Executive Summary
2013-14 Report on State Performance

State government is charged with providing programs and services to the citizens of Pennsylvania in the most efficient and fiscally prudent manner possible. Taxpayers demand and deserve to have a comprehensive and meaningful accounting of where and how their dollars are spent. In 2008, the state published an annual report to Pennsylvania citizens that delineated where and how taxpayer dollars are spent, and illustrated how effectively those investments were made. Since that time, the commonwealth has produced eight annual reports. The five most recent reports, including this 2013-14 report, have been issued as web-based online dashboards.

The 2013-14 Report on State Performance continues the commonwealth’s efforts to provide Pennsylvania citizens, stakeholders and elected officials with the information and tools to evaluate the delivery of programs and services, as well as serve as a catalyst for fiscal refinement and delivery enhancement.

About This Report:

All information included in the 2013-14 Report on State Performance comes from agency Performance Plans. These plans include agency key objectives, strategies and performance measures. Agencies provide updated performance plans to the Governor’s Budget Office on an annual basis. The Governor’s Budget Office works collaboratively with state agencies to collect and compile information into a consistent and informative report format.

Stakeholder Involvement. As agencies develop strategic performance plans and establish their goals, objectives, strategies and measures, they seek involvement from program and management staff and employees and in many instances from citizens, interest groups, legislators and other interested parties.

Accuracy and Reliability of Performance Measures. Agencies are responsible for ensuring that performance measures are meaningful and relevant to evaluating agency operations and that measures are tracked, collected and reported in a systematic and accurate manner. All Performance Plan measures are reviewed by agency program, policy, and fiscal and management staff before the plans are submitted to the Governor’s Budget Office. In addition, agencies include performance measures in their annual budget request submissions. These measure submissions are reviewed by the Governor’s Budget Office and compared to the previous two years of measure submissions. Agencies are required to explain any significant deviations from previous measure reporting. This dual review process ensures the accuracy, validity and reliability of agency performance measures and allows agencies to demonstrate program performance. Performance measures and related information about program results are used by the Governor’s Budget Office to evaluate program success and develop annual budget recommendations.

Goals and Key Performance Indicators:

To determine the effectiveness of state government, as well as program and service delivery, it is important that the commonwealth examine key indicators. These indicators clearly point to cultural, business, environmental, and quality of life aspects of living, working and learning in Pennsylvania and help define the government’s role and goals as it serves its citizens.

The remainder of the Executive Summary describes the seven goals included in the 2013-14 Report on State Performance and Pennsylvania’s commitments and accomplishments that relate to each goal.
Goal 1: Education – Build a World Class Public Education System That Enables All Pennsylvania Children to Achieve Their Full Potential

Education is a cornerstone to success. Access to a quality education prepares children to be productive citizens, gives them the skills to achieve and exceed, and helps to make Pennsylvania exemplary in an ever-competitive global economy.

Pennsylvania is committed to making our schools more competitive and raising the quality of education to better prepare our young people for the jobs of today and the careers of tomorrow.

What we are accomplishing:

1) Making high quality early learning programs available to Pennsylvania children, particularly those at risk of academic failure.

In 2013-14: More than half of Pennsylvania’s preschoolers (three- and four-year olds) were served in state and/or federally funded quality early education programs; Pennsylvania Pre-K Courts program provided high-quality pre-kindergarten services to more than 12,100 three- and four-year olds; Head Start Supplemental Assistance Program served approximately 5,600 three- and four-year olds; Department of Education provided Early Intervention services to 49,167 eligible young preschool-age children with developmental delays or risks of developmental delays; and, the Department of Education provided approximately 173,000 informational tools and products to parents to assist in preparing children for success in kindergarten.

2) Increasing levels of educational attainment to promote an educated citizenry and meet workforce demands as measured by increasing enrollment and graduation rates at Pennsylvania’s postsecondary education institutions.

In 2013-14: At least 350 individuals who attended adult basic education classes have enrolled in postsecondary education or training; 14 community colleges, 14 state-owned universities, four state-related institutions and five private institutions of higher education in Pennsylvania participated in the statewide transfer and articulation system; the Pennsylvania Higher Education Assistance Agency (PHEAA) provided meaningful State Grants to nearly 179,000 students in 2013-14 and helped ensure access to low-cost federal loans for eligible students; and, PHEAA provided $6 million to the Pennsylvania Targeted Industry Program, a financial assistance program that supports students in specialized industry training.

Goal 2: Economic Development – Create and Maintain an Environment in Which Good, Family Sustaining Jobs Can Grow

Economic development is so much more than job creation and retention. It is investment in our communities. It is revitalizing blight and creating areas of cultural rebirth and business expansion. It is spurring public-private partnerships that enhance the quality of life. It is about supporting Pennsylvania’s families in their quest for the American Dream.

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

What we are accomplishing:
1) **Improving profitability and maintaining dairy farms and dairy herd size in Pennsylvania.**

In 2013-14 the Department of Agriculture continued to partner with and financially support the programs of the Center for Dairy Excellence. This has stabilized and reversed the decline experienced in 2009 in key dairy indicators such as total cows, total production and production per cow. The department worked successfully with our congressional delegation to ensure that the federal farm bill was appropriate for Pennsylvania dairy farms.

2) **Increasing the employment potential and personal independence of persons with disabilities.**

The Department of Labor & Industry’s Office of Vocational Rehabilitation, or OVR, served more than 89,000 Pennsylvanians in the 2013 federal fiscal year, and 9,950 of those individuals obtained or maintained employment. OVR customers average 31.1 months from intake to successful employment. The average cost for each person placed in the labor market is $5,016.

3) **Increasing opportunities for Pennsylvanians to buy homes.**

In 2012, the Pennsylvania Housing Finance Agency funded 4,844 home purchase loans for a total of more than $627 million. A total of 3,923 loans went to first-time homebuyers. In addition, 590 households received closing-cost and down-payment assistance, 255 received Mortgage Credit Certificates, 209 received home improvement loans and 7 received access modification funding. The agency services nearly 60,000 loans, which have an unpaid principal balance of $4.3 billion. PHFA’s portfolio continues to outperform industry standards, with mortgage default rates significantly lower than state and national averages.

4) **Maximizing the number of households provided property tax or rent assistance.**

The Department of Revenue’s Property Tax/Rent Rebate program helps eligible Pennsylvanians 65 years old and older, widows and widowers 50 years old and older and people with disabilities 18 years old and older afford to pay their property taxes. In 2013-14, the Property Tax/Rent Rebate program provided more than 593,398 households with rebates totaling approximately $280 million.

5) **Fostering a competitive business climate and job growth environment through appropriate tax administration.**

The Department of Revenue's allowance of 100 percent single sales factor benefited as many as 12,000 corporate taxpayers. The phase out of the capital stock/foreign franchise tax will benefit approximately 108,000 businesses. Approximately 271,000 family-owned businesses will benefit from the inheritance tax exemption. Approximately 32,000 small businesses will benefit from the start-up deduction. Approximately 330 businesses will benefit from the increase in the net operating loss deduction.

---

**Goal 3: Health and Human Services – Providing a Helping Hand to Our Most Vulnerable Citizens and Those Most in Need**

A core function of state government is to protect and help those most vulnerable. It is the right of every person and family in Pennsylvania to live in dignity and safety. The health and human service programs delivered by the state define the heart and soul of Pennsylvania – its caring, its compassion. It’s making sure that every child has a warm meal and bed; that struggling families get the help they need to make ends meet; that aging, sick or disabled citizens get the services they need to be safe and live to their potential.
Pennsylvania is committed to ensuring that every Pennsylvanian is able to care for his or her family, even in the toughest of economic times, and that every family has a safe place to live, is able to see a doctor when they need to and can put nutritious food on the table.

What we are accomplishing:

1) Increasing long term care options so older Pennsylvanians and Pennsylvanians with physical disabilities can choose how and where they receive services.

In 2013-14, Pennsylvania served over 650,000 older Pennsylvanians in home and community-based services compared to 81,000 in nursing homes. As the population continues to grow, more resources are being used for home based care in Pennsylvania than ever before. Compared to many other states, Pennsylvania has a higher percentage of residents in nursing homes than in community-based services. Rebalancing efforts continue, however, and more resources are being used for home-based care in Pennsylvania than ever before.

2) Increasing the number of eligible Pennsylvania veterans receiving services and entitlement benefits.

In 2013-14, the Department of Military and Veterans Affairs through commonwealth Veterans Service Officers and the Veterans Service Officer grant program assisted more than 20,855 veterans with compensation and pension claims totaling nearly $283 million.

3) Increasing the availability of more nutritious foods and nutrition information to those eligible statewide for the federally funded Women, Infants and Children program.

The Department of Health’s Women, Infants and Children (WIC) program serves about 254,000 participants monthly. WIC participation is often dependent on the economic climate, unemployment rates and birth rates. During the past few years, WIC participation nationally has seen a slight decrease due to declining birth rates and unemployment rates. This same trend is occurring within PA WIC. Food package tailoring to reduce milk and juice quantities based on a child’s age helped decrease the prevalence of obese children ages 2 to 4 from 2003 to 2007. Breastfeeding Peer Counseling programs have been expanded to 14 local agencies across the state, which helped to improve support for breastfeeding moms.

4) Increasing Lottery revenues for the support of programs for older Pennsylvanians.

In 2013-14, the Lottery had sales of approximately $3.8 billion; contributions to programs for older Pennsylvanians totaled more than $1 billion.

Goal 4: Environment – Enhance and Protect Our Natural Resources

Pennsylvania is a beautiful place to live. It is the duty of state government to protect that beauty and our natural resources for future generations. This is where we work and live. It is imperative that Pennsylvania protects the air we all breathe, the water we drink, the wildlife, forests and farmlands.

Pennsylvania is committed to ensuring that future generations will be able to experience the natural wonders that make Pennsylvania such a beautiful place to live and raise a family.

What we are accomplishing:

1) Ensuring the infrastructure and major maintenance needs of state parks and forest remain a top priority.

The Department of Conservation and Natural Resources recently compiled a complete list of infrastructure needs on its complex system of 3,720 miles of public roads, 842 bridges, 121
dams, 4,700 buildings, 68 wastewater treatment facilities, 172 public water supplies, four ski areas, 180 boat launches and more, identifying a total need of about $1 billion for repairs and upgrades. In response, the commonwealth launched Enhance Penn's Woods in 2014, a 2-year, $200 million investment in state park and forest infrastructure to address public safety and improve access for Pennsylvania families to the outdoors. Enhance Penn's Woods has the potential to add 20,000 acres to the state forest system and support more than 12 campground projects and 50 public access improvements to roads, bridges and trails throughout the commonwealth. In addition, the passage of Act 89 of 2013 provides an increase in funding for Dirt and Gravel roads and Forestry Bridges, which is welcome relief for road maintenance needs.

2) Increasing the development of and leverage private investment for alternative energy sources in Pennsylvania.

The Department of Environmental Protection (DEP) encourages the use of appropriate technology to save energy and increase the commonwealth’s energy independence while demanding strict adherence to the commonwealth’s environmental laws and regulations. DEP reported that $3.1 million was invested in converting fleets to compressed natural gas, propane or electric and $1,513,500 was awarded for alternative fuel vehicle rebates under Alternative Fuels Incentive Grants Program in 2013-14. DEP also awarded $1.9 million in funding to 4 innovative alternative fuel technology projects. DEP continues to expand incentive and rebate opportunities for fleet conversions and alternative fuel generation.

3) Restoring Pennsylvania lands impacted by legacy environmental issues.

The Department of Environmental Protection encourages voluntary cleanup of contaminated sites through the use of uniform, risk based cleanup standards; an efficient approval process; and liability relief. In 2013-14, 178 response actions to hazardous substances were completed and 487 releases from regulated storage tanks were cleaned up. The Abandoned Mine Land program has invested more than $18.76 million during 2013-14 in projects reclaiming 812 acres.

4) Improving environmental health and safety through permitting, inspections and enforcement.

The Department of Environmental Protection’s (DEP) wastewater facility inspections increased in 2013-14 with 7,185 inspections being conducted. At the same time, the percentage of wastewater inspections with no recorded violations declined by 4 percent, indicating stronger operator compliance in this sector. DEP ensures responsible natural gas development with a robust inspection program. In 2013-14, DEP conducted 11,438 unconventional well inspections. DEP’s compliance assistance and enforcement program has also been effective in improving the performance of the operators, with DEP noting a 14 percent reduction in unconventional well violations in 2013-14 compared to the previous year.

**Goal 5: Public Safety – Protect the Safety of Our Citizens**

The commonwealth ensures the safety and well-being of its citizens through a strong public safety system. We must be adequately prepared for emergencies, effectively respond to incidents and take steps to reduce crime.

**Pennsylvania is committed to protecting the lives and property of individuals and organizations from natural and man-made disasters and criminal activity.**

**What we are accomplishing:**
1) **Maintaining the strength and readiness of the Pennsylvania National Guard in order to support Pennsylvania and neighboring states with disasters that require activation of the National Guard.**

The Pennsylvania National Guard (PANG) maintains situational awareness on all potential threats to the commonwealth and activated individuals to work with PEMA in response to threatening weather on June 27-28, 2013, January 21, 2014 and March 3, 2014. During winter storms Nika and Pax, the PANG provided support and a quick response effort across Pennsylvania. Nearly 1,000 Guard Members assisted local, state and federal first responders by providing security, logistical support, evacuation, zone reconnaissance, and severe weather response in the affected areas from February 4, 2014 through February 8, 2014 and February 12, 2014 through February 14, 2014. On May 16-17, 2014 in response to a flooding event, a team of seven PA National Guard Members performed evacuation missions in Mifflin County to ensure the safety of residents.

As part of maintaining readiness, the PANG hosted Vigilant Guard, a multi-agency emergency preparedness exercise, coordinated by Northern Command on May 7-16, 2014. It was designed to evaluate and enhance the integration of local, state and federal responders under one command structure.

During 2013-14 the 3rd Civil Support Team conducted 11 standby, response, and support missions to assist civil authorities at a domestic chemical, biological, radiological, nuclear, or high-yield explosives (CBRNE) incident site by identifying substances, assessing current and projected consequences, advising on response measures, and assisting with additional support functions.

In addition to the support the PNG provides to Pennsylvania, it also provides mission support to other states through Emergency Management Assistance Compacts (EMAC). Activations occurred in 2012 to support New York and New Jersey during response to Hurricane Sandy and in 2013 to support Connecticut through an EMAC for snow removal operations in response to Winter Storm Nemo.

2) **Increasing the number of offenders identified as appropriate for parole based on reduced risk of committing another crime.**

Each year thousands of offenders successfully complete parole. The number of offenders completing their sentence increased 23 percent since 2005-06, resulting in a total of 6,740 parolees successfully returning to their communities in 2013-14.

3) **Operating all state prisons securely, safely and humanely by creatively and efficiently managing inmate populations and facilities and controlling inmate population growth.**

Despite a 26 percent increase in the inmate population (from 40,437 in 2003 to 51,118 in June 2014), the population actually decreased by 1.3 percent between June 2012 and June 2014. The Department of Corrections continues to operate secure, safe and humane prisons though creative and efficient management of the population and its facilities. This management reduces the chances for development of serious issues and challenges resulting from overcrowding. Legislative initiatives – such as State Intermediate Punishment and Recidivism Risk Reduction Initiative – have shown a slight reduction in the DOC’s inmate population growth, thus resulting in a less crowded and safer prison system. While the population reductions as a result of the signing of Act 122 of 2012 have not been as large as anticipated, the inmate population declined in 9 of the last 12 months and additional population reductions are expected in future years.

4) **Reducing motor vehicle crashes.**
The Pennsylvania State Police investigated 78,456 motor vehicle crashes in 2013-14. This is a 2.3 percent increase from 2012-13, and a 1.9 percent increase from 2011-12. Challenges to meeting this objective include operational constraints, an aging highway infrastructure and environmental factors.


Buyer beware should not be without protections from fraud, abuse and corruption. Pennsylvania citizens deserve a marketplace that provides for equal consideration and must have mechanisms in place to ensure that their rights are not violated. They deserve a state government that is ethical, accountable and transparent. They deserve an electoral process that is built upon integrity.

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

What we are accomplishing:

1) Decreasing threats to animal and human health in Pennsylvania through inspections and laboratory testing.

The Pennsylvania Animal Diagnostic Laboratory System (PADLS) is a joint venture of the Department of Agriculture, the Pennsylvania State University and the University of Pennsylvania to monitor and investigate animal disease in the state. The former demand for services in areas such as cattle export and egg safety testing has been met and is being maintained by the Bureau. The PADLS system (as a whole) completed more than 575,000 tests in 2013-14.

2) Increasing compliance of fair insurance practices.

The Insurance Department works to identify outliers – insurance companies whose practices, procedures and performance appear to deviate markedly from other insurance carriers in the same market and thus pose potential consumer harm – and bring those companies into compliance with state laws and regulations.

3) Decreasing the processing time of consumer complaints against licensees.

The Department of State continues to keep investigation time to less than four months for each complaint received. Even though the department continues to keep this time low, reducing the amount of time required to process claims from the date of opening to final disposition remains an overall goal.

Goal 7: Government Efficiency – Protect Taxpayer Dollars

Government must continue to put Pennsylvania taxpayers first. It is taxpayer dollars that pay for the programs, services and infrastructure of the commonwealth. By providing an openness, transparency and accountability, we demonstrate that we are fiscally prudent stewards of your money.

Pennsylvania is committed to providing an open, transparent, accountable and trustworthy government that puts taxpayers first.

What we are accomplishing:

1) Preventing, detecting and deterring fraud prior to an agency’s authorization of an individual for program benefits.
The Office of Inspector General works with the Department of Human Services (DHS) to investigate applicants and recipients of welfare benefits where there is inaccurate, incomplete, or inconsistent information provided to DHS. Using a field investigation program, the office identifies fraudulent applications before benefits are authorized and prevents ineligible applicants from receiving ongoing benefits. Investigations in 2013-14 identified that 13,473 of those questionable applications did contain fraudulent information and prevented those ineligible applicants from receiving benefits. These investigative activities saved Pennsylvania more than $90.4 million.

2) **Holding accountable those individuals who fraudulently obtain public benefits and recover all overpaid benefits.**

For every dollar spent on welfare fraud investigative and collection activities, the Office of Inspector General saves the commonwealth taxpayers approximately $12.45. Collections and cost savings cumulatively average more than $1,093,387 per Claims Investigation Agent and Welfare Fraud Investigator.

3) **Increasing delinquent tax collections.**

Through increased enforcement and initiatives encouraging voluntary compliance, the Department of Revenue collected $728 million in delinquent taxes in 2013-14. The department collected $10.96 in delinquent taxes for every dollar spent on enforcement.

4) **Reducing the administrative costs of government.**

The cost to operate state government in 2013-14 was $670 million, a total reduction of more than 9 percent since 2009-10, despite increased costs per employee for salaries/wages, benefits and pensions. In addition, the total number of filled positions in agencies under the governor’s jurisdiction has declined by 3,322 positions, or more than 4.3 percent. This reduction has saved money and enabled more state funds to be redirected toward necessary services for Pennsylvania’s citizens.