic insurers found to be insolvent by the Commonwealth Court for unlicensed insurance entities.

The Federal Gramm-Leach-Bliley Financial Services Modernization Act of 1999 enables insurance companies, banks and securities firms to merge and sell one another's products. Pennsylvania is acting in concert with other states to develop a blueprint for state insurance regulation. Additional coordination with other states aims for more uniform and streamlined producer licensing.

The Consumer Liaison office was established in 2004 to enhance the department's role as an active advocate for insurance consumers. In 2009, the Consumer Liaison responsibilities were integrated with the Market Analysis responsibilities to enable the department to meet new challenges and expand services in response

to the changing economy. The Consumer Liaison and Market Analysis unit works closely with the department's Bureau of Consumer Services, which provides the public with insurance information, education and complaint resolution services, and the Bureau of Market Conduct, which conducts investigations of insurance law violations and undertakes on-site market conduct examinations of insurance company records, files and operations.

Program Element: Consumer Insurance

The Children's Health Insurance Program (CHIP) was established by Act 113 of 1992 and significantly expanded with the passage of Act 68 of 1998. CHIP makes comprehensive free or low-cost health insurance available to the children of low-income working parents. CHIP offers a comprehensive package of benefits, including well child visits, immunizations, prescription coverage, emergency care, inpatient services, mental health services and hearing, vision, and dental services. Act 136 of 2006 enhanced the program by creating Cover All Kids, which provides access to health insurance coverage for all uninsured children. There are increased income eligibility limits for subsidized coverage, with cost-sharing on a sliding scale, up to 300 percent of the federal poverty level with higher-income families able to purchase health care coverage at the commonwealth's cost. The coverage is funded from a portion of cigarette tax receipts, a state appropriation, the federal State Children's Health Insurance Program under Title XXI of the Social Security Act and payments by participating working families. The federal Children's Health Insurance Program Reauthorization Act of 2009 extends federal funding for CHIP through September 30, 2013. The act requires several changes, the most significant of which is confirmation of a child's citizenship and identity through a Social Security Administration data match. As of June 2009 CHIP enrollment was approximately 193,400 children.

Act 77 of 2001 established the Tobacco Settlement Fund and provided funding for programs that improve the health status of Pennsylvania citizens. A portion of fund revenues is provided for the Adult Health Insurance program, which began coverage on July 1, 2002. The program provides health care insurance for adults between the age of 19 and 65 years whose household income is less than 200 percent of the federal poverty level and who are ineligible for other insurance. The department's responsibility includes contracting with insurers for a benefit package and providing for outreach activities. Enrolled adults contribute monthly to the cost of the coverage. Additional funds for the Adult Health Insurance

Program: Insurance Industry Regulation (continued)

program come from the Community Health Reinvestment agreement which is scheduled to expire in December 2010. This budget assumes continuation of Community Health Reinvestment contributions. As of June 2009, enrollment in the Adult Health Insurance program was approximately 46,000 adults.

The Catastrophic Loss Benefits Continuation Fund, funded through certain motor vehicle violation surcharge fees, provides benefits to Pennsylvanians who were catastrophically injured in motor vehicle accidents prior to January 1, 1990, and incurred medical expenses in excess of \$100,000. Between January 1, 2004 and June 30, 2009, the surcharge fees were deposited in the Medical Care Availability and Reduction of Error (Mcare) Fund. Act 50 of 2009 provides for the surcharge fees to be deposited in the General Fund for fiscal years 2009-10 and 2010-11. Revenue from investment income will continue to accrue to the Catastrophic Loss Benefit Continuation Fund.

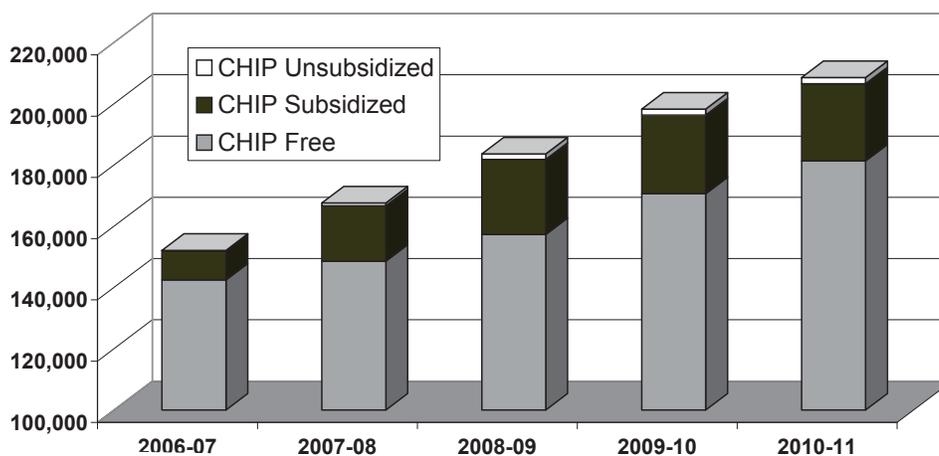
The Mcare Fund, established pursuant to Act 13 of 2002, established requirements for basic medical professional liability insurance coverage for health care providers and for their purchase of excess insurance through this program. The Mcare program is responsible for payment of claims against participating health care providers for losses or damages awarded in medical professional liability actions against them in excess of basic insurance coverage. Revenue for the fund is derived by levying an annual surcharge on health care providers and from motor vehicle violation surcharges. Act 50 of 2009 provided that \$100 million is transferred from the Mcare Fund to the General Fund, in addition to redirecting the motor vehicle

violation surcharge to the General Fund in fiscal years 2009-10 and 2010-11.

Act 44 of 2003 provided for the Health Care Provider Retention Account, which received 18.52 percent of the cigarette tax and supported a program to subsidize Mcare premiums. This program provided surcharge abatements to health care providers for calendar years 2003 and 2004. Act 154 of 2004 extended the abatement for one more year. Act 88 of 2005 added an additional year and included nursing homes as eligible. Act 128 of 2006 extended the abatement through 2007. The program abated 100 percent of the Mcare billing for providers in high-risk classes and 50 percent for others. Act 50 of 2009 provided that \$708 million is transferred from the Health Care Provider Retention Account to the General Fund and eliminated the account as of July 1, 2009. All tax revenue is thereafter deposited in the General Fund.

The Underground Storage Tank Indemnification Fund, established pursuant to Act 32 of 1989, the Storage Tank and Spill Prevention Act, provides claims payments to owners and operators of underground storage tanks. The program is funded through a fee schedule based on the type of product stored in the underground storage tank. In addition to making claim payments to eligible tank owners or operators for damages caused by releases from their tanks, programs include the Tank Installation Indemnification program in the Insurance Department, the Upgrade Loan program in the Department of Community and Economic Development and the Pollution Prevention and Environmental Clean-Up program in the Department of Environmental Protection.

Children's Health Insurance Children Served



Pennsylvania's Children's Health Insurance Program has been a national leader in ensuring that free or subsidized health care is available for children of low-income families. It is projected that almost 209,000 uninsured children will be served by the program in 2010-11.

Program: Insurance Industry Regulation (continued)

Program Recommendation:

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

	GENERAL FUND	TOBACCO SETTLEMENT FUND
	General Government Operations	Adult Health Insurance Program (EA)
\$ -205	—nonrecurring 2009-10 budgetary freeze amount.	\$ -22,291 —based on current estimate.
	Children’s Health Insurance Administration	
\$ -29	—nonrecurring 2009-10 budgetary freeze amount.	This budget recommends the following from a restricted account:
-63	—reduction in administrative costs.	
\$ -92	<i>Appropriation Decrease</i>	\$ 58,383
	Adult Health Insurance Administration	Community Health Reinvestment
\$ -31	—nonrecurring 2009-10 budgetary freeze amount.	—based on current estimate, assumes continuation of Community Health Reinvestment contributions.
	Children’s Health Insurance	
\$ 3,263	—Initiative—Expanded Children’s Health Insurance. To provide free and subsidized health care insurance for 10,300 additional uninsured children.	

The USTIF Loan Repayment appropriation is recommended at the current year funding level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
GENERAL FUND:							
General Government Operations	\$ 21,796	\$ 20,542	\$ 20,337	\$ 20,337	\$ 20,337	\$ 20,337	\$ 20,337
Children’s Health Insurance Administration	2,445	2,907	2,815	2,815	2,815	2,815	2,815
Adult Health Insurance Administration	3,291	3,074	3,043	3,043	3,043	3,043	3,043
Children’s Health Insurance	86,900	97,112	100,375	119,208	134,212	150,774	169,056
USTIF Loan Repayment	3,000	0	0	0	0	0	0
TOTAL GENERAL FUND	\$ 117,432	\$ 123,635	\$ 126,570	\$ 145,403	\$ 160,407	\$ 176,969	\$ 195,251
TOBACCO SETTLEMENT FUND:							
Adult Health Insurance Program (EA)	\$ 38,796	\$ 37,878	\$ 15,587	\$ 0	\$ 0	\$ 0	\$ 0



Program Measures

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Program: Insurance Industry Regulation							
Rate filings reviewed	6,983	5,500	5,500	5,500	5,500	5,500	5,500
Form filings reviewed	8,214	5,500	5,500	5,500	5,500	5,500	5,500
Companies on a watch list*	49	55	50	50	50	50	50
Insurance company reviews initiated and conducted to investigate reports of industry abuse*	46	35	35	35	35	35	35
Disciplinary / administrative actions conducted against insurance producers*	376	415	415	415	415	415	415
Consumers receiving insurance information via the Health and Human Services call center*	114,086	135,135	141,900	141,900	141,900	141,900	141,900
Consumer Services / Liaison outreach events*	190	140	120	120	120	120	120
Children's Health Insurance Program enrollment (monthly average)	183,591	198,240	208,555	220,185	232,550	245,700	259,690
Percentage of CHIP enrolled children two years of age who are immunized*	78.75%	80.25%	81.60%	81.60%	81.60%	81.60%	81.60%
Percentage of CHIP enrolled children ages 3 to 6 years who receive a well child visit with a primary care physician*	72.74%	75.65%	78.70%	78.70%	78.70%	78.70%	78.70%
Adult Health Insurance program enrollment (at end of year)	45,594	50,000	50,000	50,000	50,000	50,000	50,000

* New Program Measure

Rate filings reviewed decreased from the 2008-09 year due to the implementation of a new tracking system.

Form filings reviewed decreased from the 2008-09 year due to the implementation of a new tracking system.



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DEPARTMENT OF LABOR AND INDUSTRY

The mission of the Department of Labor and Industry is to foster and maintain economic growth and economic development in Pennsylvania.

The mission is accomplished through programs that protect the health, welfare and safety of workers, provide meaningful job training and placement services, stabilize the incomes of injured, disabled or unemployed workers and facilitate labor-management cooperation.



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Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2008-09 ACTUAL	2009-10 AVAILABLE	2010-11 BUDGET
GENERAL FUND:			
General Government:			
General Government Operations.....	\$ 15,238	\$ 13,641	\$ 14,090
(F)Workforce Investment Act - Administration.....	13,500	11,000	11,000
(F)ARRA-Workforce Investment Act - Administration.....	0	5,000	5,000
(F)Community Service and Corps.....	11,067	10,067	10,067
(F)ARRA Community Service and Corps.....	0	4,000	2,000
(F)Disability Determination.....	102,308	107,421	130,266
(F)New Hires.....	1,597	1,581	1,581
(F)Career Resource Network (EA).....	100	0	0
(A)Federal Indirect Cost Reimbursements.....	3,500	0	0
(A)Joint Jobs Initiative.....	0	54,861	40,135
(A)New Directions.....	0	1,590	1,590
(A)Interpreter Registry.....	6	20	3
(A)Pa One Call Fees.....	34	35	50
(A)Labor Management Committees.....	450	0	0
Subtotal.....	<u>\$ 147,800</u>	<u>\$ 209,216</u>	<u>\$ 215,782</u>
Occupational and Industrial Safety.....	11,899	11,800	11,682
(A)Federal Indirect Cost Reimbursements.....	550	0	0
PENNSAFE.....	1,373	1,320	1,307
(F)Underground Utility Line Protection.....	500	500	500
(R)Asbestos and Lead Certification (EA).....	1,972	2,032	2,170
Pennsylvania Conservation Corps.....	6,234	5,194	4,661
Subtotal - State Funds.....	\$ 34,744	\$ 31,955	\$ 31,740
Subtotal - Federal Funds.....	129,072	139,569	160,414
Subtotal - Augmentations.....	4,540	56,506	41,778
Subtotal - Restricted Revenues.....	1,972	2,032	2,170
Total - General Government.....	<u>\$ 170,328</u>	<u>\$ 230,062</u>	<u>\$ 236,102</u>
Grants and Subsidies:			
Occupational Disease Payments.....	\$ 1,100	\$ 1,150	\$ 1,080
Vocational Rehabilitation Services.....	2,088	0	0
Entrepreneurial Assistance.....	543	0	0
Transfer to Vocational Rehabilitation Fund.....	43,601	43,303	43,303
Supported Employment.....	975	487	482
Centers for Independent Living.....	2,176	2,176	2,154
Workers' Compensation Payments.....	1,588	1,500	1,250
Training Activities.....	15,754	7,200	6,500
New Choices / New Options.....	2,371	1,500	0
Assistive Technology.....	1,236	750	742
Self Employment Assistance.....	359	0	0
Employment Services.....	9,404	0	0
(F)Reed Act - Unemployment Insurance.....	12,000	12,000	12,000
(F)Reed Act - Employment Services.....	209,800	125,000	125,000
(F)ARRA - Reed Act-Employment Services.....	0	19,600	19,600
(F)WIA - Adult Employment and Training.....	68,000	60,000	60,000
(F)ARRA - WIA-Adult Employment and Training.....	0	16,000	16,000
(F)WIA - Youth Employment and Training.....	70,500	52,000	52,000
(F)ARRA - WIA-Youth Employment and Training.....	0	37,000	37,000
(F)WIA - Statewide Activities.....	28,000	23,000	23,000
(F)ARRA - WIA Statewide Activities.....	0	10,000	10,000
(F)WIA - Dislocated Workers.....	161,500	109,000	109,000
(F)ARRA - WIA-Dislocated Workers.....	0	105,000	105,000
(F)WIA - Veterans Employment and Training.....	900	900	900
(F)TANFBG - Youth Employment and Training.....	15,000	15,000	15,000
(F)Joint Jobs Initiative (EA).....	107,428	107,111	115,199
(F)New Directions (EA).....	999	1,166	999
(F)Comprehensive Workforce Development (EA).....	1,575	1,301	1,098

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2008-09 ACTUAL	2009-10 AVAILABLE	2010-11 BUDGET
(F)ARRA - Weatherization Assistance Training (EA).....	0	20,000	20,000
(A)Joint Jobs Initiative.....	59,332	0	0
(A)New Directions.....	698	0	0
Subtotal.....	<u>\$ 745,136</u>	<u>\$ 714,078</u>	<u>\$ 721,796</u>
Industry Partnerships.....	4,613	2,000	1,710
(A)Nursing Shortage Initiative - PHEAA.....	1,863	0	0
Beacon Lodge Camp.....	98	24	0
Subtotal.....	<u>\$ 1,961</u>	<u>\$ 24</u>	<u>\$ 0</u>
Subtotal - State Funds.....	\$ 85,906	\$ 60,090	\$ 57,221
Subtotal - Federal Funds.....	675,702	714,078	721,796
Subtotal - Augmentations.....	61,893	0	0
Total - Grants and Subsidies.....	<u>\$ 823,501</u>	<u>\$ 774,168</u>	<u>\$ 779,017</u>
STATE FUNDS.....	\$ 120,650	\$ 92,045	\$ 88,961
FEDERAL FUNDS.....	804,774	853,647	882,210
AUGMENTATIONS.....	66,433	56,506	41,778
RESTRICTED REVENUES.....	1,972	2,032	2,170
GENERAL FUND TOTAL.....	<u>\$ 993,829</u>	<u>\$ 1,004,230</u>	<u>\$ 1,015,119</u>
OTHER FUNDS:			
GENERAL FUND:			
Vending Machine Proceeds.....	\$ 540	\$ 855	\$ 855
ADMINISTRATION FUND:			
Administration of Unemployment.....	\$ 202,398	\$ 181,000	\$ 202,000
EMPLOYMENT FUND FOR THE BLIND:			
General Operations.....	\$ 822	\$ 1,100	\$ 800
JOB TRAINING FUND:			
Job Training.....	\$ 5,400	\$ 7,600	\$ 3,500
HAZARDOUS MATERIAL RESPONSE FUND:			
Hazardous Material Response Administration.....	\$ 74	\$ 170	\$ 170
REHABILITATION CENTER FUND:			
General Operations.....	\$ 21,121	\$ 21,054	\$ 20,508
VOCATIONAL REHABILITATION FUND:			
General Operations (EA).....	\$ 343 ^a	\$ 700 ^a	\$ 700 ^a
Vocational Rehabilitation Services (F).....	148,799	137,299	137,299
ARRA - Vocational Rehabilitation Services.....	0	23,000	15,600
VOCATIONAL REHABILITATION FUND TOTAL.....	<u>\$ 149,142</u>	<u>\$ 160,999</u>	<u>\$ 153,599</u>
WORKMEN'S COMPENSATION ADMINISTRATION FUND:			
Administration of Workers' Compensation.....	\$ 76,040	\$ 72,218	\$ 74,951



Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2008-09 ACTUAL	2009-10 AVAILABLE	2010-11 BUDGET
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 120,650	\$ 92,045	\$ 88,961
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	804,774	853,647	882,210
AUGMENTATIONS.....	66,433	56,506	41,778
RESTRICTED.....	1,972	2,032	2,170
OTHER FUNDS.....	455,537	444,996	456,383
TOTAL ALL FUNDS.....	\$ 1,449,366	\$ 1,449,226	\$ 1,471,502

^a Transfer to Vocational Rehabilitation Fund not added to the total to avoid double counting: 2008-09 Actual is \$43,944,000, 2009-10 Available is \$44,003,000 and 2010-11 Budget is \$44,003,000.



Program Funding Summary

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
COMMUNITY AND OCCUPATIONAL SAFETY AND STABILITY							
GENERAL FUND.....	\$ 28,510	\$ 26,761	\$ 27,079	\$ 27,079	\$ 27,079	\$ 27,079	\$ 27,079
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	600	5,500	5,500	500	500	500	500
OTHER FUNDS.....	6,586	2,257	2,393	2,393	2,393	2,393	2,393
SUBCATEGORY TOTAL.....	\$ 35,696	\$ 34,518	\$ 34,972	\$ 29,972	\$ 29,972	\$ 29,972	\$ 29,972
WORKERS COMPENSATION AND ASSISTANCE							
GENERAL FUND.....	\$ 2,688	\$ 2,650	\$ 2,330	\$ 2,330	\$ 2,330	\$ 2,330	\$ 2,330
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	103,905	113,002	133,847	131,847	131,847	131,847	131,847
OTHER FUNDS.....	283,838	260,818	280,451	280,451	280,451	280,451	280,451
SUBCATEGORY TOTAL.....	\$ 390,431	\$ 376,470	\$ 416,628	\$ 414,628	\$ 414,628	\$ 414,628	\$ 414,628
WORKFORCE INVESTMENT							
GENERAL FUND.....	\$ 38,735	\$ 15,894	\$ 12,871	\$ 12,871	\$ 12,871	\$ 12,871	\$ 12,871
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	700,269	735,145	742,863	535,263	535,263	535,263	535,263
OTHER FUNDS.....	61,893	56,451	41,725	41,725	41,725	41,725	41,725
SUBCATEGORY TOTAL.....	\$ 800,897	\$ 807,490	\$ 797,459	\$ 589,859	\$ 589,859	\$ 589,859	\$ 589,859
VOCATIONAL REHABILITATION							
GENERAL FUND.....	\$ 50,717	\$ 46,740	\$ 46,681	\$ 46,681	\$ 46,681	\$ 46,681	\$ 46,681
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	171,625	184,008	175,762	159,962	159,962	159,962	159,962
SUBCATEGORY TOTAL.....	\$ 222,342	\$ 230,748	\$ 222,443	\$ 206,643	\$ 206,643	\$ 206,643	\$ 206,643
ALL PROGRAMS:							
GENERAL FUND.....	\$ 120,650	\$ 92,045	\$ 88,961	\$ 88,961	\$ 88,961	\$ 88,961	\$ 88,961
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	804,774	853,647	882,210	667,610	667,610	667,610	667,610
OTHER FUNDS.....	523,942	503,534	500,331	484,531	484,531	484,531	484,531
DEPARTMENT TOTAL.....	\$ 1,449,366	\$ 1,449,226	\$ 1,471,502	\$ 1,241,102	\$ 1,241,102	\$ 1,241,102	\$ 1,241,102



PROGRAM OBJECTIVE: To further economic development in the commonwealth by promoting the health, welfare and safety of employees and acting to maintain continuous production and employment through mediation.

Program: Community and Occupational Safety and Stability

The department is responsible for administering a wide range of laws designed to enhance income security, safeguard the health of workers and the general public, protect the rights of Pennsylvania workers and promote labor relations stability and labor-management cooperation.

Program Element: Income Security and Workers' Rights

The department monitors and enforces the Minimum Wage, Wage Payment and Collection and Prevailing Wage laws to protect the income of employees. The department also protects workers' rights by ensuring compliance with the Child Labor, Seasonal Farm Labor, Industrial Homework, Equal Pay, Medical Pay, Apprenticeship and Training, and Prohibition of Excessive Overtime in Health Care laws. The department informs employees and employers about the laws, conducts investigations and resolves disputes.

Program Element: Labor Relations

Labor relations stability is promoted through the provision of mediation services to the public and private sectors. Under the Public Employee Relations Act, parties to a contract in the public sector must notify the department if no agreement has been reached after contract negotiations have commenced. In the private sector, dispute notices must be filed with the department based on the National Labor Relations Act. Mediation services are mandatory in the public sector and voluntary in the private sector. Each year the department mediates more than 800 cases.

The Pennsylvania Labor Relations Board enforces and implements the provisions of the commonwealth's laws relating to private and public sector collective bargaining, including the Pennsylvania Labor Relations Act, the Public Employee Relations Act and acts relating to police and fire employees. The board determines collective bargaining representatives, prevents and discourages unfair practices in the public sector and contributes to the resolution of bargaining disputes by the issuance of arbitration panels and the appointment of fact finders.

The Office of Labor-Management Cooperation promotes labor-management cooperation through the support of and coordination with the area labor-management committees throughout Pennsylvania. The Pennsylvania Bureau of Mediation provides technical assistance as facilitator for cooperative programs. In addition to promoting labor-management cooperation, the office also recognizes and

awards existing successful labor-management cooperation efforts in the commonwealth.

Program Element: Public Health and Safety

The Bureau of Occupational and Industrial Safety administers all the Pennsylvania Construction Code, Bedding and Upholstery, Stuffed Toy, Employment Agency, Flammable and Combustible Liquids, LP Gas, Boiler, Lead Certification and Asbestos Occupations Accreditation and Certification Acts. The bureau enforces these acts through the promulgation of regulations, plan reviews and field inspections, licensing and certification, and complaint investigation.

Act 45 of 1999, the Pennsylvania Construction Code Act, required the department to adopt the International Codes as Pennsylvania's Uniform Construction Code (UCC) in place of disparate community-based codes previously in existence. As authorized by the act, the department has established a program of training, including continuing education, testing and certification for all persons enforcing any aspect of the UCC. Buildings must comply in seven distinct areas with the approved code for occupancy approval. These areas are (1) building, (2) electrical, (3) mechanical, (4) plumbing, (5) energy, (6) accessibility and (7) fire protection. Elevators and other lifting devices must also meet UCC requirements, which are administered and enforced by the department. Department-certified inspectors ensure compliance with approved plans prior to issuance of an occupancy permit. Of the 2,562 municipalities in the commonwealth, 2,382 have opted for local UCC enforcement except where certified local code officials are not available to approve plans and inspect commercial construction for compliance with UCC accessibility requirements. The department enforces the UCC for all commercial buildings in the 180 municipalities that have not chosen to provide their own enforcement. The department has sole jurisdiction for all state-owned buildings in the commonwealth.

The Bureau of PENNSAFE administers the Worker and Community Right-to-Know Act (Act 159 of 1984) and the Hazardous Material Emergency Planning & Response Act (Act 165 of 1990). Under these two acts, all employers doing business in Pennsylvania are required to provide certain information about hazardous chemicals found in their workplace or released into the environment and ensure that on-site chemical information is available to emergency response organizations. Tier II Hazardous Chemical Inventory Report data and the related Material

Program: Community and Occupational Safety and Stability (continued)

Safety Data Sheets and site plans are collected and managed via a secure online reporting program. The State Emergency Operations Center can access this system and retrieve this information in the event of an emergency incident at a reporting facility. Due to homeland security requirements, public inquiries relative to this information must meet set standards under a policy established by the Pennsylvania Emergency Management Agency and the Office of Homeland Security. The department provides training and outreach on hazardous chemical reporting requirements to facilities and to the county-level

Local Emergency Planning Committees throughout the commonwealth.

The department enforces worker right-to-know provisions for public employees and provides education and outreach programs. The department also provides more than 300 training sessions annually and technical assistance to employers to assist them in establishing and renewing department-certified workplace safety committees. The department also provides training and outreach programs related to underground utility line damage prevention.

Program Recommendations:

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

GENERAL FUND		PENNSAFE	
\$	449	\$	-13
	—to continue current program.		—nonrecurring 2009-10 budgetary freeze amount.
Occupational and Industrial Safety			
\$	-163		
	—nonrecurring 2009-10 budgetary freeze amount.		
	45		
	—to continue current program.		
\$	-118		
	<i>Appropriation Decrease</i>		

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
GENERAL FUND:							
General Government Operations	\$ 15,238	\$ 13,641	\$ 14,090	\$ 14,090	\$ 14,090	\$ 14,090	\$ 14,090
Occupational and Industrial Safety.....	11,899	11,800	11,682	11,682	11,682	11,682	11,682
PENNSAFE	1,373	1,320	1,307	1,307	1,307	1,307	1,307
TOTAL GENERAL FUND	\$ 28,510	\$ 26,761	\$ 27,079	\$ 27,079	\$ 27,079	\$ 27,079	\$ 27,079

PROGRAM OBJECTIVE: To further economic development in the commonwealth by stabilizing the incomes of employees who become unemployed.

Program: Workers' Compensation and Assistance

This program provides income and medical services security to qualifying individuals. This program includes workers' compensation, unemployment compensation, occupational disease payments and Social Security disability payments.

Workers' compensation is a system of payments made through private insurance companies, the State Workers' Insurance Fund and self-insured employers to employees who sustain injuries or diseases during their course of employment. The commonwealth's administrative expenses are funded from assessments through the insurance industry and self-insurers.

Act 57 of 1996 substantially amended the Workers' Compensation Act. The amendments addressed the high cost of workers' compensation in the commonwealth with respect to premiums, wage benefits, medical treatment and review and litigation. The amendments were intended to provide expedited settlement of issues, reduce fraud, counteract disincentives to return to work and encourage workplace safety. Their impact is a reduction of burdensomely high costs for businesses and the resultant improvement of the business climate in the commonwealth.

Act 49 of 2001 amended the Workers' Compensation Act to transfer up to \$3.8 million from the Workmen's Compensation Administration Fund to the Self-Insurance Guaranty Fund's Prefund Account to pay workers' compensation benefits to eligible claimants injured prior to Act 44 of 1993. Act 44 of 1993 provided for payments to eligible claimants from the Self-Insurance Guaranty Fund. Eligible claimants are those affected by defaulting self-insured employers or defaulting members of self-insurance pooling arrangements.

Act 147 of 2006 amended the Workers' Compensation Act to create an Uninsured Employer Guaranty Fund to provide benefits to injured workers whose employers

do not have workers' compensation insurance and are not approved by the commonwealth to self-insure. The benefits and claims management costs of this fund come from an annual assessment on employers. This act also amended the workers' compensation litigation process by requiring a Worker's Compensation Judge to impose specific scheduling orders at the first hearing; mandating mediation unless it would be futile; requiring a "resolution hearing procedure" to expedite consideration of settlements; providing that no Worker's Compensation Judge may receive more than 75 percent of the petitions from a particular county; and limiting claimants' counsel fees in compromise and release cases to 20 percent of the settlement amount.

The department processes applications for federal disability benefits, gathers medical evidence for each claim and makes recommendations to the Social Security Administration under the Social Security Administration's Disability Determination program guidelines.

Occupational disease payments are made primarily to victims of silicosis and related diseases, commonly referred to as "black lung." Victims of these diseases are covered based on their date of last exposure and disability.

Unemployment compensation payments are made to individuals who are unemployed through no fault of their own. The payments are funded from taxes on employers and employees paid into the Unemployment Compensation Trust Fund. Tax rates vary according to the employer's experience with unemployment and the financial condition of the fund. The maximum weekly benefit rate is calculated as 66 2/3 percent of the average weekly wage for the preceding fiscal year. The maximum weekly payment during calendar year 2009 was \$558 for an unemployed individual with no dependents and \$566 for an individual with two dependents.

Program Recommendations:

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

		GENERAL FUND
		Occupational Disease Payments
\$	-40	—nonrecurring 2009-10 budgetary freeze amount.
	-30	—to continue current program.
\$	-70	<i>Appropriation Decrease</i>
		Workers' Compensation Payments
\$	-250	—nonrecurring 2009-10 budgetary freeze amount.

In addition, this budget recommends the following change to the Workers' Compensation Program through the Workmen's Compensation Administration Fund.

		WORKMEN'S COMPENSATION ADMINISTRATION FUND
		Administration of Workers' Compensation
\$	2,733	—to continue current program.



Program: Workers' Compensation and Assistance (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
GENERAL FUND:							
Occupational Disease Payments.....	\$ 1,100	\$ 1,150	\$ 1,080	\$ 1,080	\$ 1,080	\$ 1,080	\$ 1,080
Workers' Compensation Payments	1,588	1,500	1,250	1,250	1,250	1,250	1,250
TOTAL GENERAL FUND	<u>\$ 2,688</u>	<u>\$ 2,650</u>	<u>\$ 2,330</u>	<u>\$ 2,330</u>	<u>\$ 2,330</u>	<u>\$ 2,330</u>	<u>\$ 2,330</u>



PROGRAM OBJECTIVE: To provide meaningful job training and placement services in a coordinated role with other commonwealth agencies, the private sector and the federal government in order to secure unsubsidized employment for unemployed Pennsylvanians.

Program: Workforce Investment

The Workforce Investment program provides a range of employment, training and labor market information services administered by the Bureau of Workforce Development Partnership, the Pennsylvania Conservation Corps and the Center for Workforce Information and Analysis. The Department of Labor & Industry is the lead agency in administering interagency employment and training programs for Pennsylvania's adult labor force and youth. Programs assist people who are looking for work, including Temporary Assistance for Needy Families clients and unemployed individuals, in skill development and in finding suitable employment, as well as assisting working Pennsylvanians with career advancements into family sustaining jobs. In addition, youth programs provide at risk youth with skill development, career education and job placement.

In 2004-05, with an update in 2007, the Department of Labor & Industry, working with Pennsylvania's lead workforce development agencies – the Departments of Labor & Industry, Community and Economic Development, Education, and Public Welfare – and local workforce investment areas, published "Pennsylvania's Targeted Industry Clusters" in order to ensure that training and education programs are driven by employer demand. Through additional occupational analysis by the Center for Workforce Information and Analysis, the implementation of a High Priority Occupation process and the creation of Industry Partnerships (a consortium of similar businesses), existing training in all programs is being better aligned to meet the demands of employers – providing a skilled workforce for the commonwealth's most competitive business sectors and opportunities for Pennsylvania citizens.

Act 5 of 2005 created the Job Training Fund to facilitate advances in workforce development in the commonwealth. This fund will award annual grants to entities in specified rural counties that run workforce education programs and services for job training assistance to incumbent workers, dislocated workers, adult and youth workers and other workforce development programs.

Program Element: Workforce Investment Act

Local Workforce Investment Boards plan and oversee the local delivery of workforce development activities and services with approval by the Governor. The boards, in partnership with local elected officials, identify eligible providers of training services, monitor system performance and help develop the regional labor market information

system. The Federal Workforce Investment Act (WIA) of 1998 was enacted to improve the delivery of job training and employment services.

Funding for numerous programs has been consolidated under the WIA into three basic grants under Title I-B:

- adult employment and training,
- dislocated worker employment and training, and
- youth employment and training.

Eighty-five percent of the federal funds appropriated for adult and youth services are allotted to local workforce investment areas; the remainder is reserved for statewide activities.

In addition, the law gives states and local areas more authority and responsibility for job training needs and decisions and individuals more customer choice.

Program Element: PA CareerLink

Pennsylvania CareerLink® is a one-stop system for workforce development services. Pennsylvania CareerLink® has improved service for businesses, job seekers and other customers by integrating systems and coordinating services. Services available at the PA CareerLink® for individuals include job search and placement assistance (including career counseling), labor market information (which identifies job vacancies, skills needed for in-demand jobs and local, regional and national trends), initial assessment of skills and needs and information about available services and follow-up services to help customers keep their jobs after placement. Services available to businesses include assistance in matching qualified job-seekers with job openings, identifying tax incentives/credits that the business may be eligible for by employing certain target groups, assessment for occupational and training needs, and provision of labor market information. In addition to physical locations, the PA CareerLink® also offers an Internet-based system that both employer and job seeker customers can access 24 hours a day to receive available services.

The PA CareerLink® system is a cooperative effort involving the Departments of Education, Labor & Industry, Local Workforce Investment Boards and Public Welfare in partnership with training providers, employers and various system users.

Program Element: Dislocated Workers

The department provides funds to assist dislocated workers through training programs, rapid response efforts, support services and needs-based payments.

Program: Workforce Investment (continued)

Twenty percent of federal funds appropriated for dislocated workers are retained at the federal level to provide national emergency grants, dislocated worker demonstration projects and technical assistance.

Eighty percent of the funds Congress authorizes for dislocated workers are allotted to states. Of this allotment, 60 percent is allocated to local areas, and 40 percent is retained at the state level (15 percent for statewide activities and 25 percent for rapid response efforts). Local areas offer job search assistance and training services to dislocated workers.

Rapid Response is an early intervention service that assists workers, employers and communities affected by layoffs, plant closures or natural disasters. The primary objective of the Rapid Response program is to provide workers with information on the services they need to allow them to find new jobs or get the training and education needed for new careers so that they can get back to work quickly. Through Rapid Response, workers are provided information about the following services: Unemployment Insurance, training opportunities, job search assistance, Trade Act programs, health insurance and pension benefits, social services and emergency assistance. The Rapid Response program also offers referrals to state and local economic development services designed to help businesses that are at risk of closing to keep their doors open.

Rapid Response program activities are triggered when the Department of Labor & Industry learns of a planned closure or layoff either by receiving a notice under the Federal Worker Adjustment and Retraining Notification Act, through the media or by information provided by community and business leaders. Services may also be offered when Pennsylvania experiences mass job dislocation as the result of a disaster. There is no charge to the employer or employee for these services, and they are provided regardless of the reason for the layoff.

Program Element: Industry Partnerships

Industry Partnerships, or IPs, are employer/worker consortiums that bring together companies with similar products, markets and human resource needs. They are organized by industry sector based on an analysis of where Pennsylvania, and/or multi-county regions, appear to have a competitive advantage. The intent is to make intelligent and prudent investments to develop the human capital that will lead to greater productivity, enlightened

human resource practices and innovation – thereby helping these industries to survive and grow. Most importantly, by bringing together employers committed to the development of their workforce, these partnerships develop a deep and thorough understanding of their industry. Management and employees gain insight by researching the future of the industry. Government also uses this industry intelligence to help its education and training partners better understand the future needs of industry.

IPs uncover common challenges within industries and, using economies of scale, apply private and public resources across numerous employers to develop incumbent workers' skills. Tax dollars and matching employer investments support the entire industry, not just one company's needs. Through IPs, industry-recognized credentials can be developed that enable workers to advance with their current employers or seek better opportunities with those who reward their educational investment. Training needs are communicated to educational partners who develop curricula for new college courses, as well as high school and career and technical education programs.

Program Element: Pennsylvania Conservation Corps

The Pennsylvania Conservation Corps (PCC or Corps) incorporates a two-fold mission: raising the skill level, self-confidence and employability of unemployed young adults, along with improving the commonwealth's natural, historical and recreational resources. Corps members are enrolled for a one-year term of service and may be extended for up to two additional six-month terms. Working in teams, under the guidance of skilled crew leaders, corps members develop trails, install playground equipment, improve wildlife habitat, build cabins and pavilions and complete a tremendous variety of other projects on the commonwealth's public lands. In the course of their PCC service, members receive on-the-job training in a variety of trade skills and are offered a range of academic, technical and life-skills training geared toward their individual needs and goals. Corps members who do not have a high school diploma are required to enroll in GED-preparation classes. Those who graduate from high school or earn a GED are offered other training opportunities. A member whose assessment scores in any area are not at or above the eighth-grade level (regardless of whether or not the individual has a diploma or GED) must take adult basic education classes until his or her scores improve, at which point he or she becomes eligible for other training opportunities.

Program: Workforce Investment (continued)

Program Recommendations:

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

	GENERAL FUND				New Choices / New Options
	Pennsylvania Conservation Corps		\$	-1,500	—nonrecurring projects.
\$	-533	—nonrecurring 2009-10 budgetary freeze amount.			
	Training Activities		\$	-290	Industry Partnerships
\$	-700	—nonrecurring 2009-10 budgetary freeze amount.			—nonrecurring 2009-10 budgetary freeze amount.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
GENERAL FUND:							
Pennsylvania Conservation Corps	\$ 6,234	\$ 5,194	\$ 4,661	\$ 4,661	\$ 4,661	\$ 4,661	\$ 4,661
Training Activities.....	15,754	7,200	6,500	6,500	6,500	6,500	6,500
New Choices / New Options.....	2,371	1,500	0	0	0	0	0
Self Employment Assistance	359	0	0	0	0	0	0
Employment Services.....	9,404	0	0	0	0	0	0
Industry Partnerships.....	4,613	2,000	1,710	1,710	1,710	1,710	1,710
TOTAL GENERAL FUND	\$ 38,735	\$ 15,894	\$ 12,871	\$ 12,871	\$ 12,871	\$ 12,871	\$ 12,871

PROGRAM OBJECTIVE: To enable eligible persons with disabilities to obtain competitive employment.

Program: Vocational Rehabilitation

The mission of the Office of Vocational Rehabilitation is to assist Pennsylvanians with disabilities to secure and maintain employment and independence. This program, conducted in conjunction with the federal government, targets the estimated 540,000 citizens of the commonwealth who have physical or mental impairments that present a substantial impediment to employment. During 2008, approximately 94,500 customers with disabilities were referred to and/or served by the Office of Vocational Rehabilitation.

The Federal Rehabilitation Act of 1973, as amended through 1992, established eligibility criteria for vocational rehabilitation services. Services are provided to individuals with disabilities who can benefit from services to prepare for, enter or retain employment. Primary emphasis is placed on serving individuals with the most severe disabilities. These individuals generally require extensive and varied services over an extended period of time. State and federal funds are expended through the Vocational Rehabilitation Fund. In addition, the fully state-funded Vocational Rehabilitation Services program provides training and employment services to those who qualify for the federal program but are not in the highest priority group, or who only need short-term services.

Act 15 of 1999 transferred the administration of services provided to persons who are blind or visually impaired from the Department of Public Welfare to the Department of Labor & Industry. This realignment provides more efficient and higher quality services while maintaining a distinct and specialized service model. Qualified applicants who are blind or visually impaired may receive specialized

services through programs that are fully state-funded or through the Independent Living for Older Blind program within the Rehabilitation Act. Services may coincide with vocational rehabilitation services or be provided separately, depending on the needs of the individual.

To address the needs of individuals who do not meet federal eligibility criteria, state funds are provided for the Centers for Independent Living (CILs). CILs are non-residential centers that provide information and referral services, peer counseling, independent living skills training and other services to Pennsylvanians with disabilities.

The Supported Employment program improves employment opportunities for those previously considered to have disabilities so severe that they could not benefit from the traditional vocational rehabilitation program. Supported employment combines job placement in the community with job training at the job site. Full-time training and support services are provided.

Based on availability of funds, grants are provided through the Independence Capital Access Network to businesses for the purchase of specialized or adaptive equipment to employ Pennsylvanians with disabilities.

This program also includes the Hiram G. Andrews Center (HGAC) in Johnstown. The center provides a wide array of vocational rehabilitation and job training services. HGAC draws funds from the federal/state program as well as from numerous grants and special projects.

The Office for the Deaf and Hard of Hearing responds to requests for information and referral, promotes access for people who are deaf and provides public education about hearing loss and deafness.

Program Recommendations:

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

	GENERAL FUND			Assistive Technology
	Supported Employment		\$	—nonrecurring 2009-10 budgetary freeze amount.
\$	—5		—8	
	Centers for Independent Living			Beacon Lodge Camp
	—nonrecurring 2009-10 budgetary freeze amount.		\$	—elimination of state funding.
\$	—22		—24	

Transfer to Vocational Rehabilitation Fund is recommended at the current year funding level.



Program: Vocational Rehabilitation (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
GENERAL FUND:							
Vocational Rehabilitation Services	\$ 2,088	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Entrepreneurial Assistance.....	543	0	0	0	0	0	0
Transfer to Vocational Rehabilitation Fund	43,601	43,303	43,303	43,303	43,303	43,303	43,303
Supported Employment.....	975	487	482	482	482	482	482
Centers for Independent Living	2,176	2,176	2,154	2,154	2,154	2,154	2,154
Assistive Technology	1,236	750	742	742	742	742	742
Beacon Lodge Camp.....	98	24	0	0	0	0	0
TOTAL GENERAL FUND	\$ 50,717	\$ 46,740	\$ 46,681	\$ 46,681	\$ 46,681	\$ 46,681	\$ 46,681



Program Measures

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Program: Community and Occupational Safety and Stability							
Income Security - Workers' Rights							
Minimum wage violations cited	558	600	600	600	600	610	610
Child Labor Law violations	180	265	270	270	270	270	270
Nonpayment of wage violations	5,609	5,000	5,000	5,000	5,000	5,000	5,000
Prevailing Wage Law violations	650	470	470	470	470	470	480
Prevailing Wage Law violations cases closed	630	400	400	400	400	410	410
Prevailing Wage Law violations cases closed-average number of days	78	78	78	78	78	78	78
Labor Relations							
Mediated cases for public sector bargaining units involving work stoppages	1.50%	2%	2%	2%	2%	2%	2%
Mediated cases for private sector bargaining units involving work stoppages	10%	10%	10%	10%	10%	10%	10%
Unfair Labor Practice Cases Opened	422	550	550	550	550	550	550
Unfair Labor Practice Cases Concluded	364	550	550	550	550	550	550
Union Representation Cases Opened	213	200	200	200	200	200	200
Union Representation Cases Concluded	240	200	200	200	200	200	200
Public Health and Safety Inspections							
Building inspections performed	31,844	31,000	31,000	30,000	30,000	29,000	29,000
Elevator inspections performed	10,292	11,650	11,650	12,000	12,000	12,000	12,000
Boiler inspections performed	30,317	28,000	28,000	28,000	30,000	30,000	30,000
Other inspections performed	3,800	2,500	2,500	2,800	3,000	3,500	4,000
Building approvals issued	4,691	4,670	4,650	4,650	4,650	4,625	4,625
New buildings certified and renovations of existing buildings certified	3,112	3,000	3,000	2,900	2,800	2,800	2,700
Municipalities choosing to provide their own enforcement under the Uniform Construction Code Act	2,360	2,300	2,300	2,300	2,300	2,300	2,300
Certifications, accreditations & licensing (Asbestos/Lead/PEAL/UCC)	1,633	1,500	1,500	1,500	1,500	1,500	1,500

Program Measures

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Incident reports received	1,187	1,120	1,120	1,120	1,120	1,120	1,120

Child Labor Law violations increase beginning in 2008-09 because of increased enforcement and outreach by the Bureau of Labor Law Compliance.

Building inspections performed is anticipated to decline due to the increased number of municipalities that opt to enforce the Uniform Construction Code. This reduces the number of inspections the department is will need to undertake.

Program: Workers' Compensation and Assistance

Reportable injuries arising in the course of employment under the Workers' Compensation Act	97,674	98,000	98,000	98,000	98,000	98,000	98,000
Total petitions assigned resulting from reportable injuries under the Workers' Compensation Act	50,889	50,000	50,000	50,000	50,000	50,000	50,000
Number of final decisions in litigated workers' compensation claims	51,860	52,300	52,300	52,300	52,300	52,300	52,300
Claimants qualifying for occupational disease payments from commonwealth funds	552	520	500	460	430	400	370
Average time in months to litigate (i.e., hear and decide) a workers' compensation claim	7	7	7	7	7	7	7
New claims for unemployment compensation	947,777	820,000	765,000	733,000	700,000	680,000	680,000

Program: Workforce Investment

Work Investment Act Title I

Workforce Investment Act Adult Entered Employment Rate*	77%	74%	75%	76%	76%	76%	76%
Dislocated Worker Entered Employment Rate*	80%	78%	80%	82%	82%	82%	82%
Youth Placement Rate*	58%	57%	58%	59%	59%	59%	59%
Workforce Investment Act Adult Employment Retention*	81%	82%	81%	82%	82%	82%	82%
Dislocated Worker Employment Retention*	90%	88%	89%	90%	90%	90%	90%
Youth Attainment (Individuals attaining a high school diploma, GED, post-secondary degree, or certification while enrolled in training)*	67%	65%	65%	65%	65%	65%	65%
Number of Rapid Response activities*	440	500	400	350	300	300	300
Number of youth engaged in all career awareness activities*	385,018	380,000	380,000	380,000	380,000	380,000	380,000
Number of internships*	10,312	12,000	12,000	12,000	12,000	12,000	12,000
Number of individuals trained by individual training accounts*	5,278	6,000	6,000	6,000	6,000	6,000	6,000



Program Measures

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Wagner Peyser							
Wagner-Peyser Entered Employment Rate*	60%	58%	59%	60%	60%	60%	60%
Wagner-Peyser Employment Retention*	82%	79%	80%	82%	82%	82%	82%
Pennsylvania Conservation Corps (PCC)							
Pennsylvania Conservation Corps Entered Employment Rate*	N/A	60%	60%	60%	60%	60%	60%
Pennsylvania Conservation Corps Employment Retention Rate*	N/A	75%	75%	75%	75%	75%	75%
Incumbent Workers							
Incumbent Worker Employment Retention Rate (Industry Partnership Participants)*	N/A	78%	78%	78%	78%	78%	78%
Incumbent Worker Wage Change (Industry Partnership Participants)*	N/A	7%	7%	7%	7%	7%	7%
Number of incumbent workers trained (Industry Partnership Participants)*	23,080	25,000	25,000	25,000	25,000	25,000	25,000
Apprentice completions-graduations*	5,496	5,600	5,700	5,800	5,900	6,000	6,100
Registered apprentices*	16,300	16,450	16,500	16,550	16,600	16,650	16,700
Minorities registered for apprenticeship*	1,925	1,925	1,950	1,975	2,000	2,025	2,050

* New Program Measure

Program: Vocational Rehabilitation

Number of eligible participants with active plans*	41,316	45,000	45,000	45,000	45,000	45,000	45,000
Number of participants closed as employed*	9,470	10,000	10,000	10,000	10,000	10,000	10,000
Number of persons successfully completing Independent Living/Specialized Services*	1,604	1,500	1,500	1,500	1,500	1,500	1,500
Number of persons moving into employment who received post-secondary education and who were referred to OVR while in secondary education*	1,284	1,200	1,200	1,200	1,200	1,200	1,200
Number of persons moving into employment without receiving post-secondary education and who were referred to OVR while in secondary education*	1,343	1,255	1,255	1,255	1,255	1,255	1,255

* New Program Measure





LIQUOR CONTROL BOARD

The mission of the Liquor Control Board is to regulate the alcohol beverage industry in a fair and consistent manner; to provide the best service to its customers through modern, convenient outlets, superior product selection and competitive prices in a controlled environment; and to provide factual information on alcohol and its effects through a comprehensive alcohol education program.

The Liquor Control Board controls the manufacture, possession, sale, consumption, importation, use, storage, transportation and delivery of liquor, alcohol and malt or brewed beverages in the commonwealth.



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Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	2008-09	2009-10	2010-11
	ACTUAL	AVAILABLE	BUDGET
<u>GENERAL FUND:</u>			
<i>General Government:</i>			
(F)Enforcing Underage Drinking Laws (EA).....	\$ 67	\$ 92	\$ 0
	<hr/>	<hr/>	<hr/>
<u>OTHER FUNDS:</u>			
STATE STORES FUND:			
General Operations (EA).....	\$ 389,048	\$ 409,582	\$ 424,515
Purchase of Liquor (EA).....	1,017,762	1,066,615	1,004,257
Comptroller Operations (EA).....	8,391	5,944	6,022
Transfer of Profits to General Fund (EA).....	125,000	105,000	105,000
	<hr/>	<hr/>	<hr/>
STATE STORES FUND TOTAL.....	\$ 1,540,201	\$ 1,587,141	\$ 1,539,794
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	67	92	0
OTHER FUNDS.....	1,540,201	1,587,141	1,539,794
	<hr/>	<hr/>	<hr/>
TOTAL ALL FUNDS.....	\$ 1,540,268	\$ 1,587,233	\$ 1,539,794
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Program Funding Summary

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
LIQUOR CONTROL							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	67	92	0	0	0	0	0
OTHER FUNDS.....	1,540,201	1,587,141	1,539,794	1,546,930	1,580,095	1,614,321	1,649,642
SUBCATEGORY TOTAL.....	\$ 1,540,268	\$ 1,587,233	\$ 1,539,794	\$ 1,546,930	\$ 1,580,095	\$ 1,614,321	\$ 1,649,642
ALL PROGRAMS:							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	67	92	0	0	0	0	0
OTHER FUNDS.....	1,540,201	1,587,141	1,539,794	1,546,930	1,580,095	1,614,321	1,649,642
DEPARTMENT TOTAL.....	\$ 1,540,268	\$ 1,587,233	\$ 1,539,794	\$ 1,546,930	\$ 1,580,095	\$ 1,614,321	\$ 1,649,642



PROGRAM OBJECTIVE: To control the manufacture, distribution and sale of alcoholic beverages in Pennsylvania.

Program: Liquor Control

All bottle sales of wines and spirits in Pennsylvania, with the exception of sales by licensed limited wineries, are made through approximately 620 state liquor stores operated by the Liquor Control Board. This includes both retail sales to individual consumers and wholesale sales to those private establishments that make retail sales of alcoholic beverages by the drink. The state liquor stores include six outlet stores, 19 one-stop shops located in grocery stores, 74 Premium Collection stores and 154 stores that are open on Sundays.

Revenues from the sale of wines and spirits cover the cost of merchandise sold in the stores, all costs of operating the Liquor Control Board and the cost of operating the Office of the Comptroller for the board. Additionally, these revenues fund the costs of the Pennsylvania State Police Bureau of Liquor Control Enforcement and provide funding to the Department of Health to support drug and alcohol programs as well as supplement the commonwealth's General Fund.

The Liquor Control Board's marketing strategy is geared to offering increased service to customers of legal age while maintaining the necessary controls at the point of purchase of alcoholic beverages. In 2008-09, more than 1.1 million documented minor challenges were performed in sales situations where store employees had concern regarding the legal age requirement of potential buyers. Recent agency initiatives to increase service include an expanded premium product selection including: the Sommelier Collection, the Chairman's Selection and the opening of Premium Collection stores. Expanded customer service has resulted from amendments to the Liquor Code that have allowed implementation of consumer-oriented changes within the store environment including trade publication and accessory item sales, in-store sampling of products, Sunday sales in up to 25 percent of the state liquor stores, gift card sales and instantly redeemable coupons.

The board licenses private establishments that make retail sales of alcoholic beverages by the drink and regulates the sale of malt and brewed beverages by licensing the distributors, restaurants, hotels and clubs that sell these items. In 2001, Act 141 revised the existing license quota system from municipal-based to county-based to allow for flexibility of licenses in developing areas

most needed within the counties.

The Liquor Control Board has established an important nuisance bar program to ensure the safety and security of our citizens. This program supports a task force that uses the expertise of representatives of community affairs offices, district attorney offices, local and state police, drug task forces, local communities and the General Assembly. If it is determined that a licensed business has abused its license privilege and, through its conduct or record of violations, demonstrates a pattern of activities that threatens the health and safety of the local community, the Liquor Control Board will refuse to renew its license. Through December of 2009, the board has objected to the renewal of more than 1,460 licenses.

In 1994, the Liquor Control Board formalized its commitment to providing information about alcohol consumption by establishing the Bureau of Alcohol Education. The bureau's annual budget supports its three-fold mission of delivering a no-alcohol use or "zero tolerance" message to all citizens under the age of 21, encouraging responsibility and moderation for any adult age 21 and over who chooses to drink alcoholic beverages, and promoting responsible alcohol beverage service and practices among licensees and persons that serve beverage alcohol in Pennsylvania. The Bureau of Alcohol Education offers two grant programs related to preventing consumption by those under 21: (1) Campus-Community grants, which enable colleges and universities to work on environmental strategies to limit access to alcohol to minors and to change social and cultural norms and (2) Community grants, which provide funding for communities that target the under-21 population. Both grant programs may include law enforcement activities such as source investigation practices, controlled party dispersal and other enforcement activities. Act 141 of 2001 expanded the role of the Liquor Control Board through establishing a comprehensive Responsible Alcohol Management Program (RAMP) that offers responsible service training to licensees in Pennsylvania. The Bureau of Alcohol Education is responsible for overseeing this program, including offering owner/manager training to licensees and certifying, monitoring and tracking all server/seller training in Pennsylvania. In 2008-09, RAMP training was provided to more than 25,040 licensees and their employees.

Program: Liquor Control (continued)

Program Recommendations:

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

	STATE STORES FUND		Purchase of Liquor (EA)
	General Operations (EA)		—nonrecurring inventory costs.
\$ 21,424	—to continue current program.	\$ -62,358	
5,000	—point-of-sale improvements.		
5,175	—branding initiatives.	\$ 78	Comptroller Operations (EA)
-6,466	—nonrecurring fixed assets.		—to continue current program.
-10,200	—nonrecurring information system improvements.		
<u>14,933</u>	<i>Appropriation Increase</i>		

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
STATE STORES FUND:							
General Operations (EA)	\$ 389,048	\$ 409,582	\$ 424,515	\$ 424,515	\$ 424,515	\$ 424,515	\$ 424,515
Purchase of Liquor (EA)	1,017,762	1,066,615	1,004,257	1,036,393	1,069,558	1,103,784	1,139,105
Comptroller Operations (EA)	8,391	5,944	6,022	6,022	6,022	6,022	6,022
Transfer of Profits to General Fund (EA)...	125,000	105,000	105,000	80,000	80,000	80,000	80,000
TOTAL STATE STORES FUND	\$ 1,540,201	\$ 1,587,141	\$ 1,539,794	\$ 1,546,930	\$ 1,580,095	\$ 1,614,321	\$ 1,649,642



Program Measures

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Program: Liquor Control							
Pennsylvania State Liquor Stores	621	621	621	621	621	621	621
Gross sales (includes taxes) (in thousands)	\$1,868,000	\$1,925,000	\$1,985,000	\$2,047,000	\$2,110,000	\$2,176,000	\$2,243,000
Net sales per dollar spent - all stores	\$5.22	\$5.94	\$5.94	\$5.94	\$5.94	\$5.94	\$5.94
Net sales per dollar spent - Premium Collection stores	\$6.59	\$6.94	\$6.94	\$6.94	\$6.94	\$6.94	\$6.94
Alcohol education materials distributed	1,784,107	1,500,000	1,300,000	1,000,000	900,000	800,000	700,000
Licensees receiving Responsible Alcohol Management Program (RAMP) training	21,269	23,400	25,800	28,300	31,100	34,300	37,700

The number of alcohol education materials distributed declines due to availability of materials via the Internet and reduced materials distributed at fairs and other events.



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DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

The Department of Military and Veterans Affairs has two missions in state government. One mission of the department is to provide world-class service to Pennsylvania veterans, their spouses and their dependents by operating a network of veterans' assistance programs and six veterans homes.

The other mission of the department is to provide combat-ready units of the Pennsylvania Army and Air National Guard to protect the lives and property of the people of the commonwealth and preserve peace, order and public safety. The Pennsylvania National Guard has dual missions. Its federal mission is to be trained and equipped to join the active military forces in time of war or national emergency, and its state mission is to respond to the orders of the Governor in the event of natural and man-made disasters.

The Department of Military and Veterans Affairs consists of the Adjutant General, the State Armory Board, the State Veterans Commission, the Soldiers and Sailors Home in Erie, the Veterans Home in Hollidaysburg, the Southeastern Veterans Center in Spring City, the Gino J. Merli Veterans Center in Scranton, the Southwestern Veterans Center in Pittsburgh and the Delaware Valley Veterans Home in Philadelphia.



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Military and Veterans Affairs

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2008-09 ACTUAL	2009-10 AVAILABLE	2010-11 BUDGET
GENERAL FUND:			
<i>General Government:</i>			
General Government Operations.....	\$ 20,129	\$ 19,070	\$ 18,879
(F)ARRA - Assistance to Rural Law Enforcement.....	0	0 ^a	0
(F)ARRA - Distance Learning Institute.....	0	0 ^b	0
(F)ARRA - Operation Outreach.....	0	0 ^c	0
(F)Facilities Maintenance.....	63,895	73,213	77,685
(F)ARRA - Facilities Maintenance.....	0	15,000	5,000
(F)Federal Construction Grants.....	180,000	180,000	180,000
(F)ARRA - Federal Construction Grants.....	0	30,000	30,000
(F)Domestic Preparedness (EA).....	0	1,200	0
(A)Rental of Armories and Other Facilities.....	122	122	122
(A)Housing Fees.....	99	102	122
(A)Utility Reimbursements.....	155	195	195
(A)Miscellaneous Reimbursements.....	39	11	11
Facilities Management and Security.....	0	250	247
Burial Detail Honor Guard.....	38	76	76
Army/Readiness Centers Maintenance and Repair.....	1,361	0	500
Special State Duty.....	0	36	36
Subtotal.....	\$ 265,838	\$ 319,275	\$ 312,873
Subtotal - State Funds.....	\$ 21,528	\$ 19,432	\$ 19,738
Subtotal - Federal Funds.....	243,895	299,413	292,685
Subtotal - Augmentations.....	415	430	450
Total - General Government.....	\$ 265,838	\$ 319,275	\$ 312,873
<i>Institutional:</i>			
Veterans Homes.....	\$ 83,345	\$ 82,039	\$ 85,339
(F)Enhanced Veterans Reimbursement.....	8,800	18,400	14,000
(F)ARRA - Enhanced Veterans Reimbursement.....	0	3,500	2,800
(F)Operations and Maintenance.....	30,728	35,414	39,521
(F)Medical Reimbursements.....	462	727	2,655
(F)ARRA - Broadband.....	0	382	382
(A)Aid and Attendance Payments.....	7,498	8,438	7,868
(A)Residential Fees.....	20,662	19,538	20,154
(A)Miscellaneous Reimbursements.....	62	46	50
(A)Estate Collections.....	3,273	2,764	2,714
Subtotal.....	\$ 154,830	\$ 171,248	\$ 175,483
Scotland School for Veterans Children.....	\$ 10,478	\$ 0	\$ 0
(F)ESEA Education Program.....	323	0	0
(F)School Milk Program.....	349	0	0
(F)Drug Free Schools.....	1	0	0
(F)Education Enhancement.....	18	0	0
(A)Institutional Reimbursements.....	99	0	0
(A)Tuition Recovery.....	2,543	0	0
Subtotal.....	\$ 13,811	\$ 0	\$ 0
Subtotal - State Funds.....	\$ 93,823	\$ 82,039	\$ 85,339
Subtotal - Federal Funds.....	40,681	58,423	59,358
Subtotal - Augmentations.....	34,137	30,786	30,786
Total - Institutional.....	\$ 168,641	\$ 171,248	\$ 175,483
<i>Grants and Subsidies:</i>			
Education of Veterans Children.....	\$ 84	\$ 103	\$ 103
Transfer to Educational Assistance Program Fund.....	7,995	5,995	6,995
Veterans Assistance.....	518	428	428



Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2008-09 ACTUAL	2009-10 AVAILABLE	2010-11 BUDGET
Blind Veterans Pension	221	306	220
Paralyzed Veterans Pension	421	419	419
National Guard Pension	0	5	5
Supplemental Life Insurance Premiums	82	371	371
Civil Air Patrol	300	150	0
Disabled American Veterans Transportation	350	350	350
Veterans Outreach Services	1,678	1,678	1,678
Subtotal.....	\$ 11,649	\$ 9,805	\$ 10,569
Total - Grants and Subsidies.....	\$ 11,649	\$ 9,805	\$ 10,569
STATE FUNDS.....	\$ 127,000	\$ 111,276	\$ 115,646
FEDERAL FUNDS.....	284,576	357,836	352,043
AUGMENTATIONS.....	34,552	31,216	31,236
GENERAL FUND TOTAL	\$ 446,128	\$ 500,328	\$ 498,925
 OTHER FUNDS:			
GENERAL FUND:			
Military Family Relief Assistance.....	\$ 33	\$ 200	\$ 200
EDUCATIONAL ASSISTANCE PROGRAM FUND:			
National Guard Education (EA).....	\$ 11,000	\$ 10,000	\$ 11,000
PENNSYLVANIA VETERANS MEMORIAL TRUST FUND:			
Veterans Memorial (EA).....	\$ 120	\$ 90	\$ 90
PERSIAN GULF CONFLICT VETERANS COMPENSATION BOND FUND:			
Persian Gulf Veterans Bonus Program (EA).....	\$ 2,290	\$ 3,000	\$ 3,000
STATE TREASURY ARMORY FUND:			
Armory Improvements.....	\$ 104	\$ 1,361	\$ 860
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 127,000	\$ 111,276	\$ 115,646
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	284,576	357,836	352,043
AUGMENTATIONS.....	34,552	31,216	31,236
OTHER FUNDS.....	13,547	14,651	15,150
TOTAL ALL FUNDS	\$ 459,675	\$ 514,979	\$ 514,075

^a Appropriated as \$1,688,000. The department received notification that federal funding was not awarded.

^b Appropriated as \$2,165,000. The department received notification that federal funding was not awarded.

^c Appropriated as \$500,000. The department received notification that federal funding was not awarded.



Program Funding Summary

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
STATE MILITARY READINESS							
GENERAL FUND.....	\$ 21,528	\$ 19,432	\$ 19,738	\$ 19,738	\$ 19,738	\$ 19,738	\$ 19,738
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	243,895	254,413	257,685	257,685	257,685	257,685	257,685
OTHER FUNDS.....	672	2,081	1,600	1,600	1,600	1,600	1,600
SUBCATEGORY TOTAL.....	\$ 266,095	\$ 275,926	\$ 279,023	\$ 279,023	\$ 279,023	\$ 279,023	\$ 279,023
VETERANS HOMES							
GENERAL FUND.....	\$ 93,823	\$ 82,039	\$ 85,339	\$ 85,339	\$ 85,339	\$ 85,339	\$ 85,339
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	40,681	103,423	94,358	92,258	56,176	56,176	56,176
OTHER FUNDS.....	34,137	30,786	30,786	30,786	30,786	30,786	30,786
SUBCATEGORY TOTAL.....	\$ 168,641	\$ 216,248	\$ 210,483	\$ 208,383	\$ 172,301	\$ 172,301	\$ 172,301
COMPENSATION AND ASSISTANCE							
GENERAL FUND.....	\$ 11,649	\$ 9,805	\$ 10,569	\$ 10,569	\$ 10,569	\$ 10,569	\$ 10,569
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	13,290	13,000	14,000	14,000	14,000	14,000	14,000
SUBCATEGORY TOTAL.....	\$ 24,939	\$ 22,805	\$ 24,569	\$ 24,569	\$ 24,569	\$ 24,569	\$ 24,569
ALL PROGRAMS:							
GENERAL FUND.....	\$ 127,000	\$ 111,276	\$ 115,646	\$ 115,646	\$ 115,646	\$ 115,646	\$ 115,646
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	284,576	357,836	352,043	349,943	313,861	313,861	313,861
OTHER FUNDS.....	48,099	45,867	46,386	46,386	46,386	46,386	46,386
DEPARTMENT TOTAL.....	\$ 459,675	\$ 514,979	\$ 514,075	\$ 511,975	\$ 475,893	\$ 475,893	\$ 475,893

PROGRAM OBJECTIVE: To achieve and maintain a readiness capability in units of the Pennsylvania National Guard for quick and effective response to state or federal mobilization.

Program: State Military Readiness

This program provides the administrative, logistical and training support necessary for the Pennsylvania National Guard to maintain requisite readiness to carry out its vital federal and state missions. Such missions may result in full or partial mobilization of the Pennsylvania National Guard for state service in the commonwealth or other states in emergency situations or active federal service anywhere in the world. Costs for military equipment, supplies and training, such as monthly training assemblies and 15 days annual training, are funded 100 percent by the federal government.

The readiness capability of Pennsylvania National Guard units is evaluated according to established federal inspection and training standards. Primary efforts are directed toward having the Pennsylvania National Guard in top readiness condition in order to respond to state and federal contingencies. The training of personnel is directly dependent upon the adequacy of the operation,

maintenance and repair of numerous National Guard readiness centers (formerly known as armories), support facilities, Air National Guard bases and installations. A statewide communications network, including the Statewide Public Safety Radio System, is in operation providing a quicker and more effective response to state or federal mobilization.

Included within this program are those activities essential to operate a network of 117 community readiness centers, field maintenance shops and six air bases that serve as training locations for National Guard units. The commonwealth is responsible for providing for the operation, maintenance and repair of the readiness centers. These readiness centers may also be utilized as mass care centers for disaster victims and to provide meeting and recreational facilities for local civic and youth organizations.

Program Recommendations:

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

\$	-191	General Government Operations —nonrecurring 2009-10 budgetary freeze amount.				
					Armory/Readiness Centers Maintenance and Repair	
\$	-3	Facilities Management and Security —nonrecurring 2009-10 budgetary freeze amount.	\$	500	—to resume program operation.	

The Burial Detail Honor Guard and Special State Duty appropriations are recommended at the current year funding levels.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2007-08 Actual	2008-09 Available	2009-10 Budget	2010-11 Estimated	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated
GENERAL FUND:							
General Government Operations	\$ 20,129	\$ 19,070	\$ 18,879	\$ 18,879	\$ 18,879	\$ 18,879	\$ 18,879
Facilities Management and Security.....	0	250	247	247	247	247	247
Burial Detail Honor Guard	38	76	76	76	76	76	76
Armory/Readiness Centers Maintenance and Repair	1,361	0	500	500	500	500	500
Special State Duty	0	36	36	36	36	36	36
TOTAL GENERAL FUND	\$ 21,528	\$ 19,432	\$ 19,738	\$ 19,738	\$ 19,738	\$ 19,738	\$ 19,738



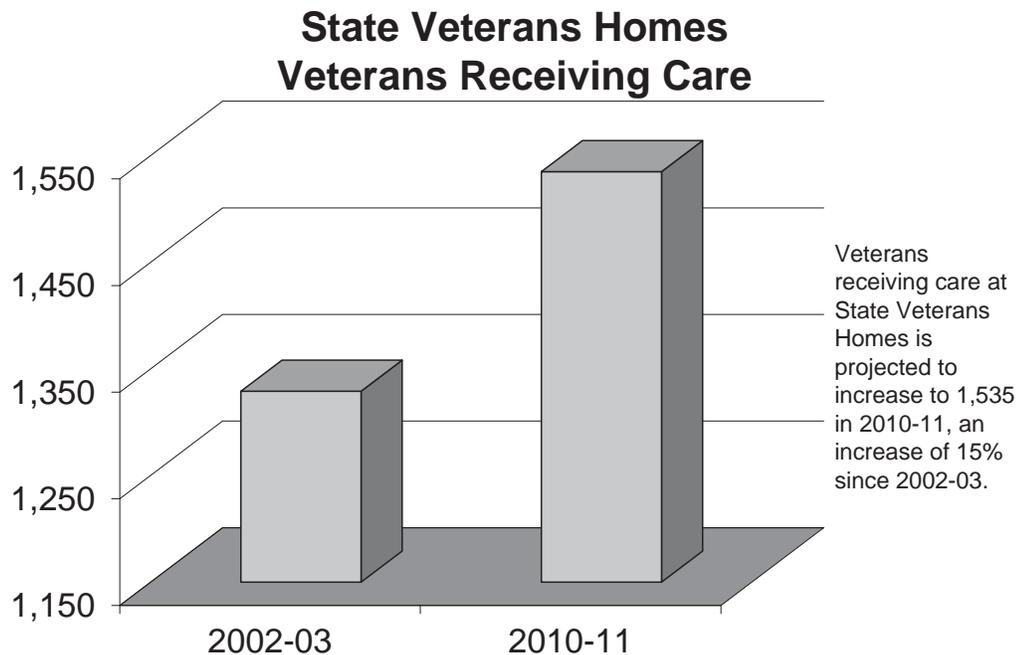
PROGRAM OBJECTIVE: To provide nursing and domiciliary care for veterans.

Program: Veterans Homes

The Department of Military and Veterans Affairs provides skilled nursing and domiciliary care for veterans who are in need of care. There are six veterans facilities currently providing such care: the Soldiers and Sailors Home in Erie, the Veterans Home at Hollidaysburg, the Southeastern Pennsylvania Veterans Center in Spring City, the Gino J. Merli (Northeastern) Veterans Center in Scranton, the Southwestern Veterans Center in Pittsburgh and the Delaware Valley Veterans Home in Philadelphia.

The program receives assistance from the federal Department of Veterans Affairs at levels of \$35.84 per patient day for personal care and \$77.53 per patient day for nursing home care.

Residents of state veterans facilities receive a daily allowance from the federal Department of Veterans Affairs. Residents use these funds plus their own funds to help offset the cost of their care.



Military and Veterans Affairs

Program: Veterans Homes (continued)

Expenditures by Institution: (Dollar Amounts in Thousands)

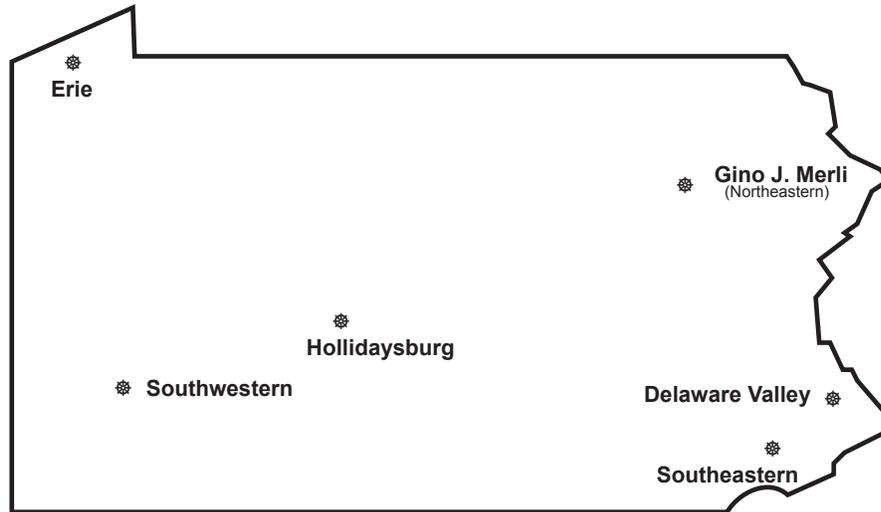
	2008-09 Actual	2009-10 Available	2010-11 Budget		2008-09 Actual	2009-10 Available	2010-11 Budget
Erie Soldiers and Sailors Home				Southwestern Veterans Center			
State Funds.....	\$ 10,502	\$ 9,147	\$ 9,968	State Funds.....	\$ 10,640	\$ 8,381	\$ 9,827
Federal Funds.....	4,329	5,619	6,392	Federal Funds.....	6,621	8,578	11,040
Augmentations.....	3,582	3,500	3,550	Augmentations.....	5,062	5,050	5,064
TOTAL.....	\$ 18,413	\$ 18,266	\$ 19,910	TOTAL.....	\$ 22,323	\$ 22,009	\$ 25,931
Hollidaysburg Veterans Home				Delaware Valley Veterans Home			
State Funds.....	\$ 25,594	\$ 24,002	\$ 26,238	State Funds.....	\$ 8,948	\$ 8,167	\$ 8,302
Federal Funds.....	11,732	15,964	16,407	Federal Funds.....	4,813	6,332	6,393
Augmentations.....	8,617	7,749	8,145	Augmentations.....	4,366	4,210	4,150
TOTAL.....	\$ 45,943	\$ 47,715	\$ 50,790	TOTAL.....	\$ 18,127	\$ 18,709	\$ 18,845
Southeastern Veterans Center				Central Veterans Homes Services			
State Funds.....	\$ 15,002	\$ 13,943	\$ 15,216	State Funds.....	\$ 2,539	\$ 9,318	\$ 6,534
Federal Funds.....	6,732	8,582	9,818	Federal Funds.....	-	5,768	382
Augmentations.....	5,185	5,527	5,227	Augmentations.....	-	-	-
TOTAL.....	\$ 26,919	\$ 28,052	\$ 30,261	TOTAL.....	\$ 2,539	\$ 15,086	\$ 6,916
Gino J. Merli Veterans Center				Scotland School for Veterans Children			
State Funds.....	\$ 10,120	\$ 9,081	\$ 9,254	State Funds.....	\$ 10,478	\$ -	\$ -
Federal Funds.....	5,763	7,580	8,926	Federal Funds.....	691	-	-
Augmentations.....	4,683	4,750	4,650	Augmentations.....	2,642	-	-
TOTAL.....	\$ 20,566	\$ 21,411	\$ 22,830	TOTAL.....	\$ 13,811	\$ -	\$ -

Population and Capacity				
Institution	Population Dec 2009	Projected Population Dec 2010	Projected Capacity Dec 2010	Projected Percent of Capacity
Erie Soldiers and Sailors Home.....	178	182	207	88%
Hollidaysburg Veterans Home.....	479	487	514	95%
Southeastern Veterans Center.....	260	266	304	88%
Gino J. Merli Veterans Center.....	192	198	200	99%
Southwestern Veterans Center.....	230	232	236	98%
Delaware Valley Veterans Home.....	170	170	171	99%
Total.....	1,509	1,535	1,632	94%



Program: Veterans Homes (continued)

Veterans Homes



Program Recommendations:

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

	Veterans Homes	
\$ -820	—nonrecurring 2009-10 budgetary freeze amount.	
4,120	—to continue current program.	
<u>\$ 3,300</u>	<i>Appropriation Increase</i>	

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
GENERAL FUND:							
Veterans Homes	\$ 83,345	\$ 82,039	\$ 85,339	\$ 85,339	\$ 85,339	\$ 85,339	\$ 85,339
Scotland School for Veterans Children	10,478	0	0	0	0	0	0
TOTAL GENERAL FUND	<u>\$ 93,823</u>	<u>\$ 82,039</u>	<u>\$ 85,339</u>	<u>\$ 85,339</u>	<u>\$ 85,339</u>	<u>\$ 85,339</u>	<u>\$ 85,339</u>

PROGRAM OBJECTIVE: To provide advisory and financial assistance to eligible Pennsylvania veterans, National Guardsmen and their dependents.

Program: Compensation and Assistance

The Department of Military and Veterans Affairs administers several activities within this program.

Program Element: Education of Children of Deceased and Disabled Veterans

Educational grants are provided for children of honorably discharged veterans who have been certified as having wartime service-connected disabilities rated as total and permanent or children of veterans who have died of wartime service-connected disabilities. Children must be between the ages of 16 and 23 years of age and living within Pennsylvania five years prior to application and must attend a school within Pennsylvania. Grants are provided up to a maximum of \$500 per semester.

Program Element: Education — National Guard

Tuition grants are provided for certain members of the Pennsylvania National Guard who enroll in a Pennsylvania institution of higher learning with degree-granting status, as approved by the Department of Education. Act 11 of 2000 enhanced this educational assistance program. Act 212 of 2004 created the Educational Assistance Program Fund to dispense the grants. Grants are available for full-time students for up to 100 percent of the tuition charged (up to \$2,777 per semester) to a Pennsylvania resident at a member institution of the State System of Higher Education. Act 82 of 2005 extended the eligibility time in cases of deployment. Act 44 of 2006 extended the time in case of medical discharge. Act 87 of 2006 amends Title 51 to allow for grants to part-time students. These public service educational grants not only serve as an incentive to the Pennsylvania National Guard's recruiting and retention efforts but also reward those Pennsylvanians who volunteer to serve their nation and the commonwealth.

Program Element: Veterans Assistance

The veterans emergency assistance program provides for eligible veterans, their spouses and dependent children who are in need of financial assistance. Financial assistance is authorized for food, fuel, shelter and clothing and is limited to a period not exceeding three months. Basic program requirements include honorable discharge, service during an established war or conflict period, Pennsylvania residency, no receipt of Public Assistance and an unexpected loss of income.

Program Element: Blind Veterans Pension

Pensions of \$150 per month are provided for Pennsylvania veterans who incurred functional blindness while performing active military service.

Program Element: Paralyzed Veterans Pension

Pensions of \$150 per month are provided to Pennsylvania veterans who have lost the use of two or more extremities while serving on active duty in the armed forces of the United States. Act 109 of 2001 expanded this program by eliminating the residency and wartime service requirement. Thus, former residents of Pennsylvania and those who served in the military during peacetime are now eligible for the pension if all other requirements are met.

Program Element: National Guard Pensions

Payment of a pension is provided to guardsmen, and widowed and dependent family members. A National Guardsman who is injured, otherwise disabled or dies as a result of injuries or other disability received or contracted while performing duty in active service to the commonwealth, or in the performance of other state military duty, is eligible. Current law provides for a monthly pension for dependents up to a maximum of \$300 per month for a period of 10 years. In the case of children of a deceased member, the pension is paid until the child reaches 18 years of age.

Program Element: Supplemental Life Insurance Premiums

Act 105 of 2006 authorized the commonwealth to pay or reimburse the cost not otherwise paid for by the general government, of Servicemembers' Group Life Insurance (SGLI) premiums for eligible soldiers and airmen of the PA National Guard.

Program Element: Veterans Service Outreach Program

Act 66 of 2007 created the Veterans Service Organizations grant program to provide grants to these organizations for the improvement of the administration and delivery of services to Pennsylvania veterans.

Program Element: Persian Gulf Conflict Veterans Benefit Program

Compensation of up to \$525, calculated based on months of service in the theater of the operations during the first Persian Gulf conflict (August 1990 – August 1991) is paid to eligible Pennsylvania veterans of the conflict. In addition, compensation of \$5,000 is paid to eligible survivors of deceased veterans and prisoners of war. The program was authorized by Act 29 of 2006.

Program Element: Disabled Veterans Real Estate Tax Exemption Program

This program provides a real estate tax exemption for any honorably discharged veteran who is 100% disabled



Program: Compensation and Assistance (continued)

and a resident of the commonwealth with a financial need who served during established war service dates as determined by the U.S. Department of Veterans Affairs. This exemption shall be extended to the unmarried surviving spouse upon the death of an eligible veteran provided that the State Veterans Commission determines that such person is in need of the exemption.

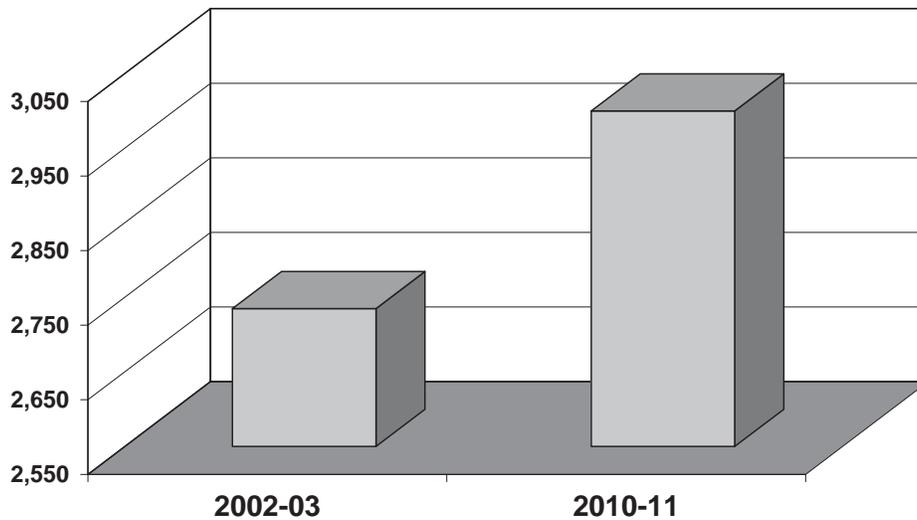
Program Element: Military Family Relief Assistance Program

Act 65 of 2005 created the program to provide for short-term financial relief to families in need due to deployment of a family member. This program will be funded through contributions from state income tax return check offs and donations. It will last for five years.

Also, for National Guard and reservists, Act 60 of 2005 provided for deferment of automobile insurance while deployed. Act 83 of 2005 allows students to remain on parental insurance while deployed and allows others to continue their insurance voluntarily when deployed. Act 105 of 2006 amended Title 51 to provide for tuition grants for children and spouses of deceased soldiers and insurance premium payments for eligible National Guard members deployed overseas or for emergencies.

Act 22 of 2006 provided a bonus to Merchant Marine World War II Veterans.

National Guard Personnel Receiving Educational Financial Aid



National Guard personnel receiving educational financial aid is projected to be 3,000 in 2010-11, an increase of 9.7% since 2002-03. Act 82 of 2005 extended the eligibility period so that those deployed can finish their education.

Military and Veterans Affairs

Program: Compensation and Assistance (continued)

Program Recommendations:

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

		Transfer to Educational Assistance Program
\$	1,000	—to continue current program.
		Blind Veterans Pension
\$	-86	—nonrecurring 2009-10 budgetary freeze amount and reduced program need.
		Civil Air Patrol
\$	-150	—program elimination.

All other appropriations are recommended at the current year funding levels.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
GENERAL FUND:							
Education of Veterans Children	\$ 84	\$ 103	\$ 103	\$ 103	\$ 103	\$ 103	\$ 103
Transfer to Educational Assistance Program Fund.....	7,995	5,995	6,995	6,995	6,995	6,995	6,995
Veterans Assistance	518	428	428	428	428	428	428
Blind Veterans Pension	221	306	220	220	220	220	220
Paralyzed Veterans Pension	421	419	419	419	419	419	419
National Guard Pension	0	5	5	5	5	5	5
Supplemental Life Insurance Premiums....	82	371	371	371	371	371	371
Civil Air Patrol	300	150	0	0	0	0	0
Disabled American Veterans Transportation.....	350	350	350	350	350	350	350
Veterans Outreach Services.....	<u>1,678</u>	<u>1,678</u>	<u>1,678</u>	<u>1,678</u>	<u>1,678</u>	<u>1,678</u>	<u>1,678</u>
TOTAL GENERAL FUND	\$ 11,649	\$ 9,805	\$ 10,569	\$ 10,569	\$ 10,569	\$ 10,569	\$ 10,569



Program Measures

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Program: State Military Readiness							
Pennsylvania Army National Guard end strength	15,686	15,700	15,700	15,700	15,700	15,700	15,700
Percentage of Army National Guard current strength	96%	96%	96%	96%	96%	96%	96%
Pennsylvania Air National Guard end strength	4,099	4,100	4,100	4,100	4,100	4,100	4,100
Percentage of Air National Guard current strength	103%	103%	103%	103%	103%	103%	103%
Percentage of armories and field sites rated adequate	21%	28%	28%	28%	28%	28%	28%
Armories and field sites under major repair	44	46	30	30	30	30	30
Department of Defense personnel receiving training at Fort Indiantown Gap	101,452	120,000	120,000	120,000	120,000	120,000	120,000
Non Department of Defense personnel receiving training at Fort Indiantown Gap	13,090	14,000	14,000	14,000	14,000	14,000	14,000
Program: Veterans Homes							
Veterans Homes							
Percentage of veterans homes population:							
Veterans	91%	90%	88%	88%	88%	88%	88%
Spouses	9%	10%	12%	12%	12%	12%	12%
Percentage of occupancy rate above national average of state veterans homes:							
Domiciliary care	21%	15%	15%	15%	15%	15%	15%
Nursing care	11%	10%	10%	10%	10%	10%	10%
Program: Compensation and Assistance							
Veterans in Pennsylvania	1,025,770	995,100	964,100	933,400	903,300	874,000	845,900
Recipients of veterans emergency assistance	650	600	700	700	700	700	700
Recipients of blind veterans pension	121	120	125	125	125	125	125
Children of deceased and disabled veterans receiving education grants	90	80	95	95	95	95	95
Participants in paralyzed veterans programs	232	230	235	235	235	235	235
National Guard personnel receiving educational financial aid	1,895	3,000	3,000	3,000	3,000	3,000	3,000

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MILK MARKETING BOARD

The mission of the Milk Marketing Board is to ensure that Pennsylvania's dairy industry remains vital by providing a regulatory environment that facilitates a safe, adequate supply of wholesome milk while providing security for its dairy farmers and milk dealers and protection for the public health and welfare of consumers.



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Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

OTHER FUNDS:

MILK MARKETING FUND:

	2008-09 ACTUAL	2009-10 AVAILABLE	2010-11 BUDGET
General Operations.....	\$ 2,842	\$ 2,894	\$ 2,836



Program Funding Summary

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
MILK INDUSTRY REGULATION							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	2,842	2,894	2,836	2,836	2,836	2,836	2,836
SUBCATEGORY TOTAL.....	\$ 2,842	\$ 2,894	\$ 2,836	\$ 2,836	\$ 2,836	\$ 2,836	\$ 2,836
ALL PROGRAMS:							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	2,842	2,894	2,836	2,836	2,836	2,836	2,836
DEPARTMENT TOTAL.....	\$ 2,842	\$ 2,894	\$ 2,836	\$ 2,836	\$ 2,836	\$ 2,836	\$ 2,836



PROGRAM OBJECTIVE: To maintain an adequate supply of wholesome fluid milk.

Program: Milk Industry Regulation

The Milk Marketing Board is a special fund agency financed from milk industry license fees, permit fees and fines. The board supervises, inspects and regulates the milk industry of the commonwealth and establishes reasonable trade control and marketing practices. It formulates policy, holds public hearings and subsequently issues and enforces General Marketing Orders, rules and regulations. The board also handles prosecution and levying of penalties against violators of the Milk Marketing Law, the Milk Producers' Security Act and board regulations.

The board's major function is to ensure an adequate milk supply by setting minimum prices paid to farmers, minimum prices dealers can charge wholesale and retail customers, and minimum prices stores can charge consumers. The regulation process is complicated by the existence of Federal Marketing Orders, which are prices

established by the federal government that must be paid to producers.

The board has implemented an automated Milk Accounting and Regulatory System (MARS). The system values milk based on component pricing, allowing adaptation to changes in the state and federal regulatory environment. Pricing information collected through the system and from public hearings is used by the board to establish minimum milk prices.

The board had previously considered the ratio of the supply of milk fluid to demand in the regulation process, but other indicators are more relevant to the process and that ratio is no longer calculated. Factors such as the price of milk in neighboring states and the ratio of the cost of production to current or expected prices are more important to price establishment and are widely discussed at the public meetings.

Program Recommendation:

This budget recommends the following changes from the Milk Marketing Fund:
(Dollar Amounts in Thousands)

MILK MARKETING FUND
General Operations
\$ -58 —to continue current program.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
MILK MARKETING FUND:							
General Operations	\$ 2,842	\$ 2,894	\$ 2,836	\$ 2,836	\$ 2,836	\$ 2,836	\$ 2,836



Program Measures

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Program: Milk Industry Regulation							
Percentage of producer payments made adequately and on time*	99%	99%	99%	99%	99%	99%	99%
Public hearings held to consider the level and duration of the class 1 over-order premium*	2	3	2	2	2	2	2
General and cost replacement hearings held to determine dealer and retailer costs*	6	6	6	6	6	6	6
Licenses and permits issued	2,357	2,300	2,300	2,300	2,300	2,300	2,300
Audits of milk dealers for compliance with milk sales' rules and regulations	1,020	1,000	1,000	1,000	1,000	1,000	1,000

* New Program Measure





BOARD OF PROBATION AND PAROLE

The mission of the Board of Probation and Parole is to protect the safety of the public, address the needs of crime victims, improve county adult probation and parole services and assist in the fair administration of justice by ensuring the custody, control and treatment of offenders under the jurisdiction of the board.

The Board of Probation and Parole rehabilitates and supervises persons on probation or parole, helping them to reintegrate within society. The board provides for the reintegration of persons who have served their minimum sentence in a correctional institution as well as identifies those who cannot adjust to the community. State probation services and investigations are also provided upon request from the courts. The Office of Victim Advocate within the Board of Probation and Parole administers the victim service programs of both the board and the Department of Corrections. The Sexual Offenders Assessment Board is responsible for the review of registration of sexual offenders.



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Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2008-09 ACTUAL	2009-10 AVAILABLE	2010-11 BUDGET
GENERAL FUND:			
<i>General Government:</i>			
General Government Operations.....	\$ 88,989	\$ 95,000	\$ 103,102
(F)Violence Prediction Model.....	0	175	175
(F)JAG - Client Identification (EA).....	125	37	0
(F)JAG - Violations Sanctioning (EA).....	84	29	0
(F)Absconder Apprehension (EA).....	8	14	0
(A)State Parole Supervision Fees.....	3,573	3,500	4,000
(A)Interstate Supervision Fees.....	85	60	60
Subtotal.....	<u>\$ 92,864</u>	<u>\$ 98,815</u>	<u>\$ 107,337</u>
Sexual Offenders Assessment Board.....	3,969	4,017	4,465
Subtotal.....	<u>\$ 3,969</u>	<u>\$ 4,017</u>	<u>\$ 4,465</u>
Subtotal - State Funds.....	\$ 92,958	\$ 99,017	\$ 107,567
Subtotal - Federal Funds.....	217	255	175
Subtotal - Augmentations.....	3,658	3,560	4,060
Total - General Government.....	<u>\$ 96,833</u>	<u>\$ 102,832</u>	<u>\$ 111,802</u>
<i>Grants and Subsidies:</i>			
Improvement of Adult Probation Services.....	\$ 18,647	\$ 18,647	\$ 18,275
(A)County Parole Supervision Fees.....	16,026	16,326	16,489
Subtotal.....	<u>\$ 34,673</u>	<u>\$ 34,973</u>	<u>\$ 34,764</u>
Subtotal - State Funds.....	\$ 18,647	\$ 18,647	\$ 18,275
Subtotal - Augmentations.....	16,026	16,326	16,489
Total - Grants and Subsidies.....	<u>\$ 34,673</u>	<u>\$ 34,973</u>	<u>\$ 34,764</u>
STATE FUNDS.....	\$ 111,605	\$ 117,664	\$ 125,842
FEDERAL FUNDS.....	217	255	175
AUGMENTATIONS.....	19,684	19,886	20,549
GENERAL FUND TOTAL.....	<u>\$ 131,506</u>	<u>\$ 137,805</u>	<u>\$ 146,566</u>
OTHER FUNDS:			
GENERAL FUND:			
Firearms Education and Training Commission.....	\$ 508	\$ 497	\$ 491
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 111,605	\$ 117,664	\$ 125,842
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	217	255	175
AUGMENTATIONS.....	19,684	19,886	20,549
OTHER FUNDS.....	508	497	491
TOTAL ALL FUNDS.....	<u>\$ 132,014</u>	<u>\$ 138,302</u>	<u>\$ 147,057</u>



Program Funding Summary

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
REINTEGRATION OF THE ADULT OFFENDER							
GENERAL FUND.....	\$ 111,605	\$ 117,664	\$ 125,842	\$ 127,219	\$ 127,219	\$ 127,219	\$ 127,219
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	217	255	175	175	175	175	175
OTHER FUNDS.....	20,192	20,383	21,040	20,740	20,740	20,840	20,640
SUBCATEGORY TOTAL.....	\$ 132,014	\$ 138,302	\$ 147,057	\$ 148,134	\$ 148,134	\$ 148,234	\$ 148,034
ALL PROGRAMS:							
GENERAL FUND.....	\$ 111,605	\$ 117,664	\$ 125,842	\$ 127,219	\$ 127,219	\$ 127,219	\$ 127,219
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	217	255	175	175	175	175	175
OTHER FUNDS.....	20,192	20,383	21,040	20,740	20,740	20,840	20,640
DEPARTMENT TOTAL.....	\$ 132,014	\$ 138,302	\$ 147,057	\$ 148,134	\$ 148,134	\$ 148,234	\$ 148,034



PROGRAM OBJECTIVE: To decrease the recurrence of crime by replacing criminal behavior with socially acceptable behavior.

Program: Reintegration of the Adult Offender

The Pennsylvania Board of Probation and Parole's primary goal is to protect the safety of the public through effective parole decisions and proper supervision and management of offenders who are returning to their communities. Successful reentry of offenders can reduce the likelihood that they will victimize anyone else and ultimately return to prison.

The responsibilities of the board are to make parole decisions and supervise adult parolees with a maximum sentence of two years or more; revoke the parole of technical parole violators who persist in continuing to violate parole conditions and revoke the parole of violators who are convicted of new crimes; and discharge from parole offenders under supervision who have fulfilled their sentences in compliance with the conditions of parole. The number of offenders projected to be under board supervision by June 2011 is 34,077, up from 31,179 in June 2009. The parole population includes offenders paroled from the state correctional system, special county probation and parole cases and offenders transferred pursuant to the interstate compact from other states into Pennsylvania. Offenders with maximum sentences under two years are supervised at the county level unless the county court certifies the case to the state for special probation supervision. Acts 81 and 83 of 2008 add the chairman of the Board of Probation and Parole to the Pennsylvania Commission on Sentencing and provide for rebuttable and administrative parole.

Program Element: Parole Decisions

Offenders must serve their minimum sentence before they become eligible for parole. To prepare offenders for reentry while incarcerated, the Department of Corrections develops a correctional plan to address drug and alcohol treatment needs, educational opportunities, vocational training, counseling services and employment opportunities within the institution. During a parole hearing, board members consider the offender's behavior and program performance while in prison, review the offender's risk and needs assessment and consider other factors required by law to determine if the offender's reentry into the community is not likely to compromise public safety. A validated risk and needs assessment instrument is used to maintain consistency and accuracy in parole decisions and to ensure that justice is administered fairly.

Program Element: Reentry Preparation

To fulfill the mission of community safety, the Bureau of Offender Reentry focuses on preparing inmates for parole release and providing continued support during the critical

initial period of readjustment following an inmate's return to the community. The board's institutional parole staff works with offenders while they are incarcerated to identify employment, housing and other issues that create obstacles or challenges to successful reentry. Inmates are introduced to the commonwealth's CareerLink services and given assistance with the basics of job search preparation. The parole staff provides a Parole Preparation program as part of the Department of Corrections' Community Orientation and Reintegration program to provide information and assistance with the offender's identified areas of need. Upon release, an offender's needs are reassessed every six months or more frequently if deemed appropriate. Drug and alcohol treatment, cognitive behavioral and other programming is made available via parole field staff and referrals to individual county programs or while under supervision at a Department of Corrections community corrections center or other contract facility.

Program Element: Supervision and Case Management

The reentry of an offender into the community requires effective parole supervision that is a balance of monitoring and enforcement of parole conditions coupled with effective case management. As part of the board's responsibility to public safety, the field parole agent uses problem-solving case management and other evidenced-based strategies to help manage and reduce the offender's risk to re-offend. Parole staff also helps the offender with challenges regarding his job, residence, continuity of care or other issues. Also key to public safety and a reduction of crime is the management of technical parole violators through alternative, community-based interventions and specialized support programs to safely and effectively allow for continued supervision in the community. The Pennsylvania Community Alternative to Prison program and Back on Track are two examples of programs that provide services to parolees struggling with their adjustment to life outside of prison. Services are administered in secure portions of Department of Corrections contract facilities throughout the state. The board has implemented a violent offender management protocol that includes a curfew and maximum supervision for all newly released offenders from state prison for 90 days. Violence prevention, anger management and life skills programming are also provided. The board has developed and initiated these actions to aid in reducing offender recidivism.

Program: Reintegration of the Adult Offender (continued)

Program Element: County Probation

In addition to operating the state parole system, the board has the responsibility of administering a grant-in-aid program to support county adult probation personnel and services. Act 134 of 1986, which amended the Parole Act, provides that counties shall be reimbursed for up to 80 percent of the personnel costs for pre-sentence investigations and for improved probation supervision and programs, provided that sufficient funds are appropriated. The grant-in-aid program provides these funds to counties based on a historically-designated staffing level established in 1991.

Program Element: Other Probation and Parole Programs

Act 35 of 1991 mandates that a monthly supervision fee be paid by all offenders under state supervision unless a waiver is granted. In addition, Act 35 requires that the sentencing judge of the Court of Common Pleas impose upon county offenders, as a condition of supervision, a monthly supervision fee of at least \$25 unless reduced, waived or deferred.

Act 8 of Special Session 1 of 1995 created the Office of Victim Advocate, an independent entity within the board, to represent the interests of crime victims before the board or the Department of Corrections.

Act 24 of 1995, or Megan's Law as it is commonly known, established the Sexual Offenders Assessment Board. This board is responsible for conducting court-

ordered assessments of convicted sexual offenders. The assessments are provided to district attorneys to assist in the determination prior to sentencing of those offenders who may be found by the court to be sexually violent predators. Prior to parole considerations, the Board of Probation and Parole may request assessments of sexually violent predators and sexual offenders. Megan's Law also requires the registration of all sexual offenders and sexually violent predators. Under Act 21 of 2003, certain sexually violent adolescent sex offenders are subject to an assessment by the Sexual Offenders Assessment Board upon reaching age 20. The assessment is used by the courts to determine the need for involuntary commitment and treatment of these offenders.

The federal Adam Walsh Act of 2006 eliminated the requirement to determine which sex offenders are sexually violent predators but imposes upon certain sex offenders many of the same requirements (such as lifetime registration and community notification) that currently apply to sexually violent predators. All sex offenders will be classified into three tiers based on the sex crimes for which they have been convicted. During 2010, Pennsylvania expects to make amendments to the current Megan's Law statute to comply with the Adam Walsh Act. The impact of the Adam Walsh Act on the Sexual Offenders Assessment Board's budget and workload will depend on the changes enacted in the state law.

Program Recommendations:

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

<p>General Government Operations</p> <p>\$ -950 —nonrecurring 2009-10 budgetary freeze amount.</p> <p>2,008 —Initiative — Enhancement of Parole Supervision and Case Management Services. To provide resources to maintain a favorable agent-to-parolee ratio and enhance case management processing.</p> <p>7,044 —to continue current program.</p> <p><u>\$ 8,102</u> <i>Appropriation Increase</i></p>	<p>Sexual Offenders Assessment Board</p> <p>\$ -40 —nonrecurring 2009-10 budgetary freeze amount.</p> <p>488 —to continue current program.</p> <p><u>\$ 448</u> <i>Appropriation Increase</i></p> <p>Improvement of Adult Probation Services</p> <p>\$ -372 —nonrecurring 2009-10 budgetary freeze amount.</p>
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Appropriations within this Program:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
GENERAL FUND:							
General Government Operations	\$ 88,989	\$ 95,000	\$ 103,102	\$ 104,479	\$ 104,479	\$ 104,479	\$ 104,479
Sexual Offenders Assessment Board	3,969	4,017	4,465	4,465	4,465	4,465	4,465
Improvement of Adult Probation Services ..	18,647	18,647	18,275	18,275	18,275	18,275	18,275
TOTAL GENERAL FUND	<u>\$ 111,605</u>	<u>\$ 117,664</u>	<u>\$ 125,842</u>	<u>\$ 127,219</u>	<u>\$ 127,219</u>	<u>\$ 127,219</u>	<u>\$ 127,219</u>



Program Measures

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Program: Reintegration of the Adult Offender							
Board Parole Process							
Average monthly number of offenders scheduled for parole interviews	2,580	2,895	2,934	2,766	2,629	2,536	2,496
Average monthly number of offenders interviewed*	1,697	1,842	1,897	1,954	1,944	1,936	1,929
Average monthly percentage of scheduled interviews held	66%	64%	65%	71%	74%	76%	77%
Average monthly number of offenders granted parole or reparole	811	1,015	1,109	1,162	1,156	1,151	1,161
Average monthly number of offenders released to parole from state correctional institutions	640	747	853	919	943	967	959
State Supervision Process							
State parolees and probationers supervised at fiscal year end	31,179	32,555	34,077	34,933	36,910	35,819	36,365
Annual state sentenced releases to parole supervision	8,410	9,743	11,124	11,986	12,301	12,674	12,511
Average monthly employment rate of offenders who are able to work	70%	69%	70%	71%	72%	72%	72%
Successful completions of parole as a percentage of monthly cases closed (revocations or successful completions)	53%	53%	53%	51%	50%	48%	48%
Average monthly percentage of supervised offenders in absconder status*	4%	3.50%	3.30%	3.20%	3.10%	3%	3%
Average monthly number of state sentence supervised offenders returned to prison as technical parole violators	257	260	274	311	335	364	367
Average monthly percentage of state sentence supervised offenders returned to prison as technical parole violators*	1.16%	1.15%	1.18%	1.25%	1.32%	1.40%	1.45%
Average monthly number of state sentence supervised offenders returned to prison for new criminal convictions	160	159	162	177	185	195	198
Average monthly percentage of state sentence supervised offenders returned to prison as convicted parole violators*	0.72%	0.70%	0.70%	0.71%	0.73%	0.75%	0.78%
Recidivism among state sentenced releases after one year of supervision	1,759	2,182	2,497	2,745	2,891	3,061	3,096
One-year recidivism rate among state sentence releases after one year of supervision*	20.90%	22.40%	22.50%	22.90%	23.50%	24.20%	24.80%

Program Measures

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
State Supervision Fee Collection							
Total state supervision fee dollars collected annually	\$3,820,635	\$3,570,000	\$3,300,000	\$3,366,000	\$3,433,000	\$3,502,000	\$3,572,000
Related Program Areas							
Notifications to registered crime victims	18,925	20,100	21,700	23,000	24,300	25,600	26,900
Aggregate number of sex offender assessments completed.	2,018	1,996	1,950	1,950	1,950	1,950	1,950
Probationers and parolees supervised by county probation departments	206,667	210,800	215,000	219,300	223,700	228,200	232,700

* New Program Measure





PUBLIC UTILITY COMMISSION

The mission of the Public Utility Commission is to provide for regulation of public utilities and includes establishing reasonable rates; providing for safe service; conducting audits; and ensuring compliance with public utility regulations.

The commission is comprised of five members appointed by the Governor with Senate confirmation.



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Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2008-09 ACTUAL	2009-10 AVAILABLE	2010-11 BUDGET
GENERAL FUND:			
<i>General Government:</i>			
(R)General Government Operations.....	\$ 52,162	\$ 52,581	\$ 56,003
(F)Natural Gas Pipeline Safety.....	630	1,501	1,501
(F)Motor Carrier Safety.....	1,934	1,888	1,888
(F)ARRA - Electric Regulatory Assistance.....	0	1,068 ^a	868
Subtotal - Federal Funds.....	2,564	4,457	4,257
Subtotal - Restricted Revenues.....	52,162	52,581	56,003
Total - General Government.....	<u>\$ 54,726</u>	<u>\$ 57,038</u>	<u>\$ 60,260</u>
FEDERAL FUNDS.....	2,564	4,457	4,257
RESTRICTED REVENUES.....	52,162	52,581	56,003
GENERAL FUND TOTAL.....	<u>\$ 54,726</u>	<u>\$ 57,038</u>	<u>\$ 60,260</u>

^a Includes recommended supplemental appropriation of \$1,068,000.



Program Funding Summary

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
REGULATION OF PUBLIC UTILITIES							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	2,564	4,457	4,257	3,389	3,389	3,389	3,389
OTHER FUNDS.....	52,162	52,581	56,003	56,003	56,003	56,003	56,003
SUBCATEGORY TOTAL.....	\$ 54,726	\$ 57,038	\$ 60,260	\$ 59,392	\$ 59,392	\$ 59,392	\$ 59,392
ALL PROGRAMS:							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	2,564	4,457	4,257	3,389	3,389	3,389	3,389
OTHER FUNDS.....	52,162	52,581	56,003	56,003	56,003	56,003	56,003
DEPARTMENT TOTAL.....	\$ 54,726	\$ 57,038	\$ 60,260	\$ 59,392	\$ 59,392	\$ 59,392	\$ 59,392

PROGRAM OBJECTIVE: To ensure that safe and adequate public utility services are available to the public at fair and reasonable rates.

Program: Regulation of Public Utilities

The Pennsylvania Public Utility Commission balances the needs of consumers and utilities to ensure safe and reliable utility service at reasonable rates; protect the public interest; educate consumers to make independent and informed utility choices; further economic development; and foster new technologies and competitive markets in an environmentally sound manner.

The commission regulates about 6,200 utilities providing electricity, natural gas, steam heat, water, wastewater collection and disposal, telephone, transportation of passengers and property by train, bus, truck, taxicab and limousine and transmission of gas and oil by pipeline.

The commission is funded by assessments of public utilities. Subject to budgetary approval, the commission may assess up to three-tenths of one percent of gross intrastate revenues to cover the cost of regulation. Public utility assessments and fees are deposited into a restricted account within the General Fund.

During the past 20 years, the number of jurisdictional public utilities has increased, as have the commission's responsibilities and mandated functions. The focus of the commission has expanded from the traditional role of approving the cost-based rates and regulating the service of all public utilities to a broader mandate of also enabling and facilitating competitive markets for the electric, natural gas and telecommunications industries.

In 2009, the commission continued to experience an increase in the number of rate requests from electric, natural gas and water companies. The requests reflect the removal of electricity rate caps, established during the advent of electric competition, as well as significant increases in infrastructure investment and inflation-driven costs. Commission approval of mergers and acquisitions is an ongoing process, especially affecting the water and telecommunications industries.

During 2009, the commission expended significant resources to begin the implementation of Act 129 of 2008, which requires Pennsylvania's seven largest electric distribution companies to develop energy efficiency and conservation plans and use other methods of reducing the amount of electricity consumed by residential and business consumers. The act mandates an overall 1 percent reduction in consumption by 2011 and a 3 percent reduction in consumption by 2013. It also requires a 4.5 percent reduction in peak demand by 2013. The commission has the responsibility to implement the act by reviewing and approving energy efficiency and conservation programs; smart meter technology deployment plans; time of use rates; real-time pricing plans; and default service procurement plans and results.

The commission also continues to implement three other major laws:

Act 201 of 2004 established specific standards and procedures for payment arrangements, customer deposits, and termination of electric, natural gas and water service. The commission has issued numerous orders interpreting and implementing the law and is currently working to revise relevant regulations; the first biennial report on this activity has been submitted to the General Assembly.

Act 213 of 2004 established Alternative Energy Portfolio Standards, requiring electric distribution companies and generation suppliers to include electricity generated from alternative energy resources in their sales to retail customers. The commission has issued standards related to net metering, interconnection and demand side management, and is working with stakeholders and the Department of Environmental Protection to effectively carry out this law. The commission has contracted with an alternative energy credit program administrator as part of the implementation.

Act 183 of 2004 addressed the obligations of telecommunication public utilities by continuing existing network modernization plans and providing incentives for acceleration of the deployment of high-speed internet service, while reducing filing and reporting requirements for the Incumbent Local Exchange Carriers.

The Federal Energy Policy Act of 2005 established a number of new federal mandates that state regulators are required to consider and potentially implement. These include standardizations for connecting electric generation facilities with the utility, compensation of retail customers for generated electricity sold back to the utility and policies concerning reduction or shifting of consumption from peak periods.

The commission has adopted default service regulations for electric providers and is exploring means to mitigate electric price increases when rate caps expire. In conjunction with those efforts, the commission is examining methods for enhancing consumer access to demand side response tools and energy conservation programs.

The commission has established the following goals for 2010-11 and future years:

- To ensure that necessary utility service is available to all residents of Pennsylvania.
- To foster development of competitive markets in the electric, telecommunications and natural gas industries.
- To promptly and effectively address anti-competitive activity by jurisdictional utilities or licensed competitive suppliers.

Program: Regulation of Public Utilities (continued)

- To promote greater public awareness and understanding of the public utility industry and how it affects customers.
- To establish policies that will encourage the public utilities to operate in the most environmentally compatible, safe, fair, and cost-effective manner.
- To encourage and coordinate the upgrade of Pennsylvania's water delivery and wastewater systems.
- To contribute to the economic development of Pennsylvania.
- To support Pennsylvania's environmental initiatives, particularly with respect to alternative energy portfolio standards, and energy efficiency and demand side response programs.
- To complete the deployment of the Information Management and Access Project (InfoMAP) that is comprised of technology enhancements upgrading the case management system to improve internal efficiencies, permit electronic filings and provide easier public access to information.
- To maintain policies and procedures for recruiting and retaining an efficient, diverse and well-trained Commission staff in order to enhance performance and promote timely, consistent, well-reasoned regulatory decisions.
- To provide the Pennsylvania General Assembly and the Congress with utility policy recommendations promoting the interest of Pennsylvania consumers in state and federal regulatory forums.

Program Recommendations:

This budget recommends the following changes in appropriations from restricted accounts: (Dollar Amounts in Thousands)

\$ 3,422 **General Government Operations**
—to continue current program.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
GENERAL FUND:							
General Government Operations	\$ 52,162	\$ 52,581	\$ 56,003	\$ 56,003	\$ 56,003	\$ 56,003	\$ 56,003

Program Measures

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Program: Regulation of Public Utilities							
Utilities Regulated							
Fixed utilities:							
Electric distribution	16	16	16	16	16	16	16
Electric generation	44	44	45	45	45	45	45
Transportation	7,106	7,200	7,200	7,200	7,200	7,200	7,200
Rate requests received:							
Fixed utilities	45	50	50	50	50	50	50
Rate cases completed:							
Fixed utilities	42	45	45	45	45	45	45
Audits conducted - Fixed utilities:							
Special	33	37	32	31	31	31	31
Management	12	11	7	9	8	7	8
Audits conducted - Enforcement/investigations:							
Gas Safety	946	800	800	800	800	800	800
Audits conducted - Transportation:							
Rail safety	2,268	2,250	3,225	3,225	3,225	3,225	3,225
Motor safety	12,107	13,000	13,000	13,000	13,000	13,000	13,000
Consumer Services							
Fixed utilities:							
Complaints received, investigated and resolved	80,378	90,000	96,000	117,500	112,500	112,500	112,500
Electric Deregulation:							
Homes eligible to participate (thousands)	4,965	4,993	5,032	5,061	5,090	5,110	5,150
Businesses eligible to participate (thousands)	669	676	681	688	695	702	709
Estimated Savings:							
Homes (millions)	\$56	\$82	\$41	\$0	\$0	\$0	\$0
Businesses (millions)	\$107	\$110	\$79	\$0	\$0	\$0	\$0

Audits conducted for Transportation Rail Safety reflect an increase in staff resources in 2010-11.

Fixed Utilities Complaints received, investigated and resolved is anticipated to peak in 2011-12 due to rate cap expiration.

Data for "Estimated Savings for Homes and Businesses" reflects rate caps that end in December 2010.



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DEPARTMENT OF PUBLIC WELFARE

The mission of the Department of Public Welfare is to promote, improve and sustain the quality of family life, break the cycle of dependency and protect and serve Pennsylvania's most vulnerable citizens.

This mission is accomplished by promoting the financial independence of clients through a range of services including employment and training, work support, child care, medical assistance and transportation. The mission is also accomplished by providing community living arrangements for those in need of assistance with activities of daily living and, when necessary, through institutional care and treatment in settings that are responsive to human needs.



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Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2008-09 ACTUAL	2009-10 AVAILABLE	2010-11 BUDGET
GENERAL FUND:			
General Government:			
General Government Operations.....	\$ 66,493 a	\$ 58,424 a	\$ 62,939
(F)Child Welfare Services - Administration.....	1,052	1,072	1,072
(F)Child Welfare - Title IV-E - Administration.....	6,753	6,147	5,844
(F)CCDFBG - Administration.....	13,480	13,480	13,480
(F)Medical Assistance - Administration.....	22,214 b	31,047 b	24,076
(F)TANFBG - Administration.....	4,232	4,980	4,980
(F)Food Stamps - Administration.....	4,172	7,045	4,782
(F)Developmental Disabilities - Basic Support.....	4,090	4,090	4,058
(F)Refugees and Persons Seeking Asylum - Administration.....	1,596	1,629	1,741
(F)MHSBG - Administration.....	195	273	273
(F)SSBG - Administration.....	3,641	3,641	3,641
(F)Community Based Family Resource and Support-Administration.....	689	689	689
(F)Medical Assistance Infrastructure.....	3,064	8,300	8,300
(F)Locally Organized Systems of Child Care.....	819	375	375
(F)ARRA - Early Learning Council.....	0	981	1,025
(F)ARRA - Early Headstart.....	0	840 c	1,346
(F)Lifespan Respite Care.....	0	200	200
(A)Training Reimbursement.....	0	457	457
(A)Child Abuse Reviews.....	5,287	4,970	5,380
(A)Miscellaneous Reimbursements.....	123	30	0
(A)Adam Walsh Clearance.....	0	0	30
Subtotal.....	<u>\$ 137,900</u>	<u>\$ 148,670</u>	<u>\$ 144,688</u>
Information Systems.....	55,431	56,622	58,458
(F)Medical Assistance - Information Systems.....	64,866	69,188	65,203
(F)Child Welfare - Title IV-E - Information Systems.....	775	587	1,575
(F)TANFBG - Information Systems.....	9,327	9,327	9,327
(F)Food Stamps - Information Systems.....	11,344	17,597	11,949
(F)ARRA - Food Stamps - Information Systems.....	0	3,907	3,000
(F)ARRA - Broadband Opportunities.....	0	4,000 d	0
(F)Child Support Enforcement - Information Systems.....	11,406	10,647	10,568
(F)ARRA - Early Intervention Data System.....	0	2,500	0
(A)Intergovernmental Transfer - Technology.....	1,057	0	0
(A)Medical Data Exchange.....	40	20	20
(A)DOI - COMPASS Support - CHIP & Adult Basic.....	284	250	250
(A)PDE - Early Intervention.....	0	300	0
(A)Information Systems - Food Stamp Bonus.....	3,596	3,885	0
Subtotal.....	<u>\$ 158,126</u>	<u>\$ 178,830</u>	<u>\$ 160,350</u>
County Administration - Statewide.....	31,300 e	34,721 e	34,936
(F)TANFBG - Statewide.....	0	2,150	2,150
(F)Medical Assistance - Statewide.....	33,619 f	44,446 f	34,920
(F)Food Stamps - Statewide.....	24,859	30,902 g	38,460
(F)ARRA - Food Stamps - Statewide.....	0	0	1,000
(F)ARRA - Health Information Technology.....	0	15,000	14,940
(F)Ryan White - Statewide.....	325	695	738
(A)Fee for Material from Outside Vendors.....	3	5	5
(A)Food Stamps - Retained Collections.....	1,880	1,780	1,780
(A)Intergovernmental Transfer.....	943	0	0
(A)Food Stamp Bonus.....	0	228	0
(A)Robert Wood Johnson Foundation.....	34	0	0
Subtotal.....	<u>\$ 92,963</u>	<u>\$ 129,927</u>	<u>\$ 128,929</u>
County Assistance Offices.....	258,808	260,849	280,402
(F)TANFBG - County Assistance Offices.....	33,691	44,190	44,190
(F)Medical Assistance - County Assistance Offices.....	93,288	99,217	96,342
(F)Food Stamps - County Assistance Offices.....	77,436	83,521	84,697
(F)ARRA - Food Stamps - County Assistance Offices.....	0	7,384	11,559



Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2008-09 ACTUAL	2009-10 AVAILABLE	2010-11 BUDGET
(F)SSBG - County Assistance Offices.....	6,262	6,262	6,262
(F)LIHEABG - Administration.....	17,382	20,000	20,000
(A)Food Stamp Bonus.....	55	556	0
Subtotal.....	<u>\$ 486,922</u>	<u>\$ 521,979</u>	<u>\$ 543,452</u>
Child Support Enforcement.....	13,121	13,488	14,764
(F)Child Support Enforcement - Title IV - D.....	143,805	140,780	149,426
(F)ARRA - Child Support Enforcement - Title IV-D.....	0	27,692	8,590
(A)Title IV - D Incentive Collections.....	6,796	7,051	10,505
(A)State Retained Support Collections.....	1,968	1,269	1,269
Subtotal.....	<u>\$ 165,690</u>	<u>\$ 190,280</u>	<u>\$ 184,554</u>
New Directions.....	58,522	54,597	48,205
(F)TANFBG - New Directions.....	136,176	136,202	136,202
(F)Medical Assistance - New Directions.....	5,346	5,611	5,337
(F)Food Stamps - New Directions.....	11,398	11,232	11,435
Subtotal.....	<u>\$ 211,442</u>	<u>\$ 207,642</u>	<u>\$ 201,179</u>
Subtotal - State Funds.....	\$ 483,675	\$ 478,701	\$ 499,704
Subtotal - Federal Funds.....	747,302	877,826	843,752
Subtotal - Augmentations.....	22,066	20,801	19,696
Total - General Government.....	<u>\$ 1,253,043</u>	<u>\$ 1,377,328</u>	<u>\$ 1,363,152</u>
Institutional:			
Youth Development Institutions and Forestry Camps.....	\$ 73,204	\$ 74,162	\$ 79,117
(F)SSBG - Basic Institutional Programs.....	10,000	10,000	10,000
(F)Food Nutrition Services.....	775	925	975
(F)DFSC - Special Program - Juvenile Aftercare.....	300	0	0
(A)Institutional Reimbursements.....	8	15	15
(A)MacArthur Foundation.....	169	151	0
Subtotal.....	<u>\$ 84,456</u>	<u>\$ 85,253</u>	<u>\$ 90,107</u>
Mental Health Services.....	707,890	728,730	710,354
(F)Medical Assistance - Mental Health.....	212,358	212,983	196,498
(F)ARRA - Medical Assistance - Mental Health Services.....	0	4,500	6,000
(F)Medicare Services - State Mental Hospitals.....	23,372	23,922	41,564
(F)Homeless Mentally Ill.....	2,037	2,265	2,276
(F)MHSSBG - Community Mental Health Services.....	15,256	14,411	14,540
(F)SSBG - Community Mental Health Services.....	10,366	10,366	10,366
(F)Co-occurring Behavioral Disorder Treatment.....	100	0	0
(F)Suicide Prevention.....	500	434	420
(F)Mental Health Data Infrastructure.....	169	184	211
(F)Jail Diversion & Trauma Recovery.....	0	413	394
(F)Child Mental Health Initiative.....	0	1,000	1,500
(F)Emergency Response Grant.....	0	50	0
(F)Crisis Counseling.....	0	319	0
(A)Institutional Collections.....	10,225	8,884	8,884
(A)Miscellaneous Institutional Reimbursements.....	1,770	1,565	1,565
Subtotal.....	<u>\$ 984,043</u>	<u>\$ 1,010,026</u>	<u>\$ 994,572</u>
State Centers for the Mentally Retarded.....	83,632	76,196	78,341
(F)Medical Assistance - State Centers.....	166,845	159,212	165,821
(F)ARRA - Medical Assistance - State Centers.....	0	31,812	33,019
(F)Medicare Services - State Centers.....	512	633	645
(A)Institutional Collections - State Centers.....	11,059	10,559	10,705
(A)Embreeville Rents.....	694	795	795
(A)MR Assessment - State Centers.....	16,024	15,725	16,055
Subtotal.....	<u>\$ 278,766</u>	<u>\$ 294,932</u>	<u>\$ 305,381</u>



Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2008-09 ACTUAL	2009-10 AVAILABLE	2010-11 BUDGET
Subtotal - State Funds.....	\$ 864,726	\$ 879,088	\$ 867,812
Subtotal - Federal Funds.....	442,590	473,429	484,229
Subtotal - Augmentations.....	39,949	37,694	38,019
Total - Institutional.....	<u>\$ 1,347,265</u>	<u>\$ 1,390,211</u>	<u>\$ 1,390,060</u>
Grants and Subsidies:			
Cash Grants.....	\$ 258,079	\$ 268,579	\$ 278,175
(F)TANFBG - Cash Grants.....	277,394	261,775 ^h	276,953
(F)Other Federal Support - Cash Grants.....	31,608	33,830	35,051
(F)ARRA - TANFBG - Cash Grants.....	0	100,000	50,000
(F)LIHEABG - Low-Income Families and Individuals.....	288,693	290,000	290,000
Subtotal.....	<u>\$ 855,774</u>	<u>\$ 954,184</u>	<u>\$ 930,179</u>
Supplemental Grants - Aged, Blind and Disabled.....	137,761	154,256	148,962
(A)Intergovernmental Transfer.....	25,945	2,040	0
Subtotal.....	<u>\$ 163,706</u>	<u>\$ 156,296</u>	<u>\$ 148,962</u>
Payment to Federal Government - Medicare Drug Program.....	418,592	451,863ⁱ	482,634
Medical Assistance - Outpatient.....	555,085	438,191	365,521
(F)Medical Assistance - Outpatient.....	1,118,274	1,061,211	1,020,815
(F)ARRA - Medical Assistance - Outpatient.....	0	213,000 ^j	176,615
(F)State Health Access Program.....	0	7,600	10,000
(A)Hospital Assessment.....	50,716	110,087	112,587
(A)Chronic Care Management.....	1,050	0	0
Subtotal.....	<u>\$ 1,725,125</u>	<u>\$ 1,830,089</u>	<u>\$ 1,685,538</u>
Medical Assistance - Inpatient.....	426,822	373,515	393,638
(F)Medical Assistance - Inpatient.....	630,166	575,604	598,593
(F)ARRA - Medical Assistance - Inpatient.....	0	101,294 ^k	101,624
Subtotal.....	<u>\$ 1,056,988</u>	<u>\$ 1,050,413</u>	<u>\$ 1,093,855</u>
Medical Assistance - Capitation.....	2,688,387	2,127,765^l	2,490,150
(F)Medical Assistance - Capitation.....	4,556,147	4,268,060	4,927,155
(F)ARRA - Medical Assistance-Capitation.....	0	748,072	805,813
(A)Managed Care Assessment.....	398,226	138,354	0
(A)Medicaid Managed Care Gross Receipt Tax.....	0	528,548	529,459
(A)DOH Pediatric Dental Associates.....	550	0	0
Subtotal.....	<u>\$ 7,643,310</u>	<u>\$ 7,810,799</u>	<u>\$ 8,752,577</u>
Medical Assistance - Obstetric and Neonatal Services.....	6,544	5,000	4,908
(F)Medical Assistance - Obstetric and Neonatal Services.....	7,925	6,065	6,157
Subtotal.....	<u>\$ 14,469</u>	<u>\$ 11,065</u>	<u>\$ 11,065</u>
Hospital Based Burn Centers.....	5,170	5,145	5,042
(F)Medical Assistance - Hospital-Based Burn Centers.....	6,467	6,222	6,325
Subtotal.....	<u>\$ 11,637</u>	<u>\$ 11,367</u>	<u>\$ 11,367</u>
Medical Assistance - Critical Access Hospitals.....	4,888	4,865	4,768
(F)Medical Assistance - Critical Access Hospitals.....	6,129	5,883	5,980
Subtotal.....	<u>\$ 11,017</u>	<u>\$ 10,748</u>	<u>\$ 10,748</u>
Trauma Centers.....	11,597	11,541	11,541
(F)Medical Assistance - Trauma Centers.....	14,918	13,957	14,355
Subtotal.....	<u>\$ 26,515</u>	<u>\$ 25,498</u>	<u>\$ 25,896</u>



Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2008-09 ACTUAL	2009-10 AVAILABLE	2010-11 BUDGET
Medical Assistance - State-Related Academic Medical Centers.....	20,286	20,140	20,140
(F)Medical Assistance - State-Related Academic Medical Centers.....	25,756	24,356	25,050
Subtotal.....	\$ 46,042	\$ 44,496	\$ 45,190
Medical Assistance - Physician Practice Plans.....	5,743	9,840	9,664
(F)Medical Assistance - Physician Practice Plans.....	9,497	15,742	15,942
(F)ARRA - Medical Assistance - Physician Practice Plans.....	0	3,177	3,153
Subtotal.....	\$ 15,240	\$ 28,759	\$ 28,759
Medical Assistance - Transportation.....	67,449	70,216	75,300
(F)Medical Assistance - Transportation.....	61,517	72,820 ^m	75,955
(F)ARRA - Medical Assistance-Transportation.....	0	4,124 ⁿ	3,617
Subtotal.....	\$ 128,966	\$ 147,160	\$ 154,872
Expanded Medical Services for Women.....	4,650	4,650	4,650
(F)TANFBG - Alternatives to Abortion.....	1,000	1,000	1,000
(A)Real Alternatives.....	500	0	0
Subtotal.....	\$ 6,150	\$ 5,650	\$ 5,650
AIDS Special Pharmaceutical Services.....	16,267	16,267	16,267
(F)AIDS - Ryan White.....	28,152	15,646	27,120
(A)AIDS - Pharmacy Rebates.....	0	18,522	10,648
Subtotal.....	\$ 44,419	\$ 50,435	\$ 54,035
Special Pharmaceutical Services.....	2,428	2,389	2,619
Behavioral Health Services.....	43,739	55,331	55,331
(A)Intergovernmental Transfer.....	12,107	0	0
Subtotal.....	\$ 55,846	\$ 55,331	\$ 55,331
Psychiatric Services in Eastern PA.....	2,625	500	0
Intermediate Care Facilities - Mentally Retarded.....	113,493	100,234^o	103,635
(F)Medical Assistance - ICF/MR.....	210,996	190,608	199,731
(F)ARRA - Medical Assistance - ICF/MR.....	0	39,383 ^p	39,862
(A)MR Assessment - ICF/MR.....	17,861	17,212	17,362
Subtotal.....	\$ 342,350	\$ 347,437	\$ 360,590
Community Mental Retardation - Base Program Services.....	179,479^q	156,619	168,484
(F)Medical Assistance - Community MR Services.....	54,842 ^r	57,292 ^s	56,398
(F)ARRA - Medical Assistance - Community MR Services Base.....	0	2,213	2,248
(F)SSBG - Community MR Services.....	6,500	6,500	6,500
Subtotal.....	\$ 240,821	\$ 222,624	\$ 233,630
Community Mental Retardation - Waiver.....	620,720^t	622,849	628,567
(F)Medical Assistance - Community MR Waiver.....	958,597 ^u	905,894	936,651
(F)ARRA - Medical Assistance - Community MR Waiver.....	0	179,780	182,291
Subtotal.....	\$ 1,579,317	\$ 1,708,523	\$ 1,747,509
Early Intervention.....	111,033	122,151	118,913
(F)Medical Assistance - Early Intervention.....	37,056	33,784	36,505
(F)ARRA - Medical Assistance - Early Intervention.....	0	5,787	6,240
(F)Education for Children with Disabilities - Early Interv.....	14,948	14,713	12,988
(F)ARRA-Educ. for Children with Disabilities-Early Intervention.....	0	7,633	8,485
Subtotal.....	\$ 163,037	\$ 184,068	\$ 183,131



Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2008-09 ACTUAL	2009-10 AVAILABLE	2010-11 BUDGET
Autism Intervention and Services	12,363	19,463	18,601
(F)Medical Assistance - Autism Intervention Services.....	22,122	26,316	20,687
(F)ARRA - Medical Assistance - Autism Intervention and Services.....	0	3,439	3,402
Subtotal.....	\$ 34,485	\$ 49,218	\$ 42,690
MR Residential Services - Lansdowne	1,379	417	417
County Child Welfare	1,029,451	1,048,374	1,072,050
(F)Child Welfare Services.....	14,555	14,372	14,372
(F)Child Welfare - Title IV-E.....	346,366	329,585	303,981
(F)ARRA - Child Welfare Title IV - E.....	0	18,725	9,363
(F)Medical Assistance - Child Welfare.....	1,886	1,886	843
(F)TANFBG - Child Welfare.....	67,883	67,883	67,883
(F)SSBG - Child Welfare.....	12,021	12,021	12,021
(F)Child Welfare Training and Certification.....	12,959	12,959	13,319
(F)Community Based Family Resource and Support.....	134	134	134
(F)Child Abuse Prevention and Treatment.....	1,700	2,100	2,100
(F)Title IV B - Caseworker Visits.....	1,400	1,900	1,400
(F)Kinship Services.....	0	450	0
(F)DFSC-Juvenile Aftercare Services.....	0	118	0
(A)Casey Family Project.....	155	0	0
Subtotal.....	\$ 1,488,510	\$ 1,510,507	\$ 1,497,466
Community Based Family Centers	6,636	6,636	6,636
(F)Family Preservation - Family Centers.....	7,009	7,009	7,009
(F)Family Resource & Support - Family Centers.....	480	480	480
(F)CCDFBG - Family Centers.....	461	0	0
(F)Title IV-B - Family Centers.....	1,253	1,253	1,253
Subtotal.....	\$ 15,839	\$ 15,378	\$ 15,378
Child Care Services	166,763	171,720	171,720
(F)CCDFBG - Child Care Services.....	190,316	180,827 v	178,535
(F)ARRA - CCDFBG - Child Care Services.....	0	22,151	41,693
(F)CCDFBG - School Age.....	1,260	1,260	1,260
(F)SSBG - Child Care Services.....	30,977	30,977	30,977
(F)Head Start Collaboration Project.....	225	225	225
(F)TANFBG - Child Care Services.....	2,000	0	0
Subtotal.....	\$ 391,541	\$ 407,160	\$ 424,410
Child Care Assistance	201,956	198,147	198,682
(F)TANFBG - Child Care Assistance.....	28,464	31,686	31,686
(F)CCDFBG - Child Care Assistance.....	131,492	147,304 w	149,596
(F)Food Stamps - Child Care Assistance.....	13,566	15,607	13,915
(A)Early Childhood Education Revenue.....	3,877	5,000	4,000
Subtotal.....	\$ 379,355	\$ 397,744	\$ 397,879
Nurse Family Partnership	9,978	11,978	11,978
(F)Medical Assistance - Nurse Family Partnership.....	2,544	2,544	2,544
(F)TANFBG - Nurse Family Partnership.....	1,222	0	0
(F)CCDFBG - Nurse Family Partnership.....	2,605	0	0
Subtotal.....	\$ 16,349	\$ 14,522	\$ 14,522
Domestic Violence	12,625	12,487	12,487
(F)Family Violence Prevention Services.....	3,000	3,000	3,000
(F)SSBG - Domestic Violence Programs.....	5,705	5,705	5,705
(F)PHHSBG - Domestic Violence.....	150	150	150
(F)Date Violence Prevention.....	0	168	56
(A)Marriage Law Fees.....	733	733	733
Subtotal.....	\$ 22,213	\$ 22,243	\$ 22,131



Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2008-09 ACTUAL	2009-10 AVAILABLE	2010-11 BUDGET
Rape Crisis	7,277	7,146	7,146
(F)SSBG - Rape Crisis.....	1,721	1,721	1,721
Subtotal.....	\$ 8,998	\$ 8,867	\$ 8,867
Breast Cancer Screening	1,653	1,653	1,653
(F)SSBG - Family Planning.....	2,000	2,000	2,000
Subtotal.....	\$ 3,653	\$ 3,653	\$ 3,653
Human Services Development Fund	33,925	29,346	25,346
(F)Refugees and Persons Seeking Asylum - Social Services.....	9,785	9,785	9,785
Subtotal.....	\$ 43,710	\$ 39,131	\$ 35,131
Legal Services	3,064	3,064	3,064
(F)SSBG - Legal Services.....	5,049	5,049	5,049
Subtotal.....	\$ 8,113	\$ 8,113	\$ 8,113
Homeless Assistance	26,613	23,023	23,023
(F)SSBG - Homeless Services.....	4,183	4,183	4,183
(F)SABG - Homeless Services.....	1,983	1,983	1,983
Subtotal.....	\$ 32,779	\$ 29,189	\$ 29,189
Facilities and Service Enhancements	4,550	500	0
Acute Care Hospitals	22,580	4,700	0
Health Care Clinics	0	3,000	0
Family and Children's Center	70	0	0
Subtotal - State Funds.....	\$ 7,241,720	\$ 6,563,560	\$ 6,941,712
Subtotal - Federal Funds.....	9,275,058	10,239,980	10,907,482
Subtotal - Augmentations.....	511,720	820,496	674,789
Total - Grants and Subsidies.....	\$ 17,028,498	\$ 17,624,036	\$ 18,523,983
STATE FUNDS.....	\$ 8,590,121	\$ 7,921,349	\$ 8,309,228
FEDERAL FUNDS.....	10,464,950	11,591,235	12,235,463
AUGMENTATIONS.....	573,735	878,991	732,504
GENERAL FUND TOTAL	\$ 19,628,806	\$ 20,391,575	\$ 21,277,195
TOBACCO SETTLEMENT FUND:			
Grants and Subsidies:			
Medical Care for Workers with Disabilities (EA)	\$ 34,748	\$ 40,712	\$ 50,363
(F)Medical Assistance - Workers with Disabilities (EA).....	55,982	65,720	83,118
(F)ARRA - Medical Assistance-Workers with Disabilities.....	0	13,606	16,437
Subtotal.....	\$ 90,730	\$ 120,038	\$ 149,918
Uncompensated Care (EA)	35,616	39,275	32,958
(F)Medical Assistance - Uncompensated Care (EA).....	42,507	47,497	41,339
Subtotal.....	\$ 78,123	\$ 86,772	\$ 74,297
Subtotal - State Funds.....	\$ 70,364	\$ 79,987	\$ 83,321
Subtotal - Federal Funds.....	98,489	126,823	140,894
Total - Grants and Subsidies.....	\$ 168,853	\$ 206,810	\$ 224,215



Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	2008-09 ACTUAL	2009-10 AVAILABLE	2010-11 BUDGET
STATE FUNDS.....	\$ 70,364	\$ 79,987	\$ 83,321
FEDERAL FUNDS.....	98,489	126,823	140,894
TOBACCO SETTLEMENT FUND TOTAL.....	\$ 168,853	\$ 206,810	\$ 224,215
OTHER FUNDS:			
CHILDREN'S TRUST FUND:			
Children's Trust Fund (EA).....	\$ 1,850	\$ 1,850	\$ 1,300
EMERGENCY ENERGY ASSISTANCE FUND:			
Emergency Energy Assistance.....	\$ 0	\$ 0	\$ 30,000
ENERGY CONSERVATION AND ASSISTANCE FUND:			
Low Income Energy Assistance.....	\$ 238	\$ 0	\$ 0
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 8,590,121	\$ 7,921,349	\$ 8,309,228
SPECIAL FUNDS.....	70,364	79,987	83,321
FEDERAL FUNDS.....	10,563,439	11,718,058	12,376,357
AUGMENTATIONS.....	573,735	878,991	732,504
OTHER FUNDS.....	2,088	1,850	31,300
TOTAL ALL FUNDS.....	\$ 19,799,747	\$ 20,600,235	\$ 21,532,710

^a 2008-09 Actual appropriated as \$68,404,000. 2009-10 Available appropriated as \$60,255,000. Amounts shown are net of transfers to the Department of Aging and Long Term Living.

^b 2008-09 Actual appropriated as \$23,890,000. 2009-10 Available appropriated as \$32,834,000. Amounts shown are net of transfers to the Department of Aging and Long Term Living.

^c Appropriated as \$5,000,000. Amount shown is the best current estimate of the amount available for 2009-10. Additional funds may be received, therefore no reduction to the appropriation authority is recommended.

^d Appropriated as \$32,000,000. Amount shown is the best current estimate of the amount available for 2009-10. Additional funds may be received, therefore no reduction to the appropriation authority is recommended.

^e 2008-09 Actual appropriated as \$34,843,000. 2009-10 Available appropriated as \$38,115,000. Amounts shown are net of transfers to the Department of Aging and Long Term Living.

^f 2008-09 Actual appropriated as \$39,396,000. 2009-10 Available appropriated as \$50,604,000. Amounts shown are net of transfers to the Department of Aging and Long Term Living.

^g Includes recommended supplemental appropriation of \$4,331,000.

^h Includes recommended supplemental appropriation of \$20,000,000.

ⁱ Includes recommended supplemental appropriation of \$1,645,000.

^j Includes recommended supplemental appropriation of \$51,821,000.

^k Includes recommended supplemental appropriation of \$3,321,000.

^l Includes recommended appropriation reduction of \$58,422,000.

^m Includes recommended supplemental appropriation of \$5,602,000.

ⁿ Includes recommended supplemental appropriation of \$1,167,000.

^o Includes recommended appropriation reduction of \$1,645,000.

^p Includes recommended supplemental appropriation of \$16,000.

^q 2008-09 Actual appropriated as \$797,249,000 for Community Mental Retardation Services. Amount shown is net of transfer to the Community Mental Retardation - Waiver Program and includes \$2,240,000 appropriated as part of the Pennhurst Dispersal appropriation.



Summary by Fund and Appropriation

^r 2008-09 Actual appropriated as \$1,013,439,000. Amount shown is net of the transfer to the Medical Assistance - Community MR Waiver.

^s Includes recommended supplemental appropriation of \$1,350,000.

^t 2008-09 Actual includes \$620,010,000 appropriated as part of the Community Mental Retardation Service appropriation and \$710,000 appropriated as part of the Pennhurst Dispersal appropriation.

^u 2008-09 Actual includes \$958,597,000 appropriated as part of the Medical Assistance - Community MR Services appropriation.

^v Appropriated as \$190,316,000. Amount shown is the best current estimate of the amount available for 2009-10. Additional funds may be received, therefore no reduction to the appropriation authority is recommended.

^w Includes recommended supplemental appropriation of \$9,489,000.



Program Funding Summary

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
HUMAN SERVICES SUPPORT							
GENERAL FUND.....	\$ 121,924	\$ 115,046	\$ 121,397	\$ 121,397	\$ 121,397	\$ 121,397	\$ 121,397
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	163,715	202,542	177,504	174,504	172,133	172,133	172,133
OTHER FUNDS.....	10,387	9,912	6,137	6,137	6,137	6,137	6,137
SUBCATEGORY TOTAL.....	\$ 296,026	\$ 327,500	\$ 305,038	\$ 302,038	\$ 299,667	\$ 299,667	\$ 299,667
MEDICAL ASSISTANCE							
GENERAL FUND.....	\$ 4,256,488	\$ 3,549,087	\$ 3,886,842	\$ 5,304,629	\$ 5,723,392	\$ 5,890,248	\$ 6,062,110
SPECIAL FUNDS.....	70,364	79,987	83,321	99,455	99,478	99,505	99,535
FEDERAL FUNDS.....	6,564,437	7,270,656	7,966,163	7,565,533	7,628,918	8,041,237	8,478,458
OTHER FUNDS.....	451,042	795,511	652,694	652,694	652,694	652,694	652,694
SUBCATEGORY TOTAL.....	\$ 11,342,331	\$ 11,695,241	\$ 12,589,020	\$ 13,622,311	\$ 14,104,482	\$ 14,683,684	\$ 15,292,797
INCOME MAINTENANCE							
GENERAL FUND.....	\$ 757,591	\$ 786,490	\$ 805,444	\$ 813,723	\$ 816,762	\$ 819,862	\$ 823,023
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	1,181,282	1,383,040	1,359,945	1,243,670	1,232,163	1,232,163	1,232,163
OTHER FUNDS.....	37,862	12,929	43,559	33,559	33,559	33,559	33,559
SUBCATEGORY TOTAL.....	\$ 1,976,735	\$ 2,182,459	\$ 2,208,948	\$ 2,090,952	\$ 2,082,484	\$ 2,085,584	\$ 2,088,745
MENTAL HEALTH							
GENERAL FUND.....	\$ 754,254	\$ 784,561	\$ 765,685	\$ 765,853	\$ 765,853	\$ 765,853	\$ 765,853
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	264,158	270,847	273,769	265,810	265,810	265,810	265,810
OTHER FUNDS.....	24,102	10,449	10,449	10,449	10,449	10,449	10,449
SUBCATEGORY TOTAL.....	\$ 1,042,514	\$ 1,065,857	\$ 1,049,903	\$ 1,042,112	\$ 1,042,112	\$ 1,042,112	\$ 1,042,112
MENTAL RETARDATION							
GENERAL FUND.....	\$ 1,011,066	\$ 975,778	\$ 998,045	\$ 1,221,133	\$ 1,286,269	\$ 1,286,269	\$ 1,286,269
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	1,420,414	1,603,082	1,647,255	1,486,789	1,421,377	1,420,877	1,420,377
OTHER FUNDS.....	45,638	44,291	44,917	48,537	48,813	48,813	48,813
SUBCATEGORY TOTAL.....	\$ 2,477,118	\$ 2,623,151	\$ 2,690,217	\$ 2,756,459	\$ 2,756,459	\$ 2,755,959	\$ 2,755,459



Program Funding Summary

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
HUMAN SERVICES							
GENERAL FUND.....	\$ 1,192,362	\$ 1,199,755	\$ 1,223,886	\$ 1,281,488	\$ 1,337,771	\$ 1,396,868	\$ 1,458,919
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	503,555	514,435	478,508	475,803	491,762	508,519	526,114
OTHER FUNDS.....	1,065	899	748	748	748	748	748
SUBCATEGORY TOTAL.....	\$ 1,696,982	\$ 1,715,089	\$ 1,703,142	\$ 1,758,039	\$ 1,830,281	\$ 1,906,135	\$ 1,985,781
CHILD DEVELOPMENT							
GENERAL FUND.....	\$ 496,436	\$ 510,632	\$ 507,929	\$ 516,648	\$ 525,629	\$ 534,878	\$ 544,406
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	465,878	473,456	473,213	480,755	479,146	479,146	479,146
OTHER FUNDS.....	5,727	6,850	5,300	5,850	5,850	5,850	5,850
SUBCATEGORY TOTAL.....	\$ 968,041	\$ 990,938	\$ 986,442	\$ 1,003,253	\$ 1,010,625	\$ 1,019,874	\$ 1,029,402
ALL PROGRAMS:							
GENERAL FUND.....	\$ 8,590,121	\$ 7,921,349	\$ 8,309,228	\$ 10,024,871	\$ 10,577,073	\$ 10,815,375	\$ 11,061,977
SPECIAL FUNDS.....	70,364	79,987	83,321	99,455	99,478	99,505	99,535
FEDERAL FUNDS.....	10,563,439	11,718,058	12,376,357	11,692,864	11,691,309	12,119,885	12,574,201
OTHER FUNDS.....	575,823	880,841	763,804	757,974	758,250	758,250	758,250
DEPARTMENT TOTAL.....	\$ 19,799,747	\$ 20,600,235	\$ 21,532,710	\$ 22,575,164	\$ 23,126,110	\$ 23,793,015	\$ 24,493,963



PROGRAM OBJECTIVE: To provide effective administrative and support systems through which the substantive programs of the department can be operated.

Program: Human Services Support

The Human Services Support program provides the policy direction, management and administrative systems required to implement, maintain and monitor the substantive programs of the department.

Information systems are critical to the management of human services. The technology challenge is to provide timely and accurate information that enables the integration of numerous client services and tracks individual progress toward self-sufficiency. Additionally, the managed care environment requires the department to view and monitor client profiles relative to quality of care, encounter data and eligibility data in order to manage the services and costs effectively.

The continued creation and expansion of Web-based applications allows for more online services and efficient maintenance of common client and provider databases, as well as case management systems, for use across program lines.

Also provided is the management and oversight of the coordination of benefits and recovery of Medical Assistance overpayments when a third-party liability is identified. Recoveries consist of casualty cases, the Estate Recovery program, federally mandated “pay and chase” situations and the identification and recovery of insurance payments after claims are paid.

This program also seeks reimbursement from third-party sources for services provided to patients and consumers at the state-operated mental health and mental retardation facilities.

Finally, this program ensures the quality of services for Pennsylvania residents by licensing and regulating child care and selected medical facilities.

The department continues to strive toward system enhancements that will minimize administrative costs in relation to service costs.

Program Recommendations:

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

<p>General Government Operations \$ 4,515 —to continue current program.</p>	<p>Information Systems \$ 1,762 —to consolidate information systems support. 773 —to continue current program. 943 —transfer of information technology costs from County Administration-Statewide. -1,642 —to reflect change in federal earnings. \$ 1,836 <i>Appropriation Increase</i></p>
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Appropriations within this Program:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
GENERAL FUND:							
General Government Operations	\$ 66,493	\$ 58,424	\$ 62,939	\$ 62,939	\$ 62,939	\$ 62,939	\$ 62,939
Information Systems.....	55,431	56,622	58,458	58,458	58,458	58,458	58,458
TOTAL GENERAL FUND	\$ 121,924	\$ 115,046	\$ 121,397	\$ 121,397	\$ 121,397	\$ 121,397	\$ 121,397



PROGRAM OBJECTIVE: To support a health care delivery system that provides comprehensive health care services in appropriate settings for the eligible populations.

Program: Medical Assistance

The Medical Assistance program ensures access to comprehensive health care services for low-income individuals and families or those with medical expenses exceeding available income. Qualified individuals may receive a complete package of benefits, including cash assistance, under the Temporary Assistance for Needy Families (TANF) Block Grant, Supplemental Security Income or General Assistance programs. Others who do not qualify for cash assistance grants but spend a significant portion of their income for medical expenses, qualify for Medical Assistance. A verifiable medical condition, which precludes work, will also allow participation.

Eligibility also includes women diagnosed with breast or cervical cancer who qualify for treatment within enhanced federal guidelines. Disabled workers are able to participate in the Medical Assistance program through a purchase program authorized by Act 77 of 2001, the Tobacco Settlement Act. Workers with incomes under 250 percent of the federal poverty guidelines pay a premium equal to 5 percent of their monthly income to participate in the complete package of benefits.

Program Element: Outpatient Services

Outpatient services include the majority of preventive services available to a person who does not need extended acute care in a health care facility. Some examples of medical or dental outpatient services are care in a clinic or office setting, outpatient surgery, rehabilitation, drug and alcohol treatment, pharmacy benefits, ambulance transportation, home health care, medical supplies and equipment, and prosthetic devices.

Individuals with low income and limited resources as defined by federal categorical criteria are eligible for a comprehensive array of outpatient services. Individuals with limited income and resources who do not qualify for cash payments are still eligible for all services except pharmacy benefits; dental care, except when provided in a short procedure unit or inpatient hospital; medical supplies and equipment, except when provided in conjunction with home health agency services; and prosthetic devices. Some service restrictions, comparable to private insurance, apply to adult recipients. An exception process is available for unusual circumstances.

The ACCESS Plus program is available in the 42 counties where HealthChoices mandatory physical health is not available with the following exceptions: nursing home residents, long-term care capitation enrollees, Health Insurance Premium Payment eligible members, residents

of state institutions and dual eligible Medicare/Medicaid members over the age of 21. The department has placed a significant emphasis on implementing disease management programs and has developed a series of financial incentives for both the disease management contractor and primary care practitioners to focus on providing quality care and actively supporting disease management programs.

In response to the rising cost of prescription drugs, steps have been taken to manage utilization of pharmacy services without compromising access to quality care. Outpatient pharmacy services has a clinically-based preferred drug list that provides for supplemental drug rebates and enforces the use of drugs considered best in class. Other efforts to manage pharmacy services in a cost effective manner include prior authorization of certain medications with high cost or health and safety risks to consumers, quantity limits and special initiatives such as the Specialty Pharmacy Drug program. The department's Specialty Pharmacy Drug program provides a reliable and convenient dispensing and delivery system for providers and Medical Assistance consumers through two nationally accredited specialty pharmacy providers.

Program Element: Inpatient Services

Inpatient hospital services include care for Medical Assistance patients in acute care, including short procedure units for acute care, rehabilitation and private psychiatric hospitals.

The Inpatient Medical Assistance program provides eligible recipients coverage on a 24-hour basis for room, board and professional services. A recipient is only eligible for admission under Medical Assistance upon the recommendation of a physician, certified registered nurse practitioner, dentist or podiatrist. Medical Assistance does not cover hospital care solely for cosmetic procedures, nor diagnostic or therapeutic procedures solely for experimental, research or educational purposes.

The department uses a prospective payment system to reimburse general acute care hospitals. General acute care hospitals are paid a predetermined amount per discharge based on the patient's diagnosis, the procedures performed and the patient's age, sex and discharge status. The diagnosis related groups (DRG) system is used to classify the various diagnoses based on the amount of resources hospitals customarily use for treatment. The department's payment for compensable inpatient hospital services under the DRG payment system is the product of the hospital specific average cost per case multiplied by the relative

Program: Medical Assistance (continued)

value of the DRG assigned to the admission. The DRG system pays for cost outliers for specific DRGs when the cost of treating the case exceeds a certain threshold. These “outlier” costs are reimbursed on an exceptional cost basis in the prospective payment to the hospital. The DRG system also pays for “day outlier” costs not covered by the above-referenced cost outlier, for exceptionally long inpatient stays that exceed predetermined lengths of stay. When professional care is provided to a Medical Assistance recipient, the department separately reimburses the health care professional who provided direct care services to the recipient and is under salary or contract with the hospital. These services are reimbursed in accordance with the fees established under the Medical Assistance Fee Schedule through the Medical Assistance - Outpatient appropriation.

Freestanding psychiatric and rehabilitation hospitals and distinct part psychiatric and rehabilitation units of acute care hospitals are reimbursed on a prospective basis through per diem payments.

Act 77 of 2001, the Tobacco Settlement Act, authorized an additional payment to hospitals to partially offset the cost of uncompensated care or extraordinary medical services provided by hospitals to individuals with no or inadequate health care insurance.

Program Element: Capitation

Alternative health care delivery systems for Medical Assistance recipients are available through managed care organizations (MCOs) that provide services utilizing a fixed rate per recipient enrolled. MCOs emphasize outpatient preventive health services and disease management as a means of controlling costs. The coordinated approach allows enhanced continuity of care, improves recipients’ access to primary physician care and specialized behavioral health programs, provides strengthened oversight of operational standards and facilitates an efficient use of limited health care resources.

Pennsylvania’s mandatory managed care is known as HealthChoices. The statewide HealthChoices Behavioral Health (BH) program is administered by the Office of Mental Health and Substance Abuse Services. The BH program is provided through contracts with counties that use an independent BH-MCO, or through contracts directly with BH-MCOs. Services provided include psychiatric inpatient treatment, partial hospitalization, psychiatric outpatient services, Early Periodic Screening Diagnosis and Treatment services for children, case management, and drug and alcohol detoxification, and rehabilitation services. Physical health managed care services are administered by the Office of Medical Assistance Programs, Bureau of Managed Care Operations. The HealthChoices Physical Health program is provided to most eligible clients in five counties in southeastern Pennsylvania, ten counties in southwestern Pennsylvania and ten counties in the Lehigh/

Capital region of Pennsylvania. Currently, the department contracts with seven MCOs to provide these services with the potential of qualified new MCOs entering the program through the department’s procurement and readiness review process as existing contracts expire. The department also contracts with four MCOs to provide physical health services to recipients in a voluntary managed care program in 26 counties where the HealthChoices Physical Health program has not been implemented. The physical health program does not include recipients age 21 and older who are dually eligible for Medicare. Certain Healthy Horizons participants remain in the fee-for-service program in all counties.

Program Element: Medical Assistance Transportation Program

The goal of the Medical Assistance Transportation Program (MATP) is to provide efficient and effective transportation options to improve access to health care services for Medical Assistance recipients in need of transportation assistance.

The MATP provides funding to 66 counties and a transportation broker in Philadelphia County to provide non-emergency medical transportation to Medical Assistance covered services.

The program includes the following: assessing MATP eligibility and determining the level of transportation services needed, providing funding for recipients to use public transit, reimbursing clients for private vehicle mileage use, developing and managing a network of on-demand transportation providers, scheduling and dispatching on-demand paratransit trips, and capturing and providing data.

Counties are responsible for providing transportation services to Medical Assistance recipients in either fee-for-service or managed care arrangements and must transport clients to and/or from a medical facility, physician’s office, dentist’s office, hospital, clinic, pharmacy or purveyor of medical equipment for the purpose of receiving medical treatment or medical evaluation or purchasing prescription drugs or medical equipment.

Program Element: Special Pharmaceutical Benefits Program

The Special Pharmaceutical Benefits Program (SPBP) is comprised of two components – an HIV/AIDS component and a mental health component. The HIV/AIDS component pays for specific drugs and lab services for low and moderate-income persons with HIV/AIDS disease not eligible for drug coverage through the regular Medical Assistance program or some other entity such as Medicare Part D. In order to qualify for this program, the applicant must be a resident of Pennsylvania, have a diagnosis of HIV/AIDS and a gross annual income of \$36,500 per year for an individual with allowances of \$12,600 for each

Program: Medical Assistance (continued)

additional family member at time of enrollment. Actively enrolled members income can increase to \$54,150 per year for any individual with allowances of \$18,700 for each family member. SPBP is the payer of last resort, and all available third party resources must be used before payment is made by the program.

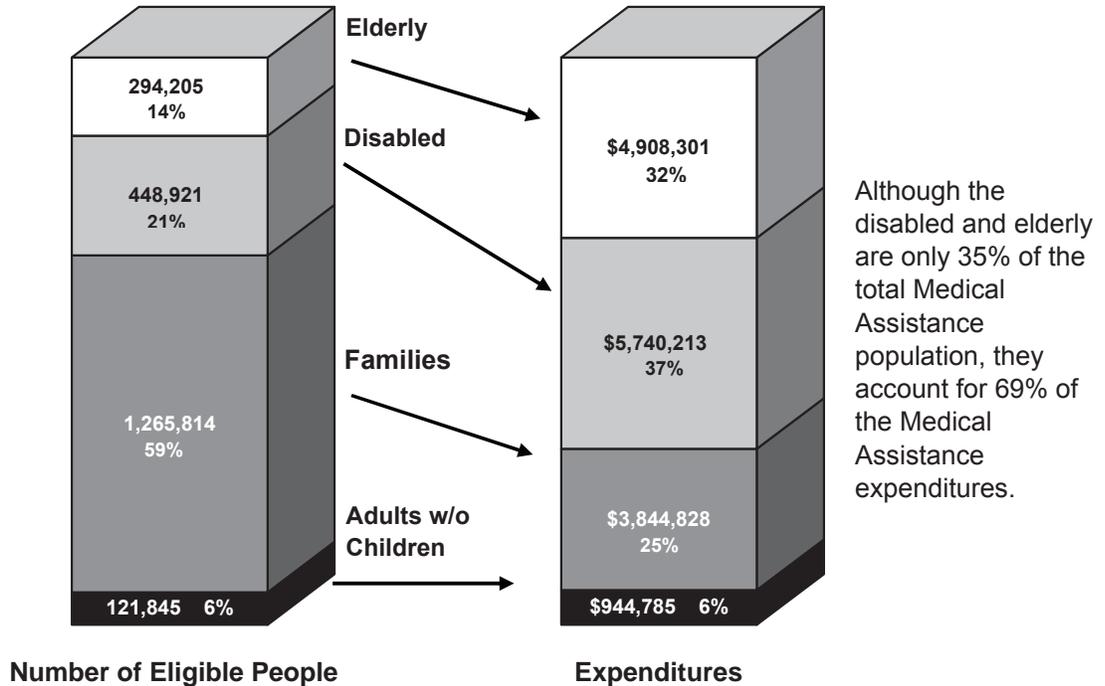
The mental health component pays for limited mental health drug therapy for persons residing in the community who suffer from schizophrenia and who are not eligible for drug coverage through the regular Medical Assistance program or some other entity such as Medicare Part D. Mental health applicants with a gross annual income of less than \$35,000 for an individual plus an allowance of \$2,893 for each additional family member and have the

appropriate medical diagnosis are eligible for the mental health component of this program.

Program Element: Expanded Medical Services for Women

The Expanded Medical Services for Women program provides counseling services to women. Grants are provided to nonprofit agencies whose primary purpose is to assist pregnant women seeking alternatives to abortions. Services are provided up to 12 months after childbirth and include food, shelter, clothing, health care, counseling, adoption services, parenting classes, assistance for post delivery stress and other support programs.

Medicaid Expenditures and Enrollees by Category of Assistance
Fiscal Year 2010-11
(Dollar Amounts in Thousands)



Long-term living costs for the disabled and elderly are funded within the Department of Aging and Long Term Living.

Program: Medical Assistance (continued)

Program Recommendations:

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

	GENERAL FUND				
	Payment to Federal Government - Medicare Drug Program		\$	90,356	Medical Assistance - Capitation
\$	30,771	—reflects increase in mandated payback for pharmacy services.		129,957	—change in caseload and utilization.
					—to provide for federally required actuarially sound rates.
					—savings from administrative and other cash flow impacts.
					—replacement of MCO Assessments.
\$	18,215	Medical Assistance - Outpatient		88,935	—nonrecurring prior year carryover funds.
	11,296	—change in caseload and utilization.		231,176	—revision of federal financial participation from 54.81% to 55.64%.
	14,299	—to provide for increased price of prescription drugs.		-51,556	—to provide for prior year Pay-for-Performance program payments.
	14,299	—increase in cost and clients eligible for Medicare Part B premiums.		29,039	—utilization of prior year Federal funds.
	-5,943	—impact of increase in pharmacy rebates.		-100,000	—annualization of prior year initiatives.
	-7,572	—savings from administrative and other cash flow impacts.		-11,736	
	-2,500	—impact of increase in Hospital Assessment.	\$	362,385	<i>Appropriation Increase</i>
	26,247	—nonrecurring prior year carryover funds.			
	-7,711	—revision of federal financial participation from 54.81% to 55.64%.			Medical Assistance - Obstetric and Neonatal Services
	-3,058	—annualization of prior year initiatives.	\$	-92	—revision of federal financial participation from 54.81% to 55.64%.
	-3,458	—Initiative—Reduce Fraud and Abuse and Expand Third Party Liability. Savings achieved primarily from implementation of a false claims recovery program and enhancements to the Recipient Restriction Program.	\$	-103	Hospital Based Burn Centers
					—revision of federal financial participation from 54.81% to 55.64%.
	-5,463	—Initiative—Reduced Supplemental Payments to Hospitals. Savings generated from a reduction to hospital supplemental payments.	\$	-97	Medical Assistance - Critical Access Hospitals
	-4,567	—Initiative—Increase Pharmacy Efficiencies. Savings achieved from enhanced pharmacy utilization management, including the expansion of automated prior authorization and the Specialty Pharmacy Drug Program.			—revision of federal financial participation from 54.81% to 55.64%.
	-102,455	—Initiative—Implement Initiative to Increase Pharmaceutical Rebates. Savings achieved from the collection of federal rebates on Medicaid drug expenditures by managed care organizations.	\$	-176	Medical Assistance - Physician Practice Plans
					—revision of federal financial participation from 54.81% to 55.64%.
			\$	5,160	Medical Assistance - Transportation
				-76	—change in caseload and utilization.
					—revision of federal financial participation from 54.81% to 55.64%.
\$	-72,670	<i>Appropriation Decrease</i>	\$	5,084	<i>Appropriation Increase</i>
			\$	230	Special Pharmaceutical Services
\$	10,707	Medical Assistance - Inpatient			—to continue current program.
	2,373	—change in caseload and utilization.			
	24,724	—increase in costs and clients eligible for Medicare Part A premiums.	\$	-4,700	Acute Care Hospital
	-6,050	—nonrecurring prior year carryover funds.			—nonrecurring project.
	9,576	—revision of federal financial participation from 54.81% to 55.64%.	\$	-3,000	Health Care Clinics
	-1,080	—to provide for administrative and other cash flow changes.			—nonrecurring project.
		—Initiative—Reduce Fraud and Abuse and Expand Third Party Liability. Savings achieved primarily from implementation of a false claims recovery program and enhancements to the Recipient Restriction Program.			
	-20,127	—Initiative—Reduced Supplemental Payments to Hospitals. Savings generated from a reduction to hospital supplemental payments.	\$	9,651	TOBACCO SETTLEMENT FUND
					Medical Care for Workers with Disabilities (EA)
\$	20,123	<i>Appropriation Increase</i>	\$	-6,317	—to provide services to 2,590 additional recipients.
					Uncompensated Care (EA)
					—decrease in Tobacco Settlement Funds available for transfer.

All other appropriations are recommended at the current year funding level.



Program: Medical Assistance (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
GENERAL FUND:							
Payment to Federal Government -							
Medicare Drug Program	\$ 418,592	\$ 451,863	\$ 482,634	\$ 509,818	\$ 525,113	\$ 540,866	4 557,092
Medical Assistance - Outpatient	555,085	438,191	365,521	561,973	619,450	638,034	657,175
Medical Assistance - Inpatient	426,822	373,515	393,638	513,605	555,893	572,570	589,747
Medical Assistance - Capitation	2,688,387	2,127,765	2,490,150	3,559,395	3,861,408	3,977,250	4,096,568
Medical Assistance - Obstetric and							
Neonatal Services	6,544	5,000	4,908	4,908	4,908	4,908	4,908
Hospital Based Burn Centers	5,170	5,145	5,042	5,042	5,042	5,042	5,042
Medical Assistance - Critical Access							
Hospitals	4,888	4,865	4,768	4,768	4,768	4,768	4,768
Trauma Centers	11,597	11,541	11,541	11,541	11,541	11,541	11,541
Medical Assistance - State-Related							
Academic Medical Centers	20,286	20,140	20,140	20,140	20,140	20,140	20,140
Medical Assistance - Physician							
Practice Plans	5,743	9,840	9,664	11,971	12,757	12,757	12,757
Medical Assistance - Transportation	67,449	70,216	75,300	77,932	78,836	78,836	78,836
Expanded Medical Services for Women	4,650	4,650	4,650	4,650	4,650	4,650	4,650
AIDS Special Pharmaceutical Services	16,267	16,267	16,267	16,267	16,267	16,267	16,267
Special Pharmaceutical Services	2,428	2,389	2,619	2,619	2,619	2,619	2,619
Acute Care Hospitals	22,580	4,700	0	0	0	0	0
Health Care Clinics	0	3,000	0	0	0	0	0
TOTAL GENERAL FUND	\$ 4,256,488	\$ 3,549,087	\$ 3,886,842	\$ 5,304,629	\$ 5,723,392	\$ 5,890,248	\$ 6,062,110
TOBACCO SETTLEMENT FUND:							
Medical Care for Workers with							
Disabilities (EA)	\$ 34,748	\$ 40,712	\$ 50,363	\$ 66,314	\$ 66,330	\$ 66,348	\$ 66,368
Uncompensated Care (EA)	35,616	39,275	32,958	33,141	33,148	33,157	33,167
TOTAL TOBACCO SETTLEMENT							
FUND	\$ 70,364	\$ 79,987	\$ 83,321	\$ 99,455	\$ 99,478	\$ 99,505	\$ 99,535



PROGRAM OBJECTIVE: To promote personal and parental responsibility and encourage economic independence and self-sufficiency through temporary cash assistance, job training and child care for families or individuals.

Program: Income Maintenance

The broad purpose of public assistance is to provide temporary support to families in transition from dependency to economic self-sufficiency. Support may include limited education, job training and placement assistance, child care, transportation, other support services and cash assistance.

Program Element: Income Assistance

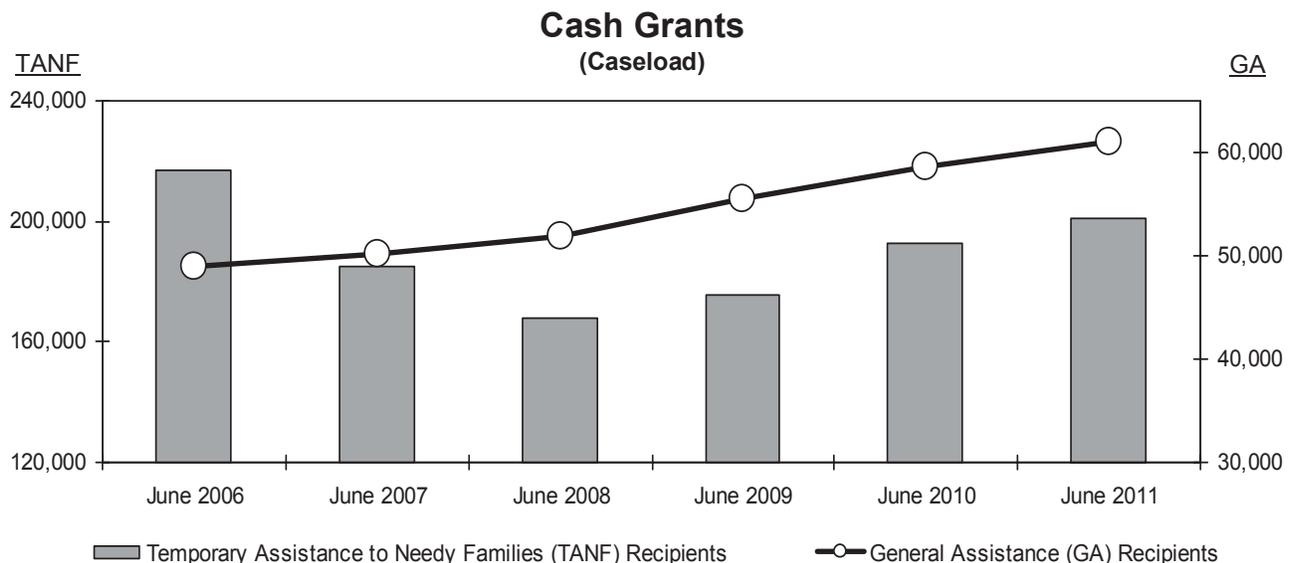
Cash assistance is provided for a limited time to people who meet income and resource guidelines and who comply with work activity requirements.

Caseworkers in the county assistance offices (CAO) meet with applicants for cash assistance, Medical Assistance and the Supplemental Nutrition Assistance Program (SNAP), formerly known as food stamps, to review financial and non-financial criteria to determine eligibility for benefits. As a condition of eligibility for cash assistance, recipients are required to sign and comply with the economic self-sufficiency plans in their Agreement of Mutual Responsibility (AMR). The AMR outlines the steps the individual will take and the services the caseworkers in the CAOs will provide to enable the family to reach its goals. After assessing potential barriers to employment, most adult welfare recipients are required to immediately upon applying for benefits take realistic, concrete steps that will lead to increased success in the workplace. Adults are required to either work or participate in a work-related activity.

Upon application or re-determination for assistance, data is entered into the department's client information system and is available for Medical Assistance program determinations as well as cash assistance and SNAP. All final Medical Assistance claims payments and most cash grants payments are processed through the central office using automated systems.

Cash assistance is provided to persons determined by the staff in CAOs to be eligible for the Temporary Assistance for Needy Families (TANF), the state General Assistance (GA) and the State Blind Pension (SBP) programs. The TANF program provides state and federal funds for temporary cash support for families in transition to self-sufficiency. GA and SBP, on the other hand, are entirely state-funded programs. Most GA recipients are individuals or married couples with no dependent children but with disabilities that prevent employment. State Blind Pension recipients are persons who meet age, vision and personal resource requirements specified in the Public Welfare Code.

Federal regulations place a five-year lifetime limit on cash assistance benefits for most adult recipients and allows a hardship exemption for up to 20 percent of the caseload. The department has implemented regulations that define the hardship exemption and make provisions for extending the time period for a family with multiple barriers to employment to reach self-sufficiency.



Program: Income Maintenance (continued)

The Low-Income Home Energy Assistance Program assists eligible households by offsetting the burden of high energy costs and intervening in energy crisis situations. The eligibility standard, which is subject to annual revision based on the availability of funding, includes every household member's income. Payments are made to energy suppliers on behalf of persons responsible for paying heating costs or directly to those households where home heating is included in the rent. Crisis payments are made to energy suppliers and may cover heating costs as well as emergency repairs to heating systems.

The Supplemental Security Income (SSI) program provides aged, blind and disabled persons with a monthly payment based on nationally uniform eligibility standards. Presently, the monthly federal benefit rate for individuals is \$674 and \$1,011 for couples. Pennsylvania will contribute a supplemental grant of \$22.10 for an individual and \$33.30 for couples to SSI recipients. The department is responsible for directly issuing the state supplemental grants to most SSI recipients. A special monthly state supplement is paid to SSI-eligible persons in domiciliary care facilities and personal care homes. For SSI residents in personal care homes, the minimum personal care allowance is \$85 a month.

The department also administers a disability advocacy program to assist mentally and physically disabled individuals in establishing their eligibility for federal SSI benefits.

Program Element: Employment, Training and Work Supports

The employment and training program known as the Road to Economic Self-Sufficiency through Employment and Training (RESET) assists welfare recipients to enter the workforce and achieve economic independence. Pennsylvania's employment and training programs for cash assistance clients include an assessment of potential barriers to employment and an initial job search. Training and education programs are designed to prepare individuals unable to secure employment to get and keep available jobs. Job retention, advancement and case management services are also offered to help individuals retain employment. These initiatives provide access to a broad range of educational activities, making it more likely that individuals who are placed in jobs will keep them and be able to advance including programs offering adult literacy services, such as GED preparation, job-specific literacy and English as a second language. In recent years, the department has renamed the Single Point of Contact program to Employment, Advancement, Retention Network (EARN) as a more accurate description of efforts to assist clients gaining employment and help them attain and retain better jobs to move toward self sufficiency. The department partners with the Department of Labor and Industry and the

Department of Education to offer subsidized employment and other education and training programs that respond to the needs of the local business community. The Industry Specific Initiative provides collaboration and partnerships with employers regarding the development of customized training and direct job placement. In addition to training for welfare clients, programs to assist noncustodial parents to enter and advance in the workplace are provided to improve family economic viability. Participants are offered supports such as child care, transportation and clothing assistance to remove any barriers to work or training and ensure on-going success and avoid a return to cash assistance.

Program Element: Child Support Enforcement

Child Support Enforcement program services are provided at the local level through cooperative agreements between the department and the domestic relations section of the Courts of Common Pleas. The services include the establishment of paternity for children born outside of marriage; the determination, establishment and enforcement of a financial child support obligation paid by a noncustodial parent to meet the ongoing daily needs of the children; the procurement of medical support including health insurance and/or the reimbursement of uninsured medical expenses for the children; and child care support designed to help offset the cost of child care if the custodial parent works or is enrolled in an education/training program to secure employment.

Child support enforcement services are available to children from birth to age 18 or until the child graduates from high school or becomes emancipated. The courts may require child support to be paid for an individual over the age of 18 if extraordinary needs – excluding college tuition – exist. A designated portion of child support paid on behalf of children receiving TANF benefits is passed through to the custodial parent and any residual amount is assigned to the department to reimburse cash assistance benefits issued to the child's family.

Federal funding of the state's Child Support Enforcement program is based on its performance in establishing paternity and court orders for support, as well as collecting child support amounts ordered. Pennsylvania's program exceeds federal standards for establishing paternity and court orders for support: collection of current support and cases paying on arrears are both 81 percent – the highest percentage of any state in the nation. Pennsylvania is the first state in the nation to meet and exceed the five federal performance standards for establishment of paternity, establishment of court orders for child support, collection of current support, cases paying on arrears and administrative cost effectiveness. In addition, more than 85 percent of children receiving support currently have health insurance or other means of medical support.

Program: Income Maintenance (continued)

Program Recommendation:

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

County Administration-Statewide		Cash Grants	
\$ 543	—to continue current program.	\$ 3,218	—to continue current program.
-943	—to reflect the transfer of information technology costs to the Information Systems appropriation.	17,622	—impact of caseload increases.
		-11,244	—to reflect change in federal earnings.
615	—to reflect change in federal earnings.	\$ 9,596	<i>Appropriation Increase</i>
<u>\$ 215</u>	<i>Appropriation Increase</i>		
County Assistance Offices		Supplemental Grants - Aged, Blind, Disabled	
\$ 19,553	—to continue current program.	\$ 2,144	—to continue current program.
		-13,528	—to reflect revision to recipient grant amounts.
		4,050	—impact of caseload increases.
		2,040	—to offset reduction in Intergovernmental Transfer funds.
		\$ -5,294	<i>Appropriation Decrease</i>
Child Support Enforcement			
\$ 618	—to continue current program.		
-3,454	—to reflect an increase in Title IV-D incentive funds.		
3,657	—to replace ARRA funds.		
455	—to reflect change in other federal earnings.		
<u>\$ 1,276</u>	<i>Appropriation Increase</i>		
New Directions			
\$ 623	—to continue current program.		
-1,715	—to reflect change in federal earnings.		
-5,300	—to reflect a reduction in employment and training contracts.		
<u>\$ -6,392</u>	<i>Appropriation Decrease</i>		

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
GENERAL FUND:							
County Administration - Statewide.....	\$ 31,300	\$ 34,721	\$ 34,936	\$ 34,936	\$ 34,936	\$ 34,936	\$ 34,936
County Assistance Offices.....	258,808	260,849	280,402	280,402	280,402	280,402	280,402
Child Support Enforcement	13,121	13,488	14,764	14,764	14,764	14,764	14,764
New Directions	58,522	54,597	48,205	53,505	53,505	53,505	53,505
Cash Grants	258,079	268,579	278,175	278,175	278,175	278,175	278,175
Supplemental Grants - Aged, Blind and Disabled.....	137,761	154,256	148,962	151,941	154,980	158,080	161,241
TOTAL GENERAL FUND	\$ 757,591	\$ 786,490	\$ 805,444	\$ 813,723	\$ 816,762	\$ 819,862	\$ 823,023



PROGRAM OBJECTIVE: To maximize the individual's capacity for independent living through the provision of an array of service and support programs.

Program: Mental Health

This program provides for an integrated behavioral health system addressing mental health treatment and support services as well as substance abuse services. The objective of these services is to promote individual movement toward recovery. The department seeks to ensure that there is a combined approach to the delivery and the financing of behavioral health services. The department administers community mental health funds, Behavioral Health Services Initiative funds for both mental health and substance abuse services, Act 152 funds, which provide non-hospital residential substance abuse services, and federal grant funds. The department oversees the Medicaid HealthChoices Behavioral Health Managed Care program either through county contracts or by direct contract with a behavioral health managed care organization. The department manages the delivery of community mental health services administered by counties under the Pennsylvania Mental Health and Mental Retardation (MH/MR) Act of 1966 and the Mental Health Procedures Act of 1976. Direct mental health treatment services are currently provided through seven state-operated hospitals and one restoration (long-term care) center.

Program Element: Community Mental Health Services

The MH/MR Act of 1966 requires county governments to provide an array of community-based mental health services, including unified intake, community consultation and education, support for families caring for members with mental disorders and community residential programs. Community services are targeted to adults with serious mental illness and children and adolescents with or at-risk of serious emotional disturbance. Key provisions of service include recovery-oriented treatment, community care and support services that enable individuals to return to the community and lead independent and productive lives. Non-residential services include family-based support, outpatient care, partial hospitalization, emergency and crisis intervention, peer to peer support and after care. Community residential services consist of housing support, residential treatment, inpatient care, crisis services and mobile therapy. Services are administered by single counties, county jointers or through contracts with private, nonprofit organizations or agencies. Services, with some exceptions, are funded with state, federal and/or county matching funds.

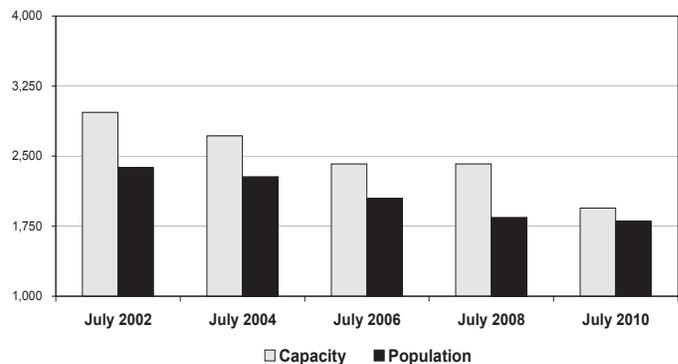
Program Element: Substance Abuse Services

The department is responsible for the oversight and administration of Behavioral Health Services Initiative (BHSI) funding. Substance abuse treatment services are provided to individuals with severe addictive disorders (including co-occurring mental health disorders) who are uninsured, who do not have insurance that covers the service needed or who cannot obtain Medical Assistance benefits. Services available include the full continuum of treatment, as well as case management services, to assist this population with access to and retention in treatment to promote recovery.

Program Element: State Mental Hospitals

State mental hospitals provide long-term inpatient care for individuals who require intensive treatment. Additionally, they provide specialized inpatient care for the adolescent, criminal and elderly (long-term) populations. A unit for the treatment of violent sexual predators, whose commitment in the Youth Development Center system terminates at age 21, was established as mandated in Act 21 of 2003. To move individuals into the most integrated setting, efforts continue to assess and transfer individuals to community mental health programs, where services are provided in a less restrictive setting through the Community/Hospital Integration Projects Program (CHIPPs).

**Mental Hospitals
Population Compared to Capacity**



The population at state mental hospitals has declined by 572 (or 24 percent) since July of 2002, as more people receive mental health services in the community. During that same period, capacity at the state mental hospitals has declined by 1,025, or 35 percent.



Program: Mental Health (continued)

Expenditures by Hospital, Restoration Center and Community Programs

(Dollar Amounts in Thousands)

	2008-09	2009-10	2010-11		2008-09	2009-10	2010-11
	Actual	Available	Budget		Actual	Available	Budget
Allentown				Torrance			
State Funds.....	\$ 30,780	\$ 30,183	\$ 21,594	State Funds.....	\$ 39,886	\$ 51,916	\$ 52,072
Federal Funds.....	2,247	6,227	5,293	Federal Funds.....	3,925	7,338	9,982
Augmentations.....	1,023	1,258	1,259	Augmentations.....	1,334	1,354	1,353
TOTAL.....	<u>\$ 34,050</u>	<u>\$ 37,668</u>	<u>\$ 28,146</u>	TOTAL.....	<u>\$ 45,145</u>	<u>\$ 60,608</u>	<u>\$ 63,407</u>
Clarks Summit				Warren			
State Funds.....	\$ 38,495	\$ 39,338	\$ 40,721	State Funds.....	\$ 38,262	\$ 37,565	\$ 39,802
Federal Funds.....	3,671	8,444	6,808	Federal Funds.....	3,808	6,639	6,656
Augmentations.....	1,429	1,301	1,302	Augmentations.....	1,572	1,289	1,288
TOTAL.....	<u>\$ 43,595</u>	<u>\$ 49,083</u>	<u>\$ 48,831</u>	TOTAL.....	<u>\$ 43,642</u>	<u>\$ 45,493</u>	<u>\$ 47,746</u>
Danville				Wernersville			
State Funds.....	\$ 31,774	\$ 33,490	\$ 36,166	State Funds.....	\$ 37,107	\$ 38,201	\$ 39,428
Federal Funds.....	5,517	6,186	5,445	Federal Funds.....	5,509	6,583	6,807
Augmentations.....	1,094	1,258	1,259	Augmentations.....	1,587	1,300	1,299
TOTAL.....	<u>\$ 38,385</u>	<u>\$ 40,934</u>	<u>\$ 42,870</u>	TOTAL.....	<u>\$ 44,203</u>	<u>\$ 46,084</u>	<u>\$ 47,534</u>
Mayview				Administrative Cost			
State Funds.....	\$ 27,825	\$ 14,508	\$ 9,630	State Funds.....	\$ 2,990	\$ 12,063	\$ 8,791
Federal Funds.....	4,024	0	0	Federal Funds.....	0	750	3,750
Augmentations.....	1,104	53	53	Augmentations.....	0	0	0
TOTAL.....	<u>\$ 32,953</u>	<u>\$ 14,561</u>	<u>\$ 9,683</u>	TOTAL.....	<u>\$ 2,990</u>	<u>\$ 12,813</u>	<u>\$ 12,541</u>
Norristown				Community Programs			
State Funds.....	\$ 62,755	\$ 63,072	\$ 62,930	State Funds.....	\$ 375,389	\$ 387,287	\$ 376,263
Federal Funds.....	7,302	7,996	10,589	Federal Funds.....	212,786	214,775	214,355
Augmentations.....	1,384	1,408	1,408	Augmentations.....	0	0	0
TOTAL.....	<u>\$ 71,441</u>	<u>\$ 72,476</u>	<u>\$ 74,927</u>	TOTAL.....	<u>\$ 588,175</u>	<u>\$ 602,062</u>	<u>\$ 590,618</u>
South Mountain State Restoration Center							
State Funds.....	\$ 22,627	\$ 21,107	\$ 22,957				
Federal Funds.....	15,369	5,909	4,084				
Augmentations.....	1,468	1,228	1,228				
TOTAL.....	<u>\$ 39,464</u>	<u>\$ 28,244</u>	<u>\$ 28,269</u>				



Program: Mental Health (continued)

Hospital and Restoration Center Populations for the Prior, Current and Upcoming Year

State Mental Hospitals	Population July 2008	Population July 2009	Projected Population July 2010	Projected Bed Capacity July 2010	Projected Percentage of Capacity July 2010
Allentown.....	172	170	-	-	0.0%
Clarks Summit.....	221	219	225	265	84.9%
Danville.....	158	164	180	170	105.9%
Mayview.....	174	-	-	-	0.0%
Norristown.....	365	367	388	454	85.5%
South Mountain.....	133	136	135	159	84.9%
Torrance.....	219	289	345	345	100.0%
Warren.....	195	188	247	250	98.8%
Wernersville.....	206	216	285	300	95.0%
TOTAL.....	1,843	1,749	1,805	1,943	92.9%

Program Recommendations:

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

Mental Health Services		Psychiatric Services in Eastern PA	
\$ 7,087	—to continue current program.	\$ -500	—nonrecurring project.
-20,000	—utilization of prior year Federal funds.		
-1,820	—to reflect the transfer of 13 individuals to the Mental Retardation program.		
14,335	—Initiative – Expanding Community Mental Health Services. To provide home and community-based services for 155 individuals currently residing in state hospitals.		
-5,000	—Initiative – Forensic Services Reimbursement. Savings achieved through reimbursement for the first 90 days consumers reside in the state mental hospital forensic units.		
-12,978	—reflects savings from the closure of Allentown State Hospital.		
\$ -18,376	Appropriation Decrease		

All other appropriations are recommended at current year funding levels.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
GENERAL FUND:							
Mental Health Services.....	\$ 707,890	\$ 728,730	\$ 710,354	\$ 710,522	\$ 710,522	\$ 710,522	\$ 710,522
Behavioral Health Services	43,739	55,331	55,331	55,331	55,331	55,331	55,331
Psychiatric Services in Eastern PA.....	2,625	500	0	0	0	0	0
TOTAL GENERAL FUND	\$ 754,254	\$ 784,561	\$ 765,685	\$ 767,753	\$ 767,753	\$ 767,753	\$ 767,753



PROGRAM OBJECTIVE: To maximize each individual's capacity for more independent living and participation in community life by providing needed training and support services.

Program: Mental Retardation

The Department of Public Welfare supports a comprehensive array of services for people with developmental disabilities including community residential and non-residential programs, which are provided through the counties by community-based providers, state operated institutions and private intermediate care facilities for the mentally retarded providers (ICF/MRs). In addition to state and federal funding, local funding is provided for community programs as required by the Mental Health and Mental Retardation Act of 1966.

The mental retardation program has evolved from a system of large congregate residential facilities to a flexible and dynamic system of community supports and services tailored to the needs of persons living in the community. The trend toward enhancing the natural supports that exist in the family and the community continues to define services.

In response to the recommendations of Pennsylvania's Autism Task Force, the Bureau of Autism Services was established in February 2007. Autism is a lifelong neurobiological disorder. The mission of the Bureau of Autism Services is to develop, coordinate, integrate and establish policies and services that effectively enhance the quality of life and promote independence for Pennsylvanians living with autism.

Program Element: Institutional Services

The department provides institutional care funding for people with developmental disabilities. Services are offered through five state centers whose primary goal is to develop residents' abilities to function more independently in preparation for living in a less restrictive environment. All facilities are currently certified for Medical Assistance (MA) under standards established by the Centers for Medicare & Medicaid Services. Private ICF/MRs provide intensive habilitative services to persons with developmental disabilities. Large facilities are single or multiple buildings on campus-like sites accommodating more than eight persons while small facilities may be located in the community and serve eight persons or less.

Program Element: Community Mental Retardation Services

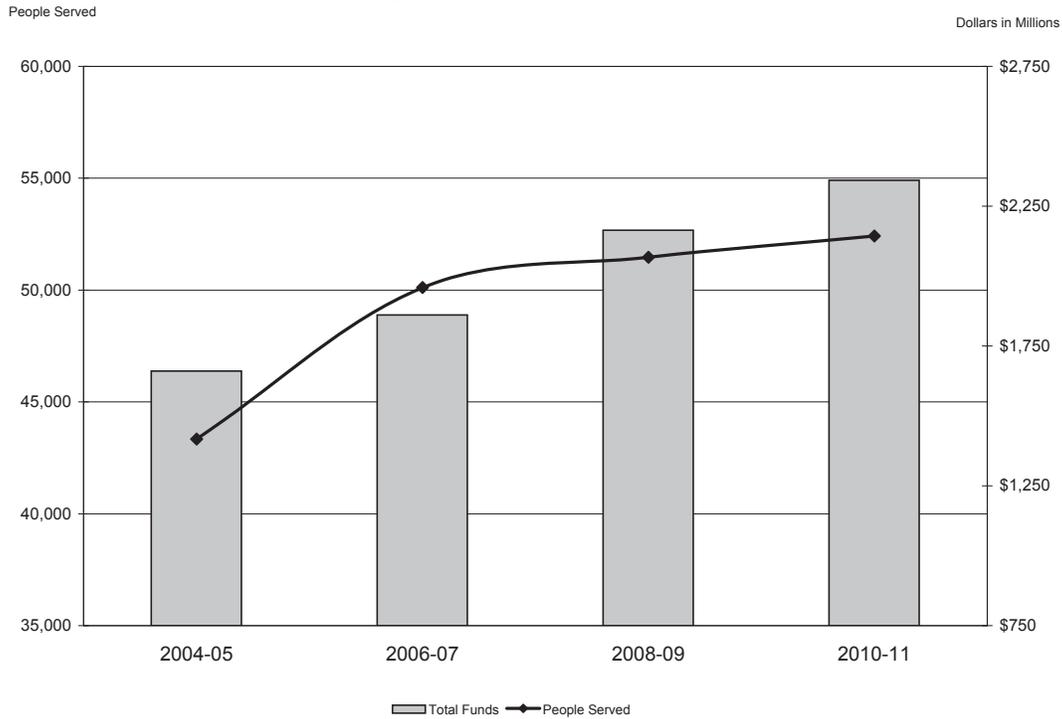
The Mental Health and Mental Retardation Act of 1966 provides the statutory basis for the development of community-based services for people with developmental disabilities. Community living arrangements include group homes, apartments with or without a roommate and life-sharing settings with family or friends. Day services such as supported employment, pre-vocational programs, adult training and home and community habilitation are provided for people living in the community, based on individual need. Other services available include transportation, home finding, environmental accessibility modifications, adaptive appliances/equipment, specialized therapies and nursing, and educational support. Respite services are also available for families of people with developmental disabilities.

Program Element: Services for Individuals with Autism

The department provides funding for a statewide program to support the needs of Pennsylvanians living with autism spectrum disorders. The department has developed two delivery systems to provide services for adults with autism—the Adult Community Autism Program (ACAP) and the Autism Home and Community-Based Medicaid Waiver Program. ACAP is a pilot program for individuals age 21 or older with a diagnosis of autism spectrum disorder. Services include behavioral supports, physician services and a wide array of community-based and institutional services that build independence while maintaining cost effectiveness. The Autism Waiver has been designed to provide behavioral supports and community-based services tailored to individuals with autism. In addition, the department is working to increase the capacity of service providers and health care professionals by providing statewide training, technical assistance and cross-system collaboration; providing support and information to families; developing models for best practices and crisis response; and establishing regional autism centers.

Program: Mental Retardation (continued)

Community Mental Retardation Services



Funding for the expansion of the community program has increased by nearly \$682 million since 2004-05, providing services to an additional 9,075 people. Over the same period, the state centers' population will have decreased by 21%.

State Centers Population for the Prior, Current and Upcoming Year

State Centers	Population July 2008	Population July 2009	Projected Population July 2010	Projected Bed Capacity July 2010	Projected Percentage Capacity July 2010
Ebensburg.....	294	286	277	402	68.9%
Hamburg.....	129	126	120	237	50.6%
Polk.....	322	313	303	521	58.2%
Selinsgrove.....	347	335	326	579	56.3%
White Haven.....	180	169	164	275	59.6%
TOTAL.....	1,272	1,229	1,190	2,014	59.1%



Program: Mental Retardation (continued)

Expenditures by State Center (Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget		2008-09 Actual	2009-10 Available	2010-11 Budget
Ebensburg				Selinsgrove			
State funds.....	\$ 19,659	\$ 17,917	\$ 17,979	State funds.....	\$ 21,039	\$ 19,131	\$ 20,276
Federal funds.....	39,207	41,578	45,310	Federal funds.....	43,916	47,482	50,215
Augmentations.....	6,333	5,973	6,454	Augmentations.....	7,022	6,973	7,075
TOTAL.....	<u>\$ 65,199</u>	<u>\$ 65,468</u>	<u>\$ 69,743</u>	TOTAL.....	<u>\$ 71,977</u>	<u>\$ 73,586</u>	<u>\$ 77,566</u>
Hamburg				White Haven			
State funds.....	\$ 9,527	\$ 8,381	\$ 9,207	State funds.....	\$ 11,671	\$ 10,316	\$ 10,885
Federal funds.....	18,431	20,475	22,535	Federal funds.....	23,915	25,662	27,501
Augmentations.....	2,753	2,791	2,744	Augmentations.....	3,818	3,717	3,686
TOTAL.....	<u>\$ 30,711</u>	<u>\$ 31,647</u>	<u>\$ 34,486</u>	TOTAL.....	<u>\$ 39,404</u>	<u>\$ 39,695</u>	<u>\$ 42,072</u>
Polk				Budgetary Reserve			
State funds.....	\$ 19,829	\$ 17,789	\$ 18,158	State funds.....	\$ 0	\$ 762	\$ 0
Federal funds.....	41,888	45,676	48,924	Federal funds.....	11,757	10,784	5,000
Augmentations.....	7,155	6,830	6,801	Augmentations.....	0	0	0
TOTAL.....	<u>\$ 68,872</u>	<u>\$ 70,295</u>	<u>\$ 73,883</u>	TOTAL.....	<u>\$ 11,757</u>	<u>\$ 11,546</u>	<u>\$ 5,000</u>
Maintenance and security costs for closed facilities				Non-Facility/Other Operational costs			
State funds.....	\$ 1,189	\$ 1,183	\$ 1,111	State funds.....	\$ 718	\$ 717	\$ 725
Augmentations.....	696	795	795				
TOTAL.....	<u>\$ 1,885</u>	<u>\$ 1,978</u>	<u>\$ 1,906</u>				

Program Recommendations:

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

\$ 3,990	State Centers for the Mentally Retarded				
-1,845	—to continue current program.			\$ 10,670	Community Mental Retardation – Waiver Program
	—revision of federal financial participation from 54.81% to 55.64%.			1,403	—to annualize previous program revisions providing enhanced community services.
\$ 2,145	<i>Appropriation Increase</i>			1,794	—to reflect 81 individuals transferring from the ICF/MR program.
				10,168	—to reflect 13 additional individuals transferring from the Mental Health program.
\$ 7,031	Intermediate Care Facilities – Mentally Retarded			2,019	—revision of federal financial participation from 54.81% to 55.64%.
-1,403	—to continue current program.				—Initiative—Expanded Community Mental Retardation Services. To provide home and community-based services for 150 additional persons with mental retardation.
-2,227	—to reflect 81 individuals transferring to the community program.			\$ 5,718	<i>Appropriation Increase</i>
	—revision of federal financial participation from 54.81% to 55.64%.				
\$ 3,401	<i>Appropriation Increase</i>			\$ -2,132	Autism Intervention and Services
				-3,252	—nonrecurring projects.
\$ 7,990	Community Mental Retardation – Base Program			-206	—nonrecurring costs due to 2009-10 program implementation delays.
4,000	—to continue current program.			4,728	—revision of federal financial participation from 54.81% to 55.64%.
-125	—to reflect nonrecurring prior year carryover.				—Initiative—Expanded Autism Services. To provide home and community-based services for 226 additional persons with autism.
	—revision of federal financial participation from 54.81% to 55.64%.			\$ -862	<i>Appropriation Decrease</i>
\$ 11,865	<i>Appropriation Increase</i>				

All other appropriations are recommended at current year funding levels.



Program: Mental Retardation (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
GENERAL FUND:							
State Centers for the Mentally Retarded ...	\$ 83,632	\$ 76,196	\$ 78,341	\$ 102,905	\$ 110,743	\$ 110,743	\$ 110,743
Intermediate Care Facilities - Mentally Retarded.....	113,493	100,234	103,635	156,024	166,872	166,872	166,872
Community Mental Retardation - Base Program Services	179,479	156,619	168,484	170,128	171,190	171,190	171,190
Community Mental Retardation - Waiver...	620,720	622,849	628,567	766,348	810,625	810,625	810,625
Autism Intervention and Services	12,363	19,463	18,601	25,311	26,422	26,422	26,422
MR Residential Services - Lansdowne.....	1,379	417	417	417	417	417	417
TOTAL GENERAL FUND	\$ 1,011,066	\$ 975,778	\$ 998,045	\$ 1,221,133	\$ 1,286,269	\$ 1,286,269	\$ 1,286,269



PROGRAM OBJECTIVE: To enhance the social and economic well-being of families and individuals through the provision of an array of services and support programs.

Program: Human Services

The department operates a variety of programs designed to provide supportive services to people while they overcome an adverse behavior or circumstance that has affected their lives.

Program Element: Family Support Service

The Department of Public Welfare and county governments are jointly responsible for providing services to children who are in need of care and protection. Each county is responsible for developing and administering a program of services designed to treat and prevent child abuse, neglect and exploitation, and to provide services that reduce dependency and delinquency. The County Children and Youth program includes services to families and children to enable children to remain in their own homes and communities; however, the safety of children is a paramount concern of this program. Policies and procedures have been instituted to protect children from harm and to minimize time in foster homes and institutions. Court oversight for children who have been abused and neglected has been increased and new emphasis has been placed on parental responsibility for children.

Counties provide services including temporary placement for children who cannot live with their own families, assistance to provide a permanent legal family for children who cannot be returned to their own families, adoption assistance, day treatment services, child protective services, emergency shelter, counseling and juvenile detention.

Special programs have been developed to support the delivery of services by county child welfare agencies. One program provides equalized access to adoption or permanency services for all eligible children through a statewide adoption network. This program includes services to children who are in foster placement and cannot be returned to their birth parents.

The courts may order any service or care for children who have been adjudicated dependent or delinquent. This may include youth adjudicated delinquent but remanded to private residential treatment programs. Treatment is reviewed on a periodic basis.

Program Element: Youth Development Service

Pennsylvania’s juvenile justice system is designed to minimize institutionalization while recognizing that confinement in a treatment environment is necessary for certain juveniles who pose a threat to themselves or others. The court may sentence youth to either the Youth Development Center and Youth Forestry Camp

(YDC/YFC) system or a private facility. Both systems provide residential programming in secure settings for Pennsylvania’s serious juvenile offenders and those with serious at-risk behaviors. The purpose of the system is to bring about positive changes in the juveniles by helping them to develop skills and attitudes that will enable them to become responsible, productive members of society. The YDCs/YFCs expect to maintain capacity at 618 youth.

Administrative Complex	Population July 2008	Population July 2009	Population July 2010	Projected Capacity July 2010	Projected Percentage of Capacity July 2010
YFC-Hickory Run.....	41	39	43	49	87.8%
YFC-Trough Creek	42	44	46	50	92.0%
New Castle	256	217	228	240	95.0%
Loysville.....	<u>277</u>	<u>257</u>	<u>270</u>	<u>279</u>	<u>96.8%</u>
Total Current Program	616	557	587	618	95.0%

Included in the YDC/YFC system are specialized treatment services for sex offenders, arsonists, drug and alcohol abusers, emotionally disturbed youth and those with developmental disabilities.

The Master Case Planning System guides treatment of youth within the YDCs/YFCs. This system requires comprehensive diagnosis and assessment of each youth in care, development of an individualized treatment plan, implementation strategies, periodic reviews and revisions of each plan, and identification of aftercare needs. Individual and group counseling forms the core of the treatment process.

The YDCs/YFCs emphasize programs and activities designed to promote youth competency, victim awareness, social and financial restitution, and public safety and protection. Each program provides training and education in daily living skills. Many YDCs/YFCs also provide actual job training and work experience opportunities where youth may be paid. Youth are required to use a portion of their earnings for restitution.

Education is a major component of the YDC/YFC system. Each program includes both academic and vocational curricula. Educational diagnostic testing precedes all academic placements and is used in the development of Individual Education Plans for each youth.

Program Element: Family Planning and Breast Cancer Screening

Family planning clinics provide educational, medical and social services to persons over age 16 to address contraceptive or infertility issues. Grants are provided to 200 clinics in the state.



Program: Human Services (continued)

Breast cancer screening for low-income women is directed toward those at high risk of developing breast cancer. The target group is new family planning clients, women 35 years and older, and women with a family history of breast cancer.

Program Element: Legal Services

The department contracts with the Pennsylvania Legal Aid Network, a private nonprofit corporation, to provide low-income persons assistance with family, consumer, employment and other civil legal problems. The emphasis of the service delivery is to provide emergency legal services in situations that threaten the basic needs of individuals. These services do not include political activities or services in criminal matters.

Program Element: Domestic Violence and Rape Crisis

Domestic violence services are provided through a contract with a statewide coalition, which in turn, subcontracts for services at the local level. The services to victims of domestic violence include crisis intervention, counseling, victim advocacy, information and referral, and temporary shelter for victims and their dependent children. Prevention and education programs are provided by local groups to lessen the risk of domestic violence in the community.

Rape crisis services also are provided through a contract with a statewide coalition, which in turn, subcontracts for services at the local level. Rape crisis programs provide

crisis intervention services, counseling, victim advocacy, information and referral, and accompaniment through police, medical and judicial systems. Educational programs are provided to lessen the risk of sexual assault for adults and children in the community.

Program Element: Homeless Assistance

The Homeless Assistance program operates through counties to provide temporary shelter to homeless individuals and rental assistance to those in immediate danger of becoming homeless. Shelter may be provided in large mass shelters or in hotels and motels through a voucher system.

Housing assistance can include a cash payment to an individual or family to prevent or end homelessness, or intervention to prevent homelessness where an eviction is imminent. In addition to preventing homelessness, housing assistance is available to move people out of temporary shelters into permanent housing.

Case management services are used to assure ongoing coordination with the client and to assist the client with activities needed for self-sufficient living.

Specialized residences for the mentally ill homeless are provided in a small number of counties with concentrations of these individuals. The program provides housing for an indefinite period of time, coupled with supportive services that will enable the client to move to a long-term semi-independent or independent living situation.

Program Recommendations:

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

<p>Youth Development Institutions and Forestry Camps \$ 4,955 —to continue current program.</p> <p>County Child Welfare \$ 23,676 —to continue current program.</p>	<p>Human Services Development Fund \$ -4,000 —nonrecurring 2009-10 budgetary freeze amount.</p> <p>Facilities and Service Enhancements \$ -500 —nonrecurring projects.</p>
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All other appropriations are recommended at current year funding levels.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
GENERAL FUND:							
Youth Development Institutions and Forestry Camps	\$ 73,204	\$ 74,162	\$ 79,117	\$ 79,117	\$ 79,117	\$ 79,117	\$ 79,117
County Child Welfare.....	1,029,451	1,048,374	1,072,050	1,125,652	1,181,935	1,241,032	1,303,083
Domestic Violence.....	12,625	12,487	12,487	12,487	12,487	12,487	12,487
Rape Crisis.....	7,277	7,146	7,146	7,146	7,146	7,146	7,146
Breast Cancer Screening.....	1,653	1,653	1,653	1,653	1,653	1,653	1,653
Human Services Development Fund.....	33,925	29,346	25,346	29,346	29,346	29,346	29,346
Legal Services.....	3,064	3,064	3,064	3,064	3,064	3,064	3,064
Homeless Assistance	26,613	23,023	23,023	23,023	23,023	23,023	23,023
Facilities and Service Enhancements.....	4,550	500	0	0	0	0	0
TOTAL GENERAL FUND	\$ 1,192,362	\$ 1,199,755	\$ 1,223,886	\$ 1,281,488	\$ 1,337,771	\$ 1,396,868	\$ 1,458,919



PROGRAM OBJECTIVE: To promote opportunities for all Pennsylvania children and families by building systems and providing supports that help ensure access to high-quality child and family services.

Program: Child Development

The Department of Public Welfare promotes opportunities for all children and families by helping to ensure access to high-quality child and family services. The focus on effective prevention strategies and high-quality early childhood programs will help Pennsylvania mitigate the social and educational disparities of young children that influence their ability to attain economic independence and self-sufficiency as adults.

Recognizing that child care is a consumer driven system, the department developed standards by which families can select high-quality child care. Keystone STARS is the largest, most comprehensive, voluntary quality rating program in the nation. The department wants every child care setting to meet and exceed the STARS standards and offers technical assistance, financial incentives for staff development and additional staff compensation to enhance salaries for teachers who have achieved credentials in early childhood instruction.

All child care facilities serving four or more children must meet health and safety standards and participate in the department’s certification program.

The subsidized child care program allows children of families receiving cash assistance through the Temporary Assistance for Needy Families (TANF) program, families formerly receiving TANF and low-income families to access child care while their parents are attending training or working. The subsidy program uses both state and federal funds to supplement parental co-payments and encourages families to be self-supporting and self-sufficient. Families can select subsidized child care from various facilities including licensed centers, group child care homes, registered family child care homes and relatives or neighbors. Local child care information service agencies offer families a choice of child care services and provide information/counseling on how to select quality early childhood services.

The Early Intervention program, for children from birth to age three, provides services and supports to children and their families in order to maximize the child’s development and to decrease the need for special education. These services are provided to the child and family in their home, community setting or early childhood education setting so that children are well prepared for school and life success.

Home and community-based services that support early childhood development are also provided through the Community-Based Family Center program which assists parents to improve their child rearing skills. In addition, the Nurse Family Partnership program provides intensive and comprehensive home visitation for pregnant teens and young women, starting with prenatal care and continuing through the child’s infancy. The program is designed to serve low-income, at-risk pregnant women expecting their first child.

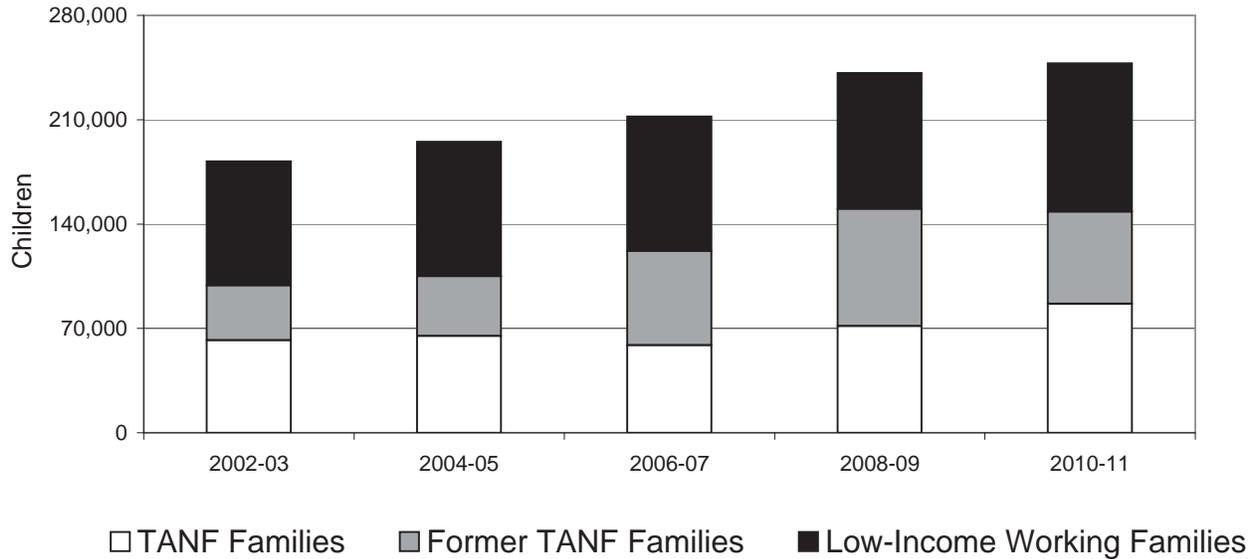
Child Care Funding (Dollar Amounts in Thousands)	
	<u>2010-11</u>
Low-Income Working Families	
State Funds ¹	\$ 171,720
Federal Funds	<u>252,960</u>
Total	\$ 424,680
TANF Recipients / Former TANF Recipients	
State Funds ²	\$ 198,682
Federal Funds	195,197
Other Funds.....	<u>4,000</u>
Total	\$ 397,879
Grand Total	<u>\$ 822,559</u>

¹ Child Care Services appropriation.
² Child Care Assistance appropriation.



Program: Child Development (continued)

Child Care



In 2010-11, the child care system will serve an estimated 60,565 more children of low-income families than in 2002-03, an increase of 33%.

Program Recommendations:

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

Early Intervention		Child Care Assistance	
\$ 2,841	—to annualize children added in 2009-10.	\$ 8,154	—to continue current program.
5,320	—Initiative – Expanded Services for Children. To provide early intervention services to 1,172 additional children from birth to age three.	<u>-7,619</u>	—to reflect prior year carryover.
-1,852	—to reflect change in ARRA grant.	\$ 535	<i>Appropriation Increase</i>
-338	—revision of federal financial participation from 54.81% to 55.64%.		
<u>-9,209</u>	—to reflect prior year carryover.		
\$ -3,238	<i>Appropriation Decrease</i>		

All other appropriations are recommended at current year funding levels.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
GENERAL FUND:							
Early Intervention.....	\$ 111,033	\$ 122,151	\$ 118,913	\$ 122,480	\$ 126,155	\$ 129,939	\$ 133,838
Community Based Family Centers.....	6,636	6,636	6,636	6,636	6,636	6,636	6,636
Child Care Services.....	166,763	171,720	171,720	176,872	182,178	187,643	193,272
Child Care Assistance.....	201,956	198,147	198,682	198,682	198,682	198,682	198,682
Nurse Family Partnership.....	9,978	11,978	11,978	11,978	11,978	11,978	11,978
Family and Children's Center.....	70	0	0	0	0	0	0
TOTAL GENERAL FUND.....	\$ 496,436	\$ 510,632	\$ 507,929	\$ 516,648	\$ 525,629	\$ 534,878	\$ 544,406



Program Measures

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Program: Human Services Support							
Third-party liability cases referred for recovery	18,414	14,200	14,300	14,400	14,500	14,600	14,700
Total dollars recovered (in thousands)	\$110,700	\$113,000	\$114,500	\$116,000	\$117,500	\$119,000	\$120,000
Recipient appeals cases receiving final disposition	52,382	55,000	55,000	55,000	55,000	55,000	55,000
Provider appeals cases receiving final disposition	1,907	2,000	2,000	2,000	2,000	2,000	2,000
On-line applications submitted thru COMPASS	494,800	529,436	582,380	623,146	654,303	687,019	721,370
Program: Medical Assistance							
Persons participating in Medical Assistance (monthly average)	1,972,559	2,068,699	2,130,785	2,211,435	2,288,065	2,364,695	2,441,325
Medical Assistance recipients served (monthly average): Fee-for-service delivery - Physical Health Only	851,445	880,310	906,745	927,780	943,090	973,570	997,705
Medical Assistance recipients served (monthly average): Average Managed Care Enrollment - Physical Health	1,121,114	1,188,389	1,224,040	1,283,655	1,344,975	1,391,125	1,443,620
Medical Assistance recipients served (monthly average): Average HealthChoices Behavioral Health enrollment	1,678,804	1,771,321	1,824,460	1,913,945	1,984,445	2,036,030	2,095,390
Outpatient							
Services/visits per 1,000 enrollees:							
Physician visits	2,497	2,501	2,505	2,510	2,510	2,910	2,910
Clinic visits	389	388	390	390	395	395	395
Emergency Room visits	409	406	405	405	405	405	405
Average prescriptions filled per enrollee per month	2.5	2.6	2.6	2.6	2.6	2.6	2.6
Percent of generic and over the counter prescriptions	68%	70%	70%	70%	71%	71%	72%
Percent of brand name prescriptions filled	29%	28%	27%	26%	26%	26%	26%
Average cost - generic and over the counter	\$11.30	\$11.48	\$12.05	\$13.25	\$14.60	\$16.05	\$17.65
Average cost - brand name	\$179.93	\$190.47	\$207.90	\$218.30	\$229.20	\$240.70	\$260.50
Inpatient							
Admissions per 1,000 enrollees:							
General Hospital	135	129	130	130	130	130	130
Rehabilitation Hospital	1	1	1	1	1	1	1
Private psychiatric hospital	4	4	4	4	4	4	4



Program Measures

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Capitation							
Percent of children from birth to 15 months visiting a physician 3 or more times in the past year	93.3%	93.7%	94%	94.5%	95%	95%	95.5%
Percent of children age 12 to 24 months visiting a doctor or nurse in the past year	95.4%	95.8%	96%	96%	96.5%	96.5%	97%
Percent of children 25 months to 6 years visiting a doctor or nurse in the past year	86.3%	86.7%	87%	87.5%	88%	88.5%	89%
Percent of pregnant women who received over 80% of the recommended prenatal visits	69.3%	69.7%	70%	70.5%	71%	71.5%	72%
Transportation Program							
One-way trips (in thousands)	11,778	14,337	15,930	15,930	15,930	15,930	15,930
Cost per trip	\$10.86	\$9.79	\$9.75	\$9.75	\$9.75	\$9.75	\$9.75
Medical Care for Workers with Disabilities							
Recipients Enrolled in Program (monthly average)	13,518	17,585	20,175	20,175	20,175	20,175	20,175
<p>Outpatient physician visits revised beginning in 2008-09 to reflect new methodology to count fee-for-service recipients.</p> <p>Outpatient clinic visits revised beginning in 2008-09 to reflect new methodology to count fee-for-service recipients.</p> <p>Outpatient emergency room visits revised beginning in 2008-09 to reflect new methodology to count fee-for-service recipients.</p> <p>Inpatient general hospital admissions revised beginning in 2008-09 to reflect new methodology to count fee-for-service recipients.</p> <p>Inpatient rehabilitation hospital admissions revised beginning in 2008-09 to reflect new methodology to count fee-for-service recipients.</p> <p>Inpatient private psychiatric hospital admissions revised beginning in 2008-09 to reflect new methodology to count fee-for-service recipients.</p>							
Program: Income Maintenance							
Persons receiving cash assistance (monthly average)	221,744	244,371	257,615	257,615	257,615	257,615	257,615
Persons receiving State Supplemental Grants (monthly average)	350,229	359,051	368,085	377,350	386,845	396,580	406,565
Households receiving energy cash payments	547,302	459,966	426,745	426,745	426,745	426,745	426,745
Households receiving energy crisis payments	186,015	48,195	44,685	44,685	44,685	44,685	44,685
TANF recipients enrolled in RESET employment and training program (monthly average)	31,589	33,212	35,270	35,270	35,270	35,270	35,270
TANF recipients obtaining employment	20,622	21,900	23,880	23,880	23,880	23,880	23,880
Child support orders established	421,524	421,000	424,000	424,000	424,000	424,000	424,000
Child support collected (in millions)	\$1,493	\$1,482	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500



Program Measures

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
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Persons receiving cash assistance increases in 2010-11 due to the impact of the current economy.

Households receiving energy cash payments increased in 2008-09, then decreases in 2009-10 and 2010-11 due to an increase in grant funding from the federal government that is not anticipated to continue.

Households receiving energy crisis payments increased in 2008-09, then decreases in 2009-10 and 2010-11 due to an increase in grant funding from the federal government that is not anticipated to continue.

Program: Mental Health**Community Mental Health Services**

Total persons provided mental health services	525,136	529,775	534,460	538,265	542,105	545,985	549,905
Persons receiving mental health inpatient and outpatient services from community mental health funds (unduplicated)	121,910	123,130	124,490	124,490	124,490	124,490	124,490
Persons receiving services through Medical Assistance expenditures (fee for service and HealthChoices) (unduplicated)	372,880	376,610	380,375	384,180	388,020	391,900	395,820
Persons receiving services through BHSI funds (unduplicated)	27,360	27,085	26,815	26,815	26,815	26,815	26,815
Average cost per person served	\$3,791	\$3,820	\$3,855	\$3,890	\$3,945	\$3,980	\$4,010

Substance Abuse Services

Total persons receiving DPW administered substance abuse services	113,705	114,305	115,000	115,000	115,000	115,000	115,000
Persons receiving services through Medical Assistance expenditures (fee-for-service and HealthChoices) (unduplicated)	62,478	63,100	63,735	63,735	63,735	63,735	63,735
Persons receiving services through Act 152 funds (unduplicated)	6,681	6,415	6,350	6,350	6,350	6,350	6,350
Persons receiving services through BHSI funds (unduplicated)	45,709	45,250	44,800	44,800	44,800	44,800	44,800
Average cost per person served	\$2,014	\$2,035	\$2,055	\$2,055	\$2,055	\$2,055	\$2,055

State Mental Hospitals

Total persons served in State Mental Hospitals	2,986	2,950	2,780	2,780	2,780	2,780	2,780
Total admissions to State Mental Hospitals	1,197	1,160	1,110	1,110	1,110	1,110	1,110
Cost per person in State Mental Hospital population	\$139,358	\$140,750	\$142,160	\$142,160	\$142,160	\$142,160	\$142,160
Forensic admissions to State Mental Hospitals	518	515	510	510	510	510	510
Percentage of adults readmitted to State Mental Hospitals within one year of last discharge	11%	10%	9%	9%	9%	9%	9%
Percentage of persons in State Mental Hospitals with stay longer than two years	39%	36%	33%	33%	33%	33%	33%



Program Measures

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Program: Mental Retardation							
Persons receiving Mental Retardation services during fiscal year	53,284	54,080	54,245	54,245	54,245	54,245	54,245
Persons receiving Autism services during fiscal year	125	182	408	408	408	408	408
Persons receiving residential services (at end of year):							
Private ICFs/MR	2,579	2,515	2,515	2,515	2,515	2,515	2,515
State Centers	1,272	1,229	1,190	1,190	1,190	1,190	1,190
Persons receiving Mental Retardation services during fiscal year: Home and Community Services	48,906	49,739	49,928	49,928	49,928	49,928	49,928
Average cost of individuals served in the community:							
Residential Services	\$84,001	\$88,402	\$90,878	\$90,878	\$90,878	\$90,878	\$90,878
Non-residential services (Day programs or other supports)	\$15,593	\$16,770	\$17,233	\$17,233	\$17,233	\$17,233	\$17,233
Program: Human Services							
Youth Development Centers							
Youth served	1,395	1,300	1,350	1,350	1,350	1,350	1,350
Occupancy rates	91%	90%	95%	95%	95%	95%	95%
Youth in work experience	764	670	600	600	600	600	600
Family Support Services							
Children receiving child welfare services at home	247,560	251,521	255,545	259,635	263,790	268,010	272,295
Out of home placements in:							
Community residential programs	29,324	28,738	28,165	27,600	27,050	26,505	25,975
In-state institutional care programs (annual unduplicated recipients)	4,867	4,818	4,770	4,720	4,675	4,630	4,580
Children in out of state programs	537	521	505	490	475	460	445
Percent of children reunited with parents or primary caregiver within twelve months of placement	47.6%	48.1%	48.6%	49.1%	49.6%	50.1%	50.6%
Percentage of children not returning to care within 12 months of discharge to parents or primary caregivers	78.3%	79.5%	79.5%	79.5%	79.5%	79.5%	79.5%
Finalized Adoptions	2,255	2,278	2,300	2,325	2,345	2,370	2,395
Children reaching permanency outside of adoption	1,869	1,897	1,925	1,955	1,985	2,015	2,045
Investigations of reported child abuse	25,779	25,392	25,010	24,635	24,265	23,905	23,545
Percentage of child abuse investigations substantiated	15.6%	16%	16%	16%	16%	16%	16%



Program Measures

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Homeless Assistance							
Total persons receiving homeless services	109,175	110,000	110,000	110,000	110,000	110,000	110,000
Human Services							
Domestic violence victims served	46,484	46,500	46,500	46,500	46,500	46,500	46,500
Rape crisis/sexual assault persons served	17,041	17,000	17,000	17,000	17,000	17,000	17,000
Breast cancer screening clients	114,455	114,455	114,455	114,455	114,455	114,455	114,455
Legal service clients	20,326	20,326	20,325	20,325	20,325	20,325	20,325
Program: Child Development							
Child Development							
Children enrolled in Keystone STARS facilities	177,530	177,530	177,530	177,530	177,530	177,530	177,530
Number of Keystone STARS facilities	4,828	4,464	4,464	4,464	4,464	4,464	4,464
Percent of child care centers participating in Keystone STARS	75%	70%	70%	70%	70%	70%	70%
Children participating in subsidized child care (unduplicated)	234,899	231,085	242,665	242,665	242,665	242,665	242,665
Children participating in subsidized child care (monthly average):							
Welfare/TANF Families	30,767	34,743	37,010	37,010	37,010	37,010	37,010
Former TANF Families	39,552	33,223	32,745	32,745	32,745	32,745	32,745
Low-income working families	60,523	59,825	64,615	64,615	64,615	64,615	64,615
Percentage of children participating in subsidized child care enrolled in a department regulated setting:							
TANF Families	67%	76%	76%	76%	76%	76%	76%
Former TANF Families	63%	67%	67%	67%	67%	67%	67%
Low-income working families	75%	78%	78%	78%	78%	78%	78%
Early Intervention							
Children participating in Early Intervention (EI) services	31,999	33,212	34,384	34,384	34,384	34,384	34,384
Children who met their individual goals and no longer needed EI services prior to their third birthday	3,541	4,085	4,640	4,640	4,640	4,640	4,640
Children who met their individual goals at their third birthday and no longer needed EI services	732	752	775	775	775	775	775
Percent of EI children served in typical early childhood educational settings (e.g. home, child care, Head Start)	99%	99%	99%	99%	99%	99%	99%



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DEPARTMENT OF REVENUE

The mission of the Department of Revenue is to administer the tax laws of the commonwealth in a fair and equitable manner. The Department of Revenue also administers the state lottery which generates funds for programs that benefit older Pennsylvanians.

The Department of Revenue collects all tax levies as well as various fees, fines and other monies due the commonwealth. The department also supervises the administration and collection of monies for the first and second class county sales tax and various special funds.

The department prepares the official estimates of the tax yield due the commonwealth and analyzes the effect on revenues of proposed changes in either the laws or the tax structure of the commonwealth.



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Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2008-09 ACTUAL	2009-10 AVAILABLE	2010-11 BUDGET
GENERAL FUND:			
<i>General Government:</i>			
General Government Operations.....	\$ 142,795 a	\$ 142,877 b	\$ 141,448
(A)Cigarette Fines and Penalties.....	41	39	41
(A)Cigarette Tax Enforcement.....	740	792	762
(A)Services to Special Funds.....	12,837	11,537	11,761
(A)EDP and Staff Support.....	8,264	6,918	6,692
(A)Tax Information.....	104	125	110
(A)Private Letter Valuation Charges.....	0	3	1
(A)Local Sales Tax.....	3,343	3,904	3,472
(A)Small Games of Chance.....	202	230	205
(A)Reimbursed Costs from Other Agencies.....	2,187	1,688	2,266
(A)BTFT - Fines and Penalties.....	191	130	200
(A)RTT Local Collection.....	164	125	165
(A)Sales of Automobiles and Other Vehicles.....	1	0	0
(A)Sale of Equipment.....	10	0	10
(A)Reimbursement for Tax Amnesty Admin.....	0	16,650	0
Commissions - Inheritance & Realty Transfer Taxes (EA).....	6,337	7,000	6,431
Technology and Process Modernization.....	4,360	18,200	23,800
Subtotal - State Funds.....	\$ 153,492	\$ 168,077	\$ 171,679
Subtotal - Augmentations.....	28,084	42,141	25,685
Total - General Government.....	<u>\$ 181,576</u>	<u>\$ 210,218</u>	<u>\$ 197,364</u>
<i>Grants and Subsidies:</i>			
Distribution of Public Utility Realty Tax.....	\$ 28,017	\$ 30,525	\$ 32,202
STATE FUNDS.....	\$ 181,509	\$ 198,602	\$ 203,881
AUGMENTATIONS.....	28,084	42,141	25,685
GENERAL FUND TOTAL.....	<u>\$ 209,593</u>	<u>\$ 240,743</u>	<u>\$ 229,566</u>
MOTOR LICENSE FUND:			
<i>General Government:</i>			
Collections - Liquid Fuels Tax.....	\$ 14,211	\$ 14,842	\$ 15,218
(F)Federal Fuel Tax Evasion Project (EA).....	0	342	0
Subtotal - State Funds.....	\$ 14,211	\$ 14,842	\$ 15,218
Subtotal - Federal Funds.....	0	342	0
Total - General Government.....	<u>\$ 14,211</u>	<u>\$ 15,184</u>	<u>\$ 15,218</u>
<i>Refunds:</i>			
Refunding Liquid Fuels Tax (EA).....	\$ 10,000	\$ 12,000	\$ 12,000
STATE FUNDS.....	\$ 24,211	\$ 26,842	\$ 27,218
FEDERAL FUNDS.....	0	342	0
MOTOR LICENSE FUND TOTAL.....	<u>\$ 24,211</u>	<u>\$ 27,184</u>	<u>\$ 27,218</u>
LOTTERY FUND:			
<i>General Government:</i>			
General Operations (EA).....	\$ 40,197 c	\$ 43,494 d	\$ 40,976
(A)License Fees.....	139	165	163
(A)Annuity Assignment Fees.....	11	15	13
Lottery Advertising (EA).....	32,000	39,000	37,000
(A)PowerBall Advertising Reimbursement.....	0	3,300	140
Property Tax Rent Rebate - General Operations (EA).....	13,626 e	13,472 f	14,046
On-Line Vendor Commissions (EA).....	42,318	31,973	32,018
Instant Vendor Commissions (EA).....	19,852	25,977	22,132



Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2008-09 ACTUAL	2009-10 AVAILABLE	2010-11 BUDGET
Payment of Prize Money (EA)	339,142	370,967	348,341
Subtotal - State Funds.....	\$ 487,135	\$ 524,883	\$ 494,513
Subtotal - Augmentations.....	150	3,480	316
Total - General Government.....	<u>\$ 487,285</u>	<u>\$ 528,363</u>	<u>\$ 494,829</u>
Grants and Subsidies:			
Property Tax & Rent Assistance for Older Pennsylvanians (EA)	\$ 276,400	\$ 276,500	\$ 276,500
STATE FUNDS.....	\$ 763,535	\$ 801,383	\$ 771,013
AUGMENTATIONS.....	150	3,480	316
LOTTERY FUND TOTAL	<u>\$ 763,685</u>	<u>\$ 804,863</u>	<u>\$ 771,329</u>
RACING FUND:			
General Government:			
Collections - State Racing (EA)	\$ 172	\$ 244	\$ 238
OTHER FUNDS:			
PROPERTY TAX RELIEF FUND:			
Transfer to the State Lottery Fund.....	\$ 0 ^g	\$ 0 ^g	\$ 0 ^g
STATE GAMING FUND:			
(R)General Operations.....	\$ 9,754	\$ 9,754	\$ 9,942
Transfer to the Compulsive & Problem Gambling Treatment Fund.....	0 ^h	0 ^h	0 ^h
Transfer to the Property Tax Relief Fund.....	0 ⁱ	0 ⁱ	0 ⁱ
STATE GAMING FUND TOTAL	<u>\$ 9,754</u>	<u>\$ 9,754</u>	<u>\$ 9,942</u>
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 181,509	\$ 198,602	\$ 203,881
SPECIAL FUNDS.....	787,918	828,469	798,469
FEDERAL FUNDS.....	0	342	0
AUGMENTATIONS.....	28,234	45,621	26,001
OTHER FUNDS.....	9,754	9,754	9,942
TOTAL ALL FUNDS	<u>\$ 1,007,415</u>	<u>\$ 1,082,788</u>	<u>\$ 1,038,293</u>

^a Appropriated as \$135,736,000 for General Government Operations and \$7,059,000 for Revenue Enforcement.

^b Appropriated as \$135,763,000 for General Government Operations and \$7,114,000 for Revenue Enforcement.

^c Authorized as part of the \$36,024,000 for General Operations, \$17,713,000 for Expanded Sales, and \$86,000 for Auditor General's Audit Costs.

^d Authorized as part of the \$38,211,000 for General Operations and \$18,755,000 for Expanded Sales.

^e Authorized as part of the \$36,024,000 for General Operations.

^f Authorized as part of the \$38,211,000 for General Operations.

^g Not added to the total to avoid double counting with the program expenditures from the Lottery Fund: 2008-09 Actual is \$48,500,000; 2009-10 Available is \$176,700,000; and 2010-11 Budget is \$165,900,000.

^h Not added to the total to avoid double counting with the program expenditures from the Compulsive and Problem Gambling Treatment Fund shown in the Department of Health: 2008-09 Actual is \$1,700,000; 2009-10 Available is \$2,471,000; and 2010-11 Budget is \$7,900,000 (including \$3,000,000 for Drug and Alcohol Treatment Services).

ⁱ Not added to the total to avoid double counting with the program expenditures from the Property Tax Relief Fund shown in the Department of Education: 2008-09 Actual is \$612,900,000; 2009-10 Available is \$613,200,000; and 2010-11 Budget is \$613,700,000.



Program Funding Summary

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
REVENUE COLLECTION AND ADMINISTRATION							
GENERAL FUND.....	\$ 153,492	\$ 168,077	\$ 171,679	\$ 173,229	\$ 160,179	\$ 158,529	\$ 147,879
SPECIAL FUNDS.....	511,518	551,969	521,969	538,943	543,491	550,646	556,660
FEDERAL FUNDS.....	0	342	0	0	0	0	0
OTHER FUNDS.....	37,988	55,375	35,943	35,943	35,943	35,943	35,943
SUBCATEGORY TOTAL.....	\$ 702,998	\$ 775,763	\$ 729,591	\$ 748,115	\$ 739,613	\$ 745,118	\$ 740,482
COMMUNITY DEVELOPMENT AND PRESERVATION							
GENERAL FUND.....	\$ 28,017	\$ 30,525	\$ 32,202	\$ 33,813	\$ 35,503	\$ 37,278	\$ 39,142
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
SUBCATEGORY TOTAL.....	\$ 28,017	\$ 30,525	\$ 32,202	\$ 33,813	\$ 35,503	\$ 37,278	\$ 39,142
HOMEOWNERS AND RENTERS ASSISTANCE							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	276,400	276,500	276,500	276,400	276,400	276,400	276,400
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
SUBCATEGORY TOTAL.....	\$ 276,400	\$ 276,500	\$ 276,500	\$ 276,400	\$ 276,400	\$ 276,400	\$ 276,400
ALL PROGRAMS:							
GENERAL FUND.....	\$ 181,509	\$ 198,602	\$ 203,881	\$ 207,042	\$ 195,682	\$ 195,807	\$ 187,021
SPECIAL FUNDS.....	787,918	828,469	798,469	815,343	819,891	827,046	833,060
FEDERAL FUNDS.....	0	342	0	0	0	0	0
OTHER FUNDS.....	37,988	55,375	35,943	35,943	35,943	35,943	35,943
DEPARTMENT TOTAL.....	\$ 1,007,415	\$ 1,082,788	\$ 1,038,293	\$ 1,058,328	\$ 1,051,516	\$ 1,058,796	\$ 1,056,024



Program: Revenue Collection and Administration (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
GENERAL FUND:							
General Government Operations	\$ 142,795	\$ 142,877	\$ 141,448	\$ 141,448	\$ 141,448	\$ 141,448	\$ 141,448
Commissions - Inheritance & Realty Transfer Taxes (EA)	6,337	7,000	6,431	6,431	6,431	6,431	6,431
Technology and Process Modernization....	<u>4,360</u>	<u>18,200</u>	<u>23,800</u>	<u>25,350</u>	<u>12,300</u>	<u>10,650</u>	<u>0</u>
TOTAL GENERAL FUND	<u>\$ 153,492</u>	<u>\$ 168,077</u>	<u>\$ 171,679</u>	<u>\$ 173,229</u>	<u>\$ 160,179</u>	<u>\$ 158,529</u>	<u>\$ 147,879</u>
MOTOR LICENSE FUND:							
Collections - Liquid Fuels Tax.....	\$ 14,211	\$ 14,842	\$ 15,218	\$ 15,218	\$ 15,218	\$ 15,218	\$ 15,218
Refunding Liquid Fuels Tax (EA)	<u>10,000</u>	<u>12,000</u>	<u>12,000</u>	<u>12,000</u>	<u>12,000</u>	<u>12,000</u>	<u>12,000</u>
TOTAL MOTOR LICENSE FUND.....	<u>\$ 24,211</u>	<u>\$ 26,842</u>	<u>\$ 27,218</u>				
LOTTERY FUND:							
General Operations (EA)	\$ 40,197	\$ 43,494	\$ 40,976	\$ 35,908	\$ 36,934	\$ 38,012	\$ 39,143
Lottery Advertising (EA).....	32,000	39,000	37,000	37,000	37,000	37,000	37,000
Property Tax Rent Rebate - General Operations (EA)	13,626	13,472	14,046	14,336	14,641	14,960	15,296
On-Line Vendor Commissions (EA).....	42,318	31,973	32,018	32,641	33,105	33,545	33,946
Instant Vendor Commissions (EA).....	19,852	25,977	22,132	22,447	22,927	23,584	24,101
Payment of Prize Money (EA)	<u>339,142</u>	<u>370,967</u>	<u>348,341</u>	<u>369,155</u>	<u>371,428</u>	<u>376,089</u>	<u>379,718</u>
TOTAL LOTTERY FUND.....	<u>\$ 487,135</u>	<u>\$ 524,883</u>	<u>\$ 494,513</u>	<u>\$ 511,487</u>	<u>\$ 516,035</u>	<u>\$ 523,190</u>	<u>\$ 529,204</u>
RACING FUND:							
Collections - State Racing (EA)	<u>\$ 172</u>	<u>\$ 244</u>	<u>\$ 238</u>				



PROGRAM OBJECTIVE: To equitably distribute the Public Utility Realty Tax to all reporting local taxing authorities.

Program: Community Development and Preservation

A 1968 amendment to the state constitution exempted public utilities from locally administered property taxes and authorized the collection of a similar statewide tax known as the Public Utility Realty Tax. The proceeds of the tax are distributed to each local taxing authority thereby providing local revenue while ensuring fair treatment for utilities. Act 4 of 1999 revised the definition of public utility property and specifically removed, after December 31, 1999, electricity generation facilities from the definition. This was done in conjunction with electric deregulation which opened market

competition and changed previous public utility definitions for power generation.

The distribution is based on the ratio between the total tax receipts of a local taxing authority and the total tax receipts of all reporting tax authorities. This ratio is then applied to the total amount of taxes that reporting authorities could have collected had they been able to directly tax public utility realty.

Program Recommendation:

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

Distribution of Public Utility Realty Tax
 \$ 1,677 —reflects normal fluctuations in tax assessments.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
GENERAL FUND:							
Distribution of Public Utility Realty Tax	\$ 28,017	\$ 30,525	\$ 32,202	\$ 33,813	\$ 35,503	\$ 37,278	\$ 39,142

PROGRAM OBJECTIVE: To increase economic stability by assisting eligible Pennsylvania citizens to maintain their homes.

Program: Homeowners and Renters Assistance

This program allows Pennsylvanians 65 years of age or older, surviving spouses over 50 and permanently disabled citizens 18 years of age or older to lead fuller lives by restoring a portion of their income through property tax and rent rebate assistance.

Act 53 of 1985 set the income ceiling for program eligibility at \$15,000 per household. The assistance declines from a maximum benefit of 100 percent of the tax or \$500 whichever is less. Act 30 of 1999 excludes 50 percent of Social Security Income and Railroad Retirement

Benefits from the income eligibility calculation. In 2008-09, the average tax assistance payment was \$451.76, and the average rent rebate was \$526.45.

Act 1 of Special Session No. 1 of 2006 dramatically expanded the Property Tax / Rent Rebate program to give more Pennsylvanians a rebate while also increasing the amounts of the rebates. The expansion includes increasing the household income limit from \$15,000 to \$35,000 and increasing the maximum rebate from \$500 to \$650.

Program Recommendation:

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

The authorization is recommended at the current year level funding.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
LOTTERY FUND:							
Property Tax & Rent Assistance for Older Pennsylvanians (EA).....	\$ 276,400	\$ 276,500	\$ 276,500	\$ 276,400	\$ 276,400	\$ 276,400	\$ 276,400



Program Measures

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Program: Revenue Collection and Administration							
Active accounts by tax type							
Corporation	338,602	335,000	345,000	345,000	345,000	345,000	345,000
Sales and Use	325,311	325,000	325,000	325,000	325,000	325,000	325,000
Employer	359,150	355,000	355,000	355,000	355,000	355,000	355,000
Personal Income Tax	6,304,567	5,950,000	5,950,000	5,950,000	5,950,000	5,950,000	5,950,000
Liquid Fuels	751	760	760	760	760	760	760
Motor Carrier - IFTA	12,236	11,500	11,000	11,000	11,000	11,000	11,000
Motor Carrier - Pennsylvania only	12,929	14,200	14,500	14,500	14,500	14,500	14,500
Personal Income Tax							
Returns Processed	6,386,695	5,950,000	5,950,000	5,950,000	5,950,000	5,950,000	5,950,000
Total electronic	3,544,248	3,275,000	3,375,000	3,475,000	3,575,000	3,675,000	3,775,000
Total paper	2,842,447	2,675,000	2,575,000	2,475,000	2,375,000	2,275,000	2,175,000
Pass Through Business (PTB) assessments							
Assessments as a result of PTB action (in millions)	\$107	\$19	\$19	\$19	\$19	\$19	\$19
Assessment collections as a result of PTB action (in millions)	\$30	\$14	\$14	\$14	\$14	\$14	\$14
Collections from delinquent accounts (in millions)	\$700	\$917	\$647	\$652	\$657	\$662	\$667
Delinquent taxes collected per dollar spent	\$11.18	\$13.78	\$13.78	\$13.78	\$13.78	\$13.78	\$13.78
Appeals filed with the Board of Appeals (all tax types)	24,861	23,845	23,185	23,185	23,185	23,185	23,185
Average time to close Board of Appeals cases (in days)	71	70	70	70	70	70	70
Electronic business tax registrations as a percentage of the total	82%	83%	84%	85%	86%	87%	88%
Taxpayer Service and Information Center calls answered	398,564	450,000	470,000	470,000	470,000	470,000	470,000
Use and Cigarette Tax							
Use Tax Compliance Program Collections	\$23,685,690	\$9,600,000	\$9,600,000	\$9,600,000	\$9,600,000	\$9,600,000	\$9,600,000
Expanded Cigarette Tax Inspections and Enforcement							
Increased annual direct collections from Cigarette Tax enforcement activity	\$5,486,185	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000
Billings from Cigarette Tax enforcement activity	12,410	3,853	3,853	3,853	3,853	3,853	3,853



Program Measures

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Business License Information							
Increase in delinquent tax collections	\$6,213,648	\$6,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000
Lottery Operations							
Lottery operating costs as a percentage of ticket sales (includes advertising and commissions)	3.62%	3.82%	2.94%	2.93%	2.93%	2.92%	2.91%
Lottery operating costs as a percentage of ticket sales (includes cost of lottery administration only)	0.70%	0.82%	1.30%	1.14%	1.17%	1.18%	1.20%
Program: Community Development and Preservation							
Taxing authorities receiving funds	2,978	3,017	3,017	3,017	3,017	3,017	3,017
Program: Homeowners and Renters Assistance							
Households provided property tax or rent assistance	562,838	591,000	591,000	591,000	591,000	591,000	591,000
Households applying by June 30	549,530	550,000	550,000	550,000	550,000	550,000	550,000
Rebates mailed by July 31	468,759	519,000	519,000	519,000	519,000	519,000	519,000



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SECURITIES COMMISSION

The mission of the Securities Commission is to protect Pennsylvania investors from fraudulent and abusive practices in the offer and sale of securities in the commonwealth and to foster legitimate capital formation activities to grow Pennsylvania businesses.



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Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2008-09 ACTUAL	2009-10 AVAILABLE	2010-11 BUDGET
GENERAL FUND:			
<i>General Government:</i>			
General Government Operations.....	\$ 1,782	\$ 1,400	\$ 1,386
(A)Consumer Protection	6,739	7,727	7,727
Subtotal - State Funds.....	\$ 1,782	\$ 1,400	\$ 1,386
Subtotal - Augmentations.....	6,739	7,727	7,727
Total - General Government.....	\$ 8,521	\$ 9,127	\$ 9,113
STATE FUNDS.....	\$ 1,782	\$ 1,400	\$ 1,386
AUGMENTATIONS.....	6,739	7,727	7,727
GENERAL FUND TOTAL.....	\$ 8,521	\$ 9,127	\$ 9,113



Program Funding Summary

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
SECURITIES INDUSTRY REGULATION							
GENERAL FUND.....	\$ 1,782	\$ 1,400	\$ 1,386	\$ 1,386	\$ 1,386	\$ 1,386	\$ 1,386
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	6,739	7,727	7,727	7,727	7,727	7,727	7,727
SUBCATEGORY TOTAL.....	\$ 8,521	\$ 9,127	\$ 9,113	\$ 9,113	\$ 9,113	\$ 9,113	\$ 9,113
ALL PROGRAMS:							
GENERAL FUND.....	\$ 1,782	\$ 1,400	\$ 1,386	\$ 1,386	\$ 1,386	\$ 1,386	\$ 1,386
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	6,739	7,727	7,727	7,727	7,727	7,727	7,727
DEPARTMENT TOTAL.....	\$ 8,521	\$ 9,127	\$ 9,113	\$ 9,113	\$ 9,113	\$ 9,113	\$ 9,113

PROGRAM OBJECTIVE: To reduce fraud and to protect public investors involved in securities transactions as well as to facilitate legitimate capital formation in the state.

Program: Securities Industry Regulation

The primary function of the Pennsylvania Securities Commission is to encourage the financing of legitimate business and industry in the commonwealth while protecting the investing public from fraudulent and unfair practices in the securities industry.

The commission protects the investing public through the registration and regulation of salespersons and companies dealing in securities. It also issues cease and desist orders to persons and corporations attempting to sell securities without approval, as well as pursuing prosecution of violators of the Pennsylvania Securities Act.

The commission works with other state, federal and independent regulatory agencies and the various stock exchanges to develop uniform filing requirements to

eliminate duplicative state and federal examination and registration requirements. The commission is increasing the use of information technology to monitor the offering and sale of securities via electronic means. Fees collected from the securities industry support compliance and enforcement activities, as well as a portion of ongoing operations of the commission.

Acts 125 through 132 (inclusive) of 2004 made changes to the Securities Code to clarify, expand and update language to be consistent with current federal statutes and the practices of the U.S. Securities and Exchange Commission. The acts also allow the Pennsylvania Securities Commission to enhance consumer protection operations and securities regulation.

Program Recommendations:

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

\$ -14 **General Government Operations**
—nonrecurring 2009-10 budgetary freeze amount.

Apropriations within this Program:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
GENERAL FUND:							
General Government Operations	\$ 1,782	\$ 1,400	\$ 1,386	\$ 1,386	\$ 1,386	\$ 1,386	\$ 1,386

Program Measures

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Program: Securities Industry Regulation							
Securities filings received	5,005	5,900	5,900	5,900	5,900	5,900	5,900
Securities filings cleared	4,955	5,750	5,750	5,750	5,750	5,750	5,750
Securities cleared for sale (in billions)	\$258,826	\$270,000	\$270,000	\$270,000	\$270,000	\$270,000	\$270,000
Broker-dealers registered	2,415	2,535	2,660	2,795	2,935	3,080	3,235
Agents registered	160,621	168,650	177,085	185,940	195,235	204,990	215,250
Investment advisers registered	2,618	2,750	2,885	3,030	3,180	3,340	3,510
Investment adviser representatives registered	11,006	11,550	12,135	12,740	13,380	14,050	14,750
Formal investigations conducted	124	102	104	106	108	110	112
Compliance examinations conducted	115	110	110	115	120	125	130
Enforcement/compliance actions	91	95	95	100	105	110	115



DEPARTMENT OF STATE

The mission of the Department of State is to monitor and enforce the standards of ethics and competence in a variety of areas, including professional licensure, corporate law, charitable solicitation, the electoral process and professional boxing and wrestling.

The Department of State is administered by the Secretary of the Commonwealth and includes the Bureau of Charitable Organizations, the Bureau of Commissions, Elections and Legislation, the Corporation Bureau, the State Athletic Commission, the Bureau of Enforcement and Investigation and the Bureau of Professional and Occupational Affairs, which provides support to 29 professional and occupational licensing boards.



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Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2008-09 ACTUAL	2009-10 AVAILABLE	2010-11 BUDGET
GENERAL FUND:			
<i>General Government:</i>			
General Government Operations.....	\$ 4,403	\$ 3,958	\$ 3,918
(F)Federal Election Reform.....	20,000	38,000	38,000
(F)Election Data Collection.....	2,000	1,490	0
(A)Departmental Services.....	0 ^a	0 ^a	0 ^a
(R)Professional and Occupational Affairs.....	32,318 ^b	35,113 ^b	38,800 ^b
(R)State Board of Medicine.....	8,409 ^b	8,345 ^b	6,393 ^b
(R)State Board of Osteopathic Medicine.....	1,349 ^b	1,449 ^b	973 ^b
(R)State Board of Podiatry.....	301 ^b	322 ^b	189 ^b
(R)State Athletic Commission.....	485 ^b	526 ^b	518 ^b
(R)Corporation Bureau (EA).....	4,589 ^c	4,721 ^c	4,983 ^c
Subtotal.....	<u>\$ 73,854</u>	<u>\$ 93,924</u>	<u>\$ 93,774</u>
Statewide Uniform Registry of Electors.....	6,752	4,500	4,400
Voter Registration.....	537	491	486
(F)Elections Assistance - Grants to Counties.....	2,205	2,242	2,242
Subtotal.....	<u>\$ 2,742</u>	<u>\$ 2,733</u>	<u>\$ 2,728</u>
Lobbying Disclosure.....	437	434	404
Electoral College.....	10	0	0
Subtotal - State Funds.....	\$ 12,139	\$ 9,383	\$ 9,208
Subtotal - Federal Funds.....	24,205	41,732	40,242
Subtotal - Restricted Revenues.....	47,451	50,476	51,856
Total - General Government.....	<u>\$ 83,795</u>	<u>\$ 101,591</u>	<u>\$ 101,306</u>
<i>Grants and Subsidies:</i>			
Voting of Citizens in Military Service.....	\$ 59	\$ 40	\$ 40
County Election Expenses (EA).....	267	725	400
Total - Grants and Subsidies.....	<u>\$ 326</u>	<u>\$ 765</u>	<u>\$ 440</u>
STATE FUNDS.....	\$ 12,465	\$ 10,148	\$ 9,648
FEDERAL FUNDS.....	24,205	41,732	40,242
RESTRICTED REVENUES.....	47,451	50,476	51,856
GENERAL FUND TOTAL.....	<u>\$ 84,121</u>	<u>\$ 102,356</u>	<u>\$ 101,746</u>
OTHER FUNDS:			
GENERAL FUND:			
Lobbying Disclosure (R).....	\$ 41	\$ 490	\$ 490
REAL ESTATE RECOVERY FUND:			
Real Estate Recovery Payments (EA).....	\$ 100	\$ 100	\$ 150



Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2008-09 ACTUAL	2009-10 AVAILABLE	2010-11 BUDGET
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 12,465	\$ 10,148	\$ 9,648
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	24,205	41,732	40,242
RESTRICTED.....	47,451	50,476	51,856
OTHER FUNDS.....	141	590	640
TOTAL ALL FUNDS.....	\$ 84,262	\$ 102,946	\$ 102,386

^a Not added to the total to avoid double counting: 2008-09 Actual is \$3,970,000, 2009-10 Available is \$4,773,000 and 2010-11 Budget is \$5,186,000.

^b Appropriated from restricted revenue account.

^c Executive Authorization from a restricted revenue account.



Program Funding Summary

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
CONSUMER PROTECTION							
GENERAL FUND.....	\$ 12,465	\$ 10,148	\$ 9,648	\$ 9,648	\$ 9,678	\$ 9,648	\$ 9,648
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	24,205	41,732	40,242	40,242	40,242	40,242	40,242
OTHER FUNDS.....	47,592	51,066	52,496	52,496	52,496	52,496	52,496
SUBCATEGORY TOTAL.....	\$ 84,262	\$ 102,946	\$ 102,386	\$ 102,386	\$ 102,416	\$ 102,386	\$ 102,386
ALL PROGRAMS:							
GENERAL FUND.....	\$ 12,465	\$ 10,148	\$ 9,648	\$ 9,648	\$ 9,678	\$ 9,648	\$ 9,648
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	24,205	41,732	40,242	40,242	40,242	40,242	40,242
OTHER FUNDS.....	47,592	51,066	52,496	52,496	52,496	52,496	52,496
DEPARTMENT TOTAL.....	\$ 84,262	\$ 102,946	\$ 102,386	\$ 102,386	\$ 102,416	\$ 102,386	\$ 102,386



PROGRAM OBJECTIVE: To protect the consumer from fraudulent solicitation and unqualified professional and occupational practitioners and establishments.

Program: Consumer Protection

The Department of State administers several program elements within the Consumer Protection program.

Program Element: Protection of the Electoral Process

This program element is directed toward ensuring efficiency, honesty and uniformity in the administration of the Election Code. Act 25 of 1995, the Pennsylvania Voter Registration Act, integrated voter registration into driver's license applications and made other voter registration changes to comply with the National Voter Registration Act. Nomination petitions for statewide and legislative offices are reviewed for compliance with statutory standards and are processed for inclusion on the ballot. Campaign expense reports are filed and reviewed as required by the Election Code. The public is provided the opportunity to review the reports. The department tabulates, publishes and disseminates statistics for both voter registration and all elections; it also serves as the repository of the maps and descriptions of the commonwealth's approximately 9,300 election precincts.

Act 61 of 2001 amended the Pennsylvania Voter Registration Act and requires the department to develop and maintain a Statewide Uniform Registry of Electors (SURE) – an integrated voter registration database containing all electors in the commonwealth. The act also created an advisory board to establish the requirements of a SURE system.

Other functions in this program include commissioning gubernatorial appointees to boards and commissions and preparing commissions for judges, magisterial district judges and notaries public, as well as enforcement of the Notary Public Law. In addition, a record of all legislation passed by the General Assembly is maintained by docketing the bills and assigning act numbers.

Act 134 of 2006, the Lobbying Disclosure Act, assigns registration and monitoring duties to the department. The act requires that the department receive filings and reports from lobbyists, make this information available to the public, have the information on a Web site, produce annual reports and a biennial directory, conduct audits and provide administrative assistance to the regulating committee.

Program Element: Protection of Professional Licensing

The focus of this program element is on assuring acceptable professional and technical services to the commonwealth's residents. To accomplish this, 29 boards of the Bureau of Professional and Occupational Affairs

utilize licensing, enforcement and administrative authority to regulate and service the various professions. The department investigates complaints against licensees for legal or ethical violations that may result in disciplinary action by the boards.

Mechanisms used in controlling the quality of practitioners include regulating education; experience and degree of technical expertise demonstrated through applications; and subsequent written examination and/or demonstrated practical ability. Requirements for continuing education also serve as a means of meeting the constantly changing developments in the various professions and occupations.

Act 124 of 1978 created a restricted Professional Licensure Augmentation Account enabling this program to be funded from fees and fines collected by the Bureau of Professional and Occupational Affairs. Thus, the bureau operates entirely out of restricted funds, considered for budgetary purposes as Other Funds, rather than from a General Fund appropriation.

Act 13 of 2002, the Medical Care Availability and Reduction of Error Act, further provides for medical malpractice liability insurance, tort reform, mandatory reporting by and to state licensing boards and continuing medical education.

Fees are revised according to the specific enabling legislation for each board.

Program Element: Regulation of Consumer Products and Promotion of Fair Business Practices

This program element encompasses the activities of the Corporation Bureau, the Bureau of Charitable Organizations and the State Athletic Commission.

The Corporation Bureau is responsible for both profit and nonprofit business incorporation filings and submission of Uniform Commercial Code (UCC) filings. There are approximately 2.6 million corporate entities in the database and the bureau processes approximately 144,000 new corporations annually. It also registers approximately 66,000 trademarks and fictitious names as well as 130,000 UCC filings annually. The primary goals of the Corporation Bureau are to make the registration process as efficient as possible and to enhance public access in order to promote a more favorable business climate within the commonwealth.

Act 198 of 1990 established a restricted account with funding levels to be executively authorized by the Governor to fund the Corporation Bureau.

The Bureau of Charitable Organizations is responsible for the registration of charitable organizations, professional

Program: Consumer Protection (continued)

fundraisers and solicitors, as well as regulation of the actual solicitation and distribution of collected funds. The major objective of the bureau is to increase the awareness and understanding of the Charitable Solicitations Act among Pennsylvania consumers and charitable organizations.

Act 55 of 1997 increased the number of charities required to register with the Department of State and established a system of mandatory arbitration to resolve complaints of unfair competition filed by small businesses against charities.

The State Athletic Commission monitors and regulates all professional and amateur boxing, kickboxing and mixed martial arts events, professional wrestling contests, and the licensing of all persons who participate in these events. The individual license categories include announcer, agent, boxer, judge, manager, matchmaker, physician, promoter (including those promoting professional wrestling), referee, second, timekeeper and trainer.

Program Recommendations:

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

\$	-40	General Government Operations —nonrecurring 2009-10 budgetary freeze amount.	\$	3,187	Professional and Occupational Affairs —to continue current program based on updated allocation of Board costs. 500 —to implement State Board of Nursing cost savings project.
					<i>Appropriation Increase</i>
			\$	-100	
		Statewide Uniform Registry of Electors —nonrecurring 2009-10 budgetary freeze amount.		\$	-1,952
		Voter Registration —nonrecurring 2009-10 budgetary freeze amount.			State Board of Medicine —to continue current program based on updated allocation of Board costs.
		Lobbying Disclosure —nonrecurring 2009-10 budgetary freeze amount.		\$	-476
		County Election Expenses (EA) —nonrecurring special elections costs.		\$	-133
					State Board of Osteopathic Medicine —to continue current program based on updated allocation of Board costs.
					State Board of Podiatry —to continue current program based on updated allocation of Board costs.
					State Athletic Commission —to continue current program.
					Corporation Bureau (EA) —to continue current program.
				\$	-8
					\$
				\$	262

Voting of Citizens in Military Service is recommended at the current year funding level.

This budget also recommends the following changes in appropriations and executive authorizations from restricted accounts:

Recommendations assume that fees for all boards will be sufficient to fund the recommended expenditure level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
GENERAL FUND:							
General Government Operations	\$ 4,403	\$ 3,958	\$ 3,918	\$ 3,918	\$ 3,918	\$ 3,918	\$ 3,918
Statewide Uniform Registry of Electors	6,752	4,500	4,400	4,400	4,400	4,400	4,400
Voter Registration	537	491	486	486	486	486	486
Lobbying Disclosure	437	434	404	404	404	404	404
Electoral College	10	0	0	0	10	0	0
Voting of Citizens in Military Service.....	59	40	40	40	60	40	40
County Election Expenses (EA)	267	725	400	400	400	400	400
TOTAL GENERAL FUND	\$ 12,465	\$ 10,148	\$ 9,648	\$ 9,648	\$ 9,678	\$ 9,648	\$ 9,648



Program Measures

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Program: Consumer Protection							
Electoral Process							
Voter registration transactions	1,500,000	990,000	990,000	1,000,000	1,500,000	1,000,000	1,000,000
Campaign finance reports filed online	3,600	3,700	3,800	3,900	4,000	4,100	4,100
Notary public commissions issued	27,000	27,500	28,000	28,500	29,000	29,500	30,000
Notary public commissions renewed*	26,500	27,000	27,000	27,500	27,500	28,000	28,000
Certifications and apostilles completed*	40,431	41,500	41,500	42,000	42,500	43,000	43,500
Commissions processed*	954	1,000	1,000	1,800	1,200	900	900
Professional Licensing							
Licenses and renewals processed	363,463	350,000	370,000	360,000	380,000	370,000	390,000
Cases opened	12,171	13,400	14,100	15,300	16,300	17,300	18,500
Cases closed	11,812	13,400	14,200	15,400	16,400	17,500	18,700
Disciplinary actions	3,162	3,300	3,400	3,600	3,800	4,000	4,200
Regulation packages proposed and enacted*	33	40	35	40	35	40	35
Enforcement and Investigation							
Inspections completed	17,777	18,000	19,000	19,000	19,000	19,400	19,400
Investigations opened	3,387	3,600	3,500	3,700	3,600	3,700	3,700
Investigations closed	3,718	3,800	3,800	3,800	3,800	3,900	3,900
Health Monitoring Program:							
Cases opened	1,475	1,477	1,600	1,750	1,900	1,950	2,000
Cases closed	1,470	1,400	1,550	1,700	1,850	1,900	1,900
Licensees who completed a recovery program*	196	170	180	185	190	195	200
Corporation Bureau							
Business entity and trademark filings*	109,928	112,000	114,000	117,000	119,000	121,000	124,000
Uniform Commercial Code filings*	116,442	119,000	121,000	124,000	126,000	129,000	131,000
Corporate and Uniform Commercial Code requests*	158,976	162,000	165,000	169,000	172,000	176,000	179,000
Charitable Organizations							
Charity registrations	10,190	10,800	11,000	11,100	11,300	11,500	11,600
Professional fundraiser registrations*	437	450	450	450	450	450	450
Professional fundraiser contract filings*	1,700	1,700	1,700	1,700	1,700	1,700	1,700
Investigations opened	300	300	300	300	300	300	300
Investigations closed	250	250	250	250	250	250	250



Program Measures

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
State Athletic Commission							
Professionals licensed	1,150	1,150	1,150	1,150	1,150	1,150	1,150
Boxing events (professional, amateur and kickboxing) and mixed martial arts events	122	150	150	150	150	150	150
Wrestling events	310	320	320	320	320	320	320

* New Program Measure



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STATE EMPLOYEES' RETIREMENT SYSTEM

The mission of the State Employees' Retirement System is to administer the retirement benefits plan for state employees and elected officials in accordance with Pennsylvania statutes; to provide effective services to all active and retired members; to accumulate, manage and disburse the retirement fund assets in accordance with fiduciary standards and at a reasonable cost to commonwealth taxpayers; and to maximize investment return while exercising a "prudent person" investment policy.

The State Employees' Retirement System is responsible for administering the State Employees' Retirement Fund and the supplemental retirement allowances and cost-of-living increases for annuitants. The system also administers the commonwealth Deferred Compensation Program.



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State Employees' Retirement System

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2008-09 ACTUAL	2009-10 AVAILABLE	2010-11 BUDGET
GENERAL FUND:			
<i>Grants and Subsidies:</i>			
National Guard - Employer Contribution.....	\$ 4	\$ 4	\$ 4
OTHER FUNDS:			
STATE EMPLOYEES' RETIREMENT FUND:			
State Employees' Retirement Administration.....	\$ 27,291	\$ 27,733	\$ 28,075
Directed Commissions.....	0	1,500	1,500
STATE EMPLOYEES' RETIREMENT FUND TOTAL.....	<u>\$ 27,291</u>	<u>\$ 29,233</u>	<u>\$ 29,575</u>
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 4	\$ 4	\$ 4
SPECIAL FUNDS.....	0	0	0
OTHER FUNDS.....	27,291	29,233	29,575
TOTAL ALL FUNDS.....	<u><u>\$ 27,295</u></u>	<u><u>\$ 29,237</u></u>	<u><u>\$ 29,579</u></u>



State Employees' Retirement System

Program Funding Summary

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
STATE EMPLOYEES' RETIREMENT							
GENERAL FUND.....	\$ 4	\$ 4	\$ 4	\$ 4	\$ 4	\$ 4	\$ 4
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	27,291	29,233	29,575	29,575	29,575	29,575	29,575
SUBCATEGORY TOTAL.....	\$ 27,295	\$ 29,237	\$ 29,579	\$ 29,579	\$ 29,579	\$ 29,579	\$ 29,579
ALL PROGRAMS:							
GENERAL FUND.....	\$ 4	\$ 4	\$ 4	\$ 4	\$ 4	\$ 4	\$ 4
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	27,291	29,233	29,575	29,575	29,575	29,575	29,575
DEPARTMENT TOTAL.....	\$ 27,295	\$ 29,237	\$ 29,579	\$ 29,579	\$ 29,579	\$ 29,579	\$ 29,579



State Employees' Retirement System

PROGRAM OBJECTIVE: To provide an effective administrative system for the operation of the retirement system for state employees.

Program: State Employees' Retirement

The State Employees' Retirement System was established to administer the pension system created in 1923. The State Employees' Retirement Fund uses contributions by the employees and the employing agencies and interest earnings for payment of annuities and disability benefits and for administration of the system. The State Employees' Retirement Fund is shown in the Other Special Funds Appendix.

The net assets available for benefits are in excess of \$22 billion dollars. The system is funded in accordance with generally accepted actuarial standards; the funding is reviewed annually by a contracted actuarial firm and an experience review is completed every five years.

The three major sources of current income for the system are earnings from investments and employer and member contributions. The employer contribution rate is established annually by the board upon the recommendation of the actuary. Employer contribution rates differ in accordance with the class of employees for which they are contributing. As a result of Act 9 of 2001, effective January 2002, most system members contribute 6.25 percent of pay to the

system, depending upon individual employee election of membership. Normal retirement from the system is at age 60, age 50 for safety employees and members of the Legislature or at any age with 35 years of service. Retirement before those times is possible after five years of service but is actuarially reduced to the equivalent of the annuity which would have been payable at superannuation retirement. Act 40 of 2003 changed the funding period for most of the system's actuarial liabilities from 10 years to 30 years, effectively spreading out the payment of its costs and liabilities. Act 8 of 2007 added a minimum employer contribution rate of 4 percent.

The State Employees' Retirement Board is responsible for the administration of the commonwealth's Deferred Compensation Program that allows commonwealth employees to defer a portion of their salaries to a retirement savings account. The Deferred Compensation Fund is shown in the Other Special Funds Appendix.

Program Recommendations:

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

STATE EMPLOYEES' RETIREMENT FUND
State Employees' Retirement Administration
 \$ 342 —to continue current program.

The National Guard-Employer Contribution appropriation is recommended at the current year funding level.

In addition, \$1,500,000 in Directed Commission expenditures will be used to support this program.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
GENERAL FUND:							
National Guard - Employer Contribution....	\$ 4	\$ 4	\$ 4	\$ 4	\$ 4	\$ 4	\$ 4
STATE EMPLOYEES' RETIREMENT FUND:							
State Employees' Retirement Administration	\$ 27,291	\$ 27,733	\$ 28,075	\$ 28,075	\$ 28,075	\$ 28,075	\$ 28,075
Directed Commissions.....	0	1,500	1,500	1,500	1,500	1,500	1,500
TOTAL STATE EMPLOYEES' RETIREMENT FUND.....	\$ 27,291	\$ 29,233	\$ 29,575	\$ 29,575	\$ 29,575	\$ 29,575	\$ 29,575



State Employees' Retirement System

Program Measures

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Program: State Employees' Retirement							
Retirement Counseling Sessions	8,000	10,000	10,000	10,000	10,000	10,000	10,000
Total number of retired employees	109,247	111,423	113,602	115,779	117,838	119,711	121,345
Total benefit payments (in billions)	\$2.20	\$2.40	\$2.50	\$2.70	\$2.80	\$3	\$3.20

Retirement counseling sessions is based upon a number of factors including membership demographics and pending or actual legislative changes. These estimates can be subject to significant fluctuation based on the interest level of the membership.





STATE POLICE

The mission of the State Police is to promote traffic safety, to investigate crime and reduce criminal activity and to provide investigative assistance and support services to all law enforcement agencies within the commonwealth. In addition, the State Police maintains and provides to criminal justice agencies up-to-date law enforcement information, continually evaluates the competence level of law enforcement within the commonwealth and provides prompt, competent service in emergency situations. The State Police ensures personal protection and security for the Governor and other persons designated by proper authority and enforces all other state statutes as directed by proper authority.



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Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

GENERAL FUND:

General Government:

	2008-09 ACTUAL	2009-10 AVAILABLE	2010-11 BUDGET
General Government Operations.....	\$ 165,397	\$ 170,994	\$ 173,326
(F)Drug Enforcement.....	1,000	1,500	1,500
(F)Motor Carrier Safety.....	13,377	12,898	13,768
(F)Combat Underage Drinking.....	0	0	150
(F)Area Computer Crime.....	8,985	15,500	10,000
(F)ARRA - Rural Law Enforcement.....	0	0 ^a	0
(F)ARRA - JAG Competitive Grant.....	0	0 ^b	0
(F)ARRA - COPS.....	0	0 ^c	0
(F)Law Enforcement Preparedness (EA).....	4,505	7,000	5,000
(F)Construction Zone Patrolling(EA).....	10,000	10,000	10,000
(F)Combat Underage Drinking(EA).....	173	115	150
(F)Pa Port Security Grant (EA).....	4,080	2,635	10,500
(F)Law Enforcement Projects (EA).....	1,584	3,500	2,500
(A)Turnpike Commission.....	35,661	34,500	34,500
(A)Sale of Automobiles.....	26	150	30
(A)Sale of Aircraft.....	321	0	0
(A)Criminal History Record Checks.....	8,596	9,000	8,750
(A)Training Fees.....	10	52	5
(A)Reimbursement for Services.....	4,625	2,700	2,700
(A)Fingerprint Record Checks.....	4,606	3,750	3,735
(A)Registry of Protection.....	127	140	135
(A)Littering Fines.....	36	30	30
(A)Credit Card Receipts.....	3,721	3,000	3,236
(A)Photographic Services.....	20	20	20
(A)Delaware River Toll Bridge.....	1,591	1,500	1,500
(A)Miscellaneous Revenue.....	1,995	0	151
Subtotal.....	<u>\$ 270,436</u>	<u>\$ 278,984</u>	<u>\$ 281,686</u>
Law Enforcement Information Technology.....	7,559^d	7,034	6,964
Municipal Police Training.....	4,582	1,223	1,103
(A)Admission Vouchers.....	164	0	0
Subtotal.....	<u>\$ 4,746</u>	<u>\$ 1,223</u>	<u>\$ 1,103</u>
Automated Fingerprint Identification System.....	937	937	928
Gun Checks.....	3,830	2,476	2,376
(R)Firearm Records Check.....	350	3,319	2,703
Subtotal.....	<u>\$ 4,180</u>	<u>\$ 5,795</u>	<u>\$ 5,079</u>
Subtotal - State Funds.....	\$ 182,305	\$ 182,664	\$ 184,697
Subtotal - Federal Funds.....	43,704	53,148	53,568
Subtotal - Augmentations.....	61,499	54,842	54,792
Subtotal - Restricted Revenues.....	350	3,319	2,703
Total - General Government.....	<u>\$ 287,858</u>	<u>\$ 293,973</u>	<u>\$ 295,760</u>
STATE FUNDS.....	\$ 182,305	\$ 182,664	\$ 184,697
FEDERAL FUNDS.....	43,704	53,148	53,568
AUGMENTATIONS.....	61,499	54,842	54,792
RESTRICTED REVENUES.....	350	3,319	2,703
GENERAL FUND TOTAL.....	<u>\$ 287,858</u>	<u>\$ 293,973</u>	<u>\$ 295,760</u>



Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2008-09 ACTUAL	2009-10 AVAILABLE	2010-11 BUDGET
<u>MOTOR LICENSE FUND:</u>			
<i>General Government:</i>			
General Government Operations.....	\$ 449,110	\$ 479,018	\$ 493,312
Law Enforcement Information Technology.....	20,439 ^e	19,709	19,821
Municipal Police Training.....	4,582	1,028	1,103
Patrol Vehicles.....	7,600	11,000	11,000
(A)Automobile Sales.....	0	2,000	2,000
Automated Fingerprint Identification System.....	92	92	92
Commercial Vehicles Inspection.....	5,924	8,053	8,127
(A)Sale of Vehicles.....	1	0	0
Subtotal.....	<u>\$ 487,748</u>	<u>\$ 520,900</u>	<u>\$ 535,455</u>
Subtotal - State Funds.....	\$ 487,747	\$ 518,900	\$ 533,455
Subtotal - Augmentations.....	1	2,000	2,000
Total - General Government.....	<u>\$ 487,748</u>	<u>\$ 520,900</u>	<u>\$ 535,455</u>
STATE FUNDS.....	\$ 487,747	\$ 518,900	\$ 533,455
AUGMENTATIONS.....	1	2,000	2,000
MOTOR LICENSE FUND TOTAL.....	<u>\$ 487,748</u>	<u>\$ 520,900</u>	<u>\$ 535,455</u>
<u>OTHER FUNDS:</u>			
GENERAL FUND:			
Seized/Forfeited Property - Federal.....	\$ 810	\$ 300	\$ 315
State Drug Act Forfeiture Funds.....	689	400	430
State Criminal Enforcement Forfeiture Funds.....	15	50	65
Crime Lab User Fees.....	472	300	600
Auto Theft and Arson Fund.....	1,928	1,975	2,666
Insurance Fraud Prevention.....	0	279	0
GENERAL FUND TOTAL.....	<u>\$ 3,914</u>	<u>\$ 3,304</u>	<u>\$ 4,076</u>
DNA DETECTION FUND:			
DNA Detection of Offenders(EA).....	\$ 1,891	\$ 1,891	\$ 1,891
STATE GAMING FUND:			
(R)Gaming Enforcement.....	\$ 14,228	\$ 16,636	\$ 19,536
STATE STORES FUND:			
Liquor Control Enforcement.....	\$ 23,177	\$ 24,834	\$ 25,252
Sale of Vehicles.....	36	0	0
STATE STORES FUND TOTAL.....	<u>\$ 23,213</u>	<u>\$ 24,834</u>	<u>\$ 25,252</u>
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 182,305	\$ 182,664	\$ 184,697
SPECIAL FUNDS.....	487,747	518,900	533,455
FEDERAL FUNDS.....	43,704	53,148	53,568
AUGMENTATIONS.....	61,500	56,842	56,792
RESTRICTED.....	350	3,319	2,703
OTHER FUNDS.....	43,246	46,665	50,755
TOTAL ALL FUNDS.....	<u>\$ 818,852</u>	<u>\$ 861,538</u>	<u>\$ 881,970</u>

^a Appropriated as \$24,000,000. The department received notification that federal funding was not awarded.

^b Appropriated as \$23,000,000. The department received notification that federal funding was not awarded.



Summary by Fund and Appropriation

- ^c Appropriated as \$15,000,000. The department received notification that federal funding was not awarded.
- ^d Appropriated as \$6,655,000 for Law Enforcement Information Technology and \$904,000 for Incident Information Management System.
- ^e Appropriated as \$17,995,000 for Law Enforcement Information Technology and \$2,444,000 for Incident Information Management System.



Program Funding Summary

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
PUBLIC PROTECTION AND LAW ENFORCEMENT							
GENERAL FUND.....	\$ 182,305	\$ 182,664	\$ 184,697	\$ 184,697	\$ 184,697	\$ 184,697	\$ 184,697
SPECIAL FUNDS.....	487,747	518,900	533,455	533,455	533,455	533,455	533,455
FEDERAL FUNDS.....	43,704	53,148	53,568	53,568	53,568	53,568	53,568
OTHER FUNDS.....	105,096	106,826	110,250	110,250	110,250	110,250	110,250
SUBCATEGORY TOTAL.....	\$ 818,852	\$ 861,538	\$ 881,970	\$ 881,970	\$ 881,970	\$ 881,970	\$ 881,970
ALL PROGRAMS:							
GENERAL FUND.....	\$ 182,305	\$ 182,664	\$ 184,697	\$ 184,697	\$ 184,697	\$ 184,697	\$ 184,697
SPECIAL FUNDS.....	487,747	518,900	533,455	533,455	533,455	533,455	533,455
FEDERAL FUNDS.....	43,704	53,148	53,568	53,568	53,568	53,568	53,568
OTHER FUNDS.....	105,096	106,826	110,250	110,250	110,250	110,250	110,250
DEPARTMENT TOTAL.....	\$ 818,852	\$ 861,538	\$ 881,970	\$ 881,970	\$ 881,970	\$ 881,970	\$ 881,970



PROGRAM OBJECTIVE: The State Police enforce the law and preserve the peace through detection of crime and apprehension of criminals, patrol of highways and enforcement of the Vehicle and Liquor Codes.

Program: Public Protection and Law Enforcement

Program Element: Management

This program element provides direction and coordination for all line and staff activities of the State Police, including administrative and overhead systems for the operation of various law enforcement programs. Protection for the Governor and visiting dignitaries, security of the executive residence and background investigations on state job applicants are also components of this program.

State-of-the-art technology continues to automate a broad range of State Police functions. The Commonwealth Law Enforcement Assistance Network (CLEAN) upgrade is on-schedule for completion in September 2010. CLEAN is used by the commonwealth's criminal justice agencies to access driver license and motor vehicle information, state and federal criminal history record information, protection from abuse orders, stolen items and wanted persons files, and a host of other services. CLEAN is Pennsylvania's conduit to the FBI's National Crime Information Center (NCIC), and to NLETS, the International Justice and Public Safety Network. When the project is completed, law enforcement across the commonwealth will have a new, much more functional interface to critical information. The department is also finalizing a contract to upgrade its Automated Fingerprint Identification System (AFIS) to increase capacity and meet the needs for fingerprint-based identification across the state.

In 2003, the Pennsylvania Criminal Intelligence Center (PaCIC) was implemented. The PaCIC provides analytical assistance to Pennsylvania law enforcement agencies. Trained, professional intelligence analysts supply law enforcement agencies with various intelligence/information products needed for tactical and strategic planning. Intelligence analysts also offer access to archived public information, investigative information and intelligence information from a multitude of statewide and national databases.

The State Police operational resources are coordinated through the Problem Specific Policing (PSP) initiative. The PSP is an incident analysis and police management tool that utilizes case data mapping with the goal of reducing traffic crashes and criminal activity. Its aim is to improve the quality of life of citizens. The PSP is built on the principles of accurate and timely statistical data, effective tactics, rapid deployments of existing resources and follow-up assessments.

Program Element: Vehicle Standards Control

The vehicle inspection program within the commonwealth is conducted jointly by the Department of Transportation

and the State Police. This program was established to provide vehicle safety through periodic inspection of motor vehicles and removal of unsafe vehicles from the commonwealth's highways. The administrative supervision of motor vehicle safety inspection stations, emissions inspection stations and motor vehicle dealers was transferred to the Department of Transportation on January 1, 1998. State Police continues to administer the school bus and mass transit vehicle inspection function and investigate complaints of improper practices by official inspection stations and motor vehicle dealers.

Program Element: Traffic Supervision

Enforcing the commonwealth's traffic laws is a major responsibility of the State Police. The department emphasizes reducing traffic crashes and bringing the motoring public into voluntary compliance with all traffic laws through patrol and enforcement activities. All police services and traffic enforcement is provided by the State Police in those municipalities where there are no full-time police departments and on interstate highways. Traffic assistance is also provided, upon request, to municipalities with full-time police departments.

The State Police utilizes various patrol and enforcement techniques; however, the very presence of visible police patrols continues to have the greatest impact on reducing traffic crashes. Supplemental patrolling is provided in construction zones for the safety of motorists and construction workers. Aircraft piloted by State Police troopers routinely monitor the speeds of vehicles on interstate and secondary highways. Aggressive drivers are targeted under the Pennsylvania Aggressive Driving Enforcement and Education Program. Enforcement efforts continue to be concentrated in areas identified by the Problem Specific Policing initiative.

The department continues the use of DUI Sobriety Checkpoints to combat drunk driving. Operation Nighthawk was initiated as a statewide training and enforcement program providing legal updates, development strategies and operational tactics combined with saturation DUI enforcement teams. Furthermore, the Checkpoint Strike Force Initiative is used as a DUI enforcement tool, as well as being a psychological deterrent to impaired driving. The program requires each of the 15 county Troops to conduct 40 sobriety checkpoints this year.

The Commonwealth Commercial Vehicle Enforcement Program is a responsibility of the Pennsylvania State Police, and its goal is to reduce commercial motor vehicle (CMV) involved crashes, fatalities, and injuries



Program: Public Protection and Law Enforcement (continued)

through consistent, uniform, and effective CMV safety programs. Enforcement of the federal motor carrier safety regulations is the responsibility of Commercial Vehicle Enforcement teams that are strategically located throughout the commonwealth. These regulations pertain to drivers, equipment, documents, loads and hazardous materials transportation. The federal regulations are applicable to both interstate and intra-state motor carrier vehicles. In addition to enforcing federal motor carrier safety regulations, State Police personnel also enforce the commonwealth's laws pertaining to the size and weight of commercial vehicles. This is accomplished through the use of a permanent weigh station along Interstate 80 in Clarion County and 25 Weigh-in-Motion Scales located along various commonwealth interstate highways.

In a program sponsored by the National Highway Traffic Safety Administration, 250 Pennsylvania State Troopers are currently certified as child passenger safety technicians. The State Police maintains permanent child safety fitting stations. Each station conducts inspections on a designated date at posted times at least once a month.

Program Element: Crime Prevention

Combating crime is not the responsibility of police alone. It requires the active, organized involvement of the public if any significant results are to be realized. The State Police crime prevention mission is to reduce the incidence of crime through citizen involvement and educational crime prevention techniques. This includes programs such as neighborhood crime watch groups, block parents, crime stoppers, and a new Business Tip Program developed to encourage the reporting of suspicious activity for follow-up investigation in support of the Homeland Security mission.

The State Police provides assistance to municipalities in suppression of violent crime through saturation patrols. The State Police work hand-in-hand with federal and local law enforcement officials to purge violent crime from urban neighborhoods. Community involvement and intelligence gathering are essential components of this operation.

The Citizens' Police Academy program offers a 10-12 week seminar providing members of the public with an opportunity to learn about various law enforcement issues and resources. Speakers from the Pennsylvania State Police and federal and local agencies discuss a wide range of law enforcement topics.

Program Element: Criminal Law Enforcement

The majority of State Police efforts in criminal law enforcement are performed at the station level and consist of investigations of violence and property crimes. At the statewide level, there are special investigations involving drugs and narcotics, organized crime, terrorism, white-collar crime, public corruption, arson, computer crime and criminal personality profiling.

State Police troopers, along with local, state and federal agencies, target major drug trafficking organizations utilizing a comprehensive strategy that involves intelligence gathering, financial background information, criminal investigation and asset forfeiture proceedings.

The Pennsylvania State Police oversee and coordinate the Pennsylvania Amber Alert System, a child abduction alert notification system. The Amber Alert utilizes the Emergency Alert System and the state's new "Alert-PA" Web site to inform the public of an abduction of a child under the age of 18, whom the police believe to be in danger of serious bodily harm or death.

The Computer Crime Unit provides investigative assistance to all local, state and federal law enforcement agencies in cases where a computer has been utilized for a criminal purpose. The unit is equipped with the newest technology, including a central forensic server that allows investigators to complete forensics from remote locations across the state. The Computer Crime Unit also provides educational information for local law enforcement agencies and prosecutors.

Program Element: Emergency Assistance

The State Police are normally called upon whenever any emergency situation occurs within the commonwealth. The department has primary police jurisdiction in 83 percent of the commonwealth's land area, comprising 27 percent of its population and also provides assistance to a variety of local and state agencies, particularly law enforcement agencies. The department classifies emergency assistance into two separate categories: civil disorder and emergency management.

Civil disorders are incidents that may become criminal in nature in such categories as prison disturbances, labor disorders, strikes, campus/school disorders, youth group disorders, terrorism and hostage situations. Emergency management deals with prevention, mitigation and response to natural or man-made hazards to prevent loss of life or property, economic loss and disruption of normal living conditions.

The Domestic Security Division (DSD), formed in October 2002, administers and coordinates numerous homeland and domestic security responsibilities. DSO has four primary missions: emergency planning and preparedness including pandemic and continuity of operations, liaison to the Governor's Office of Homeland Security, facility security for department installations, and risk and vulnerability assessments for facilities and critical infrastructures.

The Special Emergency Response Team (SERT) is comprised of carefully selected, uniquely trained and specially equipped troopers responsible for an incident-specific approach to high-risk and special emergency situations. Specially trained K-9 dog teams provide drug, arson and explosive detection during emergency incidents.



Program: Public Protection and Law Enforcement (continued)

The department's fleet of eight helicopters and six airplanes are frequently called upon to provide assistance during emergencies. The State Police have also established a Hazardous Device and Explosive Section as a response to bomb threats and similar security issues.

Program Element: Liquor Control and Gaming Enforcement

The Bureau of Liquor Control Enforcement directs and controls a coordinated enforcement effort toward violations of the Pennsylvania Liquor Code and related sections of the Crimes Code. Operations include covert and overt investigations, assisting municipal police agencies, conducting routine license investigations and performing establishment audits and border patrols. The State Police have implemented a high school and middle school education program to deter minors from using alcoholic beverages. The State Police also conduct the Enforcing the Underage Drinking Laws program to effect a change

in the culture of college students to reduce binge drinking and deglamorize underage drinking. The project consists of establishing partnerships with college administrators, college students, the alcohol industry and community members to determine and implement effective measures to reduce the harmful consequences caused by underage and binge drinking.

Act 71 of 2004, the Pennsylvania Race Horse Development and Gaming Act, authorized casino gaming in Pennsylvania and established the Gaming Control Board to regulate and oversee the implementation and operation of casino gaming activities within the commonwealth. The responsibilities of the Pennsylvania State Police under the act include investigating and prosecuting criminal infractions, conducting various background checks, and providing overall law enforcement services at Pennsylvania gaming facilities.

Program Recommendations:

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

<p>GENERAL FUND AND MOTOR LICENSE FUND COMBINED</p> <p>General Government Operations</p> <p>\$ 18,056 —to continue current program.</p> <p>5,147 —to fund a class of 100 cadets</p> <p>-6,577 —nonrecurring 2009-10 budgetary freeze amount.</p> <hr/> <p>\$ 16,626 <i>Appropriation Increase</i></p> <p>Law Enforcement Information Technology</p> <p>\$ 42 —to continue current program.</p> <p>Municipal Police Training</p> <p>\$ -45 —to continue current program.</p> <p>Automated Fingerprint Identification System</p> <p>\$ -9 —to continue current program.</p>	<p>Gun Checks</p> <p>\$ -100 —to continue current program.</p> <p>Commercial Vehicles Inspection</p> <p>\$ 74 —to continue current program.</p> <p>STATE STORES FUND</p> <p>Liquor Control Enforcement</p> <p>\$ 418 —to continue current program.</p> <p>STATE GAMING FUND</p> <p>Gaming Enforcement</p> <p>\$ 2,900 —to provide coverage at licensed gaming facilities.</p>
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Appropriations within this Program:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
GENERAL FUND:							
General Government Operations	\$ 165,397	\$ 170,994	\$ 173,326	\$ 173,326	\$ 173,326	\$ 173,326	\$ 173,326
Law Enforcement Information Technology	7,559	7,034	6,964	6,964	6,964	6,964	6,964
Municipal Police Training.....	4,582	1,223	1,103	1,103	1,103	1,103	1,103
Automated Fingerprint Identification System.....	937	937	928	928	928	928	928
Gun Checks.....	3,830	2,476	2,376	2,376	2,376	2,376	2,376
TOTAL GENERAL FUND	\$ 182,305	\$ 182,664	\$ 184,697	\$ 184,697	\$ 184,697	\$ 184,697	\$ 184,697



Program: Public Protection and Law Enforcement (continued)

Appropriations within this Program: (continued)

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
MOTOR LICENSE FUND:							
General Government Operations	\$ 449,110	\$ 479,018	\$ 493,312	\$ 493,312	\$ 493,312	\$ 493,312	\$ 493,312
Law Enforcement Information Technology	20,439	19,709	19,821	19,821	19,821	19,821	19,821
Municipal Police Training.....	4,582	1,028	1,103	1,103	1,103	1,103	1,103
Patrol Vehicles.....	7,600	11,000	11,000	11,000	11,000	11,000	11,000
Automated Fingerprint Identification System.....	92	92	92	92	92	92	92
Commercial Vehicles Inspection.....	5,924	8,053	8,127	8,127	8,127	8,127	8,127
TOTAL MOTOR LICENSE FUND.....	\$ 487,747	\$ 518,900	\$ 533,455	\$ 533,455	\$ 533,455	\$ 533,455	\$ 533,455
STATE STORES FUND:							
Liquor Control Enforcement.....	\$ 23,177	\$ 24,834	\$ 25,252	\$ 25,252	\$ 25,252	\$ 25,252	\$ 25,252

Program Measures

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Program: Public Protection and Law Enforcement							
Operations							
Sworn complement	4,677	4,677	4,699	4,699	4,699	4,699	4,699
Civilian complement	1,708	1,677	1,677	1,677	1,677	1,677	1,677
Percentage of commonwealth population served by the State Police	27%	27%	27%	27%	27%	27%	27%
Percentage of commonwealth highways/roadways patrolled by the State Police	63%	63%	63%	63%	63%	63%	63%
Percentage of commonwealth geographic area served by the State Police*	83%	83%	83%	83%	83%	83%	83%
Vehicle Traffic Supervision							
Motor vehicle crashes	78,771	77,570	76,410	75,230	74,050	72,860	71,680
Fatal motor vehicle crashes	674	665	655	645	635	625	615
Traffic citations issued	564,582	573,050	581,520	589,990	598,460	606,930	615,400
Written warnings issued for traffic violations	312,230	316,910	321,600	326,280	330,960	335,650	340,330
Child safety seat inspections conducted*	2,325	2,360	2,400	2,430	2,460	2,500	2,530
Traffic citations issued for occupant restraint violations*	12,993	13,190	13,380	13,550	13,770	13,970	14,160
DUI-related crashes*	4,610	4,540	4,470	4,400	4,330	4,260	4,190
DUI arrests	16,831	17,080	17,340	17,590	17,840	18,090	18,350
DUI sobriety checkpoints*	155	480	485	490	500	510	520
Roving DUI patrols*	658	670	680	690	700	710	720
Vehicle Standards Control							
Commercial vehicle safety inspections	75,657	76,790	77,930	79,060	80,190	81,330	82,460
Percentage of commercial vehicle safety inspections resulting in vehicles being placed out of service	13.20%	13.40%	13.60%	13.80%	14%	14.20%	14.40%
Criminal Law Enforcement and Crime Prevention							
Crimes per 100,000 population in State Police jurisdiction areas:							
Violent crimes per 100,000 population	125	124	125	120	115	115	110
Arrests for violent crimes per 100,000 population	46	47	47	48	48	49	50
Percentage of violent crimes cleared (i.e. cases solved and prosecuted or disposed of through other legal means)	66.60%	67.50%	68.50%	69.40%	70.40%	71.30%	72.20%
Crimes per 100,000 population in State Police jurisdiction areas:							



Program Measures

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Property crimes per 100,000 population	1,121	1,100	1,090	1,070	1,060	1,040	1,030
Arrests for property crimes per 100,000 population	298	300	305	310	315	320	325
Percentage of property crimes cleared (i.e. cases solved and prosecuted or disposed of through other legal means)	28.50%	28.90%	29.30%	29.70%	30.10%	30.50%	30.90%
CLEAN/NCIC confirmed responses (i.e. computer checks resulting in the identification of wanted persons, stolen property, etc.)	119,156	103,210	104,650	106,100	107,540	108,980	110,430
Enforcement and Investigation							
Drug offenses*	7,009	6,910	6,810	6,710	6,610	6,520	6,420
Drug-related arrests*	5,767	5,850	5,930	6,010	6,100	6,170	6,250
Clandestine Laboratory Response Team deployments for illegal drug manufacturing facilities (e.g. methamphetamine labs, etc.)	50	51	52	52	53	54	55
Domestic terrorism threat assessments conducted	26	26	27	27	28	28	28
Requests for Special Emergency Response Team (SERT)	117	122	124	125	127	128	130
Requests for Hazardous Device and Explosives Section services	218	221	224	227	230	233	236
Crime Lab							
Convicted offender DNA submissions*	25,529	23,390	23,720	24,050	24,370	24,700	25,030
DNA evidence submissions	2,016	2,090	2,110	2,140	2,170	2,200	2,230
Offenders identified through DNA evidence submissions	479	570	580	590	600	610	610
Fingerprint card submissions	639,887	648,850	657,800	666,760	675,720	684,680	693,640
Criminal cases solved through latent fingerprint comparison (i.e. identification of offenders through fingerprint evidence).	2,079	1,660	1,690	1,710	1,730	1,760	1,780
Background Checks							
Pennsylvania Instant Check System (PICS) firearms purchase background checks	681,516	691,060	700,600	710,140	719,680	729,220	738,760
Pennsylvania Instant Check System (PICS) firearms purchase initial denials	8,548	8,670	8,790	8,910	9,030	9,150	9,270
Crime and Terrorism Tip Lines							
Drug hotline tips	369	375	380	385	390	395	400
Credible drug hotline tips*	212	215	218	221	224	227	230
Terrorism hotline tips	408	415	420	425	430	440	445
Credible terrorism hotline tips*	180	183	185	188	190	193	196



Program Measures

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Liquor Control Enforcement							
Liquor law investigations	47,687	48,020	48,360	48,690	49,020	49,360	49,690
Routine liquor law inspections*	2,716	2,750	2,760	2,770	2,800	2,810	2,830
Liquor law violations*	14,708	14,610	14,500	14,400	14,300	14,200	14,100
Administrative citation letters issued for liquor law violations	3,143	3,120	3,100	3,080	3,060	3,030	3,010
Administrative warning letters issued for liquor law violations	2,836	2,820	2,800	2,780	2,760	2,740	2,720

* New Program Measure



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TAX EQUALIZATION BOARD

The mission of the State Tax Equalization Board is to provide an effective administrative system to assess taxable real property value which is the basis for an equitable distribution of tax funds to support education services.



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Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

2008-09 ACTUAL	2009-10 AVAILABLE	2010-11 BUDGET
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GENERAL FUND:

General Government:

General Government Operations.....	\$ 1,207	\$ 1,159	\$ 1,147
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Program Funding Summary

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
EDUCATION SUPPORT SERVICES							
GENERAL FUND.....	\$ 1,207	\$ 1,159	\$ 1,147	\$ 1,147	\$ 1,147	\$ 1,147	\$ 1,147
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
SUBCATEGORY TOTAL.....	\$ 1,207	\$ 1,159	\$ 1,147	\$ 1,147	\$ 1,147	\$ 1,147	\$ 1,147
ALL PROGRAMS:							
GENERAL FUND.....	\$ 1,207	\$ 1,159	\$ 1,147	\$ 1,147	\$ 1,147	\$ 1,147	\$ 1,147
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
DEPARTMENT TOTAL.....	\$ 1,207	\$ 1,159	\$ 1,147	\$ 1,147	\$ 1,147	\$ 1,147	\$ 1,147



PROGRAM OBJECTIVE: To provide an effective administrative system to assess taxable real property value which is the basis for an equitable distribution of tax funds to support education services.

Program: Education Support Services

The Tax Equalization Board is an independent administrative board created to ensure equitable distribution of tax funds among the state's school districts. The board, in accordance with Act 147 of 1947, determines annually the aggregate market value of taxable real property in each of the more than 2,500 municipalities and 500 school districts in the commonwealth and certifies the market value to the Secretary of Education. The results are used in determining distribution of state subsidies to

school districts and local libraries, limitations on real estate taxes in school districts located in more than one county, tax limitations in financing community colleges and overall tax limitations for political subdivisions and school districts. The program includes holding hearings and analyzing real estate values and transactions. Act 267 of 1982 requires the board to establish annually a common level ratio of assessed value to market value in each county for the prior calendar year.

Program Recommendations:

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

\$ -12 **State Tax Equalization Board**
 —nonrecurring 2009-10 budgetary freeze
 amount.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
GENERAL FUND:							
General Government Operations	\$ 1,207	\$ 1,159	\$ 1,147	\$ 1,147	\$ 1,147	\$ 1,147	\$ 1,147



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DEPARTMENT OF TRANSPORTATION

The mission of the Department of Transportation is to provide, through the active involvement of customers, employees and partners, services and a safe intermodal transportation system that attracts businesses and residents and stimulates Pennsylvania's economy.



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Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2008-09 ACTUAL	2009-10 AVAILABLE	2010-11 BUDGET
GENERAL FUND:			
<i>General Government:</i>			
Rail Freight and Intermodal Coordination	\$ 1,083 a	\$ 1,089	\$ 1,131
(F)FTA - Technical Studies Grants.....	4,465	4,465	4,465
(F)Surface Transportation Assistance.....	500	500	200
(F)FTA - Capital Improvement Grants.....	6,000	12,000	8,000
(F)Title IV Rail Assistance.....	36	36	36
(F)Maglev.....	5,000	5,000	10,000
Vehicle Sales Tax Collections	1,124	1,124	1,102
Voter Registration	360	300	300
Subtotal - State Funds.....	\$ 2,567	\$ 2,513	\$ 2,533
Subtotal - Federal Funds.....	16,001	22,001	22,701
Total - General Government	\$ 18,568	\$ 24,514	\$ 25,234
<i>Grants and Subsidies:</i>			
(F)TEA 21 - Access to Jobs.....	\$ 2,000	\$ 4,000	\$ 6,000
(F)New Freedom Job Access.....	2,000	0	0
(F)Surface Transportation - Operating.....	16,000	16,000	16,000
(F)Surface Transportation Assistance Capital.....	12,000	12,000	12,000
(F)FTA - Capital Improvements.....	25,000	25,000	25,000
(F)FTA - Hybrid Mass Transit Vehicles.....	15,000	15,000	14,000
(F)ARRA - Transit in Non-Urban Areas.....	25,000	30,000	25,000
(F)ARRA - National Railroad Passenger Corporation.....	25,000	50,000	50,000
(R)Technical Assistance - PTAF (EA).....	2,235	1,084	0
(F)Mid Atlantic Clean Diesel.....	0	220	0
(F)Rail Line Relocation.....	0	5,000	5,000
(F)ARRA - Supplemental Rail Freight Projects.....	0	90,000	90,000
(F)ARRA - High Speed Rail.....	0	75,000	75,000
(R)Community Transportation Equipment Grants - PTAF (EA).....	1,565	325	0
Rail Freight Assistance	9,153	8,500	9,500
Subtotal - State Funds.....	\$ 9,153	\$ 8,500	\$ 9,500
Subtotal - Federal Funds.....	122,000	322,220	318,000
Subtotal - Restricted Revenues.....	3,800	1,409	0
Total - Grants and Subsidies	\$ 134,953	\$ 332,129	\$ 327,500
STATE FUNDS.....	\$ 11,720	\$ 11,013	\$ 12,033
FEDERAL FUNDS.....	138,001	344,221	340,701
RESTRICTED REVENUES.....	3,800	1,409	0
GENERAL FUND TOTAL	\$ 153,521	\$ 356,643	\$ 352,734
MOTOR LICENSE FUND:			
<i>General Government:</i>			
General Government Operations	\$ 49,254	\$ 51,987	\$ 51,683
(F)Federal Aid - Intelligent Transportation System.....	1,721	0	0
(A)Reimbursement - Other Agencies.....	118	215	215
(A)Mass Transportation.....	108	0	0
(A)Duplicating Services.....	2	114	114
(A)Aviation Restricted Revenue.....	0	161	161
(A)Administrative Hearings.....	19	40	40
(A)Litter Fine Receipts.....	113	0	100
(A)Reimb Drug & Alcohol Testing.....	29	60	60
Welcome Centers	3,091	3,003	3,064
Subtotal.....	\$ 54,455	\$ 55,580	\$ 55,437



Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2008-09 ACTUAL	2009-10 AVAILABLE	2010-11 BUDGET
Highway and Safety Improvements	108,251	105,000	101,000
Expanded Highway and Bridge Program	465,000	465,000	477,500
Highway Capital Projects (EA)	206,000	201,000	205,000
(F)Highway Research, Planning and Construction.....	838,119	853,823	832,000
(A)Highway Construction Contributions.....	15,673	13,000	13,000
(A)Joint Use Leases.....	483	0	0
(A)Reimbursement - Other Agencies.....	174	0	0
(A)Intern Program - PHEAA Reimbursement.....	193	0	0
(A)Licensing Fees- Engineering Software.....	65	0	0
(A)Proceeds from sale of R/W.....	729	0	0
(A)Proceeds from bond sales.....	53,352	200,059	200,000
(R)Highway Capital Projects - Excise Tax (EA).....	71,820	74,298	70,879
(R)Highway Bridge Projects (EA).....	110,000	65,000	30,000
(A)Construction Contributions.....	1,860	2,741	2,800
(A)Reimbursements From Local Governments.....	126	200	200
(R)Bridges - Excise Tax (EA).....	55,733	56,597	53,872
(F)Federal Aid - Highway Bridge Projects.....	343,514	500,000	375,000
(F)ARRA - Highway Infrastructure Improvement.....	4,563	602,895	500,000
Highway Maintenance	826,227 ^b	764,379	765,379
Secondary Road - Maintenance and Resurfacing (EA)	61,354	63,143	61,040
Smoother Roads and Priority Bridges	11,990	0	0
Emergency Highway and Bridge Repair	1,354	0	0
Reinvestment - Facilities	12,300	12,000	12,000
(A)Reimbursements From Other State Agencies.....	37	0	0
(F)Highway Research, Planning and Construction.....	148,442	191,500	170,000
(F)State and Community Highway Safety.....	3,895	0	0
(F)Highway Safety - Maintenance (EA).....	4,000	4,000	4,000
(F)Federal Disaster Reimbursement - FHWA.....	5,185	12,500	12,500
(R)Highway Maintenance - Excise Tax (EA).....	179,784	185,909	173,943
(R)Highway Maintenance Enhancement (EA).....	263,130	272,668	256,785
(A)Highway Maintenance Contributions.....	9,159	19,665	20,000
(F)Disaster Recovery - FEMA.....	1,964	12,500	12,500
(A)Sale of Gas, Oil and Antifreeze.....	61	0	0
(A)Sale of Equipment.....	4,015	5,000	5,000
(A)Heavy Hauling - Bonded Roads.....	587	100	0
(A)Sale of Road Salt - Municipalities.....	1,743	0	0
(A)Accident Damage Claims.....	6,280	140	0
(A)Recovered Permit Compliance Cost.....	332	75	0
(A)Intern Program - PHEAA Reimbursement.....	323	20	0
Subtotal.....	<u>\$ 3,817,817</u>	<u>\$ 4,683,212</u>	<u>\$ 4,354,398</u>
Safety Administration and Licensing	117,842 ^c	126,939	124,365
(F)State and Community Highway Safety.....	0	700	0
(F)Highway Safety - Safety Administration (EA).....	300	500	500
(F)Motor Carrier Safety Improvement.....	1,685	2,266	2,266
(F)National Motor Vehicle Titling Information System.....	0	300	300
(F)REAL ID.....	0	3,212	3,212
(A)Administrative Support.....	53	135	135
(A)Photo ID Program.....	18,222	22,000	24,500
(A)Emission Mechanic Training Courses.....	41	60	60
(A)Vehicle Sales Tax Collections.....	0	0	0
(A)Reimbursement - Data Line Charges.....	109	300	300
(A)Reimbursements - Other Agencies.....	54	50	50
(A)Postage.....	386	542	480
(A)Reimbursement - Inspection Manuals.....	0	0	28
(A)Reimbursement - Dealer Forms.....	0	0	34
Subtotal.....	<u>\$ 138,692</u>	<u>\$ 157,004</u>	<u>\$ 156,230</u>
(R)Aviation Operations.....	4,689	4,116	4,134
(F)Aviation Planning (EA).....	866	516	500
(F)Airport Inspections (EA).....	30	30	30
(F)Small Community Air Service Development (EA).....	400	400	75
(F)Highway Planning and Construction - Intermodal (EA).....	0	400	0



Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2008-09 ACTUAL	2009-10 AVAILABLE	2010-11 BUDGET
(A)Reimbursement - Flight Operations.....	1,849	640	640
(A)Airport Inspections and Licensing.....	17	7	7
(A)Reimbursement - Statewide Program.....	1	60	60
Subtotal.....	\$ 7,852	\$ 6,169	\$ 5,446
Subtotal - State Funds.....	\$ 1,862,663	\$ 1,792,451	\$ 1,801,031
Subtotal - Federal Funds.....	1,354,684	2,185,542	1,912,883
Subtotal - Augmentations.....	116,313	265,384	267,984
Subtotal - Restricted Revenues.....	685,156	658,588	589,613
Total - General Government.....	\$ 4,018,816	\$ 4,901,965	\$ 4,571,511
Grants and Subsidies:			
Local Road Maintenance and Construction Payments.....	\$ 200,451	\$ 195,000	\$ 192,100
Supplemental Local Road Maintenance & Construction Payments.....	5,000	5,000	5,000
Municipal Roads and Bridges.....	30,000	30,000	30,000
Maintenance and Construction of County Bridges.....	5,000	5,000	5,000
Payment to Turnpike Commission (EA).....	28,000	28,000	28,000
(R)Local Road Payments - Excise Tax (EA).....	53,700	50,515	50,178
(R)Payments to Municipalities (EA).....	38,044	35,599	35,373
(R)Local Grants for Bridge Projects (EA).....	25,000	30,000	25,000
(A)Reimbursements From Local Governments.....	1	100	100
(R)County Bridges - Excise Tax (EA).....	4,538	10,000	10,000
(F)Federal Aid - Local Grants for Bridge Projects.....	955	1,100	1,100
(F)Federal Aid - County Bridges.....	42	200	200
(R)Toll Roads - Excise Tax (EA).....	64,226	59,733	60,136
(R)Annual Maintenance Payments - Highway Transfer (EA).....	18,944	19,016	18,752
(R)Restoration Projects - Highway Transfer (EA).....	8,000	8,000	8,000
(R)Airport Development.....	7,000	9,000	8,500
(F)Airport Development (EA).....	18,000	18,000	18,000
(R)Real Estate Tax Rebate.....	250	250	250
Subtotal.....	\$ 507,151	\$ 504,513	\$ 495,689
Subtotal - State Funds.....	\$ 268,451	\$ 263,000	\$ 260,100
Subtotal - Federal Funds.....	18,997	19,300	19,300
Subtotal - Augmentations.....	1	100	100
Subtotal - Restricted Revenues.....	219,702	222,113	216,189
Total - Grants and Subsidies.....	\$ 507,151	\$ 504,513	\$ 495,689
Refunds:			
Refunding Collected Monies (EA).....	\$ 2,500	\$ 2,500	\$ 2,500
Subtotal.....	\$ 2,500	\$ 2,500	\$ 2,500
STATE FUNDS.....	\$ 2,133,614	\$ 2,057,951	\$ 2,063,631
FEDERAL FUNDS.....	1,373,681	2,204,842	1,932,183
AUGMENTATIONS.....	116,314	265,484	268,084
RESTRICTED REVENUES.....	904,858	880,701	805,802
MOTOR LICENSE FUND TOTAL.....	\$ 4,528,467	\$ 5,408,978	\$ 5,069,700



Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2008-09 ACTUAL	2009-10 AVAILABLE	2010-11 BUDGET
LOTTERY FUND:			
<i>Grants and Subsidies:</i>			
Older Pennsylvanians Shared Rides (EA).....	\$ 77,850	\$ 80,186	\$ 81,500
Transfer to Public Transportation Trust Fund (EA).....	0 e	0 e	0 e
Total - Grants and Subsidies.....	\$ 77,850	\$ 80,186	\$ 81,500
LOTTERY FUND TOTAL.....	\$ 77,850	\$ 80,186	\$ 81,500
OTHER FUNDS:			
GENERAL FUND:			
Federal Grants - Railroad Freight Rehabilitation.....	\$ 0	\$ 200	\$ 200
Child Passenger Restraint Fund.....	37	100	100
GENERAL FUND TOTAL.....	\$ 37	\$ 300	\$ 300
MOTOR LICENSE FUND:			
Federal Reimbursements - Highway Safety Program.....	\$ 16,809	\$ 14,000	\$ 17,000
Reimbursements to Municipalities - Vehicle Code Fines.....	12,976	14,000	14,000
Federal Reimbursements - Flood Related Costs.....	0	2,000	0
Reimbursements to Other States- Apportioned Registration Plan.....	14,806	30,000	20,000
Federal Reimbursements - Bridge Projects.....	74,713	70,000	70,000
Motorcycle Safety Education.....	3,541	5,500	4,000
Federal Reimbursements - Political Subdivisions.....	105,712	110,000	110,000
License and Registration Pickups.....	0	15	15
CDL- Hazadous Material Fees.....	453	700	700
Local Share - Highway & Bridge Projects.....	777	0	1,200
MOTOR LICENSE FUND TOTAL.....	\$ 229,787	\$ 246,215	\$ 236,915
HIGHWAY BEAUTIFICATION FUND:			
Control of Junkyards (EA).....	\$ 15	\$ 15	\$ 15
Control of Outdoor Advertising (EA).....	700	700	700
HIGHWAY BEAUTIFICATION FUND TOTAL.....	\$ 715	\$ 715	\$ 715
INFRASTRUCTURE BANK FUND:			
Infrastructure Bank Loans (EA).....	\$ 30,000	\$ 30,000	\$ 30,000
LIQUID FUELS TAX FUND:			
Payments to Counties.....	\$ 0	\$ 32,950	\$ 29,914
Auditor General's Audit Costs (EA).....	500	500	500
LIQUID FUELS TAX FUND TOTAL.....	\$ 500	\$ 33,450	\$ 30,414
MOTOR VEHICLE TRANSACTION RECOVERY FUND:			
Reimbursement to Transportation.....	\$ 0	\$ 90	\$ 80
PUBLIC TRANSPORTATION ASSISTANCE FUND:			
Mass Transit (EA).....	\$ 175,046	\$ 170,447	\$ 169,690
Transfer to Public Transportation Trust Fund (EA).....	0 f	0 f	0 f
PUBLIC TRANSPORTATION ASSISTANCE FUND TOTAL.....	\$ 175,046	\$ 170,447	\$ 169,690
PUBLIC TRANSPORTATION TRUST FUND:			
Mass Transit Operating (EA).....	\$ 704,403	\$ 696,161	\$ 709,992
Asset Improvement (EA).....	74,890	127,230	129,733
Capital Improvement (EA).....	23,787	28,625	11,849
Programs of Statewide Significance (EA).....	51,147	49,803	47,921
Transit Administration and Oversight (EA).....	4,513	4,513	4,431
PUBLIC TRANSPORTATION TRUST FUND TOTAL.....	\$ 858,740	\$ 906,332	\$ 903,926



Summary by Fund and Appropriation

DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$	11,720	\$ 11,013 \$ 12,033
SPECIAL FUNDS.....		2,211,464	2,138,137 2,145,131
FEDERAL FUNDS.....		1,511,682	2,549,063 2,272,884
AUGMENTATIONS.....		116,314	265,484 268,084
RESTRICTED.....		908,658	882,110 805,802
OTHER FUNDS.....		1,294,825	1,387,549 1,372,040
TOTAL ALL FUNDS.....		<u>6,054,663</u>	<u>7,233,356</u> <u>6,875,974</u>

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- ^a Appropriated as \$833,000 for Rail Freight and Intermodal Coordination and \$250,000 for Transit and Rail Freight Operations.
 - ^b Appropriated as \$803,240,000 for Highway Maintenance, \$14,700,000 for Highway Systems Technology and \$8,287,000 for Highway Maintenance Safety Projects.
 - ^c Appropriated as \$117,421,000 for Safety Administration and Licensing and \$421,000 for Homeland Security - Personal ID.
 - ^d Not added to the total to avoid double counting: 2008-09 Actual is \$1,124,000, 2009-10 Available is \$1,124,000, 2010-11 Budget is \$1,102,000.
 - ^e Not added to the total to avoid double counting: 2008-09 Actual is \$82,160,000, 2009-10 Available is \$86,597,000, 2010-11 Budget is \$88,199,000.
 - ^f Not added to the total to avoid double counting: 2008-09 Actual is \$16,544,000, 2009-10 Available is \$16,153,000, 2010-11 Budget is \$17,110,000.



Program Funding Summary

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
TRANSPORTATION SUPPORT SERVICES							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	51,754	54,487	54,183	54,183	54,183	54,183	54,183
FEDERAL FUNDS.....	1,721	0	0	0	0	0	0
OTHER FUNDS.....	879	1,390	1,490	1,490	1,490	1,490	1,490
SUBCATEGORY TOTAL.....	\$ 54,354	\$ 55,877	\$ 55,673	\$ 55,673	\$ 55,673	\$ 55,673	\$ 55,673
HIGHWAYS AND BRIDGES							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	1,723,567	1,641,525	1,652,983	1,690,783	1,743,883	1,797,383	1,851,183
FEDERAL FUNDS.....	1,349,682	2,177,218	1,906,000	1,906,000	1,906,000	1,906,000	1,906,000
OTHER FUNDS.....	887,409	999,920	934,330	926,330	926,330	926,330	923,330
SUBCATEGORY TOTAL.....	\$ 3,960,658	\$ 4,818,663	\$ 4,493,313	\$ 4,523,113	\$ 4,576,213	\$ 4,629,713	\$ 4,680,513
LOCAL HIGHWAY AND BRIDGE ASSISTANCE							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	240,451	235,000	232,100	232,100	232,100	232,100	232,100
FEDERAL FUNDS.....	997	1,300	1,300	1,300	1,300	1,300	1,300
OTHER FUNDS.....	342,905	380,680	373,017	371,230	368,403	368,767	369,223
SUBCATEGORY TOTAL.....	\$ 584,353	\$ 616,980	\$ 606,417	\$ 604,630	\$ 601,803	\$ 602,167	\$ 602,623
INTERMODAL TRANSPORTATION							
GENERAL FUND.....	\$ 10,236	\$ 9,589	\$ 10,631	\$ 10,631	\$ 10,631	\$ 10,631	\$ 10,631
SPECIAL FUNDS.....	77,850	80,186	81,500	81,500	81,500	81,500	81,500
FEDERAL FUNDS.....	157,297	363,567	359,306	359,306	119,306	119,306	119,306
OTHER FUNDS.....	1,051,392	1,094,461	1,087,407	1,110,945	1,122,148	1,133,470	1,145,061
SUBCATEGORY TOTAL.....	\$ 1,296,775	\$ 1,547,803	\$ 1,538,844	\$ 1,562,382	\$ 1,333,585	\$ 1,344,907	\$ 1,356,498
SAFETY ADMINISTRATION AND LICENSING							
GENERAL FUND.....	\$ 1,484	\$ 1,424	\$ 1,402	\$ 1,402	\$ 1,402	\$ 1,402	\$ 1,402
SPECIAL FUNDS.....	117,842	126,939	124,365	124,365	124,365	124,365	124,365
FEDERAL FUNDS.....	1,985	6,978	6,278	6,278	6,278	6,278	6,278
OTHER FUNDS.....	37,212	58,692	49,682	49,682	49,682	49,682	49,682
SUBCATEGORY TOTAL.....	\$ 158,523	\$ 194,033	\$ 181,727	\$ 181,727	\$ 181,727	\$ 181,727	\$ 181,727
ALL PROGRAMS:							
GENERAL FUND.....	\$ 11,720	\$ 11,013	\$ 12,033	\$ 12,033	\$ 12,033	\$ 12,033	\$ 12,033
SPECIAL FUNDS.....	2,211,464	2,138,137	2,145,131	2,182,931	2,236,031	2,289,531	2,343,331
FEDERAL FUNDS.....	1,511,682	2,549,063	2,272,884	2,272,884	2,032,884	2,032,884	2,032,884
OTHER FUNDS.....	2,319,797	2,535,143	2,445,926	2,459,677	2,468,053	2,479,739	2,488,786
DEPARTMENT TOTAL.....	\$ 6,054,663	\$ 7,233,356	\$ 6,875,974	\$ 6,927,525	\$ 6,749,001	\$ 6,814,187	\$ 6,877,034



PROGRAM OBJECTIVE: To provide an effective administrative system supporting both non-highway and highway transportation programs.

Program: Transportation Support Services

This program provides for administrative and overhead services that support the operation of programs necessary for the achievement of commonwealth objectives and strategic focus areas.

Highway-related activities include developing basic guidelines for all highway programs. This includes directing and coordinating specific construction, maintenance and safety and licensing activities. Support is also provided in legal counsel, budget, policy, personnel, procurement, information systems and public relations matters. The work of the Inspector General's Office, the State Transportation Commission and the Transportation Advisory Committee is also included here.

The non-highway related activities include providing administrative coordination, planning and support for all urban, rural and intercity mass transit and rail freight transportation. This program also provides oversight of the Public Transportation Assistance Fund created by Act 26 of 1991 and the Public Transportation Trust Fund created by Act 44 of 2007. To promote efficient and effective urban

mass transit, the program conducts analyses of local transit operations and procedures, coordination and funding of urban planning and study projects and reviews of local operating subsidy and capital grant projects. Activities designed to continue and improve rail and bus service between Pennsylvania's urbanized areas and bus service in rural areas include preparing and coordinating needs studies, analyzing existing and proposed service levels and evaluating the overall effectiveness of the program.

Also funded within this program are various initiatives to pilot and test new technologies, material and equipment to achieve a broad range of goals including improved traffic congestion and safety, longer life cycles for pavements and road markings and improved efficiency in winter maintenance operations. The Agility program, which fosters new, innovative road improvements through interaction between the department and local governments, is being expanded to include metropolitan and rural road networks.

Program Recommendations:

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

MOTOR LICENSE FUND
General Government Operations
 \$ -304 —reduction in administrative costs.

Refunding Collected Monies is recommended at the current year funding level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
MOTOR LICENSE FUND:							
General Government Operations	\$ 49,254	\$ 51,987	\$ 51,683	\$ 51,683	\$ 51,683	\$ 51,683	\$ 51,683
Refunding Collected Monies (EA)	2,500	2,500	2,500	2,500	2,500	2,500	2,500
TOTAL MOTOR LICENSE FUND.....	\$ 51,754	\$ 54,487	\$ 54,183	\$ 54,183	\$ 54,183	\$ 54,183	\$ 54,183



PROGRAM OBJECTIVE: To provide a safe and efficient state-administered highway network through road and bridge improvements, as well as through ongoing maintenance activities including winter traffic services.

Program: Highways and Bridges

Program Element: Highway and Bridge Construction/Reconstruction

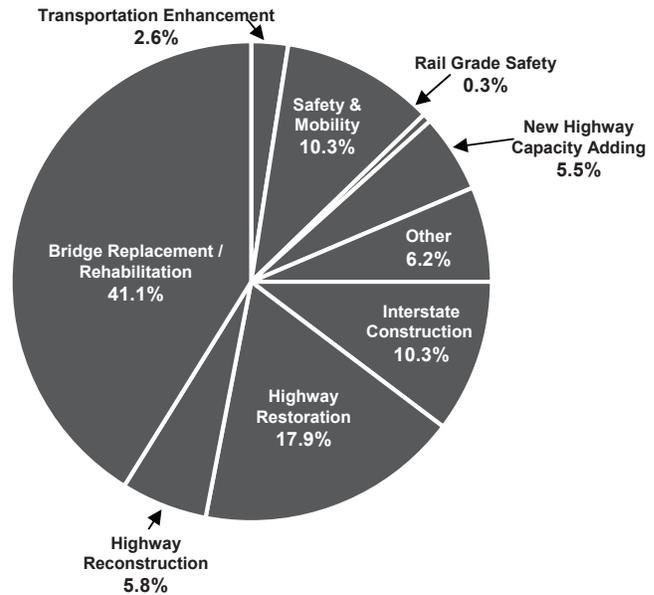
This program contributes to the economic vitality of the commonwealth and to the mobility of its residents through major construction or reconstruction of highways and bridges on the state-owned network.

Work is performed on heavily traveled interstate and primary routes, as well as on state roads and bridges that are not part of the federal aid system. With funding available from federal aid, local construction contributions and state revenues, the Department of Transportation has the responsibility of developing and executing a program that will correct the most critical deficiencies on the state-administered roadway network, including projects to enhance safety and mobility.

Recognizing the importance of highway bridges to Pennsylvania's transportation infrastructure, the General Assembly created a special bridge program in Act 234 of 1982. Projects to rehabilitate and replace structures are listed in the Highway, Railroad and Highway Bridge Capital Budget Act for 1982-1983 and its subsequent amendments. Currently, the commonwealth maintains approximately 25,000 state-owned bridges that are more than eight feet in length.

Decisions on regional allocations and project selection for construction and reconstruction investments are determined through two public processes. State law (Act 120 of 1970) requires that a Twelve-Year Transportation program be developed and updated every two years. The Twelve-Year program is divided into three four-year sections with projects in the first four years of the Twelve-Year program considered to be "active" projects. Federal surface transportation legislation that authorizes grants to states also addresses planning, program development and management. This federal legislation and its implementing regulations require regional Metropolitan and Rural Transportation Planning Organizations to be partners in the development of fiscally constrained transportation programs. The department, the State Transportation Commission and the Metropolitan and Rural Transportation Planning Organizations closely coordinate public input and public comment efforts during the biennial transportation program update. All regionally developed Transportation Improvement programs are combined to form the federally mandated Statewide Transportation Improvement program, which is then considered to be the first four-year segment of the commonwealth's Twelve-Year Transportation

Current Four-Year Project Distribution
(October 2008 – September 2012)



program. This constitutes a mutually agreed upon list of priority projects for each region of Pennsylvania.

A base level of state highway and bridge improvement activity is funded by annual appropriations from the Motor License Fund. These appropriations are supplemented by a series of dedicated revenue sources approved by the General Assembly. The first of these was created in Act 234 of 1982, which established a separate account within the Motor License Fund to be used exclusively for highway bridge rehabilitation and replacement. Bridge improvements are funded through a portion of the annual registration fees for commonwealth-registered vehicles having a gross weight in excess of 26,000 pounds and through a 55 mill Oil Company Franchise Tax. Additional dedicated revenue sources were provided in Act 26 of 1991 and Act 3 of 1997. The Act 26 Oil Company Franchise Tax is allocated among several programs including a portion for state highway and bridge improvement and a portion for bridge rehabilitation and replacement. Most of the Act 3 vehicle registration fee increases are directed toward state highway and bridge improvement. The Pennsylvania Turnpike Commission receives funding from both Act 26 and Act 3 for use on toll road expansion projects.

Act 44 of 2007 provides additional revenue for this program from a lease agreement with the Pennsylvania

Program: Highways and Bridges (continued)

Turnpike Commission. The legislation specifies that funding be provided each fiscal year for an expanded highway and bridge program. These revenues are deposited in the Motor License Fund and will be appropriated annually by the General Assembly. All funds will be spent for project work with priority on preserving and rehabilitating bridges, resurfacing roadways, improving safety and using technology to improve traffic operations.

Program Element: State Highway and Bridge Maintenance

Pennsylvania, with the fifth largest state-owned roadway network in the nation, experiences high volumes of interstate traffic and is subject to severe winter weather. These factors contribute to significant highway and bridge maintenance challenges.

Road and bridge repairs, as well as preventive maintenance activities that prolong the useful life of existing infrastructure, are performed by department forces or by private contractors. Roadway treatments range from crack sealing and patching to more extensive surface treatment that may include resurfacing, stabilization and lower-cost betterment projects. Bridge activity ranges from deck washing and cleaning drainage outlets to repair and preventive maintenance of deck surface and structural components.

The department emphasizes durable resurfacing of high-volume routes that serve interstate and regional commerce, intermodal transportation facilities and major population centers. Bridge activities focus on ensuring the safety of the motoring public and minimizing closures or weight restrictions by performing repairs and preservation work. Winter snow and ice control require considerable resources to keep routes under the jurisdiction of the department in a safe and passable condition. Other routine maintenance and betterment work includes safety improvements such as skid resistant pavement applications, left turn lanes, intersection sight improvements, shoulder and curve upgrades and guiderail updates. Maintenance work not directly involved with the roadway surface itself includes activities such as pipe replacement, ditch cleaning, mowing, vegetation control and tree trimming.

Unscheduled maintenance services must be performed in response to flooding, wind storms, landslides, sinkholes and similar acts of nature. These include clean-up and repair of storm damage, which can range from isolated low-cost work to significant restoration projects across many counties. An event that is declared a national disaster becomes eligible for federal assistance, which typically

covers about half of the total costs incurred. Owners of motor vehicles that cause damage to bridges, guiderails or other transportation assets are required to reimburse the maintenance program for the costs incurred as a result of an accident.

The condition of highways and bridges is monitored on an ongoing basis to ensure safety and to assess needs. Highway pavement conditions on the National Highway System are reviewed each year while less traveled routes are evaluated every other year. Under the National Bridge Inspection Standards program, the commonwealth is responsible for reporting the status of all Pennsylvania highway bridges greater than 20 feet in length. Bridges must be inspected at least every two years, but more frequent inspections are scheduled as warranted by the condition of individual structures. The department conducts a bridge inspection training and certification program while contracting with an external consultant to certify and enhance the quality of inspections. Some local bridges are inspected by the department, and the cost is deducted from Motor License Fund grants to these political subdivisions as has been authorized by the General Assembly.

The department issues special permits to truck operators for the use of certain highways and bridges with weight or operating restrictions. By issuing these permits, the department is able to facilitate the movement of goods over Pennsylvania's roadways without adversely affecting the structural integrity of highways and bridges or the safe and convenient passage of traffic.

An accident analysis program uses computer programs to identify those highway locations that have experienced statistically more accidents than similar roads with similar traffic volumes. Another program identifies locations that have had an inordinate number of accidents in which vehicles ran off the road or hit fixed objects. These programs provide a systematic means of selecting the highest priority sites for maintenance and reconstruction work.

A base level of state highway and bridge maintenance activity is funded by ongoing annual appropriations from the Motor License Fund. These appropriations are supplemented by a dedicated share of Oil Company Franchise tax rate increases enacted in Act 26 of 1991 and in Act 3 of 1997. In addition, the General Assembly has approved special maintenance-related appropriations for accelerated restoration, preventive maintenance and emergency repair based on the financial status of the Motor License Fund.

Program: Highways and Bridges (continued)

Program Recommendations:

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

\$ -4,000	<p>Highway and Safety Improvement —to continue current program. New highway construction and reconstruction focuses on projects that will spur economic development. Key projects expected to be under construction in 2010-11 include the reconstruction of Asbury Road from 12th to 26th streets in Erie County, reconstruction of Broadway Avenue from SR 718 to Negley Street in Mercer County, Whitehall Road & University Drive in Centre County, reconstruction of US 11 in Berwick Columbia County, widening of Hazleton Airport Road in Luzerne County, resurfacing of Frankstown Road in the City of Johnstown Cambria County, restoration of US 30 from US 522 to Lincoln Way East in Fulton County, widening of PA 28 from 31st Street Bridge to Millvale Intersection in the City of Pittsburgh, Allegheny County, widening of County Line Road from US 202 to Stump Road in Bucks County, and new construction of Marshalls Creek Bypass in Monroe County.</p> <p>Another priority is the preservation of the Interstate Highway System. During 2010-11 key projects in this area will include I-78 reconstruction near Lenhartsville in Berks County, I-81 resurfacing from Frackville to Mahanoy City in Schuylkill County, reconstruction and widening of I-95 from Cottman to Princeton in the City of Philadelphia, I-376 restoration from Churchhill to Monroeville in Allegheny County, and reconstruction of the I-79 & I-70 interchange in Washington County.</p>	<p>Bridge in Juniata County, I-84 Delaware River Bridge Rehabilitation in Pike County, construction of new bridge over Amtrak on Eby Chiques Road in Lancaster County, construction of two new one way bridges over Norfolk Southern rail line at 9th and 10th Streets in Lebanon City in Lebanon County, rehabilitation of I-83 bridges over PA Turnpike in York County, rehabilitation of Mulberry Street Bridge in Harrisburg in Dauphin County, rehabilitation of New York Avenue bridge over Rochester Street, Norfolk Southern Railroad and Harrison Street in Rochester in Beaver County, preservation of Veterans Bridge (I-579) in the City of Pittsburgh in Allegheny County, and replacement of the Masontown Bridge over the Monongahela River between Fayette and Greene Counties.</p>
	<p>Expanded Highway and Bridge Program —funding is provided by Act 44 of 2007 and the associated lease agreement with the Pennsylvania Turnpike Commission.</p> <p>Major projects expected to start in Fiscal Year 2010-11 include SR 1011 (North Street) bridge over Susquehanna River in Wilkes-Barre in Luzerne County, I-83 Exit 10 interchange improvements in York County, restoration of I-99 from milepost 17 to East Freedom interchange in Blair County, rehabilitation of US 22 from PA 271 to Pike Road in Cambria County, rehabilitation of PA 48 Boston Bridge over Youghiogheny River in Allegheny County, PA 224 State Street Bridge over Mahoning River in Lawrence County, and replacement of the Trafford Bridge (PA 130) over Turtle Creek in Trafford Westmoreland County.</p> <p>Future projects will be determined by available Act 44 funds and through the metropolitan and rural planning organization process with the update of their 4-year Transportation Improvement Programs.</p>	
\$ 4,000	<p>Highway Capital Projects (EA) —to continue current program. This line item supplements the Highway and Safety Improvement appropriation. Projects are identified under that appropriation.</p> <p>Bridge Restricted Revenue Given the acceleration of bridge projects through bond financing, state funds for project work will be redirected to debt service. While there is a decrease in state funding available for bridge projects, the agency budget request includes continuation of borrowing which will provide \$200 million to advance replacement, reconstruction and preservation work. Major bridge projects to be started or continued during 2010-11 include the Juniata River</p>	<p>\$ 12,500</p> <p>\$ 1,000</p> <p>\$ 61</p> <p>\$ -2,103</p>
		<p>Highway Maintenance —to continue current program.</p> <p>Welcome Centers —to continue current program.</p> <p>Secondary Roads - Maintenance and Resurfacing (EA) —program reduction.</p>

All other appropriations are recommended at the current year funding level.



Program: Highways and Bridges (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
MOTOR LICENSE FUND:							
Welcome Centers	\$ 3,091	\$ 3,003	\$ 3,064	\$ 3,064	\$ 3,064	\$ 3,064	\$ 3,064
Highway and Safety Improvements.....	108,251	105,000	101,000	101,000	101,000	101,000	101,000
Expanded Highway and Bridge Program ..	465,000	465,000	477,500	490,300	503,400	516,900	530,700
Highway Capital Projects (EA)	206,000	201,000	205,000	205,000	205,000	205,000	205,000
Highway Maintenance	826,227	764,379	765,379	790,379	830,379	870,379	910,379
Secondary Road - Maintenance and Resurfacing (EA)	61,354	63,143	61,040	61,040	61,040	61,040	61,040
Smoother Roads and Priority Bridges	11,990	0	0	0	0	0	0
Emergency Highway and Bridge Repair....	1,354	0	0	0	0	0	0
Reinvestment - Facilities	12,300	12,000	12,000	12,000	12,000	12,000	12,000
Payment to Turnpike Commission (EA).....	28,000	28,000	28,000	28,000	28,000	28,000	28,000
TOTAL MOTOR LICENSE FUND.....	\$ 1,723,567	\$ 1,641,525	\$ 1,652,983	\$ 1,690,783	\$ 1,743,883	\$ 1,797,383	\$ 1,851,183

PROGRAM OBJECTIVE: To assist local governments in the maintenance and construction of their portion of the total highway and bridge system.

Program: Local Highway and Bridge Assistance

The commonwealth provides a number of programs to assist municipal and county governments in the maintenance and construction of their roads and bridges. The majority of state funds are distributed by statutory formula, while federal funds are allocated in partnership with metropolitan and rural transportation planning organizations.

A portion of the revenues from motor fuel taxes is directed by law to municipal payments. Of the flat 12 cent tax on gasoline and diesel fuel, 20 percent is set aside for local governments. The Oil Company Franchise Tax, which was created by Act 35 of 1981, provides a 20 percent share to municipalities. Act 26 of 1991 and Act 3 of 1997 provide a 12 percent share of the revenue received from those increased tax rates. The distribution of funds to the commonwealth's 2,563 municipalities is made in accordance with a statutory formula established in Act 655 of 1956 based on 50 percent road mileage and 50 percent population. Grants may be used for a broad range of highway and bridge activities as set forth in the 1956 legislation. The department provides technical assistance to local governments and is responsible for assuring that expenditures are made in accordance with Act 655.

Municipalities benefit from the receipts generated from three other revenue sources. The funds are distributed to municipalities using the same 50 percent road mileage and 50 percent population distribution formula. The largest of these is a \$30 million annual appropriation created in Act 44 of 2007 with funding from the lease agreement with the Pennsylvania Turnpike Commission. An additional \$14 million per year comes from the collection of certain Vehicle Code fines that are split between the state and local governments. The third revenue source is a \$5 million Supplemental Local Roads Maintenance and Construction Payments appropriation, which was established by Act 68 of 1980.

The General Assembly authorized improvements to both state and local bridges through the Highway, Railroad and Highway Bridge Capital Budget Act of 1982-1983 and subsequent amendments. A restricted account was established in the Motor License Fund, which receives

revenue from a portion of the Oil Company Franchise Tax and annual registration fees from commonwealth-registered vehicles having a gross weight in excess of 26,000 pounds. For the local program, both municipalities and counties are eligible for grants on the more than 6,300 bridges greater than 20 feet long that are owned by these political subdivisions. Projects are selected by metropolitan or rural planning organizations and must be approved in the commonwealth's capital budget.

The highway transfer program began with Act 32 of 1983 to restore and turn back local service roads. A restricted account was created in the Motor License Fund, which receives a portion of Oil Company Franchise Tax receipts. At the onset of the program, approximately 12,000 miles of roads on the state-owned system were identified as candidates for return to local government control. This is a voluntary program in which the department pays to upgrade a road segment to acceptable standards, transfers ownership to the political subdivision and provides a \$4,000 per mile per year subsidy for future maintenance. Since inception of the program in 1983, more than 4,700 miles of these roads have been returned to local government control.

There are three programs specifically directed toward county governments. The largest of these goes back to 1931 with the creation of the Liquid Fuels Tax Fund from a half cent of the 12 cent flat tax on gasoline and diesel fuel. About \$33 million is distributed to the 67 counties each fiscal year based on a statutory formula. A second program of about \$4.6 million is funded from a share of the Oil Company Franchise Tax, which was set aside in Act 26 of 1991 to assist economically distressed counties in funding the local share of bridge improvement projects. A third program was added in Act 44 of 2007 for maintenance and construction of county bridges with funding from the lease agreement with the Pennsylvania Turnpike Commission. Act 44 specifies the distribution of the \$5 million annual appropriation be calculated based on the percentage of bridge deck area in each of the 67 counties compared to the total for all counties in the state.

Program: Local Highway and Bridge Assistance (continued)

Program Recommendations:

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

Local Road Maintenance and Construction Payments

\$ -2,900 — program reduction based on projected revenue.

All other appropriations are recommended at the current year funding level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
MOTOR LICENSE FUND:							
Local Road Maintenance and Construction Payments.....	\$ 200,451	\$ 195,000	\$ 192,100	\$ 192,100	\$ 192,100	\$ 192,100	\$ 192,100
Supplemental Local Road Maintenance & Construction Payments.....	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Municipal Roads and Bridges.....	30,000	30,000	30,000	30,000	30,000	30,000	30,000
Maintenance and Construction of County Bridges	5,000	5,000	5,000	5,000	5,000	5,000	5,000
TOTAL MOTOR LICENSE FUND.....	\$ 240,451	\$ 235,000	\$ 232,100	\$ 232,100	\$ 232,100	\$ 232,100	\$ 232,100

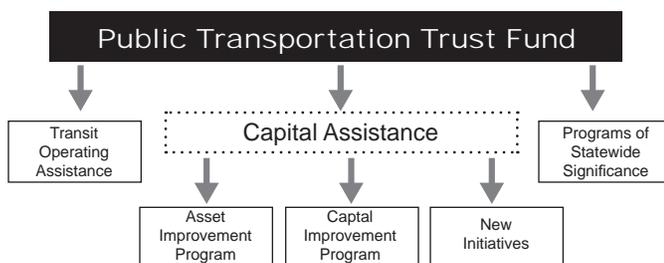


PROGRAM OBJECTIVE: To support public transportation, intercity bus, intercity rail and aviation options that improve the mobility and the quality of life for urban and rural Pennsylvanians, and enhance economic activity throughout the commonwealth.

Program: Intermodal Transportation

Act 44 of 2007 significantly changed the way public transportation is funded in Pennsylvania. The foundation of the law rests on providing dedicated and predictable funding through the Public Transportation Trust Fund, which is linked to need and performance. This law also repealed and replaced much of the public transportation provisions enacted in Act 3 of 1997, Act 26 of 1991 and Act 10 of 1976. It strengthened the department's oversight authority and requires transit agencies to be more accountable.

The Public Transportation Trust Fund consists of five separate accounts. The Transit Operating Assistance account provides grants to service providers for transit operations. Capital assistance comes from three accounts: the Asset Improvement program, the Capital Improvements program and New Initiatives (for fixed guideway systems such as commuter rail or dedicated bus lanes). The Programs of Statewide Significance account supports a variety of programs including Rural Transportation for Persons with Disabilities, intercity bus and rail, Welfare to Work and Job Access Reverse Commute, technical assistance and demonstration projects and rail safety oversight.



Primary revenue sources for the Public Transportation Trust Fund are a 4.4 percent share of the state sales tax, proceeds from the lease agreement with the Pennsylvania Turnpike Commission and transfers from the Lottery Fund. Transit agencies receive additional state funds from the Public Transportation Assistance Fund and from Capital Facilities Fund bond proceeds. Urban systems receive federal funds directly from the Federal Transit Administration, while federal grants to rural service providers are administered by the department and are reflected in commonwealth budget totals.

Program Element: Public Transportation

Public transportation service within Pennsylvania is provided by 36 transit systems. Operating grants to these organizations are determined by a base allocation calculated on pre-Act 44 subsidy data and supplemental funding coming from four performance factors. The factors are total passengers, senior passengers, revenue vehicle miles and revenue vehicle hours. In order to be eligible for operating assistance, transit agencies eventually will be required to collect a 15 percent local match.

Three capital assistance programs are available to transit operators. The Asset Improvement program is discretionary and requires a local match of 3¹/₃ percent. The Capital Improvements program is allocated by formula to transit systems based on the number of passengers and requires no local match. Finally, the New Initiatives program may be funded at the discretion of the department by transfer of monies from the Asset Improvement program. New Initiatives may include new or expanded fixed guideway projects with a local match of 3¹/₃ percent.

In addition to traditional transit operations, the commonwealth supports affordable access to designated groups whose mobility would otherwise be limited. This includes programs for persons with disabilities, older Pennsylvanians (discussed under the Older Pennsylvanians Transit program element) and workers who can benefit from welfare to work or reverse commute services.

The Persons with Disabilities program provides discounted fares on shared ride services to individuals who do not have access to other publicly funded transportation. Act 44 authorized expansion of this program to all eligible counties. Allegheny and Philadelphia counties, with their extensive fixed route networks and complementary paratransit service, are not included. In 2008-09, individuals with disabilities scheduled more than 275,000 shared ride trips at discounted fares.

Welfare to Work and Job Access Reverse Commute were originally created as federal programs to connect workers to their place of employment. As federal grant amounts declined, continued service was in jeopardy without additional state support. Prior to Act 44, the commonwealth reallocated resources to maintain these programs. Funding through the Public Transportation Trust Fund now provides a reliable, long-term mechanism to address program needs.

Program: Intermodal Transportation (continued)

Program Element: Older Pennsylvanians Transit

The commonwealth's older citizens have benefited from greater mobility through the implementation of the Free Transit program in 1973 and the subsequent addition of the Shared Ride program in 1980. Both programs are funded from a portion of the revenues received from state lottery sales.

Under the State Lottery Law, Pennsylvanians who are 65 years of age or older are eligible for free rides on participating local fixed route operations. Act 44 eliminated peak travel time restrictions so that free service is now available during all operating hours. Proceeds from the Lottery Fund are transferred to the Public Transportation Trust Fund for distribution by the department to transit systems as part of their annual operating assistance grant.

The Shared Ride program for older Pennsylvanians, authorized by Act 101 of 1980 and amended by Act 36 of 1991, enables citizens 65 years or older to use demand responsive service at a significant discount of fares. The department contracts with shared-ride service providers who operate on a non-fixed route basis. Riders pay 15 percent of the applicable fare for their respective trips. This program continues to be administered directly from the Lottery Fund, which reimburses shared-ride transit operators the remaining 85 percent of the shared-ride fare.

The Free Transit and Shared Ride programs recognize the limited availability of private transportation for older Pennsylvanians and their reliance upon public transportation. Given that many retired persons must live within a fixed and limited income, these programs enhance the ability of older Pennsylvanians to remain connected with local services and community life.

Program Element: Intercity Transportation

This program element includes intercity bus service operated by private bus companies and intercity rail passenger service operated by Amtrak.

The commonwealth's intercity bus program supports operations on routes where, without state assistance, essential service would be terminated. In 2008-09, over 428,000 passengers utilized commonwealth subsidized intercity bus services. As private operators propose termination of such services, the department evaluates the economic and social impacts of service termination and determines the merits of public subsidy. Federal funds also are used to support intercity bus operations and supplement the existing state-sponsored program.

Intercity rail passenger service in Pennsylvania, as distinguished from local or regional commuter service, is presently provided by the National Railroad Passenger Corporation (Amtrak). The majority of the service is operated as part of Amtrak's national system without financial assistance from the commonwealth. To provide

additional service, the department has contracted with Amtrak to supplement Amtrak's national system schedule in the Harrisburg to Philadelphia Corridor (Keystone Corridor). This financial assistance helps to support 79 one-way trains per week on the Keystone Corridor, with over a million passenger trips expected through this service in 2008-09.

Program Element: Rail Freight

Commonwealth involvement in rail freight began in the mid-1970's as a result of the bankruptcy of seven northeastern and midwestern railroad companies. Congress provided interim federal funding to help states retain service and preserve track on priority routes slated for abandonment. Act 119 of 1984, the Rail Freight Preservation and Improvement Act, established an ongoing state program in recognition of the economic impact of rail freight service on local communities. Short line railroad corporations were formed to acquire and operate these lines so that businesses would continue to have access to low-cost, bulk commodity shipping. Act 119 authorized the department to issue grants to these entities for acquisition, accelerated maintenance and new construction. Pennsylvania now has about 65 short line and regional railroad corporations, which is more than any other state.

To address the fact that many rail lines throughout the commonwealth were in a state of disrepair, two programs were initiated to assist railroad owners with infrastructure improvements. The Rail Freight Assistance program is funded from an annual General Fund appropriation, and the Transportation Assistance program is funded from Capital Facilities Fund bond proceeds. Grants may be issued to private railroads, companies utilizing rail in their shipping process, and public authorities or municipalities that are conduits for rail activities. The Rail Freight Assistance program and Transportation Assistance program have been used to improve track, make acquisitions and construct new rail facilities. The benefits from these programs include economic development (private investment and associated jobs), environmental quality (fuel efficiency with low emissions), less congestion on the highways (an alternate mode for goods movement), and land use opportunities (redevelopment of existing commercial sites).

Program Element: Aviation

Aviation plays a major role in the movement of passengers and cargo throughout the commonwealth, with 134 public use airports and heliports. These include 15 with scheduled passenger service, all of which are operated by local governments or authorities. In addition to facilitating the movement of people and goods, aviation facilities bring substantial economic benefits to the state. According to a 2002 study, aviation contributes over \$12

Program: Intermodal Transportation (continued)

billion of economic benefits to Pennsylvania annually and is responsible for over 280,000 jobs, representing \$5.6 billion in payrolls to Pennsylvania workers.

The department provides programs to improve the safety and effectiveness of the commonwealth's aviation network, including an airport inspection and licensing program.

The department administers federal and state grant programs for the commonwealth's public use airports. Two state funded grant programs are funded from the Aviation Restricted Revenue Account, into which taxes on jet fuel and aviation sold in the commonwealth are deposited.

These grant programs include:

- An airport development grant program for public use airports to meet safety, security, capacity, environmental and planning needs.
- A real estate tax rebate program for public airports, funded from the statewide aviation fuel tax.

The commonwealth is one of only nine states chosen as a federal block grant state. The commonwealth, through the department, is receiving approximately \$18 million each year from the Federal Aviation Administration to distribute to qualifying airports throughout the commonwealth.

Program Recommendations:

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

	GENERAL FUND		LOTTERY FUND
	Rail Freight and Intermodal Coordination		Older Pennsylvanians Shared Ride (EA)
\$ 42	—to continue current program.	\$ 1,314	—to continue current program based on transit system projections.
	Rail Freight Assistance		
\$ 1,000	—to continue current program.		

The budget recommends the Airport Development Grants Program at the \$8.5 million level. It is funded from the Aviation Restricted Revenue Account.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
GENERAL FUND:							
Rail Freight and Intermodal Coordination..	\$ 1,083	\$ 1,089	\$ 1,131	\$ 1,131	\$ 1,131	\$ 1,131	\$ 1,131
Rail Freight Assistance	9,153	8,500	9,500	9,500	9,500	9,500	9,500
TOTAL GENERAL FUND	\$ 10,236	\$ 9,589	\$ 10,631	\$ 10,631	\$ 10,631	\$ 10,631	\$ 10,631
LOTTERY FUND:							
Older Pennsylvanians Shared Rides (EA)	\$ 77,850	\$ 80,186	\$ 81,500	\$ 81,500	\$ 81,500	\$ 81,500	\$ 81,500
PUBLIC TRANSPORTATION TRUST FUND:							
Mass Transit Operating (EA)	\$ 704,403	\$ 696,161	\$ 709,992	\$ 720,731	\$ 727,994	\$ 735,278	\$ 742,730
Asset Improvement (EA)	74,890	127,230	129,733	131,523	135,463	139,501	143,640
Capital Improvement (EA)	23,787	28,625	11,849	22,132	22,132	22,132	22,132
Programs of Statewide Significance (EA)..	51,147	49,803	47,921	48,647	48,647	48,647	48,647
Transit Administration and Oversight (EA)	4,513	4,513	4,431	4,431	4,431	4,431	4,431
TOTAL PUBLIC TRANSPORTATION TRUST FUND	\$ 858,740	\$ 906,332	\$ 903,926	\$ 927,464	\$ 938,667	\$ 949,989	\$ 961,580



PROGRAM OBJECTIVE: To minimize traffic accidents attributable to driver error and mechanically defective vehicles and to promote highway safety programs.

Program: Safety Administration and Licensing

The Safety Administration and Licensing program is responsible for a number of front-line customer services that affect most of Pennsylvania's adult population. The department is responsible for processing applications and collecting fees for all vehicle registrations, titles and operator licenses. Last year, over 11.2 million vehicles were registered under Pennsylvania's annual renewal cycle. This total included over 195,000 heavy trucks greater than 17,000 pounds and more than 168,000 trailers greater than 10,000 pounds. The number of licensed drivers has remained consistent over the past few years at 8.6 million, including 426,000 commercial drivers. The four-year driver's license expiration cycle is staggered so that about 2.1 million renewals are processed each year. The Safety Administration and Licensing program oversees operator and vehicular licensing activities such testing, inspections and revocations. The department also operates the Driver's License Examination program. Over 840,000 driving knowledge and skills tests were conducted in 2008-09, to certify applicants to operate passenger and commercial vehicles and motorcycles. A statewide network of facilities conducts written, oral and skills tests. Generally, around 310,000 new drivers are licensed each year, either as first-time drivers or drivers from other states.

The safety inspection program for the commonwealth's more than 11.2 million motor vehicles is intended to minimize traffic accidents due to mechanical failure. As required by the Federal Clean Air Act amendments of 1990, the commonwealth operates an annual Vehicle Emissions Inspection program in 25 counties affecting approximately 6.6 million vehicles. These counties are: Allegheny, Beaver, Berks, Blair, Bucks, Cambria, Centre, Chester, Cumberland, Dauphin, Delaware, Erie, Lackawanna, Lancaster, Lebanon, Lehigh, Luzerne, Lycoming, Mercer, Montgomery, Northampton, Philadelphia, Washington, Westmoreland and York. In the remaining 42 counties not required to participate in the emissions inspection program, the annual safety inspection program incorporates a visual anti-tampering check for the presence of federally-required emission control components that were installed on the vehicle by the manufacturer. Pennsylvania enforcement officials are responsible for the issuance of citations for Vehicle Code violations. Over one-half of the 1.8 million

citations issued annually result in the department having to take some action against a driver or vehicle record. In addition to assigning points for driver infractions, the department suspends or recalls driver's licenses for an accumulation of points. Commercial drivers may be sanctioned by having their commercial driving privilege revoked for certain offenses if committed in a commercial motor vehicle.

The Safety Administration and Licensing program also administers provisions of the National Voter Registration Act of 1993, better known as "Motor Voter," and the commonwealth's Organ Donor program.

The department also processes cancellation notices received from insurance companies. Notification of cancellation prompts the department to have registrants revalidate proper insurance coverage for the vehicle. This process combined with the authority granted to enforcement officials to cite motorists detected as not having insurance can result in a revocation or suspension of vehicle registration. A total of 135,000 vehicle suspensions were imposed during fiscal year 2008-09 for insurance infractions.

The department currently has 97 offices statewide that offer driver examination and/or photo licensing services and is working with private business to further decentralize its driver and vehicle services to improve access. In 2008-09, 2.3 million customers visited driver license centers and over 3 million customers came to get their pictures taken for their photo license and photo ID cards. The computerized online messenger program, which connects the private business with the department, has been the cornerstone of the decentralization effort. Currently there are 241 messenger sites, processing 1.3 million driver's license and motor vehicle transactions annually. Other efforts to improve service include more efficient linkage between the department and automobile dealers, leasing and rental agencies and fleet owners for the immediate processing of registration and titling transactions. Customers can also process transactions on the department's Internet renewal system. During 2008-09, 3 million customers renewed their non-commercial driver's license, photo identification card or vehicle registration via the Internet.

Program: Safety Administration and Licensing (continued)

Program Recommendations:

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

<p>GENERAL FUND Vehicle Sales Tax Collections</p> <p>\$ -22 —reduction in reimbursement.</p>	<p>MOTOR LICENSE FUND Safety Administration and Licensing</p> <p>\$ -2,574 —reduction in administrative costs.</p>
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The Voter Registration appropriation is recommended at the current year funding level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
GENERAL FUND:							
Vehicle Sales Tax Collections.....	\$ 1,124	\$ 1,124	\$ 1,102	\$ 1,102	\$ 1,102	\$ 1,102	\$ 1,102
Voter Registration.....	360	300	300	300	300	300	300
TOTAL GENERAL FUND	\$ 1,484	\$ 1,424	\$ 1,402	\$ 1,402	\$ 1,402	\$ 1,402	\$ 1,402
MOTOR LICENSE FUND:							
Safety Administration and Licensing.....	\$ 117,842	\$ 126,939	\$ 124,365	\$ 124,365	\$ 124,365	\$ 124,365	\$ 124,365



Program Measures

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Program: Transportation Support Services							
Overhead costs as a percentage of department budget (state funds)	1.2%	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%
Program: Highways and Bridges							
Highway and Bridge Construction/Reconstruction							
Miles of new highway construction	35	20	24	23	23	23	23
Miles of Interstate reconstruction or restoration	188	151	116	90	77	107	107
Miles of non-Interstate reconstruction or restoration	492	363	253	272	267	263	263
Interstate highway system in good or excellent condition	80%	82%	83%	84%	85%	86%	87%
Interstate highway system in poor condition	3%	3%	3%	4%	4%	4%	4%
National Highway System non-Interstate highway system in good or excellent condition	71%	71%	69%	67%	66%	64%	63%
National Highway System non-Interstate highway system in poor condition	6%	6%	7%	9%	10%	11%	12%
Bridges replaced/repaired	589	475	450	430	410	390	370
Structurally deficient bridges by deck area	20%	19%	18%	17%	16%	15%	15%
Variance of final cost of construction versus original contract amount	5%	3%	3%	3%	3%	3%	3%
Number of bridges preserved	371	200	200	200	200	200	200
Highway and Bridge Maintenance							
Miles of State maintained highways	39,861	39,840	39,810	39,790	39,760	39,740	39,710
Miles of State maintained highways improved:							
Structural restoration	270	202	195	195	195	195	195
Maintenance resurfacing	1,421	1,233	725	725	725	725	725
Surface Repairs	4,459	4,400	4,380	4,210	3,990	4,340	4,690
Total	6,150	5,836	5,300	5,130	4,910	5,260	5,610
Program: Local Highway and Bridge Assistance							
Miles of highway locally administered:							
Total	77,326	77,596	77,880	78,170	78,470	78,780	79,090
Percentage of all locally maintained highways in the Commonwealth	66%	66%	66%	66%	66%	67%	67%
Local bridges:							
Total (greater than 20 feet)	6,297	6,320	6,320	6,320	6,320	6,320	6,320
Brought up to standard through State Bridge Program	32	35	35	35	35	35	35

Program Measures

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Program: Intermodal Transportation							
Mass Transportation							
Passengers carried by state-assisted operators (millions annually)	433.9	443.7	441.3	441.3	441.3	441.3	441.3
Passengers per vehicle hour	40.5	40.9	41.8	41.8	41.8	41.8	41.8
Percentage share of average income of mass transit trips:							
From passenger	37.3%	36.6%	37.1%	37.1%	37.1%	37.1%	37.1%
From commonwealth	49.4%	50.3%	49.8%	49.8%	49.8%	49.8%	49.8%
From federal government	5.9%	5.8%	5.9%	5.9%	5.9%	5.9%	5.9%
From local government	7.4%	7.3%	7.2%	7.2%	7.2%	7.2%	7.2%
Older Pennsylvanians Transit							
Free transit trips	37,151,065	37,894,000	38,652,000	39,425,000	40,214,000	41,018,000	41,838,000
Trips on state assisted shared ride vehicles	4,846,557	4,895,000	4,944,000	4,993,000	5,043,000	5,094,000	5,145,000
Cost to the commonwealth per trip:							
Free Transit	\$2.21	\$2.29	\$2.28	\$2.28	\$2.28	\$2.28	\$2.28
State assisted shared ride vehicles	\$14.95	\$15.70	\$16.48	\$17.31	\$18.17	\$19.08	\$20.04
Intercity Transportation							
Intercity Bus:							
Passengers handled	427,803	440,600	453,900	467,500	481,500	495,900	510,800
Subsidy per bus mile	\$0.41	\$0.43	\$0.44	\$0.45	\$0.46	\$0.47	\$0.48
Intercity Rail:							
Passengers handled	1,229,052	1,265,900	1,303,900	1,343,000	1,383,300	1,424,800	1,467,600
Subsidy per passenger mile	\$0.18	\$0.23	\$0.24	\$0.24	\$0.25	\$0.25	\$0.25
Rail Freight:							
Miles of rail lines, state assisted	414	625	625	625	625	625	625
Jobs created by state-supported rail freight improvements	1,985	2,593	2,633	2,633	2,633	2,633	2,633
Additional trucks that would be needed without rail freight bulk cargo service	315,000	1,007,127	1,008,000	1,008,000	1,008,000	1,008,000	1,008,000
Aviation:							
Airport development grants	61	60	60	50	50	50	50
Percentage of projects receiving federal priority	91%	95%	95%	95%	95%	95%	95%
Percentage of runways with a pavement condition index of fair or better*	92%	93%	93%	92%	93%	94%	94%

* New Program Measure



Program Measures

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Program: Safety Administration and Licensing							
Vehicles inspected:							
Safety inspections	10,980,000	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000
Emission inspections	6,992,890	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000
Registrations:							
New	911,840	957,000	975,000	995,000	1,015,000	1,035,000	1,055,000
Renewed	8,638,573	8,984,000	8,984,000	8,984,000	8,984,000	8,984,000	8,984,000
Licensed drivers:							
New	293,210	310,000	310,000	310,000	310,000	310,000	310,000
Renewed	2,109,725	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000
New commercial drivers licensed	11,448	12,000	12,000	12,000	12,000	12,000	12,000
Photo identification cards issued (non-driver photos)	343,978	350,000	350,000	350,000	350,000	350,000	350,000
Service center customers served within 30 minutes	88%	99%	99%	99%	99%	99%	99%
Access rate of driver and vehicle services call center	99%	95%	95%	95%	95%	95%	95%



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LEGISLATURE

The General Assembly of Pennsylvania formulates and enacts the public policy of the commonwealth. Through legislation and resolution, it defines the functions of the state government, provides for revenue for the commonwealth and appropriates money for the operation of state agencies and other purposes.

The General Assembly is composed of two bodies—the Senate and the House of Representatives. Its sessions begin on the first Tuesday of each year unless otherwise convened by proclamation of the Governor.



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Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2008-09 ACTUAL	2009-10 AVAILABLE	2010-11 BUDGET
GENERAL FUND:			
<i>General Government:</i>			
Senate:			
Senators' Salaries.....	\$ 5,626	\$ 5,626	\$ 5,570
Senate President - Expenses.....	336	303	300
Employees of Chief Clerk.....	2,750	2,750	2,723
Salaried Officers and Employees.....	9,883	8,970	8,880
Reapportionment Expenses.....	0	0	300
Incidental Expenses.....	3,184	2,993	2,963
Postage.....	1,446	1,050	1,040
President.....	5	0	0
President Pro Tempore.....	20	0	0
Expenses - Senators.....	1,312	1,250	1,238
Legislative Printing and Expenses.....	15,187	7,500	7,425
Computer Services (R).....	3,000	0	0
Computer Services (D).....	3,000	0	0
Computer Services (R) and (D).....	0	4,000	3,960
Committee on Appropriations (R).....	100	0	0
Committee on Appropriations (D).....	100	0	0
Committee on Appropriations (R) and (D).....	0	200	198
Caucus Operations (R) and (D).....	0	57,433	56,859
Caucus Operations (R).....	27,603	0	0
Caucus Operations (D).....	27,603	0	0
Committee and Contingent (R).....	324	0	0
Committee and Contingent (D).....	324	0	0
Senate Flag Purchase.....	24	0	0
Subtotal.....	\$ 101,827	\$ 92,075	\$ 91,456
House of Representatives:			
Members' Salaries, Speaker's Extra Compensation.....	\$ 18,972	\$ 17,834	\$ 17,656
House Employees (R).....	16,014	18,964	18,774
House Employees (D).....	19,962	18,964	18,774
Speaker's Office.....	1,918	1,731	1,714
Bi-Partisan Committee, Chief Clerk, Comptroller & EMS.....	12,647	11,412	11,298
Reapportionment Expenses.....	0	0	300
Mileage - Representatives, Officers and Employees.....	395	356	352
Chief Clerk and Legislative Journal.....	2,961	2,672	2,645
Speaker.....	20	0	0
Chief Clerk.....	633	0	0
Floor Leader (R).....	7	0	0
Floor Leader (D).....	7	0	0
Whip (R).....	6	0	0
Whip (D).....	6	0	0
Chairman - Caucus (R).....	3	0	0
Chairman - Caucus (D).....	3	0	0
Secretary - Caucus (R).....	3	0	0
Secretary - Caucus (D).....	3	0	0
Chairman - Appropriations Committee (R).....	6	0	0
Chairman - Appropriations Committee (D).....	6	0	0
Chairman - Policy Committee (R).....	2	0	0
Chairman - Policy Committee (D).....	2	0	0
Caucus Administrator (R).....	2	0	0
Caucus Administrator (D).....	2	0	0
Administrator for Staff (R).....	20	0	0
Administrator for Staff (D).....	20	0	0
Contingent Expenses (R) and (D).....	0	678	671
Legislative Office for Research Liaison.....	776	583	577
Incidental Expenses.....	8,730	7,879	7,800
Expenses - Representatives.....	5,066	4,572	4,526



Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2008-09 ACTUAL	2009-10 AVAILABLE	2010-11 BUDGET
Legislative Printing and Expenses.....	17,471	15,766	15,608
National Legislative Conference - Expenses.....	520	489	484
Committee on Appropriations (R).....	5,655	5,103	5,052
Committee on Appropriations (D).....	5,655	5,103	5,052
Special Leadership Account (R).....	8,965	10,328	10,225
Special Leadership Account (D).....	10,871	10,328	10,225
Legislative Management Committee (R).....	20,389	19,370	19,176
Legislative Management Committee (D).....	20,389	19,370	19,176
House Flag Purchase.....	24	0	0
Information Technology (R).....	6,909	6,564	6,498
Information Technology (D).....	6,909	6,564	6,498
School for New Members.....	15	0	0
Subtotal.....	\$ 191,964	\$ 184,630	\$ 183,081
Legislative Reference Bureau:			
Legislative Reference Bureau - Salaries & Expenses.....	\$ 7,499	\$ 6,767	\$ 6,699
Contingent Expenses.....	20	18	18
Printing of PA Bulletin and PA Code.....	785	708	701
Subtotal.....	\$ 8,304	\$ 7,493	\$ 7,418
Legislative Miscellaneous and Commissions:			
Legislative Budget and Finance Committee.....	\$ 2,221	\$ 1,775	\$ 1,757
Legislative Data Processing Center.....	3,702	2,819	2,791
Joint State Government Commission.....	1,772	1,416	1,402
Local Government Commission.....	1,344	1,074	1,063
Local Government Codes.....	28	22	22
Joint Legislative Air and Water Pollution Control Committee.....	492	393	389
Legislative Audit Advisory Commission.....	176	165	163
Independent Regulatory Review Commission.....	2,123	1,697	1,680
Capitol Preservation Committee.....	888	418	414
Capitol Restoration.....	4,096	1,925	1,906
Flag Conservation.....	59	0	0
Colonial History.....	194	0	0
Rare Books Conservation.....	395	0	0
Commission on Sentencing.....	1,451	1,159	1,147
(F)JAG- Consolidated Project Grants (EA).....	1,470	1,248	1,280
Center For Rural Pennsylvania.....	1,100	879	870
Commonwealth Mail Processing Center.....	1,283	1,037	1,027
Host State Committee Expenses.....	1,049	49	49
Pennsylvania Policy Database.....	217	0	0
Subtotal.....	\$ 24,060	\$ 16,076	\$ 15,960
Health Care Cost Containment Council.....	\$ 3,753	\$ 2,844	\$ 2,816
State Ethics Commission.....	2,195	1,980	1,960
Subtotal - State Funds.....	\$ 330,633	\$ 303,850	\$ 301,411
Subtotal - Federal Funds.....	1,470	1,248	1,280
Total - General Government.....	\$ 332,103	\$ 305,098	\$ 302,691
STATE FUNDS.....	\$ 330,633	\$ 303,850	\$ 301,411
FEDERAL FUNDS.....	1,470	1,248	1,280
GENERAL FUND TOTAL.....	\$ 332,103	\$ 305,098	\$ 302,691



Program Funding Summary

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
LEGISLATURE							
GENERAL FUND.....	\$ 330,633	\$ 303,850	\$ 301,411	\$ 300,811	\$ 300,811	\$ 300,811	\$ 300,811
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	1,470	1,248	1,280	1,280	1,280	1,280	1,280
OTHER FUNDS.....	0	0	0	0	0	0	0
SUBCATEGORY TOTAL.....	\$ 332,103	\$ 305,098	\$ 302,691	\$ 302,091	\$ 302,091	\$ 302,091	\$ 302,091
ALL PROGRAMS:							
GENERAL FUND.....	\$ 330,633	\$ 303,850	\$ 301,411	\$ 300,811	\$ 300,811	\$ 300,811	\$ 300,811
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	1,470	1,248	1,280	1,280	1,280	1,280	1,280
OTHER FUNDS.....	0	0	0	0	0	0	0
DEPARTMENT TOTAL.....	\$ 332,103	\$ 305,098	\$ 302,691	\$ 302,091	\$ 302,091	\$ 302,091	\$ 302,091



PROGRAM OBJECTIVE: To formulate and enact the public policy of the commonwealth, to define the functions of state government, to provide revenue for the commonwealth and to appropriate money for the operation of state agencies and for other purposes.

Program: Legislature

This program provides for the operation of the General Assembly, which consists of a 50 member Senate and a 203 member House of Representatives, funded by numerous

General Fund appropriations. These appropriations are detailed in the Summary by Fund and Appropriation portion of this presentation.

Program Recommendations:

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

<p>GENERAL FUND Legislature</p> <p>\$ -2,391 —funding reduction.</p> <p>Health Care Cost Containment Council</p> <p>\$ -28 —funding reduction.</p>	<p>State Ethics Commission</p> <p>\$ -20 —funding reduction.</p>
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Appropriations within this Program:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
TOTAL GENERAL FUND	\$ 330,633	\$ 303,850	\$ 301,411	\$ 300,811	\$ 300,811	\$ 300,811	\$ 300,811



JUDICIARY

The objective of the judicial system of the commonwealth is to provide citizens with prompt and equitable justice under the law.

The court system includes the Supreme Court, Superior Court, Commonwealth Court, Courts of Common Pleas and Community Courts including Magisterial District Judges, Philadelphia Municipal Court, Philadelphia Traffic Court and the Pittsburgh Municipal Court.



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Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2008-09 ACTUAL	2009-10 AVAILABLE	2010-11 BUDGET
GENERAL FUND:			
<i>General Government:</i>			
Supreme Court:			
Supreme Court.....	\$ 14,875	\$ 13,424	\$ 13,424
Justices Expenses.....	128	115	115
Judicial Center Operations.....	1,394	655	655
Judicial Council.....	152	137	137
District Court Administrators.....	18,587	16,773	16,773
Interbranch Commission.....	437	349	349
Court Management Education.....	89	71	71
Civil Procedural Rules Committee.....	364	291	291
Appellate/Orphans Rules Committee.....	187	150	150
Rules of Evidence Committee.....	197	157	157
Minor Court Rules Committee.....	174	139	139
Criminal Procedural Rules Committee.....	469	375	375
Domestic Relations Committee.....	211	168	168
Juvenile Court Rules Committee.....	211	168	168
Court Administrator.....	10,708	9,663	9,663
(F)Court Improvement Project.....	1,370	1,705	1,705
(F)Drug Court - MIS.....	0	200	200
(F)Drug Court Training (EA).....	71	61	61
Integrated Criminal Justice System.....	2,552	2,303	2,303
(R)Judicial Computer System.....	61,074	57,048	57,048
Unified Judicial System Security.....	2,121	1,994	1,994
Subtotal.....	\$ 115,371	\$ 105,946	\$ 105,946
Superior Court:			
Superior Court.....	\$ 28,520	\$ 26,237	\$ 26,237
Judges Expenses.....	197	178	178
Subtotal.....	\$ 28,717	\$ 26,415	\$ 26,415
Commonwealth Court:			
Commonwealth Court.....	\$ 17,649	\$ 15,926	\$ 15,926
Judges Expenses.....	141	128	128
Subtotal.....	\$ 17,790	\$ 16,054	\$ 16,054
Courts of Common Pleas:			
Courts of Common Pleas.....	\$ 87,695	\$ 79,136	\$ 79,136
Senior Judges.....	3,997	3,607	3,607
Judicial Education.....	1,224	1,105	1,105
Ethics Committee.....	58	55	55
Subtotal.....	\$ 92,974	\$ 83,903	\$ 83,903
Magisterial District Judges:			
Magisterial District Judges.....	\$ 65,366	\$ 58,986	\$ 58,986
Magisterial District Judge Education.....	721	651	651
Subtotal.....	\$ 66,087	\$ 59,637	\$ 59,637



Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2008-09 ACTUAL	2009-10 AVAILABLE	2010-11 BUDGET
Philadelphia Courts:			
Traffic Court.....	\$ 1,011	\$ 912	\$ 912
Municipal Court.....	6,146	5,546	5,546
Law Clerks.....	39	36	36
Domestic Violence Services.....	232	218	218
Subtotal.....	<u>\$ 7,428</u>	<u>\$ 6,712</u>	<u>\$ 6,712</u>
Judicial Conduct Board.....	\$ 1,257	\$ 1,182	\$ 1,182
Court of Judicial Discipline.....	483	454	454
Subtotal - State Funds.....	\$ 267,592	\$ 241,289	\$ 241,289
Subtotal - Federal Funds.....	1,441	1,966	1,966
Subtotal - Restricted Revenues.....	61,074	57,048	57,048
Total - General Government.....	<u>\$ 330,107</u>	<u>\$ 300,303</u>	<u>\$ 300,303</u>
Grants and Subsidies:			
Reimbursement of County Costs:			
Jurors Cost Reimbursement.....	\$ 1,154	\$ 1,085	\$ 1,085
County Courts Reimbursement.....	33,505	30,235	30,235
Senior Judge Reimbursement.....	1,480	1,335	1,335
Gun Court Reimbursements.....	1,357	1,276	1,276
Court Consolidation.....	2,053	1,640	1,640
Subtotal.....	<u>\$ 39,549</u>	<u>\$ 35,571</u>	<u>\$ 35,571</u>
Total - Grants and Subsidies.....	<u>\$ 39,549</u>	<u>\$ 35,571</u>	<u>\$ 35,571</u>
STATE FUNDS.....	\$ 307,141	\$ 276,860	\$ 276,860
FEDERAL FUNDS.....	1,441	1,966	1,966
RESTRICTED REVENUES.....	61,074	57,048	57,048
GENERAL FUND TOTAL.....	<u>\$ 369,656</u>	<u>\$ 335,874</u>	<u>\$ 335,874</u>



Program Funding Summary

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
STATE JUDICIAL SYSTEM							
GENERAL FUND.....	\$ 307,141	\$ 276,860	\$ 276,860	\$ 276,860	\$ 276,860	\$ 276,860	\$ 276,860
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	1,441	1,966	1,966	1,966	1,966	1,966	1,966
OTHER FUNDS.....	61,074	57,048	57,048	57,048	57,048	57,048	57,048
SUBCATEGORY TOTAL.....	\$ 369,656	\$ 335,874	\$ 335,874	\$ 335,874	\$ 335,874	\$ 335,874	\$ 335,874
ALL PROGRAMS:							
GENERAL FUND.....	\$ 307,141	\$ 276,860	\$ 276,860	\$ 276,860	\$ 276,860	\$ 276,860	\$ 276,860
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	1,441	1,966	1,966	1,966	1,966	1,966	1,966
OTHER FUNDS.....	61,074	57,048	57,048	57,048	57,048	57,048	57,048
DEPARTMENT TOTAL.....	\$ 369,656	\$ 335,874	\$ 335,874	\$ 335,874	\$ 335,874	\$ 335,874	\$ 335,874



PROGRAM OBJECTIVE: To provide the citizens of the commonwealth with prompt and equitable justice.

Program: State Judicial System

The judicial power of the commonwealth is vested in a court system consisting of the Supreme Court, Superior Court, Commonwealth Court, Courts of Common Pleas, Philadelphia Municipal Court, Pittsburgh Municipal Court, Traffic Court of Philadelphia and Magisterial District Judges (formerly termed "District Justices").

At the first level in the court system are the special courts. In counties other than Philadelphia, these courts are presided over by Magisterial District Judges who have jurisdiction over summary criminal cases, landlord-tenant matters and other civil actions where the amount claimed does not exceed \$8,000. They also have jurisdiction to issue warrants, hold arraignments and preliminary hearings in all criminal cases and accept guilty pleas under certain circumstances.

Although Magisterial District Judges need not be lawyers, they must complete an educational course and pass a qualifying examination administered by the Minor Judiciary Education Board (MJEB) in order to be certified. They must also participate in one week of continuing education each year.

In Philadelphia, the minor courts are the Municipal Court and the Traffic Court. Municipal Court is a court of record whose 25 judges must be lawyers. Its limited jurisdiction is analogous to that of the Magisterial District Judges. The Philadelphia Traffic Court, composed of seven judges who need not be lawyers, has jurisdiction over all summary offenses under the Motor Vehicle Code and related city ordinances. Like Magisterial District Judges, Traffic Court judges must complete the certifying course and pass the qualifying examination administered by the MJEB and fulfill the annual continuing education requirement.

The Supreme Court established by Order an administrative judicial unit within the Fifth Judicial District (Allegheny County) known as "Pittsburgh Municipal Court." The court was created in January 2005. Most matters that were previously assigned to Pittsburgh Magistrates Court have been assigned to this court. The Pittsburgh Municipal Court is staffed by Magisterial District Judges from districts throughout Allegheny County (including the City of Pittsburgh) who are assigned to sit on the court by the president judge of this Fifth Judicial District.

The second level in the court system are the Courts of Common Pleas. These courts are the courts of general trial jurisdiction. They have original jurisdiction over all cases that are not exclusively assigned to another court. Appellate jurisdiction extends to appeals from final orders of the lower courts and appeals from certain state and most local government agencies.

In general, at the third level of the court system are appeals from the Courts of Common Pleas, which are handled by one of the two intermediate-level appellate courts: Superior Court and Commonwealth Court. Commonwealth Court has jurisdiction over appeals involving government agencies and officials, as well as many matters involving not-for-profit corporations. It also has original jurisdiction over Election Code matters and cases involving state officials. Superior Court has jurisdiction over all direct appeals that are not within the specific statutory jurisdiction of another appellate court.

At the highest level is Pennsylvania's court of last resort: the Supreme Court with seven justices including the Chief Justice. The Supreme Court of Pennsylvania was established by the Pennsylvania Provincial Assembly in 1722.

In accordance with the state constitution and statute, there is a two-tiered independent judicial disciplinary system. The role of the first tier, the Judicial Conduct Board, is to investigate complaints regarding the conduct of judges. Hearings are conducted by the second tier, the Court of Judicial Discipline, to determine whether a sanction should be imposed upon a member of the Judiciary.

As defined by the state constitution, statute and court rule, the Administrative Office of Pennsylvania Courts (AOPC) is the administrative arm of the Supreme Court, assisting that Court in its oversight responsibility of the Commonwealth's Unified Judicial System. The AOPC provides services for approximately 2,100 members of the judiciary and staff, including budgeting, accounting, benefits and retirement counseling, legal representation, policy guidance, technical advice, education, research, legislative affairs, communications, administration, and judicial automation.

The Supreme Court has initiated a number of programs in recent years to facilitate the administration of justice within the commonwealth. Among the more recent of these are the creation within AOPC of the Office for Children and Families in the Court, which assists courts statewide in providing neglected and abused children with safe and permanent homes in as brief a time as possible, and a program to assist judicial districts in establishing, expanding or maintaining special problem-solving courts, such as drug courts. Responsibility for these programs is vested in the AOPC.

The Judicial Computer System has the ultimate goal of computerization of the entire judiciary. Automated systems presently in place are the Magisterial District

Program: State Judicial System (continued)

Judges System which serves the 545 Magisterial District Judge offices; the Pennsylvania Appellate Courts Case Management System, which is the integrated, automated case management system that serves the three appellate courts; and the Administrative Services Application Program which serves the court's administrative needs, including accounting, budgeting, payroll and human resources functions. The Common Pleas Criminal Case Management System, which automates the trial courts throughout Pennsylvania, was completed in September 2006. The next phases will extend automation to the civil courts. The Judiciary has been an active participant in the

commonwealth's multi-agency Integrated Criminal Justice Network (commonly known as JNET) from its inception and provides it with important data from its automated systems.

Act 49 of 2009 included changes to fees that are expected to generate additional revenue for the Judiciary. Some fee increases intended to support the Judicial Computer System and Access to Justice program are scheduled to expire after 25 months, while a permanent fee increase directed to the Criminal Justice Enhancement Account is intended to support county district attorneys.

Program Recommendations:

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

Judiciary is recommended at the current year funding level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
GENERAL FUND:							
Supreme Court	\$ 14,875	\$ 13,424	\$ 13,424	\$ 13,424	\$ 13,424	\$ 13,424	\$ 13,424
Justices Expenses	128	115	115	115	115	115	115
Judicial Center Operations	1,394	655	655	655	655	655	655
Interbranch Commission	437	349	349	349	349	349	349
Judicial Council	152	137	137	137	137	137	137
District Court Administrators	18,587	16,773	16,773	16,773	16,773	16,773	16,773
Court Management Education	89	71	71	71	71	71	71
Civil Procedural Rules Committee	364	291	291	291	291	291	291
Appellate/Orphans Rules Committee	187	150	150	150	150	150	150
Rules of Evidence Committee	197	157	157	157	157	157	157
Minor Court Rules Committee	174	139	139	139	139	139	139
Criminal Procedural Rules Committee	469	375	375	375	375	375	375
Domestic Relations Committee	211	168	168	168	168	168	168
Juvenile Court Rules Committee	211	168	168	168	168	168	168
Court Administrator	10,708	9,663	9,663	9,663	9,663	9,663	9,663
Integrated Criminal Justice System	2,552	2,303	2,303	2,303	2,303	2,303	2,303
Unified Judicial System Security	2,121	1,994	1,994	1,994	1,994	1,994	1,994
Superior Court	28,520	26,237	26,237	26,237	26,237	26,237	26,237
Judges Expenses	197	178	178	178	178	178	178
Commonwealth Court	17,649	15,926	15,926	15,926	15,926	15,926	15,926
Judges Expenses	141	128	128	128	128	128	128
Courts of Common Pleas	87,695	79,136	79,136	79,136	79,136	79,136	79,136
Senior Judges	3,997	3,607	3,607	3,607	3,607	3,607	3,607
Judicial Education	1,224	1,105	1,105	1,105	1,105	1,105	1,105
Ethics Committee	58	55	55	55	55	55	55
Magisterial District Judges	65,366	58,986	58,986	58,986	58,986	58,986	58,986
Magisterial District Judge Education	721	651	651	651	651	651	651
Traffic Court	1,011	912	912	912	912	912	912
Municipal Court	6,146	5,546	5,546	5,546	5,546	5,546	5,546
Law Clerks	39	36	36	36	36	36	36
Domestic Violence Services	232	218	218	218	218	218	218
Judicial Conduct Board	1,257	1,182	1,182	1,182	1,182	1,182	1,182
Court of Judicial Discipline	483	454	454	454	454	454	454
Jurors Cost Reimbursement	1,154	1,085	1,085	1,085	1,085	1,085	1,085
County Courts Reimbursement	33,505	30,235	30,235	30,235	30,235	30,235	30,235
Senior Judge Reimbursement	1,480	1,335	1,335	1,335	1,335	1,335	1,335
Gun Court Reimbursements	1,357	1,276	1,276	1,276	1,276	1,276	1,276
Court Consolidation	2,053	1,640	1,640	1,640	1,640	1,640	1,640
TOTAL GENERAL FUND	\$ 307,141	\$ 276,860	\$ 276,860	\$ 276,860	\$ 276,860	\$ 276,860	\$ 276,860

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Commonwealth of Pennsylvania

Governor's Executive Budget

CAPITAL BUDGET

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CAPITAL BUDGET

Program Summary

This section contains the 2010-11 Capital Budget and Five Year Capital Program. The proposed funding sources and amounts needed to support capital programs are projected for five fiscal years.

All projects are grouped by categories regardless of the source of funding. The categories, as explained below, are consistently used for projects which are to be funded by commonwealth debt obligations, current revenues and funds received from other jurisdictions. Funding source distinctions are clearly noted throughout the section which itemizes the recommended capital program.

Public Improvement Projects — This category includes various types of new buildings and renovation projects. Also included are nonstructural improvements and the acquisition of land. The design and construction for the majority of these projects is administered by the Department of General Services. However, Keystone Recreation, Park and Conservation and the Environmental Stewardship Projects are administered by the Department of Conservation and Natural Resources.

Public Improvement—Original Furniture and Equipment Projects — This category provides for the equipping of newly completed public improvement projects by purchasing original movable furniture and equipment through the Department of General Services. Replacement furniture and equipment to be used in existing buildings are purchased as fixed assets through agency operating budgets.

Transportation Assistance Projects — These projects include: (a) the purchase of rolling stock and construction or improvement of facilities operated by mass transportation agencies throughout the commonwealth; (b) the acquisition, construction and equipping of rural and intercity common carrier surface transportation systems or any components thereof; and (c) air transportation systems. These projects are administered by the Department of Transportation.

Redevelopment Assistance Projects — This category provides grants for the acquisition of land and the construction of buildings and other property appurtenances for municipal agencies and authorities for economic development and the prevention and elimination of blight.

Flood Control Projects — This category provides the state's share of federal flood control works and improvements to prevent floods and to preserve, control and regulate the flow of rivers and streams in the commonwealth. These projects are administered by the Department of Environmental Protection.

Highway Projects — This category includes the design, purchase of rights-of-way, construction, reconstruction and other improvements to highways and bridges on the state highway system. These projects are designed and constructed by the Department of Transportation.

Capital Budget Financing — As is indicated wherever necessary, many capital projects are financed by current revenues either from dedicated sources or appropriations through operating budgets. However, most of the authorizations recommended in the capital budget are debt financed for varying terms by General Obligation Bonds. See the Public Debt Section (Section G) for further discussion of Debt Policy.

The Capital Budget section consists of the following subsections.

2010-11 New Project Authorizations — This section itemizes and describes the new capital projects recommended for authorization in 2010-11 and their proposed source of funding. The projects are listed by department and capital project category.

Impact on Operating Costs: The description of each capital project recommended for authorization contains a statement concerning the impact on program operating costs expected from the implementation of the capital project. With certain exceptions, the statement indicates little or no effect on operating costs. This is due to the fact that most capital projects involve the renovation or replacement of existing facilities. Consequently, any operating cost impact is derived from such items as efficiencies in energy consumption and avoided maintenance. These items, when viewed in terms of the total agency or program budget, generally tend to be negligible. An exception is when a very large scale project is implemented which will dramatically change these and other elements of an operating budget. In these cases, the expected change in operating expenses is quantified. An additional case in which the net change in operating cost will be quantified is where new construction will result in a significant increase in the capital asset base. In this case, the estimated effect on operating costs will be shown with

the capital project when recommended for authorization. A more precise figure will be recommended in the agency's operating budget when the project has been completed which is usually several years after a capital project is authorized.

There are several categories of capital authorizations for which no estimate of operating cost impact is provided. Among these are the categories of Redevelopment Assistance, Flood Control, Transportation Assistance and flood protection projects undertaken as part of the Public Improvement category. These projects constitute improvements to the property of other entities, primarily local jurisdictions such as cities, boroughs townships, etc. Any change in operating costs will, therefore, be borne by an entity other than the commonwealth. One other category of capital authorizations which will not provide a statement of operating cost impact is Highway and Bridge projects. This is because the bulk of capital spending in this category is for the rehabilitation of the existing highway network rather than the addition of new mileage. As rehabilitation takes place, previously high maintenance costs are avoided. These avoided

maintenance costs are then shifted to other segments of roadway where repair needs are relatively great. As a result, the total highway operating budget experiences very little net change.

Forecast of Future Projects — This section contains a dollar forecast of new capital projects to be requested during each of the fiscal years 2011-12 through 2014-15. The projections are grouped by department and capital project category.

Estimate of Capital Expenditures — This section provides an estimate of expenditures for capital projects during each of the next five fiscal years. Since design, acquisition and construction of a project are not generally completed during the fiscal year in which the project is initiated, actual expenditures usually occur over several fiscal years. The estimated expenditures determine the amount of bonds which must be issued or the current revenue appropriations required in each fiscal year. The projections are listed by capital project category and agency and are further subdivided by currently authorized projects, new projects proposed for 2010-11 and projects which will be authorized in the future (2011-15).

ESTIMATED CAPITAL EXPENDITURES State Funds

This table presents summary data on the source of funding and use for currently authorized and proposed capital projects. Detailed information on debt issued for capital projects is contained in the Public Debt Section of this budget document.

(Dollar Amounts in Thousands)

	2010-11 Estimated	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
GENERAL OBLIGATION BOND FUNDING					
Revenues					
Capital Facilities Bonds:					
Public Improvement Projects - Buildings and Structures.....	\$ 890,000	\$ 1,320,000	\$ 700,000	\$ 330,000	\$ 320,000
Public Improvement Projects - Furniture and Equipment.....	25,000	50,000	20,000	0	0
Redevelopment Assistance Projects.....	225,000	375,000	350,000	140,000	0
Flood Control Projects.....	35,000	15,000	5,000	2,000	2,000
Transportation Assistance Projects.....	175,000	175,000	175,000	175,000	175,000
Less: Costs of Issue.....	-23,250	-32,025	-21,750	-12,705	-6,970
Miscellaneous Revenue.....	45,896	25,952	26,394	24,913	23,824
Change in Available Cash.....	101,872	18,807	-9,260	31,118	22,861
Total.....	<u>\$ 1,474,518</u>	<u>\$ 1,947,734</u>	<u>\$ 1,245,384</u>	<u>\$ 690,326</u>	<u>\$ 536,715</u>
Expenditures					
Capital Facilities Fund:					
Public Improvement Projects - Buildings and Structures.....	\$ 1,012,766	\$ 1,328,589	\$ 702,921	\$ 333,098	\$ 322,560
Public Improvement Projects - Furniture and Equipment.....	9,490	51,372	17,103	0	0
Redevelopment Assistance Projects.....	241,056	378,053	347,412	178,339	37,075
Flood Control Projects.....	36,206	14,720	2,948	3,889	2,080
Transportation Assistance Projects.....	175,000	175,000	175,000	175,000	175,000
Total - General Obligation Bonds.....	<u>\$ 1,474,518</u>	<u>\$ 1,947,734</u>	<u>\$ 1,245,384</u>	<u>\$ 690,326</u>	<u>\$ 536,715</u>
FROM CURRENT REVENUES					
Public Improvement Projects - Fish and Boat Fund.....	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750
Acquisition, Improvement and Restoration Projects - Keystone Recreation, Park and Conservation Fund.....	18,040	17,961	18,619	13,160	19,024
Acquisition, Rehabilitation and Development Projects Environmental Stewardship Fund.....	7,905	11,761	12,173	12,599	13,040
Highway Projects - Motor License Fund.....	396,385	387,780	380,444	381,105	373,735
Total Current Revenues.....	<u>\$ 423,080</u>	<u>\$ 418,252</u>	<u>\$ 411,986</u>	<u>\$ 407,614</u>	<u>\$ 406,549</u>
TOTAL - ALL FUNDS	<u><u>\$ 1,897,598</u></u>	<u><u>\$ 2,365,985</u></u>	<u><u>\$ 1,657,370</u></u>	<u><u>\$ 1,097,940</u></u>	<u><u>\$ 943,263</u></u>

Totals may not add due to rounding.



FORECAST OF NEW PROJECT AUTHORIZATIONS State Funds

This table provides a summary of the budget recommendations and potential future authorizations by department.

(Dollar Amounts in Thousands)

	2010-11	2011-12	2012-13	2013-14	2014-15	Total
Agriculture.....	\$ 103,500	\$ 0	\$ 0	\$ 0	\$ 0	\$ 103,500
Conservation and Natural Resources.....	34,650	92,300	121,000	114,000	100,800	462,750
Corrections.....	46,250	0	0	0	0	46,250
Education.....	105,300	282,000	293,300	313,300	342,700	1,336,600
Emergency Management and Homeland Security...	0	0	0	0	0	0
Environmental Protection.....	91,000	50,126	37,810	48,461	5,730	233,127
Executive Offices.....	0	0	0	0	0	0
Fish and Boat Commission.....	0	2,000	1,500	1,000	1,000	5,500
Game Commission.....	0	2,000	1,000	1,000	1,000	5,000
General Services.....	575	0	0	0	0	575
Historical and Museum Commission.....	19,500	51,900	38,100	32,720	117,308	259,528
Liquor Control Board.....	0	0	0	0	0	0
Military and Veterans Affairs.....	68,357	0	0	0	0	68,357
Public Welfare.....	24,688	29,090	26,820	21,880	0	102,478
State Police.....	16,500	0	0	0	0	16,500
Transportation.....	532,126	475,000	475,000	475,000	475,000	2,432,126
TOTAL.....	\$ 1,042,446	\$ 984,416	\$ 994,530	\$ 1,007,361	\$ 1,043,538	\$ 5,072,291



RECOMMENDED 2010-11 NEW PROJECT AUTHORIZATIONS STATE FUNDS

This table provides a summary of new project authorizations by department and capital program category within bond and current revenue sources.

(Dollar Amounts in Thousands)

	Capital Facilities Bond Funds			
	Public Improvement Projects	Original Furniture & Equipment	Transportation Assistance Projects	Flood Control Projects
Agriculture.....	\$ 103,500	\$ 0	\$ 0	\$ 0
Conservation and Natural Resources.....	9,000	0	0	0
Corrections.....	46,250	0	0	0
Education.....	102,300	3,000	0	0
Emergency Management and Homeland Security.....	0	0	0	0
Environmental Protection.....	87,400	0	0	3,600
Executive Offices.....	0	0	0	0
Fish and Boat Commission.....	0	0	0	0
Game Commission.....	0	0	0	0
General Services.....	575	0	0	0
Historical and Museum Commission.....	18,600	0	0	0
Liquor Control Board.....	0	0	0	0
Military and Veterans Affairs.....	68,357	0	0	0
Public Welfare.....	24,688	0	0	0
State Police.....	16,500	0	0	0
Transportation.....	46,200	0	126,477	0
TOTAL.....	\$ 523,370	\$ 3,000	\$ 126,477	\$ 3,600

	Current Revenues		All Funds
	Highway Projects	Public Improvement Projects	
Agriculture.....	\$ 0	\$ 0	\$ 103,500
Conservation and Natural Resources.....	0	25,650	34,650
Corrections.....	0	0	46,250
Education.....	0	0	105,300
Emergency Management and Homeland Security.....	0	0	0
Environmental Protection.....	0	0	91,000
Executive Offices.....	0	0	0
Fish and Boat Commission.....	0	0	0
Game Commission.....	0	0	0
General Services.....	0	0	575
Historical and Museum Commission.....	0	900	19,500
Liquor Control Board.....	0	0	0
Military and Veterans Affairs.....	0	0	68,357
Public Welfare.....	0	0	24,688
State Police.....	0	0	16,500
Transportation.....	359,449	0	532,126
TOTAL.....	\$ 359,449	\$ 26,550	\$ 1,042,446



DEPARTMENT OF AGRICULTURE

Summary of Recommended Authorization Amounts by Program and Source of Funds

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
2010-11 PUBLIC IMPROVEMENT PROJECTS				
Protection and Development of Agricultural Industries.....	\$ 93,150	\$ 0	\$ 10,350	\$ 103,500
TOTAL PROJECTS.....	<u>\$ 93,150</u>	<u>\$ 0</u>	<u>\$ 10,350</u>	<u>\$ 103,500</u>
SOURCE OF FUNDS				
General Obligation Bond Issues				
Capital Facilities Fund - Buildings and Structures.....	\$ 93,150	\$ 0	\$ 10,350	\$ 103,500
Capital Facilities Fund - Furniture and Equipment.....	0	0	0	0
TOTAL.....	<u>\$ 93,150</u>	<u>\$ 0</u>	<u>\$ 10,350</u>	<u>\$ 103,500</u>

Department of Agriculture 2010-11 Projects

This section provides a brief description of each recommended project, its location, cost components and expected impact on operating expenses.

(Dollar Amounts in Thousands)

Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
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FROM CAPITAL FACILITIES BOND FUNDS

PUBLIC IMPROVEMENT PROJECTS

Program: Protection and Development of Agricultural Industries

Agriculture Headquarters Building	\$ 1,800	\$ 0	\$ 200	\$ 2,000
REPLACE HIGH VOLTAGE SWITCHGEAR: This project will provide for the replacement of high voltage switchgear and related components at the Agriculture Building. When completed, this project will not increase operating costs.				
Agriculture Building	9,000	0	1,000	10,000
CONSTRUCT NEW PLANT INDUSTRY LABORATORY: This project will provide for the construction of new plant industry laboratory wing attached to the current building for diagnostic testing in the areas of plant pathology, entomology, nematology, virology, botany, and seeds. When completed, this project will not increase operating costs.				
Farm Show Complex	10,800	0	1,200	12,000
UPGRADE FACILITIES: This project will provide for the upgrade of the farm show complex including HVAC, surveillance system, renewable energy equipment, roadway access, flooding and public restrooms. When completed, this project will not increase operating costs.				
Health Diagnostic Laboratory	29,700	0	3,300	33,000
NEW BSL-3 DIAGNOSTIC LAB AT PENN STATE: This project will provide for construction of a new Pennsylvania Animal health diagnostic laboratory with BSL-3 capabilities to support PADLS. When completed, this project will not increase operating costs.				
Health Diagnostic Laboratory	26,100	0	2,900	29,000
NEW BSL-3 DIAGNOSTIC LAB AT NEW BOLTON: This project will provide for construction of a new Pennsylvania Animal health diagnostic laboratory with BSL-3 capabilities to support PADLS. When completed, this project will not increase operating costs.				
Farm Show Complex	4,500	0	500	5,000
REHABILITATE OFFICE SPACE: This project will provide for the modification and construction of administrative office space for staff in the Farm Show Complex. When completed, this project will not increase operating costs.				
PA Fairgrounds	1,800	0	200	2,000
RENOVATE VARIOUS FACILITIES: This project will provide for the renovation and upgrades to facilities at various fair sites throughout the state. When completed, this project will not increase operating costs.				
PA State Farm, Berks County	\$ 4,500	\$ 0	\$ 500	\$ 5,000
RENOVATION OF STATE FARM: This project will provide for the renovation and upgrades to the existing farm property including structural repairs, electrical, plumbing and roofing. When completed, this project will not increase operating costs.				

Capital Budget

Department of Agriculture 2010-11 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
FROM CAPITAL FACILITIES BOND FUNDS				
<i>PUBLIC IMPROVEMENT PROJECTS</i>				
Program: Protection and Development of Agricultural Industries				
PA State Farm, Snyder County	4,500	0	500	5,000
RENOVATION OF STATE FARM: This project will provide for the renovation and upgrades to the existing farm property including structural repairs, electrical, plumbing and roofing. When completed, this project will not increase operating costs.				
PA Dairy Farm	450	0	50	500
CONSTRUCT INCUBATOR: This project will provide for the enhancement of the operation of the currently operating dairy farm incubator project on the grounds of the DGS Annex. When completed, this project will not increase operating costs.				
PROGRAM TOTAL.....	<u>\$ 93,150</u>	<u>\$ 0</u>	<u>\$ 10,350</u>	<u>\$ 103,500</u>



DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES

Summary of Recommended Authorization Amounts by Program and Source of Funds

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
2010-11 PUBLIC IMPROVEMENT PROJECTS				
Parks and Forest Management.....	\$ 33,150	\$ 0	\$ 1,500	\$ 34,650
TOTAL PROJECTS.....	\$ 33,150	\$ 0	\$ 1,500	\$ 34,650

SOURCE OF FUNDS

General Obligation Bond Issues

Capital Facilities Fund - Buildings and Structures.....	\$ 7,500	\$ 0	\$ 1,500	\$ 9,000
Capital Facilities Fund - Furniture and Equipment.....	0	0	0	0
Subtotal General Obligation Bond Issues.....	\$ 7,500	\$ 0	\$ 1,500	\$ 9,000

Current Revenues

Keystone Recreation, Park and Conservation Fund - Improvements and Rehabilitation.....	\$ 9,550	\$ 0	\$ 0	\$ 9,550
Environmental Stewardship Fund - Acquisition, Improvements and Rehabilitation.....	2,170	0	0	2,170
State Forestry Bridge - Parks and Forest Management.....	8,330	0	0	8,330
ATV/Snowmobile Funds- Parks and Forest Management.....	600	0	0	600
Transportation Enhancement Funds- Acquisition, Improvements and Rehabilitation.....	5,000	0	0	5,000
Subtotal Current Revenues.....	\$ 25,650	\$ 0	\$ 0	\$ 25,650
TOTAL.....	\$ 33,150	\$ 0	\$ 1,500	\$ 34,650

Department of Conservation and Natural Resources 2010-11 Projects

This section provides a brief description of each recommended project, its location, cost components and expected impact on operating expenses.

(Dollar Amounts in Thousands)

Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
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FROM CAPITAL FACILITIES BOND FUNDS

PUBLIC IMPROVEMENT PROJECTS

Program: Parks and Forest Management

Forest District 3, Franklin County

REHABILITATE GUNTHER VALLEY DAM: This project will provide for the rehabilitation of the dam including necessary repairs to return it to a safe operating condition. When completed, this project is not expected to increase operating costs.

\$ 7,500	\$ 0	\$ 1,500	\$ 9,000
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PROGRAM TOTAL.....	\$ 7,500	\$ 0	\$ 1,500	\$ 9,000
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Department of Conservation and Natural Resources 2010-11 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
FROM KEYSTONE RECREATION, PARK AND CONSERVATION CURRENT REVENUES				
<i>PUBLIC IMPROVEMENT PROJECTS</i>				
Program: Parks and Forest Management				
Beltzville State Park, Carbon County	\$ 650	\$ 0	\$ 0	\$ 650
REPAIR SEWER LINE: This project will provide for the repair of sewer line infiltration and rehabilitation to the sewage treatment plant. When completed, this project is not expected to increase operating costs.				
Codorus State Park, York County	300	0	0	300
CONSTRUCT MARINA: This project will provide for the construction of a new marina pier. When completed, this project is not expected to increase operating costs.				
French Creek State Park, Berks County	300	0	0	300
REPLACE SEWAGE LIFT STATIONS: This project will provide for the replacement of sewage lift stations. When completed, this project is not expected to increase operating costs.				
Lackawanna State Park, Lackawanna County	3,000	0	0	3,000
REHAB POOL AND DAY USE AREA: This project will provide for the rehabilitation of the pool complex and day use area, including renovation of bath houses and adding space for lifeguard and first aid station. When completed, this project is not expected to increase operating costs.				
Moraine State Park, Butler County	300	0	0	300
REHABILITATE SEWAGE SYSTEM: This project will provide for the rehabilitation of the sewage and collection conveyance system. When completed, this project is not expected to increase operating costs.				
Moraine State Park, Butler County	3,500	0	0	3,500
REHABILITATE SEWAGE TREATMENT PLANT: This project will provide for the rehabilitation of the sewage treatment plant to current standards and technology. When completed, this project is not expected to increase operating costs.				
Nockamixon State Park, Bucks County	300	0	0	300
MODIFICATIONS TO SEWAGE TREATMENT PLANT: This project will modify a sewage treatment plant including reactor configuration modifications and modification to contact tank. When completed, this project is not expected to increase operating costs.				
Presque Isle State Park, Erie County	300	0	0	300
REPLACEMENT OF SAND MOUNDS: This project will provide for finishing the sand mound replacement at Beach 10, 11 and the Stull Center. When completed, this project is not expected to increase operating costs.				

Capital Budget

Department of Conservation and Natural Resources 2010-11 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
FROM KEYSTONE RECREATION, PARK AND CONSERVATION CURRENT REVENUES				
<i>PUBLIC IMPROVEMENT PROJECTS (continued)</i>				
Program: Parks and Forest Management				
Sproul State Forest, Clinton County	\$ 300	\$ 0	\$ 0	\$ 300
CONSTRUCT HORSE TRAILER, PARKING, CAMPING: This project will provide for the construction of a horse trailer and parking/camping at Bakers Run. When completed, this project is not expected to increase operating costs.				
Tiadahton State Forest, Lycoming County	300	0	0	300
REHABILITATE BOAT LAUNCH AND CONSTRUCT CAMPING AND RESTROOM: This project will provide for the rehabilitation of Tomb Flats Boat Launch and the construction of camping sites and a restroom. When completed, this project is not expected to increase operating costs.				
Tioga State Forest, Tioga County	300	0	0	300
TRAIL UPGRADES: This project will provide for Pine Creek Trail upgrades including extension of the trail and a parking lot and will provide for a Route 287 at-grade crossing with paved approaches and warning flashers. When completed, this project is not expected to increase operating costs.				
PROGRAM TOTAL.....	\$ 9,550	\$ 0	\$ 0	\$ 9,550



Department of Conservation and Natural Resources 2010-11 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
FROM ENVIRONMENTAL STEWARDSHIP FUND				
CURRENT REVENUES				
<i>PUBLIC IMPROVEMENT PROJECTS</i>				
Program: Parks and Forest Management				
Elk State Forest, Cameron County	\$ 300	\$ 0	\$ 0	\$ 300
CONSTRUCT DRIVE: This project will provide for the construction of the Elk Scenic Drive pull-off. This will consist of a viewing platform, parking, kiosk and restrooms. When completed, this project is not expected to increase operating costs.				
Ohiopyle State Park, Fayette County	1,500	0	0	1,500
REHABILITATE BRIDGE: This project will provide for the rehabilitation of Bridge # 0927, Jonathan Run Culvert. When completed, this project is not expected to increase operating costs.				
Tiadaghton State Forest, Lycoming County	370	0	0	370
CONSTRUCT BRIDGE: This project will provide for the construction of the Black Forest Trail Suspension Bridge. When completed, this project is not expected to increase operating costs.				
 PROGRAM TOTAL.....	 <u>\$ 2,170</u>	 <u>\$ 0</u>	 <u>\$ 0</u>	 <u>\$ 2,170</u>

Department of Conservation and Natural Resources 2010-11 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
FROM STATE FORESTRY BRIDGE				
CURRENT REVENUES				
<i>PUBLIC IMPROVEMENT PROJECTS</i>				
Program: Parks and Forest Management				
Elk State Forest, Cameron County	\$ 300	\$ 0	\$ 0	\$ 300
REPLACE ENTRANCE BRIDGE: This project will replace entrance bridge to lodge over Brooks Run including guide rails and approach work. When completed, this project is not expected to increase operating costs.				
Elk State Forest, Cameron County	500	0	0	500
REPLACE ROAD: This project will replace Dents Run Road over Bear Hollow, Weatherbord Run 13-9006. When completed, this project is not expected to increase operating costs.				
Moshannon State Forest, Clearfield County	900	0	0	900
REPLACE STRUCTURES: This project will replace structures for Bridge No. 09-9015 Meyers Run Road/Black Moshannon Creek and Bridge No. 09-0028 Shirks Road/Black Moshannon Creek. When completed, this project is not expected to increase operating costs.				
Moshannon State Forest, Clearfield County	1,400	0	0	1,400
REPLACE STRUCTURES: This project will replace structures for Bridge No. 09-0012 Little Medix Road over Medix Run, and Bridges No. 09-0013, 09-0014, and 09-0016 Little Medix Road over Little Medix Run. When completed, this project is not expected to increase operating costs.				
Moshannon State Forest, Clearfield County	400	0	0	400
REPLACE STRUCTURES: This project will replace two structures, North Run Road over Smays Run and Smays Trail over tributary to Smays Run. When completed, this project is not expected to increase operating costs.				
Moshannon State Forest, Clearfield County	300	0	0	300
REPLACE ROAD: This project will replace Reservoir Road over Upper Three Run. When completed, this project is not expected to increase operating costs.				
Rothrock State Forest, Huntingdon County	300	0	0	300
REPLACE BRIDGE: This project will replace Lingle Valley Road Bridge over Laurel Creek. When completed, this project is not expected to increase operating costs.				
Rothrock State Forest, Huntingdon County	450	0	0	450
REHABILITATE THREE BRIDGES: This project will rehabilitate three bridges - Pine Swamp Road over Laurel and Little Shingletown Runs. When completed, this project is not expected to increase operating costs.				

Department of Conservation and Natural Resources 2010-11 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
FROM STATE FORESTRY BRIDGE				
CURRENT REVENUES				
<i>PUBLIC IMPROVEMENT PROJECTS (continued)</i>				
Program: Parks and Forest Management				
Rothrock State Forest, Huntingdon County	\$ 300	\$ 0	\$ 0	\$ 300
REHABILITATE STRUCTURE: This project will replace superstructure and rehabilitate abutments on structure No. 05-0026, Pennsylvania Furnace Road over Fowlers Run. When completed, this project is not expected to increase operating costs.				
Rothrock State Forest, Huntingdon County	400	0	0	400
REPLACE BRIDGES: This project will replace Bridges Diamond Valley Road over Globe Run, Bridge Nos. 05-0023 and 0024. When completed, this project is not expected to increase operating costs.				
Sproul State Forest, Clinton County	300	0	0	300
REPLACE ROAD: This project will replace Mill Run Road over Mill Run, Bridge No. 10-0046. When completed, this project is not expected to increase operating costs.				
Sproul State Forest, Clinton County	300	0	0	300
REPLACE ROAD: This project will replace Birch Island Road over Amos Branch, Bridge No. 10-0040. When completed, this project is not expected to increase operating costs.				
Susquehannock State Forest, Potter County	300	0	0	300
REPLACE CULVERT: This project will replace an old culvert on Long Toe Road over Prouty Run. When completed, this project is not expected to increase operating costs.				
Tiadaghton State Forest, Lycoming County	680	0	0	680
REPLACE ROADWAY: This project will replace roadway for Trout Run Road/1st Big Fork 12-0043, 2nd Big Fork 12-0044 and roadway improvements. When completed, this project is not expected to increase operating costs.				
Tiadaghton State Forest, Lycoming County	300	0	0	300
REPLACE ROAD: This project will replace Zinck Fork Road over the tributary to Browns Run and Upper Pine. When completed, this project is not expected to increase operating costs.				
Tiadaghton State Forest, Lycoming County	300	0	0	300
REPLACE ROAD: This project will replace Zinck Fork Road over Upper Pine Bottom. When completed, this project is not expected to increase operating costs.				
Tuscarora State Forest, Perry County	300	0	0	300
REPLACE BRIDGE: This project will replace Second Narrows Road Bridge Over Conococheague Creek, Bridge No. 03-0001. When completed, this project is not expected to increase operating costs.				

Capital Budget

Department of Conservation and Natural Resources 2010-11 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
FROM STATE FORESTRY BRIDGE CURRENT REVENUES				
<i>PUBLIC IMPROVEMENT PROJECTS (continued)</i>				
Program: Parks and Forest Management				
Tuscarora State Forest, Perry County	\$ 300	\$ 0	\$ 0	\$ 300
REPLACE BRIDGE: This project will replace the bridge on Pine Ridge Road over Spruce Run, Bridge No. 03-0004. When completed, this project is not expected to increase operating costs.				
Weiser State Forest, Schuylkill County	300	0	0	300
REPLACE ROAD: This project will replace Lykens Road/W. Br. Rattling Creek Bridge No. 18-0002. When completed, this project is not expected to increase operating costs.				
 PROGRAM TOTAL.....	 <u>\$ 8,330</u>	 <u>\$ 0</u>	 <u>\$ 0</u>	 <u>\$ 8,330</u>



Capital Budget

Department of Conservation and Natural Resources 2010-11 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
FROM ATV/SNOWMOBILE FUNDS				
CURRENT REVENUES				
<i>PUBLIC IMPROVEMENT PROJECTS (continued)</i>				
Program: Parks and Forest Management				
Lackawanna State Forest, Lackawanna County	\$ 300	\$ 0	\$ 0	\$ 300
CONSTRUCT SNOWMOBILE TRAIL: This project provides for the construction of the Carvolth Snowmobile Trail. When completed, this project is not expected to increase operating costs.				
Oil Creek State Park, Venango County	300	0	0	300
CONSTRUCT TRAIL: This project provides for the construction of the Missing Link bike trail in the southern portion. When completed, this project is not expected to increase operating costs.				
PROGRAM TOTAL.....	<u>\$ 600</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 600</u>



Capital Budget

Department of Conservation and Natural Resources 2010-11 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
FROM TRANSPORTATION ENHANCEMENT FUNDS				
CURRENT REVENUES				
<i>PUBLIC IMPROVEMENT PROJECTS (continued)</i>				
Program: Parks and Forest Management				
Delaware Canal State Park, Bucks County	\$ 1,000	\$ 0	\$ 0	\$ 1,000
CONSTRUCT EMBANKMENT TUNNEL: This project will provide for the construction of the Conrail embankment tunnel for the canal towpath. When completed, this project is not expected to increase operating costs.				
Delaware Canal State Park, Bucks County	1,600	0	0	1,600
CONSTRUCT BRIDGE: This project provides for the construction of a Route 13 bridge for the canal towpath. When completed, this project is not expected to increase operating costs.				
Delaware Canal State Park, Bucks County	2,400	0	0	2,400
REPLACE YARDLEY AQUEDUCT: This project will provide for the replacement of the Yardley aqueduct to meet current standards. When completed, this project is not expected to increase operating costs.				
PROGRAM TOTAL.....	<u>\$ 5,000</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 5,000</u>



DEPARTMENT OF CORRECTIONS

Summary of Recommended Authorization Amounts by Program and Source of Funds

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
2010-11 PUBLIC IMPROVEMENT PROJECTS				
Institutionalization of Offenders.....	\$ 41,600	\$ 0	\$ 4,650	\$ 46,250
TOTAL PROJECTS.....	\$ 41,600	\$ 0	\$ 4,650	\$ 46,250
SOURCE OF FUNDS				
General Obligation Bond Issues				
Capital Facilities Fund - Buildings and Structures.....	\$ 41,600	\$ 0	\$ 4,650	\$ 46,250
Capital Facilities Fund - Furniture and Equipment.....	0	0	0	0
Subtotal General Obligation Bond Issues.....	41,600	0	4,650	46,250
TOTAL.....	\$ 41,600	\$ 0	\$ 4,650	\$ 46,250

Department of Corrections 2010-11 Projects

(Dollar Amounts in Thousands)

This section provides a brief description of each recommended project, its location, cost components and expected impact on operating expenses.

Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
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FROM CAPITAL FACILITIES BOND FUNDS

PUBLIC IMPROVEMENT PROJECTS

Program: Institutionalization of Offenders

State Correctional Institution at various locations

\$ 23,000	\$ 0	\$ 0	\$ 23,000
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PURCHASE MODULAR HOUSING UNITS: This project will provide for the purchase and installation of eight modular units at the following institutions: Rockview, Cambridge Springs, Greensburg, Mahanoy, Pine Grove, Houtzdale and Laurel Highlands. When completed, this project will not increase operating costs.

State Correctional Institution at Waymart

3,200	0	800	4,000
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ADDITIONAL FUNDING FOR PROJECT 1578-7: This project will provide for additional funding for project 1578-7 for boiler plant renovations including replacement of boiler controls; replacement of grating undercarriage; repair of ash silo coal scale, drag conveyor systems and electrical upgrades. When completed, this project is expected to decrease operating costs by \$50,000 annually.

State Correctional Institution at Chester

960	0	240	1,200
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REPLACE BURIED PERIMETER CABLE: This project will replace buried perimeter intrusion system around entire perimeter of the institution. When completed, this project is not expected to increase operating costs.

State Correctional Institution at Cambridge Springs

1,840	0	460	2,300
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CONSTRUCT ADDITION TO DIETARY BUILDING: This project will provide for the construction of an addition to the current dietary building to support future requirements. When completed, this project is expected to increase operating costs by \$350,000 annually.

State Correctional Institution at Mahanoy

1,760	0	440	2,200
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REPLACE BOILERS: This project will replace the existing boilers and related equipment in BLDG # 14 to tie into existing equipment and remove existing back up boiler. When completed, this project is expected to decrease operating costs by \$250,000 annually.

State Correctional Institution at Huntingdon

2,560	0	640	3,200
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UPGRADE ELECTRICAL SERVICE TO HOUSING UNITS: This project will provide for the replacement of electrical services into blocks and cells which are antiquated and insufficient to meet requirements. When completed, this project is not expected to increase operating costs.

State Correctional Institution at Rockview

1,680	0	420	2,100
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REPAIR EXTERIOR OF VARIOUS BUILDINGS: This project will repair or replace existing exterior on numerous buildings throughout the institution. When completed, this project is not expected to increase operating costs.

Capital Budget

Department of Corrections 2010-11 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
FROM CAPITAL FACILITIES BOND FUNDS				
<i>PUBLIC IMPROVEMENT PROJECTS (continued)</i>				
Program: Institutionalization of Offenders				
State Correctional Institution at Laurel Highlands	\$ 600	\$ 0	\$ 150	\$ 750
INSTALL NEW ROOF: This project will provide for the replacement of existing shingle roof with a combination of rubber and standing seam metal roof including a hatch to access the roof from inside the building. When completed, this project is not expected to increase operating costs.				
State Correctional Institution at Somerset	2,240	0	560	2,800
REPLACE ROOFS: This project will provide for funding to replace roofs on various buildings throughout the institution. When completed, this project is not expected to increase operating costs.				
State Correctional Institution at Dallas	2,000	0	500	2,500
REPLACE STEAM LINE AND VALVES: This project will replace all steam lines and valves including exposed and buried throughout the institution. When completed, this project is not expected to increase operating costs.				
ELIZABETHTOWN TRAINING ACADEMY	1,760	0	440	2,200
REPLACE ROOF ON ELDER HALL: This project will provide for the replacement of current roof on Elder Hall which is worn and damaged beyond any temporary repairs. When completed, this project is not expected to increase operating costs.				
State Correctional Institution at Dallas	3,500	0	0	3,500
NEW EMERGENCY HOUSING FACILITY: This project will provide for the lease and/or purchase of an emergency housing facility along with related infrastructure improvements. When completed, this project is expected to increase operating costs by \$1,709,000 annually.				
State Correctional Institution at Forest	3,500	0	0	3,500
NEW EMERGENCY HOUSING FACILITY: This project will provide for the lease and/or purchase of an emergency housing facility along with related infrastructure improvements. When completed, this project is expected to increase operating costs by \$1,624,000 annually.				
State Correctional Institution at Somerset	3,500	0	0	3,500
NEW EMERGENCY HOUSING FACILITY: This project will provide for the lease and/or purchase of an emergency housing facility along with related infrastructure improvements. When completed, this project is expected to increase operating costs by \$1,749,000 annually.				
PROGRAM TOTAL.....	\$ 41,600	\$ 0	\$ 4,650	\$ 46,250



DEPARTMENT OF EDUCATION

Summary of Recommended Authorization Amounts by Program and Source of Funds

	(Dollar Amounts in Thousands)			
	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
2010-11 PUBLIC IMPROVEMENT PROJECTS				
Educational Support Services.....	\$ 1,200	\$ 0	\$ 300	\$ 1,500
Higher Education - State-Related Universities.....	\$ 64,160	\$ 0	\$ 16,040	\$ 80,200
Higher Education - State System of Higher Education.....	18,880	0	4,720	23,600
	<u>84,240</u>	<u>0</u>	<u>21,060</u>	<u>105,300</u>
TOTAL PROJECTS.....	<u>\$ 84,240</u>	<u>\$ 0</u>	<u>\$ 21,060</u>	<u>\$ 105,300</u>
SOURCE OF FUNDS				
General Obligation Bond Issues				
Capital Facilities Fund - Buildings and Structures.....	\$ 81,840	\$ 0	\$ 20,460	\$ 102,300
Capital Facilities Fund - Furniture and Equipment.....	2,400	0	600	3,000
	<u>84,240</u>	<u>0</u>	<u>21,060</u>	<u>105,300</u>
Subtotal General Obligation Bond Issues.....	<u>\$ 84,240</u>	<u>\$ 0</u>	<u>\$ 21,060</u>	<u>\$ 105,300</u>
TOTAL.....	<u>\$ 84,240</u>	<u>\$ 0</u>	<u>\$ 21,060</u>	<u>\$ 105,300</u>

Capital Budget

Department of Education 2010-11 Projects

(Dollar Amounts in Thousands)

This section provides a brief description of each recommended project, its location and cost components. Operating cost impacts are not provided for these projects since these costs are borne by the operating budget of each university.

Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
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FROM CAPITAL FACILITIES BOND FUNDS

PUBLIC IMPROVEMENT PROJECTS

Program: Educational Support Services

Department of Education Headquarters

RENOVATION OF HEADQUARTERS: This project will provide improvements and upgrades to three floors of the Department of Education headquarters building at 333 Market Street. When completed, this project is not expected to increase operating costs.

\$ 1,200	\$ 0	\$ 300	\$ 1,500
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PROGRAM TOTAL.....

<u>\$ 1,200</u>	<u>\$ 0</u>	<u>\$ 300</u>	<u>\$ 1,500</u>
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Department of Education 2010-11 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
FROM CAPITAL FACILITIES BOND FUNDS				
PUBLIC IMPROVEMENT PROJECTS				
Program: Higher Education - State-Related Universities				
Lincoln University	\$ 16,000	\$ 0	\$ 4,000	\$ 20,000
RENOVATE CRESSON HALL: This project will provide for the complete renovation of Cresson Hall to meet modern needs including ADA requirements, HVAC, security system and electronic access. When completed, this project will not increase operating costs since the University is responsible for				
Pennsylvania State University	15,760	0	3,940	19,700
RENOVATE CHEMICAL BUILDING: This project will provide for the renovation of the Chemical Building including laboratories, support spaces, classrooms and office spaces to meet modern codes. When completed, this project will not increase operating costs since the University is responsible for maintenance.				
Temple University	24,000	0	6,000	30,000
RENOVATE HONORS PROGRAM FACILITY: This project will provide for the renovation of an existing building with dedicated learning space, faculty and administration of the Honors Program. When completed, this project will not increase operating costs since the University is responsible for maintenance.				
University of Pittsburgh	4,000	0	1,000	5,000
RENOVATE FISHER HALL, BRADFORD CAMPUS: This project will provide for the renovation of Fisher Hall including infrastructure to address current building and life safety codes. When completed, this project will not increase operating costs since the University is responsible for maintenance.				
Pennsylvania State University	2,000	0	500	2,500
RENOVATE EMERGENCY RADIO NETWORK: This project will provide for the renovation of the university's emergency radio network and infrastructure in conjunction with regional and county governments and emergency responders. When completed, this project will not increase operating costs since the University is responsible for maintenance.				
Temple University	2,400	0	600	3,000
ORIGINAL FURNITURE AND EQUIPMENT, HONORS PROGRAM HOUSE: This project will provide for the purchase of moveable furniture and equipment to allow construction project to become operational. When completed, this project will not increase operating costs since the University is responsible for maintenance.				
PROGRAM TOTAL	<u>\$ 64,160</u>	<u>\$ 0</u>	<u>\$ 16,040</u>	<u>\$ 80,200</u>

Capital Budget

Department of Education 2010-11 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
FROM CAPITAL FACILITIES BOND FUNDS				
<i>PUBLIC IMPROVEMENT PROJECTS (continued)</i>				
Program: Higher Education - State System of Higher Education				
Cheyney University	\$ 4,480	\$ 0	\$ 1,120	\$ 5,600
DEMOLISH VARIOUS BUILDINGS: This project will provide for the demolition of underutilized and obsolete space. When completed, this project will not increase operating costs since the University is responsible for maintenance.				
Millersville University	2,800	0	700	3,500
UPGRADE ELECTRICAL UTILITIES: This project will provide for the rehabilitation of the university's electrical distribution system, which is the primary source of heat and air conditioning. When completed, this project will not increase operating costs since the University is responsible for maintenance.				
California University	11,600	0	2,900	14,500
RENOVATE COOVER HALL: This project will provide for the renovation of Coover Hall to bring into compliance and to minimize future expenses. When completed, this project will not increase operating costs since the University is responsible for maintenance.				
PROGRAM TOTAL.....	<u>\$ 18,880</u>	<u>\$ 0</u>	<u>\$ 4,720</u>	<u>\$ 23,600</u>



DEPARTMENT OF ENVIRONMENTAL PROTECTION

Summary of Recommended Authorization Amounts by Program and Source of Funds

	(Dollar Amounts in Thousands)			
	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
2010-11 PUBLIC IMPROVEMENT PROJECTS				
Environmental Protection and Management.....	\$ 74,200	\$ 0	\$ 13,200	\$ 87,400
FLOOD CONTROL PROJECTS				
Environmental Protection and Management.....	3,000	0	600	3,600
TOTAL PROJECTS.....	<u>\$ 77,200</u>	<u>\$ 0</u>	<u>\$ 13,800</u>	<u>\$ 91,000</u>
SOURCE OF FUNDS				
General Obligation Bond Issues				
Capital Facilities Fund - Buildings and Structures.....	\$ 74,200	\$ 0	\$ 13,200	\$ 87,400
Capital Facilities Fund - Flood Control.....	3,000	0	600	3,600
TOTAL.....	<u>\$ 77,200</u>	<u>\$ 0</u>	<u>\$ 13,800</u>	<u>\$ 91,000</u>

Department of Environmental Protection 2010-11 Projects

(Dollar Amounts in Thousands)

This section provides a brief description of each recommended project, its location, cost components and expected impact on operating expenses.

Base Project Cost	Land Cost	Design & Contingencies	Project Cost
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FROM CAPITAL FACILITIES BOND FUNDS

PUBLIC IMPROVEMENT PROJECTS

Program: Environmental Protection and Management

City of Pittsburgh, Allegheny County

\$ 8,000	\$ 0	\$ 1,600	\$ 9,600
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ADDITIONAL FUNDS: This project would add additional funds to DGS project 183-18 - providing for the removing of deteriorated concrete culvert and replacing with an open channel. When completed, this project is not expected to increase operating costs.

Borough of Pitcairn, Allegheny County

5,000	0	1,000	6,000
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ADDITIONAL FUNDS: This project would add additional funds to DGS project 184-33 - constructing a debris basin, concrete channel and box culvert for approximately 7000 ft. When completed, this project is not expected to increase operating costs.

Townships of Adams and Croyle, Cambria County

6,000	0	1,200	7,200
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ADDITIONAL FUNDS: This project would add additional funds to DGS project 183-19 - constructing a compacted earth levee system along the South Fork Little Conemaugh River for approximately 6400 ft and a rectangular channel along Otto Run. When completed, this project is not expected to increase operating costs.

Borough of Clearfield, Clearfield County

2,000	0	400	2,400
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ADDITIONAL FUNDS: This project would add additional funds to DGS project 182-22 - replacing culvert with larger structure to carry flood flow. When completed, this project is not expected to increase operating costs.

City of Titusville, Crawford County

6,000	0	1,200	7,200
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ADDITIONAL FUNDS: This project would add additional funds to DGS project 183-16 - divert Church Run flows on an alignment directly to Oil Creek for approximately 5000 ft. When completed, this project is not expected to increase operating costs.

Borough of Ashley, Luzerne County

2,000	0	400	2,400
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ADDITIONAL FUNDS: This project would add additional funds to DGS project 181-20 - replace inadequate and deteriorating culvert along Sulfur Run for approximately 2400 feet. When completed, this project is not expected to increase operating costs.

Borough of Newport, Luzerne County

3,000	0	600	3,600
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ADDITIONAL FUNDS: This project would add additional funds to DGS project 181-13 - replace Roberts Street Bridge and improve the channel along Newport Creek. When completed, this project is not expected to increase operating costs.

Department of Environmental Protection 2010-11 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Project Cost
FROM CAPITAL FACILITIES BOND FUNDS				
<i>PUBLIC IMPROVEMENT PROJECTS (continued)</i>				
Program: Environmental Protection and Management				
Borough of Yatesville, Luzerne County	\$ 2,000	\$ 0	\$ 400	\$ 2,400
ADDITIONAL FUNDS: This project would add additional funds to DGS project 181-23 - replace deteriorating culvert for approximately 1350 ft. When completed, this project is not expected to increase operating costs.				
Borough of Port Alleghany, McKean County	14,000	0	2,800	16,800
ADDITIONAL FUNDS: This project would add additional funds to DGS project 182-10 - renovating an existing compacted earth levee and constructing new levee along the Allegheny River for approximately 6000 ft. When completed, this project is not expected to increase operating costs.				
Borough of Mount Carmel, Northumberland County	4,000	0	800	4,800
ADDITIONAL FUNDS: This project would add additional funds to DGS project 182-18 - constructing a concrete rectangle channel along Shamokin Creek through the borough. When completed, this project is not expected to increase operating costs.				
Township of Mount Carmel, Northumberland County	2,000	0	400	2,400
ADDITIONAL FUNDS: This project would add additional funds to DGS project 182-18 - constructing a concrete rectangle channel along Buttermut Creek and contain flood flows from storm water culvert. When completed, this project is not expected to increase operating costs.				
City of Scranton, Lackawanna County	10,000	0	2,000	12,000
ADDITIONAL FUNDS: This project would add additional funds to DGS project 184-22 - constructing a concrete rectangle channel, concrete box culvert and concrete pipe along Meadow Brook to upstream Jefferson Avenue. When completed, this project is not expected to increase operating costs.				
Borough of Plymouth, Luzerne County	2,000	0	400	2,400
PLYMOUTH FLOOD CONTROL PROJECT: This project will include removing a portion of the Brown Creek debris basin embankment, addressing the subsurface problems and reconstructing the embankment, remove accumulated sediment within the basin area, rehabilitate the concrete inlet structure, and improve the trash rack. When completed, this project is not expected to increase operating costs.				
Cresson, Cambria County	4,000	0	0	4,000
MINE POOLS DRAINAGE: This project will provide for the construction of an active mine drainage treatment facility including infrastructure. When completed, this project is not expected to increase operating costs.				

Capital Budget

Department of Environmental Protection 2010-11 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Project Cost
FROM CAPITAL FACILITIES BOND FUNDS				
<i>PUBLIC IMPROVEMENT PROJECTS (continued)</i>				
Program: Environmental Protection and Management				
Buffington, Indiana County	3,000	0	0	3,000
MINE POOLS DRAINAGE: This project will provide for the construction of an active mine drainage treatment facility including infrastructure. When completed, this project is not expected to increase operating costs.				
Wells, Fulton County	1,200	0	0	1,200
RECONSTRUCT STREAM CHANNELS: This project will provide for the construction of 2 stream channels, which currently discharge into an abandoned surface mine pit then into an abandoned deep mine contaminating the water at discharge. When completed, this project is not expected to increase operating costs.				
 PROGRAM TOTAL.....	<u>\$ 74,200</u>	<u>\$ 0</u>	<u>\$ 13,200</u>	<u>\$ 87,400</u>



Department of Environmental Protection 2010-11 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Project Cost
FROM CAPITAL FACILITIES BOND FUNDS				
<i>FLOOD CONTROL PROJECTS</i>				
Program: Environmental Protection and Management				
Townships of Cheltenham & Abington, Montgomery County	\$ 3,000	\$ 0	\$ 600	\$ 3,600
REPLACE BRIDGE: This project would provide for flood protection along Tacony Creek in the Glenside area and replace SEPTA Bridge with wider version. When completed, this project is not expected to increase operating costs.				
PROGRAM TOTAL.....	<u>\$ 3,000</u>	<u>\$ 0</u>	<u>\$ 600</u>	<u>\$ 3,600</u>

DEPARTMENT OF GENERAL SERVICES

Summary of Recommended Authorization Amounts by Program and Source of Funds

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
2010-11 PUBLIC IMPROVEMENT PROJECTS				
Facility, Property and Commodity Management.....	\$ 500	\$ 0	\$ 75	\$ 575
TOTAL PROJECTS.....	<u>\$ 500</u>	<u>\$ 0</u>	<u>\$ 75</u>	<u>\$ 575</u>
SOURCE OF FUNDS				
General Obligation Bond Issues				
Capital Facilities Fund - Buildings and Structures.....	\$ 500	\$ 0	\$ 75	\$ 575
TOTAL.....	<u>\$ 500</u>	<u>\$ 0</u>	<u>\$ 75</u>	<u>\$ 575</u>



Capital Budget

Department of General Services 2010-11 Projects

This section provides a brief description of each recommended project, its location, cost components and expected impact on operating expenses.

(Dollar Amounts in Thousands)

Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
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FROM CAPITAL FACILITIES BOND FUNDS

PUBLIC IMPROVEMENT PROJECTS

Program: Facility, Property and Commodity Management

Labor and Industry Building, Dauphin County	\$	500	\$	0	\$	75	\$	575
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RENOVATE ELEVATORS: This project will provide for the upgrades and renovations to all existing elevators (9 total) and chair lifts (2 in total) in the L&I Building to make functional, reliable and safe. When completed, this project is not expected to increase operating costs.

PROGRAM TOTAL.....	\$	500	\$	0	\$	75	\$	575
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HISTORICAL AND MUSEUM COMMISSION

Summary of Recommended Authorization Amounts by Program and Source of Funds

	(Dollar Amounts in Thousands)			
	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
2010-11 PUBLIC IMPROVEMENT PROJECTS				
State Historic Preservation.....	\$ 18,920	\$ 0	\$ 580	\$ 19,500
TOTAL PROJECTS.....	<u>\$ 18,920</u>	<u>\$ 0</u>	<u>\$ 580</u>	<u>\$ 19,500</u>
SOURCE OF FUNDS				
General Obligation Bond Issues				
Capital Facilities Fund - Buildings and Structures.....	\$ 18,200	\$ -	\$ 400	\$ 18,600
Current Revenues				
Improvements and Rehabilitation.....	\$ 720	\$ 0	\$ 180	\$ 900
Subtotal Current Revenues.....	<u>\$ 720</u>	<u>\$ 0</u>	<u>\$ 180</u>	<u>\$ 900</u>
TOTAL.....	<u>\$ 18,920</u>	<u>\$ 0</u>	<u>\$ 580</u>	<u>\$ 19,500</u>

Historical and Museum Commission 2010-11 Projects

(Dollar Amounts in Thousands)

This section provides a brief description of each recommended project, its location, cost components and expected impact on operating expenses.

Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
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FROM CAPITAL FACILITIES BOND FUNDS

PUBLIC IMPROVEMENT PROJECTS

Program: State Historic Preservation

Ephrata Cloister, Lancaster County	\$ 2,000	\$ 0	\$ 400	\$ 2,400
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ENERGY CONSERVATION IMPROVEMENTS: This project involves upgrading HVAC systems with geothermal systems and other energy saving equipment. When completed, this project will reduce operating costs by \$7,000 annually.

Railroad Museum of Pennsylvania, Lancaster County	12,000	0	0	12,000
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CONSTRUCT ROLLING STOCK STORAGE FACILITY: This project will provide for the design and construction of a new rolling stock storage facility and railroad transfer table with appropriate infrastructure. When completed, this project is expected to decrease costs by \$20,000 annually.

Erie Maritime Museum, Erie County	1,200	0	0	1,200
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BUILDING IMPROVEMENTS: This project will provide for the renovations and repairs to building including masonry repairs waterproofing, water management and other miscellaneous repairs. When completed, this project is not expected to increase operating costs.

Landis Valley Museum, Lancaster County	3,000	0	0	3,000
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EXHIBIT IN BITZER BARN: This project will provide for the preparation of the Bitzer Barn for exhibits reflecting the site including infrastructure. When completed, this project is not expected to increase operating costs.

PROGRAM TOTAL.....	<u>\$ 18,200</u>	<u>\$ 0</u>	<u>\$ 400</u>	<u>\$ 18,600</u>
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FROM CURRENT REVENUES

PUBLIC IMPROVEMENT PROJECTS

Program: State Historic Preservation

Landis Valley Museum, Lancaster County	\$ 720	\$ 0	\$ 180	\$ 900
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REPLACE HVAC TO COLLECTIONS GALLERY: This project will provide for the replacement of the HVAC system with new geotherm HVAC system with all associated equipment, duct modification and new controls. When completed, this project is expected to decrease operating costs by \$20,000.

PROGRAM TOTAL.....	<u>\$ 720</u>	<u>\$ 0</u>	<u>\$ 180</u>	<u>\$ 900</u>
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DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

Summary of Recommended Authorization Amounts by Program and Source of Funds

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
2010-11 PUBLIC IMPROVEMENT PROJECTS				
State Military Readiness.....	\$ 68,930	\$ 7,000	\$ 11,013	\$ 86,943
Veterans Homes and School.....	10,200	0	2,050	12,250
TOTAL PROJECTS.....	\$ 79,130	\$ 7,000	\$ 13,063	\$ 99,193
SOURCE OF FUNDS				
General Obligation Bond Issues				
Capital Facilities Fund - Buildings and Structures.....	\$ 52,698	\$ 7,000	\$ 8,659	\$ 68,357
Current Revenues				
Federal Funds.....	\$ 26,432	\$ 0	\$ 4,404	\$ 30,836
Other.....	0	0	0	0
TOTAL.....	\$ 79,130	\$ 7,000	\$ 13,063	\$ 99,193

Department of Military and Veterans Affairs 2010-11 Projects

(Dollar Amounts in Thousands)

This section provides a brief description of each recommended project, its location, cost components and expected impact on operating expenses.

Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
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FROM CAPITAL FACILITIES BOND FUNDS

PUBLIC IMPROVEMENT PROJECTS

Program: State Military Readiness

Phoenixville Readiness Center, Chester County

REHABILITATION OF PHOENIXVILLE READINESS CENTER: This project will provide for the rehabilitation of the Phoenixville Readiness Center to include assembly hall, classrooms, administrative offices, storage spaces, rest rooms, locker rooms and mechanical rooms and upgrade the building systems- HVAC, roofs, windows, doors and repairs to the facade. When completed, this project is not expected to increase operating costs.

State	\$ 4,200	\$ 0	\$ 800	\$ 5,000
Fed.	0	0	0	0

Bradford/Wyoming Readiness Center, Bradford County

CONSTRUCT A NATIONAL GUARD READINESS CENTER: This project will provide for the construction of a National Guard Readiness Center to include assembly hall, dining facility, classrooms, administrative offices, storage space, rest rooms, locker rooms, parking for privately owned and military vehicle's and renovation of existing facility. When completed, this project is expected to increase operating costs by \$59,858 annually.

State	3,500	1,500	651	5,651
Fed.	7,715	0	1,184	8,899

Waynesburg Readiness Center, Greene County

CONSTRUCT A NATIONAL GUARD READINESS CENTER: This project will provide for a supplemental increase for the construction of a National Guard Readiness Center to include assembly hall, dining facility, classrooms, administrative offices, storage space, rest rooms, locker rooms, and mechanical room. When completed, this project is expected to increase operating costs by \$59,858 annually.

State	698	0	158	856
Fed.	2,736	0	351	3,087

Field Maintenance Shop, Lycoming/Montour County

CONSTRUCTION OF A MAINTENANCE SHOP: This project will provide for the construction of a National Guard Field Maintenance Shop to include work bays, electronics shop, small arms repair shop, tool and supply, administrative areas and parking facilities for employees and military vehicles. When completed, this project is expected to increase operating costs by \$59,858 annually.

State	2,000	1,500	400	3,900
Fed.	15,981	0	2,869	18,850

Friedens Readiness Center, Somerset County

REHABILITATION OF FRIEDENS READINESS CENTER: This project will provide for the rehabilitation of the Friedens Readiness Center to include assembly hall, classrooms, administrative offices, storage spaces, rest rooms, locker rooms and mechanical rooms and upgrade the building systems- HVAC, roofs, windows, doors and repairs to the facade. When completed, this project is expected to decrease operating costs by \$2,344 annually.

State	2,200	0	300	2,500
Fed.	0	0	0	0



Department of Military and Veterans Affairs 2010-11 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
FROM CAPITAL FACILITIES BOND FUNDS				
<i>PUBLIC IMPROVEMENT PROJECTS (continued)</i>				
Program: State Military Readiness				
Fort Indiantown Gap Readiness Center, Lebanon County	State \$ 0	\$ 4,000	\$ 0	\$ 4,000
PURCHASE SURROUNDING LAND: This project will provide for the purchase of in-holdings on FTIG property and/or surrounding property as part of Joint Land Use Agreement and Army Compatibility Use Buffers. When completed, this project is not expected to increase annual operating costs.	Fed. 0	0	0	0
Greensburg Readiness Center, Westmoreland County	State \$ 2,200	\$ 0	\$ 400	\$ 2,600
REHABILITATION OF GREENSBURG READINESS CENTER: This project will provide for the rehabilitation of the Greensburg Readiness Center to include assembly hall, classrooms, administrative offices, storage spaces, rest rooms, locker rooms and mechanical rooms and upgrade the building systems- HVAC, roofs, windows, doors, repairs to the facade, expansion of parking and construction of unheated storage facility. When completed, this project is expected to decrease operating costs by \$2,519 annually.	Fed. 0	0	0	0
Grove City Readiness Center, Mercer County	State \$ 1,500	\$ 0	\$ 300	\$ 1,800
REHABILITATION OF GROVE CITY READINESS CENTER: This project will provide for the rehabilitation of the Grove City Readiness Center to include assembly hall, classrooms, administrative offices, storage spaces, rest rooms, locker rooms and mechanical rooms and upgrade the building systems- HVAC, roofs, windows, doors, repairs to the facade, expansion of parking and construction of unheated storage facility. When completed, this project is expected to decrease operating costs by \$5,497 annually.	Fed. 0	0	0	0
Hamburg Readiness Center, Berks County	State \$ 2,000	\$ 0	\$ 300	\$ 2,300
REHABILITATION OF HAMBURG READINESS CENTER: This project will provide for the rehabilitation of the Hamburg Readiness Center to include assembly hall, classrooms, administrative offices, storage spaces, rest rooms, locker rooms and mechanical rooms and upgrade the building systems- HVAC, roofs, windows, doors, repairs to the facade, expansion of parking and construction of unheated storage facility. When completed, this project is expected to decrease operating costs by \$7,827 annually.	Fed. 0	0	0	0
Hershey Readiness Center, Dauphin County	State \$ 2,200	\$ 0	\$ 300	\$ 2,500
REHABILITATION OF HERSHEY READINESS CENTER: This project will provide for the rehabilitation of the Hershey Readiness Center to include assembly hall, classrooms, administrative offices, storage spaces, rest rooms, locker rooms and mechanical rooms and upgrade the building systems- HVAC, roofs, windows, doors, repairs to the facade, expansion of parking and construction of unheated storage facility. When completed, this project is expected to decrease operating costs by \$4,701 annually.	Fed. 0	0	0	0

Department of Military and Veterans Affairs 2010-11 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
FROM CAPITAL FACILITIES BOND FUNDS				
PUBLIC IMPROVEMENT PROJECTS (continued)				
Program: State Military Readiness				
Johnstown Walters Ave Readiness Center, Cambria County	State \$ 3,800	\$ 0	\$ 500	\$ 4,300
REHABILITATION OF JOHNSTOWN WALTERS AVE READINESS CENTER: This project will provide for the rehabilitation of the Johnstown Walters Ave Readiness Center to include assembly hall, classrooms, administrative offices, storage spaces, rest rooms, locker rooms and mechanical rooms and upgrade the building systems- HVAC, roofs, windows, doors, repairs to the facade, expansion of parking and construction of unheated storage facility. When completed, this project is expected to decrease operating costs by \$7,001 annually.	Fed. 0	0	0	0
Lehighon Readiness Center, Carbon County	State \$ 2,400	\$ 0	\$ 300	\$ 2,700
REHABILITATION OF LEHIGHTON READINESS CENTER: This project will provide for the rehabilitation of the Lehighon Readiness Center to include assembly hall, classrooms, administrative offices, storage spaces, rest rooms, locker rooms and mechanical rooms and upgrade the building systems- HVAC, roofs, windows, doors, repairs to the facade, expansion of parking and construction of unheated storage facility. When completed, this project is expected to decrease operating costs by \$4,985 annually.	Fed. 0	0	0	0
Lewisburg Readiness Center, Union County	State \$ 4,300	\$ 0	\$ 700	\$ 5,000
REHABILITATION OF LEWISBURG READINESS CENTER: This project will provide for the rehabilitation of the Lewisburg Readiness Center to include assembly hall, classrooms, administrative offices, storage spaces, rest rooms, locker rooms and mechanical rooms and upgrade the building systems- HVAC, roofs, windows, doors, repairs to the facade, expansion of parking and construction of unheated storage facility. When completed, this project is expected to decrease operating costs by \$4,717 annually.	Fed. 0	0	0	0
Williamstown Readiness Center, Dauphin County	State \$ 2,600	\$ 0	\$ 400	\$ 3,000
REHABILITATION OF WILLIAMSTOWN READINESS CENTER: This project will provide for the rehabilitation of the Williamstown Readiness Center to include assembly hall, classrooms, administrative offices, storage spaces, rest rooms, locker rooms and mechanical rooms and upgrade the building systems- HVAC, roofs, windows, doors, repairs to the facade, expansion of parking and construction of unheated storage facility. When completed, this project is expected to decrease operating costs by \$2,146 annually.	Fed. 0	0	0	0
Beaver Falls Readiness Center, Beaver County	State \$ 3,700	\$ 0	\$ 600	\$ 4,300
REHABILITATION OF BEAVER FALLS READINESS CENTER: This project will provide for the rehabilitation of the Beaver Falls Readiness Center to include assembly hall, classrooms, administrative offices, storage spaces, rest rooms, locker rooms and mechanical rooms and upgrade the building systems- HVAC, roofs, windows, doors, repairs to the facade, expansion of parking and construction of unheated storage facility. When completed, this project is expected to decrease operating costs by \$7,012 annually.	Fed. 0	0	0	0

Department of Military and Veterans Affairs 2010-11 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
FROM CAPITAL FACILITIES BOND FUNDS				
<i>PUBLIC IMPROVEMENT PROJECTS (continued)</i>				
Program: State Military Readiness				
Carbondale Readiness Center, Carbon County	State \$ 2,200	\$ 0	\$ 500	\$ 2,700
REHABILITATION OF CARBONDALE READINESS CENTER: This project will provide for the rehabilitation of the Carbondale Readiness Center to include assembly hall, classrooms, administrative offices, storage spaces, rest rooms, locker rooms and mechanical rooms and upgrade the building systems- HVAC, roofs, windows, doors, repairs to the facade, expansion of parking and construction of unheated storage facility. When completed, this project is expected to decrease operating costs by \$8,498 annually.	Fed. 0	0	0	0
Fort Indiantown Gap Readiness Center, Lebanon County	State \$ 3,000	\$ 0	\$ 0	\$ 3,000
PURCHASE OF FURNITURE, FIXTURES AND EQUIPMENT: This project will provide for the purchase of furniture, fixtures, and equipment for DGS Project 962-20. When completed, this project is expected to decrease operating costs by \$2,146 annually.	Fed. 0	0	0	0
Total State.....	\$ 42,498	\$ 7,000	\$ 6,609	\$ 56,107
Total Federal.....	26,432	0	4,404	30,836
PROGRAM TOTAL.....	\$ 68,930	\$ 7,000	\$ 11,013	\$ 86,943

Department of Military and Veterans Affairs 2010-11 Projects

(Dollar Amounts in Thousands)

Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
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FROM CAPITAL FACILITIES BOND FUNDS

PUBLIC IMPROVEMENT PROJECTS (continued)

Program: Veterans Homes and School

	State				Total
Hollidaysburg Veterans' Home, Blair County	\$ 800	\$ 0	\$ 200	\$	1,000
RENOVATION OF HOLLIDAYSBURG VETERANS' HOME: This project will provide for the renovation and general repairs of the Hollidaysburg Veterans' Home including upgrading the community living center with design at Eisenhower Hall and constructing meal delivery systems at Arnold & Eisenhower Halls. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0		0
Southeastern Veterans' Center, Chester County	5,600	0	1,400		7,000
RENOVATION OF SOUTHEASTERN VETERANS' CENTER: This project will provide for the renovation and general repairs of the Southeastern Veterans' Center including upgrades and renovations at Coates Hall and construct new maintenance building. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0		0
Southwestern Veterans' Center, Allegheny County	600	0	150		750
RENOVATION OF SOUTHWESTERN VETERANS' CENTER: This project will provide for the renovation and general repairs of the Southwestern Veterans' Center including replacement of facility roof. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0		0
Pennsylvania Soldiers' and Sailors' Home, Erie County	400	0	100		500
RENOVATION OF SOLDIERS' & SAILORS' HOME: This project will provide for the renovation and general repairs of the PA Soldiers' and Sailors' Home including life safety and regulatory deficiencies. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0		0
Gino J. Merli Veterans' Center, Lackawanna County	400	0	100		500
RENOVATION OF GINO J. MERLI VETERANS' CENTER: This project will provide for the renovation and general repairs of the Gino J. Merli Veterans' Center including life safety and regulatory deficiencies. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0		0
Delaware Valley Veterans' Home, Philadelphia County	400	0	100		500
RENOVATION OF DELAWARE VALLEY VETERANS' HOME: This project will provide for the renovation and general repairs of the Delaware Valley Veterans' Home including life safety and regulatory deficiencies. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0		0

Department of Military and Veterans Affairs 2010-11 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
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FROM CAPITAL FACILITIES BOND FUNDS

PUBLIC IMPROVEMENT PROJECTS (continued)

Program: Veterans Homes and School

Southeastern Veterans' Center, Chester County	State	2,000	0	0	2,000
ADDITIONAL FUNDING FOR PROJECT 960-55: This project will provide for funding of Furniture, Fixtures and Equipment. When completed, this project is not expected to increase operating costs.	Fed.	0	0	0	0
Total State.....		\$ 10,200	\$ 0	\$ 2,050	\$ 12,250
Total Federal.....		0	0	0	0
PROGRAM TOTAL.....		<u>\$ 10,200</u>	<u>\$ 0</u>	<u>\$ 2,050</u>	<u>\$ 12,250</u>



DEPARTMENT OF PUBLIC WELFARE

Summary of Recommended Authorization Amounts by Program and Source of Funds

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
2010-11 PUBLIC IMPROVEMENT PROJECTS				
Human Services.....	\$ 20,590	\$ 0	\$ 4,098	\$ 24,688
TOTAL PROJECTS.....	<u>\$ 20,590</u>	<u>\$ 0</u>	<u>\$ 4,098</u>	<u>\$ 24,688</u>
SOURCE OF FUNDS				
General Obligation Bond Issues				
Capital Facilities Fund - Buildings and Structures.....	\$ 20,590	\$ 0	\$ 4,098	\$ 24,688
Capital Facilities Fund - Furniture and Equipment.....	0	0	0	0
TOTAL.....	<u>\$ 20,590</u>	<u>\$ 0</u>	<u>\$ 4,098</u>	<u>\$ 24,688</u>

Department of Public Welfare 2010-11 Projects

<i>This section provides a brief description of each recommended project, its location, cost components and expected impact on operating expenses.</i>	(Dollar Amounts in Thousands)			
	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
FROM CAPITAL FACILITIES BOND FUNDS				
PUBLIC IMPROVEMENT PROJECTS				
Program: Human Services				
Wernersville State Hospital, Berks County	\$ 400	\$ 0	\$ 80	\$ 480
INSTALL MODERNIZED ROOF SYSTEM: This project will provide for the installation of a state of the art technology advanced system. When completed this project is not expected to increase operating costs.				
Polk Center, Venango County	750	0	150	900
INSTALL NEW HVAC IN DINING AREA: This project will install a new HVAC system and associated control and electrical system. When completed this project is not expected to increase operating costs.				
Loysville YDC, Perry County	1,500	0	300	1,800
INSTALL NEW TRANSFORMERS: This project will remove existing PCB transformers and install new appropriate replacements. When completed this project is not expected to increase operating costs.				
Torrance State Hospital, Westmoreland County	1,000	0	150	1,150
REPLACE HVAC SYSTEM: This project will replace and improve the heating and air conditioning for central areas of Wiseman Building. When completed this project is not expected to increase operating costs.				
Selinsgrove Center, Snyder County	1,800	0	390	2,190
UPGRADE WATER SYSTEM: This project will upgrade and construct water filtration plant, repipe water tie-ins to accommodate water filtration plant and supply facility. When completed this project is not expected to increase operating costs.				
Loysville YDC, Perry County	1,445	0	289	1,734
CONSTRUCT NEW ACTIVITIES CENTER: This project will construct a new activities center including site preparation and associated utilities. When completed this project is not expected to increase operating costs.				
Wernersville State Hospital, Berks County	325	0	65	390
INSTALL MODERNIZED ROOF SYSTEM: This project will provide for the installation of a state of the art technology advanced system. When completed this project is not expected to increase operating costs.				
Ebensburg Center, Cambria County	130	0	26	156
REHABILITATE SEWAGE SYSTEM SUPPLEMENTAL FUNDING: This project will provide for additional funding to rehabilitate sanitary sewer system. When completed this project is not expected to increase operating costs.				

Department of Public Welfare 2010-11 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
FROM CAPITAL FACILITIES BOND FUNDS				
<i>PUBLIC IMPROVEMENT PROJECTS (continued)</i>				
Program: Human Services				
New Castle YDC, Lawrence County	\$ 990	\$ 0	\$ 198	\$ 1,188
INSTALL NEW HVAC: This project will install a new HVAC system and associated control and electrical system. When completed this project is not expected to increase operating costs.				
Norristown State Hospital, Montgomery County	700	0	140	840
RENOVATE BOILER PLANT: This project will install new efficient boilers to replaced leased units. When completed this project is not expected to increase operating costs.				
White Haven Center, Luzerne County	2,000	0	400	2,400
REPLACE STEAM LINES: This project will replace condensation and steam lines throughout the center. When completed, this project is not expected to increase operating costs.				
New Castle YDC, Lawrence County	400	0	80	480
INSTALL NEW HVAC IN DINING AREA: This project will install a new HVAC system and associated control and electrical system. When completed this project is not expected to increase operating costs.				
Wernersville State Hospital, Berks County	350	0	70	420
REBUILD UTILITY TUNNELS: This project will rebuild and reinforce collapsing utility tunnel system to ensure utility services. When completed this project is not expected to increase operating costs.				
Selinsgrove Center, Snyder County	1,000	0	200	1,200
REFURBISH WATER TOWERS: This project will refurbish inside and outside including access ladders and concrete bases to meet code requirements. When completed this project is not expected to increase operating costs.				
Warren State Hospital, Warren County	600	0	120	720
INSTALL MODERNIZED ROOF SYSTEM: This project will provide for the installation of a state of the art technology advanced system. When completed this project is not expected to increase operating costs.				
White Haven Center, Luzerne County	500	0	100	600
RENOVATE POOL AREA: This project will provide for the installation of equipment and materials to provide water park in place of existing pool. When completed this project is not expected to increase operating costs.				

Department of Public Welfare 2010-11 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
FROM CAPITAL FACILITIES BOND FUNDS				
<i>PUBLIC IMPROVEMENT PROJECTS (continued)</i>				
Program: Human Services				
Cresson STU, Cambria County	1,200	0	240	1,440
UPGRADE ELECTRICAL SERVICE: This project will provide for the installation of a new 400 amp service to meet with current requirements. When completed this project is not expected to increase operating costs.				
Danville State Hospital, Montour County	\$ 1,500	\$ 0	\$ 300	\$ 1,800
UPGRADE ELECTRICAL SERVICE: This project will provide for the installation of a new 400 amp service to meet current requirements. When completed this project is not expected to increase operating costs.				
South Mountain STU, Franklin County	4,000	0	800	4,800
INSTALL NEW HVAC: This project will install a new HVAC system and associated control and electrical system. When completed this project is not expected to increase operating costs.				
 PROGRAM TOTAL.....	 <u>\$ 20,590</u>	 <u>\$ 0</u>	 <u>\$ 4,098</u>	 <u>\$ 24,688</u>



STATE POLICE

Summary of Recommended Authorization Amounts by Program and Source of Funds

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
2010-11 PUBLIC IMPROVEMENT PROJECTS				
Public Protection and Law Enforcement.....	\$ 15,000	\$ 0	\$ 1,500	\$ 16,500
TOTAL PROJECTS.....	<u>\$ 15,000</u>	<u>\$ 0</u>	<u>\$ 1,500</u>	<u>\$ 16,500</u>
SOURCE OF FUNDS				
General Obligation Bond Issues				
Capital Facilities Fund - Buildings and Structures.....	\$ 15,000	\$ -	\$ 1,500	\$ 16,500
TOTAL.....	<u>\$ 15,000</u>	<u>\$ 0</u>	<u>\$ 1,500</u>	<u>\$ 16,500</u>

State Police 2010-11 Projects

(Dollar Amounts in Thousands)

This section provides a brief description of each recommended project, its location, cost components and expected impact on operating expenses.

Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
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FROM CAPITAL FACILITIES BOND FUNDS

PUBLIC IMPROVEMENT PROJECTS

Program: Public Protection and Law Enforcement

New Headquarters, Greensburg, Westmoreland County
CONSTRUCT NEW GREENSBURG HEADQUARTERS

This project will provide for the construction of new headquarters facility to replace existing headquarters, which has outlived its usefulness.

\$	15,000	\$	0	\$	1,500	\$	16,500
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PROGRAM TOTAL.....

<u>\$</u>	<u>15,000</u>	<u>\$</u>	<u>0</u>	<u>\$</u>	<u>1,500</u>	<u>\$</u>	<u>16,500</u>
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DEPARTMENT OF TRANSPORTATION

Summary of Recommended Authorization Amounts by Program and Source of Funds

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
2010-11 PUBLIC IMPROVEMENT PROJECTS				
State Highway and Bridge Maintenance.....	\$ 41,150	\$ 30	\$ 5,020	\$ 46,200
Subtotal.....	\$ 41,150	\$ 30	\$ 5,020	\$ 46,200
TRANSPORTATION ASSISTANCE PROJECTS				
Urban Mass Transportation.....	\$ 399,546	\$ 0	\$ 12,647	\$ 412,193
Subtotal.....	\$ 399,546	\$ 0	\$ 12,647	\$ 412,193
HIGHWAY PROJECTS				
State Highway, Bridge & Administration Construction/Reconstruction.....	\$ 990,599	\$ 29,479	\$ 59,322	\$ 1,079,399
TOTAL PROJECTS.....	<u>\$ 1,431,295</u>	<u>\$ 29,509</u>	<u>\$ 76,989</u>	<u>\$ 1,537,792</u>
SOURCE OF FUNDS				
General Obligation Bond Issues				
Capital Facilities Fund - Transportation Assistance.....	\$ 113,830	\$ 0	\$ 12,647	\$ 126,477
Capital Facilities Fund - Public Improvement Projects.....	41,150	30	5,020	46,200
Current Revenues				
Motor License Fund.....	\$ 324,817	\$ 12,178	\$ 22,455	\$ 359,449
Federal Funds.....	\$ 940,087	\$ 17,052	\$ 36,276	\$ 993,415
Local Funds.....	11,411	250	591	12,251
TOTAL.....	<u>\$ 1,431,295</u>	<u>\$ 29,509</u>	<u>\$ 76,989</u>	<u>\$ 1,537,792</u>



Department of Transportation 2010-11 Projects

(Dollar Amounts in Thousands)

This section provides a brief description of each recommended project, its location, cost components and expected impact on operating expenses.

Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
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FROM CAPITAL FACILITIES BOND FUNDS

PUBLIC IMPROVEMENT PROJECTS

Program: State Highway and Bridge Maintenance

Dauphin County Materials Testing Facility

DEMOLISH TESTING FACILITY: This project will provide for the demolition of the old facility due to health, safety and environmental concerns. When completed, this project will not increase operating costs.

State	\$ 2,000	\$ 0	\$ 200	\$ 2,200
Fed.	0	0	0	0
Local	0	0	0	0

Blair County District 9-0 Office

INSTALL GENERATOR AND REPOINT BUILDING: This project will provide for the installation of an emergency generator and repointing of the exterior of the building to meet program requirements and building deficiencies. When completed, this project will not increase operating costs.

State	500	0	45	545
Fed.	0	0	0	0
Local	0	0	0	0

Dauphin County Site 47 Rest Area

DEMOLISH AND CONSTRUCT NEW REST AREA: This project will provide for the demolition of existing rest area and construct new facility with expanded vehicle/truck parking lots. When completed, this project will not increase operating costs.

State	5,000	0	500	5,500
Fed.	0	0	0	0
Local	0	0	0	0

Dauphin County Site 48 Rest Area

DEMOLISH AND CONSTRUCT NEW REST AREA: This project will provide for the demolition of existing rest area and construct new facility with expanded vehicle/truck parking lots. When completed, this project will not increase operating costs.

State	5,000	0	500	5,500
Fed.	0	0	0	0
Local	0	0	0	0

Luzerne County Maintenance Facility

RENOVATE COUNTY FACILITY: This project will provide for the demolition of old facility and construction of new facility due to health, safety and environmental concerns. When completed, this project will not increase operating costs.

State	1,000	0	100	1,100
Fed.	0	0	0	0
Local	0	0	0	0

Mercer County Welcome Center

RENOVATE WELCOME CENTER: This project will provide for the renovation and expansion of welcome center/road side rest or construct new including parking lots, rest rooms, display areas, tourism service area, patios, picnic areas, ramps, enhance ADA accessibility and any necessary building code related enhancements. When completed, this project will not increase operating costs.

State	8,500	0	1,275	9,775
Fed.	0	0	0	0
Local	0	0	0	0

Bucks County Welcome Center RSR Site P

RENOVATE WELCOME CENTER: This project will provide for the renovation and expansion of welcome center/road side rest or construct new including parking lots, rest rooms, display areas, tourism service area, patios, picnic areas, ramps, enhance ADA accessibility and any necessary building code related enhancements. When completed, this project will not increase operating costs.

State	8,500	0	1,275	9,775
Fed.	0	0	0	0
Local	0	0	0	0



Department of Transportation 2010-11 Projects

(Dollar Amounts in Thousands)

Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
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FROM CAPITAL FACILITIES BOND FUNDS

PUBLIC IMPROVEMENT PROJECTS (continued)

Program: State Highway and Bridge Maintenance

	State	Fed.	Local	Land Cost	Design & Contingencies	Total Project Cost
Cameron County Maintenance Facility	\$ 600	\$ 0	\$ 0	\$ 0	\$ 75	\$ 675
RENOVATE COUNTY FACILITY: This project will provide for the renovation and expansion to the facility to bring the building into code compliance, roof, upgrade building's systems, improve program requirements and energy efficiency. When completed, this project will not increase operating costs.	0	0	0	0	0	0
Crawford County Maintenance Facility	600	0	0	0	75	675
RENOVATE COUNTY FACILITY: This project will provide for the renovation and expansion to the facility to bring the building into code compliance, roof, upgrade building's systems, improve program requirements and energy efficiency. When completed, this project will not increase operating costs.	0	0	0	0	0	0
Venango County District Office 1-0	750	0	0	0	75	825
REPLACE ELEVATORS: This project will provide for the replacement of of outdated and unserviceable elevators to meet current ADA code requirements. When completed, this project will not increase operating costs.	0	0	0	0	0	0
Mifflin County Maintenance Facility	600	0	0	0	75	675
RENOVATE COUNTY FACILITY: This project will provide for the renovation and expansion to the facility to bring the building into code compliance, roof, upgrade building's systems, improve program requirements and energy efficiency. When completed, this project will not increase operating costs.	0	0	0	0	0	0
Tioga County Maintenance Facility	600	0	0	0	75	675
RENOVATE COUNTY FACILITY: This project will provide for the renovation and expansion to the facility to bring the building into code compliance, roof, upgrade building's systems, improve program requirements and energy efficiency. When completed, this project will not increase operating costs.	0	0	0	0	0	0
Monroe County Site 41 Rest Area	500	0	0	0	50	550
REPAIR/EXPAND SAFETY REST AREA: This project will provide for the repair, replacement and expansion of the existing vehicle/truck parking lots at the site 41 roadside rest area located on I-80 eastbound in Monroe County. When completed, this project will not increase operating costs.	0	0	0	0	0	0
Columbia County Sites 37/38 Safety Rest Areas	500	0	0	0	50	550
RENOVATE REST AREAS: This project will provide for the renovation, expansion and improvement to the water system and sewage treatment plant facility to bring the building into code compliance, upgrade buildings systems, roof, improve program requirements and energy efficiency. When completed, this project will not increase operating costs.	0	0	0	0	0	0
Clinton County Sites 33/34 Safety Rest Areas	500	0	0	0	50	550
RENOVATE REST AREAS: This project will provide for the renovation, expansion and improvement to the water system and sewage treatment plant facility to bring the building into code compliance, upgrade buildings systems, roof, improve program requirements and energy efficiency. When completed, this project will not increase operating costs.	0	0	0	0	0	0

Department of Transportation 2010-11 Projects

(Dollar Amounts in Thousands)

Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
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FROM CAPITAL FACILITIES BOND FUNDS

PUBLIC IMPROVEMENT PROJECTS (continued)

Program: State Highway and Bridge Maintenance

Fulton County Site 3 Safety Rest Area

RENOVATE REST AREA: This project will provide for the renovation, expansion and improvement to the water system and sewage treatment plant facility to bring the building into code compliance, upgrade buildings systems, roof, improve program requirements and energy efficiency. When completed, this project will not increase operating costs.

State	\$ 500	\$ 0	\$ 50	\$ 550
Fed.	0	0	0	0
Local	0	0	0	0

Fulton County Site B Safety Rest Area/ Welcome Center

RENOVATE REST AREA: This project will provide for the renovation, expansion and improvement to the water system and sewage treatment plant facility to bring the building into code compliance, upgrade buildings systems, roof, improve program requirements and energy efficiency. When completed, this project will not increase operating costs.

State	500	0	50	550
Fed.	0	0	0	0
Local	0	0	0	0

Blair County Maintenance Facility

CONSTRUCT NEW STOCK PILE FACILITY: This project will provide for the construction of a new stockpile including site development, design and construction of all required buildings. When completed, this project will not increase operating costs.

State	1,500	15	150	1,665
Fed.	0	0	0	0
Local	0	0	0	0

Somerset County Maintenance Facility

CONSTRUCT NEW STOCK PILE FACILITY: This project will provide for the construction of a new stockpile including site development, design and construction of all required buildings. When completed, this project will not increase operating costs.

State	1,500	15	150	1,665
Fed.	0	0	0	0
Local	0	0	0	0

Dauphin COUNTY PennDOT Server Farm

UPGRADE WATER/HVAC SYSTEMS: This project will provide for the required water system and HVAC upgrades to obtain Tier 3 level designation to reduce the possibility of system failures. When completed, this project will not increase operating costs.

State	2,000	0	200	2,200
Fed.	0	0	0	0
Local	0	0	0	0

PROGRAM TOTAL.....

\$ 41,150	\$ 30	\$ 5,020	\$ 46,200
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Department of Transportation 2010-11 Projects

(Dollar Amounts in Thousands)

Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
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FROM CAPITAL FACILITIES BOND FUNDS

TRANSPORTATION ASSISTANCE PROJECTS

Program: Urban Mass Transportation

All of the following projects are grants to local transportation authorities. Consequently, no staffing or operating cost impacts are provided since these will be borne by local budgets.

Southeastern Pennsylvania Transportation Authority F.F.Y. 2008 CLEAN FUELS BUS PURCHASE: This project will provide for the purchase of 400 hybrid forty foot low floor transit buses with an option to purchase 80 more to replace buses which have met their useful life.	State \$	535	\$	0	\$	60	\$	595
	Fed.	3,000		0		0		3,000
	Local	20		0		0		20
Southeastern Pennsylvania Transportation Authority RENOVATE BUCKS COUNTY INTERMODAL: This project will provide for improvements at the Levittown Station to include replacement of the station building including infrastructure, improve pedestrian tunnels and intersection improvements.	State	2,560		0		285		2,845
	Fed.	11,760		0		0		11,760
	Local	95		0		0		95
Southeastern Pennsylvania Transportation Authority RENOVATE MONTGOMERY COUNTY STATIONS: This project will provide for improvements at select SEPTA stations in Montgomery County, including but not limited to Jenkintown, Glenside and Noble Stations.	State	4,268		0		474		4,742
	Fed.	19,600		0		0		19,600
	Local	158		0		0		158
Southeastern Pennsylvania Transportation Authority RENOVATE PAOLI STATION: This project will provide for the engineering and construction of a transportation center in Paoli, located west of existing station.	State	261		0		29		290
	Fed.	1,200		0		0		1,200
	Local	10		0		0		10
Southeastern Pennsylvania Transportation Authority RENOVATE VILLANOVA INTERMODAL STATION: This project will provide for the design and construction for high level platforms canopies for both inbound and outbound service with new pedestrian tunnels as well as ADA compliant ramps and stairs.	State	4,024		0		447		4,471
	Fed.	18,480		0		0		18,480
	Local	149		0		0		149
Southeastern Pennsylvania Transportation Authority CONSTRUCT PARKING GARAGE AT 69th STREET TERMINAL: This project will include design and construction of a 425 space parking garage including ADA accessibility and pedestrian connections between the new garage and existing terminal built on existing site.	State	3,832		0		426		4,258
	Fed.	17,600		0		0		17,600
	Local	142		0		0		142
Southeastern Pennsylvania Transportation Authority F.F.Y. 2011 FORMULA PROGRAM OF PROJECTS: This project will provide for the acquisition of different size buses based upon needs and route characteristics in SEPTA's Bus Fleet Management Plan.	State	15,260		0		1,695		16,955
	Fed.	70,080		0		0		70,080
	Local	565		0		0		565
Southeastern Pennsylvania Transportation Authority F.F.Y. 2011 RAIL MODERNIZATION PROGRAM OF PROJECTS: This project will provide for station accessibility, City Hall Station and 15th Station rehabilitation, Elwyn to Wawa Rail Service, Paoli line improvements, regional rail substation improvements, parking expansion program, transit and regional rail program, new payment technologies, paratransit vehicle purchase program and utility fleet renewal.	State	14,240		0		1,582		15,822
	Fed.	65,395		0		0		65,395
	Local	527		0		0		527

Department of Transportation 2010-11 Projects

(Dollar Amounts in Thousands)

Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
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FROM CAPITAL FACILITIES BOND FUNDS

TRANSPORTATION ASSISTANCE PROJECTS (continued)

Program: Urban Mass Transportation (continued)

Southeastern Pennsylvania Transportation Authority	State	\$ 635	\$ 0	\$ 70	\$ 705
F.F.Y. 2011 FLEX PROGRAM - RAILROAD/HIGHWAY GRADE CROSSING:	Fed.	2,912	0	0	2,912
This project will support the installation or upgrading of warning devices, such as priority traffic and bar signals, and the renewal of highway grade crossing surfaces, improve air quality and reduce congestion.	Local	23	0	0	23
Southeastern Pennsylvania Transportation Authority	State	214	0	24	238
F.F.Y. 2011 TRANSIT ENHANCEMENTS:	Fed.	984	0	0	984
This project will support eligible activities which include historic preservation, rehabilitation, and related activities: bus shelters; landscaping and other scenic beautification including street lights, public art, pedestrian access and walkways; bicycle access including storage facilities and installation of equipment for transporting bicycles on transit vehicles; transit connections to parks; signage and enhanced access to transit for persons with disabilities.	Local	8	0	0	8
Port Authority of Allegheny County	State	6,318	0	702	7,020
FY 2010-2011 SECTION 5307 PROGRAM:	Fed.	29,010	0	0	29,010
This program will provide for the replacement/rehabilitation of major components of a bus and fixed guide way system.	Local	234	0	0	234
Port Authority of Allegheny County	State	4,814	0	535	5,349
FY 2010-2011 SECTION 5309 PROGRAM:	Fed.	22,109	0	0	22,109
This project will provide for the replacement/rehabilitation of major components within the Port Authority's rail and bus way systems.	Local	178	0	0	178
Port Authority of Allegheny County	State	1,344	0	149	1,493
FY 2010-2011 SECTION 5307 FLEX PROGRAM:	Fed.	6,172	0	0	6,172
This project will provide replacement buses, light rail vehicle mid-life overhaul, light rail extension, and the expansion of Port Authority's Alpine Village park-n-ride facility.	Local	50	0	0	50
Area Transportation Authority	State	1,800	0	200	2,000
VEHICLE AND FACILITY UPGRADES:	Fed.	8,267	0	0	8,267
This project will provide funding for the purchase of transit vehicles and facility upgrades.	Local	67	0	0	67
Crawford Area Transportation Authority	State	175	0	19	194
CONSTRUCT BUS STORAGE AND WASH FACILITY:	Fed.	800	0	0	800
This project will provide for the construction of a steel structure sheltered bus storage facility and wash bay for bus fleet.	Local	6	0	0	6
Centre Area Transportation Authority	State	900	0	100	1,000
FLEET EXPANSION:	Fed.	4,133	0	0	4,133
This project will provide for the purchase of buses to add to the current fleet for expanded service, and replace diesel buses that have met their useful life and refurbish bus lanes in front of the transit center to load wheelchairs.	Local	33	0	0	33
Southeastern Pennsylvania Transportation Authority	State	27,000	0	3,000	30,000
FY 2010-2011 VEHICLE OVERHAUL PROGRAM:	Fed.	0	0	0	0
This project will provide for SEPTA's FY 2010-2011 Vehicle Overhaul Program, which provides for the major overhaul of the rolling stock.	Local	1,000	0	0	1,000



Capital Budget

Department of Transportation 2010-11 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
FROM CAPITAL FACILITIES BOND FUNDS				
TRANSPORTATION ASSISTANCE PROJECTS (continued)				
Program: Urban Mass Transportation (continued)				
Southeastern Pennsylvania Transportation Authority	State \$ 9,000	\$ 0	\$ 1,000	\$ 10,000
FY 2010-2011 INFRASTRUCTURE SAFETY RENEWAL PROGRAM:	Fed. 0	0	0	0
This project will provide for SEPTA's FY 2010-2011 Infrastructure Safety Renewal Program which includes improvements to stations, signals, track, power, and buildings.	Local 333	0	0	333
Port Authority of Allegheny County	State 14,400	0	1,600	16,000
FY 2010-2011 INFRASTRUCTURE SAFETY RENEWAL PROGRAM:	Fed. 0	0	0	0
This project will provide for PAAC's FY 2010-2011 Infrastructure Safety Renewal Program which includes improvements to stations, signals, track, power, and buildings.	Local 533	0	0	533
Port Authority of Allegheny County	State 2,250	0	250	2,500
VEHICLE OVERHAUL PROGRAM:	Fed. 0	0	0	0
This project will provide for PAAC's FY 2010-2011 Vehicle Overhaul Program, which provides for the major overhaul of the rolling stock.	Local 83	0	0	83
TOTAL STATE FUNDS.....	\$ 113,830	\$ 0	\$ 12,647	\$ 126,477
TOTAL FEDERAL FUNDS.....	281,502	0	0	281,502
TOTAL LOCAL FUNDS.....	4,214	0	0	4,214
PROGRAM TOTAL.....	\$ 399,546	\$ 0	\$ 12,647	\$ 412,193



Department of Transportation 2010-11 Projects

(Dollar Amounts in Thousands)

FROM CURRENT REVENUES

HIGHWAY PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Adams County	State	\$ 200	\$ 100	\$ 30	\$ 330
Main Street & Elm Ave intersection	Federal	800	0	270	1,070
Conewago Township, McSherrystown Borough	Local	0	0	0	0
Intersection realignment, turn lanes, new signals	Total	1,000	100	300	1,400
Allegheny County	State	300	0	15	315
SR 2040	Federal	0	0	0	0
Upgrade/coordinate 7 signals	Local	0	0	0	0
	Total	300	0	15	315
Allegheny County	State	300	0	0	300
Durable pavement markings	Federal	0	0	0	0
District wide various locations	Local	0	0	0	0
Installation of durable pavement markings and legends along with hydroblase pavement marking removal	Total	300	0	0	300
Allegheny County	State	1,000	0	0	1,000
ADA ramps, district wide	Federal	0	0	0	0
Installation of ADA ramps and curb cuts	Local	0	0	0	0
	Total	1,000	0	0	1,000
Allegheny County	State	384	0	0	384
SR 1014, Hite Road	Federal	0	0	0	0
Springdale Township, Harmar Township	Local	0	0	0	0
Bituminous overlay	Total	384	0	0	384
Allegheny County	State	1,024	0	0	1,024
SR 1015, Russelton/Deer Creek	Federal	0	0	0	0
Harmar Township, Indiana Township	Local	0	0	0	0
Bituminous overlay	Total	1,024	0	0	1,024
Allegheny County	State	730	0	0	730
SR 1016, Lafever Hill	Federal	0	0	0	0
Indiana Township	Local	0	0	0	0
Bituminous overlay	Total	730	0	0	730
Allegheny County	State	2,200	0	0	2,200
SR 1019, Butler Logan Road	Federal	0	0	0	0
Springdale Township, Frazer Township, Springdale Borough	Local	0	0	0	0
Bituminous overlay	Total	2,200	0	0	2,200
Allegheny County	State	543	0	0	543
SR 1025, Rich Hill Road	Federal	0	0	0	0
Indiana Township	Local	0	0	0	0
Bituminous overlay	Total	543	0	0	543
Allegheny County	State	881	0	0	881
SR 1030, 908 ext/Millerstown	Federal	0	0	0	0
Fawn Township, Frazer Township, West Deer Township	Local	0	0	0	0
Bituminous overlay	Total	881	0	0	881



Department of Transportation 2010-11 Projects

(Dollar Amounts in Thousands)

FROM CURRENT REVENUES

HIGHWAY PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Allegheny County	State	\$ 579	\$ 0	\$ 0	\$ 579
SR 1031, Larding Town Road	Federal	0	0	0	0
Fawn Township	Local	0	0	0	0
Bituminous overlay	Total	579	0	0	579
Allegheny County	State	910	0	0	910
SR 1035, Ridge Road	Federal	0	0	0	0
Fawn Township	Local	0	0	0	0
Bituminous overlay	Total	910	0	0	910
Allegheny County	State	315	0	0	315
SR 1045, Armstrong Road	Federal	0	0	0	0
West Deer Township	Local	0	0	0	0
Bituminous overlay	Total	315	0	0	315
Allegheny County	State	960	0	0	960
SR 0130, Broadway	Federal	0	0	0	0
Monroeville Borough, Pitcairn Borough	Local	0	0	0	0
Bituminous overlay	Total	960	0	0	960
Allegheny County	State	712	0	0	712
SR 0130, Coal Highway/Beulah	Federal	0	0	0	0
Penn Hills Township, Churchill Borough	Local	0	0	0	0
Bituminous overlay	Total	712	0	0	712
Allegheny County	State	865	0	0	865
SR 0136, Rainbow Run Road	Federal	0	0	0	0
Forward Township	Local	0	0	0	0
Bituminous overlay	Total	865	0	0	865
Allegheny County	State	520	0	0	520
148/PA Ave - Lincoln	Federal	2,080	0	0	2,080
North Versailles Township, McKeesport (city), East McKeesport Borough	Local	0	0	0	0
Highway reconstruction	Total	2,600	0	0	2,600
Allegheny County	State	400	0	0	400
148/Walnut Street -Fifth Ave	Federal	1,600	0	0	1,600
McKeesport (city)	Local	0	0	0	0
Highway reconstruction	Total	2,000	0	0	2,000
Allegheny County	State	500	0	10	510
19/Conner - Cochran	Federal	2,000	0	40	2,040
Mt Lebanon Township	Local	0	0	0	0
Highway reconstruction	Total	2,500	0	50	2,550
Allegheny County	State	920	0	0	920
19 Banksville/McFar Pkwy	Federal	3,680	0	0	3,680
Mt Lebanon Township, Pittsburgh (City), Dormont Borough	Local	0	0	0	0
Highway reconstruction	Total	4,600	0	0	4,600



Department of Transportation 2010-11 Projects

(Dollar Amounts in Thousands)

FROM CURRENT REVENUES

HIGHWAY PROJECTS

Program: State Highway and Bridge Construction

	Base Project Cost	Land Cost	Design Cost	Total Project Cost
Allegheny County	State \$ 1,000	\$ 0	\$ 0	\$ 1,000
19 Perry/Pine Creek-I79	Federal 4,000	0	0	4,000
Pine Township, Marshall Township	Local 0	0	0	0
Cold laid latex modified emulsion 25#/SY	Total 5,000	0	0	5,000
Allegheny County	State 600	0	0	600
SR 19 - Perry Highway	Federal 2,400	0	0	2,400
McCandless Township, Pine Township	Local 0	0	0	0
Highway reconstruction	Total 3,000	0	0	3,000
Allegheny County	State 3,200	0	0	3,200
SR 2001, Lincoln Blvd	Federal 0	0	0	0
Elizabeth Township, Elizabeth Borough, Glassport Borough, Lincoln Borough	Local 0	0	0	0
Bituminous overlay	Total 3,200	0	0	3,200
Allegheny County	State 585	0	0	585
SR 2003, Sunny Side Highway	Federal 0	0	0	0
Forward Township	Local 0	0	0	0
Bituminous overlay	Total 585	0	0	585
Allegheny County	State 1,212	0	0	1,212
SR 2005, Kelly Run	Federal 0	0	0	0
Forward Township	Local 0	0	0	0
Bituminous overlay	Total 1,212	0	0	1,212
Allegheny County	State 595	0	0	595
SR 2009, Sunfish Hollow	Federal 0	0	0	0
Forward Township	Local 0	0	0	0
Bituminous overlay	Total 595	0	0	595
Allegheny County	State 614	0	0	614
SR 2013, Ella Highway Road	Federal 0	0	0	0
Forward Township	Local 0	0	0	0
Bituminous overlay	Total 614	0	0	614
Allegheny County	State 757	0	0	757
SR 2017, Long Highway, Douglas	Federal 0	0	0	0
Elizabeth Township	Local 0	0	0	0
Bituminous overlay	Total 757	0	0	757
Allegheny County	State 471	0	0	471
SR 2074, Poketa	Federal 0	0	0	0
Penn Hills Township	Local 0	0	0	0
Pavement reconstruction and rehab	Total 471	0	0	471
Allegheny County	State 748	0	0	748
SR 2075, Logans Ferry	Federal 0	0	0	0
Plum Borough	Local 0	0	0	0
Bituminous overlay	Total 748	0	0	748
Allegheny County	State 455	0	0	455
SR 2078, Hamil	Federal 0	0	0	0
Penn Hills Township	Local 0	0	0	0
Bituminous overlay	Total 455	0	0	455



Department of Transportation 2010-11 Projects

(Dollar Amounts in Thousands)

FROM CURRENT REVENUES

HIGHWAY PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Allegheny County	State	\$ 3,000	\$ 0	\$ 0	\$ 3,000
2094/Jerome Street br -148	Federal	12,000	0	0	12,000
McKeesport (city)	Local	0	0	0	0
Highway reconstruction	Total	15,000	0	0	15,000
Allegheny County	State	200	0	100	300
22(376)/Tonidale-McMichael	Federal	800	0	900	1,700
Robinson Township	Local	0	0	0	0
Pavement reconstruction and rehab	Total	1,000	0	1,000	2,000
Allegheny County	State	1,600	0	0	1,600
28/O'hara Twp Line- ex 13	Federal	6,400	0	0	6,400
Ohara Township, Aspinwall Borough	Local	0	0	0	0
Highway restoration	Total	8,000	0	0	8,000
Allegheny County	State	543	0	25	568
28 Millvale to Etna (SB)	Federal	2,153	0	100	2,253
Etna Borough, Shaler Township , Millvale Borough	Local	0	0	0	0
Concrete patch and bituminous overlay	Total	2,697	0	125	2,822
Allegheny County	State	5,400	1,400	0	6,800
PA 286/Sagamore-Sandune	Federal	21,600	5,600	0	27,200
Monroeville Borough, Plum Borough	Local	0	0	0	0
Widening to add turn lanes and through lanes; milling and resurfacing; Reconstruction, drainage; curbs	Total	27,000	7,000	0	34,000
Allegheny County	State	300	0	15	315
SR 30	Federal	0	0	0	0
Findlay Township	Local	0	0	0	0
Upgrade/coordinate 7 signals	Total	300	0	15	315
Allegheny County	State	998	0	0	998
SR 3005, Mayview Road	Federal	0	0	0	0
South Fayette Township, Upper St. Clair Township	Local	0	0	0	0
Bituminous overlay	Total	998	0	0	998
Allegheny County	State	400	0	0	400
3009/Washington Co-Clifton	Federal	1,600	0	0	1,600
Bethel Park Borough	Local	0	0	200	200
Highway reconstruction	Total	2,000	0	200	2,200
Allegheny County	State	663	0	0	663
SR 3011, Stewart-Berryman	Federal	0	0	0	0
South Park Township, Bethel Park Borough	Local	0	0	0	0
Bituminous overlay	Total	663	0	0	663
Allegheny County	State	637	0	0	637
SR 3012, Stoltz Road	Federal	0	0	0	0
South Park Township, Bethel Park Borough	Local	0	0	0	0
Bituminous overlay	Total	637	0	0	637



Department of Transportation 2010-11 Projects

(Dollar Amounts in Thousands)

FROM CURRENT REVENUES

HIGHWAY PROJECTS

Program: State Highway and Bridge Construction

	Base Project Cost	Land Cost	Design Cost	Total Project Cost	
Allegheny County	State	\$ 439	\$ 0	\$ 0	\$ 439
SR 3035, Weyman Street	Federal	0	0	0	0
Whitehall Borough	Local	0	0	0	0
Bituminous overlay	Total	439	0	0	439
Allegheny County	State	312	0	0	312
SR 3037, Scott Road	Federal	0	0	0	0
Mt Lebanon Township, Dormont Borough	Local	0	0	0	0
Castle Shannon Blvd. to Washington Road. Pavement reconstruction	Total	312	0	0	312
Allegheny County	State	1,183	0	0	1,183
SR 3052, Hilltop Road	Federal	0	0	0	0
Collier Township	Local	0	0	0	0
Bituminous overlay	Total	1,183	0	0	1,183
Allegheny County	State	715	0	0	715
SR 3072, Montour Run Road	Federal	0	0	0	0
Robinson Township, Moon Township	Local	0	0	0	0
Bituminous overlay	Total	715	0	0	715
Allegheny County	State	2,187	0	0	2,187
SR 3074, Hassam Road	Federal	0	0	0	0
Moon Township	Local	0	0	0	0
Bituminous overlay	Total	2,187	0	0	2,187
Allegheny County	State	542	0	0	542
SR 3074, Hassam Road	Federal	0	0	0	0
Moon Township	Local	0	0	0	0
Bituminous overlay	Total	542	0	0	542
Allegheny County	State	1,402	0	110	1,512
SR 3160/Ewing - Cargo	Federal	5,608	0	0	5,608
Moon Township	Local	0	0	0	0
Pavement reconstruction and rehab	Total	7,010	0	110	7,120
Allegheny County	State	400	0	100	500
366/Bull Creek - Tarentum	Federal	1,600	0	0	1,600
Harrison Township, Tarentum Borough	Local	0	0	0	0
Concrete patching/overlay with 3 5 inches asphalt, drainage adjustments And reconstruction	Total	2,000	0	100	2,100
Allegheny County	State	3,850	0	100	3,950
376 ft Pitt Br/Bates Street	Federal	34,650	0	900	35,550
Pittsburgh (City)	Local	0	0	0	0
Pavement reconstruction and rehabilitation	Total	38,500	0	1,000	39,500
Allegheny County	State	423	0	0	423
SR 0400, Bennett	Federal	0	0	0	0
Pittsburgh (City)	Local	0	0	0	0
Pavement reconstruction and rehabilitation	Total	423	0	0	423



Department of Transportation 2010-11 Projects

(Dollar Amounts in Thousands)

FROM CURRENT REVENUES

HIGHWAY PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Allegheny County	State	\$ 1,000	\$ 0	\$ 0	\$ 1,000
4003/Nelson Run-Babcock	Federal	4,000	0	0	4,000
Pittsburgh (City), Ross Township, McCandless Township	Local	0	0	0	0
Mill and overlay	Total	5,000	0	0	5,000
Allegheny County	State	1,512	0	0	1,512
SR 4011, Rochester Road	Federal	0	0	0	0
Franklin Park Borough	Local	0	0	0	0
Bituminous overlay	Total	1,512	0	0	1,512
Allegheny County	State	426	0	0	426
SR 4011, Rochester Road	Federal	0	0	0	0
Ross Township	Local	0	0	0	0
Bituminous overlay	Total	426	0	0	426
Allegheny County	State	582	0	0	582
SR 4012, Starr/Union Ave	Federal	0	0	0	0
Ross Township, Bellevue Borough	Local	0	0	0	0
Pavement reconstruction and rehabilitation	Total	582	0	0	582
Allegheny County	State	309	0	0	309
SR 4013, Soose Road	Federal	0	0	0	0
Shaler Township	Local	0	0	0	0
Bituminous overlay	Total	309	0	0	309
Allegheny County	State	666	0	0	666
SR 4022, Reis Run Road	Federal	0	0	0	0
Ross Township, Ohio Township, Sewickley Hills Borough, Franklin Park Borough	Local	0	0	0	0
Bituminous overlay	Total	666	0	0	666
Allegheny County	State	632	0	0	632
SR 4022, Arndt Road	Federal	0	0	0	0
Ohio Township, Franklin Park Borough	Local	0	0	0	0
Bituminous overlay	Total	632	0	0	632
Allegheny County	State	426	0	0	426
SR 4023, New Brighton Road	Federal	0	0	0	0
Kilbuck Township, Avalon Borough, Ben Avon Heights Borough	Local	0	0	0	0
Bituminous overlay	Total	426	0	0	426
Allegheny County	State	598	0	0	598
SR 4024, Ferguson Road	Federal	0	0	0	0
McCandless Township, Hampton Township	Local	0	0	0	0
Bituminous overlay	Total	598	0	0	598
Allegheny County	State	861	0	0	861
SR 4026, Sample Road	Federal	0	0	0	0
McCandless Township, Hampton Township	Local	0	0	0	0
Bituminous overlay	Total	861	0	0	861



Department of Transportation 2010-11 Projects

(Dollar Amounts in Thousands)

FROM CURRENT REVENUES

HIGHWAY PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Allegheny County	State	\$ 1,088	\$ 0	\$ 0	\$ 1,088
SR 4027, Reis Run Road	Federal	0	0	0	0
Franklin Park Borough	Local	0	0	0	0
Bituminous overlay	Total	1,088	0	0	1,088
Allegheny County	State	3,152	0	0	3,152
SR 4032 LT Swickely Creek	Federal	0	0	0	0
Leet Township, Edgeworth Borough, Sewickley Heights Borough, Bell Acres Borough	Local	0	0	0	0
Bituminous overlay	Total	3,152	0	0	3,152
Allegheny County	State	900	0	0	900
SR 4032, Fern Highway/Campme	Federal	0	0	0	0
Sewickley Heights Borough, Bell Acres Borough, Franklin Park Borough	Local	0	0	0	0
Bituminous overlay	Total	900	0	0	900
Allegheny County	State	1,728	0	0	1,728
SR 4052, Warrendale Bayne	Federal	0	0	0	0
Marshall Township	Local	0	0	0	0
Bituminous overlay	Total	1,728	0	0	1,728
Allegheny County	State	510	0	0	510
SR 4054, Freeport Road	Federal	0	0	0	0
Marshall Township, Pine Township	Local	0	0	0	0
Bituminous overlay	Total	510	0	0	510
Allegheny County	State	491	0	0	491
SR 4061, Franklin Road	Federal	0	0	0	0
Pine Township	Local	0	0	0	0
Bituminous overlay	Total	491	0	0	491
Allegheny County	State	354	0	0	354
SR 4064, Peebles Road	Federal	0	0	0	0
McCandless Township	Local	0	0	0	0
Bituminous overlay	Total	354	0	0	354
Allegheny County	State	2,120	0	0	2,120
SR 4065, Hardt Road	Federal	0	0	0	0
Hampton Township, Richland Township	Local	0	0	0	0
Bituminous overlay	Total	2,120	0	0	2,120
Allegheny County	State	501	0	0	501
SR 4067, East Hardies	Federal	0	0	0	0
Hampton Township	Local	0	0	0	0
Bituminous overlay	Total	501	0	0	501
Allegheny County	State	384	0	0	384
SR 4067, Wildwood Sample	Federal	0	0	0	0
Hampton Township	Local	0	0	0	0
Bituminous overlay	Total	384	0	0	384



Department of Transportation 2010-11 Projects

(Dollar Amounts in Thousands)

FROM CURRENT REVENUES

HIGHWAY PROJECTS

Program: State Highway and Bridge Construction

	Base Project Cost	Land Cost	Design Cost	Total Project Cost	
Allegheny County	State	\$ 517	\$ 0	\$ 0	\$ 517
SR 4068, Wallace Road	Federal	0	0	0	0
Pine Township	Local	0	0	0	0
Bituminous overlay	Total	517	0	0	517
Allegheny County	State	436	0	0	436
SR 4070, Ingomar Road	Federal	0	0	0	0
McCandless Township	Local	0	0	0	0
Bituminous overlay	Total	436	0	0	436
Allegheny County	State	3,000	0	0	3,000
50/Wash Co - Millers Run	Federal	12,000	0	0	12,000
South Fayette Township	Local	0	0	0	0
Highway reconstruction	Total	15,000	0	0	15,000
Allegheny County	State	964	0	0	964
50 Wash Pike/Anderson-Boden	Federal	3,854	0	0	3,854
Collier Township, Scott Township, Carnegie Borough, Heidelberg Borough	Local	0	0	0	0
Mill and overlay	Total	4,818	0	0	4,818
Allegheny County	State	1,063	0	50	1,113
51/Elizabeth Br-Rob Hollow	Federal	4,252	0	200	4,452
West Elizabeth Borough, Forward Township, Elizabeth Borough	Local	0	0	0	0
Concrete patch and overlay, drainage, guide rail, shoulders, traffic	Total	5,315	0	250	5,565
Signal upgrade					
Allegheny County	State	1,400	0	0	1,400
SR 51 Constitution Blvd/St	Federal	5,600	0	0	5,600
Pittsburgh (City), McKees Rocks Borough, Stowe Township, Kennedy	Local	0	0	0	0
Township, Robinson Township	Total	7,000	0	0	7,000
Highway reconstruction					
Allegheny County	State	300	0	0	300
SR 51 Constitution Blvd	Federal	1,200	0	0	1,200
Pleasant Hills Borough, Baldwin Borough	Local	0	0	0	0
Bituminous reconstruction	Total	1,500	0	0	1,500
Allegheny County	State	674	0	112	786
I579-1 TOWN	Federal	6,062	0	1,010	7,072
Pittsburgh (City)	Local	0	0	0	0
Rehabilitation, concrete patching, structural repairs, signing/pavement	Total	6,736	0	1,122	7,858
Marking and bituminous overlay					
Allegheny County	State	795	0	0	795
SR 60 (376), Resurface 08	Federal	3,178	0	0	3,178
Robinson Township, Moon Township, North Fayette Township	Local	0	0	0	0
Resurface	Total	3,973	0	0	3,973
Allegheny County	State	300	0	0	300
60/Parkway West - I-79	Federal	1,200	0	0	1,200
Robinson Township	Local	0	0	0	0
Milling and resurface	Total	1,500	0	0	1,500



Department of Transportation 2010-11 Projects

(Dollar Amounts in Thousands)

FROM CURRENT REVENUES

HIGHWAY PROJECTS

Program: State Highway and Bridge Construction

	Base Project Cost	Land Cost	Design Cost	Total Project Cost
Allegheny County	State \$ 1,300	\$ 0	\$ 0	\$ 1,300
SR 65 Ohio River Blvd	Federal 5,200	0	0	5,200
Pittsburgh (City), Bellevue Borough, Avalon Borough, Ben Avon Borough, Emsworth Borough, Kilbuck Township	Local 0	0	0	0
Highway reconstruction	Total 6,500	0	0	6,500
Allegheny County	State 1,760	0	100	1,860
I-79/ 0910-Butler County	Federal 15,840	0	900	16,740
Marshall Township	Local 0	0	0	0
Pavement reconstruction and rehab	Total 17,600	0	1,000	18,600
Allegheny County	State 3,930	0	100	4,030
SR 79 Bridgeville/Campbell's	Federal 35,370	0	900	36,270
Collier Township, Bridgeville Borough, Scott Township, Robinson Township, Carnegie Borough	Local 0	0	0	0
Pavement reconstruction and rehab	Total 39,300	0	1,000	40,300
Allegheny County	State 436	0	0	436
8/Wildwood-Turnpike	Federal 1,743	0	100	1,843
Hampton Township	Local 0	0	0	0
Update curb, guide rail/barrier, drainage, signals, and its	Total 2,179	0	100	2,279
Allegheny County	State 1,000	0	0	1,000
SR 8/Grandview-Butler County	Federal 4,000	0	0	4,000
Richland Township	Local 0	0	0	0
Mill and overlay	Total 5,000	0	0	5,000
Allegheny County	State 454	0	0	454
837/Robinson-Mendelssohn	Federal 1,816	0	0	1,816
Jefferson Borough, West Elizabeth Borough, Clairton (City)	Local 0	0	0	0
Highway reconstruction	Total 2,270	0	0	2,270
Allegheny County	State 340	0	0	340
SR 837 River Road/5th St	Federal 1,360	0	0	1,360
West Elizabeth Borough, Jefferson Borough, Clairton (City)	Local 0	0	0	0
Highway reconstruction	Total 1,700	0	0	1,700
Allegheny County	State 300	0	0	300
SR 910 Mountain View Road	Federal 1,200	0	0	1,200
West Deer Township, Indiana Township	Local 0	0	0	0
Highway reconstruction	Total 1,500	0	0	1,500
Armstrong County	State 600	0	0	600
PA 210 corridor	Federal 2,400	0	0	2,400
South Bend Township, Plumcreek Township, Atwood Borough, Cowanshannock Township	Local 0	0	0	0
Highway restoration	Total 3,000	0	0	3,000
Armstrong County	State 600	0	0	600
PA 28 Corridor Project	Federal 2,400	0	0	2,400
South Buffalo, Buffalo, North Buffalo, East Franklin, Manor, Rayburn, Boggs, Valley, Wayne and Mahoning Townships; South Bethlehem Borough And New Bethlehem Borough	Local 0	0	0	0
Highway restoration	Total 3,000	0	0	3,000



Department of Transportation 2010-11 Projects

(Dollar Amounts in Thousands)

FROM CURRENT REVENUES

HIGHWAY PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Armstrong County	State	\$ 600	\$ 0	\$ 0	\$ 600
PA 66 Corridor	Federal	2,400	0	0	2,400
Apollo, Ford City and Leechburg Boroughs; Parks, Gilpin, Bethel and Manor Townships	Local	0	0	0	0
Highway restoration	Total	3,000	0	0	3,000
Beaver County	State	363	0	0	363
Bocktown Road	Federal	1,452	0	0	1,452
Independence Township, Hopewell Township	Local	0	0	0	0
Bituminous overlay	Total	1,815	0	0	1,815
Beaver County	State	750	0	38	788
SR 18	Federal	0	0	0	0
Hanover Township	Local	0	0	0	0
Upgrade/coordinate 8 signals - rebuild 2 signals	Total	750	0	38	788
Beaver County	State	660	0	0	660
SR 288 Zelenople Road	Federal	2,640	0	0	2,640
Franklin Township	Local	0	0	0	0
Patch and overlay	Total	3,300	0	0	3,300
Beaver County	State	1,260	0	0	1,260
SR 51 Pennsylvania Avenue	Federal	5,040	0	0	5,040
Darlington Township	Local	0	0	0	0
Pavement reconstruction bituminous overlay	Total	6,300	0	0	6,300
Beaver County	State	1,950	40	148	2,138
SR 60 Center/Hopewell Townships	Federal	17,550	160	1,330	19,040
Center Township, Hopewell Township	Local	0	0	0	0
Pavement reconstruction and rehab	Total	19,500	200	1,478	21,178
Beaver County	State	300	0	0	300
SR 68 Third Street H Street	Federal	1,200	0	0	1,200
Vanport Township, Beaver Borough	Local	0	0	0	0
Bituminous reconstruction	Total	1,500	0	0	1,500
Beaver County	State	500	0	0	500
SR 989 Pennsylvania Avenue	Federal	2,000	0	0	2,000
Economy Borough	Local	0	0	0	0
Bituminous overlay	Total	2,500	0	0	2,500
Bedford County	State	1,500	0	200	1,700
N Pensyl Hollow Road intersection	Federal	6,000	0	800	6,800
Bedford Township	Local	0	0	0	0
Intersection improvements	Total	7,500	0	1,000	8,500
Blair County	State	920	60	50	1,030
Canoe Creek intersection	Federal	3,680	240	500	4,420
Frankstown Township	Local	0	0	0	0
Intersection improvements	Total	4,600	300	550	5,450



Department of Transportation 2010-11 Projects

(Dollar Amounts in Thousands)

FROM CURRENT REVENUES

HIGHWAY PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Bradford County	State	\$ 796	\$ 0	\$ 33	\$ 829
SR187 to SR187	Federal	0	0	0	0
Asylum Township	Local	0	0	0	0
Resurface	Total	796	0	33	829
Bradford County	State	484	0	25	509
SR 3016 resurface	Federal	0	0	0	0
Armenia Township, Canton Township, Canton Borough	Local	0	0	0	0
Resurface	Total	484	0	25	509
Butler County	State	300	0	0	300
I-79 pm	Federal	2,700	0	0	2,700
Lancaster Township, Muddy Creek Township	Local	0	0	0	0
Highway resurfacing	Total	3,000	0	0	3,000
Cambria County	State	735	0	0	735
US 22 Pike Road-Pensacola Road	Federal	2,941	0	110	3,051
Jackson Township, Cambria Township	Local	0	0	0	0
Concrete pavement rehabilitation and overlay	Total	3,676	0	110	3,786
Cambria County	State	400	500	220	1,120
West Portage Turn Lane	Federal	1,600	2,000	80	3,680
Portage Township, Portage Borough	Local	0	0	0	0
New turn lane & signal	Total	2,000	2,500	300	4,800
Cambria County	State	400	300	480	1,180
Strayer Street improvements	Federal	1,600	1,200	320	3,120
Johnstown (City)	Local	0	0	0	0
Safety improvements	Total	2,000	1,500	800	4,300
Cameron County	State	600	0	0	600
SR 0120 Betterment project	Federal	2,400	0	0	2,400
Shippen Township, Emporium Borough	Local	0	0	0	0
Highway betterment project	Total	3,000	0	0	3,000
Cameron County	State	300	0	0	300
SR 0046 Betterment project	Federal	1,200	0	0	1,200
Shippen Township	Local	0	0	0	0
Highway betterment project	Total	1,500	0	0	1,500
Cameron County	State	850	0	0	850
SR 0872 Betterment project	Federal	3,400	0	0	3,400
Grove Township	Local	0	0	0	0
Highway betterment project	Total	4,250	0	0	4,250
Centre County	State	100	100	200	400
SR 0144 Safety Project	Federal	400	0	0	400
Spring Township, Bellefonte Borough, Boggs Township, Burnside Township	Local	0	0	0	0
Safety improvements	Total	500	100	200	800



Department of Transportation 2010-11 Projects

(Dollar Amounts in Thousands)

FROM CURRENT REVENUES

HIGHWAY PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Centre County	State	\$ 100	\$ 100	\$ 200	\$ 400
SR 0150 safety project	Federal	400	0	0	400
College Township, Benner Township, Spring Township, Bellefonte Borough, Rush Township	Local	0	0	0	0
Safety improvements	Total	500	100	200	800
Centre County	State	600	0	0	600
SR 0192 Betterment project	Federal	2,400	0	0	2,400
Miles Township	Local	0	0	0	0
Highway betterment project	Total	3,000	0	0	3,000
Centre County	State	500	0	0	500
SR0192 Betterment Project III	Federal	2,000	0	0	2,000
Miles Township	Local	0	0	0	0
Highway betterment project	Total	2,500	0	0	2,500
Centre County	State	650	0	0	650
SR0192 Betterment Project II	Federal	2,600	0	0	2,600
Miles Township	Local	0	0	0	0
Highway betterment project	Total	3,250	0	0	3,250
Centre County	State	826	52	0	878
Jacksonville Road Betterment	Federal	3,304	208	250	3,762
Marion Township	Local	0	0	0	0
Roadway restoration/resurfacing	Total	4,130	260	250	4,640
Centre County	State	100	100	200	400
SR 0026 safety project	Federal	400	0	0	400
Howard Borough, Howard Township, Marion Township	Local	0	0	0	0
Safety improvements	Total	500	100	200	800
Centre County	State	100	100	200	400
SR 3014 safety project	Federal	400	0	0	400
Patton Township, Ferguson Township, State College Borough, College Township, Harris Township	Local	0	0	0	0
Safety improvements	Total	500	100	200	800
Centre County	State	700	0	0	700
South Atherton betterment	Federal	2,800	0	0	2,800
State College Borough, College Township, Harris Township	Local	0	0	0	0
Highway betterment	Total	3,500	0	0	3,500
Centre County	State	1,000	0	0	1,000
SR 3040 Betterment project	Federal	4,000	0	0	4,000
Huston Township, Worth Township, Union Township, Unionville Borough	Local	0	0	0	0
Highway betterment	Total	5,000	0	0	5,000
Centre County	State	300	0	0	300
SR 0322 Betterment project	Federal	1,200	0	0	1,200
Rush Township	Local	0	0	0	0
Highway betterment project	Total	1,500	0	0	1,500



Department of Transportation 2010-11 Projects

(Dollar Amounts in Thousands)

FROM CURRENT REVENUES

HIGHWAY PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Centre County	State	\$ 300	\$ 0	\$ 0	\$ 300
SR 0045 Betterment project	Federal	1,200	0	0	1,200
Millheim Borough, Penn Township	Local	0	0	0	0
Highway betterment	Total	1,500	0	0	1,500
Clarion County	State	500	0	0	500
Elmo to Billings	Federal	2,000	0	0	2,000
Ashland Township, Elk Township, Shipperville Borough	Local	0	0	0	0
Highway resurfacing	Total	2,500	0	0	2,500
Clearfield County	State	100	100	200	400
Anderson Creek Road	Federal	400	0	0	400
Pine Township, Huston Township	Local	0	0	0	0
Safety improvements	Total	500	100	200	800
Clearfield County	State	550	0	0	550
SR 0153 Betterment project	Federal	2,200	0	0	2,200
Huston Township	Local	0	0	0	0
Highway betterment project	Total	2,750	0	0	2,750
Clearfield County	State	900	0	0	900
SR 2024 betterment project	Federal	3,600	0	0	3,600
Boggs Township, Decatur Township	Local	0	0	0	0
Highway betterment project	Total	4,500	0	0	4,500
Clearfield County	State	1,100	0	0	1,100
SR 2030 betterment project	Federal	4,400	0	0	4,400
Bradford Township, Graham Township, Morris Township	Local	0	0	0	0
Highway betterment project	Total	5,500	0	0	5,500
Clearfield County	State	100	50	200	350
SR 0219 safety project	Federal	400	0	0	400
Dubois (City)	Local	0	0	0	0
Safety improvement	Total	500	50	200	750
Clearfield County	State	650	0	0	650
SR 0219 Betterment project	Federal	2,600	0	0	2,600
Burnside Township	Local	0	0	0	0
Highway betterment project	Total	3,250	0	0	3,250
Clearfield County	State	400	0	0	400
SR0219 Betterment project II	Federal	1,600	0	0	1,600
Greenwood Township, Penn Township, Grampian Borough	Local	0	0	0	0
Highway betterment project	Total	2,000	0	0	2,000
Clearfield County	State	100	100	200	400
SR 255 Safety Project	Federal	400	0	0	400
Sandy Township	Local	0	0	0	0
Safety improvements	Total	500	100	200	800



Department of Transportation 2010-11 Projects

(Dollar Amounts in Thousands)

FROM CURRENT REVENUES

HIGHWAY PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Clearfield County	State	\$ 1,200	\$ 0	\$ 0	\$ 1,200
SR 0322 Betterment project	Federal	4,800	0	0	4,800
Pine Township, Lawrence Township, Clearfield Borough	Local	0	0	0	0
Highway betterment project	Total	6,000	0	0	6,000
Clearfield County	State	100	20	200	320
SR 4017 Safety project	Federal	400	80	0	480
Sandy Township	Local	0	0	0	0
Safety improvement	Total	500	100	200	800
Clearfield County	State	100	100	200	400
SR 4019 Safety project	Federal	400	0	0	400
Dubois (City)	Local	0	0	0	0
Safety improvement	Total	500	100	200	800
Clinton County	State	100	100	200	400
SR 0120 Safety project	Federal	400	0	0	400
Lock Haven (City)	Local	0	0	0	0
Safety improvement	Total	500	100	200	800
Clinton County	State	350	0	0	350
SR 0120 Betterment project	Federal	1,400	0	0	1,400
Lock Haven (City), Castanea Township	Local	0	0	0	0
Highway betterment project	Total	1,750	0	0	1,750
Clinton County	State	1,100	30	70	1,200
SR 0120 Retaining walls	Federal	2,400	120	280	2,800
East Keating, Noyes, Chapman, Grugan, Bald Eagle, Colebrook and Allison Townships: Renovo Borough and Lock Haven (City)	Local	0	0	0	0
Retaining wall study along SR 0120 corridor	Total	3,500	150	350	4,000
Clinton County	State	600	100	60	760
Huston Street to N. Fairview Street	Federal	2,400	0	240	2,640
Allison Township, Flemington Borough, Lock Haven (City)	Local	0	0	0	0
Highway restoration	Total	3,000	100	300	3,400
Clinton County	State	250	0	100	350
SR 0880 Betterment project	Federal	1,000	0	0	1,000
Greene Township, Loganton Borough	Local	0	0	0	0
Highway betterment project	Total	1,250	0	100	1,350
Columbia County	State	2,260	0	10	2,270
Buckhorn to Millville	Federal	0	0	0	0
Greenwood Township, Hemlock Township, Madison Township, Mt. Pleasant Township, Millville Borough	Local	0	0	0	0
Resurfacing	Total	2,260	0	10	2,270
Columbia County	State	2,400	0	20	2,420
SR 442 to 3-2 Line	Federal	0	0	0	0
Greenwood Township, Pine Township	Local	0	0	0	0
Resurface	Total	2,400	0	20	2,420



Department of Transportation 2010-11 Projects

(Dollar Amounts in Thousands)

FROM CURRENT REVENUES

HIGHWAY PROJECTS

Program: State Highway and Bridge Construction

	Base Project Cost	Land Cost	Design Cost	Total Project Cost
Columbia County				
SR 11 to Red Mill Road	State \$ 1,300	\$ 0	\$ 10	\$ 1,310
Montour Township, Hemlock Township, Bloomsburg	Federal 0	0	0	0
Mill and resurface	Local 0	0	0	0
	Total 1,300	0	10	1,310
Crawford County				
Crawford 2011 group 101	State 1,500	0	0	1,500
Mill & overlay	Federal 0	0	0	0
	Local 0	0	0	0
	Total 1,500	0	0	1,500
Crawford County				
PA 18 to Water Street restore	State 1,331	0	0	1,331
Summit Township, Summerhill Township, Conneautville Borough	Federal 0	0	0	0
Highway restoration	Local 0	0	0	0
	Total 1,331	0	0	1,331
Crawford County				
US 6 & PA 408 restoration	State 1,008	0	0	1,008
Woodcock, Hayfield, Venago, Troy and Oil Creek Townships;	Federal 0	0	0	0
Saegertown, Hydetown and Venago Boroughs	Local 0	0	0	0
Highway restoration	Total 1,008	0	0	1,008
Crawford County				
Crawford 2010 highway rehab	State 1,789	0	0	1,789
West Mead Township, Meadville (City), Vernon Township	Federal 0	0	0	0
2" mill and overlay with drainage and manhole adjustments	Local 0	0	0	0
	Total 1,789	0	0	1,789
Cumberland County				
Blue Gray Highway	State 600	50	20	670
Upper Allen Township, Lower Allen Township	Federal 2,400	0	80	2,480
Resurfacing	Local 0	0	0	0
	Total 3,000	50	100	3,150
Dauphin County				
PA 39 to Lebanon County Line	State 1,819	75	110	2,004
East Hanover Township, West Hanover Township	Federal 7,276	0	0	7,276
Install median barrier & left turn lanes, resurface, shoulders, guide rail,	Local 0	0	0	0
Signing and guide rail	Total 9,095	75	110	9,280
Delaware County				
I-95 south: Stewart Ave interchange	State 6,500	0	1,500	8,000
Ridley Township, Ridley Park Borough	Federal 0	0	0	0
Design/build noise walls (ground and structure mounted)	Local 0	0	0	0
	Total 6,500	0	1,500	8,000
Elk County				
SR 1001 Safety project	State 100	100	200	400
Saint Marys (City)	Federal 400	0	0	400
Safety improvement	Local 0	0	0	0
	Total 500	100	200	800
Elk County				
SR 0120 Betterment project	State 1,000	0	0	1,000
Ridgway Borough, Ridgway Township, Saint Marys (City)	Federal 4,000	0	0	4,000
Highway betterment project	Local 0	0	0	0
	Total 5,000	0	0	5,000



Department of Transportation 2010-11 Projects

(Dollar Amounts in Thousands)

FROM CURRENT REVENUES

HIGHWAY PROJECTS

Program: State Highway and Bridge Construction

	Base Project Cost	Land Cost	Design Cost	Total Project Cost
Elk County	State \$ 1,000	\$ 0	\$ 0	\$ 1,000
SR 0210 Betterment project II	Federal 4,000	0	0	4,000
Saint Marys (City)	Local 0	0	0	0
Highway betterment project	Total 5,000	0	0	5,000
Elk County	State 300	0	0	300
SR 2003 Betterment project	Federal 1,200	0	0	1,200
Horton Township, Fox Township	Local 0	0	0	0
Highway betterment project	Total 1,500	0	0	1,500
Elk County	State 300	0	0	300
SR 0219 Betterment project	Federal 1,200	0	0	1,200
Ridgway Township, Johnsonburg Borough	Local 0	0	0	0
Highway betterment project	Total 1,500	0	0	1,500
Elk County	State 100	100	200	400
SR 0255 Safety project	Federal 400	0	0	400
Jay Township	Local 0	0	0	0
Safety improvement	Total 500	100	200	800
Elk County	State 1,000	0	0	1,000
SR 0066 Betterment project	Federal 4,000	0	0	4,000
Highland Township	Local 0	0	0	0
McKean County Line to Forest County Line highway betterment project	Total 5,000	0	0	5,000
Elk County	State 100	100	200	400
SR 0066 Safety project	Federal 400	0	0	400
Highland Township	Local 0	0	0	0
Safety improvement	Total 500	100	200	800
Elk County	State 450	0	0	450
SR 0948 Betterment project	Federal 1,800	0	0	1,800
Fox Township	Local 0	0	0	0
Highway betterment project	Total 2,250	0	0	2,250
Erie County	State 1,500	0	0	1,500
Erie 2011 group 201	Federal 0	0	0	0
Local 0	0	0	0	0
Mill & overlay	Total 1,500	0	0	1,500
Erie County	State 1,462	0	50	1,512
SR 18: from SR 20 to SR 5	Federal 0	0	0	0
Girard Borough, Lake City Borough	Local 0	0	0	0
Resurfacing project	Total 1,462	0	50	1,512
Erie County	State 1,400	0	0	1,400
PA 89 and PA 18	Federal 0	0	0	0
Elk Creek Township, Cranesville Borough, Platea Borough, Girard Township	Local 0	0	0	0
Highway restoration	Total 1,400	0	0	1,400



Department of Transportation 2010-11 Projects

(Dollar Amounts in Thousands)

FROM CURRENT REVENUES

HIGHWAY PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Erie County	State	\$ 3,762	\$ 0	\$ 0	\$ 3,762
Erie 2010 highway rehab	Federal	0	0	0	0
Fairview Township, Millcreek Township, Erie (City), Girard & Lake City Boroughs	Local	0	0	0	0
2" mill and overlay, drainage improvements, ADA curb ramps	Total	3,762	0	0	3,762
Fayette County	State	2,000	0	332	2,332
Spc wetland bank projects	Federal	0	0	0	0
Wetland banking projects in Fayette, Greene, Washington and Westmoreland counties	Local	0	0	0	0
	Total	2,000	0	332	2,332
Forest County	State	500	0	0	500
Forest 2011 Group 301	Federal	0	0	0	0
Mill & overlay	Local	0	0	0	0
	Total	500	0	0	500
Fulton County	State	200	0	50	250
PA 475 Waterfall Road resurface	Federal	800	0	200	1,000
Dublin Township	Local	0	0	0	0
Highway restoration	Total	1,000	0	250	1,250
Greene County	State	3,500	100	0	3,600
SR 19 Waynesburg restore	Federal	0	0	0	0
Franklin Township, Waynesburg Borough	Local	0	0	0	0
Pavement preservation contract for resurfacing	Total	3,500	100	0	3,600
Greene County	State	645	0	35	680
I-79 WV Line to rest area	Federal	5,805	0	310	6,115
Perry Township	Local	0	0	0	0
Restoration, safety improvements, bridge rehabilitation	Total	6,450	0	345	6,795
Greene County	State	800	0	25	825
I-79 restoration	Federal	7,200	0	225	7,425
Washington Township	Local	0	0	0	0
Resurfacing of I-79/ Bridge rehabilitation	Total	8,000	0	250	8,250
Indiana County	State	700	0	4	704
US 119 Indiana north pm	Federal	2,800	0	0	2,800
Rayne Township, White Township	Local	0	0	0	0
Perform drainage, leveling, resurfacing and guide rail upgrade work	Total	3,500	0	4	3,504
Indiana County	State	297	0	20	317
US 119 Home North pm	Federal	1,188	0	0	1,188
Rayne Township, East Mahoning Township	Local	0	0	0	0
This work involves milling, base repair, drainage, guide rail upgrades, And resurfacing	Total	1,485	0	20	1,505
Indiana County	State	300	0	0	300
US 219 corridor	Federal	1,200	0	0	1,200
Cherry Tree Borough	Local	0	0	0	0
Highway restoration	Total	1,500	0	0	1,500



Department of Transportation 2010-11 Projects

(Dollar Amounts in Thousands)

FROM CURRENT REVENUES

HIGHWAY PROJECTS

Program: State Highway and Bridge Construction

	Base Project Cost	Land Cost	Design Cost	Total Project Cost
Jefferson County	State \$ 440	\$ 0	\$ 95	\$ 535
Fremer Hill 3r	Federal 1,760	162	0	1,922
Snyder Township, Brockway Borough	Local 0	0	0	0
Widening, resurfacing, drainage, guide rail improvements	Total 2,200	162	95	2,457
Jefferson County	State 283	0	30	313
SR 36 Oliveburg North pm	Federal 1,130	0	0	1,130
Rose Township, Oliver Township	Local 0	0	0	0
General maintenance	Total 1,413	0	30	1,443
Juniata County	State 300	0	0	300
SR 0022 Betterment project	Federal 1,200	0	0	1,200
Walker Township	Local 0	0	0	0
Highway betterment project	Total 1,500	0	0	1,500
Juniata County	State 600	0	0	600
SR0022 Betterment project II	Federal 2,400	0	0	2,400
Walker Township, Delaware Township, Thompsontown Borough	Local 0	0	0	0
Highway betterment project	Total 3,000	0	0	3,000
Juniata County	State 650	0	0	650
SR0022 Betterment project III	Federal 2,600	0	0	2,600
Walker Township, Delaware Township, Thompsontown Borough	Local 0	0	0	0
Highway betterment project	Total 3,250	0	0	3,250
Juniata County	State 100	100	200	400
SR 0075 Safety project	Federal 400	0	0	400
Turbett Township, Milford Township, Port Royal Borough and Walker Township	Local 0	0	0	0
Safety improvement	Total 500	0	0	500
Lancaster County	State 1,000	0	0	1,000
Beaver Valley Pike PM-3	Federal 4,000	0	0	4,000
Strasburg Township, West Lampeter Township	Local 0	0	0	0
Resurfacing	Total 5,000	0	0	5,000
Lancaster County	State 600	50	15	665
Concrete pavement grinding	Federal 2,400	0	60	2,460
Manheim Township, East Lampeter Township, Lancaster (City)	Local 0	0	0	0
Concrete pavement grinding	Total 3,000	50	75	3,125
Lancaster County	State 1,100	10	40	1,150
Wrights Ferry Bridge pm	Federal 4,400	0	160	4,560
West Hempfield Township, Columbia Borough	Local 0	0	0	0
Expansion joints, fabricated structural steel, zone painting	Total 5,500	10	200	5,710
Lawrence County	State 780	0	0	780
SR 108 Harlansburg Road	Federal 3,120	0	0	3,120
Hickory Township, Scott Township	Local 0	0	0	0
Highway reconstruction bituminous overlay	Total 3,900	0	0	3,900



Department of Transportation 2010-11 Projects

(Dollar Amounts in Thousands)

FROM CURRENT REVENUES

HIGHWAY PROJECTS

Program: State Highway and Bridge Construction

	Base Project Cost	Land Cost	Design Cost	Total Project Cost
Lawrence County	State \$ 5,000	\$ 0	\$ 0	\$ 5,000
168/Beaver Co - SR 18	Federal 0	0	0	0
North Beaver Township, New Beaver Borough	Local 0	0	0	0
Bituminous overlay	Total 5,000	0	0	5,000
Lawrence County	State 920	0	0	920
SR 18 Mahoning Avenue/Liberty	Federal 3,680	0	0	3,680
New Beaver Borough, Wampum Borough, North Beaver Township, Taylor Township, New Castle (City)	Local 0	0	0	0
Pavement reconstruction bituminous overlay	Total 4,600	0	0	4,600
Lawrence County	State 900	0	0	900
SR 224 State Street	Federal 3,600	0	0	3,600
Union Township, New Castle (City)	Local 0	0	0	0
Pavement reconstruction concrete pavement patching	Total 4,500	0	0	4,500
Lawrence County	State 800	0	100	900
SR60 Mercer County/Mitchell	Federal 7,200	0	900	8,100
Neshannock Township, Pulaski Township, Wilmington Township	Local 0	0	0	0
SR 60 (376) from Mercer County to Mitchell Road. sag/offset 171/80, Neshannock, Pulaski & Wilmington Twps. Lawrence County	Total 8,000	0	1,000	9,000
Concrete patching				
Lawrence County	State 1,000	0	90	1,090
SR 60 Mitchel Road/SR 0422	Federal 9,000	0	810	9,810
Neshannock Township, Union Township	Local 0	0	0	0
SR 60, Mitchell Road to SR 0422, Neshannock & Union Twps., crack and Seat, bituminous overlay	Total 10,000	0	900	10,900
Lebanon County	State 285	0	75	360
Lebanon wetland bank	Federal 0	0	0	0
Snitz Creek Park along West Oak Street North Cornwall Township	Local 0	0	0	0
Development of a 4 acre wetland bank	Total 285	0	75	360
Lycoming County	State 504	0	10	514
Mill Creek to Lower Manor Road	Federal 0	0	0	0
Fairfield Township, Upper Fairfield Township, Plunketts Creek Township micro surface	Local 0	0	0	0
	Total 504	0	10	514
McKean County	State 1,000	0	0	1,000
SR 0155 betterment project	Federal 4,000	0	0	4,000
Liberty Township, Port Allegany Borough	Local 0	0	0	0
Potter County line to Two Mile Creek highway betterment project	Total 5,000	0	0	5,000
McKean County	State 100	100	200	400
SR 4005 safety project	Federal 400	0	0	400
Bradford (City), Foster Township	Local 0	0	0	0
Safety improvement	Total 500	100	200	800
McKean County	State 600	0	0	600
SR 0006 betterment project	Federal 2,400	0	0	2,400
Hamilton Township, Wetmore Township, Kane Borough	Local 0	0	0	0
Highway betterment project	Total 3,000	0	0	3,000



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(Dollar Amounts in Thousands)

FROM CURRENT REVENUES

HIGHWAY PROJECTS

Program: State Highway and Bridge Construction

	Base Project Cost	Land Cost	Design Cost	Total Project Cost
McKean County	State	\$ 800	\$ 0	\$ 800
SR0006 Betterment project II	Federal	3,200	0	3,200
Keating Township, Liberty Township, Port Allegany Borough	Local	0	0	0
Highway betterment project	Total	4,000	0	4,000
McKean County	State	300	0	300
SR 0770 betterment project	Federal	1,200	0	1,200
Bradford Township	Local	0	0	0
Highway betterment project	Total	1,500	0	1,500
Mercer County	State	1,000	0	1,000
Mercer 2011 Group 401	Federal	0	0	0
Mill & overlay	Local	0	0	0
	Total	1,000	0	1,000
Mercer County	State	880	0	880
PA 58: Main Street-Main Street ex	Federal	0	0	0
Pine Township	Local	0	0	0
Highway restoration	Total	880	0	880
Mifflin County	State	100	100	200
SR 0022 safety project	Federal	400	0	400
Wayne Township	Local	0	0	0
Safety improvement	Total	500	100	600
Mifflin County	State	600	0	600
SR 0022 Betterment project	Federal	2,400	0	2,400
Wayne Township, Oliver Township, McVeytown Borough	Local	0	0	0
Highway betterment project	Total	3,000	0	3,000
Mifflin County	State	300	0	300
SR0022 Betterment Project II	Federal	1,200	0	1,200
Wayne Township	Local	0	0	0
Highway betterment project	Total	1,500	0	1,500
Mifflin County	State	500	0	500
SR 4013 Betterment Project	Federal	0	0	0
Derry Township, Burnham Borough	Local	0	0	0
Highway betterment project	Total	500	0	500
Montgomery County	State	400	0	400
US 202-650 TSM improvements	Federal	1,600	0	1,600
Lower Gwynedd Township	Local	0	0	0
US 202-650 TSM improvements congestion reduction & road realignment	Total	2,000	0	2,000
Northumberland County	State	1,100	0	1,100
Resilite to Danville Road	Federal	0	0	0
Point Township, Northumberland Borough	Local	0	0	0
Resurface	Total	1,100	0	1,100
Northumberland County	State	830	0	830
Zartmans to Gaskins Run	Federal	0	0	0
Point Township	Local	0	0	0
Resurface	Total	830	0	830



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FROM CURRENT REVENUES

HIGHWAY PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Northumberland County	State	\$ 1,550	\$ 0	\$ 10	\$ 1,560
Stonington to SR890	Federal	0	0	0	0
Shamokin Township, Rockefeller Township, Upper Augusta Township	Local	0	0	0	0
Resurface	Total	1,550	0	10	1,560
Potter County	State	650	0	0	650
SR 2002 Betterment Project	Federal	2,600	0	0	2,600
West Branch Township	Local	0	0	0	0
Highway betterment project	Total	3,250	0	0	3,250
Potter County	State	100	100	200	400
Stewardson Township safety project	Federal	400	0	0	400
Stewardson Township	Local	0	0	0	0
Safety improvement	Total	500	100	200	800
Potter County	State	100	100	200	400
SR 0044 near Junction Road	Federal	400	0	0	400
Abbott Township, West Branch Township	Local	0	0	0	0
Safety improvement	Total	500	100	200	800
Potter County	State	900	0	0	900
SR 0044 betterment project	Federal	3,600	0	0	3,600
Hebron Township, Clara Township, Sharon Township, Shinglehouse	Local	0	0	0	0
Borough	Total	4,500	0	0	4,500
Highway betterment project					
Potter County	State	1,200	0	0	1,200
SR 0044 Betterment project II	Federal	4,800	0	0	4,800
West Branch Township, Summit Township, Sweden Township,	Local	0	0	0	0
Coudersport Borough	Total	6,000	0	0	6,000
Highway betterment project					
Potter County	State	300	0	0	300
SR 0006 Betterment project	Federal	1,200	0	0	1,200
Galeton Borough, Pike Township	Local	0	0	0	0
Highway betterment project	Total	1,500	0	0	1,500
Potter County	State	600	0	0	600
SR 0872 Betterment Project	Federal	2,400	0	0	2,400
Wharton Township	Local	0	0	0	0
Highway betterment project	Total	3,000	0	0	3,000
Snyder County	State	650	0	10	660
Pleasant Mills to SR104	Federal	0	0	0	0
Perry Township	Local	0	0	0	0
Mill and resurface	Total	650	0	10	660
Snyder County	State	610	0	0	610
McClure to West Beaver	Federal	0	0	0	0
West Beaver Township	Local	0	0	0	0
Resurface	Total	610	0	0	610



Department of Transportation 2010-11 Projects

(Dollar Amounts in Thousands)

FROM CURRENT REVENUES

HIGHWAY PROJECTS

Program: State Highway and Bridge Construction

	State	Federal	Local	Total	Base Project Cost	Land Cost	Design Cost	Total Project Cost
Sullivan County								
SR87 to Lincoln Falls	\$ 1,500	0	0	1,500	\$ 1,500	\$ 0	\$ 20	\$ 1,520
Forksville Borough, Elkland Township	0	0	0	0	0	0	0	0
Resurface	0	0	0	0	0	0	0	0
Total	1,500	0	0	1,500	1,500	0	20	1,520
Sullivan County								
Connells dam to Millers Road	1,547	0	0	1,547	1,547	0	10	1,557
Colley Township, Cherry Township	0	0	0	0	0	0	0	0
Resurface	0	0	0	0	0	0	0	0
Total	1,547	0	0	1,547	1,547	0	10	1,557
Tioga County								
Bloss Mountain to Tioga River	700	0	0	700	700	0	0	700
Liberty Township, Bloss Township, Blossburg Borough	0	0	0	0	0	0	0	0
Microsurface	0	0	0	0	0	0	0	0
Total	700	0	0	700	700	0	0	700
Tioga County								
Williamson to Tioga River	300	0	0	300	300	0	10	310
Blossburg Borough	0	0	0	0	0	0	0	0
Mill and resurface	0	0	0	0	0	0	0	0
Total	300	0	0	300	300	0	10	310
Tioga County								
US 6 resurface	701	0	0	701	701	0	34	735
Delmar Township, Wellsboro Borough	0	0	0	0	0	0	0	0
Resurface	0	0	0	0	0	0	0	0
Total	701	0	0	701	701	0	34	735
Tioga County								
County line to Ansonia	475	0	0	475	475	0	0	475
Gaines Township, Shippen Township	0	0	0	0	0	0	0	0
Microsurface	0	0	0	0	0	0	0	0
Total	475	0	0	475	475	0	0	475
Tioga County								
Ansonia to Asaph	935	0	0	935	935	0	10	945
Shippen Township, Delmar Township	0	0	0	0	0	0	0	0
Resurface	0	0	0	0	0	0	0	0
Total	935	0	0	935	935	0	10	945
Tioga County								
SR 660 to Schodac Road	925	0	0	925	925	0	10	935
Richmond Township, Charleston Township	0	0	0	0	0	0	0	0
Resurface	0	0	0	0	0	0	0	0
Total	925	0	0	925	925	0	10	935
Union County								
Vicksburg to Dreisbach	852	0	0	852	852	0	10	862
Buffalo Township	0	0	0	0	0	0	0	0
Mill, resurface and update guide rail	0	0	0	0	0	0	0	0
Total	852	0	0	852	852	0	10	862
Venago County								
Venago 2011 group 501	1,500	0	0	1,500	1,500	0	0	1,500
Mill & overlay	0	0	0	0	0	0	0	0
Total	1,500	0	0	1,500	1,500	0	0	1,500

Department of Transportation 2010-11 Projects

(Dollar Amounts in Thousands)

FROM CURRENT REVENUES

HIGHWAY PROJECTS

Program: State Highway and Bridge Construction

	Base Project Cost	Land Cost	Design Cost	Total Project Cost
Venago County	State \$ 1,181	\$ 0	\$ 0	\$ 1,181
Venago 2010 Highway rehab	Federal 0	0	0	0
Oil City (City), Cornplanter Township, Cranberry Township	Local 0	0	0	0
2" mill and overlay, curb cuts, minor drainage	Total 1,181	0	0	1,181
Warren County	State 1,145	0	0	1,145
PA 27: PA 89 to Kane Road	Federal 0	0	0	0
Eldred Township, Deerfield Township, Pittsfield Township	Local 0	0	0	0
Highway restoration - resurface	Total 1,145	0	0	1,145
Warren County	State 136	0	260	396
SR 6 Wall Repair	Federal 544	0	0	544
Mead Township	Local 0	0	0	0
Slide correction - remove & repair the existing coping on the mesh wall & Improve the structure by adding a reinforced soil slope (rss) to extend the Height of the wall	Total 680	0	260	940
Warren County	State 400	0	0	400
SR 6 Wall Repair #1	Federal 1,600	0	0	1,600
Mead Township	Local 0	0	0	0
Slide correction	Total 2,000	0	0	2,000
Warren County	State 1,600	0	0	1,600
Warren group 601	Federal 0	0	0	0
Brokenstraw Township, Warren (City), Glade Township	Local 0	0	0	0
Base repair to remove trolley tracks, 2" mill, leveling & wearing courses	Total 1,600	0	0	1,600
Warren County	State 2,000	0	0	2,000
SR 666: David Zeisburger	Federal 0	0	0	0
Sheffield Township	Local 0	0	0	0
Break and seat concrete bituminous overlay & shoulder upgrade	Total 2,000	0	0	2,000
Washington County	State 450	100	100	650
I70-SR 40 to Jefferson Avenue	Federal 4,050	900	900	5,850
South Strabane Township, Canton Township, Washington (city)	Local 0	0	0	0
	Total 4,500	1,000	1,000	6,500
Washington County	State 1,050	0	50	1,100
I70-WV Line to Claysville	Federal 9,450	0	200	9,650
Donegal Township, West Alexander Borough, Claysville Borough	Local 0	0	0	0
	Total 10,500	0	250	10,750
Washington County	State 720	0	0	720
I-70 from SR 221 to Mall	Federal 6,480	0	0	6,480
Buffalo, Canton, Fallowfield, North Franklin, Somerset and South Strabane Townships; Washington (city); Bentleyville, Claysville, Speers, Twilight And West Alexander Boroughs	Local 0	0	0	0
	Total 7,200	0	0	7,200
Washington County	State 132	0	400	532
SR 70 & 79 ITS	Federal 0	0	0	0
Various - Washington and Westmoreland Counties	Local 0	0	0	0
Intelligent transportation system	Total 132	0	400	532



Department of Transportation 2010-11 Projects

(Dollar Amounts in Thousands)

FROM CURRENT REVENUES

HIGHWAY PROJECTS

Program: State Highway and Bridge Construction

	State	Federal	Local	Total	Base Project Cost	Land Cost	Design Cost	Total Project Cost
Westmoreland County								
PA 356 truck climbing lane								
Freeport Borough, Allegheny Township								
Build truck climbing lane								
	State	Federal	Local	Total	4,360	0	400	4,760
Westmoreland County								
I-70 @ SR 3010-Yukon								
Sewickley Township, South Huntingdon Township								
I-70 over Sewickley Creek South Huntingdon Twp bridge replacement								
	State	Federal	Local	Total	2,600	150	300	3,050
Westmoreland County								
I-70 @ SR 3010-Yukon								
Sewickley Township, South Huntingdon Township								
I-70 over Sewickley Creek South Huntingdon Twp bridge replacement								
	State	Federal	Local	Total	23,400	1,350	2,200	26,950
York County								
George Street improvements								
Spring Garden Township, York (city)								
Intersection improvements								
	State	Federal	Local	Total	327	337	52	716
York County								
York College Roundabout								
Spring Garden Township								
Install roundabout								
	State	Federal	Local	Total	1,310	1,349	209	2,868
York County								
York College Roundabout								
Spring Garden Township								
Install roundabout								
	State	Federal	Local	Total	0	0	0	0
	State	Federal	Local	Total	1,637	1,686	261	3,584
	State	Federal	Local	Total	393	0	0	393
	State	Federal	Local	Total	1,572	0	0	1,572
	State	Federal	Local	Total	0	224	208	432
	State	Federal	Local	Total	1,964	224	208	2,396
TOTAL STATE FUNDS.....	State	Federal	Local	Total	\$ 213,509	\$ 5,124	\$ 11,427	\$ 230,061
TOTAL FEDERAL FUNDS.....					498,919	13,369	15,484	527,771
TOTAL LOCAL FUNDS.....					0	224	408	632
PROGRAM TOTAL.....	Total				\$ 712,428	\$ 18,717	\$ 27,319	\$ 758,464



Department of Transportation 2010-11 Projects

(Dollar Amounts in Thousands)

FROM CURRENT REVENUES

BRIDGE PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Adams County	State	\$ 500	\$ 0	\$ 0	\$ 500
Local Bridge Preservation	Federal	0	0	0	0
	Local	100	0	0	100
	Total	600	0	0	600
Allegheny County	State	500	0	0	500
Local Bridge Preservation	Federal	0	0	0	0
	Local	100	0	0	100
	Total	600	0	0	600
Allegheny County	State	1,500	0	50	1,550
CSX railroad over West End Circle	Federal	6,000	0	200	6,200
Pittsburgh (city)	Local	0	0	0	0
Rehabilitation	Total	7,500	0	250	7,750
Allegheny County	State	1,500	0	50	1,550
Sign structure over main span West End bridge	Federal	6,000	0	200	6,200
Pittsburgh (city)	Local	0	0	0	0
Rehabilitation	Total	7,500	0	250	7,750
Allegheny County	State	352	0	0	352
Fortieth Street bridge over Norfolk Allegheny Valley	Federal	0	0	0	0
Pittsburgh (city)	Local	0	0	0	0
Replacement	Total	352	0	0	352
Allegheny County	State	1,000	0	0	1,000
SR 0022 over Potato Garden Rd.	Federal	0	0	0	0
North Fayette Township	Local	0	0	0	0
Preservation	Total	1,000	0	0	1,000
Allegheny County	State	408	0	71	479
Ramp-a Road over P&LE RR	Federal	3,672	0	643	4,315
Pittsburgh (city)	Local	0	0	0	0
Repair	Total	4,080	0	714	4,794
Allegheny County	State	1,800	20	140	1,960
SR 376 over Commercial St. & Nine mi	Federal	16,200	180	1,260	17,640
Pittsburgh (city)	Local	0	0	0	0
Rehabilitation	Total	18,000	200	1,400	19,600
Allegheny County	State	355	0	5	360
Spring Run Road over LR 1023-TR 60	Federal	3,194	0	48	3,242
Findlay Township	Local	0	0	0	0
Repair	Total	3,549	0	53	3,602
Allegheny County	State	400	0	0	400
McKinney Road over Pine Creek, north branch	Federal	0	0	0	0
McCandless Township	Local	0	0	0	0
Replacement	Total	400	0	0	400



Department of Transportation 2010-11 Projects

(Dollar Amounts in Thousands)

FROM CURRENT REVENUES

BRIDGE PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Allegheny County	State	\$ 360	\$ 0	\$ 0	\$ 360
Campbells Run Road over Campbells Run	Federal	0	0	0	0
Robinson Township	Local	0	0	0	0
Rehabilitation	Total	360	0	0	360
Allegheny County	State	360	0	0	360
Jacks Run Road over Jacks Run	Federal	0	0	0	0
Ross Township	Local	0	0	0	0
Replacement	Total	360	0	0	360
Allegheny County	State	456	0	0	456
Enlow Road over Montour Run	Federal	0	0	0	0
Findlay Township	Local	0	0	0	0
Replacement	Total	456	0	0	456
Allegheny County	State	420	16	104	540
Colerain St. over Saw Mill Run Stream	Federal	0	0	0	0
Pittsburgh (city)	Local	105	4	26	135
Replacement	Total	525	20	130	675
Allegheny County	State	340	16	260	616
Homeville Road over Homestead Run	Federal	0	0	0	0
Munhall Borough	Local	85	4	65	154
Rehabilitation	Total	425	20	325	770
Allegheny County	State	380	16	224	620
Stotler Road over Plum Creek	Federal	0	0	0	0
Plum Borough	Local	95	4	56	155
Rehabilitation	Total	475	20	280	775
Allegheny County	State	3,000	20	140	3,160
Raymond P. Shafer Highway over CSX Railroad, NS Railroad, Ohio River	Federal	27,000	180	1,260	28,440
Neville Township	Local	0	0	0	0
Preservation	Total	30,000	200	1,400	31,600
Armstrong County	State	500	0	0	500
Local Bridge Preservation	Federal	0	0	0	0
	Local	100	0	0	100
	Total	600	0	0	600
Beaver County	State	500	0	0	500
Local Bridge Preservation	Federal	0	0	0	0
	Local	100	0	0	100
	Total	600	0	0	600
Beaver County	State	1,122	0	0	1,122
Achortown Road over Traffic Route 60	Federal	4,488	0	0	4,488
Chippewa Township	Local	0	0	0	0
Rehabilitation	Total	5,610	0	0	5,610



Department of Transportation 2010-11 Projects

(Dollar Amounts in Thousands)

FROM CURRENT REVENUES

BRIDGE PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Beaver County	State	\$ 342	\$ 19	\$ 57	\$ 418
Beaver Valley Expressway over TR 18	Federal	3,078	171	513	3,762
Rehabilitation	Local	0	0	0	0
	Total	3,420	190	570	4,180
Beaver County	State	279	16	47	341
Township Road 625 over Beaver Valley Expressway.	Federal	2,511	140	419	3,069
Center Township	Local	0	0	0	0
Rehabilitation	Total	2,790	155	465	3,410
Beaver County	State	252	14	42	308
Ramp J Road over TR 18	Federal	2,268	126	378	2,772
Potter Township	Local	0	0	0	0
Rehabilitation	Total	2,520	140	420	3,080
Beaver County	State	648	0	97	745
Gringo Clinton Road over Beaver Valley Expressway	Federal	5,832	0	875	6,707
Hopewell Township	Local	0	0	0	0
Repair	Total	6,480	0	972	7,452
Beaver County	State	734	0	110	845
Gringo Independence Road over Beaver Valley Expwy	Federal	6,610	0	991	7,601
Hopewell Township	Local	0	0	0	0
Repair	Total	7,344	0	1,102	8,446
Beaver County	State	306	24	33	363
Gringo Clinton Road over Beaver Valley Expressway	Federal	2,754	216	297	3,267
Hopewell Township	Local	0	0	0	0
Rehabilitation	Total	3,060	240	330	3,630
Bedford County	State	500	0	0	500
Local Bridge Preservation	Federal	0	0	0	0
	Local	100	0	0	100
	Total	600	0	0	600
Bedford County	State	564	0	0	564
SR 1009 over Yellow Creek	Federal	0	0	0	0
Hopewell Township	Local	0	0	0	0
Replacement	Total	564	0	0	564
Bedford County	State	636	0	0	636
SR 1009 over Yellow Creek	Federal	0	0	0	0
Hopewell Township	Local	0	0	0	0
Replacement	Total	636	0	0	636
Berks County	State	500	0	0	500
Local Bridge Preservation	Federal	0	0	0	0
	Local	100	0	0	100
	Total	600	0	0	600



Department of Transportation 2010-11 Projects

(Dollar Amounts in Thousands)

FROM CURRENT REVENUES

BRIDGE PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Berks County	State	\$ 1,135	\$ 0	\$ 200	\$ 1,335
Dist 5 Bridge contract	Federal	0	0	0	0
i	Local	0	0	0	0
Design & construction of various bridge repairs	Total	1,135	0	200	1,335
Berks County	State	284	25	0	309
SR 1053 (Saddle Road) over SR 78 (LR 285 SP.)	Federal	2,558	221	0	2,778
Greenwich Township	Local	0	0	0	0
Replacement	Total	2,842	245	0	3,087
Berks County	State	296	26	0	321
LR 06044 & LR 06196 over SR 78(LR 285SP)stream	Federal	2,662	230	0	2,892
Greenwich Township	Local	0	0	0	0
Replacement	Total	2,958	255	0	3,213
Blair County	State	500	0	0	500
Local Bridge Preservation	Federal	0	0	0	0
	Local	100	0	0	100
	Total	600	0	0	600
Blair County	State	261	0	57	319
Twp Rd.T473 over Norfolk Southern	Federal	1,045	0	229	1,275
Logan Township	Local	0	0	0	0
Rehabilitation	Total	1,307	0	287	1,593
Blair County	State	342	0	75	417
Twp Rd.T473 over Norfolk Southern	Federal	1,367	0	300	1,667
Altoona (city)	Local	0	0	0	0
Rehabilitation	Total	1,709	0	375	2,083
Bradford County	State	500	0	0	500
Local Bridge Preservation	Federal	0	0	0	0
	Local	100	0	0	100
	Total	600	0	0	600
Bucks County	State	500	0	0	500
Local Bridge Preservation	Federal	0	0	0	0
	Local	100	0	0	100
	Total	600	0	0	600
Bucks County	State	1,575	0	79	1,654
Souderton Pike over Morris Run	Federal	0	0	0	0
Hilltown Township	Local	0	0	0	0
Rehabilitation	Total	1,575	0	79	1,654
Bucks County	State	1,008	0	50	1,058
Carver-Wisner Road over (No Suggestions) Creek	Federal	0	0	0	0
Solebury Township	Local	0	0	0	0
Rehabilitation	Total	1,008	0	50	1,058



Department of Transportation 2010-11 Projects

(Dollar Amounts in Thousands)

FROM CURRENT REVENUES

BRIDGE PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Bucks County	State	\$ 693	\$ 0	\$ 35	\$ 728
Allentown Road over Ridge Valley Creek	Federal	0	0	0	0
West Rockhill Township	Local	0	0	0	0
Rehabilitation	Total	693	0	35	728
Butler County	State	500	0	0	500
Local Bridge Preservation	Federal	0	0	0	0
	Local	100	0	0	100
	Total	600	0	0	600
Cambria County	State	500	0	0	500
Local Bridge Preservation	Federal	0	0	0	0
	Local	100	0	0	100
	Total	600	0	0	600
Cambria County	State	420	36	100	556
SR 3041 over branch Laurel Run	Federal	0	0	0	0
West Taylor Township	Local	0	0	0	0
Replacement	Total	420	36	100	556
Cameron County	State	500	0	0	500
Local Bridge Preservation	Federal	0	0	0	0
	Local	100	0	0	100
	Total	600	0	0	600
Carbon County	State	500	0	0	500
Local Bridge Preservation	Federal	0	0	0	0
	Local	100	0	0	100
	Total	600	0	0	600
Centre County	State	500	0	0	500
Local Bridge Preservation	Federal	0	0	0	0
	Local	100	0	0	100
	Total	600	0	0	600
Centre County	State	110	150	50	310
SR 144-PA 144 over Yocum Run	Federal	440	0	200	640
Spring Township	Local	0	0	0	0
Replacement	Total	550	150	250	950
Centre County	State	90	200	60	350
SR 144-PA 144 over South Fork Beech Creek	Federal	360	0	240	600
Snow Shoe Township	Local	0	0	0	0
Replacement	Total	450	200	300	950
Centre County	State	300	50	200	550
SR 144-PA 144 over Irish Hollow	Federal	0	0	0	0
Spring Township	Local	0	0	0	0
Replacement	Total	300	50	200	550



Department of Transportation 2010-11 Projects

(Dollar Amounts in Thousands)

FROM CURRENT REVENUES

BRIDGE PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Centre County	State	\$ 165	\$ 150	\$ 85	\$ 400
SR 150-PA 150 over Holt Hollow Run	Federal	660	0	340	1,000
Boggs Township	Local	0	0	0	0
Replacement	Total	825	150	425	1,400
Centre County	State	170	150	90	410
SR 3010 over Spring Creek	Federal	680	0	360	1,040
College Township	Local	0	0	0	0
Replacement	Total	850	150	450	1,450
Centre County	State	180	200	100	480
SR 3011 over Slab Cabin Run	Federal	720	0	400	1,120
College Township	Local	0	0	0	0
Replacement	Total	900	200	500	1,600
Centre County	State	500	40	100	640
SR 3014-US 322 bus over Slab Cabin Run	Federal	2,000	160	400	2,560
State College Borough	Local	0	0	0	0
Replacement	Total	2,500	200	500	3,200
Centre County	State	120	200	70	390
SR 220-US 220 over Reese Hollow	Federal	480	0	280	760
Worth Township	Local	0	0	0	0
Replacement	Total	600	200	350	1,150
Centre County	State	120	200	70	390
SR 220-US 220 over Vaughan Run	Federal	480	0	280	760
Taylor Township	Local	0	0	0	0
Replacement	Total	600	200	350	1,150
Centre County	State	95	200	70	365
SR 220-US 220 over sparrow run	Federal	380	0	280	660
Taylor Township	Local	0	0	0	0
Replacement	Total	475	200	350	1,025
Centre County	State	110	200	60	370
SR 3040 over Dewitt Run	Federal	440	0	240	680
Union Countyville Borough	Local	0	0	0	0
Replacement	Total	550	200	300	1,050
Centre County	State	375	100	200	675
SR 3040 over Mud Lick Run	Federal	0	0	0	0
Huston Township	Local	0	0	0	0
Replacement	Total	375	100	200	675
Centre County	State	180	200	70	450
SR 3040 over Laurel Run	Federal	720	0	280	1,000
Huston Township	Local	0	0	0	0
Replacement	Total	900	200	350	1,450



Department of Transportation 2010-11 Projects

(Dollar Amounts in Thousands)

FROM CURRENT REVENUES

BRIDGE PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Centre County	State	\$ 375	\$ 100	\$ 250	\$ 725
SR 3040 over Dix Run	Federal	0	0	0	0
Huston Township	Local	0	0	0	0
Replacement	Total	375	100	250	725
Centre County	State	100	200	60	360
SR 322-US 322 over Galbraith Gap Run	Federal	400	0	240	640
Harris Township	Local	0	0	0	0
Replacement	Total	500	200	300	1,000
Centre County	State	1,000	150	120	1,270
SR 4005 over SR 80-I 80	Federal	4,000	0	480	4,480
Snow Shoe Township	Local	0	0	0	0
Replacement	Total	5,000	150	600	5,750
Centre County	State	250	200	110	560
SR 45-PA 45 over Elk Creek	Federal	1,000	0	440	1,440
Millheim Borough	Local	0	0	0	0
Replacement	Total	1,250	200	550	2,000
Centre County	State	140	200	60	400
SR 45-PA 45 over Pine Creek	Federal	560	0	240	800
Haines Township	Local	0	0	0	0
Replacement	Total	700	200	300	1,200
Chester County	State	500	0	0	500
Local Bridge Preservation	Federal	0	0	0	0
	Local	100	0	0	100
	Total	600	0	0	600
Chester County	State	972	0	49	1,021
Lewis Mill Road over east br Brandywine Creek	Federal	0	0	0	0
West Nantmeal Township	Local	0	0	0	0
Rehabilitation	Total	972	0	49	1,021
Chester County	State	1,539	0	77	1,616
Edge Mill Road over branch Beaver Creek	Federal	0	0	0	0
Caln Township	Local	0	0	0	0
Rehabilitation	Total	1,539	0	77	1,616
Clarion County	State	500	0	0	500
Local Bridge Preservation	Federal	0	0	0	0
	Local	100	0	0	100
	Total	600	0	0	600
Clearfield County	State	500	0	0	500
Local Bridge Preservation	Federal	0	0	0	0
	Local	100	0	0	100
	Total	600	0	0	600



Department of Transportation 2010-11 Projects

(Dollar Amounts in Thousands)

FROM CURRENT REVENUES

BRIDGE PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Clearfield County	State	\$ 300	\$ 150	\$ 300	\$ 750
SR 2030 over Alder Run	Federal	0	0	0	0
Graham Township	Local	0	0	0	0
Replacement	Total	300	150	300	750
Clearfield County	State	240	200	100	540
SR 255-PA 255 over Bennett Branch	Federal	960	0	400	1,360
Huston Township	Local	0	0	0	0
Replacement	Total	1,200	200	500	1,900
Clearfield County	State	200	60	140	400
SR 322-US 322 over Laurel Run	Federal	800	240	560	1,600
Decatur Township	Local	0	0	0	0
Replacement	Total	1,000	300	700	2,000
Clinton County	State	500	0	0	500
Local Bridge Preservation	Federal	0	0	0	0
	Local	100	0	0	100
	Total	600	0	0	600
Clinton County	State	300	10	50	360
SR 120-PA 120 over Young Womens Creek	Federal	1,200	40	200	1,440
Chapman Township	Local	0	0	0	0
Rehabilitation	Total	1,500	50	250	1,800
Clinton County	State	400	100	250	750
SR 150-PA 150 over Laurel Run	Federal	0	0	0	0
Bald Eagle Township	Local	0	0	0	0
Replacement	Total	400	100	250	750
Clinton County	State	760	60	140	960
SR 220-US 220 over Norfolk Southern	Federal	3,040	240	560	3,840
Castanea Township	Local	0	0	0	0
Replacement	Total	3,800	300	700	4,800
Clinton County	State	3,220	80	170	3,470
SR 220-US 220 over Susquehanna River & T-425	Federal	12,880	320	680	13,880
Pine Creek Township	Local	0	0	0	0
Replacement	Total	16,100	400	850	17,350
Clinton County	State	620	50	120	790
SR 220-US 220 over SR 120 and SR 2012	Federal	2,480	200	480	3,160
Castanea Township	Local	0	0	0	0
Replacement	Total	3,100	250	600	3,950
Clinton County	State	850	50	120	1,020
SR 220-US 220 over SR 2023	Federal	3,400	200	480	4,080
Castanea Township	Local	0	0	0	0
Replacement	Total	4,250	250	600	5,100



Department of Transportation 2010-11 Projects

(Dollar Amounts in Thousands)

FROM CURRENT REVENUES

BRIDGE PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Clinton County	State	\$ 850	\$ 60	\$ 120	\$ 1,030
SR 220-US 220 over SR 2023	Federal	3,400	240	480	4,120
Castanea Township	Local	0	0	0	0
Replacement	Total	4,250	300	600	5,150
Clinton County	State	180	200	110	490
SR 220-US 220 over mcelhattan creek	Federal	720	0	440	1,160
Wayne County Township	Local	0	0	0	0
Replacement	Total	900	200	550	1,650
Clinton County	State	70	200	40	310
SR 4001 over Trout Run	Federal	280	0	160	440
Leidy Township	Local	0	0	0	0
Replacement	Total	350	200	200	750
Clinton County	State	80	100	300	480
SR 477-PA 477 over Long Run	Federal	320	0	0	320
Lamar Township	Local	0	0	0	0
Replacement	Total	400	100	300	800
Clinton County	State	263	11	29	304
T-318 / Church Street over Fishing Creek	Federal	1,400	60	160	1,620
Mill Hall Borough	Local	87	4	11	101
Replacement	Total	1,750	75	200	2,025
Columbia County	State	500	0	0	500
Local Bridge Preservation	Federal	0	0	0	0
	Local	100	0	0	100
	Total	600	0	0	600
Crawford County	State	500	0	0	500
Local Bridge Preservation	Federal	0	0	0	0
	Local	100	0	0	100
	Total	600	0	0	600
Cumberland County	State	500	0	0	500
Local Bridge Preservation	Federal	0	0	0	0
	Local	100	0	0	100
	Total	600	0	0	600
Dauphin County	State	500	0	0	500
Local Bridge Preservation	Federal	0	0	0	0
	Local	100	0	0	100
	Total	600	0	0	600
Delaware County	State	500	0	0	500
Local Bridge Preservation	Federal	0	0	0	0
	Local	100	0	0	100
	Total	600	0	0	600

Department of Transportation 2010-11 Projects

(Dollar Amounts in Thousands)

FROM CURRENT REVENUES

BRIDGE PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Delaware County	State	\$ 1,539	\$ 0	\$ 77	\$ 1,616
Goshen Road over Darby Creek	Federal	0	0	0	0
Radnor Township	Local	0	0	0	0
Rehabilitation	Total	1,539	0	77	1,616
Elk County	State	500	0	0	500
Local Bridge Preservation	Federal	0	0	0	0
	Local	100	0	0	100
	Total	600	0	0	600
Elk County	State	200	200	100	500
SR 219-US 219 over Powers Run	Federal	800	0	400	1,200
Johnsonburg Borough	Local	0	0	0	0
Replacement	Total	1,000	200	500	1,700
Elk County	State	100	200	100	400
SR 255-PA 255 over Kersey Run	Federal	400	0	400	800
Jay Township	Local	0	0	0	0
Replacement	Total	500	200	500	1,200
Elk County	State	375	30	75	480
T-426 Grant Road over Bennett br Sinnemahoning	Federal	2,000	160	400	2,560
Benezette Township	Local	125	10	25	160
Replacement	Total	2,500	200	500	3,200
Erie County	State	500	0	0	500
Local Bridge Preservation	Federal	0	0	0	0
	Local	100	0	0	100
	Total	600	0	0	600
Fayette County	State	500	0	0	500
Local Bridge Preservation	Federal	0	0	0	0
	Local	100	0	0	100
	Total	600	0	0	600
Fayette County	State	2,000	0	0	2,000
SR 1028 over Gist Run	Federal	0	0	0	0
Dunbar Township	Local	0	0	0	0
Replacement	Total	2,000	0	0	2,000
Fayette County	State	225	175	450	850
SR 4028 over Rowes Run	Federal	900	0	0	900
Redstone Township	Local	0	0	0	0
Replacement	Total	1,125	175	450	1,750
Fayette County	State	200	175	450	825
SR 4044 over Downers Run	Federal	800	0	0	800
Washington Township	Local	0	0	0	0
Replacement	Total	1,000	175	450	1,625



Department of Transportation 2010-11 Projects

(Dollar Amounts in Thousands)

FROM CURRENT REVENUES

BRIDGE PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Forest County	State	\$ 500	\$ 0	\$ 0	\$ 500
Local Bridge Preservation	Federal	0	0	0	0
	Local	100	0	0	100
	Total	600	0	0	600
Franklin County	State	500	0	0	500
Local Bridge Preservation	Federal	0	0	0	0
	Local	100	0	0	100
	Total	600	0	0	600
Fulton County	State	500	0	0	500
Local Bridge Preservation	Federal	0	0	0	0
	Local	100	0	0	100
	Total	600	0	0	600
Fulton County	State	500	0	100	600
SR 1004 over US 30	Federal	0	0	0	0
Ayr Township	Local	0	0	0	0
Replacement	Total	500	0	100	600
Greene County	State	500	0	0	500
Local Bridge Preservation	Federal	0	0	0	0
	Local	100	0	0	100
	Total	600	0	0	600
Greene County	State	2,000	0	0	2,000
SR 2019 over Little Whiteley Creek	Federal	0	0	0	0
Cumberland County Township	Local	0	0	0	0
Replacement	Total	2,000	0	0	2,000
Greene County	State	1,800	0	0	1,800
SR 3006 over PA fork Dunkard Creek	Federal	0	0	0	0
Gilmore Township	Local	0	0	0	0
Replacement	Total	1,800	0	0	1,800
Huntingdon County	State	500	0	0	500
Local Bridge Preservation	Federal	0	0	0	0
	Local	100	0	0	100
	Total	600	0	0	600
Indiana County	State	500	0	0	500
Local Bridge Preservation	Federal	0	0	0	0
	Local	100	0	0	100
	Total	600	0	0	600
Jefferson County	State	500	0	0	500
Local Bridge Preservation	Federal	0	0	0	0
	Local	100	0	0	100
	Total	600	0	0	600

Department of Transportation 2010-11 Projects

(Dollar Amounts in Thousands)

FROM CURRENT REVENUES

BRIDGE PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Juniata County	State	\$ 500	\$ 0	\$ 0	\$ 500
Local Bridge Preservation	Federal	0	0	0	0
	Local	100	0	0	100
	Total	600	0	0	600
Juniata County	State	400	100	250	750
SR 35-pa 35 over trib Lost Creek	Federal	0	0	0	0
Fayette Township	Local	0	0	0	0
Replacement	Total	400	100	250	750
Lackawanna County	State	500	0	0	500
Local Bridge Preservation	Federal	0	0	0	0
	Local	100	0	0	100
	Total	600	0	0	600
Lancaster County	State	500	0	0	500
Local Bridge Preservation	Federal	0	0	0	0
	Local	100	0	0	100
	Total	600	0	0	600
Lancaster County	State	1,100	10	40	1,150
US 30; SR 0030 over Susquehanna R.; NSRC RR;t-773	Federal	4,400	0	160	4,560
Columbia County Borough	Local	0	0	0	0
Rehabilitation	Total	5,500	10	200	5,710
Lawrence County	State	500	0	0	500
Local Bridge Preservation	Federal	0	0	0	0
	Local	100	0	0	100
	Total	600	0	0	600
Lebanon County	State	500	0	0	500
Local Bridge Preservation	Federal	0	0	0	0
	Local	100	0	0	100
	Total	600	0	0	600
Lehigh County	State	500	0	0	500
Local Bridge Preservation	Federal	0	0	0	0
	Local	100	0	0	100
	Total	600	0	0	600
Luzerne County	State	500	0	0	500
Local Bridge Preservation	Federal	0	0	0	0
	Local	100	0	0	100
	Total	600	0	0	600
Lycoming County	State	500	0	0	500
Local Bridge Preservation	Federal	0	0	0	0
	Local	100	0	0	100
	Total	600	0	0	600



Department of Transportation 2010-11 Projects

(Dollar Amounts in Thousands)

FROM CURRENT REVENUES

BRIDGE PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
McKean County	State	\$ 500	\$ 0	\$ 0	\$ 500
Local Bridge Preservation	Federal	0	0	0	0
	Local	100	0	0	100
	Total	600	0	0	600
McKean County	State	80	200	500	780
SR 146-PA 146 over Potato Creek	Federal	320	0	0	320
Norwich Township	Local	0	0	0	0
Replacement	Total	400	200	500	1,100
McKean County	State	180	200	340	720
SR 155-PA 155 over Portage Creek	Federal	720	0	160	880
Liberty Township	Local	0	0	0	0
Replacement	Total	900	200	500	1,600
McKean County	State	120	250	120	490
SR 59-PAa 59 over Blacksmith Run	Federal	480	0	480	960
Keating Township	Local	0	0	0	0
Replacement	Total	600	250	600	1,450
McKean County	State	160	200	120	480
SR 6-US 6 over Lillibridge Creek	Federal	640	0	480	1,120
Port Allegany Borough	Local	0	0	0	0
Replacement	Total	800	200	600	1,600
McKean County	State	72	100	360	532
SR 770-PA 770 over Sheppard Run	Federal	288	0	0	288
Bradford Township	Local	0	0	0	0
Replacement	Total	360	100	360	820
Mercer County	State	500	0	0	500
Local Bridge Preservation	Federal	0	0	0	0
	Local	100	0	0	100
	Total	600	0	0	600
Mifflin County	State	500	0	0	500
Local Bridge Preservation	Federal	0	0	0	0
	Local	100	0	0	100
	Total	600	0	0	600
Mifflin County	State	600	200	120	920
SR 3002 over Kishacoquillas Creek	Federal	2,400	0	480	2,880
Lewistown Borough	Local	0	0	0	0
Replacement	Total	3,000	200	600	3,800
Mifflin County	State	520	40	120	680
SR 103-PA 103 over Kishacoquillas Creek	Federal	2,080	160	480	2,720
Lewistown Borough	Local	0	0	0	0
Replacement	Total	2,600	200	600	3,400



Department of Transportation 2010-11 Projects

(Dollar Amounts in Thousands)

FROM CURRENT REVENUES

BRIDGE PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Mifflin County	State	\$ 500	\$ 50	\$ 110	\$ 660
SR 103-PA 103 over Kishacoquillas Creek	Federal	2,000	200	440	2,640
Lewistown Borough	Local	0	0	0	0
Replacement	Total	2,500	250	550	3,300
Monroe County	State	500	0	0	500
Local Bridge Preservation	Federal	0	0	0	0
	Local	100	0	0	100
	Total	600	0	0	600
Montgomery County	State	500	0	0	500
Local Bridge Preservation	Federal	0	0	0	0
	Local	100	0	0	100
	Total	600	0	0	600
Montgomery County	State	1,512	0	76	1,588
Swamp Creek Road over Unami Creek	Federal	0	0	0	0
MarlBorough Township	Local	0	0	0	0
Rehabilitation	Total	1,512	0	76	1,588
Montgomery County	State	1,512	0	76	1,588
Swamp Creek Road over Unami Creek	Federal	0	0	0	0
MarlBorough Township	Local	0	0	0	0
Rehabilitation	Total	1,512	0	76	1,588
Montgomery County	State	1,539	0	77	1,616
Whitehall Road over branch Stony Creek	Federal	0	0	0	0
East Norriton Township	Local	0	0	0	0
Rehabilitation	Total	1,539	0	77	1,616
Montgomery County	State	2,025	0	101	2,126
Stenton Avenue over Wissahickon Creek	Federal	0	0	0	0
Whitemarsh Township	Local	0	0	0	0
Rehabilitation	Total	2,025	0	101	2,126
Montgomery County	State	324	0	16	340
Limekiln Pike County over Rock Creek	Federal	0	0	0	0
Cheltenham Township	Local	0	0	0	0
Rehabilitation	Total	324	0	16	340
Montour County	State	500	0	0	500
Local Bridge Preservation	Federal	0	0	0	0
	Local	100	0	0	100
	Total	600	0	0	600
Montour County	State	400	0	40	440
SR 1006 over w br.Chillisquaque Creek	Federal	0	0	0	0
Anthony Township	Local	0	0	0	0
Rehabilitation	Total	400	0	40	440



Department of Transportation 2010-11 Projects

(Dollar Amounts in Thousands)

FROM CURRENT REVENUES

BRIDGE PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Northampton County	State	\$ 500	\$ 0	\$ 0	\$ 500
Local Bridge Preservation	Federal	0	0	0	0
	Local	100	0	0	100
	Total	600	0	0	600
Northumberland County	State	500	0	0	500
Local Bridge Preservation	Federal	0	0	0	0
	Local	100	0	0	100
	Total	600	0	0	600
Northumberland County	State	1,550	0	10	1,560
SR 61 over Lt. Shamokin Creek	Federal	0	0	0	0
Upper Augusta Township	Local	0	0	0	0
Preservation	Total	1,550	0	10	1,560
Perry County	State	500	0	0	500
Local Bridge Preservation	Federal	0	0	0	0
	Local	100	0	0	100
	Total	600	0	0	600
Philadelphia County	State	500	0	0	500
Local Bridge Preservation	Federal	0	0	0	0
	Local	100	0	0	100
	Total	600	0	0	600
Philadelphia County	State	324	0	16	340
Ridge Avenue over Wissahickon Creek	Federal	0	0	0	0
Philadelphia (city)	Local	0	0	0	0
Rehabilitation	Total	324	0	16	340
Pike County	State	500	0	0	500
Local Bridge Preservation	Federal	0	0	0	0
	Local	100	0	0	100
	Total	600	0	0	600
Potter County	State	500	0	0	500
Local Bridge Preservation	Federal	0	0	0	0
	Local	100	0	0	100
	Total	600	0	0	600
Schuylkill County	State	500	0	0	500
Local Bridge Preservation	Federal	0	0	0	0
	Local	100	0	0	100
	Total	600	0	0	600
Snyder County	State	500	0	0	500
Local Bridge Preservation	Federal	0	0	0	0
	Local	100	0	0	100
	Total	600	0	0	600



Department of Transportation 2010-11 Projects

(Dollar Amounts in Thousands)

FROM CURRENT REVENUES

BRIDGE PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Somerset County	State	\$ 500	\$ 0	\$ 0	\$ 500
Local Bridge Preservation	Federal	0	0	0	0
	Local	100	0	0	100
	Total	600	0	0	600
Sullivan County	State	500	0	0	500
Local Bridge Preservation	Federal	0	0	0	0
	Local	100	0	0	100
	Total	600	0	0	600
Sullivan County	State	1,547	0	10	1,557
SR 487 over Loyalsock Creek	Federal	0	0	0	0
Colley Township	Local	0	0	0	0
preservation	Total	1,547	0	10	1,557
Susquehanna County	State	500	0	0	500
Local Bridge Preservation	Federal	0	0	0	0
	Local	100	0	0	100
	Total	600	0	0	600
Tioga County	State	500	0	0	500
Local Bridge Preservation	Federal	0	0	0	0
	Local	100	0	0	100
	Total	600	0	0	600
Union County	State	500	0	0	500
Local Bridge Preservation	Federal	0	0	0	0
	Local	100	0	0	100
	Total	600	0	0	600
Union County	State	795	0	20	815
SR 1003 over White Deer Creek	Federal	0	0	0	0
White Deer Township	Local	0	0	0	0
Rehabilitation	Total	795	0	20	815
Venango County	State	500	0	0	500
Local Bridge Preservation	Federal	0	0	0	0
	Local	100	0	0	100
	Total	600	0	0	600
Warren County	State	500	0	0	500
Local Bridge Preservation	Federal	0	0	0	0
	Local	100	0	0	100
	Total	600	0	0	600
Washington County	State	500	0	0	500
Local Bridge Preservation	Federal	0	0	0	0
	Local	100	0	0	100
	Total	600	0	0	600

Department of Transportation 2010-11 Projects

(Dollar Amounts in Thousands)

FROM CURRENT REVENUES

BRIDGE PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Washington County	State	\$ 3,000	\$ 0	\$ 0	\$ 3,000
SR 0231 over Brush Run	Federal	0	0	0	0
Independence Township	Local	0	0	0	0
Replacement	Total	3,000	0	0	3,000
Washington County	State	1,000	0	0	1,000
SR 4029 over br. North Fork Cross Creek	Federal	0	0	0	0
Cross Creek Township	Local	0	0	0	0
Replacement	Total	1,000	0	0	1,000
Wayne County	State	500	0	0	500
Local Bridge Preservation	Federal	0	0	0	0
	Local	100	0	0	100
	Total	600	0	0	600
Westmoreland County	State	500	0	0	500
Local Bridge Preservation	Federal	0	0	0	0
	Local	100	0	0	100
	Total	600	0	0	600
Westmoreland County	State	200	0	225	425
SR 0119 over SR 3091, SR 0119	Federal	0	0	0	0
New Stanton Borough	Local	0	0	0	0
Rehabilitation	Total	200	0	225	425
Westmoreland County	State	896	84	298	1,278
SR 0130 over Sewickley Creek	Federal	0	0	0	0
Unity Township	Local	0	0	0	0
Replacement	Total	896	84	298	1,278
Westmoreland County	State	1,001	52	65	1,118
SR 2045 over Two Mile Run	Federal	0	0	0	0
Ligonier Township	Local	0	0	0	0
Replacement	Total	1,001	52	65	1,118
Westmoreland County	State	501	26	33	559
SR 2045 over twomile run	Federal	0	0	0	0
Ligonier Township	Local	0	0	0	0
Replacement	Total	501	26	33	559
Westmoreland County	State	1,078	56	70	1,204
SR 2043 over Two Mile Run	Federal	0	0	0	0
Ligonier Township	Local	0	0	0	0
Replacement	Total	1,078	56	70	1,204
Westmoreland County	State	625	50	50	725
SR 3089 over Buffalo Run	Federal	0	0	0	0
East Huntington Township	Local	0	0	0	0
Replacement	Total	625	50	50	725



Department of Transportation 2010-11 Projects

(Dollar Amounts in Thousands)

FROM CURRENT REVENUES

BRIDGE PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Westmoreland County	State	\$ 4,600	\$ 0	\$ 0	\$ 4,600
Baldrige bridge over Loyalhanna Creek	Federal	0	0	0	0
Latrobe Borough	Local	0	0	0	0
Replacement	Total	4,600	0	0	4,600
Westmoreland County	State	809	32	32	872
SR 1018 over branch of Loyalhanna Creek	Federal	0	0	0	0
Derry Township	Local	0	0	0	0
Replacement	Total	809	32	32	872
Westmoreland County	State	732	29	29	789
SR 4022 over branch of Brush Run	Federal	0	0	0	0
Penn Borough	Local	0	0	0	0
Replacement	Total	732	29	29	789
Wyoming County	State	500	0	0	500
Local Bridge Preservation	Federal	0	0	0	0
	Local	100	0	0	100
	Total	600	0	0	600
York County	State	500	0	0	500
Local Bridge Preservation	Federal	0	0	0	0
	Local	100	0	0	100
	Total	600	0	0	600
York County	State	416	128	386	930
SR 4002 over trib of Conewago Creek	Federal	0	0	0	0
Paradise Township	Local	0	0	0	0
Replacement	Total	416	128	386	930
TOTAL STATE FUNDS.....		\$ 111,308	\$ 7,054	\$ 11,027	\$ 129,389
TOTAL FEDERAL FUNDS.....		159,667	3,683	20,792	184,142
TOTAL LOCAL FUNDS.....		7,197	26	183	7,405
PROGRAM TOTAL.....		<u>\$ 278,171</u>	<u>\$ 10,762</u>	<u>\$ 32,002</u>	<u>\$ 320,935</u>



FORECAST OF FUTURE NEW PROJECT AUTHORIZATIONS State Funds

This table provides a summary of the estimated level of future authorizations by department from bond funds and current revenue sources.

(Dollar Amounts in Thousands)

	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
Agriculture.....	\$ 0	\$ 0	\$ 0	\$ 0
Conservation and Natural Resources.....	92,300	121,000	114,000	100,800
Corrections.....	0	0	0	0
Education.....	282,000	293,300	313,300	342,700
Emergency Management and Homeland Security.....	0	0	0	0
Environmental Protection.....	50,126	37,810	48,461	5,730
Fish and Boat Commission.....	2,000	1,500	1,000	1,000
Game Commission.....	2,000	1,000	1,000	1,000
General Services.....	0	0	0	0
Historical and Museum Commission.....	51,900	38,100	32,720	117,308
Military and Veterans Affairs.....	0	0	0	0
Public Welfare.....	29,090	26,820	21,880	0
State Police.....	0	0	0	0
Transportation.....	475,000	475,000	475,000	475,000
TOTAL.....	<u>\$ 984,416</u>	<u>\$ 994,530</u>	<u>\$ 1,007,361</u>	<u>\$ 1,043,538</u>

Forecast of Future Projects

This section contains estimated authorizations (State funds only) for future Capital Budgets from 2011-12 through 2014-15. Amounts in this section are grouped by department, along with the general types of projects involved, and are identified by capital project category.

(Dollar Amounts in Thousands)

	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
FROM CAPITAL FACILITIES BOND FUNDS				
Agriculture				
PUBLIC IMPROVEMENT PROJECTS: Provides for improvements at the Farm Show Complex and the laboratory.	\$ 0	\$ 0	\$ 0	\$ 0
Conservation and Natural Resources				
PUBLIC IMPROVEMENT PROJECTS: Provides for construction and renovation of support, day use, camping facilities and utility systems at the state parks; construction of district offices, central garages, radio communications systems and rehabilitation of forest roads in forest districts. Also may include original furniture and equipment authorizations.	52,300	80,000	72,000	57,800
Corrections				
PUBLIC IMPROVEMENT PROJECTS: Provides for construction and renovation of administrative, industrial, educational and housing facilities and utilities at the state-owned correctional institutions. Also may include original furniture and equipment authorizations.	0	0	0	0
Education				
PUBLIC IMPROVEMENT PROJECTS: Provides for construction, expansion, renovation and conversion of classroom and auxiliary buildings, utilities and recreational facilities for the State System of Higher Education, State-Owned Schools and for the State-Related Universities. Also may include original furniture and equipment authorizations.	282,000	293,300	313,300	342,700
Emergency Management and Homeland Security				
PUBLIC IMPROVEMENT PROJECTS: Provides for construction and renovations at the State Fire Academy, Emergency Operations Centers around the state and other emergency facilities.	0	0	0	0
Environmental Protection				
PUBLIC IMPROVEMENT PROJECTS: Provides for construction and improvement projects to protect the environment and the health and safety of citizens using state lands and waterways. These projects include flood protection construction. Also may include original furniture and equipment authorizations.	48,126	33,060	46,461	5,730
Environmental Protection				
FLOOD CONTROL PROJECTS: Provides for the state share of federal flood control projects including the construction and improvement of levees, dikes, walls, revetments, dams, lakes, reservoirs and other works deemed necessary to control floods. Also, will control, preserve and regulate the flow of rivers and streams.	2,000	4,750	2,000	0
General Services				
PUBLIC IMPROVEMENT PROJECTS: Provides for the construction, renovation and improvements to state office buildings and facilities.	0	0	0	0
Historical and Museum Commission				
PUBLIC IMPROVEMENT PROJECTS: Provides for restoration and renovation of historic facilities, installation of fire and security systems, development of fixed exhibits and miscellaneous building and utility improvements at commonwealth owned museums and historic sites. Also may include original furniture and equipment authorizations.	\$ 51,900	\$ 38,100	\$ 32,720	\$ 117,308



Capital Budget

Forecast of Future Projects

(Dollar Amounts in Thousands)

FROM CAPITAL FACILITIES BOND FUNDS (continued)	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
Military and Veterans Affairs PUBLIC IMPROVEMENT PROJECTS: Provides for land acquisition, renovations, additions and replacement at the state armories and veterans' homes. Also may include original furniture and equipment authorizations.	0	0	0	0
Public Welfare PUBLIC IMPROVEMENT PROJECTS: Provides for construction and renovation of patient buildings, support facilities and utilities at the state institutions for the mentally ill and mentally retarded, restoration centers and youth development centers. Also may include original furniture and equipment authorizations.	29,090	26,820	21,880	0
State Police PUBLIC IMPROVEMENT PROJECTS: Provides for renovation, expansion and construction of troop headquarters/station facilities and driver examination facilities. Also may include original furniture and equipment authorizations.	0	0	0	0
Transportation PUBLIC IMPROVEMENT PROJECTS: Provides for construction of and additions to highway maintenance and district office buildings, driver examination facilities, welcome centers and state-owned airport facilities. Also may include original furniture and equipment authorizations.	0	0	0	0
Transportation TRANSPORTATION ASSISTANCE PROJECTS: Provides for the purchase/rehabilitation of rolling stock and equipment and for construction/renovation of facilities operated by local mass transportation agencies. Also includes the purchase and improvement of rail lines.	175,000	175,000	175,000	175,000
CAPITAL FACILITIES BOND FUNDS				
Total — Public Improvement Program.....	\$ 463,416	\$ 471,280	\$ 486,361	\$ 523,538
Total — Flood Control Program.....	2,000	4,750	2,000	0
Total — Transportation Assistance Program.....	175,000	175,000	175,000	175,000
SUBTOTAL— CAPITAL FACILITIES BOND FUNDS.....	\$ 640,416	\$ 651,030	\$ 663,361	\$ 698,538



Forecast of Future Projects

(Dollar Amounts in Thousands)

	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
FROM CURRENT REVENUES				
Conservation and Natural Resources	\$ 15,000	\$ 16,000	\$ 17,000	\$ 18,000
PUBLIC IMPROVEMENT PROJECTS — KEYSTONE RECREATION, PARK AND CONSERVATION FUND: Provides for the rehabilitation, repair and development of state park and forest facilities which are critical for visitor safety and environmental protection or essential for facility operation.				
Conservation and Natural Resources	25,000	25,000	25,000	25,000
PUBLIC IMPROVEMENT PROJECTS — ENVIRONMENTAL STEWARDSHIP FUND: Provides for the acquisition, rehabilitation and development of open space, forests, parks and scenic environments.				
Fish and Boat Commission	2,000	1,500	1,000	1,000
PUBLIC IMPROVEMENT PROJECTS — FISH AND BOAT FUND: Provides for acquisition of property, construction of new capital assets and renovation of existing facilities for the development of fisheries and recreational boating facilities.				
Game Commission	2,000	1,000	1,000	1,000
PUBLIC IMPROVEMENT PROJECTS — GAME FUND: Provides for acquisition of additional state game lands.				
Transportation	300,000	300,000	300,000	300,000
HIGHWAY PROJECTS — MOTOR LICENSE FUND: Provides for the purchase of right-of-way, construction, and reconstruction of highways and bridges on the commonwealth road system and major federally designated safety projects.				
CURRENT REVENUES				
Total – Public Improvement Program.....	\$ 44,000	\$ 43,500	\$ 44,000	\$ 45,000
Total – Highway Program.....	300,000	300,000	300,000	300,000
SUBTOTAL – CURRENT REVENUES.....	\$ 344,000	\$ 343,500	\$ 344,000	\$ 345,000
TOTAL – ALL PROGRAMS.....	\$ 984,416	\$ 994,530	\$ 1,007,361	\$ 1,043,538

ESTIMATED CAPITAL PROJECT EXPENDITURES BY DEPARTMENT

This table provides a summary of total estimated capital expenditures for state funds by department.

(Dollar Amounts in Thousands)

Department	2010-11 Estimated	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
Executive Offices.....	\$ 19,861	\$ 32,819	\$ 19,009	\$ 4,200	\$ 0
Agriculture.....	30,603	23,169	20,207	16,925	15,525
Conservation and Natural Resources.....	60,051	67,427	53,453	45,374	65,547
Community and Economic Development.....	298,026	473,970	399,346	187,939	45,575
Corrections.....	141,026	507,119	281,855	106,938	6,938
Education.....	253,735	316,604	178,915	107,275	161,464
Emergency Management and Homeland Security.....	2,724	3,810	1,532	0	0
Environmental Protection.....	52,963	47,254	30,448	27,658	36,419
Fish and Boat Commission.....	750	750	750	750	750
General Services.....	336,989	218,062	51,657	86	86
Historical and Museum Commission.....	26,064	30,086	18,455	14,331	25,598
Military and Veterans Affairs.....	51,458	32,404	16,378	10,254	10,254
Public Welfare.....	17,546	16,704	10,660	10,700	16,968
State Police.....	5,283	7,519	4,902	2,475	2,475
Transportation.....	600,519	588,289	569,803	563,035	555,665
TOTAL - ALL STATE FUNDS.....	\$ 1,897,598	\$ 2,365,985	\$ 1,657,370	\$ 1,097,940	\$ 943,263

Totals may not add due to rounding.

Capital Budget

Estimate of Capital Expenditures

This table provides estimated capital expenditures by department for currently authorized capital projects, projects recommended in this budget and potential future authorizations.

(Dollar Amounts in Thousands)

	2010-11 Estimated	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
CAPITAL FACILITIES BOND FUNDS					
Executive Offices					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures.....	\$ 15,487	\$ 21,732	\$ 14,584	\$ 4,200	\$ 0
Furniture and Equipment.....	4,374	11,087	4,425	0	0
Projects in 2010-11 Budget					
Buildings and Structures.....	0	0	0	0	0
Furniture and Equipment.....	0	0	0	0	0
Future Projects (2011-15)					
Buildings and Structures.....	0	0	0	0	0
Furniture and Equipment.....	0	0	0	0	0
TOTAL - EXECUTIVE OFFICES.....	<u>\$ 19,861</u>	<u>\$ 32,819</u>	<u>\$ 19,009</u>	<u>\$ 4,200</u>	<u>\$ 0</u>
Agriculture					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures.....	\$ 29,568	\$ 13,854	\$ 4,682	\$ 1,400	\$ 0
Furniture and Equipment.....	0	0	0	0	0
Projects in 2010-11 Budget					
Buildings and Structures.....	1,035	9,315	15,525	15,525	15,525
Furniture and Equipment.....	0	0	0	0	0
Future Projects (2011-15)					
Buildings and Structures.....	0	0	0	0	0
Furniture and Equipment.....	0	0	0	0	0
TOTAL - AGRICULTURE.....	<u>\$ 30,603</u>	<u>\$ 23,169</u>	<u>\$ 20,207</u>	<u>\$ 16,925</u>	<u>\$ 15,525</u>
Conservation and Natural Resources					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures.....	\$ 34,016	\$ 35,585	\$ 15,542	\$ 2,500	\$ 0
Furniture and Equipment.....	0	787	262	0	0
Projects in 2010-11 Budget					
Buildings and Structures.....	90	810	1,350	1,350	1,350
Furniture and Equipment.....	0	0	0	0	0
Future Projects (2011-15)					
Buildings and Structures.....	0	523	5,507	15,765	32,133
Furniture and Equipment.....	0	0	0	0	0
TOTAL - CONSERVATION AND NATURAL RESOURCES.....	<u>\$ 34,106</u>	<u>\$ 37,705</u>	<u>\$ 22,661</u>	<u>\$ 19,615</u>	<u>\$ 33,483</u>
Community and Economic Development					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures.....	\$ 56,970	\$ 95,917	\$ 51,934	\$ 9,600	\$ 8,500
Furniture and Equipment.....	0	0	0	0	0
Projects in 2010-11 Budget					
Buildings and Structures.....	0	0	0	0	0
Furniture and Equipment.....	0	0	0	0	0
Future Projects (2011-15)					
Buildings and Structures.....	0	0	0	0	0
Furniture and Equipment.....	0	0	0	0	0
Subtotal.....	<u>\$ 56,970</u>	<u>\$ 95,917</u>	<u>\$ 51,934</u>	<u>\$ 9,600</u>	<u>\$ 8,500</u>



Capital Budget

Estimate of Capital Expenditures

(Dollar Amounts in Thousands)

	<u>2010-11</u> <u>Estimated</u>	<u>2011-12</u> <u>Estimated</u>	<u>2012-13</u> <u>Estimated</u>	<u>2013-14</u> <u>Estimated</u>	<u>2014-15</u> <u>Estimated</u>
Redevelopment Assistance Projects					
Projects Currently Authorized					
Acquisition and Construction.....	\$ 241,056	\$ 378,053	\$ 347,412	\$ 178,339	\$ 37,075
TOTAL - COMMUNITY AND ECONOMIC DEVELOPMENT.....	<u>\$ 298,026</u>	<u>\$ 473,970</u>	<u>\$ 399,346</u>	<u>\$ 187,939</u>	<u>\$ 45,575</u>
Corrections					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures.....	\$ 140,563	\$ 502,956	\$ 274,917	\$ 100,000	\$ 0
Furniture and Equipment.....	0	0	0	0	0
Projects in 2010-11 Budget					
Buildings and Structures.....	463	4,163	6,938	6,938	6,938
Furniture and Equipment.....	0	0	0	0	0
Future Projects (2011-15)					
Buildings and Structures.....	0	0	0	0	0
Furniture and Equipment.....	0	0	0	0	0
TOTAL - CORRECTIONS.....	<u>\$ 141,026</u>	<u>\$ 507,119</u>	<u>\$ 281,855</u>	<u>\$ 106,938</u>	<u>\$ 6,938</u>
Education					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures.....	\$ 247,942	\$ 280,512	\$ 127,985	\$ 20,100	\$ 0
Furniture and Equipment.....	4,020	21,815	7,272	0	0
Projects in 2010-11 Budget					
Buildings and Structures.....	1,023	9,207	15,345	15,345	15,345
Furniture and Equipment.....	750	2,250	0	0	0
Future Projects (2011-15)					
Buildings and Structures.....	0	2,820	28,313	71,830	146,119
Furniture and Equipment.....	0	0	0	0	0
TOTAL - EDUCATION.....	<u>\$ 253,735</u>	<u>\$ 316,604</u>	<u>\$ 178,915</u>	<u>\$ 107,275</u>	<u>\$ 161,464</u>
Emergency Management and Homeland Security					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures.....	\$ 2,724	\$ 3,810	\$ 1,532	\$ 0	\$ 0
Furniture and Equipment.....	0	0	0	0	0
Projects in 2010-11 Budget					
Buildings and Structures.....	0	0	0	0	0
Furniture and Equipment.....	0	0	0	0	0
Future Projects (2011-15)					
Buildings and Structures.....	0	0	0	0	0
Furniture and Equipment.....	0	0	0	0	0
TOTAL - EMERGENCY MANAGEMENT AND HOMELAND SECURITY.....	<u>\$ 2,724</u>	<u>\$ 3,810</u>	<u>\$ 1,532</u>	<u>\$ 0</u>	<u>\$ 0</u>
Environmental Protection					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures.....	\$ 15,883	\$ 24,187	\$ 9,728	\$ 0	\$ 0
Furniture and Equipment.....	0	0	0	0	0
Projects in 2010-11 Budget					
Buildings and Structures.....	874	7,866	13,110	13,110	13,110
Furniture and Equipment.....	0	0	0	0	0
Future Projects (2011-15)					
Buildings and Structures.....	0	481	4,662	10,659	21,229
Furniture and Equipment.....	0	0	0	0	0
Subtotal	<u>\$ 16,757</u>	<u>\$ 32,534</u>	<u>\$ 27,500</u>	<u>\$ 23,769</u>	<u>\$ 34,339</u>



Capital Budget

Estimate of Capital Expenditures

(Dollar Amounts in Thousands)

	<u>2010-11 Estimated</u>	<u>2011-12 Estimated</u>	<u>2012-13 Estimated</u>	<u>2013-14 Estimated</u>	<u>2014-15 Estimated</u>
Flood Control Projects					
Projects Currently Authorized					
Structures and Improvements.....	\$ 35,630	\$ 12,024	\$ 292	\$ 114	\$ 0
Projects in 2010-11 Budget					
Structures and Improvements.....	576	2,376	576	0	0
Future Projects (2011-15)					
Structures and Improvements.....	0	320	2,080	3,775	2,080
Subtotal	<u>\$ 36,206</u>	<u>\$ 14,720</u>	<u>\$ 2,948</u>	<u>\$ 3,889</u>	<u>\$ 2,080</u>
TOTAL - ENVIRONMENTAL PROTECTION.....	<u>\$ 52,963</u>	<u>\$ 47,254</u>	<u>\$ 30,448</u>	<u>\$ 27,658</u>	<u>\$ 36,419</u>
General Services					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures.....	\$ 336,637	\$ 202,937	\$ 46,547	\$ 0	\$ 0
Furniture and Equipment.....	346	15,073	5,024	0	0
Projects in 2010-11 Budget					
Buildings and Structures.....	6	52	86	86	86
Furniture and Equipment.....	0	0	0	0	0
Future Projects (2011-15)					
Buildings and Structures.....	0	0	0	0	0
Furniture and Equipment.....	0	0	0	0	0
TOTAL - GENERAL SERVICES.....	<u>\$ 336,989</u>	<u>\$ 218,062</u>	<u>\$ 51,657</u>	<u>\$ 86</u>	<u>\$ 86</u>
Historical and Museum Commission					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures.....	\$ 25,878	\$ 27,803	\$ 10,583	\$ 0	\$ 0
Furniture and Equipment.....	0	90	30	0	0
Projects in 2010-11 Budget					
Buildings and Structures.....	186	1,674	2,790	2,790	2,790
Furniture and Equipment.....	0	0	0	0	0
Future Projects (2011-15)					
Buildings and Structures.....	0	519	5,052	11,541	22,808
Furniture and Equipment.....	0	0	0	0	0
TOTAL - HISTORICAL AND MUSEUM	<u>\$ 26,064</u>	<u>\$ 30,086</u>	<u>\$ 18,455</u>	<u>\$ 14,331</u>	<u>\$ 25,598</u>
Military and Veterans Affairs					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures.....	\$ 50,774	\$ 26,010	\$ 6,043	\$ 0	\$ 0
Furniture and Equipment.....	0	242	81	0	0
Projects in 2010-11 Budget					
Buildings and Structures.....	684	6,152	10,254	10,254	10,254
Furniture and Equipment.....	0	0	0	0	0
Future Projects (2011-15)					
Buildings and Structures.....	0	0	0	0	0
Furniture and Equipment.....	0	0	0	0	0
TOTAL - MILITARY AND VETERANS AFFAIRS.....	<u>\$ 51,458</u>	<u>\$ 32,404</u>	<u>\$ 16,378</u>	<u>\$ 10,254</u>	<u>\$ 10,254</u>



Capital Budget

Estimate of Capital Expenditures

(Dollar Amounts in Thousands)

	2010-11 Estimated	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
Public Welfare					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures.....	\$ 17,299	\$ 14,163	\$ 4,062	\$ 0	\$ 0
Furniture and Equipment.....	0	28	9	0	0
Projects in 2010-11 Budget					
Buildings and Structures.....	247	2,222	3,703	3,703	3,703
Furniture and Equipment.....	0	0	0	0	0
Future Projects (2011-15)					
Buildings and Structures.....	0	291	2,886	6,997	13,265
Furniture and Equipment.....	0	0	0	0	0
TOTAL - PUBLIC WELFARE.....	\$ 17,546	\$ 16,704	\$ 10,660	\$ 10,700	\$ 16,968
State Police					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures.....	\$ 5,118	\$ 6,034	\$ 2,427	\$ 0	\$ 0
Furniture and Equipment.....	0	0	0	0	0
Projects in 2010-11 Budget					
Buildings and Structures.....	165	1,485	2,475	2,475	2,475
Furniture and Equipment.....	0	0	0	0	0
Future Projects (2011-15)					
Buildings and Structures.....	0	0	0	0	0
Furniture and Equipment.....	0	0	0	0	0
TOTAL - STATE POLICE.....	\$ 5,283	\$ 7,519	\$ 4,902	\$ 2,475	\$ 2,475
Transportation					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures.....	\$ 28,672	\$ 21,351	\$ 7,429	\$ 0	\$ 0
Furniture and Equipment.....	0	0	0	0	0
Projects in 2010-11 Budget					
Buildings and Structures.....	462	4,158	6,930	6,930	6,930
Furniture and Equipment.....	0	0	0	0	0
Future Projects (2011-15)					
Buildings and Structures.....	0	0	0	0	0
Furniture and Equipment.....	0	0	0	0	0
Subtotal.....	\$ 29,134	\$ 25,509	\$ 14,359	\$ 6,930	\$ 6,930
Transportation Assistance Projects					
Projects Currently Authorized					
Mass Transit, Rail and Air.....	\$ 175,000	\$ 144,500	\$ 129,750	\$ 97,500	\$ 100,750
Projects in 2010-11 Budget					
Mass Transit, Rail and Air.....	0	13,000	19,000	25,000	13,000
Future Projects (2011-15)					
Mass Transit, Rail and Air.....	0	17,500	26,250	52,500	61,250
Subtotal.....	\$ 175,000				
TOTAL - TRANSPORTATION.....	\$ 204,134	\$ 200,509	\$ 189,359	\$ 181,930	\$ 181,930



Capital Budget

Estimate of Capital Expenditures

(Dollar Amounts in Thousands)

	2010-11 Estimated	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
TOTAL - CAPITAL FACILITIES BOND FUNDS					
Public Improvement Projects					
Buildings and Structures.....	\$ 1,012,766	\$ 1,328,589	\$ 702,921	\$ 333,098	\$ 322,560
Furniture and Equipment.....	9,490	51,372	17,103	0	0
Redevelopment Assistance Projects					
Acquisition and Construction.....	241,056	378,053	347,412	178,339	37,075
Flood Control Projects					
Structures and Improvements.....	36,206	14,720	2,948	3,889	2,080
Transportation Assistance Projects.....					
Mass Transit, Rail and Air.....	175,000	175,000	175,000	175,000	175,000
TOTAL.....	<u>\$ 1,474,518</u>	<u>\$ 1,947,734</u>	<u>\$ 1,245,384</u>	<u>\$ 690,326</u>	<u>\$ 536,715</u>
CURRENT REVENUES					
FISH AND BOAT FUND					
Fish and Boat Commission					
Public Improvement Projects					
Projects Currently Authorized.....	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750
Projects in 2010-11 Budget.....	0	0	0	0	0
Future Projects (2011-15).....	0	0	0	0	0
TOTAL - FISH AND BOAT COMMISSION.....	<u>\$ 750</u>				
KEYSTONE RECREATION, PARK AND CONSERVATION FUND					
Conservation and Natural Resources					
Keystone Recreation, Park and Conservation Projects - Acquisition, Improvements and Restoration.....					
Projects Currently Authorized.....	\$ 18,040	\$ 14,506	\$ 10,936	\$ 0	\$ 0
Projects in 2010-11 Budget.....	0	955	1,433	1,910	2,149
Future Projects (2011-15).....	0	2,500	6,250	11,250	16,875
Subtotal.....	<u>\$ 18,040</u>	<u>\$ 17,961</u>	<u>\$ 18,619</u>	<u>\$ 13,160</u>	<u>\$ 19,024</u>
ENVIRONMENTAL STEWARDSHIP FUND					
Conservation and Natural Resources					
Environmental Stewardship Projects - Acquisition, Rehabilitation and Development					
Projects Currently Authorized.....	\$ 7,905	\$ 9,153	\$ 4,564	\$ 1,240	\$ 1,681
Projects in 2010-11 Budget.....	0	109	109	109	109
Future Projects (2011-15).....	0	2,500	7,500	11,250	11,250
Subtotal.....	<u>\$ 7,905</u>	<u>\$ 11,761</u>	<u>\$ 12,173</u>	<u>\$ 12,599</u>	<u>\$ 13,040</u>
TOTAL - CONSERVATION AND NATURAL RESOURCES.....	<u>\$ 25,945</u>	<u>\$ 29,722</u>	<u>\$ 30,792</u>	<u>\$ 25,759</u>	<u>\$ 32,064</u>
MOTOR LICENSE FUND					
Transportation					
Highway and Bridge Projects					
Projects Currently Authorized.....	\$ 396,385	\$ 379,785	\$ 372,435	\$ 361,047	\$ 341,586
Projects in 2010-11 Budget.....	0	0	0	0	0
Future Projects (2011-15).....	0	7,995	8,009	20,058	32,149
TOTAL - TRANSPORTATION.....	<u>\$ 396,385</u>	<u>\$ 387,780</u>	<u>\$ 380,444</u>	<u>\$ 381,105</u>	<u>\$ 373,735</u>



Capital Budget

Estimate of Capital Expenditures

(Dollar Amounts in Thousands)

	<u>2010-11</u> <u>Estimated</u>	<u>2011-12</u> <u>Estimated</u>	<u>2012-13</u> <u>Estimated</u>	<u>2013-14</u> <u>Estimated</u>	<u>2014-15</u> <u>Estimated</u>
TOTAL - CURRENT REVENUES					
Public Improvement Projects					
Fish and Boat Fund.....	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750
Acquisition, Improvement and Restoration Projects					
Keystone Recreation, Park and Conservation Fund.....	18,040	17,961	18,619	13,160	19,024
Acquisition, Rehabilitation and Development Projects					
Environmental Stewardship Fund.....	7,905	11,761	12,173	12,599	13,040
Highway and Bridge Projects					
Motor License Fund	396,385	387,780	380,444	381,105	373,735
TOTAL - CURRENT REVENUES.....	\$ 423,080	\$ 418,252	\$ 411,986	\$ 407,614	\$ 406,549
TOTAL - ALL STATE FUNDS.....	\$ 1,897,598	\$ 2,365,985	\$ 1,657,370	\$ 1,097,940	\$ 943,263

Totals may not add due to rounding.



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Commonwealth of Pennsylvania

Governor's Executive Budget

PUBLIC DEBT

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PUBLIC DEBT

This section presents data on the debt obligations of the commonwealth. Debt financing is used by the commonwealth to finance its capital programs, finance voter-approved bond referendums, and fund certain disaster relief programs. Most long-term financing by the commonwealth is provided by the issuance of general obligation debt. Appropriation-backed debt has been used in limited instances for capital purposes. Data on such debt is included in this presentation only in the calculation of the debt ratios shown.

The Commonwealth Constitution permits debt to be issued for (i) capital projects in approved capital budgets; (ii) purposes approved by voter referendum; and (iii) response to disasters. The following items are guidelines the commonwealth follows in executing its capital and other debt financing activities:

- Referenda to authorize additional debt should be submitted to the voters only for critical needs when sufficient other resources are not available.
 - The general obligation pledge of the commonwealth is the preferred source of security for commonwealth debt.
 - A moral obligation pledge of the commonwealth should not be given beyond those already given.
 - Revenue pledges are to be used only by independent agencies and authorities that cannot pledge the commonwealth's general obligation.
 - Lease revenue debt should be used only when budgetary restraints prohibit current revenue funding for assets that are infrequently obtained and do not meet capital project definitions.
 - Debt should be structured to mature within the useful life of the projects being financed.
 - All long-term financing should be sold by competitive bid.
 - Short-term borrowing should not comprise a majority of outstanding debt.
 - Debt service paid by the General Fund should not exceed five percent of revenues.
 - Capital projects addressing health, safety and public protection receive top priority for activation. New construction projects have the lowest priority.
 - Highway capital projects should be funded from current revenues of the Motor License Fund.
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DEBT AUTHORIZED, ISSUED AND OUTSTANDING

The following statement reflects the debt of the commonwealth as of December 31, 2009. Issues for which all authorized debt has been previously issued and for which said debt has been completely redeemed are not included. The Constitution permits capital budget debt to be issued without voter approval but subject to a debt limit. Except for debt issued for disaster recovery purposes, all other debt requires voter approval.

	(Dollar Amounts in Thousands)		
	Total Debt Authorized	Total Original Debt Issued	Debt Outstanding*
Debt Subject to Constitutional Limit			
Capital Budget.....	\$ 93,345,536	\$ 17,556,130	\$ 4,673,234
Capital Budget Refunding Bonds Outstanding.....			3,050,321
Less: Capital Debt Fund Balance.....			<u>14,870</u>
Subtotal.....	<u>\$ 93,345,536</u>	<u>\$ 17,556,130</u>	<u>\$ 7,738,425</u>
 Debt Not Subject to Constitutional Limit - Voter Approved and Disaster			
Disaster Relief.....	\$ 192,708	\$ 170,800	\$ 0
Disaster Relief 1996.....	110,000	26,000	1,665
Economic Revitalization.....	190,000	176,000	1,380
Land and Water Development.....	500,000	499,700	695
Vietnam Veterans' Compensation.....	65,000	62,000	0
Volunteer Companies Loan.....	100,000	50,000	225
Water Facilities - 1981 Referendum.....	300,000	288,500	5,060
PENNVEST- 1988 & 1992 Referenda.....	650,000	498,000	96,060
PENNVEST- 2008 Referendum.....	400,000	0	0
Agricultural Conservation Easement.....	100,000	100,000	1,835
Local Criminal Justice.....	200,000	197,000	4,235
Nursing Home Loans.....	100,000	69,000	0
Keystone Recreation, Park and Conservation.....	50,000	50,000	0
Water Supply and Wastewater Infrastructure.....	250,000	191,000	160,030
Growing Greener.....	625,000	384,500	315,950
Persian Gulf Conflict Veterans' Compensation.....	20,000	7,000	6,020
Refunding Bonds Outstanding.....			362,588
Less: Non-capital Sinking Fund Balances.....			<u>-3,413</u>
Subtotal.....	<u>\$ 3,852,708</u>	<u>\$ 2,769,500</u>	<u>\$ 952,330</u>
TOTAL.....	<u>\$ 97,198,244</u>	<u>\$ 20,325,630</u>	<u>\$ 8,690,755</u>

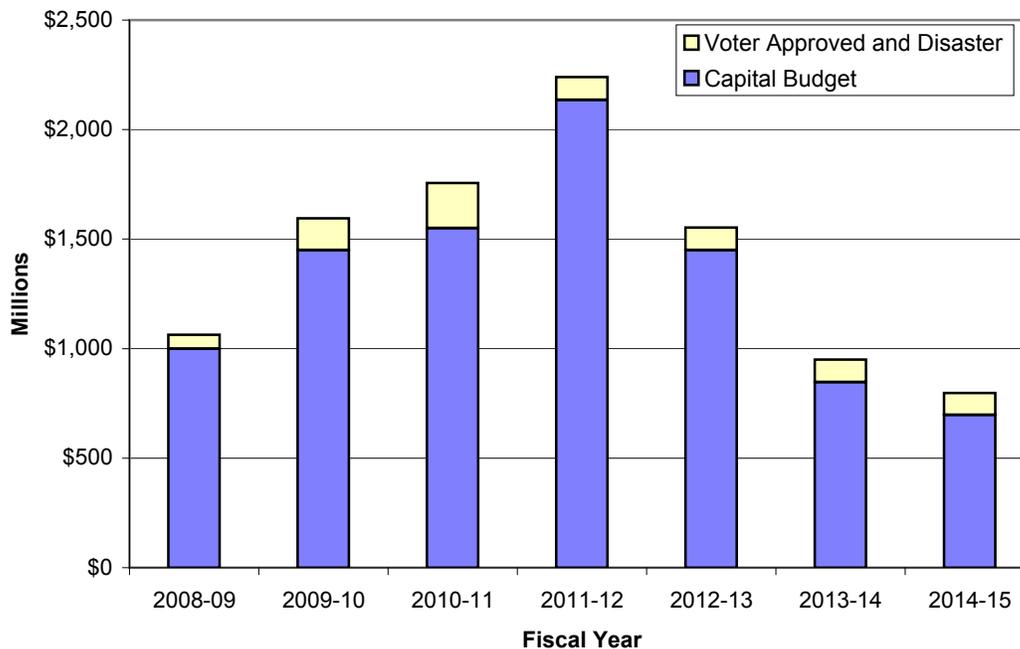
* Total of debt issued plus accreted interest on capital appreciation bonds less debt redeemed or refunded.



GENERAL OBLIGATION BOND ISSUES 2008-09 Through 2014-15

This table shows the projected amount of general obligation bonds of the commonwealth to be issued during the prior and current fiscal year and the subsequent five fiscal years based on current projects. Refunding bonds are not included in the data.

New General Obligation Bond Issues



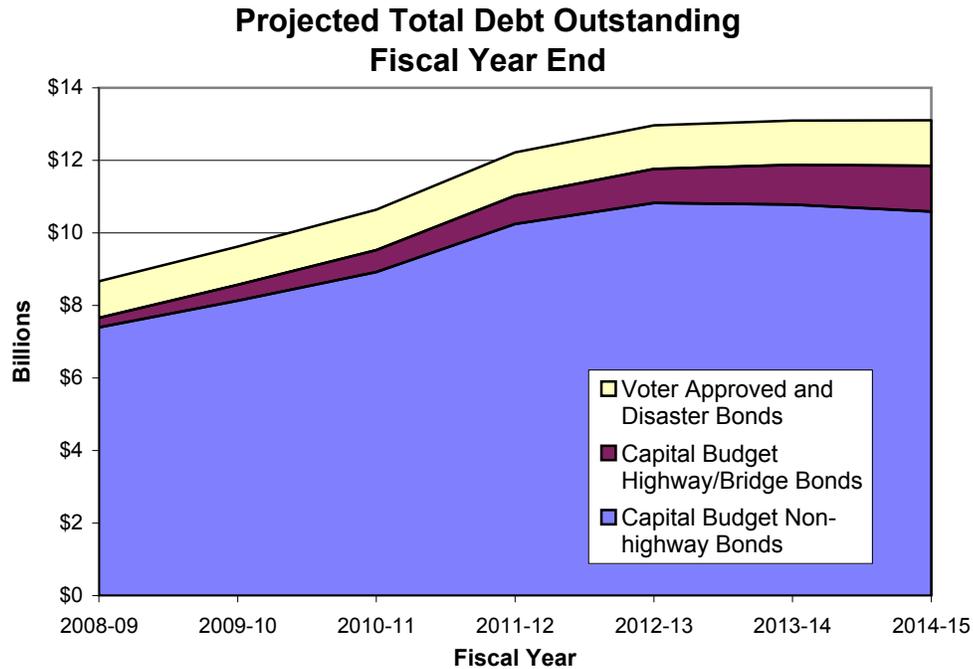
(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Estimated	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
General Obligation Bond Issues							
Capital Budget							
Buildings and Structures.....	\$ 404,000	\$ 880,000	\$ 890,000	\$ 1,320,000	\$ 700,000	\$ 330,000	\$ 320,000
Flood Control.....	0	0	35,000	15,000	5,000	2,000	2,000
Furnishings and Equipment.....	15,000	0	25,000	50,000	20,000	0	0
Redevelopment Assistance.....	200,000	200,000	225,000	375,000	350,000	140,000	0
Transportation Assistance.....	180,000	170,000	175,000	175,000	175,000	175,000	175,000
Bridge Projects.....	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Subtotal.....	<u>\$ 999,000</u>	<u>\$ 1,450,000</u>	<u>\$ 1,550,000</u>	<u>\$ 2,135,000</u>	<u>\$ 1,450,000</u>	<u>\$ 847,000</u>	<u>\$ 697,000</u>
Voter Approved and Disaster							
Disaster Relief.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Local Criminal Justice.....	0	0	0	0	0	0	0
PENNVEST -- 1988, 1992 & 2008 Ref.....	0	0	50,000	100,000	100,000	100,000	100,000
Water and Wastewater Referendum.....	0	25,000	34,000	0	0	0	0
Growing Greener Referendum.....	65,000	120,000	120,500	0	0	0	0
Persian Gulf Conflict Veterans' Comp.....	0	0	2,000	5,000	2,500	3,500	0
Subtotal.....	<u>\$ 65,000</u>	<u>\$ 145,000</u>	<u>\$ 206,500</u>	<u>\$ 105,000</u>	<u>\$ 102,500</u>	<u>\$ 103,500</u>	<u>\$ 100,000</u>
TOTAL.....	<u><u>\$ 1,064,000</u></u>	<u><u>\$ 1,595,000</u></u>	<u><u>\$ 1,756,500</u></u>	<u><u>\$ 2,240,000</u></u>	<u><u>\$ 1,552,500</u></u>	<u><u>\$ 950,500</u></u>	<u><u>\$ 797,000</u></u>



GENERAL OBLIGATION DEBT OUTSTANDING 2008-09 Through 2014-15

Outstanding debt of the commonwealth is projected using the proposed bond issuance contained in this budget and encompasses all general obligation debt. Sinking fund balances are excluded. Only capital budget debt is subject to the constitutional debt limit [Article VIII, Section 7(a)(4)].

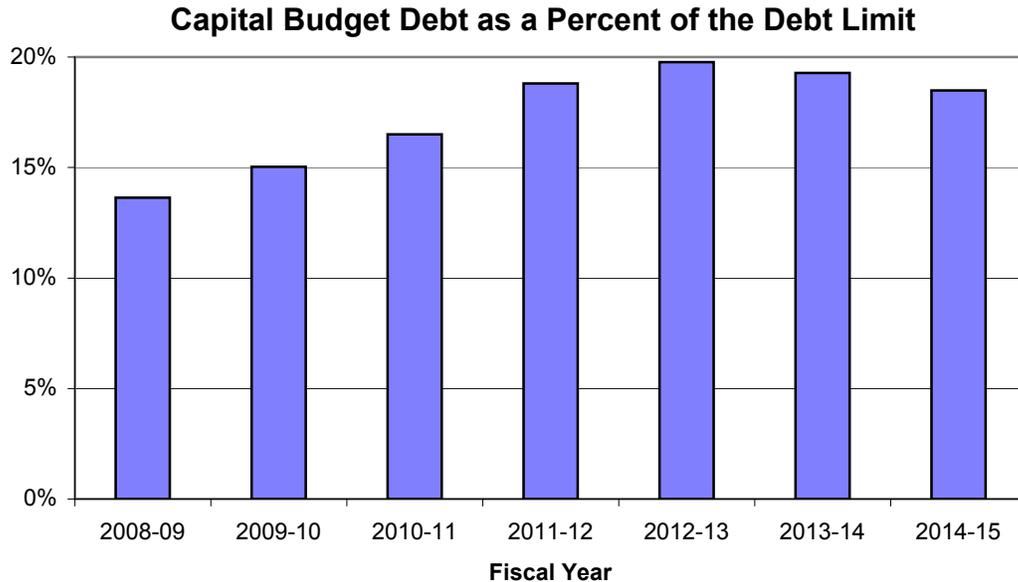


(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Estimated	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
Fiscal Year End Debt Outstanding							
Capital Budget Non-highway Bonds.....	\$ 7,396,753	\$ 8,131,564	\$ 8,918,805	\$ 10,247,285	\$ 10,825,839	\$ 10,777,015	\$ 10,590,709
Capital Budget Highway/Bridge Bonds.....	265,008	441,405	611,163	776,007	941,140	1,104,146	1,263,411
Voter Approved and Disaster Bonds.....	1,004,998	1,046,154	1,114,405	1,193,442	1,196,878	1,219,148	1,247,968
TOTAL.....	\$ 8,666,760	\$ 9,619,123	\$ 10,644,373	\$ 12,216,734	\$ 12,963,857	\$ 13,100,309	\$ 13,102,088

CONSTITUTIONAL DEBT LIMIT 2008-09 Through 2014-15

The state constitution limits outstanding capital budget debt to 1.75 times the average tax revenues during the previous five (5) fiscal years. Voter approved and disaster relief debt are not subject to the constitutional debt limit. The table and chart below present actual data for one fiscal year and current projections for six fiscal years.



	(Dollar Amounts in Thousands)						
	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
	Actual	Estimated	Budget	Estimated	Estimated	Estimated	Estimated
Debt Limit Projection							
Capital Budget Debt Subject to Constitutional Debt Limit:							
Outstanding Debt							
Beginning of Fiscal Year.....	\$ 7,158,029	\$ 7,650,495	\$ 8,572,969	\$ 9,529,968	\$ 11,023,292	\$ 11,766,979	\$ 11,881,161
Debt to be Issued.....	999,000	1,450,000	1,550,000	2,135,000	1,450,000	847,000	697,000
Debt to be Retired*.....	-506,534	-527,526	-593,001	-641,676	-706,313	-732,818	-724,041
Outstanding Debt							
End of Fiscal Year**.....	<u>\$ 7,650,495</u>	<u>\$ 8,572,969</u>	<u>\$ 9,529,968</u>	<u>\$ 11,023,292</u>	<u>\$ 11,766,979</u>	<u>\$ 11,881,161</u>	<u>\$ 11,854,120</u>
Debt Limit (from below).....	56,077,116	57,048,613	57,744,816	58,637,097	59,532,610	61,637,831	64,111,014
Capital Budget Debt as a percent of Debt Limit.....	13.6%	15.0%	16.5%	18.8%	19.8%	19.3%	18.5%
Calculation of Debt Limit:							
Average Tax Revenues							
Previous Five Years.....	\$ 32,044,066	\$ 32,599,207	\$ 32,997,038	\$ 33,506,913	\$ 34,018,634	\$ 35,221,618	\$ 36,634,865
Debt Limit (1.75 times revenues).....	<u>56,077,116</u>	<u>57,048,613</u>	<u>57,744,816</u>	<u>58,637,097</u>	<u>59,532,610</u>	<u>61,637,831</u>	<u>64,111,014</u>

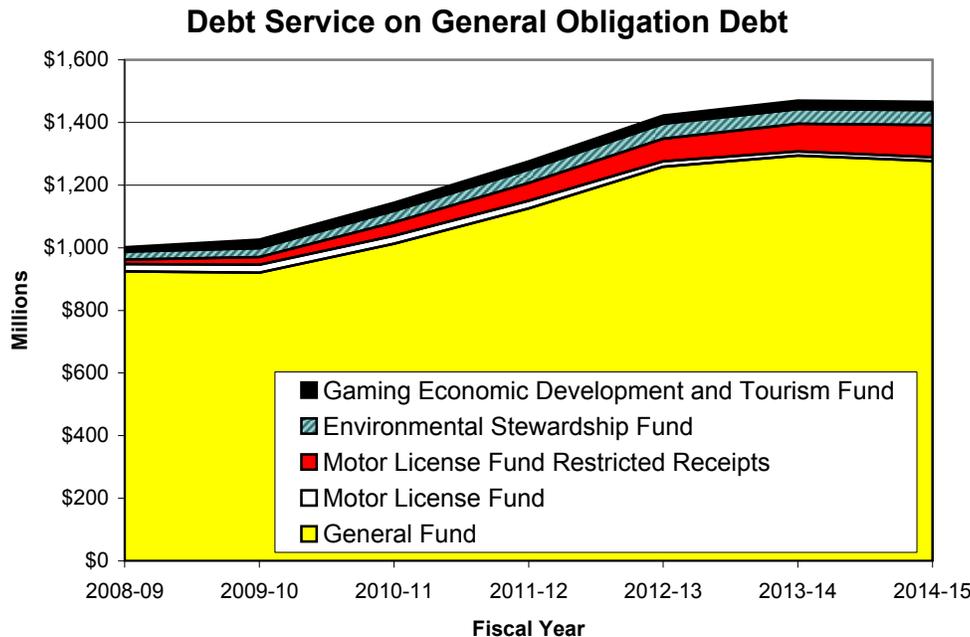
* Net of interest accreting on capital appreciation bonds during fiscal year.

** 2008-09 amount is net of sinking fund balances.



DEBT SERVICE ON GENERAL OBLIGATION DEBT 2008-09 Through 2014-15

This table shows the estimated debt service payable by the commonwealth on currently outstanding general obligation bonds and on projected general obligation bond issues.

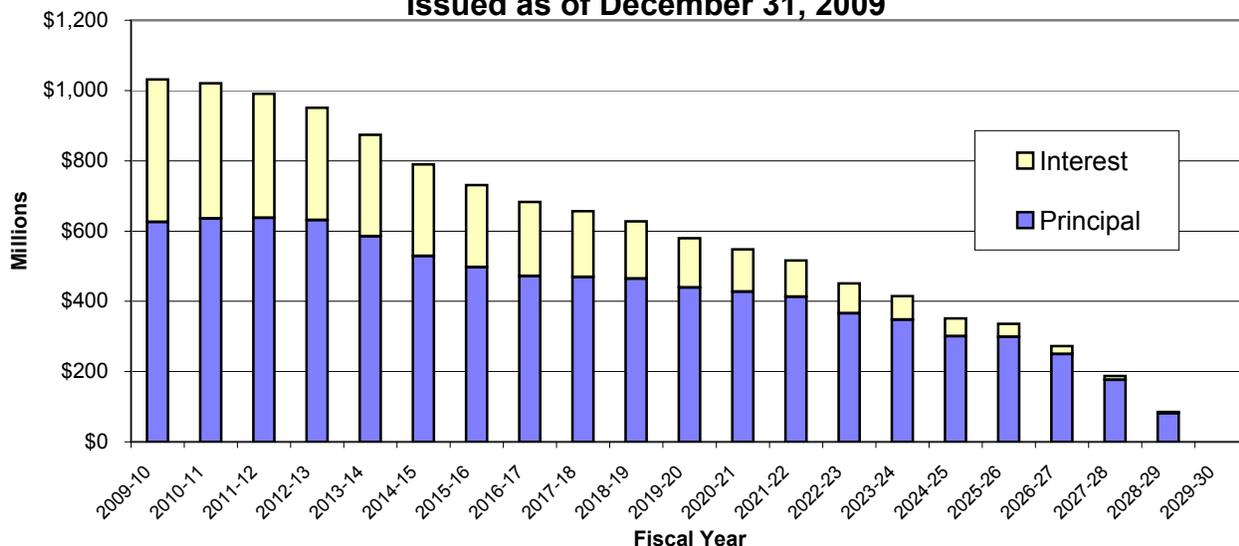


	(Dollar Amounts in Thousands)						
	2008-09 Actual	2009-10 Estimated	2010-11 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
General Fund							
Capital Budget Non-Highway.....	\$ 818,798	\$ 821,738	\$ 913,907	\$ 1,020,321	\$ 1,151,578	\$ 1,203,883	\$ 1,193,867
Voter Approved and Disaster.....	105,344	98,397	98,952	105,592	107,060	90,204	82,617
Subtotal.....	\$ 924,142	\$ 920,135	\$ 1,012,859	\$ 1,125,913	\$ 1,258,638	\$ 1,294,087	\$ 1,276,484
Environmental Stewardship Fund							
Growing Greener II.....	\$ 25,114	\$ 28,770	\$ 36,833	\$ 42,506	\$ 47,425	\$ 47,407	\$ 47,416
Gaming Economic Development and Tourism Fund							
Pennsylvania Convention Center.....	\$ 14,169	\$ 26,756	\$ 26,756	\$ 26,756	\$ 26,756	\$ 26,756	\$ 26,756
Motor License Fund							
Capital Budget -- Highways.....	\$ 12,098	\$ 11,634	\$ 11,379	\$ 10,510	\$ 4,322	\$ 749	\$ 0
Capital Budget.....	11,796	13,652	13,569	13,569	12,911	12,911	12,829
Subtotal.....	\$ 23,894	\$ 25,286	\$ 24,948	\$ 24,079	\$ 17,233	\$ 13,660	\$ 12,829
Motor License Fund Restricted Rec.							
Aviation -- Capital Budget.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Highway Bridge Improvement -- Cap. Bdgt....	14,040	24,636	42,574	56,991	72,370	87,747	102,552
Subtotal.....	\$ 14,040	\$ 24,636	\$ 42,574	\$ 56,991	\$ 72,370	\$ 87,747	\$ 102,552
TOTAL.....	\$ 1,001,359	\$ 1,025,583	\$ 1,143,970	\$ 1,276,245	\$ 1,422,422	\$ 1,469,657	\$ 1,466,037

ANNUAL DEBT SERVICE ON OUTSTANDING GENERAL OBLIGATION BONDS Bonds Issued as of December 31, 2009

Fiscal year principal and interest payments on general obligation bonds issued as of the end of calendar year 2008 are shown in the table below. Debt service on projected bond issues is excluded from this data.

Principal and Interest on Outstanding Bonds Issued as of December 31, 2009



General Obligation Bond Annual Debt Service

(Dollar Amounts in Thousands)

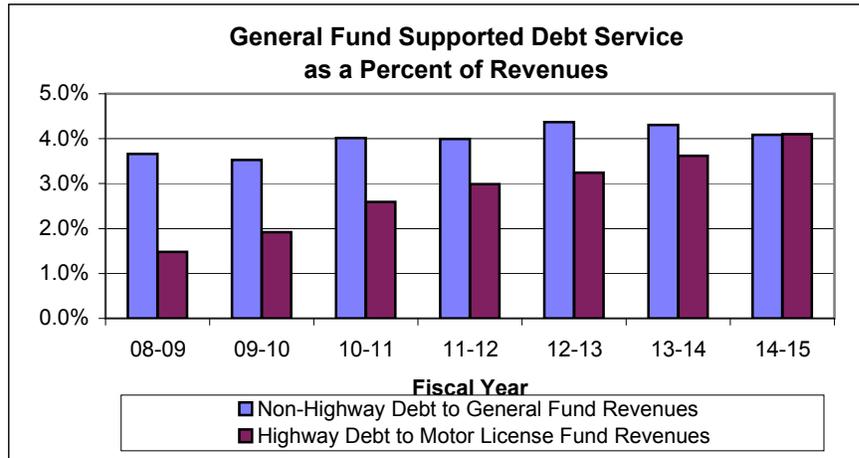
Fiscal Year	Capital Budget (Non-highway)			Capital Budget (Highway)			Voter Approved and Disaster			Grand Total
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	
2009-10	\$ 573,147	\$ 362,555	\$ 935,702	23,603	12,666	36,269	\$ 29,340	\$ 30,666	\$ 60,006	\$ 1,031,977
2010-11	582,257	345,686	927,943	24,058	11,735	35,793	29,245	27,772	57,017	1,020,753
2011-12	584,938	316,655	901,593	22,617	10,574	33,191	30,200	26,238	56,438	991,222
2012-13	583,154	286,237	869,391	15,941	9,607	25,548	31,705	24,651	56,356	951,295
2013-14	546,575	256,313	802,888	11,515	8,837	20,352	27,295	23,141	50,436	873,676
2014-15	491,610	230,223	721,833	8,490	8,345	16,835	29,190	21,759	50,949	789,617
2015-16	458,195	206,023	664,218	8,090	7,939	16,029	30,660	20,339	50,999	731,246
2016-17	431,395	184,607	616,002	8,500	7,535	16,035	32,355	18,810	51,165	683,202
2017-18	432,730	162,770	595,500	8,940	7,110	16,050	27,785	17,197	44,982	656,532
2018-19	439,180	140,466	579,646	9,385	6,663	16,048	16,040	16,024	32,064	627,758
2019-20	423,670	118,784	542,454	9,850	6,194	16,044	5,940	15,457	21,397	579,895
2020-21	393,315	99,739	493,054	10,330	5,701	16,031	23,930	14,897	38,827	547,912
2021-22	367,395	83,842	451,237	10,865	5,185	16,050	34,940	13,812	48,752	516,039
2022-23	311,065	68,058	379,123	11,400	4,641	16,041	43,620	11,986	55,606	450,770
2023-24	289,655	53,068	342,723	11,975	4,071	16,046	45,855	9,829	55,684	414,453
2024-25	240,135	39,614	279,749	12,570	3,473	16,043	47,980	7,612	55,592	351,384
2025-26	235,680	28,326	264,006	13,195	2,844	16,039	50,405	5,246	55,651	335,696
2026-27	192,820	17,287	210,107	13,865	2,184	16,049	43,300	2,786	46,086	272,242
2027-28	137,165	8,211	145,376	14,545	1,491	16,036	24,735	1,000	25,735	187,147
2028-29	61,460	2,881	64,341	15,275	764	16,039	4,965	229	5,194	85,574
2029-30	0	0	0	0	0	0	0	0	0	0



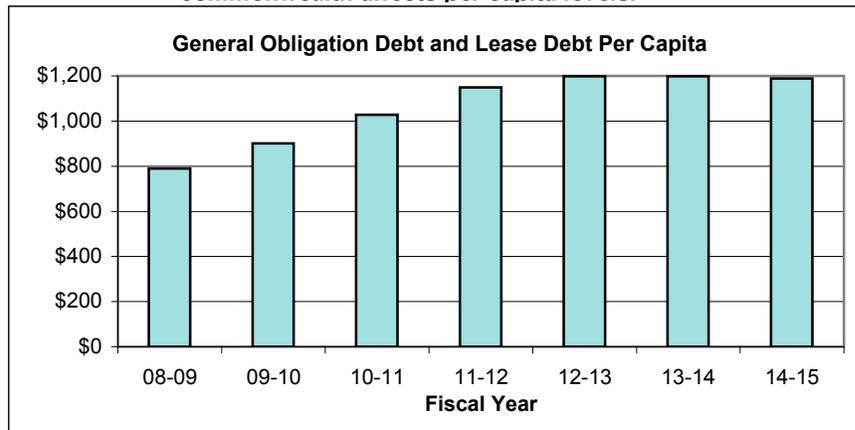
TRENDS IN DEBT SERVICE AND DEBT RATIOS 2008-09 Through 2014-15

The charts portray projections for indicators of the cost of projected annual debt service and the burden of projected debt outstanding. Debt service and outstanding debt includes general obligation debt and debt secured by lease rental payments or operating subsidies from various commonwealth departments.

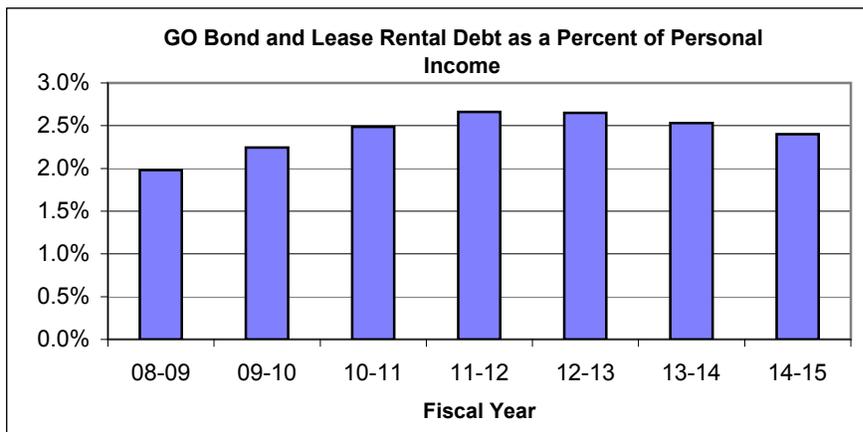
General Fund debt service as a percent of revenues remains below Standard & Poors criteria of 5% for issuers considered to have a "low debt burden."



Per capita debt levels remain relatively low, although the lack of population growth in the commonwealth affects per capita levels.



Growing personal income keeps the planned bond issuance affordable.



OUTSTANDING INDEBTEDNESS OF PENNSYLVANIA AGENCIES AND AUTHORITIES

The indebtedness of the following agencies and authorities is not an obligation of the Commonwealth of Pennsylvania but represents the debt of those agencies and authorities created by the Commonwealth for a public purpose. These obligations are not considered as debt under Article VIII of the State Constitution.

**Bonds and
Notes as of
12/31/09
(in millions)**

Commonwealth Financing Authority Created to promote health, safety, employment, business opportunities, economic activity and the general welfare of the commonwealth. Debt service on the bonds is paid from revenues of the authority.	\$ 791.5
Delaware River Joint Toll Bridge Commission Created by Pennsylvania and New Jersey to construct, operate and maintain bridges crossing the upper Delaware River. Debt service on the bonds is paid from tolls and other revenues of the commission.	438.5
Delaware River Port Authority Created by Pennsylvania and New Jersey to control and operate bridges crossing the Delaware River, it may construct or acquire other bridges, tunnels and other projects for port improvement and development. The authority operates a rapid transit system, which it constructed. Debt service on the bonds is paid from tolls, fares, rents and other revenue of the authority.	1,117.2
Pennsylvania Economic Development Financing Authority Created to offer pooled bond issues of both taxable and tax-exempt bonds on behalf of local industrial and commercial development authorities for economic development projects. Debt service on the bonds is paid by loan interest and repayments and other authority revenues.	1,876.8
Pennsylvania Energy Development Authority Makes or guarantees loans for energy projects including the conversion and technological improvement of energy systems utilizing Pennsylvania coal or renewable energy resources. Debt service on the bonds is paid from the revenues of the authority.	27.5
Pennsylvania Higher Education Assistance Agency Makes or guarantees student loans for graduate and undergraduate programs to students or parents, lending institutions or postsecondary institutions. Debt service on the bonds is paid by loan interest and repayments and by other agency revenues.	8,889.5
Pennsylvania Higher Educational Facilities Authority Acquires, constructs, improves and leases (as lessor) college facilities and makes loans to colleges and universities within the commonwealth. Debt service on the bonds is paid from rentals and from loan repayments collected for the use of the facilities.	5,888.5
Pennsylvania Housing Finance Agency Makes construction and permanent mortgage loans to qualified borrowers for the purchase and construction of multi and single family housing for low and moderate income persons or families. Debt service on the bonds is paid from mortgage loan interest and repayments and further secured by a "moral obligation" of the Commonwealth.	5,912.4
Pennsylvania Industrial Development Authority Makes mortgage loans to local nonprofit industrial development agencies for the financing of industrial development projects. Debt service on the bonds is paid from loan interest and repayments and other authority revenues.	363.4
Pennsylvania Infrastructure Investment Authority Provides low interest rate loans and grants for constructing new and for improving existing water supply and sewage disposal systems. Loans and grants are available to local governments and, in certain circumstances, to private companies. The bonds are secured by principal repayments and interest payments on loans.	23.1
Pennsylvania Turnpike Commission Constructs, maintains and operates the Pennsylvania Turnpike. Debt service on the bonds is paid from tolls and other revenue sources of the commission.	4,752.3
Philadelphia Regional Port Authority Operates port facilities in Bucks and Delaware counties, and the City of Philadelphia. Debt service on the bonds is paid by a pledge of the authority's revenues, rentals and receipts.	37.0
State Public School Building Authority Constructs, improves, equips and makes loans to local school districts for school facilities. Debt service on the bonds is paid from rentals collected for the use of the facilities and from loan repayments.	2,378.5
TOTAL	<u>\$ 32,496.2</u>





Commonwealth of Pennsylvania

Governor's Executive Budget

OTHER
SPECIAL FUNDS

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OTHER SPECIAL FUNDS

APPENDIX

This section provides brief descriptive and financial data for commonwealth funds not given an expanded treatment in other sections of the Governor's Budget. This information is presented to demonstrate the magnitude and complexity of the commonwealth's financial structure as well as give some details of the various funds.

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OTHER SPECIAL FUNDS

This appendix contains a brief presentation of all active commonwealth funds not given an expanded treatment in the other sections of the budget. In a limited number of cases certain expenditures from funds presented in this section are included in other presentations.

Generally, the commonwealth uses a modified cash basis of accounting for financial reporting where certain revenues are reported when collected and, for certain taxes, when accrued and expenditures are reported when disbursed or committed. Unless otherwise noted in the fund description, all financial data shown herein is on a cash basis, which means that the beginning and ending balances include cash plus investments. Several funds carrying long-term investments show an adjustment to reflect the current market value of those investments as of June 30.

Receipts include only those items actually received and credited to the funds by the Department of Revenue. Disbursements are recorded at the time payment requisitions and invoices are submitted to the Treasury Department for payment and do not include commitments or encumbrances.

This format for displaying financial data was chosen for its simplicity and easy adaptability to all funds. As such, the data may not present the best statement of the funds' condition nor accurately describe the operating characteristics of the funds.

The vast majority of the commonwealth day-to-day activities are financed from the General Fund; however, over time a large number of other funds have been created to more closely relate specific revenue sources to specific programs or to identify particular government programs or activities. These special funds are categorized into groups to aid in identifying their purpose. These groups are defined below.

Governmental Funds: Collectively these funds account for and report activities that are associated with routine, ordinary governmental functions and are financed largely by tax and grant revenues. The

group includes the General Fund, Special Revenue Funds, Debt Service Funds and Capital Project Funds.

Special Revenue Funds — These funds are used to account for revenues from specific taxes or other earmarked revenue sources, which by law are designated to finance particular functions or activities.

Capital Project Funds — Bond funds are used to account for the receipt and disbursement of bond sale proceeds that normally finance the construction or acquisition of designated fixed assets.

Debt Service Funds — These funds account for the accumulation of resources, principally from transfers from other funds, for the payment of general long-term debt principal and interest.

Proprietary Funds: Include Enterprise Funds and Internal Service Funds. Such funds account for and report activities the way a private business or industry would. They include such activities as sale of goods or services, and lending and other financing activities where purchasers or customers pay a charge or a user fee.

Enterprise Funds — These funds accommodate the operation of public service programs financed wholly or mostly by user charges, or where the periodic determination of net income is deemed appropriate.

Internal Service Funds — These funds account for the financing of goods or services provided by one department or agency to other departments or agencies of the commonwealth, or to other governmental units, on a cost-reimbursement basis.

Fiduciary Funds: These funds are used to account for assets held by the commonwealth as trustee or agent for individuals, private organizations and other government units.

Acid Mine Drainage Abatement and Treatment Fund

This fund was created in 1992 to receive money authorized by Title IV of the Federal Surface Mining Control and Reclamation Act. This fund receives up to ten percent of the commonwealth's federal Title IV grant for abandoned mine reclamation. Funds are used for acid mine drainage abatement and treatment.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 20,168	\$ 20,356	\$ 11,185
Receipts:			
Federal Receipts.....	\$ 2,000	\$ 1,724	\$ 11,292
Interest.....	385	350	350
Total Receipts.....	<u>2,385</u>	<u>2,074</u>	<u>11,642</u>
Total Funds Available	\$ 22,553	\$ 22,430	\$ 22,827
Disbursements:			
Environmental Protection.....	\$ 2,197	\$ 11,245	\$ 11,292
Total Disbursements.....	<u>-2,197</u>	<u>-11,245</u>	<u>-11,292</u>
Cash Balance, Ending	\$ 20,356	\$ 11,185	\$ 11,535

Administration Fund

This fund was created for the administrative costs associated with the Unemployment Compensation Law and the state system of public employment offices (Office of Employment Security). While the fund can receive funds from any source, the majority of revenue results from moneys requisitioned from the commonwealth's account in the Federal Unemployment Trust Fund.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 1,804	\$ 889	\$ 1,419
Receipts:			
Federal Unemployment Trust Fund.....	\$ 192,210	\$ 226,612	\$ 216,500
Federal — Other Funds.....	8,874	50	50
Interest.....	25	30	30
Other.....	1,136	450	450
Total Receipts.....	<u>202,245</u>	<u>227,142</u>	<u>217,030</u>
Total Funds Available	\$ 204,049	\$ 228,031	\$ 218,449
Disbursements:			
Labor and Industry.....	\$ 203,160	\$ 226,612	\$ 217,000
Total Disbursements.....	<u>-203,160</u>	<u>-226,612</u>	<u>-217,000</u>
Cash Balance, Ending	\$ 889	\$ 1,419	\$ 1,449

Agricultural College Land Scrip Fund

This fund was established in 1862 with \$500,000 received from the sale of lands and scrip which was donated to the commonwealth by an Act of Congress to establish a college for the benefit of Agriculture and the Mechanical Arts. The income derived from the investment of the monies in the fund plus appropriations which may be made from time to time by the General Assembly serve as revenue to the fund. Monies in this fund can be disbursed only for use by the officially designated land grant college (Pennsylvania State University) for the benefit of Agriculture and Mechanical Arts.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 627	\$ 626	\$ 624
Receipts:			
Interest.....	\$ 14	\$ 14	\$ 14
Total Receipts.....	14	14	14
Total Funds Available	\$ 641	\$ 640	\$ 638
Disbursements:			
Treasury.....	\$ 15	\$ 16	\$ 16
Total Disbursements.....	-15	-16	-16
Cash Balance, Ending	\$ 626	\$ 624	\$ 622

Agricultural Conservation Easement Purchase Fund

This fund was created by Act 64 of 1988 to implement the referendum approved by the electorate November 8, 1988. That referendum authorized the commonwealth to incur indebtedness of \$100 million to be used for farmland preservation through the purchase of agricultural conservation easements. Act 23 of 1992 increased the annual ceiling on easement purchases from bond sales from \$20 to \$25 million. All bonds authorized have been issued.

Act 89 of 2002 changed the annual transfer of cigarette tax revenues from the first two thirty-firsts of the cigarette tax to \$20,485,000 to be made in two equal payments by July 15th and January 15th. Act 15 of 1999 created a supplemental program for farmland preservation, and Act 1-A of 1999 appropriated \$43 million from the General Fund for that supplemental program. Beginning in 2005-06 the program receives a set percentage (14.8%) of the Environmental Stewardship Fund for the continued purchase of agricultural easements.

Act 46 of 2006 provides up to \$200,000 which can be used to offset local conservation organizations for incidental costs related to easement purchases. Up to ten percent of these funds also may be used by the Department of Agriculture for administrative expenses incurred under this act.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 26,279	\$ 7,952	\$ 4,728
Receipts:			
Transfer of Cigarette Tax.....	\$ 20,485	\$ 20,485	\$ 20,485
Transfer from the Environmental Stewardship Fund.....	6,466	5,327	4,909
Interest.....	-1,557	38	40
Other.....	0	315	315
Total Receipts	25,394	26,165	25,749
Total Funds Available	\$ 51,673	\$ 34,117	\$ 30,477
Disbursements:			
Agriculture.....	\$ 43,721	\$ 29,389	\$ 28,000
Total Disbursements	-43,721	-29,389	-28,000
Cash Balance, Ending	\$ 7,952	\$ 4,728	\$ 2,477

Agricultural Conservation Easement Purchase Sinking Fund

Payment of interest and principal due on outstanding agricultural conservation easement purchase bonds is made from this fund. Revenues of this fund come from the annual appropriation from the General Fund for general obligation debt service.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 0	\$ 0	\$ 0
Receipts:			
Transfer from General Fund.....	\$ 1,650	\$ 677	\$ 672
Accrued Interest on Bonds Sold.....	0	0	0
Total Receipts	1,650	677	672
Total Funds Available	\$ 1,650	\$ 677	\$ 672
Disbursements:			
Treasury.....	\$ 1,650	\$ 677	\$ 672
Total Disbursements	-1,650	-677	-672
Cash Balance, Ending	\$ 0	\$ 0	\$ 0

Anthracite Emergency Bond Fund

This fund was created by Act 171 of 1986 to provide loans for anthracite underground mine operators who cannot obtain necessary bonding or whose bonding has been cancelled due to insolvency or bankruptcy of the original bonding company. Revenues are provided by appropriation from the General Fund, a fee for each ton of coal estimated by certain mine operations and payments made by operators in lieu of a bond. Act 173 of 1992 extended the program to anthracite surface mine operators.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 485	\$ 488	\$ 244
Receipts:			
Operator Payments.....	\$ 1	\$ 0	\$ 0
Interest	12	20	6
Total Receipts	13	20	6
Total Funds Available	\$ 498	\$ 508	\$ 250
Disbursements:			
Environmental Protection	\$ 10	\$ 264	\$ 30
Total Disbursements	-10	-264	-30
Cash Balance, Ending	\$ 488	\$ 244	\$ 220

Automobile Theft Prevention Trust Fund

The Automobile Theft Prevention Trust Fund was created by Act 171 of 1994. The purpose of the fund is to finance programs in the commonwealth to prevent, combat and reduce automobile theft and to improve and support automobile theft prosecutions. Revenue to the fund consists of assessments on the insurance companies that conduct business in the commonwealth, interest earnings, and fines and penalties.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 3,510	\$ 2,097	\$ 999
Receipts:			
Assessments.....	\$ 6,075	\$ 6,439	\$ 6,439
Returned prior year grants.....	0	800	800
Interest	-345	50	100
Total Receipts	5,730	7,289	7,339
Total Funds Available	\$ 9,240	\$ 9,386	\$ 8,338
Disbursements:			
Automobile Theft Prevention Authority.....	\$ 7,143	\$ 8,387	\$ 8,197
Total Disbursements	-7,143	-8,387	-8,197
Cash Balance, Ending	\$ 2,097	\$ 999	\$ 141

Ben Franklin Technology Development Authority Fund

Act 38 of 2001 created the Ben Franklin Technology Development Authority Fund. This fund merges the activities of the Ben Franklin Partnership and the Pennsylvania Technology Development Authority (PTIA) under one authority. The Ben Franklin component assists small and medium sized technology, research and start-up companies to do applied research and development projects and to develop and introduce new products and processes. PTIA provides high-tech financing to small and medium-sized businesses; stimulates the adoption and expansion of electronic commerce; and coordinates and expands university-based research and development in high-tech fields. Revenue to the fund includes annual transfers from the General Fund, loan repayments and interest earnings.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 42,503	\$ 39,447	\$ 16,301
Receipts:			
Transfer from General Fund.....	\$ 50,700	\$ 20,000	\$ 20,000
Transfer from Commonwealth Financing			
Authority - Energy.....	0	20,000	20,000
Federal Funds.....	0	2,000	2,000
Interest on Loans.....	327	2,000	2,000
Loan Repayments.....	1,770	1,700	1,700
Interest.....	-987	107	817
Other.....	116	100	125
Total Receipts	51,926	45,907	46,642
Total Funds Available	\$ 94,429	\$ 85,354	\$ 62,943
Disbursements:			
Community and Economic Development			
Administration.....	\$ 698	\$ 877	\$ 613
Loans.....	2,350	2,951	2,500
Grants.....	51,934	65,225	47,887
Total Disbursements	-54,982	-69,053	-51,000
Cash Balance, Ending	\$ 39,447	\$ 16,301	\$ 11,943

Benefit Completion Fund

This fund was created in 2003 to accumulate reserves for the payment of pensions to eligible former state employees with a statutory benefit entitlement under the State Employees' Retirement Code that exceeds the limits of Section 415(b) of the Internal Revenue Code (IRC). Reserves in this fund will be disbursed to members of the retirement system in accordance with the provision of IRC Section 415(m).

The fund receives revenue from employer contributions and interest income. Employer contributions are an actuarially determined percentage of payroll sufficient to fund the benefit payments of the forthcoming calendar year and the on-going expenses to administer the plan. Management of the fund and payment of benefits is overseen by the State Employees' Retirement Board.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 4,915	\$ 6,962	\$ 8,474
Receipts:			
Employer Contributions	\$ 2,622	\$ 2,262	\$ 2,262
Interest.....	102	150	150
Total Receipts	2,724	2,412	2,412
Total Funds Available	\$ 7,639	\$ 9,374	\$ 10,886
Disbursements:			
State Employees' Retirement System.....	\$ 677	\$ 900	\$ 1,285
Total Disbursements.....	-677	-900	-1,285
Cash Balance, Ending	\$ 6,962	\$ 8,474	\$ 9,601

Broadband Outreach and Aggregation Fund

Act 183 of 2004 established the Broadband Outreach and Aggregation Fund to fund grants and outreach programs with the ultimate purpose of increasing broadband access in unserved or underserved areas. Deposits to the fund include assessments levied and collected by the Public Utility Commission on certain local exchange telecommunications companies. Up to three percent of annual proceeds can be used by the agency for administrative costs. The total amount of the fund shall not exceed \$5 million annually.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 3,033	\$ 2,406	\$ 947
Receipts:			
Transfer from PUC.....	\$ 1,197	\$ 1,009	\$ 1,009
Interest.....	42	9	9
Other.....	8	0	0
Total Receipts	1,247	1,018	1,018
Total Funds Available	\$ 4,280	\$ 3,424	\$ 1,965
Disbursements:			
Community and Economic Development.....	\$ 1,874	\$ 2,477	\$ 1,800
Total Disbursements	-1,874	-2,477	-1,800
Cash Balance, Ending	\$ 2,406	\$ 947	\$ 165

Budget Stabilization Reserve Fund

This fund was created on July 15, 2002 by Act 91 of 2002 to replace the Tax Stabilization Reserve Fund. The fund provides financial assistance to minimize future revenue shortfalls and deficits, and promote greater continuity and predictability in the funding of vital government services. It minimizes the need to increase taxes to balance the budget of the commonwealth during periods of economic distress. Act 91 provides revenue through an annual transfer of twenty-five percent of the General Fund's fiscal year ending surplus. If the fund's ending balance would equal or exceed six percent of actual General Fund revenues for the fiscal year in which the surplus occurs, the General Fund transfer would be reduced to ten percent. Act 53 of 2008 suspended the transfer of surplus funds for 2007-08. Act 50 of 2009 transferred \$755 million to the General Fund in 2009-10.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 742,090	\$ 754,730	\$ 739
Receipts:			
Transfer from General Fund.....	\$ 0	\$ 0	\$ 0
Interest	12,640	1,009	1
Total Receipts	12,640	1,009	1
Total Funds Available	\$ 754,730	\$ 755,739	\$ 740
Disbursements:			
Transfer to General Fund.....	\$ 0	\$ 755,000	\$ 0
Total Disbursements	0	-755,000	0
Cash Balance, Ending	\$ 754,730	\$ 739	\$ 740

Capital Debt Fund

Principal and interest payments on bonds issued for purposes of capital budget projects are paid from this fund. Annual appropriations from various funds for payment of interest and principal due on general obligation bonds is the primary source of revenue. Funds in the excess of interest and principal falling due in any one particular fiscal year may be used by the Board of Finance and Revenue to retire any other general obligation bonds issued to provide revenue to the Capital Facilities Fund.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 25,742	\$ 14,870	\$ 20,409
Receipts:			
Transfer from Other Funds.....	\$ 926,618	\$ 981,414	\$ 1,092,666
Rentals - State-Aided and State-Related Institutions.....	99	0	0
Interest Subsidy - Higher Education Construction Projects.....	0	0	0
Sale of Bonds- Bond Anticipation Notes Payment.....	0	0	0
Refunding Bond Maturing Escrow Funds.....	639,695	455,967	318,896
Accrued Interest on Bonds Sold.....	0	0	0
Interest on Securities.....	11	4	100
Total Receipts	1,566,423	1,437,385	1,411,662
Total Funds Available	\$ 1,592,165	\$ 1,452,255	\$ 1,432,071
Disbursements:			
Treasury.....	\$ 1,577,295	\$ 1,431,846	\$ 1,415,486
Total Disbursements	-1,577,295	-1,431,846	-1,415,486
Cash Balance, Ending	\$ 14,870	\$ 20,409	\$ 16,585

Capital Facilities Fund

This fund is used to meet the financial costs of capital projects authorized by capital budget acts. Revenue for this fund comes principally from the sale of general obligation debt and interest earnings. Debt issued for this fund is subject to a debt limit equal to one and three quarter times the average of annual tax revenues in the preceding five fiscal years. This fund has at least one account for each category of capital projects. Interest earned on investment or deposit of monies in the fund is credited to the account in the fund to which such invested or deposited money was originally credited.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 499,742	\$ 460,777	\$ 609,743
Receipts:			
Sale of Bonds.....	\$ 1,071,808	\$ 1,435,500	\$ 1,534,500
Intra Account Transfer.....	215,000	175,000	0
Interest on Securities.....	5,235	11,000	20,000
Other	78,904	44,043	26,095
Total Receipts	1,370,947	1,665,543	1,580,595
Total Funds Available	\$ 1,870,689	\$ 2,126,320	\$ 2,190,338
Disbursements:			
Community and Economic Development.....	\$ 214,266	\$ 253,562	\$ 242,181
Environmental Protection.....	203	2,101	36,381
Conservation & Natural Resources.....	7,394	0	0
General Services.....	778,527	798,330	1,026,831
Transportation.....	190,222	284,334	376,875
Treasury.....	215,941	175,250	250
Other.....	3,359	3,000	3,000
Total Disbursements	-1,409,912	-1,516,577	-1,685,518
Cash Balance, Ending	\$ 460,777	\$ 609,743	\$ 504,820

Capitol Restoration Trust Fund

This fund was created by Act 327 of 1982 to finance the maintenance, restoration, preservation and rehabilitation of artifacts, documents and other historical objects or resources located within and around or associated with the State Capitol Building, and the acquisition of artifacts, documents and other historical objects or resources which contribute to the historical significance of the State Capitol Building. This fund is administered by the Capitol Preservation Committee. Revenue is derived from gifts, donations and legacies of money from individuals, organizations, public or private corporations, and from the sale of commemorative medals and other items of a similar nature which promote the historic preservation and restoration of the State Capitol Building.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 202	\$ 315	\$ 328
Receipts:			
Contribution & Sales.....	\$ 106	\$ 12	\$ 5
Interest.....	7	11	11
Total Receipts	113	23	16
Total Funds Available	\$ 315	\$ 338	\$ 344
Disbursements:			
Capitol Preservation Committee.....	\$ 0	\$ 10	\$ 5
Total Disbursements	0	-10	-5
Cash Balance, Ending	\$ 315	\$ 328	\$ 339

Catastrophic Loss Benefits Continuation Fund

This fund was established by Act 24 of 1989 to replace the Catastrophic Loss Trust Fund. The purpose of the Catastrophic Loss Benefits Continuation Fund (CAT fund) is to pay all medical claims owed by the Catastrophic Loss Trust Fund. Monies in the former Catastrophic Loss Trust Fund were transferred to this fund effective July 1, 1989.

Act 13 of 2002 established the Medical Care Availability and Reduction of Error (Mcare) Fund and mandated that all surcharges levied and collected under the CAT fund be remitted to the Mcare Fund beginning in January 2004. Act 50 of 2009 redirected the surcharge to the General Fund for 2009-10 and 2010-11.

This fund will continue to pay claimants from its balance and interest earnings until no further obligations exist. The most recent actuarial report estimates final expenditure in 2090.

No obligation or expense of, or claim against, the fund constitutes a debt of the commonwealth or a charge against the General Fund or the Motor License Fund.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 105,701	\$ 100,503	\$ 92,383
Receipts:			
Interest	\$ 2,131	\$ 200	\$ 2,500
Miscellaneous Revenue	9	5	5
Total Receipts	<u>2,140</u>	<u>205</u>	<u>2,505</u>
Total Funds Available	\$ 107,841	\$ 100,708	\$ 94,888
Disbursements:			
Insurance	\$ 7,338	\$ 8,325	\$ 6,496
Total Disbursements	<u>-7,338</u>	<u>-8,325</u>	<u>-6,496</u>
Cash Balance, Ending	<u>\$ 100,503</u>	<u>\$ 92,383</u>	<u>\$ 88,392</u>

Children's Trust Fund

Act 151 of 1988 created the Children's Trust Fund. Revenue is generated by a \$10 surcharge on marriage licenses and divorce applications. Expenditures are for community-based children's programs and services to prevent child abuse and neglect.

Statement of Cash Receipts and Disbursement

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 1,230	\$ 974	\$ 264
Receipts:			
Marriage/Divorce Surcharge	\$ 1,099	\$ 1,150	\$ 1,150
Interest	-31	3	23
Total Receipts	1,068	1,153	1,173
Total Funds Available	\$ 2,298	\$ 2,127	\$ 1,437
Disbursements:			
Public Welfare	\$ 1,324	\$ 1,863	\$ 1,300
Total Disbursements	-1,324	-1,863	-1,300
Cash Balance, Ending	\$ 974	\$ 264	\$ 137

Cigarette Fire Safety and Firefighter Protection Act Enforcement Fund

On July 4, 2008 the Governor signed Act 42. It provides for cigarette fire safety, for certification of compliance by manufacturers, for package markings, and for enforcement and penalties. Certification fees are collected by the Department of Revenue at a rate of \$1,000.00 per brand family and \$500.00 for each additional listing within a brand family. Penalties are charged for specified violations. The Attorney General's Office enforces the act.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 0	\$ 129	\$ 148
Receipts:			
Fees.....	\$ 129	\$ 19	\$ 19
Interest.....	0	0	1
Penalties.....	0	0	0
Total Receipts	129	19	20
Total Funds Available	\$ 129	\$ 148	\$ 168
Disbursements:			
Attorney General.....	\$ 0	\$ 0	\$ 0
Revenue.....	0	0	0
Total Disbursements	0	0	0
Cash Balance, Ending	\$ 129	\$ 148	\$ 168

Clean Air Fund

This fund was created to meet the provisions of Act 787 of 1959, as amended by Act 95 of 1992, to finance the attainment of air quality standards, the administration of the rules and regulations promulgated under these acts, the reduction of interstate air pollution transport and a program to assist businesses in meeting emission standards. Fines, civil penalties and fees from air pollution emitters, as well as appropriations from the General Assembly, federal or local governments and interest earnings are deposited in this fund.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 49,025	\$ 49,504	\$ 42,041
Receipts:			
Fines and Penalties.....	\$ 3,846	\$ 2,100	\$ 4,510
Fees.....	20,351	20,250	18,500
Interest.....	24	700	700
Other.....	2	52	144
Total Receipts	<u>24,223</u>	<u>23,102</u>	<u>23,854</u>
Total Funds Available	\$ 73,248	\$ 72,606	\$ 65,895
Disbursements:			
Environmental Protection	\$ 23,744	\$ 30,565	\$ 31,114
Total Disbursements	<u>-23,744</u>	<u>-30,565</u>	<u>-31,114</u>
Cash Balance, Ending	<u>\$ 49,504</u>	<u>\$ 42,041</u>	<u>\$ 34,781</u>

Coal and Clay Mine Subsidence Insurance Fund

This fund was created by Act 484 of 1961 to provide insurance to home owners in mining areas against damages resulting from subsidence. Revenue is derived from premiums paid by policyholders for subsidence insurance. Act 155 of 2002 updated this insurance program by further defining and establishing coverage by insurance providers, and requiring the Department of Environmental Protection to prepare an annual report on the program and insurance sales. Disbursements are used to cover the payment of insurance claims and commissions to insurance agents who forward insurance applications as outlined in Act 155. A sufficient balance in the fund must be maintained to provide adequate protection for the solvency of the fund.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 67,465	\$ 72,143	\$ 72,625
Receipts:			
Premiums Collected.....	\$ 6,057	\$ 5,000	\$ 6,750
Interest.....	1,673	1,000	1,000
Other.....	0	30	1
Total Receipts	<u>7,730</u>	<u>6,030</u>	<u>7,751</u>
Total Funds Available	\$ 75,195	\$ 78,173	\$ 80,376
Disbursements:			
Environmental Protection	\$ 3,052	\$ 5,548	\$ 5,129
Total Disbursements	<u>-3,052</u>	<u>-5,548</u>	<u>-5,129</u>
Cash Balance, Ending	<u>\$ 72,143</u>	<u>\$ 72,625</u>	<u>\$ 75,247</u>

Coal Lands Improvement Fund

This fund was created by Act 117 of 1965 to finance the restoration of land acquired by the commonwealth through eminent domain or amicable methods which has been defaced by open pit or strip mining and has been declared a health hazard. Initially the fund was provided a \$1 million appropriation, but subsequent revenue is derived from the sale of restored land and interest on investments.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 2,669	\$ 2,515	\$ 2,245
Receipts:			
Interest	\$ 52	\$ 35	\$ 30
Total Receipts	52	35	30
Total Funds Available	\$ 2,721	\$ 2,550	\$ 2,275
Disbursements:			
Environmental Protection	\$ 206	\$ 305	\$ 300
Total Disbursements	-206	-305	-300
Cash Balance, Ending	\$ <u>2,515</u>	\$ <u>2,245</u>	\$ <u>1,975</u>

Community College Capital Fund

This fund was established by Act 46 of 2005. Fund revenue consists of an appropriation from the General Fund for transfer to the Community College Capital Fund. Monies in this fund can be disbursed only for payment of the commonwealth's annual share of approved capital debt service and lease payments to Pennsylvania's community colleges.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 867	\$ 960	\$ 1,590
Receipts:			
Transfer from General Fund.....	\$ 44,506	\$ 46,369	\$ 46,369
Interest.....	246	28	27
Total Receipts.....	44,752	46,397	46,396
Total Funds Available	\$ 45,619	\$ 47,357	\$ 47,986
Disbursements:			
Treasury.....	\$ 44,659	\$ 45,767	\$ 47,428
Total Disbursements.....	-44,659	-45,767	-47,428
Cash Balance, Ending	\$ <u>960</u>	\$ <u>1,590</u>	\$ <u>558</u>

Compulsive and Problem Gambling Treatment Fund

Act 71 of 2004, the Pennsylvania Race Horse Development and Gaming Act, established the Compulsive and Problem Gambling Treatment Fund to support a compulsive and problem gambling program within the Department of Health. This program provides public education, awareness and training regarding both the problem of compulsive and problem gambling and its treatment and prevention. Act 1 of 2010 amended the funding for this program by increasing revenues provided based on the greater of \$2.0 million or .002 multiplied by the gross terminal revenue of all active and operating gaming entities. It also provides for an annual \$3 million transfer to the Compulsive and Problem Gambling Treatment Fund for drug and alcohol addiction treatment services within the Department of Health.

Statement of Cash Receipts and Disbursement

	(Dollar Amounts in Thousands)		
	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 2,956	\$ 4,499	\$ 4,428
Receipts:			
Transfer from the State Gaming Fund	\$ 1,700	\$ 2,471	\$ 4,900
Transfer from the State Gaming Fund - Drug and Alcohol.....	0	3,000	3,000
Interest	71	15	25
Other	0	0	0
Total Receipts	<u>1,771</u>	<u>5,486</u>	<u>7,925</u>
Total Funds Available	\$ 4,727	\$ 9,985	\$ 12,353
Disbursements:			
Health	\$ 228	\$ 5,557	\$ 7,900
Total Disbursements	<u>-228</u>	<u>-5,557</u>	<u>-7,900</u>
Cash Balance, Ending	\$ <u>4,499</u>	\$ <u>4,428</u>	\$ <u>4,453</u>

Conrad Weiser Memorial Park Trust Fund

This fund was created to provide for control, management, supervision, restoration and improvement of the Conrad Weiser Memorial Park, Berks County. Source of revenue for the fund is interest from the \$20,000 perpetual endowment created by the estate of Colonel Conrad Weiser.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 88	\$ 90	\$ 91
Receipts:			
Interest	\$ 2	\$ 1	\$ 1
Total Receipts	<u>2</u>	<u>1</u>	<u>1</u>
Total Funds Available	\$ 90	\$ 91	\$ 92
Disbursements:			
Historical and Museum Commission	\$ 0	\$ 0	\$ 0
Total Disbursements	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance, Ending	\$ <u>90</u>	\$ <u>91</u>	\$ <u>92</u>

Conservation District Fund

Act 110 of 2006 created the Conservation District Fund to assist local conservation districts in the conservation of soil, water and natural resources. Revenue may be provided from state appropriations, federal appropriations, interest earnings and other funds available to the State Conservation Commission.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 922	\$ 761	\$ 251
Receipts:			
Transfer from General Fund.....	\$ 5,260	\$ 4,710	\$ 4,109
Interest.....	-318	4	6
Total Receipts	<u>4,942</u>	<u>4,714</u>	<u>4,115</u>
Total Funds Available	\$ 5,864	\$ 5,475	\$ 4,366
Disbursements:			
Environmental Protection.....	\$ 3,577	\$ 3,222	\$ 3,060
Agriculture.....	1,526	2,002	1,080
Total Disbursements	<u>-5,103</u>	<u>-5,224</u>	<u>-4,140</u>
Cash Balance, Ending	\$ 761	\$ 251	\$ 226

Deferred Compensation Fund

Act 81 of 1987 established the commonwealth Deferred Compensation Program. The program enables commonwealth employees to defer a portion of their salaries into a retirement savings plan. The State Employees' Retirement System is responsible for administration of the act.

Contributions to the fund began in 1988. The disbursements shown under the Executive Offices are employee contribution funds transferred to one of the investment plan options. Those funds, together with the interest they earn, are available to employees upon retirement.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 14,358	\$ 8,942	\$ 7,142
Receipts:			
Employe Contributions	\$ 116,900	\$ 119,238	\$ 124,008
Discount on Sale of Securities.....	-231	-238	-245
Interest	33,007 ^a	33,353 ^a	33,702 ^a
Total Receipts	<u>149,676</u>	<u>152,353</u>	<u>157,465</u>
Total Funds Available	\$ 164,034	\$ 161,295	\$ 164,607
Disbursements:			
Executive Offices.....	\$ 106,597	\$ 108,729	\$ 110,904
State Employees' Retirement System	48,495	45,424	46,440
Total Disbursements	<u>-155,092</u>	<u>-154,153</u>	<u>-157,344</u>
Cash Balance, Ending	\$ 8,942	\$ 7,142	\$ 7,263

^a Includes interest earned on funds controlled by SERS and the Treasury Department.

Deferred Compensation Fund — Short-Term Portfolio

Act 81 of 1987 established the Commonwealth Deferred Compensation Program. The program enables commonwealth employees to defer a portion of their salaries into a retirement savings plan. Available for the employees' investment selection is the Treasury Short-Term Money Market Account. In order to maintain the identity of the investments and deferred compensation contributions, the Deferred Compensation Fund - Short-Term Portfolio was established.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 50,360	\$ 54,204	\$ 45,653
Receipts:			
Transfers from Deferred Compensation Fund.....	\$ 23,994	\$ 10,204	\$ 10,570
Interest	965	965	965
Total Receipts	<u>24,959</u>	<u>11,169</u>	<u>11,535</u>
Total Funds Available	\$ 75,319	\$ 65,373	\$ 57,188
Disbursements:			
State Employees' Retirement System	\$ 21,115	\$ 19,720	\$ 14,899
Total Disbursements	<u>-21,115</u>	<u>-19,720</u>	<u>-14,899</u>
Cash Balance, Ending	\$ 54,204	\$ 45,653	\$ 42,289

Disaster Relief Redemption Fund

Payment of interest and principal due on bonds issued for the Disaster Relief Fund are made from this fund. An annual appropriation from the General Fund for payment of interest and principal due on general obligation bonds is the primary source of revenue. Funds in excess of the interest and principal due in any one fiscal period may be used for retirement of all or any part of such bonds issued which are still outstanding.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 0	\$ 0	\$ 0
Receipts:			
Sale of Bonds.....	\$ 0	\$ 0	\$ 0
Transfer from General Fund.....	1,794	1,648	163
Accrued Interest on Bonds Sold.....	0	0	0
Interest on Securities.....	0	0	0
Total Receipts	<u>1,794</u>	<u>1,648</u>	<u>163</u>
Total Funds Available	\$ 1,794	\$ 1,648	\$ 163
Disbursements:			
Treasury.....	\$ 1,794	\$ 1,648	\$ 163
Total Disbursements	<u>-1,794</u>	<u>-1,648</u>	<u>-163</u>
Cash Balance, Ending	\$ 0	\$ 0	\$ 0

DNA Detection Fund

This fund was created by Act 14 of Special Session One of 1995 to account for the collection and processing of Deoxyribonucleic Acid (DNA) samples by State Police from individuals convicted, adjudicated delinquent or granted accelerated rehabilitation disposition for a felony sex offense or other specified offense. Revenues are derived from mandatory fees which are assessed on sexual offenders. Expenditures are made to establish and maintain a DNA database and DNA bank. Act 57 of 2002 reestablished this fund as well as the State DNA Data Base and State DNA Data Bank. Additional requirements provide for testing and the imposition of related costs on certain offenders, while further defining the apportionment of liability and damages against defendants.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 3,074	\$ 4,502	\$ 3,716
Receipts:			
Assessments.....	\$ 1,550	\$ 1,100	\$ 1,100
Interest.....	74	11	11
Total Receipts	1,624	1,111	1,111
Total Funds Available	\$ 4,698	\$ 5,613	\$ 4,827
Disbursements:			
State Police.....	\$ 196	\$ 1,897	\$ 1,891
Total Disbursements	-196	-1,897	-1,891
Cash Balance, Ending	\$ 4,502	\$ 3,716	\$ 2,936

Education Technology Fund

Act 183 of 2004 established the Education Technology Fund to increase broadband access for school entities. Up to 3 percent of annual proceeds can be used by the agency for administrative costs with the remaining balance to be used to provide grants to school entities. Revenues for this fund are generated from an assessment on nonrural telecommunications carriers. Additional revenues may include appropriated funds, contributions by other state agencies, federal funds, or any public or private source. The Education Technology Fund shall terminate on June 30, 2011, and any remaining funds shall be returned on a pro rata basis to the local exchange telecommunications companies that contributed to the fund.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 2,393	\$ 4,146	\$ 830
Receipts:			
Assessments.....	\$ 9,797	\$ 10,000	\$ 10,000
Interest.....	75	250	0
Total Receipts	9,872	10,250	10,000
Total Funds Available	\$ 12,265	\$ 14,396	\$ 10,830
Disbursements:			
Education			
Broadband Technology Services.....	\$ 7,851	\$ 13,279	\$ 10,600
Administration.....	268	287	230
Total Disbursements	-8,119	-13,566	-10,830
Cash Balance, Ending	\$ 4,146	\$ 830	\$ 0

Educational Assistance Program Fund

The Educational Assistance Program Fund was established in Act 212 of 2004 to deposit monies and related investment income to fund the Educational Assistance Program for members of the National Guard and administered by the Department of Military and Veterans Affairs.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 5,675	\$ 7,785	\$ 5,368
Receipts:			
Transfer from General Fund.....	\$ 7,995	\$ 5,995	\$ 6,995
Interest.....	-21	150	200
Total Receipts	7,974	6,145	7,195
Total Funds Available	\$ 13,649	\$ 13,930	\$ 12,563
Disbursements:			
Military and Veterans Affairs.....	\$ 5,864	\$ 8,562	\$ 11,000
Total Disbursements	-5,864	-8,562	-11,000
Cash Balance, Ending	\$ 7,785	\$ 5,368	\$ 1,563

Emergency Energy Assistance Fund

Act 81 of 2005 created the Emergency Energy Assistance Fund. Act 1 of Special Session 1 of 2008 authorized the transfer of \$10 million by the Commonwealth Financing Authority to the Department of Public Welfare from 2008-09 through 2011-12. Funds are used for state-funded emergency energy assistance when the Governor issues a declaration that either weather conditions, natural or man-made disasters, or high energy prices - or a combination thereof - are a threat to public health and the available federal home energy assistance funds are not sufficient to meet this need.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 0	\$ 0	\$ 0
Receipts:			
Transfer from Commonwealth Financing Authority - Energy.....	\$ 0	\$ 0	\$ 30,000
Total Receipts	0	0	30,000
Total Funds Available	\$ 0	\$ 0	\$ 30,000
Disbursements:			
Public Welfare	\$ 0	\$ 0	\$ 30,000
Total Disbursements	0	0	-30,000
Cash Balance, Ending	\$ 0	\$ 0	\$ 0

Emergency Medical Services Operating Fund

The fund was created by the Emergency Medical Services Act, Act 45 of 1985 to assist in activities relating to the prevention and reduction of premature death and disability in the commonwealth; to provide assistance, coordination and support of the development and maintenance of the comprehensive emergency medical services system; to determine qualifications, eligibility and certification of emergency medical services personnel; and to fund ambulance services. Revenue is derived from a \$10 fine levied on all moving traffic violations and a \$25 fee imposed on persons admitted to programs for Accelerated Rehabilitation Disposition (ARD) related to driving under the influence of drugs and/or alcohol.

These fines are in addition to other fines imposed at the discretion of the court. This statement includes both the Emergency Medical and Catastrophic Medical and Rehabilitation components of the act.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 26,530	\$ 23,746	\$ 18,935
Receipts:			
Fines	\$ 14,970	\$ 14,423	\$ 14,971
Interest	-61	82	635
Total Receipts	14,909	14,505	15,606
Total Funds Available	\$ 41,439	\$ 38,251	\$ 34,541
Disbursements:			
Health	\$ 17,693	\$ 19,316	\$ 17,888
Total Disbursements	-17,693	-19,316	-17,888
Cash Balance, Ending	\$ 23,746	\$ 18,935	\$ 16,653

Employment Fund for the Blind

This fund was created in 1967 to make loans to persons who are blind to purchase equipment, stock, merchandise and accessories necessary to put into operation vending or refreshment stands or other suitable business enterprises in suitable locations to be leased or arranged for by state agencies. Act 15 of 1999 transferred the authority to administer the fund from the Department of Public Welfare to the Department of Labor and Industry.

Monies credited to this fund include: (1) repayment of money advanced to persons who are blind for the purchase of merchandise, equipment, stock and accessories; (2) rental fees paid by persons who are blind for leasing equipment and accessories purchased, owned, installed and maintained by the Department of Labor and Industry; (3) a percentage of the profits from vending machines in state buildings where a restaurant or cafeteria is operated by the Department of General Services; and (4) any grants or contributions from the federal government.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 3,785	\$ 3,639	\$ 3,575
Receipts:			
Vending Stand Equipment Rentals	\$ 229	\$ 170	\$ 170
Vending Machine Receipts	474	550	550
Interest	71	13	20
Other	1	8	8
Total Receipts	775	741	748
Total Funds Available	\$ 4,560	\$ 4,380	\$ 4,323
Disbursements:			
Treasury.....	\$ 0	\$ 5	\$ 5
Labor and Industry.....	921	800	800
Total Disbursements	-921	-805	-805
Cash Balance, Ending	\$ 3,639	\$ 3,575	\$ 3,518

Energy Conservation and Assistance Fund

This fund was created by Act 122 of 1986 to receive all oil overcharge settlements including the uncommitted balance of settlements received prior to the act. Appropriations are made from the fund for supplemental low-income weatherization and home energy assistance programs, and energy conservation activities.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Total Cash Balance, Beginning	\$ 426	\$ 6	\$ 6
Receipts:			
Interest.....	\$ -32	\$ 0	\$ 0
Other.....	0	0	0
Total Receipts	-32	0	0
Total Funds Available	\$ 394	\$ 6	\$ 6
Disbursements:			
Environmental Protection.....	\$ 150	\$ 0	\$ 0
Public Welfare.....	238	0	0
Total Disbursements	-388	0	0
Cash Balance, Ending	\$ 6	\$ 6	\$ 6

Energy Development Fund

The Energy Development Fund was created by Act 280 of 1982. The fund provides the vehicle to accomplish the purposes of the Pennsylvania Energy Development Authority (PEDA) including the sale of bonds. Activities of the fund includes preparation of the energy development plan, payment of administrative costs, the making of grants and loans for limited research intended to make the greatest possible contributions to energy conservation and development, and the establishment of reserves in respect to loans guaranteed or bonds issued by the authority. The fund is supported by interest earnings.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 5,651	\$ 6,040	\$ 4,476
Receipts:			
PEDA Application Fees.....	\$ 77	\$ 5	\$ 5
Loan Repayments.....	161	100	100
Pennworks Interest Payments.....	47	60	60
Duquesne Settlement Payments.....	0	0	0
Interest	141	50	50
Total Receipts	<u>426</u>	<u>215</u>	<u>215</u>
Total Funds Available	\$ 6,077	\$ 6,255	\$ 4,691
Disbursements:			
Environmental Protection			
Administration.....	\$ 1	\$ 250	\$ 250
Loans/Grants.....	36	1,529	200
Total Disbursements	<u>-37</u>	<u>-1,779</u>	<u>-450</u>
Cash Balance, Ending	\$ <u>6,040</u>	\$ <u>4,476</u>	\$ <u>4,241</u>

Environmental Education Fund

This fund was authorized by Act 24 of 1993 to provide environmental education programs and to provide grants to schools and other organizations. Funding is from the transfer of 5 percent of fines and penalties deposited in the special funds and restricted revenue accounts which are administered by the Department of Environmental Protection. Act 18 of 1995 requires that not less than 25 percent of the annual receipts of this fund shall be provided to the Department of Conservation and Natural Resources.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 1,476	\$ 1,112	\$ 156
Receipts:			
Transfers from Other Funds.....	\$ 736	\$ 600	\$ 600
Interest.....	-33	10	5
Total Receipts	703	610	605
Total Funds Available	\$ 2,179	\$ 1,722	\$ 761
Disbursements:			
Conservation and Natural Resources.....	\$ 120	\$ 189	\$ 150
Environmental Protection	947	1,377	545
Total Disbursements	-1,067	-1,566	-695
Cash Balance, Ending	\$ 1,112	\$ 156	\$ 66

Fire Insurance Tax Fund

The revenue for the Fire Insurance Tax Fund results from the 2 percent tax paid upon premiums received from foreign (out-of-state) fire insurance companies on business done within the commonwealth. The funds are distributed based on the population and market value of real estate of each municipality. In addition, the distribution formula provides for differential payment for paid and volunteer firefighters. The amount to be distributed based on paid firefighters is transferred to the Municipal Pension Aid Fund for payment. This money must be paid by the local governmental organization into the relief, pension or retirement fund of the recognized fire fighting organization serving the city, town, township or borough.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 86,699	\$ 78,765	\$ 77,760
Receipts:			
Tax Payable to Municipalities.....	\$ 78,576	\$ 87,000	\$ 79,000
Other.....	1	0	0
Interest.....	0	0	0
Total Receipts	78,577	87,000	79,000
Total Funds Available	\$ 165,276	\$ 165,765	\$ 156,760
Disbursements:			
Auditor General.....	\$ 86,510	\$ 88,000	\$ 79,000
Treasury.....	1	5	5
Total Disbursements	-86,511	-88,005	-79,005
Cash Balance, Ending	\$ 78,765	\$ 77,760	\$ 77,755

Fire Prevention and Public Safety Fund

Act 42 of 2008 created the Fire Prevention and Public Safety Fund within the Office of the State Fire Commissioner. The Fund consists of all moneys recovered as penalties under this act. The penalties are remitted to the State Treasury for programs to support fire safety and prevention programs.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 0	\$ 0	\$ 25
Receipts:			
Penalty collections.....	\$ 0	\$ 25	\$ 5
Interest.....	0	0	0
Total Receipts	0	25	5
Total Funds Available	\$ 0	\$ 25	\$ 30
Disbursements:			
Emergency Management.....	\$ 0	\$ 0	\$ 0
Total Disbursements	0	0	0
Cash Balance, Ending	\$ 0	\$ 25	\$ 30

Governor Robert P. Casey Memorial Organ and Tissue Donation Awareness Trust Fund

This fund was established by Act 102 of 1994 and derives revenue from private contributions, voluntary deductions from state individual income tax returns, and a voluntary \$1 add-on to the fee for an original or renewal driver's license, state identification card or vehicle registration.

After the payment of initial departmental operating costs associated with the fund and in support of the Organ Donation Advisory Committee, any remaining funds are spent as prescribed by the act: 10 percent for hospital and medical expenses, funeral expenses and incidental expenses incurred by the donor or the donor's family in conjunction with making a vital organ donation; 50 percent for grants to certified organ procurement organizations for the development and implementation of organ donation awareness programs; 15 percent in cooperation with certified organ procurement organizations for the "project-make-a-choice program"; and 25 percent for the implementation of organ donation awareness programs in secondary schools.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 2,774	\$ 2,363	\$ 1,802
Receipts:			
Donations - State Income Tax Forms	\$ 34	\$ 34	\$ 34
Donations - Driver's License Applicants	283	283	283
Donations - Motor Vehicle Registrations	519	519	519
Interest	-16	5	58
Total Receipts	820	841	894
Total Funds Available	\$ 3,594	\$ 3,204	\$ 2,696
Disbursements:			
Education	\$ 143	\$ 288	\$ 200
Health	1,088	1,114	879
Total Disbursements	-1,231	-1,402	-1,079
Cash Balance, Ending	\$ 2,363	\$ 1,802	\$ 1,617

Growing Greener Bond Fund

This fund was created under the authority of Act 45 of 2005 to receive and distribute the proceeds from the sale of \$625 million in bonds. This money will be used to finance various environmental projects such as watershed protection, mine drainage remediation, advanced energy, flood protection, brownfields remediation, state parks and forests facilities, open space conservation, farmland preservation, capital improvement projects for fishing, boating and hunting, and for county environmental initiatives.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 86,559	\$ 36,704	\$ 25,636
Receipts:			
Referendum Bonds.....	\$ 65,000	\$ 120,000	\$ 120,500
Premium on Sale of Bonds.....	4,880	0	0
Interest.....	1,180	2,000	2,000
Total Receipts	<u>71,060</u>	<u>122,000</u>	<u>122,500</u>
Total Funds Available	\$ 157,619	\$ 158,704	\$ 148,136
Disbursements:			
Treasury	\$ 63	\$ 96	\$ 96
Agriculture			
Purchase of County Easements.....	10,176	2,286	3,227
Community and Economic Development			
Main Street Downtown Development.....	13,973	7,840	9,354
Industrial Sites Reuse.....	3,271	4,281	5,336
Conservation and Natural Resources			
Parks & Recreation Improvements.....	5,927	11,295	7,432
State Parks/Forest Projects.....	27,052	20,515	10,619
Open Space Conservation.....	16,560	7,781	10,043
Environmental Protection			
Authority Projects.....	3,969	15,729	11,220
Environmental Improvement Projects.....	18,349	33,357	33,031
Acid Mine Drainage Abatement.....	10,991	11,841	12,524
Fish and Boat Commission			
Capital Improvement Projects.....	6,947	14,892	4,832
Game Commission			
Capital Improvement Projects.....	3,637	3,154	3,470
Total Disbursements	<u>-120,915</u>	<u>-133,068</u>	<u>-111,184</u>
Cash Balance, Ending	\$ 36,704	\$ 25,636	\$ 36,952

Growing Greener Bond Sinking Fund

Payment of interest and principal due on outstanding Growing Greener bonds is made from this fund. The annual appropriation from the General Fund for general obligation debt service and interest on monies in the Growing Greener Bond Fund provide revenues to this fund.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 0	\$ 0	\$ 0
Receipts:			
Transfer from General Fund.....	\$ 25,113	\$ 28,770	\$ 36,833
Total Receipts	<u>25,113</u>	<u>28,770</u>	<u>36,833</u>
Total Funds Available	\$ 25,113	\$ 28,770	\$ 36,833
Disbursements:			
Treasury.....	\$ 25,113	\$ 28,770	\$ 36,833
Total Disbursements	<u>-25,113</u>	<u>-28,770</u>	<u>-36,833</u>
Cash Balance, Ending	\$ 0	\$ 0	\$ 0

Hazardous Material Response Fund

This fund was created by Act 165 of 1990 and amended by Act 121 of 2000 to carry out Pennsylvania's responsibilities under Title III of the Federal Superfund Amendments and Reauthorization Act (SARA Title III). Revenue is generated from toxic chemical registration fees and toxic chemical release form fees. Expenditures are for training programs for hazardous material response teams, public education programs, grants to counties for SARA Title III activities, cost recovery grants, facility and vehicle inspections, and testing and administration of the program including data collection and management.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 6,530	\$ 7,037	\$ 7,210
Receipts:			
Toxic Chemical Release Form Fee	\$ 1,110	\$ 1,270	\$ 1,225
Chemical Inventory Fee	432	300	275
Interest	107	75	125
Other.....	0	80	120
Total Receipts	<u>1,649</u>	<u>1,725</u>	<u>1,745</u>
Total Funds Available	\$ 8,179	\$ 8,762	\$ 8,955
Disbursements:			
Emergency Management	\$ 1,068	\$ 1,477	\$ 2,180
Labor and Industry	74	75	170
Total Disbursements	<u>-1,142</u>	<u>-1,552</u>	<u>-2,350</u>
Cash Balance, Ending	\$ 7,037	\$ 7,210	\$ 6,605

Hazardous Sites Cleanup Fund

This fund was created by Act 58 of 1987 to finance the cleanup and restoration of abandoned hazardous waste sites in the commonwealth. Expenditures from this fund are for cleaning up abandoned hazardous waste sites throughout the commonwealth and restoring the land to productive use. Revenue is generated from a Hazardous Waste Fee as well as money received from parties determined responsible for site contamination. Prior to fiscal year 2002-03, the fund received one-quarter mill of the Capital Stock and Franchise Tax. Act 45 of 2005 provided for transfers to the fund from the Environmental Stewardship Fund in 2005-06 and 2006-07. Act 77 of 2007 provides for a one-time transfer in fiscal year 2007-08 of monies lapsed from certain appropriations within the Legislative Department. Beginning in fiscal year 2008-09, the act also includes an annual transfer to the fund of \$40 million of revenue received from the Capital Stock and Franchise Tax.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Total Cash Balance, Beginning.....	\$ 20,997	\$ 26,269	\$ 15,958
Receipts:			
Capital Stock and Franchise Tax.....	\$ 40,000	\$ 40,000	\$ 40,000
Hazardous Waste Fee.....	1,791	2,000	2,000
Cost Recovery.....	4,138	2,000	2,000
Interest.....	-395	500	450
Other.....	6	0	0
Total Receipts	45,540	44,500	44,450
Total Funds Available	\$ 66,537	\$ 70,769	\$ 60,408
Disbursements:			
Environmental Protection.....	\$ 40,268	\$ 54,811	\$ 49,114
Total Disbursements	-40,268	-54,811	-49,114
Cash Balance, Ending	\$ 26,269	\$ 15,958	\$ 11,294

Higher Education Assistance Fund

This fund statement presents financial activity within the Higher Education Assistance Fund that is related only to programs funded by state and federal appropriations. The Pennsylvania Higher Education Assistance Agency (PHEAA) administers other programs through the Higher Education Assistance Fund which are not included in this presentation. Moneys in this fund are currently used primarily for the following purposes: (1) provision of grants to students; (2) provision of grants to nonsectarian private post-secondary educational institutions; (3) provision of grants to institutions of higher learning for the purpose of helping the institution secure federal funds to provide direct financial aid to students; (4) provision of funds to institutions for the Federal Work Study Program; (5) provision for grants to minority students entering graduate and professional schools under the Bond-Hill Program; (6) provision for loan forgiveness for graduates with agricultural degrees, teachers of an agricultural curriculum or veterinarians whose practice includes farm animals; (7) provision of funds to recruit gifted students to Cheyney University; (8) provision of scholarships to encourage Pennsylvania students to pursue education in science and technology fields; (9) provision for matching funds to support student interns with emerging technology companies within Pennsylvania; and (10) provision of funds to students to leverage matching scholarship funds from participating private foundations. Revenues to this fund are derived from General Fund appropriations by the General Assembly, federal funds, PHEAA business earnings and interest earnings.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 40,017	\$ 56,446	\$ 55,985
Receipts:			
Transfer from General Fund	\$ 472,873	\$ 455,170	\$ 455,170
Investment Earnings	-376	228	253
Federal Revenue.....	8,113	6,562	6,498
Other.....	-16,214	-10,398	1,236
Total Receipts	464,396	451,562	463,157
Total Funds Available	\$ 504,413	\$ 508,008	\$ 519,142
Disbursements:			
Treasury	\$ 40	\$ 50	\$ 50
Higher Education Assistance Agency.....	447,927	451,973	463,682
Total Disbursements	-447,967	-452,023	-463,732
Cash Balance, Ending	\$ 56,446	\$ 55,985	\$ 55,410

Highway Beautification Fund

The Highway Beautification Fund was created by Act 5 of Special Session Three of 1966. Activities include control of outdoor advertising and junkyards. Although General Fund monies were initially appropriated to establish the fund, highway beautification activities are now supported by licenses, fees, fines, penalties and interest.

Each year the Governor issues executive authorizations which establish the amount to be spent by the Department of Transportation in each of the highway beautification activities.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 937	\$ 897	\$ 445
Receipts:			
Licenses and Fees.....	\$ 334	\$ 325	\$ 325
Other.....	15	2	7
Total Receipts	349	327	332
Total Funds Available	\$ 1,286	\$ 1,224	\$ 777
Disbursements:			
Treasury.....	\$ 0	\$ 0	\$ 0
Transportation.....	389	779	715
Total Disbursements	-389	-779	-715
Cash Balance, Ending	\$ 897	\$ 445	\$ 62

Historical Preservation Fund

This fund was created for expenditure by the Historical and Museum Commission for the preservation, care and maintenance of state historical properties, museums and records and for the financing of historical research and publication programs. Money in the fund can also be used to purchase publications and souvenirs of a historical nature for sale at commission administered properties. This fund is made up of monies from the sale of publications by the Pennsylvania Historical and Museum Commission and all monies received from admission fees or other sales by the commission at the state historical properties and/or museums. Act 173 of 2002 enables the commission to sell most commonwealth publications to the public and provides that net proceeds from the publication sales and from the sale of historical properties administered by the commission shall be deposited into the fund.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 2,388	\$ 3,144	\$ 3,320
Receipts:			
Admission Fees.....	\$ 1,283	\$ 1,100	\$ 1,100
Interest	-6	6	70
Other.....	1,486	1,000	1,000
Total Receipts	<u>2,763</u>	<u>2,106</u>	<u>2,170</u>
Total Funds Available	\$ 5,151	\$ 5,250	\$ 5,490
Disbursements:			
Treasury.....	\$ 0	\$ 5	\$ 5
Historical and Museum Commission.....	2,007	1,925	1,755
Total Disbursements	<u>-2,007</u>	<u>-1,930</u>	<u>-1,760</u>
Cash Balance, Ending	\$ 3,144	\$ 3,320	\$ 3,730

HOME Investment Trust Fund

This fund was established by Act 172 of 1992 in order to administer Pennsylvania's program under the National Affordable Housing Act of 1990. Funding is provided by the Federal Department of Housing and Urban Development on an annual basis. Expenditures are for development and support of affordable rental housing and home ownership through the acquisition, new construction, reconstruction or rehabilitation of housing.

Act 58 of 1996 transferred this program from the Department of Community Affairs to the Department of Community and Economic Development. Beginning in 2000-01 the majority of federal funds are granted directly through the implementation of the United States Department of Housing and Urban Development Integrated Disbursement and Information System and do not flow through the Department of Community and Economic Development. Administrative funds are appropriated to the department to continue the program.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 64	\$ 88	\$ 78
Receipts:			
Federal Revenue.....	\$ 523	\$ 1,009	\$ 1,170
Interest.....	-1	1	1
Total Receipts	<u>522</u>	<u>1,010</u>	<u>1,171</u>
Total Funds Available	\$ 586	\$ 1,098	\$ 1,249
Disbursements:			
Community and Economic Development			
Administration	\$ 498	\$ 1,020	\$ 1,170
Total Disbursements	<u>-498</u>	<u>-1,020</u>	<u>-1,170</u>
Cash Balance, Ending	\$ 88	\$ 78	\$ 79

Industrial Development Fund

Periodic General Fund appropriations made by the General Assembly to the Pennsylvania Industrial Development Authority (PIDA) are credited to this fund. From 1992 to 1994, these appropriations were replaced by an annual \$70 million transfer (\$17.5 million per quarter) of Corporate Net Income tax revenues as provided by Act 22 of 1991. This transfer ended at the close of the 1993-94 fiscal year as part of the PIDA recapitalization.

The fund makes loans to local industrial development agencies to stimulate economic activity in areas of high unemployment. Repayments of loans and other revenues, generally not credited to this fund, are used by PIDA to make additional loans.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 41	\$ 42	\$ 38
Receipts:			
Interest.....	\$ 1	\$ 1	\$ 1
Total Receipts	1	1	1
Total Funds Available	\$ 42	\$ 43	\$ 39
Disbursements:			
Treasury.....	\$ 0	\$ 5	\$ 5
Community and Economic Development.....	0	0	0
Total Disbursements	0	-5	-5
Cash Balance, Ending	\$ 42	\$ 38	\$ 34

Industrial Sites Cleanup Fund

Act 2 of 1995 created the Industrial Sites Cleanup Fund to provide grants and loans to political subdivisions, local economic development agencies and others who as part of an economic development strategy undertake voluntary cleanup of property contaminated by industrial activity. Act 6 of 2000 allows the Department of Community and Economic Development to provide performance-based loans, which may be forgiven if performance measures are met. Also, Act 6 expanded the program to include remediation of non-hazardous waste or debris. Revenue to the fund consists of transfers from the Hazardous Sites Cleanup Fund, any funds appropriated by the General Assembly, interest earnings and loan repayments. Grants and loans are prioritized based on the benefit of the project to the public health and safety, the cost effectiveness of the project, the economic distress of the area and the potential of the project to result in economic development.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 12,142	\$ 10,689	\$ 2,912
Receipts:			
Loan Principal and Interest.....	\$ 634	\$ 600	\$ 590
Interest.....	209	6	252
Total Receipts	843	606	842
Total Funds Available	\$ 12,985	\$ 11,295	\$ 3,754
Disbursements:			
Community and Economic Development			
Administration.....	\$ 82	\$ 293	\$ 300
Loans.....	1,063	3,883	1,500
Grants.....	1,151	4,207	1,500
Total Disbursements	-2,296	-8,383	-3,300
Cash Balance, Ending	\$ 10,689	\$ 2,912	\$ 454

Insurance Fraud Prevention Trust Fund

The Insurance Fraud Prevention Trust Fund was created by Act 166 of 1994. The purpose of the fund is to finance activities in the commonwealth to prevent, combat and reduce insurance fraud, and to improve and support insurance fraud law enforcement, prosecutions and prevention. The source of funds is assessments on the insurance companies that conduct business in the Commonwealth of Pennsylvania, fines and penalties, and interest earnings.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 4,067	\$ 4,777	\$ 3,776
Receipts:			
Assessments.....	\$ 11,238	\$ 11,141	\$ 11,930
Fines and Penalties Income.....	0	50	50
Returned prior year grants.....	0	500	500
Interest.....	-337	15	15
Total Receipts	10,901	11,706	12,495
Total Funds Available	\$ 14,968	\$ 16,483	\$ 16,271
Disbursements:			
Insurance Fraud Prevention Authority.....	\$ 10,191	\$ 12,707	\$ 12,838
Total Disbursements	-10,191	-12,707	-12,838
Cash Balance, Ending	\$ 4,777	\$ 3,776	\$ 3,433

Insurance Liquidation Fund

The Insurance Department is responsible for administering the liquidation of insolvent domestic insurance carriers pursuant to orders of the Commonwealth Court under Article V of the Insurance Department Act. This fund is used to permit the Treasury Department to invest the assets of insolvent insurance carriers.

These assets are used to pay claims and expenses incurred in the administration of domestic insurance carrier insolvencies. The net investment adjustment shown below is to reflect the current market value of long-term investments as of June 30.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 73,077	\$ 74,669	\$ 60,619
Receipts:			
Carrier Assets	\$ 0	\$ 0	\$ 0
Net Investment Adjustment	1	0	0
Interest	1,775	150	1,751
Total Receipts	<u>1,776</u>	<u>150</u>	<u>1,751</u>
Total Funds Available	\$ 74,853	\$ 74,819	\$ 62,370
Disbursements:			
Insurance	\$ 184	\$ 14,200	\$ 55,600
Total Disbursements	<u>-184</u>	<u>-14,200</u>	<u>-55,600</u>
Cash Balance, Ending	\$ 74,669	\$ 60,619	\$ 6,770

Job Training Fund

This fund was created by Act 5 of 2005 to facilitate advances in workforce development in the commonwealth. The Job Training Fund will award annual grants to entities in specified rural counties which run workforce education programs and services for job training assistance to incumbent workers, dislocated workers, adult and youth workers and other workforce development programs. Receipts in the fund are transfers from the Special Administration Fund and are supplemented by interest earnings and other monies appropriated to the fund.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 2,282	\$ 1,806	\$ 148
Receipts:			
Special Administration Fund.....	\$ 3,300	\$ 3,500	\$ 3,700
Interest.....	-90	-29	-15
Total Receipts	<u>3,210</u>	<u>3,471</u>	<u>3,685</u>
Total Funds Available	\$ 5,492	\$ 5,277	\$ 3,833
Disbursements:			
Labor and Industry.....	\$ 3,686	\$ 5,129	\$ 3,700
Total Disbursements	<u>-3,686</u>	<u>-5,129</u>	<u>-3,700</u>
Cash Balance, Ending	\$ 1,806	\$ 148	\$ 133

Keystone Recreation, Park and Conservation Sinking Fund

Amounts in this fund are used to redeem or pay interest on bonds issued for the Keystone Recreation, Park and Conservation Fund. The annual appropriation for general obligation debt service from the General Fund provides revenues to the fund.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 0	\$ 0	\$ 0
Receipts:			
Transfer from General Fund	\$ 256	\$ 0	\$ 0
Total Receipts	256	0	0
Total Funds Available	\$ 256	\$ 0	\$ 0
Disbursements:			
Treasury.....	\$ 256	\$ 0	\$ 0
Total Disbursements	-256	0	0
Cash Balance, Ending	\$ 0	\$ 0	\$ 0

Land and Water Development Fund

This fund was created in 1968 to finance projects to eliminate land and water scars, air pollution and subsidence due to past coal mining operations, to aid political subdivisions in constructing or improving sewage treatment plants, to develop public outdoor recreation lands and to aid local governments in acquiring land for recreation purposes. In addition, administrative expenses incurred in support of any of these activities may be paid with monies in this fund. Initially, revenue to the fund was derived from the sale of Land and Water Development Bonds up to the \$500 million approved by the electorate on May 16, 1967. All appropriated funds from the bonds have been expended.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 1,244	\$ 916	\$ 561
Receipts:			
Sale of Refuse Bank Materials.....	\$ 0	\$ 0	\$ 0
Total Receipts	0	0	0
Total Funds Available	\$ 1,244	\$ 916	\$ 561
Disbursements:			
Treasury.....	\$ 0	\$ 5	\$ 5
Environmental Protection	328	350	0
Total Disbursements	-328	-355	-5
Cash Balance, Ending	\$ 916	\$ 561	\$ 556

Land and Water Development Sinking Fund

Payment of interest and principal due on outstanding Land and Water Development bonds is made from this fund. The annual appropriation from the General Fund for general obligation debt service and interest on invested balances in this fund and in the Land and Water Development Fund provide the revenues to the fund.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 169	\$ 56	\$ 56
Receipts:			
Transfer from General Fund.....	\$ 54	\$ 255	\$ 257
Interest on Securities.....	84	0	0
Total Receipts	138	255	257
Total Funds Available	\$ 307	\$ 311	\$ 313
Disbursements:			
Treasury.....	\$ 251	\$ 255	\$ 257
Total Disbursements	-251	-255	-257
Cash Balance, Ending	\$ 56	\$ 56	\$ 56

Liquid Fuels Tax Fund

The Liquid Fuels Tax Fund was created in 1931 by an act of the General Assembly to assist in funding the local roads system. One-half cent per gallon of gasoline and diesel fuel taxes is deposited into the fund for semi-annual distribution to county governments and to pay registration fees for vehicles operated by mass transportation systems. After payment of fees, remaining funds are allocated to the counties on a three-year average refund to total refund formula and must be used for highway purposes. Since the majority of counties have direct jurisdiction over a limited number of roads, a large portion of these funds are further allocated by the counties to their political subdivisions. To streamline payments to counties the Department of Revenue delegated the authority for these payments and attendant expenses to the Department of Transportation effective in 1999-00.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 4,868	\$ 5,807	\$ 6,251
Receipts:			
Tax on Gasoline	\$ 25,014	\$ 25,877	\$ 24,663
Tax on Diesel Fuel	6,514	7,297	6,570
Total Receipts	31,528	33,174	31,233
Total Funds Available	\$ 36,396	\$ 38,981	\$ 37,484
Disbursements:			
Treasury.....	\$ 70	\$ 200	\$ 500
Transportation.....	30,519	32,530	29,914
Total Disbursements.....	-30,589	-32,730	-30,414
Cash Balance, Ending	\$ 5,807	\$ 6,251	\$ 7,070

Liquor License Fund

This fund serves as a pass-through account for fees for hotel, restaurant and club liquor and/or beer licenses. These fees are returned semi-annually to the municipalities in which the licenses are located. Interest earned on fund deposits is credited to the General Fund.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 2,444	\$ 2,427	\$ 2,417
Receipts:			
Liquor License Fees.....	\$ 4,514	\$ 4,530	\$ 0
Beer License Fees.....	61	60	0
License Fees.....	0	0	4,635 ^a
Other.....	-27	4	4
Total Receipts	4,548	4,594	4,639
Total Funds Available	\$ 6,992	\$ 7,021	\$ 7,056
Disbursements:			
Treasury.....	\$ 0	\$ 31	\$ 31
Liquor Control Board.....	4,565	4,573	4,573
Total Disbursements	-4,565	-4,604	-4,604
Cash Balance, Ending	\$ 2,427	\$ 2,417	\$ 2,452

^a Beginning FY 2010-11, all license fees are combined in a single revenue account.

Local Criminal Justice Fund

This fund was created by Act 71 of 1990 which authorized the issuance of bonds to raise \$200 million for grants to counties for the repair, expansion, construction, rehabilitation and improvement of local correctional facilities or multicounty regional prison facilities or the purchase of electronic monitoring equipment for alternative sentencing programs. In 2009-10, this fund will be closed and the remaining balance will be transferred to the Local Criminal Justice Sinking Fund.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 1,904	\$ 1,835	\$ 0
Receipts:			
Interest.....	\$ 30	\$ 3	\$ 0
Total Receipts	30	3	0
Total Funds Available	\$ 1,934	\$ 1,838	\$ 0
Disbursements:			
Corrections.....	\$ 99	\$ 0	\$ 0
Local Criminal Justice Sinking Fund.....	0	1,838	0
Total Disbursements	-99	-1,838	0
Cash Balance, Ending	\$ 1,835	\$ 0	\$ 0

Local Criminal Justice Sinking Fund

Payment of interest and principal due on outstanding local criminal justice bonds is made from this fund. The annual appropriation from the General Fund for general obligation debt service and interest on invested balances in this fund provide the revenues to this fund.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 0	\$ 0	\$ 1,296
Receipts:			
Transfer from Local Criminal Justice Fund.....	\$ 994	\$ 1,838	\$ 0
Accrued Interest on Bonds Sold.....	0	0	0
Total Receipts	994	1,838	0
Total Funds Available	\$ 994	\$ 1,838	\$ 1,296
Disbursements:			
Treasury.....	\$ 994	\$ 542	\$ 523
Total Disbursements	-994	-542	-523
Cash Balance, Ending	\$ 0	\$ 1,296	\$ 773

Local Government Capital Project Loan Fund

This fund was created in 1990 to assist municipal governments in acquiring equipment and facilities by providing low-interest loans to those governments which find conventional loan costs to be prohibitive. Loans are provided at a rate of 2 percent for periods not to exceed 10 years. Revenues received from loan repayment and interest accrual are returned to the fund on a revolving basis. Act 58 of 1996 transferred this program from the Department of Community Affairs to the Department of Community and Economic Development. Act 46 of 1997 extended this fund indefinitely.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 2,216	\$ 2,561	\$ 2,097
Receipts:			
Loan Repayments.....	\$ 694	\$ 725	\$ 700
Interest	41	6	58
Total Receipts	735	731	758
Total Funds Available	\$ 2,951	\$ 3,292	\$ 2,855
Disbursements:			
Community and Economic Development Loans.....	\$ 390	\$ 1,195	\$ 1,000
Total Disbursements	-390	-1,195	-1,000
Cash Balance, Ending	\$ 2,561	\$ 2,097	\$ 1,855

Low-Level Waste Fund

This fund was created by Act 12 of 1988 to finance the selection, licensing, regulation and long-term care of a low-level radioactive waste disposal facility. Revenue is derived from fees for licenses and permits to generate, store and transport waste, surcharges on the disposal of waste, and fines and penalties for violating the provisions of the Low-Level Radioactive Waste Disposal Act. The siting process was suspended in 1998 because of a dramatic reduction in the volume of low-level radioactive waste being generated in the Appalachian Compact and the availability of out-of-state disposal capacity. Expenditures reflect the continued activity by the department to oversee Pennsylvania's generation of low-level waste and to reduce the waste stream.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 2,818	\$ 2,712	\$ 2,596
Receipts:			
Fines and Penalties.....	\$ 0	\$ 0	\$ 0 ^a
Licenses and Fees.....	0	0	0 ^a
Surcharges.....	0	0	0 ^a
Interest.....	61	50	80
Total Receipts	<u>61</u>	<u>50</u>	<u>80</u>
Total Funds Available	<u>\$ 2,879</u>	<u>\$ 2,762</u>	<u>\$ 2,676</u>
Disbursements:			
Environmental Protection	\$ 167	\$ 166	\$ 198
Total Disbursements	<u>-167</u>	<u>-166</u>	<u>-198</u>
Cash Balance, Ending	<u><u>\$ 2,712</u></u>	<u><u>\$ 2,596</u></u>	<u><u>\$ 2,478</u></u>

^a These revenues will not be received until the commonwealth's low-level disposal site becomes operational.

Machinery and Equipment Loan Fund

This fund was established by Act 120 of 1988 to provide low-interest machinery and equipment financing for Pennsylvania businesses in order to facilitate their growth, competitiveness and value-added capacity. The fund was initially capitalized by an appropriation from the Pennsylvania Economic Revitalization Fund (PERF). It is now funded from loan repayments, transfers from the General Fund, Small Business First Fund, and interest earnings. Act 22 of 2004 required the Commonwealth Financing Authority to transfer \$75 million in bond proceeds to the Department of Community and Economic Development for deposit in the fund.

Act 53 of 2008 stipulated the transfer of moneys from this fund to an account within the Tobacco Settlement Fund in support of biotechnology commercialization.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 97,154	\$ 63,716	\$ 20,229
Receipts:			
Principal Repayments.....	\$ 18,748	\$ 20,000	\$ 25,000
Transfer from Small Business First.....	0	12,000	0
Loan Service Fees.....	177	300	350
Interest.....	-1,114	65	1,415
Total Receipts	<u>17,811</u>	<u>32,365</u>	<u>26,765</u>
Total Funds Available	\$ 114,965	\$ 96,081	\$ 46,994
Disbursements:			
Community and Economic Development			
Administration.....	\$ 546	\$ 623	\$ 647
Loans.....	38,703	75,229	40,000
Transfer to the Tobacco Settlement Fund.....	12,000	0	0
Total Disbursements	<u>-51,249</u>	<u>-75,852</u>	<u>-40,647</u>
Cash Balance, Ending	\$ 63,716	\$ 20,229	\$ 6,347

Manufacturing Fund

This fund, created in 1915, is a self-sustaining enterprise that provides institutionalized offenders an opportunity for vocational rehabilitation. Receipts are derived from the sale of inmate manufactured goods to government agencies or government-aided organizations. Expenditures are made for the purchase of raw materials, machinery replacement, inmate wages and other costs related to the sale and manufacture of their products. Act 38A of 2008 authorized a one-time fund transfer of \$5 million to the Department of Corrections during 2008-09.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 29,837	\$ 20,646	\$ 10,226
Receipts:			
Sale of Products.....	\$ 62,200	\$ 67,761	\$ 75,500
Interest.....	-492	0	375
Other.....	69	-98	100
Total Receipts	<u>61,777</u>	<u>67,663</u>	<u>75,975</u>
Total Funds Available	\$ 91,614	\$ 88,309	\$ 86,201
Disbursements:			
Treasury.....	\$ 0	\$ 5	\$ 5
Corrections.....	70,968	78,078	77,231
Total Disbursements	<u>-70,968</u>	<u>-78,083</u>	<u>-77,236</u>
Cash Balance, Ending	\$ 20,646	\$ 10,226	\$ 8,965

Medical Care Availability and Reduction of Error Fund

Act 13 of 2002, the Medical Care Availability and Reduction of Error (Mcare) Act, established the Medical Care Availability and Reduction of Error Fund and transferred to it the assets, liabilities, rights and responsibilities of the Medical Professional Liability Catastrophe Loss Fund effective October 15, 2002. The Mcare Fund is used to pay claims against participating health care providers for losses or damages awarded in medical professional liability actions against them in excess of the basic insurance coverage required by the act. In addition to the transfer of assets from the Medical Professional Liability Catastrophe Loss Fund, revenue includes an assessment on health care providers. Beginning in 2004, the moving violation surcharge revenue which accrued to the Catastrophic Loss Benefits Continuation Fund accrues to this fund for a period of ten years. Act 50 of 2009 provided that \$100 million is transferred from the fund to the General Fund and redirected the moving violation surcharge to the General Fund for 2009-10 and 2010-11.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 147,191	\$ 216,408	\$ 131,822
Receipts:			
Assessments.....	\$ 226,649	\$ 208,000	\$ 212,300
Interest	-8,853	6,100	3,665
Reinsurance Proceeds.....	0	0	0
Moving Violation Surcharge.....	46,511	0	0
Health Care Provider Experience Rated Adjustment.....	260	5	0
Other.....	-9,856 ^a	415	400
Total Receipts	<u>254,711</u>	<u>214,520</u>	<u>216,365</u>
Total Funds Available	\$ 401,902	\$ 430,928	\$ 348,187
Disbursements:			
Treasury.....	\$ 0	\$ 20	\$ 20
Transfer to General Fund.....	0	100,000	0
Insurance.....	185,494	199,086	208,607
Total Disbursements	<u>-185,494</u>	<u>-299,106</u>	<u>-208,627</u>
Cash Balance, Ending	\$ 216,408	\$ 131,822	\$ 139,560

^a Includes transfer of abatement repayments to appropriate account.

Milk Marketing Fund

The Milk Marketing Fund is a special revenue fund composed of monies received from license fees, fines, penalties and permits relating to the milk industry. The purpose of this fund is to provide for the operation of the Milk Marketing Board and to serve as a depository for money due dairy farmers from underpayments by milk dealers.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 2,589	\$ 2,940	\$ 2,411
Receipts:			
License and Fees	\$ 2,564	\$ 2,450	\$ 2,450
Fines and Penalties.....	6	50	50
Interest.....	-40	7	10
Other.....	397	0	0
Total Receipts	2,927	2,507	2,510
Total Funds Available	\$ 5,516	\$ 5,447	\$ 4,921
Disbursements:			
Milk Marketing Board.....	\$ 2,576	\$ 3,031	\$ 2,836
Treasury.....	0	5	5
Total Disbursements	-2,576	-3,036	-2,841
Cash Balance, Ending	\$ 2,940	\$ 2,411	\$ 2,080

Minority Business Development Fund

This fund was created by Act 206 of 1974 to accommodate the operation of the Pennsylvania Minority Business Development Authority. Revenues to the fund are from loan repayments, transfer of General Fund appropriations and interest. The authority has the power to issue bonds or other obligations which would provide further revenue to the fund. Expenditures are made for loans to minority business enterprises and for operating expenses of the authority.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 2,204	\$ 2,910	\$ 1,081
Receipts:			
Interest.....	\$ 53	\$ 102	\$ 76
Loan Principal and Interest Repayments.....	1,125	1,350	1,578
Other.....	0	7	63
Total Receipts	1,178	1,459	1,717
Total Funds Available	\$ 3,382	\$ 4,369	\$ 2,798
Disbursements:			
Community and Economic Development.....	\$ 472	\$ 3,288	\$ 2,750
Total Disbursements	-472	-3,288	-2,750
Cash Balance, Ending	\$ 2,910	\$ 1,081	\$ 48

Motor Vehicle Transaction Recovery Fund

This fund was created by Act 83 of 1990 to provide protection from dealers or other agents who fail to forward fees and taxes pertaining to an application for titling or registration of a vehicle to the Department of Transportation. Revenues to the fund consist of assessments (or reassessments should the balance of the fund fall below \$500,000) on every applicant for motor vehicle dealer registration plates or for the authority to act as agent of the department with respect to vehicle titling and registration.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 1,717	\$ 1,796	\$ 1,749
Receipts:			
Titling & Registration Fees.....	\$ 35	\$ 40	\$ 40
Interest	44	3	46
Total Receipts	79	43	86
Total Funds Available	\$ 1,796	\$ 1,839	\$ 1,835
Disbursements:			
Transportation.....	\$ 0	\$ 90	\$ 80
Total Disbursements	0	-90	-80
Cash Balance, Ending	\$ 1,796	\$ 1,749	\$ 1,755

Municipal Pension Aid Fund

This fund was created by Act 205 of 1984, the Municipal Pension Plan Funding Standard and Recovery Act, and is administered by the Auditor General. Beginning in July 1985, this fund receives a portion of the revenues from the Foreign Casualty Insurance Premium Tax and the Foreign Fire Insurance Premium Tax. These revenues and earnings are for distribution to municipalities for various municipal, police and fire pension funds, including post-retirement adjustments mandated by Act 147 of 1988. Beginning in 2005-06, fund disbursements include additional post-retirement adjustments according to the provisions of Act 64 of 2002.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 211,104	\$ 212,280	\$ 194,096
Receipts:			
Foreign Casualty Insurance Premium Tax.....	\$ 221,753	\$ 201,000	\$ 205,000
Foreign Fire Insurance Premium Tax.....	10,976	16,500	15,000
Interest	-2,991	-3,674	-4,011
Total Receipts	229,738	213,826	215,989
Total Funds Available	\$ 440,842	\$ 426,106	\$ 410,085
Disbursements:			
Auditor General..... ^a	\$ 228,562	\$ 232,000 ^b	\$ 223,000 ^c
Treasury.....	0	10	10
Total Disbursements	-228,562	-232,010	-223,010
Cash Balance, Ending	\$ 212,280	\$ 194,096	\$ 187,075

^aIncludes post-retirement payment of \$2,849,992 as authorized by Act 147 of 1988 and \$8,126,582 per Act 64 of 2002.

^bIncludes post-retirement payment of \$2,850,000 as authorized by Act 147 of 1988 and \$8,200,000 per Act 64 of 2002.

^cIncludes post-retirement payment of \$2,875,000 as authorized by Act 147 of 1988 and \$8,300,000 per Act 64 of 2002.

Municipalities Financial Recovery Revolving Aid Fund

This fund was created by Act 157 of 1988 to make loans and grants to assist municipalities that are declared financially distressed. Initial funding was provided through the transfer of unused funds remaining from a 1986-87 General Fund appropriation for Distressed Community Emergency Aid. In addition, Act 157 stipulated that all repayments on loans made from the fund should be redeposited into the fund and used to make additional loans and grants to distressed municipalities. Act 58 of 1996 transferred this program from the Department of Community Affairs to the Department of Community and Economic Development.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 5,996	\$ 5,819	\$ 2,774
Receipts:			
Transfers In.....	\$ 1,480	\$ 1,000	\$ 990
Loan Repayments.....	447	500	600
Interest	20	25	146
Total Receipts	<u>1,947</u>	<u>1,525</u>	<u>1,736</u>
Total Funds Available	\$ 7,943	\$ 7,344	\$ 4,510
Disbursements:			
Community and Economic Development			
Program Fees.....	\$ 1,826	\$ 2,895	\$ 1,500
Loans.....	0	1,557	1,190
Grants.....	298	118	750
Total Disbursements	<u>-2,124</u>	<u>-4,570</u>	<u>-3,440</u>
Cash Balance, Ending	\$ 5,819	\$ 2,774	\$ 1,070

Non-Coal Surface Mining Conservation and Reclamation Fund

This fund was created by Act 219 of 1984 to finance reclamation projects on land scarred by non-coal surface mining. Projects include recontouring, terracing and planting trees, shrubs and grasses. Revenues are provided by charging non-coal surface mining operators for licenses and permits and by fining them for failing to apply for the licenses and permits as well as by forfeiture of collateral bonds, cash or securities for failure to comply with an approved reclamation plan.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 13,919	\$ 14,723	\$ 10,602
Receipts:			
Licenses and Fees.....	\$ 246	\$ 253	\$ 234
Penalties.....	110	68	144
Interest.....	344	300	126
Collateral.....	373	0	0
Payment in Lieu of Bonds.....	63	25	0
Forfeiture of Bonds.....	28	0	0
Total Receipts	<u>1,164</u>	<u>646</u>	<u>504</u>
Total Funds Available	\$ 15,083	\$ 15,369	\$ 11,106
Disbursements:			
Environmental Protection	\$ 360	\$ 4,767	\$ 4,700
Total Disbursements	<u>-360</u>	<u>-4,767</u>	<u>-4,700</u>
Cash Balance, Ending	\$ 14,723	\$ 10,602	\$ 6,406

Nutrient Management Fund

This fund was created under the authority of Act 6 of 1993 to fund loans and grants for the implementation of nutrient management plans by agricultural operations. Revenue comes from commonwealth and federal appropriations, interest, loan repayments and gifts. Act 18 of 1995 transferred some responsibilities for the Nutrient Management Program from the Department of Environmental Protection to the Department of Agriculture.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 488	\$ 1,042	\$ 434
Receipts:			
Transfer from General Fund.....	\$ 3,138	\$ 2,850	\$ 3,000
Interest.....	-212	-33	5
Fees.....	22	22	22
Fines	1	20	20
Total Receipts	<u>2,949</u>	<u>2,859</u>	<u>3,047</u>
Total Funds Available	\$ 3,437	\$ 3,901	\$ 3,481
Disbursements:			
Agriculture	\$ 658	\$ 956	\$ 989
Environmental Protection	1,737	2,511	2,110
Total Disbursements	<u>-2,395</u>	<u>-3,467</u>	<u>-3,099</u>
Cash Balance, Ending	\$ 1,042	\$ 434	\$ 382

Oil and Gas Lease Fund

Created in 1955, this fund is used to finance conservation, recreation, dams or flood control projects or to match any federal grants made for these purposes. Revenues are derived from rents and royalties from oil and gas leases of commonwealth owned land with the exception of rents and royalties from land owned by either the Pennsylvania Game or Fish and Boat Commissions. Those revenues are paid into the Game and Fish Funds. The General Appropriations Act of 2009 authorized a transfer of monies in the fund to the General Fund.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 8,652	\$ 161,634	\$ 85,354
Receipts:			
Rents and Royalties.....	\$ 164,651 ^a	\$ 145,990 ^a	\$ 120,000 ^a
Interest.....	487	400	750
Other.....	0	0	0
Total Receipts	<u>165,138</u>	<u>146,390</u>	<u>120,750</u>
Total Funds Available	\$ 173,790	\$ 308,024	\$ 206,104
Disbursements:			
Conservation and Natural Resources.....	\$ 12,156	\$ 19,670 ^a	\$ 19,087 ^a
Transfer to the General Fund.....	0	203,000 ^a	180,000 ^a
Total Disbursements	<u>-12,156</u>	<u>-222,670</u>	<u>-199,087</u>
Cash Balance, Ending	\$ 161,634	\$ 85,354	\$ 7,017

^a Marcellus Shale and other gas royalties/lease fees.

Patient Safety Trust Fund

Act 13 of 2002, known as the Medical Care Availability and Reduction of Error Act, established the Patient Safety Trust Fund for the purpose of independent review of medical facilities which will result in ensuring patient safety and reducing medical errors. Revenue to the fund includes a surcharge on medical facility licensing fees. These fees are assessed by the Department of Health, deposited in the General Fund and transferred to the Patient Safety Fund. The Patient Safety Authority established by Act 13 contracts with entities who collect, analyze and evaluate data regarding reports of serious events and incidents at medical facilities and identify patterns in frequency or severity at individual medical facilities or in certain regions of this commonwealth. The authority and the individual facilities will be advised of changes in health care practices and procedures which are recommended for the purpose of reducing the number and severity of serious events and incidents. The authority may recommend regulatory or statutory changes which may help improve patient safety in the commonwealth.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 3,386	\$ 1,460	\$ 4,940
Receipts:			
Surcharges.....	\$ 3,186	\$ 9,772	\$ 6,000
Interest	-146	200	200
Total Receipts	3,040	9,972	6,200
Total Funds Available	\$ 6,426	\$ 11,432	\$ 11,140
Disbursements:			
Patient Safety Authority.....	\$ 4,966	\$ 6,492	\$ 6,500
Total Disbursements	-4,966	-6,492	-6,500
Cash Balance, Ending	\$ 1,460	\$ 4,940	\$ 4,640

Pennsylvania Economic Revitalization Fund

The Pennsylvania Economic Revitalization Fund (PERF) was created by Act 104 of 1984 as a three-year \$190 million program financed through a bond issue authorized by the electorate. The fund was formally established in the 1988-89 budget as an economic development fund and authorization for the fund was eliminated in 1995-96. Activity continues because of the long-term nature of existing projects. Upon completion of project activity, the remaining balance in this fund will be transferred to the General Fund.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 1,951	\$ 4,036	\$ 5,701
Receipts:			
Interest.....	\$ 43	\$ 15	\$ 15
Other.....	2,042	1,650	1,200
Total Receipts	2,085	1,665	1,215
Total Funds Available	\$ 4,036	\$ 5,701	\$ 6,916
Disbursements:			
Agriculture.....	\$ 0	\$ 0	\$ 0
Conservation and Natural Resources.....	0	0	0
Total Disbursements	0	0	0
Cash Balance, Ending	\$ 4,036	\$ 5,701	\$ 6,916

Pennsylvania Economic Revitalization Sinking Fund

Payment of interest and principal due on outstanding economic revitalization bonds is made from this fund. The annual appropriation from the General Fund for general obligation debt service and interest earned in this fund and interest earned in and transferred from the Pennsylvania Economic Revitalization Fund provide revenues to the fund.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 0	\$ 0	\$ 0
Receipts:			
Transfer from General Fund.....	\$ 507	\$ 509	\$ 503
Interest on Securities.....	0	0	0
Total Receipts	<u>507</u>	<u>509</u>	<u>503</u>
Total Funds Available	\$ 507	\$ 509	\$ 503
Disbursements:			
Treasury.....	\$ 507	\$ 509	\$ 503
Total Disbursements	<u>-507</u>	<u>-509</u>	<u>-503</u>
Cash Balance, Ending	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>

Pennsylvania Gaming Economic Development and Tourism Fund

Act 71 of 2004, the Pennsylvania Race Horse Development and Gaming Act, established the Pennsylvania Gaming Economic Development and Tourism Fund (GEDTF) to receive a daily assessment of 5 percent of each licensed gaming entity's gross terminal revenue. Proceeds of the fund are distributed through specific enacted capital budgets. Funds for economic development and tourism projects in Philadelphia and Allegheny counties were authorized in Act 53 of 2007. In addition, pursuant to Act 63 of 2008, GEDTF proceeds can be used to fund debt service for water and sewer projects, flood control projects, and high hazard unsafe dam projects located elsewhere in Pennsylvania as approved by the Commonwealth Financing Authority. Act 50 of 2009 provided funds to meet additional costs associated with one project itemized in Act 53 of 2007.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 51,561	\$ 78,266	\$ 63,889
Receipts:			
Gross Terminal Revenue Assessments.....	\$ 88,534	\$ 107,920	\$ 117,240
Build America Bonds Federal Interest Subsidy.....	0	0	8,582
Interest.....	1,040	1,200	1,500
Total Receipts	89,574	109,120	127,322
Total Funds Available	\$ 141,135	\$ 187,386	\$ 191,211
Disbursements:			
Community and Economic Development.....	\$ 62,869	\$ 107,800	\$ 101,200
General Services.....	0	2,822	5,697 ^a
Transfer to Commonwealth Financing Authority.....	0	12,875	31,117
Total Disbursements	-62,869	-123,497	-138,014
Cash Balance, Ending	\$ 78,266	\$ 63,889	\$ 53,197

^a Includes a \$5.147M remaining pledge installment owed by a casino operator that is due on April 25, 2010. This installment amount is illustrated due to cashflow timing and is not expected to be paid by this fund or any other commonwealth fund.

Pennsylvania Historical and Museum Commission Trust Fund

This fund, created by Act 113 of 1931, is administered by the Governor, Auditor General, State Treasurer and the Pennsylvania Historical and Museum Commission. The interest received from investment of the \$33,000 perpetual endowment to this fund in bonds of the commonwealth or any of its political subdivisions is credited to the fund. Interest earned on investments is used for the restoration, maintenance and improvement of the Cornwall Charcoal Furnace, Cornwall Borough, Lebanon County.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 156	\$ 160	\$ 164
Receipts:			
Interest	\$ 4	\$ 4	\$ 4
Total Receipts	4	4	4
Total Funds Available	\$ 160	\$ 164	\$ 168
Disbursements:			
Historical and Museum Commission.....	\$ 0	\$ 0	\$ 0
Total Disbursements	0	0	0
Cash Balance, Ending	\$ 160	\$ 164	\$ 168

Pennsylvania Infrastructure Bank

This fund was established by Act 57 of 1997 to make loans to, or enter into leases with, qualified borrowers to finance the costs of transportation projects. Acts 165 and 7A of 2004 expanded this program to include financing of rail freight infrastructure. Receipts are derived from federal funds and the transfer of required matching state funds from the Motor License Fund, and the General Fund.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 59,528	\$ 62,674	\$ 39,320
Receipts:			
Loan Repayments.....	\$ 8,551	\$ 6,352	\$ 6,352
Transfer from General Fund.....	225	0	0
Transfer from Motor License Fund.....	1,447	0	0
Transfer from Airport Development Grants.....	0	0	0
Interest	1,458	494	350
Total Receipts	11,681	6,846	6,702
Total Funds Available	\$ 71,209	\$ 69,520	\$ 46,022
Disbursements:			
Transportation.....	\$ 8,535	\$ 30,200	\$ 30,000
Total Disbursements	-8,535	-30,200	-30,000
Cash Balance, Ending	\$ 62,674	\$ 39,320	\$ 16,022

Pennsylvania Municipal Retirement Fund

Act 15 of 1974 created the Pennsylvania Municipal Retirement System which replaced the Municipal Employees Retirement Law and the Municipal Police Retirement Law and combined all employees covered under both into a state-related municipal system. The fund established under Act 15 provides for payment of retirement allowances to officers, employees, firemen and police of political subdivisions (counties, cities, boroughs and townships of the first and second class). Any municipality may elect by ordinance to join the system. Revenues are generated from the contributions of the members of the system and investment earnings. The board established under Act 15 has control over the system's operation. The net investment adjustment shown below is to reflect carrying value of long-term investments as of June 30. A municipality may, upon meeting the requirements set forth in Act 15, elect to withdraw from participation in this fund. Withdrawals may substantially increase the level of disbursements reflected in this presentation.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Total Cash Balance, Beginning	\$ 1,552,486	\$ 1,186,780	\$ 1,407,468
Receipts:			
Contributions.....	\$ 52,346	\$ 57,500	\$ 63,200
Interest.....	21,071	22,300	23,600
Premium/Discount Sale of Securities.....	-125,301	0	0
Net Investment Adjustment.....	-256,191	201,393	61,235
Total Receipts	<u>-308,075</u>	<u>281,193</u>	<u>148,035</u>
Total Funds Available	\$ 1,244,411	\$ 1,467,973	\$ 1,555,503
Disbursements:			
Treasury.....	\$ 0	\$ 5	\$ 5
Municipal Retirement Board.....	57,631	60,500	63,500
Total Disbursements	<u>-57,631</u>	<u>-60,505</u>	<u>-63,505</u>
Cash Balance, Ending	\$ 1,186,780	\$ 1,407,468	\$ 1,491,998

Pennsylvania Race Horse Development Fund

Act 71 of 2004, the Pennsylvania Race Horse Development and Gaming Act, established the Pennsylvania Race Horse Development Fund to support and advance the commonwealth's horse racing industry. Operating tracks receive a daily assessment as determined by the Department of Revenue. The daily assessment from each licensed gaming entity is based on a formula established in the Act, which is capped at 12 percent of an entity's gross terminal revenue for that day. Proceeds are distributed to licensees conducting live horse racing. Track owners deposit 80 percent of the proceeds into a purse account. Thoroughbred tracks commit the remaining proceeds to the Breeders' Fund and a Horseman's Organization Fund. Standardbred tracks commit proceeds to the Sire Stakes Fund, the Pennsylvania Standardbred Breeders Development Fund, and a Horsemen's Organizational Fund. Act 1 of 2010 provides for a transfer from the Pennsylvania Race Horse Development Fund to the General Fund for fiscal years 2009-10 through 2012-13.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 4,677	\$ 3,248	\$ 0
Receipts:			
Assessments.....	\$ 212,481	\$ 259,000	\$ 270,520
Interest.....	99	100	110
Total Receipts	212,580	259,100	270,630
Total Funds Available	\$ 217,257	\$ 262,348	\$ 270,630
Disbursements:			
Revenue.....	\$ 214,009	\$ 218,318	\$ 224,640
Transfer to the General Fund.....	0	44,030	45,990
Total Disbursements	-214,009	-262,348	-270,630
Cash Balance, Ending	\$ 3,248	\$ 0	\$ 0

Pennsylvania Veterans Memorial Trust Fund

Act 60 of 1988 established this fund to be administered by the Pennsylvania Veterans Memorial Commission. Revenues come from General Fund appropriations and public or private contributions. Funds were expended to erect a monument to Pennsylvania veterans who served in armed conflicts in which the United States was a participant. Act 63 of 2002 expanded the use of this fund to operation and maintenance of the memorial.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 386	\$ 368	\$ 295
Receipts:			
Public/Private Donations.....	\$ 4	\$ 25	\$ 25
Interest	8	3	3
Total Receipts	12	28	28
Total Funds Available	\$ 398	\$ 396	\$ 323
Disbursements:			
Military and Veterans Affairs.....	\$ 30	\$ 101	\$ 90
Total Disbursements	-30	-101	-90
Cash Balance, Ending	\$ 368	\$ 295	\$ 233

PENNVEST Bond Authorization Fund

This fund, created under the authority of Act 16 of 1988, receives the proceeds from the sale of bonds authorized by general referendum, transfers from the Water Facilities Loan Fund or from the Capital Facilities Fund for site development. Expenditures are for transfers of funds to the PENNVEST Fund, the PENNVEST Drinking Water Revolving Fund, the PENNVEST Water Pollution Control Revolving Fund, the PENNVEST Revolving Fund or the PENNVEST Non-Revolving Equity Fund.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 3,902	\$ 130	\$ 130
Receipts:			
Referendum Bonds.....	\$ 0	\$ 0	\$ 50
Interest.....	-338	0	3
Total Receipts	-338	0	53
Total Funds Available	\$ 3,564	\$ 130	\$ 183
Disbursements:			
Infrastructure Investment Authority:			
PENNVEST Fund	\$ 0	\$ 0	\$ 0
PENNVEST Non-Revolving Equity Fund.....	3,434	0	0
PENNVEST Revolving Fund.....	0	0	50
PENNVEST Drinking Water Revolving Fund.....	0	0	0
PENNVEST Water Pollution Control	0	0	0
Total Disbursements	-3,434	0	-50
Cash Balance, Ending	\$ 130	\$ 130	\$ 133

PENNVEST Drinking Water Revolving Fund

This fund was created under the authority of Act 16 of 1988 to receive funds from the federal government to establish a revolving loan program for drinking water projects. Required matching state funds are transferred from the PENNVEST Bond Authorization Fund and the PENNVEST Fund. Because of the lag in receiving federal funds, cash is borrowed from other PENNVEST funds. Negative receipts reflect the repayment of these loans.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 53,817	\$ 47,367	\$ 21,862
Receipts:			
Bond Authorization Fund.....	\$ 0	\$ 0	\$ 0
PENNVEST Fund.....	5,963	6,000	6,000
Federal Funds.....	26,350	103,541	109,741
Transfer from the Water Pollution Control Revolving Fund.....	0	10,000	10,000
Principal and Loan Interest Payments.....	20,700	26,000	26,000
Interest.....	-598	102	1,154
Total Receipts	52,415	145,643	152,895
Total Funds Available	\$ 106,232	\$ 193,010	\$ 174,757
Disbursements:			
Infrastructure Investment Authority.....	\$ 58,865	\$ 171,148	\$ 170,741
Total Disbursements	-58,865	-171,148	-170,741
Cash Balance, Ending	\$ 47,367	\$ 21,862	\$ 4,016

PENNVEST Fund

This fund was created under the authority of Act 16 of 1988 to receive funds from sources other than the sale of general obligation bonds. These sources include appropriations from the General Fund, payments of revolving loans, interest received from revolving and non-revolving loans, investment income and the sale of assets. In addition to grants and loans for water and sewer projects, these funds can be used for administrative costs and matching funds for federal grants.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 136,642	\$ 114,450	\$ 132,841
Receipts:			
Revolving Loan Payments.....	\$ 53,361	\$ 58,469	\$ 60,630
Bond Authorization Fund.....	0	0	0
Transfer from Environmental Stewardship Fund.....	10,620	8,531	7,861
Interest.....	-1,534	229	2,683
Total Receipts	<u>62,447</u>	<u>67,229</u>	<u>71,174</u>
Total Funds Available	\$ 199,089	\$ 181,679	\$ 204,015
Disbursements:			
Infrastructure Investment Authority:			
Grants.....	\$ 492	\$ 12,000	\$ 8,000
Administration.....	1,976	2,797	2,145
Growing Greener Grants.....	15,366	16,000	16,000
Revenue Bond Loan Pool.....	0	10	10
Revolving Loans and Administration.....	65,261	500	2,000
State Conditional Fund.....	1,544	17,531	23,676
Total Disbursements	<u>-84,639</u>	<u>-48,838</u>	<u>-51,831</u>
Cash Balance, Ending	\$ 114,450	\$ 132,841	\$ 152,184

PENNVEST Non-Revolving Equity Fund

This fund, created under the authority of Act 16 of 1988, receives moneys transferred from the PENNVEST Bond Authorization Fund. These funds are used for non-revolving loans authorized by the act. These non-revolving loans can be made to public or private entities for drinking water supply or sewer projects. Repayments of loans and interest are deposited in the PENNVEST Redemption Fund.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 28	\$ 29	\$ 29
Receipts:			
Bond Authorization Fund.....	\$ 3,434	\$ 0	\$ 0
Interest.....	1	0	0
Total Receipts	<u>3,435</u>	<u>0</u>	<u>0</u>
Total Funds Available	\$ 3,463	\$ 29	\$ 29
Disbursements:			
Infrastructure Investment Authority.....	\$ 3,434	\$ 0	\$ 0
Total Disbursements	<u>-3,434</u>	<u>0</u>	<u>0</u>
Cash Balance, Ending	\$ 29	\$ 29	\$ 29

PENNVEST Redemption Fund

This fund, created under the authority of Act 16 of 1988, receives repayments of non-revolving loans and investment interest along with the annual appropriation from the General Fund for general obligation debt service. Revenues are used to pay debt service on general obligation bonds issued for PENNVEST.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 1,336	\$ 1,759	\$ 1,759
Receipts:			
Transfer from General Fund.....	\$ 7,247	\$ 5,650	\$ 5,715
Interest on Securities.....	10	0	0
Non-Revolving Loan Repayments.....	5,320	5,320	5,320
Total Receipts	<u>12,577</u>	<u>10,970</u>	<u>11,035</u>
Total Funds Available	\$ 13,913	\$ 12,729	\$ 12,794
Disbursements:			
Treasury.....	\$ 12,154	\$ 10,970	\$ 11,035
Total Disbursements	<u>-12,154</u>	<u>-10,970</u>	<u>-11,035</u>
Cash Balance, Ending	\$ 1,759	\$ 1,759	\$ 1,759

PENNVEST Revolving Fund

This fund, created under the authority of Act 16 of 1988, receives moneys transferred from the PENNVEST Bond Authorization Fund. Funds are used for revolving loans which can be made to public or private entities for drinking water supply or sewer projects. Repayments of loans and interest are deposited in the PENNVEST Fund. In FY 2006-07, funds were redirected to the PENNVEST Non-Revolving Equity Fund and other PENNVEST funds.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 35	\$ 35	\$ 46
Receipts:			
Bond Authorization Fund.....	\$ 0	\$ 10	\$ 50
Interest.....	0	1	1
Total Receipts	<u>0</u>	<u>11</u>	<u>51</u>
Total Funds Available	\$ 35	\$ 46	\$ 97
Disbursements:			
Infrastructure Investment Authority.....	\$ 0	\$ 0	\$ 50
Total Disbursements	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance, Ending	\$ 35	\$ 46	\$ 97

PENNVEST Water Pollution Control Revolving Fund

This fund was created under the authority of Act 16 of 1988 for funds received from the federal government to establish a revolving loan program for sewer projects. Required matching state funds are transferred from the PENNVEST Bond Authorization Fund and the PENNVEST Fund.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-2011 Estimated
Cash Balance, Beginning	\$ 228,237	\$ 263,728	\$ 163,595
Receipts:			
PENNVEST Fund.....	\$ 1,952	\$ 11,531	\$ 17,676
Federal Funds.....	46,304	238,793	251,350
Bond Authorization Fund.....	0	0	0
Principal and Loan Interest Payments.....	85,810	88,000	92,000
Interest.....	4,415	626	6,638
Total Receipts	<u>138,481</u>	<u>338,950</u>	<u>367,664</u>
Total Funds Available	\$ 366,718	\$ 602,678	\$ 531,259
Disbursements:			
Infrastructure Investment Authority.....	\$ 102,990	\$ 439,083	\$ 467,026
Total Disbursements	<u>-102,990</u>	<u>-439,083</u>	<u>-467,026</u>
Cash Balance, Ending	\$ 263,728	\$ 163,595	\$ 64,233

Persian Gulf Conflict Veterans' Compensation Bond Fund

This fund was created by Act 29 of 2006 to receive and distribute the proceeds from the sale of \$20 million in bonds approved by the electorate in November of 2006. This money will be used for payments of compensation to commonwealth veterans who were active in the Persian Gulf Theater of operations during the period from August 2, 1990 to August 31, 1991 and who have received the Southwest Asia Service Medal. The maximum compensation is \$525 except in the cases of death or if the veteran was a prisoner of war. In such instances the maximum compensation shall be \$5,000. Applications will be accepted until August 31, 2015.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 6,289	\$ 4,001	\$ 1,015
Receipts:			
Sale of Bonds.....	\$ 0	\$ 0	\$ 2,000
Interest.....	92	14	30
Loan From General Fund.....	0	0	0
Total Receipts	<u>92</u>	<u>14</u>	<u>2,030</u>
Total Funds Available	\$ 6,381	\$ 4,015	\$ 3,045
Disbursements:			
Treasury.....	\$ 1	\$ 0	\$ 20
Military and Veterans Affairs.....	2,379	3,000	3,000
Total Disbursements	<u>-2,380</u>	<u>-3,000</u>	<u>-3,020</u>
Cash Balance, Ending	\$ <u>4,001</u>	\$ <u>1,015</u>	\$ <u>25</u>

Persian Gulf Conflict Veterans' Compensation Sinking Fund

Monies in this fund are used to redeem or pay interest on bonds issued for the Persian Gulf Conflict Veterans' Compensation Program. The annual appropriation from the General Fund for general obligation debt service provides revenues to the fund.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 0	\$ 0	\$ 0
Receipts:			
Transfer from Treasury.....	\$ 541	\$ 501	\$ 525
Total Receipts	<u>541</u>	<u>501</u>	<u>525</u>
Total Funds Available	\$ 541	\$ 501	\$ 525
Disbursements:			
Treasury.....	\$ 541	\$ 501	\$ 525
Total Disbursements	<u>-541</u>	<u>-501</u>	<u>-525</u>
Cash Balance, Ending	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>

Pharmaceutical Assistance Fund

The revenue for the Pharmaceutical Assistance Fund (PACE) is received from the Lottery Fund and the Tobacco Settlement Fund. This fund provides a limited pharmaceutical assistance program for older Pennsylvanians who are 65 years of age or over and whose annual income does not exceed the maximum specified for program eligibility. Pharmaceutical product claims for the Department of Public Welfare's Special Pharmaceutical Benefits Program, disease specific programs in the Department of Health and the State Workers' Insurance Fund are also processed through the PACE Fund. Funds not expended in the fiscal year in which they are appropriated are available for use in the following fiscal year. For additional information on the programs refer to the program descriptions in the Departments of Aging and Long Term Living, Health, Public Welfare and Labor and Industry.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 84,710	\$ 98,735	\$ 76,572
Receipts:			
Transfer from Lottery Fund	\$ 254,500	\$ 210,000	\$ 200,000
Transfer from Tobacco Settlement Fund	28,492	31,420 ^a	26,367
Interest	-4,651	205	887
Disease Specific Programs	5,725	5,219	3,856
Special Pharmaceutical Services	42,919	52,824	56,654
State Workers' Insurance Fund	1,200	960	920
Other	0	0	0
Total Receipts	<u>328,185</u>	<u>300,628</u>	<u>288,684</u>
Total Funds Available	\$ 412,895	\$ 399,363	\$ 365,256
Disbursements:			
Treasury	\$ 0	\$ 5	\$ 5
Aging and Long Term Living	264,512	264,942	251,699
Health	5,509 ^a	4,100 ^a	3,856 ^a
Public Welfare	43,130 ^a	52,824 ^a	56,654 ^a
Labor and Industry	1,009 ^a	920 ^a	920 ^a
Total Disbursements	<u>-314,160</u>	<u>-322,791</u>	<u>-313,134</u>
Cash Balance, Ending	\$ 98,735	\$ 76,572	\$ 52,122

^a Expenditures from restricted accounts in the Department of Aging and Long Term Living.

Philadelphia Regional Port Authority Fund

This authority was created by Act 50 of 1989 to acquire and operate the port facilities of the former Philadelphia Port Corporation. This fund handles payroll of the authority via transfer of funds by the authority from its private bank accounts. The authority is authorized to issue bonds to finance port improvements and may pledge its revenues to pay off such bonds.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 1,140	\$ 251	\$ 254
Receipts:			
Transfer from Philadelphia Regional Port Authority.....	\$ 7,200	\$ 6,348	\$ 2,900
Interest.....	-72	3	3
Total Receipts	7,128	6,351	2,903
Total Funds Available	\$ 8,268	\$ 6,602	\$ 3,157
Disbursements:			
Philadelphia Regional Port Operations.....	\$ 8,017	\$ 6,348	\$ 2,900
Total Disbursements	-8,017	-6,348	-2,900
Cash Balance, Ending	\$ 251	\$ 254	\$ 257

Port of Pittsburgh Commission Fund

The Port of Pittsburgh Commission was created by Act 133 of 1992 to promote and encourage capital investment in port facilities and port-related projects within the port district encompassing Allegheny, Armstrong, Beaver, Butler, Clarion, Fayette, Greene, Lawrence, Washington and Westmoreland counties.

Act 140 of 2000 expanded the authority of the commission to allow for economic development projects, including certain recreation projects that are sponsored by third parties. Act 111 of 2001 added Indiana County, and Act 131 of 2006 added Blair County to the Port District.

Grants to the commission to support its operations, and previously to Allegheny County for port-related improvements, are deposited into this fund along with interest earnings from deposited funds. The commission also has the authority to issue bonds to finance port improvements and may pledge its revenues to pay off such bonds.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 4,215	\$ 4,711	\$ 4,067
Receipts:			
Transfer from General Fund.....	\$ 1,286	\$ 775	\$ 775
Other.....	69	70	60
Interest	60	11	99
Total Receipts	1,415	856	934
Total Funds Available	\$ 5,630	\$ 5,567	\$ 5,001
Disbursements:			
Port of Pittsburgh Commission.....	\$ 919	\$ 1,500	\$ 1,500
Total Disbursements	-919	-1,500	-1,500
Cash Balance, Ending	\$ 4,711	\$ 4,067	\$ 3,501

Property Tax Relief Fund

Act 71 of 2004, the Pennsylvania Race Horse Development and Gaming Act, created the Property Tax Relief Fund to provide local property and wage tax relief payments to school districts. The fund receives revenue from the State Gaming Fund representing the balance of money collected in the State Gaming Fund after other distributions. Act 1 of Special Session 1 of 2006, the Taxpayer Relief Act, further provides for the distribution of funds from the Property Tax Relief Fund to school districts. In addition, transfers are made to the State Lottery Fund for an expanded Property Rent Rebate Program and supplemental senior citizen tax reduction payments. The fiscal year ending balances include the Property Tax Relief Reserve Account and funding for property tax relief payments made in August and October each year.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 796,449	\$ 667,415	\$ 582,160
Receipts:			
Transfer from State Gaming Fund.....	\$ 522,422	\$ 703,200	\$ 767,363
Interest.....	9,731	1,455	1,504
Total Receipts	<u>532,153</u>	<u>704,655</u>	<u>768,867</u>
Total Funds Available	<u>\$ 1,328,602</u>	<u>\$ 1,372,070</u>	<u>\$ 1,351,027</u>
Disbursements:			
Property Tax Relief Payments:			
Department of Education			
General Property Tax Relief.....	\$ 594,571	\$ 595,000	\$ 595,000
Sterling Act.....	17,887	18,200	18,700
Subtotal: Education Property Tax Relief Payments.....	<u>612,458</u>	<u>613,200</u>	<u>613,700</u>
Department of Revenue			
Expanded Prop Tax/Rent Rebate/Senior Tax Reductions.....	0	127,500	129,100
Cities and High-Burden.....	48,500	9,200	26,900
Subtotal: Revenue Property Tax Relief Payments.....	<u>48,500</u>	<u>136,700</u>	<u>156,000</u>
Total Property Tax Relief Disbursements.....	<u>660,958</u>	<u>749,900</u>	<u>769,700</u>
Transfer to State Lottery Fund			
Expanded Prop Tax/Rent Rebate/Senior Tax Reductions.....	0	40,000	9,900
Transition Grants to Counties.....	229	10	0
Total Disbursements.....	<u>-661,187</u>	<u>-789,910</u>	<u>-779,600</u>
Cash Balance, Ending	<u>\$ 667,415</u> ^a	<u>\$ 582,160</u> ^b	<u>\$ 571,427</u> ^c

^a 2008-09 Actual includes a balance of \$105,200,000 in the Property Tax Relief Reserve Account.

^b 2009-10 Available includes a balance of \$79,600,000 in the Property Tax Relief Reserve Account.

^c 2010-11 Estimated includes a balance of \$35,100,000 in the Property Tax Relief Reserve Account.

Public Transportation Assistance Fund

This fund was established by Act 26 of 1991 to help provide for the capital, asset maintenance and certain other transportation needs of the commonwealth's transit entities. Act 44 of 2007 revised the purpose of this fund by transferring programs to the new Public Transportation Trust Fund.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 6,962	\$ 6,162	\$ 6,010
Receipts:			
PTAF Tax Revenues.....	\$ 179,796	\$ 186,400	\$ 186,800
Interest on Securities	-1,345	48	49
Total Receipts	<u>178,451</u>	<u>186,448</u>	<u>186,849</u>
Total Funds Available	\$ 185,413	\$ 192,610	\$ 192,859
Disbursements:			
Transportation:			
Grants.....	\$ 163,564	\$ 170,447	\$ 169,690
Transfer to Public Transportation Trust Fund.....	15,687	16,153	17,110
Total Disbursements	<u>-179,251</u>	<u>-186,600</u>	<u>-186,800</u>
Cash Balance, Ending	\$ 6,162	\$ 6,010	\$ 6,059

Public Transportation Trust Fund

This fund was created by Act 44 of 2007 to provide dedicated funding for public transportation in the commonwealth. Revenues come from scheduled payments by the Pennsylvania Turnpike Commission, a portion of the Sales and Use Tax, and transfers from the Public Transportation Assistance Fund and the Lottery Fund. Monies in this fund are disbursed as grants to public transit agencies for operating costs (including Shared Ride and Free Transit for Older Pennsylvanians), capital and asset improvements, and programs of statewide significance.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 87,870	\$ 55,469	\$ 3,990
Receipts:			
Sales and Use Tax.....	\$ 380,028	\$ 383,500	\$ 400,892
Loans From Other Funds.....	0	0	0
Pennsylvania Turnpike Commission.....	350,000	400,000	410,000
Transfer from the Lottery Fund.....	82,160	86,597	88,199
Transfer from the Public Transportation Assistance Fund.....	15,687	16,153	17,110
Interest.....	-7,358	266	1,694
Total Receipts.....	<u>820,517</u>	<u>886,516</u>	<u>917,895</u>
Total Funds Available	\$ 908,387	\$ 941,985	\$ 921,885
Disbursements:			
Transportation.....	\$ 852,918	\$ 937,995	\$ 903,926
Loan Repayment.....	0	0	0
Total Disbursements.....	<u>-852,918</u>	<u>-937,995</u>	<u>-903,926</u>
Cash Balance, Ending	\$ 55,469	\$ 3,990	\$ 17,959

Purchasing Fund

Created in 1933, this fund finances the purchase of materials, supplies, services and equipment by the Department of General Services and Executive Offices for use by other departments, boards and commissions. Salaries for the personnel administering the fund are paid by the fund. Revenue sources are periodic appropriations from the General Fund and reimbursements by other departments, boards and commissions for the materials and supplies provided them.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 28,560	\$ 19,935	\$ 22,852
Receipts:			
Reimbursements to General Services.....	\$ 301,093	\$ 292,346	\$ 296,720
Reimbursements to Executive Offices.....	73,153	73,096	73,125
General Fund Loan.....	14,300	14,300	14,300
Interest.....	-1,999	62	64
Total Receipts	386,547	379,804	384,209
Total Funds Available	\$ 415,107	\$ 399,739	\$ 407,061
Disbursements:			
General Services.....	\$ 308,633	\$ 288,905	\$ 298,769
Executive Offices.....	72,239	73,677	72,958
Loan Repayment.....	14,300	14,300	14,300
Treasury.....	0	5	5
Total Disbursements	-395,172	-376,887	-386,032
Cash Balance, Ending	\$ 19,935	\$ 22,852	\$ 21,029

Real Estate Recovery Fund

This fund was established in 1980 to reimburse aggrieved persons any amounts unpaid from final judgements against any person licensed by the Real Estate Commission. Revenue is derived from additional fees paid by licensees, with interest on investments being retained by the fund.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 452	\$ 479	\$ 498
Receipts:			
Additional License Fees.....	\$ 41	\$ 100	\$ 100
Interest	18	19	20
Total Receipts	59	119	120
Total Funds Available	\$ 511	\$ 598	\$ 618
Disbursements:			
State.....	\$ 32	\$ 100	\$ 150
Total Disbursements	-32	-100	-150
Cash Balance, Ending	\$ 479	\$ 498	\$ 468

Recycling Fund

This fund was created by Act 101 of 1988 to finance the planning, processing, resource recovery and recycling of solid waste. Revenue is generated by a fee on all waste disposed of in landfills or processed by resource recovery facilities. Expenditures are for recycling and planning grants, market and waste minimization studies, and public information and education activities throughout the commonwealth. Act 125 of 1998 allowed for up to \$1.5 million annually for five years of Recycling Fund money to finance the cleanup of illegally deposited waste on state forest and state park lands.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 84,078	\$ 52,259	\$ 27,784
Receipts:			
Recycling Fees.....	\$ 36,997	\$ 41,000	\$ 37,550
Fines and Penalties.....	9	3	3
Interest	-497	1,000	725
Environmental Technology Loan Repayments and Interest.....	0	0	0
Total Receipts	36,509	42,003	38,278
Total Funds Available	\$ 120,587	\$ 94,262	\$ 66,062
Disbursements:			
Environmental Protection	\$ 53,328	\$ 66,478	\$ 47,016
Transfer to General Fund.....	15,000	0	0
Total Disbursements	-68,328	-66,478	-47,016
Cash Balance, Ending	\$ 52,259	\$ 27,784	\$ 19,046

Rehabilitation Center Fund

This fund was created May 13, 1959 by Act 55 of 1959 for the operation of the Hiram G. Andrews Rehabilitation Center and is funded from fees for services rendered by the center. Most of these services are rendered to vocational rehabilitation clients. The Department of Labor and Industry is pursuing diversification and privatization of services offered at the center. These plans include training enhancement for clients of the center and economic development opportunities for the Johnstown region.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 3,473	\$ 3,981	\$ 6,016
Receipts:			
Client Fees	\$ 18,177	\$ 18,425	\$ 18,500
Interest.....	-129	12	15
Labor and Industry.....	3,920	3,400	3,400
Other.....	322	2,198	325
Total Receipts	22,290	24,035	22,240
Total Funds Available	\$ 25,763	\$ 28,016	\$ 28,256
Disbursements:			
Labor and Industry.....	\$ 21,782	\$ 22,000	\$ 20,508
Total Disbursements	-21,782	-22,000	-20,508
Cash Balance, Ending	\$ 3,981	\$ 6,016	\$ 7,748

Remining Financial Assurance Fund

Act 173 of 1992 authorized this fund to assist mine operators who qualify to purchase reclamation bonds or make payment in lieu of reclamation bonds. Revenues are the transfer of up to \$5 million from the Land and Water Development Fund and from in lieu of bond premium payments. Interest earnings are deposited in the Land and Water Development Sinking Fund. Expenditures from this fund occur only when mine operators default.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 2,859	\$ 2,982	\$ 2,887
Receipts:			
Interest transfer to Land and Water			
Sinking Fund.....	\$ -64	\$ -108	\$ -120
Interest.....	70	108	120
Operator Annual Fee.....	117	90	111
Total Receipts	<u>123</u>	<u>90</u>	<u>111</u>
Total Funds Available	\$ 2,982	\$ 3,072	\$ 2,998
Disbursements:			
Environmental Protection	\$ 0	\$ 185	\$ 150
Total Disbursements	<u>0</u>	<u>-185</u>	<u>-150</u>
Cash Balance, Ending	\$ 2,982	\$ 2,887	\$ 2,848

Rightful Owners' Claims Payment Fund

This fund was created by Act 45 of 2003 to make reimbursements and prompt payment of claims by an owner for a restitution payment previously held as unclaimed by any court, public corporation, public authority or instrumentality of the commonwealth, or by a public officer or political subdivision. Under the act, 5 percent of the funds transferred annually into the Treasury will be deposited into the Rightful Owners' Claims Payment Fund to create the capability to make a reimbursement in the event a claim is filed. The remaining ninety-five percent balance of the restitution monies that are annually escheated from the entities identified are to be deposited to the Crime Victims' Compensation Fund.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 59	\$ 34	\$ 34
Receipts:			
Transfers from Unclaimed Property Accounts.....	\$ 80	\$ 150	\$ 150
Interest.....	-3	0	0
Total Receipts	<u>77</u>	<u>150</u>	<u>150</u>
Total Funds Available	\$ 136	\$ 184	\$ 184
Disbursements:			
Treasury Payments to Claimants.....	\$ 102	\$ 150	\$ 150
Total Disbursements.....	<u>-102</u>	<u>-150</u>	<u>-150</u>
Cash Balance, Ending	\$ 34	\$ 34	\$ 34

School Employees' Retirement Fund

The Public School Employees' Retirement Fund provides for receipt and accounting of member and employer contributions, investment of those funds and payment of benefits to retired school employees.

According to the provisions of Act 29 of 1994, starting with the employer contribution payment for the third quarter of 1995 (school salaries paid from July 1, 1995 to September 30, 1995), employers defined as school entities (school districts, intermediate units, and area vocational technical schools) pay 100 percent of the employer share of contributions to the fund. The commonwealth pays school entities a portion of these costs from appropriated funds based on a statutory formula. Commonwealth contributions of the employer share for non-school entities are also paid from appropriated funds. These contributions are paid directly to the fund.

Earnings from investments provide additional revenue and pay for the expenses of the Public School Employees' Retirement Board. The board is responsible for management of the fund and payment of benefits. The employer contribution rate is determined by the fund's actuary and adopted by the board.

Act 40 of 2003 changed the retirement system's amortization period from ten years to an actuarially acceptable thirty year basis thus lowering employer contribution costs. Act 40 also added a minimum employer contribution rate.

The cash balance shown in the statement includes substantial investment assets. The net investment adjustment item is included to reflect the carrying value of long-term investments as of June 30.

This budget is proposing a long-term funding reform plan that impacts the estimated 2010-11 contributions of employers for this fund. Information on this proposal can be found beginning on Page A3.10 of the "Adopting a Pennsylvania Budget That Works" theme in the Overview section of this budget.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 63,103,833	\$ 43,143,139	\$ 45,967,991
Receipts:			
Transfer from General Fund —			
Employer Contribution (non-school entities).....	\$ 4,433	\$ 2,580	\$ 5,000
Transfers from State Retirement System.....	7,660	12,000	13,000
Contributions of School Employees.....	915,266	948,672	991,634
Contributions of Employers.....	609,185	611,700	744,600
Interest on Securities.....	17,418	1,103,000	644,000
Net Investment Adjustment.....	-16,398,722	5,188,000	3,030,000
Directed Commissions.....	1,275	1,200	1,000
Other.....	91,002	22,000	23,000
Total Receipts	-14,752,483	7,889,152	5,452,234
Total Funds Available	\$ 48,351,350	\$ 51,032,291	\$ 51,420,225
Disbursements:			
Treasury	\$ 442	\$ 300	\$ 300
Public School Employees'			
Retirement Board	5,207,769	5,064,000	5,343,000
Total Disbursements	-5,208,211	-5,064,300	-5,343,300
Cash Balance, Ending	\$ 43,143,139	\$ 45,967,991	\$ 46,076,925

School Retirees' Health Insurance Fund

This fund was created by Act 9 of 2001. The fund is used to establish and maintain a reserve sufficient to pay the expected claims experience of the Health Options Program (HOP). The HOP is a Public School Employees' Retirement System (PSERS) sponsored voluntary health insurance program for the sole benefit of PSERS retirees, their spouses or surviving spouses, and their dependents. The revenue for HOP is from premiums paid by its participants for the benefit coverage they elect and, beginning in 2006, federal funds to subsidize Medicare Part D prescription drug benefits for HOP participants enrolled in that program. The May 2002 initial transfer consisted of funds paid in by those insured and associated investment revenue in the amount of \$27.340 million that had accumulated in the Public School Employees' Retirement Fund prior to the creation of the separate health insurance fund.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 60,962	\$ 0	\$ 1,442
Receipts:			
Interest.....	\$ -9,194	\$ 1,442	\$ 1,442
Insurance Claims.....	80,467	29,000	30,000
Total Receipts	71,273	30,442	31,442
Total Funds Available	\$ 132,235	\$ 30,442	\$ 32,884
Disbursements:			
School Employees' Retirement System.....	\$ 132,235	\$ 29,000	\$ 30,000
Total Disbursements	-132,235	-29,000	-30,000
Cash Balance, Ending	\$ 0	\$ 1,442	\$ 2,884

Self-Insurance Guaranty Fund

This fund was created by Act 44 of 1993, the Pennsylvania Workers' Compensation Act. The purpose of this fund is to pay claims arising from defaulting self-insurance employers and defaulting members of self-insurance pooling arrangements under the Workers' Compensation Act for injuries occurring on or after 10/30/93. The fund is maintained by assessments on self-insurers. Act 53 of 2000 provides for payments of claims resulting from injuries prior to 10/30/93 through a Prefund Account funded by transfers from the Workers' Compensation Administration Fund. Act 49 of 2001 limited annual transfers to the Prefund Account to \$3.8 million. The Prefund Account and the fund are administered by the Department of Labor and Industry.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 38,504	\$ 38,980	\$ 34,410
Receipts:			
Transfer from the Workmen's Compensation Fund.....	\$ 5,244	\$ 2,850	\$ 2,850
Interest.....	-237	80	80
Other.....	304	0	0
Total Receipts	5,311	2,930	2,930
Total Funds Available	\$ 43,815	\$ 41,910	\$ 37,340
Disbursements:			
Labor and Industry.....	\$ 4,835	\$ 7,500	\$ 4,300
Total Disbursements	-4,835	-7,500	-4,300
Cash Balance, Ending	\$ 38,980	\$ 34,410	\$ 33,040

Small Business First Fund

Act 67 of 1996 created the Small Business First Fund. The fund replaced the Air Quality Improvement Fund, Storage Tank Loan Fund and the Pennsylvania Capital Loan Fund. Balances and program commitments in those funds were transferred to the Small Business First Fund. The fund may receive transfers from the Minority Business Development Fund to facilitate its programs for small businesses. Act 50 of 2009 enabled the fund to transfer monies to the Machinery and Equipment Loan Fund in support of its activities.

This program provides low-interest loans for small businesses of 100 employees or less. Eligible projects include land and building acquisition and construction; machinery and equipment purchases; working capital; compliance with environmental regulations and municipal or commercial recycling. In addition, companies eligible to participate in this program are those impacted by the reduction in defense-related activities and those involved in exports, advanced technology and the hospitality industry.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 53,569	\$ 59,527	\$ 27,207
Receipts:			
Loan Repayments.....	\$ 18,595	\$ 24,450	\$ 24,450
Interest.....	1,020	451	1,790
Miscellaneous.....	0	10	10
Total Receipts	<u>19,615</u>	<u>24,911</u>	<u>26,250</u>
Total Funds Available	\$ 73,184	\$ 84,438	\$ 53,457
Disbursements:			
Transfer to Machinery & Equip Loan Fund.....	\$ 0	\$ 12,000	\$ 0
Treasury.....	0	10	10
Community and Economic Development			
Administration.....	850	1,733	1,692
Loans.....	12,807	43,488	37,500
Total Disbursements	<u>-13,657</u>	<u>-57,231</u>	<u>-39,192</u>
Cash Balance, Ending	\$ 59,527	\$ 27,207	\$ 14,265

Solid Waste-Resource Recovery Development Fund

Created in 1974, this fund provides financial assistance to municipalities in the planning, development, construction and operation of resource recovery and solid waste disposal facilities. Loans for new facilities are restricted to municipalities in seventh and eighth class counties. Revenue is provided through appropriations by the General Assembly and by the repayment of loans made to municipalities.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 661	\$ 630	\$ 565
Receipts:			
Interest.....	\$ 13	\$ 35	\$ 30
Total Receipts	<u>13</u>	<u>35</u>	<u>30</u>
Total Funds Available	\$ 674	\$ 665	\$ 595
Disbursements:			
Environmental Protection	\$ 44	\$ 100	\$ 0
Total Disbursements	<u>-44</u>	<u>-100</u>	<u>0</u>
Cash Balance, Ending	\$ 630	\$ 565	\$ 595

Special Administration Fund

The purpose of this fund, administered by the Department of Labor and Industry, is to cover those administrative expenses of the Unemployment Compensation Law not properly and validly chargeable to the Administration Fund. The receipts of the fund are generated from interest and penalties collected from claimants and employers under provisions of the Unemployment Compensation Law. Act 5 of 2005 requires that all moneys in excess of \$200,000 in the fund, less encumbrances for litigation, shall be transferred by June 25th of each year to either the Unemployment Compensation Contribution Fund or the Job Training Fund or both.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 6,746	\$ 3,772	\$ 200
Receipts:			
Penalty and Interest Collections.....	\$ 7,291	\$ 8,446	\$ 9,151
Interest.....	-99	73	80
Total Receipts	7,192	8,519	9,231
Total Funds Available	\$ 13,938	\$ 12,291	\$ 9,431
Disbursements:			
Labor and Industry.....	\$ 10,166	\$ 12,091	\$ 9,231
Total Disbursements	-10,166	-12,091	-9,231
Cash Balance, Ending	\$ 3,772	\$ 200	\$ 200

State College Experimental Farm Fund

Act 56, approved May 13, 1887, authorized the sale of the eastern and western experimental farms which were purchased with federal land grant monies in 1862. These farms were sold for \$17,000 in 1888 and the proceeds were placed in this fund to be invested in bonds of the commonwealth at 6 percent per annum with the interest serving as an ongoing revenue to this fund. Several times a year the interest earned is disbursed to the Pennsylvania State University.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 24	\$ 24	\$ 24
Receipts:			
Interest.....	\$ 1	\$ 1	\$ 1
Total Receipts	1	1	1
Total Funds Available	\$ 25	\$ 25	\$ 25
Disbursements:			
Treasury.....	\$ 1	\$ 1	\$ 1
Total Disbursements	-1	-1	-1
Cash Balance, Ending	\$ 24	\$ 24	\$ 24

State Employees' Retirement Fund

This fund was created in 1923 to accumulate reserves for the payment of pensions to eligible former state employees. Money in this fund is used to pay retirement, disability and death benefits to members of the State Employees' Retirement System and their beneficiaries. Membership in the system is mandatory for most state employees and available to employees of non-state entities, such as the Pennsylvania State University, the Turnpike Commission, the Delaware River Port Authority and other public and quasi-public institutions authorized by the Retirement Code.

The fund receives revenue from employee contributions, employer contributions and income derived from its investment portfolio. Employer contributions are an actuarially determined percentage of payroll sufficient to fund current and future benefit payments. Investment income is used to credit interest to each member's account; to pay the administrative expenses of the retirement system; and to accumulate monies for the payment of future benefits. Management of the fund and payment of benefits are overseen by the State Employees' Retirement Board.

Act 40 of 2003 changed the retirement system's amortization period from 10 years to an actuarially acceptable 30 year basis thus lowering employer contribution costs. Act 8 of 2007 added a minimum employer contribution rate.

The cash balance shown in the statement includes substantial investment assets. The net investment adjustment item is to reflect the carrying value of long-term investments as of June 30 and is estimated for 2008-09 and 2009-10.

This budget is proposing a long-term funding reform plan that impacts the estimated 2010-11 contributions of employers for this fund. Information on this proposal can be found beginning on Page A3.10 of the "Adopting a Pennsylvania Budget That Works" theme in the Overview section of this budget.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 33,916,991	\$ 22,068,932	\$ 22,021,862
Receipts:			
Contributions of Employees.....	\$ 348,181	\$ 342,000	\$ 352,500
Contributions of Employers.....	220,704	226,400	292,400
Transfer to Annuity Reserve Account.....	16,663	0	0
Income from Securities.....	27,022	511,777	511,339
Directed Commissions.....	128	100	100
Net Investment Adjustment.....	-10,202,407	1,308,600	1,307,436
Total Receipts	-9,589,709	2,388,877	2,463,775
Total Funds Available	\$ 24,327,282	\$ 24,457,809	\$ 24,485,637
Disbursements:			
Treasury.....	\$ 227	\$ 200	\$ 250
State Employees' Retirement System.....	2,258,123	2,435,747	2,581,662
Total Disbursements	-2,258,350	-2,435,947	-2,581,912
Cash Balance, Ending	\$ 22,068,932	\$ 22,021,862	\$ 21,903,725

State Gaming Fund

Act 71 of 2004, the Pennsylvania Race Horse Development and Gaming Act, established the State Gaming Fund to receive all licenses fees provided for in the act and 34 percent of the gross terminal revenue (GTR) generated by licensed gaming facilities. These monies are to be distributed annually to various programs as set forth in the act with the remainder being transferred to the Property Tax Relief Fund in order to provide property tax relief as required by Act 1 of Special Session 1 of 2006. Also licensed gaming facilities deposit an additional 4 percent of GTR into the fund for local share distributions where gaming facilities are located.

Act 1 of 2010 expanded gaming in the commonwealth to include table games and required licensed gaming facilities with table games to deposit an additional 2 percent of the gross table games revenue into the fund for local share distributions. The act also includes a one-time \$12.5 million transfer to the General Fund.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 147,325	\$ 213,526	\$ 158,239
Receipts:			
License Fees.....	\$ 0	\$ 10,000	\$ 2,500
State Tax Revenue.....	602,031	733,900	797,200
Licensee Deposit Accts.....	36,371	39,843	65,940
Local Share Assessment.....	103,937	86,300	107,017
Interest.....	-474	669	683
Other	7,087	8,113	8,113
Total Receipts	<u>748,952</u>	<u>878,825</u>	<u>981,453</u>
Total Funds Available	\$ 896,277	\$ 1,092,351	\$ 1,139,692
Disbursements:			
Revenue			
Transfer to Compulsive and Problem Gambling Treatment Fund.....	\$ 1,700	\$ 2,471	\$ 4,900
Transfer to Compulsive and Problem Gambling Treatment Fund - Drug and Alcohol....	0	3,000	3,000
Payment in Lieu of Taxes:			
Conservation and Natural Resources.....	4,996	5,084	5,084
Fish and Boat Commission.....	17	40	40
Game Commission.....	3,445	3,468	3,450
Emergency Management & Homeland Security Volunteer Company Grants.....	25,000	25,000	25,000
Gaming Control Board Local Law Enforcement Grants.....	807	1,622	2,000
Local Share Assessment Distribution.....			
Revenue.....	62,928	88,000	98,293
Community and Economic Development.....	8,476	25,000	27,924
Transfer to General Fund.....	0	12,500	0
Administrative Appropriations			
Gaming Control Board.....	32,657	35,853	29,281
Revenue.....	8,141	10,648	9,942
State Police.....	11,569	17,286	19,536
Attorney General.....	593	940	994
Transfer to Property Tax Relief Fund.....	<u>522,422</u>	<u>703,200</u>	<u>767,363</u>
Total Disbursements	<u>-682,751</u>	<u>-934,112</u>	<u>-996,807</u>
Cash Balance, Ending	\$ 213,526 ^a	\$ 158,239 ^a	\$ 142,885 ^a

^a Ending cash balance includes the following restricted balances: 2008-09 Actual is \$137,736,000, 2009-10 Available is \$94,265,000 and 2010-11 Estimated is \$89,365,000.

State Insurance Fund

Act 227 of 1915 created this fund which finances expenditures related to the rebuilding, restoring or replacing of buildings, structures, equipment or other property owned by the commonwealth that have been damaged or destroyed by fire or other casualty. This includes natural or man-made disasters. Revenue is derived from interest earned by the fund, interest received from the Fire Insurance Tax Fund and from reimbursements by insurance companies. If needed, money may also be directly appropriated to this fund. Receipts of the fund include reimbursement from the commonwealth's excess insurance policy, which is responsible for damages for any occurrence in excess of \$1 million. This fund satisfies the requirements of the federal government for the Disaster Insurance Program.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 12,388	\$ 12,760	\$ 10,880
Receipts:			
Recovered Damages.....	\$ 972	\$ 0	\$ 0
Interest	585	625	633
Total Receipts	1,557	625	633
Total Funds Available	\$ 13,945	\$ 13,385	\$ 11,513
Disbursements:			
Treasury.....	\$ 0	\$ 5	\$ 5
General Services.....	1,185	2,500	1,900
Total Disbursements	-1,185	-2,505	-1,905
Cash Balance, Ending	\$ 12,760	\$ 10,880	\$ 9,608

State Restaurant Fund

This fund was created by Act 259 of 1943 to finance the purchase and maintenance of equipment for the operation of the restaurant in the State Capitol as well as any other restaurants in other State Office Buildings. At present, the Capitol East Wing Cafeteria and the facility located in the Keystone Building are the only restaurants operated through this fund. Revenue is derived from the profits earned from those operations.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 1,899	\$ 1,961	\$ 1,640
Receipts:			
Revenue from Operations.....	\$ 88	\$ 130	\$ 75
Interest.....	47	49	41
Total Receipts	135	179	116
Total Funds Available	\$ 2,034	\$ 2,140	\$ 1,756
Disbursements:			
General Services.....	\$ 73	\$ 500	\$ 80
Total Disbursements	-73	-500	-80
Cash Balance, Ending	\$ 1,961	\$ 1,640	\$ 1,676

State School Fund

This fund was established in 1911 and is funded primarily by the sale of escheated estates and other nonpublic real estate and interest earnings of the Sinking Fund. Changes in the escheat law and lack of interest earnings from the Sinking Fund or investment of monies in the State School Fund have resulted in a low revenue level. The fund is active in only a limited sense.

The original purpose of the fund was to equalize educational advantages across the commonwealth; to provide advancements to school districts temporarily in need of aid; and to promote education in the conservation of natural resources, forestry, agriculture and other industrial pursuits. The law was amended in 1960 to change the purpose of the fund to equalization of educational opportunities, and to pay part of the cost of repair or alteration of local public school or state college buildings when required to satisfy requirements of the Department of Labor and Industry or other relevant governmental agencies. Currently, the State Board of Education periodically uses the interest earned to fund research and small projects.

Expenditures from the fund are made at the direction of the State Board of Education.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 597	\$ 589	\$ 581
Receipts:			
Interest.....	\$ 16	\$ 16	\$ 16
Total Receipts	16	16	16
Total Funds Available	\$ 613	\$ 605	\$ 597
Disbursements:			
Education.....	\$ 24	\$ 24	\$ 24
Total Disbursements	-24	-24	-24
Cash Balance, Ending	\$ 589	\$ 581	\$ 573

State Stores Fund

The State Stores Fund serves as the general operating fund for the Liquor Control Board. The Pennsylvania State Police receive funds for the enforcement of the Liquor Code. The Department of Health receives funds for alcohol abuse programs. This fund receives revenues from the sale of goods in State Liquor Stores, fees not credited to the Liquor License Fund, fines and penalties, losses and damages recovered, and loans from the General Fund to provide working capital. Expenditures cover all costs associated with the operation and administration of the Liquor Store System and enforcement of the Liquor Code. Surplus funds are transferred to the General Fund.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 95,506	\$ 32,781	\$ 26,906
Receipts:			
Fees, Fines and Penalties.....	\$ 15,202	\$ 14,259	\$ 14,259
Sale of Goods.....	1,477,685	1,514,105	1,562,556
Liquor/Sales Taxes.....	375,057	378,090	390,189
Recovered Losses and Damages.....	830	950	950
General Fund Loan.....	110,000	110,000	110,000
Interest.....	-3,283	500	500
Total Receipts	<u>1,975,491</u>	<u>2,017,904</u>	<u>2,078,454</u>
Total Funds Available	\$ 2,070,997	\$ 2,050,685	\$ 2,105,360
Disbursements:			
Treasury.....	\$ 0	\$ 15	\$ 15
Health.....	2,121	2,121	2,121
Liquor Control Board	1,431,265	1,402,624	1,434,794
State Police.....	19,773	25,929	25,252
General Fund Loan Repayment.....	85,000	110,000	110,000
Transfer of Liquor/Sales Taxes to General Fund.....	375,057	378,090	390,189
Transfer of Profits to General Fund.....	125,000	105,000	105,000
Total Disbursements	<u>-2,038,216</u>	<u>-2,023,779</u>	<u>-2,067,371</u>
Cash Balance, Ending	\$ 32,781	\$ 26,906	\$ 37,989

State Treasury Armory Fund

Created in accordance with Act 92 of 1975 as amended by Act 47 of 1994, this fund receives monies derived from the sale of unusable armories and land or the sale or lease of timber and mineral rights. Funds can be expended for the purchase of equipment, furniture and fixtures for state armories and other National Guard facilities and/or repairs and maintenance to the same facilities in the commonwealth.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 2,681	\$ 2,978	\$ 2,199
Receipts:			
Armory Rentals.....	\$ 185	\$ 400	\$ 400
Sale of Armories and Land.....	167	175	175
Interest.....	56	7	7
Total Receipts	<u>408</u>	<u>582</u>	<u>582</u>
Total Funds Available	\$ 3,089	\$ 3,560	\$ 2,781
Disbursements:			
Military and Veterans Affairs.....	\$ 111	\$ 1,361	\$ 860
Total Disbursements	<u>-111</u>	<u>-1,361</u>	<u>-860</u>
Cash Balance, Ending	\$ 2,978	\$ 2,199	\$ 1,921

State Worker's Insurance Fund

The State Worker's Insurance Fund (SWIF) was created by Act 338 of 1915 and operates within the Department of Labor and Industry. It is a self-sustaining fund providing workers' compensation insurance to employers, including those refused policies by private insurance firms. SWIF is subject to underwriting rules, classification and rates promulgated by rating bureaus authorized by the State Insurance Commissioner. Premium rates are established by them based on the history of accidents by industry. Administrative costs are paid from the fund including expenses related to Insurance Department and Auditor General examinations.

Act 68 of 1990 provides for the transfer of money from SWIF. Annual payments are made to the General Fund equal to the amount which would have been paid in taxes had SWIF been subject to taxes. The act also established an Advisory Council to recommend the amount of surplus in SWIF, if any, that could be distributed without jeopardizing its legal obligations to policy holders. If such a surplus exists, the SWIF Board may then recommend distribution of the surplus as refunds to current or former policyholders. The funds recommended by the board to be transferred or refunded to policyholders must be approved and appropriated by the General Assembly.

The net investment adjustment shown below is to reflect the current market value of long-term investments as of June 30.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 1,765,320	\$ 1,608,307	\$ 1,566,138
Receipts:			
Premiums.....	\$ 267,812	\$ 334,000	\$ 334,000
Interest.....	84,207	71,000	75,000
Net Investment Adjustment.....	-61,555	0	0
Other.....	5,999	7,500	7,500
Total Receipts	296,463	412,500	416,500
Total Funds Available	\$ 2,061,783	\$ 2,020,807	\$ 1,982,638
Disbursements:			
Treasury.....	\$ 0	\$ 25	\$ 25
Labor and Industry.....	453,476	447,844	447,485
Premium Tax Payment to the General Fund.....	0	6,800	6,800
Total Disbursements	-453,476	-454,669	-454,310
Cash Balance, Ending	\$ 1,608,307	\$ 1,566,138	\$ 1,528,328

Storage Tank Fund

This fund was created by Act 32 of 1989 for the operation of an aboveground and underground storage tank regulation, registration and enforcement program. Revenues to the fund consist of registration and permit fees, fines, judgements, bond forfeitures, interest and recovered costs. Expenditures include the remediation of leaking underground storage tanks.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 9,082	\$ 9,657	\$ 5,588
Receipts:			
Registration Fees.....	\$ 3,269	\$ 3,215	\$ 3,103
Federal Funds - EPA.....	2,383	10,448	10,403
Fines and Penalties.....	546	805	728
Interest.....	-194	830	165
Other.....	3,578	291	1,955
Total Receipts	<u>9,582</u>	<u>15,589</u>	<u>16,354</u>
Total Funds Available	\$ 18,664	\$ 25,246	\$ 21,942
Disbursements:			
Environmental Protection.....	\$ 9,007	\$ 19,658	\$ 11,725
Total Disbursements	<u>-9,007</u>	<u>-19,658</u>	<u>-11,725</u>
Cash Balance, Ending	\$ 9,657	\$ 5,588	\$ 10,217

Substance Abuse Education and Demand Reduction Fund

This fund was created by Act 198 of 2002 and amended by Act 36 of 2006. The purpose of the fund is to provide research-based approaches to prevention, intervention, training, treatment and education services to reduce substance abuse and to offer statewide programs to assist families in accessing those services. The fund also provides for statewide programs to educate employers, unions and employees about the dangers of substance abuse in the workplace and provide comprehensive drug-free workplace programs and technical resources for businesses. Revenue to the fund consists of assessments on individuals convicted, adjudicated delinquent or granted accelerated rehabilitative disposition and also those individuals who plead guilty or nolo contendere to either a violation of the Controlled Substance, Drug, Device and Cosmetic Act or a violation relating to driving under the influence of alcohol or controlled substance.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 10,428	\$ 11,005	\$ 7,524
Receipts:			
Assessments.....	\$ 3,469	\$ 3,655	\$ 3,655
Interest.....	152	120	120
Total Receipts.....	<u>3,621</u>	<u>3,775</u>	<u>3,775</u>
Total Funds Available	\$ 14,049	\$ 14,780	\$ 11,299
Disbursements:			
Executive Offices.....	\$ 3,044	\$ 7,256	\$ 6,500
Total Disbursements.....	<u>-3,044</u>	<u>-7,256</u>	<u>-6,500</u>
Cash Balance, Ending	\$ 11,005	\$ 7,524	\$ 4,799

Supplemental State Assistance Fund

This fund was created by Act 205 of 1984, the Municipal Pension Plan Funding Standard and Recovery Act, and is administered by the Auditor General. Under Act 205, the Auditor General is responsible for the administration of the Supplemental State Assistance Program, including disbursement of funds to distressed municipal pension systems based on certifications provided by the Public Employee Retirement Commission (PERC). Since 1989-90, revenues for the Supplemental State Assistance Fund have been provided entirely by General Fund appropriations. By statute, this program and fund terminated in 2003. The unspent balance within the fund shall be transferred to the General Fund.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 71	\$ 73	\$ 0
Receipts:			
General Fund Transfer.....	\$ 0	\$ -74	\$ 0
Interest	2	1	0
Total Receipts	2	-73	0
Total Funds Available	\$ 73	\$ 0	\$ 0
Disbursements:			
Auditor General.....	\$ 0	\$ 0	\$ 0
Total Disbursements	0	0	0
Cash Balance, Ending	\$ 73	\$ 0	\$ 0

Surface Mining Conservation and Reclamation Fund

This fund was created in 1945 to finance reclamation projects on land scarred by surface mining. Projects include recontouring, terracing and planting of trees, shrubs and grasses. Revenues are provided by charging surface mining operators for licenses and permits and by fining them for failure to apply for the licenses and permits as well as by forfeiture of collateral bonds, cash or securities for failure to comply with an approved reclamation plan.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 58,545	\$ 60,207	\$ 44,698
Receipts:			
Licenses and Fees.....	\$ 121	\$ 225	\$ 120
Fines and Penalties.....	258	355	210
Interest.....	717	1,000	140
Forfeiture of Bonds.....	4,083	0	0
Trust Account Collateral.....	1,358	0	0
Reclamation Fee O & M.....	4,075	0	0
ABS Legacy Sites Trust.....	5,020	0	0
Other.....	32	0	1,396
Total Receipts	15,664	1,580	1,866
Total Funds Available	\$ 74,209	\$ 61,787	\$ 46,564
Disbursements:			
Treasury.....	\$ 0	\$ 5	\$ 5
Environmental Protection.....	14,002	17,084	3,215
Total Disbursements	-14,002	-17,089	-3,220
Cash Balance, Ending	\$ 60,207	\$ 44,698	\$ 43,344

Tax Note Sinking Fund

Monies in this fund are used solely for the payment of principal and interest on tax anticipation notes issued for the General Fund or the Motor License Fund. Repayment of tax anticipation notes must be accomplished before the end of the fiscal year in which the notes were issued.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 0	\$ 0	\$ 0
Receipts:			
Transfer from General Fund.....	\$ 0	\$ 801,239	\$ 1,510,000
Premium on Sale of Notes.....	0	5,000	0
Interest on Securities.....	0	8	0
Total Receipts	<u>0</u>	<u>806,247</u>	<u>1,510,000</u>
Total Funds Available	\$ 0	\$ 806,247	\$ 1,510,000
Disbursements:			
Treasury.....	\$ 0	\$ 806,247	\$ 1,510,000
Total Disbursements	<u>0</u>	<u>-806,247</u>	<u>-1,510,000</u>
Cash Balance, Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

Tuition Account Guaranteed Savings Program Fund

Act 11 of 1992, amended by Act 58 of 2000, provided for the establishment of two programs for postsecondary educational savings. Both programs are administered by the Tuition Account Programs Bureau within the Treasury Department with oversight by the Tuition Account Programs Advisory Board. This fund offers a guaranteed rate of return tied to tuition inflation. Revenue is derived primarily from application fees, Tuition Account Guaranteed Savings Program contracts and investment income. Fund expenditures consist mainly of payments to educational institutions for tuition and administrative costs.

The ending fund balance shown in the statement includes substantial investment assets. The net investment adjustment receipt item is included to reflect the carrying value of long-term investments as of June 30. The Long-Term Investments (outside of Treasury) disbursement represents cash for investments purchased through various TAP fund investment managers.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 1,238,591	\$ 1,050,068	\$ 874,676
Receipts:			
Application Fees	\$ 588	\$ 608	\$ 620
Tuition Unit Purchases.....	153,389	147,000	150,000
Investment Earnings.....	30,739	31,500	32,130
Net Investment Adjustment.....	-220,846	-200,000	-100,000
Transfer from Investment Program.....	0	0	0
Other.....	507	500	500
Total Receipts	<u>-35,623</u>	<u>-20,392</u>	<u>83,250</u>
Total Funds Available	\$ 1,202,968	\$ 1,029,676	\$ 957,926
Disbursements:			
Treasury.....	\$ 152,900	\$ 155,000	\$ 158,000
Long-Term Invstmt (outside of Treasury).....	0	0	0
Total Disbursements	<u>-152,900</u>	<u>-155,000</u>	<u>-158,000</u>
Cash Balance, Ending	\$ 1,050,068	\$ 874,676	\$ 799,926

Tuition Account Investment Program Fund

Act 11 of 1992, amended by Act 58 of 2000, provided for the establishment of two programs for postsecondary educational savings. Both programs are administered by the Tuition Account Programs Bureau within the Treasury Department with oversight by the Tuition Account Programs Advisory Board. The Tuition Account Investment Program, launched in July 2002, provides market-based investment returns and offers participants several investment options based on age, investment risk or socially responsible investments comprising a mix of equity and fixed income portfolios. Fund revenue is derived primarily from Tuition Account Investment Program contracts and investment income. Fund expenditures consist mainly of redemption of program contracts.

The cash balance shown in the statement includes substantial investment assets. The net investment adjustment item is included to reflect the carrying value of long-term investments as of June 30.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 535,885	\$ 548,624	\$ 563,390
Receipts:			
Tuition Investment Purchases.....	\$ 24,777	\$ 27,488	\$ 28,037
Net Investment Adjustment.....	12,698	15,000	15,000
Other.....	47	0	0
Total Receipts	<u>37,522</u>	<u>42,488</u>	<u>43,037</u>
Total Funds Available	\$ 573,407	\$ 591,112	\$ 606,427
Disbursements:			
Treasury.....	\$ 24,783	\$ 27,722	\$ 28,327
Total Disbursements	<u>-24,783</u>	<u>-27,722</u>	<u>-28,327</u>
Cash Balance, Ending	\$ 548,624	\$ 563,390	\$ 578,100

Underground Storage Tank Indemnification Fund

The Storage Tank and Spill Prevention Act, Act 32 of 1989, as amended, established the Underground Storage Tank Indemnification Fund to administer a program to provide claim payments to owners and operators of underground storage tanks who incur liability for taking corrective action or for bodily injury or property damage caused by a release from underground storage tanks. Expenses for administration of the fund are also covered. The fund is administered by the Insurance Department in conjunction with a nine member Underground Storage Tank Indemnification Board.

Act 13 of 1998 established a new loan program to assist owners of regulated underground storage tanks to upgrade their underground storage tank systems to meet federal Environmental Protection Agency upgrade requirements or to remove them from service. Act 100 of 2000 expanded the upgrade loan program to include the removal of underground storage tanks. The act also established an environmental cleanup program and a pollution prevention program that are administered by the Department of Environmental Protection. The net investment adjustment is included to reflect the current market value of long term investments as of June 30. A loan of \$100 million was made to the General Fund on October 15, 2002 in accordance with Act 91 of 2002.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 125,014	\$ 109,465	\$ 72,997
Receipts:			
Gallon Fee	\$ 54,015	\$ 57,693	\$ 55,000
Tank Capacity Fee	6,406	6,400	6,400
Investment Income	2,420	526	1,017
Net Investment Adjustment	-11,933	0	0
Loan Repayments	406	0	0
Loan Repayment from General Fund	3,000	0	0
Miscellaneous Fees	1,005	0	0
Total Receipts	55,319	64,619	62,417
Total Funds Available	\$ 180,333	\$ 174,084	\$ 135,414
Disbursements:			
Treasury	\$ 199	\$ 10	\$ 10
Community and Economic Development	9	1,024	10
Environmental Protection	2,812	11,996	4,000
Insurance	67,848	88,057	69,974
Total Disbursements	-70,868	-101,087	-73,994
Cash Balance, Ending	\$ 109,465	\$ 72,997	\$ 61,420

Unemployment Compensation Benefit Payment Fund

Employers' and employees' contributions under the Unemployment Compensation Law are credited to the commonwealth's account in the Federal Unemployment Trust Fund. Requisitions of money from the Trust Fund for the payment of unemployment compensation benefits to eligible individuals are the revenue for the Unemployment Compensation Benefit Payment Fund.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 0	\$ 0	\$ 0
Receipts:			
Regular Unemployment Compensation			
Program.....	\$ 5,591,490	\$ 4,185,118	\$ 3,888,832
Federal Receipts in Transit ^a	13,620	25,600	23,800
Other.....	0	2,834,575	105,000
Total Receipts	<u>5,605,110</u>	<u>7,045,293</u>	<u>4,017,632</u>
Total Funds Available	<u>\$ 5,605,110</u>	<u>\$ 7,045,293</u>	<u>\$ 4,017,632</u>
Disbursements:			
Labor and Industry.....	\$ 5,605,110	\$ 7,045,293	\$ 4,017,632
Total Disbursements	<u>-5,605,110</u>	<u>-7,045,293</u>	<u>-4,017,632</u>
Cash Balance, Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

^a Represents future receipts of funds from the federal government for checks issued to individual recipients.

Unemployment Compensation Contribution Fund

This fund was created to hold moneys collected from employers under the Unemployment Compensation Law and, except for refunds of collections or transfers to the Special Administration Fund, the moneys are transferred to the United States Treasury for credit to the commonwealth's account in the Federal Unemployment Trust Fund established under Section 904 of the Social Security Act.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 4,698	\$ 4,866	\$ 0
Receipts:			
Contributions of Employers			
and Employees.....	\$ 2,112,014	\$ 2,346,959	\$ 2,688,200
Other.....	966	680	1,360
Total Receipts	<u>2,112,980</u>	<u>2,347,639</u>	<u>2,689,560</u>
Total Funds Available	<u>\$ 2,117,678</u>	<u>\$ 2,352,505</u>	<u>\$ 2,689,560</u>
Disbursements:			
Labor and Industry.....	\$ 2,112,812	\$ 2,352,505	\$ 2,689,560
Total Disbursements	<u>-2,112,812</u>	<u>-2,352,505</u>	<u>-2,689,560</u>
Cash Balance, Ending	<u>\$ 4,866</u>	<u>\$ 0</u>	<u>\$ 0</u>

Uninsured Employers Guaranty Fund

This fund was created by Act 147 of 2006, amending the Pennsylvania Workers' Compensation Act. The purpose of this fund is to pay claimants, or their dependents, workers' compensation benefits where the employer liable for the payments failed to insure or self-insure its workers' compensation liability at the time the injuries took place. A one-time transfer of \$1,000,000 from the Workmen's Compensation Administration Fund will be used for funding until June 30, 2007. Funding will then be maintained by assessments on insurers and self-insured employers. Assessments are limited to 0.1% of the total compensation paid by all insurers or self-insured employers during the previous calendar year.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 3,344	\$ 2,813	\$ 2,493
Receipts:			
Assessments/Self-Insurer's Security.....	\$ 2,751	\$ 2,800	\$ 2,800
Interest.....	-134	130	130
Total Receipts	<u>2,617</u>	<u>2,930</u>	<u>2,930</u>
Total Funds Available	\$ 5,961	\$ 5,743	\$ 5,423
Disbursements:			
Labor and Industry.....	\$ 3,148	\$ 3,250	\$ 3,000
Total Disbursements	<u>-3,148</u>	<u>-3,250</u>	<u>-3,000</u>
Cash Balance, Ending	\$ 2,813	\$ 2,493	\$ 2,423

Vocational Rehabilitation Fund

This fund, administered by the State Board of Vocational Rehabilitation in the Department of Labor and Industry, was created to provide vocational rehabilitation services to any person who has a disability, mental or physical, which constitutes a handicap to employment or to achieve independent living status. Services can be provided directly or through a purchase of service arrangement. Receipts for this fund come from federal vocational rehabilitation funds, transfer of General Fund appropriations for matching the federal funds, interest earned and local match.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 8,776	\$ 686	\$ 3,983
Receipts:			
Transfer from General Fund.....	\$ 43,601	\$ 43,303	\$ 43,303
Federal Vocational Rehabilitation Funds.....	118,365	178,764	152,899
Interest.....	-610	700	700
Total Receipts	<u>161,356</u>	<u>222,767</u>	<u>196,902</u>
Total Funds Available	\$ 170,132	\$ 223,453	\$ 200,885
Disbursements:			
Labor and Industry.....	\$ 169,446	\$ 219,470	\$ 196,902
Total Disbursements	<u>-169,446</u>	<u>-219,470</u>	<u>-196,902</u>
Cash Balance, Ending	\$ 686	\$ 3,983	\$ 3,983

Volunteer Companies Loan Fund

Bond referenda in 1975, 1981, 1990 and 2002 authorized a total of \$100 million of bonds to be issued for acquisition and replacement of volunteer fire, ambulance and rescue company equipment and facilities. Act 208 of 1976 established a revolving loan fund known as the Volunteer Companies Loan Fund; loans provided for under these bond issues are administered by the Department of Emergency Management and Homeland Security. Revenue to the fund in addition to bond proceeds includes loan repayments and interest earnings. General Fund transfer appropriations have also been provided to fund the program.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 26,023	\$ 32,586	\$ 31,661
Receipts:			
Loan Principal Repayments.....	\$ 16,408	\$ 14,250	\$ 16,000
Loan Interest.....	2,145	2,250	2,000
Interest.....	517	75	75
Delinquent Interest.....	0	0	10
Total Receipts	<u>19,070</u>	<u>16,575</u>	<u>18,085</u>
Total Funds Available	\$ 45,093	\$ 49,161	\$ 49,746
Disbursements:			
Emergency Management	\$ 12,507	\$ 17,500	\$ 17,500
Total Disbursements	<u>-12,507</u>	<u>-17,500</u>	<u>-17,500</u>
Cash Balance, Ending	\$ 32,586	\$ 31,661	\$ 32,246

Volunteer Companies Loan Sinking Fund

Monies in this fund are used to redeem or pay interest on bonds issued for the Volunteer Companies Loan Fund. The annual appropriation from the General Fund for general obligation debt service provides revenues to the fund.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 0	\$ 0	\$ 0
Receipts:			
Transfer from General Fund.....	\$ 239	\$ 87	\$ 82
Total Receipts	<u>239</u>	<u>87</u>	<u>82</u>
Total Funds Available	\$ 239	\$ 87	\$ 82
Disbursements:			
Treasury.....	\$ 239	\$ 87	\$ 82
Total Disbursements	<u>-239</u>	<u>-87</u>	<u>-82</u>
Cash Balance, Ending	\$ 0	\$ 0	\$ 0

Water Facilities Loan Redemption Fund

Payment of interest and principal due on outstanding water facilities loan bonds is made from this fund. The annual appropriation from the General Fund for general obligation debt service and interest on monies in the Water Facilities Loan Fund provide revenues to this fund.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 0	\$ 0	\$ 0
Receipts:			
Transfer from General Fund.....	\$ 1,858	\$ 1,857	\$ 1,852
Total Receipts	1,858	1,857	1,852
Total Funds Available	\$ 1,858	\$ 1,857	\$ 1,852
Disbursements:			
Treasury.....	\$ 1,858	\$ 1,857	\$ 1,852
Total Disbursements	-1,858	-1,857	-1,852
Cash Balance, Ending	\$ 0	\$ 0	\$ 0

Water Supply and Wastewater Treatment Fund

Act 218 of 2004 established the Water Supply and Wastewater Infrastructure Capitalization Program. Funding for the program is generated from the \$250 million bond issue approved by the electorate in April of 2004. Funds are allocated to the Commonwealth Financing Authority and the Infrastructure Investment Authority (PENNVEST) to be used for grants and loans for new and existing water supply and wastewater system projects in the commonwealth.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 82,648	\$ 43,778	\$ 21,276
Receipts:			
Sale of Bonds.....	\$ 0	\$ 25,000	\$ 34,000
Premium on Sale of Bonds.....	0	0	0
Loan Repayment.....	2,047	1,000	500
Interest.....	1,230	141	144
Total Receipts	3,277	26,141	34,644
Total Funds Available	\$ 85,925	\$ 69,919	\$ 55,920
Disbursements:			
Community & Economic Development - Public.....	\$ 32,872	\$ 42,000	\$ 29,920
Community & Economic Development - Private.....	4,754	2,000	4,080
PENNVEST.....	4,521	4,643	1,300
Total Disbursements	-42,147	-48,643	-35,300
Cash Balance, Ending	\$ 43,778	\$ 21,276	\$ 20,620

Water Supply and Wastewater Treatment Sinking Fund

Monies in this fund are used to redeem or pay interest on bonds issued for the Water Supply and Wastewater Treatment Program. The annual appropriation from the the General Fund for general obligation debt service provides revenues to the fund.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 0	\$ 0	\$ 0
Receipts:			
Transfer from General Fund.....	\$ 14,797	\$ 14,197	\$ 16,299
Total Receipts	14,797	14,197	16,299
Total Funds Available	\$ 14,797	\$ 14,197	\$ 16,299
Disbursements:			
Treasury.....	\$ 14,797	\$ 14,197	\$ 16,299
Total Disbursements	-14,797	-14,197	-16,299
Cash Balance, Ending	\$ 0	\$ 0	\$ 0

Wild Resource Conservation Fund

This fund was created by Act 170 of 1982. Revenue is derived primarily from tax rebate check-offs and voluntary contributions. The fund collects information relating to population, distribution, habitat needs, limiting factors and other biological and ecological data to classify plants and to determine necessary management measures. These management measures include promotion of a statewide system of private wild plant sanctuaries; permitting of removal, collection or transplanting of endangered or threatened plant species; and regulation of the digging, harvesting, sale and exploitation of designated species.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 124	\$ 155	\$ 245
Receipts:			
Tax Check-Offs.....	\$ 146	\$ 109	\$ 118
Interest.....	-6	0	2
Voluntary Donations.....	7	30	5
License Plate Sales.....	24	30	25
Other.....	19	110	15
Total Receipts	190	279	165
Total Funds Available	\$ 314	\$ 434	\$ 410
Disbursements:			
Conservation and Natural Resources.....	\$ 159	\$ 189	\$ 211
Total Disbursements	-159	-189	-211
Cash Balance, Ending	\$ 155	\$ 245	\$ 199

Wireless E-911 Emergency Services Fund

Act 56 of 2003, the Public Safety Emergency Telephone Act, established the Wireless E-911 Emergency Services Fund to support a statewide integrated wireless E-911 plan. The fund is used to collect and deposit a surcharge collected by wireless service providers on a monthly basis, the proceeds of which are remitted to the fund quarterly. Up to 2 percent of annual surcharge proceeds can be used by the agency for administrative costs with the remaining available balance being used for approved county grants.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 10,133	\$ 13,086	\$ 2,900
Receipts:			
Surcharges	\$ 105,978	\$ 105,000	\$ 105,500
Interest.....	-258	0	0
Total Receipts	<u>105,720</u>	<u>105,000</u>	<u>105,500</u>
Total Funds Available	\$ 115,853	\$ 118,086	\$ 108,400
Disbursements:			
Emergency Management			
Administration.....	\$ 1,796	\$ 2,124	\$ 2,100
Grants.....	100,971	113,062	106,000
Total Disbursements	<u>-102,767</u>	<u>-115,186</u>	<u>-108,100</u>
Cash Balance, Ending	\$ 13,086	\$ 2,900	\$ 300

Workers' Compensation Security Fund

The purpose of this fund is payment of valid claims for compensation provided by the Workers' Compensation Act to individuals who are insured by an insolvent stock company. Expenses for administration of the fund are also covered.

Through June 30, 2000, payment equal to one percent of the net written premiums received for workers' compensation insurance policies written in the commonwealth by stock companies, mutual carriers and reciprocal exchanges during the preceding annual reporting period were credited to the fund. Such payments were required only if the balance less known liabilities of the fund was determined to be less than five percent of the loss reserves of all such companies for payments of benefits under the Workers' Compensation Act.

Act 49 of 2000 removed the statutory annual assessment procedures in conjunction with giving prudent person investment authority to the Insurance Commissioner jointly with the State Treasurer for the investment of moneys in the fund. This change was expected to generate increased earnings to the fund, thereby reducing the frequency of the assessment. The act requires the Insurance Department to manage the fund to maintain its actuarial soundness and a minimum balance of \$500 million as of December 31 of any given year. If the fund balance falls below \$500 million by calendar year end, the department will assess contributions to restore the balance in the fund in a timely manner.

The net investment adjustment shown below is to reflect the current market value of long-term investments as of June 30.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 484,295	\$ 457,836	\$ 453,727
Receipts:			
Assessments and Receipts	\$ 26,851	\$ 25,000	\$ 40,000
Interest	20,199	16,500	15,300
Net Investment Adjustment	-31,266	0	0
Miscellaneous	846	770	0
Total Receipts	<u>16,630</u>	<u>42,270</u>	<u>55,300</u>
Total Funds Available	\$ 500,925	\$ 500,106	\$ 509,027
Disbursements:			
Treasury	\$ 0	\$ 5	\$ 5
Insurance	43,089	46,374	45,000
Total Disbursements	<u>-43,089</u>	<u>-46,379</u>	<u>-45,005</u>
Cash Balance, Ending	\$ 457,836	\$ 453,727	\$ 464,022

Workmen's Compensation Administration Fund

This fund was created by Act 2 of 1976 to finance the expenses of the Department of Labor and Industry in administering the Pennsylvania Workers' Compensation Act and the Pennsylvania Occupational Disease Act. Act 44 of 1993 and Act 57 of 1996 amended the Workers' Compensation Act, expanding the administrative responsibilities of the department. The fund is supported by annual assessments on insurers and self-insurers under the act. These administrative funds are approved by the legislature for expenditure through the appropriation process. Administrative funds are also provided to the Office of the Small Business Advocate (OSBA) through the Department of Community and Economic Development to represent the interests of the employers in workers' compensation rate filings before the Insurance Department.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 88,743	\$ 101,592	\$ 94,286
Receipts:			
Assessments.....	\$ 60,009	\$ 68,218	\$ 72,615
Interest.....	1,370	508	600
Fines and Penalties.....	62	25	25
Other.....	835	260	260
Total Receipts	<u>62,276</u>	<u>69,011</u>	<u>73,500</u>
Total Funds Available	\$ 151,019	\$ 170,603	\$ 167,786
Disbursements:			
Treasury.....	\$ 2	\$ 2	\$ 2
Community and Economic Development.....	175	194	190
Labor and Industry.....	49,250	76,123	74,951
Total Disbursements	<u>-49,427</u>	<u>-76,317</u>	<u>-75,141</u>
Cash Balance, Ending	<u>101,592</u>	<u>94,286</u>	<u>92,645</u>

Workmen's Compensation Supersedeas Fund

The purpose of this fund is to reimburse insurers for payments made by them to claimants under the Workers' Compensation Act who are later determined to be ineligible. The fund is maintained by annual assessments on insurers and self-insurers and is administered by the Department of Labor and Industry.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2008-09 Actual	2009-10 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 5,482	\$ 11,626	\$ 8,235
Receipts:			
Assessments.....	\$ 18,054	\$ 14,491	\$ 14,938
Other.....	364	72	100
Interest.....	-310	46	50
Total Receipts	18,108	14,609	15,088
Total Funds Available	\$ 23,590	\$ 26,235	\$ 23,323
Disbursements:			
Labor and Industry.....	\$ 11,964	\$ 18,000	\$ 13,000
Total Disbursements	-11,964	-18,000	-13,000
Cash Balance, Ending	\$ 11,626	\$ 8,235	\$ 10,323



Commonwealth of Pennsylvania

Governor's Executive Budget

COMPLEMENT

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COMPLEMENT

This section provides a summary by department of authorized salaried complement on a full-time equivalent (FTE) basis for the actual, available and budget years. It also provides a brief description by agency and appropriation of the changes recommended in the budget.

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**AUTHORIZED SALARIED COMPLEMENT BY AGENCY
FULL-TIME EQUIVALENT (FTE)**

The following is a summary, by department, of the commonwealth's authorized complement levels on a full-time equivalent (FTE) basis. Since taking office in January 2003 the Rendell administration has reduced the commonwealth's complement through disciplined management.

<i>Department</i>	<i>January 2003</i>	<i>2008-09 Actual</i>	<i>2009-10 Available</i>	<i>2010-11 Budget</i>		<i>Total</i>	<i>Difference Budget vs. Available</i>
				<i>Positions Eliminated</i>	<i>Other Changes</i>		
Governor's Office	91	80	67			67	
Executive Offices	2,377	2,421	2,119	-68		2,051	-68
Lieutenant Governor's Office	15	17	12			12	
Aging and Long Term Living	114	119	97		136	233	136
Agriculture	656	710	611			611	
Banking	123	204	196			196	
Civil Service Commission	180	170	160	-17		143	-17
Community and Economic Development	344	376	343	-1	1	343	
Conservation and Natural Resources	1,391	1,408	1,356	-23	12	1,345	-11
Corrections	15,476	15,866	16,215	-5	66	16,276	61
Education	864	760	603	-9	3	597	-6
Emergency Management Agency	166	192	175			175	
Environmental Hearing Board	22	17	14			14	
Environmental Protection	3,211	3,018	2,767		68	2,835	68
Fish & Boat Commission	436	432	432			432	
Game Commission	732	707	698			698	
General Services	1,448	1,392	1,246	-51		1,195	-51
Health	1,526	1,636	1,544	-57	11	1,498	-46
Historical and Museum Commission	358	300	212	-12		200	-12
Infrastructure Investment Authority	27	30	30			30	
Insurance	396	388	334			334	
Labor and Industry	5,951	5,581	5,050	-4	54	5,100	50
Liquor Control Board	3,037	3,258	3,276			3,276	
Military and Veterans Affairs	2,481	2,483	2,336			2,336	
Milk Marketing Board	36	33	33			33	
Municipal Employees' Retirement	27	30	30			30	
Probation and Parole Board	1,049	1,175	1,173		33	1,206	33
Public Television Network	20	20					
Public Utility Commission	533	519	519			519	
Public Welfare	21,373	18,620	18,197	-84	-128	17,985	-212
Revenue	2,311	2,385	2,127	-21		2,106	-21
School Employees' Retirement System	290	310	310			310	
Securities Commission	93	86	79			79	
State	502	532	531			531	
State Employees' Retirement System	192	197	197			197	
State Police	5,899	6,385	6,354			6,354	
Tax Equalization Board	22	19	15			15	
Transportation	12,356	12,011	11,876			11,876	
TOTAL ALL DEPARTMENTS	86,125	83,887	81,334	-352	256	81,238	-96

Summary of 2010-11 Complement Changes

The following is a detailed listing, by department, of the recommended authorized salaried complement changes (on a full-time equivalent basis) for 2010-11. It reflects proposed eliminations, new positions and transfers between appropriations and agencies.

Department / Fund / Appropriation	Increase/ Decrease	Comment on Complement Change
EXECUTIVE OFFICES		
General Fund:		
Office of General Counsel.....	-3	Eliminated positions.
Inspector General - Welfare Fraud.....	-34	Eliminated positions.
Commonwealth Technology Services.....	4	TRANSFERRED: From Public Television Technology (5). Eliminated position (-1).
Public Television Technology.....	-5	TRANSFERRED: To Commonwealth Technology Services.
Office of the Budget.....	-22	Eliminated positions.
Office of Administration.....	-8	Eliminated positions.
DEPARTMENT TOTAL	<u>-68</u>	
LIEUTENANT GOVERNOR'S OFFICE		
General Fund:		
Lieutenant Governor's Office.....	-1	TRANSFERRED: To Board of Pardons.
Board of Pardons.....	1	TRANSFERRED: From Lieutenant Governor's Office.
DEPARTMENT TOTAL	<u>0</u>	
AGING AND LONG TERM LIVING		
General Fund:		
Long-Term Living - Administration.....	<u>136</u>	NEW: For implementation of assisted living regulations (8). TRANSFERRED: From Public Welfare (128).
AGRICULTURE		
General Fund:		
Hardwoods Research and Promotion.....	-2	TRANSFERRED: To General Government Operations.
General Government Operations.....	2	TRANSFERRED: From Hardwoods Research and Promotion.
DEPARTMENT TOTAL	<u>0</u>	
CIVIL SERVICE COMMISSION		
General Fund:		
General Government Operations.....	<u>-17</u>	Eliminated positions.
COMMUNITY AND ECONOMIC DEVELOPMENT		
General Fund:		
World Trade PA.....	<u>-1</u>	Eliminated position.
HOME Investment Trust Fund:		
HOME Investment Partnership.....	<u>1</u>	NEW: For administrative oversight.
DEPARTMENT TOTAL	<u>0</u>	
CONSERVATION AND NATURAL RESOURCES		
General Fund:		
State Forests Operations.....	12	NEW: For forest management activity related to oil and gas drilling.
State Parks Operations.....	<u>-23</u>	Eliminated positions.
DEPARTMENT TOTAL	<u>-11</u>	
CORRECTIONS		
General Fund:		
Medical Care.....	6	NEW: For capacity expansion.
Inmate Education and Training.....	-5	Eliminated positions.



Summary of 2010-11 Complement Changes

Department / Fund / Appropriation	Increase/ Decrease	Comment on Complement Change
State Correctional Institutions.....	66	NEW: For capacity expansion (60). TRANSFERRED: From General Government Operations (6).
General Government Operations.....	-6	TRANSFERRED: To State Correctional Institutions.
DEPARTMENT TOTAL	<u>61</u>	
EDUCATION		
General Fund:		
General Government Operations.....	-28	TRANSFERRED: To Teacher Certification.
Teacher Certification.....	28	TRANSFERRED: From General Government Operations.
Private Licensed Schools.....	3	NEW: For program support and oversight.
General Fund Total	<u>3</u>	
Federal Funds:		
DFSC - Administration (F).....	-7	Eliminated positions.
Charter Schools Initiatives (F).....	-2	Eliminated positions.
Federal Funds Total	<u>-9</u>	
DEPARTMENT TOTAL	<u>-6</u>	
EMERGENCY MANAGEMENT AGENCY		
General Fund:		
General Government Operations.....	-1	TRANSFERRED: To Security.
Security.....	1	TRANSFERRED: From General Government Operations.
DEPARTMENT TOTAL	<u>0</u>	
ENVIRONMENTAL PROTECTION		
General Fund:		
Well Plugging Account.....	<u>68</u>	NEW: For oil and gas inspectors.
GENERAL SERVICES		
General Fund:		
General Government Operations.....	<u>-51</u>	Eliminated positions.
HEALTH		
General Fund:		
Quality Assurance.....	-14	Eliminated positions.
State Laboratory.....	-8	Eliminated positions.
State Health Care Centers.....	-11	Eliminated positions.
General Government Operations.....	-6	Eliminated positions.
Rx for PA - Hospital Acquired Infections.....	-1	Eliminated position.
General Fund Total	<u>-40</u>	
Federal Funds:		
Health Assessment (F).....	-1	Eliminated position.
Disease Control Immunization (F).....	-7	TRANSFERRED: To ARRA - Disease Control Immunization (F) (-1). Eliminated positions (-6).
HIV / AIDS Surveillance (F).....	-5	Eliminated positions.
Preventive Health Special Projects (F).....	-4	Eliminated positions.
Cancer Prevention & Control (F).....	-1	Eliminated position.
Food Emergency Response (F).....	1	NEW: For food emergency outbreak response and surveillance.
ARRA - Disease Control Immunization (F).....	1	TRANSFERRED: From Disease Control Immunization (F).
Public Health Emergency Preparedness and Response (F).....	10	NEW: For emergency preparedness activities.
Federal Funds Total	<u>-6</u>	
DEPARTMENT TOTAL	<u>-46</u>	



Summary of 2010-11 Complement Changes

Department / Fund / Appropriation	Increase/ Decrease	Comment on Complement Change
HISTORICAL AND MUSEUM COMMISSION		
General Fund:		
General Government Operations.....	-11	Eliminated positions.
Rental and Other Income - Historic Sites and Museums.....	-1	Eliminated position.
DEPARTMENT TOTAL	<u>-12</u>	
LABOR AND INDUSTRY		
General Fund:		
PENNSAFE.....	-1	Eliminated position.
General Government Operations.....	-3	Eliminated positions.
General Fund Total	<u>-4</u>	
Workmen's Compensation Administration Fund:		
Administration of Workers' Compensation.....	54	NEW: For workers compensation processing and oversight.
DEPARTMENT TOTAL	<u>50</u>	
PROBATION AND PAROLE		
General Fund:		
General Government Operations.....	<u>33</u>	NEW: For workforce development (24) and for case processing (9).
PUBLIC WELFARE		
General Fund:		
County Administration - Statewide.....	-95	TRANSFERRED: To Aging and Long Term Living (-90). Eliminated positions (-5).
Child Support Enforcement.....	-3	Eliminated positions.
New Directions.....	-3	Eliminated positions.
Information Systems.....	-5	Eliminated positions.
General Government Operations.....	-54	TRANSFERRED: To Aging and Long Term Living (-38). Eliminated positions (-16).
County Assistance Offices.....	<u>-52</u>	Eliminated positions.
DEPARTMENT TOTAL	<u>-212</u>	
REVENUE		
General Fund:		
General Government Operations.....	57	TRANSFERRED: From Revenue Enforcement (78). Eliminated positions (-21).
Revenue Enforcement.....	<u>-78</u>	TRANSFERRED: To General Government Operations.
General Fund Total	<u>-21</u>	
Lottery Fund:		
General Operations.....	8	TRANSFERRED: From Expanded Sales (75) and to Property Tax Rebate - General Operations (-67).
Expanded Sales.....	-75	TRANSFERRED: To General Operations.
Property Tax Rebate - General Operations.....	67	TRANSFERRED: From General Operations.
Lottery Fund Total	<u>0</u>	
DEPARTMENT TOTAL	<u>-21</u>	
GRAND TOTAL	<u>-96</u>	



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STATISTICAL DATA

This section contains historical data for various Pennsylvania economic indicators. Data is obtained from published sources noted on each page. Additional data is available from the Penn State Data Center through their homepage at (www.pasdc.hbg.psu.edu/).



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SELECTED DATA ON THE COMMONWEALTH OF PENNSYLVANIA

General

The Commonwealth of Pennsylvania is one of the most populous states, ranking sixth behind California, Texas, New York, Florida, and Illinois. Pennsylvania is an established state with a diversified economy. Pennsylvania had been historically identified as a heavy industrial state. That reputation has changed over the last thirty years as the coal, steel and railroad industries declined. The commonwealth's business environment readjusted with a more diversified economic base. This economic readjustment was a direct result of a long-term shift in jobs, investment, and workers away from the northeast part of the nation. Currently, the major sources of growth in Pennsylvania are in the service sector, including trade, medical, health services, education and financial institutions.

Pennsylvania's agricultural industries remain an important component of the commonwealth's economic structure, accounting for more than \$5.8 billion in crop and livestock products annually. In 2008, agribusiness and food related industries had export sales surpassing \$1.3 billion in economic activity. Over 63,000 farms form the backbone of the state's agricultural economy. Farmland in Pennsylvania includes over four million acres of harvested cropland and three million acres of pasture and farm woodlands - nearly one-third of the commonwealth's total land area. Agricultural diversity in the commonwealth is demonstrated by the fact that Pennsylvania ranks among the top ten states in the production of a variety of agricultural products.

Pennsylvania's extensive public and private forests provide a vast source of material for the lumber, furniture, and paper products industries. The forestry and related industries account for 1.5% of employment with economic activity of nearly \$5 billion in domestic and international trade. Additionally, the commonwealth derives a good water supply from underground sources, abundant rainfall, and a large number of rivers, streams, and lakes. Other natural resources include major deposits of coal, petroleum, and natural gas. Annually, about 77 million tons of anthracite and bituminous coal, 168 billion cubic feet of natural gas, and about 3.6 million barrels of oil are extracted from Pennsylvania.

Pennsylvania is a Mid-Atlantic state within easy reach of the populous eastern seaboard as well as a gateway to the Midwest. A comprehensive transportation grid enhances the commonwealth's strategic geographic position. The commonwealth's water systems afford the unique feature of triple port coverage, a deep-water port at Philadelphia, a Great Lakes port at Erie and an inland water port at Pittsburgh. Whether by air, rail, water, or road, Pennsylvania is easily accessible for both inter and intra state trade and commerce.



Population

The commonwealth is highly urbanized. Of the commonwealth's 2009 mid-year population estimate, 79 percent resided in the 15 Metropolitan Statistical Areas ("MSAs") of the commonwealth. The largest MSAs in the commonwealth are those that include the cities of Philadelphia and Pittsburgh, which together contain almost 44 percent of the state's total population. The population of Pennsylvania, 12.6 million people in 2009, according to the U.S. Bureau of the Census, represents a population growing slower than the nation with a higher portion than the nation or the region comprised of persons 45 or over. The following tables present the population trend from 2000 to 2009 and the age distribution of the population for 2008.

Population Trends Pennsylvania, Middle Atlantic Region and the United States 2000-2009

As of July 1	Total Population In Thousands			Total Population as a % of 2000 base		
	PA	Middle Atlantic Region ^(a)	U.S.	PA	Middle Atlantic Region ^(a)	U.S.
2000	12,285	39,714	282,171	100%	100%	100%
2001	12,299	39,876	285,081	100	100	101
2002	12,326	40,031	287,803	100	101	102
2003	12,357	40,171	290,326	101	101	103
2004	12,388	40,296	293,045	101	101	104
2005	12,418	40,369	295,753	101	102	105
2006	12,471	40,450	298,593	102	102	106
2007	12,522	40,580	301,579	102	102	107
2008	12,566	40,696	304,374	102	103	108
2009	12,604	40,852	307,006	103	103	109

^(a) Middle Atlantic Region: Pennsylvania, New York, New Jersey
Source: U.S. Department of Commerce, Bureau of the Census

Population By Age Group — 2008 Pennsylvania, Middle Atlantic Region and the United States

Age	Pennsylvania	Middle Atlantic Region ^(a)	United States
Under 5 years	5.9 %	6.1%	6.9 %
5-24 years	25.8	26.2	27.2
25-44 years	25.8	27.1	27.4
45-64 years	27.3	26.7	25.7
65 years and over	15.2	13.9	12.8

^(a) Middle Atlantic Region: Pennsylvania, New York, New Jersey.
Source: U.S. Department of Commerce, Bureau of the Census



Employment

Non-agricultural employment in Pennsylvania over the ten years ending in 2008 increased at an average annual rate of 0.4 percent compared with a 0.4 percent rate for the Middle Atlantic region and 0.6 percent rate for the U.S. The following table shows employment trends from 1999 through 2008.

**Non-Agricultural Establishment Employment Trends
Pennsylvania, Middle Atlantic Region and the United States
1999-2008**

Calendar Year	Total Establishment Employment In Thousands			Total Establishment Employment as a % of 1999 base		
	PA	Middle Atlantic Region ^(a)	U.S.	PA	Middle Atlantic Region ^(a)	U.S.
1999	5,586	17,946	128,993	100 %	100 %	100 %
2000	5,691	18,324	131,785	102	102	102
2001	5,682	18,274	131,826	104	104	105
2002	5,640	18,087	130,341	103	104	105
2003	5,611	17,999	129,999	103	103	104
2004	5,644	18,108	131,435	102	103	103
2005	5,702	18,278	133,703	103	103	104
2006	5,756	18,446	136,086	104	104	106
2007	5,797	18,610	137,598	105	105	108
2008	5,800	18,654	137,066	105	106	109

^(a) Middle Atlantic Region: Pennsylvania, New York, New Jersey.
Source: U.S. Department of Labor, Bureau of Labor Statistics.

Non-manufacturing employment in Pennsylvania has increased in recent years and reached 88.9 percent of total employment by 2008. Consequently, manufacturing employment constitutes a diminished share of total employment within the commonwealth. Manufacturing, contributing 11.1 percent of 2008 non-agricultural employment, has fallen behind the services sector and the trade sector as the largest single source of non-governmental employment within the commonwealth. In 2008, the services sector accounted for 42.0 percent of all non-agricultural employment while the trade sector accounted for 19.4 percent. The following table shows trends in employment by sector for Pennsylvania from 2004 through 2008.



Non-Agricultural Establishment Employment by Sector Pennsylvania 2004-2008 (In Thousands)

	CALENDAR YEAR									
	2004		2005		2006		2007		2008	
	Employees	%	Employees	%	Employees	%	Employees	%	Employees	%
Manufacturing:										
Durable.....	412.2	7.3	412.9	7.2	414.4	7.2	407.4	7.0	400.0	6.9
Non-Durable.....	278.5	4.9	266.5	4.7	256.0	4.4	251.7	4.3	244.2	4.2
Total										
Manufacturing ^(d)	690.7	12.2	679.4	11.9	670.4	11.6	659.1	11.4	644.2	11.1
Non-Manufacturing:										
Trade ^(a)	1,113.6	19.7	1,120.3	19.6	1,125.8	19.6	1,133.9	19.6	1,125.5	19.4
Finance ^(b)	336.2	6.0	335.7	5.9	335.0	5.8	332.8	5.7	330.4	5.7
Services.....	2,269.6	40.2	2,321.1	40.7	2,364.4	41.1	2,404.8	41.5	2,435.7	42.0
Government.....	744.4	13.2	745.1	13.1	745.6	13.0	744.8	12.8	749.4	12.9
Utilities ^(c)	220.8	3.9	225.2	3.9	233.5	4.1	239.1	4.1	237.8	4.1
Construction.....	250.2	4.4	255.7	4.5	261.0	4.5	262.3	4.5	255.8	4.4
Mining.....	18.7	0.3	19.7	0.3	20.4	0.4	21.1	0.4	22.1	0.4
Total										
Non-Manufacturing ^(d)	4,953.5	87.8	5,022.8	87.9	5,085.7	88.4	5,138.8	88.6	5,156.7	88.9
Total Employees ^{(d)(e)}										
	<u>5,644.2</u>	<u>100.0</u>	<u>5,702.2</u>	<u>99.8</u>	<u>5,756.1</u>	<u>100.0</u>	<u>5,797.9</u>	<u>100.0</u>	<u>5,800.9</u>	<u>100.0</u>

^(a) Wholesale and retail trade.

^(b) Finance, insurance and real estate.

^(c) Includes transportation, communications, electric, gas and sanitary services.

^(d) Discrepancies occur due to rounding.

^(e) Does not include workers involved in labor-management disputes.

Source: US Bureau of Labor Statistics

The following table presents the percentages of non-agricultural employment in various sectors in Pennsylvania and the United States in 2008.

Non-Agricultural Establishment Employment by Sector Pennsylvania and the United States

	2008 Calendar Year	
	<u>Pennsylvania</u>	<u>United States</u>
Manufacturing.....	11.1 %	9.8 %
Trade ^(a)	19.4	19.2
Finance ^(b)	5.7	5.9
Services.....	42.0	39.2
Government.....	12.9	16.4
Utilities ^(c)	4.1	3.7
Construction.....	4.4	5.3
Mining.....	0.4	0.5
Total.....	<u>100.0 %</u>	<u>100.0 %</u>

^(a) Wholesale and retail trade.

^(b) Finance, insurance and real estate.

^(c) Includes transportation, communications, electric, gas and sanitary services.

Source: U.S. Department of Labor, Bureau of Labor Statistics.



Within the manufacturing sector of Pennsylvania's economy, which now accounts for less than one-eighth of total non-agricultural employment in Pennsylvania, the fabricated metals industries employed the largest number of workers. Employment in the fabricated metals industries was 14.2 percent of Pennsylvania manufacturing employment but only 1.5 percent of total Pennsylvania non-agricultural employment in 2008. The following table shows trends in manufacturing employment by industry for Pennsylvania from 2004 through 2008.

Manufacturing Establishment Employment by Industry Pennsylvania 2004-2008 (In Thousands)

	CALENDAR YEAR									
	2004		2005		2006		2007		2008	
	Employees	%	Employees	%	Employees	%	Employees	%	Employees	%
Durable Goods:										
Primary Metals.....	43.1	6.2	43.0	6.3	43.5	6.5	42.6	6.5	41.6	6.5
Fabricated Metals.....	88.7	12.8	90.1	13.3	90.9	13.6	91.5	13.9	91.7	14.2
Machinery (excluding electrical)....	54.8	7.9	55.6	8.2	57.0	8.5	56.8	8.6	56.8	8.8
Electrical Equipment.....	25.6	3.7	25.8	3.8	26.7	4.0	26.9	4.1	27.3	4.2
Transportation Equipment....	42.7	6.2	43.7	6.4	44.3	6.6	43.5	6.6	43.5	6.8
Furniture Related Products.....	24.4	3.5	24.0	3.5	23.7	3.5	22.3	3.4	20.4	3.2
Other Durable Goods.....	132.9	19.2	130.7	19.2	128.3	19.1	123.8	18.8	118.7	18.4
Total Durable Goods^(a).....	412.2	59.7	412.9	60.8	414.4	61.8	407.4	61.8	400.0	62.1
Non-Durable Goods:										
Pharmaceutical/Medicine...	22.6	3.3	21.9	3.2	21.9	3.3	22.0	3.3	22.3	3.5
Food Products.....	72.6	10.5	70.9	10.4	68.9	10.3	69.0	10.5	67.6	10.5
Chemical Products.....	52.7	7.6	49.2	7.2	46.7	7.0	46.4	7.0	45.7	7.1
Printing and Publishing.....	37.7	5.5	37.1	5.5	36.3	5.4	35.2	5.3	33.2	5.2
Plastics/Rubber Products.....	40.9	5.9	40.2	5.9	39.8	5.9	39.5	6.0	38.9	6.0
Other Non-Durable Goods...	52.0	7.5	47.2	6.9	42.4	6.3	39.6	6.0	36.5	5.7
Total Non-Durable Goods^(a).....	278.5	40.3	266.5	39.2	256.0	38.2	251.7	38.2	244.2	37.9
Total Manufacturing Employees^(a).....	690.7	100.0	679.4	100.0	670.4	100.0	659.1	100.0	644.2	100.0

^(a) Discrepancies occur due to rounding

Source: U.S. Department of Labor, Bureau of Labor Statistics.

Unemployment

Pennsylvania's annual average unemployment rate was equivalent to the national average throughout the 2000's. Slower economic growth caused the unemployment rate in the commonwealth to rise to 5.7 percent in 2003. The resumption of faster economic growth resulted in a decrease in the commonwealth's annual unemployment rate to 4.4 percent in 2007. As of November 2009, the most recent month for which figures are available, Pennsylvania had a seasonally adjusted annual unemployment rate of 8.5 percent. The following table represents the annual non-adjusted unemployment rate in Pennsylvania, the Middle Atlantic Region, and the United States from 1999 through 2008.



Annual Average Unemployment Rate Pennsylvania, Middle Atlantic Region and the United States 1999-2008

Calendar Year	Pennsylvania	Middle Atlantic Region ^(a)	United States
1999.....	4.4 %	4.8 %	4.2 %
2000.....	4.2	4.2	4.0
2001.....	4.8	4.7	4.7
2002.....	5.6	5.9	5.8
2003.....	5.7	6.1	6.0
2004.....	5.4	5.5	5.5
2005.....	5.0	4.9	5.1
2006.....	4.5	4.6	4.6
2007.....	4.4	4.4	5.8
2008.....	5.4	5.4	7.1

^(a) Middle Atlantic Region: Pennsylvania, New York, New Jersey.
Source: U.S. Department of Labor, Bureau of Labor Statistics.

The following table presents the thirty largest non-governmental employers in Pennsylvania:

Commonwealth of Pennsylvania Thirty Largest Non-Governmental Employers March 2008

<u>Company</u>	<u>Rank</u>	<u>Company</u>	<u>Rank</u>
Wal-Mart Associates	1	Western Pennsylvania Hospital	16
University of Pennsylvania	2	KMART of Pennsylvania LP	17
Pennsylvania State University	3	The Children's Hospital of PA.....	18
Giant Food Stores.....	4	Heartland Employment Services	19
United Parcel Service	5	Comcast Cablevision Corp.....	20
UPMC Presbyterian	6	Pennsylvania Blue Shield.....	21
University of Pittsburgh	7	Thomas Jefferson Hospital.....	22
Weis Markets	8	Verizon Pennsylvania	23
Merck & Co Inc.....	9	ACME Markets Inc.....	24
Giant Eagle Inc.....	10	US Airways Inc.....	25
Lowe's Home Centers Inc	11	Temple University.....	26
Home Depot USA Inc.....	12	Sears Roebuck & Co	27
PNC Bank NA	13	GMR Restaurants of Pennsylvania.....	28
Vanguard Group Inc.....	14	Eat'n Park Restaurants	29
Target Division of Target Corp	15	Hershey Foods Corp.....	30

Source: Pennsylvania Department of Labor, Office of Employment Security.

Personal Income

Personal income in the commonwealth for 2008 was \$499.6 billion, an increase of 3.0 percent over the previous year. During the same period, national personal income increased at a rate of 5.5 percent. Based on the 2008 personal income estimates, per capita income for 2008 was \$40,140 in the commonwealth compared to per capita income in the United States of \$40,208. The following tables represent annual personal income data and per capita income from 1999 through 2008.

Personal Income Pennsylvania, Mideast Region and the United States 1999-2008

Year	Total Personal Income Dollars in Thousands			Total Personal Income As a % of 1999 base		
	PA	Mideast Region ^(a)	U.S. ^(b)	PA	Mideast Region ^(a)	U.S.
1999.....	\$ 347,654	\$1,472,262	\$7,906,131	100 %	100 %	100 %
2000.....	369,918	1,585,503	8,554,866	106	108	108
2001.....	377,188	1,637,586	8,878,830	108	111	112
2002.....	387,490	1,662,885	9,054,781	111	113	114
2003.....	399,420	1,707,810	9,369,072	115	116	118
2004.....	417,587	1,808,646	9,928,790	120	122	125
2005.....	432,040	1,899,255	10,476,669	124	129	132
2006.....	462,401	2,047,041	11,256,516	133	139	142
2007.....	485,102	2,181,571	11,879,836	139	148	150
2008.....	499,669	2,242,857	12,225,589	143	152	155

^(a) Mideast Region: Pennsylvania, New York, New Jersey, Maryland, District of Columbia, and Delaware.

^(b) Sum of States.

Source: U.S. Department of Commerce, Bureau of Economic Analysis

Per Capita Income Pennsylvania, Mideast Region and the United States 1999-2008

Calendar Year	Per Capita Income			As a % of U.S.	
	PA	Mideast Region ^(a)	U.S.	PA	Mideast Region ^(a)
1999.....	\$ 28,348	\$ 31,932	\$ 28,333	100 %	112 %
2000.....	30,111	34,183	30,318	99	113
2001.....	30,704	35,133	31,149	99	113
2002.....	31,506	35,509	31,470	100	113
2003.....	32,427	36,317	32,284	100	112
2004.....	33,852	38,317	33,899	100	113
2005.....	34,978	40,137	35,447	99	113
2006.....	37,326	43,156	37,728	99	114
2007.....	39,058	45,859	39,430	99	116
2008.....	40,140	47,001	40,208	100	117

^(a) Mideast Region: Pennsylvania, New York, New Jersey, Maryland, District of Columbia, and Delaware.

Source: U.S. Department of Commerce, Bureau of Economic Analysis



The following table presents growth rates in personal income and selected components of personal income for Pennsylvania, the Mideast Region and the United States from 2004 through 2008

Annual Growth Rates Personal Income and Selected Components of Personal Income Pennsylvania, Mideast Region and the United States

Calendar Year	Pennsylvania	Mideast Region ^(a)	United States
Total Personal Income			
2004.....	4.5%	5.9%	6.0%
2005.....	3.5	5.0	5.5
2006.....	7.0	7.8	7.4
2007.....	4.9	6.6	5.5
2008.....	3.0	2.8	2.9
Manufacturing			
2004.....	0.7%	1.3%	1.6%
2005.....	1.2	0.8	2.1
2006.....	3.7	2.6	3.8
2007.....	0.8	1.6	2.0
2008.....	1.3	0.5	-0.5
Trade^(b)			
2003.....	3.9%	3.8%	4.5%
2004.....	4.1	4.1	4.9
2005.....	3.9	3.8	4.7
2006.....	3.4	4.1	4.0
2007.....	1.7	0.7	0.7
Finance^(c)			
2004.....	6.5%	9.7%	7.4%
2005.....	4.1	7.4	7.0
2006.....	7.2	15.3	9.8
2007.....	3.2	8.4	5.0
2008.....	2.3	-0.4	-0.3
Services			
2004.....	8.0%	8.1%	8.0%
2005.....	6.6	7.3	8.1
2006.....	8.2	8.5	9.6
2007.....	6.7	7.1	7.0
2008.....	4.7	5.1	5.2
Utilities			
2004.....	-4.0%	2.0%	7.1%
2005.....	-3.6	-2.0	-1.1
2006.....	5.5	12.0	14.6
2007.....	3.7	0.4	0.5
2008.....	4.6	3.4	4.8
Construction			
2004.....	6.3%	6.8%	8.0%
2005.....	4.8	5.0	7.4
2006.....	5.3	6.5	7.3
2007.....	0.2	2.0	0.4
2008.....	-7.0	-4.2	-7.8
Mining			
2004.....	17.7%	19.3%	19.9%
2005.....	11.6	13.0	15.2
2006.....	17.7	16.7	22.9
2007.....	-8.1	-14.3	-7.7
2008.....	13.7	16.7	17.1

^(a) Mideast Region: Delaware, District of Columbia, Maryland, Pennsylvania, New York, and New Jersey.

^(b) Wholesale and retail trade.

^(c) Finance and insurance

Source: U.S. Department of Commerce, Bureau of Economic Analysis



The commonwealth's average hourly wage rate of \$15.77 for manufacturing and production workers compares to the national average of \$17.74 for 2008. The following table presents the average hourly wage rates for 2004 through 2008.

Average Hourly Wages Production Workers on Manufacturing Payrolls Pennsylvania and the United States 2004-2008

Calendar Year	PA	U.S.
2004.....	\$ 15.24	\$ 16.14
2005.....	15.26	16.56
2006.....	15.38	16.81
2007.....	15.48	17.26
2008.....	15.77	17.74

Source: U.S. Department of Labor, Bureau of Labor Statistics

Market and Assessed Valuation of Real Property

Annually, the State Tax Equalization Board (the "STEB") determines an aggregate market value of all taxable real property in the commonwealth. The STEB determines the market value by applying assessment to sales ratio studies to assessment valuations supplied by local assessing officials. The market values certified by the STEB do not include property that is tax exempt but do include an adjustment correcting the data for preferential assessments granted to certain farm and forestlands.

The table below shows the assessed valuation as determined and certified by the counties and the market value and the assessed to market value ratio determined by the STEB for real property over the last ten years. In computing the market values for uneven-numbered years, the STEB is statutorily restricted to certifying only those changes in market value that result from properties added to or removed from the assessment rolls. The STEB is permitted to adjust the market valuation to reflect any change in real estate values or other economic change in value only in even-numbered years. This restriction accounts for the two-year pattern of market value changes apparent in the data below.

Valuations of Taxable Real Property 1999-2008

<u>Year</u>	<u>Market Value^(a)</u>	<u>Assessed Valuation</u>	<u>Ratio of Assessed Valuation to Market Value^(a)</u>
1999	390,136,860,900	208,896,190,899	53.5%
2000	420,041,123,600	241,060,798,812	57.4
2001	430,102,389,400	310,111,943,560	72.1
2002	467,311,009,700	325,451,064,697	69.6
2003	478,362,689,800	348,726,965,926	72.9
2004	523,595,339,800	352,014,550,601	67.2
2005	533,700,991,300	378,014,057,174	70.8
2006	605,769,012,300	393,871,997,992	65.0
2007	619,340,351,400	400,430,467,002	64.7
2008	696,808,084,100	406,621,957,397	58.4

^(a) Value adjusted for difference between regular assessment and preferential assessment permitted on certain farm and forestlands.
Source: Annual Certifications by the State Tax Equalization Board July 2005.

